

PUBLIC ACCOUNTS
OF THE
PROVINCE OF NOVA SCOTIA
FOR THE
Fiscal Year Ended March 31
1998

VOLUME 1 - FINANCIAL STATEMENTS

PRINTED BY ORDER OF THE LEGISLATURE



Nova Scotia

HALIFAX, N.S.
1998

To His Honour,

The Honourable J. James Kinley, CD, SM, PEng., FEIC.

Lieutenant Governor of Nova Scotia

May It Please Your Honour —

The Undersigned has the honour to submit the Public Accounts of the Province of Nova Scotia for the fiscal year ended March 31, 1998.

Donald R. Downe
Minister of Finance

Office of the Minister
Halifax, N.S.

*The Honourable Donald R. Downe
Minister of Finance
Halifax, Nova Scotia*

Sir:

In accordance with Section 9(1) of the Provincial Financial Act, I have the honour to submit the Public Accounts of the Province of Nova Scotia for the fiscal year ended March 31, 1998.

Respectfully submitted,

Bernard G. Smith, CA
Deputy Minister of Finance

Halifax, N.S.

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PROVINCE OF NOVA SCOTIA

**Additional Appropriations Relative to
The Fiscal Year Ended March 31, 1998**

Department	Date of Order- in-Council	Amount (Note) (in thousands)
Agriculture and Marketing	June 30, 1998	\$ 1,421
Business and Consumer Services	June 30, 1998	678
Community Services	May 5, 1998	9,050
Economic Development and Tourism	June 30, 1998	14,095
Fisheries and Aquaculture	June 30, 1998	219
Natural Resources	June 30, 1998	2,844
Public Service		
Government Contributions to Benefit Plans	May 5, 1998	168
Government Contributions to Benefit Plans	June 30, 1998	5
Human Rights Commission	May 5, 1998	125
Legislative Services	May 5, 1998	6,698
Office of the Ombudsman	May 5, 1998	65
Public Inquiry, Westray Mine	May 5, 1998	275
Public Prosecution Service	May 5, 1998	836
Technology and Science Secretariat	June 30, 1998	2,163

Note: A resolution will be introduced into the Legislature seeking authorization to increase Net Program spending by a further \$184.335 million.

AUDITORS' REPORT

The Honourable Donald R. Downe,
Minister of Finance,
Province of Nova Scotia,
Halifax, Nova Scotia.

Sir:

We have audited the statements of financial position of the Province of Nova Scotia as at March 31, 1998 and 1997 and the statements of revenue and expenditures, net direct debt and changes in financial position for the years then ended together with notes (numbered 1 to 8 inclusive) to the financial statements and the supporting Schedules (numbered 1 to 5 inclusive). These financial statements are the responsibility of the Province. 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 senior officials, 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 Province of Nova Scotia as at March 31, 1998 and 1997 and the results of its operations and the changes in its financial position for the years then ended in accordance with the accounting policies stated in the notes to the financial statements.

DELOITTE & TOUCHE
Chartered Accountants

Toronto, Ontario
July 21, 1998

PROVINCE OF NOVA SCOTIA

Statement of Financial Position
as at March 31, 1998

Schedule Number		1998	1997 (as restated)
		(in thousands)	
	Assets		
	Cash and short-term investments \$	724,950	\$ 113,365
9	Accounts receivable and advances.	1,027,212	623,911
3	Loans and investments.	443,805	551,528
18,19	Unamortized foreign exchange translation losses and discounts.	604,938	597,978
		<u>\$ 2,800,905</u>	<u>\$ 1,886,782</u>
	Liabilities		
	Bank advances and short-term borrowings \$	826,169	\$ 395,132
15	Accounts payable	459,422	376,145
	Deferred Revenue - fiscal arrangements (Note 3) . .	228,889	351,035
	Accrued interest	264,295	255,479
4	Unmatured debt	8,527,367	7,766,817
	Pension and retirement obligations (Note 4)	291,138	866,749
	Deficiency in net assets of certain Crown Corporations (Note 6)	572,755	463,911
		<u>11,170,035</u>	<u>10,475,268</u>
	Net Direct Debt	<u>(8,369,130)</u>	<u>(8,588,486)</u>
		<u>\$ 2,800,905</u>	<u>\$ 1,886,782</u>
22	Trust Funds under Administration (Note 7)	<u>\$ 5,914,738</u>	<u>\$ 4,857,576</u>

Contingent Liabilities and Commitments (Note 8)

PROVINCE OF NOVA SCOTIA

Statement of Revenue and Expenditures
for the fiscal year ended March 31, 1998

	1998		1997
	Estimate	Actual (in thousands)	Actual
Revenue (Schedule 1)	\$ 4,240,674	\$ 4,446,761	\$ 4,246,045
Net Program Expenditures (Schedule 2)	<u>3,509,422</u>	<u>3,742,852</u>	<u>3,550,555</u>
Excess of Revenue over Net Program Expenditures	731,252	703,909	695,490
Debt Servicing Costs	855,180	797,785	811,082
Sinking Fund Earnings	<u>127,900</u>	<u>132,372</u>	<u>123,868</u>
Budgetary Surplus	3,972	38,496	8,276
Less:			
Provision for Distribution of Budgetary Surplus (Note 9)	<u>---</u>	<u>10,000</u>	<u>---</u>
Retained Budgetary Surplus	<u>\$ 3,972</u>	<u>\$ 28,496</u>	<u>\$ 8,276</u>

PROVINCE OF NOVA SCOTIA

**Statement of Net Direct Debt
for the fiscal year ended March 31, 1998**

	1998	1997
	<u> </u>	<u>(as restated)</u>
	<u>(in thousands)</u>	
Net Direct Debt - as originally reported \$	8,588,486	\$ 8,715,592
Prior Period Adjustments (Note 2)	<u> ---</u>	<u> 15,443</u>
Net Direct Debt	8,588,486	8,731,035
Add (Deduct):		
Retained Budgetary Surplus for the year	(28,496)	(8,276)
Change in deficiency in net assets of certain		
Crown Corporations (Note 6)	109,279	(9,029)
Adjustment to Net Unfunded Pension Obligations (Note 4)	<u>(300,139)</u>	<u>(125,244)</u>
Decrease in Net Direct Debt	<u>(219,356)</u>	<u>(142,549)</u>
Net Direct Debt - end of year \$	<u><u>8,369,130</u></u>	<u><u>\$ 8,588,486</u></u>

PROVINCE OF NOVA SCOTIA

**Statement of Changes in Financial Position
for the fiscal year ended March 31, 1998**

	1998	1997
		(as restated)
	<u>(in thousands)</u>	
Cash inflow (outflow) from the following activities:		
Operating:		
Budgetary Surplus	\$ 38,496	\$ 8,276
Provision for Distribution of Budgetary Surplus	(10,000)	---
Sinking Fund Earnings	(132,372)	(123,868)
Changes in Receivables, Payables and Other Items	<u>(434,564)</u>	<u>72,141</u>
	<u>(538,440)</u>	<u>(43,451)</u>
Investing:		
Repayment of Loans, net of Advances	107,723	8,043
Other	---	(555)
	<u>107,723</u>	<u>7,488</u>
Financing:		
Debentures Issued	1,577,639	833,033
Payments to Public Debt Retirement Fund	(800)	---
Sinking Fund Instalments and Serial Retirements	(185,823)	(210,507)
Repayment of Debentures and Other Long-Term Obligations	<u>(779,751)</u>	<u>(682,404)</u>
	<u>611,265</u>	<u>(59,878)</u>
Cash inflow (outflow)	180,548	(95,841)
Cash Position, Beginning of Year	<u>(281,767)</u>	<u>(185,926)</u>
Cash Position, End of Year	\$ <u>(101,219)</u>	\$ <u>(281,767)</u>
Cash Position:		
Cash and Short-term Investments	\$ 724,950	\$ 113,365
Bank Advances and Short-term Borrowings	<u>(826,169)</u>	<u>(395,132)</u>
	\$ <u>(101,219)</u>	\$ <u>(281,767)</u>

PROVINCE OF NOVA SCOTIA

Schedule of Revenue
for the fiscal year ended March 31, 1998

	1998		1997
	Estimate	Actual (in thousands)	Actual
Provincial Sources			
Income Taxes	\$ 1,052,123	\$ 1,119,244	\$ 1,063,839
Sales Taxes	993,087	1,019,668	1,025,995
Interest Revenue	33,664	34,852	35,567
Liquor Commission	116,693	118,477	116,104
Gaming Revenue	143,024	141,172	133,388
Other Provincial Revenue	192,907	182,675	162,990
Net Proceeds (loss) on Sale of Crown Assets	---	(213)	854
Federal Sources			
Equalization	1,149,788	1,194,359	1,115,691
Equalization Offshore Revenue Offset	710	990	---
Canada Health and Social Transfer	437,771	438,669	536,412
Federal Compensation for Harmonization	118,600	118,600	---
Other Federal Payments	2,307	2,306	2,306
Prior Years' Adjustments - Federal- Provincial Fiscal Arrangements	---	75,962	52,899
	<u>\$ 4,240,674</u>	<u>\$ 4,446,761</u>	<u>\$ 4,246,045</u>

PROVINCE OF NOVA SCOTIA

**Schedule of Net Program Expenditures
for the fiscal year ended March 31, 1998**

	1998		1997
	Estimate	Actual	Actual
	(in thousands)		
Agriculture and Marketing.	\$ 32,102	\$ 33,480	\$ 32,322
Business and Consumer Services.	38,063	38,565	35,129
Community Services.	548,245	556,825	544,931
Economic Development and Tourism	72,863	86,931	67,057
Education and Culture	771,763	771,649	783,844
Assistance to Universities	182,980	182,980	187,832
Environment	18,053	17,019	18,599
Finance	9,666	9,430	8,782
Fisheries and Aquaculture	6,144	6,355	6,198
Health	1,286,097	1,426,686	1,286,226
Housing and Municipal Affairs.	103,263	96,864	93,312
Human Resources.	4,032	4,003	4,029
Justice.	75,257	75,257	89,621
Labour.	10,838	24,145	14,676
Natural Resources.	57,299	59,528	53,677
Public Service.	47,406	55,822	47,757
Transportation and Public Works.	255,841	263,180	240,936
Restructuring Costs.	31,510	54,267	35,627
Unallocated Recoveries.	(42,000)	(20,134)	---
	<u>\$ 3,509,422</u>	<u>\$ 3,742,852</u>	<u>\$ 3,550,555</u>
Comprised of:			
Net Current Expenditures	\$ 3,336,780	\$ 3,580,783	\$ 3,383,113
Net Capital Expenditures	<u>172,642</u>	<u>162,069</u>	<u>167,442</u>
	<u>\$ 3,509,422</u>	<u>\$ 3,742,852</u>	<u>\$ 3,550,555</u>

PROVINCE OF NOVA SCOTIA

Schedule of Loans and Investments
as at March 31, 1998

	Loans and		Net	
	Investments	Provisions	1998	1997
Loans:				
		(in thousands)		
Housing -				
Housing Development Act (net of Canada Mortgage and Housing Corporation and other borrowings of \$36,455,272 in 1998 and \$37,781,528 in 1997)	\$ 104,288	\$ 5,370	\$ 98,918	\$ 94,780
Resource and Industrial Development -				
Agriculture and Rural Credit Act	146,765	6,934	139,831	136,406
Business Development Corporation Act	174,175	41,148	133,027	120,787
Deuterium of Canada Act	---	---	---	113,897
Fisheries Development Act	37,395	970	36,425	37,845
Industrial Development Act	81,216	60,741	20,475	27,695
Venture Corporations Act	2,187	1,648	539	678
Miscellaneous	1,359	---	1,359	1,649
Other -				
Loans to Municipalities	3,095	---	3,095	3,846
Health Services Tax Act	645	645	---	---
	<u>551,125</u>	<u>117,456</u>	<u>433,669</u>	<u>537,583</u>
Investments:	<u>29,119</u>	<u>18,983</u>	<u>10,136</u>	<u>13,945</u>
	<u>\$ 580,244</u>	<u>\$ 136,439</u>	<u>\$ 443,805</u>	<u>\$ 551,528</u>

PROVINCE OF NOVA SCOTIA

Schedule of Unmatured Debt
as at March 31, 1998

	1998			1997		
	Amount Outstanding	Sinking Funds	Net	Amount Outstanding	Sinking Funds	Net
	(in thousands)					
Debentures						
Payable in Canadian						
Dollars \$	4,808,263	\$ 916,347	\$ 3,891,916	\$ 4,395,558	\$ 955,198	\$ 3,440,360
Payable in U.S.						
Dollars	4,620,864	476,751	4,144,113	4,002,482	392,363	3,610,119
Payable in Japanese						
Yen	1,169,300	202,334	966,966	1,230,900	165,350	1,065,550
Payable in Swiss						
Francs	232,300	46,847	185,453	240,625	39,391	201,234
Payable in U.K.						
Pounds	82	---	82	79	---	79
	<u>10,830,809</u>	<u>1,642,279</u>	<u>9,188,530</u>	<u>9,869,644</u>	<u>1,552,302</u>	<u>8,317,342</u>
Public Debt						
Retirement Fund	---	780,047	(780,047)	---	709,540	(709,540)
	<u>10,830,809</u>	<u>2,422,326</u>	<u>8,408,483</u>	<u>9,869,644</u>	<u>2,261,842</u>	<u>7,607,802</u>
Other Capital Liabilities:						
Hospital Debt	59,966	37,427	22,539	63,914	30,893	33,021
Public School						
Debt	137,183	71,243	65,940	152,556	59,175	93,381
Government of						
Canada Loans	1,813	---	1,813	2,969	---	2,969
Courthouse Debt	1,105	---	1,105	1,229	---	1,229
Capital Lease						
and Purchase						
Agreements	27,487	---	27,487	28,415	---	28,415
	<u>\$ 11,058,363</u>	<u>\$ 2,530,996</u>	<u>\$ 8,527,367</u>	<u>\$ 10,118,727</u>	<u>\$ 2,351,910</u>	<u>\$ 7,766,817</u>

Notes: Debentures outstanding amounts are presented after giving effect to currency swap contracts itemized in Note 5.

The Public Debt Retirement Fund is comprised of net assets at March 31, 1998 of Cdn \$503.3 million and US \$195.4 million. During the year, the Fund contributions totalled \$0.8 million and earnings totalled \$69.7 million for a total increase in the Fund of \$70.5 million. No distributions were made from the Fund.

Principal repayments and sinking fund requirements for the years ending March 31, 1999 to March 31, 2003 expressed in Canadian dollars at rates of exchange in effect at March 31, 1998 are \$849,010; \$961,631; \$1,101,749; \$1,312,028 and \$959,044 respectively.

For the years ended March 31, 1998 and March 31, 1997, the average debt service cost in respect of debentures was 8.70% and 8.94% respectively. The average term of debentures outstanding at March 31, 1997 and 1998 was 18.23 and 16.63 years, respectively. The average remaining term of such debentures at March 31, 1998 was 11.26 years.

PROVINCE OF NOVA SCOTIA**Notes to Financial Statements
March 31, 1998****1. FINANCIAL REPORTING AND ACCOUNTING POLICIES****Public Accounts and the Budgetary Process**

The Public Accounts of the Province, of which these financial statements are a part, are presented annually to the Legislative Assembly and contain, among other information, the detail of revenue, net program expenditures (consisting of current and capital expenditures, net of recoveries), net debt servicing costs, borrowing and investing authorities, as well as detailed expenditure by object.

The receipt of public revenues, the disbursement of public funds, the control of expenditures and the keeping and auditing of the accounts of the Province are governed by various Provincial statutes.

The budgetary estimates, as approved annually by the Legislative Assembly, within the Appropriations Act, provide the authority for net program expenditures and present the anticipated revenues of the Province for the fiscal year. Authority for net program expenditures is also provided under the authority of the Provincial Finance Act. Authority for net program expenditures expires at the end of each fiscal year.

Commencing with the 1996-97 fiscal year, the amount appropriated by the Legislature for net program expenditures and net debt servicing costs, as defined in the budgetary summary of the annual Estimates, shall not exceed the amount of revenue estimated by the Minister for that fiscal year in accordance with the Expenditure Control Act. An amount may be expended in a fiscal year for these expenditures to a maximum of one per cent more than the amount originally appropriated by the Legislature. Expenditures exceeding this level require that a resolution be passed by the House of Assembly authorizing the expenditures. Further, in the event net program expenditures and net debt servicing costs for a fiscal year exceed the total revenues for that year, the resulting deficit shall be recovered within the following two fiscal years. Should revenues exceed expenditures, the resulting surplus is to be used to reduce the public debt of the Province, or reduce taxes, or both. Net proceeds from the sale of crown assets are required by legislation to be used to reduce the public debt of the Province.

The Reporting Entity

These financial statements include the accounts of the Consolidated Fund, together with the accounts of commercially oriented, government enterprises; the latter are recorded on the modified equity basis of accounting. Information relating to the Nova Scotia Municipal Finance Corporation and Nova Scotia Power Finance Corporation, provincial agencies whose accounts are excluded from these financial statements, is set out in Note 8 "Contingent Liabilities".

The Province separately prepares consolidated financial information including the assets, liabilities, revenues and expenses of boards, commissions and non-commercially oriented corporations which are owned or controlled by the Province and which are accountable for the administration of their financial affairs and revenues, either to a Minister of the Province or directly to the Legislature; such consolidated financial information forms part of the Public Accounts as supplemental information.

Basis of Accounting

These accounts are maintained on an accrual basis, revenues recorded when earned and expenditures recorded when incurred modified to include, for the year ended March 31, 1997 outstanding commitments for certain capital projects in progress at the reporting date. Revenues from Personal and Corporate Income Taxes, federal transfers including Equalization and Canada Health & Social Transfer are accrued in the year earned based upon estimates.

Grants are recognized in the period during which both payment is authorized and any eligibility criteria are met. Provisions are made for probable losses on loan guarantees issued by the Province, forgivable loans and for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined.

Net Direct Debt

Net direct debt represents the direct liabilities of the Province less realizable assets and unamortized foreign exchange translation gains/losses and discounts on outstanding debenture issues. Capital expenditures are not considered to be realizable assets for purposes of calculating net direct debt and thus are not capitalized as assets.

Debentures and Sinking Funds

Debentures payable in foreign currencies, accrued interest thereon, and sinking funds, where invested in foreign currencies, are translated into Canadian dollars at the rate of exchange in effect at year-end. Sinking fund payments usually commence on the first anniversary date of the issue and are generally designed to retire the debt over a 20 year period or the term of the issue, whichever is longer.

Sinking fund investments are recorded at cost, and consist primarily of debentures of the Province of Nova Scotia, other provincial governments and the Government of Canada. Sinking funds for U.S. currency debentures are invested in U.S. dollar denominated investments.

The policy objectives of this sinking fund and the public debt retirement fund are to manage short-term liquidity, to manage interest rate and currency exposure, and to assist in the orderly refunding of maturing debt while maximizing the long-term investment return to the Province.

Investments included in the public debt retirement fund and sinking funds include debentures issued by the Province of Nova Scotia and debt instruments subject to Provincial guarantee to the extent of \$907.6 million.

Realized foreign exchange gains and losses relating to U.S. dollar denominated annual sinking fund instalments or serial retirements are charged to debt servicing costs.

Foreign exchange gains and losses on the translation of foreign currency debentures together with discounts and underwriting commissions relating to the issuance of debentures are amortized over a twenty year period or the term of the issue, whichever is longer.

Hospital and Public School Debt

The Departments of Health and Education and Culture have commitments to various financial institutions to provide debt servicing payments in respect to debt incurred for hospital and school construction. These commitments are recorded as debt in the Statement of Financial Position. The majority of this debt had been financed through Provincially guaranteed borrowings of the Nova Scotia Municipal Finance Corporation.

Pension and Retirement Obligations

Pension plans established under the Public Service Superannuation Act and the Teachers Pension Act are normally subject to formal triennial actuarial valuations. The last formal actuarial valuation for the Public

Service Superannuation Pension Plan was March 31, 1995, and the Teachers' Pension Plan was July 31, 1994. The pension liability for these plans is calculated on an actuarial basis using the Province's best estimates to update the most recent formal valuations. The pension expense comprises the Province's share of estimated current service contributions. Adjustments to net unfunded liabilities between reporting dates are charged or credited to Net Direct Debt.

The Province also maintains accounts within the Consolidated Fund for pension and related benefit funds in respect of Early Retirement Incentive Programs, Judges' Pension Supplement, Members Retiring Allowance Act, Public Service Awards, Deputy Ministers' Supplement, War Service Pension, Sysco Pension Plan and self-insured Workers' Compensation Board liability. Details of these obligations are provided in Note 4.

2. RESTATEMENT OF PRIOR PERIODS

Net Direct Debt for prior years has been restated in the amount of \$15.443 million to reflect changes in accounting policies and the correction of a prior period.

The changes in accounting policies were made to more accurately reflect the Province's liability with respect to vacation pay and risk premiums for student loans. The amounts for each are \$2.5 million and \$3.636 million respectively and increase Net Direct Debt from the amount originally reported for March 31, 1997 by \$6.136 million.

A correction of \$9.307 million made in the current year relates to years prior to March 31, 1997. This amount increases Net Direct Debt from the amount originally reported for March 31, 1997. The correction is a result of a misinterpretation of a loan agreement provided through the Industrial Expansion Fund.

The net effect of these restatements is an increase in Net Direct Debt at March 31, 1996 of \$15.443 million.

3. TRANSITIONAL ASSISTANCE - HARMONIZATION OF SALES TAXES

In accordance with the October 1996 Federal Provincial Agreement on the Harmonization of the Goods and Services Tax and the Provincial Sales Tax, the Federal Government advanced \$249 million to offset anticipated losses in the provincial sales tax revenues resulting from harmonization. The unamortized balance of \$130.4 million is included in deferred revenue as at March 31, 1998, and will be amortized in the amounts of \$77.7 million and \$52.7 million in 1999 and 2000 respectively.

4. PENSION AND OTHER OBLIGATIONS**Pension obligations consist of :**

	1,998	1,997
	(In thousands)	
Public Service Superannuation Plan	\$(183,425)	\$(66,590)
Nova Scotia Teachers' Pension Plan	143,987	649,782
Members' Retiring Allowances Act	43,904	41,964
Early Retirement Incentive Programs	142,150	114,747
Judges' Pension Supplement	10,440	7,750
Deputy Ministers' Supplement	2,090	1,529
War Service Pension	15,400	14,764
	<u>\$174,546</u>	<u>\$763,946</u>

Other retirement obligations consist of:

Sysco Pension Plan	\$29,980	\$32,990
Public Service Awards	57,060	44,340
Self-Insured Workers' Compensation	29,552	25,473
	<u>\$116,592</u>	<u>\$102,803</u>
Total Pension and Retirement Obligations	<u>\$291,138</u>	<u>\$866,749</u>

Demographics for Certain Plans :

	<u>Active Members</u>	<u>Deferred Members</u>	<u>Pensioners</u>	<u>Average Age of Actives</u>
Public Service Superannuation	14,504	88	8,024	42
Nova Scotia Teachers' Pension	12,738	2,987	6,427	42

Public Service Superannuation Plan

Employees of the Province and certain of its entities are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act. The plan is funded by employee contributions at the rate of 5.4 percent up to the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan, and 7 percent of any earnings amount over the YMPE, with equal contributions by the Province and participating agencies. Pensions are paid on the basis of the average salary for the five highest years at the rate of 2 percent for each year for which contributions were made. Benefits paid are integrated at age 65 with the Canada Pension Plan. After age 65 employees receive a reduced pension (1.3

percent) in respect of earnings eligible for Canada Pension Plan benefits and continue to receive 2 percent on earnings in excess of the YMPE. Inflation protection is the lesser of the increase in the Consumer Price Index or 6 percent.

The plan invests in Canadian and foreign equities, bonds, debentures, mortgages and money market securities. Investments held in the Fund include debentures of the Province of Nova Scotia and the Nova Scotia Municipal Finance Corporation with total market value of \$81.73 million as at March 31, 1998.

The assumptions used include a 3.5 percent inflation rate, 0.5 percent real average salary increase, plus an average of 1.0 percent for merit increases, a 4.5 percent real rate of return on investments and an average retirement age of 61. The valuation showed adjusted actuarial liabilities of \$1,853 million and assets of \$1,718 million resulting in an unfunded liability of \$135 million. An extrapolation to March 31, 1998 showed actuarial liabilities of \$2,248.2 million and assets of \$2,736.9 million resulting in a remaining surplus of \$488.7 million.

The surplus amount includes (i) \$56.8 million representing contributions which will be refunded as a result of a contribution holiday, (ii) \$65 million representing changes in assumptions to reflect an average retirement age of 59 and plan amendments for spousal benefits. Of the net remaining surplus of \$366.85 million, the Province has recognized its 50% share of \$183.425 million in these financial statements. The change of \$116.8 million in the Province's 50% share of the net surplus was recognized in net direct debt during the current year.

Nova Scotia Teachers' Pension Plan

Most teachers in the public school system and community college system in Nova Scotia are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Teachers' Pension Act. The plan is funded by member contributions at the rate of 8.3 percent up to the YMPE under the Canada Pension Plan and 9.9 percent of earnings in excess of the YMPE, with matching contributions by the Province. Pensions are paid on the basis of the average salary for the five highest years, at a rate of 2 percent for each year for which contributions were made. Benefits paid are integrated at age 65 with the Canada Pension Plan. After age 65 employees receive a reduced pension (1.3 percent) in respect of earnings eligible for Canada Pension Plan benefits and continue to receive 2 percent on earnings in excess of the YMPE.

The Province's obligations in respect of the Teachers' Pension Plan are comprised of the following:

	1998	1997
	(in thousands)	
50% of the unfunded liability	\$72,235	\$290,976
Present value of payments required to be made pursuant to Schedule A of the Teachers' Pension Act	—	280,264
Present value of payments required to be made pursuant to Schedule B of the Teachers' Pension Act	71,752	78,542
	<u>\$143,987</u>	<u>\$649,782</u>

The assumptions used include a 4.0 percent inflation rate, a 0.75 percent real average salary increase, plus merit, and a 4.33 percent real rate of return on investments. It was assumed that 60% of plan members retire at the earliest of the available options: (i) minimum age 55 with age plus years of service greater than or equal to 85, (ii) attain 35 years of service, (iii) reach age 60 with 10 years of service, or (iv) reach age 65. It was assumed that the remaining 40% of plan members retire at the earlier of 35 years of service or age 65. The valuation showed adjusted actuarial liabilities of \$2,716 million and assets of \$1,892 million resulting in an unfunded liability of \$824 million. An extrapolation to March 31, 1998 showed adjusted actuarial liabilities of \$3,354.5 million and assets of \$3,210.0 million resulting in an unfunded liability of \$144.5 million. The Province has recognized its 50 percent share of this amount in these financial statements.

Pursuant to an agreement with the Nova Scotia Teachers' Union in 1993, amendments were made to the Teachers' Pension Act (Schedules A and B) regarding amounts which the Province would pay to the pension fund. The Province agreed to assume responsibility for \$300 million of the unfunded liability under Schedule A and the final payment in the amount of \$288.5 million was made in July 1997. Under Schedule B, the Province is committed to making a series of payments which began at \$10 million per annum in 1993/94, increased by 7.5 percent each year thereafter until 2003. The present value of these future payments as at March 31, 1998, discounted at the pension plan's valuation rate of 8.5 percent per annum is approximately \$71.8 million and has been recognized in these financial statements.

Members' Retiring Allowances Act

Members of the Legislative Assembly are entitled to receive retiring allowances pursuant to the provisions of The Members' Retiring Allowances Act. Members make contributions of 10 percent of their Annual Indemnity Payment, their Annual Allowance for Expenses and Executive Council or other salaried office. The Province contributes an amount equal to 3.96 times the members contributions. Benefits are paid on the basis of the average last 3 years of remuneration at the rate of 5 percent for each year of service, to a maximum of 15 years of service.

A member qualifies for benefits on ceasing to be a member after having served five years during two or more General Assemblies, and having attained age 55. Former members who qualify for a retiring allowance may make application for an actuarially reduced allowance at age 45. Retiring allowances are increased annually (January 1) by the lesser of the increase in the Consumer Price Index or 6 percent.

There is no separate fund for the Members' Retiring Allowances. Contributions are paid to the Consolidated Fund of the Province and allowances are paid from the Consolidated Fund. The fund equity is credited with

8.5 percent interest. The most recent actuarial report as at August 31, 1996 estimated the unfunded liability to be \$41.0 million which has been updated internally by the Province of Nova Scotia as at March 31, 1998.

Early Retirement Incentive Programs

Early retirement incentive programs have been offered by the Province since 1986. These programs offered additional years of pensionable service for those who qualified and elected to retire. The portion of pensions payable attributable to this additional service is an obligation of the Province and is not paid from the Public Service Superannuation Fund.

Judges' Pension Supplement

Provincial Court judges and Family Court judges are members of the Public Service Superannuation Plan and make contributions and are eligible to receive benefits as described in this plan. However, judges are also eligible to retire under the terms of the Judges' Act which provides a judge, who retires at age 65 with at least 5 years of service as a judge, with an entitlement to 7 percent of the average authorized salary of the three best years for each year of service as a judge, to a maximum of 70 percent. The base benefit is paid by the Public Service Superannuation Plan and the supplement necessary to bring the judge's total pension up to the amount payable under the terms of the Judges' Act is paid from the Consolidated Fund of the Province.

Deputy Ministers' Supplement

Deputy Ministers are members of the Public Service Superannuation Plan. Benefits paid to retiring Deputy Ministers are based on the average salary for the best three years instead of the best five years which is the entitlement under the Public Service Superannuation Plan. The amount of pension benefit which is attributable to this difference in entitlement is paid from the Consolidated Fund of the Province.

War Service Pension

Under the terms of the Public Service Superannuation Act, a member who served during the Second World War or in the Korean Conflict is eligible to receive pensionable credit for this service upon payment of employee contributions to the Consolidated Fund of the Province. If the member took a leave of absence from the Province to serve during the Second World War, the payment of employee contribution is waived. The portion of pension attributable to war service is paid from the Consolidated Fund of the Province.

Sysco Pension Plan

The Province has committed to fund the unfunded liability of the Sydney Steel Employees Pension Plan Fund as at December 31, 1994.

Public Service Award

Upon retirement, employees are eligible for a Public Service Award equal to one week's salary per year of service to a maximum of six months salary. The liability consists of obligations recorded as 1% of total payroll plus interest allocated annually. A separate fund is not maintained for this plan and all payments to employees are made from the Consolidated Fund.

Self-insured Workers' Compensation

The Province is self-insured for Workers' Compensation purposes. Any approved claims from injured workers are paid directly by the Province. The amount recorded in these financial statements represents the actuarial estimate of future payments.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Province is a party to financial instruments with off-balance sheet risk, either to hedge against the risks associated with fluctuations in foreign currency exchange rates, or to manage risks associated with interest rate fluctuations. Foreign currency contracts are used to convert the liability for foreign currency borrowings and associated costs into Canadian or U.S. dollars. Interest rate contracts are used to vary the amounts and periods, for which interest rates on borrowings are fixed or floating.

Foreign exchange contracts include forward and future contracts, swap agreements and options. Interest rate contracts include forward rate agreements, future contracts, swap agreements and options on swaps, and deferred rate-setting agreements.

The Province has the following swap contracts outstanding to convert certain interest payments from a fixed to floating, or floating to floating basis as at the fiscal year ended March 31, 1998.

# of Swaps	Currency	Principal (in thousands)	Term (years)	Reset Index	Spread	* Mark to Market (millions)
42	CDN \$	1,202,574	2 to 22	3 mth CAD-BA-CDOR	-0.20 to 3.61	105.26
3	US \$	700,000	4 to 10	3 mth USD-LIBOR	no spread	52.59
				3 mth CAD-BA-CDOR	-0.54 to -0.55	
3	UK £	143,215	2 to 10	6 mth GBP-LIBOR-BBA	-0.01 to + 2.96	21.40
				6 mth USD-LIBOR-BBA	+ 2.85	
3	YEN ¥	63,000,000	2 to 5	3 mth USD-LIBOR-BBA	-0.18	11.86
				6 mth JPY-LIBOR-BBA	+ 0.67	
				3 mth CAD-BA-CDOR	-0.01	

* Mark to Market is an indication of the swap's market value as at March 31, 1998. This represents the estimated realizable gain and is equivalent to the present value of future interest savings based on market conditions as at March 31, 1998.

The Province also has outstanding currency swap contracts to convert foreign denominated debt into Canadian or U.S. dollars denominated debt as follows:

Termination Date	Original Currency	Original Principal	Current Currency	Current Principal
		(in thousands)		(in thousands)
May 12, 1999	US \$	250,000	CDN \$	345,312
May 12, 1999	US \$	250,000	CDN \$	345,312
April 18, 2000	UK £	60,000	US \$	98,736
December 11, 1999	UK £	23,215	US \$	38,204
March 8, 2001	YEN ¥	3,000,000	CDN \$	41,436
May 12, 1999	YEN ¥	25,000,000	US \$	223,314

The Province has also executed several foreign currency forward agreements to convert a \$30 billion Yen commitment due in November, 1998, to a U.S. dollars principal of \$248.5 million.

6. GOVERNMENT ENTERPRISES

	1998			
	Assets	Liabilities	Revenue	Expenditures
	(in thousands)			
Nova Scotia Liquor Commission	\$34,753	\$25,489	\$331,868	\$213,439
Nova Scotia Alcohol and Gaming Authority	1,077	125	10,312	6,482
Nova Scotia Gaming Corporation	17,133	17,133	384,877	257,276
Sydney Steel Corporation	66,341	119,549	63,011	114,487
Nova Scotia Resources Limited	40,201	500,327	58,707	113,110
Highway 104 Western Alignment Corporation	163,063	161,280	505	1,608
	<u>\$322,568</u>	<u>\$823,903</u>	<u>\$849,280</u>	<u>\$706,402</u>

The net operating results of Sydney Steel Corporation and Nova Scotia Resources Limited are reported in the Statement of Net Direct Debt; net operating results of the other enterprises, with the exception of Highway 104 Western Alignment Corporation, are recorded in the Statement of Revenue and Expenditures.

Nova Scotia Gaming Corporation

The Nova Scotia Gaming Corporation was incorporated on February 15, 1995 by Chapter 4 of the Acts of 1994-95, the Gaming Control Act. The purpose of the Corporation is to develop, undertake, organize, conduct and manage casinos and other lottery schemes on behalf of the Province.

The revenues of the Corporation are derived from the Sheraton Halifax and Sydney Casinos and the Atlantic Lottery Corporation. The net earnings of the Corporation, after providing for expenses, are recorded in the revenues of the Province.

The Nova Scotia Gaming Corporation is guaranteed revenues of \$25 million from the Halifax and Sydney casinos in each of four years commencing August 1, 1995. Total provincial revenue includes the aggregate of casino win tax paid to the Province, annual registration fees paid to the Nova Scotia Alcohol and Gaming Authority and the share of profit allocated to the Nova Scotia Gaming Corporation as described in an Operating Contract with Sheraton Casinos Nova Scotia. If total provincial revenue falls below the \$25 million requirement in any year of the guarantee period, the Sheraton is obligated to pay the Corporation the shortfall.

Sydney Steel Corporation (Sysco)

Sydney Steel Corporation, a Provincial Crown Corporation established by an Act of the Legislature operates a steel mill at Sydney, Nova Scotia.

Sysco recorded losses for the years ended December 31, 1997 and 1996 of \$51.5 million and \$25.7 respectively. Losses for the year ended December 31, 1997 included a provision for pension plan amendments in the amount of \$32 million. These losses are reflected in the Statement of Net Direct Debt. Debt of Sysco, guaranteed by the Province, amounted to \$71.8 million as at March 31, 1998. The Province's provision for the deficiency in net assets of the corporation is \$112.6 million as at March 31, 1998.

The joint operating agreement with China National Metals and Minerals Import and Export Corporation (Minmetals) expired on December 31, 1997. The Province continues to evaluate expressions of interest from the private sector for the sale of Sysco although no agreements have been finalized as at March 31, 1998.

Nova Scotia Resources Limited

The Company has a 50 per cent working interest in the Panuke and Cohasset oil fields offshore Nova Scotia that went into production in 1992. Net loss (earnings) for the years ended December 31, 1997 and 1996, adjusted to comply with the Province's accounting policy for foreign exchange gains and losses, amounted to \$57.8 million and (\$2.4 million) respectively. These operating results have been recorded in the Province's accounts during the fiscal year ended March 31, 1998 and are reported in the Statement of Net Direct Debt.

The carrying value of oil and gas properties is \$30.7 million at December 31, 1997. The Company compared the net recoverable amount based on commodity prices at December 31, 1997 to the carrying value of the oil and gas properties and has determined that no write down is necessary. Debt of Nova Scotia Resources Limited guaranteed by the Province amounted to \$341.9 million at March 31, 1998. The Province's cumulative provision for the deficiency in net assets of the company is \$460.1 million as at March 31, 1998.

Highway 104 Western Alignment Corporation

The Highway 104 Western Alignment Corporation has been established to finance, design, construct, operate and maintain a 45 km stretch of highway between Masstown and Thomson Station in the Counties of Colchester and Cumberland, Nova Scotia. The Province of Nova Scotia retains ownership of the highway; however, the Corporation is granted the right to operate and collect tolls for a thirty year period, pursuant to an agreement dated April 1, 1996 after which time the right will revert back to the Province.

The Province has contributed \$55 million toward construction of the highway. This contribution is equally shared with the federal government under the Canada/Nova Scotia Strategic Highway Improvement Program. \$26 million was advanced in the fiscal year ended March 31, 1998, in the form of a line of credit for final settlement on April 15, 1998, \$13 million of which was the Province's share.

The amounts presented for the Highway 104 Western Alignment Corporation are based on unaudited financial statements and may be subject to change. As a result, no amounts have been recorded in these financial statements. The possible impact of not recording any amounts is not considered to be material.

7. TRUST FUNDS UNDER ADMINISTRATION

Trust fund assets administered by the Province (before giving consideration to actuarial adjustments) are:

	1998	1997
	(in thousands)	
Public Service Superannuation Plan	\$2,742,210	\$2,255,015
Nova Scotia Teachers' Pension Plan	3,148,693	2,570,846
Miscellaneous Trusts	23,835	31,715
	<u>\$5,914,738</u>	<u>\$4,857,576</u>

8. CONTINGENT LIABILITIES AND COMMITMENTS**Contingent Liabilities**

The Province acts as a guarantor of debt issued by Crown corporations, agencies and various other entities under authorities provided by Provincial statutes. Outstanding bank loans, bonds, and debentures, net of applicable sinking funds and debt defeasance investments, directly guaranteed by the Province are summarized as follows:

	1998	1997
	(in thousands)	
Nova Scotia Power Finance Corporation	\$ -	\$5,715
Nova Scotia Resources Limited	340,505	409,942
Nova Scotia Municipal Finance Corporation	283,041	356,083
Sydney Steel Corporation	71,838	50,717
Halifax-Dartmouth Bridge Commission	-	70,709
Nova Scotia Business Development Corporation	9,059	13,531
Industrial Development Act	31,272	32,242
Nova Scotia Fisheries and Aquaculture Loan Board	4,107	-
Other	849	929
	<u>740,671</u>	<u>939,868</u>
Deduct items for which provision has been made in these financial statements:		
Hospital and public school debt (Schedule 4)	93,385	126,401
Crown Corporations	412,343	460,659
Other	4,137	5,789
	<u>\$230,806</u>	<u>\$347,019</u>

At March 31, 1998, the Province had also guaranteed performance bonds totalling \$9 million for Sydney Steel Corporation.

Nova Scotia Power Finance Corporation

On August 12, 1992, the Government of Nova Scotia completed the public sale of common shares of Nova Scotia Power Inc. (NSPI) an electric utility which had assumed the net operating assets of Nova Scotia Power Corporation (NSPC). Prior to that date, the utility was a Provincial Crown corporation. NSPC, which has been renamed Nova Scotia Power Finance Corporation (the Corporation), will continue as a Provincial Crown corporation until the debt of the former Crown corporation is fully repaid in 2031.

Nova Scotia Municipal Finance Corporation

Debenture debt of the Nova Scotia Municipal Finance Corporation (MFC) outstanding as at March 31, 1998, totalled \$638.1 million. This debt is guaranteed by the Province of Nova Scotia. As at March 31, 1998, sinking funds and series that have been placed with the Province total \$355.1 million. Of this net amount, at March 31, \$197.1 million has been designated for hospital and public school construction and is included in

Unmatured Debt of the Province. The remaining debt of \$85.9 million represents loans by MFC to municipalities.

Environmental Sites

Various province owned sites located throughout the province are considered environmental or contaminated sites. Studies are ongoing to assess the nature and extent of the damage and to develop a remediation plan. The Province's liability in remediating these sites is not determinable as at March 31, 1998 and no provision for these costs has been recorded in these financial statements.

Year 2000

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Province's ability to conduct normal business operations. It is not possible to be certain that all aspects of the year 2000 issue affecting the entity, including those related to efforts of suppliers and other third parties, will be fully resolved.

The Province continues to prepare for and manage this risk. Each government department is responsible for identifying, creating and executing remediation plans for all date-sensitive systems that may impact their ability to continue normal operations. The costs associated with all year 2000 efforts are to be financed from existing departmental operating budgets. A project team has been established to monitor and support the Province's year 2000 efforts as a whole. This team reports to a senior deputy minister of government.

Commitments Leases

At March 31, 1998, the Province was committed under the terms of various operating leases in respect of computer hardware and software, office space and equipment. Minimum annual lease payments in each of the next five years are as follows:

1998-1999	\$21.0 million
1999-2000	14.6 million
2000-2001	11.5 million
2001-2002	9.7 million
2002-2003	8.7 million

The Province has net advances of \$23 million to private sector partners for the construction of schools for which the Province intends to enter into operating leases. As at March 31, 1998 leases had not been signed for these schools, therefore the obligations are not included in the above commitments. Schools for which leases have been signed are included in the above commitments.

Long-Term Disability Plan

The Long-Term Disability plan, which is funded on an equal basis by the Province and its employees, has an estimated unfunded liability as at March 31, 1998 of approximately \$44.8 million.

As agreed to through a contractual arrangement between the Nova Scotia Government Employees Union and the Province, the Province is not required to fund this shortfall, therefore, no liability has been recorded in these financial statements.

Capital Commitments

Commencing with the year ended March 31, 1996, the Province changed its authority for capital spending from two years to one year and combined that authority with current program spending. As a transitional measure, the Province accrued certain capital commitments for the year ended March 31, 1997 in the amount of \$11.7 million (1996 - \$50.9 million). This transitional measure has not been continued in subsequent years.

9. PROVISION FOR DISTRIBUTION OF BUDGETARY SURPLUS

Subsequent to year end, government approved the partial distribution of the Province's surplus to taxpayers as a reduction in Harmonized Sales Tax paid. Accordingly, the provision for such distribution has been recorded in these financial statements.

10. EXPENDITURES IN EXCESS OF ESTIMATES

Pursuant to Section 13 of the Expenditure Control Act, a resolution to authorize program expenditures to the extent of \$184.335 million for the fiscal year 1997-98 is required and planned to be obtained in the fall (1998) sitting of the Legislative Assembly. The majority of this expenditure was by the Department of Health (\$140.9 million).

11. COMPARATIVE FIGURES

Certain 1997 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1998.

PROVINCE OF NOVA SCOTIA

Schedule of Direct Guarantees
as at March 31, 1998

(in thousands)

Bank Loans:

Sydney Steel Corporation (Includes US\$ 1,087,000 at 1.43)	\$	71,838	
Nova Scotia Business Development Corporation.		9,059	
Industrial Development Act.		31,272	
Nova Scotia Fisheries and Aquaculture Loan Board.		4,107	\$ 116,276

Promissory Notes:

Nova Scotia Resources Limited (U.S. \$240,367,541)		340,505	
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Nova Scotia Power Finance Corporation:

11 1/2% Series AA due July 15, 2005.	50,000
13 1/2% Series AE due December 1, 2002.	100,000
12 1/2% Series AF due December 20, 2003.	75,000
12 1/8% Series AG due February 14, 2005.	100,000
10 7/8% Series AH due November 15, 2012.	150,000
11 1/4% Series AJ due April 27, 2014.	200,000
10 1/4% Series AK due January 10, 2020.	150,000
11% Series AM due February 26, 2031	200,000
U.S. \$300,000,000 9.40% Series AN due April 1, 2021.	424,980
	<u>1,449,980</u>

Less: Defeasance Funds (Includes

U.S. \$300,000,000)	<u>1,449,980</u>	---
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Nova Scotia Municipal Finance Corporation:

11 1/4% Series A due January 4, 1998-2000	2,500
12% Series B due July 2, 1997-2000	2,100
13 3/8% Series C due December 19, 1998-2000	3,750
13 3/8% Series D due December 19, 1998-2000	1,500
12 3/4% Series K due September 7, 1998	700
14 1/4% Series M due August 28, 1998-1999	200
12 1/4% to 12 1/2% Series N due April 2, 1998-2005	4,315
10.9% to 11% Series P due December 11, 1998-2000	2,500
10.35% to 10.375% Series U due May 11, 1998	2,022
10.9% to 11% Series V due November 3, 1998	26,950
11 1/4% Series W due April 26, 1999	40,100
10 1/2% Series X due November 16, 1999	43,000
11 3/4% Series Y due June 21, 2000	44,000
11.90% Series Z due November 15, 2000	59,000

10 3/8% to 10 1/2% Series AA due			
May 29, 1998-2001	15,400		
9 1/2% to 9 3/4% Series AB due			
October 30, 1998-2001	19,390		
9 5/8% to 9 7/8% Series AC due			
May 13, 1998-2002	34,925		
8% to 8 1/2% Series AD due			
December 9, 1998-2002	24,380		
7 3/4% to 8 1/2% Series AE due			
May 5, 1998-2003	16,520		
6 3/4% to 7 5/8% Series AF due			
November 18, 1998-2003	13,200		
8 1/2% to 9 1/4% Series AG due			
July 13, 1998-2004	13,340		
8 3/4 % to 9 3/4% Series AH due			
December 8, 1998-2004	21,202		
8 3/8% to 9 1/8% Series AI due			
May 2, 1998-2005.	14,530		
7 1/8 % to 8 1/8% Series AJ due			
November 14, 1998-2006	27,830		
6 1/4 % to 8 % Series AK due			
May 14, 1998-2006.	38,566		
5 1/4% to 7 1/2% Series AL due			
October 28, 1998-2006.	19,402		
4 1/2% to 7% Series AM due			
May 12, 1998-2007.	61,938		
4 1/4% to 6 1/4% Series AN due			
October 17, 1998-2007.	39,780		
5 1/8% to 6 1/8% Series AP due			
January 30, 1999-2019.	<u>45,100</u>		
	638,140		
<i>Less:</i> Sinking Funds.	155,185		
Series AI, AK, AM, AN, AP placed with the Province	<u>199,914</u>	<u>283,041</u>	623,546
 Mortgages:			
Housing Act			<u>849</u>
 Total Direct Guarantees			740,671
 <i>Less:</i> Amounts reflected in the Province's Net Direct Debt:			
Deficiency in Net Assets of certain Crown Corporations:			
Nova Scotia Resources Limited and Sydney Steel Corporation.	109,279		
Included in Accounts Payable:			
Industrial Development Act.	2,075		
Nova Scotia Business Development Corporation.	2,062		
Included in Capital Liabilities:			
School and Hospital debt payable to Nova Scotia Municipal Finance Corporation.	<u>93,385</u>		206,801
 Net Direct Guarantees not provided for in these Financial Statements.		\$	<u><u>533,870</u></u>

PROVINCE OF NOVA SCOTIA

Statement of Special Reserve Account
for the fiscal year ended March 31, 1998

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Balance - beginning of year	\$ 137	\$ 137
Balance - end of year	<u>\$ 137</u>	<u>\$ 137</u>

PROVINCE OF NOVA SCOTIA

**Statement of Funds Created from Special Reserve Account
as at March 31, 1998**

	Municipal Loan Fund	Hawker Siddley Optional Retirement Program Fund	Total
		(in thousands)	
Balance - Beginning of year	\$ 106	\$ 355	\$ 461
Deduct:			
Expenditures	---	140	140
Balance - March 31, 1998	<u>\$ 106</u>	<u>\$ 215</u>	<u>\$ 321</u>
Represented by:			
Outstanding loans less provision (Schedule 11)	\$ 48	\$ ---	\$ 48
Unappropriated balance of Fund - March 31, 1998	58	215	273
	<u>\$ 106</u>	<u>\$ 215</u>	<u>\$ 321</u>

PROVINCE OF NOVA SCOTIA

Statement of Health Services Reserve Account
for the fiscal year ended March 31, 1998

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Balance - beginning of year	\$ 1,656	\$ 1,566
Add:		
Decrease in provision for Doubtful Accounts	326	90
Balance - end of year	<u>\$ 1,982</u>	<u>\$ 1,656</u>
Represented by:		
Loans and expenditures authorized but not made	\$ 299	\$ 299
Unappropriated balance - end of year	1,683	1,357
	<u>\$ 1,982</u>	<u>\$ 1,656</u>

PROVINCE OF NOVA SCOTIA

Accounts Receivable and Advances
as at March 31, 1998

	Accounts Receivable and Advances	Provisions for Doubtful Accounts (Schedule 14)	Accounts Receivable less Provisions 1998	1997
(in thousands)				
Government of Canada	\$ 225,956	\$ ---	\$ 225,956	\$ 84,121
Nova Scotia Liquor				
Commission	9,312	---	9,312	19,585
Health Services Tax	9,087	6,282	2,805	61,639
Gasoline Tax	15,740	1	15,739	14,806
Tobacco Tax	---	---	---	7,591
Towns, Cities and Municipalities	4,818	---	4,818	25,040
Receivables of Various				
Government Departments -				
Agriculture and				
Marketing	5,823	36	5,787	6,049
Business and Consumer				
Services	8,753	20	8,733	263
Community Services	19,510	---	19,510	32,845
Economic Development &				
Tourism	18,223	169	18,054	3,539
Education and Culture	28,194	5,504	22,690	31,515
Environment	1,307	17	1,290	1,473
Finance	468,985	1	468,984	140,760
Fisheries and Aquaculture	1,553	---	1,553	1,581
Health	239,530	97,245	142,285	118,721
Housing and				
Municipal Affairs	2,920	157	2,763	23,886
Human Resources	5	---	5	37
Justice	16,875	1,936	14,939	4,334
Labour	1,937	---	1,937	326
Natural Resources	3,498	240	3,258	5,348
Public Service	5,246	1,195	4,051	1,680
Transportation and				
Public Works	52,909	166	52,743	38,772
	<u>\$ 1,140,181</u>	<u>\$ 112,969</u>	<u>\$ 1,027,212</u>	<u>\$ 623,911</u>

PROVINCE OF NOVA SCOTIA

Statement of Current Advances
as at March 31, 1998

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Department of -		
Finance:		
Automobile Advances (Employee Purchase Assistance) \$	---	\$ 1
Accountable Advances (Travel and Other)	76	30
Human Resources:		
Workers' Compensation Board of Nova Scotia	5	5
Public Service:		
Board of Commissioners of Public Utilities	125	125
Transportation and Public Works:		
Accountable Advances (Travel and Other)	12	2
Workers' Compensation Board of Nova Scotia	45	45
Operating Account	250	342
Department Operating Accounts:		
Business and Consumer Services	2	---
Economic Development and Tourism	240	321
Education and Culture	---	35
Health	182	142
Housing and Municipal Affairs	5	3
	<u>\$ 942</u>	<u>\$ 1,051</u>

PROVINCE OF NOVA SCOTIA

Statement of Loans
as at March 31, 1998

	Loans	Provisions for Doubtful Accounts (Schedule 14)	Loans less Provisions		Interest Revenue 1998
			1998	1997	
			(in thousands)		
General Funds					
Agriculture and Rural Credit Act, R.S. 1989	\$ 146,765	\$ 6,934	\$ 139,831	\$ 136,406	\$ 11,026
Business Development Corporation Act, R.S. 1989	174,175	41,148	133,027	120,787	8,716
Crop and Livestock Insurance Act, R.S. 1989	709	---	709	709	---
Deuterium of Canada Act, 1966	---	---	---	113,897	---
Fisheries Development Act, R.S. 1989	37,395	970	36,425	37,845	3,332
Health Services and Insurance Act, R.S. 1989	649	---	649	940	---
Housing Development Act R.S. 1989 less					
Government of Canada Share (net of Canada					
Mortgage and Housing Corporation and other					
borrowings amounting to \$36,455,272 in 1998					
and \$37,781,528 in 1997)	104,288	5,370	98,918	94,780	11,410
Industrial Development Act, R.S. 1989	81,216	60,741	20,475	27,695	24
Loans to Municipalities - funds provided by					
Government of Canada	693	---	693	985	---
Municipal Hospitals Loan Act, R.S. 1989	26	---	26	55	287
Municipal Loan and Building Fund Act, R.S. 1989	2,329	---	2,329	2,732	57
Venture Corporations Act, R.S. 1989	2,187	1,648	539	678	---
	<u>550,432</u>	<u>116,811</u>	<u>433,621</u>	<u>537,509</u>	<u>34,852</u>
Special Reserve Funds					
Municipal Loan and Building Fund Act, R.S. 1989	48	---	48	74	---
Health Services Reserve Account					
Health Services Tax Act, R.S. 1989	645	645	---	---	---
	<u>\$ 551,125</u>	<u>\$ 117,456</u>	<u>\$ 433,669</u>	<u>\$ 537,583</u>	<u>\$ 34,852</u>

AGRICULTURE AND RURAL CREDIT ACT. The Nova Scotia Farm Loan Board, a Provincial agency, provides loans to individuals and corporations engaged in the farming industry. Loans are provided for the acquisition of real estate or the improvement of existing facilities and generally are secured by agreements of sale between the borrower and the Province.

BUSINESS DEVELOPMENT CORPORATION ACT. The Nova Scotia Business Development Corporation is an agency of the Province established to encourage business development in the Province and to promote economic growth and employment opportunities by rendering to business, financial and other assistance. Loans are primarily secured by first mortgages and by fixed and floating charges.

CROP AND LIVESTOCK INSURANCE ACT. The Province makes advances to the Crop Re-Insurance Fund of Canada for Nova Scotia. The purpose of this fund is to assist the Province of Nova Scotia when there is a requirement by the Province to make advances to the Nova Scotia Crop and Livestock Insurance Commission for the payment of crop insurance indemnities.

DEUTERIUM OF CANADA LIMITED. Deuterium of Canada Limited ("Deuterium"), a corporation owned by the Province, constructed a major industrial installation for the commercial production of heavy water at Glace Bay, Nova Scotia. In February 1978, an agreement was signed for the sale of the facilities of Deuterium and its subsidiaries to Atomic Energy of Canada Limited ("AECL"), a Federal Crown Corporation. The purchase price is being paid in quarterly installments of \$825,000 each over 20 years beginning April 1, 1978. Title to the facilities will pass upon payment of the final installment. The installments are being paid by AECL to a trustee, which is obligated to invest the funds and the earnings thereon in debentures of the Province yielding 5.5% to maturity. At the date of the final payment in January 1998, the fund will total \$118.9 million and will be used to repay the Province's investment in and loans to Deuterium, which amounted to \$116.9 million at March 31, 1997. Since March 31, 1970, the Province has waived interest on its loans to Deuterium.

FISHERIES DEVELOPMENT ACT. The Province provides loans for the construction or purchase of vessels, machinery and other onboard fishing equipment. Loans are made to individuals, partnerships and corporations and are generally secured by first marine mortgages.

HEALTH SERVICES AND INSURANCE ACT. The Province provides unsecured loans to establish, maintain, expand, construct or equip hospitals or health care facilities in the Province.

HOUSING DEVELOPMENT ACT. The Nova Scotia Department of Housing and Municipal Affairs, through the Nova Scotia Housing Development Fund, provides subsidized mortgage loans for home ownership and low interest loans for home insulation, repair or rehabilitation, acquires or constructs lease-purchase housing, assembles and services land for new housing developments and provides public housing. The programs are aimed at low to moderate income groups. Public housing programs are financed jointly by Canada Mortgage and Housing Corporation ("CMHC"), a Federal Crown Corporation, and the Province. CMHC provides 75% of the capital funds for public housing programs with the Province providing the remaining 25%. The Province provides 100% of the capital funding for other loan programs. Only the Province's share of the financing for these programs is reflected in the schedule of loans.

INDUSTRIAL DEVELOPMENT ACT. The Province provides financial assistance to industries engaged in manufacturing and processing activities or natural resource extraction. Loans are primarily secured by first mortgages and by fixed and floating charge debentures.

LOANS TO MUNICIPALITIES. Loans were provided by the Government of Canada for municipal

capital projects. The Province loaned these funds to municipalities under similar terms and conditions. Loans are for terms of 20 years and are evidenced by debentures covering principal and interest.

MUNICIPAL LOAN AND BUILDING FUND ACT. Provincial loans to municipalities for water and sewer systems, schools and municipal buildings. Loans are secured by municipal debentures.

VENTURE CORPORATIONS ACT. The Province provides a source of equity capital to registered Venture Corporations to encourage the development of small businesses in Nova Scotia. The Venture Corporations in turn provide assistance in the development of small enterprises by providing equity capital and business and managerial expertise.

HEALTH SERVICES TAX ACT. Loans from the Health Services Reserve Account to hospitals for the construction of health care facilities.

PROVINCE OF NOVA SCOTIA

**Additional Loans, Investments and Repayments
during the fiscal year ended March 31, 1998**

Additional Loans		Repayments			
1998	1997	General Funds	(in thousands)	1998	1997
\$ 26,505	\$ 22,406	Agriculture and Rural Credit Act	\$ 22,716	\$ 31,555	
		Business Development Corporation Act	16,641	22,455	
30,887	22,391	Crop and Livestock Insurance Act	---	---	
---	22	Deuterium of Canada Act	113,897	---	
---	---	Fisheries Development Act	9,064	13,951	
7,684	8,717	Health Services and Insurance Act	290	290	
---	---	Housing Development Act	10,622	17,746	
14,041	20,786	Industrial Development Act	624	1,237	
7,707	6,105	Municipalities - Government of Canada			
		Funds	292	504	
---	---	Municipal Hospitals Loan Act	29	92	
		Municipal Loan and Building			
		Fund Act	404	511	
---	---	Venture Corporations Act	226	---	
86,824	80,427		174,805	88,341	
		Special Reserve Funds			
		Municipal Loan and Building			
		Fund Act	26	25	
---	---		26	25	
		Health Services Reserve Account			
		Health Services Tax Act	326	104	
---	---		175,157	88,470	
<u>\$ 86,824</u>	<u>\$ 80,427</u>		<u>\$ 175,157</u>	<u>\$ 88,470</u>	

PROVINCE OF NOVA SCOTIA

Statement of Investments
as at March 31, 1998

	Investments	Provisions	Investments less Provisions	
			1998	1997
(in thousands)				
Deuterium of Canada Act, 1996				
Investment of \$2,275,001 in 50,000 shares of capital stock and \$750,000 in Canadian patent rights	\$ ---	\$ ---	\$ ---	\$ 3,025
Halifax International Containers Limited				
Investment in 8,000 shares of capital stock at their par value	8	---	8	8
Business Development Corporation				
Act, R.S. 1989	17,555	11,766	5,789	6,573
Industrial Development Act, R.S. 1989	11,556	7,218	4,338	4,338
	<u>\$ 29,119</u>	<u>\$ 18,984</u>	<u>\$ 10,135</u>	<u>\$ 13,944</u>

PROVINCE OF NOVA SCOTIA

**Continuity of Provisions for Doubtful Accounts
for the fiscal year ended March 31, 1998**

	Provision March 31, 1997	Written Off During Year	Increase (Decrease) Provided During Year (in thousands)	Provision March 31, 1998
Accounts Receivable				
Health Services Tax \$	6,282 \$	---	---	\$ 6,282
Gasoline Tax	1	---	---	1
Department of:				
Agriculture and Marketing . . .	36	---	---	36
Business and Consumer Services	20	---	---	20
Economic Development and Tourism	99	---	70 (1)	169
Education and Culture	810	19	4,713 (1)	5,504
Environment	1	---	16 (1)	17
Finance	---	---	1 (1)	1
Health	41,605	---	55,640 (1)	97,245
Housing and Municipal Affairs	157	---	---	157
Justice	2,013	779	702 (1)	1,936
Natural Resources	187	---	53 (1)	240
Public Service	862	---	333 (1)	1,195
Transportation and Public Works	268	---	(102) (1)	166
	<u>52,341</u>	<u>798</u>	<u>61,426</u>	<u>112,969</u>
Capital Loans				
General Funds -				
Agriculture and Rural Credit Act	6,570	---	364 (1)	6,934
Business Development Corporation Act	48,269	9,127	2,006 (1)	41,148
Fisheries Development Act . . .	928	---	42 (1)	970
Housing Development Act . . .	6,090	---	(720) (1)	5,370
Industrial Development Act . . .	52,448	15,317	23,610 (1)	60,741
Venture Corporations Act	2,789	1,053	(87) (1)	1,649
Health Services Reserve Account -				
Health Services Tax Act . . .	971	---	(326) (2)	645
	<u>118,065</u>	<u>25,497</u>	<u>24,889</u>	<u>117,457</u>
Re: Capital Investments				
Business Development				
Corporation Act	11,596	---	169 (1)	11,765
Industrial Development Act	7,218	---	---	7,218
	<u>18,814</u>	<u>---</u>	<u>169</u>	<u>18,983</u>
	<u>\$ 189,220</u>	<u>\$ 26,295</u>	<u>\$ 86,484</u>	<u>\$ 249,409</u>

(1) Charged against or credited to Current Account

(2) Charged against or credited to Reserve Fund

PROVINCE OF NOVA SCOTIA

Accounts Payable
as at March 31, 1998

	1998	1997
	(in thousands)	
Government of Canada \$	813	\$ 660
Outstanding Cheques	32,688	28,802
Canada Savings Bonds - Employees (Bank)	(2,925)	3,902
	<u>30,576</u>	<u>33,364</u>
Deposits and other funds -		
Natural Resources	195	201
Housing and Municipal Affairs	2,807	2,543
Due to Trust Funds	6,169	8,177
Other	12,365	9,929
	<u>21,536</u>	<u>20,850</u>
Accounts Payable of Various Government Departments -		
Agriculture and Marketing	4,114	3,892
Business and Consumer Services	19,609	21,268
Community Services	3,190	20,842
Economic Development & Tourism	21,660	25,949
Education and Culture	28,871	22,812
Assistance to Universities	2,966	1,651
Environment	2,177	2,445
Finance	57,644	18,865
Fisheries and Aquaculture	752	403
Health	112,108	82,838
Housing and Municipal Affairs	10,343	11,218
Human Resources	337	130
Justice	42,110	49,828
Labour	14,362	691
Natural Resources	5,597	6,467
Public Service	15,639	6,178
Transportation and Public Works	55,831	40,318
	<u>397,310</u>	<u>315,795</u>
Distribution of Budgetary Surplus	10,000	---
	<u>\$ 459,422</u>	<u>\$ 370,009</u>

PROVINCE OF NOVA SCOTIA

Statement of Debentures and Sinking Funds
as at March 31, 1998

Series	Date of Issue	Date of Maturity	Rate	Amount Outstanding	Sinking Funds
				(in thousands)	
Payable in Canadian Currency					
Canada Pension Plan Investment Fund(A)					
CP19	Feb. 1, 1980	March 1, 1999	9.56	\$ 68,176	\$ 61,535
CP20	Nov. 3, 1980	March 3, 2000	10.59	73,922	59,687
CP21	Oct. 1, 1981	March 2, 2001	12.70	78,277	56,362
CP22	April 1, 1982	March 1, 2002	15.43	96,251	62,360
CP23	June 1, 1983	March 1, 2003	14.67	93,725	53,494
CP24	June 1, 1984	March 1, 2004	11.60	90,597	45,464
CP25	Aug. 1, 1985	Jan. 2, 2005	13.37	85,762	38,036
CP26	April 1, 1986	March 3, 2006	11.48	91,752	35,688
CP27	May 1, 1987	March 2, 2007	9.61	109,641	36,699
CP29	May 1, 1988	March 1, 2008	9.77	81,516	23,498
CP30	June 1, 1989	Dec. 1, 2008	10.08	78,450	19,213
CP31	June 1, 1990	March 1, 2010	9.90	85,218	17,295
CP32	May 1, 1991	Aug. 1, 2010	10.58	46,648	7,831
CP34	May 1, 1992	July 2, 2011	9.92	78,408	10,663
CP35	May 3, 1993	July 2, 2012	9.37	55,808	5,960
				<u>1,214,151</u>	<u>533,785</u>
Other Issues					
7S	March 15, 1978	March 15, 1998-2003(a)	9.750	3,750	(B)
7V	March 30, 1979	March 30, 1998-2004(a)	10.500	6,000	(B)
8Q(F)	Dec. 18, 1984	Dec. 18, 2004	12.625	150,000	62,352
7T	Sept. 7, 1978	Sept. 7, 1997-2008(a)	9.750	8,800	(B)
8S(F)	July 3, 1985	July 3, 2009	11.250	150,000	42,601
8U(F)	Dec. 12, 1985	Dec. 12, 2009	10.875	150,000	38,125
9K	Jan. 30, 1992	Jan. 30, 2022	9.600	200,000	10,689
9P(F) (G)	May 9, 1994	May 12, 1999	Floating	390,720	42,697
9S	June 1, 1995	Dec. 1, 2005	8.250	200,000	8,651
9T (F)(G)	Sept. 8, 1995	March 8, 2001	Floating	41,436	1,752
9U	Jan. 3, 1996	Dec. 29, 2000	7.000	250,000	10,285
9W	Oct. 11, 1996	Oct. 11, 2006	7.250	250,000	51,281
9X(F)(G)	Oct. 30, 1996	May 12, 1999	Floating	304,327	---
9Y	Feb. 18, 1997	Dec. 30, 2002	6.250	250,000	105,676
9Z	Oct. 3, 1997	June 1, 2027	6.600	300,000	---
A1	Feb. 9, 1998	June 2, 2003	5.250	250,000	---
				<u>2,905,033</u>	<u>374,109</u>

Series	Date of Issue	Date of Maturity	Rate	Amount	Sinking
				Outstanding	Funds
				(in thousands)	
PN-R000001 (F)	Aug. 3, 1995	Aug. 3, 2005	10.000	30,000	1,279
P2-R000001 (F)	Sept. 12, 1995	Sept. 12, 2005	9.250	30,000	1,268
P4-R000001 (F)	Nov. 7, 1995	Nov. 7, 2007	8.450	30,000	1,251
P6-R000001 (F)	July 17, 1996	July 31, 2001	8.100	30,000	623
P7-R000001 (F)	Oct. 17, 1996	Nov. 14, 2006	7.000	20,000	407
P8-R000001 (F)	Dec. 11, 1996	June 11, 2003	5.050	20,000	401
P9-R000001 (F)	Dec. 18, 1996	Dec. 18, 2008	6.810	30,000	601
P10-R000001	Dec. 31, 1996	Dec. 31, 1998	Floating	50,000	999
P11-R000001	Jan. 7, 1997	March 31, 2003	9.375	33,277	663
P12-R000001	Jan. 7, 1997	March 27, 2002	9.250	38,301	764
P13-R000001 (F)	Feb. 13, 1997	Feb. 13, 2009	7.000	10,000	198
P14-R000001 (F)	Jun. 19, 1997	May 12, 2007	5.850	30,000	---
P15-R000001 (F)	July 16, 1997	July 16, 2009	5.250	20,000	---
P17-R000001 (F)	Sept. 5, 1997	Nov. 12, 2009	6.000	25,000	---
P18-R000001 (F)	Oct. 17, 1997	Oct. 17, 2009	5.500	20,000	---
P19-R000001	Dec. 4, 1997	July 3, 2001	11.000	100,000	---
P20-R000001 (F)	Oct. 31, 1997	Nov. 12, 2004	7.200	32,500	---
P21-R000001	Oct. 30, 1997	Mar. 14, 2014	9.000	44,000	---
P22-R000001 (F)	Dec. 22, 1997	Dec. 22, 2009	5.875	25,000	---
P23-R000001 (F)	Jan. 15, 1998	July 15, 2005	5.250	10,000	---
P24-R000001 (F)	Feb. 2, 1998	Feb. 2, 2008	5.760	30,000	---
P25-R000001 (F)	Jan. 30, 1998	Jan. 20, 2010	5.500	21,000	---
P26-R000001 (F)	Mar. 25, 1998	Mar. 25, 2010	5.750	10,000	---
				689,078	8,454

Series	Date of Issue	Date of Maturity	Rate	Amount Outstanding	Sinking Funds
Payable in United States Currency(E)					
9D	Nov. 15, 1989	Nov. 15, 2001/2019	8.250 (U.S. \$ 250,000)	354,150	61,038
9F	July 15, 1990	July 15, 2002	9.375 (U.S. \$ 300,000)	424,980	65,735
8L	May 15, 1983	May 15, 2013	11.500 (U.S. \$ 150,000)	212,490	58,126
8V	Mar. 15, 1986	Mar. 15, 2016	8.875 (U.S. \$ 150,000)	212,490	41,834
9B (F)	Feb. 1, 1989	Feb. 1, 2019	9.500 (U.S. \$ 200,000)	283,320	34,716
9C	July 1, 1989	July 1, 2019	8.875 (U.S. \$ 200,000)	283,320	30,667
9E	Mar. 1, 1990	Mar. 1, 2020	9.250 (U.S. \$ 300,000)	424,980	43,204
9J	May 1, 1991	May 1, 2021	9.125 (U.S. \$ 300,000)	424,980	29,939
9L	Apr. 1, 1992	Apr. 1, 2022	8.750 (U.S. \$ 300,000)	424,980	22,412
9M	July 30, 1992	July 30, 2022	8.250 (U.S. \$ 300,000)	424,980	21,417
9N	July 27, 1993	July 27, 2013	7.250 (U.S. \$ 300,000)	424,980	39,714
8C (F)(G)	Oct. 31, 1981	Oct. 31, 2011	16.750 (U.S. \$ 38,204)	54,120	14,945
8P (F)(G)	Apr. 18, 1984	Apr. 18, 2019	11.750 (U.S. \$ 98,736)	139,869	13,004
A2 (F)(G)	Mar. 23, 1999	May 12, 2001	Floating (U.S. \$ 375,000)	531,225	---
				<u>4,620,864</u>	<u>476,751</u>

Payable in Other Currencies (F)

9G	Aug. 3, 1990	Aug. 3, 2000	7.000 (SF 250,000)	232,300	46,847
8C	Oct. 31, 1981	Oct. 31, 2011	16.750 (UK £ 35)	83	---
8P (F)(G)	April 18, 1984	April 18, 2019	11.750 (UK £ Swap to US)	---	---
9A	Nov. 9, 1988	Nov. 9, 1998	5.400 (Yen 30,000,000)	318,900	92,505
9H	Nov. 30, 1990	Nov. 30, 2000	7.700 (Yen 30,000,000)	318,900	67,088
9R	Aug. 25, 1994	Aug. 25, 2014	5.500 (Yen 15,000,000)	159,450	12,826
9Q (F)	Aug. 30, 1994	Aug. 30, 2004	4.900 (Yen 35,000,000)	372,050	29,915
				<u>1,401,683</u>	<u>249,181</u>
				<u>\$ 10,830,809</u>	<u>\$ 1,642,280</u>

The following is a schedule of debentures maturing in each of the next five fiscal years with related sinking funds. Amounts payable in foreign currencies, and related sinking funds invested in foreign currencies, are expressed at the Canadian dollar equivalent at the rates prevailing at the date of the financial statements.

For the Year ending March 31	Maturing Debentures (in thousands)	Related Sinking Funds
1999	\$ 679,650	\$ 169,360
2000	793,223	168,408
2001	942,117	159,632
2002	1,163,285	148,743
2003	813,372	145,672

Notes:

(a) Serial maturity

- (A) Debentures held by the Canada Pension Plan Investment Fund are payable 20 years after their respective dates of issue, are not negotiable and not transferable or assignable but are redeemable in whole or in part before maturity at the option of the Minister of Finance of Canada, on six months' prior notice when he deems it necessary in order to meet the requirements of the Canada Pension Plan. Amounts are borrowed monthly and consolidated into one debenture annually.

The Province has established sinking funds for retirement of borrowings from the Canada Pension Plan Investment Fund, with annual payments commencing one year after the consolidation of monthly borrowings.

- (B) Debenture issues to be retired through annual principal payments during the years indicated.
- (C) Sinking fund payments normally commence on the first anniversary date of the issue of the debentures, and are generally designed to retire the debt over a 20 year period, unless the term of the issue is longer. Sinking fund investments consist primarily of debentures of the Province of Nova Scotia and Government of Canada.
- (D) Debentures payable in U.S. currency totalling U.S. \$3,261,940,000 and related sinking funds of U.S. \$336,545,870 are reflected at the rate of exchange in effect at March 31, 1998.
- (E) Canadian dollar equivalent at rates of exchange in effect at March 31, 1998.
- (F) The Province has executed the following swap contracts to convert certain interest payments from a fixed to floating, or floating to floating basis for the fiscal year ended March 31, 1998.

# of Swaps	Currency	Principal (in thousands)	Term (years)	Reset Index	Spread	Mark to Market (\$ millions) *
42	CDN\$	\$ 1,202,574	2 to 22	3 mth CAD-BA-CDOR	-0.20 to 3.61	105.26
3	US\$	\$ 700,000	4 to 10	3 mth USD-LIBOR 3 mth CAD-BA-CDOR	no spread -0.54 to -0.55	52.59
3	UK	£ 143,215	2 to 10	6 mth GBP-LIBOR-BBA 6 mth USD-LIBOR-BBA	-0.01 to +2.96 +2.85	21.40
3	YEN	¥ 63,000,000	2 to 5	3 mth USD-LIBOR-BBA 6 mth JPY-LIBOR-BBA 3 mth CAD-BA-CDOR	-0.18 +0.67 -0.01	11.86

* Mark to Market is an indication of the swap's market value as at March 31, 1998. This represents the estimated realizable gain and is equivalent to the present value of future interest savings based on market conditions as at March 31, 1998.

(G) The Province has also executed several currency swap contracts to convert foreign denominated debt into Canadian or United States denominated debt as follows:

Original Currency	Original Principal (\$ thousands)	Current Currency	Current Principal (\$ thousands)
US \$	250,000	CDN \$	345,312
US \$	250,000	CDN \$	345,312
UK £	60,000	US \$	98,736
UK £	23,215	US \$	38,204
YEN ¥	3,000,000	CDN \$	41,436
YEN ¥	25,000,000	US \$	223,314

The Province has also executed several foreign currency forward agreements to convert a \$30 billion Yen commitment due in November, 1998, to a U.S. dollars principal of \$248.5 million.

PROVINCE OF NOVA SCOTIA

**Continuity of Sinking Funds on Debentures and Public Debt Retirement Funds
for the year ended March 31, 1998**

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Balance - April 1	\$ 2,261,843	\$ 1,964,887
<i>Add:</i> Instalments paid during the year	151,021	166,596
Provision for Debt Retirement	800	---
Interest earned	201,537	185,944
Increase in unrealized gain in respect of the translation of foreign currency sinking funds	14,390	14,125
	<u>2,629,591</u>	<u>2,331,552</u>
<i>Deduct:</i> Amounts withdrawn respecting maturing debt	<u>207,264</u>	<u>69,709</u>
Balance - March 31	<u>\$ 2,422,327</u>	<u>\$ 2,261,843</u>

**Continuity of Sinking Funds on Hospital and School debt
for the year ended March 31, 1998**

	<u>1998</u>	<u>1997</u>
Balance - April 1	\$ 90,068	\$ 102,130
<i>Add:</i> Instalments paid during the year	11,122	11,709
Interest earned	7,480	6,332
	<u>108,670</u>	<u>120,171</u>
<i>Deduct:</i> Amounts withdrawn respecting maturing debt	<u>---</u>	<u>30,103</u>
Balance - March 31	<u>\$ 108,670</u>	<u>\$ 90,068</u>
Total Sinking Funds Balance - March 31	<u>\$ 2,530,997</u>	<u>\$ 2,351,911</u>

Note: During the year the Province made the following payments in respect of the retirement of capital liabilities:

Sinking Fund Instalments	\$ 156,574	\$ 178,305
Serial Retirement Payments	29,541	32,706
	<u>186,115</u>	<u>211,011</u>
<i>Less:</i> Amounts pertaining to borrowings for certain Crown corporations, and Government of Canada loans on behalf of municipalities	292	504
Charged to Current Account	<u>\$ 185,823</u>	<u>\$ 210,507</u>

PROVINCE OF NOVA SCOTIA

**Continuity of Unamortized Discount/Premium on Debentures
for the year ended March 31, 1998**

	1998	1997
	(in thousands)	
Balance - Beginning of year	\$ 67,562	\$ 61,073
<i>Add:</i> Discounts/(premiums) respecting Debentures issued or called during the year	(11,484)	11,370
	56,078	72,443
<i>Less:</i> Amortization of Debenture discounts/(premiums) during the year	3,752	4,881
Balance - End of year	\$ 52,326	\$ 67,562

Note: Discounts and underwriting commissions related to the issuance of debentures are amortized over the terms of the related debenture issues by charges to current expenditures.

PROVINCE OF NOVA SCOTIA

**Continuity of Deferred Charge - Unrealized Foreign Exchange
for the year ended March 31, 1998**

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Net Loss - Beginning of year \$	530,416 \$	777,698
<i>Add:</i> (Decrease) Increase in unrealized loss in respect of the translation of foreign currency debt and sinking funds	<u>22,196</u>	<u>(247,282)</u>
Net Loss - End of year \$	<u><u>552,612</u></u> \$	<u><u>530,416</u></u>

PROVINCE OF NOVA SCOTIA

**Continuity of Machinery Replacement Reserve
Department of Transportation and Public Works
for the year ended March 31, 1998**

	<u>1998</u>	<u>1997</u>
	(in thousands)	
Balance - Beginning of year	\$ 41,506	\$ 41,601
<i>Add:</i> Depreciation charged during the year	<u>3,292</u>	<u>3,007</u>
	44,798	44,608
 <i>Less:</i> Accumulated depreciation on machinery disposed of during the year	 <u>2,911</u>	 <u>2,102</u>
Balance - End of year	<u>\$ 41,887</u>	<u>\$ 42,506</u>

PROVINCE OF NOVA SCOTIA

**Canada-Nova Scotia (Offshore) Development Fund
Statement of Continuity of Fund Expenditures
for the year ended March 31, 1998**

(in thousands)

Balance - Beginning of year	\$ 186,150
Expenditures during the year	
Industrial Infrastructure -	
Department of Economic Development & Tourism	2,336
Industrial Assistance -	
Department of Economic Development & Tourism	1,353
Department of Natural Resources	56
	<u>3,745</u>
Balance - End of Year (Note 2)	\$ <u>189,895</u>

Notes:

- The Canada-Nova Scotia Oil and Gas Agreement Act established a \$200,000,000 Development Fund to support expenditures incurred by the Province that relate to offshore development. The Act and Agreements pursuant thereto provide that the Government of Canada may disburse up to \$50,000,000 annually to the Province for each of the four fiscal years beginning in the 1984-85 fiscal year. Funds may be paid to the Province pursuant to the approval of projects by the Federal Minister of Energy, Mines and Resources. Funds not disbursed in one fiscal year may be carried forward and disbursed in subsequent fiscal years. The Canada-Nova Scotia Offshore Petroleum Resources Implementation Act continues the fund and provides for the Government of Canada to waive the repayment conditions of the Development Fund.
- To March 31, 1998, \$189,895,494 had been received from the Government of Canada in respect of approved projects to be financed from the Canada-Nova Scotia (Offshore) Development Fund, with the balance of \$3,798,000 being reflected as an account receivable in the financial statements.

At March 31, 1998, the unexpended portion of the \$200,000,000 Development Fund was \$10,104,506.

PROVINCE OF NOVA SCOTIA

Trust Fund Assets and Trust Funds
as at March 31, 1998

<u>Investments</u>	<u>Cash and Short-Term Investments</u>	<u>Accounts Receivable**</u>	<u>Total Trust Fund Assets</u>	<u>Trust Funds</u>
	(in thousands)			(in thousands)
\$ 2,732,422	\$ 255,057	\$ 161,215	\$ 3,148,694	Nova Scotia Teachers' Pension Fund \$ 3,148,694
2,489,867	256,502	(4,159)	2,742,210	Public Service Superannuation Fund 2,742,210
13,106	2,102	8,626	23,834	Miscellaneous Trusts 23,834
<u>\$ 5,235,395</u>	<u>\$ 513,661</u>	<u>\$ 165,682</u>	<u>\$ 5,914,738</u>	<u>\$ 5,914,738</u>

** Includes amounts due to and from General Funds.

PROVINCE OF NOVA SCOTIA
Statement of Current Revenue and Net Expenditure
for the fiscal year ended March 31, 1998

	1998		1997
	Estimate	Actual (in thousands)	Actual
REVENUE			
Department of-			
Agriculture and Marketing	\$ 515	\$ 348	\$ 432
Business and Consumer Services	384,726	401,655	1,133,992
Economic Development and Tourism	801	701	770
Environment	1,339	1,307	1,367
Finance-			
Income Taxes	1,052,123	1,119,244	1,063,839
Harmonized Sales Tax	709,787	716,897	---
Corporation Capital Tax	15,700	12,110	14,217
Corporation Capital Tax-NFI	39,400	35,000	---
Equalization Offshore Revenue Offset	710	990	1,132
Preferred Share Dividend	1,419	3,970	3,440
Federal-Provincial Fiscal Arrangements			
Equalization Payments	1,149,788	1,194,359	1,115,691
Canada Health and Social Transfer	437,771	438,669	536,412
Statutory Subsidies	2,307	2,306	2,306
Prior Years' Adjustment	---	75,962	52,899
Federal Compensation for Harmonization	118,600	118,600	---
Nova Scotia Gaming Corporation	143,024	141,172	133,388
Nova Scotia Liquor Commission	116,693	118,477	116,104
Interest	33,664	34,844	35,778
Other	300	410	41

Fisheries and Aquaculture	669	686	709
Housing and Municipal Affairs	9,500	10,184	10,061
Justice	1,933	1,144	977
Labour	768	407	684
Natural Resources	8,321	9,621	12,596
Public Service	10,816	7,911	8,355
Proceeds (Loss) from Sale of Crown Assets	---	(213)	855
	<u>4,240,674</u>	<u>4,446,761</u>	<u>4,246,045</u>

NET EXPENDITURE

Department of-			
Agriculture and Marketing	32,102	33,480	32,024
Business and Consumer Services	38,063	38,565	35,129
Community Services	548,245	556,825	544,931
Economic Development and Tourism	72,862	86,931	67,057
Education and Culture	742,727	743,177	737,043
Assistance to Universities	178,161	178,161	183,413
Environment	18,053	17,019	16,654
Finance	9,666	9,430	8,782
Debt Charges	855,180	797,785	811,081
Fisheries and Aquaculture	6,144	6,355	6,198
Restructuring Costs	31,510	54,267	35,627
Health	1,273,359	1,409,521	1,267,251
Housing and Municipal Affairs	77,537	78,620	75,168
Human Resources	4,032	4,003	4,029
Justice	75,257	75,257	89,117
Labour	10,838	24,145	14,676
Natural Resources	57,099	59,523	53,681
Public Service	45,248	53,664	45,729
Transportation and Public Works	157,877	171,974	166,604
Unallocated Recoveries	(42,000)	(20,134)	---
	<u>4,191,960</u>	<u>4,378,568</u>	<u>4,194,194</u>
Excess (Deficiency) of Revenues over			
Net Current Operating Expenditure	\$ <u>48,714</u>	\$ <u>68,193</u>	\$ <u>51,851</u>

PROVINCE OF NOVA SCOTIA

**Comparison of Estimated and Actual Revenue
for the fiscal year ended March 31, 1998**

	<u>Estimate</u>	<u>Actual</u>
	(in thousands)	
Department of-		
Agriculture and Marketing-		
General Agriculture	\$ 15	\$ ---
Nova Scotia Farm Loan Board	500	348
	<u>515</u>	<u>348</u>
Business and Consumer Services		
Amusement Tax - Cable TV	---	784
Gasoline and Diesel Oil Tax	199,500	204,114
2%/1% Vehicle Surtax	---	1,784
15% Private Sales Tax	---	13,759
Health Services Tax	8,000	12,454
Tobacco Tax	75,800	70,660
Registration Services	1,245	1,302
Condominium Property Act	20	25
Licenses - Insurance Companies	350	354
Licenses - Regulated Industries	370	204
Licenses - Trust and Loan Companies	270	259
Tax on Fire Insurance Premiums	1,950	1,702
Tax on Insurance Premiums	35,300	33,626
Companies Branch	5,721	5,744
Certificates of Registration	2,500	2,490
Commercial Registrations	18,100	18,567
Dealers' Licenses and Plates	300	311
Drivers' Licenses	4,800	4,337
Fines	3,150	1,716

Government of Canada	150	189
Miscellaneous Registrations	2,700	2,790
Miscellaneous Revenue	4,500	4,624
Motor Vehicle Inspection	900	810
Passenger Registrations	19,100	19,050
	<u>384,726</u>	<u>401,655</u>
Economic Development and Tourism		
Guarantee Fees	800	647
Lease Rentals	1	54
	<u>801</u>	<u>701</u>
Environment-		
Licenses and Permits	1,339	1,307
Finance-		
Individual Income Tax	939,079	997,562
Corporation Income Tax	113,044	121,682
Corporation Capital Tax	15,700	12,110
Capital Tax on Non-Financial Institutions	39,400	35,000
Harmonized Sales Tax - Net of Provincial Rebates	668,879	716,897
Levy on Private Sales of Used Vehicles	22,746	---
Transition Tax on Cars and Heavy Equipment	18,162	---
Federal-Provincial Fiscal Arrangements-		
Equalization Payments	1,149,788	1,194,359
Canada Health and Social Transfer	437,771	438,669
Statutory Subsidies	2,307	2,306
Prior Years' Adjustments	---	75,962
Federal Compensation for Harmonization	118,600	118,600
Nova Scotia Gaming Corporation Profits	143,024	141,172
Nova Scotia Liquor Commission Profits	116,693	118,477
Interest	33,664	34,844
Preferred Share Dividend	1,419	3,970
Equalization Offshore Revenue Offset	710	990

Other-		
Miscellaneous	300	410
	<u>3,821,286</u>	<u>4,013,010</u>
Fisheries-		
Aquaculture Leases and Licenses	29	40
Licenses and Royalties (Sea Plant Harvesting)	40	18
Sport Fishery Licence	600	628
	<u>669</u>	<u>686</u>
Housing and Municipal Affairs-		
Registry of Deeds	9,500	10,184
	<u>9,500</u>	<u>10,184</u>
Justice-		
Employees' Rent	4	4
Fines - Criminal Prosecutions	1,861	1,089
Fines - Young Offenders Act	8	5
Miscellaneous	60	46
	<u>1,933</u>	<u>1,144</u>
Labour-		
Boiler Safety Inspection	500	108
Elevators and Lifts Act	200	203
Mine Examination	3	4
Permits-Blasters	2	3
Permits-Fire Marshal Division	22	43
Stationary Engineers Act	41	46
	<u>768</u>	<u>407</u>
Natural Resources-		
Exploration Claims	177	169
Fines and Forfeitures	45	86
Game and Fishing Licenses	1,480	1,311
Gypsum Tax	833	896

Leases and Grants	262	406
Rentals - Minerals	127	64
Rentals - Petroleum Licenses	20	56
Royalties - Coal	634	854
Royalties - Other	288	313
Royalties - Petroleum	1,400	1,391
Timber and Fuelwood Licenses	2,980	4,040
Miscellaneous	75	35
	<u>8,321</u>	<u>9,621</u>
Public Service-		
Licenses and Fees - Nova Scotia Gaming Control Commission	7,921	3,397
Motor Carrier Act - Passenger	29	28
Nova Scotia Boxing Authority	2	1
Nova Scotia Securities Commission	2,864	4,485
	<u>10,816</u>	<u>7,911</u>
Proceeds from Sale of Crown Assets	---	(213)
Total Current Revenue	<u>\$ 4,240,674</u>	<u>\$ 4,446,761</u>

PROVINCE OF NOVA SCOTIA
Comparison of Authorized and Actual Expenditures
for the fiscal year ended March 31, 1998

	<u>Current Estimate</u>	<u>Capital Estimate</u>	<u>Orders-in Council</u>	<u>Resolution Pending</u>	<u>Total Authority</u> (in thousands)	<u>Current Actuals</u>	<u>Capital Actuals</u>	<u>Total Actuals</u>	<u>Favourable Variance from Authority</u>
Department of -									
Agriculture and Marketing \$	32,102	\$ ---	1,421	\$ ---	33,523	\$ 33,480	\$ ---	33,480	43
Business and Consumer Services . . .	38,063	---	678	---	38,741	38,565	---	38,565	176
Community Services	548,245	---	9,050	---	557,295	556,825	---	556,825	470
Economic Development &									
Tourism	72,862	1	14,095	---	86,958	86,931	---	86,931	27
Education and Culture	742,727	29,036	---	---	771,763	743,177	28,472	771,649	114
Assistance to Universities	178,161	4,819	---	---	182,980	178,161	4,819	182,980	---
Environment	18,053	---	---	---	18,053	17,019	---	17,019	1,034
Finance	9,666	---	---	---	9,666	9,430	---	9,430	236
Debt Charges	855,180	---	---	---	855,180	797,785	---	797,785	57,395
Fisheries and Aquaculture	6,144	---	219	---	6,363	6,355	---	6,355	8
Restructuring Costs	31,510	---	---	22,757 (B)	54,267	54,267	---	54,267	---
Health	1,273,359	12,738	---	140,916 (B)	1,427,013	1,409,521	17,165	1,426,686	327
Housing and Municipal Affairs	77,537	25,726	---	---	103,263	78,620	18,244	96,864	6,399
Human Resources	4,032	---	---	---	4,032	4,003	---	4,003	29
Justice	75,257	---	---	---	75,257	75,257	---	75,257	---
Labour	10,838	---	---	13,307 (B)	24,145	24,145	---	24,145	---
Natural Resources	57,099	200	2,844	---	60,143	59,523	5	59,528	615
Public Service									
Communications Nova Scotia . . .	1,973	---	---	---	1,973	1,563	---	1,563	410
Executive Council	5,465	---	---	---	5,465	5,089	---	5,089	376
Government Contributions to									
Benefit Plans	3,350	---	173	---	3,523	3,523	---	3,523	---
Human Rights Commission . . .	1,326	---	125	---	1,451	1,442	---	1,442	9
Legislative Services	11,907	---	6,698	---	18,605	17,912	---	17,912	693
Nova Scotia Advisory Council									
on the Status of Women	678	---	---	---	678	604	---	604	74
Nova Scotia Boxing Authority . . .	63	---	---	---	63	40	---	40	23
Nova Scotia Gaming Control									
Commission	1	---	---	---	1	---	---	---	1
Nova Scotia Police Commission	264	---	---	---	264	236	---	236	28
Nova Scotia Securities									
Commission	899	---	---	---	899	865	---	865	34

Nova Scotia Sport and Recreation Commission	3,979	2,158	---	---	6,137	3,979	2,158	6,137	---
Nova Scotia Utility and Review Board	2,489	---	---	---	2,489	2,489	---	2,489	---
Office of the Auditor General	1,623	---	---	---	1,623	1,476	---	1,476	147
Office of the Ombudsman	309	---	65	---	374	369	---	369	5
Public Inquiry, Westray Mine	300	---	275	---	575	556	---	556	19
Public Prosecution Service	8,380	---	836	---	9,216	9,100	---	9,100	116
Technology and Science Secretariat	2,242	---	2,163	15 (B)	4,420	4,420	---	4,420	---
Transportation and Public Works	157,877	97,964	---	7,340 (B)	263,181	171,974	91,206	263,180	1
Unallocated Recoveries	(42,000)	---	---	---	(42,000)	(20,134)	---	(20,134)	(21,866)
Statutory Item (No Vote Required)									
Department of -									
Transportation and Public Works	---	---	3,292 (A)	---	3,292	---	3,292	---	3,292
	<u>4,191,960</u>	<u>172,642</u>	<u>41,934</u>	<u>184,335</u>	<u>4,590,871</u>	<u>4,378,567</u>	<u>165,361</u>	<u>4,540,636</u>	<u>50,235</u>
Capital Advances									
Advances to the Government of Canada under the Canada-Nova Scotia Crop Re-Insurance Agreement	---	---	45	---	45	---	---	---	45
	<u>\$ 4,191,960</u>	<u>\$ 172,642</u>	<u>\$ 41,979</u>	<u>\$ 184,335</u>	<u>\$ 4,590,916</u>	<u>\$ 4,378,567</u>	<u>\$ 165,361</u>	<u>\$ 4,540,636</u>	<u>\$ 50,280</u>

Notes:

(A) Machinery purchases of \$3.292 million are considered to be provided through depreciation charges in the Department of Transportation and Public Works in the year.

(B) A Resolution will be introduced in the Legislature seeking authorization to increase Net Program Spending by a further \$184.335 million.

PROVINCE OF NOVA SCOTIA
Details of Net Capital Expenditures
for the fiscal year ended March 31, 1998

Department and Item	<u>Expenditure</u>	<u>Recovery</u> (in thousands)	<u>Net</u>
OTHER -			
Natural Resources	\$ 125	\$ 120	\$ 5
TOTAL OTHER	<u>125</u>	<u>120</u>	<u>5</u>
CAPITAL GRANTS -			
Education	28,508	36	28,472
Assistance To Universities	4,819	---	4,819
Health	17,165	---	17,165
Housing and Municipal Affairs	29,495	11,251	18,244
Public Service	2,158	---	2,158
Transportation and Public Works	84	---	84
TOTAL CAPITAL GRANTS	<u>82,229</u>	<u>11,287</u>	<u>70,942</u>
TRANSPORTATION AND PUBLIC WORKS -			
Department Program	79,847	---	79,847
Machinery Purchases	(3,292)	---	(3,292)
TOTAL TRANSPORTATION AND PUBLIC WORKS	<u>76,555</u>	<u>---</u>	<u>76,555</u>

PUBLIC WORKS AND SPECIAL PROJECTS -			
Agriculture and Marketing	1,640	---	1,640
Economic Development and Tourism	1,050	---	1,050
Education and Culture	1,137	---	1,137
Health	398	---	398
Justice	331	---	331
Natural Resources	6	---	6
Transportation and Public Works	6,713	---	6,713
TOTAL PUBLIC WORKS AND SPECIAL PROJECTS	<u>11,275</u>	---	<u>11,275</u>
HIGHWAYS MACHINERY-DEPRECIATION CHARGES	<u>3,292</u>	---	<u>3,292</u>
TOTAL CAPITAL EXPENDITURES	<u>\$ 173,476</u>	<u>\$ 11,407</u>	<u>\$ 162,069</u>

PROVINCE OF NOVA SCOTIA
Statement of Borrowing Powers
as at March 31, 1998
Authority Created by Chapter 1, 1995, Chapter 1, 1996 and Chapter 1, 1997

	<u>Amount of Issue</u>	<u>Authority</u>		
		<u>Chapter 1 1995</u>	<u>Chapter 1 1996</u>	<u>Chapter 1 1997</u>
		(in thousands)		
Authority	\$	1,000,000	\$ 500,000	\$ 700,000
Authority used in prior years:				
Year ended March 31, 1997		392,900	---	---
Balance of Authority - March 31, 1998		607,100	500,000	700,000
Year Ended March 31, 1997				
Debenture Series 7Q (Note A) \$	9,511	---	---	---
Debenture Series 9Z \$	300,000	300,000	---	---
Debenture Series A1 \$	250,000	250,000	---	---
Debenture Series A2 (US\$ 375,000,000 * 1.4217) \$	533,138	57,100	476,037	---
		607,100	476,037	---
Balance of Authority - March 31, 1998	\$	---	\$ 23,963	\$ 700,000
Additional Borrowing Powers:				
Cape Breton Industrial Assistance Act - Chapter 60, R.S.N.S. 1989 \$		10,000		
Housing Act - Chapter 211, R.S.N.S. 1989		No Limit		
Housing Development Corporation Act - Chapter 213, R.S.N.S. 1989		No Limit		
Municipal Finance Corporation Act - Chapter 301, R.S.N.S. 1989		No Limit		
Sydney Steel Corporation Act - Chapter 456, R.S.N.S. 1989		No Limit		
Finance Act - Chapter 365, R.S.N.S. 1989 (OIC# 95-786)		No Limit		

Notes:

(A) By Order of the Lieutenant Governor in Council (No. 77-1525 dated December 13, 1977), Debentures, Series 7Q, in the amount of \$118,904 were authorized and charged to Chapters 1, 1974, 1975, and 1976. By agreement, the proceeds of this debenture issue will be realized over a twenty-year period with debentures being issued quarter-yearly beginning April 1, 1978. On January 1, 1998, the debentures matured.

PROVINCE OF NOVA SCOTIA
Statement of Comparative Current Revenue and Expenditures
for the fiscal years ended March 31,

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Compound Growth Rates			Ten-year Total	% of Totals
											1989-93	1994-98	1989-98		
Revenue															
Provincial Sources															
Income Taxes	\$ 843,380	\$ 923,749	\$ 1,013,700	\$ 1,024,232	\$ 981,766	\$ 1,012,355	\$ 998,553	\$ 980,910	\$ 1,063,839	\$ 1,119,244	3.9%	2.5%	3.2%	\$ 9,961,728	26.7%
Sales Taxes	809,737	870,088	906,834	859,814	886,083	955,357	991,590	1,012,071	1,025,995	1,019,668	2.3%	1.6%	2.6%	9,337,237	25.1%
Interest Revenue (1)	79,179	92,378	68,553	68,924	73,141	47,514	54,465	38,481	35,567	34,852	-2.0%	-7.5%	-8.7%	593,054	1.6%
Liquor Commission	80,759	83,349	73,800	79,940	75,445	71,746	67,205	113,175	116,104	118,477	-1.7%	13.4%	4.4%	880,000	2.4%
Gaming Revenue	29,888	26,957	26,874	39,025	74,448	72,376	92,768	121,931	133,388	141,172	25.6%	18.2%	18.8%	758,827	2.0%
Other Provincial Revenue	125,131	144,731	168,840	175,990	186,848	193,624	177,932	158,947	162,990	183,665	10.5%	-1.3%	4.4%	1,678,698	4.5%
Proceeds (Loss) from Sale of Crown Assets															
	13,231	396	524	2,716	1,709	796	2,004	261	854	(213)	-40.1%	---	---	22,278	0.1%
Federal Sources															
Equalization	795,821	865,194	931,600	900,162	869,175	872,254	1,015,774	1,126,187	1,115,691	1,194,359	2.2%	8.2%	4.6%	9,686,217	26.0%
Established Programs															
Financing	365,498	367,606	344,298	348,048	369,866	362,057	372,402	364,663	---	---	0.3%	-100.0%	-100.0%	2,894,438	7.8%
Canada Health and Social Transfer (3)															
	---	---	---	---	---	---	---	---	536,412	438,669	---	---	---	975,081	2.6%
Revenue Stabilization Claim															
	---	---	---	---	55,257	---	---	---	---	---	---	---	---	55,257	0.1%
Prior Years' Adjustments															
Federal /Provincial Fiscal Arrangements															
	53,594	24,146	16,343	32,109	(63,741)	(41,927)	88,093	49,878	52,899	75,962	---	---	4.0%	287,356	0.8%
Federal Compensation for Harmonization															
	---	---	---	---	---	---	---	---	---	118,600	---	---	---	118,600	0.3%
Other Federal Payments															
	2,251	2,251	2,251	2,251	2,293	2,306	2,077	2,306	2,306	2,306	0.5%	---	0.3%	22,598	0.1%
	<u>3,198,469</u>	<u>3,400,845</u>	<u>3,553,617</u>	<u>3,533,211</u>	<u>3,512,290</u>	<u>3,548,458</u>	<u>3,862,863</u>	<u>3,968,810</u>	<u>4,246,045</u>	<u>4,446,761</u>	2.4%	5.8%	3.7%	<u>37,271,369</u>	100.0%
Expenditures															
General Government	110,882	106,049	109,633	130,849	113,693	114,089	117,009	102,671	64,909	118,233	0.6%	0.9%	0.7%	1,088,017	2.8%
Public Protection	80,150	90,158	100,772	93,047	107,629	105,417	100,181	145,378	134,034	130,194	7.6%	5.4%	5.5%	1,086,960	2.8%
Transportation and Communications															
	136,981	146,367	140,156	142,965	132,621	129,208	121,648	108,749	183,595	135,928	-0.8%	1.3%	-0.1%	1,378,218	3.6%
Resource Development (2)															
	176,158	195,916	184,333	173,056	187,479	145,090	135,064	148,170	148,201	157,785	1.6%	2.1%	-1.2%	1,651,252	4.3%
Health	987,791	1,071,323	1,134,593	1,207,357	1,280,932	1,214,839	1,177,406	1,223,406	1,287,054	1,428,525	6.7%	4.1%	4.2%	12,013,226	31.2%
Social Services	219,328	247,483	275,790	302,635	242,072	276,533	276,412	301,121	547,417	570,858	2.5%	19.9%	11.2%	3,259,649	8.5%
Education	881,124	928,382	977,331	1,002,426	1,000,630	978,684	957,520	915,897	900,378	900,698	3.2%	-2.1%	0.2%	9,443,070	24.5%
Culture and Recreation	27,415	38,482	37,300	39,610	39,158	36,823	38,490	34,278	33,834	36,230	9.3%	-0.4%	3.1%	361,620	0.9%
Debt Charges	560,126	570,871	671,702	694,961	803,577	865,378	911,626	896,588	811,082	797,785	9.4%	-2.0%	4.0%	7,583,696	19.7%
Municipal Affairs	66,319	67,018	67,331	65,414	74,066	65,844	68,273	46,605	48,064	48,065	2.8%	-7.6%	-3.5%	616,999	1.6%
Furlough/Restructuring	---	---	---	---	---	(41,103)	41,975	45,585	35,627	54,267	---	---	---	136,351	---
	<u>3,246,274</u>	<u>3,462,049</u>	<u>3,698,941</u>	<u>3,852,320</u>	<u>3,981,857</u>	<u>3,890,802</u>	<u>3,945,604</u>	<u>3,968,448</u>	<u>4,194,195</u>	<u>4,378,568</u>	5.2%	3.0%	3.4%	<u>38,482,707</u>	100.0%
Current Account															
Deficit (Surplus)	\$ 47,805	\$ 61,204	\$ 145,324	\$ 319,109	\$ 469,567	\$ 342,344	\$ 82,741	\$ (362)	\$ (51,850)	\$ (68,193)	77.0%	100.0%	100.0%	<u>1,211,338</u>	3.1% (A)

- (1) Commencing in the year ended March 31, 1990, the Province recorded accrued interest revenue on the outstanding advances of the various Resource Development Loan Funds.
- (2) Commencing in the year ended March 31, 1997, proceeds from the Sale of Crown Assets are recorded as revenue. Sale of Crown Assets was previously netted against Capital Expenditure. Prior years have been restated.
- (3) In 1996-97, federal funding provided under the new Canada Health and Social Transfer program is included in Ordinary Revenue.
- (A) % of total expenditure.

PROVINCE OF NOVA SCOTIA

Statement of Comparative Net Capital Expenditures
for the years ended March 31,

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Accumulated Expenditures			% of 10 yr. Total	
											1989-93	1994-98	1989-98		
Net Capital Expenditure															
General Government	\$ 28,906	\$ 10,420	\$ 4,759	\$ 6,725	\$ 9,219	\$ 5,654	\$ 1,982	\$ 11,623	\$ ---	\$ 6,713	\$ 60,029	\$ 25,972	\$ 86,001	3.2%	
Public Protection	2,803	2,576	1,634	3,027	4,375	3,672	4,281	7,944	1,455	331	14,415	17,683	32,098	1.2%	
Transportation and Resource															
Communications	118,722	134,801	99,651	99,311	156,151	132,062	97,420	132,022	70,990	79,931	608,636	512,425	1,121,061	42.3%	
Development	60,555	76,325	45,774	37,688	32,895	32,620	18,700	15,158	988	1,061	253,237	68,527	321,764	12.1%	
Health	34,421	37,580	48,991	41,745	45,037	74,469	64,166	49,820	19,348	17,563	207,774	225,366	433,140	16.3%	
Social Services	318	191	203	439	549	314	36	367	58	--	1,700	775	2,475	0.1%	
Education	14,658	21,201	12,525	11,135	14,494	39,742	32,364	42,093	52,922	35,703	74,013	202,824	276,837	10.4%	
Culture and Recreation	10,392	22,139	7,159	6,502	6,979	6,161	3,153	3,145	2,485	2,523	53,171	17,467	70,638	2.7%	
Municipal Affairs	27,114	30,585	31,062	28,348	28,016	30,677	40,098	55,692	19,196	18,244	145,125	163,907	309,032	11.6%	
Total Net Capital Expenditure	<u>\$ 297,889</u>	<u>\$ 335,818</u>	<u>\$ 251,758</u>	<u>\$ 234,920</u>	<u>\$ 297,715</u>	<u>\$ 325,371</u>	<u>\$ 262,200</u>	<u>\$ 317,864</u>	<u>\$ 167,442</u>	<u>\$ 162,069</u>	<u>\$ 1,418,100</u>	<u>\$ 1,234,946</u>	<u>\$ 2,653,046</u>	<u>100.0%</u>	

PROVINCE OF NOVA SCOTIA

**Comparative Surplus (Deficit)
as at March 31, 1998**

	<u>Net Current Account</u>	<u>Net Capital Expenditures</u>	<u>Sinking Fund Earnings</u>	<u>Comparative Surplus (Deficit)</u>
	(in thousands)			
For the Fiscal Year:				
1997-98	\$ 68,193	\$ 162,069	\$ 132,372	\$ 38,496
1996-97	51,850	167,442	123,868	8,276
1995-96	362	317,864	116,400	(201,102)
1994-95	(82,741)	262,200	109,870	(235,071)
1993-94	(342,344)	325,371	120,793	(546,922)
1992-93	(469,567)	297,715	152,028	(615,254)
1991-92	(319,109)	234,920	152,036	(401,993)
1990-91	(145,324)	251,758	142,683	(254,399)
1989-90	(61,204)	335,818	130,735	(266,287)
1988-89	(47,805)	297,889	117,815	(227,879)
1987-88	(114,734)	219,239	108,011	(225,962)
1986-87	(181,515)	193,926	102,356	(273,085)

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL SUMMARY

The Honourable Donald R. Downe
Minister of Finance
Province of Nova Scotia
Halifax, Nova Scotia.

Sir:

We have audited the financial statements of the Province of Nova Scotia for the years ended March 31, 1998 and 1997 (collectively referred to as "financial statements" of the Province". The financial statements are included in the Public Accounts of the Province, together with our auditors' report thereon dated July 21, 1998.

In addition, we have examined the accompanying consolidated financial summary of the Province for the years ended March 31, 1998 and 1997. The consolidated financial summary is the responsibility of the Province. Our responsibility is to express an opinion on the summary based on our examination. As disclosed in Note 1, the consolidated financial summary has been prepared for the purpose of illustrating the entity theory of financial reporting and is not a required part of the Province's financial statements.

In our opinion, the additional information provided by the consolidated financial summary is fairly presented, in all material respects, in accordance with the basis of accounting described in Note 1, and when considered in relation to the Province's financial statements taken as a whole.

DELOITTE & TOUCHE
Chartered Accountants

Toronto, Ontario
July 21, 1998

Province of Nova Scotia
Summary Statement of Consolidated Financial Position
as at March 31, 1998
(in thousands)

	Province of Nova Scotia (non- consolidated)	Nova Scotia Housing Development Corporation	Nova Scotia Housing Development Fund	Nova Scotia Municipal Finance Corporation	Nova Scotia Power Finance Corporation	Other	1998	1997
Assets								
Cash and short-term investments	\$ 724,950	\$ ---	\$ ---	\$ 5,582	\$ ---	\$ (349)	\$ 730,183	\$ 119,111
Accounts receivable and advances	1,027,212	14,797	25	20,265	---	484	1,062,783	651,520
Notes receivable - Nova Scotia Power Inc.	---	---	---	---	---	---	---	8,400
Loans and investments	443,805	24,131	37,916	639,546	---	(98,472)	1,046,926	975,815
Equity interest in government organizations	---	---	---	---	---	17,803	17,803	19,660
Unamortized foreign exchange translation gains and discount on debentures	604,938	---	---	45	---	15	604,998	598,051
	<u>\$ 2,800,905</u>	<u>\$ 38,928</u>	<u>\$ 37,941</u>	<u>\$ 665,438</u>	<u>\$ ---</u>	<u>\$ (80,519)</u>	<u>\$ 3,462,693</u>	<u>\$ 2,372,557</u>
Liabilities								
Bank advances and short-term borrowings	\$ 826,169	\$ 12,750	\$ ---	\$ ---	\$ ---	\$ 909	\$ 839,828	\$ 403,533
Accounts payable	459,422	4,016	99,064	18	---	(95,937)	466,583	282,809
Federal/Provincial Fiscal Arrangements	228,889	---	---	---	---	---	228,889	351,035
Accrued interest	264,295	---	---	20,359	---	(23)	284,631	277,154
Unmatured debt	8,527,367	334,851	36,455	639,256	---	---	9,537,929	8,461,195
Pension and retirement obligations	291,138	---	---	---	---	---	291,138	866,749
Deficiency in net assets of certain government organizations	572,755	---	---	---	---	---	572,755	463,911
	<u>11,170,035</u>	<u>351,617</u>	<u>135,519</u>	<u>659,633</u>	<u>---</u>	<u>(95,051)</u>	<u>12,221,753</u>	<u>11,106,386</u>
Net Direct Debt	<u>(8,369,130)</u>	<u>(312,689)</u>	<u>(97,578)</u>	<u>5,805</u>	<u>---</u>	<u>14,532</u>	<u>(8,759,060)</u>	<u>(8,733,829)</u>
	<u>\$ 2,800,905</u>	<u>\$ 38,928</u>	<u>\$ 37,941</u>	<u>\$ 665,438</u>	<u>\$ ---</u>	<u>\$ (80,519)</u>	<u>\$ 3,462,693</u>	<u>\$ 2,372,557</u>
Trust Funds under Administration	<u>\$ 5,914,738</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 155,185</u>	<u>\$ ---</u>	<u>\$ 19,042</u>	<u>\$ 6,088,965</u>	<u>\$ 5,016,726</u>

Contingent liabilities (Note 2)

Province of Nova Scotia
Summary Statement of Consolidated Revenue and Expenditures
for the fiscal year ended March 31, 1998
(in thousands)

	Province of Nova Scotia (non- consolidated)	Nova Scotia Housing Development Corporation	Nova Scotia Housing Development Fund	Nova Scotia Municipal Finance Corporation	Nova Scotia Power Finance Corporation	Other	1998	1997
Revenue (Schedule 1)	\$ 4,446,761	\$ 25,888	\$ ---	\$ 56,383	\$ 1,800	\$ (116,118)	\$ 4,414,714	\$ 4,209,050
Program Expenditures (Schedule 2)	<u>3,742,852</u>	<u>408</u>	<u>7,465</u>	<u>175</u>	<u>---</u>	<u>4,756</u>	<u>3,755,656</u>	<u>3,553,265</u>
Excess of Revenue over Program Expenditures	703,909	25,480	(7,465)	56,208	1,800	(120,874)	659,058	655,785
Debt Servicing Costs	<u>797,785</u>	<u>22,105</u>	<u>---</u>	<u>56,355</u>	<u>1,800</u>	<u>236</u>	<u>878,281</u>	<u>885,633</u>
Current Account Surplus (Deficit)	(93,876)	3,375	(7,465)	(147)	---	(121,110)	(219,223)	(229,848)
Sinking Fund Earnings	<u>132,372</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>132,372</u>	<u>123,868</u>
Surplus (Deficit) Before Distribution.	38,496	3,375	(7,465)	(147)	---	(121,110)	(86,851)	(105,980)
Provision for Distribution of Budgetary Surplus	(10,000)	---	---	---	---	---	(10,000)	---
Equity Interest in Net Income of Government Enterprises	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>116,620</u>	<u>116,620</u>	<u>116,074</u>
Surplus (Deficit)	<u>\$ 28,496</u>	<u>\$ 3,375</u>	<u>\$ (7,465)</u>	<u>\$ (147)</u>	<u>\$ ---</u>	<u>\$ (4,490)</u>	<u>\$ 19,769</u>	<u>\$ 10,094</u>

Province of Nova Scotia
Summary Statement of Consolidated Net Direct Debt
for the fiscal year ended March 31, 1998
(in thousands)

	Province of Nova Scotia (non- consolidated)	Nova Scotia Housing Development Corporation	Nova Scotia Housing Development Fund	Nova Scotia Municipal Finance Corporation	Nova Scotia Power Finance Corporation	Other	1998	1997
Net Direct Debt - beginning of year	\$ 8,588,486	\$ 88,349	\$ 81,967	\$ (5,952)	\$ ---	\$ (19,021)	\$ 8,733,829	\$ 8,878,127
Prior period Adjustments								
Vacation Pay Liability	---	---	---	---	---	---	---	2,500
Student Loan Risk Premiums	---	---	---	---	---	---	---	3,636
Industrial Expansion Fund	---	---	---	---	---	---	---	9,307
NS Housing Development Fund	---	---	8,146	---	---	---	8,146	---
Net Direct Debt - beginning of year as restated	8,588,486	88,349	90,113	(5,952)	---	(19,021)	8,741,975	8,893,570
Add (Subtract):								
Deficit (Surplus) for the year	(28,496)	(3,375)	7,465	147	---	4,490	(19,769)	(10,094)
Change in Deficiency in net assets of government organizations	109,279	227,714	---	---	---	---	336,993	(24,403)
Pension Obligations	(300,139)	---	---	---	---	---	(300,139)	(125,244)
Total Additions (Reductions) to Net Direct Debt	(219,356)	224,339	7,465	147	---	4,490	17,085	(159,741)
Net Direct Debt - end of year	<u>\$ 8,369,130</u>	<u>\$ 312,688</u>	<u>\$ 97,578</u>	<u>\$ (5,805)</u>	<u>\$ ---</u>	<u>\$ (14,531)</u>	<u>\$ 8,759,060</u>	<u>\$ 8,733,829</u>

Province of Nova Scotia
Summary Consolidated Schedule of Revenue
for the fiscal year ended March 31, 1998
(in thousands)

	Province of Nova Scotia (non- consolidated)	Nova Scotia Housing Development Corporation	Nova Scotia Housing Development Fund	Nova Scotia Municipal Finance Corporation	Nova Scotia Power Finance Corporation	Other	1998	1997
Provincial Sources								
Income Taxes	\$ 1,119,244	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,119,244	\$ 1,063,839
Sales Taxes	1,019,668	---	---	---	---	---	1,019,668	1,025,995
Interest Revenue - Loans	---	---	---	55,714	---	---	55,714	96,074
- Other	34,852	2,859	---	669	1,800	209	40,389	6,621
Liquor Commission	118,477	---	---	---	---	(118,477)	---	---
Nova Scotia Gaming Corporation	141,172	---	---	---	---	---	141,172	133,388
Other Provincial Revenue	182,675	8,222	---	---	---	2,150	193,047	174,971
Proceeds from sale of Crown Assets								
	(213)	---	---	---	---	---	(213)	854
Federal Sources								
Equalization	1,194,359	---	---	---	---	---	1,194,359	1,115,691
Canada Health and Social Transfer	438,669	---	---	---	---	---	438,669	536,412
Other Federal Payments	121,896	14,807	---	---	---	---	136,703	2,306
Prior Years' Adjustments-								
Federal Provincial Fiscal Arrangements	75,962	---	---	---	---	---	75,962	52,899
	<u>\$ 4,446,761</u>	<u>\$ 25,888</u>	<u>\$ ---</u>	<u>\$ 56,383</u>	<u>\$ 1,800</u>	<u>\$ (116,118)</u>	<u>\$ 4,414,714</u>	<u>\$ 4,209,050</u>

Province of Nova Scotia
Summary Consolidated Schedule of Program Expenditures
for the fiscal year ended March 31, 1998
(in thousands)

	Province of Nova Scotia (non- consolidated)	Nova Scotia Housing Development Corporation	Nova Scotia Housing Development Fund	Nova Scotia Municipal Finance Corporation	Nova Scotia Power Finance Corporation	Other	1998	1997
Agriculture and Marketing	\$ 33,480	\$ ---	\$ ---	\$ ---	\$ ---	\$ 826	34,306	32,826
Business and Consumer Services	38,565	---	---	---	---	---	38,565	35,622
Community Services	556,825	---	---	---	---	---	556,825	544,931
Economic Development and Tourism	86,931	---	---	---	---	3,930	90,861	67,983
Education and Culture	771,649	---	---	---	---	---	771,649	783,844
Assistance to Universities	182,980	---	---	---	---	---	182,980	187,832
Environment	17,019	---	---	---	---	---	17,019	18,599
Finance	9,430	---	---	---	---	---	9,430	8,782
Fisheries and Aquaculture	6,355	---	---	---	---	---	6,355	6,198
Health	1,426,686	---	---	---	---	---	1,426,686	1,286,226
Housing and Municipal Affairs	96,864	408	---	175	---	---	97,447	93,312
Human Resources	4,003	---	---	---	---	---	4,003	4,029
Justice	75,257	---	---	---	---	---	75,257	89,621
Labour	24,145	---	---	---	---	---	24,145	14,676
Natural Resources	59,528	---	---	---	---	---	59,528	53,677
Public Service	55,822	---	---	---	---	---	55,822	47,757
Transportation and Public Works	263,180	---	---	---	---	---	263,180	240,936
Restructuring Costs	54,267	---	---	---	---	---	54,267	35,627
Unallocated Recoveries	(20,134)	---	---	---	---	---	(20,134)	---
	<u>\$ 3,742,852</u>	<u>\$ 408</u>	<u>\$ ---</u>	<u>\$ 175</u>	<u>\$ ---</u>	<u>\$ 4,756</u>	<u>\$ 3,748,191</u>	<u>\$ 3,552,478</u>

PROVINCE OF NOVA SCOTIA**Notes to the Consolidated Financial Summary
March 31, 1998****1. BASIS OF PRESENTATION**

The Public Accounts of the Province are presented annually to the Legislative Assembly and contain, among other information, the financial statements of the Province disclosing the detail of financial assets and liabilities, revenue, recoveries, and expenditure, as well as borrowing and investing authorities.

The consolidated financial summary is supplementary to the financial statements of the Province and is presented for the purpose of illustrating the effect of applying the entity theory of consolidation for certain government organizations and the modified equity basis of accounting for government enterprises.

This summary includes the accounts of the Consolidated Fund together with the financial assets, liabilities, revenues and expenditures of government organizations. The Province's interest in government enterprises is accounted for in the consolidated financial summary using the modified equity method.

Government organizations exist primarily to provide services to government and are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislative Assembly. Government enterprises are entities owned or controlled by the Province which have the financial and operating authority to carry on a business, selling goods and services to individuals and non-government organizations as their principal activity and source of revenue. Government enterprises differ from other government organizations in their objectives, operations, relationship to the Province and financial reporting practices.

The financial statements of the Province included in the Public Accounts exclude government organizations and only reflect the Province's interest in government enterprises to the extent of provisions made in respect of deficiencies in net assets of certain crown corporations. As well, the financial statements recognize the operating results of Nova Scotia Liquor Commission and the Nova Scotia Gaming Corporation.

The following crown corporations and agencies of the Province are considered to be government organizations and are, with others, consolidated in these summary financial statements. Financial statements of each of these government organizations are presented separately in the Public Accounts - Volume II. The consolidated financial summary presents details of their accounts after having first amended their accounting policies to comply with those of the Province.

Nova Scotia Housing Development Corporation - Established to provide long-term mortgage financing through outside lenders for the Public Non-Profit Housing Program and various home ownership programs of the Department of Housing and Municipal Affairs. Administration and management of the corporation is provided by the Department of Housing and Municipal Affairs.

Effective October 1, 1997 the Nova Scotia Housing Development Corporation entered into an agreement to transfer program delivery responsibilities for certain social housing programs from Canada Mortgage and Housing Corporation (CMHC) to Nova Scotia Housing Development Corporation. The agreement includes the transfer of assets, liabilities and reserves and involves funding commitments. Under the agreement, CMHC transferred its interest in certain social housing investments located in Nova Scotia to the Corporation. The assets were transferred at CMHC's book value at October 1, 1997 of \$240,978,257. The transfer was financed by long-term debt payable to CMHC in the same amount and the investments have been assigned as security for the related debt.

Nova Scotia Housing Development Fund - Established to provide financing for the mortgage, loan and land development programs of the Department of Housing and Municipal Affairs. Administration and management of the Fund is provided by the Department of Housing and Municipal Affairs.

Nova Scotia Municipal Finance Corporation - Established to provide financing of approved capital projects for municipalities, municipal enterprises, school boards and hospitals through a central borrowing authority. Borrowings of the corporation are guaranteed by the Province and the proceeds are reloaned to municipalities, municipal enterprises and participating hospitals on substantially the same terms as the corporation's borrowings. Administrative expenses are paid by an operating grant from the province.

Nova Scotia Power Finance Corporation - A provincial crown corporation whose sole purpose is to hold debt that is guaranteed by the Province. Nova Scotia Power Inc., a publicly owned utility, is responsible for the servicing of such debt.

Waterfront Development Corporation Limited - Established to redevelop and revitalize sections of the waterfronts of Halifax and Dartmouth in accordance with an agreement between the corporation and the Province. The Province guarantees the corporation's borrowings and provides annual operating grants.

The following crown corporations and agencies of the Province are considered to be government enterprises and are, with others, accounted for by the modified equity method in these summary consolidated financial statements. Financial statements of each of these government enterprises are presented separately in the Public Accounts - Volume II.

Nova Scotia Liquor Commission - Established to administer the Liquor Control Act, providing all retail liquor services in Nova Scotia.

Nova Scotia Resources Limited - Established to invest in and manage the Province's participation in petroleum, energy and mineral projects. The Province guarantees the corporation's borrowings.

Sydney Steel Corporation - Engaged in the manufacture and sale of steel products. The Province has provided substantial financial assistance to Sydney Steel Corporation and in January 1990, assumed responsibility for the bank debt which it had guaranteed. The Province continues to guarantee lines of credit for working capital purposes.

Nova Scotia Innovation Corporation - Established to build relationships that enable technology-based Nova Scotia firms to compete successfully for business anywhere in the world. The corporation receives an annual grant from the Province of Nova Scotia.

Highway 104 Western Alignment Corporation - Established to finance, construct, operate and maintain a 45 km stretch of highway between Masstown and Thomson Station in the counties of Colchester and Cumberland, Nova Scotia. The Province retains ownership of the highway, however, the Corporation is granted the right to operate and collect tolls for a thirty year period. The province is not liable for any debt of the Corporation.

In addition to these enterprises, the "Other" column on the statements reflects changes required to eliminate inter organizational transactions for organizations that are consolidated with the Province on a line by line basis.

Certain Nova Scotia public sector entities with which the Province may be seen to be affiliated are not considered to be part of the Reporting Entity and are excluded from these consolidated financial statements. Principal among these are:

Workers' Compensation Board of Nova Scotia - Considered to be distinct from the Reporting Entity. The province has no rights to any assets or financial surplus of the Board and no obligation in respect of any liabilities or deficiencies it may incur.

Halifax-Dartmouth Bridge Commission - Considered to be distinct from the Reporting Entity, partly on the basis of a 1993 decision of the Supreme Court of Nova Scotia. The Province provides direct guarantees in respect of certain debt obligations of the Commission.

2. CONTINGENT LIABILITIES

The Province acts a guarantor of debt issued by Crown corporations, agencies and various other entities under authorities provided by Provincial statutes. At March 31, 1998, outstanding bank loans, bonds, debentures, etc., directly guaranteed by the Province totalled \$230,806,000, net of provisions for deficiency in net assets of certain crown corporations of \$412,343,000, and hospital and public school debts of \$93,385,000 and other miscellaneous items recorded as liabilities of the Province.

Of that amount, \$189,656,000 relating to guarantees of obligations of government organizations have been included as liabilities in the summary consolidated financial position presented in this consolidated financial summary. Net remaining guarantees of the consolidated entity, after including guarantees, of \$23,587,000 under the Nova Scotia Housing Development Corporation Act, totalled \$64,737,000 at March 31, 1998.

3. YEAR 2000

The effects of the Year 2000 issue may be experienced before, on or after January 1, 2000. If not addressed, the impact on operations and financial reporting may range from minor errors to significant system failure which could affect the Province's ability to conduct normal business operations. It is not possible to be certain that all aspects of the year 2000 issue affecting the entity, including those related to efforts of suppliers and other third parties, will be fully resolved.

The Province continues to prepare for and manage this risk. Each government department is responsible for identifying, creating, and executing remediation plans for date-sensitive systems that may impact their ability to continue normal operations. The costs associated with all year 2000 efforts are to be financed departmental operating budgets. A project team has been established to monitor and support the Province's year 2000 efforts as a whole. This team reports to a senior deputy minister of government.

4. COMMITMENTS

Commencing with the year ended March 31, 1996, the Province changed its authority for capital spending from two years to one year and combined that authority with current program spending. As a transitional measure, the Province accrued certain capital commitments for the year ended March 31, 1997 in the amount of \$11.7 million (1996 - \$50.9 million). This transitional measure has not been continued in subsequent years.

The Long-Term Disability plan, which is funded on an equal basis by the Province and its employees, has an estimated unfunded liability as at March 31, 1998 of approximately \$44,800,000. As agreed to through a contractual arrangement between the Nova Scotia Government Employees Union and the Province, the Province is not required to fund this shortfall, therefore, no liability has been recorded in these financial statements.

**ANALYSIS OF DEPARTMENTAL NET EXPENDITURES
OF THE PROVINCE OF
NOVA SCOTIA FOR THE FISCAL YEAR
ENDED MARCH 31, 1998**

The following breakdown of net expenditures, follows the format of the Estimates of the Government of Nova Scotia for the fiscal year 1997-98. The figures represent the actual net expenditures summarized by category. Explanations of the organization or program level are contained in the Estimates book.

	Estimate	Actual
DEPARTMENT OF AGRICULTURE AND MARKETING		
Senior Management		
Salaries and Benefits	\$ 316,000.00	\$ 351,712.09
Operating Costs	355,000.00	299,595.00
Grants and Contributions	638,000.00	1,319,109.19
Gross Expenditures	1,309,000.00	1,970,416.28
Less: Fees and Other Charges	---	(202.20)
Less: Recoveries	(50,000.00)	(50,005.00)
Total Net Expenditures - Senior Management	1,259,000.00	1,920,209.08
Policy Secretariat		
Salaries and Benefits	\$ 781,000.00	\$ 649,470.36
Operating Costs	1,315,000.00	1,654,418.97
Gross Expenditures	2,096,000.00	2,303,889.33
Less: Chargeable to Other Departments	---	(3.45)
Less: Fees and Other Charges	---	(4.83)
Less: Recoveries	(8,000.00)	---
Total Net Expenditures - Policy Secretariat	2,088,000.00	2,303,881.05
Rural Leadership		
Salaries and Benefits	\$ 1,817,000.00	\$ 1,832,350.38
Operating Costs	576,000.00	609,825.98
Grants and Contributions	1,000.00	14,106.82
Gross Expenditures	2,394,000.00	2,456,283.18
Less: Fees and Other Charges	(25,000.00)	(36,089.73)
Less: Recoveries	(14,000.00)	(14,256.00)
Total Net Expenditures - Rural Leadership	2,355,000.00	2,405,937.45
Marketing and Food Industry Development		
Salaries and Benefits	\$ 487,000.00	\$ 473,701.31
Operating Costs	553,000.00	563,780.56
Grants and Contributions	490,000.00	380,600.82
Gross Expenditures	1,530,000.00	1,418,082.69
Less: Fees and Other Charges	(1,000.00)	(483.81)
Total Net Expenditures - Marketing and Food Industry Development	1,529,000.00	1,417,598.88

	Estimate	Actual
Resource Stewardship		
Salaries and Benefits	\$ 746,000.00	\$ 821,038.63
Operating Costs	1,017,000.00	905,735.11
Grants and Contributions	2,000.00	347,757.63
Gross Expenditures	1,765,000.00	2,074,531.37
Less: Fees and Other Charges	(10,000.00)	(8,551.29)
Less: Recoveries	---	(18,625.60)
Total Net Expenditures - Resource Stewardship	1,755,000.00	2,047,354.48
Quality Evaluation		
Salaries and Benefits	\$ 1,879,000.00	\$ 2,547,402.60
Operating Costs	752,000.00	1,075,845.51
Grants and Contributions	1,157,000.00	1,101,096.72
Gross Expenditures	3,788,000.00	4,724,344.83
Less: Chargeable to Other Departments	---	(12,263.40)
Less: Fees and Other Charges	---	(361,250.72)
Less: Recoveries	(290,000.00)	(2,437.42)
Total Net Expenditures - Quality Evaluation	3,498,000.00	4,348,393.29
Business Development		
Salaries and Benefits	\$ 1,455,000.00	\$ 1,366,715.70
Operating Costs	394,000.00	896,745.27
Grants and Contributions	8,437,000.00	9,312,261.51
Gross Expenditures	10,286,000.00	11,575,722.48
Less: Chargeable to Other Departments	---	(28,688.84)
Less: Fees and Other Charges	(115,000.00)	(227,918.00)
Less: Recoveries	(272,000.00)	(1,766,949.41)
Total Net Expenditures - Business Development	9,899,000.00	9,552,166.23
Production Technology		
Salaries and Benefits	\$ 2,887,000.00	\$ 2,721,194.92
Operating Costs	729,000.00	731,105.83
Grants and Contributions	552,000.00	441,764.41
Gross Expenditures	4,168,000.00	3,894,065.16
Less: Chargeable to Other Departments	---	(4,877.69)
Less: Fees and Other Charges	---	(6,507.03)
Less: Recoveries	(15,000.00)	(160.00)
Total Net Expenditures - Production Technology	4,153,000.00	3,882,520.44

	Estimate	Actual
Boards and Commissions		
Salaries and Benefits	\$ 308,000.00	\$ 276,145.42
Operating Costs	434,000.00	455,850.34
Grants and Contributions	9,000.00	1,100.00
Gross Expenditures	751,000.00	733,095.76
Less: Fees and Other Charges	(161,000.00)	(182,509.09)
Total Net Expenditures - Boards and Commissions	\$ 590,000.00	\$ 550,586.67
Nova Scotia Agricultural College		
Salaries and Benefits	\$ 9,934,000.00	\$ 10,092,075.61
Operating Costs	5,044,000.00	5,809,640.08
Grants and Contributions	---	70,413.08
Gross Expenditures	14,978,000.00	15,972,128.77
Less: Chargeable to Other Departments	(3,126,000.00)	(3,651,101.99)
Less: Fees and Other Charges	(6,476,000.00)	(6,786,504.28)
Less: Recoveries	(400,000.00)	(482,737.29)
Total Net Expenditures - Nova Scotia Agricultural College	\$ 4,976,000.00	\$ 5,051,785.21
Total Net Expenditures - Agriculture and Marketing	\$ 32,102,000.00	\$ 33,480,432.78

	Estimate	Actual
DEPARTMENT OF BUSINESS AND CONSUMER SERVICES		
Senior Management		
Salaries and Benefits	\$ 434,000.00	\$ 330,397.68
Operating Costs	126,000.00	163,807.59
Total Net Expenditures - Senior Management	\$ 560,000.00	\$ 494,205.27
Corporate Services Unit		
Salaries and Benefits	\$ 3,327,000.00	\$ 3,181,632.81
Operating Costs	930,000.00	1,119,296.18
Grants and Contributions	---	6,750.00
Gross Expenditures	4,257,000.00	4,307,678.99
Less: Chargeable to Other Departments	---	(28,260.00)
Less: Recoveries	(55,000.00)	---
Total Net Expenditures - Corporate Services Unit	\$ 4,202,000.00	\$ 4,279,418.99
Transition Management		
Salaries and Benefits	\$ 115,000.00	\$ 338,939.72
Operating Costs	3,885,000.00	1,489,047.24
Total Net Expenditures - Transition Management	\$ 4,000,000.00	\$ 1,827,986.96
Service Delivery and Operations		
Salaries and Benefits	\$ 10,404,000.00	\$ 9,737,182.27
Operating Costs	6,208,000.00	5,905,448.19
Grants and Contributions	10,000.00	27,800.00
Gross Expenditures	16,622,000.00	15,670,430.46
Less: Chargeable to Other Departments	(76,000.00)	(37,459.54)
Less: Fees and Other Charges	(1,845,000.00)	(1,561,512.83)
Less: Recoveries	(295,000.00)	(359,783.42)
Total Net Expenditures - Service Delivery and Operations	\$ 14,406,000.00	\$ 13,711,674.67

	<u>Estimate</u>	<u>Actual</u>
Revenue, Compliance and Registry Services		
Salaries and Benefits	9,928,000.00 \$	9,592,883.60
Operating Costs	5,256,000.00	8,550,851.61
Grants and Contributions	38,000.00	37,500.00
Gross Expenditures	15,222,000.00	18,181,235.21
Less: Fees and Other Charges	(480,000.00)	(574,272.64)
Less: Recoveries	(835,000.00)	(552,137.67)
Total Net Expenditures - Revenue, Compliance and Registry Services	13,907,000.00 \$	17,054,824.90
 Policy and Business Development		
Salaries and Benefits	650,000.00 \$	625,289.21
Operating Costs	421,000.00	571,152.13
Gross Expenditures	1,071,000.00	1,196,441.34
Less: Chargeable to Other Departments	(83,000.00)	---
Total Net Expenditures - Policy and Business Development	988,000.00 \$	1,196,441.34
 Total Net Expenditures - Business and Consumer Services		
	38,063,000.00 \$	38,564,552.13

	Estimate	Actual
DEPARTMENT OF COMMUNITY SERVICES		
Senior Management		
Salaries and Benefits	957,000.00 \$	742,681.28
Operating Costs	292,000.00	234,668.48
Total Net Expenditures - Senior Management	1,249,000.00 \$	977,349.76
Commissions and Agencies		
Salaries and Benefits	446,000.00 \$	400,082.36
Operating Costs	393,000.00	260,147.47
Grants and Contributions	438,000.00	77,062.18
Gross Expenditures	1,277,000.00	737,292.01
Less: Chargeable to Other Departments	(109,000.00)	(126,820.00)
Total Net Expenditures - Commissions and Agencies	1,168,000.00 \$	610,472.01
Corporate Services Unit		
Salaries and Benefits	2,247,000.00 \$	2,327,004.06
Operating Costs	5,560,000.00	6,351,876.09
Gross Expenditures	7,807,000.00	8,678,880.15
Less: Chargeable to Other Departments	---	(1,086,729.20)
Total Net Expenditures - Corporate Services Unit	7,807,000.00 \$	7,592,150.95
Strategic Planning		
Salaries and Benefits	1,121,000.00 \$	982,456.02
Operating Costs	723,000.00	392,399.35
Grants and Contributions	---	(50.00)
Gross Expenditures	1,844,000.00	1,374,805.37
Less: Chargeable to Other Depts	---	(9,660.00)
Less: Recoveries	---	(24,051.80)
Total Net Expenditures - Strategic Planning	1,844,000.00 \$	1,341,093.57

	Estimate	Actual
Field Offices		
Salaries and Benefits	3,677,000.00 \$	3,919,156.12
Operating Costs	3,018,000.00	3,026,291.45
Grants and Contributions	---	6,093.08
Gross Expenditures	6,695,000.00	6,951,540.65
Less: Recoveries	(76,000.00)	(75,799.00)
Total Net Expenditures - Field Offices \$	6,619,000.00 \$	6,875,741.65
Family and Children's Services		
Salaries and Benefits	9,187,000.00 \$	7,996,461.23
Operating Costs	1,884,000.00	1,543,306.56
Grants and Contributions	77,848,000.00	87,085,729.59
Gross Expenditures	88,919,000.00	96,625,497.38
Less: Chargeable to Other Depts	(180,000.00)	(204,711.40)
Less: Fees and Other Charges	(32,000.00)	(38,873.33)
Less: Recoveries	---	(23,854.68)
Total Net Expenditures - Family and Children's Services \$	88,707,000.00 \$	96,358,057.97
Income Assistance and Employment Support Services		
Salaries and Benefits	19,152,000.00 \$	19,788,135.04
Operating Costs	2,661,000.00	2,201,441.25
Grants and Contributions	452,849,000.00	509,268,575.10
Gross Expenditures	474,662,000.00	531,258,151.39
Less: Chargeable to Other Depts	(10,696,000.00)	(62,388,451.47)
Less: Fees and Other Charges	---	(13.92)
Less: Recoveries	(23,115,000.00)	(25,799,164.50)
Total Net Expenditures - Income Assistance and Employment Support Services \$	440,851,000.00 \$	443,070,521.50
Total Net Expenditures - Community Services \$	548,245,000.00 \$	556,825,387.41

	<u>Estimate</u>	<u>Actual</u>
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM		
Senior Management and Support Services		
Salaries and Benefits	\$ 1,276,000.00	\$ 1,450,655.25
Operating Costs	1,740,000.00	1,942,132.66
Grants and Contributions	150,000.00	46,000.00
Total Net Expenditures - Senior Management and Support Services	\$ 3,166,000.00	\$ 3,438,787.91
Special Assistance Program		
Grants and Contributions	\$ 7,165,000.00	\$ 12,966,856.85
Gross Expenditures	7,165,000.00	12,966,856.85
Less: Chargeable to Canada-Nova Scotia (Offshore) Development Fund	(5,165,000.00)	(1,310,700.81)
Total Net Expenditures - Special Assistance Program	\$ 2,000,000.00	\$ 11,656,156.04
Trade Centre Limited		
Grants and Contributions	\$ 790,000.00	\$ ---
Total Net Expenditures - Trade Centre Limited	\$ 790,000.00	\$ ---
Voluntary Planning		
Salaries and Benefits	\$ 368,000.00	\$ 389,956.79
Operating Costs	202,000.00	155,699.81
Total Net Expenditures - Voluntary Planning	\$ 570,000.00	\$ 545,656.60
Provincial Employment Program		
Salaries and Benefits	\$ 111,000.00	\$ 886,527.73
Operating Costs	20,000.00	9,414.16
Grants and Contributions	6,086,000.00	7,430,428.17
Total Net Expenditures - Provincial Employment Program	\$ 6,217,000.00	\$ 8,326,370.06
N. S. Film Industry Development		
Grants and Contributions	\$ 1,709,000.00	\$ 3,009,400.00
Total Net Expenditures - N.S. Film Industry Development	\$ 1,709,000.00	\$ 3,009,400.00

	Estimate	Actual
Nova Scotia Marketing Agency		
Salaries and Benefits	1,160,000.00 \$	1,050,120.15
Operating Costs	6,740,000.00	8,881,580.80
Grants and Contributions	75,000.00	76,357.00
Gross Expenditures	7,975,000.00	10,008,057.95
Less: Fees and Other Charges	---	(584,721.36)
Total Net Expenditures - Nova Scotia Marketing Agency	7,975,000.00 \$	9,423,336.59
Tourism Nova Scotia		
Salaries and Benefits	2,055,000.00 \$	2,279,197.78
Operating Costs	3,145,000.00	3,746,156.02
Grants and Contributions	2,436,000.00	1,884,481.24
Gross Expenditures	7,636,000.00	7,909,835.04
Less: Fees and Other Charges	(212,000.00)	(319,195.86)
Less: Recoveries	(16,000.00)	(14,233.69)
Total Net Expenditures - Tourism Nova Scotia	7,408,000.00 \$	7,576,405.49
Community Economic Development		
Salaries and Benefits	1,873,000.00 \$	1,702,935.05
Operating Costs	520,000.00	511,114.40
Grants and Contributions	3,066,000.00	3,211,784.58
Total Net Expenditures - Community Economic Development	5,459,000.00 \$	5,425,834.03
Investment and Trade		
Salaries and Benefits	2,101,000.00 \$	1,935,172.69
Operating Costs	2,508,000.00	2,358,682.21
Grants and Contributions	500,000.00	457,602.22
Gross Expenditures	5,109,000.00	4,751,457.12
Less: Fees and Other Charges	---	(21,621.00)
Total Net Expenditures - Investment and Trade	5,109,000.00 \$	4,729,836.12

	Estimate	Actual
Lending and Financing Services		
Salaries and Benefits	1,316,000.00	\$ 1,269,166.97
Operating Costs	1,048,000.00	907,833.30
Grants and Contributions	---	3,236,297.24
Gross Expenditures	2,364,000.00	5,413,297.51
Less: Fees and Other Charges	---	(1,074,552.05)
Less: Recoveries	---	(2,202,767.00)
Total Net Expenditures - Lending and Financing Services	2,364,000.00	\$ 2,135,978.46
Strategic Services		
Salaries and Benefits	473,000.00	\$ 328,020.34
Operating Costs	136,000.00	78,726.98
Total Net Expenditures - Strategic Services	609,000.00	\$ 406,747.32
Nova Scotia Innovation Corporation		
Grants and Contributions	3,693,000.00	\$ 3,993,000.00
Total Net Expenditures - Nova Scotia Innovation Corporation	3,693,000.00	\$ 3,993,000.00
Waterfront Development Corporation		
Grants and Contributions	336,000.00	\$ 336,000.00
Total Net Expenditures - Waterfront Development Corporation	336,000.00	\$ 336,000.00
Harbour Ports Development		
Grants and Contributions	300,000.00	\$ 300,000.00
Total Net Expenditures - Harbour Ports Development	300,000.00	\$ 300,000.00
Public and Private Partnerships		
Salaries and Benefits	---	\$ 49,394.12
Operating Costs	500,000.00	11,338.46
Gross Expenditures	500,000.00	60,732.58
Less: Fees and Other Charges	(300,000.00)	---
Total Net Expenditures - Public and Private Partnerships	200,000.00	\$ 60,732.58

	<u>Estimate</u>	<u>Actual</u>
Resort Hotel Operations		
Salaries and Benefits	2,930,000.00 \$	3,746,178.90
Operating Costs	3,905,000.00	4,208,703.13
Gross Expenditures	6,835,000.00	7,954,882.03
Less: Fees and Other Charges	(7,040,000.00)	(8,114,864.73)
Total Net Expenditures - Resort Hotel		
Operations	(205,000.00) \$	(159,982.70)
Loans Valuation Allowance		
Operating Costs	1,000,000.00 \$	12,740,210.00
Total Net Expenditures - Loans Valuation		
Allowance	1,000,000.00 \$	12,740,210.00
Funds for Federal-Provincial Economic Cooperation		
Salaries and Benefits	--- \$	322,138.60
Operating Costs	49,220,000.00	35,332,598.24
Grants and Contributions	---	40,000.00
Gross Expenditures	49,220,000.00	35,694,736.84
Less: Recoveries	(25,058,000.00)	(22,708,278.15)
Total Net Expenditures - Funds for Federal-		
Provincial Economic Cooperation	24,162,000.00 \$	12,986,458.69
Total Net Expenditures - Economic Development		
and Tourism	72,862,000.00 \$	86,930,927.19

	Estimate	Actual
DEPARTMENT OF EDUCATION AND CULTURE		
Administration		
Salaries and Benefits	\$ 844,000.00	\$ 849,568.20
Operating Costs	369,000.00	375,208.94
Gross Expenditures	1,213,000.00	1,224,777.14
Less: Recoveries	---	(5,372.26)
Total Net Expenditures - Administration	\$ 1,213,000.00	\$ 1,219,404.88
Nova Scotia Council on Higher Education		
Salaries and Benefits	\$ 586,000.00	\$ 308,486.90
Operating Costs	376,000.00	577,239.77
Gross Expenditures	962,000.00	885,726.67
Less: Recoveries	---	(374.82)
Total Net Expenditures - Nova Scotia Council on Higher Education	\$ 962,000.00	\$ 885,351.85
Educational and Cultural Industry Marketing		
Salaries and Benefits	\$ 90,000.00	\$ 92,927.53
Operating Costs	10,000.00	19,765.52
Total Net Expenditures - Educational and Cultural Industry Marketing	\$ 100,000.00	\$ 112,693.05
Policy		
Salaries and Benefits	\$ 4,731,000.00	\$ 4,391,404.68
Operating Costs	3,061,000.00	3,311,159.94
Grants and Contributions	100,000.00	354,144.00
Gross Expenditures	7,892,000.00	8,056,708.62
Less: Fees and Other Charges	(322,000.00)	(235,530.84)
Less: Recoveries	(100,000.00)	(392,143.47)
Total Net Expenditures - Policy	\$ 7,470,000.00	\$ 7,429,034.31

	Estimate	Actual
Programs		
Salaries and Benefits	\$ 6,982,000.00	\$ 7,005,444.09
Operating Costs	5,914,000.00	6,442,466.47
Grants and Contributions	7,021,000.00	9,059,017.64
Gross Expenditures	19,917,000.00	22,506,928.20
Less: Chargeable to Other Departments	(1,302,000.00)	(1,888,135.05)
Less: Fees and Other Charges	(1,005,000.00)	(760,513.03)
Less: Recoveries	(4,847,000.00)	(7,034,958.29)
Total Net Expenditures - Programs	\$ 12,763,000.00	\$ 12,823,321.83

ACADIAN AND FRENCH LANGUAGE SERVICES

Salaries and Benefits	\$ 391,000.00	\$ 533,099.85
Operating Costs	2,226,000.00	1,493,796.68
Grants and Contributions	367,000.00	4,200.00
Gross Expenditures	2,984,000.00	2,031,096.53
Less: Recoveries	(2,984,000.00)	(2,032,769.25)
Total Net Expenditures - Acadian and French Language Services	---	\$ (1,672.72)

NOVA SCOTIA COMMUNITY COLLEGE SYSTEM**Administration**

Salaries and Benefits	\$ 208,000.00	\$ 122,394.13
Operating Costs	34,000.00	142,165.33
Grants and Contributions	---	10,000.00
Total Net Expenditures - Administration	\$ 242,000.00	\$ 274,559.46

Apprenticeship Training

Salaries and Benefits	\$ 1,270,000.00	\$ 1,299,610.95
Operating Costs	2,399,000.00	2,727,567.09
Grants and Contributions	---	282.50
Gross Expenditures	3,669,000.00	4,027,460.54
Less: Fees and Other Charges	(55,000.00)	(79,211.70)
Less: Recoveries	---	(325,572.00)
Total Net Expenditures - Apprenticeship Training	\$ 3,614,000.00	\$ 3,622,676.84

	<u>Estimate</u>	<u>Actual</u>
Nova Scotia Community College		
Grants and Contributions	\$ 51,871,000.00	\$ 51,906,726.93
Gross Expenditures	51,871,000.00	51,906,726.93
Less: Recoveries	(4,900,000.00)	(4,900,000.00)
Total Net Expenditures - Nova Scotia Community College	\$ 46,971,000.00	\$ 47,006,726.93

College de l'Acadie

Grants and Contributions	\$ 3,252,000.00	\$ 3,252,000.00
Gross Expenditures	3,252,000.00	3,252,000.00
Less: Recoveries	(1,626,000.00)	(1,626,000.00)
Total Net Expenditures - College de l'Acadie	\$ 1,626,000.00	\$ 1,626,000.00

HERITAGE AND CULTURE**Nova Scotia Museum**

Salaries and Benefits	\$ 3,699,000.00	\$ 3,962,661.60
Operating Costs	1,989,000.00	2,883,761.30
Grants and Contributions	1,000.00	16,250.00
Gross Expenditures	5,689,000.00	6,862,672.90
Less: Chargeable to Other Departments	(181,000.00)	(546,346.29)
Less: Fees and Other Charges	(629,000.00)	(795,966.75)
Less: Recoveries	(227,000.00)	(426,130.45)
Total Net Expenditures - Nova Scotia Museum	\$ 4,652,000.00	\$ 5,094,229.41

Cultural Affairs

Salaries and Benefits	\$ 580,000.00	\$ 505,018.53
Operating Costs	373,000.00	351,387.91
Grants and Contributions	4,645,000.00	4,666,183.55
Gross Expenditures	5,598,000.00	5,522,589.99
Less: Fees and Other Charges	(32,000.00)	(41,661.02)
Less: Recoveries	(90,000.00)	(35,574.00)
Total Net Expenditures - Cultural Affairs	\$ 5,476,000.00	\$ 5,445,354.97

	Estimate	Actual
Art Gallery of Nova Scotia		
Salaries and Benefits	--- \$	524,787.97
Operating Costs	---	171.75
Grants and Contributions	1,204,000.00	656,007.85
Total Net Expenditures - Art Gallery of Nova Scotia	1,204,000.00	1,180,967.57
Public Archives of Nova Scotia		
Salaries and Benefits	671,000.00 \$	1,641,306.74
Operating Costs	210,000.00	284,970.56
Grants and Contributions	1,340,000.00	376,657.74
Gross Expenditures	2,221,000.00	2,302,935.04
Less: Chargeable to Other Departments	(90,000.00)	(140,158.24)
Total Net Expenditures - Public Archives of Nova Scotia	2,131,000.00	2,162,776.80
Finance and Operations		
Salaries and Benefits	2,360,000.00 \$	2,561,652.38
Operating Costs	8,146,000.00	9,970,401.08
Grants and Contributions	4,100,000.00	7,240,036.78
Gross Expenditures	14,606,000.00	19,772,090.24
Less: Chargeable to Other Departments	---	(60,655.39)
Less: Fees and Other Charges	(407,000.00)	(430,589.24)
Less: Recoveries	(535,000.00)	(3,624,086.24)
Total Net Expenditures - Finance and Operations	13,664,000.00	15,656,759.37
Grants to School Boards		
Operating Costs	6,358,000.00 \$	7,445,330.41
Grants and Contributions	561,007,000.00	569,839,878.98
Gross Expenditures	567,365,000.00	577,285,209.39
Less: Chargeable to Other Departments	---	(4,264,769.40)
Total Net Expenditures - Grants to School Boards	567,365,000.00	573,020,439.99

	Estimate	Actual
French Language Grants		
Operating Costs	--- \$	7.12
Grants and Contributions	3,160,000.00	3,386,607.68
Gross Expenditures	3,160,000.00	3,386,614.80
Less: Recoveries	(3,160,000.00)	(2,973,215.00)
Total Net Expenditures - French Language Grants	--- \$	413,399.80
Museum Grants		
Operating Costs	--- \$	403.85
Grants and Contributions	3,268,000.00	2,924,800.00
Total Net Expenditures - Museum Grants	3,268,000.00 \$	2,925,203.85
Public Library Grants		
Grants and Contributions	7,971,000.00 \$	8,003,867.00
Total Net Expenditures - Public Library Grants	7,971,000.00 \$	8,003,867.00
Atlantic Provinces Special Education Authority		
Operating Costs	--- \$	20,420.13
Grants and Contributions	9,158,000.00	9,637,999.90
Total Net Expenditures - Atlantic Provinces Special Education Authority	9,158,000.00 \$	9,658,420.03
Teachers' Pension		
Grants and Contributions	54,593,000.00 \$	46,312,690.82
Gross Expenditures	54,593,000.00	46,312,690.82
Less: Chargeable to Other Departments	(1,700,000.00)	(1,695,189.33)
Less: Recoveries	(16,000.00)	---
Total Net Expenditures - Teachers' Pensions	52,877,000.00 \$	44,617,501.49
Total Net Expenditures - Education and Culture	742,727,000.00 \$	743,177,016.71

	<u>Estimate</u>	<u>Actual</u>
EDUCATION AND CULTURE - ASSISTANCE TO UNIVERSITIES		
Grants to Universities		
Operating Costs	500,000.00 \$	2,062,244.04
Grants and Contributions	186,972,400.00	186,707,036.96
Gross Expenditures	187,472,400.00	188,769,281.00
Less: Fees and Other Charges	(1,811,400.00)	(2,031,381.00)
Less: Recoveries	(7,500,000.00)	(8,576,900.00)
Total Net Expenditures - Grants to		
Universities	178,161,000.00 \$	178,161,000.00

	Estimate	Actual
DEPARTMENT OF THE ENVIRONMENT		
Administration		
Salaries and Benefits	\$ 411,300.00	\$ 423,321.20
Operating Costs	391,700.00	407,259.73
Grants and Contributions	20,000.00	176,367.00
Gross Expenditures	823,000.00	1,006,947.93
Less: Fees and Other Charges	(6,000.00)	(664.60)
Less: Recoveries	(1,000.00)	---
Total Net Expenditures - Administration	\$ 816,000.00	\$ 1,006,283.33
Environmental Assessment Board		
Salaries and Benefits	\$ 108,000.00	\$ 92,998.59
Operating Costs	80,000.00	53,952.07
Total Net Expenditures - Environmental Assessment Board	\$ 188,000.00	\$ 146,950.66
Policy, Planning and Coordination		
Salaries and Benefits	\$ 275,000.00	\$ 275,896.28
Operating Costs	93,000.00	88,718.33
Total Net Expenditures - Policy, Planning and Coordination	\$ 368,000.00	\$ 364,614.61
Utilities		
Salaries and Benefits	\$ 594,000.00	\$ 473,429.72
Operating Costs	1,004,000.00	1,058,724.59
Gross Expenditures	1,598,000.00	1,532,154.31
Less: Fees and Other Charges	(870,000.00)	(830,546.00)
Total Net Expenditures - Utilities	\$ 728,000.00	\$ 701,608.31
Resource Management and Environmental Protection		
Salaries and Benefits	\$ 1,194,100.00	\$ 1,245,422.51
Operating Costs	392,900.00	374,096.64
Grants and Contributions	7,000.00	12,704.00
Gross Expenditures	1,594,000.00	1,632,223.15
Less: Chargeable to Other Departments	(14,000.00)	(13,400.00)
Total Net Expenditures - Resource Management and Environmental Protection	\$ 1,580,000.00	\$ 1,618,823.15

	Estimate	Actual
Environmental Support Services		
Salaries and Benefits	1,042,100.00 \$	955,736.54
Operating Costs	1,499,900.00	1,418,986.30
Grants and Contributions	132,000.00	139,057.00
Gross Expenditures	2,674,000.00	2,513,779.84
Less: Chargeable to Other Departments	(117,000.00)	(129,337.94)
Less: Recoveries	(70,000.00)	(157,137.09)
Total Net Expenditures - Environmental Support Services	2,487,000.00 \$	2,227,304.81
Regional Offices		
Salaries and Benefits	7,004,000.00 \$	6,218,083.42
Operating Costs	3,314,000.00	2,839,954.54
Gross Expenditures	10,318,000.00	9,058,037.96
Less: Fees and Other Charges	(439,000.00)	---
Total Net Expenditures - Regional Offices	9,879,000.00 \$	9,058,037.96
Environmental Industries and Technologies		
Salaries and Benefits	418,900.00 \$	505,257.56
Operating Costs	393,100.00	282,228.64
Grants and Contributions	---	200.00
Gross Expenditures	812,000.00	787,686.20
Less: Recoveries	---	(4,318.30)
Total Net Expenditures - Environmental Industries and Technologies	812,000.00 \$	783,367.90
Emergency Measures Organization		
Salaries and Benefits	253,900.00 \$	300,310.72
Operating Costs	1,011,100.00	867,080.41
Grants and Contributions	27,000.00	33,250.00
Gross Expenditures	1,292,000.00	1,200,641.13
Less: Recoveries	(97,000.00)	(88,561.09)
Total Net Expenditures - Emergency Measures Organization	1,195,000.00 \$	1,112,080.04
Total Net Expenditures - Environment	18,053,000.00 \$	17,019,070.77

	Estimate	Actual
DEPARTMENT OF FINANCE		
Senior Management		
Salaries and Benefits	\$ 391,000.00	\$ 442,597.91
Operating Costs	229,000.00	201,410.52
Total Net Expenditures - Senior		
Management	\$ 620,000.00	\$ 644,008.43
Corporate Services Unit		
Salaries and Benefits	\$ 2,182,000.00	\$ 2,127,659.65
Operating Costs	954,000.00	1,259,484.55
Gross Expenditures	3,136,000.00	3,387,144.20
Less: Chargeable to Other Departments	---	(100,395.00)
Total Net Expenditures - Corporate Services Unit	\$ 3,136,000.00	\$ 3,286,749.20
Controller		
Salaries and Benefits	\$ 2,135,000.00	\$ 2,100,253.99
Operating Costs	520,000.00	883,187.63
Grants and Contributions	46,000.00	46,058.56
Gross Expenditures	2,701,000.00	3,029,500.18
Less: Chargeable to Other Departments	(87,300.00)	(8,509.08)
Less: Recoveries	(626,700.00)	(1,467,264.27)
Total Net Expenditures -Controller	\$ 1,987,000.00	\$ 1,553,726.83
Fiscal and Economic Policy		
Salaries and Benefits	\$ 1,296,000.00	\$ 1,249,887.17
Operating Costs	345,000.00	381,879.48
Gross Expenditures	1,641,000.00	1,631,766.65
Less: Chargeable to Other Departments	---	(147,061.63)
Less: Fees and Other Charges	---	(870.00)
Less: Recoveries	(160,000.00)	---
Total Net Expenditures - Fiscal and Economic		
Policy	\$ 1,481,000.00	\$ 1,483,835.02

	<u>Estimate</u>	<u>Actual</u>
Investment, Pensions and Treasury Services		
Salaries and Benefits	2,006,000.00 \$	1,952,835.35
Operating Costs	9,531,000.00	9,093,561.88
Gross Expenditures	11,537,000.00	11,046,397.23
Less: Chargeable to Other Departments and Pension Funds	(10,387,000.00)	(9,898,383.24)
Less: Fees and Other Charges	(240,000.00)	(252,562.00)
Total Net Expenditures - Investments, Pensions and Treasury Services	910,000.00 \$	895,451.99
 Procurement		
Salaries and Benefits	1,593,000.00 \$	1,559,668.85
Operating Costs	1,898,000.00	2,516,250.69
Gross Expenditures	3,491,000.00	4,075,919.54
Less: Chargeable to Other Departments	(1,959,000.00)	(2,509,248.34)
Total Net Expenditures - Procurement	1,532,000.00 \$	1,566,671.20
Total Net Expenditures - Finance	9,666,000.00 \$	9,430,442.67

	<u>Estimate</u>	<u>Actual</u>
FINANCE - DEBT SERVICING COSTS		
Debenture Debt		
Canada Pension Plan	\$ 143,422,000.00	\$ 143,397,854.85
Canadian Debt	203,019,000.00	199,716,768.96
United States Debt	327,407,000.00	362,294,932.34
Other Foreign Currencies Debt		
Sterling	23,181,000.00	---
Swiss Francs	16,800,000.00	15,891,121.54
Yen	72,813,000.00	59,946,670.42
Foreign Exchange on Sinking Fund Instalments	19,133,000.00	4,081,858.38
Total Net Expenditures - Debenture Debt	\$ 805,775,000.00	\$ 785,329,206.49
Other Long-Term Debt		
Courthouses	\$ 101,000.00	\$ 220,112.89
Government of Canada Loans	252,000.00	237,532.34
Hospital Loans	7,003,000.00	7,126,133.87
Joseph Howe Building	2,069,000.00	2,246,180.14
One Government Place	909,000.00	906,841.09
Public School Loans	15,939,000.00	15,816,523.49
Sydney Community Health Centre	11,000.00	10,756.94
Teachers' Pension Fund	22,433,000.00	6,803,030.98
Other Provincial Pension Obligations	19,167,000.00	---
Total Net Expenditures - Other Long-Term Debt	\$ 67,884,000.00	\$ 33,367,111.74
General Interest		
Other Related Bond Issue Expenses	\$ 12,555,000.00	\$ 42,992,345.64
Total Net Expenditures - General Interest	\$ 12,555,000.00	\$ 42,992,345.64
Borrowing Program		
Borrowing Program	\$ 34,166,000.00	---
Total Net Expenditures - Borrowing Program	\$ 34,166,000.00	---

	<u>Estimate</u>	<u>Actual</u>
Debt Retirement Fund Earnings		
Debt Retirement Fund Earnings	\$ (65,200,000.00)	\$ (63,903,338.34)
Total Net Expenditures - Debt Retirement		
Fund Earnings	\$ (65,200,000.00)	\$ (63,903,338.34)
Total Net Expenditures - Debt		
Servicing Costs	\$ 855,180,000.00	\$ 797,785,325.53

	<u>Estimate</u>	<u>Actual</u>
DEPARTMENT OF FISHERIES AND AQUACULTURE		
Administration		
Salaries and Benefits	\$ 282,000.00	\$ 310,650.48
Operating Costs	107,000.00	106,237.95
Total Net Expenditures - Administration	\$ 389,000.00	\$ 416,888.43
Marketing		
Salaries and Benefits	\$ 303,000.00	\$ 240,756.23
Operating Costs	159,000.00	210,132.06
Grants and Contributions	---	500.00
Total Net Expenditures - Marketing	\$ 462,000.00	\$ 451,388.29
Technology and Inspection		
Salaries and Benefits	\$ 621,000.00	\$ 634,010.79
Operating Costs	802,000.00	691,667.88
Gross Expenditures	1,423,000.00	1,325,678.67
Less: Fees and Other Charges	(286,000.00)	(257,861.40)
Total Net Expenditures - Technology and Inspection	\$ 1,137,000.00	\$ 1,067,817.27
Fisheries Loan Board		
Salaries and Benefits	\$ 460,000.00	\$ 458,132.17
Operating Costs	145,000.00	358,789.07
Gross Expenditures	605,000.00	816,921.24
Less: Fees and Other Charges	(23,000.00)	(49,332.50)
Total Net Expenditures - Fisheries Loan Board	\$ 582,000.00	\$ 767,588.74
Inland Fisheries		
Salaries and Benefits	\$ 663,000.00	\$ 734,308.16
Operating Costs	367,000.00	323,302.14
Gross Expenditures	1,030,000.00	1,057,610.30
Less: Fees and Other Charges	(361,000.00)	(339,543.19)
Total Net Expenditure - Inland Fisheries	\$ 669,000.00	\$ 718,067.11

	<u>Estimate</u>	<u>Actual</u>
Aquaculture		
Salaries and Benefits	\$ 632,000.00	\$ 689,679.90
Operating Costs	308,000.00	192,261.84
Gross Expenditures	940,000.00	881,941.74
Less: Fees and Other Charges	(10,000.00)	(8,559.00)
Total Net Expenditure - Aquaculture.	\$ 930,000.00	\$ 873,382.74
Policy, Planning and Coastal Resources		
Salaries and Benefits	\$ 706,000.00	\$ 751,892.46
Operating Costs	253,000.00	218,956.01
Total Net Expenditures - Policy, Planning and Coastal Resources	\$ 959,000.00	\$ 970,848.47
Training		
Salaries and Benefits	\$ 678,000.00	\$ 634,388.20
Operating Costs	459,000.00	486,842.22
Gross Expenditures	1,137,000.00	1,121,230.42
Less: Chargeable to Other Departments	---	(214.00)
Less: Fees and Other Charges	(16,000.00)	(18,609.50)
Less: Recoveries	(530,000.00)	(442,246.55)
Total Net Expenditures - Training	\$ 591,000.00	\$ 660,160.37
Program for Older Fisheries Workers' Assistance		
Grants and Contributions	\$ 425,000.00	\$ 428,976.00
Total Net Expenditures - Program for Older Fisheries Workers' Assistance	\$ 425,000.00	\$ 428,976.00
Total Net Expenditures - Fisheries and Aquaculture.	\$ 6,144,000.00	\$ 6,355,117.42

	Estimate	Actual
DEPARTMENT OF HEALTH		
General Administration		
Salaries and Benefits	955,000.00 \$	988,269.96
Operating Costs	760,000.00	463,720.22
Grants and Contributions	---	2,500.00
Total Net Expenditures - General Administration	1,715,000.00 \$	1,454,490.18
Administrative Services		
Salaries and Benefits	3,172,000.00 \$	2,915,041.19
Operating Costs	2,576,000.00	2,301,018.80
Grants and Contributions	12,711,000.00	14,027,129.24
Gross Expenditures	18,459,000.00	19,243,189.23
Less: Recoveries	(9,916,000.00)	(10,134,264.95)
Total Net Expenditures - Administrative Services	8,543,000.00 \$	9,108,924.28
Operations and Regional Support		
Salaries and Benefits	4,271,000.00 \$	3,645,701.80
Operating Costs	3,149,000.00	6,422,684.93
Grants and Contributions	2,180,000.00	2,311,314.35
Gross Expenditures	9,600,000.00	12,379,701.08
Less: Recoveries	(1,368,000.00)	(1,422,032.14)
Total Net Expenditures - Operations and Regional Support	8,232,000.00 \$	10,957,668.94
Strategic Planning and Policy Development		
Salaries and Benefits	1,942,000.00 \$	1,771,275.98
Operating Costs	746,000.00	438,590.58
Grants and Contributions	896,000.00	1,044,755.00
Gross Expenditures	3,584,000.00	3,254,621.56
Less: Chargeable to Other Departments	(239,000.00)	(236,563.32)
Less: Recoveries	(54,000.00)	(802.01)
Total Net Expenditures - Strategic Planning and Policy Development	3,291,000.00 \$	3,017,256.23

	<u>Estimate</u>	<u>Actual</u>
Insured Programs Management and Clinical Rationalization		
Salaries and Benefits	2,096,000.00 \$	1,477,986.29
Operating Costs	10,126,000.00	11,931,100.09
Grants and Contributions	3,750,000.00	11,264,292.40
Gross Expenditures	15,972,000.00	24,673,378.78
Less: Recoveries	---	(242.99)
Total Net Expenditures - Insured Programs Management and Clinical Rationalization \$	15,972,000.00 \$	24,673,135.79
Medical Payments		
Grants and Contributions	274,181,000.00 \$	296,744,677.22
Total Net Expenditures - Medical Payments \$	274,181,000.00 \$	296,744,677.22
Pharmacare Program		
Grants and Contributions	43,000,000.00 \$	56,876,207.00
Total Net Expenditures - Pharmacare Program \$	43,000,000.00 \$	56,876,207.00
Other Insured Services		
Operating Costs	--- \$	97.47
Grants and Contributions	13,200,000.00	12,581,157.00
Total Net Expenditures - Other Insured Services \$	13,200,000.00 \$	12,581,254.47
Home Care Program		
Salaries and Benefits	12,606,000.00 \$	10,421,296.85
Operating Costs	15,653,000.00	12,322,135.96
Grants and Contributions	41,541,000.00	37,775,477.89
Total Net Expenditures - Home Care Program \$	69,800,000.00 \$	60,518,910.70

	Estimate	Actual
Drug Dependency Services Program		
Grants and Contributions	\$ 14,122,000.00	\$ 14,121,066.00
Gross Expenditures	14,122,000.00	14,121,066.00
Less: Recoveries	(5,386,000.00)	(5,297,150.72)
Total Net Expenditures - Drug Dependency Services Program	\$ 8,736,000.00	\$ 8,823,915.28
Public Health Services Program		
Operating Costs	\$ 4,094,000.00	\$ 3,523,587.86
Grants and Contributions	16,386,000.00	16,662,984.00
Gross Expenditures	20,480,000.00	20,186,571.86
Less: Recoveries	(237,000.00)	(334,250.04)
Total Net Expenditures - Public Health Services Program	\$ 20,243,000.00	\$ 19,852,321.82
Hospital Insurance Program		
Grants and Contributions	\$ 640,798,000.00	\$ 719,106,325.61
Gross Expenditures	640,798,000.00	719,106,325.61
Less: Recoveries	(29,000,000.00)	(27,619,320.40)
Total Net Expenditures - Hospital Insurance Program	\$ 611,798,000.00	\$ 691,487,005.21
Mental Health Services Program		
Grants and Contributions	\$ 60,810,000.00	\$ 62,175,298.19
Total Net Expenditures - Mental Health Services Program	\$ 60,810,000.00	\$ 62,175,298.19
Long Term Care Program		
Operating Costs	\$ ---	\$ 2,673.00
Grants and Contributions	109,838,000.00	112,139,629.35
Total Net Expenditures - Long Term Care Program	\$ 109,838,000.00	\$ 112,142,302.35

	<u>Estimate</u>	<u>Actual</u>
Emergency Health Services		
Salaries and Benefits	991,000.00 \$	615,385.98
Operating Costs	11,168,000.00	10,118,978.61
Grants and Contributions	15,200,000.00	29,409,867.75
Gross Expenditures	27,359,000.00	40,144,232.34
Less: Recoveries	<u>(3,359,000.00)</u>	<u>(1,036,600.00)</u>
Total Net Expenditures - Emergency Health Services	24,000,000.00 \$	39,107,632.34
Total Net Expenditures - Health	1,273,359,000.00 \$	1,409,521,000.00

	Estimate	Actual
DEPARTMENT OF HOUSING AND MUNICIPAL AFFAIRS		
Administration		
Salaries and Benefits	760,000.00 \$	785,250.48
Operating Costs	1,086,000.00	625,661.51
Grants and Contributions	11,000.00	2,000.00
Gross Expenditures	1,857,000.00	1,412,911.99
Less: Recoveries	(125,000.00)	(125,275.65)
Total Net Expenditures - Administration \$	1,732,000.00 \$	1,287,636.34
Municipal Services		
Salaries and Benefits	1,576,000.00 \$	1,509,022.31
Operating Costs	469,000.00	394,145.43
Grants and Contributions	39,825,000.00	37,631,969.06
Gross Expenditures	41,870,000.00	39,535,136.80
Less: Fees and Other Charges	---	(704.00)
Less: Recoveries	(2,834,000.00)	(3,036,642.18)
Total Net Expenditures - Municipal Services \$	39,036,000.00 \$	36,497,790.62
Support Services		
Salaries and Benefits	249,000.00 \$	251,107.69
Operating Costs	902,000.00	890,747.56
Grants and Contributions	---	15,451.96
Gross Expenditures	1,151,000.00	1,157,307.21
Less: Fees and Other Charges	---	(20.00)
Less: Recoveries	---	(2,079.00)
Total Net Expenditures - Support Services \$	1,151,000.00 \$	1,155,208.21
Land Information Services		
Salaries and Benefits	6,890,000.00 \$	6,695,173.85
Operating Costs	3,020,000.00	2,871,585.45
Grants and Contributions	---	(3,417.57)
Gross Expenditures	9,910,000.00	9,563,341.73
Less: Chargeable to Other Departments	(121,000.00)	234.60
Less: Fees and Other Charges	(840,000.00)	(438,448.95)
Less: Recoveries	---	(158.25)
Total Net Expenditures - Land Information Services \$	8,949,000.00 \$	9,124,969.13

	<u>Estimate</u>	<u>Actual</u>
Assessment Services		
Salaries and Benefits	7,046,000.00 \$	6,778,777.42
Operating Costs	3,617,000.00	3,712,910.40
Grants and Contributions	---	180.79
Total Net Expenditures - Assessment Services	10,663,000.00 \$	10,491,868.61
Housing Services		
Salaries and Benefits	3,953,000.00 \$	3,781,155.86
Operating Costs	742,000.00	754,985.67
Grants and Contributions	---	(63,594.82)
Gross Expenditures	4,695,000.00	4,472,546.71
Less: Chargeable to Other Departments	(338,000.00)	(560,481.03)
Less: Fees and Other Charges	(24,000.00)	(32,879.01)
Less: Recoveries	(2,120,000.00)	(2,118,371.54)
Total Net Expenditures - Housing Services	2,213,000.00 \$	1,760,815.13
Subsidies		
Operating Costs	---	3,244,170.94
Grants and Contributions	52,942,000.00	53,454,912.87
Gross Expenditures	52,942,000.00	56,699,083.81
Less: Chargeable to Other Governments	(39,149,000.00)	(38,313,078.29)
Less: Fees and Other Charges	---	(84,078.37)
Total Net Expenditures - Subsidies	13,793,000.00 \$	18,301,927.15
Total Net Expenditures - Housing and		
Municipal Affairs	77,537,000.00 \$	78,620,215.19

	Estimate	Actual
DEPARTMENT OF HUMAN RESOURCES		
Administration		
Salaries and Benefits	664,000.00 \$	674,296.65
Operating Costs	318,000.00	271,932.14
Grants and Contributions	13,000.00	12,462.00
Gross Expenditures	995,000.00	958,690.79
Less: Chargeable to Other Departments	(61,000.00)	(82,330.24)
Less: Fees and Other Charges	---	(118.64)
Total Net Expenditures - Administration \$	934,000.00 \$	876,241.91
Client Services		
Salaries and Benefits	1,362,000.00 \$	1,392,520.77
Operating Costs	307,000.00	296,835.05
Grants and Contributions	62,000.00	(16,304.71)
Gross Expenditures	1,731,000.00	1,673,051.11
Less: Fees and Other Charges	---	(2,543.30)
Less: Chargeable to Other Departments	(156,000.00)	(94,017.14)
Total Net Expenditures - Client Services \$	1,575,000.00 \$	1,576,490.67
Corporate Services		
Salaries and Benefits	1,618,000.00 \$	1,543,607.19
Operating Costs	777,000.00	1,070,646.64
Gross Expenditures	2,395,000.00	2,614,253.83
Less: Chargeable to Other Departments	(860,000.00)	(1,043,337.47)
Less: Fees and Other Charges	(12,000.00)	(20,972.10)
Total Net Expenditures - Corporate Services \$	1,523,000.00 \$	1,549,944.26
Total Net Expenditures - Human Resources \$	4,032,000.00 \$	4,002,676.84

	Estimate	Actual
DEPARTMENT OF JUSTICE		
Administration		
Salaries and Benefits	6,725,000.00 \$	6,270,947.32
Operating Costs	3,863,000.00	11,100,994.09
Grants and Contributions	283,000.00	341,752.00
Gross Expenditures	10,871,000.00	17,713,693.41
Less: Chargeable to Other Departments	(1,926,000.00)	(8,964,378.68)
Less: Fees and Other Charges	(92,000.00)	(118,438.02)
Total Net Expenditures - Administration \$	8,853,000.00 \$	8,630,876.71
Corporate Services Unit		
Salaries and Benefits	2,276,000.00 \$	2,159,507.33
Operating Costs	1,634,000.00	1,990,582.61
Total Net Expenditures - Corporate Services Unit \$	3,910,000.00 \$	4,150,089.94
Nova Scotia Legal Aid		
Grants and Contributions	10,148,000.00 \$	10,148,000.00
Gross Expenditures	10,148,000.00	10,148,000.00
Less: Recoveries	(3,035,000.00)	(3,035,000.00)
Total Net Expenditures - Nova Scotia Legal Aid \$	7,113,000.00 \$	7,113,000.00
Courts and Registries		
Salaries and Benefits	22,929,000.00 \$	22,991,048.52
Operating Costs	5,784,000.00	5,883,394.98
Grants and Contributions	3,000.00	3,000.00
Gross Expenditures	28,716,000.00	28,877,443.50
Less: Chargeable to Other Departments	(1,000.00)	---
Less: Fees and Other Charges	(7,231,000.00)	(7,209,233.99)
Less: Recoveries	(1,707,000.00)	(1,259,398.87)
Total Net Expenditures - Courts and Registries \$	19,777,000.00 \$	20,408,810.64

	Estimate	Actual
Correctional Services		
Salaries and Benefits	29,414,000.00 \$	29,495,213.85
Operating Costs	7,779,000.00	7,722,336.71
Grants and Contributions	1,127,000.00	1,123,478.52
Gross Expenditures	38,320,000.00	38,341,029.08
Less: Chargeable to Other Departments	(125,000.00)	(97,000.00)
Less: Recoveries	(19,739,000.00)	(19,745,625.82)
Total Net Expenditures - Correctional Services	18,456,000.00 \$	18,498,403.26
Public Trustee		
Salaries and Benefits	542,000.00 \$	522,608.20
Operating Costs	46,000.00	32,025.71
Gross Expenditures	588,000.00	554,633.91
Less: Fees and Other Charges	(328,000.00)	(424,654.38)
Total Net Expenditures - Public Trustee	260,000.00 \$	129,979.53
Fatality Inquiries Act		
Salaries and Benefits	226,000.00 \$	103,372.95
Operating Costs	685,000.00	762,625.77
Gross Expenditures	911,000.00	865,998.72
Less: Fees and Other Charges	(5,000.00)	---
Total Net Expenditures - Fatality Inquiries Act	906,000.00 \$	865,998.72
Policing Services		
Salaries and Benefits	1,090,000.00 \$	1,134,306.42
Operating Costs	49,602,000.00	49,151,478.00
Grants and Contributions	251,000.00	403,723.14
Gross Expenditures	50,943,000.00	50,689,507.56
Less: Chargeable to Other Departments	(809,000.00)	(788,700.00)
Less: Fees and Other Charges	(70,000.00)	(78,400.00)
Less: Recoveries	(34,082,000.00)	(34,362,763.46)
Total Net Expenditures - Policing Services	15,982,000.00 \$	15,459,644.10
Total Net Expenditures - Justice	75,257,000.00 \$	75,256,802.90

	Estimate	Actual
DEPARTMENT OF LABOUR		
Administration		
Salaries and Benefits	880,000.00 \$	885,308.87
Operating Costs	334,000.00	498,738.13
Gross Expenditures	1,214,000.00	1,384,047.00
Less: Chargeable to Other Departments	(10,000.00)	(9,590.81)
Total Net Expenditures - Administration \$	1,204,000.00 \$	1,374,456.19
Industrial Relations		
Salaries and Benefits	1,266,000.00 \$	1,169,051.50
Operating Costs	416,000.00	432,541.71
Grants and Contributions	6,000.00	6,000.00
Gross Expenditures	1,688,000.00	1,607,593.21
Less: Chargeable to Other Departments	(1,000.00)	(50,412.50)
Total Net Expenditures - Industrial Relations \$	1,687,000.00 \$	1,557,180.71
Boards and Commissions		
Salaries and Benefits	487,000.00 \$	473,801.96
Operating Costs	542,000.00	401,971.14
Gross Expenditures	1,029,000.00	875,773.10
Less: Chargeable to Other Departments	---	(1,131.14)
Total Net Expenditures - Boards and Commissions \$	1,029,000.00 \$	874,641.96
Office of the Fire Marshall		
Salaries and Benefits	750,000.00 \$	815,792.09
Operating Costs	236,000.00	254,119.60
Grants and Contributions	190,000.00	190,000.00
Gross Expenditures	1,176,000.00	1,259,911.69
Less: Chargeable to Other Departments	(3,000.00)	(3,849.46)
Total Net Expenditures - Office of the Fire Marshall \$	1,173,000.00 \$	1,256,062.23

	Estimate	Actual
Occupational Health and Safety		
Salaries and Benefits	1,987,000.00 \$	1,957,121.62
Operating Costs	819,000.00	1,067,832.57
Grants and Contributions	10,000.00	30,313.60
Gross Expenditures	2,816,000.00	3,055,267.79
Less: Chargeable to Other Departments	(10,000.00)	(28,029.68)
Less: Recoveries	(1,450,000.00)	(1,450,000.00)
Total Net Expenditures - Occupational Health and Safety	1,356,000.00 \$	1,577,238.11
Public Safety		
Salaries and Benefits	809,000.00 \$	695,192.03
Operating Costs	233,000.00	267,134.84
Gross Expenditures	1,042,000.00	962,326.87
Less: Chargeable to Other Departments	---	(42,166.93)
Less: Fees and Other Charges	(275,000.00)	(318,149.13)
Total Net Expenditures - Public Safety	767,000.00 \$	602,010.81
Program for Older Workers' Adjustment		
Operating Costs	--- \$	54.00
Grants and Contributions	400,000.00	131,096.28
Total Net Expenditures - Program for Older Workers' Adjustment	400,000.00 \$	131,150.28
Workers' Compensation Board		
Salaries and Benefits	840,000.00 \$	992,873.84
Operating Costs	1,138,000.00	973,967.68
Grants and Contributions	1,244,000.00	14,805,367.05
Total Net Expenditures - Workers' Compensation Board Adjustment	3,222,000.00 \$	16,772,208.57
Total Net Expenditures - Labour	10,838,000.00 \$	24,144,948.86

	<u>Estimate</u>	<u>Actual</u>
DEPARTMENT OF NATURAL RESOURCES		
Senior Management		
Salaries and Benefits	\$ 497,000.00	\$ 723,068.40
Operating Costs	469,000.00	466,381.05
Grants and Contributions	---	7,405.49
Total Net Expenditures - Senior Management	\$ 966,000.00	\$ 1,196,854.94
Corporate Services Unit		
Salaries and Benefits	\$ 3,710,000.00	\$ 3,453,682.75
Operating Costs	1,249,000.00	1,515,030.24
Gross Expenditures	4,959,000.00	4,968,712.99
Less: Chargeable to Other Departments	---	(76,240.00)
Less: Fees and Other Charges	(20,000.00)	(22,658.95)
Total Net Expenditures - Corporate Services Unit	\$ 4,939,000.00	\$ 4,869,814.04
Renewable Resources		
Salaries and Benefits	\$ 6,852,000.00	\$ 7,031,742.66
Operating Costs	3,324,000.00	3,232,364.70
Grants and Contributions	5,000.00	29,387.93
Gross Expenditures	10,181,000.00	10,293,495.29
Less: Fees and Other Charges	(746,000.00)	(884,160.86)
Total Net Expenditures - Renewable Resources	\$ 9,435,000.00	\$ 9,409,334.43
Minerals and Energy		
Salaries and Benefits	\$ 3,278,000.00	\$ 3,341,003.10
Operating Costs	883,000.00	849,353.43
Grants and Contributions	22,000.00	24,621.00
Gross Expenditures	4,183,000.00	4,214,977.53
Less: Recoveries	(487,000.00)	(205,688.00)
Total Net Expenditures - Minerals and Energy	\$ 3,696,000.00	\$ 4,009,289.53

	<u>Estimate</u>	<u>Actual</u>
Regional Services		
Salaries and Benefits	\$ 16,088,000.00	\$ 16,068,345.17
Operating Costs	10,810,000.00	10,024,467.87
Grants and Contributions	713,000.00	720,000.00
Gross Expenditures	27,611,000.00	26,812,813.04
Less: Chargeable to Other Departments	(973,000.00)	(40,586.71)
Less: Fees and Other Charges	(694,000.00)	(1,401,777.00)
Total Net Expenditures - Regional Services	\$ 25,944,000.00	\$ 25,370,449.33
Petroleum Development Agency		
Salaries and Benefits	\$ 565,000.00	\$ 540,771.39
Operating Costs	872,000.00	3,740,599.99
Grants and Contributions	733,000.00	714,456.93
Gross Expenditures	2,170,000.00	4,995,828.31
Less: Chargeable to Canada-Nova Scotia (Offshore) Development Fund	---	(51,406.35)
Total Net Expenditures - Petroleum Development Agency	\$ 2,170,000.00	\$ 4,944,421.96
Planning Secretariat		
Salaries and Benefits	\$ 1,351,000.00	\$ 1,315,151.67
Operating Costs	714,000.00	1,030,167.72
Grants and Contributions	118,000.00	71,212.00
Gross Expenditures	2,183,000.00	2,416,531.39
Less: Fees and Other Charges	(3,000.00)	(3,093.79)
Total Net Expenditures - Planning Secretariat	\$ 2,180,000.00	\$ 2,413,437.60
Land Services		
Salaries and Benefits	\$ 1,778,000.00	\$ 1,648,636.35
Operating Costs	606,000.00	476,701.12
Gross Expenditures	2,384,000.00	2,125,337.47
Less: Chargeable to Other Departments	(15,000.00)	(16,668.91)
Total Net Expenditures - Land Services	\$ 2,369,000.00	\$ 2,108,668.56

	<u>Estimate</u>	<u>Actual</u>
Resource Enhancement Fund		
Salaries and Benefits	--- \$	708,061.19
Operating Costs	1,000,000.00	4,491,981.21
Grants and Contributions	<u>4,400,000.00</u>	<u>800.00</u>
Total Net Expenditures - Resource Enhancement		
Fund	<u>5,400,000.00</u>	<u>5,200,842.40</u>
Total Net Expenditures - Natural Resources	<u>57,099,000.00</u>	<u>59,523,112.79</u>

	Estimate	Actual
PUBLIC SERVICE		
COMMUNICATIONS NOVA SCOTIA		
Salaries and Benefits	\$ 2,389,000.00	\$ 2,395,299.19
Operating Costs	12,183,000.00	11,295,119.43
Gross Expenditures	14,572,000.00	13,690,418.62
Less: Chargable to Other Departments	(12,599,000.00)	(12,127,497.02)
Total Net Expenditures - Communications Nova Scotia	\$ 1,973,000.00	\$ 1,562,921.60
EXECUTIVE COUNCIL		
Aboriginal Affairs		
Salaries and Benefits	\$ 68,000.00	\$ 67,130.91
Operating Costs	45,000.00	50,497.63
Grants and Contributions	655,000.00	385,903.89
Total Net Expenditures - Aboriginal Affairs	\$ 768,000.00	\$ 503,532.43
Acadian Affairs		
Salaries and Benefits	\$ 69,000.00	\$ 70,458.95
Operating Costs	36,000.00	79,099.77
Gross Expenditures	105,000.00	149,558.72
Less: Recoveries	---	(44,802.00)
Total Net Expenditures - Acadian Affairs	\$ 105,000.00	\$ 104,756.72
Council of Maritime Premiers		
Operating Costs	\$ ---	\$ 700.00
Grants and Contributions	1,435,000.00	1,409,661.25
Total Net Expenditures - Council of Maritime Premiers	\$ 1,435,000.00	\$ 1,410,361.25
Executive Council Office		
Salaries and Benefits	\$ 284,000.00	\$ 379,084.09
Operating Costs	64,000.00	61,611.84
Total Net Expenditures - Executive Council Office	\$ 348,000.00	\$ 440,695.93

	Estimate	Actual
Intergovernmental Affairs		
Salaries and Benefits	264,000.00 \$	231,498.92
Operating Costs	94,000.00	125,540.58
Grants and Contributions	55,000.00	49,395.00
Total Net Expenditures - Intergovernmental Affairs	413,000.00 \$	406,434.50
Office of the Premier		
Salaries and Benefits	549,000.00 \$	548,605.69
Operating Costs	138,000.00	139,458.99
Total Net Expenditures - Office of the Premier	687,000.00 \$	688,064.68
Priorities and Planning Secretariat		
Salaries and Benefits	1,218,000.00 \$	982,531.13
Operating Costs	246,000.00	310,947.14
Gross Expenditures	1,464,000.00	1,293,478.27
Less: Chargeable to Other Departments	(69,000.00)	(33,370.78)
Total Net Expenditures - Priorities and Planning Secretariat	1,395,000.00 \$	1,260,107.49
Protocol Office		
Salaries and Benefits	173,000.00 \$	174,974.07
Operating Costs	166,000.00	196,611.96
Gross Expenditures	339,000.00	371,586.03
Less: Chargeable to Other Departments	(25,000.00)	(96,434.33)
Less: Fees and Other Charges	---	(24.00)
Total Net Expenditures - Protocol Office	314,000.00	275,127.70
Total Net Expenditures - Executive Council	5,465,000.00 \$	5,089,080.70
GOVERNMENT CONTRIBUTIONS TO BENEFIT PLANS		
Salaries and Benefits	4,001,000.00 \$	4,163,720.39
Gross Expenditures	4,001,000.00	4,163,720.39
Less: Chargeable to Other Departments	(651,000.00)	(641,096.59)
Total Net Expenditures - Government Contributions to Benefit Plans	3,350,000.00 \$	3,522,623.80

	<u>Estimate</u>	<u>Actual</u>
HUMAN RIGHTS COMMISSION		
Salaries and Benefits	\$ 1,010,000.00	\$ 926,123.39
Operating Costs	316,000.00	515,708.33
Total Net Expenditures - Human Rights		
Commission	\$ 1,326,000.00	\$ 1,441,831.72
 LEGISLATIVE SERVICES		
Election Expenses		
Salaries and Benefits	\$ 242,000.00	\$ 734,856.16
Operating Costs	180,000.00	6,227,934.17
Gross Expenditures	422,000.00	6,962,790.33
Less: Chargeable to Other Departments	---	(83.00)
Total Net Expenditures - Election Expenses	\$ 422,000.00	\$ 6,962,707.33
 Government House		
Salaries and Benefits	\$ 281,000.00	\$ 280,536.15
Operating Costs	69,000.00	62,162.62
Total Net Expenditures - Government House	\$ 350,000.00	\$ 342,698.77
 Legislative Expenses		
Salaries and Benefits	\$ 4,444,000.00	\$ 4,450,367.12
Operating Costs	3,568,000.00	3,199,817.77
Grants and Contributions	27,000.00	26,779.09
Gross Expenditures	8,039,000.00	7,676,963.98
Less: Chargeable to Other Departments	(53,000.00)	(107,666.83)
Less: Fees and Other Charges	(61,000.00)	---
Total Net Expenditures - Legislative Expenses	\$ 7,925,000.00	\$ 7,569,297.15
 Ministers' Salaries and Expenses		
Salaries and Benefits	\$ 740,000.00	\$ 761,866.87
Operating Costs	190,000.00	168,852.51
Total Net Expenditures - Ministers' Salaries		
and Expenses	\$ 930,000.00	\$ 930,719.38

	Estimate	Actual
Office of the Legislative Counsel		
Salaries and Benefits	\$ 521,000.00	\$ 408,934.14
Operating Costs	160,000.00	143,891.70
Total Net Expenditures - Office of the Legislative Counsel	\$ 681,000.00	\$ 552,825.84
Office of the Speaker		
Salaries and Benefits	\$ 1,304,000.00	\$ 1,208,861.30
Operating Costs	305,000.00	361,495.77
Gross Expenditures	1,609,000.00	1,570,357.07
Less: Chargeable to Other Departments	(10,000.00)	(16,727.04)
Total Net Expenditures - Office of the Speaker	\$ 1,599,000.00	\$ 1,553,630.03
Total Net Expenditures - Legislative Services	\$ 11,907,000.00	\$ 17,911,878.50
NOVA SCOTIA ADVISORY COUNCIL ON THE STATUS OF WOMEN		
Salaries and Benefits	\$ 450,000.00	\$ 436,797.94
Operating Costs	230,000.00	173,212.36
Gross Expenditures	680,000.00	610,010.30
Less: Chargeable to Other Departments	---	(4,148.40)
Less: Fees and Other Charges	(2,000.00)	(1,615.00)
Total Net Expenditures - Nova Scotia Advisory Council on the Status of Women	\$ 678,000.00	\$ 604,246.90
NOVA SCOTIA BOXING AUTHORITY		
Salaries and Benefits	\$ ---	\$ 1,939.45
Operating Costs	63,000.00	38,623.76
Total Net Expenditures - Nova Scotia Boxing Authority	\$ 63,000.00	\$ 40,563.21
NOVA SCOTIA GAMING CONTROL COMMISSION		
Salaries and Benefits	\$ 3,553,000.00	\$ 3,313,220.64
Operating Costs	3,037,000.00	2,960,175.67
Gross Expenditures	6,590,000.00	6,273,396.31
Less: Fees and Other Charges	---	(680,287.98)
Less: Recoveries	(6,589,000.00)	(5,593,108.33)
Total Net Expenditures - Nova Scotia Gaming Control Commission	\$ 1,000.00	\$ ---

	Estimate	Actual
NOVA SCOTIA POLICE COMMISSION		
Grants and Contributions	\$ 264,000.00	\$ 235,629.83
Total Net Expenditures - Nova Scotia Police		
Commission	\$ 264,000.00	\$ 235,629.83
NOVA SCOTIA SECURITIES COMMISSION		
Salaries and Benefits	\$ 673,000.00	\$ 624,043.99
Operating Costs	226,000.00	240,566.27
Total Net Expenditures - Nova Scotia Securities		
Commission	\$ 899,000.00	\$ 864,610.26
NOVA SCOTIA SPORT AND RECREATION COMMISSION		
Salaries and Benefits	\$ 867,000.00	\$ 879,943.16
Operating Costs	274,000.00	260,645.03
Grants and Contributions	2,972,000.00	2,975,626.14
Gross Expenditures	4,113,000.00	4,116,214.33
Less: Chargeable to Other Departments	(17,000.00)	(26,115.86)
Less: Fees and Other Charges	(17,000.00)	(11,099.00)
Less: Recoveries	(100,000.00)	(100,000.00)
Total Net Expenditures - Nova Scotia Sport and		
Recreation Commission	\$ 3,979,000.00	\$ 3,978,999.47
NOVA SCOTIA UTILITY AND REVIEW BOARD		
Grants and Contributions	\$ 2,489,000.00	\$ 2,489,000.00
Total Net Expenditures - Nova Scotia Utility		
and Review Board	\$ 2,489,000.00	\$ 2,489,000.00
OFFICE OF THE AUDITOR GENERAL		
Salaries and Benefits	\$ 1,486,000.00	\$ 1,303,673.79
Operating Costs	250,000.00	315,971.27
Gross Expenditures	1,736,000.00	1,619,645.06
Less: Fees and Other Charges	(113,000.00)	(143,300.00)
Total Net Expenditures - Office of the		
Auditor General	\$ 1,623,000.00	\$ 1,476,345.06

	Estimate	Actual
OFFICE OF THE OMBUDSMAN		
Salaries and Benefits	\$ 266,000.00	\$ 305,453.34
Operating Costs	43,000.00	63,165.02
Total Net Expenditures - Office of the Ombudsman	\$ 309,000.00	\$ 368,618.36
PUBLIC INQUIRY, WESTRAY MINE		
Salaries and Benefits	\$ 80,000.00	\$ 98,574.52
Operating Costs	220,000.00	457,100.12
Total Net Expenditures - Public Inquiry, Westray Mine	\$ 300,000.00	\$ 555,674.64
PUBLIC PROSECUTION SERVICE		
Salaries and Benefits	\$ 6,983,000.00	\$ 7,073,232.80
Operating Costs	1,675,000.00	2,222,189.85
Gross Expenditures	8,658,000.00	9,295,422.65
Less: Fees and Other Charges	(253,000.00)	(187,975.00)
Less: Recoveries	(25,000.00)	(7,113.29)
Total Net Expenditures - Public Prosecution Service	\$ 8,380,000.00	\$ 9,100,334.36
TECHNOLOGY AND SCIENCE SECRETARIAT		
Secretariat		
Salaries and Benefits	\$ 755,000.00	\$ 640,055.98
Operating Costs	280,000.00	574,015.72
Total Net Expenditures - Secretariat	\$ 1,035,000.00	\$ 1,214,071.70
IT Services and Operations		
Salaries and Benefits	\$ 3,735,000.00	\$ 3,810,947.79
Operating Costs	27,521,000.00	28,933,143.97
Gross Expenditures	31,256,000.00	32,744,091.76
Less: Chargeable to Other Departments	(29,849,000.00)	(29,304,679.99)
Less: Fees and Other Charges	(200,000.00)	(233,039.99)
Total Net Expenditures - IT Services and Operations	\$ 1,207,000.00	\$ 3,206,371.78
Total Net Expenditures - Technology and Science Secretariat	\$ 2,242,000.00	\$ 4,420,443.48

	<u>Estimate</u>	<u>Actual</u>
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS		
Senior Management		
Salaries and Benefits	\$ 1,090,000.00	\$ 846,534.52
Operating Costs	265,000.00	261,754.04
Grants and Contributions	5,000.00	---
Total Net Expenditures - Senior Management	\$ 1,360,000.00	\$ 1,108,288.56
Corporate Services Unit		
Salaries and Benefits	\$ 3,997,000.00	\$ 3,823,093.52
Operating Costs	2,007,000.00	4,025,919.60
Gross Expenditures	6,004,000.00	7,849,013.12
Less: Chargeable to Capital Account	(130,000.00)	(1,748,412.66)
Total Net Expenditures - Corporate Services Unit	\$ 5,874,000.00	\$ 6,100,600.46
Policy and Planning		
Salaries and Benefits	\$ 600,000.00	\$ 563,461.45
Operating Costs	183,000.00	65,815.04
Grants and Contributions	247,000.00	306,767.76
Total Net Expenditures - Policy and Planning	\$ 1,030,000.00	\$ 936,044.25
DISTRICT SERVICES		
Field Administration		
Salaries and Benefits	\$ 16,447,000.00	\$ 16,741,641.68
Operating Costs	4,524,000.00	5,112,165.42
Grants and Contributions	---	25.00
Gross Expenditures	20,971,000.00	21,853,832.10
Less: Fees and Other Charges	---	(87,408.27)
Less: Recoveries	---	(12,496.13)
Total Net Expenditures -Field Administration	\$ 20,971,000.00	\$ 21,753,927.70

	Estimate	Actual
Highways and Bridges		
Salaries and Benefits	12,163,000.00 \$	42,324,119.90
Operating Costs	30,708,000.00	12,753,836.71
Grants and Contributions	---	4,482.00
Gross Expenditures	42,871,000.00	55,082,438.61
Less: Chargeable to Capital Account	---	(645,066.81)
Less: Fees and Other Charges	---	(34,478.38)
Less: Recoveries	(1,298,000.00)	(1,303,611.65)
Total Net Expenditures -Highways and Bridges \$	41,573,000.00	53,099,281.77
Snow and Ice Control		
Salaries and Benefits	11,146,000.00 \$	4,667,994.25
Operating Costs	21,381,000.00	31,243,265.44
Gross Expenditures	32,527,000.00	35,911,259.69
Less: Chargeable to Capital Account	---	(192.33)
Less: Fees and Other Charges	---	(1,046.85)
Less: Recoveries	(2,306,000.00)	(2,306,400.25)
Total Net Expenditures - Snow and Ice Control \$	30,221,000.00 \$	33,603,620.26
Building Operations		
Salaries and Benefits	2,925,000.00 \$	1,948,884.18
Operating Costs	8,303,000.00	7,282,910.91
Gross Expenditures	11,228,000.00	9,231,795.09
Less: Chargeable to Capital Account	(3,108,000.00)	(74,563.63)
Less: Fees and Other Charges	(79,000.00)	(139.05)
Total Net Expenditures - Building Operations \$	8,041,000.00 \$	9,157,092.41
Aid To Towns		
Operating Costs	--- \$	994.61
Grants and Contributions	333,000.00	276,236.97
Total Net Expenditures -Aid To Towns \$	333,000.00 \$	277,231.58

	<u>Estimate</u>	<u>Actual</u>
Employee Benefits		
Salaries and Benefits	7,218,000.00 \$	4,365,729.67
Operating Costs	<u>2,284,000.00</u>	<u>2,843,577.52</u>
Total Net Expenditures -Employee Benefits	<u>9,502,000.00</u> \$	<u>7,209,307.19</u>

REAL PROPERTY**Accommodations and Facilities Management**

Salaries and Benefits	1,465,000.00 \$	1,330,192.91
Operating Costs	27,683,000.00	28,325,180.92
Grants and Contributions	<u>2,400,000.00</u>	<u>1,839,273.00</u>
Gross Expenditures	<u>31,548,000.00</u>	<u>31,494,646.83</u>
Less: Chargeable to Capital Account	(1,422,000.00)	(1,242,296.12)
Less: Fees and Other Charges	<u>(1,405,000.00)</u>	<u>(1,657,852.03)</u>
Total Net Expenditures - Accommodations and Facilities Management	<u>28,721,000.00</u> \$	<u>28,594,498.68</u>

Fleet Management

Salaries and Benefits	543,000.00 \$	555,165.50
Operating Costs	<u>(85,000.00)</u>	<u>(78,976.88)</u>
Total Net Expenditures -Fleet Management	<u>458,000.00</u> \$	<u>476,188.62</u>

Enterprise Development Services

Salaries and Benefits	1,379,000.00 \$	1,335,816.57
Operating Costs	<u>1,214,000.00</u>	<u>1,199,371.84</u>
Gross Expenditures	<u>2,593,000.00</u>	<u>2,535,188.41</u>
Less: Chargeable to Capital Account	---	(260,637.72)
Less: Fees and Other Charges	(1,947,000.00)	(1,650,368.00)
Less: Recoveries	<u>---</u>	<u>(23,784.00)</u>
Total Net Expenditures - Enterprise Development Services	<u>646,000.00</u> \$	<u>600,398.69</u>

	Estimate	Actual
Ferry Enterprises		
Salaries and Benefits	3,029,000.00 \$	3,410,067.80
Operating Costs	2,274,000.00	1,903,470.02
Grants and Contributions	70,000.00	71,043.06
Gross Expenditures	5,373,000.00	5,384,580.88
Less: Chargeable to Capital Account	---	(1,247.00)
Less: Fees and Other Charges	(1,340,000.00)	(810,446.11)
Total Net Expenditures -Ferry Enterprises \$	4,033,000.00 \$	4,572,887.77
Specialized Support Services		
Salaries and Benefits	5,138,000.00	4,673,563.22
Operating Costs	955,000.00	1,076,442.92
Gross Expenditures	6,093,000.00	5,750,006.14
Less: Chargeable to Capital Account	---	(1,260,892.12)
Less: Fees and Other Charges	(979,000.00)	(2,611.19)
Less: Recoveries	---	(1,856.50)
Total Net Expenditures -Specialized Support Services \$	5,114,000.00	4,484,646.33
Total Net Expenditures - Transportation and Public Works \$	157,877,000.00 \$	171,974,014.27

	<u>Estimate</u>	<u>Actual</u>
RESTRUCTURING COSTS		
Restructuring Costs		
Early Retirement Incentive Program, Provision for Contract Negotiations and Severance Packages	\$ 31,510,000.00	\$ 54,266,696.24
Total Net Expenditures - Restructuring Costs	<u>\$ 31,510,000.00</u>	<u>\$ 54,266,696.24</u>