



Province of Newfoundland and Labrador

Consolidated Summary Financial Statements

**For The Year Ended
31 March 2004**

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GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

TREASURY BOARD SECRETARIAT

OFFICE OF THE COMPTROLLER GENERAL

CONFEDERATION BUILDING
ST. JOHN'S

15 October 2004

STATEMENT OF RESPONSIBILITY

These consolidated summary financial statements of the Province are prepared in accordance with the applicable legislation based upon information provided by the various Government departments and the noted Crown corporations, boards and authorities. Where necessary, the information included in these consolidated summary financial statements is based upon best estimates and judgement, taking into account materiality of the amounts. The consolidated summary financial statements in this volume include a Consolidated Statement of Financial Position, a Consolidated Statement of Change in Net Debt, a Consolidated Statement of Operations, a Consolidated Statement of Change in Accumulated Deficit, a Consolidated Statement of Cash Flows and notes. Other schedules and notes that are included also form an integral part of these statements. Together they present fairly, in all material respects, the financial position of the Province as at 31 March 2004 and the results of operations for the year then ended.

RONALD A. WILLIAMS, C.A.
Comptroller General

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OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the House of Assembly
Province of Newfoundland and Labrador

I have audited the consolidated statement of financial position of the Province of Newfoundland and Labrador as at 31 March 2004 and the consolidated statements of change in net debt, operations, change in accumulated deficit and cash flows for the year then ended. These financial statements are the responsibility of Government. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these consolidated summary financial statements present fairly, in all material respects, the financial position of the Province of Newfoundland and Labrador as at 31 March 2004 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies disclosed in Note 1 to the consolidated summary financial statements applied, after giving retroactive effect to the changes in accounting policies as disclosed in Notes 1(c)(ii), 7 and 8, on a basis consistent with that of the preceding year.

JOHN L. NOSEWORTHY, C.A.
Auditor General

St. John's, Newfoundland and Labrador
15 October 2004

SUMMARY FINANCIAL STATEMENTS

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Financial Position
As at 31 March 2004
with comparative figures for 2003

| | Actuals 2004 | Actuals 2003 |
|---------------------------------|-------------------|-------------------|
| | (\$000) | (\$000) |
| FINANCIAL ASSETS | | |
| | 254,099 | 441,855 |
| Sch. 1 | 293,787 | 280,221 |
| | 9,410 | 9,213 |
| Sch. 2 | 320,698 | 145,873 |
| Sch. 3 | 521,021 | 630,387 |
| | <u>1,399,015</u> | <u>1,507,549</u> |
| LIABILITIES | | |
| Sch. 5 | 1,276,747 | 1,148,574 |
| | 11,022 | 26,701 |
| Sch. 6 | 6,777,160 | 6,578,949 |
| | 8,436 | (173,098) |
| | <u>6,785,596</u> | <u>6,405,851</u> |
| | 1,057,669 | 985,174 |
| | 3,745,470 | 3,556,806 |
| | <u>12,876,504</u> | <u>12,123,106</u> |
| NET DEBT | <u>11,477,489</u> | <u>10,615,557</u> |
| NON-FINANCIAL ASSETS | | |
| Sch. 9 | 2,126,262 | 2,129,216 |
| | 20,102 | 19,314 |
| | 29,775 | 27,969 |
| | <u>2,176,139</u> | <u>2,176,499</u> |
| ACCUMULATED DEFICIT | <u>9,301,350</u> | <u>8,439,058</u> |
| Contingent Liabilities - note 9 | | |
| Commitments - note 10 | | |
| Sch. 7 | | |
| Sch. 8 | | |

The accompanying notes and supporting schedules form an integral part of the financial statements.

SUMMARY FINANCIAL STATEMENTS

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Change in Net Debt For the year ended 31 March 2004 with comparative figures for 2003

| | Actuals 2004 (\$000) | Original Estimates 2004 (Note 17) (\$000) | Actuals 2003 (\$000) |
|---|----------------------------|---|----------------------------|
| NET DEBT - beginning of period | 10,615,557 | | 8,932,266 |
| Add (Deduct): | | | |
| Adjustments: | | | |
| Prepaid expenses - note 7(b) | - | | 29,457 |
| Government organization changes - note 14 | (51,309) | | (12,311) |
| Group health and life insurance retirement benefits - note 7(d) | - | | 985,174 |
| ADJUSTED NET DEBT - beginning of period | <u>10,564,248</u> | | <u>9,934,586</u> |
| Deficit for the period | <u>913,601</u> | 665,994 | <u>644,365</u> |
| Changes in tangible capital assets - note 7(a) | | | |
| Acquisition of tangible capital assets | 145,587 | 193,259 | 201,862 |
| Net book value of tangible capital asset disposals/adjustments | 13,147 | | (4,026) |
| Amortization of tangible capital assets | (161,688) | (127,970) | (152,605) |
| <i>Increase (Decrease) in net book value of tangible capital assets</i> | <u>(2,954)</u> | <u>65,289</u> | <u>45,231</u> |
| Changes in other non-financial assets | | | |
| Acquisition of prepaid and deferred charges (net of usage) - note 7(b) .. | 788 | | (10,143) |
| Acquisition of inventories of supplies (net of consumption) - note 7(c) .. | 1,806 | | 1,518 |
| <i>Increase (Decrease) in other non-financial assets</i> | <u>2,594</u> | | <u>(8,625)</u> |
| <i>Increase (Decrease) in net debt</i> | <u>913,241</u> | | <u>680,971</u> |
| NET DEBT - end of period | <u><u>11,477,489</u></u> | | <u><u>10,615,557</u></u> |

See accompanying notes to the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Operations For the year ended 31 March 2004 with comparative figures for 2003

| | | Actuals 2004 | Original Estimates 2004 (Note 17) | Actuals 2003 |
|---|---|------------------|--|------------------|
| | | (\$000) | (\$000) | (\$000) |
| REVENUE | | | | |
| Sch. 10 | Provincial | | | |
| Sch. 10 | Taxation | 2,014,002 | 1,919,082 | 1,796,218 |
| Sch. 10 | Investment | 243,219 | 176,993 | 167,415 |
| Sch. 10 | Fees and fines | 141,122 | 133,699 | 142,956 |
| Sch. 10 | Other | 252,389 | 291,236 | 253,576 |
| Sch. 10 | Government of Canada | 1,542,768 | 1,695,667 | 1,589,411 |
| | | <u>4,193,500</u> | <u>4,216,677</u> | <u>3,949,576</u> |
| Sch. 4 | Net income of government business enterprises | 25,438 | 130,310 | 150,374 |
| | Total Revenue | <u>4,218,938</u> | <u>4,346,987</u> | <u>4,099,950</u> |
| EXPENSE | | | | |
| Sch. 11 | General Government Sector | 1,473,309 | 1,469,345 | 1,400,007 |
| Sch. 11 | Resource Sector | 182,982 | 194,787 | 194,268 |
| Sch. 11 | Social Sector | 3,476,248 | 3,348,849 | 3,150,040 |
| Sch. 12 | Total Expense | <u>5,132,539</u> | <u>5,012,981</u> | <u>4,744,315</u> |
| ANNUAL DEFICIT - notes 7(a), (c) | | <u>913,601</u> | <u>665,994</u> | <u>644,365</u> |

See accompanying notes to the financial statements.

SUMMARY FINANCIAL STATEMENTS

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Consolidated Statement of Change in Accumulated Deficit
For the year ended 31 March 2004
with comparative figures for 2003**

| | Actuals 2004 (\$000) | Original Estimates 2004 (Note 17) (\$000) | Actuals 2003 (\$000) |
|---|----------------------------|---|----------------------------|
| ACCUMULATED DEFICIT - beginning of period - note 8 | 8,439,058 | | 6,821,830 |
| Add (Deduct): | | | |
| Adjustments: | | | |
| Government organization changes - note 14 | (51,309) | | (12,311) |
| Group health and life insurance retirement benefits - note 7(d) | - | | 985,174 |
| ADJUSTED ACCUMULATED DEFICIT - beginning of period | <u>8,387,749</u> | | <u>7,794,693</u> |
| Deficit for the period | <u>913,601</u> | 665,994 | <u>644,365</u> |
| ACCUMULATED DEFICIT - end of period | <u><u>9,301,350</u></u> | | <u><u>8,439,058</u></u> |

See accompanying notes to the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Cash Flows For the year ended 31 March 2004 with comparative figures for 2003

| | Actuals 2004 | Actuals 2003 |
|---|------------------|------------------|
| | (\$000) | (\$000) |
| Funds provided from (applied to): | | |
| OPERATIONS | | |
| Annual deficit | (913,601) | (644,365) |
| Add (Deduct) non-cash items: | | |
| Amortization of foreign exchange gains/losses | (22,760) | 23,519 |
| Amortization of tangible capital assets | 161,688 | 152,605 |
| Retirement costs | 424,659 | 312,821 |
| Valuation allowances | 54,989 | 21,792 |
| Unremitted net income of government business enterprises | 109,262 | 70,626 |
| Sinking fund earnings | (22,315) | 17,122 |
| Other | 103,750 | 24,046 |
| <i>Net cash applied to operating transactions</i> | <u>(104,328)</u> | <u>(21,834)</u> |
| CAPITAL | | |
| Acquisitions | (145,587) | (201,862) |
| Disposals | 1,585 | 1,594 |
| <i>Net cash applied to capital transactions</i> | <u>(144,002)</u> | <u>(200,268)</u> |
| FINANCING | | |
| Debt issued | 589,674 | 522,340 |
| Debt retirement | (194,365) | (245,395) |
| Special purpose funds/contractors' holdback funds | 3,191 | 2,955 |
| Deferred revenue | (15,679) | (10,252) |
| Treasury bills issued | 2,741,476 | 3,505,816 |
| Treasury bills redeemed | (2,740,699) | (3,506,850) |
| Sinking fund contributions | (39,011) | (41,273) |
| Sinking fund retirement | 67,755 | 41,892 |
| Retirement of pension liabilities | (163,500) | (148,500) |
| <i>Net cash provided from financing transactions</i> | <u>248,842</u> | <u>120,733</u> |
| INVESTING | | |
| Loan repayments | 54,953 | 69,794 |
| Loan advances | (242,488) | (38,447) |
| Investments | (572) | 1,613 |
| <i>Net cash provided from (applied to) investing transactions</i> | <u>(188,107)</u> | <u>32,960</u> |
| <i>Net cash provided (applied)</i> | <u>(187,595)</u> | <u>(68,409)</u> |
| Cash and temporary investments - beginning of period | 441,682 | 510,091 |
| CASH AND TEMPORARY INVESTMENTS - end of period - see note 2. .. | <u>254,087</u> | <u>441,682</u> |

See accompanying notes to the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Notes to the Consolidated Financial Statements
For the year ended 31 March 2004**

1. Summary of Significant Accounting Policies**(a) The Reporting Entity**

The Reporting Entity includes the accounts and financial activities of organizations, as approved by Treasury Board, which are controlled by Government. These organizations are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislature.

A listing of organizations included in these financial statements is provided in Schedule 14 - Government Reporting Entity.

(b) Method of Consolidation

The accounts of government organizations, except those designated as government business enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described below. Inter-governmental transactions and balances are eliminated.

A government business enterprise is an organization, included in the reporting entity, that has the financial and operating authority to carry on a business and sell goods and services to individuals and non-government organizations as its principal activity and source of revenue.

Government business enterprises are recorded on the modified equity method. Under this method, the Government's equity in these enterprises is adjusted annually to reflect the net income/loss and other net equity changes of the enterprise without adjusting the enterprise's financial statements to conform with the accounting policies described below. Inter-governmental transactions and balances are not eliminated.

Adjustments are not made to the financial results of government organizations because of fiscal year-ends different than that used for the consolidated entity, unless it would have a significant impact on the consolidated operating results.

(c) Basis of Accounting**(i) Method**

These financial statements are prepared on the accrual basis of accounting, revenues being recorded when earned and expenses being recorded when liabilities are incurred, with exceptions made in accordance with the applicable significant accounting policies.

(ii) Changes in Financial Statement Presentation

The financial statement presentation for the 2003-04 Public Accounts is in accordance with the newly recommended format pursuant to the Public Sector Accounting Standards issued by the Canadian Institute of Chartered Accountants. Major changes in presentation from 2002-03 include:

- Consolidated Statement of Financial Position includes tangible capital assets and accumulated deficit, differentiates between financial and non-financial assets, but retains the traditional net debt figure;
- Consolidated Statement of Operations (reflecting amortization expense related to tangible capital assets) replaces the former Consolidated Statement of Revenue and Expenditure (which treated costs of acquiring and constructing tangible capital assets as expenditures);
- Consolidated Statement of Cash Flows replaces the former Consolidated Statement of Changes in Financial Position;
- Introduction of a Consolidated Statement of Change in Accumulated Deficit; and,
- Budget figures, where available, are provided on several Statements for comparison purposes.

The new government reporting format has been applied to restate the comparative figures for 2002-03 to facilitate comparability.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(iii) *Revenues*

Revenues from the Government of Canada under the federal-provincial fiscal arrangements, Canada Health and Social Transfer and tax collection agreements are based on regular entitlements received for the current year and adjusted against future years' revenues when known.

Other revenues are recorded on an accrual basis.

(iv) *Expenses*

Expenses are recorded on an accrual basis.

Retirement related costs are determined as the cost of benefits and interest on the liabilities accrued, as well as amortization of experience gains and losses.

(v) *Assets*

Temporary investments are recorded at cost or market value, whichever is lower.

Receivables are recorded for all amounts due for work performed and goods or services supplied. Valuation allowances are provided when collection is considered doubtful.

Inventories held for resale are recorded at the lower of cost or net realizable value.

Inventories of supplies are comprised of items which are held for consumption that will be used by the Province in the course of its operations.

Loans and advances are recorded at cost. Valuation allowances are recorded to reflect assets at the lower of cost or net recoverable value. Loans made by the Province that are expected to be recovered from future appropriations are accounted for as expenses by providing valuation allowances. Interest revenue on loans receivable is recognized when earned and ceases when collection is not reasonably assured.

Investments are recorded at cost and are written down when there is a loss in value that is other than a temporary decline.

Equity in government business enterprises represents the net assets of government business enterprises recorded on the modified equity basis as described under note 1(b).

Unrealized foreign exchange gains or losses are deferred and amortized on a straight line basis over the remaining term of the debt.

Tangible capital assets held by the Province are valued at cost or estimated cost less accumulated amortization.

(vi) *Liabilities*

Payables, accrued and other liabilities are recorded for all amounts due for work performed, goods or services received or for charges incurred in accordance with the terms of a contract.

Deferred revenue represents amounts received but not earned.

Borrowings, except treasury bills, are recorded at face value and are reported net of sinking funds. Treasury bills are recorded at net proceeds. The Province records foreign-denominated debt in Canadian dollars translated at the exchange rate on the transaction date which is considered to be the issue date; except for the proceeds of hedged transactions which are recorded at the rate as established by the terms of that hedge. Foreign-denominated sinking fund assets are also recorded in Canadian dollars and transactions are translated at the exchange rate used in recording the related debt. At 31 March, foreign debt and sinking funds are adjusted to reflect the exchange rate in effect on that date.

(vii) *Government Transfers*

Government transfers are recognized by the Province as revenues or expenses in the period during which both the payment is authorized and any eligibility criteria are met.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(viii) *Loan Guarantees*

The Province has guaranteed the repayment of principal and interest on certain debentures and bank loans on behalf of crown corporations, municipalities, private sector companies and certain individuals. A provision for loss is established when it is determined that a payment on guarantee is likely.

2. Cash and Temporary Investments

Cash and temporary investments of \$254.1 million (31 March 2003 - \$441.9 million), including accrued interest of \$0.01 million (31 March 2003 - \$0.17 million) consist of investments with financial institutions. These investments are callable or have maturity dates ranging from 19 January 2004 to 15 September 2016 at interest rates which vary from 1.35% to 6.55%.

3. Provision for Guaranteed Debt

An amount of \$0.1 million (31 March 2003 - \$0.8 million) has been recorded as a provision for possible losses on guaranteed debt (see note 9(a)). See Schedule 5 - Payables, Accrued and Other Liabilities.

4. Unamortized Unrealized Foreign Exchange Gains and Losses

Foreign currency debt and sinking funds are translated to Canadian dollars at the exchange rate at 31 March 2004. See Schedule 6 - Borrowings. Details of the effect of these translations at year end are outlined in the table below.

The net amortization expense is \$22.8 million which represents a credit adjustment (31 March 2003 - \$23.5 million-debit adjustment).

| | 31 March 2004 | 31 March 2003 |
|---|------------------|------------------|
| | (\$mil) | (\$mil) |
| Unrealized foreign exchange gain (loss): | | |
| Debt | (158.8) | (339.4) |
| Sinking funds | 16.0 | 44.8 |
| Net | (142.8) | (294.6) |
| Total accumulated amortization | 151.2 | 121.5 |
| Net unamortized unrealized foreign exchange gain (loss) | <u>8.4</u> | <u>(173.1)</u> |

5. Retirement Benefits - Group Health and Life Insurance

All retired employees of the Government of Newfoundland and Labrador who are receiving a pension from the Public Service Pension Plan, Uniformed Services Pension Plan or the Members of the House of Assembly Pension Plan are eligible to participate in the group insurance program sponsored by Government. All retired teachers who are receiving a pension from the Teachers' Pension Plan are eligible for coverage under the group insurance program sponsored by the Newfoundland and Labrador Teachers Association (NLTA) and cost shared by Government. These programs provide both group health and group life benefits to enrolled retirees.

Under the plans, the Province pays 50% of the total premium charged towards the benefits of both active employees and retirees for both the life insurance and health benefits under both programs sponsored by the Province and the NLTA. As at 31 March 2004, the plans provided benefits to 14,202 retirees.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Actuarial Valuations

An actuarial valuation as of 31 March 2003, with disclosures as at 31 March 2004, was prepared by the Province's actuaries based on a number of assumptions about future events including an interest rate of 5.5% (31 March 2004), CPI of 3.0%, as well as other assumptions such as health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts.

Group Health and Life Insurance Retirement Benefits Liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

| Plan | Estimated Accrued Benefit Obligation | Unamortized Experience Losses 2004 | Net Liability 2004 | Net Liability 2003 | Change |
|--|---|---|--------------------------|--------------------------|---------|
| | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) |
| Group health retirement benefits | 1,115.1 | (130.1) | 985.0 | 916.5 | 68.5 |
| Group life insurance retirement benefits | 81.4 | (8.7) | 72.7 | 68.7 | 4.0 |
| | 1,196.5 | (138.8) | 1,057.7 | 985.2 | 72.5 |

There are no fund assets associated with these plans.

Group Health and Life Insurance Retirement Benefits Expense

In these statements, group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

| Plan | Province's Share of Current Period Costs | Interest Expense on the Liability | Province's Current Period Contributions | Current Period Amortization of Experience Changes | Change |
|--|---|--|--|--|---------|
| | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) |
| Group health retirement benefits | 25.5 | 57.1 | (14.1) | - | 68.5 |
| Group life insurance retirement benefits | 1.4 | 3.8 | (1.2) | - | 4.0 |
| | 26.9 | 60.9 | (15.3) | - | 72.5 |

Interest expense related to the group health and life insurance retirement benefits liability is included with interest as debt expenses in the financial statements.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount will be included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

The unamortized experience loss at 31 March 2004 resulted from a change in the discount rate used by the actuaries.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Retirement Benefits - Pensions**Defined Benefits**

The Government of Newfoundland and Labrador guarantees defined benefit pension plans for substantially all of its full time employees, and those of its Agencies, Boards and Commissions and for members of its Legislature. The plans are - the Public Service Pension Plan, Teachers' Pension Plan, Uniformed Services Pension Plan, the Members of the House of Assembly Pension Plan, and the Provincial Court Judges' Pension Plan. Combined, the plans have approximately 33,195 participants.

The Plans provide for pensions based on employees' length of service and highest average earnings. Employees contribute a defined percentage of their salary, and the employer generally matches this amount. As at 31 March 2004, the plans provided benefits to 18,031 pensioners. Inflation protection is not extended to pensioners of the Uniformed Services Pension Plan and the Members of the House of Assembly Pension Plan nor to pensioners of the Teachers' Pension Plan who retired prior to 01 September 1998.

In 1980, the Province of Newfoundland and Labrador Pooled Pension Fund was established by the *Pensions Funding Act*, with the Minister of Finance as Trustee. This Fund administers all financial activity of these five plans, including the collection of all contributions and the payment of pensions and the investment of funds. The Province guarantees any deficiency in the event assets of a plan are insufficient to meet benefit payments or administration costs.

Contribution and Benefit Formulae**Public Service Pension Plan**

Employee contributions are 8.6% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan (CPP). A pension benefit is available based on the number of years of pensionable service times 2% of the employee's best five years average salary, reduced by a formulated amount representing CPP pension benefits for each year since 1967.

Teachers' Pension Plan

Employee contributions are 9.35% of pensionable salary. A pension benefit is available based on the number of years of pensionable service prior to 1 January 1991 times 1/45th of the employee's best five years average salary, plus 2% of the employee's best five years average salary times years of pensionable service after that date, reduced by a formulated amount representing CPP pension benefits for each year since 1967. The CPP reduction only applies to pensioners who retired after 31 August 1998.

Uniformed Services Pension Plan

Employee contributions are 8.5% of pensionable salary, less a formulated amount representing contributions to the CPP. A pension benefit is available based on the number of years pensionable service times 2% of the employee's best three years average salary, reduced by a formulated amount representing CPP pension benefits since 1967. Grandfathered members have higher service accrual pensions in recognition of their higher contributions.

Members of the House of Assembly Pension Plan

Member contributions are 9% of pensionable salary, which includes salary as a Minister, if applicable. A pension benefit is available after serving as a Member in, at least, two General Assemblies and for, at least, five years. The benefit formula is based on years of service expressed as a percentage of the average pensionable salary for the best three years. The percentage varies being 5% for each of the first ten years, 4% for each of the next five years and 2.5% for each of the next two years of service as a Member. For members elected for the first time after 1 April 1998, the percentage is 5% for the first ten years and 2.5% for each of the next ten years. The accrued benefit is reduced by a formulated amount representing CPP pension benefits for each year since 1967. Ministers receive an additional pension amount calculated similarly, based on service and pensionable salary as a Minister.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Effective 31 December 2003, the Supplementary Employee Retirement component was established as a component of the existing Plan, with the liability being split between the two components based on limits set out in the federal *Income Tax Act*. The Registered component provides benefits based on limits set out in the federal *Income Tax Act* for active members only with the remainder of the benefit provided by the Supplementary Employee Retirement component which also provides benefits to pensioners and deferred pensioners.

Provincial Court Judges' Pension Plan

Effective 01 April 2002 (pursuant to the *Provincial Court Judges' Pension Plan Act* enacted 08 June 2004) the Provincial Court Judges' Pension Plan was established with then-existing judges being given the one-time option of transferring from the Public Service Pension Plan. All judges appointed subsequent to 01 April 2002 are required to join this Plan. Employee contributions are 9% of pensionable salary. A pension benefit is available based on the number of years pensionable service times 3.33% of the employee's annual salary. The Registered component of the Plan provides benefits based on limits set out in the federal *Income Tax Act* with the remainder of the benefit provided by the Supplementary component.

Actuarial Valuations

The actuarial valuations which are prepared by the Province's actuaries were based on a number of assumptions about future events, such as interest rates, wage and salary increases, inflation rates and rates of employee turnover, disability and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts. The expected interest and inflation rates follow:

Expected Interest Rates

The expected average interest rate for the Public Service Pension Plan is 7.5%. The expected rate for the Teachers' Pension Plan is 7.5% projected on a long term basis. The expected rate for the Uniformed Services Pension Plan is 7.5% projected on a long term basis. The expected rate for the Members of the House of Assembly Pension Plan is 7.5% for the Registered component and 5.5% for the Supplementary Employee Retirement component, projected on a long term basis. The expected rate for the Provincial Court Judges' Pension Plan is 7.0% for the Registered component (no actuarial valuation has yet been performed on the Supplementary Employee Retirement component).

Expected Inflation Rates

The expected inflation rate for the Public Service Pension Plan is 3.0%. The expected rate for the Teachers' Pension Plan is 3.0%. The expected rate for the Uniformed Services Pension Plan is 3.0% projected on a long term basis. The expected rate for the Members of the House of Assembly Pension Plan is 3.0% projected on a long term basis. The expected rate for the Provincial Court Judges' Pension Plan (Registered component) is 3.0%.

The latest actuarial valuations for the Province's pension plans, according to the administrators of those plans, are dated as listed in the following table:

| Pension Plan | Valuation Date |
|----------------------------------|------------------|
| Public Service | 31 December 2003 |
| Teachers' | 31 August 2003 |
| Uniformed Services | 31 December 2003 |
| Members of the House of Assembly | 31 December 2003 |
| Provincial Court Judges' | 01 April 2002 |

Actuarial extrapolations are provided for accounting purposes by the Province's actuaries based on the above dates, unless otherwise noted.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Complete formal actuarial extrapolations to 31 March 2004 could not be obtained for the Provincial Court Judges' Pension Plan in time for inclusion in these financial statements, however the actuary did provide a general estimate of the total accrued benefit obligation (\$3.0 million) at 31 March 2004 which is reflected in the table below. In any event, the impact of such extrapolations on the financial statements would be immaterial.

Pension Liability

Details of the pension liability are outlined in the table below. The estimated accrued benefit obligation and the value of the plan assets reported below have been extrapolated by the Province's actuaries to 31 March 2004. The actual results of future valuations may result in variances from these extrapolations.

| Pension Plan | Estimated Accrued Benefit Obligation | Fund Assets | Unamortized Experience Losses 2004 | Net Unfunded Liability 2004 | Net Unfunded Liability 2003 | Change |
|----------------------------------|---|------------------|---|--------------------------------------|--------------------------------------|----------------|
| | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) |
| Public Service | 3,690.7 | 1,762.8 | (343.5) | 1,584.4 | 1,492.7 | 91.7 |
| Teachers' | 3,013.1 | 792.0 | (278.6) | 1,942.5 | 1,840.5 | 102.0 |
| Uniformed Services | 240.4 | 48.1 | (12.1) | 180.2 | 185.3 | (5.1) |
| Members of the House of Assembly | 72.2 | 1.2 | (19.9) | 51.1 | 38.3 | 12.8 |
| Provincial Court Judges' | 3.0 | - | - | 3.0 | - | 3.0 |
| Unallocated Fund Assets | - | 15.7 | - | (15.7) | - | (15.7) |
| Total | \$7,019.4 | \$2,619.8 | (\$654.1) | \$3,745.5 | \$3,556.8 | \$188.7 |

Pension Fund Assets are valued at the market value at 31 December 2003 and projected to year end.

Special Payments

Pursuant to the applicable pensions legislation, the Province has agreed to make special payments of \$60 million annually into the Public Service Pension Plan as long as the plan remains unfunded. In addition, the Province has agreed to make special payments of \$76 million annually into the Teachers' Pension Plan until the remaining balance of an initial obligation of \$815 million plus interest has been paid. Annual payments of \$20 million to the Uniformed Services Pension Plan are also being made by the Province for a five year period which commenced in 2001-2002. Also commencing in 2001-2002, the Province began making annual payments of \$7.5 million to the Members of the House of Assembly Pension Plan, however, it was determined that such payments were not allowable under the federal *Income Tax Act* to fund the Registered component of the Plan and therefore the residual amount of the payments (\$15.7 million) is no longer classified as an asset of the Plan. The amount, however, remains part of the Pooled Pension Fund and will ultimately be allocated to one or more of the other pension plans.

Pension Expense

In these statements, pension costs have been determined as the cost of benefits accrued during the period. Interest on the unfunded liability has been accrued for the same period.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The change in the unfunded liability for the current period for each plan is comprised of the following amounts:

| Pension Plan | Province's Share of Pension Benefits Earned for the Period | Pension Interest Expense on the Unfunded Liability | Province's Current Period Pension Contributions | Current Period Amortization of Experience Changes | Other Adjustments | Unfunded Portion of Current Period Pension Change |
|----------------------------------|---|---|---|---|----------------------|--|
| | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) |
| Public Service | 32.7 | 146.0 | (126.6) | 39.6 | - | 91.7 |
| Teachers' | 14.7 | 167.0 | (110.3) | 30.6 | - | 102.0 |
| Uniformed Services | 1.7 | 14.5 | (22.0) | 0.7 | - | (5.1) |
| Members of the House of Assembly | 0.8 | 3.4 | (0.4) | 0.8 | 8.2 | 12.8 |
| Provincial Court Judges' | - | - | - | - | 3.0 | 3.0 |
| Unallocated Fund Assets | - | - | (7.5) | - | (8.2) | (15.7) |
| Total | \$49.9 | \$330.9 | (\$266.8) | \$71.7 | \$3.0 | \$188.7 |

Pension interest expense is included with interest as debt expenses in the financial statements. Pension interest expense for 31 March 2003 amounted to \$270.2 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active contributors. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

Other Pension Plans

The Government Money Purchase Pension Plan was established for employees whose employment status does not qualify them for participation in another of their employer's pension plans. This plan has approximately 22,535 participants. Employees contribute 5% of their salary to the Plan and the Province generally matches this contribution. Each employee will receive an annuity at retirement, the value of which is determined by their accumulated contributions plus investment earnings. This Plan is administered by the London Life Insurance Company and at 31 March 2004 assets had a market value of \$157.3 million.

7. Accounting Changes

(a) Tangible Capital Assets

Due to changes introduced by the Public Sector Accounting Board (refer to note 1(c)(ii)), a change in accounting policy has been implemented whereby tangible capital assets and other non-financial assets are now being recorded on the Consolidated Statement of Financial Position as non-financial assets. Previously, tangible capital assets were recorded as expenditures upon acquisition but are now capitalized and amortized over the useful life of the asset.

This accounting change has been applied retroactively with restatement. As a result, the 31 March 2003 figures presented for comparative purposes have been restated from those previously reported. This has resulted in a decrease in the annual deficit of \$45.2 million for the fiscal year ended 31 March 2003. A cumulative adjustment relating to the effects of tangible capital assets as at 31 March 2002 has been included in the opening balance of the accumulated deficit for 31 March 2003 in the amount of \$2,084.0 million (see note 8).

(b) Prepaid Expenses

As a result of the changes described in note 1(c)(ii), prepaid expenses has been reclassified as a non-financial asset (previously shown as a financial asset) on the Consolidated Statement of Financial Position. This has resulted in an increase to the beginning net debt as at 31 March 2003 of \$29.5 million. There was no impact on the annual deficit or accumulated deficit as a result of this change.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(c) Inventories of Supplies

As a result of the changes described in note 1(c)(ii), inventories of supplies have been included as non-financial assets on the Consolidated Statement of Financial Position. Previously, inventories of supplies were recorded as expenditures upon acquisition.

This accounting change has been applied retroactively with restatement. As a result, the 31 March 2003 figures presented for comparative purposes have been restated from those previously reported. This has resulted in a decrease in the annual deficit of \$1.2 million for the fiscal year ended 31 March 2003. A cumulative adjustment relating to the effects of inventories of supplies as at 31 March 2002 has been included in the opening balance of the accumulated deficit for 31 March 2003 in the amount of \$26.5 million (see note 8).

(d) Group Health and Life Insurance Retirement Benefits

Due to changes introduced by the Public Sector Accounting Board, an actuarial review was undertaken to determine the Province's liability related to group health and life insurance retirement benefits for inclusion in the financial statements. Adoption of this accounting policy was applied retroactively without restatement of the prior year with respect to the Consolidated Statement of Operations as the amounts were not available. The Consolidated Statement of Financial Position at 31 March 2003 was restated with a resulting increase to Total Liabilities and Net Debt of \$985.2 million.

8. Accumulated Deficit

In accordance with changes to the financial statement presentation as required by the Public Sector Accounting Standards issued by the Canadian Institute of Chartered Accountants, a Consolidated Statement of Change in Accumulated Deficit was added to the 2003-04 Public Accounts. The opening balance of accumulated deficit as reported in the 2003 comparatives (i.e. ending balance as at 31 March 2002) of \$6,821.8 million was derived by taking the ending net debt at 31 March 2002 of \$8,932.3 million (per 2002-03 Public Accounts) less the ending balance of tangible capital assets at 31 March 2002 of \$2,084.0 million as disclosed in note 7(a) and less the ending balance of inventories of supplies at 31 March 2002 of \$26.5 million as disclosed in note 7(c).

9. Contingent Liabilities**(a) Guarantees**

Guarantees made by the Province amounted to \$1,522.6 million (31 March 2003 - \$1,497.7 million). In addition, the Province guaranteed the interest thereon. See Schedule 7 - Guaranteed Debt.

(b) Legal Actions

- (i) There have been a number of statements of claim alleging negligence on the part of Government employees and agencies in not preventing abuse while these claimants were under Government care.
- (ii) A Statement of Claim has been served on the Province in its role as the regulator of mortgage brokers and investment companies.
- (iii) A number of claims have been filed against the Province for alleged breaches of contracts and/or tenders as well as for general damages and personal claims pursuant to action initiated by the Province.

(c) Other

- (i) *Registrar of the Supreme Court*

The Province of Newfoundland and Labrador guarantees all sums required to discharge the balances of the Registrar of the Supreme Court as administrator, guardian, trustee, etc. (*Judicature Act*).

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(ii) *Pensions*

a) Province of Newfoundland and Labrador Pooled Pension Fund

Pursuant to Section 9 of the *Pensions Funding Act*, the Province is liable for any deficiency in the Province of Newfoundland and Labrador Pooled Pension Fund covered by that Act (see note 6).

b) Memorial University of Newfoundland Pension Fund

Pursuant to Section 6 of the *Memorial University Pensions Act*, the Province is liable for payment of any deficiency in the Memorial University of Newfoundland Pension Fund covered by that Act. As at 31 March 2004, no liability existed.

(iii) *Trust Accounts*

The Province is contingently liable for any shortage that may occur for funds held in trust by the Province. Currently, all obligations held have an offsetting asset. See Schedule 8 - Trust Accounts.

(iv) *Canadian Saltfish Corporation*

On 17 July 1970, the Province entered into an agreement with the Government of Canada for the marketing of saltfish products by the Canadian Saltfish Corporation (the Corporation), pursuant to the *Saltfish Act*. The Agreement provided that the Province is required to pay to the Government of Canada its proportional share of 50 per cent of the losses to Canada. This share is based on the loss to Canada based on the total value of annual sales of cured fish products applicable to each participating province.

On 19 February 1993 the Government of Canada requested that the Province compensate it for losses incurred to 31 March 1992. The amount which the Government of Canada calculated as the Province's share of the losses is \$21.6 million.

This matter is currently under discussion between the Government of Canada and the Province. However, the Province takes the position that for a number of reasons, including the fact that the Corporation engaged in activities beyond its mandate as determined by the Auditor General of Canada and confirmed by the Department of Justice of Canada, it is not liable for the amount claimed.

(v) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has issued guarantees totaling \$0.1 million. Under the loan remission component of the Program, the Province is contingently liable for possible remissions totaling \$9.1 million.

(vi) *Environmental Responsibility*

As a result of delivering its stated programs and initiatives, the Province acknowledges that there are situations where it may be responsible for dealing with environmental issues. As at 31 March 2004, the status and costs of potential issues are not determinable.

10. Commitments

Commitments to outside organizations in respect of contracts entered into before 31 March 2004 amount to \$230.1 million, of which \$42.6 million is for lease payments, \$116.6 million for capital projects, \$43.5 million for government's service agreement with xwave Solutions Limited and other agreements of \$27.4 million. These commitments will become liabilities when the terms of the contracts are met. Payments in respect of these contracts and agreements for the Consolidated Revenue Fund are subject to the voting of supply by the Legislature.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Student Loan Corporation of Newfoundland and Labrador

During the 2003-04 fiscal year, the financial institution previously responsible for funding student loans under the Student Loan Program gave notice of their intent to discontinue such involvement. As a result, the Province acquired the student loans portfolio from the financial institution during March 2004. See Schedule 2 - Loans, Advances and Investments for additional information.

12. Measurement Uncertainty

Measurement uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. Estimates are based on the best information available at the time of preparation of the financial statements and are adjusted annually to reflect new information as it becomes available. Some examples of where measurement uncertainty exists are the accrual of retirement benefits, the amortization of foreign exchange gains or losses, the allowance for guaranteed debt and the accrual of self-insured workers' compensation benefits.

13. Self-Insured Workers' Compensation Benefits

Payables, accrued and other liabilities on the Consolidated Statement of Financial Position includes an amount related to self-insured workers' compensation benefits. The methodology used to calculate this liability at 31 March 2004 differed from that which was used to calculate the liability at 31 March 2003 resulting in a decrease to the liabilities of \$3.6 million. This represents a change in estimate and has been applied prospectively.

14. Government Organization Changes

The net debt at 31 March 2004 has been decreased by \$51.3 million to reflect the change to the prior year's amounts in the 31 March 2003 financial statements of certain entities. The net debt at 31 March 2003 has been decreased by \$12.3 million to reflect the change to the prior year's amounts in the 31 March 2002 financial statements of certain entities. These changes have been applied retroactively without restatement.

15. Change in Government Structure

Under sections 5 and 17 of the *Executive Council Act*, government departments were reorganized effective 23 February 2004 (Orders in Council 2004-197 to 2004-205). Pursuant to Cabinet direction, the financial structure for the departments that existed prior to the reorganization was to remain in place until the end of the 2003-04 fiscal year.

16. Comparatives

Certain of the 31 March 2003 financial statement figures have been restated to be consistent with the 31 March 2004 statement presentation. Some examples of where this occurs include cash and temporary investments, prepaid expenses, borrowings and other liabilities.

17. Original Estimates

Certain amounts in the 2003-04 Estimates shown for comparative purposes were prepared on the accrual basis.

The format of the revenue and expense items as stated in the 2003-04 Estimates has been adjusted in order to be consistent with the presentation of the actual figures on the Consolidated Statement of Operations. Certain of these revenue and expense items not disclosed in the 2003-04 Estimates were obtained from internal documentation.

Amounts for beginning and ending net debt (Consolidated Statement of Change in Net Debt) and accumulated deficit (Consolidated Statement of Change in Accumulated Deficit) were not presented in the 2003-04 Estimates and therefore are not available for comparison purposes.

18. Additional Notes

In addition to the aforementioned, there are various other notes disclosed in the schedules which follow.

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SUMMARY FINANCIAL STATEMENTS

*Schedule 1***PROVINCE OF NEWFOUNDLAND AND LABRADOR**

Receivables
As at 31 March 2004
with comparative figures for 2003

| | <u>2004</u> | <u>2003</u> |
|---|-----------------------|-----------------------|
| | (\$000) | (\$000) |
| Accounts receivable | 200,336 | 199,255 |
| Taxes receivable | 157,948 | 141,492 |
| Due from Government of Canada | <u>54,325</u> | <u>29,783</u> |
| | 412,609 | 370,530 |
| Less: Provision for doubtful accounts | <u>118,822</u> | <u>90,309</u> |
| | <u><u>293,787</u></u> | <u><u>280,221</u></u> |

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Loans, Advances and Investments As at 31 March 2004 with comparative figures for 2003

| | 2004 | 2003 |
|---|----------------|----------------|
| | (\$000) | (\$000) |
| Loans and Advances | | |
| Municipalities | 257,556 | 272,595 |
| Student loans | 204,950 | - |
| Commercial | 73,102 | 77,716 |
| Other | 48,585 | 46,392 |
| Housing | 10,019 | 9,974 |
| | <u>594,212</u> | <u>406,677</u> |
| Less: Provision for loan repayments through future appropriations | 235,613 | 245,787 |
| Provision for doubtful loans and advances | 91,365 | 67,929 |
| | <u>267,234</u> | <u>92,961</u> |
| Investments | | |
| Water rights held in Labrador - note 1 | 30,000 | 30,000 |
| Equity investments | 22,614 | 23,088 |
| Government of Canada Coupon investments | 13,917 | 17,438 |
| CHC Composites Inc | 10,500 | 9,500 |
| Country Ribbon Corporation | 4,500 | - |
| ACF Equity Atlantic Inc | 2,231 | 2,231 |
| Griffiths Guitars International Limited | 450 | - |
| Mineral Resources Corporation | - | 640 |
| Terra Nova Shoes Limited | - | 135 |
| Atlantic Ocean Farms Limited | 290 | 290 |
| Other investments | 1,348 | 1,956 |
| | <u>85,850</u> | <u>85,278</u> |
| Less: Provision for write-down of investments | 32,386 | 32,366 |
| | <u>53,464</u> | <u>52,912</u> |
| | <u>320,698</u> | <u>145,873</u> |

NOTES

1. Water Rights Held in Labrador

Pursuant to an agreement dated 24 November 1978, the Lower Churchill Development Corporation Limited (LCDC) has the option of purchasing Newfoundland and Labrador Industrial Development Corporation's water rights to the Lower Churchill River in consideration for the issuance of 3,000 Class B common shares without nominal or par value. These shares will then be transferred to Newfoundland and Labrador Hydro. This option was to expire 24 November 1996 but has been extended to 24 November 2004. LCDC was incorporated under the *Corporations Act* and is owned 51% by Newfoundland and Labrador Hydro and 49% by the Government of Canada. LCDC was established with the objective of developing all or part of the hydro-electric potential of the Lower Churchill Basin.

2. Interest Rates

Interest rates for all loans range from non-interest bearing to 14.0% and are repayable over terms not exceeding twenty five years.

SUMMARY FINANCIAL STATEMENTS

Schedule 3

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Equity in Government Business Enterprises
As at 31 March 2004
with comparative figures for 2003**

| | Nfld. and Labrador Liquor Corporation 31 Mar 2004 | Nfld. and Labrador Hydro 31 Dec 2003 | Total 2004 | Total 2003 |
|---------------------------------------|---|--|------------------|------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Equity - as previously reported | 36,787 | 593,600 | 630,387 | 705,972 |
| Equity adjustment | (104) | - | (104) | (4,959) |
| Equity - beginning of year | 36,683 | 593,600 | 630,283 | 701,013 |
| Net income for year | 100,038 | (74,600) | 25,438 | 150,374 |
| Capital transactions: | | | | |
| Transfers to government | (93,600) | (41,100) | (134,700) | (221,000) |
| Equity - end of year | <u>43,121</u> | <u>477,900</u> | <u>521,021</u> | <u>630,387</u> |
| Equity represented by: | | | | |
| Assets | | | | |
| Cash and temporary investments | 15,689 | 100 | 15,789 | 11,272 |
| Receivables | 10,877 | 222,700 | 233,577 | 207,183 |
| Inventories | 22,723 | 48,500 | 71,223 | 72,176 |
| Prepaid and deferred charges | 448 | 91,700 | 92,148 | 112,881 |
| Investments | - | 5,200 | 5,200 | 5,200 |
| Capital assets | <u>12,625</u> | <u>1,793,000</u> | <u>1,805,625</u> | <u>1,917,201</u> |
| Total Assets | <u>62,362</u> | <u>2,161,200</u> | <u>2,223,562</u> | <u>2,325,913</u> |
| Liabilities | | | | |
| Accounts payable and accruals | 19,241 | 114,100 | 133,341 | 134,915 |
| Borrowings | - | <u>1,566,700</u> | <u>1,566,700</u> | <u>1,545,811</u> |
| Total Liabilities | <u>19,241</u> | <u>1,680,800</u> | <u>1,700,041</u> | <u>1,680,726</u> |
| Non-controlling interest | - | 2,500 | 2,500 | 14,800 |
| Equity | <u>43,121</u> | <u>477,900</u> | <u>521,021</u> | <u>630,387</u> |

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Net Income of Government Business Enterprises
For the year ended 31 March 2004
with comparative figures for 2003**

| | Nfld. and Labrador Liquor Corporation 31 Mar 2004 | Nfld. and Labrador Hydro 31 Dec 2003 | Total 2004 | Total 2003 |
|------------------------------------|---|---|-----------------|----------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Revenue | | | | |
| Revenue from operations | <u>185,926</u> | <u>441,500</u> | <u>627,426</u> | <u>596,664</u> |
| Expenses | | | | |
| Expenses from operations | 85,888 | 383,600 | 469,488 | 434,090 |
| Transfers to government | <u>-</u> | <u>13,900</u> | <u>13,900</u> | <u>12,200</u> |
| Total Expenses | <u>85,888</u> | <u>397,500</u> | <u>483,388</u> | <u>446,290</u> |
| Adjustments | | | | |
| Write-down of capital assets | - | 130,900 | 130,900 | - |
| Non-controlling interest | <u>-</u> | <u>(12,300)</u> | <u>(12,300)</u> | <u>-</u> |
| Total Adjustments | <u>-</u> | <u>118,600</u> | <u>118,600</u> | <u>-</u> |
| Net income | <u>100,038</u> | <u>(74,600)</u> | <u>25,438</u> | <u>150,374</u> |

SUMMARY FINANCIAL STATEMENTS

*Schedule 5***PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**Payables, Accrued and Other Liabilities
As at 31 March 2004
with comparative figures for 2003**

| | 2004 | 2003 |
|--|------------------|------------------|
| | (\$000) | (\$000) |
| Accrued salaries and employee benefits | 521,334 | 484,525 |
| Accounts payable | 203,567 | 251,452 |
| Accrued interest payable | 183,914 | 199,681 |
| Due to Government of Canada | 191,730 | 80,259 |
| Due to municipalities | 105,297 | 74,988 |
| Long-term leases | 43,190 | 45,405 |
| Other | 27,590 | 11,463 |
| Provision for guaranteed debt | 125 | 801 |
| | <u>1,276,747</u> | <u>1,148,574</u> |

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Borrowings As at 31 March 2004 with comparative figures for 2003

| | 2004 | | | Interest Rate Range | 2003 |
|--|---------------------|-------------------------|-------------------|---------------------------|-------------------|
| | Total Borrowings | Sinking Fund Balance | Net Borrowings | | Net Borrowings |
| | (\$000) | (\$000) | (\$000) | (%) | (\$000) |
| Consolidated Revenue Fund | | | | | |
| Treasury bill borrowings | 491,219 | - | 491,219 | 2.01-2.61 | 490,441 |
| General debentures | 5,253,816 | 697,142 | 4,556,674 | 5.12-11.62 | 4,669,971 |
| Government of Canada | 633,631 | 3,880 | 629,751 | 5.41-14.06 | 555,174 |
| Other | 200,000 | - | 200,000 | prime-4.61 | 200,586 |
| | 6,578,666 | 701,022 | 5,877,644 | | 5,916,172 |
| Newfoundland and Labrador Municipal Financing Corporation | | | | | |
| General debentures | 319,284 | 20,097 | 299,187 | 2.25-12.75 | 325,997 |
| Newfoundland and Labrador Housing Corporation | | | | | |
| General debentures | 29,275 | - | 29,275 | 6.22 | 29,951 |
| Other | 27,873 | - | 27,873 | 2.67-2.75 | 33,472 |
| | 57,148 | - | 57,148 | | 63,423 |
| Other Debt | | | | | |
| Health Care organizations | 194,882 | 2,422 | 192,460 | prime-11.00 | 183,735 |
| Miscellaneous | 350,721 | - | 350,721 | prime-10.00 | 89,622 |
| | 545,603 | 2,422 | 543,181 | | 273,357 |
| Total | 7,500,701 | 723,541 | 6,777,160 | | 6,578,949 |

See accompanying notes.

SUMMARY FINANCIAL STATEMENTS

NOTES TO THE SCHEDULE OF BORROWINGS
As at 31 March 2004

1. Borrowings

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2004 are as follows:

| Major Currencies | Foreign Borrowings | Exchange Rate | Canadian \$ | Unamortized Foreign Exchange Gains/(Losses) | Net |
|------------------|------------------------------|---------------|------------------|---|------------------|
| | | | (000's) | (000's) | (000's) |
| U.S. | 1,150,000 | 1.3113 | 1,507,995 | 8,614 | 1,516,609 |
| Canadian | | | 5,992,706 | - | 5,992,706 |
| | Sub-total | | 7,500,701 | 8,614 | 7,509,315 |
| | Less: Foreign sinking funds | | 284,200 | 178 | 284,378 |
| | Less: Canadian sinking funds | | 439,341 | - | 439,341 |
| | Total | | <u>6,777,160</u> | <u>8,436</u> | <u>6,785,596</u> |

2. Contributions and Repayment Requirements

Sinking fund contributions and debt repayments which are not funded by a sinking fund, by major currency, in Canadian dollars are as follows:

| | U.S. | Canadian | Total |
|-----------|----------------|------------------|------------------|
| | (000's) | (000's) | (000's) |
| 2004-2005 | 12,100 | 513,057 | 525,157 |
| 2005-2006 | 12,100 | 439,903 | 452,003 |
| 2006-2007 | 12,100 | 136,281 | 148,381 |
| 2007-2008 | 9,500 | 267,845 | 277,345 |
| 2008-2009 | 9,500 | 361,850 | 371,350 |
| 2009-2042 | 99,700 | 1,843,300 | 1,943,000 |
| | <u>155,000</u> | <u>3,562,236</u> | <u>3,717,236</u> |

3. Foreign Exchange Loss

The foreign exchange loss which has been recognized on the Consolidated Statement of Operations is \$22.8 million.

4. Sensitivity Analysis

An increase/decrease of one cent in the foreign exchange rates at 31 March 2004 would result in an increase/decrease in foreign borrowings of \$11.5 million.

5. Debt-Related Risk

The Province, in consultation with its fiscal agents, monitors financial markets (interest and foreign currency rates) in consideration of its existing debt servicing costs and mix of domestic and foreign currency debt. Opportunities to reduce debt servicing costs, while keeping debt-related risk to an acceptable level, are duly considered by the Province.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Guaranteed Debt As at 31 March 2004 with comparative figures for 2003

| | 2004 | 2003 |
|---------------------------------------|-----------|-----------|
| | (\$000) | (\$000) |
| Guaranteed Debentures | | |
| Newfoundland and Labrador Hydro | 1,485,572 | 1,461,052 |
| Municipalities | 901 | 1,099 |
| Newfoundland Liquor Corporation | - | 105 |
| | 1,486,473 | 1,462,256 |
| Guaranteed Bank Loans | | |
| Fisheries | 30,936 | 29,589 |
| Mortgages | 3,551 | 3,976 |
| Other corporations | 1,530 | 1,757 |
| Municipalities | 109 | 75 |
| | 36,126 | 35,397 |
| | 1,522,599 | 1,497,653 |

NOTES

1. Limit of Loan Guarantees

The limit of loan guarantees for Guaranteed Debentures is \$1,486.5 million, \$39.8 million for Guaranteed Bank Loans and \$213.0 million for Other Guarantees.

2. Provision for Guaranteed Debt

An amount of \$0.1 million (31 March 2003 - \$0.8 million) has been recorded as a provision for possible losses on guaranteed debt.

SUMMARY FINANCIAL STATEMENTS

Schedule 8

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Trust Accounts
As at 31 March 2004
with comparative figures for 2003**

| | 2004 | 2003 |
|--|---------------|---------------|
| | (\$000) | (\$000) |
| Registrar of the Supreme Court - note 2 | 23,563 | 21,077 |
| Newfoundland Government Fund | 20,250 | 20,000 |
| Teachers' Accrued Salary Trust Account | 5,823 | 5,010 |
| Commercial and Corporate Affairs Trust | 5,580 | 6,596 |
| Patients' Funds Held in Trust | 2,828 | 2,637 |
| Consolidated Tender Account | 1,076 | 675 |
| Provincial Courts Trust Account | 646 | 354 |
| Federal/Provincial Contractors' Security Account | 504 | 913 |
| Homes for Special Care - note 2 | - | 647 |
| Other Trust Accounts | 912 | 956 |
| | <u>61,182</u> | <u>58,865</u> |

NOTES**1. Workplace, Health, Safety and Compensation Commission**

The Workplace, Health, Safety and Compensation Commission (the Commission) is considered to be a form of trust. For the most recent fiscal year ended 31 December 2003, the Commission reported a surplus of \$7.5 million (31 December 2002 - surplus of \$17.4 million) and an unfunded liability of \$171.1 million (31 December 2002 - \$178.9 million). Under legislation, no liability on behalf of the Province has been established. The Commission's financial statements are reproduced in Volume IV of the Public Accounts.

2. Homes for Special Care

The balances in the Homes for Special Care Trust Fund were passed over to the Registrar of the Supreme Court on 26 March 2004.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Tangible Capital Assets As at 31 March 2004 with comparative figures for 2003

| Category | Original Cost | | | Accumulated Amortization | | | Net Book Value 31 March 2004 | Net Book Value 31 March 2003 |
|---------------------------|-----------------------|----------------|----------------|--------------------------|-----------------------|------------------------------|------------------------------|------------------------------|
| | Balance 31 March 2003 | Additions 2004 | Disposals 2004 | Balance 31 March 2004 | Balance 31 March 2003 | Amort. Net of Disposals 2004 | | |
| | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) | (\$mil) |
| Buildings | 1,934.1 | 99.2 | 11.2 | 2,022.1 | 854.3 | 53.9 | 908.2 | 1,109.8 |
| Marine vessels & aircraft | 82.2 | 0.0 | 0.0 | 82.2 | 54.7 | 4.2 | 58.9 | 27.5 |
| Equipment & machinery | 587.0 | 42.1 | 6.5 | 622.6 | 415.3 | 41.5 | 456.8 | 171.7 |
| Infrastructure | 3,758.7 | 37.2 | 1.0 | 3,794.9 | 3,088.0 | 54.1 | 3,142.1 | 670.7 |
| Computer software | 29.1 | 7.3 | 0.6 | 35.8 | 21.5 | 3.2 | 24.7 | 7.6 |
| Sub-total | <u>6,391.1</u> | <u>185.8</u> | <u>19.3</u> | <u>6,557.6</u> | <u>4,433.8</u> | <u>156.9</u> | <u>4,590.7</u> | <u>1,957.3</u> |
| Work in progress | | | | <u>159.4</u> | | | <u>159.4</u> | <u>171.9</u> |
| Total | | | | <u><u>6,717.0</u></u> | | | <u><u>2,126.3</u></u> | <u><u>2,129.2</u></u> |

NOTES

1. Tangible Capital Assets

Tangible capital assets are capitalized on the Consolidated Statement of Financial Position with the cost of the assets amortized over the estimated useful life of the assets.

2. Work In Progress

Work in progress is considered to be a tangible capital asset, however it is not amortized as it is not yet available for use. Government currently has a number of projects under construction or development with a total for 31 March 2004 of \$159.4 million (31 March 2003 - \$171.9 million) having been spent on these projects to date. Upon completion, these assets are recorded in the appropriate category in the schedule.

3. Amortization Expense

Amortization net of disposals in the amount of \$156.9 million as reported in the schedule consists of amortization expense of \$161.7 million less accumulated amortization on assets disposed of in the year in the amount of \$15.6 million. The remaining \$10.8 million is the result of a transitional adjustment relating to the inclusion of additional financial transactions of health care organizations and the inclusion of additional entities in the Government reporting entity as noted in Schedule 14 - note 1.

Amortization net of disposals as at 31 March 2003 was \$131.8 million which consisted of amortization expense of \$152.6 million less accumulated amortization on assets disposed of in the year in the amount of \$19.8 million. The balance of \$1.0 million is the result of adjustments to previously reported amounts by certain entities.

SUMMARY FINANCIAL STATEMENTS

TANGIBLE CAPITAL ASSETS (continued)

4. Amortization

The historic cost of the assets is estimated in many cases, and amortization is calculated on a straight line basis over the following useful lives:

| Asset | Estimated Useful Life |
|--------------------------------------|-----------------------|
| Buildings | 40 years |
| Marine vessels & aircraft | |
| Marine vessels | 20 years |
| Aircraft | 20 years |
| Equipment & machinery | |
| Heavy machinery and equipment | 20 years |
| Snow removal equipment | 10 years |
| Office/other machinery and equipment | 10 years |
| Vehicles | 5 years |
| Computer hardware | 4 years |
| Infrastructure | |
| Roads | 20 years |
| Airstrips | 20 years |
| Marine facility infrastructure | 20 years |
| Other infrastructure assets | 20 years |
| Land | indefinite |
| Bridges | 40 years |
| Computer software | 7 years |

The above useful lives reflect the policies of the Consolidated Revenue Fund. Amortization reported by other organizations included in the Government reporting entity is recorded in these statements as per the amortization policies of these other organizations. These policies may differ from those identified above.

5. Historical or Cultural Assets

In accordance with current accounting standards, certain assets which have historical or cultural value belonging to the Province are not included in this schedule. Such assets consist of paintings, sculptures, historical documents, and historical and cultural artifacts.

6. Intangible and Inherited Assets

Intangible assets and items inherited by right of the Crown, such as Crown lands, forest, and mineral resources, are not recognized as tangible capital assets in accordance with current accounting standards.

7. Leased Assets

The gross amount of leased tangible capital assets is \$87.2 million and accumulated depreciation is \$49.3 million. These are included in the appropriate category in the schedule.

8. Comparatives

Certain of the 31 March 2003 figures have been adjusted from those reported in the 2002-03 Public Accounts. The balances reported previously included Original Cost of \$6,552.3 million and Accumulated Amortization of \$4,089.7 million for a Net Book Value at 31 March 2003 of \$2,462.6 million. Tangible capital assets were not capitalized in the 2002-03 Public Accounts and were presented for information purposes only.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Revenue For the year ended 31 March 2004 with comparative figures for 2003

| | Actuals 2004 | Actuals 2003 |
|---|-----------------|-----------------|
| | (\$000) | (\$000) |
| Government of Canada | | |
| Equalization | 938,983 | 1,085,963 |
| Canada health and social transfer | 393,668 | 312,868 |
| Cost-shared programs | 192,820 | 173,813 |
| Other | 17,297 | 16,767 |
| | 1,542,768 | 1,589,411 |
| Taxation | | |
| Personal income tax | 733,217 | 671,419 |
| Sales tax | 625,148 | 589,998 |
| Other | 380,125 | 290,230 |
| Gasoline tax | 135,937 | 135,926 |
| Corporate income tax | 139,575 | 108,645 |
| | 2,014,002 | 1,796,218 |
| Investment | | |
| Sinking fund earnings | 59,301 | 69,771 |
| Other | 142,864 | 57,007 |
| Interest | 41,054 | 40,637 |
| | 243,219 | 167,415 |
| Fees and Fines | | |
| Fees | 134,003 | 135,264 |
| Fines | 7,119 | 7,692 |
| | 141,122 | 142,956 |
| Other | 252,389 | 253,576 |
| | 4,193,500 | 3,949,576 |

SUMMARY FINANCIAL STATEMENTS

Schedule 11

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Expenses by Department
For the year ended 31 March 2004
with comparative figures for 2003**

| | Actuals 2004 | Actuals 2003 |
|---|------------------|------------------|
| | (\$000) | (\$000) |
| General Government Sector | | |
| Consolidated Fund Services | 1,015,593 | 939,811 |
| Executive Council | 30,481 | 32,806 |
| Finance | 88,921 | 116,274 |
| Government Services and Lands | 31,369 | 30,015 |
| Labrador and Aboriginal Affairs | 7,275 | 7,273 |
| Legislature | 17,805 | 14,031 |
| Public Service Commission | 2,209 | 2,216 |
| Works, Services and Transportation | 279,656 | 257,581 |
| | <u>1,473,309</u> | <u>1,400,007</u> |
| Resource Sector | | |
| Environment | 24,273 | 22,268 |
| Fisheries and Aquaculture | 9,510 | 10,026 |
| Forest Resources and Agrifoods | 55,701 | 51,268 |
| Industry, Trade and Rural Development | 36,257 | 40,061 |
| Mines and Energy | 17,272 | 30,115 |
| Tourism, Culture and Recreation | 39,969 | 40,530 |
| | <u>182,982</u> | <u>194,268</u> |
| Social Sector | | |
| Education | 591,646 | 573,798 |
| Health and Community Services | 1,797,866 | 1,659,083 |
| Human Resources and Employment | 263,642 | 257,640 |
| Justice | 149,073 | 142,456 |
| Labour | 7,893 | 7,012 |
| Municipal and Provincial Affairs | 257,042 | 238,490 |
| Youth Services and Post-Secondary Education | 409,086 | 271,561 |
| | <u>3,476,248</u> | <u>3,150,040</u> |
| | <u>5,132,539</u> | <u>4,744,315</u> |

NOTE

Expenses by Department includes expenses by organizations in the government reporting entity which report to that department.

PROVINCE OF NEWFOUNDLAND AND LABRADOR
**Expenses by Object
For the year ended 31 March 2004
with comparative figures for 2003**

| | Actuals 2004 | Actuals 2003 |
|--|------------------|------------------|
| | (\$000) | (\$000) |
| Salaries and employee benefits | 1,943,528 | 1,852,485 |
| Debt expenses | 1,071,987 | 978,996 |
| Grants and subsidies | 939,761 | 869,075 |
| Operating costs | 665,819 | 698,398 |
| Professional services | 255,226 | 208,964 |
| Amortization and loss on sale re tangible capital assets | 163,659 | 153,910 |
| Valuation allowances | 54,989 | 21,792 |
| Information technology | 25,299 | 30,646 |
| Capital property acquisitions/adjustments | 12,271 | (69,951) |
| | <u>5,132,539</u> | <u>4,744,315</u> |

SUMMARY FINANCIAL STATEMENTS

Schedule 13

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Reconciliation of Cash Results to Consolidated Accrual Results
For the year ended 31 March 2004
with comparative figures for 2003**

| | Actuals 2004 | Actuals 2003 |
|---|------------------|------------------|
| | (\$000) | (\$000) |
| Surplus (Deficit) - Actuals (cash) | (134,711) | (36,198) |
| Surplus (Deficit) - Actuals (consolidated accrual) | <u>(913,601)</u> | <u>(644,365)</u> |
| Change in deficit - note 1 | <u>(778,890)</u> | <u>(608,167)</u> |
| The change in deficit is comprised of the following: | | |
| Consolidated Revenue Fund - note 2: | | |
| Sinking fund earnings | 20,011 | (14,017) |
| Accrued retirement costs - interest | (391,733) | (270,276) |
| Accrued retirement costs - other | (31,326) | (42,545) |
| Amortization of foreign exchange losses | (31,487) | (43,994) |
| Other debt expenses | (3,800) | 1,972 |
| Bad debt expenses | (26,397) | (8,232) |
| Amortization expense re tangible capital assets | (89,029) | (85,529) |
| Tangible capital asset acquisitions/adjustments - net | 61,334 | 95,556 |
| Inventories of supplies | (132) | 645 |
| Accrued revenues and expenses | <u>(42,927)</u> | <u>(94,849)</u> |
| | (535,486) | (461,269) |
| Other entities - note 3: | | |
| Health care sector | (29,705) | (5,636) |
| Education sector | (77,313) | (8,849) |
| General Government sector | <u>(136,386)</u> | <u>(132,413)</u> |
| | (243,404) | (146,898) |
| Change in deficit | <u>(778,890)</u> | <u>(608,167)</u> |

See accompanying notes.

NOTES TO THE RECONCILIATION OF CASH RESULTS TO CONSOLIDATED ACCRUAL RESULTS
For the year ended 31 March 2004

1. Reconciliation of Cash Results to Consolidated Accrual Results

This schedule reconciles the cash deficit of the Consolidated Revenue Fund to the accrual deficit on a consolidated basis. The change shown consists of year end accrual adjustments for the Consolidated Revenue Fund and accounting policy adjustments to the annual results of government organizations.

2. Consolidated Revenue Fund

Sinking fund earnings represent the interest earned on the sinking funds during the year less the sinking fund income returned to the Province from the sinking funds retired.

Accrued retirement costs (interest) represent the net interest expense on the unfunded pension liability and the group health and life insurance retirement benefits.

Accrued retirement costs (other) represent primarily the employer contributions that exceeded the current service costs for pensions as well as group health and life insurance retirement benefits.

Amortization of foreign exchange losses represent the amortization of the unrealized foreign exchange losses.

Other debt expenses represent primarily the change in the accrued interest expense on the debt and capital leases.

Bad debt expenses represent the net increase in the allowance for doubtful accounts receivable, loans, investments, and guarantees made by the Province.

Accrued revenues and expenses represent all other changes in revenues and expenses during the year (e.g. equalization, sales tax, salaries and benefits).

3. Other Entities

This represents the accrual deficits of all other government organizations after adjustments have been made to conform to the accounting policies of the Province. The General Government sector adjustment includes the above and reverses the cash received by the Province for Newfoundland and Labrador Hydro and Newfoundland Liquor Corporation and records the net income of these entities.

SUMMARY FINANCIAL STATEMENTS

Schedule 14

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Government Reporting Entity
For the year ended 31 March 2004**GOVERNMENT ORGANIZATIONS

| | |
|--------|---|
| J | Avalon East School Board |
| | Avalon Health Care Institutions Board |
| J | Avalon West School District |
| J | Baie Verte, Central, Connaigre School District |
| | Board of Commissioners of Public Utilities |
| | Bull Arm Site Corporation |
| J | Burin Peninsula School Board |
| | Business Investment Corporation |
| | C.A. Pippy Park Commission |
| | Central East Health Care Institutions Board |
| | Central Regional Health and Community Services Board |
| | Central West Health Corporation |
| | College of the North Atlantic |
| J | Conseil Scolaire Francophone Provincial de Terre-Neuve et du Labrador |
| | Consolidated Revenue Fund |
| J | Cormack Trail School Board |
| J | Corner Brook - Deer Lake - St. Barbe School District |
| D | Credit Union Deposit Guarantee Corporation |
| | Eastern Health and Community Services Board |
| | Grenfell Regional Health Services Board |
| Note 1 | Health Care Corporation of St. John's |
| | Health Labrador Corporation |
| | Heritage Foundation of Newfoundland and Labrador |
| | Hotel Buildings Limited |
| J | Labrador School Board |
| | Labrador Transportation Initiative Fund |
| J | Lewisporte/Gander School District |
| | Livestock Owners Compensation Board |
| A | Marble Mountain Development Corporation |
| A | Marble Mountain Management Corporation |
| | Multi-Materials Stewardship Board |
| | Municipal Assessment Agency Inc. |
| | Newfoundland and Labrador Arts Council |
| | Newfoundland and Labrador Centre for Health Information |
| | Newfoundland and Labrador Crop Insurance Agency |
| | Newfoundland and Labrador Education Investment Corporation |
| | Newfoundland and Labrador Farm Products Corporation |
| | Newfoundland and Labrador Film Development Corporation |
| | Newfoundland and Labrador Heritage Corporation |
| | Newfoundland and Labrador Housing Corporation |

SUMMARY FINANCIAL STATEMENTS

GOVERNMENT REPORTING ENTITY (continued)

GOVERNMENT ORGANIZATIONS

| | |
|---|--|
| | Newfoundland and Labrador Industrial Development Corporation |
| | Newfoundland and Labrador Legal Aid Commission |
| | Newfoundland and Labrador Municipal Financing Corporation |
| | Newfoundland and Labrador Petroleum Products Pricing Commission |
| | Newfoundland and Labrador Student Investment and Opportunity Corporation |
| | Newfoundland Hardwoods Limited |
| | Newfoundland Ocean Enterprises Limited |
| J | Northern Peninsula/Labrador South School Board |
| | Peninsulas Health Care Corporation |
| | Provincial Advisory Council on the Status of Women |
| | Provincial Information and Library Resources Board |
| | Provincial Perinatal Program |
| D | Public Accountants Licensing Board |
| | Public Health Laboratory |
| | Special Celebrations Corporation of Newfoundland and Labrador, Inc. |
| | St. John's Nursing Home Board |
| | St. John's Regional Health and Community Services Board |
| N | Student Loan Corporation of Newfoundland and Labrador |
| | The Newfoundland Cancer Treatment and Research Foundation |
| N | The Rooms Corporation of Newfoundland and Labrador |
| J | Vista School District |
| | Western Health Care Corporation |
| | Western Regional Health and Community Services Board |

GOVERNMENT BUSINESS ENTERPRISES

| | |
|---|---------------------------------|
| D | Newfoundland and Labrador Hydro |
| | Newfoundland Liquor Corporation |

LEGEND

| | |
|---|---|
| A | These entities have a year end of 30 April. |
| J | These entities have a year end of 30 June. |
| D | These entities have a year end of 31 December. |
| N | These entities are new to the reporting entity for 31 March 2004. |

NOTES

| | |
|--------|--|
| Note 1 | Included in the 2003-04 Consolidated Financial Statements are the statements of the following foundations/associations which are controlled by the Health Care Corporation of St. John's: 1) General Hospital Hostel Association; 2) Health Care Foundation of St. John's Incorporated; 3) Janeway Children's Hospital Foundation; 4) Northwest Rotary - Janeway Hostel Corporation; 5) Waterford Foundation Incorporated. |
|--------|--|