

Province of Newfoundland and Labrador

Public Accounts

Volume I

Consolidated Summary Financial Statements

**For The Year Ended
31 March 2002**

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GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of Finance
Office of the Minister

October, 2002

The Honourable A.M. House, C.M., M.D., FRCPC
Lieutenant-Governor of Newfoundland and Labrador

Sir,

I have the honour to present the Public Accounts of the Province of Newfoundland and Labrador for the financial year ended 31 March 2002.

Respectfully submitted,
Your Honour's obedient servant,

JOAN MARIE AYLWARD
Minister of Finance

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INTRODUCTION

The consolidated summary financial statements of the Province of Newfoundland and Labrador are presented through the publication of the Public Accounts, Volume I. These statements consolidate the financial statements of the Consolidated Revenue Fund with the financial statements of various Crown Corporations, Boards and Authorities, as approved by Treasury Board, which are owned or controlled by, and accountable to, the Government of Newfoundland and Labrador.

These statements are prepared on the accrual basis of accounting in accordance with the Public Sector Accounting Board standards of the Canadian Institute of Chartered Accountants, and as outlined in the significant accounting policies of the Province. They are prepared by the Comptroller General and are audited by the Auditor General, who presents an annual report to the House of Assembly on the results of his audit.

The Public Accounts for the year ended 31 March 2002 consists of three other volumes:

Volume II – Consolidated Revenue Fund Financial Statements presents the financial position of the Fund and the results of its activities.

Volume III – Consolidated Revenue Fund Supplementary Statements and Schedules presents the unaudited summary statements, detailed departmental statements, schedules and notes of the Fund and are prepared on a basis consistent with the Estimates of the Province.

Volume IV – Financial Statements of Crown Corporations, Boards and Authorities presents a reproduction of the available financial statements of the Crown Corporations, Boards and Authorities.

The Public Accounts of the Province are tabled in the House of Assembly in accordance with Section 60 of the *Financial Administration Act*.

Internet Address

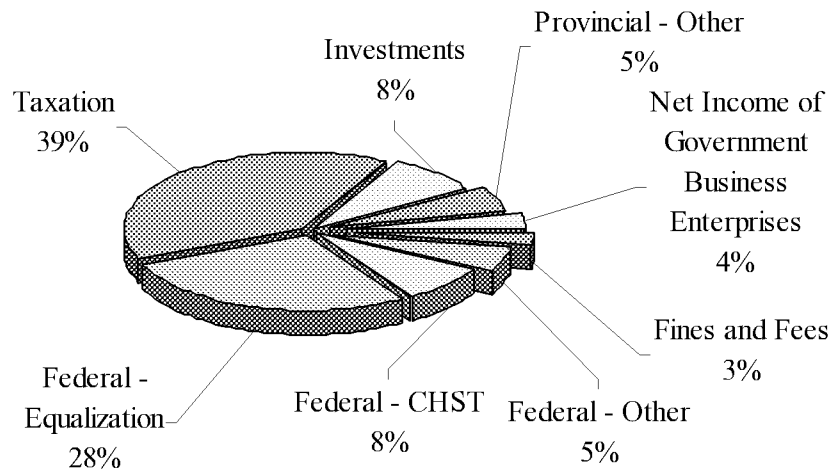
The Public Accounts are available on the Internet at:
<http://www.gov.nf.ca/ComptrollerGeneral/publications.htm>

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Revenue

Total revenue was \$4.05 billion in 2001-2002 which consisted of federal revenues of \$1.66 billion and provincial revenues of \$2.39 billion.

Revenue by Source - 31 March 2002

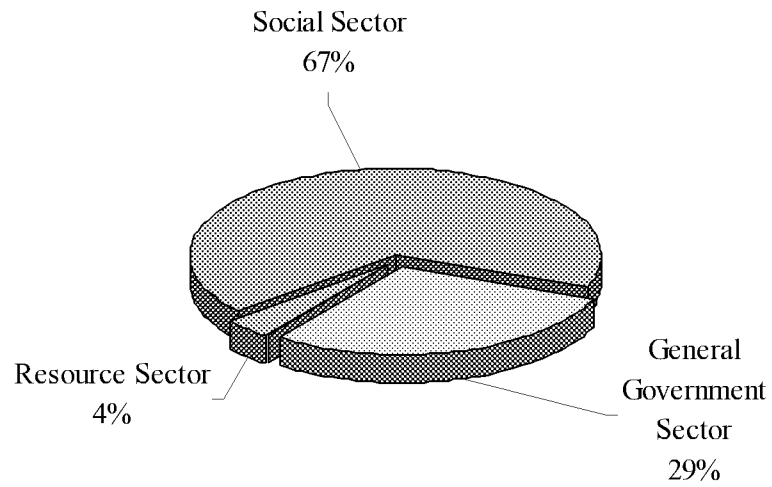


Federal - 41%, Provincial - 59%

Expenditure

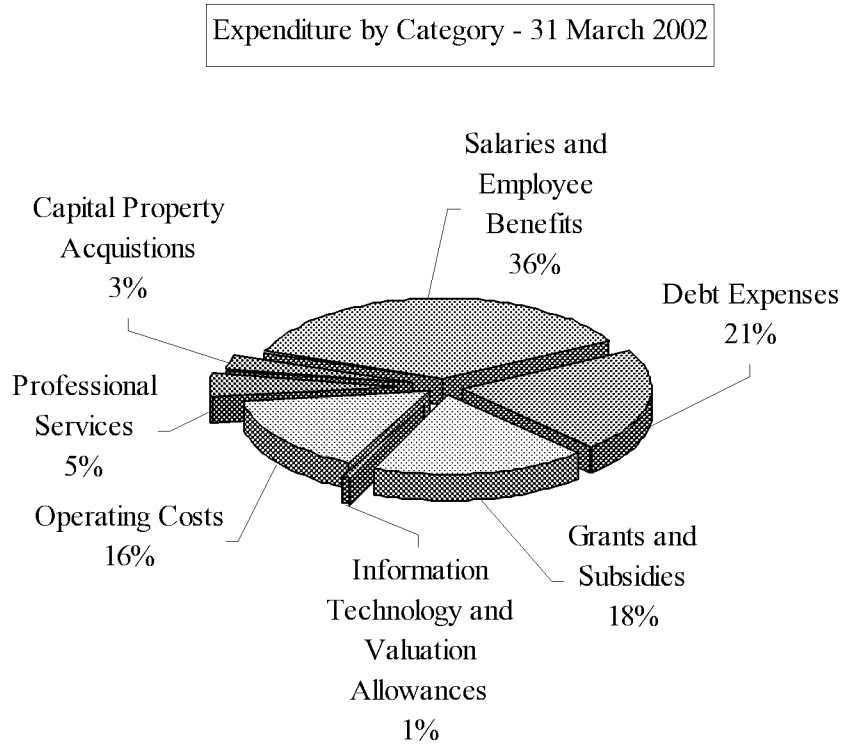
Expenditures for the social sector of \$3.03 billion represented approximately two-thirds of all expenditures.

Expenditure by Sector - 31 March 2002



Expenditure

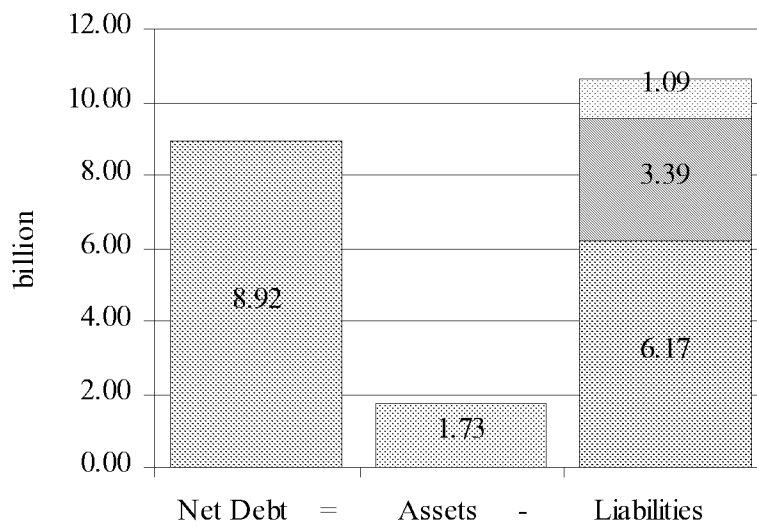
Total expenditure was \$4.52 billion in 2001-2002. Salaries and employee benefits of \$1.66 billion and debt expenses of \$.95 billion represented 57% of this amount.



Financial Position

Net debt of \$8.92 billion consisted of \$10.65 billion in liabilities less \$1.73 billion in assets.

Statement of Financial Position - 31 March 2002



Liabilities are comprised of:

- Net borrowings of \$6.17 billion
- Unfunded pension liability of \$3.39 billion
- Other liabilities of \$1.09 billion



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

TREASURY BOARD SECRETARIAT

OFFICE OF THE COMPTROLLER GENERAL

CONFEDERATION BUILDING
ST. JOHN'S

13 September 2002

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 Revenue and Expenditure, a Consolidated Statement of Net Debt, a Consolidated Statement of Changes in Financial Position 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 2002 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 2002 and the consolidated statements of revenue and expenditure, net debt and changes in financial position 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 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies disclosed in Note 1 to the consolidated summary financial statements applied on a basis consistent with that of the preceding year.

JOHN L. NOSEWORTHY, C.A.
Auditor General

St. John's, Newfoundland and Labrador
13 September 2002

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Financial Position As at 31 March 2002 with comparative figures for 2001

	2002	2001
	(\$000)	(\$000)
ASSETS		
Cash and temporary investments (Note 2)	510,174	485,034
Sch. 1 Receivables	306,362	304,620
Inventories held for resale	12,600	17,022
Prepaid and deferred charges	29,457	17,538
Sch. 2 Loans, advances and investments	165,065	183,498
Sch. 3 Equity in government business enterprises (Note 1(b))	705,972	703,894
Total Assets	<u>1,729,630</u>	<u>1,711,606</u>
NET DEBT		
Net Debt	<u>8,924,764</u>	<u>8,436,983</u>
Total Assets and Net Debt	<u>10,654,394</u>	<u>10,148,589</u>
LIABILITIES		
Sch. 5 Payables, accrued and other liabilities	1,035,458	913,649
Deferred revenue	59,209	75,577
Sch. 6 Borrowings	6,457,439	6,100,101
Less: Unamortized unrealized foreign exchange losses (Note 5) . . .	289,349	289,144
	<u>6,168,090</u>	<u>5,810,957</u>
Unfunded pension liability (Note 4)	<u>3,391,637</u>	<u>3,348,406</u>
Total Liabilities	<u>10,654,394</u>	<u>10,148,589</u>
Sch. 7 Contingent Liabilities (Note 7)		
Commitments (Note 8)		
Sch. 8 Trust Accounts (Note 9)		
Sch. 9 Tangible Capital Assets		

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

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Revenue and Expenditure For the year ended 31 March 2002 with comparative figures for 2001

		2002	2001
		(\$000)	(\$000)
REVENUE			
Sch. 10	Government of Canada	1,656,795	1,757,240
Sch. 10	Taxation	1,584,343	1,552,769
Sch. 10	Investment	332,724	264,407
Sch. 10	Fees and fines	105,987	127,905
Sch. 10	Other	220,263	198,628
Sch. 10	Total Revenue	<u>3,900,112</u>	<u>3,900,949</u>
EXPENDITURE			
Sch. 11	General Government Sector	1,312,159	1,314,062
Sch. 11	Resource Sector	179,581	164,980
Sch. 11	Social Sector	3,027,844	2,902,612
Sch. 12	Total Expenditure	<u>4,519,584</u>	<u>4,381,654</u>
Sch. 4	Net Income of Government Business Enterprises	<u>146,378</u>	<u>131,041</u>
	Net Expenditure over Revenue	<u>473,094</u>	<u>349,664</u>

See accompanying notes to the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Net Debt For the year ended 31 March 2002 with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
Net debt - previously reported	8,436,983	8,087,319
Add (Deduct):		
Prior years' adjustments:		
Government organization changes (Note 11)	14,295	-
Pension plan changes (Note 12)	392	-
Adjusted net debt - beginning of year	8,451,670	8,087,319
Net Expenditure over Revenue	473,094	349,664
Net debt - end of year	8,924,764	8,436,983

See accompanying notes to the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Consolidated Statement of Changes in Financial Position For the year ended 31 March 2002 with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
Funds provided from (applied to):		
Operations		
Net expenditure over revenue	(473,094)	(349,664)
Add (deduct) non-cash items:		
Amortization of foreign exchange losses (gains)	20,127	(23,420)
Pension costs	186,339	155,736
Valuation allowances	7,753	20,559
Unremitted net income of government business enterprises	(2,078)	28,859
Sinking fund earnings	77,651	(64,425)
Other	21,446	(7,105)
	(161,856)	(239,460)
Financing		
Debt issued	559,032	566,371
Debt retirement	(433,399)	(166,920)
Special purpose funds/Contractors' holdback funds	2,091	(1,795)
Deferred revenue	(154)	(31,048)
Treasury bills issued	3,010,664	1,998,190
Treasury bills redeemed	(2,904,309)	(1,998,038)
Sinking fund contributions	(50,490)	(49,099)
Sinking fund retirement	96,178	16,718
Retirement of pension liabilities	(143,500)	(116,000)
	136,113	218,379
Investing		
Loan repayments	105,963	80,413
Loan advances	(57,317)	(68,633)
Investments	2,517	286
	51,163	12,066
Net cash provided (applied)	25,420	(9,015)
Cash and temporary investments, beginning of year	484,671	493,686
Cash and temporary investments, end of year	510,091	484,671

See accompanying notes to the financial statements.

NOTE

Temporary investments are net of accrued interest of \$0.08 million (31 March 2001 - \$0.36 million).

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Notes to the Consolidated Financial Statements For the year ended 31 March 2002

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 accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislature and which are owned or controlled by Government.

A listing of organizations included in these financial statements is provided in Schedule 14.

(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 expenditures being recorded when liabilities are incurred, with exceptions made in accordance with the applicable significant accounting policies.

(ii) *Presentation*

The Province follows the expenditure basis of accounting for the preparation of its financial statements.

The Province presents its financial statements using the "net debt" approach. The Province's net debt consists of total liabilities less financial assets.

(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) *Expenditures*

Expenditures are recorded on an accrual basis.

Pension related costs consist of cost of benefits accrued, interest on the unfunded liability, and amortization of experience gains and losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(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 are comprised of items held for resale and are recorded at the lower of cost or net realizable value.

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 expenditures 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) - Method of Consolidation.

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. Capital asset acquisitions are recorded as expenditures in the year they are acquired.

(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 the 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 expenditures in the period during which both the payment is authorized and any eligibility criteria are met.

(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 \$510.2 million, including accrued interest of \$0.08 million (31 March 2001 - \$0.36 million) consist of investments with financial institutions. These investments are callable or have maturity dates ranging from 14 January 2002 to 6 March 2003 at interest rates which vary from 1.00% to 4.85%.

3. Provision for Guaranteed Debt

An amount of \$0.2 million (31 March 2001 - \$0.8 million) has been recorded as a provision for possible losses on guaranteed debt. See Schedule 5 - Payables, Accrued and Other Liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Unfunded Pension Liability**Defined Benefits**

The Province 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 and the Members of the House of Assembly Pension Plan.

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. The plans do not provide for inflation protection. As at 31 March 2002, the plans provided benefits to 16,609 pensioners.

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 four 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.

The following outlines the contribution and benefit formulae for each of the plans:

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

Employee contributions are 7.6% 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 earnings for each year since 1967.

Teachers' Pension Plan

Employee contributions are 8.5% 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 earnings for each year since 1967.

Uniformed Services Pension Plan

Employee contributions are 8.5% of pensionable salary, less a formulated amount representing contributions to the CPP. Grandfathered members contribute an additional 3.5% of salary. 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 earnings 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 earnings for each year since 1967. Ministers receive an additional pension amount calculated similarly, based on service and pensionable salary as a Minister.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 8.0% until 2004 and 7.5% thereafter. The expected rate for the Teachers' Pension Plan is 8.0% for the first six years after the valuation date and 7.5% thereafter. 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% projected on a long term basis.

Expected inflation rates

The expected inflation rate for the Public Service Pension Plan is 2.5% for the first two years after the valuation date, and 3% for the next five years and 3.5% thereafter. The expected rate for the Teachers' Pension Plan is 2.0% for the first year after the valuation date and 3.5% thereafter. The expected rate for the Uniformed Services Pension Plan is 3.5% projected on a long term basis. The expected rate for the Members of the House of Assembly Pension Plan is 3.5% projected on a long term basis.

The latest actuarial valuations for the Province's pension plans are dated as listed in the following table:

Plan	Valuation Date
Public Service Pension Plan	31 December 1997
Teachers' Pension Plan	31 August 2000
Uniformed Services Pension Plan	31 December 2000
Members of the House of Assembly Pension Plan	31 December 2000

Pension Liability

Details of the pension liability are outlined in the table below. The estimated accrued benefits and the value of the plan assets reported below have been extrapolated by the Province's actuaries to 31 March 2002. The actual results of future valuations may result in variances from these extrapolations.

Plan	Estimated Accrued Benefit Obligation	Fund Assets	Unamortized Experience Gains (Losses) 2002	Net Unfunded Liability 2002	Net Unfunded Liability 2001	Change
	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)
Public Service Pension Plan	2,745.7	1,628.6	338.8	1,455.9	1,456.9	(1.0)
Teachers' Pension Plan	2,614.1	792.8	(115.7)	1,705.6	1,643.5	62.1
Uniformed Services Pension	216.0	20.6	(5.7)	189.7	202.8	(13.1)
MHA Pension Plan	54.1	7.6	(6.1)	40.4	45.6	(5.2)
Total	\$5,629.9	\$2,449.6	\$211.3	\$3,391.6	\$3,348.8	\$42.8

Pension Fund Assets are valued at market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Special Payments

Pursuant to amendments to the applicable pensions legislation, the Province has agreed to increase its special payments into the Public Service Pension Plan from \$40 million to \$60 million annually commencing 01 January 2003 and to continue the payment 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, as well as to make annual payments of \$20 million and \$7.5 million to the Uniformed Services Pension Plan and the Members of the House of Assembly Pension Plan respectively, for five years commencing 2001-2002.

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 pension costs in the financial statements.

Other Pension Plans**Government Money Purchase Pension Plan**

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 20,552 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 Canada Trust Financial Service and at 31 March 2002 assets had a market value of \$128.1 million.

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.

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

Plan	Province's Share of Pension Benefits Earned for the Period (\$mil)	Pension Interest Expense on the Unfunded Liability (\$mil)	Province's Current Period Pension Contributions (\$mil)	Current Period Amortization of Experience Changes (\$mil)	Unfunded Portion of Current Period Pension Change (\$mil)
Public Service Pension Plan	27.6	85.6	(91.7)	(22.5)	(1.0)
Teachers' Pension Plan	15.8	138.2	(104.8)	12.9	62.1
Uniformed Services Pension	1.3	14.9	(29.8)	0.5	(13.1)
MHA Pension Plan	0.9	3.7	(10.6)	0.8	(5.2)
Total	\$45.6	\$242.4	(\$236.9)	(\$8.3)	\$42.8

Pension interest expense is included with interest as debt expenses in the financial statement. Pension interest expense for 31 March 2001 was \$225.2 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. 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 2002. See Schedule 6 - Borrowings. Details of the effect of these translations at year end are outlined below.

	(\$mil)
Unrealized foreign exchange gain (loss):	
Debt	(467.0)
Sinking funds	61.6
Net	<u>(405.4)</u>
Total accumulated amortization	116.1
Net unamortized unrealized foreign exchange gain (loss) - 31 March 2002	<u><u>(289.3)</u></u>
Net unamortized unrealized foreign exchange gain (loss) - 31 March 2001	<u><u>(289.1)</u></u>

The net amortization expense is \$20.1 million which represents a debit adjustment (31 March 2001 - \$23.4 million - credit adjustment).

6. 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.

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

Guarantees made by the Province amounted to \$1.4 billion (31 March 2001 - \$1.2 billion). In addition, the Province guaranteed the interest thereon. See Schedule 7 - Contingent Liabilities.

(b) Legal Actions

(i) There has 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. The Province has also filed a statement against a third party in an attempt to recover monies already paid out for similar claims.

(ii) A Statement of Claim has been served on the Province in its role as the regulator of mortgagor brokers and investment companies.

(iii) A number of claims have been filed against the Province related to general damages and personal claims pursuant to action initiated by the Province.

(iv) Government is suing the Canadian National Railway with regard to the financing of the Newfoundland Dockyard. Canadian National Railway has counterclaimed.

(v) There has been a claim served against the Fisheries Loan Board in respect of loss of business and for damages.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(c) Other**(i) *PUT Agreement***

In 1993 the Province amended an agreement (the "PUT" Agreement) with a consortium of banks which are involved in financing an extensive Environmental Capital Expenditure Program for the paper mill in Corner Brook. The mill is owned by Corner Brook Pulp and Paper Limited (the Company). This agreement provides that in the event of default on loan payments by the Company, the Province or its nominee will purchase from the banks, if required, the power generating station which is owned by the Company and is located at Deer Lake. The price to be paid shall be the amount by which the lesser of the loan outstanding on the date on which the Divestiture Period commences and \$50 million exceeds the Environmental Compliance Deficiency, if any.

In any event, the Province's obligation under this agreement ceased on 31 December 2001.

(ii) *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).

(iii) *Pensions*

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 4.

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 2002, no liability existed.

(iv) *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.

(v) *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, that the Province is not liable for the amount claimed.

(vi) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has issued guarantees totaling \$0.8 million. Under the loan remission component of the Program, the Province is contingently liable for possible remissions totaling \$6.7 million. Under the current service provider, the Province is contingently liable for loans issued as of 31 March 2002 totalling \$185.8 million. The expected default rate on these loans is 25%-30%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Commitments

Commitments to outside organizations in respect of contracts entered into before 31 March 2002 amount to \$358.6 million, of which \$30.1 million is for lease payments, \$224.3 million for capital projects, \$72.5 million for government's service agreement with xwave Solutions Limited and other agreements of \$31.7 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.

9. Trust Accounts

Trust funds are presented as a self-balancing, separate component. Additional information is provided in Schedule 8 - Trust Accounts.

10. 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 pension obligations, the amortization of foreign exchange gains or losses, the allowance for guaranteed debt and provision for debt repayment.

11. Government Organization Changes

The net debt at 31 March 2002 has been increased by \$14.3 million to reflect the change to the prior year's amounts in the 31 March 2002 financial statements of certain entities. This change has been applied retroactively without restatement.

12. Pension Plan Changes

The unfunded pension plan liability and net debt at 31 March 2002 have been increased by \$0.4 million as a result of a plan amendment related to a new valuation at 31 December 2000 for the Uniformed Services Pension Plan. This change has been applied retroactively without restatement.

13. Reconciliation of Cash Results to Consolidated Accrual Results

Schedule 13 has been added to provide a reconciliation of the actual Cash Deficit as per Volume III to the actual Accrued Consolidated Deficit for 31 March 2002 with comparative figures for 31 March 2001.

14. Comparatives

Certain of the 31 March 2001 financial statement figures have been restated to be consistent with the 31 March 2002 statement presentation.

15. Additional Notes

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

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PROVINCE OF NEWFOUNDLAND AND LABRADOR**Receivables****As at 31 March 2002****with comparative figures for 2001**

	<u>2002</u>	<u>2001</u>
	(\$000)	(\$000)
Accounts receivable	209,093	242,263
Taxes receivable	154,009	129,265
Due from Government of Canada	<u>37,638</u>	<u>34,819</u>
	400,740	406,347
Less: Provision for doubtful accounts	<u>94,378</u>	<u>101,727</u>
	<u><u>306,362</u></u>	<u><u>304,620</u></u>

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Loans, Advances and Investments As at 31 March 2002 with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
Loans and Advances		
Municipalities	290,658	283,275
Commercial	66,646	80,936
Other	39,011	30,867
Housing	21,304	66,158
Fishing	14,013	17,671
Farming	6,393	7,814
	438,025	486,721
Less: Provision for loan repayments through future appropriations	252,169	271,985
Provision for doubtful loans and advances	75,713	88,896
	110,143	125,840
Investments		
Water rights held in Labrador (Note)	30,000	30,000
Equity investments	22,029	21,351
Government of Canada Coupon investments	19,890	24,149
CHC Composites Inc.	9,500	9,500
ACF Equity Atlantic Inc.	2,231	1,673
Other investments	1,876	1,070
Mineral Resources Corporation	640	640
Terra Nova Shoes Limited	435	735
Atlantic Ocean Farms Limited	290	290
	86,891	89,408
Less: Provision for write-down of investments	31,969	31,750
	54,922	57,658
	165,065	183,498

NOTE

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. This option was to expire 24 November 1996 but has been extended to 24 November 2002. LCDC was incorporated under The Companies Act (Newfoundland) 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.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Equity in Government Business Enterprises

As at 31 March 2002

with comparative figures for 2001

	Nfld. Liquor Corporation 31 Mar 2002	Nfld. and Labrador Hydro 31 Dec 2001	Total 2002	Total 2001
	(\$000)	(\$000)	(\$000)	(\$000)
Equity - beginning of year	35,294	668,600	703,894	732,753
Net income for year	92,978	53,400	146,378	131,041
Capital transactions				
Transfers to government	(91,000)	(53,300)	(144,300)	(159,900)
Equity - end of year	<u>37,272</u>	<u>668,700</u>	<u>705,972</u>	<u>703,894</u>
Equity represented by:				
Assets:				
Cash and temporary investments	14,309	3,000	17,309	13,931
Receivables	7,576	67,800	75,376	75,288
Inventories	23,297	46,300	69,597	71,377
Prepaid and deferred charges	555	234,200	234,755	188,006
Investments	-	5,200	5,200	9,300
Capital assets	7,249	1,838,000	1,845,249	1,794,956
Total Assets	<u>52,986</u>	<u>2,194,500</u>	<u>2,247,486</u>	<u>2,152,858</u>
Liabilities:				
Accounts payable and accruals	15,514	102,700	118,214	104,464
Other deferred liabilities	-	10,000	10,000	9,000
Borrowings	200	1,398,300	1,398,500	1,319,900
Bank indebtedness	-	-	-	800
Total Liabilities	<u>15,714</u>	<u>1,511,000</u>	<u>1,526,714</u>	<u>1,434,164</u>
Non-controlling interest	-	14,800	14,800	14,800
Equity	<u>37,272</u>	<u>668,700</u>	<u>705,972</u>	<u>703,894</u>

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Net Income of Government Business Enterprises For the year ended 31 March 2002 with comparative figures for 2001

	Nfld. Liquor Corporation 31 Mar 2002 (\$000)	Nfld. and Labrador Hydro 31 Dec 2001 (\$000)	Total 2002 (\$000)	Total 2001 (\$000)
Revenue:				
Revenue from operations	159,093	397,100	556,193	538,545
Expenses:				
Expenses from operations	66,115	332,600	398,715	396,904
Transfers to government	-	11,100	11,100	10,600
Total Expenses	66,115	343,700	409,815	407,504
Net income	92,978	53,400	146,378	131,041

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Payables, Accrued and Other Liabilities

As at 31 March 2002

with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
Accrued salaries and employee benefits	430,195	386,765
Accounts payable	247,798	211,199
Accrued interest payable	208,390	225,297
Due to municipalities	60,556	20,188
Long-term leases	48,106	53,850
Other	34,918	14,547
Due to Government of Canada	5,325	1,041
Provision for guaranteed debt	170	762
	1,035,458	913,649

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Borrowings

As at 31 March 2002

with comparative figures for 2001

	2002			Interest Rate Range	2001
	Total Borrowings	Sinking Fund Balance	Net Borrowings		Net Borrowings
	(\$000)	(\$000)	(\$000)	(%)	(\$000)
Consolidated Revenue Fund					
Treasury bill borrowings	491,475	-	491,475	1.93-2.31	385,121
General debentures	5,381,817	778,809	4,603,008	3.25-13.50	4,526,581
Government of Canada	633,661	184,145	449,516	5.89-16.53	262,277
Other	200,000	-	200,000	prime-4.61	247,032
	6,706,953	962,954	5,743,999		5,421,011
Newfoundland and Labrador Municipal Financing Corporation					
General debentures	387,015	43,254	343,761	2.75-12.75	333,656
Newfoundland and Labrador Housing Corporation					
Demand loans	11,186	-	11,186	prime	14,369
General debentures	30,583	-	30,583	6.22	31,180
Other	41,522	-	41,522	2.59-7.75	83,329
	83,291	-	83,291		128,878
Other Debt					
Health Care organizations	231,404	766	230,638	prime-11.00	201,379
Miscellaneous	55,750	-	55,750	prime-10.75	15,177
	287,154	766	286,388		216,556
Total	7,464,413	1,006,974	6,457,439		6,100,101

See accompanying notes.

NOTES TO THE SCHEDULE OF BORROWINGS
As at 31 March 2002

1. **Borrowings**

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2002 are as follows:

Major Currencies	Foreign Borrowings (000)	Exchange Rate	Canadian \$ (000)	Unamortized Foreign Exchange Losses (000)	Net (000)
Swiss	300,000	0.9480000	284,400	5,311	279,089
U.S.	1,150,000	1.5942000	1,833,330	332,429	1,500,901
			<u>2,117,730</u>	<u>337,740</u>	<u>1,779,990</u>
Canadian			5,346,683		5,346,683
		Sub-total	<u>7,464,413</u>	<u>337,740</u>	<u>7,126,673</u>
	Less: Foreign sinking funds		275,432	48,391	227,041
	Less: Canadian sinking funds		<u>731,542</u>		<u>731,542</u>
		Total	<u><u>6,457,439</u></u>	<u><u>289,349</u></u>	<u><u>6,168,090</u></u>

2. **Contribution and Repayment Requirements**

Sinking fund contribution and principal repayment requirements by major currency in Canadian dollars are as follows:

	U.S. (000)	Swiss (000)	Canadian (000)	Total (000)
2002-2003	14,700	144,400	17,152	176,252
2003-2004	14,700	0	35,668	50,368
2004-2005	14,700	0	249,455	264,155
2005-2006	14,700	0	158,180	172,880
2006-2007	14,700	0	46,691	61,391
2007-2040	144,300	0	1,735,915	1,880,215
	<u>217,800</u>	<u>144,400</u>	<u>2,243,061</u>	<u>2,605,261</u>

3. **Foreign Exchange Loss**

The foreign exchange loss which has been recognized on the Statement of Revenue and Expenditure is \$20.1 million.

4. **Sensitivity Analysis**

An increase/decrease of one cent in the foreign exchange rates at 31 March 2002 would result in an increase/decrease in foreign borrowings of \$14.5 million.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Contingent Liabilities As at 31 March 2002 with comparative figures for 2001

	2002	2001
	(\$000)	(\$000)
Guaranteed Debentures		
Newfoundland and Labrador Hydro	1,319,944	1,161,453
Municipalities	1,276	1,420
Newfoundland Liquor Corporation	209	314
	1,321,429	1,163,187
Guaranteed Bank Loans		
Fisheries	30,315	25,133
Mortgages	4,649	4,999
Other corporations	1,641	1,149
Municipalities	580	1,116
	37,185	32,397
Other Guarantees		
Other	7,000	7,000
	1,365,614	1,202,584

NOTE

Limit of Loan Guarantees: Guaranteed Debentures - \$1,321.4 million; Guaranteed Bank Loans - \$44.4 million; Other Guarantees - \$42.8 million.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Trust Accounts As at 31 March 2002 with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
Registrar of the Supreme Court	22,144	23,192
Newfoundland Government Fund	19,000	19,000
Commercial and Corporate Affairs Trust	5,771	5,096
Teachers' Accrued Salary Trust Account	4,507	4,514
Patients' Funds Held in Trust	2,838	2,996
Federal/Provincial Contractors' Security Account	1,950	1,257
Consolidated Tender Account	997	1,081
Other Trust Accounts	981	898
Homes for Special Care	646	645
Provincial Courts Trust Account	328	1,199
	59,162	59,878

NOTE

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 2001, the Commission reported a deficit of \$7.7 million (31 December 2000 - deficit of \$22.2 million) and an unfunded liability of \$200.0 million (31 December 2000 - \$202.3 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.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Tangible Capital Assets As at 31 March 2002

Category	Estimated Useful Life	Estimated Original Cost			Accumulated Amortization			Net Book Value 31 March 2002
		Balance 31 March 2001	Additions Net of Disposals 2002	Balance 31 March 2002	Balance 31 March 2001	Amort. Net of Disposals 2002	Balance 31 March 2002	
	(years)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)
Buildings	40	1,593.7	266.7	1,860.4	356.5	196.6	553.1	1,307.3
Marine vessels & aircraft	20	88.0	(13.7)	74.3	28.4	18.9	47.3	27.0
Equipment & machinery	4-20	527.1	76.7	603.8	308.2	44.7	352.9	250.9
Infrastructure	20-40	2,394.6	1,255.4	3,650.0	2,359.9	645.8	3,005.7	644.3
Computer software	7	45.5	(18.3)	27.2	33.2	(16.8)	16.4	10.8
Total		4,648.9	1,566.8	6,215.7	3,086.2	889.2	3,975.4	2,240.3

Amortization Net of Disposals 2002 of \$889.2 million includes an estimated \$122.8 million for amortization expense for the fiscal year ended 31 March 2002. The remaining \$766.4 million is a result of a transitional adjustment for improvements to the tangible capital asset policies and reporting.

See accompanying notes.

NOTES TO THE SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at 31 March 2002

1. Tangible Capital Assets

Tangible capital assets are reported as expenditures in the year the assets are acquired. This schedule is provided to inform users of the tangible capital assets on hand and available for use by the Province. Tangible capital assets that meet the minimum thresholds for the appropriate categories included.

2. 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:

<u>Asset</u>	<u>Estimated Useful Life</u>
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

3. Work In Progress

Work in progress is considered to be a tangible capital asset, however it is not included on the schedule, as the applicable assets are not yet available for use. Government currently has a number of projects under construction or development. A total of \$191.1 million has been spent on these projects to date.

4. Historical or Cultural Assets

Certain assets which have historical or cultural value belonging to the Province are not included in this schedule. Such assets consist of buildings such as Government House, Commissariat House and the Colonial Building and works of art, with an estimated cost of approximately \$3.8 million.

5. Transition Adjustments

As a result of government implementing a new tangible capital asset system and new policies and procedures, the information in the Schedule has been updated. The ending balances for 31 March 2001 were not adjusted to facilitate the transition. Any necessary adjustments have been incorporated in "Additions Net of Disposals" and "Amortization Net of Disposals" columns. Additions Net of Disposals of \$1,566.8 million includes \$152.3 million in additions for the fiscal year ended 31 March 2002 and \$1,414.5 million for adjustments, due to change in tangible capital asset policies and reporting.

For the current year, the accounting policies for tangible capital assets of the organizations in the Government Reporting Entity have not been adjusted to conform with the policies of the Consolidated Revenue Fund. This issue will be addressed in future Public Accounts.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Revenue

**For the year ended 31 March 2002
with comparative figures for 2001**

	2002	2001
	(\$000)	(\$000)
Government of Canada		
Equalization	1,117,374	1,197,184
Canada health and social transfer	333,805	330,727
Cost-shared programs	187,076	181,449
Other	18,540	47,880
	1,656,795	1,757,240
Taxation		
Personal income tax	607,164	624,675
Sales tax	556,368	497,852
Other	234,281	224,415
Gasoline tax	131,624	130,393
Corporate income tax	54,906	75,434
	1,584,343	1,552,769
Investment		
Other	194,023	106,381
Sinking fund earnings	78,513	91,291
Interest	60,188	66,735
	332,724	264,407
Fees and Fines		
Fees	97,327	120,368
Fines	8,660	7,537
	105,987	127,905
Other	220,263	198,628
	3,900,112	3,900,949

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Expenditure by Department For the year ended 31 March 2002 with comparative figures for 2001

	2002 (\$000)	2001 (\$000)
General Government Sector		
Consolidated Fund Services	809,034	793,894
Executive Council	28,872	28,236
Finance	87,287	104,286
Government Services and Lands	28,736	26,709
Labrador and Aboriginal Affairs	6,673	5,693
Legislature	12,720	11,727
Public Service Commission	3,038	2,326
Works, Services and Transportation	335,799	341,191
	1,312,159	1,314,062
Resource Sector		
Environment	13,335	9,204
Fisheries and Aquaculture	11,999	10,645
Forest Resources and Agrifoods	47,194	44,715
Industry, Trade and Rural Development	46,830	48,103
Mines and Energy	17,680	15,189
Tourism, Culture and Recreation	42,543	37,124
	179,581	164,980
Social Sector		
Education	567,717	537,140
Health and Community Services	1,558,334	1,476,766
Human Resources and Employment	260,458	266,790
Justice	139,013	129,233
Labour	6,396	5,660
Municipal and Provincial Affairs	233,457	227,889
Youth Services and Post Secondary Education	262,469	259,134
	3,027,844	2,902,612
	4,519,584	4,381,654

NOTE

Expenditure by Department includes expenditures by organizations in the government reporting entity which report to that department.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Expenditure by Object For the year ended 31 March 2002 with comparative figures for 2001

	2002	2001
	(\$000)	(\$000)
Salaries and employee benefits	1,656,730	1,541,689
Debt expenses	948,061	951,437
Grants and subsidies	819,918	793,490
Operating costs	710,964	696,214
Professional services	204,180	198,723
Capital property acquisitions	142,425	149,540
Information technology	29,553	30,002
Valuation allowances	7,753	20,559
	4,519,584	4,381,654

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Reconciliation of Cash Results to Consolidated Accrual Results For the year ended 31 March 2002 with comparative figures for 2001

	2002	2001
	(\$000)	(\$000)
Surplus (Deficit) - Actuals (cash)	(47,250)	(26,061)
Surplus (Deficit) - Actuals (consolidated accrual)	(473,094)	(349,664)
Change in deficit (Note 1)	(425,844)	(323,603)
The change in deficit is comprised of the following		
Consolidated Revenue Fund: (Note 2)		
Sinking fund earnings	(81,790)	59,188
Accrued pension costs - interest	(242,386)	(225,196)
Accrued pension costs - other	56,047	69,460
Amortization of foreign exchange losses	(25,200)	(18,235)
Other debt expenses	(4,332)	(28,390)
Bad debt expenses	(11,324)	(27,704)
Accrued revenues and expenses	(21,499)	76,316
	(330,484)	(94,561)
Other entities: (Note 3)		
Health care sector	(17,607)	(103,509)
Education sector	(32,864)	(41,153)
General Government sector	(44,889)	(84,380)
	(95,360)	(229,042)
Change in deficit	(425,844)	(323,603)

See accompanying notes.

NOTES TO THE RECONCILIATION OF CASH RESULTS TO CONSOLIDATED ACCRUAL RESULTS
For the year ended 31 March 2002

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 pension costs (interest) represent the net interest expense on the unfunded pension liability.

Accrued pension costs (other) represent primarily the employer contributions that exceeded the current service costs.

Amortization of foreign exchange losses represent the amortization of the unrealized foreign exchanges 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 receivables, 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 accounting policies of the Province, e.g. expenditure of capital assets versus capitalization of these assets.

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.

PROVINCE OF NEWFOUNDLAND AND LABRADOR
**Government Reporting Entity
For the year ended 31 March 2002**

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
	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 Terra-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
	Enterprise Newfoundland and Labrador Corporation
	Farm Development Loan Board
	Fisheries Loan Board of Newfoundland and Labrador
	Grenfell Regional Health Services Board
	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.
D	Newco IV Corporation
	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

GOVERNMENT REPORTING ENTITY (continued)

GOVERNMENT ORGANIZATIONS

	Newfoundland and Labrador Film Development Corporation
	Newfoundland and Labrador Heritage Corporation
	Newfoundland and Labrador Housing Corporation
	Newfoundland and Labrador Industrial Development Corporation
	Newfoundland and Labrador Legal Aid Commission
	Newfoundland and Labrador Municipal Financing Corporation
N	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
	The John Cabot (1997) 500th Anniversary Corporation
	The Newfoundland Cancer Treatment and Research Foundation
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	This entity is new to the reporting entity for 31 March 2002.

NOTE

The financial statements for 31 March 2001 represented the Advisory Council on the Economy's final financial position and results of operations.