

**Province of
Newfoundland and Labrador**



Consolidated Revenue Fund Financial Information

FOR THE YEAR ENDED
MARCH 31, 2015


**Newfoundland
Labrador**



Province of Newfoundland and Labrador

Consolidated Revenue Fund Financial Information

**For The Year Ended
31 March 2015**

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INTRODUCTION

The Consolidated Revenue Fund Financial Information, formerly known as Volume II of the Public Accounts, presents the financial statements of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador. The Consolidated Revenue Fund, as required by the *Financial Administration Act*, is comprised of all public money over which the Legislature has power of appropriation.

These unaudited financial statements are prepared by the Comptroller General of Finance on the accrual basis of accounting in accordance with the Public Sector Accounting Standards of the Chartered Professional Accountants of Canada and as outlined in the significant accounting policies of the Province. Budget figures, where available, are provided on several Statements for comparison purposes.

For modified cash based accounting information related to the Consolidated Revenue Fund, please refer to the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund released in September 2015. This is the same basis used to prepare the budgeted appropriations and revenues as per the Estimates.

The accrual based consolidated summary financial statements of the Province, including Crown Corporations, Boards and Authorities, as approved by Treasury Board, may be found in the audited Public Accounts, which have been concurrently released with this document.

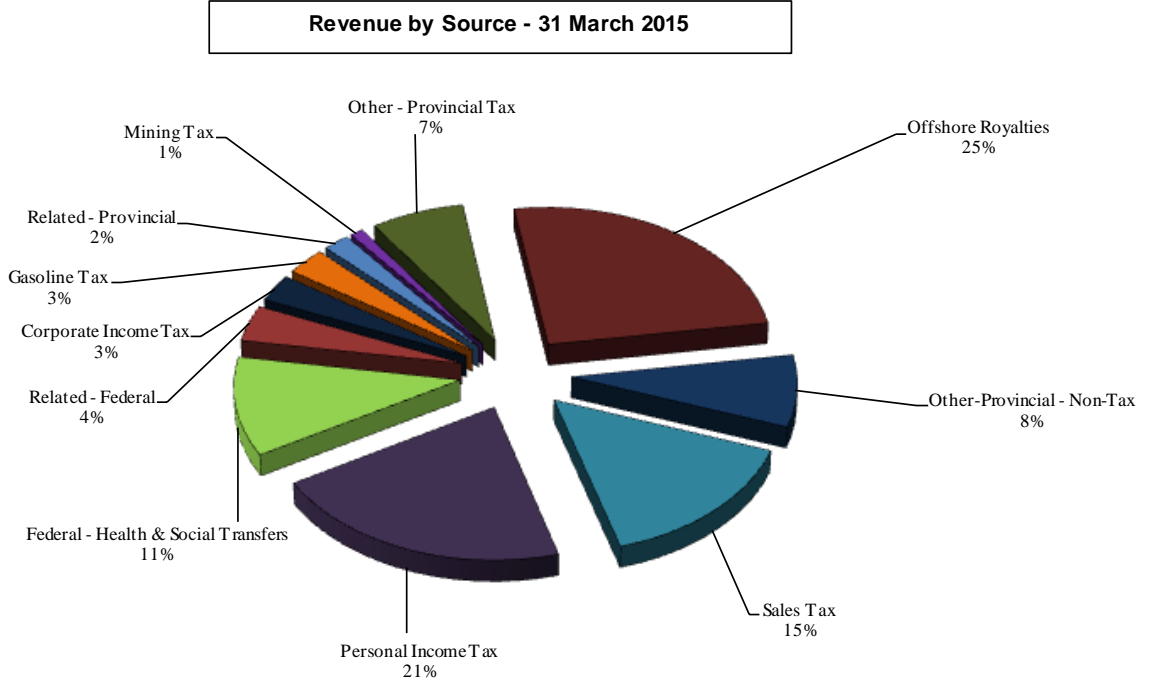
The Consolidated Revenue Fund Financial Information is also available on the Internet at:
http://www.fin.gov.nl.ca/fin/public_accounts/index.html

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CONSOLIDATED REVENUE FUND

Revenue

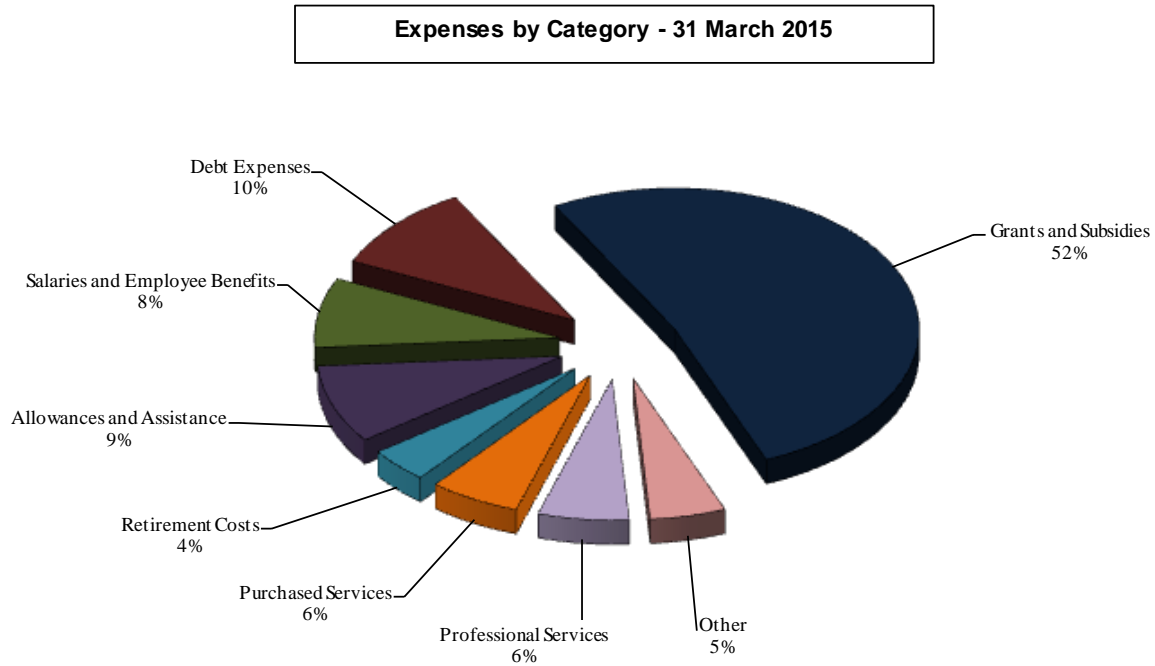
Total revenue was \$6.34 billion in 2014-15 which consisted of federal revenues of \$0.93 billion and provincial revenues of \$5.41 billion.



CONSOLIDATED REVENUE FUND

Expense

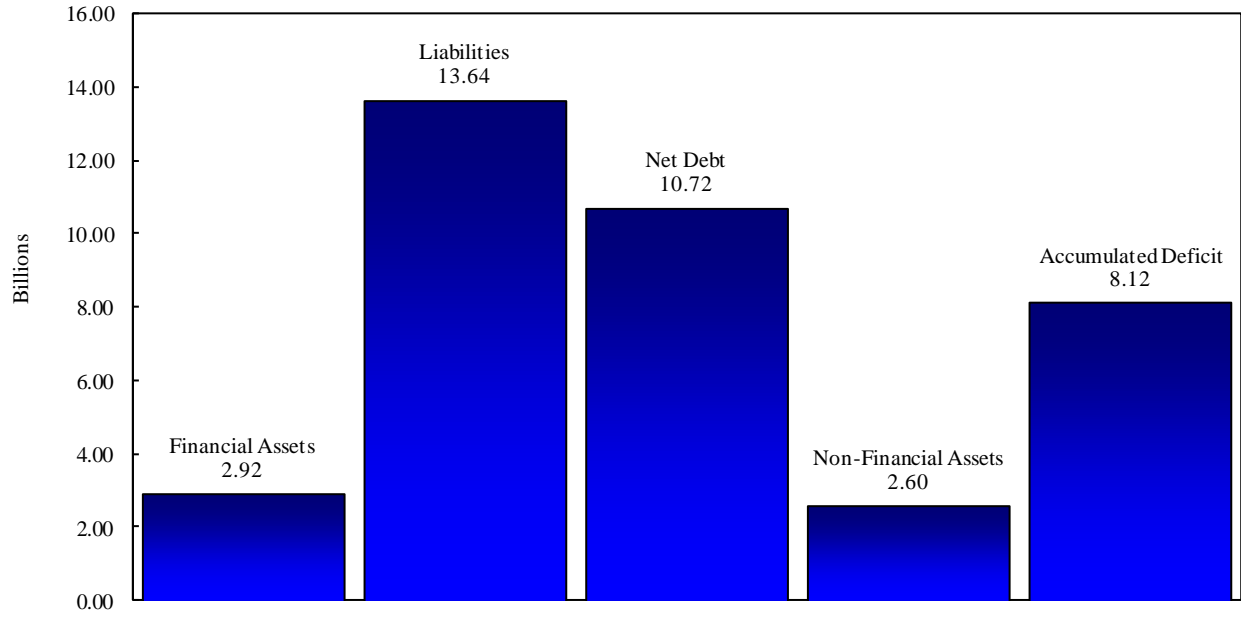
Total expenses were \$7.53 billion in 2014-15. Grants and subsidies of \$3.94 billion and debt expenses of \$0.76 billion represented approximately 63% of this amount.



CONSOLIDATED REVENUE FUND

Financial Position

Net Debt of \$10.72 billion consisted of \$13.64 billion in liabilities less \$2.92 billion in financial assets. Accumulated Deficit of \$8.12 billion consisted of \$10.72 billion in Net Debt less \$2.60 billion in non-financial assets.

Statement of Financial Position - 31 March 2015

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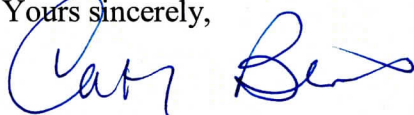
January 28, 2016

The Honourable Tom Osborne, M.H.A.
Speaker
House of Assembly

Dear Colleague:

I am pleased to provide to you the Consolidated Revenue Fund Financial Information for the fiscal year ended 31 March 2015. The document presents the financial statements of the Consolidated Revenue Fund of the Province. It is prepared on the accrual basis of accounting in accordance with the Public Sector Accounting Board (PSAB) standards of Chartered Professional Accountants of Canada (CPA).

Yours sincerely,



Honourable Cathy Bennett, M.H.A.
District of Windsor Lake
Minister of Finance and
President of Treasury Board

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CONSOLIDATED REVENUE FUND

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Statement of Financial Position
As at 31 March 2015
with comparative figures for 2014**

		Actuals 2015 (\$000)	Actuals 2014 (\$000)
FINANCIAL ASSETS			
	Cash and temporary investments at cost - notes 2, 17	688,893	965,331
	Government of Canada - claims in process - note 3	108,638	136,805
Sch. A	Accounts and taxes receivable	476,992	824,694
	Less: Allowance for doubtful accounts	<u>82,060</u>	<u>80,843</u>
		394,932	743,851
Sch. B	Loans, advances and mortgages receivable	145,834	70,185
	Less: Allowance for doubtful accounts	<u>6,838</u>	<u>6,931</u>
		138,996	63,254
Sch. C	Investments at cost	1,604,702	1,266,767
	Less: Allowance for investment writedowns	<u>9,894</u>	<u>9,894</u>
		<u>1,594,808</u>	<u>1,256,873</u>
	Total Financial Assets	<u>2,926,267</u>	<u>3,166,114</u>
LIABILITIES			
Sch. E	Other liabilities	1,715,182	1,527,942
	Deferred revenue - note 4	23,783	15,661
Sch. F	Debenture and other debt	6,344,003	5,843,708
	Less: Sinking fund assets - note 5	1,104,960	1,085,038
	Plus: Unamortized unrealized foreign exchange gains (losses) - note 6	<u>(62,902)</u>	<u>53,111</u>
		5,176,141	4,811,781
	Group health and life insurance retirement benefits - note 8	2,457,635	2,415,090
	Unfunded pension liability - note 9	1,634,512	3,779,401
	Plus: Promissory note - note 9	<u>2,636,250</u>	<u>-</u>
		4,270,762	3,779,401
	Total Liabilities	<u>13,643,503</u>	<u>12,549,875</u>
	NET DEBT	<u>10,717,236</u>	<u>9,383,761</u>
NON-FINANCIAL ASSETS			
Sch. D	Tangible capital assets	2,571,225	2,443,869
	Prepaid expenses	7,283	10,620
	Inventories of supplies	<u>23,351</u>	<u>22,704</u>
	Total Non-Financial Assets	<u>2,601,859</u>	<u>2,477,193</u>
	ACCUMULATED DEFICIT	<u>8,115,377</u>	<u>6,906,568</u>

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

CONSOLIDATED REVENUE FUND

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Statement of Change in Net Debt
For the year ended 31 March 2015
with comparative figures for 2014**

	Actuals 2015 (\$000)	Original Budget 2015 (Note 18) (\$000)	Actuals 2014 (\$000)
NET DEBT - beginning of period	9,383,761	9,901,062	8,638,048
Add (Deduct):			
Adjustments - note 1(d)			
Contaminated sites	18,634	-	-
ADJUSTED NET DEBT - beginning of period	<u>9,402,395</u>	<u>9,901,062</u>	<u>8,638,048</u>
Surplus (Deficit) for the period	<u>(1,190,175)</u>	<u>(862,229)</u>	<u>(562,078)</u>
Changes in tangible capital assets			
Acquisition of tangible capital assets	305,774	425,646	329,995
Net book value of tangible capital asset disposals	(46,093)	-	(31,177)
Amortization of tangible capital assets	<u>(132,325)</u>	<u>(133,468)</u>	<u>(116,448)</u>
<i>Increase in net book value of tangible capital assets</i>	<u>127,356</u>	<u>292,178</u>	<u>182,370</u>
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	(3,337)		2,268
Acquisition of inventories of supplies (net of usage)	<u>647</u>		<u>(1,003)</u>
<i>Increase in other non-financial assets</i>	<u>(2,690)</u>		<u>1,265</u>
<i>Increase (Decrease) in net debt</i>	<u>1,314,841</u>	<u>1,154,407</u>	<u>745,713</u>
NET DEBT - end of period	<u><u>10,717,236</u></u>	<u><u>11,055,469</u></u>	<u><u>9,383,761</u></u>

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

CONSOLIDATED REVENUE FUND

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Statement of Operations
For the year ended 31 March 2015
with comparative figures for 2014**

	<u>Actuals</u> 2015	<u>Original Budget</u> 2015 (Note 18)	<u>Actuals</u> 2014
	(\$000)	(\$000)	(\$000)
REVENUE			
Provincial			
Tax Revenue			
Sales	936,821	980,693	907,008
Personal income	1,310,225	1,222,398	1,221,741
Gasoline	185,858	183,783	185,666
Corporate income	218,577	235,685	357,792
Mining and mineral rights	95,440	101,391	160,438
Other	419,263	321,911	412,952
Non-Tax Revenue			
Offshore royalties	1,562,307	2,397,636	2,125,837
Investment	292,646	180,986	256,926
Fees and fines	202,520	112,705	168,045
Other	22,521	17,170	28,587
Provincial related revenue	161,051	124,554	176,594
Federal			
Health and social transfers	679,867	676,494	713,278
Other	1,710	1,712	1,710
Federal related revenue	246,505	339,022	207,006
Total Revenue	<u>6,335,311</u>	<u>6,896,140</u>	<u>6,923,580</u>
EXPENSE			
Sch. J General Government Sector and Legislative Branch	1,860,878	2,087,604	2,049,390
Sch. J Resource Sector	1,282,862	1,193,291	1,173,187
Sch. J Social Sector	<u>4,381,746</u>	<u>4,477,474</u>	<u>4,263,081</u>
Sch. K Total Expense	<u>7,525,486</u>	<u>7,758,369</u>	<u>7,485,658</u>
ANNUAL SURPLUS (DEFICIT) - note 10	<u>(1,190,175)</u>	<u>(862,229)</u>	<u>(562,078)</u>

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

CONSOLIDATED REVENUE FUND

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Statement of Change in Accumulated Deficit
For the year ended 31 March 2015
with comparative figures for 2014**

	Actuals 2015 (\$000)	Original Budget 2015 (Note 18) (\$000)	Actuals 2014 (\$000)
ACCUMULATED DEFICIT - beginning of period	6,906,568		6,344,490
Add (Deduct):			
Adjustments - note 1(d)			
Contaminated sites	18,634		-
ADJUSTED ACCUMULATED DEFICIT - beginning of period	6,925,202		6,344,490
Surplus (Deficit) for the period	(1,190,175)	(862,229)	(562,078)
ACCUMULATED DEFICIT - end of period	<u>8,115,377</u>		<u>6,906,568</u>

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

CONSOLIDATED REVENUE FUND

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows
For the year ended 31 March 2015
with comparative figures for 2014

	<u>Actuals</u>	<u>Actuals</u>
	2015	2014
	(\$000)	(\$000)
Funds provided from (applied to):		
OPERATIONS		
Annual surplus (deficit)	(1,190,175)	(562,078)
Add (Deduct) non-cash items:		
Accounts payable	211,208	122,880
Accounts receivable	311,091	(140,174)
Amortization of foreign exchange (gains)/losses	(6,801)	(15,630)
Amortization of tangible capital assets	132,325	116,448
April writebacks	(34,982)	41,485
Deferred revenue	8,122	(11,596)
Other	110,030	68,723
Retirement costs	582,656	820,500
Sinking funds	(54,477)	(54,920)
Valuation allowances	(10)	181
Net cash provided from (applied to) operating transactions	<u>68,987</u>	<u>385,819</u>
CAPITAL		
Acquisitions	(305,774)	(328,419)
Disposals	153	31,177
Net cash provided from (applied to) capital transactions	<u>(305,621)</u>	<u>(297,242)</u>
FINANCING		
Debt issued	500,000	-
Debt retirement	(454,532)	(85,900)
Retirement of promissory note	(48,750)	-
Sinking fund contributions	(46,268)	(48,518)
Sinking fund proceeds	140,688	64,003
Special purpose funds/contractors' holdback funds	(4,917)	(4,427)
Treasury bills purchased	3,890,402	1,971,046
Treasury bills redeemed	(3,604,729)	(1,971,030)
Net cash provided from (applied to) financing transactions	<u>371,894</u>	<u>(74,826)</u>
INVESTING		
Loan advances and investments	(444,348)	(533,958)
Loan repayments	32,650	33,101
Net cash provided from (applied to) investing transactions	<u>(411,698)</u>	<u>(500,857)</u>
Net cash provided (applied)	(276,438)	(487,106)
Cash and temporary investments - beginning of period	965,331	1,452,437
CASH AND TEMPORARY INVESTMENTS - end of period - note 2	<u>688,893</u>	<u>965,331</u>

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

PROVINCE OF NEWFOUNDLAND AND LABRADOR**Notes to the Financial Statements
For the year ended 31 March 2015**

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

The Reporting Entity includes the accounts and financial activities of the Consolidated Revenue Fund. Pursuant to the *Financial Administration Act* of the Province all public monies are accounted for through the Fund.

(b) 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) Revenues

Revenues from the Government of Canada under the federal-provincial fiscal arrangements, health and social transfers and tax collection agreements are based on regular entitlements received for the current year and adjusted against future years' revenues when known. Government transfers are recognized as revenue in the period during which the transfer is authorized and all eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recorded as deferred revenue and are recognized as revenue when the funds are used as intended.

Revenues from provincial tax sources are accrued in the year earned based upon estimates using statistical models and prior year actuals. Tax revenues are recorded at the amount estimated, after considering certain adjustments for non-refundable tax credits and other adjustments from the federal government. Refundable tax credits are not recognized as a reduction of tax revenues. Tax revenues are recorded net of any tax concessions or expenditures that reduce the amount of tax payable. Transfers made through the tax system that do not affect the amount of tax payable are recorded as expenses.

Other revenues are recorded on an accrual basis.

(iii) 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.

(iv) Assets

Cash and temporary investments represent the cash position including bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash. Temporary investments are recorded at cost or market value, whichever is lower.

Government of Canada - claims in process are recorded as a receivable based on claims outstanding at 31 March and relate mainly to cost-shared agreements.

CONSOLIDATED REVENUE FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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.

Accounts receivable are recorded for all amounts due for work performed and goods or services supplied. Taxes receivable are recorded for all amounts due for levies that are authorized and for which the taxable event has occurred. Valuation allowances are provided when collection is considered doubtful.

Loans, advances and mortgages receivable are recorded at cost, less any concessionary terms. Concessionary terms represent the difference between the face value and the present value of the loan and are accounted as expenses on the Statement of Operations. 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, less any concessionary terms. Concessionary terms represent the difference between the face value and the present value of the investment and are accounted as expenses on the Statement of Operations. Investments are written down when there is a loss in value that is other than a temporary decline.

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

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

(v) *Liabilities*

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.

Debenture and other debt, except treasury bills, are recorded at face value. 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.

(vi) *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 and stipulations are met. The recognition of transfer revenues is only deferred when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Receivables are established for transfers to which the Province is entitled under government legislation, regulation or agreement. Liabilities are established for any transfers due at 31 March for which the intended recipients have met the eligibility criteria and the transfer is authorized.

CONSOLIDATED REVENUE FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****(vii) 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 losses on these guarantees is established when it is determined that a loss is likely.

(c) Generally Accepted Accounting Principles

The accounting policies followed in the preparation of these financial statements have been applied consistently with generally accepted accounting principles for senior governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(d) Change in Accounting Policy**PS 3260 - Liability for Contaminated Sites**

The Province has adopted a new accounting standard for liability of contaminated sites. The Public Sector Accounting Board issued Section PS 3260 - Liability for Contaminated Sites, which establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. As defined in the standard, contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when an environmental standard exists, contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. An obligation is not recognized unless all criteria above are satisfied. The Province has recognized a liability of \$96.1 million (31 March 2014 - \$20.2 million) related to the remediation of such contaminated sites subject to certain recognition criteria. The standard has been applied retroactively without restatement resulting in an adjustment to beginning Net Debt and Accumulated Deficit of \$18.6 million.

(e) Future Changes in Accounting Policies

There are several new standards and amendments to standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada that are not yet effective and have not been applied in these financial statements. These standards and corresponding effective dates are as follows:

Effective 1 April 2017:

PS 2200 Related Party Disclosures – a new standard defining related parties and establishing disclosure requirements for related party transactions.

PS 3210 Assets – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

PS 3320 Contingent Assets – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

PS 3380 Contractual Rights – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

PS 3420 Inter-entity Transactions – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Effective 1 April 2018:

PS 3430 Restructuring Transactions – a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities.

Effective 1 April 2019:

PS 3450 Financial Instruments – a new standard establishing guidance on how to account for and report all types of financial instruments including derivatives.

PS 2601 Foreign Currency Translation – replaces *PS 2600* with revised standards on how to account for and report transactions that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation – effective in the period *PS 2601* and *PS 3450* are adopted, replaces *PS 1200* with revised general reporting principles and standards for disclosure of information.

PS 3041 Portfolio Investments – effective in the period *PS 1201*, *PS 2601* and *PS 3450* are adopted, replaces *PS 3040* with revised standards on how to account for and report portfolio investments.

These new and amended standards are planned to be adopted on the effective dates. The Province is currently analyzing the impact these standards will have on the financial statements.

2. Cash and Temporary Investments

Cash and temporary investments consist of:

	31 March 2015	31 March 2014
	(\$mil)	(\$mil)
Cash balance (overdraft)	688.9	816.3
Temporary investments - note 17	-	149.0
Total: Cash and Temporary Investments	<u>688.9</u>	<u>965.3</u>

As at 31 March 2015, there were no temporary investments outstanding.

3. Government of Canada – Claims in Process

Consists of:

	31 March 2015	31 March 2014
	(\$mil)	(\$mil)
Claims receivable at 31 March not received in April	84.3	128.5
Receipts in April	24.3	8.3
Total: Government of Canada – Claims in Process	<u>108.6</u>	<u>136.8</u>

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Deferred Revenue

Consists of:

	31 March 2015	31 March 2014
	(\$mil)	(\$mil)
Gas tax initiatives	21.1	9.6
Federal initiatives in support of community and employment development	1.6	4.9
Other miscellaneous programs	1.1	1.2
Total: Deferred Revenue	<u>23.8</u>	<u>15.7</u>

The balance as of 31 March 2015 will be recognized as revenue in the periods in which the revenue recognition criteria have been met.

5. Sinking Fund

The value of the sinking funds as recorded in the Newfoundland and Labrador Government Sinking Fund financial statements is reflected in these financial statements.

The Sinking Fund Assets consist of:

	31 March 2015	31 March 2014
	(\$mil)	(\$mil)
Investments at cost	980.8	904.3
Amortization of bond discount	54.0	96.5
Investments at amortized cost	<u>1,034.8</u>	<u>1,000.8</u>
Cash and receivables less accounts payable	70.2	84.2
Net Sinking Fund Assets - translated at 31 March	<u>1,105.0</u>	<u>1,085.0</u>

The net sinking fund assets balance of \$1,105.0 million Canadian dollars as at 31 March 2015 includes \$389.3 million U.S. dollars translated to \$493.0 million Canadian dollars in accordance with current practice.

The net sinking fund assets balance of \$1,085.0 million Canadian dollars as at 31 March 2014 includes \$363.6 million U.S. dollars translated to \$402.0 million Canadian dollars in accordance with current practice.

The Province does not anticipate conversion of the U.S. dollars to Canadian dollars as the U.S. funds will be used to retire U.S. debt.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. 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 2015 or the exchange rate at maturity for those debt and sinking funds retired during the fiscal year. See Schedule F - Debenture and Other Debt. Details of the effect of these translations at year end are outlined in the table below.

The net amortization expense is \$6.8 million which represents a credit adjustment (31 March 2014 - \$15.6 million-credit adjustment). This is included in debt expenses on the Statement of Operations.

	31 March 2015 (\$mil)	31 March 2014 (\$mil)
Foreign exchange gain (loss):		
Debt	(58.3)	110.8
Sinking funds	21.3	(38.6)
Net	(37.0)	72.2
Total accumulated amortization	(25.9)	(19.1)
Net unamortized unrealized foreign exchange gains (losses)	<u>(62.9)</u>	<u>53.1</u>

7. Provision for Guaranteed Debt

The provision for possible losses on guaranteed debt is nil (31 March 2014 - nil) (see note 12(a)).

8. Retirement Benefits – Group Health and Life Insurance

All retired employees of the Government of Newfoundland and Labrador who are receiving a pension from the Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan or the Provincial Court Judges' Pension Plan are eligible to participate in the group insurance program sponsored by Government. All retired employees of the Government of Newfoundland and Labrador who (i) retired under the Public Service Pension Plan (PSPP) prior to 01 January 2015 or (ii) retire under the PSPP after 31 December 2014 and meet the new eligibility criteria outlined below 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.

Following proclamation of the *Other Post-Employment Benefits Eligibility Modification Act* (OPEB Act) on 01 January 2015, new criteria related to the eligibility for post-employment group health and group life insurance benefits (i.e., OPEBs) were established for PSPP members. Effective 01 January 2015, new employees and those who do not meet the eligibility criteria applicable during the five year transitional period under the OPEB Act will require 10 years of pensionable service instead of five and must immediately retire under the PSPP upon termination of employment to be eligible for OPEBs. During the five year transitional period certain employees and deferred pensioners, as defined in the OPEB Act, may be eligible for OPEBs in accordance with the OPEB Act.

Under Government's program, the Province contributes 50% towards group health and group life premiums for both employees and eligible retirees. Government also contributes 50% towards group health and group life premiums for both teachers and retirees insured under the programs sponsored by the NLTA, subject to the maximum premiums under Government's program. The group life benefits cease at age 65 for retirees. As at 31 March 2015, the plans provided benefits of \$28.4 million to 21,939 retirees.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Actuarial Valuations

An actuarial extrapolation was prepared to 31 March 2015 by the Province's actuaries based on the latest actuarial valuation (valuation date of 31 March 2012) for the programs sponsored by the Province and the NLTA. The actuarial extrapolation was based on a number of assumptions about future events including an interest rate of 2.90%, Consumer Price Index (CPI) of 2.50%, 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 (\$mil)	Unamortized Experience Gains (Losses) (\$mil)	Net Liability 2015 (\$mil)	Net Liability 2014 (\$mil)	Change (\$mil)
Group health retirement benefits	2,401.5	(38.4)	2,363.1	2,320.5	42.6
Group life insurance retirement benefits	125.1	(30.6)	94.5	94.6	(0.1)
Total	2,526.6	(69.0)	2,457.6	2,415.1	42.5

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 (\$mil)	Interest Expense on the Liability (\$mil)	Province's Current Period Contributions (\$mil)	Current Period Amortization of Experience Changes (\$mil)	Other Adjustments (\$mil)	Change (\$mil)
Group health retirement benefits	71.4	80.2	(23.6)	(23.1)	(62.3)	42.6
Group life insurance retirement benefits	2.6	4.1	(1.9)	0.9	(5.8)	(0.1)
Total	74.0	84.3	(25.5)	(22.2)	(68.1)	42.5

Interest expense related to the group health and life insurance retirement benefits liability is included with interest as debt expenses in the financial statements. Interest related to group health and life insurance retirement benefits for 31 March 2014 amounted to \$98.8 million.

Other Adjustments

Other adjustments include plan amendments of \$68.1 million relating to changes to the eligibility requirements of \$148.1 million as a result of changes to the Public Service Pension Plan and are offset by \$80.0 million relating to the recognition of the reduced early retirement eligibility for attribution purposes and change in the assumed termination rate.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. 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.

The opening unamortized experience gain of \$339.9 million was decreased by \$408.9 million during the year resulting in a closing unamortized experience loss of \$69.0 million. This decrease consists of \$380.0 million for new experience losses, amortization of \$22.2 million and an adjustment of \$6.7 million relating to recognition of a termination experience study.

Expected average remaining service life (EARSL) of related employee groups is 12 years.

9. Retirement Benefits – Pensions

Defined Benefits

The defined benefit pension plans provided to employees of the Province are maintained in two funds; the Public Service Pension Plan Fund and the Province of Newfoundland and Labrador Pooled Pension Fund.

Public Service Pension Plan Fund

During 2014-15, the Province signed a Joint Sponsorship Agreement with the five major unions representing unionized members of the Public Service Pension Plan (PSPP). The agreement establishes joint and equal participation in the sponsorship and management of the PSPP via the Public Service Pension Plan Corporation (PSPP Corporation). As a result, changes were made to the *Public Service Pensions Act, 1991* to establish the Public Service Pension Plan Fund. The PSPP Corporation was created to administer the plan and manage the investment of the Fund. The Corporation is an independent, statutory corporation without share capital and is not an agent of the Crown.

The Joint Sponsorship Agreement provides for joint management of the PSPP and an equal sharing between the Province and plan members in any surpluses and deficits. The *Pensions Funding Act* was updated to reflect that the Province is no longer required to provide a deficiency guarantee for the PSPP. The Province's sole financial obligation is to make contributions to the Plan as specified. Actuarial surpluses and deficits are shared equally by the Province and the PSPP members as well as adjustments required when funding is below or above established funding targets.

The joint agreement and the subsequent amendments to the *Public Service Pensions Act, 1991* require the Province to deliver a fully enforceable non-marketable and non-transferrable promissory note to the PSPP Corporation. The promissory note amortizes \$2.685 billion over 30 years at a discount rate of 6%. The payments under this agreement are fixed and shall be made regardless of the funded status of the PSPP. On 31 March 2015, one payment of \$48.75 million was made to the PSPP Corporation in accordance with the terms of the promissory note. As at 31 March 2015, the balance of the promissory note is \$2.636 billion. The promissory note is included as part of the total net pension liability on the statement of financial position.

In addition to changes to Joint Sponsorship, other plan amendments were effective 01 January 2015. Amendments include an increase to contribution rates, increase in the number of years on which employee pension benefits are based, and suspension of indexing on future service. In addition, there is an increase in minimum years of service required for pension eligibility, with a five-year transition period effective January 1, 2015. The impact of the plan amendment during fiscal 2014-15 resulted in a gain of \$68.7 million.

As at 31 March 2015, the PSPP has 28,348 participants who contributed \$143.2 million and the plan provided benefits of \$383.9 million to 18,538 pensioners.

CONSOLIDATED REVENUE FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****Contribution and Benefit Formulae****Public Service Pension Plan**

Employee contributions are up to 11.85% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan (CPP). A pension benefit is available for new employees based on the number of years of pensionable service times 2% of the employee's best six years average salary, and for existing employees, based on the higher of the frozen best average five year earnings or the best average six year earnings. Both new and existing pension benefits are reduced by a formulated amount representing CPP pension benefits for each year since 1967.

Province of Newfoundland and Labrador Pooled Pension Fund

The Government of Newfoundland and Labrador guarantees defined benefit pension plans for many of its full time employees, and those of its Agencies, Boards and Commissions and for members of its Legislature. The plans are – the 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 6,852 participants who contributed \$50.9 million as at 31 March 2015 as follows: Teachers' - \$45.6 million, Uniformed Services - \$4.5 million, Members of the House of Assembly - \$0.5 million and Provincial Court Judges' - \$0.3 million.

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 2015, the plans provided benefits of \$305.2 million to 9,788 pensioners as follows: Teachers' - \$273.8 million, Uniformed Services - \$24.0 million, Members of the House of Assembly - \$6.7 million and Provincial Court Judges' - \$0.7 million. 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 1 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, including the collection of all contributions and the payment of pensions and the investment of funds for all the pension plans noted above. The Consolidated Revenue Fund guarantees any deficiency in the event assets of a plan are insufficient to meet benefit payments or administration costs.

Contribution and Benefit Formulae**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.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Subsequent to year end, the Province and the Newfoundland and Labrador Teachers' Association (NLTA) reached an agreement regarding reform of the Teachers' Pension Plan - See Note 20.

CONSOLIDATED REVENUE FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****Uniformed Services Pension Plan**

Employee contributions are 9.95% 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.

During 2012-13 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

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 8 February 1999, the percentage is 5% for the first ten years and 2.5% for each of the next ten years. For members elected for the first time after 31 December 2009, the percentage is 3.5% for each year of service as a Member. 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.

During 2005-06 the *Members of the House of Assembly Retiring Allowances Act* was enacted to restructure the Members of the House of Assembly Pension Plan into two components based on limits set out in the federal *Income Tax Act*. The first, or registered component, will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund. The second, or the Supplementary Employee Retirement component, will be administered in the accounts of the Consolidated Revenue Fund.

Provincial Court Judges' Pension Plan

Effective 1 April 2002 (pursuant to the *Provincial Court Judges' Pension Plan Act* enacted 8 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 1 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 judge's annual salary. The Registered component of the Plan, administered within the Province of Newfoundland and Labrador Pooled Pension Fund, provides benefits based on limits set out in the federal *Income Tax Act* with the remainder of the benefit provided by the Supplementary component. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund.

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:

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Expected Interest Rates

The expected average interest rate for the Public Service Pension Plan used for the extrapolation is 6.75% changing to 6% at 31 March 2015 due to the pension reform. The expected rate for the Teachers' Pension Plan is 6.75% projected on a long-term basis. The expected rate for the Uniformed Services Pension Plan is 6.75% projected on a long-term basis. The expected rate for the Members of the House of Assembly Pension Plan is 6.75% for the Registered component and 3.90% for the Supplementary Employee Retirement component, projected on a long-term basis. The expected rate for the Provincial Court Judges' Pension Plan is 6.50% for the Registered component and 3.90% for the Supplementary Employee Retirement component, projected on a long-term basis.

Expected Inflation Rates

The expected inflation rate for all pension plans is 2.50%.

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 2012
Teachers'	31 August 2012
Uniformed Services	31 December 2011
Members of the House of Assembly	31 December 2012
Provincial Court Judges'	31 December 2013

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

Pension Liability

Details of the pension liability are outlined in the table below.

Pension Plan	Estimated Accrued Benefit Obligation (\$mil)	Fund Assets (\$mil)	Unamortized Experience Gains (Losses) (\$mil)	Net Unfunded Liability 2015 (\$mil)	Net Unfunded Liability 2014 (\$mil)	Change (\$mil)
Public Service	5,726.7	2,830.2	(338.2)	2,558.3	2,277.6	280.7
Teachers'	4,670.2	3,139.0	(157.5)	1,373.7	1,192.7	181.0
Uniformed Services	440.0	191.8	(10.5)	237.7	213.8	23.9
Members of the House of Assembly	123.6	22.0	(17.0)	84.6	80.7	3.9
Provincial Court Judges'	25.9	7.5	(1.9)	16.5	14.6	1.9
Total	10,986.4	6,190.5	(525.1)	4,270.8	3,779.4	491.4

Pension Fund Assets are valued at the market value at 31 March 2015 (31 March 2014 – \$8,146.1 million).

As at 31 March 2015, the net unfunded liability of \$4,270.8 million is comprised of the \$2,636.3 million outstanding balance of the promissory note delivered by the Province upon joint sponsorship to address the unfunded liability related to the Public Service Pension Plan and \$1,634.5 million in net unfunded pension liabilities.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

Pension 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)	Other Adjustments (\$mil)	Unfunded Portion of Current Period Pension Change (\$mil)
Public Service	30.8	178.8	(85.2)	485.2	(328.9)	280.7
Teachers'	39.2	115.5	(43.8)	70.1	-	181.0
Uniformed Services	4.6	16.5	(4.2)	7.0	-	23.9
Members of the House of Assembly	3.2	3.7	(6.0)	3.0	-	3.9
Provincial Court Judges'	1.6	0.6	(0.6)	0.3	-	1.9
Total	79.4	315.1	(139.8)	565.6	(328.9)	491.4

Interest Expense

Pension interest expense is included with interest as debt expenses in the financial statements. Interest expense is comprised of the interest expense on the accrued benefit obligation netted with the interest earned on fund assets as follows:

Pension Plan	Interest Expense on the Accrued Benefit Obligation 2015 (\$mil)	Interest Earned on Fund Assets 2015 (\$mil)	Net Interest Expense 2015 (\$mil)
Public Service	518.3	(339.5)	178.8
Teachers'	306.3	(190.8)	115.5
Uniformed Services	28.3	(11.8)	16.5
Members of the House of Assembly	5.0	(1.3)	3.7
Provincial Court Judges'	1.0	(0.4)	0.6
Total	858.9	(543.8)	315.1

Pension interest expense for 31 March 2014 amounted to \$345.5 million.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Adjustments

Other adjustments include plan amendments of \$68.7 million for increased member contribution rates, changes in eligibility for early retirement and a change in the calculation of future service benefits. The reduction in the obligation due to the benefit changes is recognized immediately in expense, with offsetting recognition of the earliest outstanding net unamortized losses. Other adjustments also include impacts of the move to joint trusteeship of \$260.2 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.

Accrued Benefit Obligation

The change in the unamortized experience gains (losses) on the accrued benefit obligation for the current period is comprised of the following amounts:

Pension Plan	Opening Unamortized Experience Gains (Losses) (\$mil)	New Experience Gains (Losses) (\$mil)	Amortization (\$mil)	Closing Unamortized Experience Gains (Losses) (\$mil)
Public Service	(622.4)	(831.8)	793.0	(661.2)
Teachers'	(564.1)	78.9	66.8	(418.4)
Uniformed Services	(52.2)	-	8.0	(44.2)
Members of the House of Assembly	(17.3)	(6.9)	3.2	(21.0)
Provincial Court Judges'	(1.6)	(1.8)	0.4	(3.0)
Total	(1,257.6)	(761.6)	871.4	(1,147.8)

Fund Assets

The change in the unamortized experience gains (losses) on the fund assets for the current period is comprised of the following amounts:

Pension Plan	Opening Unamortized Experience Gains (Losses) (\$mil)	New Experience Gains (Losses) (\$mil)	Amortization (\$mil)	Closing Unamortized Experience Gains (Losses) (\$mil)
Public Service	264.0	366.8	(307.8)	323.0
Teachers'	43.2	214.4	3.3	260.9
Uniformed Services	21.6	13.1	(1.0)	33.7
Members of the House of Assembly	2.7	1.5	(0.2)	4.0
Provincial Court Judges'	0.7	0.5	(0.1)	1.1
Total	332.2	596.3	(305.8)	622.7

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

Expected average remaining service life (EARSL) of related employee groups is as follows:

	Expected average remaining service life of related employee groups (EARSL)
Public Service	12 years
Teachers'	13 years
Uniformed Services	13 years
Members of the House of Assembly	7 years
Provincial Court Judges'	8 years

Other 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 33,186 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 2015 assets had a market value of \$342.3 million (31 March 2014 - \$312.7 million). The expense recognized for 31 March 2015 amounted to \$2.4 million (31 March 2014 - \$2.3 million).

10. Current and Capital Account

The annual deficit of \$1,190.2 million (31 March 2014 - deficit of \$562.1 million) is comprised of a deficit on the current account of \$921.4 million (31 March 2014 - deficit of \$279.5 million) and a deficit on the capital account of \$268.8 million (31 March 2014 - deficit of \$282.6 million). The classification of revenue and expenses between current account items and capital account items follow the classifications as per the Estimates for the purposes of categorizing the annual deficit.

11. Amounts Capitalized

Funds advanced to Crown agencies may be in the form of investments in such agencies or as loans or advances. Payments and receipts related to principal portions of these loans, advances and investments are capitalized on the Statement of Financial Position. Depending upon the relevant legislation and/or particular circumstances under which a Crown agency is established, the profits generated by their operations may be: (a) turned over to the Province and recorded as revenue; (b) used to repay loans and advances made to the agency by the Province; or (c) retained by the agency.

Amounts capitalized for 31 March 2015 amounted to \$339.3 million (31 March 2014 - \$591.7 million).

12. Contingent Liabilities

(a) Guaranteed Debt

Guarantees made by the Province as at 31 March 2015 amounted to \$1,516.3 million (31 March 2014 - \$1,419.2 million). In addition, the Province guaranteed the interest thereon. See Schedule G - 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.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

- (ii) 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) *Trust Accounts*
- a) Office of the Public Trustee
- The Province guarantees all sums required to discharge the balances of the Public Trustee as administrator, guardian, trustee, etc. (*Public Trustee Act*). See Schedule I – Trust Accounts.
- b) Supreme Court of Newfoundland and Labrador
- The Province guarantees all sums required to discharge the balances of the Supreme Court of Newfoundland and Labrador as administrator, guardian, trustee, etc. (*Judicature Act*). See Schedule I – Trust Accounts.
- c) Other Trust Accounts
- Generally, the Province is contingently liable for any shortage that may occur for certain funds held in trust by the Province. Currently, all obligations held have an offsetting asset. See Schedule I - Trust Accounts.
- (ii) *Pensions*
- a) Province of Newfoundland and Labrador Pooled Pension Fund
- Pursuant to Section 9 of the *Pensions Funding Act*, the Consolidated Revenue Fund is liable for any deficiency in the Province of Newfoundland and Labrador Pooled Pension Fund covered by that Act. See note 9.
- b) Memorial University of Newfoundland Pension Fund
- Pursuant to Section 6 of the *Memorial University Pensions Act*, if there is insufficient money in the Memorial University of Newfoundland Pension Fund to provide for the payment of applicable expenditures as they fall due, the Consolidated Revenue Fund is liable for payment of an amount to cover the deficiency. As at 31 March 2015, the Memorial University of Newfoundland Pension Plan had an unfunded pension liability for funding purposes of \$202.6 million (31 March 2014 - \$295.8 million). However, there currently exists sufficient money in the Fund for the payment of expenditures as they fall due.
- (iii) *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 a proportional share of 50 per cent of the losses of the Corporation. This share is 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 was \$21.6 million.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

The Corporation was dissolved with effect from 1 April 1995, so that resolution of the matter will be 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.

(iv) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has no guarantees issued at 31 March 2015. Under the debt reduction component of the Program, the Province is contingently liable for possible grants totalling \$10.0 million, of which \$5.5 million has been recorded as a provision for likely amounts payable related to student loans due to the debt reduction component. See Schedule E - Other Liabilities.

(v) *Contaminated Sites*

The Province has identified approximately 177 sites for which environmental liabilities or contamination may exist for assessment, remediation or monitoring. See Note 13 – Contaminated Sites for further details.

In addition, the Province has provided an environmental guarantee to the acquiring entity of North Atlantic Refining Limited regarding the oil refinery in Come by Chance. While an environmental assessment is not yet complete, the preliminary estimate indicates a range of \$34.0 - \$269.0 million.

(vi) *Equity Support Agreements – Lower Churchill Project*

The Province has provided a guarantee to the Government of Canada to compensate it for any costs under the Federal Loan Guarantee on the Lower Churchill Project which are triggered by legislative or regulatory actions of the Province. The Province has a separate agreement for each component of the project to guarantee the payment of Nalcor's equity commitments in the event that Nalcor fails to fulfill its commitments.

(vii) *Corner Brook Pulp and Paper Limited (CBPPL)*

In 2014 the Province signed an agreement with CBPPL which states that in the event of the closure of the Corner Brook Mill, the Province has agreed to purchase the power assets and water rights. The purchase price is dependent upon the timing of the closure of the Corner Brook Mill, and could range from \$95.0 million to the greater of \$200.0 million or the fair market value of the purchased assets, less any monies owing to the Province in relation to the loan agreement with CBPPL.

13. Contaminated Sites

There are a number of sites throughout the Province which are considered potentially contaminated sites. The liability reflects the Province's best estimate of the amount required to remediate the sites to the current minimum standards for its use prior to contamination. As some of these sites are not yet fully assessed and contamination has not yet been determined or a detailed remediation plan has not been developed, no liability has been recognized. Studies are ongoing to assess the nature and extent of damage and to develop remediation plans, if necessary.

The Province has identified approximately 177 sites for which environmental liabilities may exist for assessment, remediation or monitoring. Of these, nine were identified as sites where action is possible and for which a liability was recorded. As at 31 March 2015, a total liability for contaminated sites of \$96.1 million (31 March 2014 – \$20.2 million) has been recorded (see Schedule E – Other Liabilities). Of this, \$92.0 million relates to a liability for remediation of former mining sites. The Province has completed a

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

partial remediation program at these sites, focused on the removal of buildings and infrastructure, designed to address safety hazards. The remaining contaminated sites liability of \$4.1 million is mainly related to Petroleum Hydrocarbon (PHC) impacts. The liability reflects the present value of estimated future cash flows, where applicable, with total undiscounted expenditures of \$508.6 million present valued at a discount rate of 7.45%.

The remainder of the sites are not liabilities as they are active and absent of an unexpected event; the impacts on the site do not exceed the applicable standards; the Province is not responsible for remediation; or it is not anticipated that remediation will occur. Upon identification of new contaminated sites or changes in the assessments of currently known sites, additional liabilities or disclosures may be recognized.

14. Contractual Obligations

Contractual obligations to outside organizations in respect of contracts entered into before 31 March 2015 consists of:

	31 March 2015 (\$mil)	31 March 2014 (\$mil)
Lower Churchill Project	1,658.0	330.0
Capital projects	477.0	512.3
Oil and Gas	217.6	223.0
Provincial policing agreement	150.9	143.0
Economic development	113.1	120.2
Lease payments	45.2	44.9
Ferry services	33.5	18.9
Information technology services	33.4	58.6
Road maintenance	30.2	60.0
Residential services	27.8	32.4
Building maintenance	3.7	21.3
Telephone services	1.2	4.3
Other projects	12.5	3.5
Total: Contractual Obligations	<u>2,804.1</u>	<u>1,572.4</u>

These contractual obligations will become liabilities and expenses of the Consolidated Revenue Fund when the terms of the contracts are met. Payments in respect of these contracts and agreements are subject to the voting of supply by the Legislature.

15. 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 as follows:

- (i) The nature of uncertainty for the accrual of retirement benefits, the allowance for guaranteed debt, and the accrual of self-insured workers' compensation benefits arises as actual results may differ significantly from the Province's assumptions about plan members and economic conditions in the marketplace.

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

- (ii) The accruals for environmental remediation obligations are uncertain because the actual extent of the remediation activities, methods, and site contamination may differ significantly from the Province's original remediation plans.
- (iii) Revenues from sales taxes, income taxes, oil royalties, Canada Health Transfer, and Canada Social Transfer are uncertain due to differences between the estimated and actual economic performance and other assumptions used to accrue these revenues. The tax revenues under the federal-provincial fiscal arrangements attributable to the year can change as a result of reassessments in subsequent years. The variability of the final amounts attributable to the year cannot be reasonably determined.

16. Comparatives

Certain of the 31 March 2014 financial statement figures and related schedules have been restated to be consistent with the 31 March 2015 statement presentation.

17. Cash Requirements

The following summarizes the actual cash requirements, borrowings and utilization of the borrowings in excess of cash requirements for the year ended 31 March 2015. The total borrowing contribution has been adjusted for the modifications to the cash basis of accounting to arrive at the cash requirement. Please refer to the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2015 for further information on the calculation of the Total Borrowing Contribution (Requirement) of \$(1,031.1) million noted below.

	31 March 2015	31 March 2014
	(\$mil)	(\$mil)
Total Borrowing Contribution (Requirement)	(1,031.1)	(522.0)
Add (Deduct):		
Treasury bill borrowing repayments	(3,604.7)	(1,971.0)
Temporary investments 1 April 2014	149.0	422.9
Writeback expenditure - 2015	348.0	367.1
Writeback expenditure - 2014	(367.1)	(384.2)
Writeback revenue - 2015	(24.2)	(8.3)
Writeback revenue - 2014	8.3	66.9
Special purpose funds	-	0.1
Contractors' holdback funds	(4.9)	(4.5)
Prior year's expenditure cheques recovered	0.1	0.5
Other Adjustments	8.8	(2.7)
Total: Cash Requirements	<u>(4,517.8)</u>	<u>(2,035.2)</u>
Borrowings:		
Treasury bill borrowings	3,890.4	1,971.0
General Debentures borrowings	500.0	-
Increase (Decrease) in cash balance (overdraft)	(127.4)	(213.2)
Total: Borrowings	<u>4,517.8</u>	<u>2,184.2</u>
Temporary Investments 31 March 2015	<u>-</u>	<u>149.0</u>

CONSOLIDATED REVENUE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Original Budget

Certain amounts in the 2014-15 Budget shown for comparative purposes were prepared on the accrual basis.

The primary focus of the accrual budget information presented in the 2014-15 Budget Speech was to adhere to the more general format of the Consolidated Statement of Operations in the Public Accounts Consolidated Summary Financial Statements. The details of the budgeted revenue and expense items that comprised the annual deficit amount of \$862.2 million (consistent with the more detailed format of the Revenue and Expense by Sector as detailed in Schedule K) were not disclosed in the 2014-15 Budget Speech but rather were obtained from internal documentation used to calculate the budgeted surplus disclosed in the 2014-15 Budget Speech. In addition, an amount for Net Debt was also obtained from internal documentation.

In arriving at the original estimate figures on the Statement of Operations, implicit costs associated with the acquisition of tangible capital assets, which were eliminated from these items, were estimated based on a reasonable allocation methodology.

19. Change in Government Structure

Under section 5 and 17 of the *Executive Council Act*, government departments were reorganized effective 30 September 2014. Pursuant to Cabinet direction, the new financial structure for the departments commenced for the 2014-15 fiscal year. The comparative figures have been restated to reflect this new departmental structure.

20. Subsequent Event – Teachers' Pension Plan Reform

Subsequent to year end, the Province and the Newfoundland and Labrador Teachers' Association (NLTA) reached an agreement to sustain the Teachers' Pension Plan. The agreement includes a Provincial Government contribution of \$1.862 billion in the form of a promissory note to the plan, over the next 30 years, to address the sustainability of the plan. The agreement also commits to joint trusteeship of the plan, changes in members' and employer contributions to come into effect 01 September 2015, suspension of indexing for future service and changes to the average pensionable earnings formula. Amendments to the *Teachers' Pension Act* to reflect the terms of the agreement signed by the Provincial Government and NLTA have been approved by the House of Assembly.

21. Additional Notes

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

CONSOLIDATED REVENUE FUND

Schedule A

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Accounts and Taxes Receivable
As at 31 March 2015
with comparative figures for 2014**

	2015	2014
	(\$000)	(\$000)
Accounts Receivable:		
Offshore royalties	142,243	359,994
Crown agencies working capital and unremitted profits	67,310	77,070
Social assistance overpayments	43,542	42,035
Court fines	38,544	36,927
Miscellaneous/other receivables	28,502	26,940
Nalcor Energy	17,086	21,272
Student loans	16,787	19,015
Reciprocal billings - medical services	5,550	6,656
Rent and other royalties/permits to occupy	4,769	2,874
Atlantic Lottery Corporation Incorporated	3,864	2,164
Due from municipalities	2,946	3,157
Workplace, Health, Safety and Compensation Commission	2,891	1,778
Amounts due as a result of Constituency Allowance review	2,742	2,807
Province of Newfoundland and Labrador Pooled Pension Fund	865	677
Fees and licences	652	818
Medical care plan audit recoveries	481	646
Accident recovery claims	338	353
Travel advances	54	74
Accrued interest on temporary investments	1	716
Funds held in trust	-	85,000
Total: Accounts Receivable	379,167	690,973
Taxes Receivable:		
Sales tax	24,738	38,084
Mining and mineral rights tax	17,918	38,100
Gasoline tax	16,410	14,758
Tobacco tax	12,128	11,896
Health and post secondary education tax	11,298	14,756
School tax	9,197	9,213
Insurance companies tax	4,989	5,962
Corporate capital tax	1,034	867
Miscellaneous/other taxes	105	85
Corporate income tax	8	-
Total: Taxes Receivable	97,825	133,721
Total: Accounts and Taxes Receivable	476,992	824,694

NOTE

The allowance for doubtful accounts for 31 March 2015 is \$82.1 million (31 March 2014 - \$80.8 million).

CONSOLIDATED REVENUE FUND

Schedule B

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Loans, Advances and Mortgages Receivable
As at 31 March 2015
with comparative figures for 2014**

	<u>2015</u>	<u>2014</u>
	(\$000)	(\$000)
Crown Agencies:		
C.A. Pippy Park Commission	250	250
Newfoundland and Labrador Film Development Corporation	6,819	6,819
Student Loan Corporation	<u>21,804</u>	<u>45,744</u>
Total: Crown Agencies	<u>28,873</u>	<u>52,813</u>
Commercial Loans:		
6574262 Canada Inc.	500	500
A. L. Stuckless & Sons Limited	1,217	1,217
Afinin Lab Inc.	30	30
Atlantic Canada Regional Adventure Fund Limited Partnership	2,202	-
Blue Drop Inc.	500	500
Blue Ocean Satellite Systems Inc.	221	221
Canada Fluorspar (NL) Inc.	637	637
Clear Risk Inc.	420	420
Corner Brook Pulp and Paper Limited	94,960	-
D.F. Barnes Fabrication Limited	500	-
Desire2Learn Incorporated	674	-
Doyle, James & Sons Ltd.	771	771
Eastern Composite Services Inc.	85	-
Eastern Star Group Canada Inc.	500	500
Gavijo Innovations	15	15
Goodfellow Inc.	237	237
Holson Forest Products Ltd.	7,419	7,234
Hughes, Vincent	50	50
IC Spa Products Inc.	183	183
Icewater Harvesting Inc.	2,000	-
Island Seafoods Products Limited	125	125
Keats, Eric	102	102
Koby Seat Inc.	9	9
Marwood Ltd.	1,624	1,624
Mediclink Systems Limited	58	58
MyTechSupport.com Limited	20	20
MyTelescope.com Inc.	315	315
Newfoundland and Labrador Mobile Shelters Limited	340	103

CONSOLIDATED REVENUE FUND

LOANS, ADVANCES AND MORTGAGES RECEIVABLE (continued)

	2015	2014
	(\$000)	(\$000)
Commercial Loans:		
Other Ocean Group Inc.	781	781
Pittman, Thomas	-	93
Procom Data Services	134	134
Pumphrey, Gerry	537	537
ROINS Financial Services Limited	3,000	-
Rocket City Studios Canada Inc. (formerly Bit Trap Studios Canada Inc.)	150	300
Saunders, Ralph	61	61
Seacraft Limited	68	68
Seaward, Alphonsus	99	99
Sexton Lumber Ltd.	1,636	2,048
Short, William	262	262
Silk Stevens (NLL) Limited	103	103
Superior Waterproof Coatings NF & LB Inc.	154	154
Sweet, Roy	59	59
Terra Nova Marine Co. Ltd.	400	400
Terra Nova Shoes ULC	-	6,138
Uncle Phil's Think Tank Inc.	75	75
Verafin Inc.	975	-
Virtual Marine Technology	991	991
Wilson, Ronald & Curtis, Kevin	354	354
Total: Commercial Loans	125,553	27,528
Municipalities	630	630
Total: Other Organizations	630	630
Sub-Total: Loans, Advances and Mortgages Receivable	155,056	80,971
Less: Discounts due to concessionary terms - note 3	(9,222)	(10,786)
Total: Loans, Advances and Mortgages Receivable	145,834	70,185

NOTES

1. Interest Rates and Loan Terms

Interest rates on loans range from non-interest bearing to 14% and are repayable over terms not exceeding twenty-five years.

2. Allowance for Doubtful Accounts

The allowance for doubtful accounts for 31 March 2015 is \$6.8 million (31 March 2014 - \$6.9 million).

3. Discounts Due to Concessionary Terms on Loans

The discounts due to concessionary terms on loans are the portion of the receivable that represents the difference between the face value and the present value of the loan. The loans are reported at their present value due to the concessionary terms in the loan agreement.

CONSOLIDATED REVENUE FUND

Schedule C

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Investments
As at 31 March 2015
with comparative figures for 2014**

Description of Investment	Balance 31 March 2015		2014	
	Net Additions (\$000)	No. of Shares	Cost (\$000)	Cost (\$000)
Preferred Shares:				
Atlantic Ocean Farms Limited - Class A, redeemable	-	289,655	290	290
Blue Line Innovations Inc. - Class B	-	5,000	500	500
Burton's Cove Logging and Lumber	-	76	3,818	3,818
Cold Ocean Salmon Inc. - Class A	-	10,000	10,000	10,000
Country Ribbon Inc.	-	4,500	4,500	4,500
Gray Aqua Group Ltd. - Class A	-	4,826,836	4,827	4,827
Newfoundland Aqua Services Ltd. - redeemable	976	2,000,000	2,000	1,024
Northern Harvest Sea Farms Newfoundland Ltd.	886	8,200,000	8,200	7,314
Orphan Industries Limited - Class B	-	29,100	290	290
Pixecur Technologies Inc. - redeemable	-	4,000	400	400
Sexton Lumber Co. Ltd.	-	5,000	500	500
Total: Preferred Shares Investments	1,862		35,325	33,463
Common Shares:				
ACF Equity Atlantic Inc.	-	2,390,000	2,203	2,203
ACZEN Innovations Inc. - Class A	-	1,763	176	176
Adfinitum Networks Inc.	-	3,300	330	330
Atlantic Lottery Corporation Inc.	-	1	-	-
Consilient Technologies Corporation - Class B	-	568,182	500	500
Dockside Appetizers Ltd. - Class B	-	310	31	31
Dynamic Air Shelters Ltd. - Class B	-	428,492	428	428
First Choice Vision Centre Limited - Class B	-	4,537	411	411
Hurley Slate Works Company Inc. - Class B	-	400	400	400
Icewater Harvesting Inc. - Class B	(2,000)	-	-	2,000
Inter-Provincial Lottery Corporation - Class B	-	1	-	-
iSYS Intelligent Systems Solutions - Class F	-	986	98	98
Jackman Brand Marketing Inc. - Class B	-	1,250	125	125
Manitoba Telecom Services Inc.	-	126	-	-
Marble Mountain Development Corporation	-	500	-	-
Marine Industrial Lighting Systems	-	5,000	500	500
MedicLink Systems Ltd. - Class A	-	3,517	352	352
Municipal Assessment Agency	-	1	-	-
Nalcor Energy Corporation	-	122,500,018	110,187	110,187
NavSim Technologies	-	5,000	500	500
Newfound Genomics Inc.	-	5,000	500	500
Newfoundland and Labrador Film Development Corporation	-	600	-	-
Newfoundland and Labrador Immigrant Investor Fund Ltd.	-	3	-	-

CONSOLIDATED REVENUE FUND

INVESTMENTS (continued)

Description of Investment	Balance 31 March 2015		2014	
	Net Additions (\$000)	No. of Shares	Cost (\$000)	Cost (\$000)
Common Shares:				
Newfoundland Hardwoods Limited	-	253	25	25
Newfoundland Ocean Enterprises Limited	-	3	3	3
Newlab Clinical Research Inc. - Class A	-	5,000	484	484
Northern Radar Inc. - Class C	-	3,749	375	375
Rooms Corporation of Newfoundland and Labrador Inc.	-	500	-	-
Solace Power Inc. - Class D	-	1,401	140	140
Trans Ocean Gas Inc.	-	18,000	90	90
Total: Common Shares Investments	<u>(2,000)</u>		<u>117,858</u>	<u>119,858</u>
Non-Share Equity:				
Nalcor Energy Corporation	337,668	-	1,389,168	1,051,500
Newfoundland and Labrador Housing Corporation	-	-	62,852	62,852
Total: Non-Share Equity Investments	<u>337,668</u>		<u>1,452,020</u>	<u>1,114,352</u>
Sub-Total: Investments	337,530		1,605,203	1,267,673
Less: Discounts due to concessionary terms - note 2	-		(501)	(906)
Total: Investments	<u><u>337,530</u></u>		<u><u>1,604,702</u></u>	<u><u>1,266,767</u></u>

NOTES

1. Allowance for Investment Write-downs

The allowance for investment write-downs for 31 March 2015 is \$9.9 million (31 March 2014 - \$9.9 million).

2. Discounts Due to Concessionary Terms on Investments

The discounts due to concessionary terms on investments are the portion of the investments that represents the difference between the cost and the present value of the investment. The investments are reported at their present value due to the concessionary terms in the investment agreement.

CONSOLIDATED REVENUE FUND

Schedule D

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Tangible Capital Assets
As at 31 March 2015
with comparative figures for 2014**

Category	Original Cost			Accumulated Amortization			Net Book Value 31 March 2015	Net Book Value 31 March 2014	
	Balance 31 March 2014	Additions 2015	Disposals 2015	Balance 31 March 2015	Balance 31 March 2014	Amort. Net of Disposals 2015			Balance 31 March 2015
	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)	
Buildings	1,231.6	280.0	-	1,511.6	627.7	27.8	655.5	856.1	603.9
Marine vessels and aircraft	206.2	38.6	-	244.8	71.1	10.1	81.2	163.6	135.1
Equipment and machinery	181.2	16.0	4.2	193.0	114.7	8.5	123.2	69.8	66.5
Infrastructure	4,660.3	74.9	-	4,735.2	3,674.3	68.8	3,743.1	992.1	986.0
Computer software	77.8	29.7	-	107.5	61.0	13.1	74.1	33.4	16.8
Sub-total	<u>6,357.1</u>	<u>439.2</u>	<u>4.2</u>	<u>6,792.1</u>	<u>4,548.8</u>	<u>128.3</u>	<u>4,677.1</u>	2,115.0	1,808.3
Work in progress				<u>456.2</u>				<u>456.2</u>	<u>635.6</u>
Total				<u><u>7,248.3</u></u>				<u><u>2,571.2</u></u>	<u><u>2,443.9</u></u>

NOTES

1. Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position with the cost of the assets amortized over the estimated useful life of the assets. Fully amortized tangible capital assets are recorded at gross cost and accumulated amortization.

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. The Province currently has a number of projects under construction or development with a total for 31 March 2015 of \$456.2 million (31 March 2014 - \$635.6 million) having been spent on these projects to date. Upon completion, these assets are recorded in the appropriate category in the schedule. The additions of \$439.2 million include \$330.5 million of work in progress assets that have been capitalized in the year. Net additions to work in progress assets include additions of \$197.0 million less disposals of \$45.9 million for 2014-15.

CONSOLIDATED REVENUE FUND

TANGIBLE CAPITAL ASSETS (continued)

3. Accumulated Amortization

The \$128.3 million change in accumulated amortization from the prior year, as reported in the Tangible Capital Asset schedule, consists of amortization expense of \$132.3 million less accumulated amortization on assets disposed of in the year in the amount of \$4.0 million.

The \$101.0 million change in accumulated amortization as at 31 March 2014 consisted of amortization expense of \$116.4 million less accumulated amortization on assets disposed of in the year in the amount of \$15.4 million.

4. Estimated Useful Life

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 machinery and 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

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.

CONSOLIDATED REVENUE FUND**TANGIBLE CAPITAL ASSETS (continued)****7. Leased Assets**

The gross amount of leased tangible capital assets is \$27.6 million (31 March 2014 - \$27.7 million), amortization expense is \$0.8 million (31 March 2014 - \$0.7 million), and accumulated amortization is \$15.6 million (31 March 2014 - \$14.8 million). These are included in the appropriate category in the schedule.

8. Expropriated Assets

In December 2008, the Province passed legislation entitled Abitibi-Consolidated Rights and Assets Act, to expropriate certain rights and assets from Abitibi-Consolidated. The intent of this Act was to return to the Province rights relating to timber and water use, as well as assets and land associated with the generation of electricity enabled by water use rights. As a result of the expropriation, the Province also assumed responsibility of other assets associated with the pulp and paper mill. While the Province has licensed Nalcor Energy to manage and operate the hydro electricity generating assets on behalf of the Province, the intent is to transfer these assets to Nalcor Energy or Newfoundland and Labrador Hydro. Nalcor Energy is operating these electricity generating assets on a cost recovery basis, and with revised power purchase rates now applying to these facilities. As the value of the electricity generating assets expropriated, and their ultimate use, have not been determined, any payments related to subsection 10.(2) of the Act have been recorded as tangible capital assets. \$140.9 million, net has been recorded as the cost of the electricity generating assets for the fiscal year ended 31 March 2015 and are included in the infrastructure category. As the value of the non-electricity generating assets expropriated, and their ultimate future use have not been determined, they have been recorded as tangible capital assets at a nominal amount.

CONSOLIDATED REVENUE FUND

Schedule E

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Other Liabilities
As at 31 March 2015
with comparative figures for 2014**

	2015	2014
	(\$000)	(\$000)
Taxes payable	369,524	183,007
Accounts payable write-backs	348,041	367,092
Due to Government of Canada - note 1	313,275	324,915
Accrued salaries and employee benefits - note 2	168,435	188,553
Accrued interest	144,791	145,889
Contaminated sites	96,104	20,162
Due to municipalities	65,640	85,685
Self-insured workers' compensation benefits - note 3	42,773	41,212
Offshore royalties	38,020	29,890
Contractors' holdbacks	28,479	33,359
Capital leases - note 4	24,086	25,716
Accounts payable - other	23,372	23,277
Atlantic Lottery Corporation Incorporated	14,758	18,448
Physician services	13,720	13,762
Reciprocal billing - hospital services payable	10,289	9,743
Special purpose funds - note 5	8,373	8,410
Provision for student loan debt reduction	5,502	8,072
St. Clare's Hospital - purchase	-	750
Total: Other Liabilities	1,715,182	1,527,942

NOTES

1. Due to Government of Canada

This amount is comprised of \$271.2 million for an Equalization loan, \$17.4 million for an RCMP payable, \$15.1 million for Equalization overpayments, \$5.6 million for a Federal program and \$4.0 million for Health and Social transfer overpayments.

2. Accrued Salaries and Employee Benefits

Accrued salaries and employee benefits consists of \$88.4 million for severance (31 March 2014 - \$88.1 million), \$68.3 million for leave and other employee benefits (31 March 2014 - \$79.1 million) and \$11.7 million for salaries (31 March 2014 - \$21.4 million).

3. Self-Insured Workers' Compensation Benefits

The amount of \$42.8 million relates to the self-insured workers' compensation benefits liability as at 31 March 2015 (31 March 2014 - \$41.2 million). During the 2013-14 fiscal year, an actuarial valuation as of 31 December 2013, with disclosures as at 31 March 2015, was obtained for the Province's self-insured workers' compensation benefits.

4. Capital Leases

Interest rates for all capital leases range from non-interest bearing to 16.00% and have repayment schedules ranging in duration from 2 to 10 years.

5. Special Purpose Funds

Included in this schedule are funds totalling \$8.4 million (31 March 2014 - \$8.4 million) considered to be special purpose funds whereby payments are made specifically for these purposes. Pursuant to Section 22(a) of the Financial Administration Act, appropriations are not required for these payments.

CONSOLIDATED REVENUE FUND

Schedule F

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Debenture and Other Debt
As at 31 March 2015
with comparative figures for 2014**

Series	Date of Issue	Date of Maturity	Interest Rate %	Amount in Foreign Currency	Sinking Fund Balance	Amount Issued or Outstanding		Notes
						2015	2014	
						(\$000)	(\$000)	
General Debentures:								
6S	04 Jun. 2004	04 Jun. 2014	5.25		-	-	300,000	1(a)
5V	22 Nov. 1989	22 Nov. 2014	10.13		-	-	150,000	1(a)
AG	01 Jun. 1989	01 Jun. 2019	9.00	(150,000U.S.)	183,400	189,990	165,825	1(a)
AH	01 Jun. 1990	01 Jun. 2020	9.88	(150,000U.S.)	55,033	189,990	165,825	1(a)
AJ	29 Nov. 1990	01 Dec. 2020	10.00	(150,000U.S.)	52,765	189,990	165,825	1(a)
5X	15 Apr. 1991	15 Apr. 2021	10.95		-	147,892	147,892	1(a)
AK	17 Oct. 1991	15 Oct. 2021	9.00	(200,000U.S.)	64,041	253,320	221,100	1(a)
AM	22 Oct. 1992	22 Oct. 2022	8.65	(200,000U.S.)	58,081	253,320	221,100	1(a)
AN	13 Oct. 1993	13 Oct. 2023	7.32	(200,000U.S.)	79,724	253,320	221,100	1(a)
6B	07 Jul. 1995	07 Jul. 2025	9.15		27,373	100,000	100,000	1(a)
6C	05 Feb. 1996	05 Feb. 2026	8.45		39,357	150,000	150,000	1(a)
6F	17 Apr. 1998	17 Apr. 2028	6.15		122,601	450,000	450,000	1(a)
6H	27 Jul. 1999	17 Oct. 2029	6.50		53,362	200,000	200,000	1(a)
6K	30 Jun. 2000	17 Oct. 2030	6.55		107,670	450,000	450,000	1(a)
6R	12 Jun. 2003	17 Oct. 2033	5.60		55,994	300,000	300,000	1(a)
6T	21 Sep. 2004	17 Oct. 2035	5.70		49,262	300,000	300,000	1(a)
6U	28 Nov. 2006	17 Apr. 2037	4.50		53,281	350,000	350,000	1(a)
6V	15 May 2007	17 Oct. 2040	4.65		81,921	650,000	650,000	1(a)
6Q	16 Aug. 2002	17 Oct. 2042	6.24		21,095	250,000	250,000	1(a)
6W	18 Mar. 2015	02 Jun. 2025	2.30		-	500,000	-	1(a)
Total: General Debentures					1,104,960	5,177,822	4,958,667	
Other:								
Treasury bill borrowings					-	778,476	492,804	1(b)
Total: Other					-	778,476	492,804	

CONSOLIDATED REVENUE FUND

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance (\$000)	Amount Issued or Outstanding	
					2015 (\$000)	2014 (\$000)
Government of Canada and Other:						
Canada Pension Plan Investment Fund						
Debentures - note 1(c)						
3A-292	01 Mar. 1999	01 Mar. 2019	5.97	-	1,827	1,827
3A-293 to 3A-303	02 Apr. 1999 to 03 Mar. 2000	02 Apr. 2019 to 03 Mar. 2020	5.89 to 7.02	-	35,282	35,282
3A-304 to 3A-314	01 Apr. 2000 to 02 Mar. 2001	01 Apr. 2020 to 02 Mar. 2021	6.41 to 6.90	-	42,645	42,645
3A-315 to 3A-326	01 Apr. 2001 to 01 Mar. 2002	01 Apr. 2021 to 01 Mar. 2022	6.38 to 6.85	-	52,376	52,376
3A-327 to 3A-337	01 Apr. 2002 to 01 Mar. 2003	01 Apr. 2022 to 01 Mar. 2023	5.88 to 6.61	-	52,104	52,104
3A-338 to 3A-347	05 Apr. 2003 to 01 Mar. 2004	05 Apr. 2023 to 01 Mar. 2024	5.41 to 6.15	-	50,738	50,738
3A-348 to 3A-356	02 Apr. 2004 to 02 Jan. 2005	02 Apr. 2024 to 02 Jan. 2025	5.36 to 5.92	-	47,146	47,146
3A-357 to 3A-359	01 Apr. 2005 to 03 Jun. 2005	01 Apr. 2025 to 03 Jun. 2025	4.91 to 5.34	-	23,987	23,987
Total: Canada Pension Plan Investment Fund Debentures				-	306,105	306,105
Harbour Lodge - see note 1(d)				-	326	360
Sun Life Assurance Company of Canada - see note 1(e)				-	81,274	85,772
Total: Other				-	81,600	86,132
Total: Government of Canada and Other				-	387,705	392,237
Total: Debenture and Other Debt				1,104,960	6,344,003	5,843,708
Current portion of Debenture and Other Debt					783,405	947,335
Long-term portion of Debenture and Other Debt					5,560,598	4,896,373
					6,344,003	5,843,708

CONSOLIDATED REVENUE FUND**DEBENTURE AND OTHER DEBT (continued)****NOTES****1. Details of Debt Issues**

- a) Non-callable.
- b) This amount represents the net proceeds from the sale of \$780 million discounted treasury bills with maturity dates ranging from 2 April 2015 to 25 June 2015 and interest rates ranging from 0.66% to 1.05%.
- c) Callable at par at the option of the Minister of Finance of Canada upon six months' prior written notice, subject to the requirements of the Canada Pension Plan. Commencing March 1999, the Province has an option, pursuant to amendments of the Canada Pension Plan enacted by the Canada Pension Plan Investment Board Act, to refinance for a final twenty year term maturing Canada Pension Plan borrowings, provided sufficient monies are available in the Canada Pension Plan Investment Fund. The Province has exercised an option to refinance its maturing Canada Pension Plan debt and to date has rolled over, for a further 20 year term, all funds made available by the Canada Pension Plan Investment Fund from March 1999 to June 2005. Commencing July 2005, Canada Pension Plan borrowings have not been rolled over and have been allowed to mature.
- d) This is a loan from the Canada Mortgage and Housing Corporation for the acquisition and construction of the Harbour Lodge. This loan is repayable over a 50 year period in blended installments of principal and interest, at an interest rate of 7.875%, maturing 1 December 2021.
- e) Sun Life Assurance Company of Canada represents the secured creditors of the Exploits River Hydro Partnership and the Star Lake Hydro Partnership per Section 10.(2) of the Abitibi Consolidated Rights and Assets Act. The secured creditors of the Exploits River Hydro Partnership include Industrial Alliance Life Insurance, Manufacturers Life Insurance Company of Canada and Sun Life Assurance Company of Canada. This loan is repayable in blended quarterly installments of principal and interest, at an interest rate of 7.552%, maturing 31 December 2028. The secured creditors of the Star Lake Hydro Partnership include Sun Life Assurance Company of Canada, Industrial Alliance Life Insurance, Canada Life Assurance Company, Standard Life Assurance Company of Canada and Manufacturers Life Insurance Company of Canada. This loan is repayable in blended monthly installments of principal and interest, at an interest rate of 9.20%, maturing 1 April 2023.

2. Sinking Fund Balance

See note 5 of the Notes to the Financial Statements.

CONSOLIDATED REVENUE FUND

DEBENTURE AND OTHER DEBT (continued)

3. Borrowings

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2015 are as follows:

Major Currencies	Foreign Borrowings (\$000)	Exchange Rate	Canadian (\$000)	Unamortized Foreign Exchange Gains/(Losses) (\$000)	Net (\$000)
U.S.	1,050,000	1.2666	1,329,930	(108,419)	1,221,511
Canadian			<u>5,014,073</u>	-	<u>5,014,073</u>
	Sub-total		6,344,003	(108,419)	6,235,584
	Foreign sinking funds		(493,044)	45,517	(447,527)
	Canadian sinking funds		<u>(611,916)</u>	-	<u>(611,916)</u>
	Total		<u><u>5,239,043</u></u>	<u><u>(62,902)</u></u>	<u><u>5,176,141</u></u>

4. Contributions and Repayment Requirements

Sinking fund contributions and long term debt repayments, by major currency, in Canadian dollars are as follows. The total contributions and repayment requirements differ from the total debt outstanding due to reconciling items such as treasury bills, foreign exchange adjustments between 31 March 2015 and the maturity dates, and projected adjustments for sinking fund values at maturity.

	U.S. (\$000)	Canadian (\$000)	Total (\$000)
2015-2016	9,063	42,366	51,429
2016-2017	6,250	42,799	49,049
2017-2018	6,250	43,270	49,520
2018-2019	6,250	45,611	51,861
2019-2020	6,250	79,624	85,874
2020-2043	<u>603,605</u>	<u>1,964,330</u>	<u>2,567,935</u>
	<u><u>637,668</u></u>	<u><u>2,218,000</u></u>	<u><u>2,855,668</u></u>

The foreign exchange gain which has been realized on the Statement of Operations is \$6.8 million.

5. Interest Expense

The gross interest expense associated with debenture and other debt, recognized for 31 March 2015, amounted to \$358.5 million (31 March 2014 - \$350.0 million).

6. Sensitivity Analysis

An increase/decrease of one cent in the foreign exchange rates at 31 March 2015 would result in an increase/decrease in foreign borrowings of \$10.5 million (31 March 2014 - \$10.5 million).

CONSOLIDATED REVENUE FUND**DEBENTURE AND OTHER DEBT (continued)****7. Related Sinking Fund Investments**

At year end, the Province held \$450.1 million worth of its own debentures (face value) in sinking funds as active investments (31 March 2014 - \$501.3 million) which are reflected in the sinking fund balances disclosed in note 3 above. These were comprised of \$280.4 million in Canadian investments and \$169.7 million in US investments.

8. Debt Related Risk

The practice of borrowing in both domestic and foreign currencies may potentially give rise to a number of risks including interest rate, credit, foreign exchange and liquidity risk. Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates while credit risk is the risk that a loss may occur from the failure of another party to meet its obligations under a derivative financial instrument contract. As well, foreign exchange risk is the risk that debt servicing costs will increase due to a decline in the value of the Canadian dollar relative to other currencies while liquidity risk is the risk that financial commitments will not be met over the short-term.

The Province attempts to manage its exposure to these risks and minimize volatility in its debt expenses by following a conservative debt and risk management strategy. The Province's debt portfolio is structured such that virtually all of its debt is long-term with fixed interest rates and fixed repayment terms. When appropriate and the option is available, debt with high interest rates has been called and refinanced with new lower interest rate debt. Otherwise, debt is generally held until maturity. Hence, the Province's exposure to interest rate and credit risk is minimal as a result of its conservative debt management strategy.

While the majority of the Province's debt is domestic in nature, there are a number of US dollar denominated debt issues. All of these are long-term issues and the Province has established sinking funds, also in US dollars, to provide repayment of the debt at maturity. For debt servicing purposes, short-term forward contracts are occasionally entered into when favorable exchange rates are available to minimize exposure to foreign exchange risk.

The Province's exposure to liquidity risk is managed by distributing debt maturities over several years, maintaining sinking funds for the repayment of certain long-term debt issues and holding adequate cash reserves or short-term borrowings as contingent sources of liquidity.

CONSOLIDATED REVENUE FUND

Schedule G

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Guaranteed Debt
As at 31 March 2015
with comparative figures for 2014**

	Limit of Guarantee	Contingent Liability	
		2015	2014
	(\$000)	(\$000)	(\$000)
Guaranteed Debentures - note 7:			
Municipalities:			
(For debentures issued to The Municipal Development and Loan Board and The Canada Mortgage and Housing Corporation)			
Glenwood	86	86	84
Harbour Breton	206	206	199
Harbour Grace	145	145	141
Placentia	83	83	80
Wabana	22	22	21
	<u>542</u>	<u>542</u>	<u>525</u>
Crown Corporations - note 2:			
Eastern Regional Health Authority	116,158	116,158	117,636
Newfoundland and Labrador Hydro Electric Corporation	1,116,112	1,116,112	986,914
Newfoundland and Labrador Municipal Financing Corporation	18,089	18,089	25,685
	<u>1,250,359</u>	<u>1,250,359</u>	<u>1,130,235</u>
Guaranteed Bank Loans - note 7:			
Crown Corporations:			
Labrador-Grenfell Regional Health Authority	10,000	4,970	-
Marble Mountain Development Corporation	4,100	714	1,853
	<u>14,100</u>	<u>5,684</u>	<u>1,853</u>
Fisheries - note 3:			
70354 Newfoundland and Labrador Limited	215	215	-
AAG Enterprises Inc.	41	41	61
A.J. Rodgers & Sons Limited	347	347	407
Adam Crocker	203	203	-
Aiden Power and Leonard Mooney	175	175	-
Allister Russell and Wade Russell	1,040	1,040	1,120
Alychan Enterprise Limited	1,020	1,020	-
Anchor Point Enterprises Limited	1,170	1,170	1,235
Andrew Daley Limited	116	116	154
ASG Fisheries Limited	-	-	680
Ashco Fishing Limited	190	190	253
Ashley Enterprises Limited	150	150	169
Ashley's Pride Enterprises Limited	268	268	328
Atlantic Blue Fin Limited	294	294	399
Atlantic Providence Inc.	2,431	2,431	2,618
B & O Enterprises Ltd.	832	832	918

CONSOLIDATED REVENUE FUND

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability	
		2015	2014
	(\$000)	(\$000)	(\$000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
B & R Genge Company Limited	279	279	371
B & R Mariner Fisheries Limited	256	256	329
B.A.D.S. Fisheries Limited	208	208	250
BNB Morey Fisheries Limited	198	198	248
Bears Cove Fisheries Limited	1,125	1,125	-
Billy and David Greenham	2,047	2,047	2,161
Butler, Harold	-	-	38
C & L Harvesting Limited	2,033	2,033	-
CJ Fisheries	198	198	248
Campbell Fisheries Limited	108	108	144
Cecil Ward Limited	555	555	595
Clarke & Sons Fishing Limited	2,382	2,382	2,506
Dempster's Fisheries Limited	1,058	1,058	-
Donald Spence	226	226	235
Drover's Sea Harvesting Limited	154	154	544
Dwight Russell Enterprises Limited	540	540	600
E & E Fisheries Limited	508	508	592
Four Jacks Enterprises Limited	-	-	595
Frazer Scanlon	53	53	59
G & D Fisheries Limited	276	276	345
G B Dalton Enterprise Ltd.	231	231	270
G W R Fisheries Limited	206	206	262
Garrett Mulrooney	516	516	-
Genge, Theodore	720	720	773
Glenn Petten	538	538	580
Greenspond Fisheries Limited	30	30	61
Haily Bear Enterprises Limited	1,454	1,454	1,530
Harbourview Fishing Corporation	1,683	1,683	1,777
Harvester Enterprises Limited	-	-	16
Hicks Fisheries Limited	204	204	233
J & K Frampton Enterprises Limited	315	315	247
Janica II Enterprise Limited	797	797	859
John W. Brazil	258	258	-
Jolly T Fisheries Inc.	553	553	595
Jones, Richard	168	168	192
Kailey Venture Limited	323	323	370
Kane, Charles M	-	-	31
Keith Bowen	296	296	319
L.S.J. Fisheries Limited	1,165	1,165	-
Lady Lisa Limited	-	-	275
Larry Roche	266	266	288
Lavers, Dion	-	-	14
Leyte, Melvin	157	157	236
Long Haul Ltd. (formerly Daley, Gary)	159	159	199
Lower Coast Fisheries Inc.	-	-	29

CONSOLIDATED REVENUE FUND

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability	
		2015	2014
	(\$000)	(\$000)	(\$000)
Guaranteed Bank Loans:			
Fisheries - note 3:			
McCarthy, Dennis	-	-	693
Nautical Nancy Limited	332	332	-
Newfoundland Mariner Fishing Enterprises Limited	-	-	563
Noel Fisheries Limited	-	-	33
Noonan Enterprise Limited	2,480	2,480	-
North Queen Limited	995	995	1,050
Northern Auk Fisheries Limited	553	553	595
Northern Provider Limited	516	516	555
Ocean Surfer Limited	349	349	384
Olivic Fisheries Ltd.	1,213	1,213	-
Penney's Fisheries Limited	111	111	182
Piercey's Fishing Enterprises Limited	145	145	181
RB Fisheries Limited	734	734	-
Rainbow Venture Inc.	247	247	-
Richard and Melanie Marsh	112	112	-
Ryan, Randy and Lisa and Sea Surfer Enterprises Ltd.	29	29	43
S & J Fisheries Inc.	-	-	178
Salt Water Foam Company Limited	27	27	81
Samuel and Juanita Morris	317	317	-
Shannon & Trevor Fisheries Limited	1,620	1,620	1,740
Shelco Fisheries Limited	930	930	-
Shirley Ann D. Enterprises Ltd.	1,305	1,305	198
Southside Fisheries Ltd.	1,120	1,120	-
Straits Venture Inc.	224	224	261
T & C Fisheries Ltd.	210	210	240
TJL Enterprises Limited	262	262	322
Trina and Sons Ltd.	190	190	213
Vince Petten	681	681	734
Ward, Cecil	101	101	134
Wayne Sterling Morgan	234	234	250
Woodworth Fisheries Limited	1,170	1,170	-
	<u>46,942</u>	<u>46,942</u>	<u>35,988</u>
Aggregate Limit & Contingent Amount	<u>75,241</u>	<u>75,241</u>	<u>59,937</u>
Corporate:			
Fogo Island Co-operative Society Limited	1,500	-	-
Smith Seafoods Limited	-	-	34
Stephenville Airport Corporation	600	486	443
Torngat Fish Producers Co-op Society Limited	1,100	967	1,266
	<u>3,200</u>	<u>1,453</u>	<u>1,743</u>
Other Bank Loans:			
Consumer Protection Fund for Prepaid Funeral Expenses	200	-	-
	<u>200</u>	<u>-</u>	<u>-</u>

CONSOLIDATED REVENUE FUND

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability	
		2015	2014
	(\$000)	(\$000)	(\$000)
Other Guarantees:			
Crown Corporations:			
Newfoundland and Labrador Immigrant Investor Fund Limited - note 4	211,312	211,312	248,900
	<u>211,312</u>	<u>211,312</u>	<u>248,900</u>
	<u>1,526,655</u>	<u>1,516,292</u>	<u>1,419,244</u>

NOTES

1. Definitions

The headings used in this Schedule are defined as follows:

Limit of Guarantee - This represents the maximum amount of loan advances available under the Province's guarantee plus capitalized interest thereon and past due interest, less down payment and less any receipted Provincial subsidy.

Contingent Liability - This represents the actual amount of loan advances (drawdowns) outstanding under the various guarantees plus capitalized interest thereon and past due interest. This represents the amount that the Province would be liable for if it had to honour these guarantees at year end.

The difference between these two amounts reflects the financing still available under the Province's guarantee.

2. Debenture Issues with Sinking Funds

Corporations for which guarantees are presented net of sinking funds values:

	Principal Amount of Debentures Outstanding	Accrued Interest	Value of Sinking Fund	Contingent Liability
	(\$000)	(\$000)	(\$000)	(\$000)
Eastern Regional Health Authority				
- Canadian Funds	130,000	2,605	16,447	<u>116,158</u>
Newfoundland and Labrador Hydro Electric Corporation				
- Canadian Funds	1,300,000	15,490	241,383	1,074,107
- Promissory Notes	41,995	10	-	42,005
	<u>1,341,995</u>	<u>15,500</u>	<u>241,383</u>	<u>1,116,112</u>

CONSOLIDATED REVENUE FUND

GUARANTEED DEBT (continued)

3. Fisheries Loans

During a vessel's construction period, interim financing is provided through bank loans which are fully guaranteed by the Province. Once construction has been completed, these interim loans are converted to term debt by the banks. For guarantees issued prior to 1 June 2012, the Province's contingent liability under each individual guarantee is determined as being limited to the lesser of the term loan or 20% of the aggregate of all term loans made by the Bank less the total of all claims paid to the Bank by the Province with respect to these loans. The Fisheries Loans Guarantee Program guidelines were amended effective 1 June 2012 such that all new guarantees issued from that date forward are fully guaranteed by the Province.

For the fiscal year ended 31 March 2015, the Province's contingent liability with respect to these guarantees is \$46.9 million (31 March 2014 - \$36.0 million).

4. Newfoundland and Labrador Immigrant Investor Fund Limited

The Corporation was incorporated on 28 April 2005 under the Corporations Act of the Province of Newfoundland and Labrador. The purpose of the Corporation is to administer and invest the Newfoundland and Labrador allocation of funds received from immigrant investors by Citizenship and Immigration Canada under its Business Immigration Program. The Province guarantees repayment of the funds received.

5. Payments under Guarantee

During the 2014-15 fiscal year the Province made a payment of \$0.1 million (31 March 2014 - nil) as a result of a claim made by a chartered bank due to a default on payment on a guaranteed loan.

6. Valuation Allowance

The provision for guaranteed debt for 31 March 2015 is nil (31 March 2014 - nil).

7. General Terms and Conditions

Guaranteed debentures and guaranteed bank loans have maturity dates ranging from June 2015 to December 2035 at interest rates varying from 1.12% to 10.5%.

CONSOLIDATED REVENUE FUND

Schedule H

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Losses, Uncollectible Accounts and Other Amounts Written Off
For the year ended 31 March 2015
with comparative figures for 2014**

Department	2015 (\$000)	2014 (\$000)
Finance:		
Remissions	1,084	2,882
Tax Forgiveness	-	296
	<u>1,084</u>	<u>3,178</u>
Advanced Education and Skills:		
Uncollectible accounts	2	1,256
Business, Tourism, Culture and Rural Development:		
Loan forgiveness	83	5,714
Uncollectible accounts	-	534
	<u>83</u>	<u>6,248</u>
Fisheries and Aquaculture:		
Loan forgiveness	-	3,094
Justice and Public Safety:		
Uncollectible accounts	-	1,051
Municipal and Intergovernmental Affairs:		
Uncollectible accounts	200	-
Natural Resources:		
Tax Forgiveness	1,571	1,372
Service Newfoundland and Labrador:		
Uncollectible accounts	38	-
Transportation and Works:		
Uncollectible accounts	-	193
	<u>2,978</u>	<u>16,392</u>
Total: Losses, Uncollectible Accounts and Other Amounts Written Off	<u>2,978</u>	<u>16,392</u>

CONSOLIDATED REVENUE FUND

Schedule I

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Trust Accounts
As at 31 March 2015
with comparative figures for 2014**

	2015	2014
	(\$000)	(\$000)
Office of the Public Trustee	43,245	37,893
Supreme Court of Newfoundland and Labrador	36,833	6,580
Eastern Regional Health Authority Sinking Fund	16,447	14,969
Rate Stabilization Fund	11,224	7,939
Teachers' Accrued Salary Trust Account	8,903	8,585
Federal/Provincial Contractors' Security Account	7,871	2,834
Consolidated Tender Account	4,956	5,944
Support Enforcement	1,393	1,332
Provincial Courts Trust Account	312	432
Churchill Falls (Labrador) Corporation Trust	255	164
Contractors' Security Account - Transportation and Works	236	1
Provincial Nominee Program	168	166
H.M. Penitentiary	87	67
Victims of Mount Cashel	84	83
Bishop's Falls Correctional Centre	35	16
Securities Payable	26	41
Labrador Correctional Centre	25	17
High Sheriff of Newfoundland	24	134
Newfoundland and Labrador Youth Centre	7	7
West Coast Correctional Centre	3	4
Chief Electoral Office Account	2	1
Commercial and Corporate Affairs Trust	1	1
School for the Deaf	1	4
Labour Relations Board	-	1
Unpaid Wages Trust Account	-	1
Total: Trust Accounts	132,138	87,216

CONSOLIDATED REVENUE FUND

Schedule J

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Expenses by Department
For the year ended 31 March 2015
with comparative figures for 2014**

	<u>Actuals</u>	<u>Actuals</u>
	2015	2014
	(\$000)	(\$000)
General Government Sector and Legislative Branch		
General Government Sector		
Consolidated Fund Services	360,482	347,553
Executive Council	107,296	102,388
Finance	857,533	1,095,932
Public Service Commission	2,322	2,404
Service NL	40,084	41,500
Transportation and Works	469,411	436,828
Legislative Branch		
Legislature	<u>23,750</u>	<u>22,785</u>
	<u>1,860,878</u>	<u>2,049,390</u>
Resource Sector		
Advanced Education and Skills	937,271	901,984
Business, Tourism, Culture and Rural Development	113,228	115,961
Environment and Conservation	15,858	22,074
Fisheries and Aquaculture	17,843	17,488
Natural Resources	<u>198,662</u>	<u>115,680</u>
	<u>1,282,862</u>	<u>1,173,187</u>
Social Sector		
Child, Youth and Family Services	135,013	134,620
Education and Early Childhood Development	869,510	866,813
Health and Community Services	2,867,830	2,766,632
Justice and Public Safety	253,434	236,437
Municipal and Intergovernmental Affairs	194,658	190,615
Newfoundland and Labrador Housing Corporation	42,265	47,434
Seniors, Wellness and Social Development	<u>19,036</u>	<u>20,530</u>
	<u>4,381,746</u>	<u>4,263,081</u>
Total: Expenses by Department	<u><u>7,525,486</u></u>	<u><u>7,485,658</u></u>

CONSOLIDATED REVENUE FUND

Schedule K

PROVINCE OF NEWFOUNDLAND AND LABRADOR

**Revenue and Expense by Sector
For the year ended 31 March 2015
with comparative figures for 2014**

	General Government Sector and Legislative Branch 2015 (\$000)	Resource Sector 2015 (\$000)	Social Sector 2015 (\$000)	Total 2015 (\$000)	Total 2014 (\$000)
REVENUE					
Provincial					
Taxation	3,166,025	159	-	3,166,184	3,245,597
Non-tax revenue	454,508	1,606,994	18,492	2,079,994	2,579,395
Related revenue	98,473	23,191	39,387	161,051	176,594
Federal	<u>719,221</u>	<u>143,465</u>	<u>65,396</u>	<u>928,082</u>	<u>921,994</u>
Total Sector Revenue	<u>4,438,227</u>	<u>1,773,809</u>	<u>123,275</u>	<u>6,335,311</u>	<u>6,923,580</u>
EXPENSE					
Salaries	221,782	126,534	215,890	564,206	555,275
Employee benefits	45,525	(4,780)	(1,535)	39,210	56,614
Retirement costs	299,899	-	-	299,899	488,609
Transportation and communications	15,247	11,590	10,681	37,518	35,807
Supplies	82,977	6,564	17,092	106,633	109,470
Professional services	12,490	4,403	445,581	462,474	443,566
Purchased services	223,361	125,901	84,055	433,317	345,443
Property, furnishings and equipment	3,565	953	55,546	60,064	48,143
Allowances and assistance	95,555	315,962	230,702	642,219	625,991
Grants and subsidies	11,637	628,690	3,304,458	3,944,785	3,865,855
Debt expenses	749,548	6,885	1,469	757,902	794,256
Amortization and (gain)/loss on the sale of tangible capital assets	99,292	60,170	17,807	177,269	116,448
Bad debt expense (recovery)	-	(10)	-	(10)	181
Total Sector Expense	<u>1,860,878</u>	<u>1,282,862</u>	<u>4,381,746</u>	<u>7,525,486</u>	<u>7,485,658</u>
SECTOR SURPLUS (DEFICIT)	<u>2,577,349</u>	<u>490,947</u>	<u>(4,258,471)</u>	<u>(1,190,175)</u>	<u>(562,078)</u>

CONSOLIDATED REVENUE FUND**REVENUE AND EXPENSE BY SECTOR (continued)****NOTE****Sectors**

The sectors identified above are comprised of a broad array of programs which are delivered through the various departments and are consistent with the presentation of the 2014-15 Estimates as well as the reorganization of government departments which was effective 30 September 2014. Revenue and Expenses have been attributed to individual departments based on where the program is administered. Certain amounts have been allocated on a systematic basis. The sectors include the following departments:

General Government Sector and Legislative Branch

This sector consists of the Departments of Consolidated Fund Services, Executive Council, Finance, Legislature, Public Service Commission, Service Newfoundland and Labrador and Transportation and Works.

Resource Sector

This sector consists of the Departments of Advanced Education and Skills, Business, Tourism, Culture and Rural Development, Environment and Conservation, Fisheries and Aquaculture and Natural Resources.

Social Sector

This sector consists of the Departments of Child, Youth and Family Services, Education and Early Childhood Development, Health and Community Services, Justice and Public Safety, Municipal and Intergovernmental Affairs, Newfoundland and Labrador Housing Corporation and Seniors, Wellness and Social Development.