New Nouveau Brunswick

Volume 4
Trust Funds

Public Accounts

for the fiscal year ended 31 March

1999

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

ISSN 0382-1277

New Nouveau
Brunswick

Volume 4
Trust Funds

Public Accounts

for the fiscal year ended 31 March

1999

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

TABLE OF CONTENTS

INTRODUCTION
VOLUME IV

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

Volume I contains the audited financial statements of the Provincial Reporting Entity as described in note 1 to the financial statements. They include a Statement of Financial Position, a Statement of Revenue and Expenditure, a Statement of Cash Flow and a Statement of Net Debt. This volume also contains the Auditor's Report, Statement of Responsibility and a variance analysis.

Volume II contains unaudited supplementary information to the Financial Statements presented in Volume I. It presents summary statements for revenue and expenditure as well as five-year comparative statements. Volume II also contains detailed information on Supplementary Appropriations, Funded Debt and Capital Loans, statements of the General Sinking Fund, Securities Held, and revenue and expenditure by government department (this includes salary, travel, vendor, grant and contribution, and loan disbursement listings).

Volume III contains the financial statements of those corporations, boards and commissions which are accountable for the administration of their financial affairs and resources to the Government or the Legislature of the Province. The Government or Legislature also has the power to control these organizations either through ownership or through legislative provisions.

This volume contains the financial statements of various trust funds which the Province administers as Trustee.

FINANCIAL STATEMENTS

PUBLIC SERVICE SUPERANNUATION PLAN

31 MARCH 1999

Office of the Auditor General

Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Public Service Superannuation Plan as at 31 March 1999 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 March 1999 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
22 October 1999

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 1999

	1999	1998
ASSETS		
Investments (note 3)	$ 2,601,919,501	$ 2,643,775,431
Receivables		
Employee contributions	4,715,588	3,784,008
Employer contributions	8,537,409	910,017
Accrued interest and dividends	-	19,435,748
Due from other plan (note 7)	4,402,895	-
Other	-	12,262,967
	17,655,892	36,392,740
Total assets	2,619,575,393	2,680,168,171
LIABILITIES		
Accounts payable	440,056	46,805,664
Total liabilities	440,056	46,805,664
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,619,135,337	$ 2,633,362,507

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 1999

	1999	1998
INCREASE IN ASSETS		
Investment income (loss) (note 4)	$ (21,486,586)	$ 417,626,615
Securities lending revenue	-	241,707
Pension contributions		
Employee	42,838,703	42,259,321
Employer - normal (note 5)	36,748,676	35,523,547
- special payment re unfunded liability (note 6)	39,170,092	37,795,972
Transfer from Pension Plan for Management Employees of New Brunswick School Districts (note 7)	4,402,895	-
Transfers under reciprocal agreements	655,706	773,125
Total increase in assets	102,329,486	534,220,287
DECREASE IN ASSETS		
Pensions	101,325,929	94,989,107
Refunds	5,332,537	4,582,318
Transfers under reciprocal agreements	5,993,250	1,244,651
Administrative expenses	2,185,079	2,137,128
Investment management fees	1,719,861	1,599,329
Total decrease in assets	116,556,656	104,552,533
INCREASE (DECREASE) IN NET ASSETS	(14,227,170)	429,667,754
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	2,633,362,507	2,203,694,753
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 2,619,135,337	$ 2,633,362,507

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

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan

The following description of the Public Service Superannuation Plan is a summary only. For more information, reference should be made to the Public Service Superannuation Act.

(a) General

The Plan is a contributory defined benefit pension plan covering certain government employees and employees of certain boards, commissions, corporations and educational institutions as defined by the Act and its regulations. The Plan is administered by the Department of Finance.

(b) Funding Policy

Under the Plan, contributions are made by the Plan members and the Plan sponsor. The determination of the value of benefits owed by the Plan is made on the basis of a triennial actuarial valuation (see note 6).

(c) Service Pensions

The basic pension benefit is 1.3 % of the average annual salary during the highest paid continuous 5 year period up to the year's maximum pensionable earnings (YMPE) and 2 % of the average annual salary above the YMPE multiplied by the number of years pensionable service. Pension benefits are indexed annually to a maximum of 5 %.

Normal retirement age is 65. Unreduced pension benefits are available upon reaching age 60 with 5 years pensionable service. Reduced benefits are available at age 55 with 5 years of service.

(d) Disability Pensions

An active member who becomes disabled after 31 December 1992 is no longer eligible for an immediate pension from the Plan.

(e) Death Benefits

On death prior to completing 5 years of pensionable service, the benefit payable is a refund of the member's contributions with interest. An immediate pension is payable to the surviving spouse or dependent children in the event of death of a member who has completed at least 5 years of pensionable service.

(f) Benefits on Termination

In the event of termination of employment for reasons other than retirement, death or disability a member may receive either a refund of his own contributions to the Plan with interest or a deferred annuity commencing when the member attains retirement age. To receive a deferred annuity the member must have 5 or more years of pensionable service to his credit at his date of termination of employment.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan (continued)

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

On 1 April 1998, the assets of the Public Service Superannuation Fund were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plan are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices are used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

Both realized and unrealized gains and losses are included in investment income.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments

(a) Trustee

The assets of the Public Service Superannuation Plan are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Plan's assets effective 1 April 1996.

(b) Investments

There are currently 11 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

All of the funds were launched on 1 April 1998 with the exception of the Student Investment Fund, which was launched on 8 September 1998.

Following is a description of each unit trust fund:

Canadian Equity:

Investments are selected primarily from the top 100 companies on the Toronto Stock Exchange. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

Allocation Equity:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in G-7 equity markets. Its primary investments are futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate amount of cash.

New Brunswick Equity:

This fund invests in public and private equities of New Brunswick companies. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

EAFE Equity:

Managed by an external manager, this fund invests in the equity markets of Europe, Australia and the Far East. The return objective is to exceed the performance of its benchmark, the Morgan Stanley EAFE Index.

Canadian Small Capitalization Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of Canadian companies having a total net value of less than $ 250 million. The return objective is to exceed the performance of its benchmark, the Nesbitt Burns Small-Cap Index.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

United States Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of US companies. The return objective is to exceed the performance of its benchmark, the S&P 500.

Nominal Bond:

Invests primarily in investment grade bonds (triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Bond:

Invests in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 20 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 10 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $ 1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% TSE 300, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

The comparative amounts for 1998 present a summary of the composition of investments held directly by the Public Service Superannuation Plan in various securities and investment vehicles at 31 March 1998. The 1999 figures reflect the holdings of the Public Service Superannuation Plan in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	1999 Amount	1998 Amount
Fixed Income				
Nominal Bond	917,064	$ 1,014	$ 930,445,122	
New Brunswick Bond	12,722	1,074	13,673,971	
			944,119,093	$ 919,870,247
Inflation Linked Securities	275,103	990	272,553,467	258,706,857
Money Market	141,996	1,007	143,004,533	419,224,738
			1,359,677,093	1,597,801,842
Equities				
Allocation Equity	189,640	1,016	192,706,027	
EAFE Equity	1,331	1,106	1,472,936	
New Brunswick Equity	7,290	1,093	7,973,956	
Canadian Equity	1,033,555	903	934,281,041	
Canadian Small Capitalization Equity	95,862	818	78,435,259	
Student Investment	485	1,062	515,438	
United States Equity	22,798	1,178	26,857,751	
			1,242,242,408	1,045,973,589
			$ 2,601,919,501	**$ 2,643,775,431**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to future changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries. Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The comparative amounts for 1998 present a summary of the composition of income earned on investments held directly by the Public Service Superannuation Fund in various securities and investment vehicles for the year ended 31 March 1998.

The 1999 figures reflect the investment income of the Public Service Superannuation Fund in each of the unit trust funds for which NBIMC is trustee for the year ended 31 March 1999.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income				
Nominal Bond	$ 49,111,806	$ -	$ 3,795,966	$ 52,907,772
New Brunswick Bond	527,107	-	815,369	1,342,476
	49,638,913	-	4,611,335	54,250,248
Inflation Linked Securities	11,669,806	-	728,467	12,398,273
Money Market	6,398,877	-	-	6,398,877
	67,707,596	-	5,339,802	73,047,398
Equities				
Allocation Equity	14,294,897	10,476	(30,832,939)	(16,527,566)
EAFE Equity	(625)	100,320	4,216,986	4,316,681
New Brunswick Equity	12,476	27,242	657,314	697,032
Canadian Equity	163,108	19,513,319	(103,262,039)	(83,585,612)
Canadian Small Capitalization Equity	11,466	184,286	(4,467,768)	(4,272,016)
Student Investment	8,841	-	29,721	38,562
United States Equity	4,064	281,281	4,513,590	4,798,935
	14,494,227	20,116,924	(129,145,135)	(94,533,984)
Total - 1999	**$ 82,201,823**	**$ 20,116,924**	**$ (123,805,333)**	**$ (21,486,586)**
Total - 1998	**$ 78,180,846**	**$ 30,237,940**	**$ 309,207,829**	**$ 417,626,615**

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

5. Pension Contributions from Employers

Pension contributions from employers are as follows:

	1999	1998
Province of New Brunswick	$ 22,356,648	$ 21,174,972
New Brunswick Power Corporation	7,115,109	6,759,779
University of New Brunswick	1,592,595	1,530,073
Workplace Health, Safety and Compensation Commission	866,205	883,265
New Brunswick Liquor Corporation	619,308	613,578
Other	4,198,811	4,561,880
	$ 36,748,676	$ 35,523,547

6. Funding Policy

Employees are required to contribute 5.8% of their earnings, up to the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan Act, plus 7.5% on earnings above the YMPE. The employer is required to contribute an amount necessary in the opinion of an actuary, which when combined with employee contributions will fund current service costs.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco, a firm of consulting actuaries, as of 1 April 1997. This valuation disclosed an unfunded liability as at 1 April 1997.

Pursuant to the Public Service Superannuation Act, the Consolidated Fund and certain government agencies will, in each fiscal year until the benefits under the Act are fully funded as determined by an actuarial valuation, pay an amount into the Public Service Superannuation Fund that is in addition to the employer contribution for current service costs. The additional amount paid during the fiscal year ended 31 March 1999 was $ 39.2 million ($ 37.8 million for 1998). In each subsequent fiscal year the additional amount to be paid will be the amount paid in the previous fiscal year increased (or decreased) by the aggregate of 2% plus the average percentage change in the Consumer Price Index.

7. Transfer from Pension Plan for Management Employees of New Brunswick School Districts

Members in the Pension Plan for Management Employees as at 1 January 1996 had to elect by 31 March 1998 whether they wished to transfer service from the Pension Plan for Management Employees to the Public Service Superannuation Plan or elect a deferred pension. This information was received during 1998 and the value of the transfer calculated by the actuary was $ 4.32 million as at 31 March 1998. This amount, accumulated with interest to the date of transfer, will be transferred to the Public Service Superannuation Plan during 1999. As at 31 March 1999, the estimated amount to be transferred is $ 4.4 million.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

8. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 April 1999 by Morneau Sobeco.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	8.42%	8.42%
Annual wage and salary increase	4.5% plus promotional increase between 0.2% and 1.0%	2.0 % to 4.5%
Inflation	4.0%	2.0% to 3.0%
Rate of pension escalation after retirement	3.7%	2.0% to 3.7%

The actuarial present value of benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

	(in millions) 1999	1998
Actuarial present value of accrued pension benefits at beginning of year	$ 2,322.94	$ 2,112.06
Interest accrued on benefits	194.36	176.77
Benefits accrued	83.29	75.40
Benefits paid	(112.65)	(100.82)
Change in assumptions	-	35.56
Experience loss	18.18	23.97
Actuarial present value of accrued pension benefits at end of year	$ 2,506.12	$ 2,322.94
Net assets available for benefits	$ 2,619.14	$ 2,633.36

9. Investments in Plan Sponsor

As at 31 March 1999, the Public Service Superannuation Plan held 49% of the total nominal bond unit trust fund of $1,899,377,598. Of this total, $25,009,613 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities and $5,997,120 of Strait Crossing Finance Inc. bonds. The Public Service Superannuation Plan's share of the total $28,104,465 in the New Brunswick Bond Fund was $13,673,971.

As at 31 March 1998, the Plan held Province of New Brunswick and Province of New Brunswick guaranteed securities totalling $33.3 million.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

10. Comparative Figures

Prior year's figures have been restated where necessary to conform to the 1999 presentation.

11. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date.

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

FINANCIAL STATEMENTS

Teachers' Pension Plan

31 MARCH 1999

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Teachers' Pension Plan as at 31 March 1999 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 March 1999 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
29 October 1999

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 1999

	1999	1998
ASSETS		
Investments (note 3)	$ 2,521,601,472	$ 2,543,725,666
Receivables		
Employee contributions	3,389,025	4,435,162
Employer contributions	570,794	104,176
Accrued interest and dividends	-	19,399,607
Other	-	11,875,742
	3,959,819	35,814,687
Total assets	2,525,561,291	2,579,540,353
LIABILITIES		
Accounts payable	280,209	44,625,702
Total liabilities	280,209	44,625,702
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,525,281,082	$ 2,534,914,651

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 1999

	1999	1998
INCREASE IN ASSETS		
Investment income (loss) (note 4)	$ (10,165,449)	$ 392,984,000
Securities lending revenue	-	268,477
Pension contributions		
Employee	29,899,987	30,369,996
Employer - normal	28,181,096	27,466,986
- special payment re unfunded liability (note 5)	57,027,258	54,936,179
Transfers under reciprocal agreements	401,601	462,480
Total increase in assets	105,344,493	506,488,118
DECREASE IN ASSETS		
Pensions	110,392,462	100,720,831
Refunds	1,026,746	813,115
Transfers under reciprocal agreements	672,328	188,988
Administrative expenses	1,223,543	1,192,306
Investment management fees	1,662,983	1,548,848
Total decrease in assets	114,978,062	104,464,088
INCREASE (DECREASE) IN NET ASSETS	(9,633,569)	402,024,030
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	2,534,914,651	2,132,890,621
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 2,525,281,082	$ 2,534,914,651

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

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan

The following description of the Teachers' Pension Plan is a summary only. For more information, reference should be made to the Teachers' Pension Act.

(a) General

The Plan is a contributory defined benefit pension plan covering teachers as defined by the Act and its regulations. The Plan is administered by the Department of Finance.

(b) Funding Policy

Under the Plan, contributions are made by the Plan members and the Plan Sponsor. The determination of the value of benefits owed by the Plan is made on the basis of a triennial actuarial valuation (see note 5).

(c) Service Pensions

The basic pension benefit is 1.3% of the average annual salary during the highest paid continuous 5 year period (after 1 September 1966) up to the year's maximum pensionable earnings (YMPE) and 2% of the average annual salary above the YMPE multiplied by the number of years of pensionable service (after 1 September 1966). Pension benefits are indexed annually to a maximum of 4.75%.

The basic pension benefit is 2.14% for service (before 1 September 1966) of the average annual salary during the highest paid continuous 5 year period multiplied by the number of years of pensionable service (before 1 September 1966).

Employees are eligible for pension benefits when the sum of their age and completed years of pensionable service is 87 or more, they have a minimum of 35 years of pensionable service or at age 65 with 5 years of pensionable service or at age 60 with 20 years of pensionable service provided they were a contributor prior to 1 September 1966. Reduced benefits are available when the age and service total is 85, or at age 60 with 5 years of service.

(d) Disability Pensions

A member who has at least 5 years of pensionable service at the date of becoming disabled is entitled to an immediate pension on retirement because of disability.

(e) Death Benefits

On death prior to completing 5 years of pensionable service, the benefit payable is a refund of the member's contributions with interest. An immediate pension is payable to the surviving spouse or dependent children in the event of death of a member who has completed at least 5 years of pensionable service commencing when the member attains retirement age. To receive a deferred pension, the member must have 5 or more years of pensionable service at the date of termination of employment.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan (continued)

(f) Benefits on Termination

In the event of termination of employment for reasons other than retirement, death or disability, a member may receive either a refund of his own contributions to the Plan with interest or a deferred pension.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

On 1 April 1998, the assets of the Teachers' Pension Fund were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plan are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices are used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

2. Summary of Significant Accounting Policies (continued)

Both realized and unrealized gains and losses are included in investment income.

3. Investments

(a) Trustee

The assets of the Teachers' Pension Plan are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Plan's assets effective 1 April 1996.

(b) Investments

There are currently 11 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

All of the funds were launched on 1 April 1998 with the exception of the Student Investment Fund which was launched on 8 September 1998.

Following is a description of each unit trust fund:

Canadian Equity:

Investments are selected primarily from the top 100 companies on the Toronto Stock Exchange. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

Allocation Equity:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in G-7 equity markets. Its primary investments are futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate amount of cash.

New Brunswick Equity:

This fund invests in public and private equities of New Brunswick companies. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

EAFE Equity:

Managed by an external manager, this fund invests in the equity markets of Europe, Australia and the Far East. The return objective is to exceed the performance of its benchmark, the Morgan Stanley EAFE Index.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

Canadian Small Capitalization Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of Canadian companies having a total net value of less than $ 250 million. The return objective is to exceed the performance of its benchmark, the Nesbitt Burns Small-Cap Index.

United States Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of US companies. The return objective is to exceed the performance of its benchmark, the S&P 500.

Nominal Bond:

Invests primarily in investment grade bonds (triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Bond:

Invests in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 20 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 10 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% TSE 300, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

The comparative amounts for 1998 present a summary of the composition of investments held directly by the Teachers' Pension Plan in various securities and investment vehicles at 31 March 1998. The 1999 figures reflect the holdings of the Teachers' Pension Plan in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	1999 Amount	1998 Amount
Fixed Income				
Nominal Bond	949,800	$ 1,014	$ 963,659,148	
New Brunswick Bond	13,357	1,074	14,356,196	
			978,015,344	$ 944,621,301
Inflation Linked Securities	266,610	990	264,140,079	250,881,919
Money Market	137,552	1,007	138,528,492	397,504,582
			1,380,683,915	1,593,007,802
Equities				
Allocation Equity	183,786	1,016	186,757,431	
EAFE Equity	1,290	1,106	1,427,468	
New Brunswick Equity	7,065	1,093	7,727,810	
Canadian Equity	931,912	903	842,400,907	
Canadian Small Capitalization Equity	92,903	818	76,014,060	
Student Investment	528	1,062	561,196	
United States Equity	22,094	1,178	26,028,685	
			1,140,917,557	950,717,864
			$ 2,521,601,472	**$ 2,543,725,666**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to future changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The comparative amounts for 1998 present a summary of the composition of income earned on investments held directly by the Teachers' Pension Plan in various securities and investment vehicles for the year ended 31 March 1998.

The 1999 figures reflect the investment income of the Teachers' Pension Plan in each of the unit trust funds for which NBIMC is trustee for the year ended 31 March 1999.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income				
Nominal Bond	$ 50,864,946	$ -	$ 4,039,603	$ 54,904,549
New Brunswick Bond	553,405	-	871,056	1,424,461
	51,418,351	-	4,910,659	56,329,010
Inflation Linked Securities	11,309,574	-	737,932	12,047,506
Money Market	6,198,592	-	-	6,198,592
	68,926,517	-	5,648,591	74,575,108
Equities				
Allocation Equity	13,853,632	10,156	(29,870,786)	(16,006,998)
EAFE Equity	(605)	97,223	4,115,689	4,212,307
New Brunswick Equity	12,091	26,401	648,165	686,657
Canadian Equity	147,067	17,594,318	(92,033,447)	(74,292,062)
Canadian Small Capitalization Equity	11,112	178,597	(4,307,856)	(4,118,147)
Student Investment	9,627	-	32,434	42,061
United States Equity	3,939	272,599	4,459,087	4,735,625
	14,036,863	18,179,294	(116,956,714)	(84,740,557)
Total - 1999	**$ 82,963,380**	**$ 18,179,294**	**$ (111,308,123)**	**$ (10,165,449)**
Total - 1998	**$ 79,830,485**	**$ 27,852,881**	**$ 285,300,634**	**$ 392,984,000**

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

5. Funding Policy

Employees are required to contribute 7.3% of their earnings to YMPE plus 9% of earnings above the YMPE. The employer makes contributions equal to the employee contributions.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco, a firm of consulting actuaries, as of 1 April 1997. This valuation disclosed an unfunded liability as at 1 April 1997.

Pursuant to the Teachers' Pension Act, the Province will, in each fiscal year until the benefits under the Act are fully funded as determined by an actuarial valuation, pay an amount into the Teachers' Pension Fund that is in addition to the employer contribution for current service costs. The additional amount paid during the fiscal year ended 31 March 1999 was $ 57.0 million ($ 54.9 million for 1998). In each subsequent fiscal year the additional amount to be paid will be the amount paid in the previous fiscal year increased (or decreased) by the aggregate of 2% plus the average percentage change in the Consumer Price Index.

6. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 April 1999 by Morneau Sobeco.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	**Short-term Assumptions**
Rate of return on assets	8.42%	8.42%
Annual wage and salary increase	4.5% plus promotional increase between 0.20% and 1.0%	2.0 % to 4.5%
Inflation	4.0%	2.0% to 3.0%
Rate of pension escalation after retirement	3.6%	2.0% to 3.6%

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

6. Obligation for Pension Benefits (continued)

The actuarial present value of benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

	(in millions) 1999	1998
Actuarial present value of accrued pension benefits at beginning of year	$ 2,349.11	$ 2,185.19
Interest accrued on benefits	195.52	182.12
Benefits accrued	57.92	57.29
Benefits paid	(112.09)	(101.72)
Change in assumptions	-	4.53
Experience loss (gain)	(8.91)	21.70
Actuarial present value of accrued pension benefits at end of year	$ 2,481.55	$ 2,349.11
Net assets available for benefits	$ 2,525.28	$ 2,534.91

7. Investments in Plan Sponsor

As at 31 March 1999, the Teachers' Plan held 51% of the total nominal bond unit trust fund of $1,899,377,598. Of this total, $ 25,009,613 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities and $5,997,120 of Strait Crossing Finance Inc. bonds. The Teachers' Pension Plan 's share of the total $ 28,104,465 in the New Brunswick Bond Fund was $ 14,356,196.

As at 31 March 1998, the Plan held Province of New Brunswick and Province of New Brunswick guaranteed securities totalling $ 34.4 million.

8. Comparative Figures

Prior year's figures have been restated where necessary to conform to the 1999 presentation.

9. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

9. Uncertainty due to the Year 2000 Issue (continued)

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

TRUST FUND NO. 8

GROUP INSURANCE TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 8
GROUP INSURANCE TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 150,169	$ 244,824
Receivable from Assumption Mutual Life Insurance Company	5,061,937	4,029,861
Accrued interest receivable	14,245	12,288
	5,226,351	4,286,973
Investments (market value $787,696) (Note 3)	741,000	600,000
Deferred Charges:		
Unamortized premiums less discounts	11,165	6,965
	$ 5,978,516	$ 4,893,938

LIABILITIES AND FUND EQUITY

	1999	1998
Fund equity	5,978,516	4,893,938
	$ 5,978,516	$ 4,893,938

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 4,893,938	$ 2,369,139
Add:		
Bank interest	8,506	4,415
Interest earned on investments	50,884	39,281
Net gain on disposal of investments	---	492
Amortization of premiums less discounts	(6,888)	(1,594)
Group Insurance refund (deficiency)	1,032,076	2,482,205
	1,084,578	2,524,799
Fund equity at end of year	$ 5,978,516	$ 4,893,938

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

TRUST FUND NO. 8
GROUP INSURANCE TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The Group Insurance Trust Fund is held in trust by the Minister of Finance. The Fund is used as a rate stabilization fund by charging or crediting annual plan deficits or surpluses to the Fund. The Fund is also used for special purpose expenditures.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

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

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized discounts are reported separately on the statement as deferred credits.

c) Discounts

Discounts are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 1999 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by Canada	$150,000	$149,562	$183,650
Bonds and debentures issued or guaranteed by New Brunswick	350,000	352,660	352,575
Bonds and debentures issued or guaranteed by other Provinces	241,000	249,933	251,471
	$741,000	$752,155	$787,696

4. Uncertainty due to Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 9

MENTAL HEALTH TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 9
MENTAL HEALTH TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS

	1999	1998
Current:		
Cash	$ 36,547	$ 13,215
Accrued interest receivable	13,288	13,759
	49,835	26,974
Investments (market value $618,129) (Note 3)	578,000	568,000
Unamortized premiums less discounts	5,056	(2,063)
	$ 632,891	$ 592,911

FUND EQUITY

	1999	1998
Fund equity	632,891	592,911
	$ 632,891	$ 592,911

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 592,911	$ 556,679
Add:		
Bank interest	1,570	3,630
Interest earned on investments	38,993	33,199
	40,563	36,829
Deduct:		
Amortization of premiums less discounts	583	597
Fund equity at end of year	$ 632,891	$ 592,911

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

TRUST FUND NO. 9
MENTAL HEALTH TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

Treasury Board Minute 77-140 directed that the bequest to the Province from the Estate of Caroline deLancy Torrie be held in a Trust Fund to be administered by the Department of Finance. As stipulated in the will, the funds are to be used for the treatment, by psychoanalysis, of deserving New Brunswickers.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

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

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 1999 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$468,000	$465,827	$497,311
Bonds and debentures issued or guaranteed by other Provinces	110,000	117,229	120,818
	$578,000	$583,056	$618,129

4. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

FINANCIAL STATEMENTS

JUDGES' SUPERANNUATION PLAN

31 MARCH 1999

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Judges' Superannuation Plan as at 31 March 1999 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 March 1999 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
15 October 1999

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 1999

		1999		1998
ASSETS				
Investments (note 3)	$	16,965,072	$	16,323,168
Accrued interest and dividends		-		115,761
Total assets		16,965,072		16,438,929
LIABILITIES				
Accounts payable		2,439		103,669
Total liabilities		2,439		103,669
NET ASSETS AVAILABLE FOR BENEFITS	$	16,962,633	$	16,335,260

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 1999

	1999	1998
INCREASE IN ASSETS		
Investment income (loss) (note 4)	$ (247,202)	$ 2,811,485
Pension contributions		
Employee	214,921	178,952
Province of New Brunswick	1,765,000	1,734,000
Total increase in assets	1,732,719	4,724,437
DECREASE IN ASSETS		
Pensions	1,088,986	1,039,900
Investment management fees	16,360	13,178
Total decrease in assets	1,105,346	1,053,078
INCREASE IN NET ASSETS	627,373	3,671,359
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	16,335,260	12,663,901
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 16,962,633	$ 16,335,260

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

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan

The following description of the Judges' Superannuation Plan is a summary only. For more information, reference should be made to the Provincial Court Act.

(a) General

The Plan is a contributory defined benefit pension plan covering all Provincial Court Judges. The Judges' Superannuation Plan is established under the authority of the Provincial Court Act and its regulations.

(b) Funding Policy

Under the Plan, contributions are made by the Plan members and the Plan sponsor. The determination of the value of benefits owed by the Plan is made on the basis of an actuarial valuation (see note 5).

(c) Service Pensions

Pension benefits are equal to 60 % of the final salary less 0.7 % of the 3 year average of the year's maximum pensionable earnings (YMPE) for each year of pensionable service after 31 August 1966. Pension benefits are indexed annually to a maximum of 6 %.

Normal retirement is at age 65. Mandatory retirement is at age 75. Unreduced benefits are available at age 60 with 25 years of service or at age 65 with 10 years of service.

(d) Disability Pensions

A disability pension is available with a minimum of 2 years of service. The amount of the disability pension is the same as calculated in (c).

(e) Death Benefits

In the event of death in service, the member's contributions with interest to the date of death will be refunded to the designated beneficiary or estate. However, if the member was entitled to a vested pension, a spousal pension of 50 % of the pension benefit accrued is payable and if there is no spouse but there is a child, a pension is paid in respect of the child until age 18. If a member dies after retirement, payments will be continued to the member's spouse for the balance of his/her lifetime at 50 % of the amount payable to the member.

(f) Benefits on Termination

On termination of employment, prior to entitlement to a pension, a member will receive a refund of his own contributions, accumulated with interest, to the date of termination. Otherwise, a member is entitled to a deferred pension.

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

1. Description of Plan (continued)

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

On 1 April 1998, the assets of the Judges' Superannuation Plan were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plan are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices are used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

Both realized and unrealized gains and losses are included in investment income.

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments

(a) Trustee

The assets of the Judges' Superannuation Plan are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Fund's assets effective 1 April 1996.

(b) Investments

There are currently 11 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

All of the funds were launched on 1 April 1998 with the exception of the Student Investment Fund, which was launched on 8 September 1998.

Following is a description of each unit trust fund:

Canadian Equity:

Investments are selected primarily from the top 100 companies on the Toronto Stock Exchange. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

Allocation Equity:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in G-7 equity markets. Its primary investments are futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate amount of cash.

New Brunswick Equity:

This fund invests in public and private equities of New Brunswick companies. The return objective is to add 75 basis points to its benchmark, the TSE 300, over a four-year moving average.

EAFE Equity:

Managed by an external manager, this fund invests in the equity markets of Europe, Australia and the Far East. The return objective is to exceed the performance of its benchmark, the Morgan Stanley EAFE Index.

Canadian Small Capitalization Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of Canadian companies having a total net value of less than $ 250 million. The return objective is to exceed the performance of its benchmark, the Nesbitt Burns Small-Cap Index.

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

United States Equity:

Managed by an external manager, this fund invests primarily in publicly traded equity of US companies. The return objective is to exceed the performance of its benchmark, the S&P 500.

Nominal Bond:

Invests primarily in investment grade bonds (triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Bond:

Invests in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 25 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 20 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 10 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% TSE 300, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index.

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

The comparative amounts for 1998 present a summary of the composition of investments held directly by the Judges' Superannuation Plan in various securities and investment vehicles at 31 March 1998. The 1999 figures reflect the holdings of the Judges' Superannuation Plan in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	1999 Amount	1998 Amount
Fixed Income				
Nominal Bond	5,158	$ 1,014	$ 5,233,307	
New Brunswick Bond	69	1,074	74,298	
			5,307,605	$ 5,015,289
Inflation Linked Securities	1,793	990	1,777,107	1,653,316
Money Market	925	1,007	931,934	1,005,062
			8,016,646	7,673,667
Equities				
Allocation Equity	1,236	1,016	1,256,485	
EAFE Equity	8	1,106	9,604	
New Brunswick Equity	47	1,093	51,992	
Canadian Equity	7,677	903	6,939,965	
Canadian Small Capitalization Equity	625	818	511,415	
Student Investment	3	1,062	3,847	
United States Equity	148	1,178	175,118	
			8,948,426	8,649,501
			$ 16,965,072	**$ 16,323,168**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to futures changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

3. Investments (continued)

Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries. Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The comparative amounts for 1998 present a summary of the composition of income earned on investments held directly by the Judges' Superannuation Plan in various securities and investment vehicles for the year ended 31 March 1998.

The 1999 figures reflect the investment income of the Judges' Superannuation Plan in each of the unit trust plans for which NBIMC is trustee for the year ended 31 March 1999.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income				
Nominal Bond	$ 276,231	$ -	$ 22,310	$ 298,541
New Brunswick Bond	2,864	-	4,557	7,421
	279,095	-	26,867	305,962
Inflation Linked Securities	76,090	-	5,101	81,191
Money Market	41,700	-	-	41,700
	396,885	-	31,968	428,853
Equities				
Allocation Equity	93,206	68	(200,924)	(107,650)
EAFE Equity	(4)	654	27,813	28,463
New Brunswick Equity	81	178	4,408	4,667
Canadian Equity	1,212	144,948	(752,594)	(606,434)
Canadian Small Capitalization Equity	75	1,202	(28,889)	(27,612)
Student Investment	66	-	222	288
United States Equity	27	1,834	30,362	32,223
	94,663	148,884	(919,602)	(676,055)
Total - 1999	**$ 491,548**	**$ 148,884**	**$ (887,634)**	**$ (247,202)**
Total - 1998	**$ 324,975**	**$ 128,475**	**$ 2,358,035**	**$ 2,811,485**

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

5. Funding Policy

Members are required to contribute 5.8 % of their earnings up to the YMPE plus 7.5 % on earnings above the YMPE. The plan sponsor must contribute an amount not less than an amount equal to member contributions. If at any time the Fund is insufficient to make all payments required under the Plan, the sponsor must contribute an amount sufficient to fund the shortfall.

The most recent actuarial valuation for funding purposes was prepared by William M. Mercer Ltd., a firm of consulting actuaries, as of 31 March 1992. This valuation disclosed an unfunded liability at 31 March 1992.

6. Obligation for Pension Benefits

The present value of accrued pension benefits was determined using the accrued benefit actuarial cost method, prorated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 31 March 1992 by William M. Mercer Ltd., and was then extrapolated to 31 March 1999.

Significant long-term assumptions used in the valuation are:

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

The actuarial present value of benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

	(in millions)	
	1999	**1998**
Actuarial present value of accrued pension benefits at beginning of year	$ 27.54	$ 25.70
Interest accrued on benefits	2.24	2.09
Benefits accrued	0.94	0.79
Benefits paid	(1.09)	(1.04)
Actuarial present value of accrued pension benefits at end of year	$ 29.63	$ 27.54
Net assets available for benefits	$ 16.96	$ 16.34

TRUST FUND NO. 10
JUDGES' SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 1999

7. Investments in Plan Sponsor

As at 31 March 1999, the Judges' Superannuation Plan held 0.3% of the total nominal bond unit trust fund of $1,899,377,598. Of this total, $25,009,613 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities and $5,997,120 of Strait Crossing Finance Inc. bonds. The Judges' Superannuation Plan's share of the total $28,104,465 in the New Brunswick Bond Fund was $74,298.

As at 31 March 1998, the Plan held Province of New Brunswick securities totalling $ 0.3 million.

8. Comparative Figures

Prior year's figures have been restated where necessary to conform to the 1999 presentation.

9. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Plan, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 16

MARGARET R. LYNDS BEQUEST

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 16
MARGARET R. LYNDS BEQUEST
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 12,839	$ 11,775
Accrued interest receivable	2,594	2,543
	15,433	14,318
Investments (market value $114,055) (Note 3)	105,000	105,000
Deferred Charges:		
Unamortized premiums less discounts	714	1,703
	$ 121,147	$ 121,021
FUND EQUITY		
Fund equity	$ 121,147	$ 121,021

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 121,021	$ 121,144
Add:		
Bank interest	601	339
Interest earned on investments	9,488	9,655
	10,089	9,994
Deduct:		
Payment of E. Belle Lynds Scholarships	8,973	9,096
Amortization of premiums less discounts	990	1,021
	9,963	10,117
Fund equity at end of year	$ 121,147	$ 121,021

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

TRUST FUND NO. 16
MARGARET R. LYNDS BEQUEST
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The Margaret R. Lynds Bequest Fund is held in trust by the Minister of Finance under the authority of the Last Will and Testament of Margaret R. Lynds, and a Decree Varying Trust issued by the Court of Queen's Bench of New Brunswick. Investment Income from the Fund is used to award a maximum of three annual scholarships, of equal value, to students pursuing the study of communications at specified Universities. For the year ending 31 March 1999, three scholarships were awarded.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

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

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges.

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 1999 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$95,000	$95,895	$102,310
Bonds and debentures issued or guaranteed by other Provinces	10,000	9,818	11,745
	$105,000	$105,713	$114,055

4. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 19

THE NEW BRUNSWICK POWER CORPORATION SINKING FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 78,328	$ 48,594
Short term deposits (par value $12,500,000)	12,198,560	13,987,631
Accrued interest receivable	3,099,236	3,800,901
	15,376,124	17,837,126
Investments (market value $99,993,022) (Note 2)	88,405,000	132,985,000
Deferred charges:		
Unamortized premiums less discounts	6,269,734	1,820,316
	$ 110,050,858	$ 152,642,442

FUND EQUITY		
Fund equity	$ 110,050,858	$ 152,642,442
	$ 110,050,858	$ 152,642,442

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

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 152,642,442	$ 159,331,920
Add:		
Bank interest	5,651	2,816
Interest earned on investments	12,663,049	14,315,959
Net gain on disposal of debentures	1,689,996	271,202
Sinking fund instalments	5,500,000	5,993,480
Amortization of discounts less premiums	26,812	143,733
	19,885,508	20,727,190
Deduct:		
Funds provided for redemption of debentures:		
10.25% 21 December 2003	62,477,092	-
11.00% 1 October 1999	-	27,416,668
	62,477,092	27,416,668
Fund equity at end of year	$ 110,050,858	$ 152,642,442

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

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. Summary of Significant Accounting Policies

a) The Accounting Entity

The New Brunswick Power Corporation Sinking Fund is held in trust by the Minister of Finance under the authority of Section 15 of the Electric Power Act. The Act provides that the Corporation shall pay to the Minister such payments for sinking fund purposes as may be required by the terms of any bond or debenture issue and such funds shall be retained and invested for the account of the Corporation to make payment at the maturity of any such bonds or debentures.

b) Accrual Accounting

Interest earned on investments is reported on the statement of activity on the accrual basis.

c) Foreign Currency Translation

Investments and accrued interest receivable on securities held in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Unrealized gains and losses arising on translation of long-term investments are deferred and amortized to income on a straight line basis over the remaining life of the related security.

d) Valuation of Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized discounts less premiums and the unamortized balance of unrealized foreign exchange gains or losses are reported separately on the statement as deferred credits or charges. Short term deposits are reported on the statement of financial position at cost.

e) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

For investments in bonds and debentures in foreign currencies, the cost of investments is amortized to Canadian dollar par value, calculated as foreign currency par value at the exchange rate at the date the fund purchased the investment.

2. Investments

Value of the investments at 31 March 1999 is as follows:

	Par Value	Carrying Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$ 62,405,000	$ 69,272,074	$ 72,382,172
Bonds and debentures issued or guaranteed by other provinces	26,000,000	25,402,660	27,610,850
	$ 88,405,000	$ 94,674,734	$ 99,993,022

TRUST FUND NO. 20

VISCOUNT BENNETT BEQUEST

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 20
VISCOUNT BENNETT BEQUEST
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 10,986	$ 14,763
Accrued interest receivable	4,575	4,587
	15,561	19,350
Investments (market value $224,372) (Note 3)	203,000	203,000
Deferred Charges:		
Unamortized premiums less discounts	2,050	3,533
	$ 220,611	$ 225,883
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Unexpended trust income (Note 4)	$ 17,581	$ 22,853
Fund equity	203,030	203,030
	$ 220,611	$ 225,883

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 203,030	$ 200,030
Add:		
Bank interest	558	608
Gain on sale of investments	---	502
Interest earned on investments	17,918	17,424
Grant from Municipalities, Culture and Housing	---	3,000
	18,476	21,534
Deduct:		
Amortization of premiums less discounts	1,483	1,654
Trust income available for expenditure	16,993	16,880
	18,476	18,534
Fund equity at end of year	$ 203,030	$ 203,030

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

TRUST FUND NO. 20
VISCOUNT BENNETT BEQUEST
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The Viscount Bennett Bequest is held in trust by the Minister of Finance under the authority of Board of Management Minute 88-0051. The income from the fund is used for the development of the Province's historic resources.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

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

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges.

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 1999 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$173,000	$175,594	$189,137
Other bonds and debentures	30,000	29,456	35,235
	$203,000	$205,050	$224,372

4. Unexpended Trust Income

Unexpended trust income from the date of inception of the fund is recorded on the balance sheet as a current liability. This represents the amount available for expenditure for the purposes of the trust.

Changes in the balance of unexpended trust income during the year were as follows:

Unexpended trust income at beginning of year	$22,853
Add: Trust income for the year	16,993
	39,846
Less: Grants paid	22,265
Unexpended trust income at end of year	$17,581

TRUST FUND NO. 20
VISCOUNT BENNETT BEQUEST
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

5. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 23

ARTS DEVELOPMENT TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 23
ARTS DEVELOPMENT TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 87,380	$ 35,518
Short term deposits (par value $800,000)	800,000	800,000
Lottery revenue receivable	300,000	—
Accrued interest receivable	456	160
	$ 1,187,836	$ 835,678

LIABILITIES AND FUND EQUITY

	1999	1998
Current liabilities:		
Accounts payable	$ 90,806	$ 39,457
Fund equity	1,097,030	796,221
	$ 1,187,836	$ 835,678

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 796,221	$ 752,031
Add:		
Lottery revenues	700,000	400,000
Investment income	39,548	28,026
Bank interest	3,811	753
	743,359	428,779
Deduct:		
Arts development expenditures	442,550	384,589
Fund equity at end of year	$ 1,097,030	$ 796,221

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

TRUST FUND NO. 23
ARTS DEVELOPMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The Arts Development Trust Fund is established under the authority of the Arts Development Trust Fund Act. The Act provides that the net profits of the Lotteries Commission of New Brunswick from the lottery scheme designated under paragraph 11.1(a) of the Lotteries Act shall be paid into the Fund. In the event that the amount paid pursuant to paragraph 11.1(a) does not total seven hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals seven hundred thousand dollars shall be paid into the Fund. The Fund is held in trust by the Minister of Finance and assets of the Fund are used to provide grants to individuals and arts organizations so as to promote artistic creation and excellence in the Arts.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

b) Short Term Deposits

Short term deposits are reported on the statement of financial position at cost.

3. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition. similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 24

SPORT DEVELOPMENT TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 24
SPORT DEVELOPMENT TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 176,731	$ 180,189
Accrued interest receivable	841	709
	$ 177,572	$ 180,898

LIABILITIES AND FUND EQUITY

	1999	1998
Current liabilities:		
Accounts payable	$ 80,708	$ 86,438
Fund equity	96,864	94,460
	$ 177,572	$ 180,898

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 94,460	$ 96,099
Add:		
Lottery revenues	400,000	400,000
Investment income	3,941	---
Bank interest	4,139	4,837
	408,080	404,837
Deduct:		
Sport development expenditures	405,676	406,476
Fund equity at end of year	$ 96,864	$ 94,460

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

TRUST FUND NO. 24
SPORT DEVELOPMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The Sport Development Trust Fund is established under the authority of the Sport Development Trust Fund Act. The Act provides that the net profits of the Lotteries Commission of New Brunswick from the lottery scheme designated under paragraph 11.1(b) of the Lotteries Act shall be paid into the Fund. In the event that the amount paid pursuant to paragraph 11.1(b) does not total four hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals four hundred thousand dollars shall be paid into the Fund. The Fund is held in trust by the Minister of Finance and assets of the Fund are used to provide grants to individual athletes and sport organizations to promote leadership and excellence in sport.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

b) Short Term Deposits

Short term deposits are reported on the statement of financial position at cost.

3. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 25

NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 25
NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 164,904	$ 60,265
Accrued interest receivable	616	418
	$ 165,520	$ 60,683

LIABILITIES AND FUND EQUITY	1999	1998
Current liabilities:		
Accounts payable	$ 64,053	$ 60,683
Fund equity	101,467	---
	$ 165,520	$ 60,683

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ ---	$ ---
Add:		
Public donations	---	30,132
Department of Municipalities and Housing grant	99,800	30,133
Bank interest	1,667	418
	101,467	60,683
Deduct:		
Grant earned by the Foundation	---	60,683
Fund equity at end of year	$ 101,467	$ ---

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

TRUST FUND NO. 25
NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

The New Brunswick Public Libraries Trust Fund is established under the authority of the New Brunswick Public Libraries Foundation Act. The Fund is held in trust by the Minister of Finance. The purpose of the Foundation includes receiving gifts of real and personal property to support public libraries and public library services in the Province.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

3. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

4. Comparative Figures

Prior year's figures have been restated where necessary to conform to the 1999 presentation.

FINANCIAL STATEMENTS

PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS

31 DECEMBER 1998

Office of the Auditor General

Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for CUPE Employees of New Brunswick Hospitals as at 31 December 1998 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 December 1998 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N.B.
20 September 1999

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 1998

	1998	1997
ASSETS		
Investments		
Money market instruments	$ 8,557,260	$ 11,926,851
Bonds and debentures	107,452,225	130,505,095
Canadian common stocks	108,795,360	89,844,075
Foreign common stocks	43,759,543	16,977,270
	268,564,388	249,253,291
Receivables		
Employee contributions	511,356	514,440
Transfer from Hôtel Dieu Pension Plan	-	238,346
Accrued interest and dividends	1,807,784	2,351,221
	2,319,140	3,104,007
Cash	271,742	254,558
Total assets	271,155,270	252,611,856
LIABILITIES		
Accounts payable	969,030	1,325,739
Deferred Credit		
Pension education fund (Note 3)	88,864	81,377
Total liabilities	1,057,894	1,407,116
NET ASSETS AVAILABLE FOR BENEFITS	$ 270,097,376	$ 251,204,740

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
INCREASE IN ASSETS		
Investment income		
Interest	$ 9,261,251	$ 9,432,814
Dividends	3,197,158	2,440,988
Current period increase in market value of investments	11,218,965	11,430,234
Pension contributions		
Employee	4,030,058	4,048,170
Transfer from Hôtel Dieu Pension Plan	-	238,346
Total increase in assets	27,707,432	27,590,552
DECREASE IN ASSETS		
Pensions	6,430,804	5,563,318
Refunds	1,155,727	828,587
Administrative expenses	665,122	600,916
Investment management fees	469,721	365,418
Custodial fees	71,305	52,337
Performance measurement fees	14,630	7,000
Pension education fund - interest earned (Note 3)	7,487	7,465
Total decrease in assets	8,814,796	7,425,041
INCREASE IN NET ASSETS	18,892,636	20,165,511
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	251,204,740	231,039,229
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 270,097,376	$ 251,204,740

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

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan

The following description of the Pension Plan for CUPE Employees of New Brunswick Hospitals is a summary only. For more information, reference should be made to the Plan Agreement.

(a) General

The Plan is a contributory defined benefit pension plan covering CUPE Employees of New Brunswick Hospitals and Fundy Linen Inc. The Plan is administered by the Department of Finance.

(b) Funding Policy

Contributions are made by the Plan members and the Plan sponsor to fund the benefits determined under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 4).

(c) Service Pensions

Normal retirement pension is 1.5% (for service before 1990) and 1.4% (for service after 1989) of the average annual salary during the highest paid continuous 5 year period up to the year's maximum pensionable earnings (YMPE) and 2% of the average salary above the YMPE multiplied by the number of years of pensionable service. The pension continues for the lifetime of the pensioner or for 60 months whichever is the longer. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

A member may elect from one of three optional forms of pensions being: 1) life pension with no guarantee period; 2) life pension with guarantee period of 10 years or 3) joint life and last survivor pension.

Normal retirement age is 65. Unreduced pension benefits are available at age 63 with 5 years of continuous employment. Effective 1 April 1996 to 30 June 1999, members can retire at age 60 with 5 years of continuous employment and receive an unreduced pension. Reduced benefits are available at age 55 with 5 years of continuous employment.

(d) Disability Pensions

A disability pension is not provided for under the terms of the Plan Agreement.

(e) Death Benefits

If a member dies prior to retirement and before completing 5 years continuous employment, the benefit payable to his beneficiary or estate is a refund of all contributions made by the member with accumulated interest.

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan (Continued)

If a member dies after December 31, 1997 and prior to retirement and has completed 5 or more years of continuous employment, the beneficiary or estate shall be paid the Commuted Value. The Commuted Value is, as at the date of the member's death, the deferred pension to which the member would have been entitled had the member's continuous employment terminated just prior to their death. In addition, excess contributions (if applicable) to which the member would have been entitled would be refunded to the designated beneficiary or estate.

If a member dies after December 31, 1997 and after retirement, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member.

(f) Benefits on Termination

A member who has less than five years of continuous employment and is terminated is entitled to a refund of contributions made to the Plan with accumulated interest.

A member with more than five years continuous employment who is terminated may elect to receive a deferred pension commencing on his normal retirement date or an amount equal to the Commuted Value of the deferred pension as at the date of the member's termination. The Commuted Value of the deferred pension is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments, which are carried at cost.

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Pension Education Fund

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

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

	1998	1997
Pension Education Fund, beginning of year	$ 81,377	$ 73,912
Add: Interest earned	7,487	7,465
Less: Expenses paid	-	-
Pension Education Fund, end of year	$ 88,864	$ 81,377

4. Funding Policy

In accordance with the Plan Agreement, employees are required to contribute 4.5% of their earnings up to the year's maximum pensionable earnings (YMPE) and 6% on the earnings above the YMPE. The employer is required to contribute an amount necessary in the opinion of an actuary based on an actuarial valuation, which when combined with employee contributions will provide for the benefits stipulated under the Plan.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 January 1997. This valuation disclosed that accrued benefits are fully funded.

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

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

5. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 1997 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 1998.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	8.42%	8.42%
Annual wage and salary increase	4.5%	2.0% to 4.5%
Inflation	4.0%	2.0% to 3.0%
Rate of pension escalation after retirement	2.0%	2.0%

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions) 1998	1997
Actuarial present value of accrued pension benefits at beginning of year	$ 160.96	$ 148.03
Plan amendments	2.74	-
Interest accrued on benefits	13.52	12.48
Benefits accrued	6.72	6.84
Benefits paid	(7.59)	(6.39)
Actuarial present value of accrued pension benefits at end of year	$ 176.35	$ 160.96
Net assets available for benefits	$ 270.10	$ 251.20

6. Subsequent Events

As authorized under Board of Management Minute 99.0078, the following items were approved, subject to certain conditions:

- A joint trustee governance model for the Pension Plan for CUPE Employees of New Brunswick Hospitals that would come into effect March 15, 1999;
- The payment of approximately $63 million to the Pension Plan for CUPE Employees of New Brunswick Hospitals.

TRUST FUND NO. 26
PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

6. Subsequent Events (continued)

The Board also recognized that certain proposed plan improvements would be effective retroactive to January 1, 1997 upon the approval of the new Board of Trustees.

7. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Plan, including those related to the efforts of third parties, will be fully resolved.

TRUST FUND NO. 29

ENVIRONMENTAL TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1999

TRUST FUND NO. 29
ENVIRONMENTAL TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 1999

ASSETS	1999	1998
Current:		
Cash	$ 112,589	$ 74,828
Short term deposits (par value $ 3,700,000)	3,700,000	3,300,000
Environmental fees receivable	1,063,247	1,054,036
Accrued interest receivable	832	659
	$ 4,876,668	$ 4,429,523

LIABILITIES AND FUND EQUITY	1999	1998
Current liabilities:		
Accounts payable	$ 3,069,777	$ 3,002,760
Fund equity	1,806,891	1,426,763
	$ 4,876,668	$ 4,429,523

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 1999

	1999	1998
Fund equity at beginning of year	$ 1,426,763	$ 1,633,406
Add:		
Environmental fees	4,568,969	4,343,255
Video gaming revenues	10,000,000	10,000,000
Interest earned on investments	356,775	271,393
Bank interest	5,332	6,089
	14,931,076	14,620,737
Deduct:		
Expenditures	14,550,948	14,827,380
Fund equity at end of year	$ 1,806,891	$ 1,426,763

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

TRUST FUND NO. 29
ENVIRONMENTAL TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 1999

1. General

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

Under the Environmental Trust Fund Act, the Minister of Finance is the custodian and Trustee of the Fund. The assets of the Fund are to be used to pay for costs incurred to provide for environmental protection and restoration, and to promote the sustainable development of natural resources within the Province.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are recorded on the accrual basis.

b) Short Term Deposits

Short term deposits are reported on the statement of financial position at cost.

3. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of third parties, will be fully resolved.

FINANCIAL STATEMENTS

Pension Plan for Management Employees of New Brunswick School Districts

31 DECEMBER 1998

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for Management Employees of New Brunswick School Districts as at 31 December 1998 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 December 1998 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
28 September 1999

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 1998

	1998	1997
ASSETS		
Investments		
Money market instruments	$ 114,482	$ 159,780
Bonds and debentures	9,102,688	9,374,569
Canadian common stocks	6,167,022	5,606,606
Foreign pooled equities	2,365,948	2,003,637
	17,750,140	17,144,592
Receivables		
Accrued interest and dividends	120,612	141,297
Cash	4,413	9,386
Total assets	17,875,165	17,295,275
LIABILITIES		
Accounts payable	4,480,692	117,166
Total liabilities	4,480,692	117,166
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,394,473	$ 17,178,109

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
INCREASE IN ASSETS		
Investment income		
Interest	$ 594,576	$ 476,555
Dividends	136,975	268,349
Current period increase in market value of investments	520,815	739,973
Total increase in assets	1,252,366	1,484,877
DECREASE IN ASSETS		
Members electing to transfer past service to Public Service Superannuation Plan (note 4)	4,415,858	-
Pensions	574,833	536,556
Refunds	3,539	77,714
Administrative expenses	-	7,815
Investment management fees	28,247	28,615
Custodial fees	13,525	8,019
Total decrease in assets	5,036,002	658,719
INCREASE (DECREASE) IN NET ASSETS	(3,783,636)	826,158
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	17,178,109	16,351,951
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 13,394,473	$ 17,178,109

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

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan

The following description of the Pension Plan for Management Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Plan Agreement.

(a) General

The Plan is a contributory defined benefit pension plan which provides retirement benefits for Management Employees of New Brunswick School Districts and their dependents. The Plan is administered by the Department of Finance.

(b) Funding Policy

Prior to September 1, 1996, plan members contributed a percentage of their salaries and the employer was required to contribute the balance of the cost of providing accrued benefits under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

Effective September 1, 1996, all active contributors to the plan ceased and those individuals still employed commenced membership in the Public Service Superannuation Plan.

(c) Service Pensions

Effective January 1996, normal retirement pension equals 2.0% (for service before 1990) and 1.5% (for service after 1989) of average annual salary during the highest paid continuous 5 years up to the year's maximum pensionable earnings (YMPE) and 2% of the average salary above the YMPE multiplied by the number of years of pensionable service. The pension continues for the lifetime of the pensioner. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 3%.

Normal retirement age is 65. Unreduced pension is available at age 60 with 5 years of pensionable service. Reduced benefits are available at age 55 with 5 years pensionable service.

A past service grant was provided for services rendered between January 1, 1967 and March 1, 1974 for individuals hired as management employees of NB School Boards prior to March 1, 1974 who have been continuously employed by a School Board and who were active contributors to the plan at January 1, 1996.

Individuals had until December 31, 1996 to decide on the following options with respect to accrued benefits under the said plan:

a) take advantage of the intra-provincial reciprocal pension transfer agreement,
b) transfer the value of their pension to the Public Service plan, or
c) obtain a refund of contributions with interest, which was only permitted if the individual was not successful in obtaining employment covered by the Public Service Superannuation Act.

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan (Continued)

(d) Disability Pensions

A disability pension is not provided for under the terms of the Plan Agreement.

(e) Death Benefits

If a vested member dies after retirement and has a spouse or dependent children then an immediate 50% spouse's or dependent's pension is payable. If a member dies prior to retirement a refund of the member's required contributions with interest is payable to the deceased member's beneficiary.

(f) Benefits on Termination

Upon termination of employment, a member who has less than five years of pensionable service is entitled to a refund of contributions made to the Plan with accumulated interest. A member with more than five years pensionable service may elect to receive an annual pension payable commencing on his normal retirement date or a refund of contributions made to the Plan with accumulated interest.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments which are carried at cost.

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

2. Summary of Significant Accounting Policies (continued)

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Funding Policy

This Plan is being curtailed. All former members have been given the option to transfer their benefits to the Public Service plan or to take a deferred pension from this Plan. There are no current contributors to the Plan.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 September 1996. This valuation disclosed fully funded accrued benefits as at 1 September 1996.

4. Obligation for Pension Benefits

The present value of accrued pension benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 1993 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 1998.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	**Short-term Assumptions**
Rate of return on assets	8.16%	6.08% to 7.64%
Annual wage and salary increase	4.75%	1.5% to 4.0%
Inflation	4.00%	2.0% to 3.5%
Rate of pension escalation after retirement	2.00%	2.0%

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

4. Obligation for Pension Benefits (Continued)

	(in millions) 1998	1997
Actuarial present value of accrued pension benefits at beginning of year	$ 10.49	$ 10.48
Plan amendments	3.04	-
Restated actuarial present value of accrued pension benefits at beginning of year	13.53	10.48
Interest accrued on benefits	0.80	0.62
Transfer to Public Service Superannuation Plan	(4.42)	-
Benefits paid	(0.58)	(0.61)
Actuarial present value of accrued pension benefits at end of year	$ 9.33	$ 10.49
Net assets available for benefits	$ 13.39	$ 17.18

Members in the Plan as at 1 January 1996 had to elect by 31 March 1998 whether they wished to transfer service from the Plan to the Public Service Superannuation Plan or elect a deferred pension. This information was received during 1998 and the value of the transfer calculated by the actuary was $4.32 million as at 31 March 1998. This amount, accumulated with interest to the date of transfer, will be transferred to the Public Service Superannuation Plan during 1999. As at 31 December 1998, the estimated amount to be transferred is $4.42 million.

5. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Plan, including those related to the efforts of third parties, will be fully resolved.

FINANCIAL STATEMENTS

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

31 DECEMBER 1998

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts as at 31 December 1998 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 December 1998 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
30 June 1999

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 1998

	1998	1997
ASSETS		
Investments		
Money market instruments	$ 21,918,697	$ 2,572,030
Bonds and debentures	39,948,158	68,694,670
Canadian equities	47,120,005	41,497,701
Foreign equities	25,660,955	14,183,389
	134,647,815	126,947,790
Receivables		
Employee contributions	21,300	200,414
Employer contributions	58,359	160,100
Accrued interest and dividends	618,255	1,038,237
Accounts receivable - other	390	-
	698,304	1,398,751
Cash	128,209	(950,774)
Total assets	135,474,328	127,395,767
LIABILITIES		
Accounts payable	680,672	814,487
Total liabilities	680,672	814,487
NET ASSETS AVAILABLE FOR BENEFITS	$ 134,793,656	$ 126,581,280

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
INCREASE IN ASSETS		
Investment income		
Interest	$ 4,147,567	$ 3,435,110
Dividends	1,739,490	1,930,091
Current period increase in market value of investments	3,952,762	5,146,086
Pension contributions		
Employee	1,954,657	2,050,618
Employer	1,869,496	1,921,156
Total increase in assets	13,663,972	14,483,061
DECREASE IN ASSETS		
Pensions	4,235,785	3,768,886
Refunds	580,802	162,860
Administrative expenses	404,621	293,133
Investment management fees	211,545	206,625
Custodial fees	15,313	39,057
Performance measurement fees	3,530	3,500
Total decrease in assets	5,451,596	4,474,061
INCREASE IN NET ASSETS	8,212,376	10,009,000
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	126,581,280	116,572,280
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 134,793,656	$ 126,581,280

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

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan

The following description of the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Plan Agreement.

(a) General

The Plan is a contributory defined benefit pension plan covering General Labour, Trades and Services Employees of New Brunswick School Districts . The Plan is administered by Morneau Sobeco.

(b) Funding Policy

Contributions are made by the Plan members and the Plan sponsor to fund the benefits determined under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

(c) Service Pensions

Effective April 1, 1998, normal retirement pension equals 1.75% (for service before 1997) of average annual salary during highest paid consecutive 5 years up to the year's maximum pensionable earnings (YMPE) and 2% (for service before 1997) of the average salary above the YMPE multiplied by the number of years of pensionable service plus 1.4% (for service after 1997) of average annual salary during highest paid consecutive 5 years multiplied by the number of years of pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

Any member who retired prior to April 1, 1998 who retained the right to a benefit will receive a cost of living adjustment in their lifetime benefit. After the cost of living adjustment, a further increase of 5.1% will be applied to their lifetime pension.

A member may elect from one of three optional forms of pensions being: 1) life pension with no guarantee period; 2) life pension with guarantee period of 5 or 10 years or 3) joint life and last survivor pension. There is also supplementary pension benefits available when the normal retirement pension is less than $1,500 per year.

Normal retirement age is 65. Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available on retirement as early as age 55 with 5 years of continuous employment. Bridging benefits are available for early retirement.

(d) Disability Pensions

A disability pension is not provided for under the terms of the Plan Agreement.

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan (Continued)

(e) Death Benefits

If a member dies prior to retirement and before completing 5 years continuous employment, the benefit payable to his beneficiary or estate is a refund of all contributions made by the member with accumulated interest.

If a member dies after December 31, 1997 and prior to retirement and has completed 5 or more years of continuous employment, the beneficiary or estate shall be paid the Commuted Value of the deferred pension as at the date of the member's death. The Commuted Value is the deferred pension to which the member would have been entitled had the member's continuous employment terminated just prior to their death. In addition, excess contributions (if applicable) to which the member would have been entitled would be refunded to the designated beneficiary or estate.

If the member dies after December 31, 1997 and after retirement and was in receipt of a pension benefit, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member.

(f) Benefits on Termination

A member who has less than five years of continuous employment and is terminated is entitled to a refund of contributions made to the Plan with accumulated interest.

A member with more than five years continuous employment who has terminated may elect to receive a deferred pension commencing on his normal retirement date or an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's termination, the deferred pension to which the member would have been entitled. The Commuted Valued of the deferred pension is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

2. Summary of Significant Accounting Policies (continued)

b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments, which are carried at cost.

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Funding Policy

In accordance with the Plan Agreement, employees are required to contribute 4.5% of their earnings up to the year's maximum pensionable earnings (YMPE) plus 6% of earnings above the YMPE. The employer is required to contribute an amount necessary in the opinion of an actuary based on an actuarial valuation, which when combined with employee contributions will provide for the benefits stipulated under the Plan. In no event shall employer-required contributions be less than 95% of employee contributions.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 January 1997. This valuation disclosed that accrued benefits are fully funded.

4. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 1997 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 1998.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	8.42%	8.42%
Annual wage and salary increase	4.5%	2.0 % to 4.50%
Inflation	4.0%	2.0% to 3.0%
Rate of pension escalation after retirement	2.0%	2.0%

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

4. Obligation for Pension Benefits (Continued)

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions) 1998	1997
Actuarial present value of accrued pension benefits at beginning of year	$ 83.50	$ 77.40
Plan amendments	22.82	-
Interest accrued on benefits	6.99	6.50
Benefits accrued	3.81	3.53
Benefits paid	(4.82)	(3.93)
Actuarial present value of accrued pension benefits at end of year	112.30	$ 83.50
Net assets available for benefits	$ 134.79	$ 126.58

5. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Plan, including those related to the efforts of third parties, will be fully resolved.

FINANCIAL STATEMENTS

Pension Plan for Secretarial and Clerical Employees of New Brunswick School Districts

31 DECEMBER 1998

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Norman Betts
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for Secretarial and Clerical Employees of New Brunswick School Districts as at 31 December 1998 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at 31 December 1998 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
30 June 1999

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 1998

	1998	1997
ASSETS		
Investments		
Money market instruments	$ 2,050,632	$ 372,615
Bonds and debentures	8,028,140	11,649,364
Canadian equities	8,107,500	6,834,590
Foreign equities	5,659,829	2,355,464
	23,846,101	21,212,033
Receivables		
Employee contributions	5,787	51,236
Employer contributions	11,510	36,750
Accrued interest and dividends	115,084	176,237
	132,381	264,223
Cash	7,061	46,703
Total assets	23,985,543	21,522,959
LIABILITIES		
Accounts payable	76,115	78,647
Total liabilities	76,115	78,647
NET ASSETS AVAILABLE FOR BENEFITS	$ 23,909,428	$ 21,444,312

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
INCREASE IN ASSETS		
Investment income		
Interest	$ 717,089	$ 577,487
Dividends	289,711	317,597
Current period increase in market value of investments	1,141,786	861,319
Pension contributions		
Employee	446,642	422,201
Employer	434,009	389,814
Total increase in assets	3,029,237	2,568,418
DECREASE IN ASSETS		
Pensions	296,412	290,020
Refunds	81,387	102,558
Administrative expenses	136,825	71,769
Investment management fees	35,634	34,595
Custodial fees	13,863	10,748
Total decrease in assets	564,121	509,690
INCREASE IN NET ASSETS	2,465,116	2,058,728
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	21,444,312	19,385,584
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 23,909,428	$ 21,444,312

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

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan

The following description of the Pension Plan for Secretarial and Clerical Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Plan Agreement.

(a) General

The Plan is a contributory defined benefit pension plan covering Secretarial and Clerical Employees of New Brunswick School Districts. The Plan is administered by Morneau Sobeco.

(b) Funding Policy

Contributions are made by the Plan members and the Plan sponsor to fund the benefits determined under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

(c) Service Pensions

Effective October 8, 1998, normal retirement pension equals 2% (for service before January 1997) of average annual salary during highest paid consecutive 5 years multiplied by the number of years of pensionable service plus 1.45% (for service between January 1, 1997 and September 1, 1997) of average annual salary during highest paid consecutive 5 years multiplied by the number of years of pensionable service plus 1.3% (for service after August 31, 1997) of average annual salary during highest paid consecutive 5 years multiplied by the number of years of pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

A member may elect from one of three optional forms of pensions being: 1) life pension with no guarantee period; 2) life pension with guarantee period of 5 or 10 years or 3) joint life and last survivor pension. There is also supplementary pension benefits available when the normal retirement pension is less than $1,500 per year.

Normal retirement age is 65. Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available on retirement at age 55 with 5 years continuous employment.

(d) Disability Pensions

A disability pension is not provided for under the terms of the Plan Agreement.

(e) Death Benefits

If a member dies prior to retirement and before completing 5 years continuous employment, the benefit payable to his beneficiary or estate is a refund of all contributions made by the member with accumulated interest.

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

1. Description of Plan (Continued)

If a member dies after December 31, 1997 and prior to retirement and has completed 5 or more years of continuous employment, the beneficiary or estate shall be paid an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's death, the deferred pension to which the member would have been entitled had the member's continuous employment terminated just prior to their death. In addition, excess contributions (if applicable) to which the member would have been entitled would be refunded to the designated beneficiary or estate.

If the member dies after December 31, 1997 and after retirement and who was in receipt of a pension benefit, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member.

(f) Benefits on Termination

A member who has less than five years of continuous employment and is terminated is entitled to a refund of contributions made to the Plan with accumulated interest.

A member with more than five years continuous employment who has terminated may elect to receive a deferred pension commencing on his normal retirement date or an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's termination, the deferred pension to which the member would have been entitled. The Commuted Valued of the deferred pension is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsor and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments which are carried at cost.

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Funding Policy

In accordance with the Plan Agreement, employees are required to contribute 4.5% of their earnings up to the year's maximum pensionable earnings (YMPE), plus 6% of earnings above YMPE. In no case can an employee contribution exceed $1,000 plus 70% of the member's pension adjustment amount for the Plan year as defined in the Income Tax Act. The employer is required to contribute an amount necessary, in the opinion of an actuary based on an actuarial valuation, which when combined with employee contributions will provide for the benefits stipulated under the Plan.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 January 1997. This valuation disclosed that accrued benefits are fully funded.

4. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 1997 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 1998.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	8.42%	8.42%
Annual wage and salary increase	4.5%	2.0% to 4.50%
Inflation	4.0%	2.0% to 3.0%
Rate of pension escalation after retirement	2.0%	2.0%

TRUST FUND NO. 32
PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1998

4. Obligation for Pension Benefits (Continued)

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions)	
	1998	**1997**
Actuarial present value of accrued pension benefits at beginning of year	$ 13.34	$ 12.01
Plan amendments	4.73	-
Interest accrued on benefits	1.14	1.02
Benefits accrued	0.70	0.70
Benefits paid	(0.38)	(0.39)
Changes in actuarial assumptions	-	-
Actuarial present value of accrued pension benefits at end of year	$ 19.53	$ 13.34
Net assets available for benefits	$ 23.91	$ 21.44

5. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after 1 January 2000, and, if not addressed, the impact on operating and financial reporting may range from minor errors to significant systems failure that could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Plan, including those related to the efforts of third parties, will be fully resolved.