

Since the recommendations of the Canadian Institute of Chartered Accountants relating to financial reporting by governments have now become generally accepted within Canada, section 59 of the *Financial Administration Act* requires compliance with these recommendations to properly present the financial position, results of operations and changes in the financial position of the Province at the end of the fiscal year.

2.3 Auditor's Report on the Financial Statements of the Province

The Auditor's Report on the Consolidated Summary Financial Statements of the Province for the year ended 31 March 2004 reads as follows:

*To the House of Assembly
Province of Newfoundland and Labrador*

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

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

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

*JOHN L. NOSEWORTHY, C.A.
Auditor General*

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

