

EXPLANATORY NOTES

NOTE: Spending is forecast for the fiscal year 2003-04 under twelve Standard Accounts at the activity level. The descriptions of the contents of the Standard Accounts given below are intended to serve as brief outlines only and should not be considered all inclusive.

Salaries and Wages

Includes salaries and wages, overtime and other remuneration paid to regular, probationary, unclassified and other staff; temporary help costs; indemnities and allowances paid to Members of the Legislative Assembly; and special allowances paid to employees.

Employee Benefits

Includes the government's contribution as an employer to the Canada Pension Plan; the Ontario Public Service Employees' Union Pension Plan; the Public Service Pension Plan; Employment Insurance; the Workplace Safety and Insurance Board; and other employee benefit plans.

Transportation and Communication

Includes traveling expenses of employees on government business and recipients of government services, such as wards of the province; relocation expenses of employees who transferred or recruited; expenses of moving office furniture and equipment; costs of transportation of goods other than for initial delivery; mailing costs, such as postage and registration; and communication costs, such a telephone and data communications.

Services

Includes information services, such as, advertising and communication services provided by professional agencies and advertising placed directly with the media; rental and purchased repair and maintenance of machinery, equipment, buildings, land and engineering structures; data processing services; insurance premiums; and other professional and special services.

Supplies and Equipment

Includes provision for the purchase of all machinery and equipment including motor vehicles and computers, both new and used; and the purchase of all materials, supplies and utilities.

Transfer Payments

Includes grants, subsidies, assistance to persons; the business sector; non-commercial institutions; and other government bodies.

Other Transactions

Includes special transactions, such as interest incentives and subsidies; guarantees honoured; losses on loans; and repayable grants.

Assets:**Deposits and Prepaid Expenses**

Includes payments in advance of receiving related goods or services or in advance of being earned by transfer payment recipients, and which will recorded in a non-asset standard account in a future fiscal year.

Advances and Recoverable Amounts

Includes payments to transfer payment recipients that will be repaid to the Province in a future fiscal year.

Loans and Investments

Includes payments to debtors under loan agreements and investments in the shares of Crown corporations or other entities.

Tangible Capital Assets

Includes acquisition and construction of buildings and roads; and the acquisition of land.

EXPLANATORY NOTES (Continued)Note on Statutory Appropriations

Statutory Appropriations are not Standard Accounts. Amounts required for Statutory Appropriations are shown, where applicable, as separate entries under the Standard Accounts Classification details relating to each Activity.

Note on Cost-Recovery Activities

In cases where the anticipated recovery of costs of an activity is equal to or greater than the expenditures, the balance of the activity is shown at the nominal value of \$1,000.

Note on Special Warrants

Special Warrants are issued to authorize payments for the purpose of general and necessary government expenditures when the Legislature is not in session. The amounts provided by Special Warrants in the 2003-04 fiscal year were deducted from the total for each program to determine the amount to be voted.

Schedule of Net Investment in Capital Assets – Reconciliation to 2003 Budget Plan

Notes:

1. Starting in 2002-03, major tangible capital assets owned by Provincial ministries (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets owned by Provincial ministries will continue to be accounted for as expenditure in the year of acquisition or construction. All capital assets owned by consolidated government organizations are accounted for on a full accrual basis.
2. Land and buildings are primarily owned by Management Board Secretariat. The investments in land and buildings are made by the Ontario Realty Corporation on behalf of Management Board Secretariat and other ministries. The acquisition/construction of land and buildings and related amortization expenses are not shown in the capital estimates of Management Board Secretariat. For 2003-04 acquisition / construction of major tangible capital assets in respect to government-owned land and buildings is \$132,529,600. Amortization is \$110,000,000.
3. Investments in transportation infrastructure are made by Ministry of Northern Development and Mines and Ministry of Transportation. The acquisition/construction of transportation infrastructure is included in Ministry of Transportation's capital assets; for 2003-04 this amount is \$1,041,900,000. The amortization of provincially owned transportation infrastructure is included in Ministry of Transportation's capital expenses; for 2003-04 this amount is \$545,900,000.
4. Investments in government organizations' capital assets are included in various ministries responsible for the organizations. Acquisition/construction charges related to government organizations' capital assets are included as transfer payments and net consolidation adjustments in corresponding ministries, and these amounts are reversed and replaced by the amortization expense of government organizations as reported in the Schedule of Net Investments in Capital Assets. In total, the acquisition / construction of major tangible capital assets for all Government Organizations for 2003-04 is \$345,682,000. Amortization related to government organizations' capital assets are not included in the Estimates; for all Government Organizations the total amortization expense for 2003-04 is \$163,254,000.