

BUDGET 2019

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STATEMENT I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED STATEMENT OF OPERATIONS
2019-20 AND 2018-19

	2019-20	2018-19	
	Budget	Revised	Budget
	(\$000)	(\$000)	(\$000)
REVENUE			
Provincial			
Taxation	3,922,619	3,876,835	3,865,136
Investment	74,736	77,853	77,188
Fees and Fines	353,448	346,990	338,543
Offshore Royalties	1,129,345	1,054,319	999,891
Other	551,544	681,361	655,079
Government of Canada	<u>3,871,655</u>	<u>1,223,463</u>	<u>1,308,085</u>
Total Revenue before Government Business Enterprises and Partnership	9,903,347	7,260,821	7,243,922
Net Income of Government Business Enterprises and Partnership	<u>446,495</u>	<u>490,227</u>	<u>429,431</u>
Sch. I TOTAL REVENUE	<u>10,349,842</u>	<u>7,751,048</u>	<u>7,673,353</u>
EXPENSE			
Sch. II General Government Sector and Legislative Branch	1,949,498	1,888,661	1,946,051
Sch. II Resource Sector	1,483,571	1,416,399	1,439,125
Sch. II Social Sector	4,992,321	<u>4,967,443</u>	<u>4,971,115</u>
Sch. III TOTAL EXPENSE	<u>8,425,390</u>	<u>8,272,503</u>	<u>8,356,291</u>
ANNUAL SURPLUS (DEFICIT)	<u>1,924,452</u>	<u>(521,455)</u>	<u>(682,938)</u>

Notes:

- (i) This Statement includes estimated financial activity by departments and organizations in the Government Reporting Entity.
- (ii) This Statement is recorded on an accrual basis. The Estimates are prepared on a modified cash basis in accordance with the Financial Administration Act.

STATEMENT II
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED STATEMENT OF CASH FLOWS
2019-20 AND 2018-19 REVISED

	2019-20	2018-19
	Budget	Revised
	(\$000)	(\$000)
Funds Provided from (Applied to):		
OPERATIONS		
Annual Surplus (Deficit)	1,924,452	(521,455)
Add / (Deduct) Non-Cash Items:		
Amortization of Tangible Capital Assets	319,361	319,595
Retirement Costs		
Pension	274,080	264,462
Other Post-Employment Benefits	32,262	46,355
Other Retirement Costs	203,161	203,166
Sinking Fund Earnings	(62,413)	(64,420)
Atlantic Accord Receivable	(2,501,239)	-
Other	(514,838)	(707,925)
Net Cash Applied to Operating Transactions	(325,174)	(460,222)
CAPITAL		
Net Acquisitions of Tangible Capital Assets	(597,806)	(538,189)
Net Cash Applied to Capital Transactions	(597,806)	(538,189)
FINANCING		
Borrowings	1,200,000	1,425,000
Debt Retirement and Short Term Investments	(154,775)	(255,937)
Retirement of Promissory Note	(70,914)	(66,900)
Net Cash Provided from Financing Transactions	974,311	1,102,163
INVESTING		
Investment in Government Business Enterprises	(379,200)	(571,700)
Net Investment in Other Projects	(133,500)	(10,352)
Net Cash Applied to Investing Transactions	(512,700)	(582,052)
Net Cash Provided (Applied)	(461,369)	(478,300)
Cash and Temporary Investments - Beginning of Period	1,274,558	1,752,858
Cash and Temporary Investments - End of Period	813,189	1,274,558

STATEMENT III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED CHANGE IN NET DEBT
2019-20 AND 2018-19 REVISED

	2019-20 Budget	2018-19 Revised
	(\$000)	(\$000)
CHANGE IN NET DEBT		
Net Debt - Beginning of Period	15,413,765	14,673,716
(Surplus) Deficit for the Period	(1,924,452)	521,455
Change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets	597,806	538,189
Amortization of Tangible Capital Assets	(319,361)	(319,595)
Increase in Net Book Value of Tangible Capital Assets	278,445	218,594
Increase (Decrease) in Net Debt	(1,646,007)	740,049
Net Debt - End of Period	13,767,758	15,413,765
NET DEBT SUMMARY		
Unfunded Pension Liability	629,802	617,299
Unfunded Retirement Benefits Liability	3,121,714	3,034,921
Plus: Promissory Notes	4,204,705	4,275,619
	7,956,221	7,927,839
Sch. IV Borrowings - Net of Sinking Funds	14,527,379	13,252,523
Debt	22,483,600	21,180,362
Other Financial Liabilities less Financial Assets	(8,715,842)	(5,766,597)
Net Debt	13,767,758	15,413,765
DEBT TRANSACTIONS		
Debt - Beginning of Period	21,180,362	19,395,393
Debt Retirement, Treasury Bills and Increase in Sinking Funds	74,856	321,991
Borrowings	1,200,000	1,425,000
Increase (Decrease) in Promissory Notes	(70,914)	(66,900)
Increase (Decrease) in Unfunded Pension Liability	12,503	7,353
Increase (Decrease) in Post-Retirement Benefits Liability	86,793	97,525
Debt - End of Period	22,483,600	21,180,362

SCHEDULE I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
REVENUE BY SOURCE
2019-20 AND 2018-19 REVISED

	2019-20 Budget (\$000)	2018-19 Revised (\$000)
Provincial		
Taxation		
Personal Income Tax	1,587,174	1,547,252
Sales Tax	1,186,852	1,272,360
Gasoline Tax	185,527	218,480
Carbon Tax	66,533	15,001
Payroll Tax	120,153	112,460
Tobacco Tax	138,805	140,207
Cannabis Tax	5,486	1,669
Corporate Capital Tax	44,290	42,112
Corporate Income Tax	410,609	379,024
Mining Tax and Royalties	81,183	54,009
Insurance Companies Tax	96,007	94,261
	<u>3,922,619</u>	<u>3,876,835</u>
Investment		
Sinking Fund Earnings	62,413	64,420
Interest Revenue	12,323	13,433
	<u>74,736</u>	<u>77,853</u>
Fees and Fines		
Vehicle and Driver Licences	92,298	92,400
Registry of Deeds, Companies and Securities	31,465	30,867
Fees, Fines and Forfeitures	229,685	223,723
	<u>353,448</u>	<u>346,990</u>
Offshore Royalties	<u>1,129,345</u>	<u>1,054,319</u>
Other Provincial Revenues	<u>551,544</u>	<u>681,361</u>
Government of Canada		
Atlantic Accord	2,501,239	-
Health Transfers	565,081	550,769
Social Transfers	204,150	202,148
Statutory Subsidies	9,758	9,662
Cost-Shared and Other Federal Revenues	591,427	460,884
	<u>3,871,655</u>	<u>1,223,463</u>
Net Income of Government Business Enterprises and Partnership		
Atlantic Lottery Corporation	136,566	134,400
Nalcor Energy	123,800	179,400
Newfoundland and Labrador Liquor Corporation	186,129	176,427
	<u>446,495</u>	<u>490,227</u>
TOTAL REVENUE BY SOURCE	<u><u>10,349,842</u></u>	<u><u>7,751,048</u></u>

SCHEDULE II
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY DEPARTMENT
2019-20 AND 2018-19 REVISED

	2019-20 Budget	2018-19 Revised
	(\$000)	(\$000)
General Government Sector and Legislative Branch		
General Government Sector		
Consolidated Fund Services	842,649	810,066
Executive Council	93,997	87,989
Finance	506,265	482,209
Public Procurement Agency	2,094	1,643
Public Service Commission	2,345	1,688
Service Newfoundland and Labrador	33,530	29,243
Transportation and Works	437,835	453,970
Legislative Branch		
Legislature	30,783	21,853
	<u>1,949,498</u>	<u>1,888,661</u>
Resource Sector		
Advanced Education, Skills and Labour	1,175,961	1,161,384
Fisheries and Land Resources	121,792	116,598
Natural Resources	93,879	48,583
Tourism, Culture, Industry and Innovation	91,939	89,834
	<u>1,483,571</u>	<u>1,416,399</u>
Social Sector		
Children, Seniors and Social Development	175,871	172,373
Education and Early Childhood Development	911,711	912,707
Health and Community Services	3,188,002	3,218,769
Justice and Public Safety	263,247	264,453
Municipal Affairs and Environment	331,711	258,774
Newfoundland and Labrador Housing Corporation	121,779	140,367
	<u>4,992,321</u>	<u>4,967,443</u>
TOTAL GROSS EXPENSE BY DEPARTMENT	<u><u>8,425,390</u></u>	<u><u>8,272,503</u></u>

Notes:

(i) This Schedule includes expenses by departments and organizations in the Government Reporting Entity.

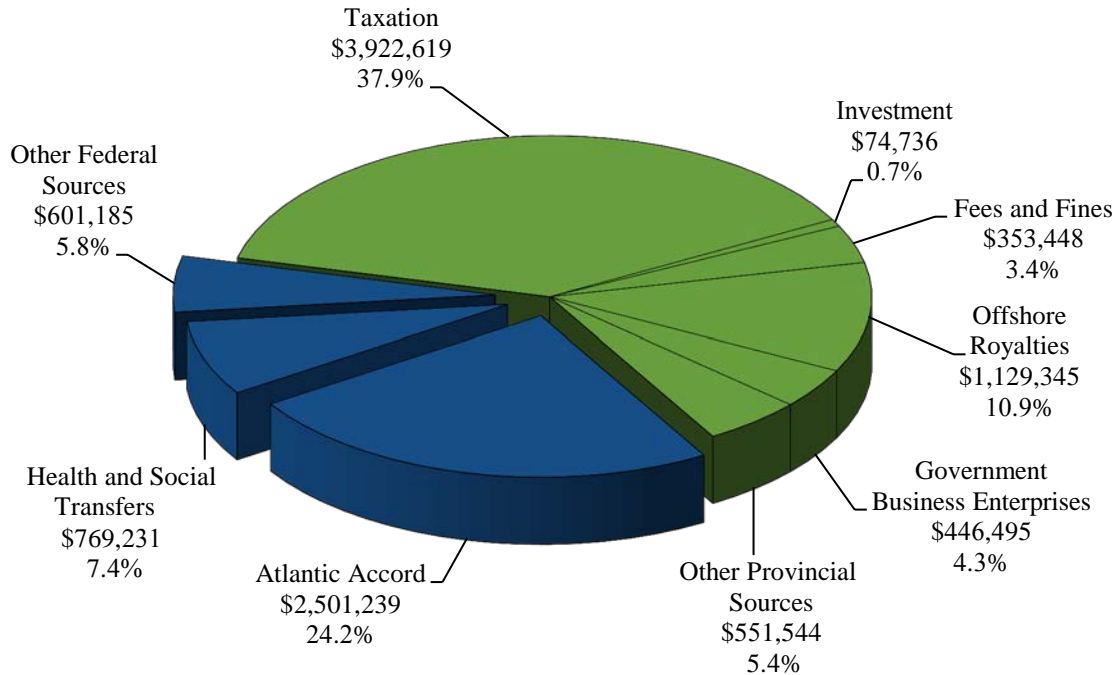
SCHEDULE III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY OBJECT
2019-20 AND 2018-19 REVISED

	2019-20 Budget	2018-19 Revised
	(\$000)	(\$000)
Salaries and employee benefits	3,399,252	3,404,108
Operating costs	1,323,431	1,294,585
Grants and subsidies	1,830,576	1,716,101
Debt expenses	1,014,743	990,363
Professional services	523,126	530,542
Amortization and (gain)/loss on the sale of tangible capital assets	319,361	319,595
Property, furnishings and equipment	12,413	14,413
Valuation allowances	2,488	2,796
TOTAL GROSS EXPENSE BY OBJECT	8,425,390	8,272,503

SCHEDULE IV
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED BORROWINGS
2019-20 AND 2018-19 REVISED

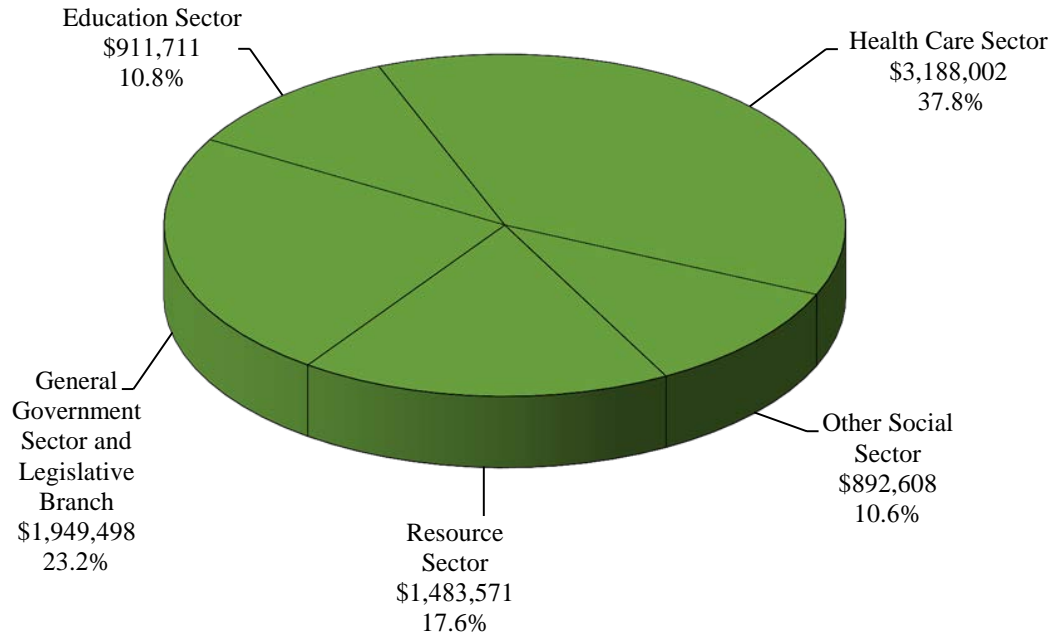
	2019-20 Budget	2018-19 Revised
	(\$000)	(\$000)
Consolidated Revenue Fund		
Treasury Bills	1,028,200	836,077
Debentures	14,502,223	13,515,465
Sun Life Assurance Company of Canada	52,115	58,970
Government of Canada	<u>268,995</u>	<u>304,277</u>
	15,851,533	14,714,789
Less: Sinking Funds	1,449,125	1,547,603
Plus: Unamortized Foreign Exchange Gains / (Losses)	<u>(152,305)</u>	<u>(190,503)</u>
	<u>14,250,103</u>	<u>12,976,683</u>
Newfoundland and Labrador Municipal Financing Corporation		
Debentures	<u>-</u>	<u>1,400</u>
	<u>-</u>	<u>1,400</u>
Newfoundland and Labrador Housing Corporation		
Debentures	<u>76,460</u>	<u>81,549</u>
	<u>76,460</u>	<u>81,549</u>
Other Debt		
Health Care Organizations	216,134	204,248
Educational Organizations	<u>9,080</u>	<u>11,371</u>
	225,214	215,619
Less: Sinking Funds	<u>24,398</u>	<u>22,728</u>
	<u>200,816</u>	<u>192,891</u>
TOTAL CONSOLIDATED BORROWINGS	<u><u>14,527,379</u></u>	<u><u>13,252,523</u></u>

**SCHEDULE V
SUMMARY OF REVENUES (BY SOURCE)
WHERE THE REVENUE COMES FROM**



Percentage of Total (%)		Source	Amount (\$000)	
Revised 2018-19	Budget 2019-20		Budget 2019-20	Revised 2018-19
Provincial:				
50.0	37.9	Taxation	3,922,619	3,876,835
1.0	0.7	Investment	74,736	77,853
4.5	3.4	Fees and Fines	353,448	346,990
13.6	10.9	Offshore Royalties	1,129,345	1,054,319
6.3	4.3	Government Business Enterprises	446,495	490,227
8.8	5.4	Other Provincial Sources	551,544	681,361
<u>84.2</u>	<u>62.6</u>	Total: Provincial	<u>6,478,187</u>	<u>6,527,585</u>
Government of Canada:				
-	24.2	Atlantic Accord	2,501,239	-
9.7	7.4	Health and Social Transfers	769,231	752,917
6.1	5.8	Other Federal Sources	601,185	470,546
<u>15.8</u>	<u>37.4</u>	Total: Government of Canada	<u>3,871,655</u>	<u>1,223,463</u>
<u>100.0</u>	<u>100.0</u>	Total Revenue	<u>10,349,842</u>	<u>7,751,048</u>

**SCHEDULE VI
SUMMARY OF EXPENSES (BY SECTOR)
WHERE THE EXPENSES GO**



Percentage of Total (%)		Expense by Sector	Amount (\$000)	
Revised 2018-19	Budget 2019-20		Budget 2019-20	Revised 2018-19
		Expense:		
11.0	10.8	Education Sector	911,711	912,707
38.9	37.8	Health Care Sector	3,188,002	3,218,769
10.1	10.6	Other Social Sector	892,608	835,967
17.1	17.6	Resource Sector	1,483,571	1,416,399
22.9	23.2	General Government Sector and Legislative Branch	1,949,498	1,888,661
<u>100.0</u>	<u>100.0</u>	Total Expense	<u>8,425,390</u>	<u>8,272,503</u>