

BUDGET 2022

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STATEMENT I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED STATEMENT OF OPERATIONS
2022-23 AND 2021-22

| | 2022-23 | 2021-22 | |
|--|-------------------------|-------------------------|-------------------------|
| | Budget | Revised | Budget |
| | (\$000) | (\$000) | (\$000) |
| REVENUE | | | |
| Provincial | | | |
| Taxation | 4,473,021 | 4,494,133 | 4,044,167 |
| Investment | 73,864 | 71,620 | 76,212 |
| Fees and Fines | 369,077 | 365,892 | 356,093 |
| Offshore Royalties | 865,693 | 1,135,576 | 1,059,283 |
| Other | 431,902 | 577,719 | 511,760 |
| Government of Canada | <u>1,942,527</u> | <u>1,520,568</u> | <u>1,890,371</u> |
| Total Revenue before Government Business Enterprises and Partnerships | 8,156,084 | 8,165,508 | 7,937,886 |
| Net Income of Government Business Enterprises and Partnerships | <u>914,103</u> | <u>497,809</u> | <u>580,262</u> |
| Sch. I TOTAL REVENUE | <u>9,070,187</u> | <u>8,663,317</u> | <u>8,518,148</u> |
| EXPENSE | | | |
| General Government Sector and Legislative Branch | 2,236,136 | 1,897,324 | 2,278,541 |
| Resource Sector | 768,966 | 899,778 | 942,043 |
| Social Sector | <u>6,416,489</u> | <u>6,266,274</u> | <u>6,123,037</u> |
| Sch. III TOTAL EXPENSE | <u>9,421,591</u> | <u>9,063,376</u> | <u>9,343,621</u> |
| ANNUAL SURPLUS (DEFICIT) | <u>(351,404)</u> | <u>(400,059)</u> | <u>(825,473)</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
2022-23 AND 2021-22 REVISED

| | 2022-23 | 2021-22 |
|--|------------------|------------------|
| | Budget | Revised |
| | (\$000) | (\$000) |
| Funds Provided from (Applied to): | | |
| OPERATIONS | | |
| Annual Surplus (Deficit) | (351,404) | (400,059) |
| Add / (Deduct) Non-Cash Items: | | |
| Accounts Receivable | 109,158 | (207,316) |
| Accounts Payable | (481,012) | (133,973) |
| Amortization of Tangible Capital Assets | 335,745 | 343,741 |
| Deferred Revenue | (277,368) | 240,900 |
| Retirement Costs | 119,800 | 113,266 |
| Sinking Fund Earnings | (61,842) | (61,383) |
| Other | 151,022 | (441,751) |
| Net Cash Applied to Operating Transactions | (455,901) | (546,575) |
| CAPITAL | | |
| Net Acquisitions of Tangible Capital Assets | (525,297) | (440,781) |
| Net Cash Applied to Capital Transactions | (525,297) | (440,781) |
| FINANCING | | |
| Debt Issued | 2,700,000 | 1,550,000 |
| Borrowing On-lend | - | 300,000 |
| Debt Retirement | (1,853,360) | (452,012) |
| Sinking Fund Contributions | (39,431) | (40,676) |
| Sinking Fund Proceeds | 98,967 | 100,518 |
| Treasury Bills Purchased | 4,670,539 | 8,439,735 |
| Treasury Bills Redeemed | (4,671,568) | (8,441,269) |
| Retirement of Pension Liabilities | (227,885) | (229,467) |
| Retirement of Promissory Note | (84,459) | (79,679) |
| Net Cash Provided from Financing Transactions | 592,803 | 1,147,150 |
| INVESTING | | |
| Net Investment in Resource Projects and Other Activities | (18,100) | (16,814) |
| Net Cash Applied to Investing Transactions | (18,100) | (16,814) |
| Net Cash Provided (Applied) | (406,495) | 142,980 |
| Cash and Temporary Investments - Beginning of Period | 1,648,145 | 1,505,165 |
| Cash and Temporary Investments - End of Period | 1,241,650 | 1,648,145 |

**STATEMENT III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED CHANGE IN NET DEBT
2022-23 AND 2021-22 REVISED**

| | 2022-23 Budget | 2021-22 Revised |
|---|--------------------|--------------------|
| | (\$000) | (\$000) |
| CHANGE IN NET DEBT | | |
| Net Debt - Beginning of Period | 16,513,280 | 16,016,181 |
| (Surplus) Deficit for the Period | 351,404 | 400,059 |
| Change in Tangible Capital Assets | | |
| Acquisition of Tangible Capital Assets | 525,297 | 440,781 |
| Amortization of Tangible Capital Assets | (335,745) | (343,741) |
| Increase in Net Book Value of Tangible Capital Assets | 189,552 | 97,040 |
| Increase (Decrease) in Net Debt | 540,956 | 497,099 |
| Net Debt - End of Period | 17,054,236 | 16,513,280 |
| NET DEBT SUMMARY | | |
| Unfunded Pension Liability | 317,800 | 545,684 |
| Unfunded Retirement Benefits Liability | 3,438,661 | 3,342,728 |
| Plus: Promissory Notes | 3,965,398 | 4,049,858 |
| | 7,721,859 | 7,938,270 |
| Sch. IV Borrowings - Net of Sinking Funds | 17,800,303 | 16,973,779 |
| Debt | 25,522,162 | 24,912,049 |
| Other Financial Liabilities less Financial Assets | (8,467,926) | (8,398,769) |
| Net Debt | 17,054,236 | 16,513,280 |
| DEBT TRANSACTIONS | | |
| Debt - Beginning of Period | 24,912,049 | 24,108,175 |
| Debt Retirement, Treasury Bills and Increase in Sinking Funds | (1,873,476) | (531,729) |
| Borrowings | 2,700,000 | 1,550,000 |
| Increase (Decrease) in Promissory Notes | (84,459) | (79,679) |
| Increase (Decrease) in Unfunded Pension Liability | (227,885) | (229,467) |
| Increase (Decrease) in Post-Retirement Benefits Liability | 95,933 | 94,749 |
| Debt - End of Period | 25,522,162 | 24,912,049 |

**SCHEDULE I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
REVENUE BY SOURCE
2022-23 AND 2021-22 REVISED**

| | 2022-23 Budget (\$000) | 2021-22 Revised (\$000) |
|---|---------------------------------------|--|
| Provincial | | |
| Taxation | | |
| Personal Income Tax | 1,666,323 | 1,584,331 |
| Sales Tax | 1,295,158 | 1,433,398 |
| Gasoline Tax | 141,648 | 150,780 |
| Carbon Tax | 117,013 | 86,414 |
| Payroll Tax | 117,896 | 111,794 |
| Tobacco and Vaping Tax | 112,906 | 115,163 |
| Cannabis Tax | 8,938 | 7,839 |
| Corporate Capital Tax | 42,335 | 45,447 |
| Corporate Income Tax | 737,467 | 663,182 |
| Mining Tax and Royalties | 120,479 | 190,694 |
| Insurance Companies Tax | 107,783 | 105,091 |
| Sugar Sweetened Beverage Tax | 5,075 | - |
| | <u>4,473,021</u> | <u>4,494,133</u> |
| Investment | | |
| Sinking Fund Earnings | 61,842 | 61,383 |
| Interest Revenue | 12,022 | 10,237 |
| | <u>73,864</u> | <u>71,620</u> |
| Fees and Fines | | |
| Fees | 359,455 | 356,353 |
| Fines | 9,622 | 9,539 |
| | <u>369,077</u> | <u>365,892</u> |
| Offshore Royalties | <u>865,693</u> | <u>1,135,576</u> |
| Other Provincial Revenues | | |
| Sales and Rentals | 95,954 | 96,482 |
| Cost Recoveries | 29,658 | 28,244 |
| Other | 306,290 | 452,993 |
| | <u>431,902</u> | <u>577,719</u> |
| Government of Canada | | |
| Health Transfers | 610,459 | 640,909 |
| Social Transfers | 215,220 | 210,226 |
| Statutory Subsidies | 9,710 | 9,710 |
| Cost Shared and Other Federal Revenues | 1,107,138 | 659,723 |
| | <u>1,942,527</u> | <u>1,520,568</u> |
| Net Income of Government Business Enterprises and Partnerships | | |
| Atlantic Lottery Corporation | 133,800 | 127,916 |
| Nalcor Energy | 574,028 | 169,111 |
| Newfoundland and Labrador Liquor Corporation | 206,275 | 200,782 |
| | <u>914,103</u> | <u>497,809</u> |
| TOTAL REVENUE BY SOURCE | <u><u>9,070,187</u></u> | <u><u>8,663,317</u></u> |

SCHEDULE II
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY DEPARTMENT
2022-23 AND 2021-22 REVISED

| | 2022-23 | 2021-22 |
|--|-------------------------|-------------------------|
| | Budget | Revised |
| | (\$000) | (\$000) |
| General Government Sector and Legislative Branch | | |
| General Government Sector | | |
| Consolidated Fund Services | 831,242 | 791,738 |
| Digital Government and Service Newfoundland and Labrador | 36,459 | 33,819 |
| Executive Council | 221,876 | 180,249 |
| Finance | 505,281 | 230,905 |
| Public Procurement Agency | 2,165 | 1,813 |
| Public Service Commission | 11,999 | 11,451 |
| Transportation and Infrastructure | 597,101 | 624,939 |
| Legislative Branch | | |
| Legislature | 30,013 | 22,410 |
| | <u>2,236,136</u> | <u>1,897,324</u> |
| Resource Sector | | |
| Environment and Climate Change | 72,347 | 75,091 |
| Fisheries, Forestry and Agriculture | 132,042 | 123,983 |
| Immigration, Population Growth and Skills | 190,940 | 161,282 |
| Industry, Energy and Technology | 281,370 | 455,015 |
| Tourism, Culture, Arts and Recreation | 92,267 | 84,407 |
| | <u>768,966</u> | <u>899,778</u> |
| Social Sector | | |
| Children, Seniors and Social Development | 411,059 | 394,309 |
| Education | 1,791,778 | 1,726,743 |
| Health and Community Services | 3,591,737 | 3,663,622 |
| Justice and Public Safety | 321,130 | 283,591 |
| Municipal and Provincial Affairs | 158,620 | 77,485 |
| Newfoundland and Labrador Housing Corporation | 142,165 | 120,524 |
| | <u>6,416,489</u> | <u>6,266,274</u> |
| TOTAL GROSS EXPENSE BY DEPARTMENT | <u><u>9,421,591</u></u> | <u><u>9,063,376</u></u> |

Notes:

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

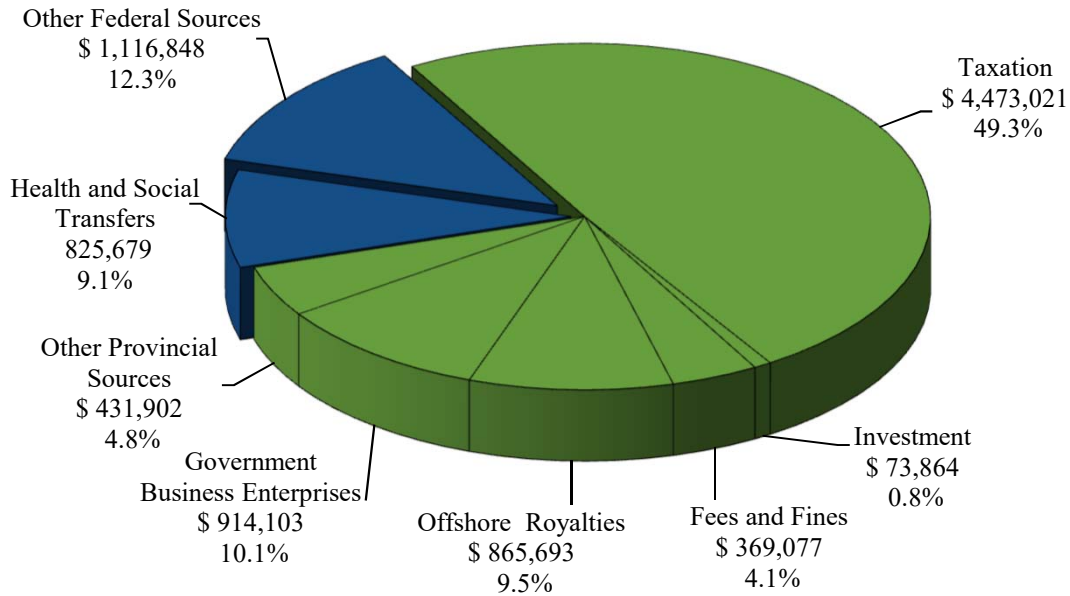
**SCHEDULE III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY OBJECT
2022-23 AND 2021-22 REVISED**

| | 2022-23 Budget | 2021-22 Revised |
|--|---------------------------|----------------------------|
| | (\$000) | (\$000) |
| Salaries and employee benefits | 3,531,110 | 3,425,376 |
| Grants and subsidies | 2,568,882 | 2,181,310 |
| Operating costs | 1,430,099 | 1,581,092 |
| Debt expenses | 955,968 | 918,126 |
| Professional services | 572,972 | 560,168 |
| Amortization and (gain)/loss on the sale of tangible capital assets | 335,745 | 343,741 |
| Property, furnishings and equipment | 21,825 | 36,349 |
| Valuation allowances | 4,990 | 17,214 |
| TOTAL GROSS EXPENSE BY OBJECT | <u>9,421,591</u> | <u>9,063,376</u> |

**SCHEDULE IV
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED BORROWINGS
2022-23 AND 2021-22 REVISED**

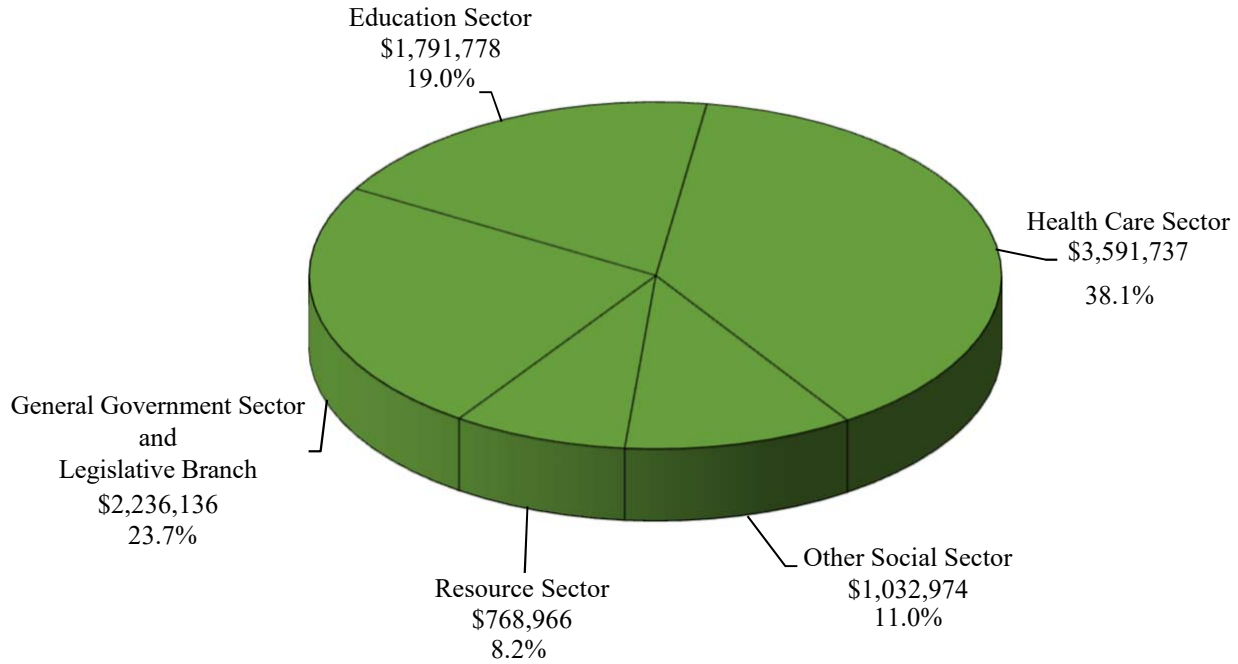
| | 2022-23 Budget | 2021-22 Revised |
|--|---------------------------|----------------------------|
| | (\$000) | (\$000) |
| Consolidated Revenue Fund | | |
| Treasury Bills | 1,166,365 | 1,167,616 |
| Debentures | 17,850,535 | 16,951,161 |
| Sun Life Assurance Company of Canada | 27,703 | 36,538 |
| Government of Canada | 121,870 | 173,974 |
| | <u>19,166,473</u> | <u>18,329,289</u> |
| Less: Sinking Funds | 1,389,503 | 1,386,638 |
| Plus: Unamortized Foreign Exchange Gains / (Losses) | <u>(159,487)</u> | <u>(160,807)</u> |
| | <u>17,617,483</u> | <u>16,781,844</u> |
| Newfoundland and Labrador Housing Corporation | | |
| Debentures | <u>60,654</u> | <u>66,273</u> |
| | <u>60,654</u> | <u>66,273</u> |
| Other Debt | | |
| Health Care Organizations | 136,044 | 137,715 |
| Educational Organizations | 15,815 | 15,816 |
| | <u>151,859</u> | <u>153,531</u> |
| Less: Sinking Funds | 29,693 | 27,869 |
| | <u>122,166</u> | <u>125,662</u> |
| TOTAL CONSOLIDATED BORROWINGS | <u><u>17,800,303</u></u> | <u><u>16,973,779</u></u> |

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



| Percentage of Total (%) | | Source | Amount (\$000) | |
|------------------------------|----------------|------------------------------------|------------------|------------------|
| Revised 2021-22 | Budget 2022-23 | | Budget 2022-23 | Revised 2021-22 |
| Provincial: | | | | |
| 51.9 | 49.3 | Taxation | 4,473,021 | 4,494,133 |
| 0.8 | 0.8 | Investment | 73,864 | 71,620 |
| 4.2 | 4.1 | Fees and Fines | 369,077 | 365,892 |
| 13.1 | 9.5 | Offshore Royalties | 865,693 | 1,135,576 |
| 5.7 | 10.1 | Government Business Enterprises | 914,103 | 497,809 |
| 6.7 | 4.8 | Other Provincial Sources | 431,902 | 577,719 |
| <u>82.4</u> | <u>78.6</u> | Total: Provincial | <u>7,127,660</u> | <u>7,142,749</u> |
| Government of Canada: | | | | |
| 9.9 | 9.1 | Health and Social Transfers | 825,679 | 851,135 |
| 7.7 | 12.3 | Other Federal Sources | 1,116,848 | 669,433 |
| <u>17.6</u> | <u>21.4</u> | Total: Government of Canada | <u>1,942,527</u> | <u>1,520,568</u> |
| <u>100.0</u> | <u>100.0</u> | Total Revenue | <u>9,070,187</u> | <u>8,663,317</u> |

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



| Percentage of Total (%) | | Expense by Sector | Amount (\$000) | |
|-------------------------|----------------|--|------------------|------------------|
| Revised 2021-22 | Budget 2022-23 | | Budget 2022-23 | Revised 2021-22 |
| 19.1 | 19.0 | Expense: | | |
| 40.4 | 38.1 | Education Sector | 1,791,778 | 1,726,743 |
| 9.7 | 11.0 | Health Care Sector | 3,591,737 | 3,663,622 |
| 9.9 | 8.2 | Other Social Sector | 1,032,974 | 875,909 |
| | | Resource Sector | 768,966 | 899,778 |
| 20.9 | 23.7 | General Government Sector and Legislative Branch | 2,236,136 | 1,897,324 |
| <u>100.0</u> | <u>100.0</u> | Total Expense | <u>9,421,591</u> | <u>9,063,376</u> |

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