

**Newfoundland and Labrador Municipal  
Financing Corporation**

**Activity Plan  
For the Period  
April 1, 2023 - March 31, 2026**

**BOARD OF DIRECTORS  
NEWFOUNDLAND AND LABRADOR MUNICIPAL  
FINANCING CORPORATION**

**Department of Finance  
Treasury Management Division  
P. O. Box 8700  
St. John's, NL  
A1B 4J6**

Honourable Siobhan Coady  
Minister of Finance  
Government of Newfoundland and Labrador  
Confederation Building  
St. John's, NL  
Canada A1B 4J6

Dear Minister Coady:

Pursuant to the provisions of the **Transparency and Accountability Act**, the Newfoundland and Labrador Municipal Financing Corporation (NLMFC) is required to develop a three-year Activity Plan. The Board of Directors is accountable for the preparation of an Activity Plan and the achievement of its objective. On behalf of the Board of Directors, it is my pleasure to submit the Activity Plan covering the three year period from April 1, 2023 to March 31, 2026.

The NLMFC is a Crown Corporation established to consolidate the long-term borrowing programs of all municipalities in one central agency. The NLMFC has discontinued its capital borrowing program and will wind-up its operations when it has concluded collection of its outstanding loans receivable and repayment of its outstanding debenture debt.

This plan provides an overview of the NLMFC and identifies the key issue of the Board of Directors during the fiscal periods covered in the plan.

Sincerely,



Michelle Jewer, CPA, CA  
Chair of the Board



# Newfoundland and Labrador Municipal Financing Corporation 2023-2026 Activity Plan

## 1.0 Overview

The Newfoundland and Labrador Municipal Financing Corporation (“NLMFC”) was established in 1964 and operates pursuant to the provisions of the **Municipal Financing Corporation Act**. NLMFC operates with a March 31 fiscal year end and the results of its activities are fully consolidated in the Province’s annual financial statements.

The affairs of NLMFC are overseen by a Board of Directors appointed by the Lieutenant Governor in Council. All Board members are employees of the Province with the position of Chair held by the Deputy Minister of Finance. The Board meets no less often than annually and approves its Financial Statements and Annual Report, both of which are then tabled in the House of Assembly by the Minister of Finance. The current members of the Board and their positions are as follows:

Michelle Jewer (Chair)  
Deputy Minister  
Department of Finance

John Cowan  
Deputy Minister  
Industry, Energy and Technology

Judith Hearn  
Deputy Minister  
Municipal and Provincial Affairs

David Drover  
Assistant Deputy Minister, Treasury  
Management and Budgeting  
Department of Finance

Thomas Nemec  
Director, Treasury Management  
Department of Finance

Calen Harrison  
Manager, Treasury Management  
Department of Finance

## 2.0 Mandate

NLMFC was established to consolidate the long-term borrowing programs of all municipalities in one central Crown agency. The proceeds of these borrowings were then used to provide long-term financing to meet the capital requirements of municipalities. As most municipal projects were cost shared with the Province, the financing provided was recovered partially from the municipality with the balance, representing the Province’s share, paid by the department responsible for municipal affairs.

NLMFC’s mandate and role evolved over time to a situation whereby most municipalities were capable of financing their capital programs independently through financial institutions, primarily

banks. The NLMFC continued to borrow to provide financing for the Provincial share of capital projects for a period of time but, in 2005-06, Government decided it would no longer finance its portion of municipal capital projects but would fund it directly through annual budgetary allocations. Consequently, the NLMFC discontinued its capital markets borrowing program and will wind-up operations when it collects its outstanding loans receivable and repays its outstanding debenture debt.

### **3.0 Sources of Funding**

The NLMFC has traditionally been self supporting from a funding perspective, primarily through matching the terms of its borrowing program to the lending program for municipal capital works projects. The NLMFC has independent banking arrangements, including facilities to provide short-term financing of cash flow deficiencies and investment of temporary cash surpluses. The day-to-day affairs are managed by employees of the Department of Finance and the NLMFC is billed quarterly by the Province for reimbursement of these expenses on a cost recovery basis.

### **4.0 Priorities**

As stated previously, the NLMFC has discontinued its capital markets borrowing program and will wind-up operations when it collects its outstanding loans receivable. The focus for the 2023-2026 Activity Plan will therefore be the collection of these outstanding loans. As such, the NLMFC will provide annual reports detailing the activities it undertook to collect the outstanding loans and repay the outstanding debenture debt during each preceding fiscal year.

**Objective:** By March 31, 2024, 2025 and 2026, the Newfoundland and Labrador Municipal Financing Corporation will have executed the collection of loans receivable and payment of debenture debt in accordance with planned payment and collection schedules.

**Indicator:** Collection of outstanding loans receivable in accordance with repayment agreements.