

# BUDGET 2021

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**STATEMENT I**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**2021-22 AND 2020-21**

	2021-22	2020-21	
	Budget	Revised	Budget
	(\$000)	(\$000)	(\$000)
<b>REVENUE</b>			
Provincial			
Taxation	4,044,167	3,790,063	3,732,540
Investment	76,212	71,795	73,272
Fees and Fines	356,093	329,882	331,596
Offshore Royalties	1,059,283	597,017	532,690
Other	511,760	431,034	506,623
Government of Canada	<u>1,890,371</u>	<u>1,446,649</u>	<u>1,481,755</u>
<b>Total Revenue before Government Business Enterprises and Partnerships</b>	<b>7,937,886</b>	<b>6,666,440</b>	<b>6,658,476</b>
Net Income of Government Business Enterprises and Partnerships	<u>580,262</u>	<u>422,420</u>	<u>470,721</u>
<b>Sch. I TOTAL REVENUE</b>	<b><u>8,518,148</u></b>	<b><u>7,088,860</u></b>	<b><u>7,129,197</u></b>
<b>EXPENSE</b>			
General Government Sector and Legislative Branch	2,278,541	2,181,316	2,595,522
Resource Sector	942,043	570,712	548,485
Social Sector	<u>6,123,037</u>	<u>5,981,276</u>	<u>5,823,289</u>
<b>Sch. III TOTAL EXPENSE</b>	<b><u>9,343,621</u></b>	<b><u>8,733,304</u></b>	<b><u>8,967,296</u></b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b><u>(825,473)</u></b>	<b><u>(1,644,444)</u></b>	<b><u>(1,838,099)</u></b>

**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.
- (iii) For comparative purposes only the Original Budget for 2020-21 has been restated to reflect the new Departmental Structure.

**STATEMENT II**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**2021-22 AND 2020-21 REVISED**

	<b>2021-22 Budget (\$000)</b>	<b>2020-21 Revised (\$000)</b>
<b>Funds Provided from (Applied to):</b>		
<b>OPERATIONS</b>		
Annual Surplus (Deficit)	(825,473)	(1,644,444)
Add / (Deduct) Non-Cash Items:		
Amortization of Tangible Capital Assets	338,841	334,953
Retirement Costs		
Pension	221,308	305,603
Other Post-Employment Benefits	37,843	39,955
Other Retirement Costs	204,346	205,951
Sinking Fund Earnings	(61,689)	(48,668)
Other	(590,511)	581,759
<b>Net Cash Applied to Operating Transactions</b>	<b>(675,335)</b>	<b>(224,891)</b>
<b>CAPITAL</b>		
Net Acquisitions of Tangible Capital Assets	(437,151)	(549,726)
<b>Net Cash Applied to Capital Transactions</b>	<b>(437,151)</b>	<b>(549,726)</b>
<b>FINANCING</b>		
Borrowings	1,700,000	2,800,000
Debt Retirement and Short Term Investments	(760,326)	(1,805,630)
Retirement of Promissory Note	(79,679)	(75,169)
<b>Net Cash Provided from Financing Transactions</b>	<b>859,995</b>	<b>919,201</b>
<b>INVESTING</b>		
Net Investment in Resource Projects and Other Activities	(24,600)	(9,675)
<b>Net Cash Applied to Investing Transactions</b>	<b>(24,600)</b>	<b>(9,675)</b>
<b>Net Cash Provided (Applied)</b>	<b>(277,092)</b>	<b>134,909</b>
Cash and Temporary Investments - Beginning of Period	1,695,146	1,560,237
<b>Cash and Temporary Investments - End of Period</b>	<b>1,418,054</b>	<b>1,695,146</b>

**STATEMENT III  
PROVINCE OF NEWFOUNDLAND AND LABRADOR  
CONSOLIDATED CHANGE IN NET DEBT  
2021-22 AND 2020-21 REVISED**

	<b>2021-22 Budget</b>	<b>2020-21 Revised</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>CHANGE IN NET DEBT</b>		
<b>Net Debt - Beginning of Period</b>	<b>16,294,077</b>	14,434,860
(Surplus) Deficit for the Period	<b>825,473</b>	1,644,444
Change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets	<b>437,151</b>	549,726
Amortization of Tangible Capital Assets	<b>(338,841)</b>	(334,953)
<b>Increase in Net Book Value of Tangible Capital Assets</b>	<b>98,310</b>	214,773
Increase (Decrease) in Net Debt	<b>923,783</b>	1,859,217
<b>Net Debt - End of Period</b>	<b>17,217,860</b>	16,294,077
<b>NET DEBT SUMMARY</b>		
Unfunded Pension Liability	<b>701,440</b>	739,723
Unfunded Retirement Benefits Liability	<b>3,330,137</b>	3,239,467
Plus: Promissory Notes	<b>4,049,858</b>	4,129,536
	<b>8,081,435</b>	8,108,726
<b>Sch. IV Borrowings - Net of Sinking Funds</b>	<b>17,157,008</b>	15,926,054
<b>Debt</b>	<b>25,238,443</b>	24,034,780
Other Financial Liabilities less Financial Assets	<b>(8,020,583)</b>	(7,740,703)
<b>Net Debt</b>	<b>17,217,860</b>	16,294,077
<b>DEBT TRANSACTIONS</b>		
<b>Debt - Beginning of Period</b>	<b>24,034,780</b>	22,918,695
Debt Retirement, Treasury Bills and Increase in Sinking Funds	<b>(469,046)</b>	(1,753,568)
Borrowings	<b>1,700,000</b>	2,800,000
Increase (Decrease) in Promissory Notes	<b>(79,679)</b>	(75,169)
Increase (Decrease) in Unfunded Pension Liability	<b>(38,282)</b>	54,469
Increase (Decrease) in Post-Retirement Benefits Liability	<b>90,670</b>	90,353
<b>Debt - End of Period</b>	<b>25,238,443</b>	24,034,780

**SCHEDULE I**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**REVENUE BY SOURCE**  
**2021-22 AND 2020-21 REVISED**

	<b>2021-22 Budget (\$000)</b>	<b>2020-21 Revised (\$000)</b>
<b>Provincial</b>		
Taxation		
Personal Income Tax	1,613,346	1,534,377
Sales Tax	1,214,111	1,132,666
Gasoline Tax	167,334	152,666
Carbon Tax	113,585	52,196
Payroll Tax	112,173	100,078
Tobacco and Vaping Tax	145,155	134,639
Cannabis Tax	7,084	5,907
Corporate Capital Tax	38,629	44,252
Corporate Income Tax	468,513	416,631
Mining Tax and Royalties	64,011	119,314
Insurance Companies Tax	100,226	97,337
	<u>4,044,167</u>	<u>3,790,063</u>
Investment		
Sinking Fund Earnings	61,689	48,668
Interest Revenue	14,523	23,127
	<u>76,212</u>	<u>71,795</u>
Fees and Fines		
Fees	346,809	321,281
Fines	9,284	8,601
	<u>356,093</u>	<u>329,882</u>
Offshore Royalties	<u>1,059,283</u>	<u>597,017</u>
Other Provincial Revenues		
Sales and Rentals	99,144	98,433
Cost Recoveries	36,695	36,241
Other	375,921	296,360
	<u>511,760</u>	<u>431,034</u>
<b>Government of Canada</b>		
Health Transfers	639,245	577,694
Social Transfers	209,630	207,286
Statutory Subsidies	9,710	9,710
Cost-Shared and Other Federal Revenues	1,031,786	651,959
	<u>1,890,371</u>	<u>1,446,649</u>
<b>Net Income of Government Business Enterprises and Partnerships</b>		
Atlantic Lottery Corporation	127,000	93,957
Nalcor Energy	261,880	135,012
Newfoundland and Labrador Liquor Corporation	191,382	193,451
	<u>580,262</u>	<u>422,420</u>
<b>TOTAL REVENUE BY SOURCE</b>	<u><u>8,518,148</u></u>	<u><u>7,088,860</u></u>

**SCHEDULE II**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**GROSS EXPENSE BY DEPARTMENT**  
**2021-22 AND 2020-21 REVISED**

	2021-22 Budget	2020-21 Revised
	(\$000)	(\$000)
<b>General Government Sector and Legislative Branch</b>		
<b>General Government Sector</b>		
Consolidated Fund Services	978,329	911,747
Digital Government and Service Newfoundland and Labrador	35,719	32,319
Executive Council	225,336	146,878
Finance	399,089	513,108
Public Procurement Agency	2,142	1,828
Public Service Commission	11,692	11,210
Transportation and Infrastructure	599,445	536,327
<b>Legislative Branch</b>		
Legislature	26,789	27,899
	<u>2,278,541</u>	<u>2,181,316</u>
<b>Resource Sector</b>		
Environment and Climate Change	73,735	43,842
Fisheries, Forestry and Agriculture	125,667	130,201
Immigration, Population Growth and Skills	210,811	171,577
Industry, Energy and Technology	459,863	161,671
Tourism, Culture, Arts and Recreation	71,967	63,421
	<u>942,043</u>	<u>570,712</u>
<b>Social Sector</b>		
Children, Seniors and Social Development	407,105	391,615
Education	1,726,949	1,743,644
Health and Community Services	3,420,011	3,388,545
Justice and Public Safety	291,112	269,706
Municipal and Provincial Affairs	156,997	71,260
Newfoundland and Labrador Housing Corporation	120,863	116,506
	<u>6,123,037</u>	<u>5,981,276</u>
<b>TOTAL GROSS EXPENSE BY DEPARTMENT</b>	<u><u>9,343,621</u></u>	<u><u>8,733,304</u></u>

**Notes:**

- (i) This Schedule includes expenses by departments and organizations in the Government Reporting Entity.
- (ii) For comparative purposes only the Original Budget for 2020-21 has been restated to reflect the new Departmental Structure.

**SCHEDULE III**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**GROSS EXPENSE BY OBJECT**  
**2021-22 AND 2020-21 REVISED**

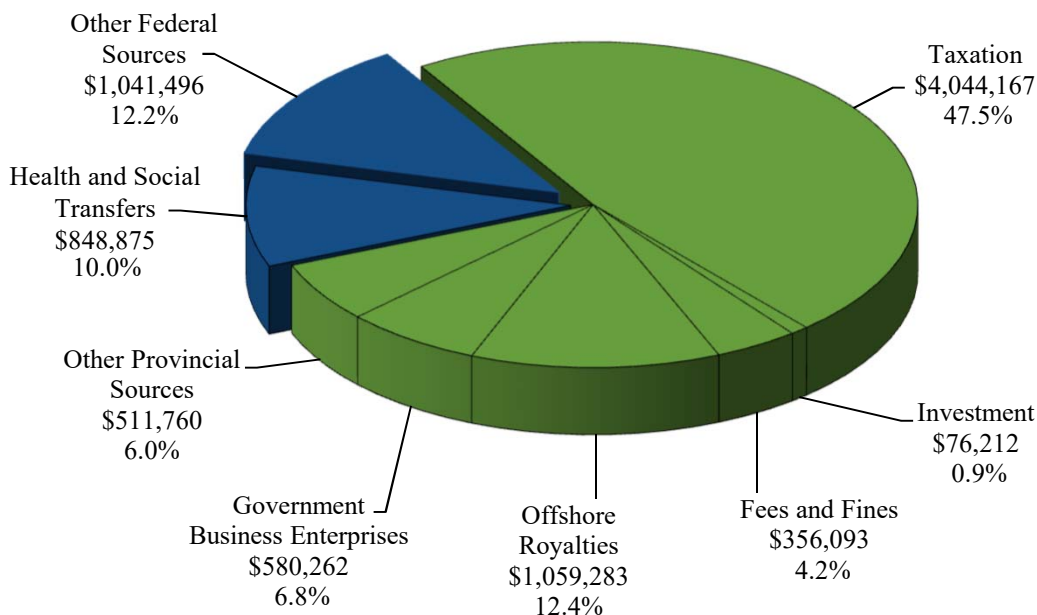
	<b>2021-22 Budget</b>	<b>2020-21 Revised</b>
	(\$000)	(\$000)
Salaries and employee benefits	<b>3,543,591</b>	3,488,533
Grants and subsidies	<b>2,519,966</b>	1,854,920
Operating costs	<b>1,394,951</b>	1,412,467
Debt expenses	<b>994,865</b>	1,118,658
Professional services	<b>532,762</b>	502,382
Amortization and (gain)/loss on the sale of tangible capital assets	<b>338,841</b>	334,953
Property, furnishings and equipment	<b>13,912</b>	16,674
Valuation allowances	<b>4,733</b>	4,717
<b>TOTAL GROSS EXPENSE BY OBJECT</b>	<b>9,343,621</b>	<b>8,733,304</b>



**SCHEDULE IV**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED BORROWINGS**  
**2021-22 AND 2020-21 REVISED**

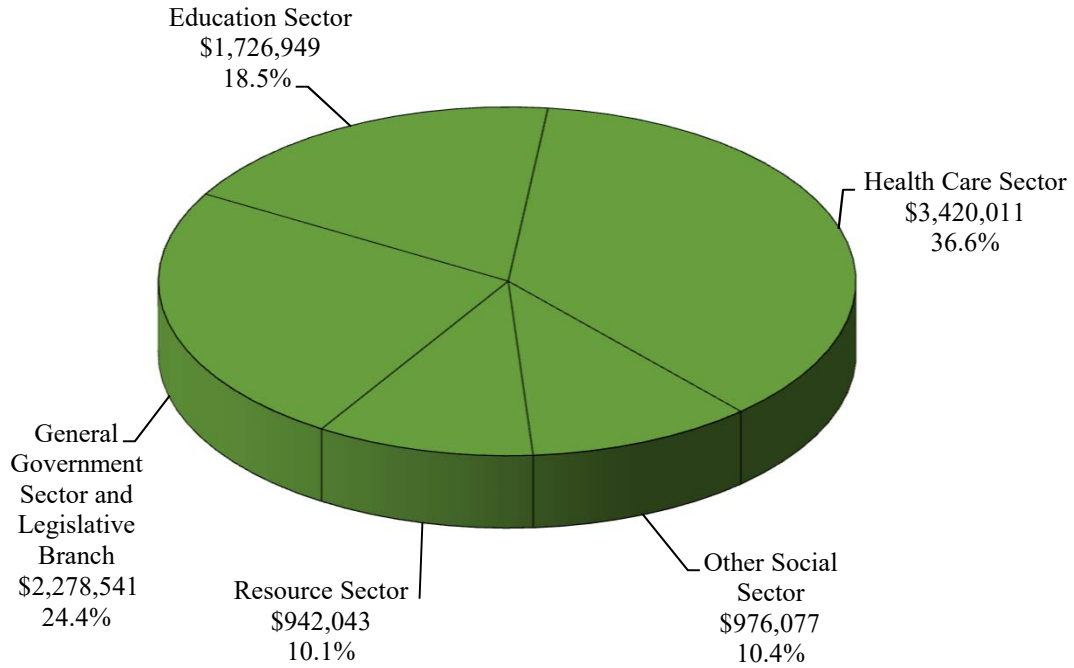
	<b>2021-22</b>	<b>2020-21</b>
	<b>Budget</b>	<b>Revised</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>Consolidated Revenue Fund</b>		
Treasury Bills	1,169,184	1,169,653
Debentures	17,124,345	15,831,185
Sun Life Assurance Company of Canada	36,538	44,656
Government of Canada	<u>173,974</u>	<u>226,350</u>
	<b>18,504,041</b>	<b>17,271,844</b>
Less: Sinking Funds	1,367,439	1,372,130
Plus: Unamortized Foreign Exchange Gains / (Losses)	<u>(172,277)</u>	<u>(175,062)</u>
	<u><b>16,964,325</b></u>	<u><b>15,724,652</b></u>
<b>Newfoundland and Labrador Housing Corporation</b>		
Debentures	<u>66,275</u>	<u>71,544</u>
	<u><b>66,275</b></u>	<u><b>71,544</b></u>
<b>Other Debt</b>		
Health Care Organizations	136,723	138,419
Educational Organizations	<u>17,554</u>	<u>17,549</u>
	<b>154,277</b>	<b>155,968</b>
Less: Sinking Funds	<u>27,869</u>	<u>26,110</u>
	<u><b>126,408</b></u>	<u><b>129,858</b></u>
<b>TOTAL CONSOLIDATED BORROWINGS</b>	<u><u><b>17,157,008</b></u></u>	<u><u><b>15,926,054</b></u></u>

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



Percentage of Total (%)		Source	Amount (\$000)	
Revised 2020-21	Budget 2021-22		Budget 2021-22	Revised 2020-21
<b>Provincial:</b>				
53.4	47.5	Taxation	4,044,167	3,790,063
1.0	0.9	Investment	76,212	71,795
4.7	4.2	Fees and Fines	356,093	329,882
8.4	12.4	Offshore Royalties	1,059,283	597,017
6.0	6.8	Government Business Enterprises	580,262	422,420
6.1	6.0	Other Provincial Sources	511,760	431,034
<u>79.6</u>	<u>77.8</u>	<b>Total: Provincial</b>	<u>6,627,777</u>	<u>5,642,211</u>
<b>Government of Canada:</b>				
11.1	10.0	Health and Social Transfers	848,875	784,980
9.3	12.2	Other Federal Sources	1,041,496	661,669
<u>20.4</u>	<u>22.2</u>	<b>Total: Government of Canada</b>	<u>1,890,371</u>	<u>1,446,649</u>
<u>100.0</u>	<u>100.0</u>	<b>Total Revenue</b>	<u>8,518,148</u>	<u>7,088,860</u>

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



Percentage of Total (%)		Expense by Sector	Amount (\$000)	
Revised 2020-21	Budget 2021-22		Budget 2021-22	Revised 2020-21
		<b>Expense:</b>		
20.0	18.5	Education Sector	1,726,949	1,743,644
38.8	36.6	Health Care Sector	3,420,011	3,388,545
9.7	10.4	Other Social Sector	976,077	849,087
6.5	10.1	Resource Sector	942,043	570,712
25.0	24.4	General Government Sector and Legislative Branch	2,278,541	2,181,316
<u>100.0</u>	<u>100.0</u>	<b>Total Expense</b>	<u>9,343,621</u>	<u>8,733,304</u>