

# BUDGET 2020

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**STATEMENT I**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**2020-21 AND 2019-20**

	2020-21	2019-20	
	Budget	Revised	Budget
	(\$000)	(\$000)	(\$000)
<b>REVENUE</b>			
Provincial			
Taxation	3,732,540	3,736,187	3,922,619
Investment	73,272	78,970	74,736
Fees and Fines	331,596	379,757	353,448
Offshore Royalties	532,690	962,198	1,129,345
Other	506,623	505,374	551,544
Government of Canada	1,481,755	3,677,309	3,871,655
<b>Total Revenue before Government Business Enterprises and Partnerships</b>	<b>6,658,476</b>	9,339,795	9,903,347
Net Income of Government Business Enterprises and Partnerships	470,721	216,908	446,495
<b>Sch. I TOTAL REVENUE</b>	<b>7,129,197</b>	9,556,703	10,349,842
<b>EXPENSE</b>			
General Government Sector and Legislative Branch	2,602,112	2,104,362	2,082,142
Resource Sector	733,784	695,080	717,898
Social Sector	5,631,400	5,643,372	5,625,350
<b>Sch. III TOTAL EXPENSE</b>	<b>8,967,296</b>	8,442,814	8,425,390
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(1,838,099)</b>	1,113,889	1,924,452

**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 the Original Budget for 2019-20 has been restated to reflect the new Departmental Structure.

**STATEMENT II**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**2020-21 AND 2019-20 REVISED**

	<b>2020-21</b>	<b>2019-20</b>
	<b>Budget</b>	<b>Revised</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>Funds Provided from (Applied to):</b>		
<b>OPERATIONS</b>		
Annual Surplus (Deficit)	(1,838,099)	1,113,889
Add / (Deduct) Non-Cash Items:		
Amortization of Tangible Capital Assets	332,948	318,332
Retirement Costs		
Pension	257,967	272,282
Other Post-Employment Benefits	62,129	53,738
Other Retirement Costs	205,109	204,680
Sinking Fund Earnings	(61,877)	(64,240)
Atlantic Accord Receivable	-	(2,399,769)
Other	(426,065)	(375,587)
<b>Net Cash Applied to Operating Transactions</b>	<b>(1,467,888)</b>	<b>(876,675)</b>
<b>CAPITAL</b>		
Net Acquisitions of Tangible Capital Assets	(535,189)	(458,626)
<b>Net Cash Applied to Capital Transactions</b>	<b>(535,189)</b>	<b>(458,626)</b>
<b>FINANCING</b>		
Borrowings	3,000,000	1,200,000
Debt Retirement and Short Term Investments	(1,638,833)	820,000
Retirement of Promissory Note	(75,169)	(70,914)
<b>Net Cash Provided from Financing Transactions</b>	<b>1,285,998</b>	<b>1,949,086</b>
<b>INVESTING</b>		
Investment in Government Business Enterprises	-	(379,200)
Net Investment in Other Projects	(18,200)	(14,147)
<b>Net Cash Applied to Investing Transactions</b>	<b>(18,200)</b>	<b>(393,347)</b>
<b>Net Cash Provided (Applied)</b>	<b>(735,279)</b>	<b>220,438</b>
Cash and Temporary Investments - Beginning of Period	1,491,446	1,271,008
<b>Cash and Temporary Investments - End of Period</b>	<b>756,167</b>	<b>1,491,446</b>

**STATEMENT III**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**CONSOLIDATED CHANGE IN NET DEBT**  
**2020-21 AND 2019-20 REVISED**

	2020-21 Budget	2019-20 Revised
	(\$000)	(\$000)
<b>CHANGE IN NET DEBT</b>		
<b>Net Debt - Beginning of Period</b>	<b>14,400,376</b>	15,373,971
(Surplus) Deficit for the Period	<b>1,838,099</b>	(1,113,889)
Change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets	<b>535,189</b>	458,626
Amortization of Tangible Capital Assets	<b>(332,948)</b>	(318,332)
<b>Increase in Net Book Value of Tangible Capital Assets</b>	<b>202,241</b>	140,294
Increase (Decrease) in Net Debt	<b>2,040,340</b>	(973,595)
<b>Net Debt - End of Period</b>	<b>16,440,716</b>	14,400,376
<b>NET DEBT SUMMARY</b>		
Unfunded Pension Liability	<b>630,093</b>	654,387
Unfunded Retirement Benefits Liability	<b>3,250,758</b>	3,139,016
Plus: Promissory Notes	<b>4,129,536</b>	4,204,705
	<b>8,010,387</b>	7,998,108
<b>Sch. IV Borrowings - Net of Sinking Funds</b>	<b>16,641,132</b>	15,438,468
<b>Debt</b>	<b>24,651,519</b>	23,436,576
Other Financial Liabilities less Financial Assets	<b>(8,210,803)</b>	(9,036,200)
<b>Net Debt</b>	<b>16,440,716</b>	14,400,376
<b>DEBT TRANSACTIONS</b>		
<b>Debt - Beginning of Period</b>	<b>23,436,576</b>	20,760,776
Debt Retirement, Treasury Bills and Increase in Sinking Funds	<b>(1,797,336)</b>	1,441,398
Borrowings	<b>3,000,000</b>	1,200,000
Increase (Decrease) in Promissory Notes	<b>(75,169)</b>	(70,914)
Increase (Decrease) in Unfunded Pension Liability	<b>(24,294)</b>	2,270
Increase (Decrease) in Post-Retirement Benefits Liability	<b>111,742</b>	103,046
<b>Debt - End of Period</b>	<b>24,651,519</b>	23,436,576

**SCHEDULE I  
PROVINCE OF NEWFOUNDLAND AND LABRADOR  
REVENUE BY SOURCE  
2020-21 AND 2019-20 REVISED**

	<b>2020-21 Budget (\$000)</b>	<b>2019-20 Revised (\$000)</b>
<b>Provincial</b>		
Taxation		
Personal Income Tax	1,594,528	1,600,776
Sales Tax	1,104,927	1,223,671
Gasoline Tax	130,190	177,274
Carbon Tax	59,531	54,794
Payroll Tax	95,474	117,898
Tobacco and Vaping Tax	106,661	124,508
Cannabis Tax	4,169	3,373
Corporate Capital Tax	35,336	25,220
Corporate Income Tax	408,184	224,686
Mining Tax and Royalties	94,591	85,139
Insurance Companies Tax	98,949	98,848
	<u>3,732,540</u>	<u>3,736,187</u>
Investment		
Sinking Fund Earnings	61,877	64,240
Interest Revenue	11,395	14,730
	<u>73,272</u>	<u>78,970</u>
Fees and Fines	<u>331,596</u>	<u>379,757</u>
Offshore Royalties	<u>532,690</u>	<u>962,198</u>
Other Provincial Revenues		
Sales and Rentals	27,837	28,269
Cost Recoveries	15,200	13,731
Other	463,586	463,374
	<u>506,623</u>	<u>505,374</u>
<b>Government of Canada</b>		
Atlantic Accord	-	2,399,769
Health Transfers	572,281	568,357
Social Transfers	205,340	202,823
Statutory Subsidies	9,710	9,710
Cost Shared and Other Federal Revenues	694,424	496,650
	<u>1,481,755</u>	<u>3,677,309</u>
<b>Net Income of Government Business Enterprises and Partnerships</b>		
Atlantic Lottery Corporation	83,550	121,840
Nalcor Energy	213,944	(90,205)
Newfoundland and Labrador Liquor Corporation	173,227	185,273
	<u>470,721</u>	<u>216,908</u>
<b>TOTAL REVENUE BY SOURCE</b>	<u><u>7,129,197</u></u>	<u><u>9,556,703</u></u>

**SCHEDULE II**  
**PROVINCE OF NEWFOUNDLAND AND LABRADOR**  
**GROSS EXPENSE BY DEPARTMENT**  
**2020-21 AND 2019-20 REVISED**

	2020-21 Budget	2019-20 Revised
	(\$000)	(\$000)
<b>General Government Sector and Legislative Branch</b>		
<b>General Government Sector</b>		
Consolidated Fund Services	1,215,705	874,147
Digital Government and Service Newfoundland and Labrador	33,330	32,386
Executive Council	233,985	157,320
Finance	511,157	446,075
Public Procurement Agency	2,037	1,821
Public Service Commission	11,969	11,152
Transportation and Infrastructure	568,969	555,018
<b>Legislative Branch</b>		
Legislature	24,960	26,443
	<u>2,602,112</u>	<u>2,104,362</u>
<b>Resource Sector</b>		
Fisheries, Forestry and Agriculture	128,970	123,871
Immigration, Skills and Labour	409,052	408,049
Industry, Energy and Technology	131,885	101,002
Tourism, Culture, Arts and Recreation	63,877	62,158
	<u>733,784</u>	<u>695,080</u>
<b>Social Sector</b>		
Children, Seniors and Social Development	158,677	164,320
Education	1,539,804	1,656,774
Environment, Climate Change and Municipalities	170,695	132,643
Health and Community Services	3,352,751	3,292,991
Justice and Public Safety	281,323	276,074
Newfoundland and Labrador Housing Corporation	128,150	120,570
	<u>5,631,400</u>	<u>5,643,372</u>
<b>TOTAL GROSS EXPENSE BY DEPARTMENT</b>	<u><u>8,967,296</u></u>	<u><u>8,442,814</u></u>

**Notes:**

- (i) This Schedule includes expenses by departments and organizations in the Government Reporting Entity.
- (ii) For comparative purposes the Original Budget for 2019-20 has been restated to reflect the new Departmental Structure.

**SCHEDULE III  
PROVINCE OF NEWFOUNDLAND AND LABRADOR  
GROSS EXPENSE BY OBJECT  
2020-21 AND 2019-20 REVISED**

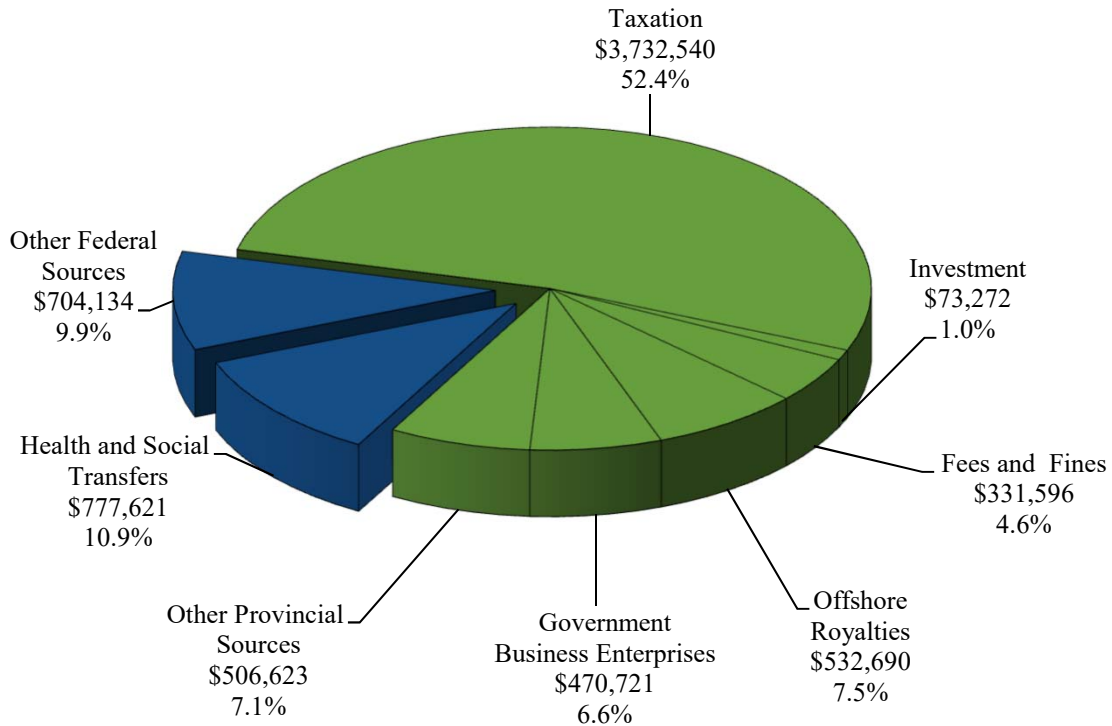
	<b>2020-21 Budget</b>	<b>2019-20 Revised</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Salaries and employee benefits	<b>3,470,927</b>	3,441,702
Operating costs	<b>1,394,611</b>	1,347,186
Grants and subsidies	<b>2,158,895</b>	1,763,647
Debt expenses	<b>1,073,134</b>	1,042,763
Professional services	<b>517,832</b>	508,156
Amortization and (gain)/loss on the sale of tangible capital assets	<b>332,948</b>	318,332
Property, furnishings and equipment	<b>14,290</b>	15,780
Valuation allowances	<b>4,659</b>	5,248
<b>TOTAL GROSS EXPENSE BY OBJECT</b>	<b>8,967,296</b>	<b>8,442,814</b>

**SCHEDULE IV  
PROVINCE OF NEWFOUNDLAND AND LABRADOR  
CONSOLIDATED BORROWINGS  
2020-21 AND 2019-20 REVISED**

	<b>2020-21 Budget</b>	<b>2019-20 Revised</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>Consolidated Revenue Fund</b>		
Treasury Bills	1,148,543	1,962,201
Debentures	16,503,686	14,506,308
Sun Life Assurance Company of Canada	44,656	52,115
Government of Canada	<u>226,350</u>	<u>268,995</u>
	17,923,235	16,789,619
Less: Sinking Funds	1,383,656	1,450,012
Plus: Unamortized Foreign Exchange Gains / (Losses)	<u>(153,424)</u>	<u>(148,589)</u>
	<u>16,386,155</u>	<u>15,191,018</u>
<b>Newfoundland and Labrador Housing Corporation</b>		
Debentures	<u>71,544</u>	<u>76,719</u>
	<u>71,544</u>	<u>76,719</u>
<b>Other Debt</b>		
Health Care Organizations	193,728	179,392
Educational Organizations	<u>15,815</u>	<u>15,757</u>
	209,543	195,149
Less: Sinking Funds	<u>26,110</u>	<u>24,418</u>
	<u>183,433</u>	<u>170,731</u>
<b>TOTAL CONSOLIDATED BORROWINGS</b>	<u><u>16,641,132</u></u>	<u><u>15,438,468</u></u>

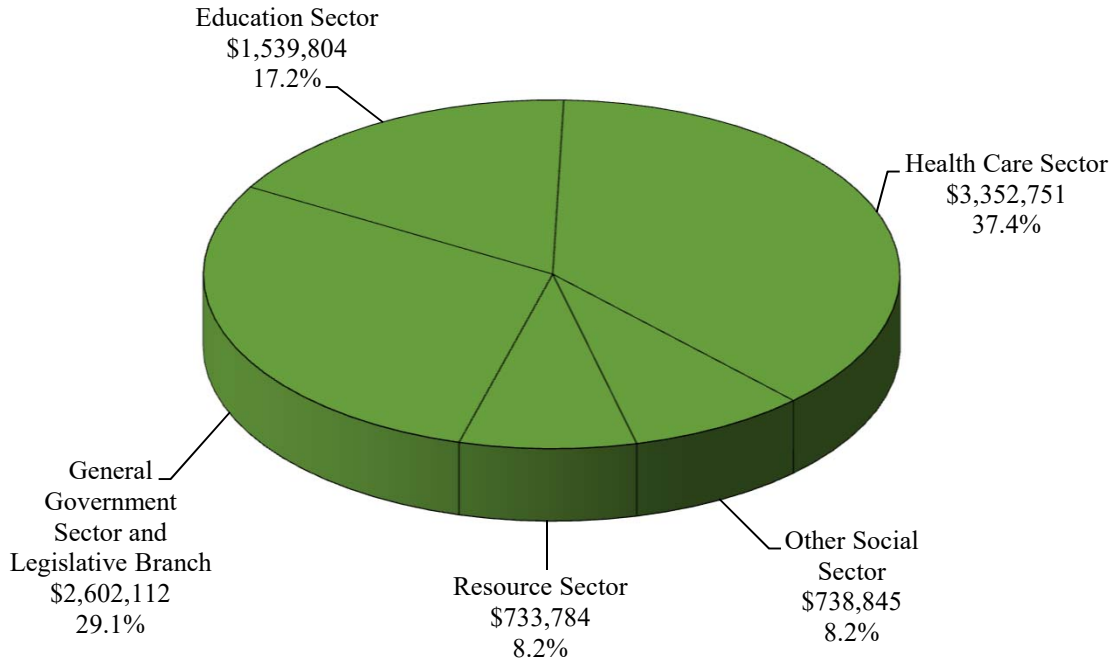


**SCHEDULE V  
SUMMARY OF REVENUES (BY SOURCE)  
WHERE THE REVENUE COMES FROM**



Percentage of Total (%)		Source	Amount (\$000)	
Revised 2019-20	Budget 2020-21		Budget 2020-21	Revised 2019-20
		<b>Provincial:</b>		
39.1	52.4	Taxation	3,732,540	3,736,187
0.8	1.0	Investment	73,272	78,970
4.0	4.6	Fees and Fines	331,596	379,757
10.0	7.5	Offshore Royalties	532,690	962,198
2.3	6.6	Government Business Enterprises	470,721	216,908
5.3	7.1	Other Provincial Sources	506,623	505,374
<u>61.5</u>	<u>79.2</u>	<b>Total: Provincial</b>	<u>5,647,442</u>	<u>5,879,394</u>
		<b>Government of Canada:</b>		
25.1	-	Atlantic Accord	-	2,399,769
8.1	10.9	Health and Social Transfers	777,621	771,180
5.3	9.9	Other Federal Sources	704,134	506,360
<u>38.5</u>	<u>20.8</u>	<b>Total: Government of Canada</b>	<u>1,481,755</u>	<u>3,677,309</u>
<u>100.0</u>	<u>100.0</u>	<b>Total Revenue</b>	<u>7,129,197</u>	<u>9,556,703</u>

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



Percentage of Total (%)		Expense by Sector	Amount (\$000)	
Revised 2019-20	Budget 2020-21		Budget 2020-21	Revised 2019-20
19.6	17.2	<b>Expense:</b>		
39.0	37.4	Education Sector	1,539,804	1,656,774
8.2	8.2	Health Care Sector	3,352,751	3,292,991
8.2	8.2	Other Social Sector	738,845	693,607
		Resource Sector	733,784	695,080
25.0	29.1	General Government Sector and Legislative Branch	2,602,112	2,104,362
<u>100.0</u>	<u>100.0</u>	<b>Total Expense</b>	<u>8,967,296</u>	<u>8,442,814</u>