

BUDGET 2018

Page

STATEMENTS:

I	Consolidated Statement of Operations	ii
II	Consolidated Statement of Cash Flows	iii
III	Consolidated Change in Net Debt	iv

SCHEDULES:

I	Revenue By Source	v
II	Gross Expense By Department	vi
III	Gross Expense By Object	vii
IV	Consolidated Borrowings	viii
V	Where the Revenue Comes From	ix
VI	Where the Expenses Go	x

STATEMENT I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED STATEMENT OF OPERATIONS
2018-19 AND 2017-18 REVISED

	2018-19	2017-18	
	Budget	Revised	Budget
	(\$000)	(\$000)	(\$000)
REVENUE			
Provincial			
Taxation	3,865,136	3,809,363	3,924,589
Investment	77,188	73,566	72,622
Fees and Fines	338,543	337,856	516,789
Offshore Royalties	999,891	929,550	881,682
Other	655,079	573,334	245,966
Government of Canada	<u>1,308,085</u>	<u>1,242,379</u>	<u>1,256,250</u>
Total Revenue before Government Business Enterprises and Partnerships	7,243,922	6,966,048	6,897,898
Net Income of Government Business Enterprises and Partnerships	<u>429,431</u>	<u>374,133</u>	<u>441,047</u>
Sch. I TOTAL REVENUE	<u>7,673,353</u>	<u>7,340,181</u>	<u>7,338,945</u>
EXPENSE			
Sch. II General Government Sector and Legislative Branch	1,946,051	1,905,283	1,881,392
Sch. II Resource Sector	1,439,125	1,407,314	1,426,006
Sch. II Social Sector	<u>4,971,115</u>	<u>4,839,482</u>	<u>4,809,098</u>
Sch. III TOTAL EXPENSE	<u>8,356,291</u>	<u>8,152,079</u>	<u>8,116,496</u>
ANNUAL DEFICIT	<u>(682,938)</u>	<u>(811,898)</u>	<u>(777,551)</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, whereas the Estimates are prepared on a modified cash basis in accordance with the Financial Administration Act to present 2018-19 departmental spending appropriations to the House of Assembly.

STATEMENT II
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED STATEMENT OF CASH FLOWS
2018-19 AND 2017-18 REVISED

	2018-19 Budget (\$000)	2017-18 Revised (\$000)
Funds Provided from (Applied to):		
OPERATIONS		
Annual Deficit	(682,938)	(811,898)
Add / (Deduct) Non-Cash Items:		
Amortization of Tangible Capital Assets	279,708	269,836
Retirement Costs		
Pension	276,725	318,736
Other Post-Employment Benefits	40,942	30,390
Other Retirement Costs	201,951	201,945
Sinking Fund Earnings	(64,376)	(59,764)
Other	(695,201)	(953,721)
Net Cash Applied to Operating Transactions	(643,189)	(1,004,476)
CAPITAL		
Net Acquisitions of Tangible Capital Assets	(487,176)	(497,659)
Net Cash Applied to Capital Transactions	(487,176)	(497,659)
FINANCING		
Borrowings	1,450,000	1,175,000
Debt Retirement and Short Term Investments	(81,212)	(87,178)
Retirement of Promissory Note	93,281	80,986
Net Cash Provided from Financing Transactions	1,462,069	1,168,808
INVESTING		
Investment in Government Business Enterprises	(723,900)	(589,885)
Net Investment in Other Projects	(21,300)	(14,281)
Net Cash Applied to Investing Transactions	(745,200)	(604,166)
Net Cash Provided (Applied)	(413,496)	(937,494)
Cash and Temporary Investments - Beginning of Period	1,111,166	2,048,660
Cash and Temporary Investments - End of Period	697,670	1,111,166

**STATEMENT III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED CHANGE IN NET DEBT
2018-19 AND 2017-18 REVISED**

	2018-19 Budget	2017-18 Revised
	(\$000)	(\$000)
CHANGE IN NET DEBT		
Net Debt - Beginning of Period	14,637,527	13,597,806
Deficit for the Period	682,938	811,898
Change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets	487,176	497,659
Amortization of Tangible Capital Assets	<u>(279,708)</u>	<u>(269,836)</u>
Increase in Net Book Value of Tangible Capital Assets	207,468	227,823
Increase (Decrease) in Net Debt	<u>890,406</u>	<u>1,039,721</u>
Net Debt - End of Period	<u>15,527,933</u>	<u>14,637,527</u>
NET DEBT SUMMARY		
Unfunded Pension Liability	586,418	577,889
Unfunded Retirement Benefits Liability	3,028,335	2,935,054
Plus: Promissory Notes	<u>4,275,619</u>	<u>4,342,519</u>
	7,890,372	7,855,462
Sch. IV Borrowings - Net of Sinking Funds	<u>13,047,934</u>	<u>11,659,659</u>
Debt	20,938,306	19,515,121
Other Financial Liabilities less Financial Assets	<u>(5,410,373)</u>	<u>(4,877,594)</u>
Net Debt	<u>15,527,933</u>	<u>14,637,527</u>
DEBT TRANSACTIONS		
Debt - Beginning of Period	19,515,121	18,405,343
Debt Retirement, Treasury Bills and Increase in Sinking Funds	(61,725)	(158,277)
Borrowings	1,450,000	1,175,000
Increase (Decrease) in Promissory Notes	(66,900)	(63,112)
Increase (Decrease) in Unfunded Pension Liability	8,529	75,181
Increase (Decrease) in Post-Retirement Benefits Liability	<u>93,281</u>	<u>80,986</u>
Debt - End of Period	<u>20,938,306</u>	<u>19,515,121</u>

SCHEDULE I
PROVINCE OF NEWFOUNDLAND AND LABRADOR
REVENUE BY SOURCE
2018-19 AND 2017-18 REVISED

	2018-19 Budget (\$000)	2017-18 Revised (\$000)
Provincial		
Taxation		
Personal Income Tax	1,581,927	1,473,456
Sales Tax	1,207,436	1,244,330
Gasoline Tax	260,835	273,656
Payroll Tax	134,517	137,437
Tobacco Tax	160,397	160,237
Cannabis Tax	2,240	-
Corporate Capital Tax	39,658	41,381
Corporate Income Tax	323,884	299,971
Mining Tax and Royalties	65,367	92,080
Insurance Companies Tax	88,875	86,815
	<u>3,865,136</u>	<u>3,809,363</u>
Investment		
Sinking Fund Earnings	64,376	59,764
Interest Revenue	12,812	13,802
	<u>77,188</u>	<u>73,566</u>
Fees and Fines		
Vehicle and Driver Licenses	99,200	99,100
Registry of Deeds, Companies and Securities	32,650	32,630
Fees, Fines and Forfeitures	206,693	206,126
	<u>338,543</u>	<u>337,856</u>
Offshore Royalties	<u>999,891</u>	<u>929,550</u>
Other Provincial Revenues	<u>655,079</u>	<u>573,334</u>
Government of Canada		
Health Transfers	546,689	540,838
Social Transfers	200,644	198,531
Statutory Subsidies	9,710	9,710
Cost Shared and Other Federal Revenues	551,042	493,300
	<u>1,308,085</u>	<u>1,242,379</u>
Net Income of Government Business Enterprises and Partnerships		
Atlantic Lottery Corporation	133,000	132,000
Nalcor Energy	118,100	65,400
Newfoundland and Labrador Liquor Corporation	178,331	176,733
	<u>429,431</u>	<u>374,133</u>
TOTAL REVENUE BY SOURCE	<u><u>7,673,353</u></u>	<u><u>7,340,181</u></u>

SCHEDULE II
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY DEPARTMENT
2018-19 AND 2017-18 REVISED

	2018-19 Budget	2017-18 Revised
	(\$000)	(\$000)
General Government Sector and Legislative Branch		
General Government Sector		
Consolidated Fund Services	813,599	752,325
Executive Council	95,267	94,844
Finance	514,295	547,242
Public Procurement Agency	2,119	1,698
Public Service Commission	2,266	2,181
Service Newfoundland and Labrador	36,126	36,515
Transportation and Works	457,180	448,735
Legislative Branch		
Legislature	25,199	21,743
	<u>1,946,051</u>	<u>1,905,283</u>
Resource Sector		
Advanced Education, Skills and Labour	1,156,584	1,161,080
Fisheries and Land Resources	132,591	99,525
Natural Resources	53,725	45,077
Tourism, Culture, Industry and Innovation	96,225	101,632
	<u>1,439,125</u>	<u>1,407,314</u>
Social Sector		
Children, Seniors and Social Development	167,174	166,581
Education and Early Childhood Development	877,914	868,154
Health and Community Services	3,199,108	3,150,448
Justice and Public Safety	277,991	258,694
Municipal Affairs and Environment	306,005	255,313
Newfoundland and Labrador Housing Corporation	142,923	140,292
	<u>4,971,115</u>	<u>4,839,482</u>
TOTAL GROSS EXPENSE BY DEPARTMENT	<u><u>8,356,291</u></u>	<u><u>8,152,079</u></u>

Notes:

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

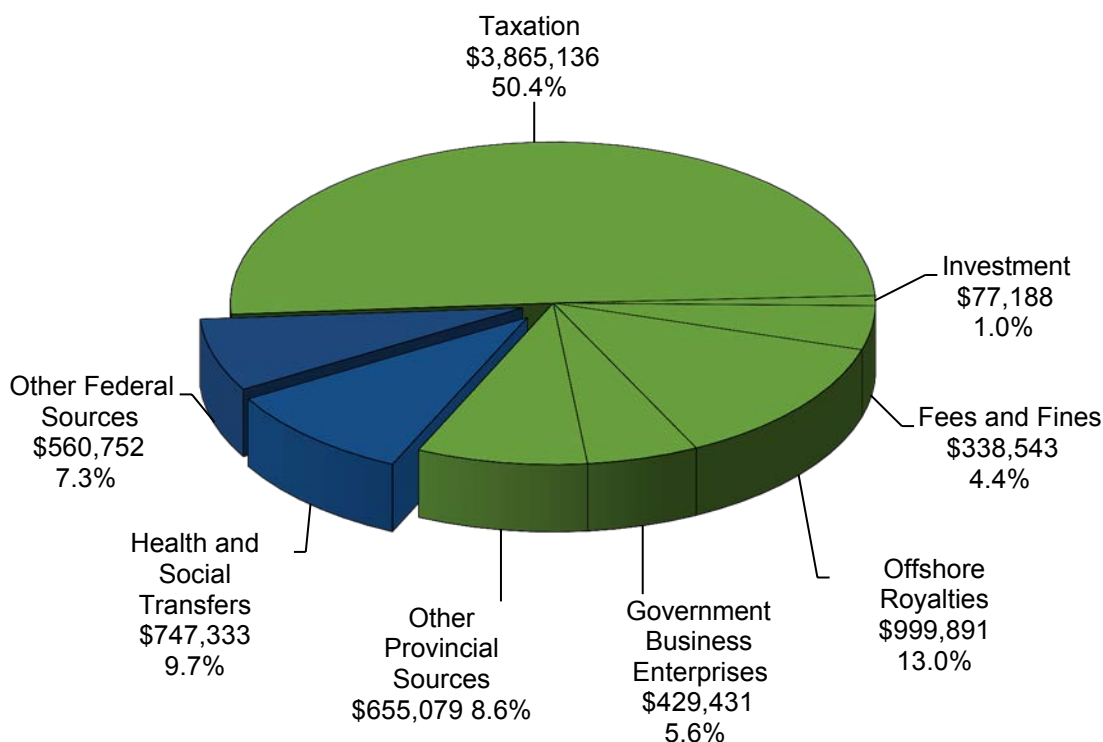
SCHEDULE III
PROVINCE OF NEWFOUNDLAND AND LABRADOR
GROSS EXPENSE BY OBJECT
2018-19 AND 2017-18 REVISED

	2018-19 Budget	2017-18 Revised
	(\$000)	(\$000)
Salaries and employee benefits	3,451,264	3,510,831
Operating costs	1,294,982	1,245,742
Grants and subsidies	1,771,328	1,619,199
Debt expenses	1,007,119	969,348
Professional services	534,727	519,216
Amortization and (gain)/loss on the sale of tangible capital assets	279,708	269,836
Property, furnishings and equipment	14,552	15,054
Valuation allowances	2,611	2,853
TOTAL GROSS EXPENSE BY OBJECT	<u>8,356,291</u>	<u>8,152,079</u>

SCHEDULE IV
PROVINCE OF NEWFOUNDLAND AND LABRADOR
CONSOLIDATED BORROWINGS
2018-19 AND 2017-18 REVISED

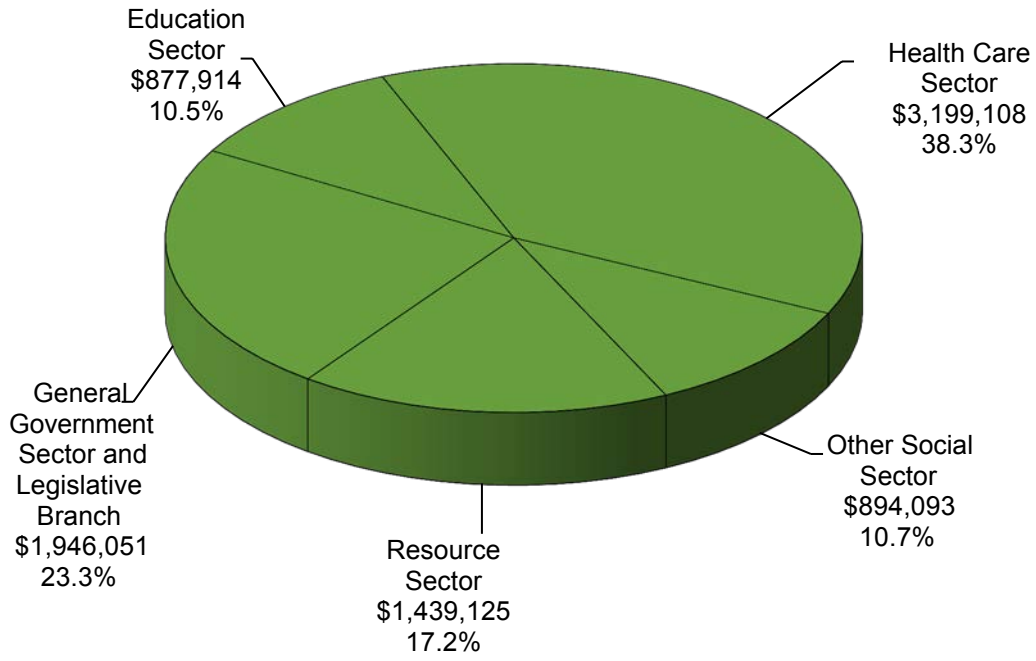
	2018-19 Budget	2017-18 Revised
	(\$000)	(\$000)
Consolidated Revenue Fund		
Treasury Bills	1,030,289	777,397
Debentures	12,944,287	11,729,287
Sun Life Assurance Company of Canada	58,970	65,270
Government of Canada	<u>304,440</u>	<u>306,313</u>
	14,337,986	12,878,267
Less: Sinking Funds	1,510,669	1,423,485
Plus: Unamortized Foreign Exchange Gains / (Losses)	<u>(93,188)</u>	<u>(136,319)</u>
	<u>12,734,129</u>	<u>11,318,463</u>
Newfoundland and Labrador Municipal Financing Corporation		
Debentures	<u>1,400</u>	<u>4,066</u>
	<u>1,400</u>	<u>4,066</u>
Newfoundland and Labrador Housing Corporation		
Debentures	<u>82,193</u>	<u>86,709</u>
	<u>82,193</u>	<u>86,709</u>
Other Debt		
Health Care Organizations	196,131	215,665
Educational Organizations	<u>11,371</u>	<u>13,661</u>
	207,502	229,326
Less: Sinking Funds	<u>(22,710)</u>	<u>(21,095)</u>
	<u>230,212</u>	<u>250,421</u>
TOTAL CONSOLIDATED BORROWINGS	<u><u>13,047,934</u></u>	<u><u>11,659,659</u></u>

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



Percentage of Total (%)		Source	Amount (\$000)	
Revised 2017-18	Budget 2018-19		Budget 2018-19	Revised 2017-18
Provincial:				
51.9	50.4	Taxation	3,865,136	3,809,363
1.0	1.0	Investment	77,188	73,566
4.6	4.4	Fees and Fines	338,543	337,856
12.7	13.0	Offshore Royalties	999,891	929,550
5.1	5.6	Government Business Enterprises	429,431	374,133
7.8	8.6	Other Provincial Sources	655,079	573,334
<u>83.1</u>	<u>83.0</u>	Total: Provincial	<u>6,365,268</u>	<u>6,097,802</u>
Government of Canada:				
10.1	9.7	Health and Social Transfers	747,333	739,369
6.8	7.3	Other Federal Sources	560,752	503,010
<u>16.9</u>	<u>17.0</u>	Total: Government of Canada	<u>1,308,085</u>	<u>1,242,379</u>
<u>100.0</u>	<u>100.0</u>	Total Revenue	<u>7,673,353</u>	<u>7,340,181</u>

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



Percentage of Total (%)		Expense by Sector	Amount (\$000)	
Revised 2017-18	Budget 2018-19		Budget 2018-19	Revised 2017-18
10.6	10.5	Expense:		
38.6	38.3	Education Sector	877,914	868,154
10.1	10.7	Health Care Sector	3,199,108	3,150,448
17.3	17.2	Other Social Sector	894,093	820,880
		Resource Sector	1,439,125	1,407,314
23.4	23.3	General Government Sector and Legislative Branch	1,946,051	1,905,283
<u>100.0</u>	<u>100.0</u>	Total Expense	<u>8,356,291</u>	<u>8,152,079</u>