Public Accounts 2016–17
Technical Questions & Answers

ACCOUNTING CHANGES

IESO - ACCOUNTING CHANGES

Q. What were the accounting changes made by IESO in its financial statements?

A. As of January 1, 2016, the IESO changed its accounting policy regarding the recognition of assets and liabilities subject to rate regulation. The change was made to better reflect the economic substance of certain types of expenses that may not be directly recovered through the normal revenue requirement model.

In addition, the IESO changed its accounting policy regarding the recognition of market accounts assets and liabilities on the statement of financial position. The change was made to better reflect the assets and liabilities and amounts due to and from market participants held by the IESO on behalf of the IESO administered market at year end.

Q. What is the impact of IESO's accounting changes to the Province's Consolidated Financial Statements?

A. Given the IESO prepared its financial statements using Public Sector Accounting Standards and its auditor issued an un-qualified audit report for 2016 financials, Province will consolidate IESO using similar accounting as adopted by the IESO and reflected in its 2016 financials. There would be no fiscal impact for market accounts; however, IESO's adoption of rate-regulated accounting resulted in a decrease of $82 million in the 2016–17 opening accumulated deficit, and an increase in the 2016–17 annual deficits by $24 million.

PENSION - ACCOUNTING CHANGES

Q. What were the pension accounting changes made by the Province in its Consolidated Financial Statements?

A. The 2016–17 Consolidated Financial Statements reflect a change in accounting for net pension assets of the Province's jointly sponsored pension plans, as compared to the 2015–16 Consolidated Financial Statements. The change affects the Province's accounting for both the Ontario Teachers' Pension Plan (OTPP) and the Ontario Public Service Employees' Union Pension Plan (OPSEUPP).

In the 2015–16 Consolidated Financial Statements, the Province legislated the accounting treatment for pension assets of OTPP and OPSEUPP in order to reflect the Auditor General of Ontario's view that a full valuation allowance was required based on the view that the government does not have a legally enforceable right to unilaterally access the assets of the jointly sponsored pension plans, or, in the absence of that right, an irrevocable agreement in place at year-end with the joint sponsors of the plans to reduce contributions. The legislation required that a full valuation allowance be recorded against the pension assets of OTPP and OPSEUPP, therefore writing down the value of the assets as at March 31, 2016, to nil.

After significant consultation, including consideration of the recommendations of the Pension Asset Expert Advisory Panel, the Province has confirmed that the accounting for its jointly sponsored pension plans prior to 2015–16 was appropriate and in accordance with Public Sector Accounting Standards. The 2016–17 Consolidated Financial Statements reflect the confirmed accounting treatment and record pension assets on the same basis as used by the Province in preparing its Consolidated Financial Statements prior to 2015–16.

HYDRO ONE/OPG CONSOLIDATION - ACCOUNTING CHANGES

Q. What were the accounting changes made by the Province to consolidate Hydro One and Ontario Power Generation in its Consolidated Financial Statements?

A. Commencing April 1, 2016, the Province is accounting for the results for Hydro One Limited and Ontario Power Generation using the modified equity basis and IFRS (including IFRS 14). Previously, the Province had used Generally Accepted Accounting Principles in the United States (US GAAP), the accounting standards used by these entities in preparing their stand-alone financial statements, in applying the modified equity basis. Historically, the difference between IFRS and US GAAP with respect to the annual deficit of the Province was not material.

This change has resulted in an adjustment to the opening accumulated deficit and net debt of $1.6B. The transitional adjustment is predominantly related to the difference in accounting for Asset Retirement Obligation and pension and other post-employment benefits.

PRESENTATION CHANGE TO BPS ORGANIZATIONS

Q. Why is the Province changing its accounting of its BPS organizations (i.e. hospitals, school boards and colleges)?

A. Province changed the presentation of hospitals, school boards and colleges to present third-party revenues of these organizations with revenues of the Province. Previously third-party revenues earned by these organizations, such as tuition fees, patient fees, research grants and donations, were netted against the respective sectors' expenses. The change was made to fully comply with Public Sector Accounting Standards. For comparability and consistency purposes, the prior years' results and the 2016 Budget have been reclassified to reflect this change in presentation.

Q. What are the impacts of the change on the deficit / debt of the Province and key financial indicators?

The presentation change increases the total revenues and expenses of the Province, but does not affect the annual deficit, net debt or accumulated deficit of the Province. Therefore, there is no change to key financial indicators related to annual deficit, net debt or accumulated deficit.

The Province's interest on debt expenses will increase marginally since the interest expense of BPS entities previously included in sector expenses will now be presented as part of the Province's interest on debt expense. However, since total revenues will be grossed up, the debt charge to total revenue and net debt to total revenue will be favorably impacted.

Total program spending per capita will be higher due to the gross up of program expense.

DEBT

Q. Why did net debt increase by $6.3 billion, from $295.4 billion as at March 31, 2016 to $301.6 billion as at March 31, 2017?

A. Net debt is the province's total debt and other liabilities, less its financial assets, including cash and investments. The increase of $6.3 billion in net debt is primarily due to the deficit and investments in capital assets.

Q. Why did net debt to GDP decrease from 38.7 percent as at March 31, 2016 to 37.8 percent as at March 31, 2017?

A. The decrease in net debt to GDP is mainly due to GDP growing at a faster rate than net debt. The government is committed to eliminating the deficit by 2017-18 and then reducing the net debt to GDP ratio to the pre-recession level of 27 per cent.

Q. How do you explain the $5.7 billion increase in total debt from $327.4 billion at March 31, 2016 to $333.1 billion at March 31, 2017?

A. The increase in $5.7 billion in total debt is due to borrowing for the deficit ($1.0 billion) and the net change in capital assets ($4.7 billion) for 2016-17.

Q. Why has total debt gone up by $5.7 billion while the accumulated deficit has gone up by only $1.5 billion?

A. Total debt represents all borrowing that is used to fund the deficit, as well as to invest in capital assets and cash reserves. Accumulated deficit is the sum of all deficits less surpluses since Confederation.

Total debt increased by $5.7 billion primarily in order to fund the deficit as well as the Province's investments in capital assets, which are not reflected in the deficit.

Q. What is the difference between total debt and net debt?

A. Total debt represents all borrowings without taking into consideration other liabilities and financial assets. Net debt is the province's total debt and other liabilities, less its financial assets. Net debt is the measurement of debt most commonly used by rating agencies and investors in the Province's bonds.

Q. Why has net debt increased by $0.27 billion from the interim estimate in the 2017 Budget, while total debt has increased by $0.7 billion from the interim estimate?

A. Net debt is the province's total debt and other liabilities, less its financial assets.

Net debt increased by $0.27 billion from the interim estimate primarily due to:

- $0.53 billion decrease from the interim deficit, offset by a $0.26 billion impact relating to various other adjustments as evidenced in the audited Consolidated Statement of Net Debt (Ontario Nuclear Funds, Tangible Capital Assets, IFRS transitional impact for OPG and Hydro 1, pension adjustments and other).

Total debt is all of the Province's borrowings. The total amount borrowed has increased by $0.7 billion from the interim estimate primarily due to the increase in short term borrowing.

Q. How will the 2016-17 Public Accounts affect the borrowing requirement for 2017-18?

A. As in past years, any changes in the borrowing requirement arising from Public Accounts will be determined as part of the 2017 Economic Outlook and Fiscal Review.

Q. How much debt was issued in 2016-17, and how much debt matured during the year under the Province's borrowing program?

A: The Province completed an annual borrowing program of $27.0 billion in 2016-17.

Long-term debt maturities per the 2017 Budget were $20.9 billion.

RISK MANAGEMENT

Q. What is your current policy on foreign currency exposure?

A. The Province limits itself to a maximum foreign exchange exposure of 5 per cent of Debt Issued for Provincial Purposes. The foreign currency exposure as at March 31, 2017 was 0.2 per cent.

Q. What is your current policy on controlling interest rate exposure?

A. The Province limits itself to a maximum net interest rate resetting exposure of 35 per cent of Debt Issued for Provincial Purposes. The interest rate exposure as at March 31, 2017 was 11.2 per cent.

INTEREST ON DEBT (IOD)

Q. Why is the Actual IOD for 2016-17 of $11,709 million lower by $703 million than the 2016 Budget (restated) forecast of $12,412 million?

A. IOD is $703 million lower than the forecast in the 2016 Budget primarily because of lower than forecast deficit, lower than forecast interest rates projected in the 2016 Budget and cost-effective debt management.

Note, the 2016 Budget forecast was restated to include the interest on debt of the broader public sector due to the change in accounting reporting policy this fiscal year.

Q. Why is IOD for 2016-17 of $11,709 million higher by $120 million than IOD for 2015-16 of $11,589 million?

A. IOD is higher by $120 million from last year, mainly due to increased borrowing to the fund of the deficit and investment in capital assets and partly offset by the impact of lower interest rates.

DEBT MANAGEMENT

Q. You talk about balancing the budget, but Ontario's debt continues to grow. How is the government paying down the debt?

A. Investors and rating agencies are focused on relative debt measures such as the net debt-to-GDP. Once the budget is balanced, debt will continue to rise by the difference between the annual cash investment in capital and the amortization of these investments. These investments will contribute to the debt rising at a slower rate than the increase in the Province's GDP, over time lowering the net debt-to-GDP ratio to the government's 27 per cent target.

Q. The Auditor General has recommended that the government work toward implementing a long-term debt reduction plan with the target of reducing its net-debt-to-GDP ratio to pre-recession levels of 27%. This year the ratio has risen again. What is the government doing to lower this ratio?

A: The first step in returning to the targeted 27 per cent net debt-to-GDP ratio is to balance the budget. Once the budget is balanced, debt will continue to rise by the difference between the annual cash investment in capital and the amortization of these investments. These investments will contribute to the debt rising at a slower rate than the increase in the Province's GDP, over time lowering the net debt-to-GDP ratio to the government's 27 per cent target.

Q. The FAO has warned that if Ontario's fiscal position deteriorates beyond 2017-18, the four international credit rating agencies could lower Ontario's credit rating, which could lead to higher borrowing costs and more challenging fiscal position. What is the government doing to manage the debt?

A: There is a strong demand for Ontario bonds. Such investor demand has allowed the Province to extend the term of its debt in recent years and lock in low interest rates for a longer period. This term extension reduces the Province's refinancing risks and helps offset the impact of expected higher interest rates on its IOD costs.

The 2010 Budget forecasted that, by 2017–18, the Province would have to spend 11.3 cents of every revenue dollar received on interest. The current forecast per the 2017 Budget is 3.1 cents lower, at 8.2 cents of interest costs for every dollar of revenue. This ratio is lower than it was in the 26 fiscal years from 1991–92 to 2016–17, and is projected to remain low over the forecast horizon to 2019–20.

Q. What if interest rates go up? What effect would higher interest rates have on interest-on-debt?

A: As indicated in Note 3 of the audited consolidated financial statements in the Annual Report, a one per cent increase in interest rates above our budget forecast would result in an increase in interest on debt of approximately $300 million.

Q. What's the difference between net debt and accumulated deficit?

A: Total debt represents all borrowing.

Net debt is all borrowing plus other liabilities, minus the Province's financial assets.

By analogy, think of a family's finances. A mortgage, car loans and lines of credit represent total debt. Total debt partially offset by money the family has in the bank, in RRSPs and in RESPs represents the family's net debt.

Accumulated deficit is the sum of all past Provincial surpluses and deficits, adjusted for changes in accounting rules.

Q. Did you use your reserve fund to pay your fiscal results and pay down the debt?

A The Reserve is an amount included in the fiscal plan to protect the plan against unforeseen adverse changes in the economic outlook as reflected through impacts to Provincial revenue and expenses, not typically balance sheet items like Public Debt.

Actual costs incurred by the government which pertain to the Reserve are recorded as expenses. Any portion of the reserve that remains unutilized at the end of the fiscal year is used to reduce the deficit.

Q. What is the government's annual borrowing program?

A: The amount of money the government borrows varies from year to year and is dependent on the deficit, proposed investments in capital and amount of debt that is maturing. Over the three years 2017-18 to 2019-20, average long term public borrowings are estimated to be $32 billion per annum.

REVENUE

2016-17 Actual Vs. 2016 Budget Plan

Q: Why are revenues $2.2 billion higher your 2016 Budget projection?

A: This is mostly because of stronger-than-expected taxation revenues and higher net incomes from Government Business Enterprises, partially offset by lower Government of Canada Transfers and Other non-tax revenues.

Q: What accounts for the $2.5 billion increase in Taxation revenues from your 2016 Budget projection?

A: Largely due to stronger Corporations Tax revenues resulting from higher-than-projected tax assessments and higher HST and LTT revenues arising from stronger economic growth, partially offset by weaker PIT revenues reflecting weaker-than-expected 2016 tax assessments.

Q: What accounts for the $0.6 billion decrease in Government of Canada Transfers?

A: This decrease mainly reflects lower-than-anticipated funding for infrastructure projects and other federal payments, including transfers to government agencies, hospitals, school boards, and colleges. This decline is partially offset by new funding for infrastructure projects under strategic investment fund for affordable housing and post-secondary education.

Q: What accounts for the $0.5 billion increase in net income of Government Business Enterprises?

A: This increase was mostly attributable to combined higher net income from the Liquor Board of Ontario (LCBO) and Ontario Lottery and Gaming Corporation (OLG).

Higher LCBO net income mainly reflects the sale of its head office lands and higher OLG net income is due mainly to higher-than-anticipated revenue from lottery and casinos businesses.

The increase in OLG and LCBO net income, however, was partially offset by lower net income from OPG reflecting the impact of provincial accounting consolidation adjustment (-$75M) using International Financial Reporting Standards (IFRS) rather than US GAAP, as required in Public Accounts under Public Sector Accounting Standards and lower Hydro One net income reflecting, primarily, impacts from broadening Hydro One provincial ownership from 84% to 70% through the secondary offering.

Q: What accounts for the $0.6 billion increase in fees, donations and other revenues from broader public sector organizations?

A: This increase mainly reflects higher-than-expected revenues from non-provincial sources for hospitals, and higher international fee and other revenues from colleges.

Q: What accounts for the $0.8 billion decrease in Other Non-Tax Revenues?

A: Other Non-tax revenue (NTR) comprises several categories; resulting in offsetting movements of different components of Other NTR compared to the budget forecast.

The overall decline of $0.8 billion in Other Non-Tax revenue is due largely to two main causes:

1. Carbon Allowance Proceeds from the first cap-and-trade program auction held in March 2017 to be recognized in 2017-18 instead of 2016-17 as budgeted; and
2. Lower sales and rentals revenue mainly reflecting gains from the sale of LCBO head office lands reported as income from GBEs in 2016-17 instead of sales and rentals revenue in 2016 Budget.

This decrease is partially offset by higher revenue from Power Supply Contract Recoveries.

Q: Budget 2016 reported revenue projections from carbon allowance proceeds and the first cap-and-trade program auction took place in March 2017. Can you explain why the government would not report the Carbon Allowance Proceeds in 2016-17 fiscal year?

A: The carbon allowance proceeds estimated at the time of the 2016 Budget was based on preliminary design of the cap and trade program and a preliminary forecast for emissions allowances.

In Budget 2017, no proceeds are reported for fiscal 2016-17. While Ontario held its first carbon allowance auction in March 2017 and received $472 million in proceeds, the proceeds from the first auction are being certified, settled and recorded in the 2017-18 fiscal year. Therefore, proceeds from the first auction will be reported in 2017-18 fiscal year instead of in 2016-17 as budgeted.

2016-17 Actual Vs. 2015-16 Actual

Q: What accounts for the $4.6 billion year-over-year increase in revenues?

A: The increase is largely due to higher taxation revenues, federal payments and net income of government enterprises, partially offset by lower Other non-tax revenues.

Q: What accounts for the $2.5 billion year-over-year increase in taxation revenues?

A: The increase in taxation revenue is largely due to stronger CT revenues, higher HST and Land Transfer Tax revenues, partially offset by weaker PIT revenues.

- Stronger CT revenue is mainly a result of higher-than-expected growth in 2016 Tax Assessments and stronger-than-expected harmonized tax assessments for tax years prior to 2015.
- Stronger HST revenue reflects higher Ontario share of the overall HST/ GST revenue pool as the provincial economy has performed better than the rest of Canada in 2015 and 2016.
- Stronger LTT revenues reflect a very strong Ontario housing market.
- PIT weakness is mainly due to weaker-than-expected 2016 tax assessments. Some of the PIT weakness is due to the extent to which tax payers may have shifted income from future years into 2015 to avoid increases in federal tax rate applied above $200,000 of taxable income starting from 2016.

Q: What accounts for the $1.4 billion increase in Government of Canada Transfers?

A: Higher transfers in 2016-17 from federal government mainly reflect higher funding for existing major federal funding programs such as Canada Health Transfer, Canada Social Transfer, and new funding for infrastructure projects under strategic investment fund for affordable housing and post-secondary education. Transfers under these programs are based on existing federal-provincial funding arrangements and funding formulas.

Q: What accounts for the $0.7 billion increase in net Income from Government Business Enterprises?

A: This increase manly reflects higher net income from Ontario Lottery and Gaming Corporation (OLG), and Hydro One Ltd (HOL), and Liquor Control Board of Ontario (LCBO), partially offset by lower net income from the Ontario Power Generation (OPG).

The increase in LCBO net income largely reflects a one-time gain related to the sale of its head office lands. OLG's net income increase was due to continued stronger-than-expected revenue from lottery business and casinos. Higher income from Hydro One mainly reflect lower 2015-16 due to a significant one-time PILs expenses of about $2.8B as a result of the IPO in November 2015 which led to lower consolidated net income. This impact on net income was partially offset by the impact of the Province's $2.4 billion proportionate share of Hydro One's recognition of a deferred tax benefit.

The decrease in OPG's net income is primarily due to relatively stronger 2015-16 results of the nuclear funds invested in financial market.

Q: What accounts for the $0.5 billion increase in fees, donations and other revenues from broader public sector organizations?

A: This increase largely reflects higher international tuition fee and other revenues reported by colleges and higher revenues from non-provincial sources reported by hospitals.

Q: What accounts for the $0.5 billion decrease in Other Non-Tax Revenues?

A: Other non-tax revenue comprises several categories; resulting in offsetting movements of different components of Other NTR compared to the prior year.

The overall decline of $0.5 billion in other NTR largely reflects lower revenue from electricity debt retirement charge (DRC) due to the elimination of DRC for residential consumers, effective January 1, 2016. Other NTR is also lower due to lower sales and rentals and miscellaneous revenue from consolidated government agencies.

2016-17 Actual Vs. 2017 Budget Interim

Q: Why did Taxation revenues decrease by $0.7 billion above your Interim estimate?

A: The decrease in Taxation revenues is largely due to a decline in PIT revenues which more than offset an increase in CT revenues. PIT weakness reflects weaker-than-expected 2016 tax assessments while stronger CT revenues is mainly due to stronger tax assessments for 2015 and prior years, as well as stronger performance of 2016 Tax assessments than assumed in the 2016 Budget.

Q: What accounts for the $0.3 billion decrease in government of Canada transfers?

A: This decrease mainly reflects the absence of funding in 20167-17 for Clean Water and Wastewater projects and lower federal transfers to government agencies, including hospitals, school boards and colleges.

Q: What accounts for the $0.3 billion increase in net Income from Government Business Enterprises?

A: The increase was mostly attributable to higher net incomes from the Ontario Lottery and Gaming Corporation (OLG), and slightly higher net income from the Liquor Board of Ontario (LCBO), and the Ontario Power Generation (OPG). This increase is partially offset by lower net income from Hydro One Ltd.

- OLG's net income increase was due to continued stronger-than-expected revenue from lottery business and casinos.

Q: What accounts for the $0.3billion increase in fees, donations and other revenues from broader public sector organizations?

A: The increase is largely due to higher international tuition fees and other revenues reported by colleges and higher revenues from school boards due to third party revenue being report as federal transfers at interim instead of fees, donations and other revenues as presented in public accounts.

Q: What accounts for the $0.1 billion decease in Other Non-Tax revenues?

A: Lower revenues from other Non-Tax revenue largely reflect lower recoveries of prior-year-expenditures and miscellaneous revenues from various government ministries and consolidated government agencies, partially offset by higher Power Supply Contract Recoveries. The latter is fiscally-neutral being offset by higher Power Supply Contract Costs.

EXPENSES BY SECTOR

HEALTH

Summary of 2016-17 Budget to Actual Variance Analysis

Q. Why is the Health Sector Expense in 2016-17 higher by $239 million than in the Budget Plan?

A. Health sector expense that was $239 million above plan, mainly due to higher than planned spending in hospital operations, physician services, complex malignant hematology and hematopoietic cell transplantation.

The higher expense for hospital operations is mainly due to higher-than-expected spending in cancer treatment, Ontario Drug Programs, specialty psychiatric hospital programs, operating costs and amortization expense.

Summary of Five Year Expense Actual Variance Analysis

Q. Why is the Health Sector Expense $4.8 billion higher in 2016-17 than 2012-13?

A. Health sector expense increased from $51.2 billion in 2012–13 to $56.0 billion in 2016–17, or on average by 2.3 per cent per year. These increases are due in part to increasing demands for health care services from an aging and growing population, along with other factors, such as new drugs and technologies. Increased spending included new investments in home and community care, long term care homes and mental health, and physician services; as well as specialized services such as cancer treatment.

EDUCATION

Summary of 2016-17 Budget to Actual Variance Analysis

Q. Why is the Education sector expense in 2016-17 higher by $36 million than in the Budget Plan?

A. Education sector expense that was $36 million higher-than-planned, mainly due to slightly higher than-projected enrolment.

Q. Why is the Post-secondary and training sector expense in 2016-17 lower by $67 million than in the Budget Plan?

A. Postsecondary and training sector expense that was $67 million lower than-expected, mainly due to lower-than-forecast demand for employment and training programs, offset in part by increased capital transfer payments to universities through additional federal postsecondary infrastructure funding.

Summary of Five Year Expense Actual Variance Analysis

Q. Why did Education sector expense increase from $22.6 billion to $26.6 billion from 2012-13 to 2016-17?

A. Education sector expense increased from $22.6 billion in 2012–13 to $26.6 billion in 2016–17, or on average by 4.1 per cent per year. Expense in 2012–13 included a one-time savings of $1.3 billion from reducing liabilities carried by school boards for sick-day banking and retirement gratuities. Excluding this one-time savings in the 2012–13 results, the education sector expense increased on average by 2.7 per cent per year between 2012–13 and 2016–17. The increase is mainly due to the introduction of full-day kindergarten, which has been made available to every four- and five-year-old in Ontario since September 2014; and other investments, including negotiated labour enhancements and increases in school renewal funding.

Q. Why have expenses in the Postsecondary and Training Sector increased from $9.3 billion in 2012-13 to $10.1 billion in 2016-17?

A. Postsecondary and training sector expense increased from $9.3 billion in 2012–13 to $10.1 billion in 2016–17, or on average by 2.2 per cent per year. The increase is mainly due to continued funding to support enrolment growth in postsecondary institutions, growth in student financial assistance programs and increases in postsecondary capital transfer payments.

CHILDREN'S & SOCIAL SERVICES

Summary of 2016-17 Budget to Actual Variance Analysis

Q. Why is the Children's and social services sector expense in 2016-17 higher by $190 million than in the Budget Plan?

A. Children's and social services sector expense that was $190 million higher than planned, mainly due to additional spending to address demand for the Ontario Disability Support Program and for young adults with complex special needs as well as expanding supports for children and youth with autism.

Summary of Five Year Expense Actual Variance Analysis

Q. Why did the Children's and Social Services sector actual expense grow by $2.3 billion from 2012-13 to 2016-17?

A. Children's and social services sector expense increased from $13.7 billion in 2012–13 to $16.0 billion in 2016–17, or on average by 3.9 per cent per year. The increase primarily reflects social assistance rate increases as well as investments in developmental services, autism and complex special needs programs and the Ontario Child Benefit.

JUSTICE

Summary of 2016-17 Budget to Actual Variance Analysis

Q. Why is the Justice sector expense in 2016-17 higher by $102 million than in the Budget Plan?

A. Justice sector expense was $102 million higher than planned, mainly due to settlements under the Proceedings Against the Crown Act and ensuring wage parity for First Nations police officers.

Summary of Five Year Expense Actual Variance Analysis

Q. Why has Justice Sector Expense increased by $652 million from 2012-13 to 2016-17?

A. Justice sector expense increased from $4.0 billion in 2012–13 to $4.6 billion in 2016–17, or on average by 3.9 per cent per year between 2012–13 and 2016–17. The increase is mainly due to the provincial upload of court security costs from municipalities, compensation in the Ontario Provincial Police and correctional services programs, and improved access to legal aid for low-income Ontarians.

OTHER PROGRAMS

Summary of 2016-17 Budget to Actual Variance Analysis

Q. Why is Other programs expense in 2016-17 higher by $140 million than in the Budget Plan?

A. Other programs expense that was $140 million higher than expected, mainly due to federal and provincial investments in social and affordable housing as well as the Ontario Rebate for Electricity Consumers. As well, there was lower-than-forecast spending due to revised timelines for Building Canada Fund projects and municipal transit projects.

Summary of Five Year Expense Actual Variance Analysis

Q. Why did the Other Programs Sector Actual Expense decrease by $1.2 billion from 2012-13 to 2016-17?

A. Other programs expense decreased by $1.2 billion from $17.9 billion in 2012–13 to $16.7 billion in 2016–17. This decrease is mainly due to the end of time-limited funding related to the Ontario Clean Energy Benefit program and the 2015 Pan/Parapan American Games, as well as the redesign of the Ontario Municipal Partnership Fund program.

ONTARIO TEACHERS' PENSION PLAN EXPENSE AND EMPLOYEE AND PENSIONER BENEFITS

($Millions)	2016-17 Budget	2016-17 Actual	2015-16 Restated Actual	Actual Versus Budget Variance	Year Over Year Variance
Ontario Teachers' Pension Plan	(452)	**(377)**	110	75	487

TEACHER'S PENSION PLAN

Q. Why has the 2016-17 Teachers' Pension Plan expense decreased from expense of $110M from 2015-16 to recovery of $377M in 2016-17?

A. The decrease in Teachers' Pension Plan pension expense is primarily due to increase recognition of investment gains in recent years.

Q. Why has the 2016-17 Teachers' Pension Plan recovery of $377M lower than what had been projected in prior year's Budget of $452M?

A. Actual 2016-17 Teachers' Pension Plan recovery of $377M is lower than recovery of $452M projected in 2016 Budget due lower than expected rate of growth in active members and due to additional adjustment was made this year to eliminate timing differences between provincial contributions and pension plan assets.

($ Millions)	2016-17 Budget	2016-17 Actual	2015-16 Restated Actual	Actual Versus Budget Variance	Year Over Year Variance
Employee and Pensioner Benefits	1,152	**1,002**	987	(150)	15

EMPLOYEE AND PENSIONER BENEFITS

Q. Why is the actual 2016-17 Employee and Pensioner Benefits Expense of $1,002M lower by $150M from what had been projected in prior year's Budget of $1,152M?

A. The 2016-17 actual Employee and Pensioner Benefits expense is $151M lower than originally budget is mainly due to lower WSIB expense than originally forecasted. WSIB had change their estimate of forecast claim administration rate in 2016, which resulted in reduction in expense in 2016-17.

Q. Why is the actual 2016-17 Employee and Pensioner Benefits Expense of $1,002M higher than 2015-16 Employee and Pensioner Benefit Expense of $987M?

A. The increase is due to changes made termination pay and long-term protection benefits to OPSEU members in 2015-16 that did not occur in 2016-17. This increase is partially offset by lower WSIB expense due to change in forecast claim administration rate in 2016 and due to lower pension expense as result of increase recognition of investment gains in recent years.

HEALTHCARE OF ONTARIO PENSION PLAN

Q. Why did the Healthcare of Ontario Pension Plan expense decrease by $155M from $747M in 2015-16 to $592M in 2016-17?

A. The Healthcare of Ontario Pension Plan expense decreased compared to prior year's actual mainly due to an increase in amortization of prior years' experience gains and higher interest earnings as a result of an increase in the plan asset base. Decreases in year over year expenses were partially offset by higher current service costs in 2016 as a result of an increase in active membership in 2015-16.

COLLEGES OF APPLIED ARTS AND TECHNOLOGY PENSION PLAN

Q. Why did the Colleges of Applied Arts and Technology Pension Plan expense increase by $3M from $190M in 2015-16 to $193M in 2016-17?

A. The Colleges of Applied Arts and Technology Pension Plan expense increased compared to prior year's actual, mainly due the $14M write-off of CAATPP net pension plan assets in 2016-17. The plan was not in an asset position as of year-end in 2015-16.

INFRASTRUCTURE

Infrastructure Expenditures Table

Q. Why is the 2016-17 total infrastructure expenditure $3.3 billion lower than planned in the 2016 Budget?

A. Infrastructure expenditure forecasts for each fiscal year are subject to change and reflect a continuum of information that begins with the Budget and ends with Public Accounts. The forecast in Budget 2016 was subject to change as new information became available throughout the year. Infrastructure spending of $12.9 billion, reported in the Public Accounts was $3.3 billion lower than the $16.2 billion set out in the 2016 Budget.

Underspending is mainly due to slower than expected construction progress in the transit sector ($2 billion) and health sector (about $0.5 billion).

Q. Why is the 2016-17 total infrastructure expenditure $1.4 billion lower than estimated in the interim forecast in the 2016 Budget?

A. Infrastructure expenditure forecasts for each fiscal year are subject to change and reflect a continuum of information that begins with the Budget and ends with Public Accounts. The interim forecast was subject to change as new information became available throughout the year. Infrastructure spending of $12.9 billion, including other partner funding, reported in the Public Accounts was $1.4 billion lower than the $14.3 billion set out in the interim forecast in the 2016 Budget due to slower than expected construction progress in the transit sector ($0.5B) and education sector ($0.4B).

Q. Actual infrastructure expenditures are $3.3 billion below the budgeted amounts. Doesn't this mean you should adjust your forecasting practices? Does this mean 2016-17 planned expenditures are overstated?

A. Infrastructure expenditures forecast for each fiscal year are subject to change and reflect a continuum of information that begins with the Budget and ends with the Public Accounts. As new information becomes available throughout the year, the forecasts will likely change (for example, due to updates in construction timelines). In this context it is important to note that infrastructure expenditure forecasts presented as part of Budget or other fiscal updates represents a point in time along this continuum and is based on the best available information at that time.

Given the uncertainties inherent in making projections, it is appropriate for the government to remain prudent and cautious in its forecasting.

The 2016-17 budgeted infrastructure expenditures are a reflection of prudent forecasting practices and the government's ongoing commitment to building and renewing the infrastructure the public relies on.

Q. In 2016-17, actual infrastructure expenditures are $3.3 billion below the budgeted amounts. Is the $3.3 billion earmarked for infrastructure in spite of the fact that it hasn't been spent yet, and will it be carried over to another fiscal to be spent on infrastructure? Or does the underspend mean that the $3.3 billion will be spent on other gov't priorities?

A. The $3.3 billion expenditure decrease is not earmarked for infrastructure investments or carried over to future years. Future year infrastructure investment decisions are made as part of the annual budgeting process.

The resulting fiscal savings associated with this expenditure decrease is allocated in the government's total program expense figures.

Q. Why has amortization cost gone up so significantly between 2012-13 and 2016-17?

A. Amortization recognizes consumption of Tangible Capital Assets. Amortization expense is primarily made up of amortization on existing assets. As these assets reach the end of their useful lives, the associated amortization disappears. This decline is offset by new amortization expense as new infrastructure projects come into service. Between 2012-13 and 2016-17, the province invested $53 billion in capital assets. As these assets have come into service, the corresponding consumption cost (amortization) has gone up. As the government continues to invest in infrastructure, amortization expense will continue to grow.

Q. If we invested $10 billion in publically owned infrastructure assets in 2016-17, why does TCA only go up by $4.8 billion?

A. The net book value of tangible capital assets is calculated as the book value (purchase price) less accumulated amortization. As long as assets are being amortized, growth in the stock of the Province's TCA on a yearly basis will always be less than the yearly investment. Estimated historical cost was used to record existing tangible capital assets if actual cost was unknown when the Province first implemented tangible capital assets accounting. Tangible capital assets, except land, are amortized over the estimated useful lives of the assets on a straight-line basis. Amortization expense of TCA in 2016-17 totalled $5.2 billion.

Q. What are some examples of investments made in between 2012-13 and 2016-17?

A. A few examples of the many infrastructure investments Ontario has made over the last five years include:

- The 407 East project will help relieve congestion and support the efficient movement of people and goods through the eastern Greater Toronto Area and beyond. Phase 1, from Brock Road in Pickering to Harmony Road in Oshawa and Highway 412, opened in Spring 2016.
- The Pan/Parapan American Games Athletes' Village, which was home to about 10,000 athletes and officials during the Games. The village will be transformed into a mixed-use neighbourhood with affordable housing, health services and a residence for George Brown College students.
- The Union Pearson (UP) Express, which began service in 2016, provides a dedicated rail link connecting Toronto Pearson International Airport with Union Station in downtown Toronto in 25 minutes.
- The Right Honourable Herb Gray Parkway in Windsor–Essex, provides an express route to the country's busiest land border crossing.
- The Humber College infrastructure project involved the construction of a new Learning Resource Commons and an academic support and student services facility.
- The Elgin County Courthouse brings together existing court facilities within one location in St. Thomas.
- The New Oakville-Trafalgar Memorial Hospital is a state-of-the-art facility accommodating a full range of hospital services including acute care, complex continuing care and rehabilitation.
- The new Humber River Hospital includes a new facility on a new site in north-western Toronto, one of the most culturally diverse and fastest-growing communities in Canada. The Humber River Hospital offers a comprehensive range of services to support inpatient and outpatient programs.

Q. What kind of infrastructure investments does the Province make which do not contribute to the net book value of tangible capital assets?

A. The Province makes transfers to its non-consolidated partners, such as municipalities and universities, for capital purposes. This spending is recorded in the Infrastructure expenditures table (Table 4) as 'Transfers and Other Infrastructure Expenditures.' 'Other Infrastructure Expenditures' includes expenses such as non-capitalized maintenance costs (e.g., window cleaning of provincially owned buildings). These expenses are included as part of overall infrastructure spending, but do not contribute to the net book value of the Province's tangible capital assets.

CORPORATE AND ELECTRICITY FINANCE DIVISION

Asset Optimization and the Trillium Trust

Q: If the Trillium Trust has been credited with $5.3 billion, why did the government only draw down $260 million in 2016-17?

A: Like most large infrastructure investments, initial spending on projects is focused on planning, design, property acquisition and other activities to get projects construction-ready.

As this preliminary work is completed and construction activity gets underway, further project requirements will be identified that will be funded from the Trillium Trust in subsequent years.

The government is committed to investing the full amount from the Trillium Trust to support transit, transportation and other priority infrastructure. The 2017 Budget included an additional $400 million to be drawn down in 2017-18.

Q: What projects are being funded through the Trillium Trust?

A: The Trillium Trust was drawn down by about $260 million in 2016–17 to help support transit, transportation and priority infrastructure across the Province under the Moving Ontario Forward initiative.

As communicated in the 2017 Budget, the Trillium Trust is supporting initiatives such as GO Regional Express Rail, the Hurontario Light Rail Transit, and the Ontario Community Infrastructure Fund.

Q: If the Province raised about $2 billion in the secondary offering of Hydro One shares in 2016, why was only $538 million credited to the Trillium Trust?

A: The *Trillium Trust Act, 2014*, provides for the dedication of net revenue gains to the Trillium Trust associated with the sale of designated assets to support investments in transit, transportation and priority infrastructure across the Province.

The net revenue gains credited to the Trillium Trust from the secondary offering of Hydro One shares are derived from the gross proceeds, less fees/expenses incurred and less the book value of the shares sold, not including the shares purchased by OPG.

The government will move forward with regulations to credit the Trillium Trust with the net revenue gains from the shares purchased by OPG in the future.

The Province also used the $1.3 billion in proceeds related to the book value of the Hydro One shares sold to pay down the Province’s debt and other payables with the Ontario Electricity Financial Corporation (OEFC).

Through the broadening of Hydro One ownership, the Province is meeting its target to generate $4 billion in net revenue gains that, through the Trillium Trust, will be reinvested in infrastructure under Moving Ontario Forward, and $5 billion to reduce debt.

Q: The Public Accounts show that the government credited the Trillium Trust with a non-cash deferred tax benefit resulting from the Hydro One IPO. How can the government use a non-cash amount to invest in infrastructure?

A: The Trillium Trust Act, 2014, provides for the dedication of net revenue gains to the Trillium Trust.

The deferred tax benefit provided an up-front revenue gain to the Province through consolidation of the Province's portion of Hydro One's net income in the Public Accounts. This also increases the book value of Hydro One's shares and reduces the accounting gains for subsequent sales for a given amount of gross sale proceeds. This does not affect the total cash the Province receives.

By dedicating to the Trillium Trust the net revenue gains to the Province from the deferred tax benefit, the government is ensuring that the full benefit of the value created from broadening Hydro One ownership is dedicated to the Trust to support investments in transit and infrastructure.

Q: Why hasn't the government credited the Trillium Trust with the net revenue gains associated with Hydro One shares purchased by OPG and Hydro One shares purchased by trusts of the Power Workers' Union (PWU) and Society of Energy Professionals (SEP) through Provincial loans?

A: The government has made a regulation that will credit the Trillium Trust with the net revenue gains from the sale of shares to the PWU / SEP trusts that were supported by Provincial loans.

The $48M total gain from the sale of these shares was recorded as deferred revenue in the 2015-16 Public Accounts. As payments of the loan are received, the gain on sale will be recognized annually as revenue in proportion to the payments made.

The annual gain will be reported in the Public Accounts, to clearly indicate the amount to be credited to the Trillium Trust. The first annual gain, as reported in Volume 1 of these 2016-17 Public Accounts is approximately $1.5 million.

The government will move forward with regulations to credit the Trillium Trust with the net revenue gains from the shares purchased by OPG in the future.

Q: If the sale of Hydro One Brampton is now complete and the gain is being reported in Public Accounts, why hasn't the Province credited the Trillium Trust from the sale?

A: The government is committed to dedicating the net proceeds from the sale to the Trillium Trust, and will move forward with a regulation under the Trillium Trust Act.

ELECTRICITY SECTOR

2016–17 vs 2016 Budget Plan [Actual vs Initial Forecast]

Q. Why did the combined net incomes of OPG and Hydro One decrease by $193 million compared to Plan? [Excludes Hydro One Brampton net income variance of $3 million]

A. The $193 million decrease in combined OPG and Hydro One net incomes in 2016-17 from Plan reflects:

- lower-than-projected OPG gross margins, and
- lower Hydro One Limited net income largely due to re-categorization of impacts of broadening Hydro One ownership (~84% ownership to ~70% ownership through the secondary offering) that were previously reflected under Sales and Rentals revenue. The re-categorization is fiscally-neutral.

Q. Why are Electricity payments-in-lieu of taxes $151 million lower than Plan?

A. The variance is primarily due to lower income tax PILs from OPG, partially offset by higher PILs from municipal electrical utilities.

Q. Why are Power Supply Contract Recoveries $195 million higher than projected??

A. The actual amount in 2016-17 is higher largely due to the dismissal of the Ontario Electricity Financial Corporation's (OEFC) appeal of a court decision with respect to the calculation of some escalation rates under legacy former Ontario Hydro power purchase contracts with non-utility generators (NUGs), and the subsequent decline of an application for leave to appeal to the Supreme Court of Canada. As a result of the decisions, OEFC recognized higher power supply contract expenses, fully offset by higher power supply contract recoveries.

2016–17 vs Interim 2016-17 [Actual vs Interim Forecast]

Q. Why did the combined net incomes of OPG and Hydro One increase by $14 million compared to the Interim forecast for 2016-17?

A. The variance is mainly due to stronger-than-projected results for OPG's nuclear funds contribution, partially offset by the lower Hydro One net income.

Q. Can you explain the $99 million variance in Power Supply Contract Recoveries between interim numbers in Budget 2017 and actuals [in Public Accounts]?

A. The variance is largely due to retroactive payments that the Ontario Electricity Financial Corporation (OEFC) made to certain non-utility-generators (NUGs) with legacy former Ontario Hydro power purchase agreement (PPA) contracts with OEFC.

OEFC was required to make these payments following the dismissal by the Supreme Court of Canada of OEFC's application for leave to appeal a judgment of the Court of Appeal of Ontario on a 2015 court decision.

- Ontario Hydro entered into these PPAs in the late 80s and early 90s with private sector generators.
- As the legal continuation of the former Ontario Hydro, OEFC is the counterparty to these contracts.
- Some of the PPAs had escalation clauses under which the global adjustment has an impact on the calculation of the contract rates.
- In 2015, a lower court decision found that OEFC had not properly calculated the price paid for electricity under 12 PPAs, following the enactment of Ontario Regulation 398/10, under which the allocation among electricity consumers of the Global Adjustment, one component of the all-in price of electricity, was changed.
- These 12 PPAs were held by entities that participated in the lawsuit, and they received retroactive payments in 2016, following the Ontario Court of Appeal decision to dismiss OEFC's appeal.
- Several PPA counterparties with similar price provisions that did not participate in the lawsuit entered into Standstill Agreements with OEFC in 2015, after the original court decision. After all avenues of appeal were exhausted, following the 2017 Supreme Court decision, OEFC was required to make retroactive payments to these entities.

2016–17 vs 2015-16 [Actual vs Previous Year]

Q. Why did Hydro One's net income to the Province increase by $263 million compared to the previous fiscal year?

A. Hydro One's net income remains relatively unchanged from 2015-16 to 2016-17. The $263 million increase in Hydro One net income to the Province, however, is largely due to the impacts of the November 2015 Hydro One IPO.

Hydro One 2015-16 net income to the Province, was lower due to IPO-related factors including a one-time PILs expense of about $2.8B, partially offset by the $2.4 billion proportionate impact on the Province's net income from Hydro One's recognition of a deferred tax benefit of about $2.8 billion.

[The impact of the 2015-16 IPO-related adjustments were partly offset by the impact of the secondary share offering in 2016-17 on the Province's share of Hydro One net income.]

Q. Why did OPG's net income decline by $121 million compared to the previous fiscal year?

A. The decrease is due largely to stronger 2015-16 earnings on the nuclear funds on a realized basis.

Q. Why did Electricity Debt Retirement Charge decrease by $238 million compared to the previous fiscal year?

A. The DRC trends downwards primarily due to the elimination of the DRC for residential consumers, effective January 1, 2016. The variance reflects the first full year of residential consumer exemption from the DRC in 2016-17.

Q. Why did Electricity payments-in-lieu of taxes decrease by $2.9 billion from last year?

A. The increase is primarily due to significant one-time PILs related to Hydro One's IPO, including $2.6 billion in departure tax under the PILs regime and about $0.2 billion in additional PILs, as Hydro One exited the PILs regime and started paying corporate income taxes following the IPO. Note that these one-time PIL payments did not have a net effect on the Province's annual deficit, as the additional revenue was offset by an equal reduction in Hydro One's net income, which is consolidated in the Province's financial statements.

Electricity Sector Stranded Debt

Q. What is the status of old Ontario Hydro's stranded debt? When is the Debt Retirement Charge (DRC) expected to end based on the latest available information?

A. The government dedicates the revenues it receives from the electricity sector to the Ontario Electricity Financial Corporation (OEFC). All OEFC revenues, including the Debt Retirement Charge (DRC) paid by electricity consumers, are used to service and retire its debt and other obligations, as provided for under the Electricity Act, 1998.

For the thirteenth consecutive year, the stranded debt has been reduced. The 2016–17 results for the OEFC show an excess of revenue over expense of $1.2 billion. The OEFC has paid down stranded debt by a total of about $18.5 billion from its peak in 2003-04, reducing stranded debt to $3.2 billion as at March 31, 2017.

As part of its commitment to reduce electricity cost pressures, the government has removed the Debt Retirement Charge (DRC) from residential electricity users' bills as of January 1, 2016.

This would save a typical residential user about $70 each year and would mean ending the DRC earlier for these users than otherwise provided for in the Electricity Act, 1998.

As a further step to mitigate electricity cost pressures for non-residential users, the government introduced legislation the Budget Measures Act, 2015, passed in December 2015, to end the DRC for all other users on April 1, 2018, nine months earlier than previously estimated.

Ending the DRC on a legislated fixed date provides certainty to commercial, industrial and other users, and helps them more effectively plan their investment decisions.

Even after the end of the DRC, there would still be stranded debt remaining, to be serviced and paid down by OEFC's other dedicated revenues, such as payments in lieu of taxes and the Gross Revenue Charge.

RESERVE FUND

Q. Why does the government maintain a reserve fund? Last year there were questions raised about the government dipping into its reserve fund to strengthen its results. Did you do that this year?

A. As required under the Fiscal Transparency and Accountability Act, 2004, a reserve is included in the projected surplus/deficit each year to guard against unforeseen revenue and expense changes that could have a negative impact on the Province's fiscal performance.

The 2016 Budget plan included a $1.0 billion reserve for 2016–17. Excluding this reserve, the 2016 Budget projected a deficit of $3.3 billion.

As the reserve is a forecast provision, and the fiscal results for 2016–17 are now finalized, a reserve is no longer included in the Province's financial statements.

The final deficit for the 2016–17 fiscal year is $1.0 billion, a $3.3 billion improvement compared with the 2016 Budget projection of $4.3 billion, which included the reserve.

Q. What is the difference between the contingency fund and the reserve?

A. The contingency fund is an amount of expense that is approved by the Legislative Assembly at the beginning of the year to cover higher spending due to unforeseen events (e.g. fighting forest fires). This approved spending limit is allocated during the year to ministries for their programs and activities.

The reserve is an amount included in the forecast each year to protect the fiscal outlook against unforeseen adverse changes in the Province's revenue and expense – for example, changes in Ontario's economic performance.

RESULTS VERSUS 1ST QUARTER REPORT

Q. Was the government being overly optimistic in its revenue forecast in the 2017-18 First Quarter Finances based on the Annual Report results for the 2016-17 fiscal year?

A. The 2017-18 First Quarter Finances was released before the 2016-17 Annual Report and does not take into account the revised 2016-17 revenue. The government will be updating its revenue outlook in the 2017 Ontario Economic Outlook and Fiscal Review in the fall, which will include the latest 2016-17 results as well as all additional information arriving after the Annual Report.

UNCOLLECTIBLE ACCOUNTS RECEIVABLE

Q. Why are we removing uncollectible accounts receivable owed to the province from the accounting records?

A. Removing uncollectible accounts receivable is required under Public Sector Accounting Standards. After ministries have taken progressive collection activity and determined that all the collection efforts have been exhausted, those accounts with little or no prospect of collectability are removed from current accounting records.

Q. How will the write-offs be shown in the Public Accounts?

A. The ministries' uncollectible accounts receivable are required to be published in a table called "Losses Deleted form the Accounts" in Volume 2 of the 2016/17 Public Accounts.

Q. Is removing uncollectible accounts receivable from the records the same as forgiving the debt?

A. No. If debt is forgiven, the province cannot pursue or collect on the debt in the future. However, having an account written-off does not eliminate the debtor's legal obligation to pay the liability. The province may attempt to collect the money owed if the debtor's circumstances change in the future. In 2016/17, $17.3M was collected on accounts previously written off.

Q. How do you determine when a debt is uncollectible?

A. In the vast majority of cases, a debt may become uncollectible when a corporation or individual debtor becomes insolvent or goes bankrupt; or when an individual debtor dies, is imprisoned for a long term or cannot be located for a considerable period of time.

It may take several years of progressive collection actions before an uncollectible account receivable is submitted for removal from the accounting records.

Q. How does this affect the province's bottom line?

A. There is no impact on the deficit/surplus in the year as a result of removing uncollectible accounts from the accounting records.

The fiscal impact incurred in the year when the account was initially identified as being doubtful. At that time, a bad debt expense was recorded.

Q. What is the amount of uncollectible accounts receivable this year?

A. The total uncollectible accounts receivable for 2016/17 is $267.2 million.

Q. What amount of unpaid taxes is included in the Ministry of Finance's total?

A. The total for tax-related amounts is $134.2 million, which represents 97% of MOF's submission of $138.8 million and is attributable to bankrupt or insolvent tax payers.

Q. How does the amount of uncollectible accounts receivable compare with total accounts receivable?

A. This year's uncollectible accounts receivable represent about 2.4% (4.0% in 2015/16) of the province's accounts receivable.

Q. What steps is the government taking to reduce future write-off of accounts receivable?

A. Common progressive collection tools include the use of private collection agencies and the Canada Revenue Agency (CRA) Refund Setoff Program, in addition to any specific legislated tools provided in the appropriate legislation (e.g., clawbacks, liens, director's liability). The centralization of collections within MOF helps ensure a standard, OPS-wide use of such tools.

(AS PRESENTED IN ANNUAL REPORT)

LOSSES DELETED FROM THE ACCOUNTS

(Under the Financial Administration Act)
For the year ended March 31, 2017

	$ 2016-2017
FINANCE…………………………………………………………	138,818,406.60
ADVANCED EDUCATION AND SKILLS DEVELOPMENT………	54,677,124.91
COMMUNITY AND SOCIAL SERVICES…………………………..	45,886,186.45
ATTORNEY GENERAL………………………………………………	21,642,494.26
TRANSPORTATION…………………………………………………	3,771,415.55
CHILDREN AND YOUTH SERVICES………………………………	898,957.06
NATURAL RESOURCES AND FORESTRY………………………	847,762.62
HEALTH AND LONG-TERM CARE………………………………..	340,142.56
COMMUNITY SAFETY AND CORRECTIONAL SERVICES…….	98,367.09
TOURISM, CULTURE AND SPORT………………………………..	73,937.72
OFFICE OF THE ASSEMBLY………………………………………	30,471.10
EDUCATION………………………………………………………	19,896.26
INFRASTRUCTURE…………………………………………………..	17,548.77
AGRICULTURE, FOOD AND RURAL AFFAIRS…………………	16,685.11
GOVERNMENT AND CONSUMER SERVICES…………………..	12,472.33
HOUSING…………………………………………………………..	7,038.04
NORTHERN DEVELOPMENT AND MINES………………………	6,939.84
LABOUR……………………………………………………………	5,189.48
TOTAL………………………………………………………………	$267,171,035.75