



FAO

FINANCIAL ACCOUNTABILITY
OFFICE OF ONTARIO



Expenditure Monitor 2021-22: Q4

2022

Highlights

- This report provides information on unaudited spending by the Province through the end of the 2021-22 fiscal year (March 31, 2022).

Changes to the 2021-22 Spending Plan

- The Province started the 2021-22 fiscal year with a spending plan of \$178.3 billion.¹ By the end of the fiscal year, the spending plan had increased by \$6.8 billion to \$185.1 billion. Key fourth quarter changes include:
 - The **health sector** spending plan increased by \$4.0 billion, primarily for the Operation of Hospitals (\$3.0 billion increase), the Long-Term Care Homes Program (\$0.5 billion increase), and Population and Public Health (\$0.4 billion increase).
 - The **'other programs' sector** received a \$1.1 billion spending plan increase in the fourth quarter, including liability adjustments for solid waste landfills and contaminated mine sites (\$0.4 billion increase) and for the Ontario Small Business Relief Grant (\$0.3 billion increase).
 - The **children's and social services sector** spending plan decreased by \$0.7 billion, due to a decrease in planned spending for Ontario Works (-\$0.4 billion decrease), the Ontario Disability Support Program (-\$0.2 billion decrease) and the Ontario Drug Benefit Plan (-\$0.1 billion decrease).

2021-22 Spending (Unaudited)

- Although the Province increased its 2021-22 spending plan during the year by \$6.8 billion to \$185.1 billion, by the end of 2021-22 unaudited spending was only \$177.9 billion. Overall, this was \$7.2 billion (3.9 per cent) less than planned.
 - All sectors spent less than planned, led by **'other programs'** (\$2.4 billion or 7.2 per cent under plan), **health** (\$1.8 billion or 2.4 per cent under plan) and **interest on debt** (\$0.6 billion or 5.0 per cent under plan). Also, an unspent \$1.8 billion end-of-year balance remained in the **Contingency Fund**.
 - Spending information for all of the Province's programs by ministry is available on the FAO's website at: <https://tinyurl.com/3tfejdp5>.
- Compared to the previous year (2020-21), unaudited spending in 2021-22 was down \$0.8 billion (0.4 per cent).
 - **Health** (\$4.3 billion), **interest on debt** (\$0.5 billion) and **justice** (\$0.2 billion) all spent more in 2021-22 compared to 2020-21. Health spending was up, year-over-year, largely due to higher COVID-19-related spending and higher spending on payments to physicians.
 - **'Other programs'** (-\$4.4 billion), **education** (-\$0.9 billion) and **children's and social services** (-\$0.5 billion) all spent less in 2021-22 compared to 2020-21. Spending on **'other programs'** and **education** was down year-over-year, largely due to lower net spending on COVID-19-related programs.

¹ As detailed in the 2021 Ontario Budget and the 2021-22 Expenditure Estimates. Excludes \$7.8 billion in additional planned spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices. The Province does not actively monitor or control this spending. Also excludes \$4.0 billion in additional planned spending on capital assets and \$1.2 billion on operating assets.

2021-22 Budget Deficit Projection

- The FAO projects the 2021-22 budget deficit will be \$8.1 billion. This is an improvement of \$5.4 billion compared to the Province's 2021-22 budget deficit projection of \$13.5 billion in the 2022 Ontario Budget, presented on April 28, 2022.
 - The FAO estimates that 2021-22 total revenue will be \$1.6 billion higher and total spending will be \$3.8 billion lower than forecast by the Province in the 2022 budget.

Status of Unallocated Funds

- The Province started the 2021-22 fiscal year with \$2.1 billion in unallocated funds in the **Contingency Fund**. In the third quarter, the Province created the **Time-Limited COVID-19 Fund**, with a balance of \$2.7 billion, and topped up the **Contingency Fund** by \$0.3 billion, for total available unallocated funds of \$5.1 billion. After accounting for net transfers to various programs during the year of \$3.3 billion, the remaining balances at the end of 2021-22 were \$1.8 billion in the **Contingency Fund** and zero in the **Time-Limited COVID-19 Fund**.

Introduction

This report provides information on unaudited spending by the Government of Ontario (the Province) through the end of the 2021-22 fiscal year (March 31, 2022). The report:

- identifies changes to the Province's 2021-22 spending plan;
- reviews unaudited actual spending in 2021-22 against both planned spending and actual spending in 2020-21;
- projects the 2021-22 budget deficit; and
- tracks transfers from, and top-ups to, the Province's two unallocated funds: the Contingency Fund and the Time-Limited COVID-19 Fund.

The information in this report is based on the FAO's analysis of the 2021-22 Expenditure Estimates, the Supplementary Estimates, 2021-22 (1st, 2nd and 3rd editions), the 2022 Ontario Budget, and transactions recorded in the Province's Integrated Financial Information System (IFIS) as of April 22, 2022.

The closing date for spending transactions related to the 2021-22 fiscal year, which ended on March 31, 2022, was April 22, 2022. However, there will still be 2021-22 spending transactions that are recorded between April 22, 2022 and when the 2021-22 Public Accounts of Ontario are released. Depending on the nature of these transactions, the 2021-22 Public Accounts of Ontario may contain material changes from the information presented in this report.

Changes to the 2021-22 Spending Plan

Overview

The Province began the 2021-22 fiscal year with a spending plan of \$178.3 billion.² By the end of the fiscal year, the spending plan had increased by \$6.8 billion (3.8 per cent) to \$185.1 billion. In the third and fourth quarters, the Province added \$4.1 billion and \$2.7 billion in planned spending, respectively, largely through the tabling of three editions of supplementary estimates.

By sector, the largest spending plan increase during the fiscal year went to health, at \$4,110 million, followed by 'other programs' (\$3,766 million) and justice (\$417 million). The remaining program sectors experienced spending plan decreases during the 2021-22 fiscal year: children's and social services (-\$652 million), postsecondary education (-\$289 million) and education (-\$284 million).

The Province started the 2021-22 fiscal year with a total of \$2.1 billion in unallocated funds in the Contingency Fund. In the third quarter, the Province created the \$2.7 billion Time-Limited COVID-19 Fund and topped up the Contingency Fund by \$0.3 billion, for total available unallocated funds of \$5.1 billion. After accounting for net transfers to various programs during the year of \$3.3 billion, the remaining balances at the end of 2021-22 were \$1.8 billion in the Contingency Fund and zero in the Time-Limited COVID-19 Fund. (The final section of this report provides more information on the two unallocated funds.) The remaining funds in the Contingency Fund will reduce both the budget deficit and Ontario's net debt.

Table 1: Changes to the 2021-22 spending plan by sector, \$ millions

Sector	2021-22 Spending Plan	Q1 Changes	Q2 Changes	Q3 Changes	Q4 Changes	Total Changes	Revised 2021-22 Spending Plan
Health	71,184	5	15	118	3,972	4,110	75,294
Education	32,847	6	-	82	-373	-284	32,563
Postsecondary Education	6,987	-	-	12	-301	-289	6,698
Children's and Social Services	18,108	-	1	9	-662	-652	17,457
Justice	5,192	10	1	89	317	417	5,609
Other Programs	29,472	445	209	2,045	1,067	3,766	33,238
Unallocated Funds:							
Contingency Fund	2,080	-474	-235	-99	554	-254	1,826
Time-Limited COVID-19 Fund	-	-	-	1,865	-1,865	-	-
Interest on Debt	12,419	-	-	-	-	-	12,419
Total	178,290	-7	-9	4,122	2,708	6,814	185,104

Note: Figures exclude planned spending on some assets and \$7.8 billion in additional planned spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: FAO analysis of the 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.

² As detailed in the 2021 Ontario Budget and the 2021-22 Expenditure Estimates. Excludes \$7.8 billion in additional planned spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices. The Province does not actively monitor or control this spending. Also excludes \$4.0 billion in additional planned spending on capital assets and \$1.2 billion on operating assets.

Fourth Quarter Analysis³

This section highlights key fourth quarter spending plan changes by sector and vote-item. For information on all of the Province's transfer payment programs and ministries, visit the FAO's website at: <https://tinyurl.com/3tfejdp5>.

Health: \$3,972 million increase. Notable changes include:

- \$3,081 million increase for Health Services (Vote-Item 1416-1), including a \$2,989 million increase for the Operation of Hospitals, a \$222 million increase for Community Support Services and a \$274 million decrease for Community Mental Health.
- \$489 million increase for the Long-Term Care Homes Program (Operating) (Vote-Item 4502-1).
- \$376 million increase for Population and Public Health (Vote-Item 1406-4), including a \$332 million increase for services.
- \$275 million increase for Programs and Administration (Vote-Item 1416-2), including a \$164 million increase for Digital Health and a \$144 million increase for Cancer Treatment Services.
- \$260 million decrease for Ontario Health Insurance (Vote-Item 1405-1), largely for payments to physicians (-\$246 million).

Education: \$373 million decrease. Notable changes include:

- \$215 million increase for Elementary and Secondary Education Program – Policy and Program Delivery (Vote-Item 1002-1), including spending plan increases for Priorities and Partnerships Funding – School Boards (\$95 million), services (\$79 million) and Priorities and Partnerships Funding – Third Parties (\$34 million).
- \$52 million decrease for Child Care and Early Years Programs – Policy Development and Program Delivery (Vote-Item 1004-1), including a spending plan increase for Child Care and Early Years (\$175 million) and a spending plan decrease for the Ontario Child Care Tax Credit⁴ (-\$228 million).
- \$533 million decrease for Support for Elementary and Secondary Education (Capital) (Vote-Item 1002-3), including School Board Capital Grants (-\$280 million) and the Investing in Canada Infrastructure Program (-\$227 million).

Postsecondary Education: \$301 million decrease. Notable changes include:

- \$303 million decrease for Colleges, Universities and Student Support (Vote-Item 3002-1), largely for the Student Financial Assistance Programs (-\$368 million).

Children's and Social Services: \$662 million decrease. Notable changes include:

- \$109 million increase for Supports to Individuals and Families (Vote-Item 702-21), including a \$176 million increase for Residential Services and a \$59 million decrease for Supportive Services.
- \$133 million decrease for the Ontario Child Benefit (Vote-Item 702-22).

³ For analysis on the first three quarters of 2021-22, see FAO, "Expenditure Monitor 2021-22: Q1," 2021; FAO, "Expenditure Monitor 2021-22: Q2," 2021; and FAO, "Expenditure Monitor 2021-22: Q3," 2022.

⁴ Also known as the Ontario Childcare Access and Relief from Expenses (CARE) Tax Credit.

- \$735 million decrease for Financial and Employment Supports (Vote-Item 702-3), including spending plan decreases for Ontario Works – Financial Assistance (-\$434 million), Ontario Disability Support Program – Financial Assistance (-\$192 million) and the Ontario Drug Benefit Plan (-\$137 million).

Justice: \$317 million increase. Notable changes include:

- \$235 million increase for the Ministry of the Attorney General, including a \$66 million increase for Ministry Administration (Vote-Item 301-1) and a \$54 million increase for Legal Aid Ontario (Vote-Item 303-2).
- \$82 million increase for the Ministry of the Solicitor General, including a \$79 million increase for Ministry Administration (Vote-Item 2601-1).

Other Programs: \$1,067 million increase. Notable changes include:

- \$202 million increase for Infrastructure for Natural Resource Management (Vote-Item 2103-3) in the Ministry of Natural Resources and Forestry, to adjust for a solid waste landfill liability first reported in the 2020-21 Public Accounts of Ontario.
- \$183 million increase for Environmental Remediation (Vote-Item 2203-5) in the Ministry of Energy, Northern Development and Mines, to adjust the Province's contaminated mine sites liability based on completed environmental assessments in 2021-22.
- \$177 million increase for Economic Development, Job Creation and Trade (Vote-Item 902-13), including a \$293 million increase for the Ontario Small Business Relief Grant.
- \$175 million increase for Ontario Cultural Media Tax Credits (Vote-Item 3808-1), which provides subsidies to Ontario-based companies in film, television, interactive digital media or publishing industries.
- \$171 million increase for the Ministry of Transportation – Agency Oversight and Partnerships (Vote-Item 2702-3), mostly for capital funding to Metrolinx (\$172 million).
- \$134 million increase for the Mercury Disability Fund – Trustee, *English and Wabigoon River Systems Mercury Contamination Settlement Agreement Act, 1986* (Vote 2001; statutory) in the Ministry of Indigenous Affairs, which provides benefits to Indigenous people who are affected by mercury contamination from the English and Wabigoon river systems.
- \$125 million increase for Community and Market Housing Capital (Vote-Item 1904-4), including a \$108 million increase for the Housing Lands – Sale program, which supports the sale of surplus provincial land for affordable housing.
- \$256 million decrease for Infrastructure Programs (Capital) (Vote-Item 4003-2) in the Ministry of Infrastructure, including a \$179 million decrease for Broadband and Cellular Infrastructure.
- A net \$155 million increase for 144 additional vote-items in the 'other programs' sector. For more information, visit the FAO's website at: <https://tinyurl.com/3tfejdp5>.

2021-22 Spending (Unaudited)

Unaudited Actual Spending vs. Planned Spending

The Province spent \$177.9 billion in 2021-22, which was \$7.2 billion (3.9 per cent) less than planned. All sectors spent less than planned in 2021-22, led by 'other programs' (\$2,406 million), health (\$1,817 million), interest on debt (\$618 million), children's and social services (\$173 million), postsecondary education (\$134 million), education (\$124 million) and justice (\$80 million). Also, an unspent \$1.8 billion end-of-year balance remained in the Contingency Fund. The \$7.2 billion in below-plan spending (or net savings) will be used to reduce both the budget deficit and Ontario's net debt.

The \$7.2 billion (3.9 per cent) in net savings for 2021-22 is less than the net savings recorded in 2020-21 of \$10.3 billion (5.5 per cent) but higher than the pre-COVID-19 historical annual average of \$3.8 billion (2.7 per cent) between 2010-11 and 2019-20.

Table 2: 2021-22 unaudited spending vs. planned spending by sector, \$ millions

Sector	Revised 2021-22 Spending Plan	2021-22 Unaudited Spending	Unaudited Spending vs. Revised Spending Plan	Unaudited Spending vs. Revised Spending Plan (%)
Health	75,294	73,477	-1,817	-2.4%
Education	32,563	32,439	-124	-0.4%
Postsecondary Education	6,698	6,564	-134	-2.0%
Children's and Social Services	17,457	17,284	-173	-1.0%
Justice	5,609	5,529	-80	-1.4%
Other Programs	33,238	30,833	-2,406	-7.2%
Unallocated Funds:				
Contingency Fund	1,826	-	-1,826	-100.0%
Time-Limited COVID-19 Fund	-	-	-	N/A
Interest on Debt	12,419	11,801	-618	-5.0%
Total	185,104	177,926	-7,178	-3.9%

Note: Figures exclude spending on some assets and additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: FAO analysis of the 2021-22 Expenditure Estimates and information provided by Treasury Board Secretariat.

The rest of this section highlights key vote-item spending that was above and below plan in 2021-22. For information on spending by all of the Province's transfer payment programs and ministries, visit the FAO's website at: <https://tinyurl.com/3tfejdp5>.

Health sector spending: \$1,817 million (2.4 per cent) below plan. Highlights include:

- \$104 million below plan in Drug Programs (Vote-Item 1405-2), which funds a number of provincial drug programs, the largest of which is the Ontario Drug Benefit program.
- \$159 million below plan in Ontario Health Insurance (Vote-Item 1405-1), which administers payments to physicians.

- \$196 million below plan in the Long-Term Care Homes Program (Operating) (Vote-Item 4502-1), which funds the operation and development of long-term care homes.
- \$322 million below plan in Health Services (Vote-Item 1416-1), which funds the operation of hospitals, home care, community services (mental health, health centres and support) and other services.
- \$878 million below plan in Population and Public Health (Vote-Item 1406-4), which is mainly driven by \$1.1 billion in below-planned spending for the COVID-19 Response program⁵ and \$320 million in above-planned spending for supplies. (Note: Ministry of Health staff reported to the FAO that additional 2021-22 spending will be reported in the 2021-22 Public Accounts of Ontario that may materially change the final year-end position for this vote-item.)

Other Programs sector spending: \$2,406 million (7.2 per cent) below plan. Highlights include:

- \$123 million above plan in Ontario Shared Services (Vote-Item 1811-5), largely for the procurement of personal protective equipment (PPE) and other COVID-19-related supplies.
- \$114 million below plan in Economic Development, Job Creation and Trade (Vote-Item 902-13), which funds a number of business support programs.
- \$125 million below plan in Ministry of Transportation, Agency Oversight and Partnerships (Vote-Item 2702-2), largely due to \$100 million in below-planned spending for Metrolinx Operating Subsidies.
- \$178 million below plan in Tax and Benefits Administration (Vote-Item 1209-1), largely due to \$164 million in below-planned spending for the property tax component of the Property Tax and Energy Costs Rebate Grants program.
- \$530 million below plan in Treasury Board Secretariat, Employee and Pensioner Benefits (Vote 3403).
- \$1,087 million below plan in Ministry of Transportation, Agency Oversight and Partnerships (Capital) (Vote-Item 2702-3), including \$1,021 million in below-planned spending for Metrolinx (Capital) transit infrastructure investments. (Note: Ministry of Transportation staff reported to the FAO that additional 2021-22 spending will be reported in the 2021-22 Public Accounts of Ontario that may materially change the final year-end position for this vote-item.)
- A net \$495 million below plan in the remaining 280 vote-items in the 'other programs' sector. For more information, visit the FAO's website at: <https://tinyurl.com/3tfejdp5>.

2021-22 Spending vs. 2020-21 Spending

In 2021-22, the Province spent \$177.9 billion, which was \$0.8 billion (0.4 per cent) less than was spent in 2020-21. The largest year-over-year spending decrease was in 'other programs' (-\$4,421 million), followed by education (-\$907 million) and children's and social services (-\$446 million). Conversely, health (\$4,329 million), interest on debt (\$496 million), justice (\$171 million) and postsecondary education (\$1 million) all spent more in 2021-22 compared to 2020-21.

⁵ The COVID-19 Response program, which is a distinct program from the Time-Limited COVID-19 Fund, provides funding for population and public health measures related to the COVID-19 pandemic.

Table 3: 2021-22 unaudited spending vs. 2020-21 actual spending, \$ millions

Sector	2021-22 Unaudited Spending	2020-21 Actual Spending	2021-22 vs. 2020-21	2021-22 vs. 2020-21 (%)
Health	73,477	69,148	4,329	6.3%
Education	32,439	33,346	-907	-2.7%
Postsecondary Education	6,564	6,563	1	0.0%
Children's and Social Services	17,284	17,730	-446	-2.5%
Justice	5,529	5,358	171	3.2%
Other Programs	30,833	35,254	-4,421	-12.5%
Interest on Debt	11,801	11,305	496	4.4%
Total	177,926	178,703	-777	-0.4%

Note: Figures exclude spending on some assets and additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: FAO analysis of the 2021-22 Expenditure Estimates, the 2020-21 Public Accounts of Ontario and information provided by Treasury Board Secretariat.

- The **health sector** spent \$4,329 million (6.3 per cent) more in 2021-22 compared to 2020-21, largely due to higher spending for:
 - Population and Public Health (\$2,199 million);
 - payments to physicians (\$1,551 million);
 - the operation of long-term care homes (\$843 million) and capital investments (\$324 million);
 - Home Care (\$276 million)
 - Ontario Drug Programs (\$230 million);
 - Major Hospital Projects (\$141 million);
 - the Assistive Devices Program (\$96 million);
 - Community and Priority Services (\$85 million);
 - Cancer Treatment Services (\$78 million); and
 - Canadian Blood Services (\$73 million);
- offset by lower spending on:
 - Small Hospital Projects (-\$210 million);
 - Regional Coordination Operations Support (-\$443 million); and
 - the Operation of Hospitals (-\$1,221 million).

- The **education sector** spent \$907 million (2.7 per cent) less in 2021-22 compared to 2020-21, largely due to lower spending on:
 - the Childcare Access and Relief from Expenses (CARE) Tax Credit (-\$101 million);
 - Priorities and Partnerships Funding – School Boards grants (-\$227 million); and
 - Priorities and Partnerships Funding – Third Parties grants (-\$1,488 million), largely due to the temporary in 2020-21 Support for Learners and Ontario COVID-19 Child Benefit programs;offset by higher spending on:
 - school board infrastructure through School Board Capital Grants (\$320 million) and the Investing in Canada Infrastructure Program (\$434 million); and
 - School Board Operating Grants and Education Property Tax Non-Cash Expense, which combined fund the Grants for Student Needs (\$143 million).
- The **children's and social services sector** spent \$446 million (2.5 per cent) less in 2021-22 compared to 2020-21, largely due to lower spending for Ontario Works (-\$414 million), the Ontario Disability Support Program (-\$124 million) and bad debt expense (-\$159 million), which was partially offset by higher spending on the Ontario Drug Benefit Plan (\$240 million).
- The **justice sector** spent \$171 million (3.2 per cent) more in 2021-22 compared to 2020-21, due to an increase in spending across a variety of programs, including Legal Aid Ontario, and Ontario Provincial Police – Field and Traffic Services.
- The **'other programs' sector** spent \$4,421 million (12.5 per cent) less in 2021-22 compared to 2020-21, largely due to lower net spending for COVID-19-related programs, including:
 - the procurement of PPE and other supplies through Ontario Shared Services (-\$192 million);
 - the 2020-21 Canada Emergency Commercial Rent Assistance for small businesses program (-\$241 million);
 - temporary funding for Homelessness Programs in 2020-21 (-\$490 million);
 - temporary electricity subsidies (-\$697 million);
 - COVID-19-related business and worker support programs (-\$2,201 million); and
 - COVID-19-related support for municipalities and municipal transit (-\$3,722 million);offset by higher spending in 2021-22 on:
 - electricity subsidy programs (\$775 million), largely due to the introduction of the Renewable Cost Shift program in January 2021 (the fourth quarter of 2020-21);
 - Metrolinx transit infrastructure projects (\$647 million);
 - municipal infrastructure projects with the Ministry of Infrastructure (\$202 million);
 - liability adjustments for solid waste landfills and contaminated mine sites through Infrastructure for Natural Resource Management in the Ministry of Natural Resources and Forestry (\$207 million) and Environmental Remediation in the Ministry of Energy, Northern Development and Mines (\$183 million);
 - Treasury Board Secretariat, Employee and Pensioner Benefits (Employer Share) (Vote 3403) (\$189 million);
 - the Ontario Production Services Tax Credit (\$162 million);



- the Mercury Disability Fund – Trustee, *English and Wabigoon River Systems Mercury Contamination Settlement Agreement Act, 1986* in the Ministry of Indigenous Affairs (\$127 million), which provides benefits to Indigenous people who are affected by mercury contamination from the English and Wabigoon river systems;
- Public Protection programs (\$127 million), such as fighting forest fires in Northern Ontario;
- Housing Lands – Sale program (\$108 million), which supports the sale of surplus provincial land for affordable housing;
- Grants in Support of Tourism Investment Development (\$99 million); and
- Employment and Training program with the Ministry of Labour, Training and Skills Development (\$87 million).

2021-22 Budget Deficit Projection

Based on the spending information presented in this report and the FAO's most recent revenue forecast,⁶ the FAO has updated its 2021-22 budget deficit projection to \$8.1 billion.⁷ In comparison, in the 2022 Ontario Budget,⁸ the Province projected a 2021-22 budget deficit of \$13.5 billion. The difference between the FAO's and the Province's 2021-22 budget deficit projections is \$5.4 billion.⁹

The FAO estimates that 2021-22 total revenue will be \$1.6 billion higher and total consolidated expense will be \$3.8 billion lower than forecast by the Province in the 2022 budget. The difference between the two forecasts largely reflects more up-to-date information available to the FAO, which includes updated spending transactions.¹⁰

Table 4: 2021-22 budget deficit projections, 2022 Ontario Budget vs. FAO Projection, \$ millions

	Province	FAO	Difference
Revenue	173,572	175,189	1,617
Consolidated Expense*			
Health	79,015	76,538	-2,477
Education	31,849	31,952	103
Postsecondary Education	10,002	9,902	-100
Children's and Social Services	17,289	17,086	-203
Justice	5,022	5,108	86
Other Programs	30,899	30,117	-782
Interest on Debt	12,992	12,587	-405
Total Consolidated Expense	187,068	183,291	-3,777
Surplus/(Deficit)	-13,496	-8,102	5,394

* Consolidated expense includes additional spending (an estimated \$5.4 billion in the FAO's projection) by the broader public sector organizations controlled by the Province (hospitals, school boards and colleges), the Province's agencies and the legislative offices.

Source: 2022 Ontario Budget and FAO analysis of information provided by Treasury Board Secretariat.

⁶ FAO's revenue forecast from the [FAO's Economic and Budget Outlook, Spring 2022](#) report, with updated information from the 2022 Ontario Budget.

⁷ Compared to a projected \$8.7 billion budget deficit in the [FAO's Economic and Budget Outlook, Spring 2022](#) report.

⁸ Tabled on April 28, 2022.

⁹ The actual 2021-22 budget deficit will be released as part of the 2021-22 Public Accounts of Ontario in September 2022.

¹⁰ The FAO reviewed additional spending transactions from the Province's Integrated Financial Information System (IFIS), which occurred after the preparation of the 2022 Ontario Budget, and up until the accounts were closed on April 22, 2022.

Status of Unallocated Funds

The Province started the 2021-22 fiscal year with a total of \$2.1 billion in unallocated funds in the Contingency Fund. In the third quarter, the Province created the Time-Limited COVID-19 Fund, with a balance of \$2.7 billion, and topped up the Contingency Fund by \$0.3 billion, for total available unallocated funds of \$5.1 billion.

Unallocated funds cannot be spent directly by the Province but must be transferred to government programs through Treasury Board Orders. Through the first three quarters, the Province transferred a net \$2.0 billion from the two unallocated funds to various programs. In the fourth quarter, the Province transferred a net \$1,865 million from the Time-Limited COVID-19 Fund to various programs, completely drawing down the fund. In contrast, the Province transferred a net \$554 million to the Contingency Fund from various programs, resulting in a year-end balance in the Contingency Fund of \$1,826 million. The remaining funds in the Contingency Fund will reduce both the budget deficit and Ontario's net debt.

Table 5: Status of unallocated funds in 2021-22, \$ millions

Unallocated Fund	Opening Balance	Q1 Transfers	Q2 Transfers	Q3 Top-Ups	Q3 Transfers	Q4 Transfers	Balance at Year-End
Contingency Fund	2,080	-474	-235	320	-419	554	1,826
Time-Limited COVID-19 Fund	-	-	-	2,700	-835	-1,865	-
Total	2,080	-474	-235	3,020	-1,254	-1,311	1,826

Source: FAO analysis of information provided by Treasury Board Secretariat.

The following tables provide information on fourth quarter transfers from the Time-Limited COVID-19 Fund and the Contingency Fund.

Table 6: Fourth quarter transfers from the Time-Limited COVID-19 Fund, \$ millions

Ministry/Program	\$ millions
Opening Balance	-
Less: First Quarter Transfers	-
Less: Second Quarter Transfers	-
Add: Third Quarter Top-Up	2,700
Less: Third Quarter Transfers	-835
Less: Fourth Quarter Transfers	
Ministry of Economic Development, Job Creation and Trade	
Ontario Small Business Support Grant	293
Ministry of Education	
Child Care and Early Years Programs – Policy Development and Program Delivery	117
Elementary and Secondary Education Program – Policy and Program Delivery	102
Ministry of Energy, Northern Development and Mines	
Energy Support, Engagement and Indigenous Partnerships	83
Ministry of the Environment, Conservation and Parks	
Ontario Parks (Capital)	<1
Ministry of Health	
Operation of Hospitals	834
Ministry of Heritage, Sport, Tourism and Cultural Industries	
Sport	30
Ministry of Long-Term Care	
Long-Term Care Homes – Operations	277
Ministry for Seniors and Accessibility	
Seniors Affairs Transfer Payment	8
Ministry of the Solicitor General	
Ministry Administration	54
Institutional Services	43
Field and Traffic Services	23
Operational Support	<1
Community Services	<1
Staff Recruitment and Training	<1
Total Fourth Quarter Transfers	-1,865
Balance at year-end	0

Source: FAO analysis of information provided by Treasury Board Secretariat.

Table 7: Fourth quarter transfers from the Contingency Fund, \$ millions

Ministry/Program	\$ millions
Opening Balance	2,080
Less: First Quarter Transfers	-474
Less: Second Quarter Transfers	-235
Add: Third Quarter Top-Up	320
Less: Third Quarter Transfers	-419
Less: Fourth Quarter Transfers	
Ministry of the Attorney General	
Court Services and other programs**	105
Ministry of Children, Community and Social Services	
Ontario Disability Support Program – Financial Assistance*	-85
Ontario Works – Employment Assistance*	-137
Ontario Works – Financial Assistance*	-335
Other programs**	-178
Ministry of Colleges and Universities	
Student Financial Assistance Programs*	-316
Ministry of Economic Development, Job Creation and Trade	
Ontario Innovation Tax Credit	43
Business Research Institution Tax Credit	20
Sector Support Grants	10
Jobs and Prosperity Fund and Other Business Support Programs*	-10
Ontario Together Fund*	-18
Ontario Tourism and Hospitality Small Business Support Grant*	-60
Invest Ontario Fund*	-100
Ministry of Education	
Elementary and Secondary Education Program – Policy and Program Delivery*	-102
Child Care and Early Years Programs – Policy Development and Program Delivery*	-117
School Board Capital Grants*	-146
Ontario Child Care Tax Credit*	-228
Ministry of Energy, Northern Development and Mines	
Resource Revenue Sharing for Mining	7
Remote Air Carrier Support Program	5
Ministry of the Environment, Conservation and Parks	
Ontario Parks	6
Environmental Policy and Programs*	-2
Ontario Parks Infrastructure*	-5
Environmental Science and Laboratory Infrastructure*	-10
Other programs**	-4
Ministry of Finance	
Tax and Benefits Administration and other programs**	-22
Ministry of Government and Consumer Services	
Ontario Shared Services and other programs**	36
Realty Transactions	2

Ministry of Health	
Operation of Hospitals	452
COVID-19 Response	13
Addiction Program	7
Other programs**	24
Ministry of Heritage, Sport, Tourism and Culture Industries	
Ontario Production Services Tax Credit	111
Ontario Film and Television Tax Credit	33
Ontario Computer Animation and Special Effects Tax Credit	30
Grants in Support for Tourism Regions	2
Ontario Sound Recording Tax Credit	<1
Sport*	-2
Tourism and Culture Capital*	-44
Ministry of Indigenous Affairs	
Land Claim Settlements and other programs**	20
Ministry of Infrastructure	
Natural Gas Access Program*	>-1
Municipal Infrastructure*	-2
Community, Culture and Recreation – Federal Contributions*	-6
Community, Culture and Recreation – Provincial Contributions*	-6
Green Infrastructure – Provincial Contributions*	-13
Federal-Provincial Infrastructure Programs – Federal Contributions*	-15
Federal-Provincial Infrastructure Programs – Provincial Contributions*	-15
Rural and Northern Infrastructure – Federal Contributions*	-18
Broadband and Cellular Infrastructure*	-161
Ministry of Labour, Training and Skills Development	
Ontario Co-operative Education Tax Credit	10
Ministry Administration	7
Ontario Apprenticeship Tax Credit	7
Settlement and Integration Transfer Payment	2
Occupational Health and Safety Program – Capital Assets	2
Health and Safety Associations Capital	<1
Other programs**	-3
Ministry of Long-Term Care	
Long-Term Care Homes – Operations	156
Ministry of Municipal Affairs and Housing	
Housing Lands – Sale and other programs**	116
Ministry of Natural Resources and Forestry	
Infrastructure for Natural Resource Management – Capital Expense and other programs**	295
Infrastructure for Natural Resource Management – Capital Assets	<1
Ministry of Seniors and Accessibility	
Seniors Affairs Transfer Payment	9
Ministry of the Solicitor General	
Staff Recruitment and Training*	>-1
Community Services*	>-1



Operational Support*	>-1	
Field and Traffic Services*	-23	
Institutional Services*	-43	
Ministry Administration*	-54	
Justice Technology Services – Capital Assets*	-372	
Ministry of Transportation		
Transportation Infrastructure Management – Capital Assets	295	
Metrolinx – Capital Expense	153	
Transportation Safety	54	
Other programs**	126	
Treasury Board Secretariat		
Ministry Administration*	-1	
Ontario Digital Service*	-1	
Centre for People, Culture and Talent*	-2	
Office of the Comptroller General*	-3	
Treasury Board Support and Financial Planning*	-15	
Labour Relations and Compensation*	-27	
Total Fourth Quarter Net Transfers to Contingency Fund		554
Balance at year-end		1,826

* Negative values represent transfers from ministry programs to the Contingency Fund.

** Due to data limitations, the FAO is unable to provide a complete list of programs.

Source: FAO analysis of information provided by Treasury Board Secretariat.

About this Document

Established by the *Financial Accountability Officer Act, 2013*, the Financial Accountability Office (FAO) provides independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

This report has been prepared with the benefit of publicly available information and information provided by Treasury Board Secretariat.

All dollar amounts are in Canadian, current dollars (i.e., not adjusted for inflation) unless otherwise noted.

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