



**Province of Prince Edward Island
Fiscal Update 2006/2007**

**Honourable Mitch Murphy
Provincial Treasurer
Released November 9, 2006**

	2006-07 Budget	2006-07 Forecast	Variance
	\$	\$	\$
Revenues			
Departmental Revenue	1,137,259,500	1,150,831,600	13,572,100
Sinking Fund Earnings	17,300,000	17,300,000	0
Total Revenues	<u>1,154,559,500</u>	<u>1,168,131,600</u>	<u>13,572,100</u>
Expenditures			
Program Expenditures	1,012,952,200	1,021,036,400	8,084,200
Interest Charges on Debt	118,276,200	117,107,600	(1,168,600)
Depreciation Expense	37,755,400	37,755,400	0
Net (Surplus) Deficit of Crown Entities	(1,924,800)	4,731,700	6,656,500
Total Expenditures	<u>1,167,059,000</u>	<u>1,180,631,100</u>	<u>13,572,100</u>
Consolidated Deficit	<u>(12,499,500)</u>	<u>(12,499,500)</u>	<u>0</u>



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Highlights:

Overview

The Province projects a consolidated budget deficit of \$12.5 million as presented in the Legislature in March 2006. While revenues are up \$13.6 million, pressures continue in Health, Social Services and Seniors and agriculture insurance.

Revenue

It is anticipated that overall revenues will exceed budget by approximately \$13.6 million. Equalization is up \$5 million, federal trust funds are up \$5 million and Provincial Source Revenues are up \$3.6 million. Increases in sales tax, interest revenue and corporate taxes are primarily offset by decreases in gasoline tax and tobacco tax.

Expenditure

Total expenditures are up \$13.6 million. Program expenditures increased \$8.1 million, which is less than 1% of total expenditures. This is primarily made up of increases in Health of \$3 million, Social Services and Seniors of \$1 million, Agriculture, Fisheries & Aquaculture of \$1 million and salary and benefits. Crown entities are over budget by \$6.7 million which is mainly in the area of agriculture insurance.