


**MONTHLY REPORT ON FINANCIAL TRANSACTIONS**

Volume 2, number 8

February 5, 2008

**AS AT NOVEMBER 30, 2007**
**November 2007 highlights**

- ❑ The budgetary balance for November 2007 indicates that revenue is running \$165 million ahead of expenditure.
- ❑ Budgetary revenue amounts to \$5.2 billion, an increase of \$852 million compared to last year. Own-source revenue stands at \$4.1 billion, while federal transfers amount to \$1.1 billion.
- ❑ Program spending is up by \$222 million compared to November 2006 and stands at \$4.5 billion. This increase is attributable, in particular, to the rise in spending relating to the health and social services network.
- ❑ Debt service stands at \$551 million, down \$35 million compared to last year.
- ❑ Payments to the Generations Fund amount to \$26 million.

**SUMMARY OF BUDGETARY TRANSACTIONS**

(millions of dollars)

**(Unaudited data)**

	November <sup>1</sup>		April to November <sup>1</sup>		Update on Québec's Economic and Financial Situation	
	2006 <sup>2</sup>	2007	2006-2007 <sup>2</sup>	2007-2008	2007-2008	Growth %
<b>BUDGETARY REVENUE</b>						
Own-source revenue	3 412	4 071	30 459	31 945	48 453	- 1.9
Federal transfers	931	1 124	7 287	8 762	13 262	20.3
<b>Total</b>	<b>4 343</b>	<b>5 195</b>	<b>37 746</b>	<b>40 707</b>	<b>61 715</b>	<b>2.1</b>
<b>BUDGETARY EXPENDITURE</b>						
Program spending	- 4 267	- 4 489	- 34 663	- 36 189	- 54 104	4.3
Debt service	- 586	- 551	- 4 573	- 4 597	- 6 989	0.9
<b>Total</b>	<b>- 4 853</b>	<b>- 5 040</b>	<b>- 39 236</b>	<b>- 40 786</b>	<b>- 61 093</b>	<b>3.9</b>
<b>NET RESULTS OF CONSOLIDATED ORGANIZATIONS</b>	<b>13</b>	<b>10</b>	<b>159</b>	<b>- 35</b>	<b>41</b>	<b>—</b>
<b>REVENUE DEDICATED TO THE GENERATIONS FUND <sup>3</sup></b>	<b>—</b>	<b>26</b>	<b>—</b>	<b>207</b>	<b>453</b>	<b>—</b>
<b>IMPACT OF THE ACCOUNTING REFORM</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>- 663</b>	<b>—</b>
<b>BUDGETARY BALANCE BEFORE PAYMENTS TO THE GENERATIONS FUND AND USE OF THE BUDGETARY RESERVE</b>	<b>- 497</b>	<b>191</b>	<b>- 1 331</b>	<b>93</b>	<b>453</b>	<b>—</b>
<b>Use of part of the budgetary reserve</b>	<b>—</b>	<b>0</b>	<b>—</b>	<b>200</b>	<b>200</b>	<b>—</b>
<b>Payments to the Generations Fund</b>	<b>—</b>	<b>- 26</b>	<b>—</b>	<b>- 407</b>	<b>- 653</b>	<b>—</b>
<b>BUDGETARY BALANCE <sup>4</sup></b>	<b>- 497</b>	<b>165</b>	<b>- 1 331</b>	<b>- 114</b>	<b>0</b>	<b>—</b>

<sup>1</sup> This report does not reflect the changes in accounting methods announced in the reform of the government's accounting policies.

<sup>2</sup> Some comparative figures for 2006-2007 have been reclassified for consistency with the presentation adopted in 2007-2008.

<sup>3</sup> The Generations Fund began operations on January 1, 2007.

<sup>4</sup> Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

### **Cumulative results as at November 30, 2007**

#### **Budgetary balance**

- ❑ Consistent with the historical trend, the cumulative results for the first eight months of the year show revenue lagging expenditure.
- ❑ For the period from April to November 2007, the budgetary balance shows expenditure exceeding revenue by \$114 million. This is an improvement of \$1.2 billion compared to last year's results.

#### **Budgetary revenue**

- ❑ Budgetary revenue since the beginning of the year amounts to \$40.7 billion, an increase of \$3.0 billion compared to the same period last year.
- ❑ Own-source revenue stands at \$31.9 billion, \$1.5 billion more than as at November 30, 2006. This improvement is attributable in particular to economic growth, resulting in increased revenue from personal income tax and the sales tax.
- ❑ Federal transfers amount to \$8.8 billion for the first eight months of the current fiscal year, an increase of \$1.5 billion compared to the same period in 2006-2007.

#### **Budgetary expenditure**

- ❑ As at November 30, 2007, budgetary expenditure amounts to \$40.8 billion, an increase of \$1.5 billion compared to last year.
- ❑ Program spending is up by \$1.5 billion compared to last year and stands at \$36.2 billion. The most significant changes are in the Health and Social Services (\$838 million) and the Education and Culture (\$479 million) missions.
- ❑ Debt service amounts to \$4.6 billion, up \$24 million compared to November 30, 2006.

#### **Generations Fund**

- ❑ Payments to the Generations Fund amount to \$407 million, including the additional payment of \$200 million made further to the use of part of the budgetary reserve.

#### **Net financial requirements**

- ❑ For the period from April to November 2007, consolidated net financial requirements stand at \$1.9 billion, a decline of \$1.5 billion compared to last year.
- ❑ This reduction is attributable chiefly to the \$1.4-billion improvement in the consolidated budgetary balance.

## MONTHLY REPORT ON FINANCIAL TRANSACTIONS

### CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars)

(Unaudited data)

	November			April to November		
	2006	2007	Changes	2006-2007	2007-2008	Changes
<b>BUDGETARY REVENUE</b>						
Own-source revenue	3 412	4 071	659	30 459	31 945	1 486
Federal transfers	931	1 124	193	7 287	8 762	1 475
<b>Total</b>	<b>4 343</b>	<b>5 195</b>	<b>852</b>	<b>37 746</b>	<b>40 707</b>	<b>2 961</b>
<b>BUDGETARY EXPENDITURE</b>						
Program spending	- 4 267	- 4 489	- 222	- 34 663	- 36 189	- 1 526
Debt service	- 586	- 551	35	- 4 573	- 4 597	- 24
<b>Total</b>	<b>- 4 853</b>	<b>- 5 040</b>	<b>- 187</b>	<b>- 39 236</b>	<b>- 40 786</b>	<b>- 1 550</b>
<b>NET RESULTS OF CONSOLIDATED ORGANIZATIONS</b>						
Revenue dedicated to the Generations Fund	—	26	26	—	207	207
Use of part of the budgetary reserve	—	0	0	—	200	200
Payments to the Generations Fund	—	- 26	- 26	—	- 407	- 407
<b>BUDGETARY BALANCE<sup>1</sup></b>	<b>- 497</b>	<b>165</b>	<b>662</b>	<b>- 1 331</b>	<b>- 114</b>	<b>1 217</b>
Revenue dedicated to the Generations Fund	—	26	26	—	207	207
<b>CONSOLIDATED BUDGETARY BALANCE</b>	<b>- 497</b>	<b>191</b>	<b>688</b>	<b>- 1 331</b>	<b>93</b>	<b>1 424</b>
Consolidated non-budgetary surplus (requirements)	217	- 358	- 575	- 2 009	- 1 970	39
<b>CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)</b>	<b>- 280</b>	<b>- 167</b>	<b>113</b>	<b>- 3 340</b>	<b>- 1 877</b>	<b>1 463</b>

1 Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

## MONTHLY REPORT ON FINANCIAL TRANSACTIONS

### CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars)

(Unaudited data)

Revenue by source	November			April to November		
	2006	2007	Changes %	2006-2007	2007-2008	Changes %
<b>BUDGETARY REVENUE</b>						
<b>Own-source revenue excluding government enterprises</b>						
Income and property taxes						
Personal income tax	1 266	1 433	13.2	10 986	12 161	10.7
Contributions to Health Services Fund	388	433	11.6	3 373	3 508	4.0
Corporate taxes	290	376	29.7	2 547	2 644	3.8
Consumption taxes	915	1 081	18.1	8 345	8 955	7.3
Other sources	201	214	6.5	1 639	1 839	12.2
<b>Total</b>	<b>3 060</b>	<b>3 537</b>	<b>15.6</b>	<b>26 890</b>	<b>29 107</b>	<b>8.2</b>
<b>Revenue from government enterprises</b>	<b>352</b>	<b>534</b>	<b>51.7</b>	<b>3 569</b>	<b>2 838</b>	<b>- 20.5</b>
<b>Total own-source revenue</b>	<b>3 412</b>	<b>4 071</b>	<b>19.3</b>	<b>30 459</b>	<b>31 945</b>	<b>4.9</b>
<b>Federal transfers</b>						
Equalization	466	596	27.9	3 672	4 773	30.0
Health transfers	302	320	6.0	2 401	2 482	3.4
Transfers for post-secondary education and other social programs	88	119	35.2	694	924	33.1
Other programs	75	89	18.7	520	583	12.1
<b>Total federal transfers</b>	<b>931</b>	<b>1 124</b>	<b>20.7</b>	<b>7 287</b>	<b>8 762</b>	<b>20.2</b>
<b>TOTAL BUDGETARY REVENUE</b>	<b>4 343</b>	<b>5 195</b>	<b>19.6</b>	<b>37 746</b>	<b>40 707</b>	<b>7.8</b>

### CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars)

(Unaudited data)

Expenditures by mission	November			April to November		
	2006	2007	Changes %	2006-2007	2007-2008	Changes %
<b>BUDGETARY EXPENDITURE</b>						
<b>Program spending</b>						
Health and Social Services	1 971	2 200	11.6	14 819	15 657	5.7
Education and Culture	1 046	1 083	3.5	9 239	9 718	5.2
Economy and Environment	469	461	- 1.7	4 072	4 259	4.6
Support for Individuals and Families	420	445	6.0	3 417	3 544	3.7
Administration and Justice	361	300	- 16.9	3 116	3 011	- 3.4
<b>Total program spending</b>	<b>4 267</b>	<b>4 489</b>	<b>5.2</b>	<b>34 663</b>	<b>36 189</b>	<b>4.4</b>
<b>Debt service</b>	<b>586</b>	<b>551</b>	<b>- 6.0</b>	<b>4 573</b>	<b>4 597</b>	<b>0.5</b>
<b>TOTAL BUDGETARY EXPENDITURE</b>	<b>4 853</b>	<b>5 040</b>	<b>3.9</b>	<b>39 236</b>	<b>40 786</b>	<b>4.0</b>

For information on this monthly report, contact Luc Monty at 418 691-2225.

The report is also available on the ministère des Finances du Québec website: [www.finances.gouv.qc.ca](http://www.finances.gouv.qc.ca).