



News Release

For Immediate Release

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AUDITOR GENERAL RELEASES REVIEW OF ONTARIO GOVERNMENT'S PRE-ELECTION REPORT

(TORONTO) Auditor General of Ontario Jim McCarter today released his review of the Ministry of Finance's 2007 Pre-Election Report on Ontario's Finances.

"Through my review, I have determined that the estimated fiscal results and the assumptions that support them are reasonable," McCarter said. "In fact, the government's estimates may turn out to be on the cautious side with actual revenue being higher than estimated and interest expenses being lower. It is possible that the government's estimated deficit for 2007/08 could turn out to be a surplus and the estimated surpluses in each of the two following fiscal years could approach a billion dollars."

The ministry's report outlines the province's fiscal outlook in advance of the October 10, 2007 provincial election and estimates a \$400 million deficit for 2007/08, a \$300 million surplus for 2008/09, and a \$400 million surplus in 2009/10.

McCarter said that prudence in government estimates has tended to be the norm in the last decade, especially in the last few years. In particular, taxation revenues and transfers from the federal government have significantly exceeded expectations in recent years while interest on the debt has been much less than anticipated.

"However, these factors, together with accounting-standard requirements and tight timelines, have contributed to increased year-end spending without all of the normal accountability controls being in place," McCarter added.

Under the *Fiscal Transparency and Accountability Act*, the Auditor General is required to review a pre-election report on Ontario's finances and determine whether the province's estimated revenue and expense projections are reasonable.

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