

June 24, 2003

CONSOLIDATED FISCAL SUMMARY

(millions of dollars)

	2002-03			
	Budget	Actual	Change from	
			Budget	3rd Quarter
1 Revenue	19,855	22,681	2,826	85
2 Expense				
3 Program	18,453	20,025	1,572	(148)
4 Debt Servicing Costs	585	476	(109)	(74)
5 Pension Provisions	58	156	98	89
6 Total Expense	19,096	20,657	1,561	(133)
7 Net Revenue	759	2,024	1,265	218
8 Less: Net Increase in Capital Assets affecting Operations	93	191	98	83
9 Net Results of Operations	666	1,833	1,167	135
10 Removal of Pension Provisions	58	156	98	89
11 Economic Cushion	724	1,989	1,265	224

FISCAL YEAR ASSUMPTIONS

(millions of dollars)

	2002-03				
	Budget	1st Quarter	2nd Quarter	3rd Quarter	Actual
Oil Price (WTI US\$/bbl)	20.00	25.50	26.25	28.86	29.13
Natural Gas Price (Cdn\$/mcf)	3.00	3.25	3.65	4.65	4.98
Exchange Rate (US¢/Cdn\$)					
Annual Average	64.30	66.00	64.30	64.35	64.57
At March 31, 2003	65.00	67.00	65.00	65.50	68.06
Interest Rates					
3-month Canada Treasury Bills	2.65	3.20	3.00	2.70	2.73
10-year Canada Bonds	5.70	5.85	5.35	5.20	5.18

REVENUE

(millions of dollars)

	2002-03				Main Reasons for Change from Budget
	Budget	Actual	Budget	3rd Quarter	
Income Taxes					
Personal income tax	4,708	4,834	126	(33)	Strong employment and income growth
Corporate income tax	1,550	2,019	469	(381)	Higher energy prices
	6,258	6,853	595	(414)	
Other Taxes					
School property tax	1,093	1,113	20	17	Allowance for appeals/assessment growth
Tobacco tax	633	618	(15)	(15)	Lower volume
Fuel tax	594	597	3	7	Higher economic activity
Insurance taxes	139	162	23	11	Prior year adjustments
Freehold mineral rights tax	127	202	75	6	Higher energy prices
Hotel room tax	50	54	4	(1)	Higher business and tourism stays
	2,636	2,746	110	25	
Non-Renewable Resource Revenue					
Natural gas and by-products royalty	2,573	5,125	2,552	541	Higher natural gas prices
Crude oil royalty	469	1,177	708	57	Higher oil prices
Synthetic crude oil and bitumen royalty	78	183	105	48	Higher oil prices and production
Coal royalty	12	10	(2)	(1)	Prior year adjustments
Bonuses and sale of Crown leases	609	565	(44)	26	Lower bid prices and hectares sold
Rentals and fees	142	153	11	(3)	Renewed oil sands and hectares increase
Royalty tax credit	(169)	(83)	86	34	Higher oil and natural gas prices
	3,714	7,130	3,416	702	
Transfers from Government of Canada					
Canada Health and Social Transfer	1,739	1,332	(407)	(7)	Strong Alberta tax revenue
Primary health care	14	11	(3)	-	Deferrals in program
Labour market development	122	122	-	-	
Agriculture support programs	117	416	299	8	Higher farm disaster and income support
Other	176	193	17	4	Funding for disasters/affordable housing
	2,168	2,074	(94)	5	
Net Income from Commercial Operations					
Alberta Gaming and Liquor Commission					
Gaming and lottery revenue (a)	1,107	1,089	(18)	(23)	Lower activity
Liquor revenue	538	535	(3)	2	Lower volume
Alberta Treasury Branches	117	199	82	-	Lower credit losses/recovery prior write-offs
Other	5	26	21	21	Prior years' recoveries
	1,767	1,849	82	-	
Premiums, Fees and Licences					
Health care insurance premiums	869	914	45	17	Higher population growth
Motor vehicle licences	254	248	(6)	8	Lower commercial vehicle registration
Crop and hail insurance premiums	88	102	14	-	Higher crop insurance participation
Timber rentals and fees	55	60	5	7	Higher timber prices
Land titles	33	38	5	(2)	Higher market activity and prices
Other	262	282	20	22	Various changes
	1,561	1,644	83	52	
Investment Income					
Alberta Heritage Savings Trust Fund	573	(912)	(1,485)	(317)	Weak equity markets
Alberta Municipal Financing Corporation	331	339	8	(1)	Increased lending activity
Agriculture Financial Services Corporation	103	102	(1)	-	Lower lending activity
Debt retirement funds	75	100	25	(2)	Higher assets
Endowment Funds:					
Medical Research	38	(83)	(121)	(20)	Weak equity markets
Science and Engineering Research	13	(33)	(46)	(9)	Weak equity markets
Scholarship	11	(28)	(39)	(6)	Weak equity markets
Other	40	53	13	12	Various changes
	1,184	(462)	(1,646)	(343)	
Other					
Alberta Dairy Control Board	125	149	24	-	Higher milk production
Refunds of expenditure	78	262	184	11	Crop reinsurance/forest fire insurance proceeds
Fines and penalties	59	56	(3)	(1)	Lower volume
Miscellaneous	305	380	75	48	Higher rentals/recoveries/sale of assets
	567	847	280	58	
Total Revenue (a)	19,855	22,681	2,826	85	

(a) Budget numbers have been restated pursuant to the *Gaming and Liquor Amendment Act, 2002*, resulting in a reduction of \$118 million in both revenue and expense.

EXPENSE

(millions of dollars)

	2002-03		Change from		Main Reasons for Change from Budget
	Budget	Actual	Budget	3rd Quarter	
Legislative Assembly	59	54	(5)	(5)	Lapses in various Offices
Aboriginal Affairs and Northern Development	30	64	34	-	Piikani First Nation Agreement
Agriculture, Food and Rural Development	671	1,777	1,106	(3)	Drought assistance
Children's Services	675	658	(17)	(16)	Audit adjustment/dedicated revenue
Community Development	580	569	(11)	(9)	Native gaming/donations
Economic Development	51	55	4	-	Tourism marketing and services
Energy	165	169	4	(8)	Orphan Well Abandonment program
Environment	110	108	(2)	(2)	Lapses
Executive Council	15	15	-	-	
Finance	442	444	2	(7)	AMFC lending activity
Gaming (a)	98	123	25	(1)	Community Initiatives program
Government Services (b)	65	68	3	(4)	Driver's licence upgrade program
Health and Wellness	6,837	6,841	4	(21)	Higher drug benefits
Human Resources and Employment	1,059	1,088	29	4	Skills development program
Infrastructure (b)	815	813	(2)	(15)	Change in capital amortization
Innovation and Science	192	185	(7)	(2)	Reduction in ARC contracted research
International and Intergovernmental Relations	6	6	-	-	
Justice	236	241	5	(3)	Valuation adjustments/salary settlements
Learning	4,664	4,753	89	23	Teachers' pensions/research facility
Municipal Affairs	132	161	29	-	Disaster assistance
Revenue	158	179	21	(15)	Corporate tax interest refunds
Seniors	283	299	16	(1)	Canada/Alberta Housing Agreement
Solicitor General	268	268	-	(1)	
Sustainable Resource Development	191	414	223	(27)	Forest fire-fighting costs
Transportation	651	673	22	(35)	Accelerated highways construction
Total Program Expense	18,453	20,025	1,572	(148)	
Debt Servicing Costs (c)	585	476	(109)	(74)	Foreign exchange provisions
Total Expense (d)	19,038	20,501	1,463	(222)	
Pension Provisions					
Finance	(7)	81	88	89	Weak returns on funds/actuarial assumptions
Learning	65	75	10	-	Weak returns on funds/actuarial assumptions
	58	156	98	89	
Total Expense (including pension provisions)	19,096	20,657	1,561	(133)	

(a) Budget numbers have been restated pursuant to the *Gaming and Liquor Amendment Act, 2002*, resulting in a reduction of \$118 million in both revenue and expense.

(b) Budget numbers have been restated to reflect government organization changes.

(c) On Public Accounts basis, debt servicing costs are allocated to Ministries of Finance (\$468 million) and Seniors (\$8 million).

(d) Subject to *Fiscal Responsibility Act* (excludes pension provisions).

NET CHANGE IN CAPITAL ASSETS

(millions of dollars)

	Budget	Actual	Change from	
			Budget	3rd Quarter
Capital Investment	433	537	104	45
Less: Capital Amortization	340	346	6	(38)
Net Increase in Capital Assets affecting Operations	93	191	98	83

CAPITAL INVESTMENT AND AMORTIZATION

(millions of dollars)

	2002-03 Capital Investment				2002-03 Capital Amortization			
	Budget	Actual	Change from		Budget	Actual	Change from	
			Budget	3rd Quarter			Budget	3rd Quarter
Legislative Assembly	-	-	-	-	-	-	-	-
Aboriginal Affairs and Northern Development	-	-	-	-	-	-	-	-
Agriculture, Food and Rural Development	5	7	2	1	6	6	-	-
Children's Services	-	1	1	-	1	1	-	-
Community Development	2	2	-	-	10	10	-	-
Economic Development	-	-	-	-	-	-	-	-
Energy	12	19	7	6	8	11	3	-
Environment	-	-	-	-	16	16	-	-
Executive Council	-	-	-	-	-	-	-	-
Finance	3	5	2	1	1	1	-	-
Gaming	-	-	-	-	-	-	-	-
Government Services	8	6	(2)	1	6	4	(2)	(1)
Health and Wellness	2	17	15	15	3	2	(1)	(1)
Human Resources and Employment	3	4	1	-	3	3	-	(1)
Infrastructure	13	30	17	3	54	44	(10)	(10)
Innovation and Science	128	90	(38)	(5)	9	9	-	-
International and Intergovernmental Relations	-	-	-	-	-	-	-	-
Justice	2	2	-	-	1	1	-	-
Learning	4	6	2	(2)	3	1	(2)	(2)
Municipal Affairs	1	1	-	-	1	1	-	(1)
Revenue	4	5	1	-	3	2	(1)	-
Seniors	-	6	6	6	24	24	-	-
Solicitor General	-	1	1	1	-	-	-	-
Sustainable Resource Development	3	8	5	5	7	6	(1)	(1)
Transportation	243	327	84	13	184	204	20	(21)
Total Capital Investment/Amortization	433	537	104	45	340	346	6	(38)