



2013-14 Fiscal Year End

June 30, 2014



- **Turning the corner – back in the black**
- **Operational surplus and overall fiscal plan surplus**

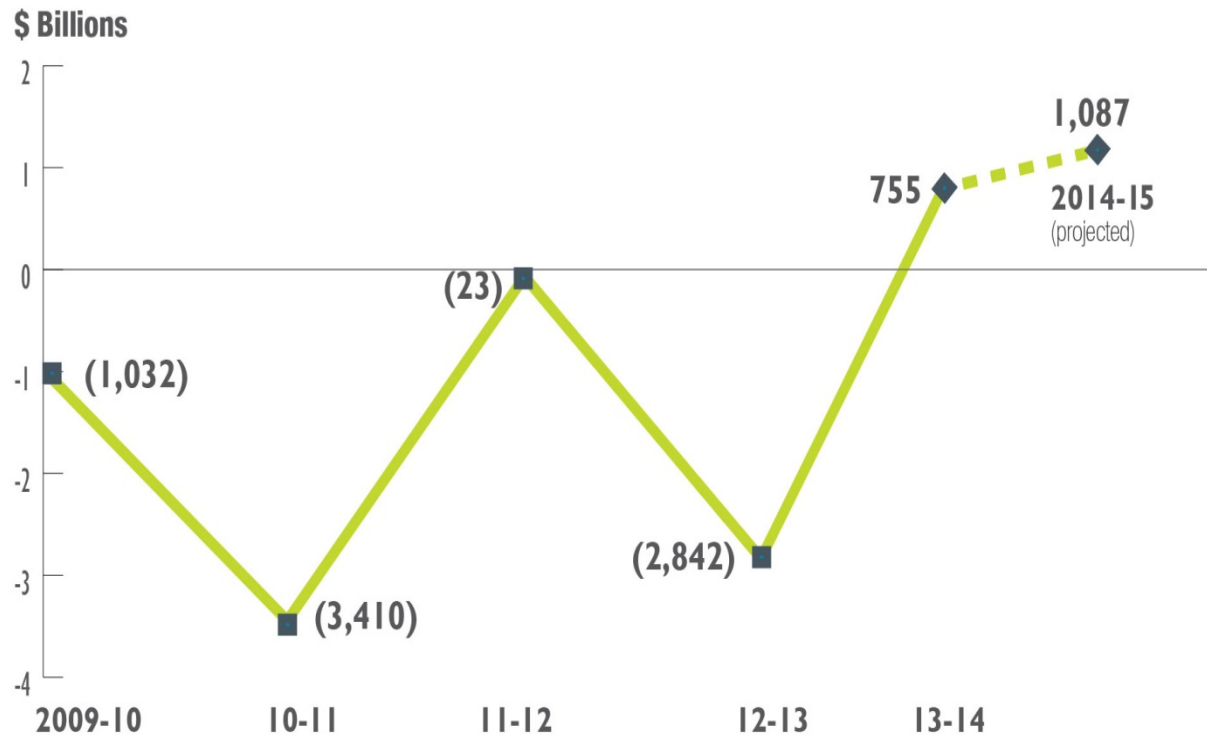
Operational surplus

Budget 2013 estimate	Actual
\$451 M deficit	\$2.5 B surplus

Fiscal Plan surplus (change in net assets)

Budget 2013 estimate	Actual
\$1.975 B deficit	\$755 M surplus

Fiscal Plan Surplus/Deficit



Strong Financial Position

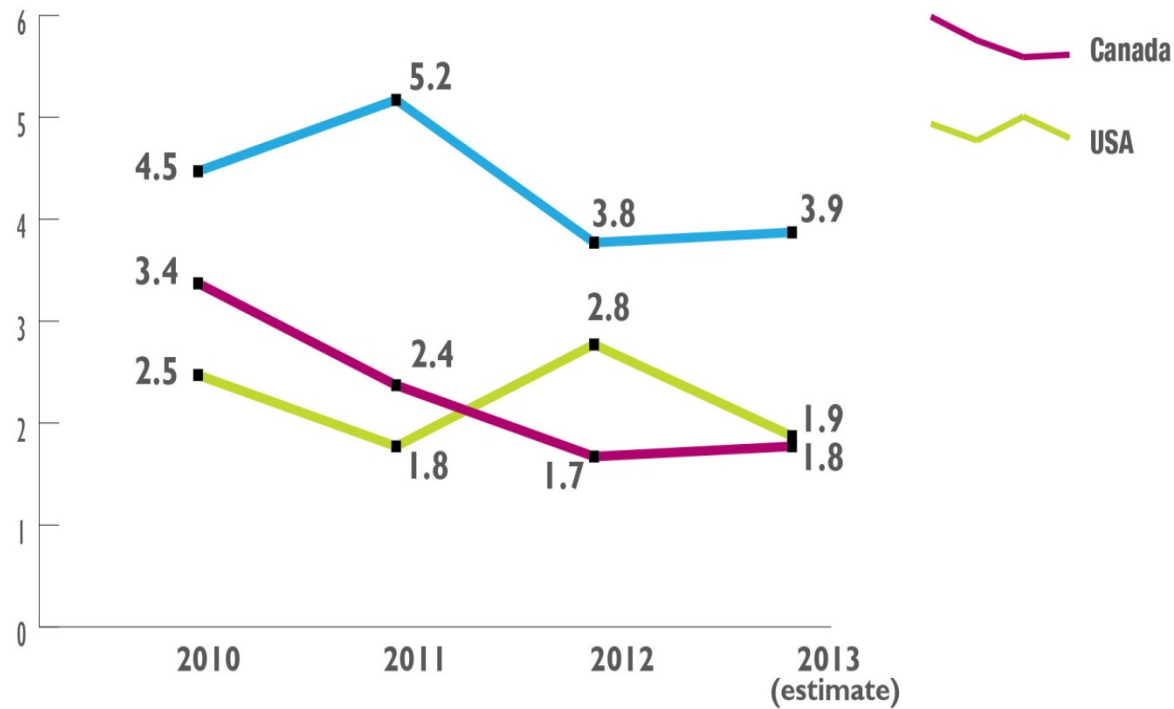


- **Booming economy and population**
- **Strong revenues across the board**
- **Operational expense growth was well below population + inflation**
- **Well positioned to deal with flood costs, population growth, energy volatility**

Economic Strength

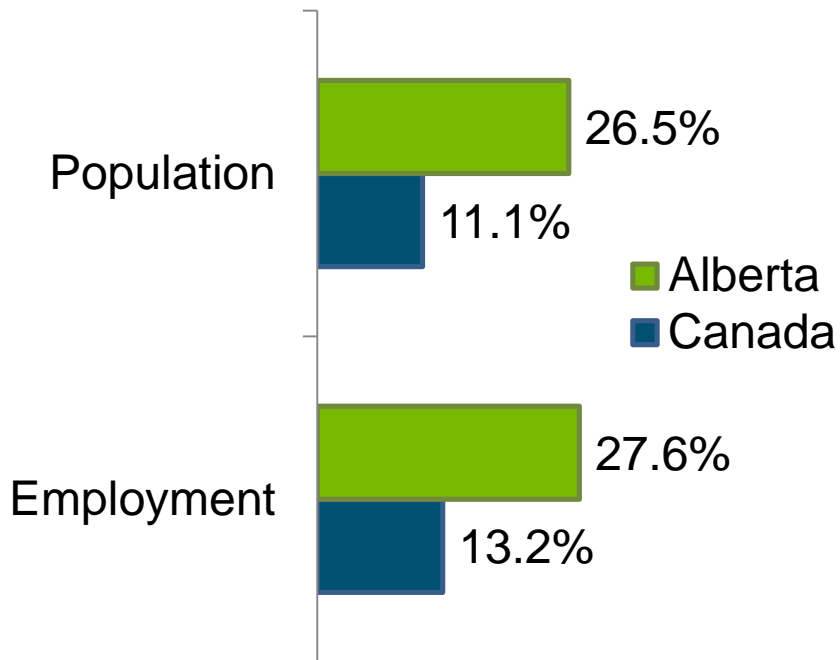
Real Gross Domestic Product Growth

Year-over-year % change

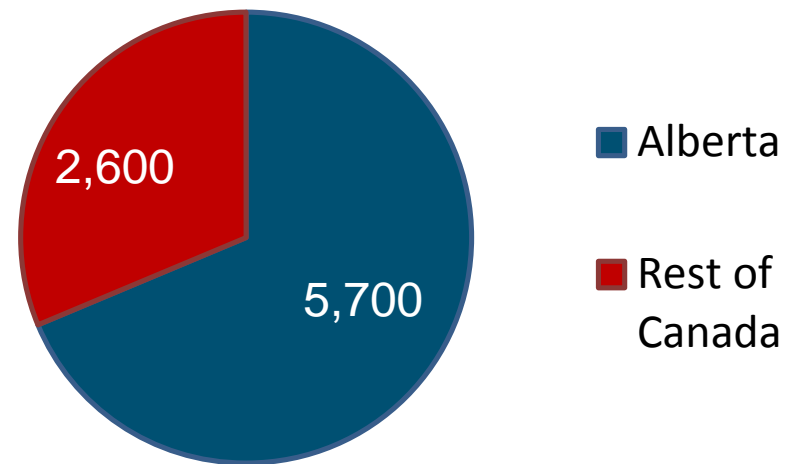


Economic Strength

Growth 2003-2013



Average number of jobs added per month in 2013



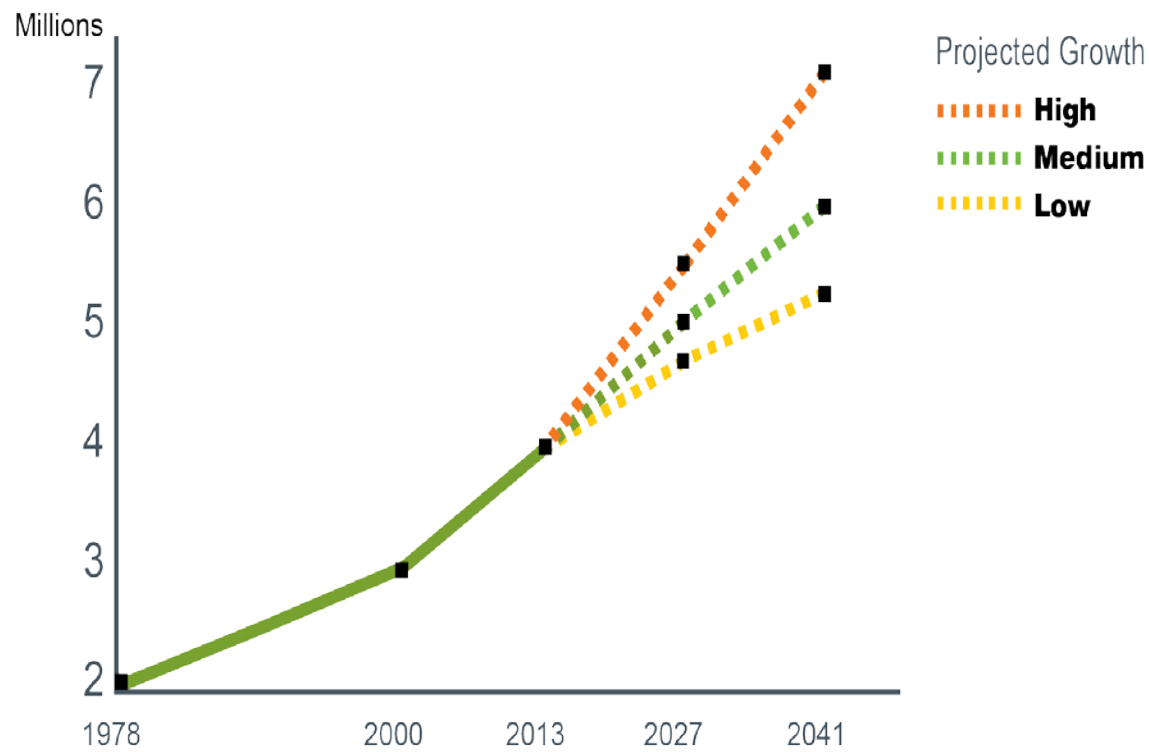
Monthly employment growth Jan to Dec, 2013

Booming Population



- **Population growth 3.5% in 2013**
- **About 3x national average**
- **Highest growth rate since 1981**
- **Record number of migrants split evenly between international and other places in Canada**

Booming Population



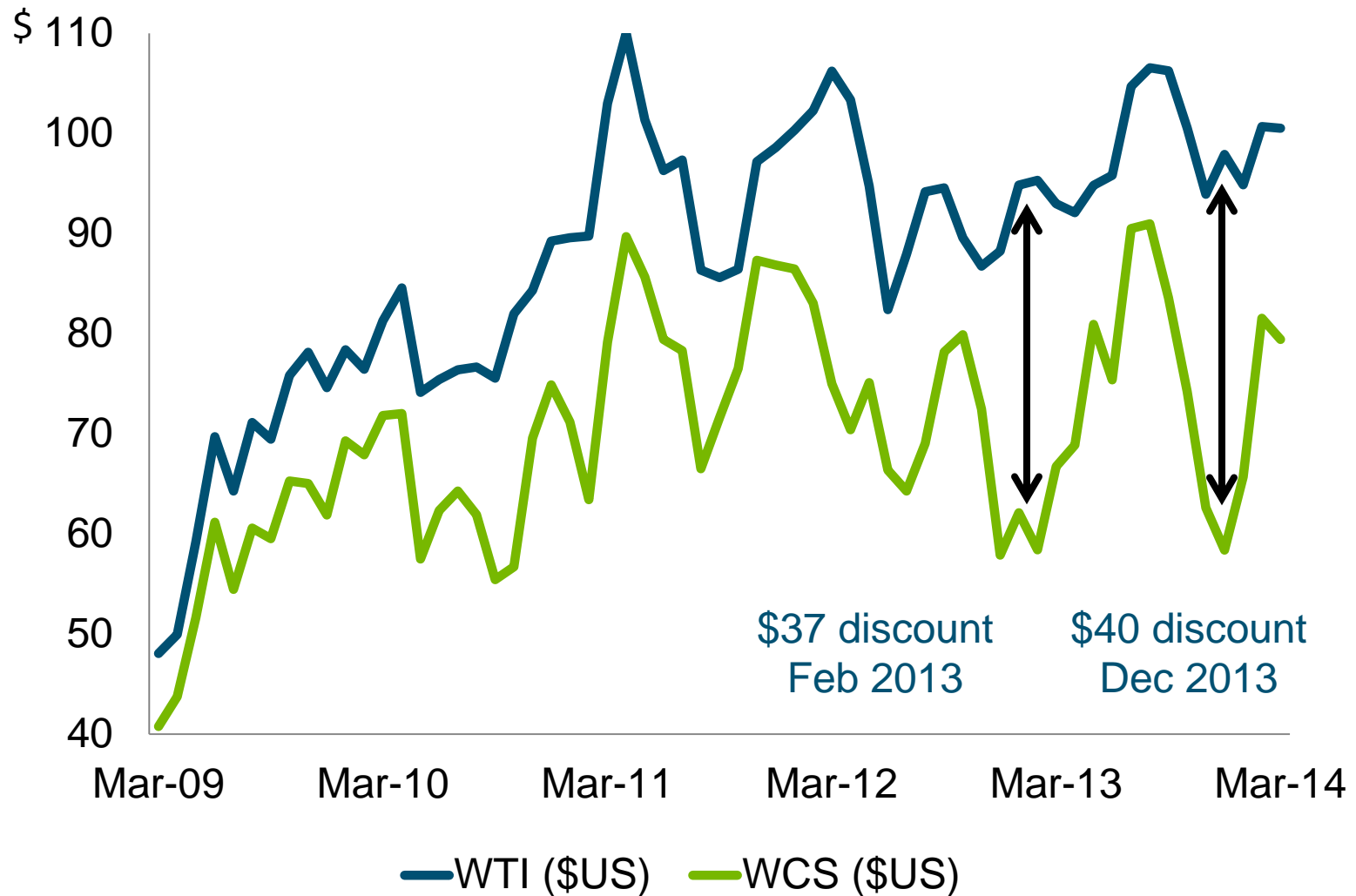


Total revenue up \$6.6 B from budget to \$45.3 B

- Resource revenue up \$2.3 B
- Tax revenue up \$1.1 B
- Federal transfers up \$1.6 B *
- Investment income up \$1.1 B

*due to federal funding for 2013 floods

Oil Price Differential



Energy Assumptions

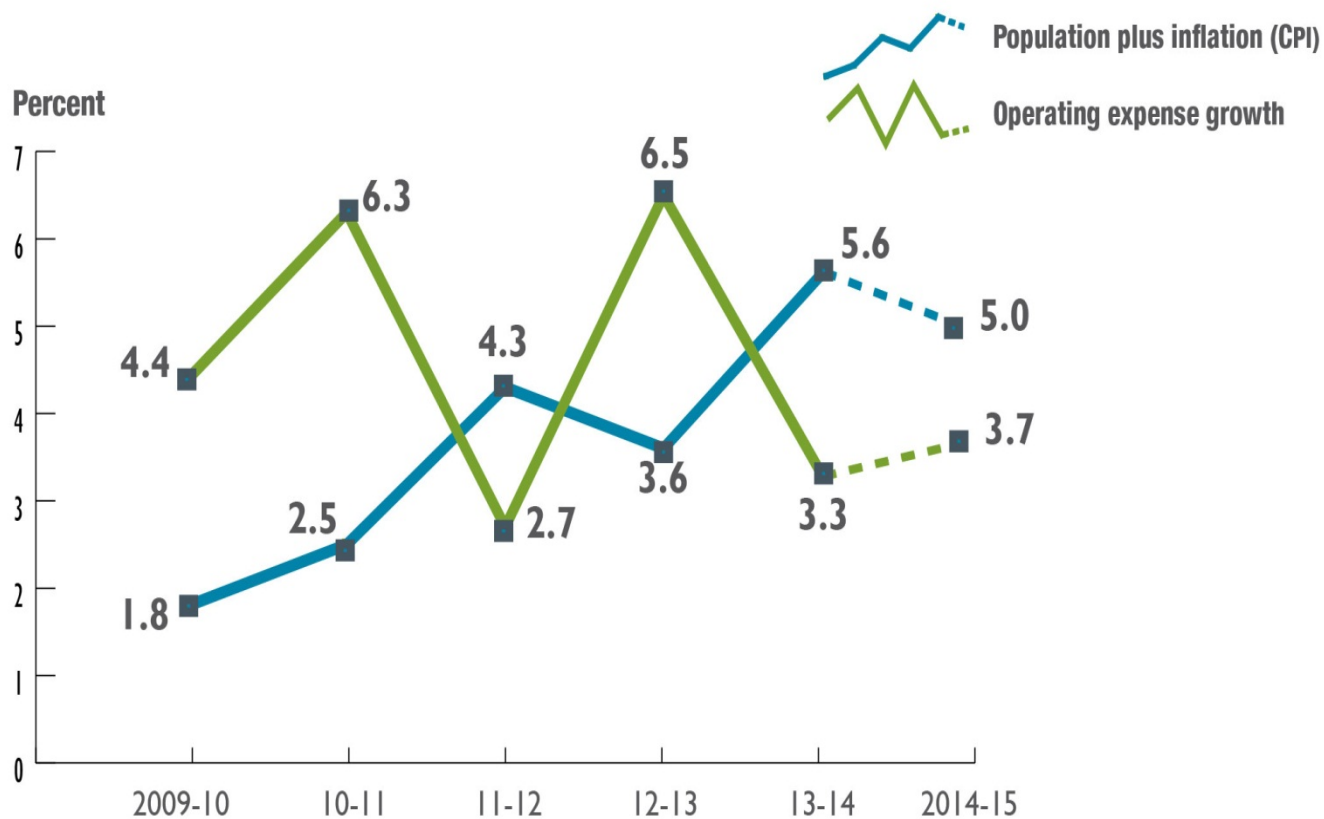
	Average 2012-13 (actual)	Budget 2013-14 (estimate)	Average 2013-14 (actual)
WTI (US\$/bbl)	\$92.07	\$92.50	\$99.05
WCS (Cdn\$/bbl)	\$68.48	\$68.21	\$80.11
Differential	26%	27%	23%
Natural Gas (Cdn\$/GJ)	\$2.28	\$3.07	\$3.28
Exchange rate (US¢/Cdn\$)	99.9¢	99.0¢	95.0¢



Operational expense up \$3.8 B from budget to \$41.9 B

- \$2.7 B in total disaster assistance
- \$1.1 B in operating expense - health, education and human services, addresses growth pressures

Spending in Check





\$6 B natural disaster event

Provincial support

- Close to \$2.8 B operating expense
- \$204 M capital spending



Operational Plan

Operational Deficit (budget estimate)	Operational Surplus (actual)
(\$451 M)	\$2.5 B

Operational Revenue (budget estimate)	Operational Revenue (actual)
\$37.7 B	\$44.4 B

Operational Expense (budget estimate)	Operational Expense (actual)
\$38.1 B	\$41.9 B

Operational Borrowing
\$0

Net Assets (2012-13 year end)	Net Assets (2013-14 year end)
\$44.2 B	\$44.9 B increase of \$755 M

Capital Plan

Capital Spending (budget estimate)	Capital Spending (actual)
\$ 5.2 B	\$5.0 B

Average Borrowing Cost (2013-14)	Heritage Fund Rate of Return
3.5%	16%

Debt Servicing (2013-14)	Debt Cap
0.5%	3%

(of operational revenue)



Savings Plan

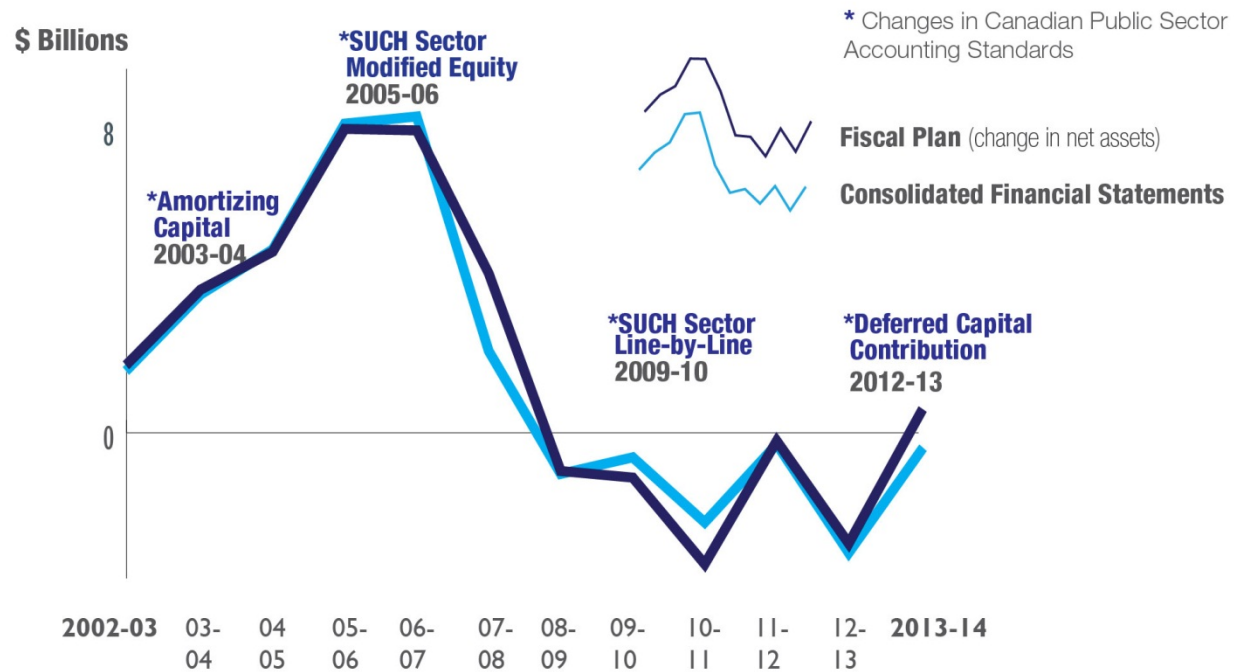
Contingency Account (2012-13 year end)	Contingency Account (2013-14 year end)
\$3.3 B	\$4.7 B

Alberta Heritage Savings Trust Fund (Fair Value at year end)
\$17.5 B



- **Includes revenue, expense, assets and liabilities of SUCH sector, deferred capital, pension liability**
- **Deficit of \$302 M**
- **Clean audit from Auditor General on all financial statements** (192 reporting entities)

Fiscal Plan vs CFS





Overall public sector pension liability increases to \$11.6 B

- Increase of \$748 M from last year
- Due to an increase in life expectancy and continued low interest rates

What Others Are Saying

ALBERTA'S ECONOMIC CLIMATE

Alberta's economy leads the country

- BMO and RBC



Alberta's income per capita, GDP and job growth

- Conference Board of Canada



Alberta's level of entrepreneurship in Canada

- Centre for Innovation Studies





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