

Department of Community Development

Financial Statements

March 31, 2002

**DEPARTMENT OF COMMUNITY DEVELOPMENT
FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Dedicated Revenue Initiatives

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Budget

Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to
Authorized Budget

Schedule 6 – Schedule of Salary and Benefits

Schedule 7 – Related Party Transactions

Schedule 8 – Allocated Costs



AUDITOR'S REPORT

To the Minister of Community Development

I have audited the statement of financial position of the Department of Community Development as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Department is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from Canadian generally accepted accounting principles. Items that are capital in nature have been expensed and not recognized as assets in the accompanying statement of financial position. Consequently, a significant amount of resources available to the Department for future use has been recorded as if they had been consumed. It is estimated that at March 31, 2002, assets and net assets have been understated by \$1,088,389 and expenses have been understated by \$271,893.

In my opinion, except for the effect of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 23, 2002

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		2001
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedule 1 and 2):			
Internal government transfers	\$ 108,544	\$ 100,714	\$ 11,457
Transfers from the Government of Canada	15,006	16,196	18,067
Fees, permits and licences	5,525	3,695	2,848
Other revenue	2,262	5,539	3,728
	<u>131,337</u>	<u>126,144</u>	<u>36,100</u>
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted expenses (Schedules 3 and 6):			
Ministry support services	6,941	5,811	6,405
Community services	85,829	77,354	53,179
Human rights and citizenship	4,363	5,599	2,967
Community support systems	383,605	380,203	341,604
Cultural facilities and historical resources	65,644	37,848	52,752
Parks and protected areas	41,895	39,802	38,981
	<u>588,277</u>	<u>546,617</u>	<u>495,888</u>
Statutory			
Valuation adjustments:			
Provision for doubtful accounts	-	(42)	(130)
Provision for vacation pay	819	460	102
	<u>819</u>	<u>418</u>	<u>(28)</u>
	<u>589,096</u>	<u>547,035</u>	<u>495,860</u>
(Gain) Loss on disposal of capital assets	<u>(2,320)</u>	<u>(37)</u>	<u>306</u>
Net operating results	<u>\$ (455,439)</u>	<u>\$ (420,854)</u>	<u>\$ (460,066)</u>

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002
(thousands of dollars)

	2002	2001
Assets:		
Cash	\$ 174	\$ 465
Accounts receivable (Note 4)	1,045	2,052
Advances (Note 5)	507	-
Capital assets (Notes 6 and 7)	205,020	211,612
	\$ 206,746	\$ 214,129
 Liabilities:		
Accounts payable and accrued liabilities	\$ 17,519	\$ 25,025
Unearned revenue	179	175
	17,698	25,200
 Net Assets:		
Net assets at beginning of year (Note 3)	188,929	160,253
Net operating results	(420,854)	(460,066)
Net transfer from General Revenues	420,973	488,742
Net assets at end of year	189,048	188,929
	\$ 206,746	\$ 214,129

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002	2001
Operating transactions:		
Net operating results	\$ (420,854)	\$ (460,066)
Non-cash items:		
Amortization	9,801	10,313
Capital assets contribution in kind	(71)	(118)
Transfers of collections (Note 7)	174	-
Valuation adjustments	418	(28)
(Gain) loss on disposal of capital assets	(37)	306
	(410,569)	(449,593)
Decrease (increase) in accounts receivable before valuation adjustments	1,049	(1,658)
Decrease (increase) in travel advances	(507)	1
Decrease in accounts payable and accrued liabilities before valuation adjustments	(7,966)	(33,916)
Increase in unearned revenue	4	4
	(417,989)	(485,162)
Cash used by operating transactions		
Investing transactions:		
Purchase of capital assets (Schedule 6)	(3,307)	(3,202)
Proceeds from disposal of capital assets	23	46
Transfers of capital assets	9	-
	(3,275)	(3,156)
Cash used for investing transactions		
Financing transactions:		
Net transfer from General Revenues	420,973	488,742
Net cash provided	(291)	424
Cash, beginning of year	465	41
Cash, end of year	\$ 174	\$ 465

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Department of Community Development (Department) operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to advance the quality of life for Albertans by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the Province. This is done by:

- promoting community development by designing and delivering programs and services that nurture and support, in partnership with geographic communities and communities of interest, a high quality of life in Alberta;
- protecting human rights and promoting fairness and access by designing and delivering programs and services that increase understanding and awareness of diversity, fostering equality and reducing discrimination so all Albertans have the opportunity to participate in the social, economic and cultural life of the Province;
- ensuring inclusion and participation for Albertans with disabilities by designing and delivering individual-based programs that ensure that Albertans who live with a disability have opportunity to participate in the social, economic and cultural life of the province;
- preserving, protecting and presenting Alberta's history and culture by designing and delivering programs and services that preserve, protect, present and promote appreciation for Alberta's historical resources and culture, and provide significant educational, scientific and economic benefits; and
- preserving, protecting and presenting Alberta's provincial parks and protected areas by managing and maintaining Alberta's provincial parks and protected areas to preserve the province's natural heritage and provide opportunities for heritage appreciation, outdoor recreation and heritage tourism.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Department of Community Development, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) is accountable. Other entities reporting to the Minister are:

- Alberta Foundation for the Arts
- The Alberta Historical Resources Foundation
- Alberta Sport, Recreation, Parks and Wildlife Foundation
- The Government House Foundation
- Historic Resources Fund
- Human Rights, Citizenship and Multiculturalism Education Fund
- The Wild Rose Foundation
- Persons with Developmental Disabilities Boards

The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Directly Incurred (continued)

- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Department operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Capital assets of the Department are recorded at historical cost and are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$15,000. All land is capitalized.

Donated capital assets are recorded at their fair value at the time of contribution.

When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind.

Collections of historic and scientific artifacts, archival holdings, and works of art held by the Department are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Contributions of collection items are reported as revenue and expenses at their fair value when fair value can be determined.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

Net Assets

Net assets represents the difference between the value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, travel advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

Note 3 Government Restructuring

As a result of government restructuring announced on March 15, 2001, there were the following changes in the responsibilities of the Department:

- Services to Seniors and Special Purpose Housing were transferred to the newly established Ministry of Seniors.
- Parks and Protected Areas was transferred from Ministry of Environment.
- Community Support Systems was transferred from Ministry of Health and Wellness.

Comparatives for 2001 have been restated as if the Department had always been assigned its current responsibilities.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 3 Government Restructuring (continued)

	(thousands of dollars)
Net assets as previously reported at March 31, 2000	\$ 23,855
Transfer to the Department of Seniors	20,859
Transfer from the Department of Environment	201,388
Transfer from the Department of Health and Wellness	<u>(44,131)</u>
 Net assets as restated at April 1, 2000	 <u><u>\$ 160,253</u></u>

Note 4 Accounts Receivable

	2002			2001
	(thousands of dollars)			
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 754	\$ (8)	\$ 746	\$ 2,025
Refunds from suppliers	<u>299</u>	<u>-</u>	<u>299</u>	<u>27</u>
	<u><u>\$ 1,053</u></u>	<u><u>\$ (8)</u></u>	<u><u>\$ 1,045</u></u>	<u><u>\$ 2,052</u></u>

Accounts receivable are unsecured and non-interest bearing.

Note 5 Advances

	2002			2001
	(thousands of dollars)			
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Advances (1)	\$ 507	\$ -	\$ 507	\$ -

(1) The Department has used funds advanced by Treasury to establish petty cash funds and provide travel advances. In addition, \$500 relates to an advance required for the operation of the Government Procurement Card.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 6 Capital Assets

	Estimated Useful Life	2002		2001
		Cost	Accumulated Amortization	Net Book Value
(thousands of dollars)				
General Capital Assets:				
Buildings	20 - 40 years	\$ 119,624	\$ (56,535)	\$ 63,089
Land		37,408	-	37,408
Computer hardware and software	5 - 8 years	865	(426)	439
Equipment	3 - 10 years	15,285	(13,199)	2,086
Other	20 years	16,953	(12,970)	3,983
Infrastructure Assets:				
Land improvements	40 years	139,448	(63,623)	75,825
Highways and roads	40 years	47,897	(27,984)	19,913
Bridges	60 years	2,894	(617)	2,277
		<u>\$ 380,374</u>	<u>\$ (175,354)</u>	<u>\$ 205,020</u>
				<u>\$ 211,612</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Collections

Collections consist of historical and scientific artifacts, archival holdings, and works of art of provincial, national and international significance located in the archives, museums and historical sites of the Province of Alberta. The Department has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. The collections are insured for \$355 million. A description of the major collections is as follows:

- (a) The Province operates and makes accessible 18 historic sites, interpretive centres and museums that contain 50 restored historic buildings/structures and 3 stabilized ruins. As well, the Province administers an additional 31 historic sites which contain 58 undeveloped historic buildings/structures, 1 developed historic resource, cairns or archaeological/palaeontological remains. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.
- (b) The Provincial Museum of Alberta curates 13 human and natural history programs, with a total collection of approximately 10 million objects representing a highly diverse complement of artifacts and specimens. These include mammals, birds, fish, insects, minerals, fossils, plant specimens, ethnographical material related to the First Nations, and Human History artifacts.
- (c) The Royal Tyrrell Museum of Palaeontology collection has over 106,000 catalogued items including original and replica fossils. Annually, approximately 2000 specimens are accessioned into the collection.
- (d) Reynolds-Alberta Museum exhibits approximately 150 major agricultural, industrial and transportation artifacts, and provides conservation, maintenance and restoration services for an additional collection of approximately 3,000 major and 2,700 smaller artifacts. Included in these numbers are 75 vintage aircraft, 7 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering 42,200 pieces, related to the museum's mechanization themes.
- (e) The Remington Alberta Carriage Centre houses one of the largest collections of horse drawn vehicles in the world, with over 200 carriages, buggies, wagons and sleighs, and approximately 230 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of 46,300 artifacts. Approximately 5,000 of these objects are used to furnish various smaller sites throughout the province, and 8,000 objects furnish the historic buildings at the Ukrainian Cultural Heritage Village. The remaining artifacts are preserved in storage.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Collections (continued)

- (g) The Provincial Archives of Alberta holds approximately 33,500 linear metres of government textual records; 4,500 linear metres of private textual records; 56,900 maps; 22,600 architectural drawings; 2,084,900 photographic images; 46,600 hours of recorded audio tapes; 65,900 hours of film and video materials; and 10,100 volumes of items in the reference library.
- (h) The Collection Management Unit of the Arts Branch, manages fourteen collections containing approximately 1,500 donated, purchased and/or commissioned artworks.
- (i) The Glenbow-Alberta Institute manages under contract, the care of, and access to, a government collection of 216,300 artifacts in cultural history, military history, ethnology, art and mineralogy; four shelf kilometres of textual archival records; over one million historical photographs; 800,000 feet of film footage; and over 5,000 sound recordings. The collection is continually enhanced each year.

Note 8 Commitments

As at March 31, 2002, the Department has the following commitments:

	2002	2001
	(thousands of dollars)	
Program contracts	\$ 1,459	\$ 13,855
Long-term leases (a)	1,188	479
	\$ 2,647	\$ 14,334

- (a) The Department leases vehicles under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	2002	2001
	(thousands of dollars)	
2001 - 2002	\$ -	\$ 312
2002 - 2003	610	119
2003 - 2004	342	28
2004 - 2005	202	20
2005 - 2006	34	-
	\$ 1,188	\$ 479

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 9 Contingencies

The Department of Community Development has a contingent liability in respect of 18 claims (2001 – 27 claims) aggregating \$15.1 million (2001 – 18.2 million) relating to the decisions made by the Eugenics Board of Alberta Pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

At March 31, 2002, the Department is a defendant in seven other legal claims (2001 – two legal claims). Five of these claims have a specified amount totalling \$1,190,000 and the remaining two have not specified any amount (2001 – two claims with a specified amount of \$250,000). Three claims (2001 – two claims) amounting to \$910,000 (2001 - \$250,000) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 10 Trust Funds Under Administration

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the Department's financial statements.

As at March 31, 2002, trust funds under administration were as follows:

	2002	2001
	(thousands of dollars)	
Gakken Dinosaur Exhibit Trust Fund	\$ 150	\$ 144
Fort Dunvegan Historical Society Trust Fund	6	6
	\$ 156	\$ 150

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 11 Defined Benefit Plans

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,155,000 for the year ended March 31, 2002 (2001 - \$2,085,000).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338,000 (2000 - \$170,858,000) and the Public Service Pension Plan reported a surplus of \$320,487,000 (2000 - \$635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$399,000 (2000 – surplus \$180,000).

The Department also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646,000 (2001 - \$12,710,000) and the Management, Opted Out and Excluded Plan an actuarial deficiency of \$2,656,000 (2001 - \$4,583,000). The expense for these two plans is limited to employer's annual contributions for the year.

Note 12 Comparative Figures

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

Note 13 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF COMMUNITY DEVELOPMENT
REVENUES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal government transfers:			
Transfer from the Lottery Fund	\$ 108,544	\$ 100,714	\$ 11,457
Transfer from the Government of Canada:			
Canada Health and Social Transfers	15,006	15,921	18,047
Other	-	275	20
	<u>15,006</u>	<u>16,196</u>	<u>18,067</u>
Fees, permits and licences:			
Residency fees	900	824	779
Land and grazing	600	461	421
Film classification	400	577	468
Other	3,625	1,833	1,180
	<u>5,525</u>	<u>3,695</u>	<u>2,848</u>
Other revenue:			
Contribution in kind	1,000	859	1,501
Refunds of expenses	1,015	3,350	888
Other	247	1,330	1,339
	<u>2,262</u>	<u>5,539</u>	<u>3,728</u>
	<u>\$ 131,337</u>	<u>\$ 126,144</u>	<u>\$ 36,100</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall)/ Excess ^(f)
Cultural facilities and historical resources ^(b)	\$ 1,000	\$ 858	\$ (142)
Parks operations ^(c)	2,100	1,851	(249)
Parks capital reinvestment levy ^(d)	1,500	829	(671)
Francophone Secretariat ^(e)	319	255	(64)
	<u>\$ 4,919</u>	<u>\$ 3,793</u>	<u>\$ (1,126)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations.
- (b) Cultural facilities and historical resources dedicated revenue is related to donations of artifacts and other items to various historic sites and cultural facilities.
- (c) Parks Operations dedicated revenue initiative is established to:
- ensure that tendered campgrounds, that have not been contracted out, and other recreational facilities will remain open to the public;
 - facilitate the receipt of corporate and private sector contributions to the parks programs;
 - provide for the interim operation of tendered campgrounds and recreation facilities by redirecting fees, corporate and other contributions to parks operations;
 - provide for the cost of firewood supply at sites which do not have facility operating agreements or firewood concessions.
- (d) Revenues generated by the Parks capital reinvestment levy dedicated revenue are used for reinvestment in the aging infrastructure of Alberta's parks and recreation areas. This levy is included in the camping fees at all Natural Heritage Sites and those Recreation Facility sites operated to Department standards.
- (e) Francophone Secretariat dedicated revenue is a Canada - Alberta Cooperation Agreement to promote the official languages.
- (f) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 and 5 to the financial statements.

DEPARTMENT OF COMMUNITY DEVELOPMENT
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		2001
	Budget	Actual	Actual
Voted expenses:			
Salaries, wages and employee benefits	\$ 45,037	\$ 45,361	\$ 44,439
Supplies and services	28,339	27,138	29,037
Supplies and services from support services arrangements with related parties ^(a)	1,316	1,316	3,651
Grants	508,013	466,590	411,427
Financial transactions and other	96	118	105
Amortization of capital assets	9,855	9,801	10,313
	\$ 592,656	\$ 550,324	\$ 498,972
Total voted expenses before recoveries			
Less: Recovery from Support Service arrangements with Related Parties ^(b)	(4,379)	(3,707)	(3,084)
	\$ 588,277	\$ 546,617	\$ 495,888
Total Voted Expenses			

^(a) The Department receives information technology services from the Department of Seniors for current year; and received financial and administrative services from the Department of Human Resources and Employment in prior year.

^(b) The Department provides financial and administrative services to Ministry of Seniors, Ministry of Gaming and to the funds and agencies of the Ministry of Community Development. Costs incurred by the Department for these services are recovered from the Ministry of Seniors, Ministry of Gaming and from the funds and agencies of the Ministry of Community Development.

DEPARTMENT OF COMMUNITY DEVELOPMENT
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-02				
	Estimates	Adjustment (a)	Budget	Authorized Supplementary	Authorized Budget
Revenues:					
Internal government transfers	\$ 108,544	\$ -	\$ 108,544	\$ -	\$ 108,544
Transfers from the Government of Canada	15,006	-	15,006	-	15,006
Fees, permits and licences	5,525	-	5,525	-	5,525
Other revenue	2,262	-	2,262	-	2,262
	<u>131,337</u>	<u>-</u>	<u>131,337</u>	<u>-</u>	<u>131,337</u>
Expenses:					
Voted expenses:					
Ministry support services	6,941	-	6,941	-	6,941
Community services	85,829	-	85,829	-	85,829
Human rights and citizenship	4,363	-	4,363	-	4,363
Community support systems	383,605	-	383,605	-	383,605
Cultural facilities and historical resources	65,644	-	65,644	-	65,644
Parks and protected areas	41,895	-	41,895	-	41,895
Dedicated revenue shortfall (Schedule 2)	-	(1,126)	(1,126)	-	(1,126)
	<u>588,277</u>	<u>(1,126)</u>	<u>587,151</u>	<u>-</u>	<u>587,151</u>
Statutory Expenses:					
Valuation adjustments:					
Provision for doubtful accounts	-	-	-	-	-
Provision for vacation pay	819	-	819	-	819
	<u>819</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>819</u>
	<u>589,096</u>	<u>(1,126)</u>	<u>587,970</u>	<u>-</u>	<u>587,970</u>
(Gain) Loss on disposal of capital assets	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>
Net Operating Results	<u>\$ (455,439)</u>	<u>\$ 1,126</u>	<u>\$ (454,313)</u>	<u>\$ -</u>	<u>\$ (454,313)</u>
Capital investment	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>

(a) Adjustments include dedicated revenue shortfalls.

DEPARTMENT OF COMMUNITY DEVELOPMENT
COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
Voted Expenses and Capital Investments							
1 Ministry support services							
1.01 Minister's office	\$ 308	\$ -	\$ 308	\$ -	\$ 308	\$ 307	\$ 1
1.02 Deputy Minister's office	259	-	259	-	259	259	0
1.03 Strategic Corporate Services							
- operating expense	5,982	-	5,982	-	5,982	4,609	1,373
- capital investment	-	-	-	-	-	25	(25)
1.04 Communications	392	-	392	-	392	382	10
1.05 Achievement Award Program	-	-	-	-	-	254	(254)
	<u>6,941</u>		<u>6,941</u>		<u>6,941</u>	<u>5,836</u>	<u>1,105</u>
2 Community services							
2.1 Management and operations							
2.1.1 Program support	1,024	-	1,024	-	1,024	515	509
2.1.2 Arts development	1,435	-	1,435	-	1,435	1,655	(220)
2.1.3 Volunteer Services	3,649	-	3,649	-	3,649	3,564	85
2.1.4 Sport and recreation	1,142	-	1,142	-	1,142	1,059	83
2.1.5 Library services	437	-	437	-	437	476	(39)
2.1.6 Francophone Secretariat	306	-	306	-	306	528	(222)
	<u>7,993</u>		<u>7,993</u>		<u>7,993</u>	<u>7,797</u>	<u>196</u>
2.2 Financial assistance							
2.2.1 Community services grants							
- operating expense	200	-	200	-	200	211	(11)
- operating expense funded by lotteries	400	-	400	-	400	400	-
2.2.2 Library operating grants	16,667	-	16,667	-	16,667	16,453	214
2.2.3 2001 World Championships in Athletics							
- operating expense funded by lotteries	10,000	-	10,000	-	10,000	10,000	-
2.2.4 Assistance to the Alberta Foundation for the Arts							
- operating expense funded by lotteries	21,104	-	21,104	-	21,104	20,880	224
2.2.5 Assistance to the Alberta Sport, Recreation, Parks and Wildlife Foundation							
- operating expense						150	(150)
- operating expense funded by lotteries	15,035	-	15,035	-	15,035	14,937	98
2.2.6 Assistance to the Wild Rose Foundation							
- operating expense funded by lotteries	6,600	-	6,600	-	6,600	6,526	74
2.2.7 Assistance to the First Nations Development Fund							
- operating expense funded by lotteries	7,830	-	7,830	-	7,830	-	7,830
	<u>77,836</u>		<u>77,836</u>		<u>77,836</u>	<u>69,557</u>	<u>8,279</u>
	<u>85,829</u>		<u>85,829</u>		<u>85,829</u>	<u>77,354</u>	<u>8,475</u>
3 Human rights and citizenship							
3.0.1 Human rights and citizenship							
- operating expense	3,301	-	3,301	-	3,301	3,247	54
- capital investment	54	-	54	-	54	67	(13)
3.0.2 Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund							
- operating expense funded by lotteries	1,062	-	1,062	-	1,062	2,352	(1,290)
	<u>4,417</u>		<u>4,417</u>		<u>4,417</u>	<u>5,666</u>	<u>(1,249)</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
 COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
 FOR THE YEAR ENDED MARCH 31, 2002
 (thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
4 Community support systems							
4.1 Management and operations							
4.1.1 Program support	207	-	207	-	207	272	(65)
4.1.2 Community support systems	1,461	-	1,461	-	1,461	697	764
4.1.3 Premier's Council on the status of persons with disabilities	742	-	742	-	742	605	137
4.1.4 Protection for persons in care	1,058	-	1,058	-	1,058	1,089	(31)
4.1.5 Sterilization Claims	-	-	-	-	-	1,305	(1,305)
	<u>3,468</u>	<u>-</u>	<u>3,468</u>	<u>-</u>	<u>3,468</u>	<u>3,968</u>	<u>(500)</u>
4.2 Financial assistance							
4.2.1 Brain injury initiative	1,500	-	1,500	-	1,500	1,200	300
4.2.2 Assistance to Persons with Developmental Disabilities Foundation	357	-	357	-	357	267	90
4.2.3 Assistance to Persons with Developmental Disabilities Provincial Board							
	<u>378,280</u>	<u>-</u>	<u>378,280</u>	<u>-</u>	<u>378,280</u>	<u>374,768</u>	<u>3,512</u>
	<u>380,137</u>	<u>-</u>	<u>380,137</u>	<u>-</u>	<u>380,137</u>	<u>376,235</u>	<u>3,902</u>
	<u>383,605</u>	<u>-</u>	<u>383,605</u>	<u>-</u>	<u>383,605</u>	<u>380,203</u>	<u>3,402</u>
5 Cultural facilities and historical resources							
5.1 Management and operations							
5.1.1 Program support	1,256	-	1,256	-	1,256	634	622
5.1.2 Provincial Museum	3,934	-	3,934	-	3,934	4,104	(170)
- operating expense	500	-	500	-	500	541	(41)
- operating expense funded by lotteries							
Royal Tyrrell Museum of Palaeontology	1,801	-	1,801	-	1,801	1,965	(164)
- operating expense	-	-	-	-	-	23	(23)
- capital investment							
Historic sites services	8,330	-	8,330	-	8,330	8,509	(179)
- operating expense	435	-	435	-	435	436	(1)
- operating expense funded by lotteries							
Provincial Archives of Alberta	1,658	-	1,658	-	1,658	1,444	214
- operating expense	-	-	-	-	-	179	(179)
- operating expense funded by lotteries							
Heritage Resources Management	2,152	-	2,152	-	2,152	2,226	(74)
- operating expense	-	-	-	-	-	50	(50)
- operating expense funded by lotteries							
- capital investment	-	-	-	-	-	254	(254)
Centennial Operations	600	-	600	-	600	503	97
- operating expense funded by lotteries							
	<u>20,666</u>	<u>-</u>	<u>20,666</u>	<u>-</u>	<u>20,666</u>	<u>20,868</u>	<u>(202)</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
5.2 Financial assistance							
5.2.1 Cultural Facilities and Historical Resources Grants							
- operating expense funded by lotteries	38,665	-	38,665	-	38,665	10,980	27,685
5.2.2 Assistance to the Alberta Historical Resources Foundation							
- operating expense funded by lotteries	6,313	-	6,313	-	6,313	6,277	36
	44,978	-	44,978	-	44,978	17,257	27,721
	65,644	-	65,644	-	65,644	38,125	27,519
6 Parks and Protected Areas							
6.0.1 Program support	1,433	-	1,433	-	1,433	317	1,116
6.0.2 Parks policy and planning	3,877	-	3,877	-	3,877	3,458	419
6.0.3 Parks operations							
- operating expense	36,585	-	36,585	-	36,585	36,027	558
- capital investment	2,829	-	2,829	-	2,829	2,137	692
- capital investment funded by lotteries	44,724	-	44,724	-	44,724	800	(800)
						42,739	1,985
Dedicated revenue shortfall (Schedule 2)							
		(1,126)	(1,126)		(1,126)		(1,126)
Total voted expenses	\$ 591,160	\$ (1,126)	\$ 590,034	\$ -	\$ 590,034	\$ 549,923	\$ 40,111
Program Operating expense	\$ 479,733	\$ (1,126)	\$ 478,607	\$ -	\$ 478,607	\$ 472,557	\$ 6,050
Program Operating expense funded by lotteries	108,544	-	108,544	-	108,544	74,060	34,484
	588,277	(1,126)	587,151	-	587,151	546,617	40,534
Program capital investment	2,883	-	2,883	-	2,883	2,506	377
Program capital investment funded by lotteries	-	-	-	-	-	800	(800)
	2,883	-	2,883	-	2,883	3,306	(423)
Total voted expenses	\$ 591,160	\$ -	\$ 590,034	\$ -	\$ 590,034	\$ 549,923	\$ 40,111
Statutory Expenses:							
Valuation Adjustments	\$ 819	\$ -	\$ 819	\$ -	\$ 819	\$ 418	\$ 401

^(a) Adjustments include dedicated revenue shortfalls

DEPARTMENT OF COMMUNITY DEVELOPMENT
SCHEDULE OF SALARY AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2002

	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Senior officials:				
Deputy Minister ⁽³⁾⁽⁴⁾	\$ 157,108	\$ 51,737	\$ 208,845	\$ 201,142
Chief Commissioner, Alberta Human Rights and Citizenship Commission	110,054	24,276	134,330	132,353
Executives:				
Assistant Deputy Minister, Community and Citizenship Services ⁽⁴⁾	119,496	36,193	155,689	144,326
Assistant Deputy Minister, Cultural Facilities and Historical Resources ⁽⁴⁾⁽⁷⁾	22,199	4,718	26,917	174,027
Assistant Deputy Minister, Parks and Protected Areas ⁽⁵⁾	108,792	26,500	135,292	-
Assistant Deputy Minister, Community Support Systems ⁽⁵⁾⁽⁸⁾	99,718	28,704	128,423	-
Assistant Deputy Minister, Strategic Corporate Services Division ⁽⁶⁾	124,344	34,273	158,617	89,651

Prepared in accordance with Treasury Board Directive 12/98.

Total salary and benefits relating to a position are disclosed.

- (1) Salary includes regular base pay, bonuses, overtime and lump sum payments.
- (2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition fees.
- (3) Automobile provided, no dollar amount included in benefits and allowances figures.
- (4) Benefits and allowances include vacation payments for the Deputy Minister \$6,663 (2001 \$NIL), for the Assistant Deputy Minister, Community and Citizenship Services \$6,261 (2001 \$Nil), for the Assistant Deputy Minister of Cultural Facilities and Historical Resources \$Nil (2001 \$25,537), and for the Assistant Deputy Minister Strategic Corporate Services \$Nil (2001 \$31,383).
- (5) Position created April 1, 2001.
- (6) The incumbent's services are shared with the Department of Seniors which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.
- (7) The position was vacant from April 1, 2001 to January 31, 2002.
- (8) The position was vacant from April 1, 2001 to June 30, 2001.

DEPARTMENT OF COMMUNITY DEVELOPMENT
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded in the financial statement at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Grants	\$ -	\$ -	\$ 100,714	\$ 11,457
Expenses - Directly Incurred				
Grants	\$ 426,331	\$ 336,080	\$ -	\$ -
Other services	-	-	4,622	589
	<u>426,331</u>	<u>336,080</u>	<u>4,622</u>	<u>589</u>
Capital Assets Transferred			<u>\$ 9</u>	<u>\$ -</u>
Payable to	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Other	<u>\$ 1,547</u>	<u>\$ 1,616</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 17,228	\$ 18,158
Other services	-	-	278	314
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,506</u>	<u>\$ 18,472</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT

ALLOCATED COSTS

FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Program	2002					2001		
	Expenses ⁽¹⁾	Services Provided	Accommodation Costs	Legal Services	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry support services	\$ 5,811	\$ -	\$ 401	\$ 56	\$ 120	\$ -	\$ 6,388	\$ 6,743
Community services	77,354	(914)	819	66	(106)	-	77,219	52,431
Human rights and citizenship	5,599	(155)	172	4	1	-	5,621	3,005
Community Support systems	380,203	-	184	12	69	-	380,468	341,730
Cultural facilities and historical resources	37,848	(478)	14,349	79	(157)	-	51,641	67,752
Parks and protected areas	39,802	-	1,303	61	533	(42)	41,657	41,055
	<u>\$ 546,617</u>	<u>\$ (1,547)</u>	<u>\$ 17,228</u>	<u>\$ 278</u>	<u>\$ 460</u>	<u>\$ (42)</u>	<u>\$ 562,994</u>	<u>\$ 512,716</u>

1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

