

Department of Community Development

Financial Statements

March 31, 2004

**Department of Community Development
Financial Statements
March 31, 2004**

Auditor's Report

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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, 2004 and the statements of operations and cash flow 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.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Department of Community Development
Statement of Operations
Year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedule 1)			
Internal Government Transfers	\$ 76,115	\$ 72,115	\$ 56,266
Transfers from the Government of Canada	15,747	17,244	15,329
Premiums, Fees and Licences	4,515	3,490	3,185
Other Revenue	1,385	2,497	2,126
	<u>97,762</u>	<u>95,346</u>	<u>76,906</u>
Expenses – Directly Incurred (Note 2(b) and Schedule 8)			
Voted (Schedules 2, 3 and 5)			
Ministry Support Services	11,613	10,239	8,888
Community Services	93,602	89,456	74,038
Human Rights and Citizenship	4,591	4,685	4,308
Community Support Systems	449,389	447,989	408,448
Cultural Facilities and Historical Resources	28,227	31,359	29,781
Parks and Protected Areas	46,025	40,325	37,474
	<u>633,447</u>	<u>624,053</u>	<u>562,937</u>
Statutory (Schedules 3 and 5)			
Queen's Golden Jubilee Scholarships	10	10	10
Valuation Adjustments			
Provision for Doubtful Accounts	-	16	15
Provision for Vacation Pay	217	362	402
	<u>227</u>	<u>388</u>	<u>427</u>
	<u>633,674</u>	<u>624,441</u>	<u>563,364</u>
(Gain) Loss on Disposal of Tangible Capital Assets	<u>(1,179)</u>	<u>(2)</u>	<u>9,165</u>
Net Operating Results	<u>\$ (534,733)</u>	<u>\$ (529,093)</u>	<u>\$ (495,623)</u>

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

Department of Community Development
Statement of Financial Position
As at March 31, 2004
(thousands of dollars)

	2004	2003
Assets		
Cash	\$ 1,177	\$ 29
Accounts Receivable (Note 3)	1,295	740
Tangible Capital Assets (Note 4)	176,825	184,608
	\$ 179,297	\$ 185,377
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 20,970	\$ 19,585
Unearned Revenue	196	187
	21,166	19,772
Net Assets		
Net Assets at Beginning of Year	165,605	189,048
Net Operating Results	(529,093)	(495,623)
Net Transfer from General Revenues	521,619	472,180
	158,131	165,605
	\$ 179,297	\$ 185,377

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

Department of Community Development
Statement of Cash Flow
Year ended March 31, 2004
(thousands of dollars)

	2004	2003
Operating Transactions		
Net Operating Results	\$ (529,093)	\$ (495,623)
Non-cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	8,976	9,530
Valuation Adjustments	378	417
(Gain) Loss on Disposal of Tangible Capital Assets	(2)	9,165
Grants in Kind	-	3,691
	(519,741)	(472,820)
Decrease (Increase) in Accounts Receivable before valuation adjustments	(571)	290
Increase in Accounts Payable and Accrued Liabilities before valuation adjustments	1,023	1,664
Decrease in Advances	-	507
Increase in Unearned Revenue	9	8
	(519,280)	(470,351)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(1,696)	(1,440)
Disposal of Tangible Capital Assets	625	18
Transfers of Tangible Capital Assets	(120)	(552)
	(1,191)	(1,974)
Financing Transactions		
Net Transfer from General Revenues	521,619	472,180
Increase (Decrease) in Cash	1,148	(145)
Cash, Beginning of Year	29	174
Cash, End of Year	\$ 1,177	\$ 29

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

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

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 enhance and preserve the quality of life for Albertans. This is done by:

- Supporting a high quality of life in Alberta by working in collaboration with individuals, organizations and communities to increase local capacity for self-reliance in the arts and culture, sport and recreation, library and voluntary sectors;
- Increasing 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 that Albertans with disabilities have the opportunity to be fully included in the social, economic and cultural life of the province and that adult Albertans in care are protected from abuse;
- Preserving, protecting, presenting, researching and promoting appreciation for Alberta's historical resources and culture and providing opportunities for heritage tourism; and
- Maintaining Alberta's provincial parks and protected areas to preserve the province's natural heritage and providing opportunities for heritage appreciation, outdoor recreation and heritage tourism.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

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

(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
- The Historic Resources Fund
- Human Rights, Citizenship and Multiculturalism Education Fund
- The Wild Rose Foundation
- Persons with Developmental Disabilities Provincial Board and Community 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.

(b) Basis of Financial Reporting

Revenues

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

Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value can reasonably be determined.

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.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

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

(b) Basis of Financial Reporting (continued)

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are 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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets;
- Pension costs which comprise the cost of employer contributions for current service of employees during the year; and
- 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.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

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

(b) Basis of Financial Reporting (continued)

Assets (continued)

Assets acquired by right are not included. Tangible 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 tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible 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. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

Liabilities

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

Net Assets

Net assets represents the difference between the carrying 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, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

Note 3 Accounts Receivable (thousands of dollars)

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,310	\$ (32)	\$ 1,278	\$ 682
Refunds from Suppliers	17	-	17	58
	\$ 1,327	\$ (32)	\$ 1,295	\$ 740

Accounts receivable are unsecured and non-interest bearing.

Note 4 Tangible Capital Assets (thousands of dollars)

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
General Capital Assets					
Buildings	20-40 years	\$ 107,511	\$ (60,893)	\$ 46,618	\$ 48,808
Land		37,820	-	37,820	37,794
Computer Hardware and Software	5-8 years	1,433	(701)	732	354
Equipment	3-10 years	15,766	(13,867)	1,899	2,061
Other	20 years	16,953	(14,529)	2,424	3,192
Infrastructure Assets					
Land Improvements	40 years	138,259	(70,364)	67,895	71,650
Highways and Roads	40 years	47,428	(30,166)	17,262	18,522
Bridges	60 years	2,894	(719)	2,175	2,227
		\$ 368,064	\$ (191,239)	\$ 176,825	\$ 184,608

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

Note 5 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 \$360 million. A description of the major collections is as follows:

- (a) The Province, through the Historic Sites and Cultural Facilities Branch, preserves and presents 9 historic sites that contain 48 restored historic buildings/structures and 3 stabilized ruins. The Branch also operates 3 interpretive centers, 2 museums and 2 cultural facilities. As well, it administers an additional 3 historic sites which contain 58 undeveloped historic buildings/structures. In addition, the Branch owns 1 developed historic resource (leased to a society), 13 cairns, 4 archaeological sites and 1 palaeontological site. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.
- (b) The Provincial Museum of Alberta maintains 13 Curatorial programs, with total collection holdings comprising approximately 10 million objects. This includes more than 1,220,000 objects on-site; over 12,000 warehoused objects off site and another estimated 8,660,000 archaeological artifacts collected as part of the Archaeological Survey of Alberta permit process. The collections represent a highly diverse complement of cultural and natural heritage. These include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, as well as industrial, domestic, and textile collections; and the permitted archaeological materials recovered in Alberta, all with associated images, audio and books.
- (c) The Royal Tyrrell Museum of Palaeontology collection has over 109,000 catalogued items including original and replica fossils. Annually, approximately 2,000 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 3,100 major and 3,400 smaller artifacts. Included in these numbers are 80 vintage aircraft, 8 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering over 50,000 pieces, related to the museum's mechanization themes.
- (e) The Remington Carriage Museum houses one of the largest collections of horse drawn vehicles in North America, with 265 carriages, buggies, wagons and sleighs, and approximately 690 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of approximately 47,500 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
Year ended March 31, 2004

Note 5 Collections (continued)

- (g) The Provincial Archives of Alberta holds approximately 36,500 linear metres of government textual records; 4,590 linear metres of private textual records; 61,800 maps; 27,600 architectural drawings; 2,090,000 photographic images; 46,800 hours of sound recordings; 66,000 hours of film and video materials; and 12,300 volumes of library holdings.
- (h) The Collection Management Unit of the Arts Branch, manages 14 collections containing approximately 1,500 donated, purchased and/or commissioned artworks.
- (i) The Glenbow-Alberta Institute, under contract to the Cultural Facilities and Historical Resources Division, manages the care of, and access to, a publicly owned collection of approximately 226,000 artifacts in cultural history, military history, ethnology, art and mineralogy; approximately 5 shelf kilometres of textual and archival records; over 2,100,000 historical photographs; about 350 hours of film footage; and 7,200 sound recordings. The collection is continually enhanced each year.

Note 6 Commitments (thousands of dollars)

As at March 31, 2004, the Department has the following commitments:

	2004	2003
Grant Agreements	\$ 4,244	\$ 4,728
Long-term Leases ^(a)	1,285	970
	\$ 5,529	\$ 5,698

^(a) The Department leases vehicles under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	2004
2004-2005	\$ 643
2005-2006	375
2006-2007	204
2007-2008	63
	\$ 1,285

**Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004**

Note 7 Contingencies (thousands of dollars)

The Department of Community Development has a contingent liability in respect of fifteen claims (2003 – fourteen claims) aggregating \$1.7 million (2003 – \$2.7 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, 2004, the Department is a defendant in ten other legal claims (2003 – nine legal claims). Nine of these claims have specified amounts totalling \$1,501 and the remaining one has no specified amount (2003 – eight claims with a specified amount of \$1,406 and one with no specified amount). Included in the total legal claims are three claims amounting to \$250 (2003 – one claim with no specified amount) in which the Department has been jointly named with other entities. Seven claims amounting to \$1,221 (2003 – four claims amounting to \$926) are covered by the Alberta Risk Management Fund.

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

Certain contingent liabilities may exist for site remediation and reclamation, which may be the responsibility of the Department. The potential costs relate to restoring buildings and other sites to acceptable contractual standards. The preliminary estimate of the amount of such potential contingent liabilities is \$2,456. Costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

Note 8 Trust Funds Under Administration (thousands of dollars)

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, 2004, trust funds under administration were as follows:

	2004	2003
Parks General Trust and Performance Deposits	\$ 329	\$ 308
Gakken Dinosaur Exhibit Trust Fund	159	154
Fort Dunvegan Historical Society Trust Fund	6	6
	\$ 494	\$ 468

In addition to the above trust funds under administration, the Department holds bank guarantees in the form of letters of credit in the amount of \$1,499 (2003 restated – \$1,602).

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2004

Note 9 Defined Benefit Plans (thousands of dollars)

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 \$2,989 for the year ended March 31, 2004 (2003 – \$2,317).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of \$290,014 (2002 – \$301,968) and the Public Service Pension Plan reported an actuarial deficiency of \$596,213 (2002 – \$175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of \$9,312 (2002– \$6,472).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of \$9,766 (2003 – \$14,434) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$1,298 (2003 – actuarial deficiency of \$3,053). The expense for these two plans is limited to employer's annual contributions for the year.

Note 10 Approval of Financial Statements

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

Department of Community Development
Revenues
Year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from the Lottery Fund	\$ 76,105	\$ 72,105	\$ 56,256
Transfer from Alberta Heritage Scholarship Fund	10	10	10
	<u>76,115</u>	<u>72,115</u>	<u>56,266</u>
Transfer from the Government of Canada			
Canada Health and Social Transfer	14,642	16,054	14,896
Other	1,105	1,190	433
	<u>15,747</u>	<u>17,244</u>	<u>15,329</u>
Premiums, Fees and Licences			
Land and Grazing	415	515	472
Film Classification	500	506	493
Other	3,600	2,469	2,220
	<u>4,515</u>	<u>3,490</u>	<u>3,185</u>
Other Revenue			
Contribution in Kind	1,000	1,362	1,080
Refunds of Expenses	50	140	238
Other	335	995	808
	<u>1,385</u>	<u>2,497</u>	<u>2,126</u>
	<u><u>\$ 97,762</u></u>	<u><u>\$ 95,346</u></u>	<u><u>\$ 76,906</u></u>

Department of Community Development
Dedicated Revenue Initiatives
Year ended March 31, 2004
(thousands of dollars)

	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall) / Excess ^(f)
Park Operations ^(b)	\$ 4,350	\$ 3,913	\$ (437)
Cultural Facilities and Historical Resources ^(c)	1,000	1,362	362
Heritage Resources Management ^(d)	755	735	(20)
Francophone Secretariat ^(e)	350	365	15
	<u>\$ 6,455</u>	<u>\$ 6,375</u>	<u>\$ (80)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations.
- (b) The Parks and Protected Areas division collects various fees and other revenues that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others.
- (c) Cultural facilities and historical resources dedicated revenue is related to donations of artifacts and other items to various historic sites and cultural facilities.
- (d) The Government of Canada has provided funding to provinces and territories to further the goals of the Historic Places Initiative. The funds are intended to promote development of the Canadian Register of Historic Places, use of nation-wide standards and guidelines and, in particular, greater municipal involvement in the identification and protection of historic places.
- (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 Schedules 4 and 5 to the financial statements.

Department of Community Development
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2004
(thousands of dollars)

	2004		2003
	Budget	Actual	Actual
Voted			
Salaries, Wages and Employee Benefits	\$ 53,835	\$ 52,602	\$ 48,642
Supplies and Services	31,731	32,302	25,978
Supplies and Services from Support Services			
Arrangements with Related Parties ^(a)	-	-	829
Grants	542,636	533,994	481,306
Financial Transactions and Other	96	142	131
Amortization of Tangible Capital Assets	9,370	8,976	9,530
Total Voted Expenses before Recoveries	637,668	628,016	566,416
Less: Recovery from Support Service			
Arrangements with Related Parties ^(b)	(4,221)	(3,963)	(3,479)
	<u>\$ 633,447</u>	<u>\$ 624,053</u>	<u>\$ 562,937</u>
Statutory			
Grants	\$ 10	\$ 10	\$ 10
Valuation Adjustments			
Provision for Doubtful Accounts	-	16	15
Provision for Vacation Pay	217	362	402
	<u>\$ 227</u>	<u>\$ 388</u>	<u>\$ 427</u>

^(a) The Department received information technology services from the Department of Seniors in the prior year.

^(b) The Department provided financial and administrative services to the funds and agencies of the Ministry of Community Development. Costs incurred by the Department for these services were recovered from the funds and agencies of the Ministry of Community Development.

**Department of Community Development
Budget
Year ended March 31, 2004
(thousands of dollars)**

	2003-2004				
	Estimates	Adjustment ^(a)	Budget	Authorized Supplementary ^(b)	Authorized Budget
Revenues					
Internal Government Transfers	\$ 76,115	\$ -	\$ 76,115	\$ -	\$ 76,115
Transfers from the Government of Canada	15,747	-	15,747	-	15,747
Premiums, Fees and Licences	4,515	-	4,515	-	4,515
Other Revenue	1,385	-	1,385	-	1,385
	<u>97,762</u>	<u>-</u>	<u>97,762</u>	<u>-</u>	<u>97,762</u>
Expenses – Directly Incurred					
Voted Expenses					
Ministry Support Services	11,613	-	11,613	-	11,613
Community Services	93,602	-	93,602	(2,342)	91,260
Human Rights and Citizenship	4,591	-	4,591	-	4,591
Community Support Systems	449,389	-	449,389	-	449,389
Cultural Facilities and Historical Resources	28,227	-	28,227	900	29,127
Parks and Protected Areas	46,025	-	46,025	2,442	48,467
Dedicated Revenue Shortfall	-	(80)	(80)	-	(80)
	<u>633,447</u>	<u>(80)</u>	<u>633,367</u>	<u>1,000</u>	<u>634,367</u>
Statutory Expenses					
Queen's Golden Jubilee Scholarships	10	-	10	-	10
Valuation adjustments					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	217	-	217	-	217
	<u>227</u>	<u>-</u>	<u>227</u>	<u>-</u>	<u>227</u>
	<u>633,674</u>	<u>(80)</u>	<u>633,594</u>	<u>1,000</u>	<u>634,594</u>
Gain on Disposal of Tangible Capital Assets					
	<u>(1,179)</u>	<u>-</u>	<u>(1,179)</u>	<u>-</u>	<u>(1,179)</u>
Net Operating Results	<u>\$ (534,733)</u>	<u>\$ 80</u>	<u>\$ (534,653)</u>	<u>\$ (1,000)</u>	<u>\$ (535,653)</u>
Equipment/Inventory Purchases	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>
Capital Investment	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>

^(a) Adjustments include dedicated revenue shortfalls.

^(b) Supplementary estimates of \$1,000 were approved on December 4, 2003.

Department of Community Development
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and
Statutory Expenses by Element to Authorized Budget
Year ended March 31, 2004
(thousands of dollars)

	2003-2004 Estimates	Adjustments ^(a)	2003-2004 Budget	2003-2004 Authorized Supplementary ^(b)	2003-2004 Authorized Budget	2003-2004 Actual ^(c)	Unexpended (Over Expended)
Voted Operating Expense and Equipment/Inventory Purchases and Capital Investment							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 397	\$ -	\$ 397	\$ -	\$ 397	\$ 383	\$ 14
1.0.2 Deputy Minister's Office	277	-	277	-	277	255	22
1.0.3 Strategic Corporate Services							
- Operating Expense	4,958	-	4,958	-	4,958	4,189	769
- Equipment/Inventory Purchases	50	-	50	-	50	133	(83)
1.0.4 Corporate Costs	5,586	-	5,586	-	5,586	5,029	557
1.0.5 Communications	395	-	395	-	395	383	12
	11,663	-	11,663	-	11,663	10,372	1,291
2 Community Services							
2.1 Management and Operations							
2.1.1 Program Support	833	-	833	-	833	751	82
2.1.2 Arts Development	1,464	-	1,464	-	1,464	1,488	(24)
- Operating Expense funded by Lotteries							
2.1.3 Volunteer Services	3,502	-	3,502	-	3,502	3,381	121
- Operating Expense funded by Lotteries							
2.1.4 Sport and Recreation	1,158	-	1,158	-	1,158	1,158	-
- Operating Expense funded by Lotteries							
2.1.5 Library Services							
- Operating Expense	480	-	480	-	480	559	(79)
- Equipment/Inventory Purchases	-	-	-	-	-	7	(7)
2.1.6 Francophone Secretariat	661	-	661	-	661	623	38
	8,098	-	8,098	-	8,098	7,967	131
2.2 Financial Assistance							
2.2.1 Community Services Grants							
- Operating Expense	50	-	50	-	50	235	(185)
- Operating Expense funded by Lotteries	1,400	-	1,400	-	1,400	-	1,400
2.2.2 Library Operating Grants	17,934	-	17,934	1,658	19,592	19,500	92

Department of Community Development
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and
Statutory Expenses by Element to Authorized Budget
Year ended March 31, 2004
(thousands of dollars)

	2003-2004 Estimates	Adjustments ^(a)	2003-2004 Budget	2003-2004 Authorized Supplementary ^(b)	2003-2004 Authorized Budget	2003-2004 Actual ^(c)	Unexpended (Over Expended)
2.2.3 Hosting Major Athletic Events							
- Operating Expense funded by Lotteries	1,900	-	1,900	-	1,900	1,900	-
2.2.4 Alberta NHL Teams Initiative	5,750	-	5,750	-	5,750	5,391	359
2.2.5 Assistance to the Alberta Foundation for the Arts							
- Operating Expense funded by Lotteries	29,034	-	29,034	-	29,034	29,034	-
2.2.6 Assistance to the Alberta Sport, Recreation, Parks, and Wildlife Foundation							
- Operating Expense funded by Lotteries	17,670	-	17,670	-	17,670	17,670	-
2.2.7 Assistance to the Wild Rose Foundation							
- Operating Expense funded by Lotteries	7,766	-	7,766	-	7,766	7,766	-
2.2.8 Assistance to the First Nations Development Fund							
- Operating Expense funded by Lotteries	4,000	-	4,000	(4,000)	-	-	-
	85,504	-	85,504	(2,342)	83,162	81,496	1,666
	93,602	-	93,602	(2,342)	91,260	89,463	1,797
3 Human Rights and Citizenship							
3.0.1 Human Rights and Citizenship	3,326	-	3,326	-	3,326	3,420	(94)
3.0.2 Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund							
- Operating Expense funded by Lotteries	1,265	-	1,265	-	1,265	1,265	-
	4,591	-	4,591	-	4,591	4,685	(94)
4 Community Support Systems							
4.0.1 Program Support	252	-	252	-	252	264	(12)
4.0.2 Community Support Systems	1,807	-	1,807	-	1,807	1,460	347
4.0.3 Premier's Council on the Status of Persons with Disabilities	753	-	753	-	753	448	305
4.0.4 Protection for Persons in Care	1,074	-	1,074	-	1,074	1,232	(158)
4.0.5 Brain Injury Initiative	4,466	-	4,466	-	4,466	3,889	577
4.0.6 Assistance to Persons with Developmental Disabilities Provincial Board	441,037	-	441,037	-	441,037	440,696	341
	449,389	-	449,389	-	449,389	447,989	1,400

Department of Community Development
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and
Statutory Expenses by Element to Authorized Budget
Year ended March 31, 2004
(thousands of dollars)

	2003-2004 Estimates	Adjustments ^(a)	2003-2004 Budget	2003-2004 Authorized Supplementary ^(b)	2003-2004 Authorized Budget	2003-2004 Actual ^(c)	Unexpended (Over Expended)
5 Cultural Facilities and Historical Resources							
5.1 Management and Operations							
5.1.1 Program Support	989	-	989	-	989	842	147
5.1.2 Provincial Museum	4,216	-	4,216	-	4,216	4,168	48
5.1.3 Royal Tyrrell Museum of Paleontology							
- Operating Expense	1,892	-	1,892	-	1,892	1,955	(63)
- Equipment/Inventory Purchases	-	-	-	-	-	71	(71)
5.1.4 Historic Sites and Cultural Facilities							
- Operating Expense	8,575	-	8,575	-	8,575	9,553	(978)
- Equipment/Inventory Purchases	-	-	-	-	-	25	(25)
5.1.5 Provincial Archives of Alberta							
- Operating Expense	1,776	-	1,776	-	1,776	1,480	296
- Equipment/Inventory Purchases	-	-	-	-	-	38	(38)
5.1.6 Heritage Resource Management							
- Operating Expense	3,501	-	3,501	-	3,501	3,313	188
- Equipment/Inventory Purchases	-	-	-	-	-	120	(120)
5.1.7 Centennial Operations							
- Operating Expense	332	-	332	-	332	557	(225)
	21,281	-	21,281	-	21,281	22,122	(841)
5.2 Financial Assistance							
5.2.1 Cultural Facilities and Historical Resources							
Grants							
- Operating Expense	-	-	-	900	900	1,405	(505)
- Operating Expense funded by Lotteries	-	-	-	-	-	1,140	(1,140)
5.2.2 Assistance to the Alberta Historical Resources Foundation							
- Operating Expense funded by Lotteries	6,946	-	6,946	-	6,946	6,946	-
	6,946	-	6,946	900	7,846	9,491	(1,645)
	28,227	-	28,227	900	29,127	31,613	(2,486)

Department of Community Development
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and
Statutory Expenses by Element to Authorized Budget
Year ended March 31, 2004
(thousands of dollars)

	2003-2004 Estimates	Adjustments ^(a)	2003-2004 Budget	2003-2004 Authorized Supplementary ^(b)	2003-2004 Authorized Budget	2003-2004 Actual ^(c)	Unexpended (Over Expended)
6 Parks and Protected Areas							
6.0.1 Program Support	215	-	215	-	215	243	(28)
6.0.2 Parks Policy and Planning	3,438	-	3,438	-	3,438	3,410	28
6.0.3 Parks Operations							
- Operating Expense	25,711	-	25,711	2,442	28,153	27,885	268
- Equipment/Inventory Purchases	-	-	-	-	-	50	(50)
- Capital Investment	1,262	-	1,262	-	1,262	1,252	10
6.0.4 Nominal Sum Disposals	7,534	-	7,534	-	7,534	-	7,534
6.0.5 Amortization of Tangible Capital Assets	9,127	-	9,127	-	9,127	8,787	340
	47,287	-	47,287	2,442	49,729	41,627	8,102
Dedicated Revenue Shortfall (Schedule 2)	-	(80)	(80)	-	(80)	-	(80)
Total Voted Expenses	\$ 634,759	\$ (80)	\$ 634,679	\$ 1,000	\$ 635,679	\$ 625,749	\$ 9,930
Operating Expense	\$ 557,342	\$ (80)	\$ 557,262	\$ 5,000	\$ 562,262	\$ 552,305	\$ 9,957
Operating Expense funded by Lotteries	76,105	-	76,105	(4,000)	72,105	71,748	357
Equipment/Inventory Purchases	50	-	50	-	50	444	(394)
	\$ 633,497	\$ (80)	\$ 633,417	\$ 1,000	\$ 634,417	\$ 624,497	\$ 9,920
Capital Investment	1,262	-	1,262	-	1,262	1,252	10
Total Voted Expenses	\$ 634,759	\$ (80)	\$ 634,679	\$ 1,000	\$ 635,679	\$ 625,749	\$ 9,930
Statutory Expenses	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ 10	\$ -
Queen's Golden Jubilee Scholarships	217	-	217	-	217	378	(161)
Valuation Adjustments	227	-	227	-	227	388	(161)

(a) Adjustments include dedicated revenue shortfalls.
(b) Supplementary estimates were approved on December 4, 2003.
(c) Includes achievement bonus amounting to \$679.

**Department of Community Development
Salary and Benefits Disclosure
Year ended March 31, 2004**

	2004			2003	
	Base Salary ^(a)	Other Cash Benefits ^(b)	Other Non-cash Benefits ^(c)	Total	Total
Senior Officials					
Deputy Minister ^(d) Chief Commissioner, Alberta Human Rights and Citizenship Commission	\$ 152,808	\$ 29,836	\$ 36,155	\$ 218,799	\$ 225,554
	112,296	16,446	25,743	154,485	147,137
Executives					
Assistant Deputy Minister, Community and Citizenship Services ^(e)	123,132	18,032	27,612	168,776	179,520
Assistant Deputy Minister, Cultural Facilities and Historical Resources	114,108	16,710	25,919	156,737	144,866
Assistant Deputy Minister, Parks and Protected Areas	118,716	17,384	32,137	168,237	162,665
Assistant Deputy Minister, Community Support Systems	133,728	19,584	31,054	184,366	186,774
Assistant Deputy Minister, Strategic Corporate Services	128,352	18,796	28,584	175,732	177,216

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits relating to a position are disclosed.

- (a) Base salary includes pensionable base pay.
- (b) Other cash benefits include bonuses, vacation payments, overtime and lump sum payments.
- (c) Other non-cash benefits 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.
- (d) Automobile provided, no dollar amount included in other non-cash benefits.
- (e) Other cash benefits include vacation payments for the Assistant Deputy Minister, Community and Citizenship Services \$Nil (2003 - \$9,116).

Department of Community Development
Related Party Transactions
Year ended March 31, 2004
(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, licences, 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 on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Grants	\$ -	\$ -	\$ 72,115	\$ 56,266
Expenses – Directly Incurred				
Grants	\$ 503,377	\$ 454,191	\$ -	\$ -
Other services	-	-	4,833	4,493
	<u>\$ 503,377</u>	<u>\$ 454,191</u>	<u>\$ 4,833</u>	<u>\$ 4,493</u>
Tangible Capital Assets Transferred from (to)				
Others	\$ -	\$ -	\$ 120	\$ 552
Accounts Payable	\$ -	\$ 355	\$ -	\$ -
Accounts Receivable	\$ 339	\$ 118	\$ -	\$ 7

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.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Recoveries				
Services Provided	\$ 1,578	\$ 1,421	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 20,242	\$ 20,089
Legal Services	-	-	271	298
Parks Maintenance	-	-	1,587	1,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,100</u>	<u>\$ 21,887</u>

**Department of Community Development
Allocated Costs
Year ended March 31, 2004
(thousands of dollars)**

Program	Expenses – Incurred by Others						Valuation Adjustments ^(f)			Total Expenses
	Expenses ^(a)	Services Provided ^(b)	Accommodation Costs ^(c)	Legal Services ^(d)	Parks Maintenance ^(e)	Provision for Vacation Pay	Provision for Doubtful Accounts	Total Expenses		
Ministry Support Services	\$ 10,239	\$ -	\$ 301	\$ 45	\$ -	\$ 22	\$ -	\$ 10,607	\$ 9,361	
Community Services	89,456	(834)	842	62	-	58	-	89,584	74,253	
Human Rights and Citizenship	4,685	(152)	112	-	-	18	-	4,663	4,384	
Community Support Systems	447,989	-	214	4	-	10	-	448,217	408,658	
Cultural Facilities and Historical Resources	31,359	(592)	17,401	73	-	107	-	48,348	46,338	
Parks and Protected Areas	40,325	-	1,372	87	1,587	147	16	43,534	40,826	
Queen's Golden Jubilee Scholarships	10	-	-	-	-	-	-	10	10	
	<u>\$ 624,063</u>	<u>\$ (1,578)</u>	<u>\$ 20,242</u>	<u>\$ 271</u>	<u>\$ 1,587</u>	<u>\$ 362</u>	<u>\$ 16</u>	<u>\$ 644,963</u>	<u>\$ 583,830</u>	

(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.
 (b) Financial and administrative services are provided to the funds and agencies of the Ministry of Community Development.
 (c) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.
 (d) Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.
 (e) The Department of Transportation provides road and bridge maintenance to Parks and Protected Areas.
 (f) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:
 - Vacation Pay – allocated to the program by employee,
 - Doubtful Accounts Provision – estimated allocation to program.