

# Department of Community Development

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Financial Statements

March 31, 2005

**Department of Community Development  
Financial Statements  
March 31, 2005**

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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 (the Department) as at March 31, 2005 and the statements of operations and cash flows 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, 2005 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 19, 2005, except as to  
Note 8 which is as of June 15, 2005

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, 2005**  
**(thousands of dollars)**

	2005		2004
	Budget (Schedule 4)	Actual	Actual Restated (Note 3)
Revenues (Schedules 1 and 2)			
Internal Government Transfers	\$ 85,816	\$ 85,816	\$ 72,115
Transfers from the Government of Canada	1,229	1,123	1,190
Premiums, Fees and Licences	4,218	4,028	3,490
Other Revenue	1,937	3,349	2,497
	<u>93,200</u>	<u>94,316</u>	<u>79,292</u>
Expenses – Directly Incurred (Note 2(b) and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	11,491	10,390	10,233
Community Services	91,762	88,664	89,456
Human Rights and Citizenship	5,056	5,077	4,685
Cultural Facilities and Historical Resources	46,107	47,542	31,359
Parks and Protected Areas	47,895	40,735	40,325
	<u>202,311</u>	<u>192,408</u>	<u>176,058</u>
Statutory (Schedules 3 and 5)			
Queen’s Golden Jubilee Scholarships	10	10	10
Valuation Adjustments			
Provision for Doubtful Accounts	-	2	16
Provision for Vacation Pay	217	228	346
	<u>227</u>	<u>240</u>	<u>372</u>
	<u>202,538</u>	<u>192,648</u>	<u>176,430</u>
Gain on Disposal of Tangible Capital Assets	<u>6,279</u>	<u>18</u>	<u>2</u>
Net Operating Results	<u>\$ (103,059)</u>	<u>\$ (98,314)</u>	<u>\$ (97,136)</u>

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

**Department of Community Development**  
**Statement of Financial Position**  
**As at March 31, 2005**  
**(thousands of dollars)**

	2005	2004
		Restated (Note 3)
<b>Assets</b>		
Cash	\$ 72	\$ 1,177
Accounts Receivable (Note 4)	1,119	1,295
Tangible Capital Assets (Note 5)	175,812	176,825
	\$ 177,003	\$ 179,297
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 16,479	\$ 18,520
Unearned Revenue	207	196
	16,686	18,716
<b>Net Assets</b>		
Net Assets at Beginning of Year	160,581	170,330
Net Operating Results	(98,314)	(97,136)
Net Transfer from General Revenues	98,050	87,387
	160,317	160,581
	\$ 177,003	\$ 179,297

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

**Department of Community Development**  
**Statement of Cash Flows**  
**Year ended March 31, 2005**  
**(thousands of dollars)**

	2005	2004
		Restated (Note 3)
Operating Transactions		
Net Operating Results	\$ (98,314)	\$ (97,136)
Non-cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	8,986	8,976
Valuation Adjustments	230	362
Gain on Disposal of Tangible Capital Assets	(18)	(2)
	(89,116)	(87,800)
Decrease (Increase) in Accounts Receivable before Valuation Adjustments	174	(571)
Increase (Decrease) in Accounts Payable and Accrued Liabilities before Valuation Adjustments	(2,269)	3,314
Increase in Unearned Revenue	11	9
	(91,200)	(85,048)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(8,796)	(1,696)
Disposal of Tangible Capital Assets	54	625
Transfers of Tangible Capital Assets	787	(120)
	(7,955)	(1,191)
Cash Applied to Capital Transactions		
Financing Transactions		
Net Transfer from General Revenues	98,050	87,387
	(1,105)	1,148
Increase (Decrease) in Cash		
Cash, Beginning of Year	1,177	29
Cash, End of Year	\$ 72	\$ 1,177

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

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2005**

**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;
- 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. 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, 2005**

**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
- Historic Resources Fund
- Human Rights, Citizenship and Multiculturalism Education Fund
- The Wild Rose Foundation

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, 2005**

**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, 2005**

**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 tangible capital assets is \$5,000 (2004 – \$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, 2005**

**Note 3 Government Restructuring (thousands of dollars)**

As a result of government restructuring announced on November 25, 2004, the responsibility for Community Support Systems was transferred to the Department of Seniors and Community Supports.

Comparatives for 2004 have been restated as if the Department had always been assigned its current responsibilities.

Net assets as previously reported at March 31, 2003	\$ 165,605
Transfer to the Department of Seniors and Community Supports	<u>4,725</u>
Net assets as restated at April 1, 2003	<u><u>\$ 170,330</u></u>

**Note 4 Accounts Receivable (thousands of dollars)**

	2005		2004	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,131	\$ (32)	\$ 1,099	\$ 1,278
Refunds from Suppliers	20	-	20	17
	<u>\$ 1,151</u>	<u>\$ (32)</u>	<u>\$ 1,119</u>	<u>\$ 1,295</u>

Accounts receivable are unsecured and non-interest bearing.

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2005**

**Note 5 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2005			2004
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General Capital Assets</b>					
Buildings	20-40 years	\$ 111,378	\$ (63,621)	\$ 47,757	\$ 46,618
Land		37,982	-	37,982	37,820
Computer Hardware and Software	5-8 years	1,635	(817)	818	732
Equipment	3-10 years	17,838	(14,395)	3,443	1,899
Other	20 years	16,004	(15,297)	707	2,424
<b>Infrastructure Assets</b>					
Land Improvements	40 years	140,814	(73,834)	66,980	67,895
Highways and Roads	40 years	47,427	(31,427)	16,000	17,262
Bridges	60 years	2,894	(769)	2,125	2,175
		<u>\$ 375,972</u>	<u>\$ (200,160)</u>	<u>\$ 175,812</u>	<u>\$ 176,825</u>

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2005**

**Note 6 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 1,270,000 objects on-site; over 16,000 warehoused objects off site and another estimated 8,720,000 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 3,140 major and 3,440 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 49,700 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, 2005**

**Note 6 Collections (continued)**

- (g) The Provincial Archives of Alberta holds approximately 39,000 linear metres of government textual records; 4,680 linear metres of private textual records; 61,800 maps; 27,600 architectural drawings; 2,092,000 photographic images; 46,800 hours of sound recordings; 66,000 hours of film and video materials; and 12,500 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 7 Contractual Obligations (thousands of dollars)**

	2005	2004
Grant Agreements	\$ 2,734	\$ 4,000
Long-term Leases	1,905	1,285
Service Contracts	73	244
	\$ 4,712	\$ 5,529

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Grant Agreements	Long-term Leases	Service Contracts	Total
2006	\$ 2,234	\$ 814	\$ 73	\$ 3,121
2007	500	624	-	1,124
2008	-	369	-	369
2009	-	98	-	98
	\$ 2,734	\$ 1,905	\$ 73	\$ 4,712

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2005**

**Note 8 Contingent Liabilities (thousands of dollars)**

At March 31, 2005, the Department is a defendant in ten legal claims (2004 restated– seven legal claims). Nine of these claims have specified amounts totalling \$2,736 and the remaining one has no specified amount (2004 restated – six claims with a specified amount of \$1,101 and one with no specified amount). Included in the total legal claims are two claims amounting to \$150 (2004 restated – two claims amounting to \$150) in which the Department has been jointly named with other entities. Seven claims amounting to \$2,456 (2004 restated– four claims amounting to \$821) 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 \$1,863 (2004 \$2,456). Costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

The Department is obligated to construct a containment system at the Turner Valley Gas Plant historic site. The containment system will prevent hydrocarbons from contaminating adjacent lands and river streams. The estimated cost of the containment system is \$3 million. During the past six years, the Department has worked closely with Alberta Environment and Alberta Infrastructure and Transportation to reclaim and clean-up the site and closely monitor for any contamination entering the Sheep River. To date, there has been no evidence of any contamination entering the river from the site. On June 15, 2005, the Government of Alberta announced that Alberta Infrastructure and Transportation will construct a permanent \$3 million containment system on behalf of the Department. Construction is expected to be completed by the fall of 2006.

**Note 9 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.

**Department of Community Development  
Notes to the Financial Statements  
Year ended March 31, 2005**

**Note 9 Trust Funds Under Administration (thousands of dollars) (continued)**

As at March 31, 2005, trust funds under administration were as follows:

	2005	2004
Parks General Trust and Performance Deposits	\$ 401	\$ 329
Gakken Dinosaur Exhibit Trust Fund	163	159
Fort Dunvegan Historical Society Trust Fund	7	6
	\$ 571	\$ 494

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 \$1,392 (2004 – \$1,499).

**Note 10 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 \$3,462 for the year ended March 31, 2005 (2004 restated – \$2,989).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of \$268,101 (2003 – \$290,014) and the Public Service Pension Plan reported a deficiency of \$450,068 (2003 – \$584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$9,404 (2003– \$9,312).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of \$11,817 (2004 – \$9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$3,208 (2004 – \$1,298). The expense for these two plans is limited to employer’s annual contributions for the year.

**Note 11 Comparative Figures**

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

**Note 12 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, 2005  
(thousands of dollars)**

	2005		2004
	Budget	Actual	Actual Restated (Note 3)
Internal Government Transfers			
Transfer from the Lottery Fund	\$ 85,806	\$ 85,806	\$ 72,105
Transfer from Alberta Heritage Scholarship Fund	10	10	10
	<u>85,816</u>	<u>85,816</u>	<u>72,115</u>
Transfer from the Government of Canada			
Other	1,229	1,123	1,190
	<u>1,229</u>	<u>1,123</u>	<u>1,190</u>
Premiums, Fees and Licences			
Camping	2,500	2,398	1,934
Land and Grazing	479	521	515
Film Classification	520	601	506
Other	719	508	535
	<u>4,218</u>	<u>4,028</u>	<u>3,490</u>
Other Revenue			
Contribution in Kind	1,000	1,111	1,362
Refunds of Expenses	50	486	140
Other	887	1,752	995
	<u>1,937</u>	<u>3,349</u>	<u>2,497</u>
	<u>\$ 93,200</u>	<u>\$ 94,316</u>	<u>\$ 79,292</u>

**Department of Community Development**  
**Dedicated Revenue Initiatives**  
**Year ended March 31, 2005**  
**(thousands of dollars)**

	2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues <sup>(a)</sup>	(Shortfall) / Excess <sup>(f)</sup>
Park Operations <sup>(b)</sup>	\$ 5,136	\$ 5,191	\$ 55
Cultural Facilities and Historical Resources <sup>(c)</sup>	1,526	1,112	(414)
Heritage Resources Management <sup>(d)</sup>	814	621	(193)
Francophone Secretariat <sup>(e)</sup>	490	479	(11)
	<u>\$ 7,966</u>	<u>\$ 7,403</u>	<u>\$ (563)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- (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 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) The Government of Canada provided funding to the Francophone Secretariat for the 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, 2005**  
**(thousands of dollars)**

	2005		2004
	Budget	Actual	Actual Restated (Note 3)
<b>Voted</b>			
Salaries, Wages and Employee Benefits	\$ 56,924	\$ 56,032	\$ 50,934
Supplies and Services	26,918	28,057	27,563
Grants	113,374	103,658	92,438
Financial Transactions and Other	101	96	110
Amortization of Tangible Capital Assets	9,420	8,986	8,976
<b>Total Voted Expenses before Recoveries</b>	<b>206,737</b>	<b>196,829</b>	<b>180,021</b>
<b>Less: Recovery from Support Service Arrangements with Related Parties<sup>(a)</sup></b>	<b>(4,426)</b>	<b>(4,421)</b>	<b>(3,963)</b>
	<u><u>\$ 202,311</u></u>	<u><u>\$ 192,408</u></u>	<u><u>\$ 176,058</u></u>
<b>Statutory</b>			
Grants	\$ 10	\$ 10	\$ 10
Valuation Adjustments			
Provision for Doubtful Accounts	-	2	16
Provision for Vacation Pay	217	228	346
	<u><u>\$ 227</u></u>	<u><u>\$ 240</u></u>	<u><u>\$ 372</u></u>

<sup>(a)</sup> 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, 2005**  
**(thousands of dollars)**

	2004-2005				
	Estimates	Adjustment <sup>(a)</sup>	Budget	Authorized Supplementary <sup>(b)</sup>	Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 85,816	\$ -	\$ 85,816	\$ -	\$ 85,816
Transfers from the Government of Canada	1,229	-	1,229	90	1,319
Premiums, Fees and Licences	4,218	-	4,218	(79)	4,139
Other Revenue	1,937	-	1,937	1,141	3,078
	<u>93,200</u>	<u>-</u>	<u>93,200</u>	<u>1,152</u>	<u>94,352</u>
<b>Expenses – Directly Incurred</b>					
<b>Voted Expenses</b>					
Ministry Support Services	11,491	-	11,491	128	11,619
Community Services	91,762	-	91,762	-	91,762
Human Rights and Citizenship	5,056	-	5,056	-	5,056
Cultural Facilities and Historical Resources	46,107	-	46,107	330	46,437
Parks and Protected Areas	47,895	-	47,895	551	48,446
Dedicated Revenue Shortfall	-	(563)	(563)	-	(563)
	<u>202,311</u>	<u>(563)</u>	<u>201,748</u>	<u>1,009</u>	<u>202,757</u>
<b>Statutory Expenses</b>					
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>
<b>Gain on Disposal of Tangible Capital Assets</b>					
	<u>6,279</u>	<u>-</u>	<u>6,279</u>	<u>-</u>	<u>6,279</u>
<b>Net Operating Results</b>	<u>\$ (103,059)</u>	<u>\$ 563</u>	<u>\$ (102,496)</u>	<u>\$ 143</u>	<u>\$ (102,353)</u>
<b>Equipment/Inventory Purchases</b>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 271</u>	<u>\$ 421</u>
<b>Capital Investment</b>	<u>\$ 6,562</u>	<u>\$ -</u>	<u>\$ 6,562</u>	<u>\$ 2,801</u>	<u>\$ 9,363</u>

<sup>(a)</sup> Adjustments include dedicated revenue shortfalls (Schedule 2).

<sup>(b)</sup> Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

**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, 2005**  
**(thousands of dollars)**

	2004-2005 Estimates	Adjustments <sup>(a)</sup>	2004-2005 Budget	2004-2005 Authorized Supplementary <sup>(b)</sup>	2004-2005 Authorized Budget	2004-2005 Actual <sup>(c)</sup>	Unexpended (Over Expended)
Voted Operating Expense and Equipment/Inventory Purchases and Capital Investment							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 421	\$ -	\$ 421	\$ -	\$ 421	\$ 384	\$ 37
1.0.2 Deputy Minister's Office	327	-	327	-	327	317	10
1.0.3 Strategic Corporate Services							
- Operating Expense	4,618	-	4,618	-	4,618	4,249	369
- Equipment/Inventory Purchases	50	-	50	-	50	48	2
1.0.4 Corporate Costs	5,706	-	5,706	128	5,834	5,023	811
1.0.5 Communications	419	-	419	-	419	417	2
	11,541	-	11,541	128	11,669	10,438	1,231
2 Community Services							
2.1 Management and Operations							
2.1.1 Program Support	976	-	976	-	976	840	136
2.1.2 Arts Development							
- Operating Expense funded by Lotteries	1,503	-	1,503	-	1,503	1,502	1
2.1.3 Volunteer Services							
- Operating Expense	-	-	-	-	-	122	(122)
- Operating Expense funded by Lotteries	3,580	-	3,580	-	3,580	3,580	-
2.1.4 Sport and Recreation							
- Operating Expense funded by Lotteries	1,212	-	1,212	-	1,212	1,185	27
2.1.5 Library Services	546	-	546	-	546	463	83
2.1.6 Francophone Secretariat	808	-	808	-	808	774	34
	8,625	-	8,625	-	8,625	8,466	159
2.2 Financial Assistance							
2.2.1 Community Services Grants	100	-	100	-	100	1,134	(1,034)
2.2.2 Library Operating Grants	18,734	-	18,734	-	18,734	18,769	(35)

**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, 2005**  
**(thousands of dollars)**

	2004-2005 Estimates	Adjustments <sup>(a)</sup>	2004-2005 Budget	2004-2005 Authorized Supplementary <sup>(b)</sup>	2004-2005 Authorized Budget	2004-2005 Actual <sup>(c)</sup>	Unexpended (Over Expended)
2.2.3 Hosting Major Athletic Events	-	-	-	-	-	400	(400)
- Operating Expense	1,800	-	1,800	-	1,800	1,800	-
- Operating Expense funded by Lotteries	7,033	-	7,033	-	7,033	-	7,033
2.2.4 Alberta NHL Teams Initiative	-	-	-	-	-	-	-
2.2.5 Assistance to the Alberta Foundation for the Arts	-	-	-	-	-	2,500	(2,500)
- Operating Expense	30,034	-	30,034	-	30,034	30,034	-
- Operating Expense funded by Lotteries	17,670	-	17,670	-	17,670	17,670	-
2.2.6 Assistance to the Alberta Sport, Recreation, Parks, and Wildlife Foundation	-	-	-	-	-	125	(125)
- Operating Expense funded by Lotteries	7,766	-	7,766	-	7,766	7,766	-
2.2.7 Assistance to the Wild Rose Foundation	83,137	-	83,137	-	83,137	80,198	2,939
- Operating Expense	-	-	-	-	-	-	-
- Operating Expense funded by Lotteries	91,762	-	91,762	-	91,762	88,664	3,098
3 Human Rights and Citizenship	3,791	-	3,791	-	3,791	3,812	(21)
3.0.1 Human Rights and Citizenship	-	-	-	-	-	-	-
3.0.2 Financial Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund	1,265	-	1,265	-	1,265	1,265	-
- Operating Expense funded by Lotteries	5,056	-	5,056	-	5,056	5,077	(21)

**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, 2005**  
**(thousands of dollars)**

	2004-2005 Estimates	Adjustments <sup>(a)</sup>	2004-2005 Budget	2004-2005 Authorized Supplementary <sup>(b)</sup>	2004-2005 Authorized Budget	2004-2005 Actual <sup>(c)</sup>	Unexpended (Over Expended)
4 Cultural Facilities and Historical Resources							
4.1 Management and Operations							
4.1.1 Program Support	1,081	-	1,081	-	1,081	866	215
4.1.2 Provincial Museum	4,472	-	4,472	-	4,472	4,481	(9)
4.1.3 Royal Tyrrell Museum of Paleontology							
- Operating Expense	1,987	-	1,987	-	1,987	2,124	(137)
- Equipment/Inventory Purchases	-	-	-	-	-	46	(46)
4.1.4 Historic Sites and Cultural Facilities							
- Operating Expense	9,029	-	9,029	255	9,284	9,081	203
- Equipment/Inventory Purchases	-	-	-	271	271	280	(9)
4.1.5 Provincial Archives of Alberta	1,896	-	1,896	-	1,896	1,734	162
4.1.6 Heritage Resource Management							
- Operating Expense	3,768	-	3,768	75	3,843	3,475	368
- Equipment/Inventory Purchases	-	-	-	-	-	146	(146)
4.1.7 Centennial Operations							
- Operating Expense	2,898	-	2,898	-	2,898	3,948	(1,050)
- Equipment/Inventory Purchases	-	-	-	-	-	8	(8)
	25,131	-	25,131	601	25,732	26,189	(457)
4.2 Financial Assistance							
4.2.1 Cultural Facilities and Historical Resources							
Grants							
- Operating Expense funded by Lotteries	1,030	-	1,030	-	1,030	1,030	-
4.2.2 Assistance to the Alberta Historical Resources							
Foundation							
- Operating Expense funded by Lotteries	6,946	-	6,946	-	6,946	6,946	-
4.2.3 Centennial Legacy Grants							
- Operating Expense	-	-	-	-	-	857	(857)
- Operating Expense funded by Lotteries	13,000	-	13,000	-	13,000	13,000	-
	20,976	-	20,976	-	20,976	21,833	(857)
	46,107	-	46,107	601	46,708	48,022	(1,314)

**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, 2005**  
**(thousands of dollars)**

	2004-2005 Estimates	Adjustments <sup>(a)</sup>	2004-2005 Budget	2004-2005 Authorized Supplementary <sup>(b)</sup>	2004-2005 Authorized Budget	2004-2005 Actual <sup>(c)</sup>	Unexpended (Over Expended)
5 Parks and Protected Areas							
5.0.1 Program Support	254	-	254	-	254	254	-
5.0.2 Parks Policy and Planning	3,669	-	3,669	-	3,669	3,681	(12)
5.0.3 Parks Operations							
- Operating Expense	26,801	-	26,801	551	27,352	28,064	(712)
- Equipment/Inventory Purchases	100	-	100	-	100	798	(698)
- Capital Investment	6,562	-	6,562	2,801	9,363	7,470	1,893
5.0.4 Nominal Sum Disposals	7,986	-	7,986	-	7,986	-	7,986
5.0.5 Amortization of Tangible Capital Assets	9,185	-	9,185	-	9,185	8,736	449
	54,557	-	54,557	3,352	57,909	49,003	8,906
Dedicated Revenue Shortfall (Schedule 2)	-	(563)	(563)	-	(563)	-	(563)
Total Voted Expenses	\$ 209,023	\$ (563)	\$ 208,460	\$ 4,081	\$ 212,541	\$ 201,204	\$ 11,337
Operating Expense	\$ 116,505	\$ (563)	\$ 115,942	\$ 1,009	\$ 116,951	\$ 106,629	\$ 10,322
Operating Expense funded by Lotteries	85,806	-	85,806	-	85,806	85,779	27
Equipment/Inventory Purchases	150	-	150	271	421	1,326	(905)
	\$ 202,461	\$ (563)	\$ 201,898	\$ 1,280	\$ 203,178	\$ 193,734	\$ 9,444
Capital Investment	6,562	-	6,562	2,801	9,363	7,470	1,893
Total Voted Expenses	\$ 209,023	\$ (563)	\$ 208,460	\$ 4,081	\$ 212,541	\$ 201,204	\$ 11,337
Statutory Expenses							
Queen's Golden Jubilee Scholarships	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ 10	\$ -
Valuation Adjustments	217	-	217	-	217	230	(13)
	\$ 227	\$ -	\$ 227	\$ -	\$ 227	\$ 240	\$ (13)

(a) Adjustments include dedicated revenue shortfalls (Schedule 2).

(b) Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

(c) Includes achievement bonus amounting to \$753.

**Department of Community Development  
Salary and Benefits Disclosure  
Year ended March 31, 2005**

	2005			2004	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
<b>Senior Officials</b>					
Deputy Minister <sup>(d) (f)</sup> Chief Commissioner, Alberta Human Rights and Citizenship Commission	\$ 157,392	\$ 30,849	\$ 30,335	\$ 218,576	\$ 218,799
	116,751	17,003	16,703	150,457	154,485
<b>Executives</b>					
Assistant Deputy Minister, Community and Citizenship Services <sup>(e)</sup>	126,828	30,438	25,244	182,510	168,776
Assistant Deputy Minister, Cultural Facilities and Historical Resources	121,644	17,882	24,095	163,621	156,737
Assistant Deputy Minister, Parks and Protected Areas	122,280	17,974	24,129	164,383	168,237
Assistant Deputy Minister, Strategic Corporate Services	132,204	19,434	24,423	176,061	175,732
Executive Director, Alberta 2005 Centennial Initiative <sup>(g)(e)</sup>	36,011	11,589	8,736	56,336	-

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits relating to a position are disclosed.

- (a) Base salary includes regular 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, 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 \$11,794 (2004 Nil), and for the Executive Director, Alberta 2005 Centennial Initiatives \$7,833 (2004 Nil).
- (f) The position was occupied by two individuals through the year.
- (g) The position became part of the Executive Committee on December 1, 2004.

**Department of Community Development**  
**Related Party Transactions**  
**Year ended March 31, 2005**  
**(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	
	2005	2004	2005	2004
		Restated (Note 3)		
Revenues				
Grants	\$ -	\$ -	\$ 85,816	\$ 72,115
Expenses – Directly Incurred				
Grants	\$ 66,306	\$ 62,681	\$ -	\$ -
Other services	-	-	4,729	4,833
	<u>\$ 66,306</u>	<u>\$ 62,681</u>	<u>\$ 4,729</u>	<u>\$ 4,833</u>
Tangible Capital Assets Transferred from (to)				
Others	\$ -	\$ -	\$ (787)	\$ 120
Accounts Payable	\$ 3	\$ -	\$ 35	\$ -
Accounts Receivable	\$ 283	\$ 339	\$ -	\$ -

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	
	2005	2004	2005	2004
Recoveries				
Services Provided	\$ 1,426	\$ 1,578	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 18,617	\$ 20,242
Legal Services	-	-	343	271
Parks Maintenance	-	-	2,672	1,587
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,632</u>	<u>\$ 22,100</u>

**Department of Community Development  
Allocated Costs  
Year ended March 31, 2005  
(thousands of dollars)**

Program	Expenses – Incurred by Others					Valuation Adjustments <sup>(f)</sup>			Total Expenses Restated (Note 3)
	Expenses <sup>(a)</sup>	Services Provided <sup>(b)</sup>	Accommodation Costs <sup>(c)</sup>	Legal Services <sup>(d)</sup>	Parks Maintenance <sup>(e)</sup>	Provision for Vacation Pay	Provision for Doubtful Accounts	Total Expenses	
Ministry Support Services	\$ 10,390	\$ -	\$ 347	\$ 63	\$ -	\$ 15	\$ -	\$ 10,815	\$ 10,601
Community Services	88,664	716	905	30	-	37	-	90,352	89,584
Human Rights and Citizenship Cultural Facilities and Historical Resources	5,077	154	128	-	-	12	-	5,371	4,663
Parks and Protected Areas	47,542	556	15,770	109	-	69	-	64,046	48,348
Queen's Golden Jubilee Scholarships	40,735	-	1,467	141	2,672	95	2	45,112	43,534
	10	-	-	-	-	-	-	10	10
	<u>\$ 192,418</u>	<u>\$ 1,426</u>	<u>\$ 18,617</u>	<u>\$ 343</u>	<u>\$ 2,672</u>	<u>\$ 228</u>	<u>\$ 2</u>	<u>\$ 215,706</u>	<u>\$ 196,740</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Financial and administrative services are provided to the funds and agencies of the Ministry of Community Development.

<sup>(c)</sup> Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.

<sup>(d)</sup> Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

<sup>(e)</sup> The Department of Infrastructure and Transportation provides road and bridge maintenance to Parks and Protected Areas.

<sup>(f)</sup> 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.

