

Department of Community Development

Financial Statements

March 31, 2006

**Department of Community Development
Financial Statements
March 31, 2006**

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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, 2006 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, 2006 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, 2006

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, 2006
(thousands of dollars)

	2006		2005
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	\$ 99,537	\$ 99,537	\$ 85,816
Transfers from the Government of Canada	1,329	1,409	1,123
Premiums, Fees and Licences	4,895	4,677	4,028
Other Revenue	2,373	3,123	3,349
	<u>108,134</u>	<u>108,746</u>	<u>94,316</u>
Expenses – Directly Incurred (Note 2(b) and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	11,546	11,332	10,390
Community Services	92,735	118,676	88,664
Human Rights and Citizenship	5,349	5,468	5,077
Cultural Facilities and Historical Resources	74,183	97,256	47,542
Parks and Protected Areas	47,996	48,348	40,735
	<u>231,809</u>	<u>281,080</u>	<u>192,408</u>
Statutory (Schedules 3 and 5)			
Queen’s Golden Jubilee Scholarships	10	10	10
Valuation Adjustments			
Provision for Environmental Obligations	-	15,537	-
Provision for Doubtful Accounts	-	25	2
Provision for Vacation Pay	217	133	228
	<u>227</u>	<u>15,705</u>	<u>240</u>
	<u>232,036</u>	<u>296,785</u>	<u>192,648</u>
Gain (Loss) on Disposal of Tangible Capital Assets	<u>1,547</u>	<u>(253)</u>	<u>18</u>
Net Operating Results	<u>\$ (122,355)</u>	<u>\$ (188,292)</u>	<u>\$ (98,314)</u>

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

Department of Community Development
Statement of Financial Position
As at March 31, 2006
(thousands of dollars)

	2006	2005
Assets		
Cash	\$ 66	\$ 72
Accounts Receivable (Note 3)	1,333	1,119
Tangible Capital Assets (Note 4)	207,477	175,812
	\$ 208,876	\$ 177,003
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 63,212	\$ 16,479
Unearned Revenue	196	207
	63,408	16,686
Net Assets		
Net Assets at Beginning of Year	160,317	160,581
Net Operating Results	(188,292)	(98,314)
Net Transfer from General Revenues	173,443	98,050
	145,468	160,317
	\$ 208,876	\$ 177,003

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

Department of Community Development
Statement of Cash Flows
Year ended March 31, 2006
(thousands of dollars)

	2006	2005
		Restated (Note 10)
Operating Transactions		
Net Operating Results	\$ (188,292)	\$ (98,314)
Non-cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	8,989	8,986
Valuation Adjustments	15,695	230
Gain (Loss) on Disposal of Tangible Capital Assets	253	(18)
	(163,355)	(89,116)
(Increase) Decrease in Accounts Receivable before Valuation Adjustments	(238)	174
Increase (Decrease) in Accounts Payable and Accrued Liabilities before Valuation Adjustments	31,061	(2,269)
Increase (Decrease) in Unearned Revenue	(11)	11
	(132,543)	(91,200)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(40,469)	(8,524)
Disposal of Tangible Capital Assets	9	54
Transfers of Tangible Capital Assets	(160)	787
Donation of Tangible Capital Assets	(286)	(272)
	(40,906)	(7,955)
Financing Transactions		
Net Transfer from General Revenues	173,443	98,050
	(6)	(1,105)
Decrease in Cash	(6)	(1,105)
Cash, Beginning of Year	72	1,177
	\$ 66	\$ 72
Cash, End of Year	\$ 66	\$ 72

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

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

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.

(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

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

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

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 which goods or services have not been provided by year end is recorded as unearned revenue.

Donations are recognized as revenues when they are received. 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.

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.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

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

(b) Basis of Financial Reporting (continued)

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 and environmental obligations.

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. 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. All land is capitalized.

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

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

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

(b) Basis of Financial Reporting (continued)

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 are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Environmental obligations are recorded as liabilities when there is little or no discretion to avoid settlement of the obligation and a reasonable estimate of the amount can be made.

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 and 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, 2006

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

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Environmental obligations are included in accounts payable and accrued liabilities and a provision in the amount of \$15,537, was recorded for Cultural Facilities and Historical Resources (\$14,500) and Parks and Protected Areas (\$1,037), based on management's best estimates that reflect the most probable course of action. Increased construction costs, or other unanticipated changes may affect these estimates.

Note 3 Accounts Receivable (thousands of dollars)

	2006		2005	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,356	\$ (49)	\$ 1,307	\$ 1,099
Refunds from Suppliers	26	-	26	20
	\$ 1,382	\$ (49)	\$ 1,333	\$ 1,119

Accounts receivable are unsecured and non-interest bearing.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

Note 4 Tangible Capital Assets (thousands of dollars)

	Estimated Useful Life	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
General Capital Assets					
Buildings	20-40 years	\$ 130,537	\$ (65,518)	\$ 65,019	\$ 47,757
Land		38,091	-	38,091	37,982
Computer Hardware and Software	5-8 years	1,994	(936)	1,058	818
Equipment	3-10 years	28,103	(14,976)	13,127	3,443
Other	20 years	16,004	(15,883)	121	707
Infrastructure Assets					
Land Improvements	40 years	148,692	(77,340)	71,352	66,980
Highways and Roads	40 years	49,270	(32,713)	16,557	16,000
Bridges	60 years	2,972	(820)	2,152	2,125
		<u>\$ 415,663</u>	<u>\$ (208,186)</u>	<u>\$ 207,477</u>	<u>\$ 175,812</u>

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.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

Note 5 Collections (continued)

- (b) The Royal Alberta Museum 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 115,000 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 52,432 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.
- (g) The Provincial Archives of Alberta holds approximately 39,900 linear metres of government textual records; 4,700 linear metres of private textual records; 61,800 maps; 27,600 architectural drawings; 2,168,600 photographic images; 46,900 hours of sound recordings; 66,000 hours of film and video materials; and 12,535 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.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

Note 5 Collections (continued)

- (i) The Glenbow-Alberta Institute, under contract to the Province of Alberta, 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 5.5 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 Contractual Obligations (thousands of dollars)

	<u>2006</u>	<u>2005</u>
Grant Agreements	\$ 400	\$ 2,734
Long-term Leases	11,090	1,905
Service Contracts	<u>25,493</u>	<u>73</u>
	<u>\$ 36,983</u>	<u>\$ 4,712</u>

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

	<u>Grant</u> <u>Agreements</u>	<u>Long-term</u> <u>Leases</u>	<u>Service</u> <u>Contracts</u>	<u>Total</u>
2007	\$ 400	\$ 9,087	\$ 6,287	\$ 15,774
2008	-	887	4,806	5,693
2009	-	1,038	4,800	5,838
2010	-	78	4,800	4,878
2011	-	-	4,800	4,800
	<u>\$ 400</u>	<u>\$ 11,090</u>	<u>\$ 25,493</u>	<u>\$ 36,983</u>

Note 7 Contingent Liabilities (thousands of dollars)

At March 31, 2006, the Department is a defendant in nine legal claims (2005 - ten legal claims). Six of these claims have specified amounts totalling \$1,081 and the remaining three have no specified amount (2005 - nine claims with a specified amount of \$2,736 and one with no specified amount). Included in the total legal claims are two claims amounting to \$150 (2005 - two claims amounting to \$150) in which the Department has been jointly named with other entities. Eight claims amounting to \$1,081 (2005 - seven claims amounting to \$2,456) are covered by the Alberta Risk Management Fund.

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

Note 7 Contingent Liabilities (thousands of dollars) (continued)

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 preliminary estimate of the amount of such potential contingent liabilities is \$1,000 (2005 – \$1,863).

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, 2006, trust funds under administration were as follows:

	2006	2005
Parks General Trust and Performance Deposits	\$ 460	\$ 401
Gakken Dinosaur Exhibit Trust Fund	168	163
Fort Dunvegan Historical Society Trust Fund	7	7
	\$ 635	\$ 571

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 \$2,879 (2005 – \$1,392).

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 \$4,083 for the year ended March 31, 2006 (2005 – \$3,462).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of \$165,895 (2004 – \$268,101) and the Public Service Pension Plan reported a deficiency of \$187,704 (2004 – \$450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$10,018 (2004– \$9,404).

Department of Community Development
Notes to the Financial Statements
Year ended March 31, 2006

Note 9 Defined Benefit Plans (thousands of dollars) (continued)

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of \$8,699 (2005 – \$11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$8,309 (2005 – \$3,208). The expense for these two plans is limited to employer's annual contributions for the year.

Note 10 Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

Note 11 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, 2006
(thousands of dollars)

	2006		2005
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from the Lottery Fund	\$ 99,527	\$ 99,527	\$ 85,806
Transfer from Alberta Heritage Scholarship Fund	10	10	10
	<u>99,537</u>	<u>99,537</u>	<u>85,816</u>
Transfer from the Government of Canada			
Other	<u>1,329</u>	<u>1,409</u>	<u>1,123</u>
Premiums, Fees and Licences			
Camping	2,911	2,861	2,398
Land and Grazing	657	536	521
Film Classification	520	607	601
Other	<u>807</u>	<u>673</u>	<u>508</u>
	<u>4,895</u>	<u>4,677</u>	<u>4,028</u>
Other Revenue			
Contribution in Kind	1,000	1,717	1,111
Refunds of Expenses	50	174	486
Other	<u>1,323</u>	<u>1,232</u>	<u>1,752</u>
	<u>2,373</u>	<u>3,123</u>	<u>3,349</u>
	<u><u>\$ 108,134</u></u>	<u><u>\$ 108,746</u></u>	<u><u>\$ 94,316</u></u>

Department of Community Development
Dedicated Revenue Initiatives
Year ended March 31, 2006
(thousands of dollars)

	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall) / Excess ^(f)
Park Operations ^(b)	\$ 5,713	\$ 5,272	\$ (441)
Cultural Facilities and Historical Resources ^(c)	1,250	1,230	(20)
Heritage Resources Management ^(d)	814	666	(148)
Francophone Secretariat ^(e)	500	480	(20)
	<u>\$ 8,277</u>	<u>\$ 7,648</u>	<u>\$ (629)</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, 2006
(thousands of dollars)

	2006		2005
	Budget	Actual	Actual
Voted			
Salaries, Wages and Employee Benefits	\$ 62,701	\$ 63,286	\$ 56,032
Supplies and Services	38,169	40,995	28,057
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	-	24	-
Grants	124,738	172,035	103,658
Financial Transactions and Other	87	117	96
Amortization of Tangible Capital Assets	10,499	8,987	8,986
Total Voted Expenses before Recoveries	236,194	285,444	196,829
Less: Recovery from Support Service Arrangements with Related Parties^(b)	(4,385)	(4,364)	(4,421)
	<u><u>\$ 231,809</u></u>	<u><u>\$ 281,080</u></u>	<u><u>\$ 192,408</u></u>
Statutory			
Grants	\$ 10	\$ 10	\$ 10
Valuation Adjustments			
Provision for Environmental Obligations	-	15,537	-
Provision for Doubtful Accounts	-	25	2
Provision for Vacation Pay	217	133	228
	<u><u>\$ 227</u></u>	<u><u>\$ 15,705</u></u>	<u><u>\$ 240</u></u>

- ^(a) The Department received human resource services from the Department of Sustainable Resource Development.
- ^(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, 2006
(thousands of dollars)

	2005-2006				
	Estimates	Adjustment	Budget	Authorized Supplementary ^(a)	Authorized Budget
Revenues					
Internal Government Transfers	\$ 99,537	\$ -	\$ 99,537	\$ -	\$ 99,537
Transfers from the Government of Canada	1,329	-	1,329	250 ^(c)	1,579
Premiums, Fees and Licences	4,895	-	4,895	-	4,895
Other Revenue	2,373	-	2,373	-	2,373
	<u>108,134</u>	<u>-</u>	<u>108,134</u>	<u>250</u>	<u>108,384</u>
Expenses – Directly Incurred					
Voted Expenses					
Ministry Support Services	11,546	-	11,546	-	11,546
Community Services	92,735	-	92,735	26,700 ^(d)	119,435
Human Rights and Citizenship	5,349	-	5,349	-	5,349
Cultural Facilities and Historical Resources	74,183	-	74,183	23,962 ^{(c)(e)(f)}	98,145
Parks and Protected Areas	47,996	-	47,996	2,495 ^(g)	50,491
Dedicated Revenue Shortfall	-	(629) ^(b)	(629)	-	(629)
	<u>231,809</u>	<u>(629)</u>	<u>231,180</u>	<u>53,157</u>	<u>284,337</u>
Statutory Expenses					
Queen's Golden Jubilee Scholarships	10	-	10	-	10
Valuation adjustments					
Provision for Environmental Obligations	-	-	-	-	-
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	217	-	217	-	217
	<u>227</u>	<u>-</u>	<u>227</u>	<u>-</u>	<u>227</u>
Gain on Disposal of Tangible Capital Assets	1,547	-	1,547	-	1,547
Net Operating Results	<u>\$ (122,355)</u>	<u>\$ 629</u>	<u>\$ (121,726)</u>	<u>\$ (52,907)</u>	<u>\$ (174,633)</u>
Equipment/Inventory Purchases	<u>\$ 3,440</u>	<u>\$ -</u>	<u>\$ 3,440</u>	<u>\$ 1,323 ^{(f)(h)}</u>	<u>\$ 4,763</u>
Capital Investment	<u>\$ 41,192</u>	<u>\$ -</u>	<u>\$ 41,192</u>	<u>\$ 4,863 ^{(g)(h)(i)}</u>	<u>\$ 46,055</u>

Department of Community Development
Budget
Year ended March 31, 2006
(thousands of dollars)

- (a) Supplementary estimates were approved on December 1, 2005 and March 16, 2006. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).
- (b) Adjustments include dedicated revenue shortfalls (Schedule 2).
- (c) Treasury Board authorized a dedicated revenue increase of \$250 for the acquisition of a Grey Gull Helicopter for display at the Reynolds-Alberta Museum.
- (d) Supplementary estimate of \$20,000 for a one-time grant to assist with cost pressures associated with the operations and maintenance of libraries; \$5,500 to support a film production on the World War I Battle of Passchendale in honour of the Year of the Veteran and Alberta's 2005 Centennial; and \$1,200 to feature Alberta at the 2006 Smithsonian Folklife Festival in Washington, D.C.
- (e) Supplementary estimate of \$15,000 for a Centennial grant to the Calgary Zoo for the Project Discovery and Gateway to the North initiatives; and \$9,000 for a Centennial grant to Calgary's Heritage Park Society for the redevelopment of the park.
- (f) Net reallocation of \$288 from operating expense to equipment/inventory purchases.
- (g) Reallocation of \$2,495 from capital investment to operating expense to replace fire pits and picnic tables and resurface roads within provincial parks.
- (h) Reallocation of \$1,035 from capital investment to equipment/inventory purchases to upgrade or replace interpretive and educational displays and signage within provincial parks (\$535) and exhibit redevelopment at various museums and historic sites (\$500).
- (i) Supplementary estimate of \$6,500 for increasing construction costs related to the upgrades at the Canmore Nordic Centre.
- (j) Treasury Board approved a \$1,893 capital carry-over of the 2004-05 unused appropriation.

**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, 2006
(thousands of dollars)**

	2005-2006 Estimates	Adjustments	2005-2006 Budget	2005-2006 Authorized Supplementary ^(a)	2005-2006 Authorized Budget	2005-2006 Actual ^(b)	Unexpended (Over Expended)
Voted Operating Expense and Equipment/Inventory Purchases and Capital Investment							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 431	\$ -	\$ 431	\$ -	\$ 431	\$ 454	\$ (23)
1.0.2 Deputy Minister's Office	509	-	509	-	509	594	(85)
1.0.3 Strategic Corporate Services							
- Operating Expense	4,647	-	4,647	-	4,647	4,780	(133)
- Equipment/Inventory Purchases	50	-	50	-	50	55	(5)
1.0.4 Corporate Costs	5,461	-	5,461	-	5,461	5,014	447
1.0.5 Communications	498	-	498	-	498	490	8
	11,596	-	11,596	-	11,596	11,387	209
2 Community Services							
2.1 Management and Operations							
2.1.1 Program Support	962	-	962	-	962	941	21
2.1.2 Arts Development							
- Operating Expense	1,563	-	1,563	200 ^(d)	1,763	2,176	(413)
- Equipment/Inventory Purchases	-	-	-	-	-	83	(83)
2.1.3 Community and Voluntary Sector Services							
- Operating Expense	3,917	-	3,917	-	3,917	4,015	(98)
2.1.4 Sport and Recreation							
- Operating Expense	1,271	-	1,271	-	1,271	1,389	(118)
2.1.5 Library Services	559	-	559	-	559	725	(166)
2.1.6 Francophone Secretariat	824	-	824	-	824	807	17
	9,096	-	9,096	200	9,296	10,136	(840)
2.2 Financial Assistance							
2.2.1 Community Services Grants	100	-	100	5,500 ^(e)	5,600	5,678	(78)
2.2.2 Library Grants	19,934	-	19,934	20,000 ^(f)	39,934	39,993	(59)

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, 2006
(thousands of dollars)

	2005-2006 Estimates	Adjustments	2005-2006 Budget	2005-2006 Authorized Supplementary ^(a)	2005-2006 Authorized Budget	2005-2006 Actual ^(b)	Unexpended (Over Expended)
2.2.3 Hosting Major Athletic Events							
- Operating Expense funded by Lotteries	2,175	-	2,175	-	2,175	2,175	-
2.2.4 Alberta NHL Teams Initiative	3,460	-	3,460	-	3,460	1,530	1,930
2.2.5 Assistance to the Alberta Foundation for the Arts	-	-	-	1,000 ^(c)	1,000	1,277	(277)
- Operating Expense	32,534	-	32,534	-	32,534	32,534	-
2.2.6 - Operating Expense funded by Lotteries							
Assistance to the Alberta Sport, Recreation, Parks, and Wildlife Foundation	17,670	-	17,670	-	17,670	17,670	-
2.2.7 - Operating Expense funded by Lotteries							
Assistance to the Wild Rose Foundation	7,766	-	7,766	-	7,766	7,766	-
- Operating Expense funded by Lotteries	83,639	-	83,639	26,500	110,139	108,623	1,516
	92,735	-	92,735	26,700	119,435	118,759	676
3 Human Rights and Citizenship							
3.0.1 Human Rights and Citizenship	4,084	-	4,084	-	4,084	4,203	(119)
3.0.2 Financial Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund							
- Operating Expense funded by Lotteries	1,265	-	1,265	-	1,265	1,265	-
	5,349	-	5,349	-	5,349	5,468	(119)

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, 2006
(thousands of dollars)

	2005-2006 Estimates	Adjustments	2005-2006 Budget	2005-2006 Authorized Supplementary ^(a)	2005-2006 Authorized Budget	2005-2006 Actual ^(b)	Unexpended (Over Expended)
4 Cultural Facilities and Historical Resources							
4.1 Management and Operations							
4.1.1 Program Support	1,109	-	1,109	-	1,109	1,021	88
4.1.2 Royal Museum of Alberta	4,888	-	4,888	-	4,888	5,068	(180)
4.1.3 Royal Tyrrell Museum of Paleontology							
- Operating Expense	2,890	-	2,890	(200) ^(e)	2,690	2,238	452
- Equipment/Inventory Purchases	-	-	-	200 ^(e)	200	516	(316)
4.1.4 Historic Sites and Cultural Facilities							
- Operating Expense	9,837	-	9,837	232 ^(e)	10,069	10,661	(592)
- Equipment/Inventory Purchases	-	-	-	268 ^{(e)(b)}	268	947	(679)
4.1.5 Provincial Archives of Alberta							
- Operating Expense	2,001	-	2,001	(80) ^(e)	1,921	2,056	(135)
- Equipment/Inventory Purchases	-	-	-	80 ^(e)	80	52	28
4.1.6 Heritage Resource Management							
- Operating Expense	4,169	-	4,169	(240) ^(e)	3,929	3,672	257
- Equipment/Inventory Purchases	-	-	-	240 ^(e)	240	280	(40)
4.1.7 Acquisition of Historical Collections							
- Operating Expense	1,000	-	1,000	250 ⁽ⁱ⁾	1,250	1,305	(55)
4.1.8 Alberta 2005 Centennial Initiative							
- Operating Expense	10,172	-	10,172	-	10,172	9,263	909
	36,066	-	36,066	750	36,816	37,079	(263)
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	7,087	-	7,087	-	7,087	7,087	-
4.2.3 Centennial Grants							
- Operating Expense	-	-	-	24,000 ⁽ⁱ⁾	24,000	24,000	-
- Operating Expense funded by Lotteries	30,000	-	30,000	-	30,000	29,855	145
	38,117	-	38,117	24,000	62,117	61,972	145
	74,183	-	74,183	24,750	98,933	99,051	(118)

**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, 2006
(thousands of dollars)**

	2005-2006 Estimates	Adjustments	2005-2006 Budget	2005-2006 Authorized Supplementary ^(a)	2005-2006 Authorized Budget	2005-2006 Actual ^(b)	Unexpended (Over Expended)
5 Parks and Protected Areas							
5.0.1 Program Support	259	-	259	-	259	281	(22)
5.0.2 Parks Policy and Planning	3,859	-	3,859	-	3,859	3,944	(85)
5.0.3 Parks Operations							
- Operating Expense	32,071	-	32,071	2,495 ^(k)	34,566	35,419	(853)
- Equipment/Inventory Purchases	3,390	-	3,390	535 ^(l)	3,925	4,061	(136)
- Capital Investment	41,192	-	41,192	4,863 ^{(b)(k)(l)(m)(n)}	46,055	34,761	11,294
5.0.4 Nominal Sum Disposals	1,582	-	1,582	-	1,582	-	1,582
5.0.5 Amortization of Tangible Capital Assets	10,225	-	10,225	-	10,225	8,704	1,521
	92,578	-	92,578	7,893	100,471	87,170	13,301
Dedicated Revenue Shortfall (Schedule 2)	-	(629) ^(c)	(629)	-	(629)	-	(629)
Total Voted Expenses	\$ 276,441	\$ (629)	\$ 275,812	\$ 59,343	\$ 335,155	\$ 321,835	\$ 13,320
Operating Expense	\$ 132,282	\$ (629)	\$ 131,653	\$ 53,157	\$ 184,810	\$ 181,698	\$ 3,112
Operating Expense funded by Lotteries	99,527	-	99,527	-	99,527	99,382	145
Equipment/Inventory Purchases	3,440	-	3,440	1,323	4,763	5,994	(1,231)
	\$ 235,249	\$ (629)	\$ 234,620	\$ 54,480	\$ 289,100	\$ 287,074	\$ 2,026
Capital Investment	41,192	-	41,192	4,863	46,055	34,761	11,294
Total Voted Expenses	\$ 276,441	\$ (629)	\$ 275,812	\$ 59,343	\$ 335,155	\$ 321,835	\$ 13,320
Statutory Expenses	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ 10	\$ -
Queen's Golden Jubilee Scholarships	217	-	217	-	217	15,695	(15,478)
Valuation Adjustments	227	-	227	-	227	15,705	(15,478)

**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, 2006
(thousands of dollars)**

- (a) Supplementary estimates were approved on December 1, 2005 and March 16, 2006. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).
- (b) Includes achievement bonus amounting to \$892.
- (c) Adjustments include dedicated revenue shortfalls (Schedule 2).
- (d) Supplementary estimate of \$1,200 to feature Alberta at the 2006 Smithsonian Folklife Festival in Washington, D.C. in July 2006, including a showcase of Alberta's folklife and worklife traditions, and a culinary program. The department will spend \$200 to act as a liaison for festival and exhibit planning, and the Alberta Foundation for the Arts will grant \$1 million to the Smithsonian Institution to assist with the management of the Festival.
- (e) Supplementary estimate of \$5,500 to support a film production on the World War I Battle of Passchendale in honour of the Year of the Veteran and Alberta's 2005 Centennial.
- (f) Supplementary estimate of \$20,000 for a one-time grant to assist with cost pressures associated with the operations and maintenance of libraries.
- (g) Net reallocation of \$288 from operating expense to equipment/inventory purchases.
- (h) Reallocation of \$500 from capital investment to equipment/inventory purchases for exhibit redevelopment at various museums and historic sites.
- (i) Treasury Board authorized a dedicated revenue increase of \$250 for the acquisition of a Grey Gull Helicopter for display at the Reynolds-Alberta Museum.
- (j) Supplementary estimate of \$15,000 for a Centennial grant to the Calgary Zoo for the Project Discovery and Gateway to the North initiatives; and \$9 million for a Centennial grant to Calgary's Heritage Park Society for the redevelopment of the park.
- (k) Reallocation of \$2,495 from capital investment to operating expense to replace fire pits and picnic tables and resurface roads within provincial parks.
- (l) Reallocation of \$535 from capital investment to equipment/inventory purchases to upgrade or replace interpretive and educational displays and signage within provincial parks.
- (m) Supplementary estimate of \$6,500 for increasing construction costs related to the upgrades at the Canmore Nordic Centre.
- (n) Treasury Board approved a \$1,893 capital carry-over of the 2004-05 unused appropriation.

**Department of Community Development
Salary and Benefits Disclosure
Year ended March 31, 2006**

	2006			2005	
	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	\$ 189,225	\$ 36,000	\$ 41,512	\$ 266,737	\$ 218,576
	136,164	21,197	2,770	160,131	150,457
Executives					
Assistant Deputy Minister, Community and Citizenship Services ^(e)	145,892	24,792	33,941	204,625	182,510
Assistant Deputy Minister, Cultural Facilities and Historical Resources	139,936	15,614	32,446	187,996	163,621
Assistant Deputy Minister, Parks and Protected Areas	140,668	23,904	33,209	197,781	164,383
Assistant Deputy Minister, Strategic Corporate Services ^(e)	133,810	19,841	32,551	186,202	176,061
Executive Director, Alberta 2005 Centennial Initiative ^(f)	113,965	19,436	27,412	160,813	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) This position was vacant from April 1, 2005 to April 17, 2005.
- (f) This position became part of Executive Committee on December 1, 2004.

Department of Community Development
Related Party Transactions
Year ended March 31, 2006
(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	
	2006	2005	2006	2005
Revenues				
Grants	\$ -	\$ -	\$ 99,537	\$ 85,816
Expenses – Directly Incurred				
Grants	\$ 67,599	\$ 66,306	\$ -	\$ -
Other services	-	-	5,027	4,729
	\$ 67,599	\$ 66,306	\$ 5,027	\$ 4,729
Tangible Capital Assets Transferred from (to)				
Others	\$ -	\$ -	\$ 160	\$ (787)
Accounts Payable	\$ 25	\$ 3	\$ -	\$ 35
Accounts Receivable	\$ 166	\$ 283	\$ -	\$ -

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

Department of Community Development
Related Party Transactions
Year ended March 31, 2006
(thousands of dollars)

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	
	2006	2005	2006	2005
Recoveries				
Services Provided	\$ 1,803	\$ 1,426	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 21,857	\$ 18,617
Parks Maintenance	-	-	1,499	2,672
Legal	-	-	388	343
Internal Audit	-	-	183	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,927</u>	<u>\$ 21,632</u>

**Department of Community Development
Allocated Costs
Year ended March 31, 2006
(thousands of dollars)**

Program	Expenses – Incurred by Others					Valuation Adjustments ^(e)					Total Expenses Restated (Note 10)
	Expenses ^(a)	Services Provided ^(b)	Accommodation Costs ^(c)	Parks Maintenance ^(d)	Legal Services ^(e)	Internal Audit Services ^(f)	Provision for Environmental Obligations	Provision for Vacation Pay	Provision for Doubtful Accounts	Total Expenses	
Ministry Support Services	\$ 11,332	\$ -	\$ 377	\$ -	\$ 61	\$ 1	\$ -	\$ 8	\$ -	\$ 11,779	\$ 10,815
Community Services	118,676	(883)	1,282	-	54	33	-	21	-	119,183	88,920
Human Rights and Citizenship	5,468	(179)	134	-	-	1	-	7	-	5,431	5,063
Cultural Facilities and Historical Resources	97,256	(741)	18,409	-	92	31	14,500	42	-	129,589	62,934
Parks and Protected Areas	48,348	-	1,655	1,499	181	117	1,037	55	25	52,917	45,112
Queen's Golden Jubilee Scholarships	10	-	-	-	-	-	-	-	-	10	10
	<u>\$ 281,090</u>	<u>\$ (1,803)</u>	<u>\$ 21,857</u>	<u>\$ 1,499</u>	<u>\$ 388</u>	<u>\$ 183</u>	<u>\$ 15,537</u>	<u>\$ 133</u>	<u>\$ 25</u>	<u>\$ 318,909</u>	<u>\$ 212,854</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) The Department of Infrastructure and Transportation provides road and bridge maintenance to Parks and Protected Areas. Costs shown for Parks Maintenance on Schedule 7, allocated to the program.
 (e) Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.
 (f) The Department of Executive Council provides Internal Audit Services. Costs shown for Internal Audit Services on Schedule 7, allocated by estimated costs incurred by each program.
 (g) Valuation Adjustments as per Statement of Operations. Environmental Obligations, employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:
 - Environmental Obligations – allocated to the program,
 - Vacation Pay – allocated to the program by employee,
 - Doubtful Accounts Provision – estimated allocation to program.