

# Infrastructure

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Annual Report **2018–2019**

**Note to Readers:**

Copies of the annual report are available on the Alberta Open Government Portal website [www.alberta.ca](http://www.alberta.ca)

**Alberta Infrastructure**

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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

**This annual report of the Ministry of Infrastructure contains the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report includes:**

- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.**

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements previously included in the annual report of the Ministry of Infrastructure have been replaced with the financial information of the ministry on pages 33-41.

Key information previously contained in the annual reports of each of the 21 ministries is now included in the audited consolidated financial statements of the province.

## Message from the Minister



In April 2019, I was proud to accept the position of Minister of Infrastructure for Alberta's newly elected government. It is a great honour for me to lead our province's efforts to plan, build, renew and maintain infrastructure that meets the needs of our current and future population and grows the economy at the same time.

Looking at Infrastructure's many achievements in 2018-19, I am confident in my team's professionalism and its ability to continue to move us forward. In collaboration with partner ministries, job creators, and other stakeholders, we will achieve our commitment to focus on key infrastructure projects that will support essential public services such as health and education, and will help build a prosperous future for all Albertans.

Our government is committed to the work Albertans have entrusted to us. I look forward to the path ahead.

[Original signed by]

*Honourable Prasad Panda*  
*Minister of Infrastructure*

# Management's Responsibility for Reporting

The executives of the ministry have the primary responsibility and accountability for the ministry. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Minister of Infrastructure. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including financial information and performance results. The financial information and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial information is prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

**Reliability** – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.

**Understandability** – the performance measure methodologies and results are presented clearly.

**Comparability** – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.

**Completeness** – outcomes, performance measures and related targets match those included in the ministry's *Budget 2018*.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Infrastructure the information needed to fulfill their responsibilities; and
- facilitate the preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives within the ministry.

[Original signed by]

*Shannon Flint*  
*Deputy Minister of Infrastructure*  
*May 31, 2019*

# Results Analysis

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## Ministry Overview

The vision of Alberta Infrastructure is to provide innovative, high quality and well-designed public infrastructure for Albertans. Through leadership, expertise and collaboration with partners including industry, the ministry provides public infrastructure that contributes to the province's economy and Albertans' quality of life.

To achieve its vision, the ministry is focused on achieving two outcomes:

- **Outcome One:** Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs; and
- **Outcome Two:** Alberta's public infrastructure is effectively managed and sustainable.

In 2018-19, Infrastructure led the preparation of the Government of Alberta Capital Plan in collaboration with other ministries. The Capital Plan is a multi-year plan that sets out investments for infrastructure projects that support government priorities. The ministry also collaborates with other levels of government and other departments to secure federal infrastructure funding.

Infrastructure works to ensure public infrastructure meets Albertans' needs in a cost-effective and efficient manner, while recognizing Alberta's environmental, social and economic priorities. Infrastructure also leads through design, construction, operation, evaluation, preservation and divestiture of public facilities. The ministry's contracting, procurement and other practices ensure that facility standards are met and value for investment is achieved.

Infrastructure partners with other ministries, boards and stakeholders to:

- deliver kindergarten to grade 12 education facilities;
- deliver health facilities;
- deliver other public infrastructure such as government office space, museums and courthouses; and
- provide support to post-secondary institutions to develop facilities to meet their needs.

Infrastructure is accountable for the management, operations and maintenance of government-owned and leased properties. The ministry manages the Swan Hills Treatment Centre, and provides accommodation planning and other services for government and service providers in owned and leased office space, museums, courthouses, correctional centres, service buildings and research facilities.

The ministry conducts renovation, modernization and revitalization projects to maintain and modernize existing government infrastructure. It provides comprehensive real estate and leasing services to government ministries, boards and agencies and is responsible for the planning and management of the Restricted Development Areas around the cities of Calgary and Edmonton, and Sherwood Park West, including the Transportation Utility Corridors.

Infrastructure is committed to a culture of continuous improvement throughout all aspects of ministry operations, including project planning, management and delivery, procurement practices, contract management and maximizing the potential of ministry staff.

## Legislation

Infrastructure has primary responsibility for the following Legislation and Regulations:

- *Public Works Act*
- *Post-secondary Learning Act*
  - Section 66 (2) and (3) and 67
- Regulations pursuant to the *Government Organization Act*
  - Crown Property Regulation
  - Infrastructure Grants Regulation
  - Calgary Restricted Development Regulations
  - Edmonton Restricted Development Regulations
  - Sherwood Park West Restricted Development Area Regulations

Infrastructure has common responsibility for the following Legislation and Regulations:

- *Government Organization Act*
  - Section 3 of Schedule 1 with Minister of Advanced Education
  - Sections 4 to 9 of Schedule 5 with Minister of Environment and Parks
  - Sections 1, 4, 5, 11 and 12 of Schedule 11 with Ministers of Transportation and Service Alberta
  - Sections 6 to 10, and 13 of Schedule 11 with Minister of Transportation
- *Hospitals Act* with Minister of Health
  - Sections 28(1)(a), 42 and 43(h) to (j)
  - Hospitalization Benefits Regulation
  - Operation of Approved Hospitals Regulation
- *Mental Health Act* with Minister of Health
  - Section 53(1)(c)
- *Nursing Home Act* with Minister of Health
  - Sections 6, 11, 23(g) and (j), 24(1)
  - Nursing Homes Operation Regulation
  - Nursing Homes General Regulation
- *Post-secondary Learning Act* with Minister of Advanced Education
  - Sections 72(3) and (4), 73, 80, 99(1)(a) and (2) to (6)
- *School Act* with Minister of Education
  - Part 7 and section 274
  - Disposition of Property Regulation
  - School Buildings and Tendering Regulation
- *Water, Gas and Electric Companies Act* with Ministers of Energy and Transportation
  - Section 4

## Discussion and Analysis of Results

### Outcome One

#### Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.

Infrastructure supports the services and programs that create and sustain a high quality of life for Albertans by effectively planning capital projects. Infrastructure also collaborates with partner ministries, boards, agencies and other stakeholders to plan, build and deliver government-owned and supported capital infrastructure, including health and learning facilities.

### Key Strategies

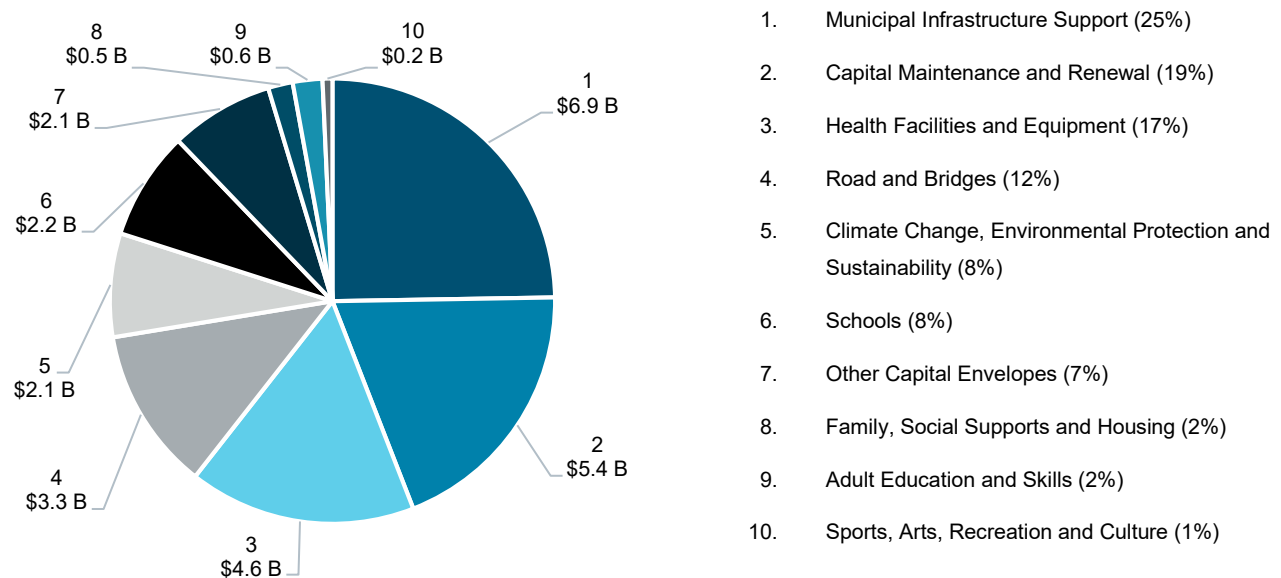
#### 1.1 Develop a responsible provincial Capital Plan to ensure provincial infrastructure supports key public services and contributes to the Alberta Jobs Plan.

Infrastructure led Alberta's capital planning process and developed a multi-year Capital Plan. From schools and hospitals, to roads and bridges, seniors' accommodations and affordable housing, the Capital Plan investment ensures Albertans have access to the public infrastructure they rely on.

The 2018-23 Capital Plan was \$29.9 billion, which consolidated \$26.6 billion from the core Government of Alberta Capital Plan and \$3.3 billion from Schools, Universities, Colleges, Hospitals (SUCH) self-financed capital investment. The Capital Plan aims to strike a balance between the construction of new facilities and the maintenance of existing infrastructure.

#### Budget 2018 Capital Plan – Allocated by Envelope

(Percentage of total<sup>1</sup>) (\$ in billions<sup>2</sup>)



<sup>1</sup> Excludes \$3.3 billion in Schools, Universities, Colleges and Hospitals self-financed capital investment

<sup>2</sup> Excludes \$1.3 billion in Unallocated and Expected Cash Flow Adjustments

To develop the Capital Plan, Infrastructure collaborated and coordinated with all government ministries to identify their capital needs and supported the development of their submissions for the budget cycle. The ministry reviewed the submissions against key government priorities and provided decision-makers with the most complete information possible. Throughout the capital planning process, Infrastructure also leverages federal funding arrangements in order to maximize the value of investments in Alberta's public infrastructure.

In 2017, the Office of the Auditor General (OAG) audited the capital planning process and recommended updating standards, clarifying the phased approach to the capital plan process, improving maintenance planning systems and evaluating capital maintenance programs for buildings. To address these recommendations and to better assist ministries during the capital planning process, a new capital planning manual was released in August 2018. In October 2018, a new Capital Planning Policy was developed to ensure alignment of processes, and to establish an environment where strong planning practices are applied and collaboration is fostered. Another OAG recommendation to review and evaluate the capital maintenance program for facilities will be undertaken by Treasury Board and Finance in 2019-20, as the responsibility for the Capital Plan has been transferred from Infrastructure to Treasury Board and Finance.

On April 3, 2018, Infrastructure signed an Integrated Bilateral Agreement with Infrastructure Canada and launched the Investing in Canada Infrastructure Program (ICIP). Through ICIP, the federal government has allocated \$3.65 billion over 10 years to Alberta to fund projects meeting outcomes under four streams:

- Public Transit (\$2.1 billion) to improve capacity, quality, safety and access for public transit infrastructure;
- Green Infrastructure (\$1.25 billion) to reduce greenhouse gas emissions, mitigate climate change impacts and improve the environment;
- Community, Culture, and Recreation (\$140.6 million) to improve access and quality of cultural, recreational and/or community infrastructure; and
- Rural and Northern Communities (\$159.7 million) to improve food security, road/air infrastructure, broadband connectivity and more efficient/reliable energy for communities with a population of 100,000 or less.

As part of ICIP, 624 Expressions of Interest have been received as of March 31, 2019. To maximize the benefits of the federal infrastructure program, Infrastructure developed a cross-ministry approach to review and prioritize projects, and tied it in with the annual capital planning and budget development process.

In addition to ICIP, Infrastructure administers the Provincial-Territorial Infrastructure Component-National and Regional Projects (PTIC-NRP), a federally funded program. Under the PTIC-NRP, Alberta has been allocated \$845.6 million in funding as of March 31, 2019, with another \$2.1 million that was approved in early April 2019. In total, 34 projects have been approved, including six projects in 2018-19. Agreements for the six projects will be directly between the applicants and Infrastructure Canada. The ministry continues to support negotiations on provincial PTIC-NRP Contribution Agreements with the federal government, particularly in the area of Indigenous consultation.

## 1.2 Manage the delivery of new construction and major modernization projects for health, school and government-owned facilities and support the maintenance of existing infrastructure.

### Health Facilities

In collaboration with Health and Alberta Health Services, Infrastructure designs and builds health facilities to meet community needs. As of March 31, 2019, key projects in progress include:

- Calgary Cancer Centre – The facility will provide Albertans with a first-class health care facility and academic hub for cancer services in Southern Alberta. The project is currently in the construction phase.
- Edmonton hospital – The hospital will be located in Southwest Edmonton. The Clinical Services Plan and site master planning were completed and signed off in March 2019.
- Grande Prairie Regional Hospital – The hospital will help more northern patients receive specialized, complex care that is closer to home and with shorter wait times. The hospital is currently in the construction phase.
- Medicine Hat Regional Hospital – The project will provide 224 new treatment spaces, six operating rooms and 40 renovated treatment spaces. The project is currently in the construction phase.
- Complex Continuing Care Facility, Calgary – The facility will provide 198 new complex care beds. The project is currently in the design phase.
- Norwood Long-Term Care Facility, Edmonton – The facility will help with the growing need in the Edmonton area for long-term care capacity, including complex and post-acute care. Infrastructure acquired all the required land and rezoning approvals in 2018-19. Abatement and demolition has been completed.
- Fort McMurray Residential Facility-Based Care Centre, Willow Square – The facility will include spaces for long-term care, supportive living of various levels and palliative care. It is currently in the construction phase.
- Stollery Children's Hospital Critical Care Program, Edmonton – The redevelopment and expansion of the Critical Care Program will increase clinical support space to accommodate new equipment that is needed to meet increasing levels of patient care and current health standards of practice. The project is currently in the construction phase, with expansion of the existing Pediatric Intensive Care Unit completed in March 2019.
- Northern Lights Regional Health Centre Repairs, Fort McMurray – The project will repair issues with the building envelope such as insulation and sealing of the building to extend the life of the facility. The project is currently in the construction phase.
- Lloydminster Continuing Care Centre – The two-phase project will involve the construction of a new 60 bed long-term care facility and a small addition to replace some support service areas. The project is entering into the tender phase.
- Provincial Heliports, multiple sites – Upgraded or new heliports will provide better access to hospitals:
  - Completed projects in 2018-19 include heliports at Smoky Lake, Banff, Camrose, Cold Lake, Rocky Mountain House and Westlock; and

- The Fort McMurray and Jasper helipad projects are in progress.
- Red Deer Secure Detoxification and Residential Treatment Facility – The Protection of Children Abusing Drugs program will be housed in a secure detoxification and residential treatment facility. The facility is currently in the construction phase.
- Peter Lougheed Centre, Emergency Department, Mental Health, Intensive Care Unit and Laboratory Redevelopment, Calgary – The project is currently in the planning phase, with functional programming completed.
- Royal Alexandra Hospital, Child and Adolescent Mental Health, Edmonton – The project will consolidate and expand services from the Royal Alexandra and Glenrose campuses. It is currently in the design phase.
- Misericordia Community Hospital New Emergency Department, Edmonton – The project will address service pressures in Edmonton and neighbouring communities. The schematic design was completed and the construction contract was awarded.
- Medical Device Reprocessing (MDR) Upgrades Program, multiple sites – MDR is an essential service, supporting patient safety by directly impacting the prevention of transmission of infections from reusable medical devices used in the delivery of health care. The project supports MDR remediation at high priority sites. Functional programming, which outlines project objectives, space and technical requirements, was completed for the Peter Lougheed Centre in Calgary and the Red Deer Regional Hospital in 2018-19.

Infrastructure achieved substantial completion of the Edson Healthcare Centre – Community Health and Wellness Clinic and was handed over to Alberta Health Services in 2018.

### School Facilities

In collaboration with the Ministry of Education and school jurisdictions, Infrastructure designs, builds and modernizes school facilities to ensure Alberta's kindergarten to grade 12 students and communities have access to modern and well-designed learning spaces. While Education is accountable for capital planning, Infrastructure is accountable for project implementation. School capital projects are delivered through two streams:

- Infrastructure-Managed Projects – the ministry manages the projects from design to construction and warranty phase; and
- School Jurisdiction-Managed Projects – grant-funded projects for jurisdictions to contract and manage building, design and construction work.

Since 2011, the province has undertaken one of the most significant school building programs in North America. A total of 278 school capital projects have been approved, of which 207 have been completed, including 30 schools completed in 2018-19. Overall, as of March 31, 2019:

- 207 projects are Complete;
- 34 projects are in Construction;
- Four are in Contract Award;
- One is in the Tender Stage;
- 20 are in the Design Stage; and
- 12 are in the Planning Stage.

Infrastructure provided support to projects that directly impact life in Indigenous communities and organizations, both on- and off-reserve. Two new schools for Peerless Trout First Nation in Peerless Lake (kindergarten to grade eight) and Trout Lake (kindergarten to grade 12) are being built in collaboration with Education and the First Nation. These schools are built on Crown land and the land will be transferred to the First Nation upon completion.

Infrastructure continued to support Education to enable space flexibility and maximize usage. Examples include the provision of operable walls to increase or decrease room sizes, the creation of multi-use areas, and the establishment of partnerships with communities to incorporate municipal facilities for mutual use and benefit (e.g., recreation centres and libraries). The ministry also provided support in allocating 90 modular units to new schools and for modernization projects for the 2018-19 school year.

The Office of the Auditor General made recommendations on the school building program in April 2016 to clarify roles and responsibilities for Education and Infrastructure, improve systems to manage and control projects, and improve reporting systems and controls. To address these recommendations, Infrastructure formally adopted the roles and responsibilities outlined in the Memorandum of Understanding (MOU) and the Responsibility, Accountability, Support, Consult and Inform (RASCI) documents, signed in 2017. The school capital program was transferred to Infrastructure effective April 1, 2018.

### **Post-Secondary Facilities**

Infrastructure provides support to post-secondary institutions (PSIs) to develop facilities to meet their needs, and collaborates with Advanced Education in reviewing and establishing project priorities during the capital planning process.

The ministry monitored and supported progress on 10 active projects at various stages, in addition to 11 Capital Maintenance and Renewal grants and 21 PSI Infrastructure Maintenance Program (IMP) plans. Of the 21 IMP plans, 19 have been received and recommended for payment. Infrastructure also provided support to PSIs that require Orders in Council for dispositions to sell or lease land as part of the ministry's responsibility. This support includes reviewing business cases and working with PSIs to ensure complete and accurate proposals are submitted.

In 2018-19, Infrastructure worked with the University of Calgary to transfer 76 acres of land, inclusive of Crown-owned buildings, to the university for the University Research Park. The transfer is designed to better achieve collective research and innovation goals, and maximize the benefit of the lands to the university, the City of Calgary and the province.

Infrastructure coordinated the federally-funded Strategic Investment Fund (SIF) to improve the scale or quality of facilities for research and innovation, specialized training and environmental sustainability. Under the SIF, 44 projects have been completed with 32 projects currently in various stages of providing close-out documentation to the federal government for final approval and payment. Twelve projects have been fully closed-out.

### **Government-Owned and Operated Facilities**

In collaboration with other ministries, Infrastructure plans, designs, builds and maintains facilities to support the provision of Government of Alberta programs and services.

As of March 31, 2019, key projects in progress or recently completed include:

- Leduc Agrivalve Processing Business Incubator – The facility is being expanded to support the establishment and growth of new food companies and business ventures in Alberta. The expansion includes two additional incubator suites and a product development suite capable of supporting provincially inspected food processors. The project is under construction.
- Provincial Operations Centre, Edmonton – The centre is part of the Alberta emergency management system that mitigates, prepares for, responds to and helps recovery from all emergencies. Space in the facility has been designed for multi-purpose use. The project is nearing completion on the design phase.
- Red Deer Justice Centre – The project will address space shortages in the community and ensure vital justice services are delivered effectively to residents of central Alberta. Land has been acquired with design well under way. Infrastructure is working with the City of Red Deer to integrate the development into the downtown cityscape.
- Reynolds-Alberta Museum, Wetaskiwin – The project is moving forward and Infrastructure has engaged with local stakeholders. The facility will have advanced storage access and a multi-purpose room that will be available for the Government of Alberta and the Wetaskiwin community to hold meetings.
- Courthouse Renewal Program – The renewal of courthouses throughout the province, including:
  - Upgrades to courthouses in Red Deer and Wabasca and modular courthouses in Red Earth Creek and Fort Vermilion have been completed;
  - Design and construction are ongoing at the Edmonton Law Courts and facilities at Hinton, Whitecourt, Canmore, Didsbury, Cochrane and Brooks; and
  - Modular courthouses for Chateh and Alexis are in progress.
- New Alberta Gaming, Liquor and Cannabis Commission (AGLC) Distribution Warehouse, St. Albert – Infrastructure constructed and delivered the facility in fall 2018. This warehouse, funded by AGLC, has the capacity to hold 70,000 pallets of alcohol products.

### **1.3 Continuously improve planning, project management and procurement to deliver capital projects on time, on budget and to specification.**

In an effort to continuously improve planning and project management, Infrastructure initiated a review of various specifications in 2018-19. Specifications describe the quality and performance of building materials, using code citations and published standards. One example includes changes to roofing specifications, which updated requirements for warranty, trade compliance and best work result practices. The changes were made in collaboration with the Alberta Roofing Contractors Association. The ministry is planning to update more specifications and requirements in 2019-20 by collaborating with various industry participants.



To recognize specific strengths and weaknesses of a completed project, Infrastructure conducts Post-Occupancy Evaluations (POEs). POEs document the performance of a facility, specifically its functionality and how the building meets facility users' needs, activities and goals. The benefits of a POE are the lessons learned. It informs Infrastructure on how to improve its practices and standards by learning from completed projects. In 2018-19, six POEs were completed: four schools, a courthouse and an office building. The findings were presented within Infrastructure and Education as well as through industry associations like the Association for Learning Environments.

In collaboration with Advanced Education and the Apprentices and Industry Training Board, an Apprenticeship Plan requirement was introduced in Infrastructure procurements in January 2018. Under these plans, prime contractors are required to use apprentices for designated trades as defined in the *Apprenticeship Act* on construction related projects exceeding \$15 million or 24 months in duration. Additionally, sub-contractors hired by the prime contractor for sub-contracts exceeding \$500,000 or 24 months in duration must use apprentices for designated trades. In 2018-19, projects that have utilized apprentices include:

- The new Morinville Grade Five to Nine School project used three apprentices in Quarter One and 17 in Quarter Four; and
- The Willow Square Health Facility project used four apprentices in Quarter One, 21 in Quarter Two and 22 in Quarter Four.

Several other projects that are coming online where apprentices will be required include:

- Capital Care Norwood Redevelopment;
- Misericordia Community Hospital New Emergency Department;
- Medicine Hat École Les Cyprès Kindergarten to Grade 12 Replacement School;
- Legislature Building Cladding and Window Restoration; and
- Woodhaven Middle School Addition and Modernization.

Infrastructure is working with Transportation to improve land planning for the Edmonton and Calgary Transportation Utility Corridors (TUC). Advanced mapping tools available at Infrastructure supported the completion of some of the major projects including the northwest leg of Anthony Henday Drive in Edmonton and the southwest leg of Stoney Trail in Calgary. The ministry will continue to closely work with Transportation to manage TUC lands to support current and anticipated long-term operations of the ring roads. These efforts ensure that land is utilized efficiently and that land not needed for the TUC is made available in a timely manner to the municipality or private parties for their use.

## Quick Fact

In 2015, in an effort to continuously improve ministry processes, Infrastructure initiated a program to apply the Lean Six Sigma methodology.

As of March 31, 2019, Infrastructure's Continuous Improvement program has implemented 20 projects achieving measurable improvements to project delivery and supporting operational processes.

#### **1.4 Account for evolving needs of Albertans by incorporating adaptability into the design of future Infrastructure delivered projects.**

The ministry is committed to ensuring future projects incorporate resiliency and adaptability into the planning and design phase of projects. Resilience is the capacity to maintain or regain functionality after a disturbance or interruption.

To further understand how facilities can be resilient, Infrastructure conducted a jurisdictional scan and literature review to determine key climate impacts affecting buildings, the legal risk of climate impacts and different risk assessment tools and resources. The jurisdictional scan and literature review also examined how provinces and states are assessing climate risk to buildings. This work led to the integration of a climate risk assessment in ongoing facility evaluations based on the four most common climate impacts to buildings: extreme precipitation, extreme heat, high winds and drought/wildfires. Following implementation, the ministry will have baseline information indicating how its owned facilities may be at risk for climate impacts and to respond accordingly.

In addition, Infrastructure developed a Design Review Compliance Tracking tool to track the Technical Design Requirement compliance of consultant deliverables throughout the design review cycle. This tool can identify trends or recurring compliance concerns, and whether or not issues were resolved by the end of the review cycle (i.e., tender).

Infrastructure developed Design Principles and Functionality Standards to incorporate multi-functional usage of space. The design principles provide an overview of the elements required for the design, construction, operation and maintenance of all the Government of Alberta funded facilities. The functionality standards provide specific planning, technical and operational strategies for guidance. For example, the expansion of the Leduc Agrivalue Processing Business Incubator was designed based on the guidance to accommodate a variety of tenants that can develop new food products for local as well as international markets.

## Outcome One Performance Measures

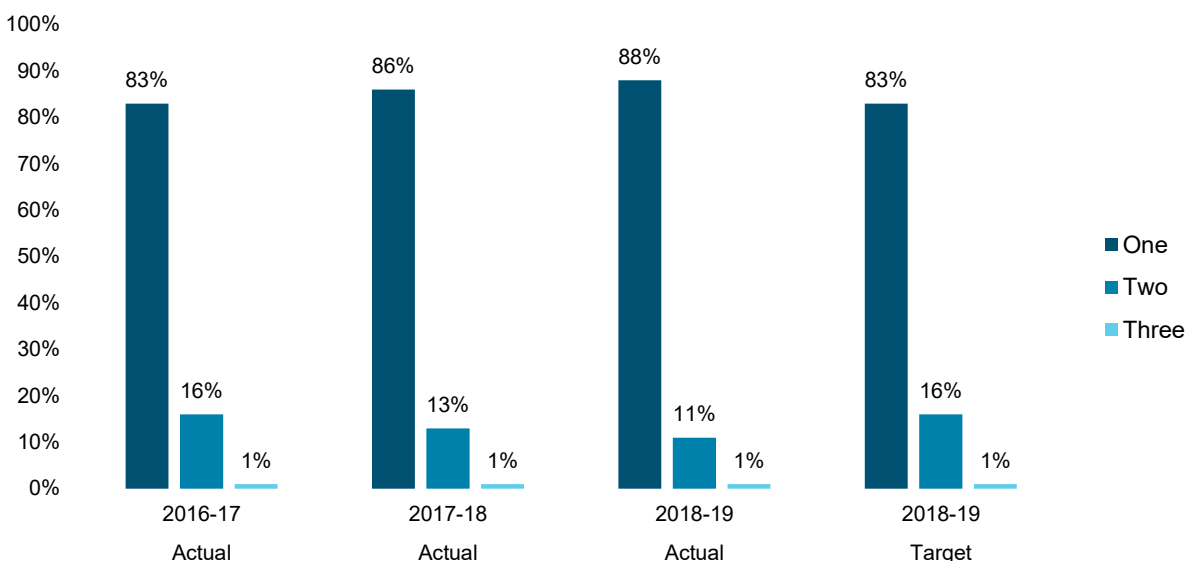
In measuring performance towards achieving Outcome One, the ministry monitors and reports on the physical condition of health facilities, K-12 schools, post-secondary institutions and government-owned and operated facilities. Infrastructure uses the Facility Condition Index (FCI) as a common measure, providing an indication of the physical condition for each facility type. The FCI is a ratio of the cost to address current and future (five year) maintenance and renewal needs, relative to facility replacement value, which is translated into three different categories:

- Category One - facilities with FCI less than or equal to 15 per cent;
- Category Two - facilities with FCI that is greater than 15 per cent or equal to or less than 40 per cent; and
- Category Three - facilities with FCI greater than 40 per cent.

These measures support partner ministries to identify investment opportunities and set priorities for the purpose of capital planning on capital maintenance and renewal projects and potential cases for new or replacement facilities.

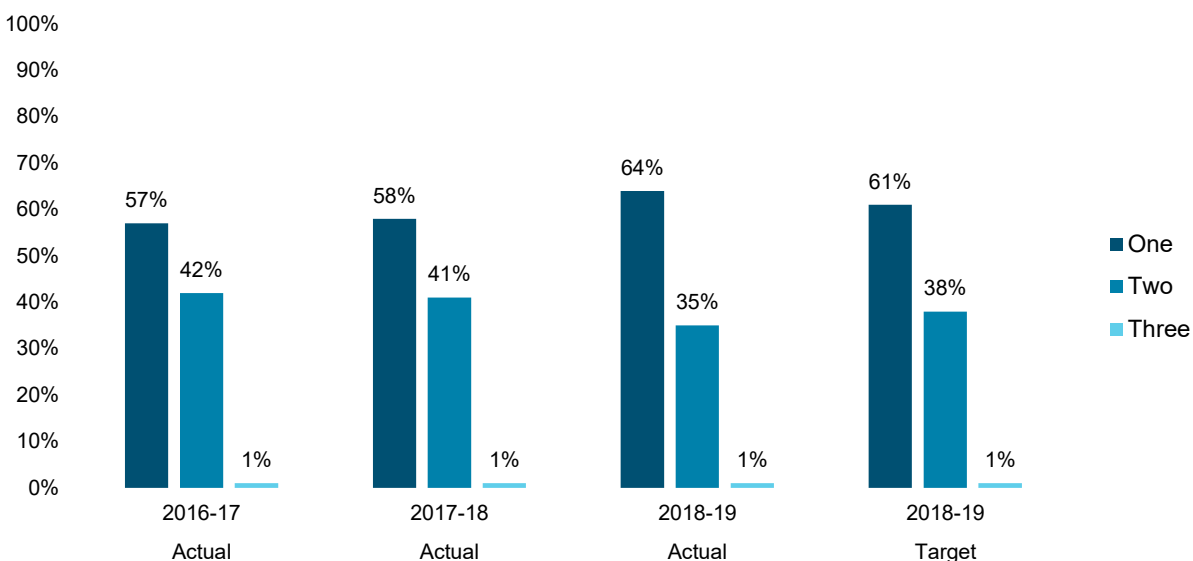
Going forward, the physical condition of health, school and post-secondary facilities will be reported as performance indicators as there are many factors beyond the control of Infrastructure that influence the results achieved. The physical condition of government-owned and operated facilities will continue to be reported as a performance measure. For more information about the measures and how the results are calculated, please see performance measure and indicator methodology section.

**Performance Measure 1.a:  
Health Facilities – Physical Condition**



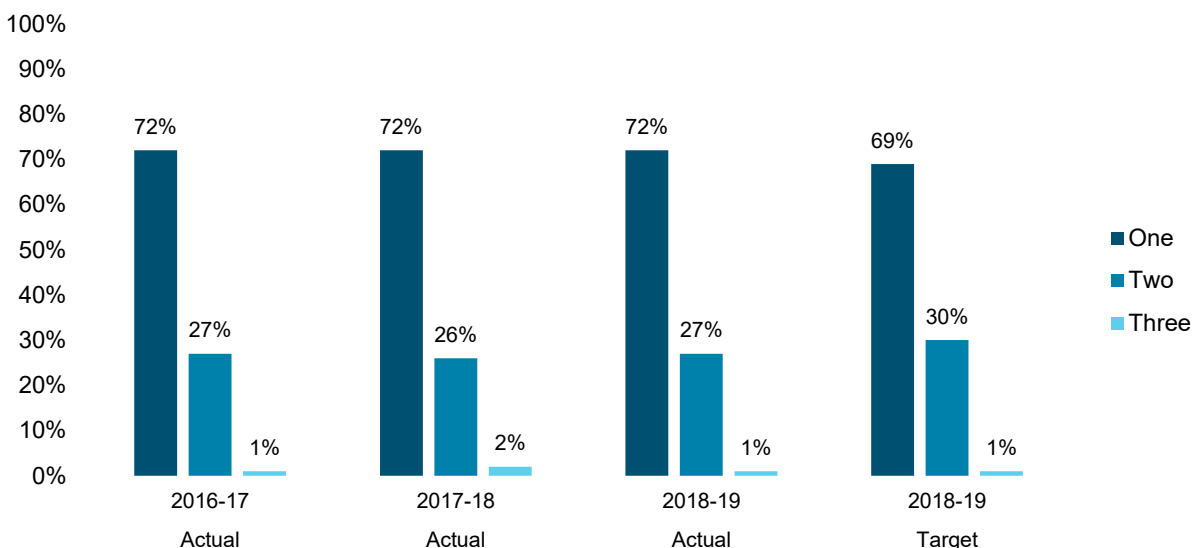
- This performance measure reports the percentage of health facilities rated in Category One, Two and Three (by area in square metres). This measure supports long-term capital planning of health facilities across the province. The average age of health facilities included in this measure is 36 years and 64 per cent are more than 30 years old.
- The targeted facility condition index for health facilities in 2018-19 was:
  - 83 per cent in Category One;
  - 16 per cent in Category Two; and
  - one per cent in Category Three.
- The 2018-19 results for health facilities were:
  - 88 per cent in Category One;
  - 11 per cent in Category Two; and
  - one per cent in Category Three.
- As compared to the target, the 2018-19 performance measure results show a five per cent increase in Category One and a five per cent decrease in Category Two. The percentage of health facilities rated in Category Three remained stable at one per cent.
- The target for 2018-19 in Category One was exceeded due to a net of 23 facilities that moved to Category One and the significant improvements made to the existing inventory.
- The replacement and maintenance of aging facilities and the construction of new facilities through capital investments over the past years resulted in the shift from Category Two to Category One.
- Fluctuations between Category One and Category Two are expected to continue in the coming years as facilities age, new projects are completed and the older facilities are disposed.

### Performance Measure 1.b: School Facilities – Physical Condition



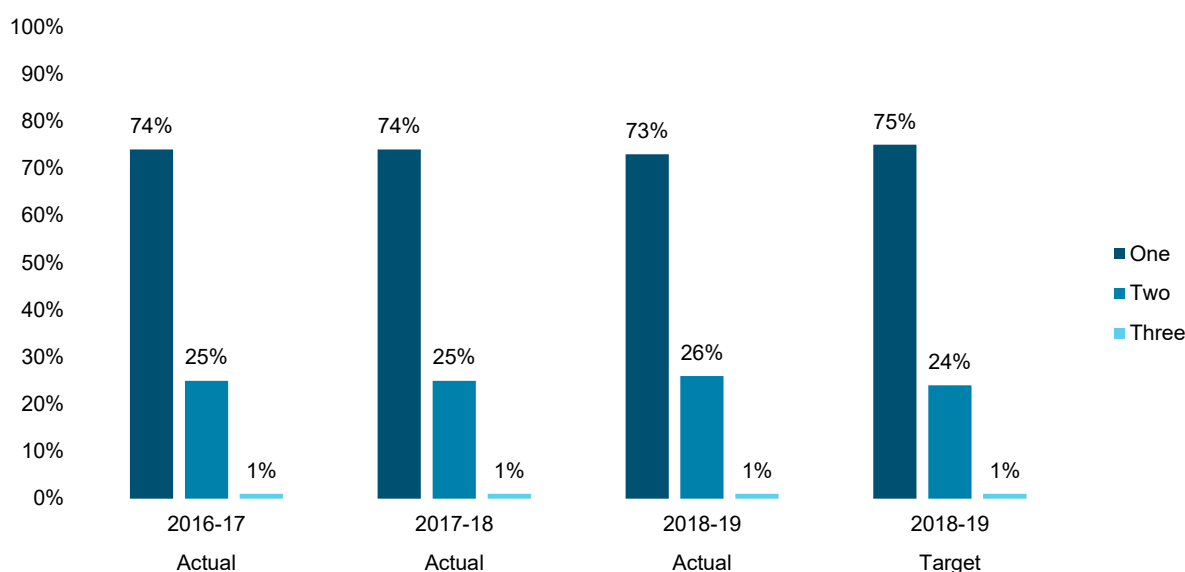
- This performance measure reports the percentage of schools rated in Category One, Two and Three (by area in square metres). The average age of school facilities included in this measure is 46 years and 63 per cent are more than 40 years old.
- The targeted facility condition index for school facilities in 2018-19 was:
  - 61 per cent in Category One;
  - 38 per cent in Category Two; and
  - one per cent in Category Three.
- The 2018-19 results for school facilities were:
  - 64 per cent Category One;
  - 35 per cent in Category Two; and
  - one per cent in Category Three.
- As compared to the target, the 2018-19 performance results show a three per cent increase in Category One and a three per cent decrease in Category Two. Category Three remained stable at one per cent.
- The shift from Category Two to Category One is due to the number of new school openings in the year. Moreover, approximately 500 school evaluation reports were made available in 2018-19 and have improved the accuracy of results.
- The 2018-19 target was set based on updated evaluation data and the anticipated completion of several replacement schools and modernization projects. Increased infrastructure maintenance and renewal funding has contributed to the increase in Category One from 2017-18.

**Performance Measure 1.c:  
Post-Secondary Facilities – Physical Condition**



- This performance measure reports the percentage of post-secondary facilities rated in Category One, Two and Three (by area in square metres). The average age of post-secondary facilities included in this measure is 38 years and 60 per cent are more than 35 years old.
- The targeted facility condition index for post-secondary facilities in 2018-19 was:
  - 69 per cent in Category One;
  - 30 per cent in Category Two; and
  - one per cent in Category Three.
- The 2018-19 results for post-secondary facilities were:
  - 72 per cent in Category One;
  - 27 per cent in Category Two; and
  - one per cent in Category Three.
- As compared to the target, the 2018-19 performance measure results show a three per cent increase in Category One and a three per cent decrease in Category Two. Category Three remained stable at one per cent.
- In 2018-19, the target for Category One was exceeded mainly due to new facilities opening throughout the province, totalling approximately 125,000 square metres.
- The result for Category Two shows a three per cent decrease as compared to the target as a result of the new space that became available in 2018-19.
- As facilities age, significant renewal will be required. Federal funding from the Strategic Investment Fund program is expected to show a positive impact on the results of the measure in future.

**Performance Measure 1.d:  
Government-Owned and Operated Facilities – Physical Condition**



- This performance measure reports the percentage of government-owned and operated facilities rated in Category One, Two and Three (by area in square metres). This measure supports long-term capital planning of government-owned and operated facilities across the province. The average age of government-owned and operated facilities included in this measure is 45 years and 93 per cent are more than 30 years old.
- The targeted facility condition index for government-owned and operated facilities in 2018-19 was:
  - 75 per cent in Category One;
  - 24 per cent in Category Two; and
  - one per cent in Category Three.
- The 2018-19 results for government-owned and operated facilities were:
  - 73 per cent in Category One;
  - 26 per cent in Category Two; and
  - one per cent in Category Three.
- As compared to the target, the 2018-19 performance measure results show a two per cent decrease in Category One and a two per cent increase in Category Two. Category Three remained stable at one per cent.
- The performance results have stayed fairly stable for past few years with a slight variation between Category One and Two.
- Performance measure results might see some fluctuations in the near future, which are expected to be influenced by several factors:
  - As facilities age, building components deteriorate, increasing the maintenance costs. This is why facilities shift from Category One to Category Two as they age.

## Results Analysis

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- The Government-Owned Facility Preservation Program has an average annual budget of approximately \$60 million. These funds are used for maintenance activities that contribute to the condition of the facilities and will be reflected in the measure when the facility is next audited.
- Infrastructure's Asset Management Plan continues to support investing in core buildings while disposing of assets that are obsolete, inefficient and are no longer required.



## Outcome Two

### Alberta's public infrastructure is effectively managed and sustainable.

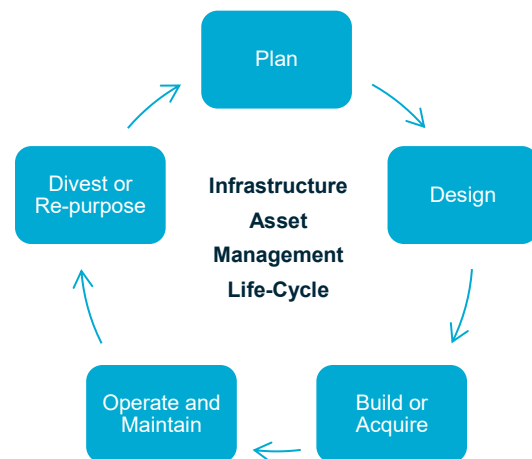
By optimizing the value of government-owned and operated facilities, Infrastructure ensures sound financial stewardship, quality and efficient use of government assets.

## Key Strategies

### 2.1 Incorporate asset management solutions throughout the design, construction, operation, maintenance and divestment phases to ensure effective decision-making related to facilities, land, leasing and accommodation services.

Infrastructure owns, leases and provides property management for approximately 1,800 structures totalling over 2.8 million square metres of space, with an \$11.9 billion replacement value of owned assets.

Infrastructure's capital assets represent a significant long-term investment. In order to maximize the value of government-owned and operated facilities and to further support sound financial stewardship, asset management principles are applied throughout the full asset management life-cycle. In 2018-19, life-cycle costing at a portfolio and project level was completed in order to make informed decisions regarding the most cost-effective way of owning, operating and maintaining facilities. Life-cycle costing accounts for the costs of an asset throughout the full asset management life-cycle to support diligent decision-making.



The ministry has been making continuous efforts to increase the effective use of space as well as disposition of assets. In 2018-19, the ministry estimated a net reduction of 12,258 square metres of leased space. In addition, the ministry avoided having to lease 14,500 square metres of new space by improving utilization within existing owned and leased assets.

Infrastructure worked with all ministries to implement the Facility Emergency Planning Program to ensure the safety of all staff and visitors in government-owned and occupied facilities. As part of this program, all facilities are required to have Facility Emergency Response Plans. In 2019-20, the ministry will work with stakeholders to ensure training and exercises are conducted, which will further enhance the safety of those who use and occupy these facilities.

## 2.2 Maximize the value of government-owned and operated infrastructure while minimizing overall costs by supporting effective long-term investment in core assets and the disposition of inefficient or obsolete assets.

To maximize space utilization and cost savings, Infrastructure incorporates accommodation strategies to reduce the footprint of file storage spaces. One example includes the file consolidation project for Environment and Parks, which has repurposed 600 square metres of space to create open staff access. A restack plan for Commerce Place in Edmonton was also completed during the year and will focus on significant file storage space reduction, specifically on floors 23 and 24. In 2019-20, the ministry will continue to focus on a strategic vision for file storage spaces and refine the long-term planning model.

An estimated 80 per cent of the total cost of a facility lies in operations and maintenance once construction is complete. Operating and maintaining facilities effectively requires accurate and up-to-date information. In March 2018, Infrastructure launched the Digital Project Delivery (DPD) requirements, which are intended to ensure that project owners are receiving all of the data necessary to operate the facility in an efficient and sustainable manner throughout its entire life-cycle. The requirements ensure high quality digital asset information is received in a structured and useable format, and the eventual elimination of the requirement for paper deliverables. This will assist in ensuring that Infrastructure's corporate information management systems are automatically populated with high-quality and accurate data once a project has been handed over.

### Quick Fact

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The Recycled Furniture Program eliminates the manufacturing and shipping of new furniture. The cost savings of using recycled furniture is estimated at \$1.4 million. In 2018-19, government ministries received 255 workstations and 3,009 individual pieces of furniture. Because of the program, the equivalent of 128 passenger vehicles, driving 18,000 kilometres each, are removed from the road. In addition, there is an associated savings of 599,786 kilograms of carbon dioxide emissions.

### Quick Fact

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In 2018-19, Infrastructure generated \$22 million in proceeds from 11 property sales.

Infrastructure also identifies and prioritizes opportunities to achieve operations and maintenance cost savings. The ministry identified six Infrastructure-owned sites that are occupied by Alberta Health Services (AHS). As of April 1, 2019, AHS assumed operational responsibilities for those properties, which will lead to a reduction in ongoing maintenance to Infrastructure once the legal transfer agreement to AHS is completed.

### 2.3 Examine opportunities to implement environmental efficiencies, green technologies and the reduction of the environmental footprint of provincial infrastructure.

Infrastructure is continuously exploring available technologies, strategies and green initiatives to reduce the Government of Alberta's environmental footprint. Projects that were included in the 2018-23 Capital Plan were assessed to identify opportunities to enhance sustainability options.

Since May 2006, new government-owned and operated facilities have been built to meet the Leadership in Energy and Environmental Design (LEED) Silver standards. In 2018-19, both the Royal Alberta Museum and High River Resource Centre achieved LEED Gold certification. As of March 31, 2019, 178 government facilities (including post-secondary institutions and school and health facilities) have received LEED certifications and an additional 133 facilities are under review for certification. Of the LEED-certified facilities:

- two have Platinum certification;
- 60 have Gold certifications;
- 107 have Silver certifications; and
- nine have LEED certifications.

Infrastructure ensures that partner ministries and stakeholders are supported to incorporate green technologies in Infrastructure-delivered facilities. Some of the highlights of this work in 2018-19 include:

- Incorporating a geo-exchange system at the Willow Square Residential Facility-Based Continuing Care Centre; and
- Designing the power plant redevelopment project to improve the cogeneration capacity and provide electricity for the Foothills Medical Centre with reduced greenhouse gas emissions and improved energy savings.

Infrastructure also seeks certifications from the Building Owners and Managers Association Building Environmental Standards (BOMA BEST) program. The program acknowledges the compliance of commercial buildings with industry best practices in energy, water and waste reduction. In 2018-19, 14 energy audits were completed as part of BOMA BEST. The Calgary Court Centre was awarded the Earth Award by the Building Owners and Managers Association at their National Awards Gala. It is the largest court facility in Canada, with 500 employees and an average of 1,500 people using the building daily. The awards are presented to buildings that have made significant efforts to address the environmental issues faced by older buildings. Features of the building that contributed to earning the award include:

- reflective roofing material;
- dedicated ventilation for Indigenous ceremonial spaces;
- reused materials;
- drought-resistant landscaping;

#### Quick Fact

The Government of Alberta and three of its buildings were recognized by the City of Edmonton as having achieved excellence in energy performance: the Percy Page Centre, the John E. Brownlee Building and the old St. Stephen's College building. The Government of Alberta submitted a total of 21 buildings in support of the City's Building Energy Benchmarking Program, which is designed to encourage market transformation where energy efficiency is appropriately valued.

## Results Analysis

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- reduced water use with low flow toilets, urinals and faucets; and
- a green roof for the parkade.

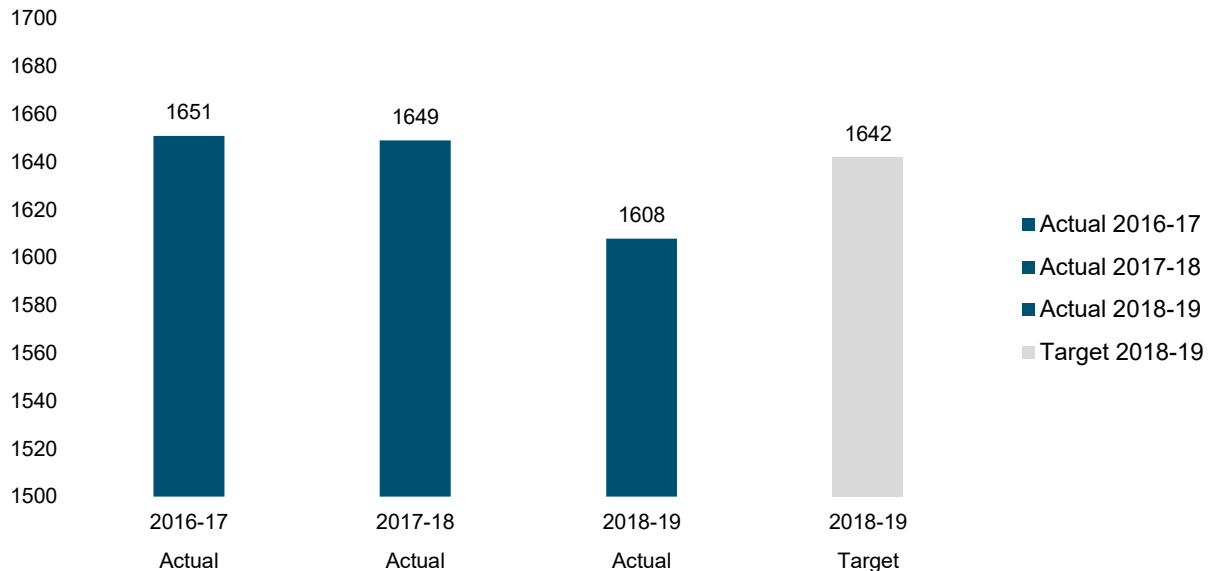
Moreover, 73 per cent of waste materials from the facility are diverted from landfills and sent to recycling facilities.

## Outcome Two Performance Measure

In measuring performance in achieving Outcome Two, the ministry monitors energy consumption in government-owned and operated facilities.

### Performance Measure 2.a:

#### Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities



- This performance measure is used to evaluate how effectively Infrastructure is managing energy and associated cost in government-owned and operated facilities. This measure represents energy consumption intensity, which is energy consumed by a facility relative to its size. The measure assists the ministry in identifying and implementing energy saving initiatives to achieve environmental and cost benefits. It also indicates success in reducing energy consumption through efficiencies and green technologies.
- Due to a publishing error in the 2018-21 Business Plan, the targeted energy consumption intensity for 2018-19 was stated as 1,646 megajoules per square metre. However, the correct target the ministry set was 1,642 megajoules per square metre.
- The 2018-19 result for energy consumption intensity is 1,608 megajoules per square metre.
- As compared to the target and to the results achieved in 2017-18, performance results show a significant improvement in energy consumption intensity. The ministry was able to reduce energy consumption in 2018-19 due to energy conservation projects, building retrofits, and integration of new building areas.
- Infrastructure implemented several energy efficiency projects in 2018-19, including:
  - Light emitting diode (LED) upgrades and other energy efficiency upgrades at the Edmonton New Remand Centre, the Coal Research Centre in Devon, and the Grande Prairie Provincial Building and Courthouse;

## Results Analysis

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- Mechanical, LED, building envelope upgrades, as well as the calibration of mechanical equipment at the Energy Resources Research Building;
- LED retrofits and calibration of mechanical equipment at the Frank Slide Interpretive Centre; and
- LED retrofits and control systems upgrades at the Fort McLeod Courthouse.

## Performance Measure and Indicator Methodology

### Performance Measure 1.a, 1.b, 1.c, 1.d:

#### Health, School, Post-Secondary, and Government-Owned and Operated Facilities – Physical Condition

##### Methodology

The performance measures for Outcome One use a Facility Condition Index value to report the physical condition of facilities. The Facility Condition Index is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement value.

Evaluations are conducted by independent consultants over a five-year cycle, with approximately one-fifth (20 per cent) of the facilities assessed and their condition rated each year. A comprehensive list of facility systems and components is used by consultants to ensure completeness and consistency of the evaluations. In the years between consultant evaluations, facility managers update information about the facility to provide more timely condition information. Facility managers use the same comprehensive list of facility systems and components and the same methodology to ensure completeness and consistency of the facility condition information.

##### Source

Infrastructure staff review the evaluations for quality and completeness. The evaluation information is managed in a VFA Facility database, which is a cloud-based software for facilities capital planning and management.

Infrastructure updated the terminology used to report this measure in order to reduce misinterpretation and to address recommendations from a review on deferred maintenance and rating schemes. Categories One, Two and Three replaced the use of the Good/Fair/Poor rating scheme effective April 1, 2017. As the methodologies used to calculate the results were not modified, performance measure results were still comparable. Moving forward, the definition for Category Three will be refined to reflect a more accurate description of these types of facilities.

The interpretation of Facility Condition Index values is as follows:

Category	Facility Condition Index (FCI)	Definition
One	Facilities with an FCI of <b>less than or equal to 15%</b>	Adequate for intended use and expected to provide continued service life with average maintenance.
Two	Facilities with an FCI that is <b>greater than 15%, or equal to or less than 40%</b>	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Three	Facilities with an FCI of <b>greater than 40%</b>	Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Facilities that have been constructed or completely refurbished within the last 10 years are automatically reported under Category One. The ratings are updated once the next evaluation is conducted. The percentages are then calculated by taking the square metres of facilities in Category One, Two and Three and dividing each by the total area of all the facilities.

These measures do not account for costs associated with facility upgrades or for costs related to functional suitability. Surplus facilities that are approved for disposal are excluded from this measure. To optimize evaluation funds, facilities with an area of less than 1,000 gross square metres are also not included in the results.

For schools, assessments are conducted for school facilities owned by school jurisdictions and funded by the government, and do not include administrative building and outreach facilities. The measure for post-secondary institutions does not include unsupported facilities such as residences, parkades and commercial facilities. The measure for health facilities does not include parking structures.

### Performance Measure 2.a:

#### **Energy consumption intensity in megajoules per gross square metre (MJ/m<sup>2</sup>) in government-owned and operated facilities**

#### Methodology

This performance measure is used to evaluate how effectively Infrastructure is managing energy and associated costs in government-owned and operated facilities. Energy consumption intensity is the amount of energy consumed by a facility relative to its size.

The EnergyCAP software automatically populates the energy consumption data into Natural Resources Canada's ENERGY STAR Portfolio Manager (ESPM) tool. ESPM provides a common industry standard for calculating energy consumption intensity. Through ESPM, energy consumption data is:

- Calendarized to ensure energy data is allotted on a calendar year basis (January 1 to December 31) even when utility bills do not coincide with calendar months.
- Converted to a single common unit, megajoules, from:
  - gigajoules (natural gas)
  - kilowatt-hours (electricity)
  - pounds (steam)
  - tonne hours (chilled water)
- Weather-normalized by using temperature information taken from nearby weather stations. This ensures that the influence of varying weather is accounted for so that year to year comparisons are based on the energy that facilities would have used under average climatic conditions.

Energy consumption intensity is then calculated by:

- Determining the total floor space in square metres (m<sup>2</sup>) of the facility by accessing the Building and Land Information Management System (BLIMS).
- The energy consumption in megajoules (MJ) processed through ESPM is divided by the applicable floor space to determine the energy consumption intensity (MJ/m<sup>2</sup>).



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The gross energy consumption intensity (MJ/m<sup>2</sup>) of all government-owned and operated facilities is then totalled to account for the current inventory.

#### Source

Energy consumption data is collected by various retailers throughout the year in the form of individual utility bills. This data is recorded in Infrastructure's Energy Consumption Reporting System (ECRS) and transferred into EnergyCAP, the ministry's Energy Management Information System.

Facilities that have incomplete data or show zero energy consumption (i.e., unoccupied facilities or seasonal structures) are excluded from this measure. Government facilities such as schools, hospitals and facilities that are not managed by Infrastructure are not included in this measure.

# Financial Information

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# Ministry Financial Highlights

## Statement of Revenues and Expenses (unaudited)

Year Ended March 31, 2019

(In thousands)

	2019		2018		Change from	
	Budget Restated	Actual	Actual Restated	Budget	2018 Actual	
<i>(in thousands)</i>						
<b>Revenues</b>						
Government Transfers	\$ 19,196	\$ 17,222	\$ 2,928	\$ (1,974)	\$ 14,294	
Premiums, Fees and Licences	1,954	2,190	2,111	236	79	
Other Revenue						
Swan Hills Treatment Centre	11,120	9,801	9,402	(1,319)	399	
Leases (Land and Buildings)	11,780	15,157	21,535	3,377	(6,378)	
Transfer In of Tangible Capital Assets	18,950	498	29,654	(18,452)	(29,156)	
Refunds of Expenditure	1,400	5,506	3,309	4,106	2,197	
Cost Recoveries	306	686	1,033	380	(347)	
Gain on Disposal of Tangible Capital Assets	-	21,252	4,282	21,252	16,970	
Miscellaneous	140	151	1,172	11	(1,021)	
Ministry Total	64,846	72,463	75,426	7,617	(2,963)	
Inter-ministry consolidation adjustments	(22,811)	(2,959)	(32,265)	19,852	29,306	
Adjusted ministry total	42,035	69,504	43,161	27,469	26,343	
<b>Expenses - Directly Incurred</b>						
<b>Programs</b>						
Ministry Support Services	11,942	11,328	11,482	(614)	(154)	
Capital Construction	1,321,677	990,598	1,361,428	(331,079)	(370,830)	
Property Management	388,953	398,411	384,640	9,458	13,771	
Asset Management	7,754	5,262	7,152	(2,492)	(1,890)	
Realty Services	205,558	206,577	218,083	1,019	(11,506)	
2013 Alberta Flooding	5,966	1,523	2,909	(4,443)	(1,386)	
Climate Leadership Plan	11,086	1,487	1,453	(9,599)	34	
Ministry Total	1,952,936	1,615,186	1,987,147	(337,750)	(371,961)	
Inter-ministry consolidation adjustments	(1,291,597)	(975,182)	(1,334,779)	316,415	359,597	
Adjusted ministry total	661,339	640,004	652,368	(21,335)	(12,364)	
<b>Annual Deficit</b>	<b>\$ (619,304)</b>	<b>\$ (570,500)</b>	<b>\$ (609,207)</b>	<b>\$ 48,804</b>	<b>\$ 38,707</b>	

## Revenue and Expense Highlights

### Revenues

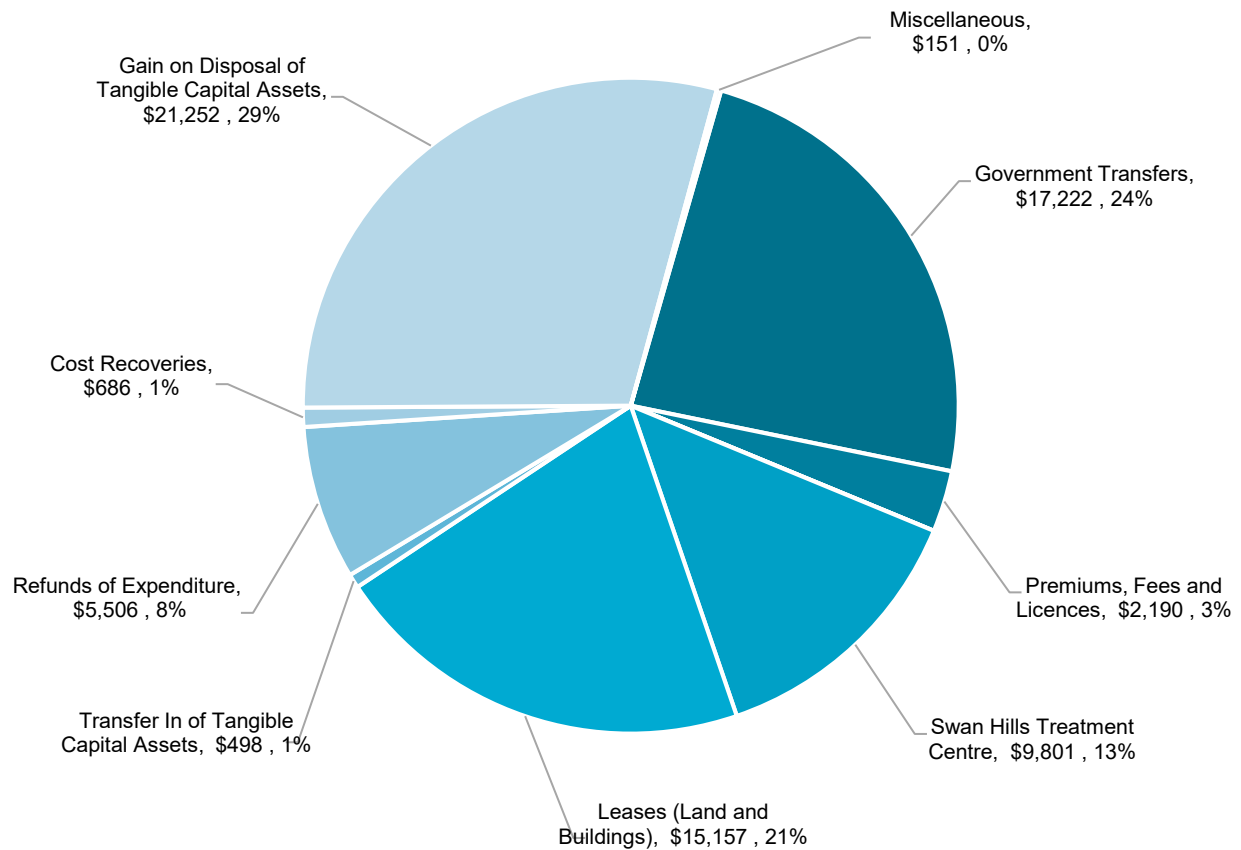
- Revenues totaled \$72.5 million in 2018-19, a slight decrease of \$3.0 million from 2017-18.
- Revenues were \$7.6 million higher than budget. This was primarily due to the gain on sales of surplus government land. The gain on sale of assets are typically not budgeted as they are very difficult to estimate, both in timing and value.
- Government transfers of \$17.2 million includes \$14.0 million from the Peerless Trout First Nation for the construction of two schools at Peerless Lake and Trout Lake, and over \$3 million in federal funding received in previous years for capital projects that is recognized over the life of those assets. Government transfers are dependent upon federal program support.
- Funds generated through the operation of the Swan Hills Treatment Centre and through the leasing of land and buildings, around \$25 million in 2018-19, are the two main stable and more predictable sources of revenue for the ministry. Other sources are more prone to fluctuation.

### Expenses

- Expenses totaled \$1.6 billion in 2018-19, a decrease of \$372 million from 2017-18.
- Budget 2018 allocated nearly \$2 billion in funding for expenses, two thirds of which was allocated for capital construction and maintenance of health and school facilities, which are recorded as grants and grants in kind. The remaining third, over \$600 million, is mainly for the management and operation of government-owned and leased properties.
- Actual expenses were \$337.8 million lower than the budget. This variance mainly relates to changes in project scheduling and cash flow requirements based on the progress of major health and school capital construction projects. The unspent funds are required in future years to ensure commitments for approved projects will continue to be met.
- The number and stage of delivery of health and school capital projects has the greatest impact on changes to expense for the ministry from year to year. Factors that could impact project progress include the timing and pace of procurement and construction work, and project scope.

## Breakdown of Revenues (unaudited)

**2019 Actual**  
(in thousands)

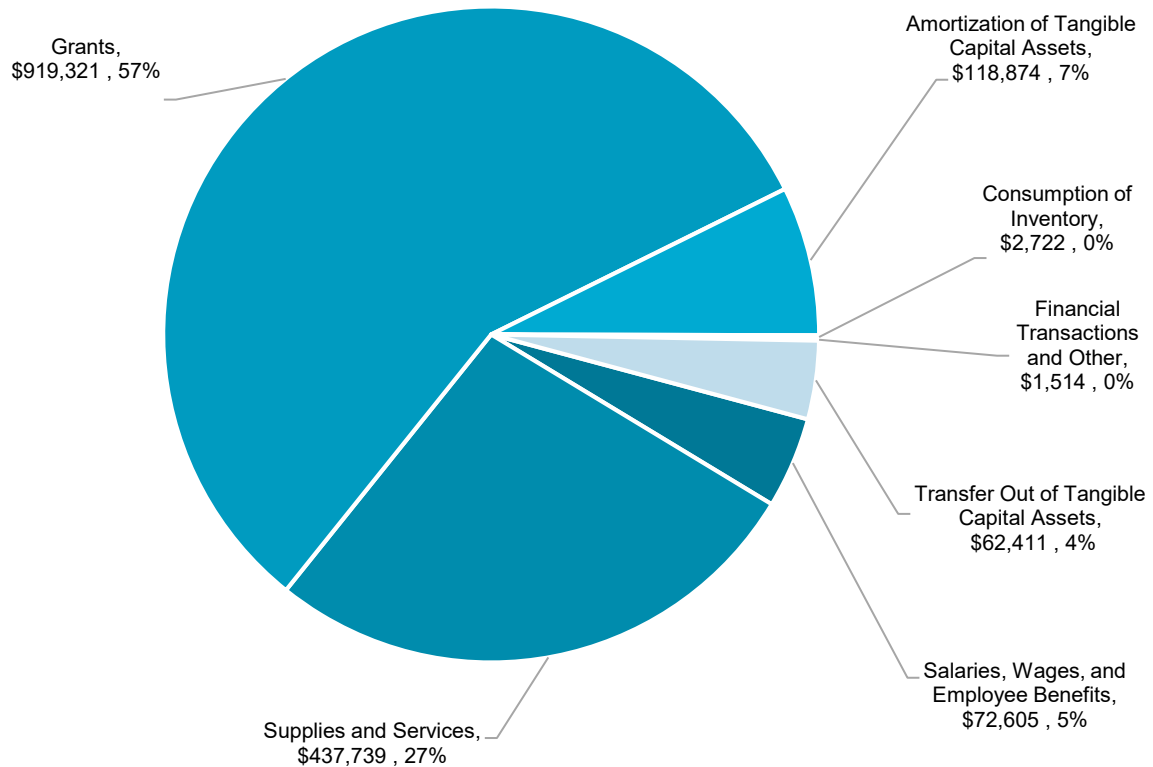


- The largest component of revenue in 2018-19, totaling over \$21 million (29 per cent), relates to gains on the sale of surplus government land. Over half the total is from the sale of transportation utility corridor land to the City of Edmonton. Gains on disposals are not budgeted due to the uncertainty associated with these transactions.
- Government transfers of over \$17 million represents one quarter of Infrastructure's total revenue. This is federal funding, most of which relates to a commitment to help construct two schools for the Peerless Trout First Nation.

## Expenses – Directly Incurred Detailed by Object (unaudited)

### 2019 Actual

(in thousands)



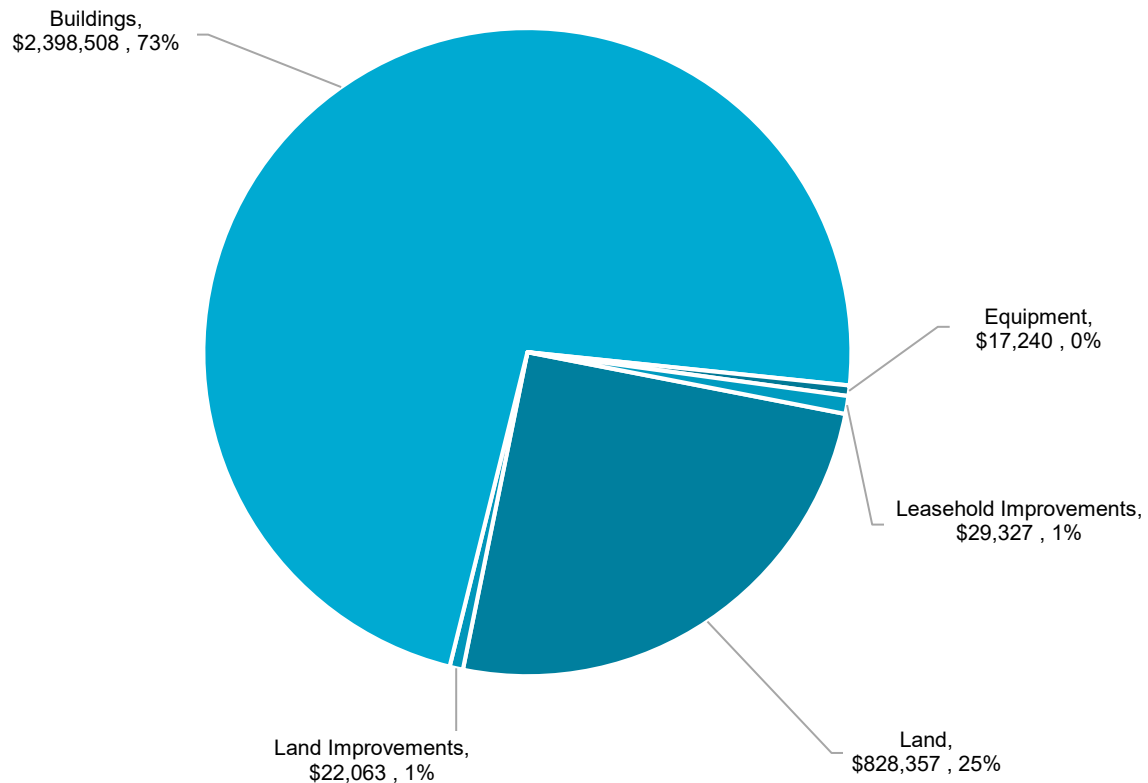
- The ministry's largest operating expense was grants, which made up 57 per cent of total operating expense. In 2018-19, \$919.3 million was provided to support the construction and maintenance of health and school facilities, allocated almost equally between the two.
- Supplies and services of \$437.7 million (27 per cent) primarily included contracts related to leases, property management and utilities, and ongoing materials and supplies requirements for the ministry.
- The remaining 16 per cent of ministry expenses relates to salaries and employee benefits to administer programs (5 per cent), the amortization of tangible capital assets (7 per cent), and expense related to transferring assets to other ministries (4 per cent) which is removed upon consolidation at the Government of Alberta level.

## Supplemental Financial Information

### Tangible Capital Assets (unaudited)

**Net Book Value as of March 31, 2019**

(in thousands)



- Buildings and land make up 98 per cent of the total net book value of all the assets owned by the ministry.
- Buildings are the largest asset group, made up of government-owned structures only. School and health facilities are excluded as they are not owned by Infrastructure. Of all the properties owned, five make up 58 per cent (\$1.4 billion) of the total net book value. These include the Remand Centre, Federal Building, and Royal Alberta Museum in Edmonton, as well as the Calgary Courts Centre, and the Swan Hills Treatment Centre.
- A lot of Infrastructure owned land is within the transportation utility corridors in Edmonton and Calgary, used for ring roads, pipelines, power lines, and other municipal services.

# Other Financial Information

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## Statement of Write-offs (unaudited)

**Year Ended March 31, 2019**

(In thousands)

The following has been prepared pursuant to Section 23 of the *Financial Administration Act*.

	<b>Current</b>	<b>31-60</b>	<b>61-90</b>	<b>Over 90</b>	<b>Total</b>
18-19 write-offs <sup>1</sup>	\$ -	-	-	23	\$ 23

<sup>1</sup>Majority of amounts written off are over two years old, and allowances for them were recorded in prior years.

## Statement of Credit or Recovery (unaudited)

**Year Ended March 31, 2019**

(In thousands)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	<b>Authorized</b>	<b>Actual Revenue Recognized</b>	<b>Unearned Revenue Balance</b>	<b>Total Revenue Received / Receivable</b>	<b>(Shortfall)/ Excess</b>
Leases (Land and Buildings)	\$ 11,780	\$ 11,518	\$ 1,134	\$ 12,652	\$ 872
Swan Hills Treatment Centre <sup>(1)</sup>	11,120	9,801	708	10,509	(611)
	<u>\$ 22,900</u>	<u>\$ 21,319</u>	<u>\$ 1,842</u>	<u>\$ 23,161</u>	<u>\$ 261</u>

<sup>(1)</sup> The private sector is charged for the disposal of hazardous waste.

# Lapse/Encumbrance (unaudited)

Year Ended March 31, 2019

(In thousands)

The following has been prepared pursuant to Section 28(5) and 28.1(4) of the *Financial Administration Act*.

Expense Vote by Program	Voted	Supplementary	Adjusted Voted		Voted	Unexpended
	Estimates <sup>(1)</sup>	Estimates	Adjustments <sup>(2)</sup>	Estimate	Actuals <sup>(3)</sup>	(Over Expended)
	<i>(in thousands)</i>					
<b>Operating Expense</b>						
<b>1 Ministry Support Services</b>						
1.1 Minister's Office	\$ 780	\$ -	\$ -	\$ 780	\$ 850	\$ (70)
1.2 Deputy Minister's Office	790	-	-	790	681	109
1.3 Human Resources	-	-	-	-	-	-
1.4 Corporate Strategies and Services	10,372	-	-	10,372	9,530	842
	<u>11,942</u>	<u>-</u>	<u>-</u>	<u>11,942</u>	<u>11,061</u>	<u>881</u>
<b>2 Capital Construction</b>						
2.1 Government Facilities Infrastructure	10,370	-	-	10,370	1,918	8,452
2.2 Health Facilities Infrastructure	2,778	-	-	2,778	2,098	680
2.3 School Facilities Infrastructure	2,275	-	-	2,275	2,127	148
2.6 Project Procurement, Standards and Technical Services	-	-	-	-	7,742	(7,742)
	<u>15,423</u>	<u>-</u>	<u>-</u>	<u>15,423</u>	<u>13,885</u>	<u>1,538</u>
<b>4 Property Management</b>						
4.1 Property Operations	219,992	-	-	219,992	237,113	(17,121)
4.2 Swan Hills Treatment Centre	30,254	-	-	30,254	27,071	3,183
	<u>250,246</u>	<u>-</u>	<u>-</u>	<u>250,246</u>	<u>264,184</u>	<u>(13,938)</u>
<b>5 Asset Management</b>	7,754	-	-	7,754	5,315	2,439
<b>6 Realty Services</b>						
6.1 Leases	201,491	-	-	201,491	191,084	10,407
6.2 Land Acquisition and Services	3,074	-	-	3,074	2,857	217
6.3 Fort McMurray and Area Lands	993	-	-	993	924	69
	<u>205,558</u>	<u>-</u>	<u>-</u>	<u>205,558</u>	<u>194,865</u>	<u>10,693</u>
<b>7 2013 Alberta Flooding</b>						
7.1 Floodway Relocation Program	5,090	-	-	5,090	1,081	4,009
<b>Capital Grants</b>						
<b>2 Capital Construction</b>						
2.3 School Facilities Infrastructure	16,117	-	-	16,117	13,650	2,467
2.4 Capital Planning	17,276	-	-	17,276	7,509	9,767
	<u>33,393</u>	<u>-</u>	<u>-</u>	<u>33,393</u>	<u>21,159</u>	<u>12,234</u>
<b>4 Property Management</b>						
4.3 Government Owned Facilities Preservation	9,675	-	-	9,675	7,044	2,631
4.4 Accommodation Projects	-	-	-	-	1,944	(1,944)
	<u>9,675</u>	<u>-</u>	<u>-</u>	<u>9,675</u>	<u>8,988</u>	<u>687</u>
<b>8 Climate Leadership Plan</b>						
8.1 Green Infrastructure	-	-	-	-	85	(85)
<b>Debt Servicing</b>						
<b>4 Property Management</b>						
4.5 Debt Servicing	146	-	-	146	145	1
Total	<u>\$ 539,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 539,227</u>	<u>\$ 520,768</u>	<u>\$ 18,459</u>
Lapse/(Encumbrance)						<u>\$ 18,459</u>

# Lapse/Encumbrance (unaudited)

Year Ended March 31, 2019

(In thousands)

	Voted Estimates <sup>(1)</sup>	Supplementary Estimates	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Unexpended (Over Expended)
	(in thousands)					
<b>Capital Investment Vote by Program</b>						
<b>Capital Investment</b>						
<b>1 Ministry Support Services</b>						
1.4 Corporate Strategies and Services	\$ -	\$ -	\$ -	\$ -	\$ 358	\$ (358)
<b>2 Capital Construction</b>						
2.1 Government Facilities Infrastructure	68,735	-	-	68,735	57,933	10,802
2.2 Health Facilities Infrastructure	23,628	-	-	23,628	10,433	13,195
2.4 Capital Planning	3,167	-	-	3,167	223	2,944
	<u>95,530</u>	<u>-</u>	<u>-</u>	<u>95,530</u>	<u>68,589</u>	<u>26,941</u>
<b>4 Property Management</b>						
4.1 Property Operations	-	-	-	-	265	(265)
4.2 Swan Hills Treatment Centre	5,000	-	-	5,000	4,852	148
4.3 Government Owned Facilities Preservation	50,454	-	-	50,454	41,734	8,720
4.4 Accommodation Projects	45,873	-	-	45,873	33,780	12,093
	<u>101,327</u>	<u>-</u>	<u>-</u>	<u>101,327</u>	<u>80,631</u>	<u>20,696</u>
<b>6 Realty Services</b>						
6.2 Land Acquisition and Services	8,300	-	-	8,300	7,321	979
<b>7 2013 Alberta Flooding</b>						
7.2 Reconstruction and Accommodation	932	-	-	932	119	813
<b>Capital Payments to Related Parties</b>						
<b>2 Capital Construction</b>						
2.2 Health Facilities Infrastructure	616,797	-	-	616,797	305,022	311,775
2.3 School Facilities Infrastructure	525,564	-	-	525,564	451,091	74,473
2.5 Health Capital Maintenance and Renewal	130,500	-	-	130,500	147,692	(17,192)
	<u>1,272,861</u>	<u>-</u>	<u>-</u>	<u>1,272,861</u>	<u>903,805</u>	<u>369,056</u>
<b>7 2013 Alberta Flooding</b>						
7.2 Reconstruction and Accommodation	876	-	-	876	462	414
<b>8 Climate Leadership Plan</b>						
8.1 Green Infrastructure	11,086	-	-	11,086	1,403	9,683
Total	<u>\$ 1,490,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490,912</u>	<u>\$ 1,062,688</u>	<u>\$ 428,224</u>
<b>Lapse/(Encumbrance)</b>						<u>\$ 428,224</u>
<b>Financial Transactions Vote by Program</b>						
<b>Inventory Acquisitions</b>						
<b>4 Property Management</b>						
4.2 Swan Hills Treatment Centre	\$ 2,754	\$ -	\$ -	\$ 2,754	\$ 2,791	\$ (37)
<b>Land Development Liability Retirement</b>						
<b>6 Realty Services</b>						
6.3 Fort McMurray and Area Lands	18,710	-	-	18,710	8,564	10,146
<b>Environmental Site Liability Retirement</b>						
<b>4 Property Management</b>						
4.1 Property Operations	1,800	-	-	1,800	1,152	648
4.2 Swan Hills Treatment Centre	900	-	-	900	472	428
	<u>2,700</u>	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>1,624</u>	<u>1,076</u>
<b>Legal Liability Retirement</b>						
<b>2 Capital Construction</b>						
2.3 School Facilities Infrastructure	15,526	-	-	15,526	11,900	3,626
<b>Lease Liability Retirement</b>						
<b>6 Realty Services</b>						
6.1 Leases	-	-	-	-	175	(175)
<b>Debt Repayment for Public Private Partnerships</b>						
<b>4 Property Management</b>						
4.6 Debt Repayment	806	-	-	806	806	-
Total	<u>\$ 40,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,496</u>	<u>\$ 25,860</u>	<u>\$ 14,636</u>
<b>Lapse/(Encumbrance)</b>						<u>\$ 14,636</u>

<sup>(1)</sup> As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2018-19 Government Estimates. The Voted Estimates includes changes due to government reorganizations. The Voted Estimates and Actuals columns will not agree to the Statement of Operations, because it contains only voted amounts, whereas the Statement of Operations contains voted and non-voted amounts.

<sup>(2)</sup> Adjustments include encumbrances, capital carry forward amounts, transfers between votes, and credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls (Schedule 2). An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.

<sup>(3)</sup> Actuals exclude non-voted amounts such as amortization and valuation adjustments.

# Annual Report Extracts and Other Statutory Reports

## Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* requires the ministry to report annually on the following parts of the Act:

- 32 (1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
  - (2) The report under subsection (1) must include the following information:
    - (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
    - (b) the number of investigations commenced by the designated officer as a result of disclosures;
    - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
  - (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for Infrastructure between April 1, 2018 and March 31, 2019.