Infrastructure

Annual Report
2012-2013

Alberta

CONTENTS

Preface

Public Accounts 2012-13

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 18 ministries.

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

On May 8, 2012, the government announced new ministry structures. The 2012-13 ministry annual reports and financial statements have been prepared based on the new ministry structure.

This annual report of the Ministry of Infrastructure contains the minister's accountability statement, the audited financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2013, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 14, 2013 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by Wayne Drysdale]

Honourable Wayne Drysdale
Minister of Infrastructure

Message from the Minister

Over the past year, Alberta Infrastructure has been at the forefront of government's continuing efforts to build Alberta.

We are living up to government's commitment to invest in families and communities by making strategic investments in public infrastructure resulting in the construction of schools and hospitals in communities across the province.

This year we opened 15 new schools across the province. Work began on another 35 school projects in some of Alberta's fastest growing communities that will be ready for Alberta students beginning the 2014-15 school year.

At the same time, we announced the construction of new hospitals and enhancements to existing health facilities in several communities, providing Albertans with improved access to emergency services, surgery, outpatient services and cancer care. Alberta's largest hospital, Calgary's $1.2 billion South Health Campus, began its phased opening this year, with the opening of the diagnostic imaging and family clinics, as well as the emergency room. Meanwhile in Edmonton, the Kaye Edmonton Clinic began providing a range of outpatient services from orthopedic and day surgery clinics to family medicine and seniors' clinics.

Our commitment to communities includes a commitment to community safety as well. This year, one of Alberta's largest construction projects officially wrapped up with the opening of the new Edmonton Remand Centre.

When we build for Albertans, we do it in an environmentally friendly and sustainable way. That is why we target the Leadership in Energy and Environmental Design (LEED) Silver Certification as a minimum standard for everything we build. We manage all government buildings according to leading environmental standards and best practices, and to date have certified 85 government facilities, representing nearly all large public government buildings, to the Building Owners and Managers Association BESt (BOMA BESt) standard.

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This year, the Head-Smashed-in-Buffalo-Jump Interpretive Centre was recognized for its contributions to "Sustainable Tourism", this is one example of the Alberta government's commitment to the environmental sustainability of its public buildings and our staff's dedication to fulfilling this commitment.

We apply a parallel philosophy to land use by working to ensure the province's land resources are put to the best possible use. To address growing needs in a highly charged economic environment, and as the government's land agents, we worked with Regional Municipality of Wood Buffalo officials to make land available for commercial and residential development.

Our responsibility for government facilities continues from concept stage to the end of their useful life. We ensure that all provincially-owned buildings are safe, healthy work environments that are economical to operate. This year, with the Legislature celebrating its centenary, our attention has been focused on protecting and preserving this iconic structure and our other heritage buildings.

We are proud to have had such an active role in meeting government's strategic goals for the future of our province. Investing and managing our public infrastructure is an important part of achieving those goals. We will ensure that our province's infrastructure continues to develop in a responsible manner that takes into account environmental, social and economic considerations.

None of this would be possible without the hard work and dedication of the professionals on the front lines and behind the scenes at Alberta Infrastructure. Their talent, commitment and enthusiasm ensures that Albertans have the most sustainable, efficient and cost-effective public facilities possible.

Together we are committed to building Alberta for today and tomorrow.

[Original signed by Wayne Drysdale]

Honourable Wayne Drysdale
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 statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- **Reliability** – information agrees with underlying data and the sources used to prepare it.
- **Understandability and Comparability** – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- **Completeness** – performance measures and targets match those included in *Budget 2012*.

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, the Minister of Finance and the Minister of Infrastructure information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

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

[Original signed by Ray Gilmour]

Ray Gilmour
Deputy Minister of Infrastructure
June 6, 2013

RESULTS ANALYSIS

MINISTRY OVERVIEW

Alberta Infrastructure has a vision of providing innovative, sustainable and cost-effective public infrastructure for Albertans. Through leadership, expertise and collaboration with our partners, the ministry's mission is to support the provision of public infrastructure which contributes to the province's prosperity and quality of life.

The Ministry of Infrastructure aligns its services under three goals:

Goal 1: Safe, innovative and cost effective public infrastructure;

Goal 2: Sustainable public infrastructure; and

Goal 3: Safe and cost effective accommodation.

In support of these goals, the ministry works with partner ministries, boards, industry and other stakeholders to implement, preserve and upgrade supported capital infrastructure, including health facilities, schools and post-secondary institutions. The ministry also delivers major government-owned capital projects to support program delivery and provides technical support for the government capital planning process.

The ministry continues to demonstrate expertise in alternative procurement, including the Alberta Schools Alternative Procurement (ASAP) program, as well as expertise in achieving Leadership in Energy and Environmental Design (LEED) designation for public buildings.

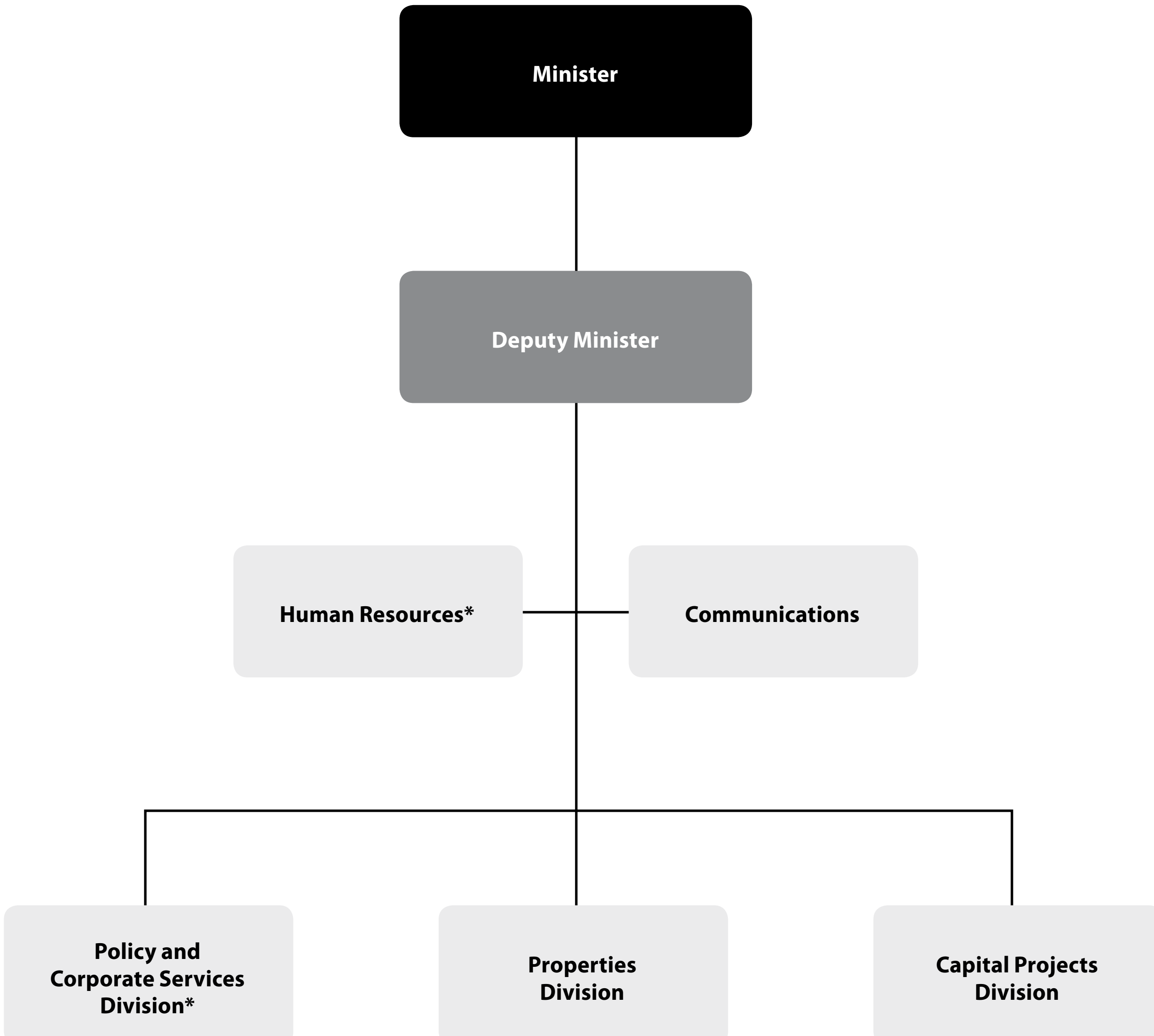
The ministry provides facility management services to maintain and operate approximately 1,940 owned and leased facilities across the province, including general office space, museums, courthouses, correctional centres, service buildings and research facilities.

The ministry also manages the Edmonton and Calgary Transportation and Utility Corridors, and oversees the operation of the Swan Hills Treatment Centre for the treatment and disposal of hazardous waste.

As part of a commitment to excellence, the ministry is continually researching and implementing best practices in planning, design and construction to ensure the capacity to meet the changing needs of Albertans. This includes examining the most efficient and cost-effective approaches, addressing critical maintenance projects, working with all levels of government to support infrastructure planning and incorporating environmentally responsible practices into the construction and maintenance of public infrastructure.

ORGANIZATIONAL OVERVIEW

Ministry of Infrastructure organization as at March 31, 2013.



*Policy and Corporate Services Division and Human Resources are shared services with Alberta Transportation.

Review Engagement Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have reviewed the performance measure identified as reviewed by the Office of the Auditor General in the Ministry of Infrastructure's Annual Report 2012-2013. The reviewed performance measure is the responsibility of the ministry and is prepared based on the following criteria:

- Reliability – The information used in applying performance measure methodology agrees with underlying source data for the current and prior years' results.
- Understandability – The performance measure methodology and results are presented clearly.
- Comparability – The methodology for performance measure preparation is applied consistently for the current and prior years' results.
- Completeness – The goal, performance measure and related target match those included in the ministry's budget 2012.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measure in demonstrating ministry progress towards the related goal.

Based on my review, nothing has come to my attention that causes me to believe that the performance measure identified as reviewed by Office of the Auditor General in the ministry's annual report 2012-2013 is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability and completeness as described above.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 21, 2013

Edmonton, Alberta

Performance measure reviewed by the Office of the Auditor General is noted with an asterisk (*) on the Performance Measures Summary Table.

Performance Measures Summary Table

Goals & Performance Measures		Prior Year's Results				Target	Current Actual
		2008-09	2009-10	2010-11	2011-12	2012-13	2012-13
***Goal 1:** Safe, innovative and cost effective public infrastructure.*							
Measure 1.a: Health Facilities – Physical Condition.[1]	Good	N/A	N/A	N/A	77%	78%	72%
	Fair	N/A	N/A	N/A	20%	19%	24%
	Poor	N/A	N/A	N/A	3%	3%	4%
Measure 1.b: School Facilities – Physical Condition.[1]	Good	N/A	N/A	N/A	61%	58%	56%
	Fair	N/A	N/A	N/A	37%	40%	43%
	Poor	N/A	N/A	N/A	2%	2%	1%
Measure 1.c: Post-Secondary Facilities – Physical Condition.[1]	Good	N/A	N/A	N/A	72%	70%	71%
	Fair	N/A	N/A	N/A	23%	25%	24%
	Poor	N/A	N/A	N/A	5%	5%	5%
***Goal 2:** Sustainable public infrastructure.*							
Measure 2.a: Government Owned and Operated Facilities – Physical Condition.[1]	Good	N/A	N/A	N/A	73%	69%	70%
	Fair	N/A	N/A	N/A	26%	30%	29%
	Poor	N/A	N/A	N/A	1%	1%	1%
Measure 2.b: Energy Consumption in Megajoules per Gross Square Metre in Government Owned and Operated Office Space and Leased Space.*		1,672	1,667	1,651	1,629	1,650	1,617
***Goal 3:** Safe and cost effective accommodation.*							
Measure 3.a: Percentage Difference Between Average Operating Costs per Rentable Square Metre of Government Owned and Operated Office Space and Leased Space.[2]		N/A	N/A	N/A	1.6%	± 5%	5%

* Indicates Performance Measure that has been reviewed by the Office of the Auditor General.
The performance measures indicated with an asterisk were selected for review by ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal;
- Measures for which new data are available; and
- Measures that have well established methodology.

[1] Due to improvements made to the methodology that resulted in greater consistency in calculating the Facility Condition Index across schools, post-secondary government owned and health facilities, current results are not comparable to results prior to 2011-12.

[2] This is a new measure as of 2010-11.

For more detailed information, see the Performance Measure methodology section on pages 21-23.

RESULTS ANALYSIS

FINANCIAL INFORMATION

DISCUSSION & ANALYSIS OF RESULTS

GOAL 1 – Safe, innovative and cost effective public infrastructure.

In 2012-13, Alberta Infrastructure spent approximately $590 million to support the delivery of public infrastructure. The ministry placed a particular emphasis on providing technical expertise in innovative and cost effective planning, design and construction of government owned and supported facilities for Albertans.

Working in partnership with school boards, post-secondary institutions, Alberta Health Services and other ministries, the ministry is focused on ensuring that health facilities, schools, post-secondary institutions and other government-owned capital projects incorporate best practices, such as lean manufacturing, standard facility designs and design excellence. Leadership in Energy and Environmental Design (LEED) contributes to design excellence and to the ministry's commitment to sustainability. The ministry targets, as a minimum, LEED Silver rating as a standard for government funded facilities, resulting in up to 45 per cent greater energy efficiency.

In 2012-13, a total of 15 new school facilities were completed or opened across Alberta. Griffiths Scott Middle School in Millet was built using the traditional grant-funded approach. Fourteen schools were built in Calgary, Edmonton, Langdon, Okotoks, Sherwood Park and Spruce Grove as part of Alberta Schools Alternative Procurement (ASAP) II. Ten of these schools were delivered through a Public-Private Partnership (P3) approach and the remaining four were delivered through a design-build approach. Using this combined approach saved Alberta taxpayers $145 million when compared to traditional delivery methods.

Additionally, ASAP III, consisting of 22 new and replacement schools and 13 modernizations, is well underway; 12 of these schools are bundled using a P3 approach. ASAP III addresses increasing student enrolment in fast growing communities such as Airdrie, Beaumont, Brooks, Chestermere, Cochrane, Medicine Hat, Penhold and Red Deer. The completion of schools through ASAP III is targeted for 2014.

There were two major ministry-supported post-secondary institution projects completed in 2012-13. The Southern Alberta Institute of Technology (SAIT) opened its $400 million Trades and Technology Complex in August 2012. The Trades and Technology Complex adds 3,600 student spaces primarily in the areas of energy, construction and manufacturing. Additionally, Bow Valley College opened its $169 million new building in December 2012 with space for approximately 2,000 new students.

Construction continued on major health facility projects around the province in 2012-13, including hospitals in Edson, Grande Prairie, High Prairie, Lethbridge and Medicine Hat. Cancer facilities continued to be a focus for Infrastructure. Construction is nearing completion on Red Deer's Central Alberta Cancer Centre, while planning work is underway for cancer projects in Edmonton and Calgary. Infrastructure continues to collaborate with Alberta Health and Alberta Health Services to ensure that new health facilities are being constructed to meet the needs of Albertans.

The Kaye Edmonton Clinic opened in July 2012, bringing together outpatient care, health sciences education and research under one roof. Additionally, the first clinical program opened at South Health Campus in Calgary in August 2012. The emergency department opened in January 2013, providing emergency department beds and resources that should improve access and reduce wait times in emergency departments across the City of Calgary; the facility will become fully operational later this year.

As part of the work the ministry does to provide innovative and efficient public infrastructure, the ministry continually strives to enhance its role as a centre of excellence. This includes continually assessing and implementing best practices in creating necessary facilities for Albertans, such as the New Edmonton Remand Centre and the Royal Alberta Museum. All new buildings constructed by Alberta Infrastructure target, as a minimum, a Leadership in Energy and Environmental Design (LEED) Silver rating. Work continues on the Edmonton Federal Building, where a LEED Gold rating is being targeted.

Performance Measures

To indicate how well the ministry performed in achieving Goal One, the physical condition of existing health facilities, schools and post-secondary institutions are monitored and reported.

The Facility Condition Index (FCI) was adopted as a common measure to enhance reporting by enabling the ministry to compare condition ratings across facility types (health facilities, schools, post-secondary institutions and government-owned facilities). The FCI is produced slightly differently for various facility types depending on the amount of data available and the ability of on-site facility operators to update the data. The FCI is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement values. The percentages are calculated by taking the square metres of all facilities in good, fair or poor condition (as defined by FCI) and dividing each by the total area of all facilities.

The definition of FCI values for building infrastructure is as follows:

Condition	FCI Definition	Capital Planning Initiative Definition
Good	Facilities with an FCI of less than 15%	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Facilities with an FCI that is equal to or greater than 15%, or equal to or less than 40%	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Facilities with an FCI of greater than 40%	Upgrading is required to comply with current codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

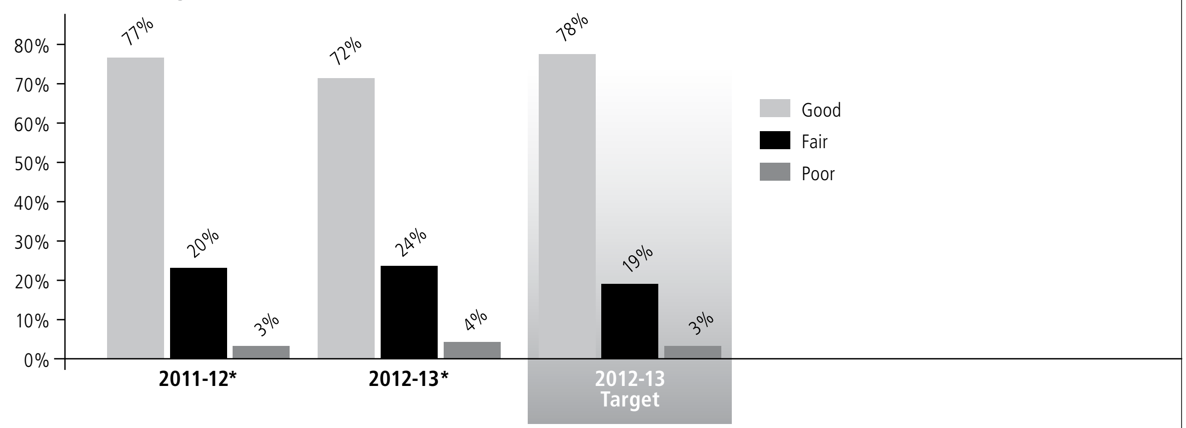
NOTE: Current codes and standards are defined by the Alberta Building Code, which is revised periodically, or other mandatory requirements. Older buildings are 'grandfathered' and required to comply with the standards applicable at the time they were constructed, and not the current standards.

Performance Measure 1.a: "Health facilities – physical condition" reports the percentage of health facilities (by area) rated in good, fair or poor condition using the FCI. One of the long-term goals of government is to preserve health facilities and other infrastructure where appropriate. This measure provides data in support of long-term capital planning of health facilities across the province. This measure links to Goal Three in the *2012-15 Government of Alberta Strategic Plan*, "Healthy Albertans – A health system where Albertans have the supports they need to lead healthy lives."

In 2012-13, 72 per cent of health facilities were rated in good condition, 24 per cent in fair condition and 4 per cent in poor condition. The change in the percentage of facilities from good to fair condition can be attributed to improvements to the evaluation review process that took place in conjunction with

Alberta Health Services. Due to changes in reporting methodology, results for years prior to 2011-12 are not comparable. The 2012-13 annual report includes the most recent results and new targets that are based on building replacement values using an improved methodology to produce more accurate and consistent FCI values. The physical condition of health facilities is expected to improve as new facilities are completed and included in the database, and decommissioned facilities are removed. The health facilities in this report included closed and vacated facilities owned by Alberta Health Services. The quality of data captured will also continue to improve as more facilities are evaluated by independent consultants using the methodology consistent with other government supported facilities.

Health Facilities – Physical Condition



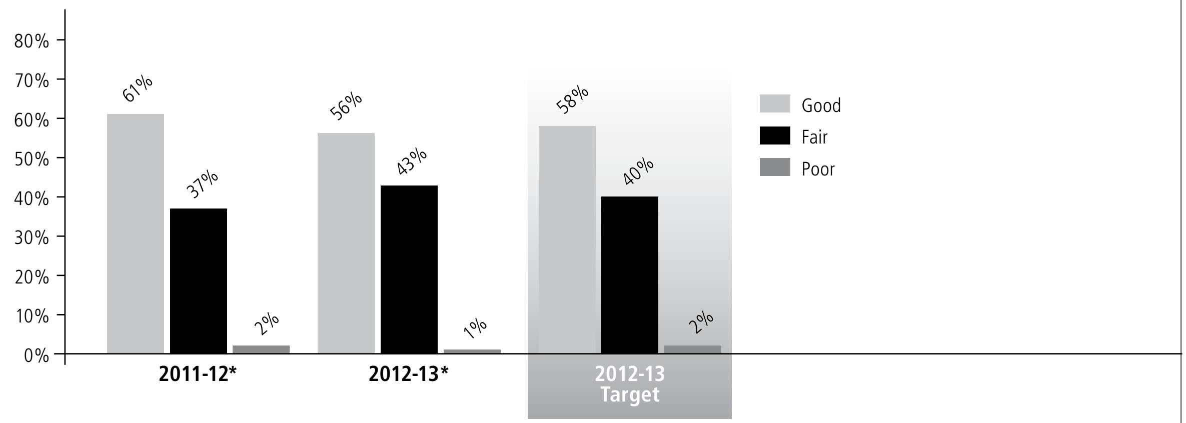
* Due to improvements made to the methodology that resulted in greater consistency in calculating the FCI across health facilities, schools, post-secondary institutions and government-owned facilities, current results are not comparable to previous years' results.

For methodology and data sources related to this measure, see page 21.

Performance Measure 1.b: "School facilities – physical condition" reports the percentage of schools (by area) rated in good, fair or poor condition using the FCI. One of the long-term goals of government is to preserve learning facilities and other infrastructure where appropriate. The condition measure provides data in support of long-term capital planning of school facilities across the province. This measure links to Goal Four in the *2012-15 Government of Alberta Strategic Plan*, "Invest in Learning – Build a knowledge-inspired economy by offering a sustainable education system that meets the needs of our province and Albertans throughout their lives."

In 2012-13, 56 per cent of schools were rated in good condition, 43 per cent in fair condition and 1 per cent in poor condition. The change in the number of facilities from good to fair condition is due to the continued aging of schools; over 80% of schools were built prior to 1981. Due to changes in reporting methodology, results for years prior to 2011-12 are not comparable. The 2012-13 annual report includes the most recent results and new targets that are based on building replacement values using an improved methodology to produce more accurate and consistent FCI values. The results of the changes to the methodology will be reflected in future years' data. Government continues to invest in the construction of new schools as well as the maintenance of existing schools and the replacement of inefficient facilities.

School Facilities – Physical Condition



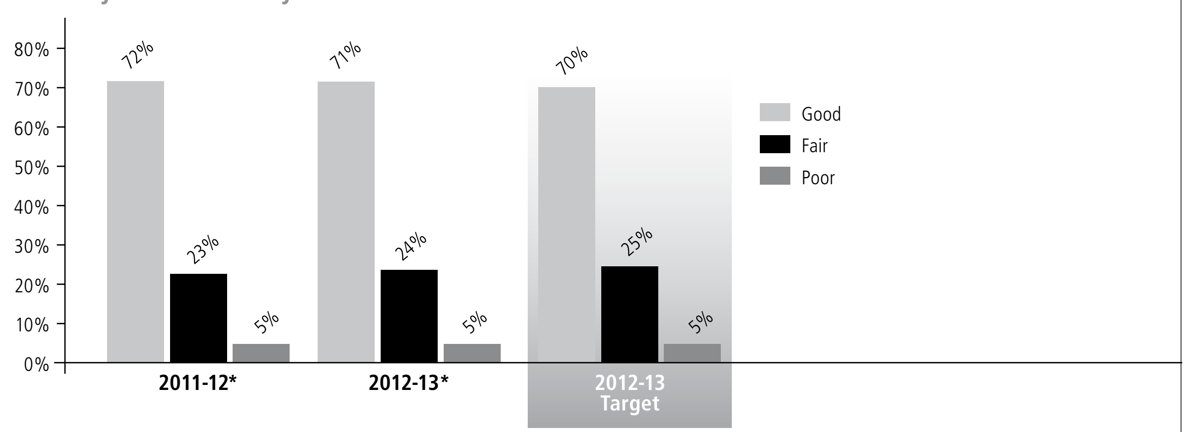
* Due to improvements made to the methodology that resulted in greater consistency in calculating the FCI across health facilities, schools, post-secondary institutions and government-owned facilities, current results are not comparable to previous years' results.

For methodology and data sources related to this measure, see page 22.

Performance Measure 1.c: "Post-Secondary facilities – physical condition" reports the percentage of post-secondary facilities (by area) rated in good, fair or poor condition using the FCI. One of the long-term goals of government is to preserve learning facilities and other infrastructure where appropriate. The condition measure provides data in support of long-term capital planning of post-secondary facilities across the province. This measure links to Goal Four in the *2012-15 Government of Alberta Strategic Plan*, "Invest in Learning – Build a knowledge-inspired economy by offering a sustainable education system that meets the needs of our province and Albertans throughout their lives."

For 2012-13, 71 per cent of post-secondary facilities were rated in good condition, 24 in fair condition and 5 per cent of facilities were rated in poor condition. These results are consistent with the 2012-13 targets. Due to changes in reporting methodology, results for years prior to 2011-12 are not comparable. The 2012-13 annual report includes the most recent results and new targets that are based on building replacement values using an improved methodology to produce more accurate and consistent FCI values.

Post-Secondary Facilities – Physical Condition



* Due to improvements made to the methodology that resulted in greater consistency in calculating the FCI across health facilities, schools, post-secondary institutions and government-owned facilities, current results are not comparable to previous years' results.

For methodology and data sources related to this measure, see page 22.

GOAL 2 – Sustainable public infrastructure.

In 2012-13, Infrastructure spent approximately $262 million to support the environmental, operational and fiscal sustainability of public infrastructure. The ministry integrates high environmental and energy efficiency standards into the design and construction of new infrastructure and applies preservation and life cycle management principles to existing public infrastructure.

The Building Owners and Managers Association (BOMA) Building Environmental Standards (BESt) Certification program demonstrates the compliance of existing commercial buildings with best practices in energy, water and waste reduction. As of March 31, 2013, Alberta Infrastructure had 85 public government owned buildings certified to BOMA BESt. In 2012-13, the Lethbridge Courthouse was certified to level 4, the highest achievement possible in the BOMA BESt program, demonstrating superior environmental and energy performance.

In July 2012, Infrastructure approved its Green Plan, a long term strategy to continuously reduce the environmental impacts of its operations and procurement practices in concrete and measurable ways; hence achieving one of the major goals of the Greening Government Strategy by Alberta Sustainable Resource Development. Additionally, Alberta Infrastructure purchased 100% of its electricity requirements for government-owned facilities connected to the grid from green power sources in 2012, avoiding over 150,000 tonnes of Greenhouse Gas emissions.

In 2012, the Head-Smashed-In-Buffalo-Jump Interpretive Centre received the Alto Award for Sustainable Tourism from Travel Alberta. The Head-Smashed-In-Buffalo-Jump Interpretive Centre was the first UNESCO site to be certified BOMA BESt in Canada (currently a level 3). The Centre has undergone a number of recent energy efficiency retrofits, uses native drought resistant plants that minimize the need for irrigation and is supplied by 100% green power generated from local wind farms in Southern Alberta.

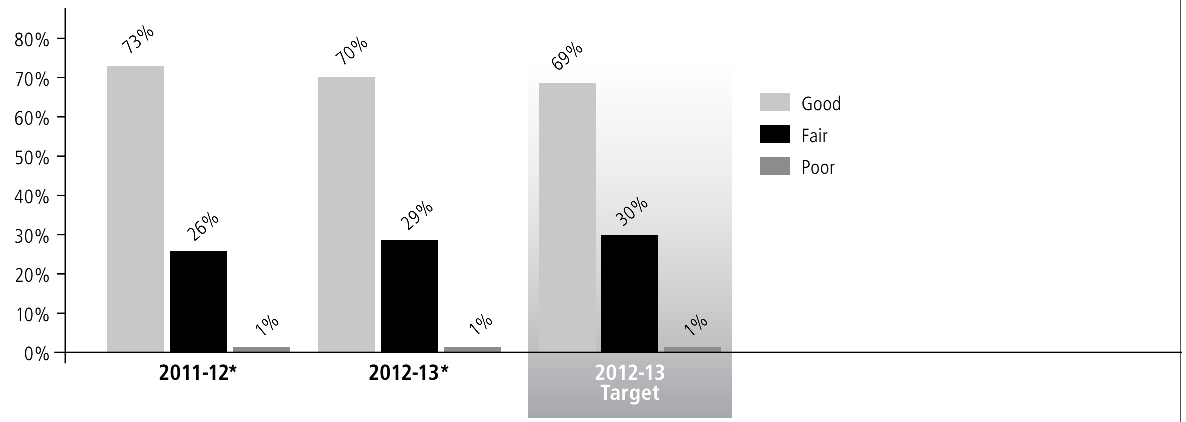
Performance Measures

Two performance measures are used to indicate how well the ministry performed in achieving Goal Two: "Government owned and operated facilities – physical condition" and "Energy consumption in megajoules per gross square meter in government owned and operated office space and leased space." These measures also link to the Government of Alberta core business of General Government.

Performance Measure 2.a: "Government owned and operated facilities – physical condition" reports the percentage of government owned and operated facilities (by area) in good, fair or poor condition using the FCI. In 2012-13, 70 per cent of government owned and operated facilities were rated in good condition, 29 per cent in fair condition and 1 per cent in poor condition. These results are consistent with the 2012-13 targets. Due to changes in reporting methodology, results for years prior to 2011-12 are not comparable.

Many government owned and operated facilities were built between 1975 and 1985 and are approaching a time when major upgrading or refurbishment will be required to maintain them. The government invested $18 million in capital maintenance and renewal projects for the preservation of government-owned facilities in 2012-13.

Government Owned and Operated Facilities – Physical Condition



* Due to improvements made to the methodology that resulted in greater consistency in calculating the FCI across health facilities, schools, post-secondary institutions and government-owned facilities,current results are not comparable to previous years' results.

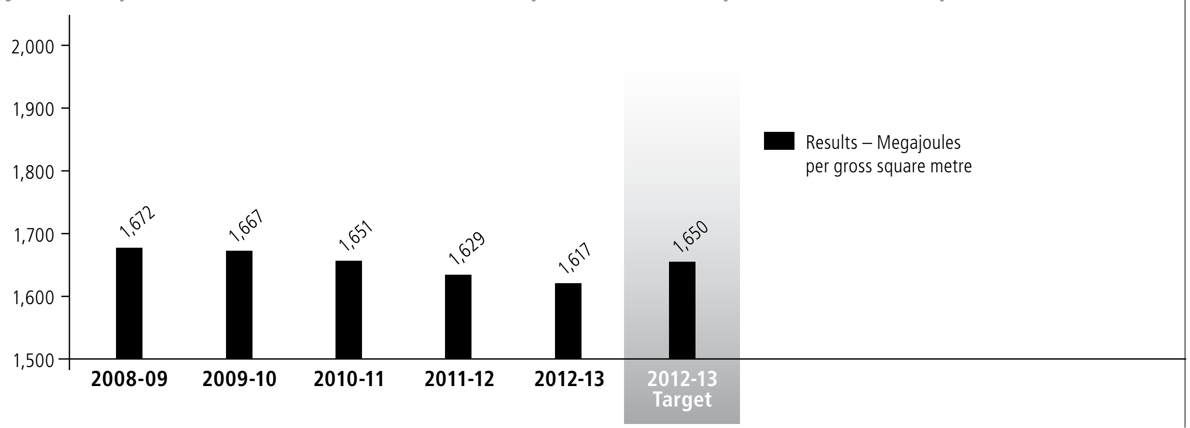
For methodology and data sources related to this measure, see page 22.

Performance Measure 2.b: "Energy consumption in megajoules per gross square metre in government owned and operated office space and leased space" reports how effectively the ministry is managing energy and associated costs in government owned buildings. This measure assists the ministry in fulfilling its responsibility to effectively manage all owned facilities to support the delivery of government programs and to identify and implement energy saving initiatives to achieve cost and environmental benefits.

In 2012-13, the energy consumption of government owned and operated office space and leased space was 1,617 megajoules per gross square metre, lower than the target of 1,650 megajoules per gross square metre. This result confirms the positive impact of measures taken during the year to reduce energy consumption. These include an increased awareness of energy management as an important component for BOMA BESt certifications, modified operating hours and daytime cleaning in various office building and the decommissioning of some vacant and underutilized buildings.

This measure is also affected by several factors that are beyond the control of Alberta Infrastructure and are therefore difficult to predict. These include changes to the building portfolio, increased or decreased building occupancy levels, significant climate changes and the implementation of retrofits and other energy saving initiatives. Major energy saving measures have already been identified and implemented in previous years resulting in fewer opportunities to improve upon energy use through conservation measures in the future.

Energy Consumption in Government Owned and Operated Office Space and Leased Space



For methodology and data sources related to this measure, see page 22.

GOAL 3 – Safe and cost effective accommodation.

In 2012-13, the Ministry of Infrastructure spent approximately $231 million to support safe and cost effective accommodation for government. The ministry provides facility and accommodation services to all government ministries and assists client ministries in the acquisition and disposal of property.

Infrastructure and the Ministry of Justice and Solicitor General work together to provide physical security for all visitors and occupants of government owned and leased facilities. The opening of the New Edmonton Remand Centre in March 2013 provides officers and correction staff with increased access to justice and improved safety. It is the largest, most technologically advanced correctional facility in Canada. Operating on a direct supervision model also increases safety of both staff and inmates.

The Ministry of Infrastructure made significant progress with the Corporate Asset Management Program (CAMP) in 2012-13. CAMP is a strategic approach designed to integrate asset management strategies, best practices and tools into the planning, development and management of GoA infrastructure assets. Its purpose is to reduce risk and maximize benefits to all stakeholders over the entire life cycle of the asset.

CAMP was initiated by Alberta Infrastructure, but has expanded into a full Government of Alberta program and has evolved in conjunction with several Government initiatives, including the Premier's Focused Agenda items. Through Infrastructure for Community Services (ICS), CAMP is building collaborative support for the infrastructure needs of all levels of government. CAMP supports a collaborative enterprise approach to its development process, and ensures involvement of internal and external stakeholders to make effective and efficient decisions regarding GoA infrastructure over the entire asset lifecycle.

CAMP's action plan, "Four Roads to Best", represents the four facets of CAMP's vision: Excellence, Planning, Sustainability and Synergy. Excellence highlights the importance of ensuring work is done right with best practice. Strategic planning involves a holistic approach to managing all assets under Alberta Infrastructure. Sustainability ensures that assets achieve their greatest value by being used for their intended purpose. Synergy engages internal and external resources to improve the way infrastructure does business.

CAMP will deliver a Building and Land Asset Management Plan that will ultimately result in sustainable infrastructure support to government programs, reduction of deferred maintenance, a reduced environmental footprint, cost effective functional space, and sharing and repurposing space to maximize the use of public buildings and land.

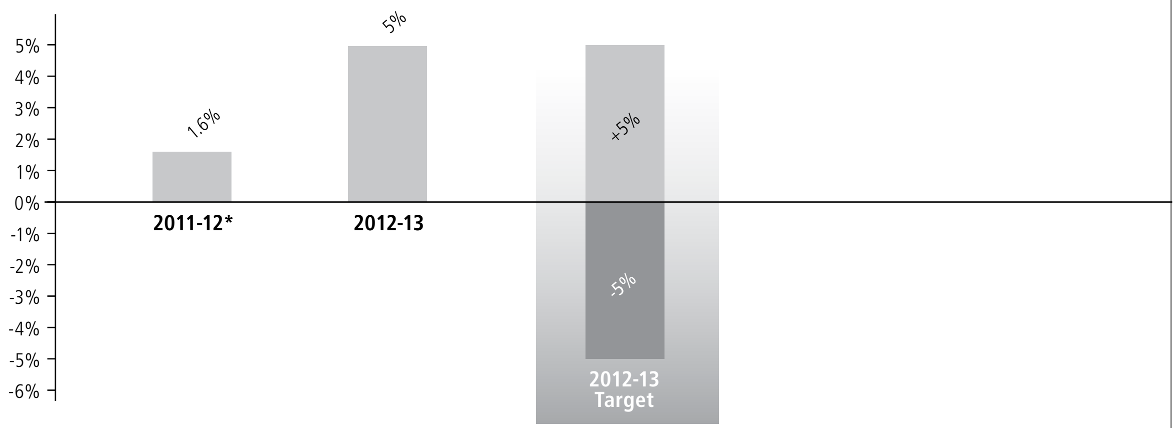
Performance Measures

One performance measure, "Percentage difference between average operating cost per rentable square metre of government owned and operated office space and leased space," is used to indicate how well the ministry performed in achieving Goal Three, "Safe and cost effective accommodation." This measure also links to the General Government core business of the Government of Alberta.

Performance measure 3.a: "Percentage difference between average operating cost per rentable square metre of government owned and operated office space and leased space" compares the cost of operating government owned and operated office space to that of leased office space. The long-term goal of government is to control the costs and maintain the value of our building infrastructure. The ministry is responsible for the effective management of all owned facilities to support the delivery of provincial government programs.

In 2012-13, the average operating cost of government owned and operated office space and leased space was $103.08 per rentable square metre. Compared to leased building operating costs, the benchmark result was 5 per cent above the Alberta industry average. This result is 3.4% higher than the 2011-12 variance, but still within the +/- 5 per cent target range.

Percentage Difference Between Average Operating Cost of Government Owned and Operated Office Space and Leased Space



* Due to improvements made to the methodology, the 2010-12 results were not available to be reported. The 2010-12 and past results have been omitted from the graph as they are based on the previous methodology and are not comparable to current actual results which are based on the new methodology.

For methodology and data sources related to this measure, see page 23.

RESULTS ANALYSIS

FINANCIAL INFORMATION

Expense by Function

Ministry of Infrastructure
Expense by Function for the year ended March 31, 2013
(in thousands of dollars)

	2012-13 Budget	2012-13 Actual	Comparable 2011-12 Actual
	(Estimates)		
General Government	$ 593,743	$ 555,692	$ 541,680
Health	692,456	441,048	560,645
Environment	32,723	37,001	33,096
Transportation, Communications and Utilities	3,968	3,530	4,171
Education	5,187	2,509	3,219
Agriculture, Resource Management and Economic Development	—	1,696	—
Housing	36,359	41,116	1,534
Protection of Persons and Property	—	287	—
Total Expense by Function	**$ 1,364,436**	**$ 1,082,879**	**$ 1,144,345**

In accordance with Government of Alberta accounting principles, the Ministry of Infrastructure classifies its expenses into eight functions. Each of these functions identifies the principal purpose for which ministry expenditures are incurred.

Overall, approximately 92 per cent of the Ministry's 2012-13 expenditures supported the functions of General Government and Health.

Methodology and Data Sources

Goal One – Safe, innovative and cost effective public infrastructure.

The performance measures for Goal One use a Facility Condition Index (FCI) value to report the physical condition of facilities. The FCI is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement value. A standard replacement cost methodology is used across all facility types. The percentages are then calculated by taking the replacement values of facilities in good, fair or poor condition (as defined by FCI) and dividing each by the total area of all facilities.

The FCI was adopted as a common measure to enhance reporting by enabling the ministry to compare condition ratings across facility types (health facilities, schools, post-secondary institutions and government-owned facilities). The FCI is produced slightly differently for different facility types depending on the amount of data available and the ability of onsite facility operators to update the data.

Data are collected through periodic condition assessments conducted by consultants and coordinated by ministry staff. If a facility has been constructed or completely refurbished within the last 10 years, and there has been no audit, it is rated as "good." Between consultant assessments, facility managers update facility information directly in the evaluation database, providing more detailed and timely condition information. Consultant assessments serve the dual purpose of updating the condition information, as well as validating the data entered by the facility managers.

The data are then stored in an electronic database using a program called Real Estate Capital Asset Priority Planning (RECAPP). RECAPP is produced and maintained by a private sector vendor. The software and its associated methodology are used by other jurisdictions in education, public works and property management settings.

Due to changes in reporting methodology, current results are not comparable to years prior to 2011-12. The *2012-13 Annual Report* includes the 2011-12 results that are based on building replacement values using an improved methodology to produce more accurate and consistent FCI values.

The 2007-10 results have been omitted from the graphs as they are based on the obsolete methodology and are not comparable to the current actual results.

Performance Measure 1.a: Health Facilities – Physical Condition

This measure uses a combination of two methodologies. In 2008, the Ministry started using the Facility Condition Rating (FCR) which is the FCI established at the time of a consultant audit. By the end of 2012-13, 212 health facilities have been evaluated to produce a FCR. This represents 88 per cent of facilities over 1,000 gross square metres owned by Alberta Health Services that are required to be evaluated. For health facilities not evaluated by consultants, the FCI was calculated based on detailed 5-year physical condition deficiency lists provided by the former health regions, supplemented with review by Infrastructure. Going forward the intention is to conduct consultant assessments over a five-year cycle, with approximately 20 per cent of the facilities assessed and their condition rated each year. The condition ratings from current year assessments will be combined with those of previous years. This measure excludes facilities that are not eligible for Infrastructure Maintenance Program funding and excludes leased facilities. To optimize evaluation funds, this measure does not include facilities with an area of less than 1,000 gross square metres.

Performance Measure 1.b: School Facilities – Physical Condition

This measure uses the Facility Condition Rating (FCR) which is the FCI established at the time of a consultant audit. Consultant assessments are conducted over a five-year cycle, with approximately 20 per cent of the facilities assessed and their condition rated each year. The condition ratings from current year assessments are combined with those of previous years. Approximately 80 per cent of condition ratings are based on prior year facility assessments. Assessments are conducted for school facilities owned by school boards and funded by the Government of Alberta, and do not include outreach facilities. To optimize evaluation funds, this measure does not include facilities with an area of less than 1,000 gross square metres. However, the area of these excluded schools is less than 0.5 per cent of the total schools area and would not affect the measure.

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

This measure uses the "Year End" FCI, which is initially based on a consultant assessment but changes annually based on updated information entered into the Real Estate Capital Asset Priority Planning (RECAPP) database by the institutions. The intention is to conduct assessments on a five-year cycle, with approximately 20 per cent being evaluated per year. However, a growing inventory is affecting the cycle with approximately 14 per cent of the post-secondary facilities being assessed and their condition rated each year. This measure does not include "unsupported" facilities such as residences, parkades and commercial facilities. To optimize evaluation funds, this measure does not include facilities with an area of less than 1,000 gross square metres.

Goal Two – Sustainable public infrastructure.

Performance Measure 2.a: Government Owned and Operated Facilities – Physical Condition

This measure uses the Facility Condition Rating (FCR) which is the FCI established at the time of a consultant audit. Consultant assessments are conducted over a five-year cycle, with one-fifth (approximately 20 per cent) of the facilities assessed and their condition rated each year. The condition ratings from current year assessments are combined with those of previous years. Approximately 80 per cent of condition ratings are based on prior year facility assessments. Facilities owned by the provincial government but leased or operated by a third party are excluded from this measure. Surplus properties approved for disposal are also excluded. To optimize evaluation funds, this measure only includes facilities that are over 1,000 gross square metres in size, comprising approximately 90 per cent of the total area of all facilities combined.

Performance Measure 2.b: Energy Consumption in Megajoules per Gross Square Metre in Government Owned and Operated Office Space and Leased Space

The measure indicates how effectively the ministry is managing energy and associated costs in government owned buildings using a simple formula: the total annual energy consumption for all buildings divided by the buildings' total gross square metres.

Energy consumption data for over 1,200 gas and electricity sites are provided by various retailers during the year and entered into the Energy Consumption Reporting System. The data are validated, converted from gigajoules and kilowatt-hours into megajoules, and totaled for all buildings. The gas total is adjusted using monthly actual and normal degree day data from Environment Canada to compensate for weather variations. To calculate the measure, the total weather-adjusted consumption is divided by the total square metres based on building areas reported by the Building and Land Information Management System.

Goal Three – Safe and cost effective accommodation.

Performance Measure 3.a: Percentage Difference Between Average Operating Costs per Rentable Square Metre of Government Owned and Operated Office Space and Leased Space

This measure compares the average annual operating cost per rentable square metre of office space in government-owned facilities operated by Infrastructure to an industry benchmark, which is based on the average operating costs for a sample of leased facilities.

Data for 71 owned buildings, totalling approximately 374,000 rentable square metres, and 29 leased buildings, totalling approximately 572,000 rentable square metres, were used for the comparison.

Eligible operating costs are consistent with the discontinued survey criteria used by the Building Owners and Managers Association (BOMA) to assess facilities management practices in office buildings. Operating costs include the costs of administration, caretaking, grounds, security/safety, routine buildings maintenance, utilities and insurance. Property taxes, which are beyond the control of Alberta Infrastructure, are excluded from the calculation, as are major maintenance project costs and amortization costs. Areas excluded from the rentable space calculation include interior parking, elevator/mechanical shafts and external walls.

This measure can be directly affected by inflationary pressures, such as rising costs associated with utilities and contracts, as well as ongoing maintenance requirements. This measure is also sensitive to the variability in funding for property operations.

FINANCIAL INFORMATION

Financial Statements for the year ended March 31, 2013

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Independent Auditor's Report

AUDITOR GENERAL
Alberta

To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Infrastructure, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 6, 2013

Edmonton, Alberta

MINISTRY OF INFRASTRUCTURE
STATEMENT OF OPERATIONS
Year ended March 31, 2013

	2013		2012
	Revised Budget (Schedule 4)	Actual *(in thousands)*	Actual Restated (Note 3)
Revenues (Schedule 1)			
Transfers from the Government of Canada	$ -	$ -	$ 6,201
Investment Income	500	2,839	5,149
Parking and Other Fees	3,000	3,177	3,253
Other Revenue	81,278	104,492	155,095
	84,778	110,508	169,698
Expenses - Directly Incurred (Note 2(b) and Schedule 9)			
Program (Schedules 3 and 6)			
Ministry Support Services	17,641	15,960	15,677
Health Facilities Support	692,456	439,932	554,003
Capital Construction Program	100,903	99,841	101,285
Capital Construction Program (Debt Servicing)	86	-	-
Property Management	247,898	253,389	232,242
Property Development	30,355	30,228	28,279
Realty Services	246,597	240,214	196,744
Capital for Emergent Projects	28,500	3,315	16,115
	1,364,436	1,082,879	1,144,345
Net Operating Results	$ (1,279,658)	$ (972,371)	$ (974,647)

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

MINISTRY OF INFRASTRUCTURE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2013

	2013	2012 Restated (Note 3)
	(in thousands)	
Assets		
Cash and Cash Equivalents	$ 77	$ 9,494
Accounts Receivable (Note 4)	8,307	159,185
Advances (Note 5)	65	66
Inventories (Note 2(b) and Note 6)	145,581	71,194
Tangible Capital Assets (Note 7)	2,761,780	2,651,776
	$ 2,915,810	$ 2,891,715
Liabilities		
Accounts Payable and Accrued Liabilities (Note 2b)	$ 232,523	$ 218,512
Holdbacks Payable	38,003	76,952
Deferred Revenue	8,729	14,396
Deferred Capital Contribution (Note 12)	6,998	-
Liabilities for Future Site Remediation and Reclamation (Note 2b)	55,690	48,516
	$ 341,943	$ 358,376
Net Assets		
Net Assets at Beginning of Year, as restated (Note 3a)	$ 2,533,339	$ 2,234,695
Less: Adjustment to Opening Net Assets (Note 2b)	5,639	-
Net Operating Result	(972,371)	(974,647)
Net Financing Provided from General Revenues	1,018,538	1,273,291
Net Assets at End of Year	2,573,867	2,533,339
	$ 2,915,810	$ 2,891,715

Contractual obligations (Note 8) and contingent liabilities (Note 11)

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

MINISTRY OF INFRASTRUCTURE
STATEMENT OF CASH FLOWS
Year ended March 31, 2013

	2013	2012 Restated Note 3
	(in thousands)	
Operating Transactions		
Net Operating Result	$ (972,371)	$ (974,647)
Non-cash items included in Net Operating Results		
Amortization	87,144	81,685
Consumption of Inventory	42,920	3,598
(Gain) on Disposal of Tangible Capital Assets	(1,684)	(6,047)
Loss on Write-down of Tangible Capital Assets	2,240	22,810
Swan Hills Site Remediation Liability	7,848	4,148
Provision for Vacation pay	386	1,025
Provision for Doubtful Accounts	464	13
	139,318	107,232
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	150,414	(140,333)
(Increase) Decrease in Advances	1	106
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(57,781)	34,554
Increase (Decrease) in Holdbacks Payable	(38,949)	16,012
Increase (Decrease) in Deferred Revenue	(5,667)	9,813
Increase (Decrease) in Deferred Capital Contribution	1,359	-
Decrease in Liabilities for Future Site Remediation and Reclamation	(674)	(216)
	48,703	(80,064)
Cash Applied to Operating Transactions	(784,350)	(947,479)
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(203,405)	(286,331)
Purchase of Inventories	(45,901)	(45,974)
Transfer of Tangible Capital Assets to/(from) Other Government Entities	3,402	(1,617)
Proceeds from Disposal of Tangible Capital Assets	2,286	6,570
Nominal Sum Disposals	13	-
Cash Applied to Capital Transactions	(243,605)	(327,352)
Financing Transactions		
Net Financing Provided from General Revenues	1,018,538	1,273,291
Cash Provided by Financing Transactions	1,018,538	1,273,291
(Decrease) in Cash and Cash Equivalents	(9,417)	(1,540)
Cash and Cash Equivalents, Beginning of Year	9,494	11,034
Cash and Cash Equivalents, End of Year	$ 77	$ 9,494

NOTE 1 AUTHORITY AND PURPOSE

The Department of Infrastructure (the "Ministry") operates under the authority of the *Government Organization Act,* Chapter G-10, Revised Statutes of Alberta 2000.

The Minister of Infrastructure (the "Minister") is responsible for working with partners and stakeholders to:

- support the provision of health, learning, and other public infrastructure;
- operate, maintain, and preserve government-owned and leased properties;
- provide professional expertise on capital planning, design, construction, procurement, costing, project management and facility evaluation and preservation;
- provide accommodation and realty services to all government ministries, including space planning and leasing as well as the purchase and sale of property;
- manage the Edmonton and Calgary Transportation and Utility Corridors, and the Swan Hills Treatment Centre; and
- provide land planning and land development in the Wood Buffalo Region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure for which the Minister of Infrastructure is accountable. 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 (the Fund). The Fund is administered by the President of Treasury Board and 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 Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenue Accounting Policy

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

<u>Accounting Policy Change</u>

Effective April 1, 2012, the department changed its policy for recording capital transfers and restricted capital contributions. Previously, capital transfers and restricted capital contributions were recorded as revenue when the tangible capital assets were acquired or constructed. As a result of this policy change, capital transfers and restricted capital contributions are recognized as deferred revenue upon receipt and transferred to revenue over the useful life of capital assets based on relevant stipulations by the transferring government and restrictions by donors. This policy has been adopted retroactively without restatement of comparatives. As a result, the opening net assets/liabilities have decreased by $5,638,614.

<u>Government Transfers</u>

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations together with the department's actions and communications as to the use of transfers, create a liability.

Capital Contributions

Restricted capital contributions are recognized as deferred capital contributions when received and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's credit or recovery initiatives.

Expenses

Directly Incurred

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

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- 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, guarantees, indemnities, and site remediation.
- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
  - grants are recognized as expenses when authorized, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made;
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of Ministry operations are not recognized and are disclosed in Schedule 8 and allocated to programs in Schedule 9.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Tangible capital assets of the Ministry include work in progress. These costs are capitalized, but not amortized until the asset is in service.

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

Amortization is only charged if the asset is in use.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book values of these physical assets less any nominal proceeds are recorded as grants in kind.

Disposal of capital assets for nominal sum, often referred to as nominal sum disposal grants, are now reported at the book value of the asset. Previously, these disposals had been reported at the fair value of the asset. As the total dollar value of nominal sum disposal grants by the government is relatively small, this change in reporting is being implemented prospectively from April 1, 2012, rather than retroactively.

Inventories

Inventories are valued at lower of cost or replacement cost.

However, land held for resale is recorded at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less cost to complete the development and selling costs. Costs include all costs to build infrastructure. The estimated unexpended portion of costs to complete building the infrastructure, which are classified as "provision for land development" (refer to below) are recorded as a liability upon approval of the development plan with the municipality. The cost of sale of a lot is allocated on the basis of the estimated total cost of the subdivision phase prorated over the number of acres in the phase.

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 the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Accounts Payable and Accrued Liabilities

A provision for land development related to the construction, installation, and servicing of municipal improvements for the Parsons Creek Subdivision under development in the Regional Municipality of Wood Buffalo is recognized once an approved land agreement with the municipality is in place as this is the point in time when an obligation arises. The provision is recognized as a liability with an equal amount capitalized to land inventory. Provisions for land development are measured at management's best estimates of the expenditure required to complete the approved development plan at the end of the reporting period. Adjustments are made to the liability when actual costs are incurred. Provisions are discounted, where material, by discounting the expected future cash flows at a rate that reflects risk specific to the provision and the time value of money.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Net Assets

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

Canadian Public Sector Accounting Standards require a “net debt” presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

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 cash and cash equivalents, accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Grants in Kind to Alberta Health Services and the University of Alberta

Capital assets are transferred quarterly as work in progress to the recipient organizations at their net book value and recorded as a Grant in Kind expense by the Ministry.

NOTE 3 GOVERNMENT REORGANIZATION
(in thousands)

During the year, the Ministry restated the financial statements previously presented for the effects of changes resulting from program transfers to other departments of the government. The financial impact of these changes on opening net assets is explained further below.

(a) Program Transfers

	As Previously Reported	Transfer to Energy [1]	As Restated
Net Assets at March 31, 2011	$ 2,234,695	$ -	$ 2,234,695
Net Operating Result	(976,846)	2,199	(974,647)
Net Financing provided from (to) General Revenues	1,275,317	(2,026)	1,273,291
Net Assets at March 31, 2012	**$ 2,533,166**	**$ 173**	**$ 2,533,339**

[1] Effective April 1, 2012, responsibility for Oil Sands Sustainable Development was transferred from the Ministry of Infrastructure to the Ministry of Energy. The 2012 comparatives for Ministry Support Services have been restated as if the Ministry had never been assigned with its current responsibilities.

NOTE 4 ACCOUNTS RECEIVABLE
(in thousands)

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Swan Hills Treatment Centre	$ 2,369	$ -	$ 2,369	$ 2,339
Rental and Other	5,874	877	4,997	156,159
Cost Recoveries	941	-	941	687
	$ 9,184	$ 877	$ 8,307	$ 159,185

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 ADVANCES
(in thousands)

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Other advances	$ 65	$ -	$ 65	$ 66
	$ 65	$ -	$ 65	$ 66

NOTE 6 INVENTORIES
(in thousands)

Inventories consist of chemicals for the Swan Hills Treatment Plant as well as land held for resale for the Parsons Creek project in the Wood Buffalo Region.

	2013	2012
Swan Hills Inventory	$ 2,132	$ 2,187
Land Held for Resale	143,449	69,007
	$ 145,581	$ 71,194

NOTE 7 TANGIBLE CAPITAL ASSETS
(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2013 Historical Cost [1]			
	Estimated Useful Life	Beginning of Year	Additions	Disposals, adjustments, write-downs	End of Year
Land	Indefinite	$ 764,276	$ 7,381	$ (4,360)	$ 767,297
Land Improvements	40 years	11,994	3,450	-	15,444
Buildings	40 years	2,941,002	180,393	(1,868)	3,119,527
Equipment	5-40 years	25,162	17,072	(3)	42,231
Computer hardware and software	3-10 years	33,668	4,169	-	37,837
Other [2]	3-40 years	183,309	(9,060)	-	174,249
		$ 3,959,411	$ 203,405	$ (6,231)	$ 4,156,585

	2013 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2013	March 31, 2012
Land	$ -	$ -	$ -	$ -	$ 767,297	$ 764,276
Land Improvements	4,019	591	-	4,610	10,834	7,975
Buildings	1,167,906	54,547	27	1,222,480	1,897,047	1,773,096
Equipment	16,456	3,804	(1)	20,259	21,972	8,706
Computer hardware and software	21,091	2,931	-	24,022	13,815	12,577
Other [2]	98,163	25,271	-	123,434	50,815	85,146
	$ 1,307,635	$ 87,144	$ 26	$ 1,394,805	$ 2,761,780	$ 2,651,776

(1) Included in the cost of land improvements, buildings, equipment, computer hardware and software is work in progress amounting to $922,395 (2012 - $858,699).

(2) Includes trailers and leasehold improvements.

NOTE 8 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2013	2012
Capital Investment		
Construction Contracts and Service Agreements	$ 348,916	$ 452,148
Expense		
Maintenance Contracts and Service Agreements	1,208,134	914,229
Grants	907,222	1,205,606
Long-term Leases	780,147	870,143
	$ 3,244,419	$ 3,442,126

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

	Capital Investment	Expense			
	Construction Contracts and Service Agreements	Maintenance Contracts and Service Agreements	Grants	Leases	Grand Total
2014	$ 138,548	$ 292,898	$ 472,962	$ 181,434	$ 1,085,842
2015	96,346	226,864	252,277	150,198	725,685
2016	73,226	112,853	181,433	126,497	494,009
2017	40,796	88,530	539	102,583	232,448
2018	-	26,228	11	82,299	108,538
Thereafter	-	460,761	-	137,136	597,897
	$ 348,916	$ 1,208,134	$ 907,222	$ 780,147	$ 3,244,419

NOTE 9 SWAN HILLS TREATMENT CENTRE

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Centre were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

In addition, certain lands relating to the Swan Hills Treatment Centre and the associated environmental obligations were transferred to the Ministry effective March 31, 2004.

As a result of an agreement between the Ministers of Environment, Infrastructure, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Centre and related warehouse sites were transferred to the Ministry.

A study was done by an environmental consultant in October 2002 to determine the estimated cost of remediating and monitoring the Swan Hills Treatment Centre site in 2018. During the 2007-2008 fiscal year, an environmental consultant updated the estimate to $62.14 million. The annual provision is $4.148 million based on the inflation adjusted liability of $79.69 million in 2018.

At March 31, 2013 the assets and liabilities of plant operations were as follows:

	2013	2012
	(in thousands)	
Assets		
Accounts Receivable	$ 2,369	$ 2,339
Chemical and Parts Inventories	2,132	2,187
Capital Assets	12,413	12,431
	$ 16,914	$ 16,957
Liabilities		
Accounts Payable and Accrued Liabilities	$ 4,454	$ 5,186
Deferred Revenue	1,404	983
	$ 5,858	$ 6,169

Net operating results from plant operations for the years ended March 31 were as follows:

	2013	2012
Revenue		
Operating Revenue	$ 10,129	$ 13,415
	10,129	13,415
Expenses		
Plant Operating Expenses before Inventory Transactions (1)	30,437	27,348
Consumption of Consumable and Repair Part Inventories	2,282	2,084
Amortization (2)	4,191	3,544
	36,910	32,976
Net Operating Results from Plant Operations	$ (26,781)	$ (19,561)
Purchase of Consumable and Repair Part Inventories	$ 2,227	$ 1,977
Capital Investment in Plant and Equipment	$ 4,221	$ 3,560

(1) The amount reported on Schedule 5 includes expenses for environmental and financial assessments and IT Software of $93 (2012 - $154). Plant costs include a provision of $7,848 for site reclamation and environmental monitoring.
(2) Included in Financial Transactions on Schedule 5.

NOTE 10 TRUST FUNDS UNDER ADMINISTRATION
(in thousands)

The Ministry 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 purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2013, trust funds under the Ministry's administration were as follows:

	2013	2012
The General Trust Fund	$ 1,644	$ 1,761
The Security Deposit Trust Fund	148	151
	$ 1,792	$ 1,912

The General Trust Fund holds non-interest bearing securities posted by contractors.
The Security Deposit Trust Fund holds interest bearing deposits from tenants for rented property.

NOTE 11 CONTINGENT LIABILITIES
(in thousands)

At March 31, 2013 the Ministry is a defendant in sixteen legal/other claims (2012 - twenty-six claims). All of these claims have specified amounts totaling $364,025 and there are no claims having no specified amounts (2012 - twenty-four claims with a specified amount of $372,422 and two with no specified amount). Five claims amounting to $2,390 (2012 - six claims amounting to $1,911) are covered by the Alberta Risk Management Fund.

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

NOTE 12 DEFERRED CAPITAL CONTRIBUTION
(in thousands)

Opening Deferred Capital Contribution	$ -
Add: Adjustment to Opening Deferred Capital Contribution Balance (refer to Note 2(b) - Accounting Policy Change)	5,639
Add: Deferred Capital Contribution received in the current year	1,691
Less: Deferred Capital Contribution recognized as revenue in the current year	332
Closing Deferred Capital Contribution	$ 6,998

NOTE 13 PAYMENTS UNDER AGREEMENT
(in thousands)

The Ministry entered into an agreement to deliver programs and services that are fully funded by other agencies. Costs under this agreement are incurred by the Ministry under authority in Section 25 of the Financial Administrations Act. Accounts payable includes $1,201 (2012- $8,973) relating to payments under the agreement.

Amounts paid and payable under agreement with the program sponsor are as follows:

	2013	2012
Alberta Health Services	$ 8,973	$ 28,313
University of Alberta	7,996	-
	$ 16,969	$ 28,313

MINISTRY OF INFRASTRUCTURE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2013

NOTE 14 DEFINED BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,348 for the year ended March 31, 2013 (2012 - $7,900). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2012, the Management Employees Pension Plan reported a deficiency of $303,423 (2011 – deficiency $517,726), the Public Service Pension Plan reported a deficiency of $1,645,141 (2011 –deficiency $1,790,383) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $51,870 (2011 – deficiency $53,489).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2013, the Bargaining Unit Plan reported an actuarial surplus of $51,717 (2012 – surplus $9,136) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $18,327 (2012– surplus $10,454). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 15 COMPARATIVE FIGURES

Certain 2012 figures have been reclassified to conform to the 2013 presentation.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

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

MINISTRY OF INFRASTRUCTURE **Schedule 1**
SCHEDULE TO THE FINANCIAL STATEMENTS
Revenues
Year ended March 31, 2013

	2013		2012
	Revised Budget	Actual	Actual
		(in thousands)	
Transfers from the Government of Canada			
Cost Recoveries and Contributions	$ -	$ -	$ 6,201
Parking and Other Fees			
Civil Service Parking	3,000	3,177	3,253
	3,000	3,177	3,253
Investment Income			
Investment Income	500	2,839	5,149
	500	2,839	5,149
Other Revenue			
Refunds of Expenditure	1,400	9,368	112,517
Swan Hills Treatment Centre	9,000	10,129	13,415
Rentals (Land and Buildings)	10,780	17,199	14,029
Cost Recoveries	7,996	523	2,682
Gain on Disposal of Tangible Capital Assets	-	1,684	6,036
Sales - Other	50,000	63,273	4,028
Miscellaneous	2,102	2,316	2,388
	81,278	104,492	155,095
	$ 84,778	$ 110,508	$ 169,698

MINISTRY OF INFRASTRUCTURE **Schedule 2**
SCHEDULE TO THE FINANCIAL STATEMENTS
Credit or Recovery
Year ended March 31, 2013

		2013			
	Authorized	**Actual Revenue Recognized**	**Deferred Revenue**	**Actual Cash/Donation Received**	**(Shortfall)/ Excess**
			(in thousands)		
Property Rentals (Land & Buildings)	$ 13,080	$ 13,080	$ -	$ 13,080	$ -
Swan Hills Treatment Centre	9,000	10,129	-	10,129	1,129
Demolition on the Alberta School for the Deaf Property	191	191	-	191	-
New Edmonton Remand Centre Offsite Services	-	-	1,691	1,691	-
	$ 22,271	$ 23,400	$ 1,691	$ 25,091	$ 1,129

Property Rentals
Rent is charged to agencies of the government and other entities which occupy space in government operated buildings or which utilize land owned by the government.

Swan Hills Treatment Centre
The private sector is charged for the disposal of hazardous waste.

Demolition on the Alberta School for the Deaf Property
In accordance with their lease agreement at the Alberta School for the Deaf site, the City of Edmonton is required to pay for the demolition of the houses and landscaping of the site.

New Edmonton Remand Centre Offsite Services
Costs reimbursed by the City of Edmonton as development occurs along the new Edmonton Remand Centre sewer line.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE **Schedule 3**
SCHEDULE TO THE FINANCIAL STATEMENTS
Expenses - Directly Incurred Detailed By Object
Year ended March 31, 2013

	2013		2012
	Budget	**Actual**	**Actual**
		(in thousands)	**(Note 3)**
Salaries, Wages, and Employee Benefits	$ 90,742	$ 77,883	$ 75,920
Supplies and Services [1]	425,876	438,233	408,824
Supplies and Services from Support Service Arrangements with Related Parties [2]	925	1,483	1,257
Grants	709,747	432,444	550,126
Financial Transactions and Other	196	2,772	22,935
Amortization of Tangible Capital Assets	99,200	87,144	81,685
Consumption of Inventory	37,750	42,920	3,598
	$ 1,364,436	$ 1,082,879	$ 1,144,345

[1] Includes severance and termination payments of $0.

[2] The ministry receives financial and administrative services from the Ministry of Service Alberta.

RESULTS ANALYSIS

FINANCIAL INFORMATION

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS
Budget
Year ended March 31, 2013

Schedule 4

	2012-13 Estimates [1]	Capital Contribution Adjustment [2]	Adjustment to Conform to Accounting Policy [3]	Revised Estimates	Adjustments [4]	2012-13 Budget	Authorized Supplementary	2012-13 Authorized Budget
				(in thousands)				
Revenues								
Federal and Other Government Grants	$ 21,500	$ -	$ (21,500)	$ -	$ -	$ -	$ -	$ -
Investment Income	500	-	-	500	-	500	-	500
Premiums, Fees and Licenses	3,000	-	-	3,000	-	3,000	-	3,000
Other Revenue	81,278	1,691	(1,691)	81,278	5,891	87,169	-	87,169
	106,278	1,691	(23,191)	84,778	5,891	90,669	-	90,669
Expenses - Directly Incurred Programs [5]								
Ministry Support Services	$ 17,641	$ -	$ -	$ 17,641	$ -	$ 17,641	$ -	$ 17,641
Health Facilities Support	692,456	-	-	692,456	3,400	695,856	-	695,856
Capital Construction Program	100,903	-	-	100,903	500	101,403	-	101,403
Capital Construction Program - Debt Servicing	86	-	-	86	-	86	-	86
Property Management	247,898	-	-	247,898	-	247,898	-	247,898
Property Development	30,355	-	-	30,355	191	30,546	-	30,546
Realty Services	246,597	-	-	246,597	2,300	248,897	-	248,897
Capital for Emergent Projects	28,500	-	-	28,500	(15,755)	12,745	-	12,745
	1,364,436	-	-	1,364,436	(9,364)	1,355,072	-	1,355,072
Net Operating Results	$ (1,258,158)	$ 1,691	$ (23,191)	$ (1,279,658)	$ 15,255	$ (1,264,403)	$ -	$ (1,264,403)
Capital Investment [6]	$ 398,107	$ -	$ -	$ 398,107	$ 41,071	$ 41,071	$ -	$ 41,071
Non-Budgetary Disbursements [7]	$ 193	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) The 2012-13 Government Estimates on the Statement of Operations does not differentiate between amounts not required to be voted and voted expenses. Valuation adjustments are allocated to each program.

(2) Adjustments include credit or recovery increases approved by Treasury Board and Finance for capital revenue contributions.

(3) Adjustment in accordance with PS1201.133 to conform fiscal plan numbers to the accounting policy change adopted for government transfers.

(4) Adjustments include encumbrances, credit or recovery increases approved by Treasury Board and Finance, and credit or recovery shortfalls. In the event that actual Voted Expense and Capital Investment in the prior year exceeds the authorized spending the difference is known as an encumbrance. The encumbrance reduces the budgeted amount voted in the current year. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act.*

(5) Budget includes voted expense by program and amounts not required to be voted.

(6) Capital Investment consists of investments in capital projects, equipment purchases, and inventory purchases.

(7) Non-Budgetary Disbursements consist of cash payments for the reduction of a liability, expenses to be recognized in a future year, or the acquisition of a financial asset. Financial liabilities for alternatively financed capital projects are reduced by payments from a non-budgetary disbursement vote.

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS
Lapse/Encumbrance of Annual Supply Votes
Year ended March 31, 2013

Schedule 5

	2012-2013 (in thousands)					
	Voted Estimates [1]	Adjustments [4]	Supplementary Estimate	Adjusted Voted Estimate	Actuals [5]	Unexpended (Over Expended)
Program - Expense						
1 Ministry Support Services						
1.1 Minister's Office	$ 570	$ -	$ -	$ 570	$ 497	$ 73
1.2 Deputy Minister's Office	765	-	-	765	734	31
1.3 Communications	537	-	-	537	396	141
1.4 Strategic Services	11,807	-	-	11,807	12,228	(421)
	13,679	-	-	13,679	13,855	(176)
2 Health Facilities Support						
2.1 Health Facilities Infrastructure	692,456	3,400	-	695,856	439,768	256,088
2.2 Health Capital Maintenance and Renewal	-	-	-	-	169	(169)
	692,456	3,400	-	695,856	439,937	255,919
3 Capital Construction Program						
- Expense	29,046	500	-	29,546	44,065	(14,519)
- Debt Servicing	86	-	-	86	-	86
	29,132	500	-	29,632	44,065	(14,433)
4 Property Management						
4.1 Property Operations	205,500	-	-	205,500	198,312	7,188
4.2 Government Owned Facilities Preservation	9,675	-	-	9,675	13,967	(4,292)
4.3 Swan Hills Treatment Centre	29,925	-	-	29,925	30,530	(605)
	245,100	-	-	245,100	242,809	2,291
5 Property Development	7,772	191	-	7,963	6,801	1,162
6 Realty Services						
6.1 Leases	206,270	2,300	-	208,570	195,243	13,327
6.2 Land Purchases and Sales	3,968	-	-	3,968	3,279	689
6.3 Fort McMurray and Area Lands	609	-	-	609	409	200
	210,847	2,300	-	213,147	198,931	14,216
7 Capital for Emergent Projects	28,500	(15,755)	-	12,745	3,315	9,430
Dedicated Revenue Shortfall (Schedule 2)	-	-	-	-	-	-
Total - Program Expense	$ 1,227,486	$ (9,364)	$ -	$ 1,218,122	$ 949,713	$ 268,409
Lapse/(Encumbrance)						$ 268,409

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS
Lapse/Encumbrance of Annual Supply Votes
Year ended March 31, 2013

Schedule 5

	2012-2013 (in thousands)					
	Voted Estimates [1]	Adjustments [4]	Supplementary Estimate	Adjusted Voted Estimate	Actuals [5]	Unexpended (Over Expended)
Program - Capital Investment						
1 Ministry Support Services						
1.4 Strategic Services						
- Equipment/Inventory Purchases	$ 4,161	$ 5	$ -	$ 4,166	$ 4,158	$ 8
3 Capital Construction Program						
- Equipment/Inventory Purchases	-	-	-	-	222	(222)
- Capital Investment	332,229	10,373	-	342,602	170,778	171,824
	332,229	10,373	-	342,602	171,000	171,602
4 Property Management						
4.1 Property Operations						
- Equipment/Inventory Purchases	-	-	-	-	244	(244)
- Capital Investment	-	-	-	-	-	-
4.2 Government Owned Facilities Preservation						
- Capital Investment	-	1,191	-	1,191	4,032	(2,841)
4.3 Swan Hills Treatment Centre						
- Equipment/Inventory Purchases	6,543	1,006	-	7,549	6,448	1,101
	6,543	2,197	-	8,740	10,724	(1,984)
5 Property Development						
- Equipment/Inventory Purchases	-	2,123	-	2,123	6,935	(4,812)
- Capital Investment	2,634	1,008	-	3,642	1,112	2,530
	2,634	3,131	-	5,765	8,047	(2,282)
6 Realty Services						
6.2 Land Purchases and Sales						
- Capital Investment	8,300	(7,993)	-	307	5,248	(4,941)
6.3 Fort McMurray and Area Lands						
- Equipment/Inventory Purchases	35,000	24,423	-	59,423	43,674	15,749
	43,300	16,430	-	59,730	48,922	10,808
8 Capital for Emergent Projects						
- Capital Investment	-	8,935	-	8,935	6,455	2,480
Total - Program Capital Investments	$ 388,867	$ 41,071	$ -	$ 429,938	$ 249,306	$ 180,632
Lapse/(Encumbrance)						$ 180,632

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS
Lapse/Encumbrance of Annual Supply Votes
Year ended March 31, 2013

Schedule 5

	2012-2013 *(in thousands)*					
	Voted Estimates [1]	Adjustments [4]	Supplementary Estimate	Adjusted Voted Estimate	Actuals [5]	Unexpended (Over Expended)
Non-Budgetary Disbursements						
Debt Repayment						
3 Capital Construction Program	$ 193	$ -	$ -	$ 193	$ -	$ 193

[1] As per "Voted Expense by Program" (page 180), "Voted Capital Investment by Program" (page 181), and "Voted Non-budgetary Disbursements by Program" (page 182) of 2012-13 Government Estimates.

[2] Adjustments include associated expenditures on credit or recovery increases approved by Treasury Board and Finance for capital revenue contributions.

[3] Adjustment in accordance with PS1201.133 to conform fiscal plan numbers to the accounting policy change adopted for government transfers.

[4] Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls. 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.

[5] Actuals exclude non-voted amounts such as amortization and valuation adjustments.

MINISTRY OF INFRASTRUCTURE **Schedule 6**
SCHEDULE TO THE FINANCIAL STATEMENTS
Comparison of Actual and Budget
Year ended March 31, 2013

	2012-13 Estimates	Actual Voted	Actual Not Voted [1]	Actual Total	Difference
			(in thousands)		
EXPENSES					
Expenses by Program					
Ministry Support Services	$ 17,641	$ 13,855	$ 2,105	$ 15,960	$ 1,681
Health Facilities Support	692,456	439,937	(5)	439,932	252,524
Capital Construction Program - Expense	100,903	44,065	55,776	99,841	1,062
Capital Construction Program - Debt Servicing	86	-	-	-	86
Property Management	247,898	242,809	10,580	253,389	(5,491)
Property Development	30,355	6,801	23,427	30,228	127
Realty Services	246,597	198,931	41,283	240,214	6,383
Capital for Emergent Projects	28,500	3,315	-	3,315	25,185
Total Program Expense	$ 1,364,436	$ 949,713	$ 133,166	$ 1,082,879	$ 281,557
Expense by Fiscal Plan Category					
Operating Expense	$ 506,578	$ 481,077	$ 3,102	$ 484,179	$ 22,399
Capital Grants and Support	720,822	468,636	-	468,636	252,186
Amortization of Tangible Capital Assets	99,200	-	87,144	87,144	12,056
Consumption of Inventory	37,750	-	42,920	42,920	(5,170)
Debt Servicing	86	-	-	-	86
	$ 1,364,436	$ 949,713	$ 133,166	$ 1,082,879	$ 281,557
Capital Investment by Program					
Ministry Support Services	$ 4,161	$ 4,158	$ -	$ 4,158	$ 3
Capital Construction Program	341,469	171,000	-	171,000	170,469
Property Management	6,543	10,724	-	10,724	(4,181)
Property Development	2,634	8,047	-	8,047	(5,413)
Realty Services	43,300	48,922	-	48,922	(5,622)
Capital for Emergent Projects	-	6,455	-	6,455	(6,455)
	$ 398,107	$ 249,306	$ -	$ 249,306	$ 148,801
Non-Budgetary Disbursements	$ 193	$ -	$ -	$ -	$ -

[1] These amounts are not included in any supply vote either because no cash disbursement is required or because the Legislative Assembly has already provided funding authority pursuant to a statute other than an appropriation act.

MINISTRY OF INFRASTRUCTURE **Schedule 7**
SCHEDULE TO THE FINANCIAL STATEMENTS
Salary and Benefits Disclosure
Year ended March 31, 2013

	2013				2012
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total (Restated)
Deputy Minister [4] [6]	$ 275,024	$ -	$ 84,069	$ 359,093	$ 341,704
Current Executives					
Assistant Deputy Minister, Properties	192,152	-	52,542	244,694	245,459
Assistant Deputy Minister, Capital Projects	192,152	-	56,381	248,533	237,621
Assistant Deputy Minister, Policy and Corporate Services [5]	185,302	-	52,506	237,808	237,979
Executive Director, Finance	157,305	-	43,357	200,662	194,315
Executive Director, Human Resources [5]	149,338	-	40,650	189,988	175,864

Prepared in accordance with Treasury Board Directive 12/98, as amended.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts, overtime, and lump sum payments. There were no bonuses paid in 2013.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, and tuition fees.

(4) The incumbent was appointed to the position in May 2012.

(5) The incumbent's services are shared with the Ministry of Transportation which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

(6) Automobile is provided. No dollar amount is included in other non-cash benefits.

MINISTRY OF INFRASTRUCTURE **Schedule 8**
SCHEDULE TO THE FINANCIAL STATEMENTS
Related Party Transactions
Year ended March 31, 2013
(in thousands)

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

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

The Ministry had the following transactions with related parties recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2013	**2012**
Revenues		
Parking/Rental	$ 2,739	$ 2,741
SUCH [(1)] Sector Entities	853	107,878
Swan Hills Treatment Centre	360	360
	$ 3,952	$ 110,979
Expenses - Directly Incurred		
Business and Technology Services	$ 1,483	$ 1,257
SUCH Sector Entities	438,105	556,579
Insurance	2,475	2,180
Other Costs	111	104
	$ 442,174	$ 560,120
Tangible Capital Assets Transferred (In)/Out	$ 3,402	$ (1,617)
Accounts Receivable from SUCH Sector Entities	$ 273	$ 151,535
Nominal Sum Disposals to SUCH Sector Entities	$ 13	$ -
Accounts Payable to SUCH Sector Entities	$ 41,620	$ 62,133
Accounts Receivable	$ 1,038	$ 884

[(1)] SUCH - Schools, Universities, Colleges and Hospitals

The Ministry 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 but are disclosed in Schedule 9.

	Other Entities	
	2013	**2012**
Revenue		
Accommodation	$ 455,585	$ 436,655
Expenses - Incurred by Others (Schedule 9)		
Accommodation	$ 2,509	$ 2,502
Air Transportation/Executive Vehicles	275	283
Business Services	6,636	6,936
Internal Audit	13	13
Legal	1,302	1,414
	$ 10,735	$ 11,148

MINISTRY OF INFRASTRUCTURE **Schedule 9**
SCHEDULE TO THE FINANCIAL STATEMENTS
Allocated Costs
Year ended March 31, 2013
(in thousands)

	2013					2012 Restated (Note 3)
		Expenses - Incurred by Others				
Program	Expenses [1]	Accommodation Costs [2]	Business Services [3]	Legal Services [4]	Total Expenses	Total Expenses
Ministry Support Services	$ 15,960	$ 213	$ 6,924	$ 205	$ 23,302	$ 23,345
Health Facilities Support	439,932	211	-	186	440,329	546,060
Capital Construction Program	99,841	543	-	480	100,864	110,702
Property Management	253,389	1,258	-	115	254,762	233,621
Property Development	30,228	127	-	23	30,378	28,430
Realty Services	240,214	157	-	293	240,664	197,220
Capital for Emergent Projects	3,315	-	-	-	3,315	16,115
	$ 1,082,879	$ 2,509	$ 6,924	$ 1,302	$ 1,093,614	$ 1,155,493

[1] Expenses - Directly Incurred as per Statement of Operations.

[2] Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 8, allocated by the number of employees in each program.

[3] Costs shown for Business Services include charges for financial and information technology support, vehicles, air transportation, and internal audit services.

[4] Cost shown for Legal Services on Schedule 8, allocated by estimated costs incurred by each program.

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