

# Infrastructure

**Annual Report**  
2013-2014





# Infrastructure

## Annual Report

2013-2014

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# Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 19 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 December 6, 2013, the government announced new ministry structures. The 2013-14 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 *Fiscal Management 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, 2014, was prepared under my direction in accordance with the *Fiscal Management Act* and the government's accounting policies. All of the government's policy decisions as at June 4, 2014 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

*Original signed by*

*Honourable Wayne Drysdale  
Minister of Infrastructure*

## Message from the Minister



Public infrastructure plays a key role in Albertan's quality of life. More than four million people live in Alberta today, and our province is growing by nearly 300 people each day. Within the next 10 years, an additional one million people are expected to call Alberta home. We need to make sure the right infrastructure is in the right place to meet Albertan's needs at the right time.

In 2013-14, Alberta Infrastructure was central to meeting the population growth challenge through the Building Alberta Plan, opening doors on newly completed projects and breaking ground for new facilities that will serve generations of Albertans.

The February 2014 announcement of a new school for Grande Prairie marked the last of 120 new and modernized schools committed to as part of the Building Alberta Plan. These 50 new schools will create about 38,000 new spaces for Alberta students throughout the province and the 70 modernized schools will house about 48,000 improved student spaces.

In addition, 30 school projects announced in 2011 are nearing completion and will open for students and teachers by the end of 2014. New schools in growing communities mean more students will be able to attend school close to home, while modernized schools give students the benefits of up-to-date technology and upgraded learning environments.

In November, the new Central Alberta Cancer Centre opened in Red Deer. The new facility ensures fewer people will need to travel to Edmonton or Calgary to access cancer services and treatment. The centre is expected to see more than 15,000 patient visits in its first year and the new radiation therapy facilities will treat more than 600 cases annually. That same month, Alberta Infrastructure secured a site in Medicine Hat for a new 18-bed detoxification and residential treatment centre that will provide local treatment and care.

Operational planning and design work is progressing on the new Calgary Cancer Centre which was announced in March 2013. Located at the Foothills Medical Centre site, this new facility will provide leading edge cancer care to people living in Calgary and southern Alberta. Construction is anticipated to commence in 2016 with the facility to be operational by 2020.

Health projects in various stages of completion in Alberta include the Chinook Regional Hospital in Lethbridge, the Edson Health Care Centre, the Grande Prairie Regional Hospital, the High Prairie Health Complex, the Medicine Hat Regional Hospital, the Strathcona Community Hospital, and the Red Deer Obstetrics Expansion Project.

Health care projects like these allow Albertans to seek the treatment they need in their communities, reducing travel times and stress, for patients and their loved ones.

Alberta Infrastructure continues to set an example in forward-thinking building management and design that is environmentally responsible. The Building Owners and Managers Association (BOMA) of Calgary recognizes the Alberta government as one of the strongest partners in the BOMA Best program with 86 government-owned buildings certified or in process of certification. Alberta Infrastructure was also recognized by the Canadian Green Building Council's "Government Leadership Award" for the adoption of policies and programs to advance sustainable building practices. Our ministry participated in Earth Hour 2013, joining millions across the world in shutting off non-essential lights and equipment for one hour at government properties as a symbol of our commitment to environmental sustainability and responsibility.

In January 2014, Alberta Infrastructure, Alberta Transportation, and the Regional Municipality of Wood Buffalo (RMWB) entered into a Land Exchange Agreement. Residents of Fort McMurray will see more land development and road improvements as part of this agreement between the province and municipality. In return for 453 acres of land in the Saline Creek and Parsons Creek areas, the RMWB will provide transportation infrastructure and ongoing maintenance of Highway 69 and additional improvements on Highway 63 within the regional municipality. These improvements will aid in area development which could provide housing for an estimated 44,000 residents, easing growth pressures in the region.

Construction continued this year on several major public infrastructure projects including the Evan-Thomas Water Treatment and Wastewater Treatment Facility in Kananaskis Country and the modernized and renovated Federal Building in Edmonton. Demolition of the previous buildings on the site of the new Royal Alberta Museum was completed and construction of the new museum began. As part of government's ongoing effort to ensure infrastructure is constructed, managed, and operated in an environmentally responsible and sustainable manner, 90 percent of the site's demolition rubble will be recycled and re-used. Construction of the new museum is expected to be completed in 2016.

Alberta Infrastructure also led several initiatives supporting Albertans affected by the southern Alberta floods including the Floodway Relocation Program and several floodway mitigation initiatives and cleanups. This support included providing 42 modular classrooms for about 700 students in High River and 12 modular classrooms for students in Calgary.

Our ministry is proud of our lead role in developing the Government of Alberta's Capital Plan for 2014-2017, the next phase of the Building Alberta Plan. This plan supports \$19.2 billion in infrastructure projects, about \$6.6 billion in each of the next two years and \$6 billion in 2016-17. The plan also includes significant investment in maintaining and extending the life of existing assets. More than \$1.6 billion over three years will be invested in the maintenance and renewal of aging schools, post-secondary facilities, roads, health facilities, water infrastructure, and provincial parks.

The 2014-17 Capital Plan delivers on what's important to Albertans. By continuing to invest in schools, hospitals, and transportation networks, we're making sure we meet the needs of Albertans today by creating a strong foundation for growth and prosperity in the future.

Alberta Infrastructure's success and achievements in the past year are the result of the hard work and dedication of ministry staff. Their commitment to safe, sustainable and innovative public infrastructure ensures government meets the needs of our growing province by Building Alberta for today and tomorrow.

*Original signed by*

*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 2013.

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

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

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

*Original signed by*

*Marcia Nelson  
Deputy Minister of Infrastructure  
June 4, 2014*



# Results Analysis

# Ministry Overview

Alberta Infrastructure has a commitment to provide innovative, high quality and well-designed public infrastructure for Albertans. Through leadership and expertise, and in collaboration with our partners, the ministry provides public infrastructure that contributes to the province's prosperity and quality of life.

Alberta Infrastructure aligns its services under three goals:

- **Goal 1:** Safe, adaptable and cost-effective health, learning and public infrastructure to meet the needs of Albertans;
- **Goal 2:** Safe and sustainable operation and maintenance of public facilities; and
- **Goal 3:** Cost-effective public asset management to optimize value for Albertans.

As part of a commitment to excellence, the ministry has increased focus on developing asset management best practices. Alberta Infrastructure is continually researching and implementing innovative ways to plan, design, construct, operate, maintain, dispose, re-purpose and integrate with our stakeholders. This includes examining the most efficient and effective approaches, addressing critical maintenance projects, working with all levels of government to support infrastructure planning, and incorporating environmentally responsible practices such as Leadership in Energy and Environmental Design (LEED). This commitment ensures quality infrastructure solutions are provided for our users, the communities they serve, and future generations.

The Capital Projects Division works with partner ministries, boards, agencies, and other stakeholders to implement, preserve, and upgrade supported capital infrastructure; including health facilities, schools and post-secondary institutions, and continuing care centres. The division has a wide range of expertise in project management and related professional and technical disciplines, including the development and maintenance of contract template documents; managing and supporting the procurement of construction and consulting services and respective tender administration services; providing cost of construction advice, construction escalation forecasts, market trend analysis, value management and risk management services. The Capital Projects Division also delivers major government-owned capital projects to support program delivery, health facilities, and education projects including alternatively-financed projects such as the Alberta Schools Alternative Procurement (ASAP) projects and the Building Alberta's School Construction Program (BASCP).

The Properties Division is accountable for the management, operations, and maintenance of 1,901 government-owned and leased properties as well as the management of government's corporate physical security program. Additional responsibilities include contract management for schools through the maintenance and renewal phase for the ASAP program and the BASCP. The division provides comprehensive real estate and leasing services for ministries, boards, and agencies. Additional responsibilities include the planning and management of the Edmonton and Calgary Transportation and Utility Corridors, and management of the Swan Hills Treatment Centre (SHTC). Currently, Alberta Infrastructure is developing an Asset Management program to ensure all Infrastructure assets, either owned or leased are managed according to a consistent best practices framework.

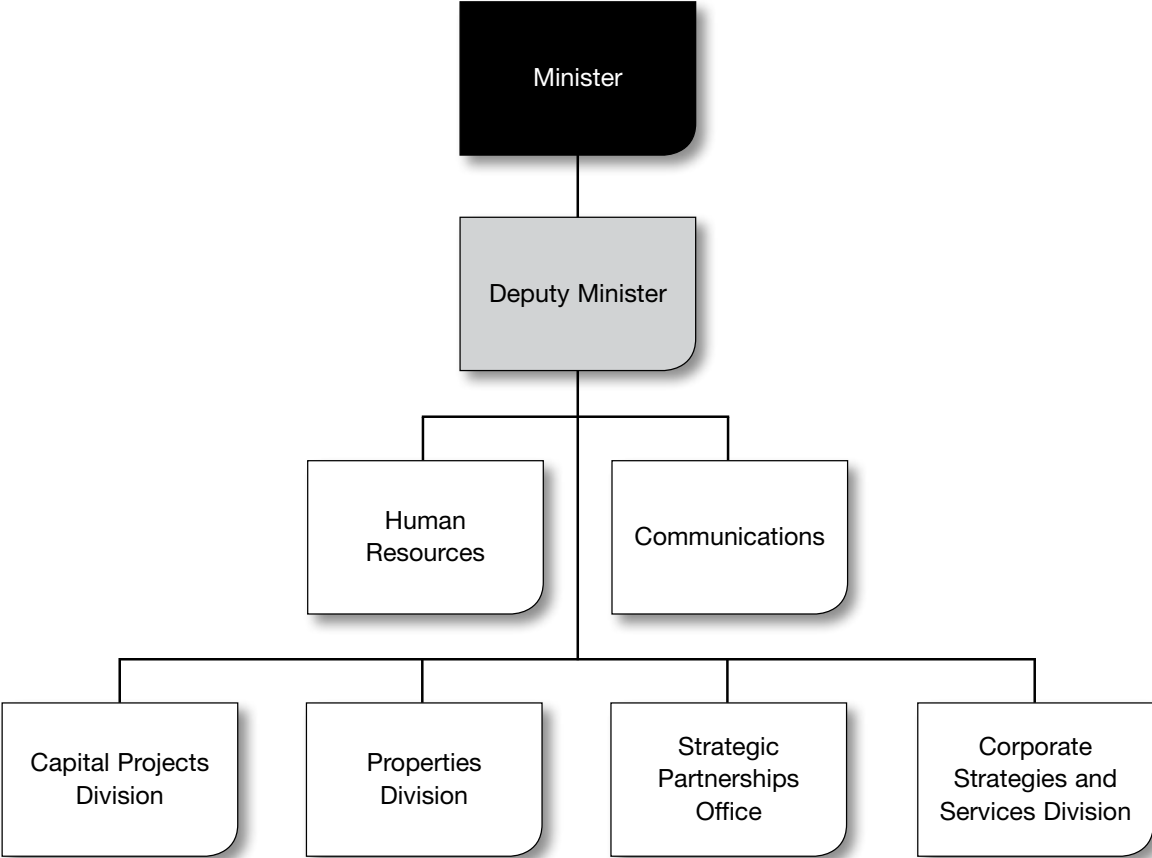
The Properties Division also provides accommodation planning services for government staff, programs and services operating out of owned and leased office space, museums, courthouses, correctional centres, services buildings and research facilities. The division seeks to continuously improve the environmental and energy management portfolio and manages the Greening Government strategy. The Properties Division is also taking the lead role for Alberta Infrastructure in response and recovery operations for major disaster events including the Southern Alberta Floods and the Slave Lake Wild Fire.

The Strategic Partnerships Office (SPO) is a centralized source of procurement knowledge, expertise and practical experience that fosters a business and policy environment for successful infrastructure partnerships. The SPO is responsible for the identification, structuring, development of business cases and procurement of partnership solutions including Public Private Partnerships (P3s) that provide alternative delivery methodology for public infrastructure. The SPO provides advice to and participates in knowledge sharing with other ministries and public sector entities on evaluation and delivery of various partnership solutions. With the Corporate Strategies and Services Division, the SPO develops policies, frameworks and guidelines related to alternative financing of capital projects. The SPO also maintains intergovernmental contacts and works with other jurisdictions on Pan-Canadian matters relating to alternatively financed projects and researches and maintains industry and market insights on emerging trends and issues.

The Corporate Strategies and Services Division leads major program and policy reviews of government owned and supported facilities; develops and plans ministry budgets; oversees all financial policies, processes, and controls; and provides information technology (IT) services and support; information management support and automated records services for all ministry locations within the province. The division manages ministry business planning and reporting cycles, facilitates operational planning and leads Enterprise Risk Management. In addition, the division develops and manages changes to existing legislation and regulations, processes Orders in Council, Ministerial Orders, and other legislative documents, and leads the Freedom of Information and Protection of Privacy (FOIP) process. Responsibility for the Government of Alberta capital planning was transferred from Treasury Board and Finance to Infrastructure in 2013. Alberta Infrastructure led the preparation of the Capital Plan for Budget 2014 by collaborating with other ministries to ensure that the necessary infrastructure is being built in a cost-effective manner.

# Organizational Overview

Ministry of Infrastructure Organization as of March 31, 2014



# Review Engagement Report

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 2013-2014. The reviewed performance measure is the responsibility of the ministry and are 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 are 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 2013.

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 2013-2014 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 15, 2014

Edmonton, Alberta

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

# Performance Measures Summary Table

Goals & Performance Measures			Prior Year's Results				Target	Current Actual
			2009-10	2010-11	2011-12	2012-13	2013-14	2013-14
<b>1 Safe, adaptable and cost-effective health, learning and public infrastructure to meet the needs of Albertans</b>								
1.a	Health Facilities – Physical Condition <sup>1,2</sup>	Good	n/a	n/a	77%	72%	<b>74%</b>	75%
		Fair	n/a	n/a	20%	24%	<b>22%</b>	21%
		Poor	n/a	n/a	3%	4%	<b>4%</b>	4%
1.b	School Facilities – Physical Condition <sup>1,2</sup>	Good	n/a	n/a	61%	56%	<b>56%</b>	57%
		Fair	n/a	n/a	37%	43%	<b>42%</b>	42%
		Poor	n/a	n/a	2%	1%	<b>2%</b>	1%
1.c	Post-Secondary Facilities – Physical Condition <sup>1,2</sup>	Good	n/a	n/a	72%	71%	<b>70%</b>	72%
		Fair	n/a	n/a	23%	24%	<b>25%</b>	27%
		Poor	n/a	n/a	5%	5%	<b>5%</b>	1%
<b>2 Safe and sustainable operation and maintenance of public facilities</b>								
2.a	Government-Owned and Operated Facilities – Physical Condition <sup>1,2</sup>	Good	n/a	n/a	73%	70%	<b>68%</b>	72%
		Fair	n/a	n/a	26%	29%	<b>31%</b>	27%
		Poor	n/a	n/a	1%	1%	<b>1%</b>	1%
2.b*	Energy Consumption in Megajoules per Gross Square Metre in Government-Owned and Operated Facilities		1,667	1,651	1,629	1,617	<b>1,640</b>	1,610
<b>3 Cost-effective public asset management to optimize value for Albertans</b>								
3.a	Percentage Difference Between Average Operating Cost per Square Metre of Government-Owned and Operated Office Space and Privately Operated Leased Space <sup>3</sup>		n/a	n/a	1.6%	5%	<b>± 5%</b>	11%

\* Indicates Performance Measure that has been reviewed by the Office of the Auditor General

The performance measure indicated with an asterisk was 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 is available; and
- Measures that have well established methodology.

Notes: <sup>1</sup>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.

<sup>2</sup>Due to changes in the Annual Report release date from September to June, the most recent data for these measures is not available. Therefore, these measures are lagged by one year.

<sup>3</sup>This is a new measure as of 2010-11.

For more detailed information, see the Methodology and Data Sources section on pages 28-31.

# Discussion and Analysis of Results

## GOAL 1

### Safe, adaptable and cost-effective health, learning and public infrastructure to meet the needs of Albertans

Alberta Infrastructure is committed to developing and maintaining strong relationships with partners and stakeholders to collaborate effectively and deliver the infrastructure to meet the needs of Albertans. The ministry supports the delivery of public facilities and emphasizes providing technical expertise in innovative and cost-effective planning, design and construction of government-owned and supported facilities for Albertans.

As part of the government's commitment to reducing its carbon footprint, the ministry targets the Leadership in Energy and Environmental Design (LEED) silver rating as a minimum. Since adopting the standard, 63 health, learning and public infrastructure facilities have been LEED certified: 2 platinum, 24 gold, 34 silver, and 3 certified.

#### Building Alberta's Health Facilities

Alberta Infrastructure works in partnership with Alberta Health and Alberta Health Services to provide the required space to help ensure Albertans have access to health programs and services. In the past year, the ministry has completed and handed over six major health capital projects:

- The Central Alberta Cancer Centre in Red Deer improves access to radiation treatment to Albertans.
- Expansion of the University of Alberta Hospital Endoscopy Suite allows for preparations, procedures and post-procedure care in one unit.
- The Alberta Hospital Food Services Depot in Edmonton enhances food delivery at the Alberta Hospital.
- Redevelopment of the emergency department in the Bow Island Health Centre created a more efficient emergency area and improved the ambulance bay area.
- The Strathcona Community Hospital provides 24 hour emergency services as well as related diagnostic imaging, laboratory and other support services.
- The Alberta Children's Hospital Neonatal Intensive Care Unit in Calgary provides the hospital with facilities to care for premature or seriously ill newborns until they are stable enough to be discharged.

In November 2013 the new Central Alberta Cancer Centre was opened in Red Deer. The new facility ensures fewer people will need to travel to Edmonton or Calgary to access cancer services and treatment. The centre is expected to see more than 15,000 patient visits in its first year and the new radiation therapy facilities will treat more than 600 cases annually.

Alberta Infrastructure has also overseen substantial work on seven major health projects. A site was confirmed for the Medicine Hat Detoxification and Residential Treatment Centre and design has commenced with construction scheduled to begin in summer of 2014. Construction continues on the five major health projects in Edson, Grande Prairie, High Prairie, Lethbridge, and Medicine Hat. Functional programming continues for the Calgary Cancer Project.

### Building Alberta's Schools

Alberta Infrastructure supports the delivery of schools throughout the province through innovative and alternative means to ensure value for Albertans' tax dollars and timely construction to address enrolment pressures.

The ministry continues using Public Private Partnerships, such as the 12 new schools included in the Alberta Schools Alternative Procurement (ASAP) III program. In addition to the projects of the ASAP III program, 9 other new or replacement schools and 9 modernizations are scheduled to be handed over at the end of 2014. Three modernizations have already been completed:

- The Claresholm School and Willow Creek High School project was completed in June 2013.
- Racette Junior High School in St. Paul was completed in July 2013.
- Forest Heights School in Edmonton was completed in September 2013.

Planning started on 120 additional new construction, replacement and modernization projects.

Alberta Infrastructure also has multi-year contracts with two modular classroom manufacturers to supply units up to the 2016-17 school year to deal with growing student populations.

The February 2014 announcement of a new school for Grande Prairie marks the last of the 50 new and 70 modernized schools promised to Albertans in the Building Alberta Plan. These 50 new schools alone will create about 38,000 new spaces for Alberta students throughout the province.

### Building Alberta's Post-Secondary Facilities

Alberta Infrastructure supports construction of new post-secondary facilities, and major additions and modernizations to existing post-secondary facilities by monitoring capital projects and the Infrastructure Maintenance Program. Seven major projects are currently underway:

- Mount Royal University Riddell Library and Learning Centre in Calgary, scheduled to be complete for fall 2017.
- Norquest College North Learning Centre in Edmonton, scheduled to be complete for fall 2018.
- Northern Alberta Institute of Technology Centre for Applied Technologies in Edmonton, scheduled to be complete for fall 2016.
- Lethbridge College Trade and Technology Renewal and Innovation, scheduled to be complete for summer 2017.
- University of Calgary Schulich School of Engineering, scheduled to be complete for spring 2017.
- University of Lethbridge Destination projects for a new science building, new Energy/Utility Centre and renovations to University Hall, scheduled to be complete for summer 2020.
- MacEwan University's new Centre for the Arts and Culture, construction to start in summer 2014.



### **Building Alberta's Provincial Infrastructure**

Alberta Infrastructure is committed to ensuring that the critical infrastructure Albertans need is delivered. In order to accomplish this, the ministry continues to use P3s for government-owned and supported projects when value can be demonstrated. Construction of the Evan Thomas Water and Wastewater Facility, a P3 project, in Kananaskis continued throughout 2013-14 and is expected to be complete in summer 2014.

Renovation of the Federal Building and development of the surrounding Centennial Plaza continues with completion targeted for late 2014. The ministry gained access to the future Royal Alberta Museum site in downtown Edmonton in June 2013 and demolition of the former Canada Post Building is close to completion. The new museum building is anticipated to be completed in 2016. Installation of exhibits will require a further 12 months, resulting in the opening of the museum in late 2017.

### **Building Alberta's Communities Affected by the 2013 Flood**

Alberta Infrastructure leads several initiatives in support of 2013 South Alberta flood recovery. During 2013-14, the ministry spent approximately \$72 million on flood support. The Floodway Relocation Program is intended to remove residences in the floodway. Under the Wallaceville Mitigation Program, residents are being relocated from High River's Wallaceville community to return the area to its natural state as a mitigation measure for future floods. Alberta Infrastructure is also assisting the Siksika First Nation with the cleanup of damage in the Hidden Valley Golf Resort.

Alberta Infrastructure led several initiatives in support of the 2013 Southern Alberta Flood recovery, including the Floodway Relocation Program and several floodway mitigation initiatives and cleanups. This support included 42 modular classrooms which are now occupied by about 700 students in High River and 12 modular classrooms for students in Calgary.

The 2013 flood damaged several public sector facilities in the Town of High River. Alberta Infrastructure has reached a partnership agreement with the Foothills School Division to develop a joint facility in downtown High River.

## Goal 1 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 different facility types depending on the amount of data available and the ability of on-site facility operators to update the data. The FCI is a ratio of the cost to address current and future (five year) maintenance and renewal needs, relative to facility replacement value. 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 buildings.

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

Condition	Facility Condition Index	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 minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

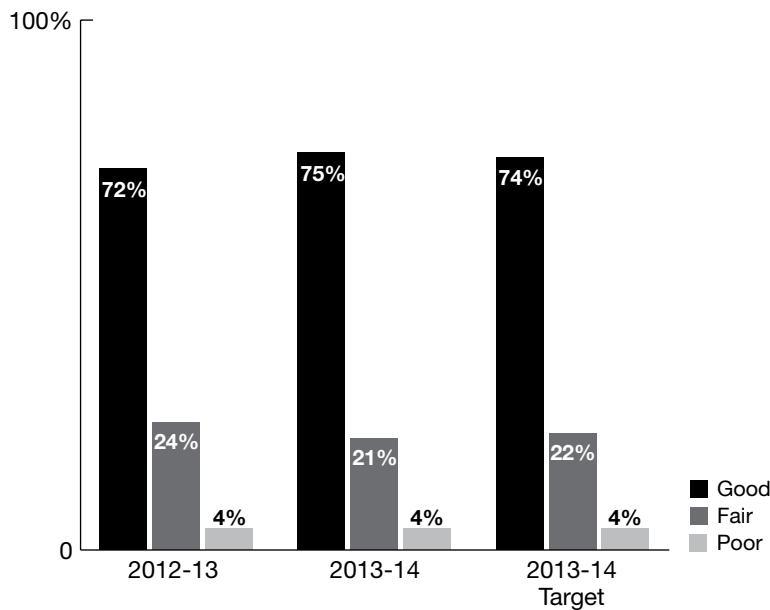
Note: For facilities, current codes and standards are defined by the Alberta Building Code, which is revised periodically, or other mandatory requirements. Older buildings are grandfathered and required to comply with the standards applicable at the time they were constructed, and not the current standards.

### Performance Measure 1.a

“Health facilities – physical condition” reports the percentage of health facilities (by area) rated in good, fair or poor condition using a Facility Condition Index (FCI). The condition measure provides data in support of long-term capital planning of health facilities across the province.

In 2013-14, 75 per cent of health facility space was rated in good condition, 21 per cent in fair condition and four per cent in poor condition. The chart below shows that this is close to the target and an improvement from 2012-13. The 2013-14 results saw a three percentage point increase of health facilities in good condition, and a three percentage point decrease of health facilities in fair condition. The percentage of health facilities in poor condition did not change between 2012-13 and 2013-14. The physical condition of health facilities should continue to improve as new facilities are completed and included in the database, and decommissioned facilities are removed. The quality of data captured will also continue to improve as more facilities are evaluated by independent consultants using the methodology consistent with other supported facilities. Results prior to 2012-13 are not comparable to this year’s data due to improvements made to the methodology resulting in greater consistency in calculating the FCI across health facilities, schools, post-secondary institutions and government-owned buildings.

#### Health Facilities – Physical Condition

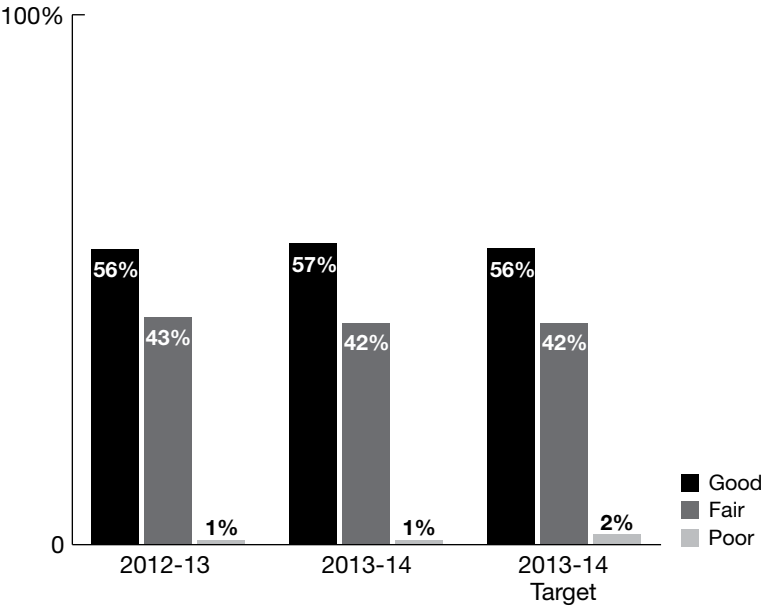


**Performance Measure 1.b**

“School facilities – physical condition” reports the percentage of schools (by area) rated in good, fair or poor condition using the FCI. The condition measure provides data in support of long-term capital planning of school facilities across the province.

In 2013-14, 57 per cent of school space was rated in good condition, 42 per cent in fair condition and one per cent in poor condition. As shown in the chart below, the 2013-14 results show no significant change compared to 2012-13 results and the 2013-14 targets. Government continues to invest in the construction of new schools as well as the maintenance of existing schools and the replacement of inefficient facilities. Results prior to 2012-13 are not comparable to this year’s data due to improvements made to the methodology resulting in greater consistency in calculating the FCI across schools, post-secondary institutions, government-owned and health facilities.

**School Facilities – Physical Condition**

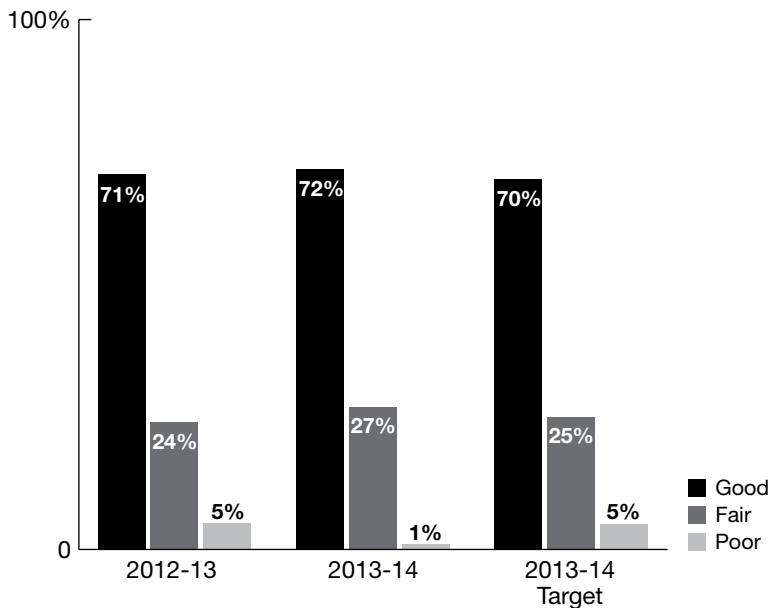


### Performance Measure 1.c

“Post-secondary facilities – physical condition” reports the percentage of post-secondary facilities (by area) rated in good, fair or poor condition using the FCI. The condition measure provides data in support of long-term capital planning of post-secondary facilities across the province.

For 2013-14, 72 per cent of post-secondary space was rated in good condition, 27 per cent in fair condition, and one per cent in poor condition. As illustrated in the chart below the 2013-14 results have stayed fairly constant for good space compared to 2012-13 and the 2013-14 target. The changes in the percentage of facilities in poor and fair condition are mainly due to updated information on facilities at the University of Alberta. In 2013-14, approximately \$45.9 million was provided to institutions from the Infrastructure Maintenance Program. Results prior to 2012-13 are not comparable to this year’s data due to improvements made to the methodology resulting in greater consistency calculating the FCI across schools, post-secondary institutions, government-owned and health facilities.

#### Post-Secondary Facilities – Physical Condition



**GOAL 2****Safe and sustainable operation and maintenance of public facilities**

Alberta Infrastructure 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 ministry supports the operational, fiscal and environmental sustainability and general safety of public facilities.

The ministry is recognized as a leader in sustainable facility management. The Building Owners and Managers Association Building Environmental Standards (BOMA BEST) Certification program acknowledges the compliance of commercial buildings with accepted industry best practices in energy, water and waste reduction.

- Alberta Infrastructure had 86 government-owned facilities certified to BOMA BEST, as of March 31, 2014, more than any other organization in the province.
- Four government buildings are currently certified to BOMA BEST Level 4, the highest achievement possible.
- As part of ensuring safe public facilities, indoor air quality and hazardous material investigations were done in required buildings for the BOMA BEST certification program.
- Alberta Infrastructure received two industry awards in 2013-14: the President's Award for Leadership in Sustainability from the BOMA Calgary Chapter, and the Government Leadership Award from the Canada Green Building Council.

Alberta Infrastructure was recognized with the “Government Leadership Award” by the Canadian Green Building Council (CaGBC), and by the Building Owners and Managers Association (BOMA) of Calgary as one of the strongest partners in the BOMA Building Environment Sustainability (BOMA BEST) program with 86 buildings in certification.

The ministry continues to work on its Green Plan, developed in July 2012 under the Government of Alberta's Greening Government strategy. As part of Infrastructure's commitment to sustainability:

- All government caretaking contracts follow a “Green Caretaking Specification” which includes requirements for biodegradable, non-toxic cleaning products and caretaking supplies (such as garbage bags and toilet paper) which are Eco-Logo certified and consist of recycled content.
- 52,641 fluorescent lamps were recycled, producing a total of 13,288 kilograms of glass, 188 kilograms of metals, 203 kilograms of phosphor, and 1.6 kilograms of mercury.
- 4,633 kilograms of batteries and 1,011 kilograms of non-polychlorinated biphenyls (PCB) ballasts were also recycled.

The ministry supplies government buildings with 100 per cent Eco-Logo certified power from renewable energy sources. This reduces the government's carbon footprint by approximately 150,000 metric tonnes of carbon dioxide every year.

## Goal 2 Performance Measures

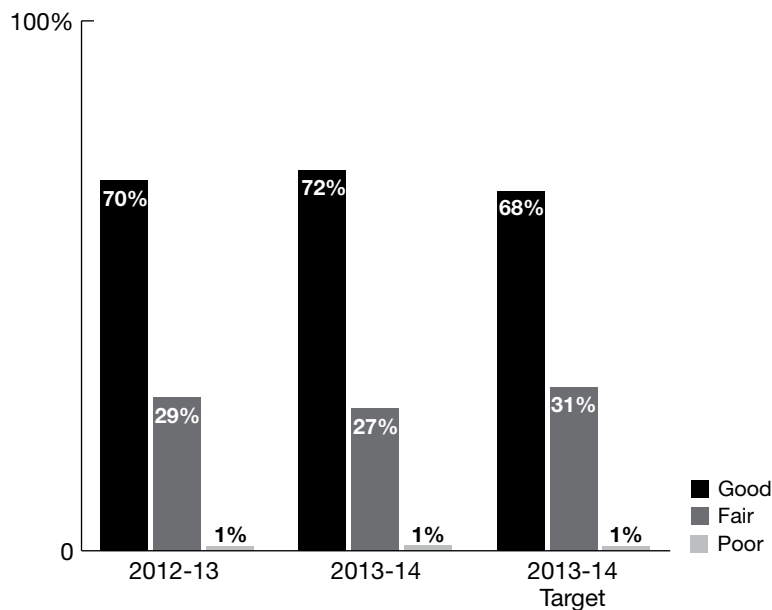
Two performance measures are used to indicate how well the ministry performed in achieving Goal Two: “Government-owned and operated facilities – physical condition” and “Energy consumption in megajoules per gross square meter in government-owned and operated facilities.”

### 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 2013-14, 72 per cent of government-owned and operated facility space was rated in good condition, 27 per cent in fair condition and one per cent in poor condition. As illustrated in the chart below, the overall result is a two percentage point increase in space in good condition compared to the 2012-13 result and four percentage point increase compared to the target. The two percentage point increase in space in good condition compared to last year is mainly attributable to the inclusion of the very large, newly completed Edmonton Remand Centre. 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. Results prior to 2012-13 are not comparable to this year’s data due to improvements made to the methodology resulting in greater consistency in calculating the FCI across schools, post-secondary institutions, government-owned and health facilities.

### Government-Owned and Operated Facilities – Physical Condition



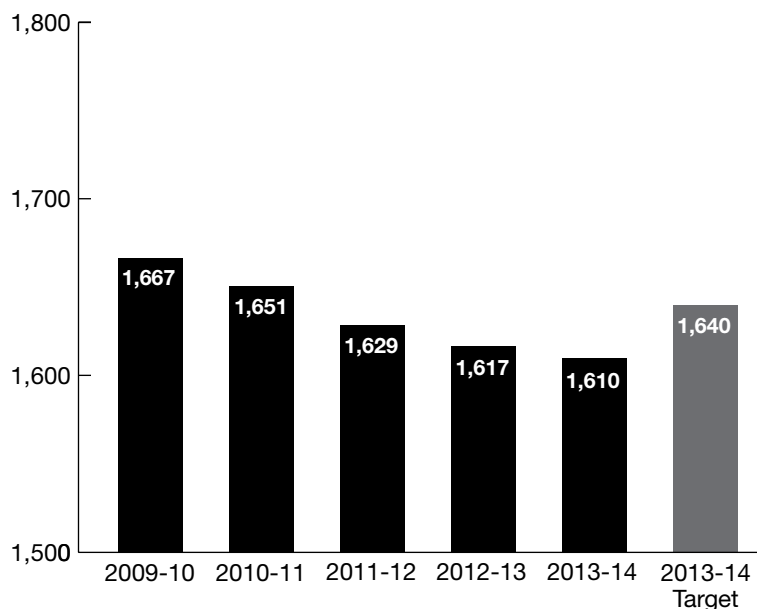
### Performance Measure 2.b

“Energy consumption in megajoules per gross square metre in government-owned and operated facilities” 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 2013-14 the energy consumption of government-owned and operated office space and leased space was 1,610 megajoules per gross square metre, lower than the target of 1,640 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 buildings and the decommissioning of some vacant and underutilized buildings. Improved overall performance for this measure can also be attributed to the addition of the energy efficient New Edmonton Remand Centre to the building portfolio.

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 Megajoules per Gross Square Metre in Government-Owned and Operated Facilities





**GOAL 3****Cost-effective public asset management to optimize value for Albertans**

Alberta Infrastructure continued significant progress on the Asset Management Program, a strategic approach integrating management strategies, best practices and tools into the planning, development and management of Government of Alberta infrastructure. This approach reduces risk and maximizes benefits to all stakeholders over the entire life cycle of the asset. It supports a collaborative enterprise approach to ensure effective and efficient decision making regarding infrastructure assets.

In operationalizing the Asset Management Plan, as part of the Infrastructure for Community Services initiative, a data mining tool was developed to provide access to the inventory of government-owned and leased facilities and land, with details regarding ownership, condition and availability. This provides for quick, high-level assessment of under-used space for sharing, repurposing and cross purposing of that space. The ministry supports cost-effective public asset management.

The ministry continues to work on land acquisition and disposal to meet community and program needs. Significant land sales and acquisitions include:

- The sale of Phase 1 of the Saline Creek lands to the Rotary Club of Fort McMurray for \$13.5 million, on behalf of Environment and Sustainable Resource Development.
- The sale of three parcels of land in the Calgary Transportation and Utility Corridor for \$12.5 million.
- Furthering the closure of existing sales in Parsons Creek, Fort McMurray, for \$32 million.
- The acquisition of land for the new Royal Alberta Museum in downtown Edmonton.

In January 2014, Alberta Infrastructure, Alberta Transportation and the Regional Municipality of Wood Buffalo (RMWB) entered the Regional Municipality of Wood Buffalo Exchange Agreement. This agreement involves transferring 453 acres of provincially-owned land on the Saline Creek Plateau and at Parsons Creek to the municipality. Proceeds of land sales will fund priority transportation infrastructure projects and highway maintenance to be completed by RMWB. The development of the Parsons Creek subdivision in Fort McMurray is an ongoing accomplishment of the ministry over the past few years.

In January 2014, Alberta Infrastructure, Alberta Transportation and the Regional Municipality of Wood Buffalo entered into a Land Exchange Agreement. This agreement allows for the proceeds of the land sales to fund priority transportation and infrastructure projects in the region.

## Goal 3 Performance Measure

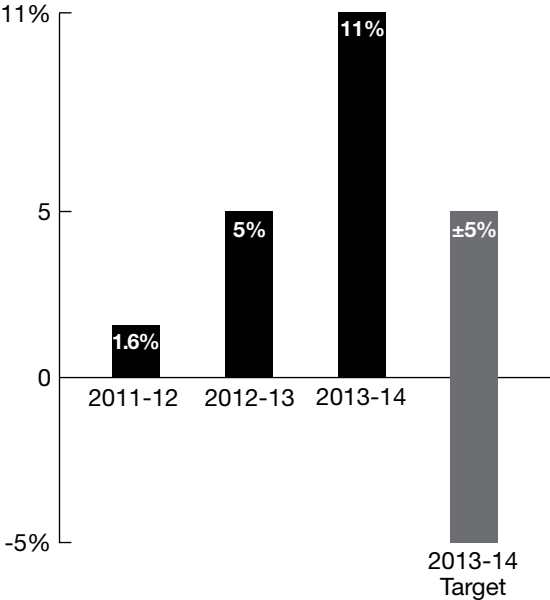
One performance measure, “Percentage difference between average operating cost per square metre of government-owned and operated office space and leased space,” is used to indicate how well the ministry performed in achieving Goal Three, “Cost-effective public asset management to optimize value for Albertans”.

### Performance Measure 3.a

“Percentage difference between average operating cost per 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.

In 2013-14, the average operating cost of government-owned and operated office space was \$108.73 per rentable square metre. This result was 11 per cent above the Alberta industry average based on a sample of leased buildings and outside the  $\pm 5$  per cent target range set for this measure. This variance is attributable in part to higher than anticipated utility costs in the final quarter of the fiscal year. These increases were reflected in the cost averages for owned buildings but not in the leased averages, which were calculated based on costs for calendar 2013. Other potential causes, to be investigated further, include differences between owned and leased buildings in the treatment of costs for minor projects, tenant services and administrative overhead.

**Percentage Difference Between Average Operating Cost per Square Metre of Government-Owned and Operated Office Space and Privately Operated Leased Space**



# Methodology and Data Sources

## GOAL 1

### Safe, adaptable and cost-effective health, learning and public infrastructure to meet the needs of Albertans

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

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

Data is 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 is 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 results in years prior to 2011-12. The *2013-14 Annual Report* includes the 2012-13 results that are based on building replacement values using an improved methodology to produce more accurate and consistent FCI values.

The 2008-10 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. There are 280 facilities over 1,000 gross square metres owned by Alberta Health Services that are eligible. By the end of 2013-14, 233 health facilities have been evaluated to produce a FCR. Thirty-eight facilities do not require evaluation as they are either less than 10 years old or are vacant. In 2014, the remaining 49 facilities will be evaluated and then the cycle will start over with the re-evaluations of those facilities that were first evaluated in 2008. For health facilities not evaluated by consultants, the FCI was calculated based on detailed 5-year physical condition deficiency lists provided by Alberta Health Services, supplemented with review by Infrastructure. Going forward the intention is to conduct consultant assessments 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 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 also uses the 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. Assessments are conducted for school facilities owned by school boards and funded by the Government of Alberta, and do not include outreach facilities.

**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 one-fifth (approximately 20 per cent) being evaluated per year. However, a growing inventory is affecting the cycle with approximately one-seventh (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 2****Safe and sustainable operation and maintenance of public facilities****Performance Measure 2.a****Government-Owned and Operated Facilities – Physical Condition**

This measure uses the 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 Facilities**

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 3**

**Cost-effective public asset management to optimize value for Albertans**

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**Performance Measure 3.a**  
**Percentage Difference Between Average Operating Cost per Square Metre of Government-Owned and Operated Office Space and Privately Operated 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 thousand rentable square metres, and 34 leased buildings, totalling approximately 632 thousand 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

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# Independent Auditor's Report

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, 2014, 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, 2014, 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 4, 2014

Edmonton, Alberta

**MINISTRY OF INFRASTRUCTURE  
STATEMENT OF OPERATIONS  
Year ended March 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Constructed Budget (Schedule 4)</b>	<b>Actual (in thousands)</b>	<b>Actual Restated (Note 3)</b>
<b>Revenues (Schedule 1)</b>			
Government Transfers			
Internal Government Transfers	\$ -	\$ 3,000	\$ -
Premiums, Fees and Licenses	3,000	3,136	3,177
Investment Income	-	541	2,839
Other Revenue			
Land Inventory Sales	150,000	32,009	63,273
Other	21,286	64,233	41,219
	<u>174,286</u>	<u>102,919</u>	<u>110,508</u>
<b>Expenses - Directly Incurred (Note 2(b) and Schedule 8)</b>			
<b>Program (Schedule 3)</b>			
Ministry Support Services	18,976	17,508	15,960
Health Facilities Support	588,505	381,155	439,932
Capital Construction Program	39,674	37,492	46,355
Strategic Capital Planning	5,063	1,184	1,388
Property Management	325,586	335,560	306,875
Property Development	25,267	24,438	30,228
Realty Services	285,290	229,527	240,214
Capital for Emergent Projects	-	702	3,315
2013 Alberta Flooding			
Non Disaster Recovery Program Expenses	-	72,127	-
	<u>1,288,361</u>	<u>1,099,693</u>	<u>1,084,267</u>
<b>Net Operating Results</b>	<u>\$ (1,114,075)</u>	<u>\$ (996,774)</u>	<u>\$ (973,759)</u>

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

**MINISTRY OF INFRASTRUCTURE  
STATEMENT OF FINANCIAL POSITION  
As at March 31, 2014**

	<b>2014</b>	<b>2013 Restated (Note 3)</b>
	<i>(in thousands)</i>	
<b>Assets</b>		
Cash and Cash Equivalents	\$ 586	\$ 77
Accounts Receivable (Note 4)	8,416	8,307
Advances (Note 5)	98	65
Inventories (Note 6)	151,003	145,581
Tangible Capital Assets (Note 7)	2,878,780	2,761,780
	<u>\$ 3,038,883</u>	<u>\$ 2,915,810</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 2b)	\$ 249,018	\$ 232,522
Holdbacks Payable	55,159	38,003
Deferred Revenue (Note 2b, Note 12)	24,856	15,728
Liabilities under Public Private Partnerships (Note 2b, Note 14)	6,047	-
Liabilities for Site Remediation and Reclamation (Note 9)	63,219	55,690
	<u>\$ 398,299</u>	<u>\$ 341,943</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year, as restated (Note 3)	\$ 2,573,867	\$ 2,533,339
Adjustment to Opening Net Assets	-	(5,639)
Net Operating Result	(996,774)	(973,759)
Net Financing Provided from General Revenues	1,063,491	1,019,926
Net Assets at End of Year	<u>2,640,584</u>	<u>2,573,867</u>
	<u>\$ 3,038,883</u>	<u>\$ 2,915,810</u>

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, 2014

	2014	2013 Restated (Note 3)
	<i>(in thousands)</i>	
<b>Operating Transactions</b>		
Net Operating Result	\$ (996,774)	\$ (973,759)
Non-cash Items Included in Net Operating Results		
Amortization	97,972	87,144
Consumption of Inventory	26,376	42,920
Gain on Disposal of Tangible Capital Assets	(18,476)	(1,684)
Loss on Write-down of Tangible Capital Assets	5,545	2,240
Liabilities for Site Remediation and Reclamation	9,000	7,848
Deferred Capital Contribution Recognized as Revenue	(578)	(331)
Unearned Revenue Recognized as Revenue	(49,389)	(70,148)
Provision for Vacation Pay	(109)	386
Provision for Doubtful Accounts	450	464
Nominal Sum Disposals	89	13
	<u>70,880</u>	<u>68,852</u>
(Increase) Decrease in Accounts Receivable	(559)	150,414
(Increase) Decrease in Advances	(33)	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities	16,605	13,625
Increase (Decrease) in Holdbacks Payable	17,156	(38,949)
Increase (Decrease) in Public Private Partnership Liabilities	6,047	-
Increase (Decrease) in Liabilities for Site Remediation and Reclamation	(1,471)	(674)
Unearned Revenue Received/Receivable	47,488	64,480
	<u>(840,661)</u>	<u>(716,010)</u>
<b>Capital and Inventory Transactions</b>		
Acquisition of Tangible Capital Assets	(216,454)	(203,405)
Transfer of Tangible Capital Assets to/(from) Other Government Entities	803	3,402
Proceeds from Disposal of Tangible Capital Assets	13,521	2,286
Purchases and Adjustments to Inventory (Note 2b)	(31,798)	(117,307)
	<u>(233,928)</u>	<u>(315,024)</u>
<b>Financing Transactions</b>		
Contributions Restricted for Capital	11,607	1,691
Net Financing Provided from General Revenues	1,063,491	1,019,926
	<u>1,075,098</u>	<u>1,021,617</u>
Cash Provided by Financing Transactions		
	<u>1,075,098</u>	<u>1,021,617</u>
Increase (Decrease) in Cash and Cash Equivalents	509	(9,417)
Cash and Cash Equivalents, Beginning of Year	77	9,494
Cash and Cash Equivalents, End of Year	<u>\$ 586</u>	<u>\$ 77</u>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**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 comprehensive accounting of the financial position and results of the Ministry's operations.

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 and Deferred 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.

Government Transfers

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

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.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the department is eligible to receive the funds.

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.

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

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

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 also 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 7 and allocated to programs in Schedule 8.

**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.

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.

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

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

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

Amortization is only charged if the tangible capital 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.

Inventories

Inventories are valued at lower of cost or replacement cost.

However, land under development 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 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 developable/saleable 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.

Public Private Partnerships (P3s)

A Public Private Partnership (P3) is defined as a cooperative venture based on contractual obligations between one or more public/private/not-for-profit partners that meet clearly defined public needs for the provision of goods or services.

The Ministry accounts for P3 projects in accordance with the substance of the underlying agreements. These agreements are accounted for the same way as capital leases as follows:

- The capital asset is valued at the total of progress payments made during construction and net present value of the future payments, discounted using the Government of Alberta's estimated borrowing rate for long term debt at the time of signing the P3 agreement.
- The liability is valued at the net present value of the future payments, discounted using the Government of Alberta's borrowing rate for long term debt at the time of signing the P3 agreement.
- During construction, the capital asset (classified as work-in-progress) and the corresponding liability are recorded based on the estimated percentage complete.
- Amortization on a straight-line basis over the estimated useful life commences when the asset is in service.

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

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

**Net Assets**

Net assets represent 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.

**Measurement Uncertainty**

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

**(c) 2013 Alberta Flooding**

The full recovery from the June 2013 flood in southern Alberta will take a number of years. The Province's flood recovery initiatives, through its Disaster Recovery Program (DRP), provides financial assistance to impacted individuals, small businesses, municipalities, and government departments for uninsurable loss and damage. The DRP is administered and funded by the Alberta Emergency Management Agency of the Department of Municipal Affairs through the authority of the *Disaster Recovery Regulation*.

The Department of Municipal Affairs reports DRP expenses and the related revenues from the federal government. No DRP expenses are reported by the Department of Infrastructure.

Also, the Province's flood recovery initiatives include non-disaster recovery programs (non-DRP). Costs associated with non-disaster recovery programs are recognized as they are incurred. These costs are net of recoveries from insurance and other third parties.

	<u>2014</u>	<u>2013</u>
	<i>(in thousands)</i>	
Expenses - 2013 Alberta Flooding	\$ 72,127	\$ -
Non Disaster Recovery Program Expenses	<u>72,127</u>	<u>-</u>



**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

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

**(d) Future Accounting Changes**

**PS 3260 Liability for Contaminated Sites**

In June 2010, the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Ministry would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

**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 from other departments of the government. Effective April 1, 2013, responsibility for Strategic Capital Planning was transferred from the Ministry of Treasury Board and Finance to the Ministry of Infrastructure. Comparatives for 2013 have been restated as if the Ministry had always been assigned with its current responsibilities. The financial impact of these changes on opening net assets is explained further below.

	<b>As Previously Reported</b>	<b>Transfer from Treasury Board and Finance</b>	<b>As Restated</b>
Net Assets at March 31, 2012	\$ 2,533,339	\$ -	\$ 2,533,339
Adjustment to Opening Assets	(5,639)	-	(5,639)
Net Operating Result	(972,371)	(1,388)	(973,759)
Net Financing provided from (to) General Revenues	1,018,538	1,388	1,019,926
<b>Net Assets at March 31, 2013</b>	<b>\$ 2,573,867</b>	<b>\$ -</b>	<b>\$ 2,573,867</b>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**NOTE 4 ACCOUNTS RECEIVABLE**  
*(in thousands)*

	2014			2013	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Swan Hills Treatment Centre	\$ 2,694	\$ -	\$ 2,694	\$ 2,369	
Rental and Other	6,408	1,175	5,233	4,997	
Cost Recoveries	489	-	489	941	
	<u>\$ 9,591</u>	<u>\$ 1,175</u>	<u>\$ 8,416</u>	<u>\$ 8,307</u>	

Accounts receivable are unsecured and non-interest bearing.

**NOTE 5 ADVANCES**  
*(in thousands)*

	2014			2013	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Other advances	\$ 98	\$ -	\$ 98	\$ 65	
	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 65</u>	

**NOTE 6 INVENTORIES**  
*(in thousands)*

Inventories consist of chemicals for the Swan Hills Treatment Centre as well as land under development for resale for the Parsons Creek subdivision in the Wood Buffalo Region.

	2014	2013
Swan Hills Inventory	\$ 2,032	\$ 2,132
Land under Development for Resale	148,971	143,449
	<u>\$ 151,003</u>	<u>\$ 145,581</u>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**NOTE 7 TANGIBLE CAPITAL ASSETS**  
(in thousands)

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

	Estimated Useful Life	2014 Historical Cost <sup>(1)</sup>				Net Book Value	
		Beginning of Year	Additions	Disposals, adjustments, write-downs	End of Year	March 31, 2014	March 31, 2013
Land	Indefinite	\$ 767,297	\$ 18,329	\$ 2,712	\$ 788,338		
Land Improvements	40 years	15,444	1,389	(2)	16,831		
Buildings	40 years	3,119,527	183,313	(4,935)	3,297,905		
Equipment	5-40 years	42,231	5,965	132	48,328		
Computer hardware and software	3-10 years	37,837	3,596	(525)	40,908		
Other <sup>(2)</sup>	3-40 years	174,249	3,862	(645)	177,466		
		<b>\$ 4,156,585</b>	<b>\$ 216,454</b>	<b>\$ (3,263)</b>	<b>\$ 4,369,776</b>		

	2014 Accumulated Amortization			Net Book Value		
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2014	March 31, 2013
Land	\$ -	\$ -	\$ -	\$ -	\$ 788,338	\$ 767,297
Land Improvements	4,610	609		5,219	11,612	10,834
Buildings	1,222,480	69,309	(1,174)	1,290,615	2,007,290	1,897,047
Equipment	20,259	4,136	-	24,395	23,933	21,972
Computer hardware and software	24,022	2,856	-	26,878	14,030	13,815
Other <sup>(2)</sup>	123,434	21,062	(607)	143,889	33,577	50,815
	<b>\$ 1,394,805</b>	<b>\$ 97,972</b>	<b>\$ (1,781)</b>	<b>\$ 1,490,996</b>	<b>\$ 2,878,780</b>	<b>\$ 2,761,780</b>

<sup>(1)</sup> Included in the cost of land improvements, buildings, equipment, computer hardware and software is work in progress amounting to \$502,226 (2013 - \$922,395).

<sup>(2)</sup> Includes trailers and leasehold improvements.

**MINISTRY OF INFRASTRUCTURE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2014**

**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.

	<b>2014</b>	<b>2013</b>
Capital Investment		
Construction Contracts and Service Agreements	\$ 323,228	\$ 348,916
Expense		
Maintenance Contracts and Service Agreements	1,118,601	1,208,134
Grants	912,917	907,222
Long-term Leases	794,643	780,147
Obligations under Public Private Partnerships		
Operation and Maintenance Payments	23,477	-
Progress Payments	10,806	-
Capital Payments	9,513	-
	<b>\$ 3,193,185</b>	<b>\$ 3,244,419</b>

Estimated payment requirements for each of the next five years and thereafter are as follows:

<b>Obligations Under Operating Leases, Contracts and Programs</b>					
	Capital Investment	Expense			Grand Total
	Construction Contracts and Service Agreements	Maintenance Contracts and Service Agreements	Grants	Leases	
2014-15	\$ 159,246	\$ 328,087	\$ 472,121	\$ 187,556	\$ 1,147,010
2015-16	112,059	156,686	372,099	164,189	805,033
2016-17	51,444	121,271	53,972	135,090	361,777
2017-18	167	39,609	6,579	111,951	158,306
2018-19	156	23,930	4,447	72,244	100,777
Thereafter	156	449,018	3,699	123,613	576,486
	<b>\$ 323,228</b>	<b>\$ 1,118,601</b>	<b>\$ 912,917</b>	<b>\$ 794,643</b>	<b>\$ 3,149,389</b>

<b>Obligations Under Capital Leases and Public Private Partnerships</b>			
	Operations and Maintenance Payments	Progress Payments	Capital Payments
2014-15	\$ 2,177	\$ 10,806	\$ 714
2015-16	1,952	-	951
2016-17	2,023	-	951
2017-18	2,390	-	951
2018-19	2,627	-	951
Thereafter	12,308	-	4,995
	<b>\$ 23,477</b>	<b>\$ 10,806</b>	<b>\$ 9,513</b>
Less amount representing interest			(1,230)
Total NPV of capital payments at scheduled completion date			<b>\$ 8,283</b>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**NOTE 9 SWAN HILLS TREATMENT CENTRE**  
(in thousands)

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Centre were acquired by the Province for one dollar from a subsidiary of Bovar Inc. As a result of an agreement between the Ministers of Environment, Infrastructure, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Treatment Centre were transferred to the Ministry, effective March 31, 2004, including associated environmental obligations. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

A study was done by an environmental consultant in March 2008 to determine the estimated cost of remediating and monitoring the Swan Hills Treatment Centre site in 2018. In March 2014, an environmental consultant updated the estimate to \$114 million in 2015 dollars, escalated to \$176.2 million in 2025. The annual provision is \$9 million based on the revised liability of \$176.2 million to remediate the site in 2025. The total liability at March 31, 2014 is \$63.2 million (2013 - \$55.7 million).

At March 31, 2014 the assets and liabilities of plant operations were as follows:

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Accounts Receivable	\$ 2,694	\$ 2,369
Chemical and Parts Inventories	2,032	2,132
Capital Assets	13,342	12,413
	<u>\$ 18,068</u>	<u>\$ 16,914</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 4,811	\$ 4,454
Deferred Revenue	564	1,404
	<u>\$ 5,375</u>	<u>\$ 5,858</u>

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

	<u>2014</u>	<u>2013</u>
<b>Revenue</b>		
Operating Revenue	\$ 11,204	\$ 10,129
	<u>11,204</u>	<u>10,129</u>
<b>Expenses</b>		
Plant Operating Expenses before Inventory Transactions <sup>(1)</sup>	36,060	30,437
Consumption of Consumable and Repair Part Inventories	3,003	2,282
Amortization	4,063	4,191
	<u>43,126</u>	<u>36,910</u>
<b>Net Operating Results from Plant Operations</b>	<u>\$ (31,922)</u>	<u>\$ (26,781)</u>
<b>Purchase of Consumable and Repair Part Inventories</b>	<u>\$ 2,902</u>	<u>\$ 2,227</u>
<b>Capital Investment in Plant and Equipment</b>	<u>\$ 4,876</u>	<u>\$ 4,221</u>

<sup>(1)</sup> The amount reported on Schedule 5 includes expenses for environmental and financial assessments and IT Software of \$129 (2013 - \$93). Plant costs include a provision of \$9,000 (2013 - \$7,848) for site reclamation and environmental monitoring.

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**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, 2014, trust funds under the Ministry's administration were as follows:

	<u>2014</u>	<u>2013</u>
The General Trust Fund	\$ 2,189	\$ 1,644
The Security Deposit Trust Fund	158	148
	<u>\$ 2,347</u>	<u>\$ 1,792</u>

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, 2014 the Ministry is a defendant in fourteen legal/other claims (2013 - sixteen claims). All of these claims have specified amounts totaling \$346,356 and there are no claims having no specified amounts (2013 - sixteen claims with a specified amount of \$364,025 and no claims with no specified amount). Five claims amounting to \$2,390 (2013 - five claims amounting to \$2,390) are covered in whole or in part by the Alberta Risk Management Fund.

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

**NOTE 12 DEFERRED REVENUE**  
(in thousands)

	<u>2014</u>	<u>2013</u>
Unearned Revenue (i)	\$ 6,829	\$ 8,730
Unspent Deferred Capital Contributions (ii)	-	-
Spent Deferred Capital Contributions (iii)	18,027	6,998
	<u>\$ 24,856</u>	<u>\$ 15,728</u>

(i) Unearned Revenue	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 8,730	\$ 14,396
Received/receivable during the year	47,488	64,481
Less amounts recognized as revenue	(49,389)	(70,147)
Balance, end of year	<u>\$ 6,829</u>	<u>\$ 8,730</u>

(ii) Unspent Deferred Capital Contributions	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ -	\$ -
Cash contributions received/receivable during the year	11,607	1,691
Transferred to spent deferred capital contributions	(11,607)	(1,691)
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

(iii) Spent Deferred Capital Contributions	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 6,998	\$ 5,638
Transferred from unspent deferred capital contributions	11,607	1,691
Less amounts recognized as revenue	(578)	(331)
Balance, end of year	<u>\$ 18,027</u>	<u>\$ 6,998</u>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**NOTE 13 GOVERNMENT TRANSFERS - FEDERAL PROGRAMS**

The Ministry receives support for infrastructure from the Government of Canada through the Building Canada Fund and the P3 Canada Fund. Transfers from the Federal Government are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made. Capital transfers 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. The full cost of provincial projects will be capitalized and amortized over the useful life of the infrastructure.

A summary of each federal initiative is as follows:

Building Canada Fund – Major Infrastructure Component

The Building Canada Fund - Major Infrastructure Component is a program focused on large, strategic projects of national and regional priority. The Ministry signed an agreement in December 2013 to receive up to \$112.5 million through this program towards the construction of the Royal Alberta Museum. Federal funding will be received on the basis of completed milestones established in the terms of the agreement. In 2013-14, \$10.215 million was received. The project will construct a new museum to be located in downtown Edmonton that will replace the existing site.

P3 Canada Fund

The P3 Canada Fund is a merit-based federal program administered by PPP Canada allowing them to invest in strategic public private partnership (P3) projects that deliver value through the use of P3s. The Ministry signed an agreement in June 2013 to receive up to \$9.95 million through the P3 Canada Fund towards the construction of the Evan Thomas Water and Wastewater Treatment Facilities. Federal funding will be received upon substantial project completion as per the terms of agreement, and as a result no funds were received in 2013-14. The project will include design and construction of a new water treatment plant and tertiary wastewater treatment plant, and improvements to existing infrastructure and accompanying water/wastewater distribution and collection networks.

**NOTE 14 LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS**

*(in thousands)*

The Ministry has entered into contracts for the design, finance, build, and maintenance of the Evan Thomas Water and Wastewater Treatment Facilities as a public private partnership.

The details of the 10 year contract for this project that is under construction is as follows:

<b>Project</b>	<b>Contractor</b>	<b>Date contract entered into</b>	<b>Scheduled completion date</b>	<b>Date capital payments begin <sup>(1)</sup></b>
Evan Thomas Water and Wastewater Treatment Facilities	Epcor Water Services Inc.	October 2012	July 2014	July 2014

<sup>(1)</sup> Capital Payments begin on the date specified or upon completion of the project, whichever is later.

The calculation of the liabilities under public private partnerships is as follows:

	<b>2014</b>	<b>2013</b>
Liabilities, Beginning of Year	\$ -	\$ -
Additions to Liabilities during the Year	6,047	-
Principal Payments	-	-
Liabilities, End of Year	<u>\$ 6,047</u>	<u>\$ -</u>

**MINISTRY OF INFRASTRUCTURE  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2014**

**NOTE 15 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 Administration Act*. Accounts payable includes \$0 (2013 - \$1,201) relating to payments under the agreement.

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

	<u>2014</u>		<u>2013</u>
Alberta Health Services	\$ 1,201	\$	8,973
University of Alberta	-		7,996
	<u>\$ 1,201</u>	\$	<u>16,969</u>

**NOTE 16 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 \$9,045 for the year ended March 31, 2014 (2013 – \$8,496 – restated – see Note 3). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2013, the Management Employees Pension Plan reported a surplus of \$50,457 (2012 – deficiency \$303,423), the Public Service Pension Plan reported a deficiency of \$1,254,678 (2012 – deficiency \$1,645,141) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$12,384 (2012 – deficiency \$51,870).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2014, the Bargaining Unit Plan reported an actuarial surplus of \$75,200 (2013 – surplus \$51,717) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$24,055 (2013 – surplus \$18,327). The expense for these two plans is limited to the employer's annual contributions for the year.

**NOTE 17 COMPARATIVE FIGURES**

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

**NOTE 18 APPROVAL OF FINANCIAL STATEMENTS**

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



**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Revenues**  
**Year ended March 31, 2014**

**Schedule 1**

	<b>2014</b>		<b>2013</b>
	<b>Constructed Budget</b>	<b>Actual (in thousands)</b>	<b>Actual</b>
Government Transfers			
Federal and Other Government Grants	\$ -	\$ -	\$ -
Internal Government Transfers	-	3,000	-
	<u>-</u>	<u>3,000</u>	<u>-</u>
Premiums, Fees and Licenses			
Civil Service Parking	3,000	3,136	3,177
	<u>3,000</u>	<u>3,136</u>	<u>3,177</u>
Investment Income			
Investment Income	-	541	2,839
	<u>-</u>	<u>541</u>	<u>2,839</u>
Other Revenue			
Land Inventory Sales	150,000	32,009	63,273
Other			
Refunds of Expenditure	1,400	5,910	9,368
Swan Hills Treatment Centre	6,750	11,204	10,129
Leases (Land and Buildings)	9,780	21,653	17,199
Cost Recoveries	-	4,514	523
Gain on Disposal of Tangible Capital Assets	-	18,476	1,684
Miscellaneous	3,356	2,476	2,316
	<u>171,286</u>	<u>96,242</u>	<u>104,492</u>
	<u>\$ 174,286</u>	<u>\$ 102,919</u>	<u>\$ 110,508</u>

MINISTRY OF INFRASTRUCTURE  
 SCHEDULE TO THE FINANCIAL STATEMENTS  
 Credit or Recovery  
 Year ended March 31, 2014

Schedule 2

	Authorized	2014			(Shortfall)/ Excess
		Actual Revenue Recognized	Deferred Revenue	Actual Cash/Donation Received	
		<i>(in thousands)</i>			
Leases (Land and Buildings)	\$ 13,180	\$ 21,653	\$ -	\$ 21,653	\$ 8,473
Swan Hills Treatment Centre	9,500	11,204	-	11,204	1,704
Edmonton Remand Centre Offsite Services	1,392	35	1,357	1,392	-
Southern Alberta Jubilee Auditorium Loading Dock	3,000	3,000	-	3,000	-
Alberta Health Services Stollery Children's Hospital Pediatric Emergency Department Expansion Project	3,932	3,932	-	3,932	-
Alberta Health Services Stollery Children's Hospital Pediatric Critical Care Expansion Project	1,000	-	1,000	1,000	-
	<u>\$ 32,004</u>	<u>\$ 39,824</u>	<u>\$ 2,357</u>	<u>\$ 42,181</u>	<u>\$ 10,177</u>

**Leases**

Rent is charged to agencies of government and other entities which occupy space in government operated buildings or which utilize land owned by government. Treasury Board Minute No. 58/2013 approved an increase of \$2,400 in recoveries under the Leases element of the Operational Vote.

**Swan Hills Treatment Centre**

The private sector is charged for the disposal of hazardous waste. Treasury Board Minute No. 75/2013 approved an increase of \$2,750 in recoveries associated with the processing of hazardous waste at the Swan Hills Treatment Centre under the Operational Vote.

**Edmonton Remand Centre Offsite Services**

Costs reimbursed by the City of Edmonton as development occurs along the new Edmonton Remand Centre sewer line. Treasury Board Minute No. 3/2014 approved an increase of \$1,392 in the recoveries for the Capital Construction Program associated with offsite services at the Edmonton Remand Centre under the Capital Vote.

**Southern Alberta Jubilee Auditorium Loading Dock**

Treasury Board Minute No. 25/2013 approved an increase of \$3,000 in the recoveries for the Capital Construction Program associated with the relocation of the loading docks at the Southern Alberta Jubilee Auditorium under the Capital Vote.

**Alberta Health Services Stollery Children's Hospital Pediatric Emergency Department Expansion Project**

Treasury Board Minute No. 74/2013 approved an increase of \$3,932 in the recoveries for the Health Facilities Support program associated with the construction of the Stollery Children's Hospital Pediatric Emergency Department expansion project under the Capital Vote.

**Alberta Health Services Stollery Children's Hospital Pediatric Critical Care Expansion Project**

Treasury Board Minute No. 41/2013 approved an increase of \$1,000 in the recoveries for the Health Facilities Support program associated with the construction of the Stollery Pediatric Critical Care Expansion project under the Capital Vote.

**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed By Object**  
**Year ended March 31, 2014**

**Schedule 3**

	<b>2014</b>		<b>2013</b>
	<b>Constructed Budget</b>	<b>Actual <i>(in thousands)</i></b>	<b>Actual Restated (Note 3)</b>
Salaries, Wages, and Employee Benefits	\$ 93,203	\$ 80,858	\$ 79,187
Supplies and Services	422,710	431,081	438,317
Supplies and Services from Support Service Arrangements with Related Parties <sup>(1)</sup>	1,022	1,979	1,483
Grants	592,644	458,385	432,444
Amortization of Tangible Capital Assets	101,672	97,972	87,144
Consumption of Inventory	77,000	26,376	42,920
Financial Transactions and Other	110	3,042	2,772
	<b>\$ 1,288,361</b>	<b>\$ 1,099,693</b>	<b>\$ 1,084,267</b>

<sup>(1)</sup> The ministry receives financial and administrative services from the Ministry of Service Alberta. (Schedule 7)

**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Budget Reconciliation**  
**Year ended March 31, 2014**

**Schedule 4**

	<b>2013-14 Estimate <sup>(1)</sup></b>	<b>Adjustments to Conform to Accounting Policy <sup>(2)</sup></b>	<b>2013-14 Constructed Budget</b>
	<i>(in thousands)</i>		
<b>Revenues</b>			
Government Transfers			
Federal and Other Government Grants	\$ 19,000	\$ (19,000)	\$ -
Premiums, Fees and Licenses	3,000	-	3,000
Other Revenue			
Land Inventory Sales	150,000	-	150,000
Other	21,286	-	21,286
	<u>193,286</u>	<u>(19,000)</u>	<u>174,286</u>
<b>Expenses - Directly Incurred Programs</b>			
Ministry Support Services	\$ 18,976	\$ -	\$ 18,976
Health Facilities Support	12,011	576,494	588,505
Capital Construction Program	26,024	13,650	39,674
Strategic Capital Planning	2,563	2,500	5,063
Property Management	315,911	9,675	325,586
Property Development	25,267	-	25,267
Realty Services	285,290	-	285,290
	<u>686,042</u>	<u>602,319</u>	<u>1,288,361</u>
<b>Net Operating Results</b>	<u>\$ (492,756)</u>	<u>\$ (621,319)</u>	<u>\$ (1,114,075)</u>
Capital Spending	<u>\$ 790,185</u>	<u>\$ (602,319)</u>	<u>\$ 187,866</u>
Financial Transactions <sup>(3)</sup>	<u>\$ 52,000</u>	<u>\$ -</u>	<u>\$ 52,000</u>

(1) The 2013-14 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. Capital consists of cash disbursements for the purpose of investments in tangible capital assets valued at \$5,000 or more, grants for capital purposes, and interest expense and other debt servicing on capital borrowing.

(2) Adjustments for operating expense included in Capital Spending and revenue that is deferred for capital purposes are in accordance with PS1200.125.

(3) Financial Transactions 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.

**MINISTRY OF INFRASTRUCTURE  
SCHEDULE TO THE FINANCIAL STATEMENTS  
Lapse/Encumbrance of Annual Supply Votes  
Year ended March 31, 2014**

Schedule 5

	Voted Estimates <sup>(1)</sup>	Adjustments <sup>(2)</sup>	Supplementary Estimates <sup>(3)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(4)</sup>	Unexpended (Over Expended)
<b>Program - Operational</b>						
<b>1 Ministry Support Services</b>						
1.1 Minister's Office	\$ 570	-	\$ -	\$ 570	\$ 609	\$ (39)
1.2 Deputy Minister's Office	777	-	-	777	800	(23)
1.3 Communications	537	-	-	537	486	51
1.4 Strategic Services	12,577	-	-	12,577	13,136	(559)
	14,461	-	-	14,461	15,031	(570)
<b>2 Health Facilities Support</b>						
2.1 Health Facilities Infrastructure	11,197	-	-	11,197	7,914	3,283
<b>3 Capital Construction Program</b>						
	26,024	(200)	1,428	27,252	24,649	2,603
<b>4 Strategic Capital Planning</b>						
	2,563	-	-	2,563	977	1,586
<b>5 Property Management</b>						
5.1 Property Operations	207,596	-	-	207,596	209,839	(2,243)
5.2 Swan Hills Treatment Centre	29,094	2,750	-	31,844	36,189	(4,345)
	236,690	2,750	-	239,440	246,028	(6,588)
<b>6 Property Development</b>						
	6,145	-	541	6,686	5,639	1,047
<b>7 Realty Services</b>						
7.1 Leases	205,712	(2,310)	-	203,402	200,781	2,621
7.2 Land Purchases and Sales	3,968	-	-	3,968	4,317	(349)
7.3 Fort McMurray and Area Lands	610	-	-	610	469	141
	210,290	(2,310)	-	207,980	205,567	2,413
<b>9 2013 Alberta Flooding</b>						
9.1 Floodway Relocation Program	-	-	137,800	137,800	72,127	65,673
9.2 Reconstruction and Accommodation	-	-	10,000	10,000	-	10,000
	-	-	147,800	147,800	72,127	75,673
Credit or Recovery (Shortfall) (Schedule 2)	-	-	-	-	-	-
<b>Total</b>	<b>\$ 507,370</b>	<b>\$ 240</b>	<b>\$ 149,769</b>	<b>\$ 657,379</b>	<b>\$ 577,932</b>	<b>\$ 79,447</b>
<b>Lapse/(Encumbrance)</b>						<b>\$ 79,447</b>

**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Lapse/Encumbrance of Annual Supply Votes**  
**Year ended March 31, 2014**

**Schedule 5**  
**(Cont'd)**

	Voted Estimates <sup>(1)</sup>	Adjustments <sup>(2)</sup>	Supplementary Estimates <sup>(3)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(4)</sup>	Unexpended (Over Expended)
<b>Program - Capital</b>						
<b>1 Ministry Support Services</b>						
1.4 Strategic Services	\$ 4,161	\$ 8	\$ -	\$ 4,169	\$ 3,589	\$ 580
<b>2 Health Facilities Support</b>						
2.1 Health Facilities Infrastructure	526,494	4,932	-	531,426	323,180	208,246
2.2 Health Capital Maintenance and Renewal	50,000	-	-	50,000	50,053	(53)
	<u>576,494</u>	<u>4,932</u>	<u>-</u>	<u>581,426</u>	<u>373,233</u>	<u>208,193</u>
<b>3 Capital Construction Program</b>	157,527	39,321	-	196,848	165,297	31,551
<b>4 Strategic Capital Planning</b>	2,500	-	-	2,500	-	2,500
<b>5 Property Management</b>						
5.1 Property Operations	-	-	-	-	87	(87)
5.2 Swan Hills Treatment Centre	4,543	601	-	5,144	4,877	267
5.3 Government Owned Facilities Preservation	20,000	1,694	-	21,694	19,086	2,608
	<u>24,543</u>	<u>2,295</u>	<u>-</u>	<u>26,838</u>	<u>24,050</u>	<u>2,788</u>
<b>6 Property Development</b>	10,000	8,847	-	18,847	12,308	6,539
<b>7 Realty Services</b>						
7.2 Land Purchases and Sales	8,300	16,601	-	24,901	17,401	7,500
7.3 Fort McMurray and Area Lands	-	-	-	-	500	(500)
	<u>8,300</u>	<u>16,601</u>	<u>-</u>	<u>24,901</u>	<u>17,901</u>	<u>7,000</u>
<b>8 Capital for Emergent Projects</b>	-	6,083	-	6,083	8,488	(2,405)
<b>9 2013 Alberta Flooding</b>						
9.2 Reconstruction and Accommodation	-	-	5,000	5,000	-	5,000
Total	<u>\$ 783,525</u>	<u>\$ 78,087</u>	<u>\$ 5,000</u>	<u>\$ 866,612</u>	<u>\$ 604,866</u>	<u>\$ 261,746</u>
Lapse/(Encumbrance)						<u>\$ 261,746</u>

**MINISTRY OF INFRASTRUCTURE  
SCHEDULE TO THE FINANCIAL STATEMENTS  
Lapse/Encumbrance of Annual Supply Votes  
Year ended March 31, 2014**

**Schedule 5  
(Cont'd)**

	<b>Voted Estimates <sup>(1)</sup></b>	<b>Adjustments <sup>(2)</sup></b>	<b>Supplementary Estimates <sup>(3)</sup></b>	<b>Adjusted Voted Estimate</b>	<b>Voted Actuals <sup>(4)</sup></b>	<b>Unexpended (Over Expended)</b>
<b>Program - Financial Transactions</b>						
<b>Acquisitions of Inventory</b>						
<b>5</b>						
<b>Property Management</b>						
5.2 Swan Hills Treatment Centre	\$ 2,000	\$ 500	\$ -	\$ 2,500	\$ 2,902	\$ (402)
<b>7</b>						
<b>Realty Services</b>						
7.3 Fort McMurray Area and Lands	50,000	15,700	-	65,700	14,099	51,601
<b>Total</b>	<b>\$ 52,000</b>	<b>\$ 16,200</b>	<b>\$ -</b>	<b>\$ 68,200</b>	<b>\$ 17,001</b>	<b>\$ 51,199</b>
<b>Lapse/(Encumbrance)</b>						<b>\$ 51,199</b>

(in thousands)

<sup>(1)</sup> As per "Operational Vote", "Capital Vote", and "Financial Transactions Vote", (page 149) of the 2013-14 Government Estimates.

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

<sup>(3)</sup> Per the Supplementary Supply Estimates approved on December 11, 2013 and March 13, 2014.

<sup>(4)</sup> Actuals exclude non-voted amounts such as amortization and valuation adjustments.

**MINISTRY OF INFRASTRUCTURE  
SCHEDULE TO THE FINANCIAL STATEMENTS  
Salary and Benefits Disclosure  
Year ended March 31, 2014**

**Schedule 6**

	2014			2013	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Deputy Minister <sup>(4) (11)</sup>	\$ 292,997	\$ 29,519	\$ 92,312	\$ 414,828	\$ 359,093
Current Executives					
Assistant Deputy Minister, Properties <sup>(5)</sup>	264,001	4,450	73,689	342,140	244,694
Assistant Deputy Minister, Capital Projects <sup>(6)</sup>	196,238	105,903	57,467	359,608	248,533
Assistant Deputy Minister, Corporate Strategies and Services <sup>(7) (8)</sup>	181,710	2,163	53,700	237,573	237,808
Executive Director, Finance <sup>(9)</sup>	159,120	166,715	43,851	369,686	200,662
Executive Director, Human Resources <sup>(10)</sup>	156,328	40,026	44,824	241,178	189,988

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 regular salary and earnings such as acting pay.
- (2) Other cash benefits include vacation payouts, severance, and lump sum payments. There were no bonuses paid in 2014.
- (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 September 2013. The position was occupied by two individuals, at different times during the year.
- (5) The incumbent was appointed to the position in December 2013, for a portion of this time two individuals were in this position. The position was occupied by three individuals, at different times during the year.
- (6) The incumbent was appointed to the position in December 2013. The position was occupied by two individuals, at different times during the year.
- (7) The services provided by the position were shared with the Ministry of Transportation until June 2013 which contributes its own share of the costs of salary and benefits. Full salary and benefits are disclosed in this schedule.
- (8) The incumbent was appointed to the position in June 2013. The position was occupied by two individuals, at different times during the year.
- (9) The incumbent was appointed to the position in May 2013. The position was occupied by two individuals, at different times during the year.
- (10) 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.
- (11) Automobile is provided. No dollar amount is included in other non-cash benefits.



**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Related Party Transactions**  
**Year ended March 31, 2014**  
*(in thousands)*

**Schedule 7**

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 key management personnel 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 Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<b>Other Entities</b>	
	<b>2014</b>	<b>2013</b>
Revenues		
Parking/Leases	\$ 1,766	\$ 2,739
SUCH <sup>(1)</sup> Sector Entities	4,564	853
Swan Hills Treatment Centre	480	360
Other Revenue	3,000	-
	<u>\$ 9,810</u>	<u>\$ 3,952</u>
Expenses - Directly Incurred		
Business and Technology Services (Schedule 3)	\$ 1,979	\$ 1,483
SUCH Sector Entities	380,003	438,105
Insurance	2,533	2,475
Other Costs	121	111
	<u>\$ 384,636</u>	<u>\$ 442,174</u>
Tangible Capital Assets Transferred In/(Out)	<u>\$ (803)</u>	<u>\$ (3,402)</u>
Nominal Sum Disposals to SUCH Sector Entities	<u>\$ -</u>	<u>\$ 13</u>
Accounts Receivable from SUCH Sector Entities	<u>\$ 1,318</u>	<u>\$ 273</u>
Accounts Payable to SUCH Sector Entities	<u>\$ 25,736</u>	<u>\$ 41,620</u>
Accounts Receivable	<u>\$ 178</u>	<u>\$ 1,038</u>
Contractual Obligations to SUCH Sector Entities	<u>\$ 10,179</u>	<u>\$ 3,194</u>

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 8.

	<b>Other Entities</b>	
	<b>2014</b>	<b>2013</b>
Revenue		
Accommodation	<u>\$ 473,911</u>	<u>\$ 455,585</u>
Expenses - Incurred by Others (Schedule 8)		
Accommodation	\$ 2,860	\$ 2,509
Air Transportation/Executive Vehicles	374	275
Business Services	6,754	6,636
Internal Audit	148	13
Legal Services	910	1,302
	<u>\$ 11,046</u>	<u>\$ 10,735</u>

<sup>(1)</sup> SUCH - Schools, Universities, Colleges and Hospitals

**MINISTRY OF INFRASTRUCTURE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**Allocated Costs**  
**Year ended March 31, 2014**  
*(in thousands)*

Schedule 8

Program	2014					2013	
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others			Total Expenses	Restated (Note 3)	
		Accommodation Costs <sup>(2)</sup>	Business Services <sup>(3)</sup>	Legal Services <sup>(4)</sup>		Total Expenses	
Ministry Support Services	\$ 17,508	\$ 249	\$ 7,276	\$ 206	\$ 25,239	\$ 23,302	
Health Facilities Support	381,155	235	-	92	381,482	440,329	
Capital Construction Program	37,492	616	-	242	38,350	100,864	
Strategic Capital Planning	1,184	21	-	-	1,205	1,388	
Property Management	335,560	1,413	-	53	337,026	254,762	
Property Development	24,438	143	-	6	24,587	30,378	
Realty Services	229,527	183	-	311	230,021	240,664	
Capital for Emergent Projects	702	-	-	-	702	3,315	
2013 Alberta Flooding	72,127	-	-	-	72,127	-	
	<u>\$ 1,099,693</u>	<u>\$ 2,860</u>	<u>\$ 7,276</u>	<u>\$ 910</u>	<u>\$ 1,110,739</u>	<u>\$ 1,095,002</u>	

<sup>(1)</sup> Expenses - Directly Incurred as per Statement of Operations.

<sup>(2)</sup> Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by the number of employees in each program.

<sup>(3)</sup> Costs shown for Business Services include charges for financial and information technology support, vehicles, air transportation, and internal audit services on Schedule 7, allocated to Ministry Support Services.

<sup>(4)</sup> Cost shown for Legal Services on Schedule 7, allocated by hours of service incurred by each program.

# Statutory Report

# Statutory Report

Section 32 of the *Public Interest Disclosure Act* requires the ministry to report annually on the following parts of the Act.

- (a) the number of disclosures received by the designated officer of the Public Interest Disclosure Office, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- (b) the number of investigations commenced by the designated officer as a result of disclosures;
- (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

In 2013-14 for the ministry, there were no disclosures of wrongdoing filed with the Public Interest Disclosure Office.



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