

1998

Annual Report



Ministry
of
Environmental
Protection

Alberta



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Public Accounts

1998/1999 —

Preface

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

The annual report of the Government of Alberta released in June contains the Provincial Treasurer's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Environmental Protection contains the Minister's accountability statement, the audited consolidated 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:

- **the financial statements of entities making up the Ministry including the Department of Environmental Protection, regulated funds, provincial agencies and Crown-controlled corporations for which the Minister is responsible.**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of financial statements, to the extent that the Ministry has anything to report.**
- **financial information relating to accountable organizations and trust funds.**

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Minister's Accountability Statement

The Honourable Ken Kowalski
Office of the Speaker
Legislative Assembly of Alberta

Sir:

The Ministry of Environmental Protection's Annual Report for the year ended March 31, 1999 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at May 19, 1999 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Respectfully submitted,

Original Signed by Gary Mar

Gary G. Mar, Q.C.
Minister of Environment

Message from the Minister

“Our high standard of
living is measured by
more than economics”

Alberta Environmental Protection’s activities in the past fiscal year continued to make sure our environment remains a protected resource for all Albertans.

Protection is best guaranteed by effective standards for environmental quality. Reviewing Ministry standards in the past fiscal year showed that while Alberta has some of the toughest environmental standards in the world we need to continuously improve those standards and to develop new ones when required. Beginning in late 1998, Alberta chaired the ongoing development of Canada-wide environmental standards through the Canadian Council of Ministers of the Environment. Canada-wide standards will ensure consistent environmental protection in soil, ozone and particulate matter.

The Ministry’s enforcement program remained vigilant and obtained over 2,600 convictions. 138 administrative penalties related to legislative infractions were assessed. The result was a total of \$2.1 million in penalties. It doesn’t pay to pollute Alberta.

The Alberta government endorsed *Alberta’s Commitment to Sustainable Resource and Environmental Management* in 1998/1999. This document confirms that partnership will be the cornerstone of the Ministry’s management approach into the next century. A good example is the regional sustainable development strategy for the Athabasca oil sands region, which staff began developing last year with the assistance of regional stakeholders.

Jobs depend in part on our abundant natural resources, but our high standard of living is measured by more than economics. In the past fiscal year, environmental assessments for 26 major resource projects ensured our environment is protected from possible harmful effects. Studies in the petrochemical sector continue to show our assessment process is among the best in North America. The Ministry continues to make it more effective and efficient.

The Ministry also continued to invest in the future. Environmental Protection directly invested \$4.5 million in research in 1998/1999, a sum that leveraged \$7.6 million in partnership funding. This combined investment is expected to pay dividends in the years to come, especially in the quality of our air and the sustainability of our forests.

Ministry efforts to lay a solid foundation of environmental awareness with Albertans were ongoing. Those efforts included our single greatest natural resource, our

children. More than 5,000 school children in the Calgary area alone, as well as some 1,300 teachers province-wide, benefitted from Ministry educational programs last year.

Efficient department operations fulfil the Ministry's commitment to effective service and fiscal accountability. To better meet local needs, Environmental Protection moved more staff and offices to communities throughout Alberta as part of its Community Level Service initiative. As part of Alberta's Shared Service initiative, the Ministry found new ways to share services like records management, human resources, financial services and office and warehouse space with other departments.

Alberta enjoys economic prosperity and a natural heritage second to none in Canada. With the help of our partners, the people of Alberta, we are working to ensure our environment remains a source of pride, comfort, wealth and inspiration. As Minister of Environment, I look forward to making my own contribution to this partnership, and to continuing the tradition of dedication, integrity and commitment to the environment and people of Alberta that remain the hallmark of this Ministry and its staff.

Gary G. Mar, Q.C.
Minister

Management's Responsibility for Reporting

The Ministry of Environmental Protection includes: Department of Environmental Protection, Environmental Protection and Enhancement Fund, Natural Resources Conservation Board and Alberta Special Waste Management Corporation

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, we 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 business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry of Environmental Protection for the year ended March 31, 1999, rests with the Minister of Environment. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain 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, Treasury Board, the Provincial Treasurer and the Minister any information needed to fulfil their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Original Signed by C.D. Radke

C.D. Radke
Deputy Minister
Ministry of Environment

Overview

Introduction:

The Ministry Business Plan for 1998/2001 enabled us to conduct our business in an efficient and cost-effective manner. The goals, strategies and key activities in the Ministry Business Plan provided Environmental Protection with clear directions as to what we would like to accomplish in the next three years. In reviewing our accomplishments for 1998/1999, it is clear that the Ministry was an effective and performance-driven organization.

We continued to dedicate resources to the effective and responsible delivery of our core businesses – managing Alberta’s renewable natural resources, and managing environmental hazards.

We continued to streamline and clarify decision-making structures and processes, and we significantly reduced administrative costs. Along with streamlining, Ministry resources were re-allocated to better meet the challenge of environmental management and to support the Alberta Advantage.

As noted in the 1997/1998 Annual Report, Environmental Protection restructured the Department with two of the four service areas being amalgamated. The result has been a broader, more inclusive environmental management mandate for one Service and a realignment of a number of functions within other Services, with benefits felt throughout the organization.

The Ministry continued its search for new ways of doing business by permitting the private sector to deliver those services to the public for which it is better suited. The various initiatives undertaken throughout the year helped make Alberta stronger and more prosperous, while maintaining a clean and healthy environment for present and future generations of Albertans.

The Ministry of Environmental Protection is composed of the Department of Environmental Protection, as well as two boards and a corporation reporting to the Minister: the Environmental Appeal Board; the Natural Resources Conservation Board, and the Special Waste Management Corporation. As well, the Department is responsible for the Environmental Protection and Enhancement Fund.

The Department of Environmental Protection is organized into three major areas: Natural Resources Service, Land and Forest Service, and Environmental Service with support from Financial Services, Human Resource Services and Communications Division. Departmental services are delivered in over 100 communities throughout Alberta.

Environmental Service (ES)

ES ensures the protection, enhancement and wise use of the environment through integrated, consistent and effective environmental management strategies and programs. ES develops sustainable resource and environmental management policies and standards, issues pollution prevention and control approvals for industrial and municipal operations, conducts the environmental assessment review process and leads the department's compliance program. Programs are founded on science-based decision-making, environmental monitoring and performance measurement, compliance assurance and enforcement, public education and stakeholder partnerships.

Doug Tupper
Assistant Deputy Minister
Phone: 427-6247

Land and Forest Service (LFS)

LFS' mission is to ensure sound stewardship of Alberta's public lands and Crown forests. To achieve this, LFS manages the use of public lands and Crown forests, reviews and approves all geophysical activity on Crown land (both White and Green Areas) and ensures these activities conform to applicable provincial regulations and standards for land and forest resource use.

Cliff Henderson
Assistant Deputy Minister
Phone: 427-3542

Natural Resources Service (NRS)

NRS is responsible for the management of Alberta's water, wildlife and fish, natural heritage resources and provincial parks; NRS is committed to the wise use and sustainable development of these renewable resources to support a prosperous provincial economy, a healthy environment and a high quality of life for present and future generations of Albertans. This responsibility is met through monitoring, careful and fair resource allocation, public education, enforcement, and management of protected areas and water capital works.

Morley Barrett
Assistant Deputy Minister
Phone: 427-6749

The Minister of Environmental Protection is responsible for the Environmental Appeal Board, the Natural Resources Conservation Board and the Special Waste Management Corporation. The Boards and Corporation operate at arm's length from the Department and report directly to the Minister.

Environmental Appeal Board (EAB)

The Environmental Appeal Board, consistent with the *Environmental Protection and Enhancement Act* and the *Water Act* seeks to provide fair, impartial and efficient resolution of all matters before it. Its goal is to advance the protection, enhancement and wise use of Alberta's environment.

Dr. William Tilleman

Phone: 427-6207

Generally, the board has the power to make recommendations to the Minister of Environmental Protection on matters brought before it, with the Minister making the final decision. On matters relating to requests for confidentiality, stays, costs, and administrative penalties, the board makes the final decisions. The board does not replace or eliminate the right of Albertans to seek judicial review in the courts consistent with normal common law practice.

Natural Resources Conservation Board (NRCB)

The core business of the NRCB is to review applications for major natural resource projects. It provides an open, fair and impartial review process for projects that will, or may, affect the natural resources of Alberta. The hearing process contributes to the achievement of sustainable natural resource development, reflecting the public interest. The *Natural Resources Conservation Board Act* and the *Alberta Environmental Protection and Enhancement Act* require the NRCB's approval for certain projects from the forest, recreation and tourism, and mining industries, as well as water management projects and others referred to the board by Cabinet.

Dr. Brian Bietz

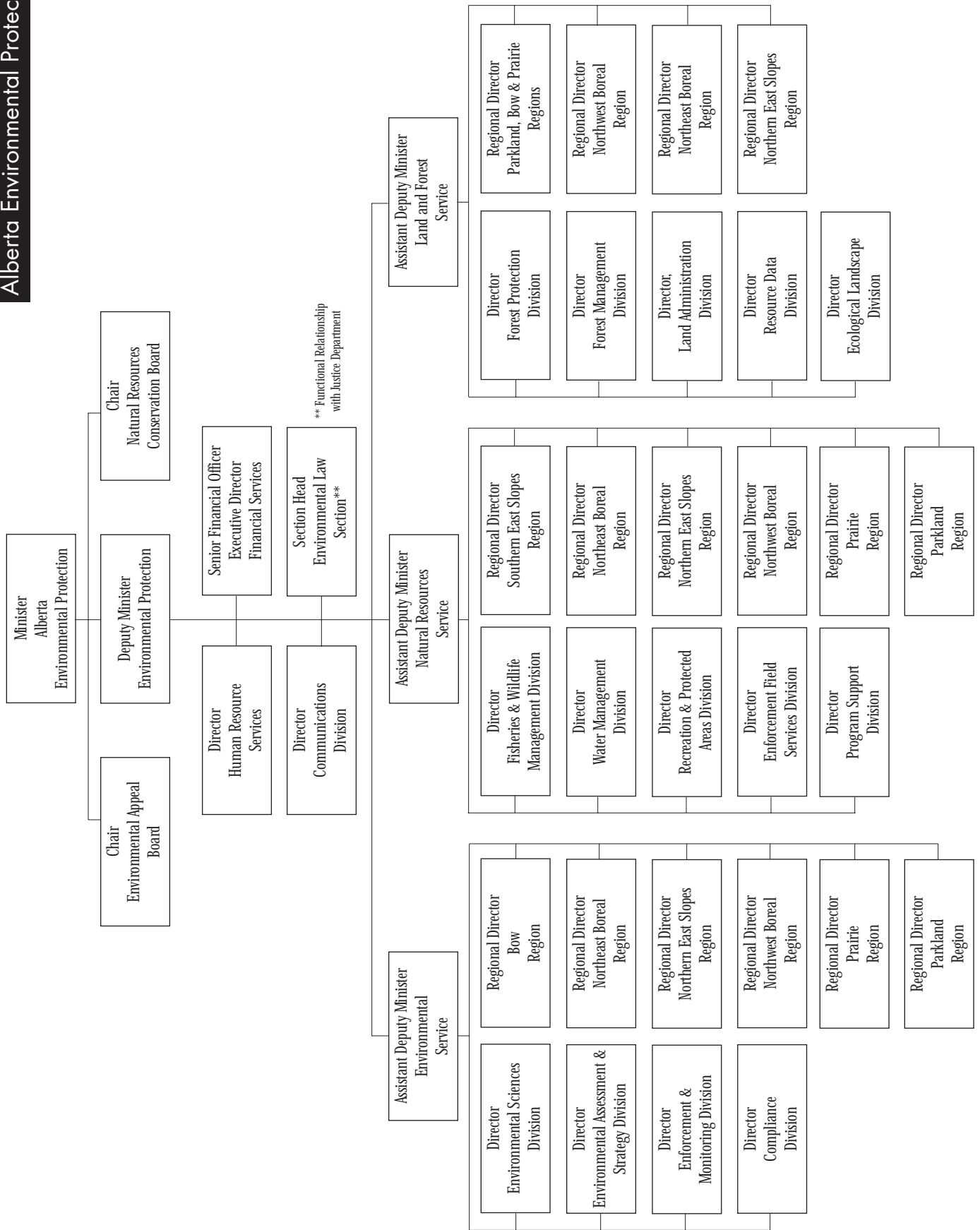
Phone: 422-1977

Special Waste Management Corporation (SWMC)

SWMC relinquished its interest in the Treatment Centre near Swan Hills in July 1996. The Alberta SWMC was repealed on November 1, 1998 and at that time, the ASWMC ceased to exist. Environmental Protection has an interest in the financial results of the treatment centre and continues to monitor related activities.

David Spink

Phone: 427-5883



Results Analysis

Ministry Core Business Goals and Accomplishments

A commitment to
sustainable resource
and environmental
management

The 1998/1999 business plan for the Ministry of Environmental Protection built on the results of previous plans, dedicating resources to the efficient, effective and responsible delivery of the Ministry's core businesses. The plan also focused resources on the priorities of the Alberta government—People, Prosperity and Preservation.

Accomplishments and performance measures reported in this document are organized according to the goals and strategies of the 1998/2001 Ministry business plan. Once again, the Ministry's accomplishments demonstrated its commitment to the sustainable management of Alberta's natural resources, which is the key to maintaining Alberta's dynamic resource-based economy and economic prosperity for the long-term, and to sustaining the Alberta Advantage.

The Ministry's core businesses focussed on the following:

Resource Management

Striving to ensure the sustainable use of Alberta's renewable natural resources through the development and implementation of legislation, policies, plans and programs, standard setting, compliance monitoring, ambient monitoring, renewable resource inventories, environmental impact assessments and the issuance of approvals.

Environmental Hazard Management

Reducing the risks of environmental hazards to people, property and the sustainability of our renewable natural resources through fire fighting, flood control and problem wildlife control.

The Ministry's goals:

- To protect and maintain Alberta's high quality air, land and water for the health and enjoyment of Albertans.
- To manage Alberta's renewable resources for the continued prosperity and benefit of Albertans.
- To protect and manage Alberta's natural resources and ecosystems for present and future generations.

All aspects of Environmental Protection's core businesses were guided by and conducted according to the Ministry's operating principles of Shared Responsibility, Public Involvement, Customer Service, Resource Sustainability, and Informed Decision-Making. The coming pages outline the goals and strategies of the 1998/1999 business plan and the Ministry's accomplishments over the course of the 1998/1999 fiscal year.

Goal 1

To protect and maintain Alberta's high quality air, land and water for the health and enjoyment of Albertans.

Strategy — Establish acceptable standards for air, land and water quality.

Alberta's environmental standards are ranked among the most stringent in North America

- Participated in multi-stakeholder workshops to develop standards for mercury, particulate matter and ground level ozone. The workshops were hosted by Alberta, which gave Alberta stakeholders greater opportunities to participate.
- Continued to develop the *Guideline for the Designation of Contaminated Sites*. The document, which will guide how the department employs the contaminated site provisions of Alberta's *Environmental Protection and Enhancement Act*, has undergone extensive public consultation and is expected to be completed in the fall of 1999.
- Developed the following Codes of Practice: *Temporary Diversion of Water for Hydrostatic Testing of Pipelines, Installation, Maintenance and Removal of a Pipeline and Telecommunication Line Crossing, Installation, Maintenance and Removal of a Watercourse Crossing*.
- Completed a comparison of Alberta's environmental standards to those of other North American jurisdictions. Where comparisons can be made, Alberta's standards for the quality of air, water, reclamation and soil are equivalent to – or the most stringent – in North America.
- Developed a policy on deepwell injection of hazardous waste and guidelines for treating pulpmill sludge on land.
- Developed and submitted for stakeholder review specific guidelines for managing salinity in soil and subsoil.
- Developed wastewater management guidelines for the fertilizer manufacturing sector.

Strategy — Monitor, assess and take action to maintain the quality of Alberta's air, land and water.

- Approved the Accountability Framework for Delegated Administrative Organizations (DAOs), such as the Alberta Used Oil Management Association and the Tire Recycling Management Association of Alberta. Business planning staff will use the framework to review DAO business plans and determine whether or not they meet Ministry business plan goals and objectives.
- Designed and implemented the Northern Rivers Ecosystem Initiative in conjunction with Environment Canada and the Northwest Territories. The initiative addresses commitments made by Canada, Alberta, and the Northwest Territories in response to the Northern River Basins Study of 1996.
- Appointed department representatives and alternates to the government and aboriginal boards of the Mackenzie River Basin Board—also a response to the Northern Rivers Basin

Study—and began negotiations with the Northwest Territories and British Columbia about board-related transboundary agreements.

- Continued working with several industry partners to decontaminate a former sulphur handling facility near Fort McMurray. Work will now focus on offsite soil decontamination.
- Completed 147 new environmental approvals, 296 approval renewals, and 434 amendments to existing approvals by the end of 1998.
- Developed an environmental approval manual and training program to help regional staff perform approvals effectively and consistently.
- Updated *Summary of Alberta Industrial Wastewater Limits and Monitoring Requirements*, which provides a general reference on wastewater discharge limits and monitoring requirements in environmental approvals issued to Alberta municipalities and industries.
- Obtained over 2,600 convictions and assessed 138 administrative penalties related to infractions of departmental legislation. A total of \$2.1 million in penalties was assessed during this period: about \$1.7 million in court penalties and \$400,000 in administrative assessments.
- Completed a business analysis to help develop an electronic tracking program that identifies and analyzes compliance assurance results, issues and trends.
- Monitored and analyzed data from 183 groundwater observation wells throughout the province for groundwater trends. Used data from 18 shallow wells to publish *Water Supply Outlook for Alberta*, informing various water users directly or through the Internet about possible poor conditions for recharging groundwater in 1998.
- Continued work with the Prairie Farm Rehabilitation Administration and the County of Forty Mile to protect provincial groundwater by developing an abandoned oil and gas well reclamation and conservation program.
- Initiated a public awareness program on possible abandoned oil and gas well contamination of the Grimshaw Gravels Aquifer. Also completed an interim report on the aquifer (*Hydrogeologic Evaluation of the Grimshaw Gravels Aquifer*) and a survey on the status of wells in the aquifer's vicinity.

Department enforcement actions:

2,600 convictions,
 138 administrative penalties,
 \$2.1 million in penalties assessed

Strategy — Actively promote understanding and improve knowledge of Alberta's environment.

- Invested \$4.5 million in research in 1998/1999 under the department's Research Business Plan. The department's investment is supported by some \$7.6 million in additional funds from other government departments, the federal government, industry and non-government organizations. Two key areas of research were sustainable forest management and the sources, characteristics and effects of air emissions.

Research:
 \$4.5 million supported by
 \$7.6 million from other
 departments, the federal
 government, industry and
 non-governmental
 organizations

- Continued work on two State of the Environment Reports - one on terrestrial ecosystems and another on air quality. The reports are a comprehensive overview of these topics and will be valuable references for Alberta students and the general public.
- Provided up-to-date information through the internet, publications, and information centres on recreation, parks, Special Places, environmental conditions, waste reduction and pesticides.
- Conducted workshops for approximately 1,300 student and in-service teachers across the province on climate change, forest management and biodiversity. Developed and distributed educational materials for teachers, students and the general public on climate change, forest management and protection, wildlife management and bull trout.
- Expanded education activities at the Jumpingpound Demonstration Forest in partnership with FEESA and the University of Calgary. Some 5,000 school children from Calgary and the surrounding area participated in education activities at the forest.
- Conducted interpretive programming at many Natural Heritage Sites. Programming included evening programs, guided hikes and mini displays, highlighting resources and environmental protection issues.
- Broadcasted high water advisories and flood warnings by fax to dam operators, Disaster Services, public and private water managers, local authorities, the recreational public and the media.
- Supplied a toll-free fax-on-demand service for public access to current water advisories, river condition reports, the status of reservoir storage, water levels in major lakes and forecasts of water supply conditions. These reports were also available through the department's Internet site.

Strategy — Provide Albertans with opportunities to contribute to environmental protection and natural resource management.

- The Environmental Appeal Board consulted the public on current board regulations and rules of practice to ensure they meet the requirements of the Alberta government's Regulation Reform. The consultation's results were placed on the board's website for further public review and comment.
- As part of the Oldman River Dam Environmental Advisory Committee, helped gather suggestions and opinions from the public on issues in the Oldman River Basin. Prepared *Environmental Monitoring of the Oldman River Dam - Eight Years in Progress*, a first look at – and summary of – the results of the Oldman River Dam Environmental Monitoring Program.
- Completed a province-wide public survey on recreation development in Kananaskis country. The results will form the foundation for a revised Kananaskis Country Recreation Policy.
- Established the Endangered Species Conservation Committee, its secretariat, and its supporting independent scientific subcommittee. The committee, composed of

stakeholders and special interest groups, advises the Minister on the conservation and recovery of species at risk.

- Chaired and successfully concluded the Air Toxics Project Team of the multi-stakeholder Clean Air Strategic Alliance. The team ensured that stakeholders and the public could review and offer suggestions on how to manage air toxics in Alberta.
- Provided the public throughout the province with 24 hour toll-free phone lines for reporting wildfires, poaching, hazardous spills and environmental contamination.
- Received more than 3,000 calls in the Report-A-Poacher campaign. The calls resulted in some 800 charges laid and more than \$36,000 in penalties assessed.
- Submitted for review a variety of department initiatives, including the business plan and the *Natural Heritage Act*, to the Minister's Advisory Committee on Environmental Protection. Composed of representatives from a broad cross-section of stakeholders, the committee offers advice and suggestions on proposed and existing department policy directions, consultations and strategies.
- Implemented Regional Environmental Committees in all six departmental regions to improve integration of department programs and information. The department also instituted regional Boards of Directors to improve program coordination and operations within regions.
- Initiated the regional sustainable development strategy for the Athabasca Oilsands. Involving stakeholders, communities and various levels of government in its development, the strategy will offer northeast Alberta an adaptive system for environmental and resource management.
- Surveyed attendees at the NRCB and Canadian Environmental Assessment Agency hearings on the Little Bow Project/Highwood Diversion Plan. The survey's results will help improve the hearing process and the public's opportunity to contribute their ideas for resource management and development. (Seventy-five per cent of respondents found the hearings fair and impartial.) A complete copy of the NRCB's decision on the diversion plan was posted on the Internet.

Report - A - Poacher:

3,000 calls,
 800 charges laid,
 \$36,000 in
 penalties assessed

Goal 2

To manage Alberta's renewable resources for the continued prosperity and benefit of Albertans.

Strategy — Provide clear, effective direction and guidance for the use, management and development of Alberta's renewable natural resources.

- Completed a review of approaches to integrated resource management. The results were used to develop the Alberta government's document, *Alberta's Commitment to Sustainable Resource and Environmental Management*.

24.8 million fish stocked in
 more than 290 waterbodies

- Participated in the development of a new regulatory framework for Agriculture, Food and Rural Development's intensive livestock operation initiative. The framework will lead to improved and better integrated management of the environmental effects of such operations.
- Produced an Implementation Action Plan under the Canada Forest Accord. The plan describes Alberta's ongoing commitment and contributions to sustainable forest management.
- Published the *Interim Forest Management Planning Manual - Guidelines to Plan Development*. The manual guides holders of Forest Management Agreements in preparing Detailed Forest Management Plans.
- Completed *A Desired Future Forest For Alberta: A Model* with the Alberta Forest Management Science Council. The council is a key group of senior scientists from the University of Alberta, Grande Prairie College, University of British Columbia, University of Northern British Columbia and the Alberta Research Council, that advises the Ministry on science supporting sustainable forest management.
- Participated with the University of Alberta, the Foothills Model Forest, the Canadian Forest Service and the forest industry in the ongoing development of a comprehensive, rigorous, and efficient biodiversity monitoring program for Alberta forests.
- Co-hosted one of Canada's 17 Network Centres of Excellence (NCE), the Sustainable Forest Management NCE that provides scientific research for managing Canadian boreal forests. NCEs are based in universities and research institutions across Canada whose research quality is rated excellent. NCEs develop research projects jointly with industrial and institutional partners.
- Developed a landscape classification framework. The framework contributes to effective ecological landscape management by identifying a landscape's environmental and resource features, and by helping define possible landscape management strategies and objectives.
- Registered more than eight million visits to provincial parks and recreation areas under Ministry jurisdiction.
- Developed a draft framework for water management planning under the new Water Act. The draft includes a strategy for protecting the aquatic environment.
- Stocked some 290 waterbodies with more than 24.8 million fish as part of the department's goal of bringing into production all publicly accessible waters that can support fishing. (The commercial fishing industry in Alberta represents almost \$3 million in initial payments to fishermen and support to Alberta's fish processing industry. Alberta Environmental Protection maintains tight control over where and when fishing can occur, as well as on the numbers of fish harvested. Lake whitefish continues to be the main target species.)
- Completed the report *Alberta's Northern Pike Management and Recovery Plan*. The report summarizes information on northern pike in Alberta and implements a framework for sportfishing regulation changes recommended by the Northern Pike Management Advisory Committee.

- Operated successfully a new point-of-sale system for licensing recreational hunters and fishermen throughout the hunting and fishing seasons.
- Participated in a variety of key activities addressing climate change on the provincial and national level, including the development of Alberta's Strategy for Action on Climate Change (released in October 1998), Clean Air Strategic Alliance work on climate change issues, and climate change education initiatives.
- Worked with the Clean Air Strategic Alliance to prepare *Application of Critical, Target, and Monitoring Loads for the Evaluation and Management of Acid Deposition*, a document that provides a framework for managing acid deposition in Alberta.
- Became first signatory to the North American Agreement on Environmental Cooperation. During 1998, Alberta's Minister of Environmental Protection co-chaired the Governmental Committee directing Canadian participation in this important environmental side-agreement to the North American Free Trade Agreement.

Strategy — Streamline regulatory processes and legislative requirements.

In 1997/1998, Alberta became first signatory to the North American Agreement on Environmental Cooperation, an important side agreement to NAFTA

- Continued with a review of the Land Agents licensing regulations. Stakeholder comments on a discussion paper were compiled and will be used to make changes to the regulations next year.
- Completed a review of the Survey Regulation under the *Surveys Act*. As stakeholders recommended, the regulation is expected to be repealed in the summer of 1999 and transferred to the Alberta Land Surveyors' Association.
- Amended the Timber Management Regulations and several Forest Management Agreements to make timber dues for Forest Management Agreement holders more responsive to changing market conditions.
- Participated in the Canadian Council of Ministers of the Environment's (CCME) fulfillment of its commitment to approve principles of stakeholder involvement and public accountability for the Canada-wide Accord on Environmental Harmonization. (Alberta's Minister of Environmental Protection began a term as CCME president in 1998.)
- Implemented the CCME's Canada-wide Environmental Standards Sub-agreement.
- Negotiated a draft bilateral agreement with the federal government to implement Harmonization's Sub-agreement on Environmental Assessment. The draft was submitted for public review in March, 1999.
- Led CCME efforts to develop Canada-wide standards for petroleum hydrocarbons in soil, and participated in all CCME committees working to develop other Canada-wide standards.

Strategy — Reduce impact of natural hazards (fire, drought, flood, pests) on people, property and resources.

Conducted 100 priority
 safety inspections for
 major government and
 non-government
 owned dams

- Designed and implemented a new training program to create eight-man Wildland Firefighting Units. The program won a Premier's Award of Excellence in June 1998.
- Patrolled forested areas to enforce fire bans, protect the public from hazardous fire situations and ensure the security of fire camps and critical fire-fighting equipment.
- Surveyed and mapped all major forest pest infestations. Closely monitored mountain pinebeetle incursions from British Columbia and surveyed and destroyed all affected trees.
- Completed inventories for restricted and noxious weeds in most eastern slope regions of the province. Controlled approximately 516 hectares of restricted and noxious weed infestations in southern east slope regions.
- Reduced the risk to public safety by providing early warning of floods and high streamflows through flood forecasting services, particularly to 64 communities and operators of five dams under identified risk of flooding.
- Issued one flood warning, four flood watches and 14 high streamflow advisories – including one for the North Saskatchewan River through the City of Edmonton – during the summer of 1998. Issued eight advisories during winter freeze-up 1998 and spring break-up 1999.
- Provided various water infrastructure services, including standard operating procedures, flood action plans, normal action plans, emergency preparedness plans, and Dam Safety Standards, as well as inspection, monitoring and preventative maintenance.
- Completed drainage projects for several municipal districts and provided grants to local authorities for cost-shared maintenance of water management infrastructure.
- Inspected and ensured required follow-up action was taken for some 75 non-government water impoundment structures, as well as reviewing eight emergency preparedness plans and preparing six flood inundation studies for government owned structures.
- Conducted safety inspections on all major department-owned dams and undertook Five-Year Independent Reviews on four of them. Also conducted 100 priority safety inspections for major government and non-government owned dams.

Goal 3

To protect and manage Alberta's natural resources and ecosystems for present and future generations.

Strategy — Establish acceptable levels of protection for natural resources and ecosystems.

Added or improved protection for 56,800 new hectares in the protected areas network

- Under the Special Places program, received final recommendations for candidate sites from 17 local committees and took under consideration 28 additional candidate sites.
- Added or significantly improved protection for 11 new sites (totalling more than 56,800 hectares) to the protected areas network.
- Expanded Moonshine Lake Provincial Park under the Special Places program and recognized the site as a Natural Heritage Site, adding 252 hectares to Alberta's protected areas network.
- Tripled the size of Young's Point Provincial Park to include almost 3,120 hectares.
- Made significant enhancements to the Bow Valley, including the following:
 - Expanded Wind Valley Natural Area by more than 16,400 hectares and renamed it Bow Valley Wildland Park;
 - Expanded Elbow Sheep Wildland Park, Bow Valley Provincial Park and Yamnuska Natural Area; and
 - Consolidated and expanded three existing Natural Areas to become Bow Flats Natural Area, and created Canmore Nordic Centre Provincial Park.
- Announced a management plan protecting critical habitat and excluding new development in Elbow Sheep Wildland Park, designated a Special Place in 1996.
- Submitted Proposed Policy Foundation for the Natural Heritage Act in March 1998 for public review. The document was based on stakeholder recommendations and an internal analysis of issues as well as preliminary feedback from other departments. Following a two and a half month period of public review and suggestions, the proposed act was presented to the legislature on March 1, 1999.

Strategy — Monitor, assess and take action to protect natural resources and ecosystems.

- Completed nine environmental assessment project reviews using cross-departmental teams located throughout the province, with four reviews proceeding to public hearings. In 1998/1999, there were 26 major resource projects, including new and ongoing projects, in the environmental assessment process.
- Participated in four Alberta Energy and Utilities Board (EUB) public hearings. Senior scientific, policy and technical personnel assisted the board, explaining Ministry responsibilities and views on the environmental aspects of the proposals under review.
- Together with other government departments, continued forming partnerships with regional stakeholders for new aerial photo coverage of the White (settled) Area of the province. Partnerships reduce the cost to municipalities of buying photo coverage (used to

Alberta ranks among the best North American jurisdictions for its environmental assessment process, and leads Canadian jurisdictions in cumulative effects assessment practices

determine their tax base), and reduce the provincial government's flying and photo processing costs.

- Initiated a major program to update existing land base information, including roads, well sites, seismic lines and pipelines. Also updated land base information for large portions of the Green (unsettled) Area of the province quickly and at low cost using satellite data. This data helps supply accurate maps for more effective forest fire fighting.
- Continued converting Alberta's land base information to the Geographic Information System (GIS) format.
- Continued vegetation inventory programs with Forest Management Agreement holders. The programs ensure Alberta Vegetation Inventory and land-use information is up-to-date. Satellite technology was also used to supply inventory and land-use information for some remote northern areas where no Forest Management Agreements are held.
- Continued a five year program to collect and analyze ecological data to determine the amount of grazing that vegetation in various parts of the province can sustain.
- Continued to convert ecological data to digital form for use in automated systems that support environmental decision making. Undertaken to help with ecosystem-based resource management, the conversion is now complete for most ecological data related to eastern slopes regions.
- Issued 2,452 reclamation certificates for Crown land (including both the Green and White areas) and private land in the province.
- Continued using mediation or conference settlements at the EAB to resolve a wide range of regulatory disputes. The board received 251 appeals in 1998, 209 of which were related to one approval holder.

Other Accomplishments

- Continued with efforts under the Government of Alberta's Shared Service Initiative. These included sharing records management, duplicating, map updating and distribution, courier, human resources and financial services; office and warehouse space with other government departments; and reviewing further possibilities for shared services.
- Cooperated closely with Alberta Infrastructure to deliver the Calgary and Edmonton Transportation and Utilities Corridors Program. The program regulates development to ensure the corridors continue to provide right-of-ways for utilities and traffic into and around the two cities.
- Initiated a new Occupational Health and Safety program for Environmental Service at headquarters and in the regions. Managers and supervisors worked with Natural Resources Service and Land and Forest Service to promote the program within the department.

2,452 reclamation
 certificates issued for Crown
 and private land

- Implemented major upgrades to the Department's province-wide telecommunications network and completed the upgrade of department electronic mail to Microsoft Outlook/Exchange electronic mail.*
- Maintained the highest level of employee contribution for any Ministry in the United Way campaign for the eighth consecutive year. The campaign also showed increases in staff and volunteer involvement, total dollars contributed by each employee, and total amount collected by the Ministry for the fiscal year.

Awards

Alberta Environmental Protection employees took four of 13 bronze category Premier's Awards of Excellence:

- The Fire Communications Team, for meeting the communications challenges of supplying timely and accurate information to media and clients during one of the worst forest fire seasons in Alberta history.
- The Jumpingpound Demonstration Forest team for their contribution to the education of some 4,000 schoolchildren annually on how natural resources are managed for the benefit of Albertans.
- The Oil Sands Mining End Land Use Committee, who developed integrated and regionally sound recommendations for reclamation and end land use based on successful stakeholder consultation, traditional land use knowledge, scientific information, fiscal reality, and provincial policy.
- The Wildlife Corridors Project Team, who developed guidelines for the wildlife corridors in the Bow Valley. The guidelines set standards for corridor design and the level of development acceptable nearby.

The Ministry set ambitious goals and high standards for performance in 1998/1999. The achievements listed in this report demonstrate that Environmental Protection staff rose to the challenge and met the initiatives outlined in the 1998/2001 Ministry Business Plan.

* As described in Note 16 of the ministry's financial statements, the year 2000 issue is the result of some computer systems using two digits rather than four to define the applicable year. In July 1996, Public Works, Supply and Services in conjunction with the Office of the Chief Information Officer began working with all government ministries to develop a strategy to address the technical issues for ensuring all government information systems are year 2000 ready. In addition a Y2K Project Office was established in the ministry of Public Works, Supply and Services to assist the cross-government Year 2000 Coordinators' Committee. This committee, comprised of representatives for each ministry, meets regularly to discuss and review issues related to ensuring Y2K readiness of government systems.

On April 19, 1999, based on information provided in ministry reports, the Minister of Public Works, Supply and Services and the Chief Information Officer issued an interim status report indicating that 84 percent of the government's 'mission critical' systems are considered Y2K ready. 'Mission critical' systems are those deemed by each ministry to be vital to government business operations. Testing and remediation of remaining government systems is expected to be completed before the end of the year.

Conclusion

A tradition of sustainable
resource management
and responsible
environmental protection

Our fiscal plan allowed us to conduct business efficiently and cost-effectively, to concentrate further on our core businesses, and to contribute to budget reduction.

In 1998/1999, we continued to invest strongly in technology. New technological advancements helped detect environmental problems and allowed us to react to them more quickly. Many initiatives were undertaken in partnership with other government departments, other levels of government, and external organizations, all of whom contributed to our achievements.

We will continue to implement our plan for regulatory reform, manage the increased volume of environmental impact assessments and work to harmonize the environmental management roles and responsibilities of provincial, federal and territorial governments.

We are proud of Environmental Protection's achievements and awards in 1998/1999 but remain committed to doing better. We will continue to contribute to the Government's core businesses of People, Prosperity and Preservation. And we will remain accountable to the people of Alberta while focussing more intensely on our core businesses of managing our renewable natural resources and environmental hazards.

Our tradition of sustainable resource management and responsible environmental protection will help ensure that all Albertans continue to enjoy the benefits of a safe and healthy environment.

To the Members of the Legislative Assembly

I have performed the following procedures in connection with the Ministry of Environmental Protection's performance measures included in the *1998/1999 Annual Report of the Ministry of Environmental Protection* as presented on pages 25 to 32.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.
2. The calculations which converted source information into reported measures were tested.
3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit of the performance measures and therefore I express no opinion on the performance measures included in the *1998/1999 Annual Report of the Ministry of Environmental Protection*.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
July 29, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Performance measurement is an important part of the Ministry's business planning. It helps track progress towards business plan goals.

In the 1998/99 business plan, eight performance measures were identified:

- Air Quality Index;
- Surface Water Quality Index;
- Reduction of Municipal Solid Waste to Landfills;
- Timber Sustainability;
- Species at Risk;
- Area of Parks and Natural Reserves in Alberta;
- Pulp Production versus Amount of Substance Discharged; and
- Parks Visitation.

The eight performance measures reflect the Ministry's mandate and several are included as Government of Alberta performance measures reported in the report *Measuring Up*.

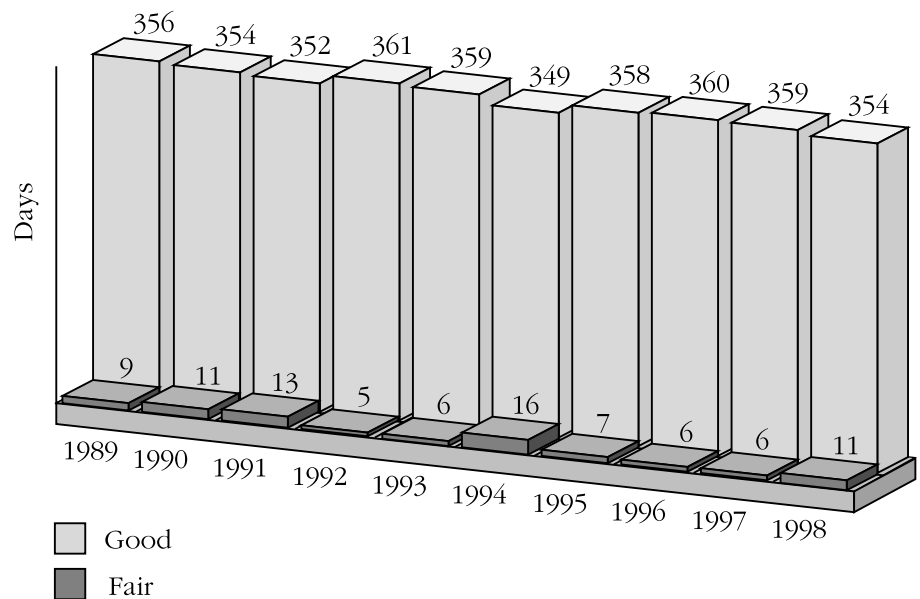
The Ministry continues to develop and improve its performance measures to accurately reflect environmental protection and sustainable use of natural resources in Alberta. Several new measures are in preparation, including hazardous waste management, groundwater quality and compliance assurance. A new water quality index and a new waste reduction measure are being developed, as well as park visitors' satisfaction.

Air Quality Index

Ensuring the protection of Alberta's clean air is a key factor in maintaining Albertans' health and quality of life. This measure indicates the quality of air in Alberta throughout the year based on continuous monitoring at a total of ten locations in Edmonton, Calgary, Fort Saskatchewan and Fort McMurray. The target is to maintain air quality at "Good" or "Fair" levels at all times.

The figure shows that days were rated "Good" for air quality throughout almost the whole of 1998. While there were no days rated "Poor" and "Very Poor" last year, there were a number of hours rated poor or very poor. According to the definition used in calculating the Index of Quality of Air, there is acceptable protection against harmful effects to human health, animals and vegetation at the "Fair" level.

Figure 1
 Air Quality Index - Good and Fair



Surface Water Quality Index

The quality of surface water (rivers and lakes) is determined by a combination of physical, chemical and biological factors. This measure shows river water quality for recreation, aquatic life and agricultural uses upstream and downstream of major Alberta centres. Water quality tends to be poorer downstream of areas of significant urban, industrial or agricultural development. The Ministry's goal is to bring river water quality downstream of developed areas in line with upstream conditions.

The measure focuses on river water quality because the effects of human activities are generally more evident in rivers than in lakes. To monitor the state of Alberta's rivers, several variables (such as coliform bacteria, nutrients, pH, oxygen and metals) are routinely tested and evaluated against acceptable levels identified in the *Alberta Ambient Surface Water Quality Interim Guidelines*.

The figure shows the quality of Alberta river water is "Good" to "Fair" for aquatic life and agricultural uses. For recreational uses, "Poor" and "Unacceptable" ratings were assessed for downstream sites. Recreational use is generally ranked poorer than other uses because the few variables that affect recreational use often exceed guidelines. The lower ratings are the result of higher nutrient (phosphorus and nitrogen) and/or bacteria levels at these sites. These variables can be affected by both point and non-point source controls (such as municipal/industrial wastewater treatment improvements and agricultural best management practices).

Figure 2
 Water Quality Rating and Percentage Compliance
 for 1997, and 5-Year Range (1992 - 1996)

Use:	Recreation			Aquatic Life			Agriculture		
	Compl. Rate			Compl. Rate			Compl. Rate		
	1997 Rating	5-Year Range min max		1997 Rating	5-Year Range min max		1997 Rating	5-Year Range min max	
Smoky/Peace Rivers at Watino	P 75%	69% 82%		F 90%	90% 95%		F 95%	96% 100%	
	P 75%	71% 85%		F 91%	91% 96%		G 96%	93% 100%	
Athabasca River at Athabasca	P 83%	81% 93%		F 95%	93% 98%		G 97%	95% 99%	
	U 67%	71% 88%		F 90%	91% 96%		F 93%	94% 99%	
North Saskatchewan River at Devon u/s Edmonton	F 94%	92% 100%		G 98%	98% 99%		G 99%	99% 100%	
	U 47%	40% 46%		F 90%	86% 90%		G 99%	96% 98%	
Red Deer River at Hwy 2 u/s Red Deer	F 86%	83% 97%		F 94%	95% 98%		G 99%	97% 100%	
	P 75%	58% 83%		F 91%	89% 91%		G 99%	97% 99%	
Bow River at Cochrane u/s Calgary	G 100%	92% 100%		G 98%	97% 100%		G 100%	99% 100%	
	U 61%	44% 56%		F 88%	85% 91%		G 98%	95% 96%	
Oldman River at Hwy 3 u/s Lethbridge	F 86%	71% 97%		G 96%	93% 99%		G 99%	97% 100%	
	U 66%	60% 85%		F 88%	88% 94%		G 99%	96% 100%	

Compliance Rate	Rating
100 - 96%	Good
95 - 86%	Fair

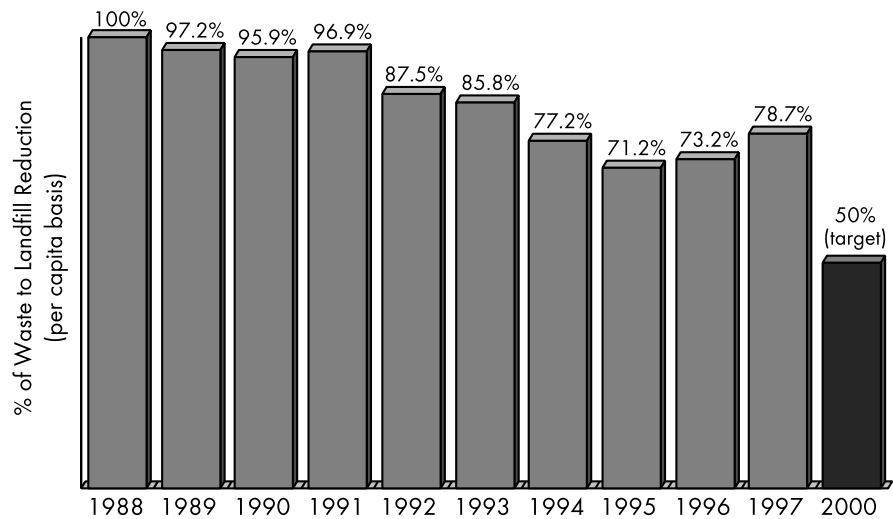
Reduction of Municipal Solid Waste to Landfills

This measure indicates Alberta's progress towards meeting a municipal solid waste reduction target of 50 per cent of 1988 levels by the year 2000. It charts the Ministry's efforts to work with Albertans to encourage less waste. Over the years, this strategy has contributed to a significant decline in waste in the province. The Ministry's role has been to provide technical and financial assistance to municipalities for recycling infrastructure, as well as education and general awareness about waste management options and opportunities.

The figure shows steady progress toward the 50 per cent reduction target until 1995. Since 1995 there has been an increase in this measure, largely due to increasing economic development whereby commercial activity and construction and demolition projects result in significant amounts of materials being sent to landfills. The Ministry is increasing efforts to reduce these amounts.

Figure 3

Waste to Landfill Reductions from 1988 Levels

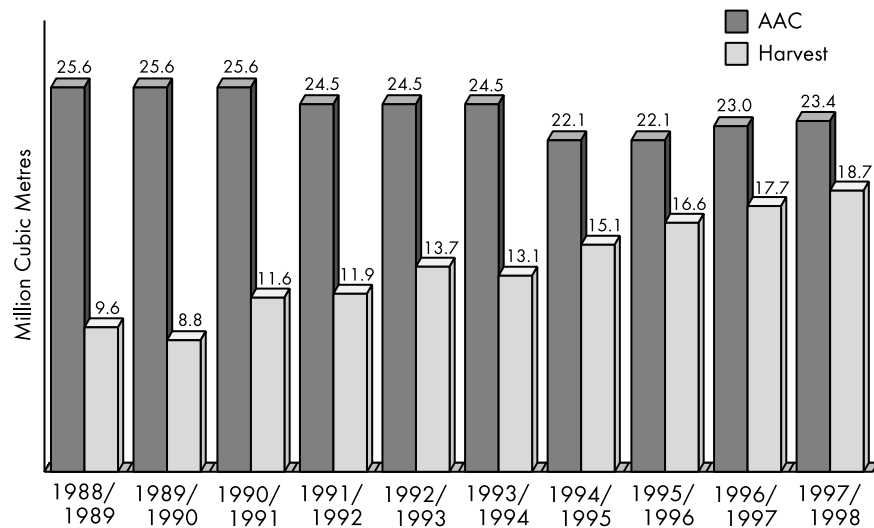


Timber Sustainability

This measure reflects the Ministry's ability to manage Alberta's timber resource in a sustainable manner. The figure gives the status of timber stocks by comparing the amount of timber harvested on an annual basis with the annual allowable cut (AAC) of timber set by the province. The AAC is based on the growth rate of the forest trees, producing new fibre that can be harvested on a sustainable basis. The target is for Alberta's annual timber harvest to be no greater than the AAC, ensuring a sustainable timber supply. Yearly harvest levels may be greater than the AAC, but harvest levels should not exceed the AAC over each five-year harvest plan.

The figure shows that the timber harvest in Alberta is increasing, but still is well below the AAC.

Figure 4
 Timber Sustainability



Species at Risk

- At Risk:**
- burrowing owl,
 - canadian toad,
 - great plains toad,
 - northern leopard frog,
 - peregrine falcon,
 - piping plover,
 - swift fox,
 - whooping crane,
 - wood bison

Fish and wildlife are highly valued by Albertans. Activities such as hunting, fishing and wildlife viewing contribute significantly to the provincial economy.

This measure shows the health of Alberta's fish and wildlife populations, based on data in the Ministry's *Status of Alberta Wildlife* report (December 1996). The target is to keep the percentage of species at serious risk below five percent. Every five years a survey of the population status of fish and wildlife species is conducted. The last survey was conducted in 1995; the next will be conducted in 2000. In 1995, there were approximately 538 species of fish and wildlife known to occur in Alberta.

The number consists of the following:

Amphibians - 10 Mammals - 90 Fish - 60
 Birds - 370 Reptiles - 8

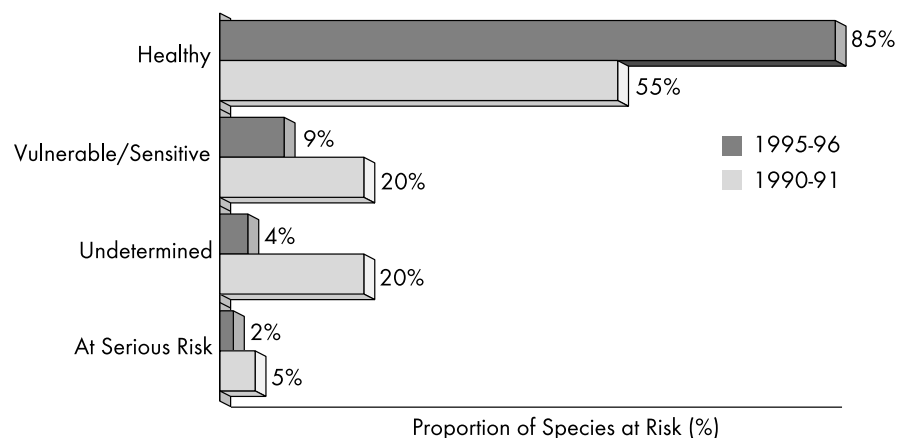
Total 538

The Ministry tracks the health of fish and wildlife populations by categorizing species and wildlife in Alberta as follows:

- healthy - not considered at risk
- vulnerable/sensitive - at some risk or require special management
- undetermined - existing scientific data insufficient to determine status
- at serious risk - some species may be considered endangered

Of the 538 species of fish and wildlife found in Alberta, only two per cent are considered at serious risk.

Figure 5
 Species at Risk



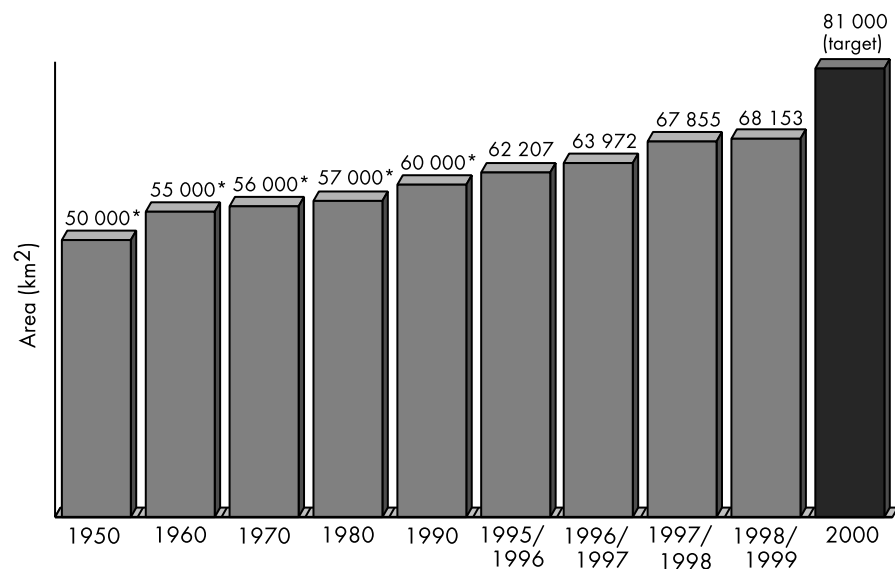
Note: In some cases, the differences in data between 1991 and 1996 reflect improvements both in knowledge about wildlife populations and in the methodology for collecting and evaluating species information. For example, the 1996 survey used a more refined species ranking system than was used in 1991, as well as stricter rules to rank and list species that are migrant or peripheral in Alberta.

Area of Parks and Natural Reserves in Alberta

The designation of parks, natural reserves and related sites contributes to Alberta's protection, heritage appreciation, outdoor recreation and tourism/economic development goals. This measure includes the total area of parks, natural reserves and related sites – including 54,000 square kilometres of national parks – in Alberta. After 1995, the area of Recreation Areas is also included. The Castle Special Management Forest Land Use Zone (1,041 square kilometres) was designated through Special Places, and is included in this measure.) The goal is to have 81,000 square kilometres of Alberta designated by the year 2000. This would meet the four goals identified for the Special Places initiative: preservation, outdoor recreation, heritage appreciation and tourism/economic development.

The figure shows that the area of land designated as parks and natural reserves has increased steadily since 1950.

Figure 6
Area of Parks and Natural Reserves in Alberta



* Estimates

Pulp Production Versus Amount of Substance Discharged

Pulp Production versus Amount of Substance Discharged

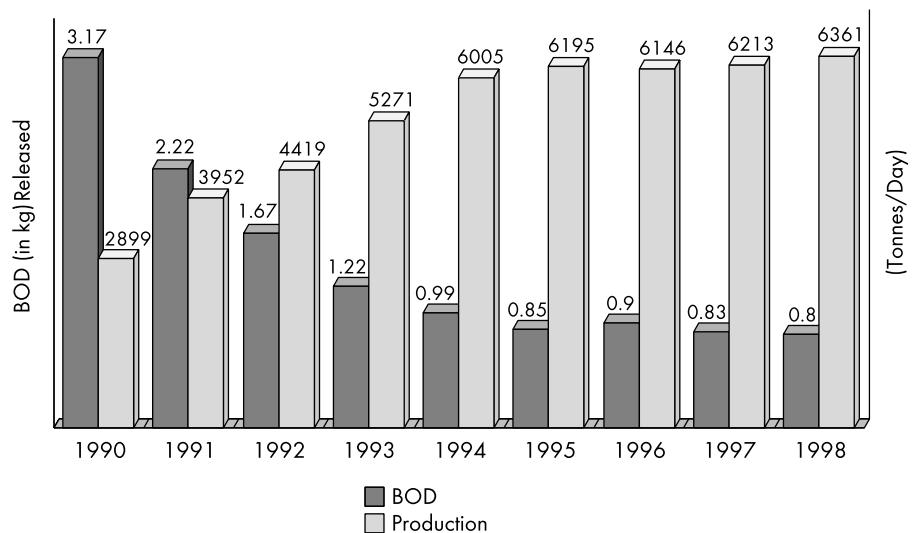
Good water quality is essential for a sustainable and prosperous Alberta. One common measure used to gauge the effect on river water of treated pulp mill wastewater releases is biochemical oxygen demand (BOD).

Certain substances in pulp mill wastewater require oxygen in their breakdown. This breakdown may decrease the amount of oxygen available to aquatic organisms. An excessive amount of these substances could cause a shortage in the oxygen necessary to keep an aquatic ecosystem healthy.

To help control the amount of these substances released to aquatic ecosystems, each of Alberta's seven pulp mills is issued an approval, which restricts the amount of BOD that can accompany the release of substances into river water. Alberta's average maximum allowable BOD (3 kg/tonne of pulp) is based on criteria for both water quality and Best Available Demonstrated Technology. Reducing BOD discharges to the lowest practical limit protects aquatic ecosystems from oxygen depletion and contributes to pollution prevention.

The figure shows the total BOD released per tonne of pulp in 1998 was 0.80 kg – the lowest level on record in the province.

Figure 7
Pulp Production versus Amount of Substance Discharged



Parks Visitation

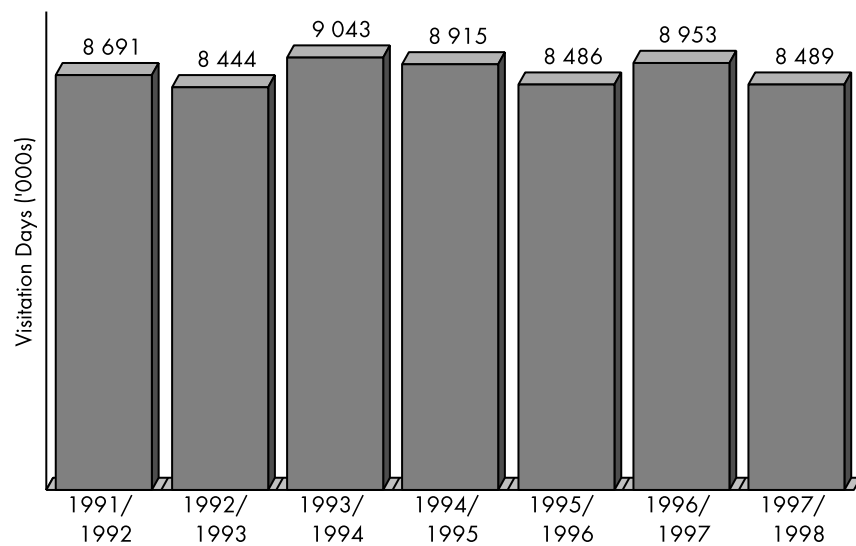
The Ministry uses the number of visits to Alberta's parks and recreation areas as a proxy measure of how well the department is managing the province's natural heritage for present and future generations. We are pursuing the development of other measures that will report more directly on client satisfaction with the department's efforts.

The measure includes data on provincial parks and recreation areas. The Ministry collects the data through camping permit sales and automatic traffic counter readings. Adjustments to these readings are based on periodic surveys of visitors. (Not included are sites such as forest recreation areas, ecological reserves, natural areas, wilderness areas and wildlife provincial parks.)

As the measure demonstrates, visitation has varied slightly over the years, but has remained above eight million visits. The target is to maintain visitation at or above this level.

Park visitation rates can be affected by factors such as weather, fire risk, and road construction.

Figure 8
 Parks Visitation



Results of Ministry Operations

The Ministry consolidated revenues in 1998/1999 were \$155.6 million, which is an \$18.7 million decrease from 1997/1998. The Ministry consolidated expenses were \$489.8 million, up \$189.0 million from 1997/1998. A net gain of \$0.1 million from discontinued operations brings the total result to a net loss of \$334.1 million.

Ministry Revenues

Timber Royalties and Fees, providing \$80.3 million, was the largest source of revenue for the Ministry. Land and Grazing and other fees provided \$46.4 million. The federal government contributed \$14.1 million through transfer payments. Various other sources of revenue earned \$11 million and investment income provided \$3.8 million in revenue.

Ministry Revenue - Comparison of 1998/1999 Actuals to 1998/1999 Budget

Revenue was \$41.0 million higher than budgeted as a result of the following:

- Transfer payments from the Government of Canada were up \$13.3 million primarily due to additional revenue from the Softwood Lumber Export Tax rebates and fire control on Indian Reserves and the Air Weapon Range at Cold Lake.
- Investment income was \$2.0 million lower than budgeted due to a decreased Equity balance in the Environmental Protection and Enhancement Fund.
- The contribution from Timber Royalties and Fees was up \$10.2 million due to higher lumber prices than predicted and surging oriented strand board (OSB) prices.
- Land and Grazing Fees were up \$6.9 million as a result of greater demand for surface materials, such as sand and gravel, and continued growth in the oil and gas sector.
- Revenue from Other Fees, Permits and Licenses increased \$8.3 million.
- Other revenue was \$4.3 million higher due to a \$7.4 million increase in cost recoveries for man-made fire starts, a \$0.7 million increase from miscellaneous revenue sources and a \$3.8 million decrease in land sales revenue.

Ministry Revenue - Comparison of 1998/1999 Actuals to 1997/1998 Actuals

Revenue decreased \$18.7 million from the previous year as outlined below:

- Transfers from Government of Canada were up \$0.7 million.
- Investment income was down \$2.6 million due to decreased fund balances on hand.

- The contribution from Timber Royalties and Fees was \$17.0 million lower due to decreased timber production and lower lumber and pulp prices in the first half of the year.
- Land and Grazing revenue increased \$1.4 million due to greater demand for surface materials and continued growth in the oil and gas sector.
- Revenue from Other Fees, Permits and Licenses increased \$3.9 million. Reforestation revenue of \$5.6 million is included in this category. Although revenue from fishing and game licenses decreased \$1.8 million, dedicated revenue initiatives for park operations and infrastructure levies contributed \$1.3 million in new revenues. Regulatory Approval fees and other premiums and fees were down \$1.2 million from 1997/1998.
- Other revenue decreased \$5.1 million. Factors affecting this revenue include the dissolution of the Revolving Fund in 1998, which contributed \$6.8 million in reforestation revenue. This revenue is now reflected in Other Fees, Permits and Licenses. An increase of \$7.4 million in fire cost recoveries resulting from increased third party billings contributed additional revenue. However, a \$5.0 million decrease in land sales and \$0.7 million decrease in miscellaneous revenues negated this increase.

Ministry Expenses

The total Ministry expense of \$489.8 million is represented by voted expenses of \$264.7 million, statutory expenses of \$219.1 million and other expenses of \$6.0 million.

Ministry Expenses - Voted

Ministry Support Services spent \$10.6 million. This amount includes spending in the Minister's Office, the Deputy Minister's Office, Financial Services, Communications, Human Resources, Achievement Awards, and the Standing Policy Committee on Sustainable Development and Environmental Protection.

Environmental Service spent \$49.2 million on various programs. These include land reclamation, environmental assessment and waste management, air and water approvals, pollution control, chemical assessment and management, research and scientific support, strategic and regional support, information management, Special Places, and Freedom of Information and Protection of Privacy.

In Natural Resources Service, \$106.4 million was spent on various programs across the province. Fisheries and wildlife management, water management, enforcement field services, client and licensing services, and recreation and protected areas are included in this service.

In Land and Forest Service, \$97.9 million was spent on a variety of programs, such as fire suppression, forest management, forest protection, land administration and resource data.

The Environmental Appeal Board spent \$0.6 million on its programs.

Voted Expenses - Comparison of 1998/1999 Actuals to 1998/1999 Budget

Expenses were \$1.5 million more than budgeted. The Achievement Bonus Award Program contributed \$2.7 million and \$1.6 million came from Natural Resources Service's regional parks program. \$1.8 million in savings were realized in Land and Forest Service through reduced expenditures on material and supplies, aircraft rentals and travel. Environmental Service saved \$1.0 million in a variety of programs.

Voted Expenses - Comparison of 1998/1999 Actuals to 1997/1998 Actuals

Expenses were down \$1.5 million from the previous year primarily through administrative savings, the 1997/1998 privatization of several programs and completion of the Blood Indian Irrigation Project.

Ministry Expenses - Statutory

The Environmental Protection and Enhancement Fund spent \$217.7 million on forest fires, land reclamation, emergency spills and cleanup, insect and disease management, and the Forest Resource Advancement Program.

The Natural Resources Conservation Board spent \$0.7 million on its programs. Expenses for Alberta Special Waste Management Corporation totalled \$0.7 million for its final seven months of operation.

Statutory Expenses - Comparison of 1998/1999 Actuals to 1998/1999 Budget

Environmental Protection and Enhancement Fund expenses were \$191.5 million over budget. Fighting forest fires cost \$199.3 million more than budgeted. A surplus of \$7.8 million in various other programs compensated for the increased fire costs.

Alberta Special Waste Management Corporation ceased operations on November 1, 1998. Total costs of \$0.7 million incurred for the seven months consisted of \$0.2 million on staffing and warehousing and \$0.5 million on the provision for future removal and site restoration.

Natural Resources Conservation Board expenses were \$0.6 million less than budget due to decreased applications activity and staff vacancies.

Statutory Expenses - Comparison of 1998/1999 Actuals to 1997/1998 Actuals

The Environmental Protection Revolving Fund ceased operations in 1997/98.

Environmental Protection and Enhancement Fund expenses were \$205.2 million higher than the previous year primarily due to extremely high fire fighting costs.

Alberta Special Waste Management Corporation operations were discontinued in November 1998.

Natural Resources Conservation Board spent \$0.3 million less than in 1997/1998 due to staff vacancies and reduced applications activity.

Ministry Expenses - Other

The Ministry had a gain of \$2.3 million, compared to a loss of \$3.4 million in the previous year. The gain was the result of profits on the disposal of land and equipment.

Net Operating Results from Discontinued Operations

Alberta Special Waste Management Corporation was the only organization to cease operations in 1998/1999. Three organizations ceased operations in 1997/1998.

Financial Highlights

Environmental Protection continually looks for ways to improve its service to Albertans. Our resources and staff are dedicated to the efficient, effective and responsible delivery of the Ministry core business - the wise management of our province's renewable natural resources and the management of environmental hazards that could pose risks to people, property and resources.

In 1998/99, the Ministry continued to streamline its operations, reduce its administration costs and focus on its core operations as outlined:

- The Ministry's operations were streamlined and processes were re-engineered, resulting in administration savings of \$5.4 million.
- The public land management process was further streamlined resulting in savings of \$1.0 million.
- The Ministry continued to increase the role of the private sector in various activities. Privatization of land reclamation certificates, provision of campground support services, fish and wildlife licensing and forestry renewal resulted in annual savings of \$9.6 million.
- Introduction of a program of reinvestment in the aging infrastructure of Alberta's parks and recreation areas in 1998/1999.
- Implementation of the new government IMAGIS Human Resources System.
- Realignment of Environmental Service to reflect its broader mandate of managing environmental issues.
- The Ministry of Environmental Protection spent \$239.3 million on forest fire fighting in the province.
- Transfer of the obligations of Alberta Special Waste Management Corporation to the Environmental Protection and Enhancement Fund.
- Completion of the Blood Indian Irrigation Project.

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Environmental Protection as at March 31, 1999 and the consolidated statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government policies and reporting practices as disclosed in Note 3. These accounting policies have been established by Alberta Treasury and are consistent across ministries. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies the exceptions from generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury.

The following accounting policies are exceptions from generally accepted accounting principles:

Pension obligations

Obligations to pension plans for current and former employees of the Ministry have not been recognized as a liability in the accompanying consolidated statement of financial position and consequently the annual change in the liability has not been recognized in the consolidated statement of operations. In my view, on a basis of allocation similar to that used for Provincial agencies, an amount of approximately \$6 million due to pension plans at March 31, 1999 (1998 \$8.6 million) in the Ministry's capacity as employer, and which is reflected in the financial statements of the Department of Treasury, should be recognized as a liability in these financial statements. The effect of not recognizing the annual change in the liability is to overstate the Ministry's expenses for the year ended March 31, 1999 by \$2.6 million (1998 \$6 million).

Capitalization of assets

Capital asset purchases under \$15,000 in the Ministry have been expensed in the year acquired and have not been recognized as an asset in the accompanying consolidated statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the consolidated statement of operations. In addition, while the Department of Environmental Protection calculates its capital asset purchases under \$15,000, the Environmental Protection and Enhancement Fund does not separately identify such capital purchases. In my view, an amount of approximately \$16.7 million (1998 \$28.6 million), representing the net book value of solely the Departmental assets as at March 31, 1999, should be recognized in these financial statements. The amount of adjustment related to the Fund

cannot reasonably be determined. The net effect of this understatement of assets is to overstate expenses for the year ended March 31, 1999 by approximately \$3.2 million (1998 \$1.5 million).

Excluded direct costs

Accommodation and certain other administrative costs incurred in the operation of the Ministry have not been included in expenses. These costs, estimated at \$18 million (1998 \$18.1 million) for accommodation only, are recorded by the Ministries that paid the expenses on behalf of the Ministry of Environmental Protection.

Consumable Inventory

Consumable inventory has been expensed when purchased and has not been recognized as an asset in the accompanying consolidated statement of financial position. Since the Ministry does not calculate a year-end balance for its inventory, the amount of the misstatement cannot reasonably be determined. However, I believe it to be material.

In my opinion, except for the effects of the matters discussed in the preceding sections, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
May 19, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Financial Information
Ministry of Environmental Protection
Consolidated Statement of Financial Position
As at March 31, 1999
(in thousands)

	1999	1998
ASSETS		
Cash (Note 5)	\$ 28,815	\$ 226,930
Accounts Receivable (Note 6)	34,430	35,619
Inventories (Note 7)	4,722	5,879
Prepaid Expenses	-	1
Advances	138	204
Capital Assets (Note 8)	1,055,151	1,070,573
	<u>\$ 1,123,256</u>	<u>\$ 1,339,206</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 49,396	\$ 56,381
Loan Payable (Note 9)	40,000	-
Unearned Revenue	32,298	33,482
Pension Liability	-	59
Provision for Cell Monitoring and Remediation (Note 10)	1,050	1,057
Provision for Future Removal and Site Restoration (Note 11)	10,409	9,750
	<u>133,153</u>	<u>100,729</u>
NET ASSETS		
Net Assets at Beginning of Year	1,238,477	1,274,573
Adjustment to Net Assets	-	(788)
Net Operating Results	(334,093)	(157,668)
Net Transfer from General Revenues	85,719	122,360
Net Assets at End of Year	<u>990,103</u>	<u>1,238,477</u>
	<u>\$ 1,123,256</u>	<u>\$ 1,339,206</u>

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

Financial Information
Ministry of Environmental Protection
Consolidated Statement of Operations
For the year ended March 31, 1999
(in thousands)

	Budget	1999 Actual	1998 Actual
Revenues			
Transfers from Government of Canada	\$ 790	\$ 14,061	\$ 13,341
Investment Income	5,847	3,809	6,438
Fees, Permits and Licenses			
Timber Royalties and Fees	70,085	80,333	97,380
Land and Grazing	23,800	30,684	29,307
Other	7,359	15,702	11,742
Other Revenue	6,751	11,016	16,072
	<u>114,632</u>	<u>155,605</u>	<u>174,280</u>
Expenses (Schedule 1)			
Voted			
Ministry Support Services	7,767	10,585	11,818
Environmental Service	50,346	49,153	48,957
Natural Resources Service	104,799	106,423	108,604
Land and Forest Service	99,726	97,894	96,229
Reporting Agencies	509	627	594
	<u>263,147</u>	<u>264,682</u>	<u>266,202</u>
Statutory			
Environmental Protection Revolving Fund	-	-	17,219
Environmental Protection and Enhancement Fund	26,119	217,660	12,458
Alberta Special Waste Management Corporation	-	739	1,019
Natural Resources Conservation Board	1,268	704	1,024
	<u>27,387</u>	<u>219,103</u>	<u>31,720</u>
Valuation Adjustments (Note 3 (b))			
Provision for Doubtful Accounts	(84)	6,005	339
Provision for Vacation Pay	-	2,229	(951)
	<u>(84)</u>	<u>8,234</u>	<u>(612)</u>
(Gains) Losses			
Disposal of Capital Assets	248	(2,048)	(2,848)
Disposal of Inventory Held for Resale	-	(204)	-
Writedown of Capital Assets	-	-	6,501
Writedown of Inventory Held for Resale	-	-	351
Dissolution of Revolving Fund	-	-	(576)
	<u>248</u>	<u>(2,252)</u>	<u>3,428</u>
	<u>290,698</u>	<u>489,767</u>	<u>300,738</u>
Net Operating Results from Continuing Operations	(176,066)	(334,162)	(126,458)
Net Operating Results from Discontinued Operations (Note 4)	-	69	(31,210)
Net Operating Income (Loss)	<u>\$ (176,066)</u>	<u>\$ (334,093)</u>	<u>\$ (157,668)</u>

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

Consolidated Statement of Changes in Financial Position
 For the year ended March 31, 1999
 (in thousands)

	1999	1998
Operating Transactions		
Net Operating Results from Continuing Operations	\$ (334,162)	\$ (126,458)
Non-cash items included in Net Operating Results		
Amortization	24,287	27,397
Gain on Disposal of Capital Assets	(2,048)	(2,833)
Loss on Writedown of Capital Assets	-	6,501
Provision for Doubtful Accounts	6,005	339
Provision for Vacation Pay	2,229	(951)
Revolving Fund Adjustment to conform to Department Accounting Policy	-	(26)
	<u>(303,689)</u>	<u>(96,031)</u>
Decrease (Increase) in Accounts Receivable	(4,816)	7,929
Decrease in Inventories	1,157	956
Decrease in Prepaid Expenses	1	309
Decrease in Advances	66	12
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(9,214)	23,868
Increase in Loans Payable	40,000	-
Decrease in Unearned Revenue	(1,184)	(620)
Decrease in Pension Liability	(59)	(42)
Decrease in Provision for Cell Monitoring and Remediation	(7)	(48)
Increase in Provision for Future Removal and Site Restoration	659	800
Cash Used by Continuing Operations	<u>(277,086)</u>	<u>(62,867)</u>
Cash Provided (Used) by Discontinuing Operations	69	(31,210)
Cash Used by Operating Transactions	<u>(277,017)</u>	<u>(94,077)</u>
Investing Transactions		
Purchase of Capital Assets (Schedule 2)	(6,998)	(6,645)
Transfer of Land at Net Book Value	-	(609)
Proceeds from Disposal of Capital Assets	2,391	3,955
Transfer of Capital Assets to (from) Other Government Entities	(2,210)	74,161
Transfer of Assets from Revolving Fund	-	316
Cash Provided (Used) by Investing Transactions	<u>(6,817)</u>	<u>71,178</u>
Financing Transactions		
Decrease in Obligation under Capital Lease	-	(163)
Advance from General Revenue (Revolving Fund)	-	3,631
Net Transfer from General Revenue	85,719	122,360
Cash Provided by Financing Transactions	<u>85,719</u>	<u>125,828</u>
Net Cash Provided (Used)	<u>(198,115)</u>	<u>102,929</u>
Cash, Beginning of Year	<u>226,930</u>	<u>124,001</u>
Cash, End of Year	<u>\$ 28,815</u>	<u>\$ 226,930</u>

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

Note 1

Authority

The Minister of Environmental Protection has been designated as responsible for various Acts by the Government Organization Act and its regulations. To fulfill these responsibilities, the Minister administers the organizations listed below. The authority under which the organizations operate is also listed. Together, these organizations form the Ministry of Environmental Protection.

Organization	Authority
The Department of Environmental Protection	Government Organization Act
Environmental Protection and Enhancement Fund	Environmental Protection and Enhancement Act
Natural Resources Conservation Board	Natural Resources Conservation Board Act
Alberta Special Waste Management Corporation	Special Waste Management Corporation Act

Note 2

Purpose

The Ministry's purpose is the protection and enhancement of the environment and the management of Alberta's renewable natural resources (air, land, water, forests, fish, wildlife and parks).

Two core businesses reflect the Ministry's functions and activities. Resource Management - the Ministry of Environmental Protection strives to ensure the sustainable use of Alberta's renewable natural resources through the development and implementation of legislation, policies, plans and programs, standard setting, compliance monitoring, ambient monitoring, renewable resource inventories, environmental impact assessments and the issuance of approvals. The Ministry of Environmental Protection strives to ensure the environmentally responsible development of non-renewable natural resources. Environmental Hazard Management - the Ministry of Environmental Protection reduces the risks of environmental hazards to people, property and the sustainability of our renewable natural resources through fire fighting, flood control, and problem wildlife control.

Note 3

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature and published financial statements relating to either the public sector or analogous situations in the private sector, are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Environmental Protection, for which the Minister of Environmental Protection is accountable. These financial statements include the activities of the Department of Environmental Protection, the Environmental Protection and Enhancement Fund, the Natural Resources Conservation Board, and the Alberta Special Waste Management Corporation. On May 29, 1997, management decided to discontinue the operations of the Alberta Special Waste Management Corporation. Consequently, the activities ceased on October 31, 1998 and the assets and liabilities were transferred to the Environmental Protection and Enhancement Fund on November 1, 1998.

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the Department of Environmental Protection, Environmental Protection and Enhancement Fund, Natural Resources Conservation Board and Alberta Special Waste Management Corporation are consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between consolidated entities have been eliminated.

Revenues

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 unearned revenue.

Under the terms of certain forestry contracts, the Province receives levies from timber companies in exchange for reforestation services. In some cases, these services are provided as much as fourteen years after the levy is received. Levies received by the Ministry are initially recorded as unearned revenue when they are received and are subsequently recognized in the fiscal year in which the reforestation services are provided.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Expenses represent the costs of resources consumed during the year by the Ministry's operations. Expenses include amortization of capital assets.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employees' service relating to prior years.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the Ministry by other ministries, are not reflected in the Consolidated Statement of Operations.

Valuation Adjustments

Valuation adjustments 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 and indemnities and deficits of provincial corporations within the Ministry.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale. Inventories, which include real estate held for resale, are recorded at the lower of cost and net realizable value.

Capital Assets and Amortization

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. Capital assets consist of assets acquired for cash, or as a result of transfers with other Government of Alberta entities. Assets acquired by right, such as crown lands, are not included.

The estimated useful lives of major asset categories are as follows:

Land	Infinite
Buildings	40 years
Equipment	3 - 10 years
Computer hardware and software	5 - 10 years
Other	20 years
Land improvements	40 years
Highways and roads	20 - 40 years
Bridges	60 years
Dams and water management structures	25 - 80 years

Liabilities

Liabilities include all financial claims payable by the Ministry at the fiscal year end, except for accrued pension benefits which are reflected in the financial statements of Treasury Department on behalf of all Ministries.

Net Assets

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

Note 4

Discontinued Operations

(a) Forest Resource Improvement Program (FRIP)

On July 8, 1997, management of the Environmental Protection and Enhancement Fund decided to discontinue the operations of FRIP. Consequently, the activities of FRIP ceased and all assets and liabilities of the program were transferred to the Forest Resource Improvement Association of Alberta (FRIAA) on September 1, 1997. In 1997, FRIAA was established as a delegated administrative organization for the enhancement of forest resources.

The income from discontinued operations has been reported separately in these financial statements and is as follows:

	1999	1998
Revenue and Expense to July 8, 1997		
Timber royalties and interest	\$ -	\$ 1,547
Expenses	-	(156)
	<u>-</u>	<u>1,391</u>
Loss from July 8, 1997 to disposal date	-	(3,435)
Net operating income (loss) to year end	<u>-</u>	<u>(2,044)</u>
Transfer to FRIAA	-	(29,441)
Net income (loss) from discontinued operations	<u>\$ -</u>	<u>\$ (31,485)</u>

Subsequent to the release of the prior year's financial statements, the Ministry identified an additional amount that it is required to transfer to FRIAA, and has adjusted the comparative figures in the current year's financial statements. The effect of the adjustment is to increase accounts payable, to decrease timber royalties and fees and to decrease net assets for the year ending March 31, 1998 by \$5,827.

(b) Pine Ridge Forest Nursery

On June 25, 1996, the Standing Policy Committee approved a plan to discontinue the operations of Pine Ridge Forest Nursery. The 1996/97 financial statements included an estimate for the expected loss on the discontinuance of these operations. On July 17, 1997, the bareroot and container seedling production and the seed plant divisions of Pine Ridge Forest Nursery were taken over by a private operator.

The results of operations for the year ended March 31, 1999 were as follows:

	1999	1998
Revenue and Expense June 26, 1996 to March 31, 1998	\$ -	\$ 131
Gain on sale of assets	-	407
Consolidating adjustments	-	(239)
Net income (loss) from discontinued operations	\$ -	\$ 299

(c) Alberta Special Waste Management Corporation (ASWMC)

Following a decision to discontinue the operations of Alberta Special Waste Management Corporation, the Special Waste Management Corporation Act Repeal Act received royal assent on May 29, 1997. The Repeal Act took effect on proclamation on November 1, 1998, whereupon the Crown in the right of Alberta assumed the rights, properties and assets and became liable for the remaining obligations and liabilities of ASWMC. The following assets, liabilities and obligations were assumed by the Environmental Protection and Enhancement Fund on November 1, 1998. The operations continue under the administration of the Environmental Protection and Enhancement Fund.

Cash	\$ 1,251
Capital assets	1,111
Provision for warehouse site restoration	(62)
Provision for cell monitoring and remediation	(1,050)
Provision for future removal and site restoration	(10,250)
Deficit assumed by the EPEF	\$ (9,000)

The Statement of Revenue, Expense and Deficit for the periods ended November 1, 1999 and March 31, 1998 is as follows:

	November 1, 1999	March 31, 1998
Operating Revenue	\$ 78	\$ 131
Operating Expense	239	219
Deficiency of revenue over expense	<u>(161)</u>	<u>(88)</u>
Adjustment to estimated cost of discontinuance	69	(24)
Provision for future removal and site restoration	<u>(500)</u>	<u>(800)</u>
Deficiency of revenue over expense for the year	(592)	(912)
Deficit at beginning of year	(8,408)	(7,496)
Assumption of assets and liabilities by the Environmental Protection and Enhancement Fund	9,000	-
Deficit at end of year	<u>\$ -</u>	<u>\$ (8,408)</u>

d) Summary of Net Operating Results from Discontinued Operations

	1999	1998
Forest Resource Improvement Program	\$ -	\$ (31,485)
Pine Ridge Forest Nursery	-	299
Alberta Special Waste Management Corporation	<u>69</u>	<u>(24)</u>
	<u>\$ 69</u>	<u>\$ (31,210)</u>

Note 5

Cash

\$21,853 (1998, \$216,814) of cash consists of investment in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is being managed by Treasury with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is composed of high-quality short-term and mid-term fixed income securities with a maximum term of five years. Due to the short-term nature of the CCITF investments, carrying value approximates fair value.

	1999	1998
CCITF		
Environmental Protection and Enhancement Fund	\$ 20,844	\$ 213,793
Alberta Special Waste Management Corporation	-	1,870
Natural Resources Conservation Board	1,009	1,151
Total Cash in CCITF	21,853	216,814
Department of Environmental Protection	6,962	10,116
Total Cash	\$ 28,815	\$ 226,930

Note 6

Accounts Receivable

	1999			1998
	Gross Amount	Allowance For Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 45,193	\$ 10,763	\$ 34,430	\$ 35,619

Accounts receivable are unsecured and interest bearing.

Note 7

Inventories

	1999	1998
Seedlings ready for planting or sale	\$ 1,710	\$ 2,244
Seed inventory	-	146
Other supplies	160	-
Seedlings in work-in-progress inventory	805	1,221
Real estate held for resale	2,047	2,268
	\$ 4,722	\$ 5,879

Note 8

Capital Assets

	Cost	1999		1998
		Accumulated Amortization	Net Book Value	Net Book Value
General capital assets:				
Land	\$ 134,373	\$ -	\$ 134,373	\$ 133,059
Buildings	124,310	54,025	70,285	72,738
Equipment	27,456	24,595	2,861	3,733
Computer hardware and software	19,095	9,973	9,122	7,583
Other	15,914	10,569	5,345	6,141
Infrastructure assets:				
Land improvements	137,666	53,242	84,424	87,148
Highways and roads	52,800	28,242	24,558	25,372
Bridges	2,517	485	2,032	1,952
Dams and water management structures	876,849	154,698	722,151	732,847
	<u>\$1,390,980</u>	<u>\$ 335,829</u>	<u>\$1,055,151</u>	<u>\$1,070,573</u>

Land includes land acquired for parks and recreation, building sites, infrastructure and other program use.

Equipment includes office equipment, laboratory equipment, vehicles, heavy equipment, mobile equipment and fire protection equipment.

Other includes ski lifts.

Land improvements include park development.

Highways and roads consist of original pavement, roadbed, drainage works and traffic control devices within provincial parks.

Dams and water management structures include dams, reservoirs, weirs, canals, dykes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

Changes to capital assets were as follows:

	1999	1998
Net book value at beginning of year	\$ 1,070,573	\$ 1,173,578
Capital assets acquired (Schedule 2)	6,998	6,645
Transfer of land at net book value	-	609
Disposals and writedowns	(342)	(7,911)
Adjustment in Revolving Fund to conform to Department policy	-	(762)
Adjustment transactions	-	(28)
Transfers from (to) other government entities	2,210	(74,161)
Amortization	-	(27,397)
Net book value at end of year	<u>\$ 1,055,151</u>	<u>\$ 1,070,573</u>

Note 9

Loan Payable

The loan payable represents the current line of credit payable to Treasury. In 1999, the Enhancement Fund required additional funding for fire costs. It is anticipated that this loan will be paid back in the short term. The interest rate charged will be the daily-published average of the bid price of one-month Canada bankers' acceptance rates. Interest will be calculated on a prorata basis for the number of days the advance is outstanding.

Note 10

Provision for Cell Monitoring and Remediation

The Environmental Protection and Enhancement Fund has assumed from ASWMC the responsibility to maintain the integrity of landfill cells at the Swan Hills waste treatment facility. The obligation was originally jointly funded and established by BOVAR and ASWMC at \$1,000, which was the estimated costs of any required future cell monitoring, repair or replacement. The recorded obligation of \$1,050 (1998, \$1,057) is the current provision for future estimated costs.

Note 11

Provision for Future Removal and Site Restoration

ASWMC had been responsible for all site remediation that may be required upon closure of the Swan Hills waste treatment plant. With the Repeal Act taking effect on November 1, 1998, the Environmental Protection and Enhancement Fund is now responsible for these costs. A consultant's preliminary study indicated the estimated cost of decommissioning the plant could range from \$31,000 to \$57,000. An additional study was conducted in 1998 resulting in revised estimated costs of three defined scenarios of \$8,900, \$21,000 and \$21,600. The amount of \$21,000 has been used as the new estimate and the annual provision for site restoration has been updated accordingly.

The amount of \$10,250 had been accumulated as a provision for future removal and site restoration. In conjunction with the above estimate, the Ministry will amortize the remaining \$10,750 using the straight-line method. This will result in an annual provision of \$597 over 18 years.

Note 12

Commitments

The Ministry has commitments to outside organizations with respect to contracts entered into before March 31, 1999, amounting to \$44,083 (1998, \$11,996). These commitments will become expenses of the Ministry when the terms of the contract are met.

	1999	1998
Construction Contracts	\$ 259	\$ 1,204
Service Contracts	43,824	10,792
	\$ 44,083	\$ 11,996

As well, the Ministry is committed to outside organizations with respect to long term lease agreements amounting to \$6,243 (1998, \$742). The aggregate amounts payable for the unexpired terms of these leases are as follows:

1999-2000	\$ 2,059
2000-01	1,984
2001-02	1,597
2002-03	537
2003-04	33
Thereafter	33
Total	\$ 6,243

Under the terms of grant programs, the Ministry is committed to fund \$19,478 (1998, \$2,763). These commitments relate to the Forest Resources Improvement Association of Alberta (\$17,000), the Water Management and Erosion Control Program (\$1,452) and various other programs (\$1,026).

Note 13

Contingencies

At March 31, 1999, the Ministry was named as the sole defendant in various legal actions which total approximately \$94,856 (1998, \$30,293). In addition, there are claims amounting to \$605,667 (1998, \$575,084) in which the Ministry has been jointly named with other entities. Claims, amounting to \$14,434 (1998, 11,544) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Subsequent to the year end, the Ministry was named as co-defendant in a claim for \$500 million, the outcome of which is not determinable.

The Ministry also has a contingent liability with respect to future site restoration costs associated with various properties owned by the Province. The Ministry recognizes these expenses in the period that site restoration work is performed.

Note 14

Related Party Transactions

The Ministry's revenue includes \$146 (1998, \$243) from other Government of Alberta departments, agencies or funds.

The Ministry's supplies and services expenses include \$4,154 (1998, \$4,954) to various other Government of Alberta departments, agencies or funds. In addition, the Ministry paid Payment Systems Corporation, which until March 31, 1999 was a joint venture partially owned by the Province of Alberta, \$1,118 (1998, \$467) for computer processing.

Accommodation costs of \$18,037 (1998, \$18,104) were paid by Public Works, Supply and Services on behalf of the Ministry. Legal, telecommunications, personnel, and certain financial costs were provided by other government entities at no cost to the Ministry.

Accounts receivable include \$0 (1998, \$1) from other Alberta Government ministries.

The loan payable includes \$40,000 (1998, \$0) owed to Treasury.

Note 15

Trust Funds Under Administration

The Ministry administers funds consisting of 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.

Trust funds under administration are as follows:

	1999	1998
General Trust	\$ 9,127	\$ 7,957
Environmental Protection Security Fund	1,894	1,769
Junior Forest Ranger Program	65	28
	\$ 11,086	\$ 9,754

Note 16

Uncertainty Due To The Year 2000

The year 2000 issue is the result of some computer systems being written using two digits rather than four to define the applicable year. Ministry computer programs that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. In addition, similar problems may arise in some systems if certain dates in 1999 are not recognized as a valid date or are recognized to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the effect on operations and financial reporting may range from minor errors to significant systems failure that could affect the ability to conduct some Ministry operations.

Despite the Ministry's efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the Ministry of Environmental Protection, including those related to the efforts of customers, suppliers and other third parties, will be fully resolved.

Note 17

Payments Under Agreement

In 1999, the Ministry entered into an agreement with the Federal Government to deliver the Arable Acres Program. The Ministry had also entered into agreements to deliver programs on behalf of BC Hydro and the Western Grain Transition Payments Program, which were completed

in 1998. These programs and services were fully funded by BC Hydro and the Federal Government respectively. Expenses incurred under these agreements were made by the Ministry under authority of the Financial Administration Act, Section 29.1.

Total amounts paid under agreements to date are as follows:

	1999	1998
Arable Acres Program	\$ 104	\$ -
BC Hydro	-	1,500
Western Grain Transition Payments Program	-	978

Since 1997, the Ministry has also taken part in the Mutual Aid Resources Sharing agreement which allows for the provision of fire fighting resources to/from other provinces or the United States. In 1999, the Ministry expended and was reimbursed for \$1,129 (1998 \$694) related to fighting forest fires in other provinces.

Note 18

Comparative Figures

Certain 1998 figures have been reclassified to conform to the 1999 presentation.

Due to General Revenue reported in 1998 has been reclassified to net liabilities in 1999. The change in net assets reported on the Statement of Financial Position includes net transfer from General Revenues. As a result, the net contribution from General Revenues, as previously reported, on the Statement of Operations is no longer required.

Certain 1998 figures have been restated to reflect prior period adjustments (as described in Note 4).

Note 19

Approval Of Financial Statements

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

Schedule to the Consolidated Financial Statements
 Expense Detail by Object
 For the year ended March 31, 1999
 (in thousands)

Schedule 1

		1999	1998
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 143,236	\$ 162,296	\$ 136,344
Supplies and Services	114,324	279,521	118,875
Grants	8,087	16,966	14,945
Financial Transactions and Other	100	714	912
Amortization of Capital Investment	24,787	24,288	27,329
Total Expenses of Continuing Operations	<u>290,534</u>	<u>483,785</u>	<u>298,405</u>
Expenses from Discontinued Operations	-	(69)	33,009
TOTAL GROSS EXPENSES	<u>290,534</u>	<u>483,716</u>	<u>331,414</u>
Dedicated Revenue	(7,000)	(6,551)	(249)
TOTAL NET EXPENSES	<u>\$ 283,534</u>	<u>\$ 477,165</u>	<u>\$ 331,165</u>

Schedule to the Consolidated Financial Statements
 Comparison of Capital by Element to Authorized Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 2

	1998-99		1997-98
	Authorized Budget	Actual Capital	Actual Capital
Voted Capital			
Ministry Support Services			
1.0.1 Minister's Office	\$ -	\$ -	\$ -
1.0.2 Deputy Minister's Office	7	7	4
1.0.3 Financial Services	29	28	9
1.0.4 Communications	1	-	-
1.0.5 Human Resources	20	9	5
1.0.6 Standing Policy Committee on Sustainable Development and Environmental Protection	-	-	-
TOTAL PROGRAM 1	57	44	18
Environmental Service			
2.1 Provincial Operations			
2.1.1 Land Reclamation	30	29	-
2.1.2 Environmental Assessment and Waste Management Assistance	225	224	404
2.1.3 Air and Water Approvals	30	27	-
2.1.4 Chemicals Assessment and Management	220	293	140
2.1.5 Pollution Control	-	-	-
2.1.6 Research and Scientific Support	-	-	-
2.1.7 Strategic and Regional Support	23	2	59
2.1.8 Information Management	38	3	51
2.1.9 Special Places 2000	-	-	-
2.1.10 Freedom of Information and Protection of Privacy	-	-	-
Total Sub-program	566	578	654
2.2 Regional Operations			
2.2.1 Northwest Boreal/Northern East Slopes	7	-	13
2.2.2 Northeast Boreal/Parkland	6	-	2
2.2.3 Southern East Slopes/Prairie	10	-	25
Total Sub-program	23	-	40
2.3 Amortization of Capital Investment			
2.3.1 Amortization of Capital Investment	-	-	-
Total Sub-program	-	-	-
TOTAL PROGRAM 2	589	578	694

Schedule to the Consolidated Financial Statements
 Comparison of Capital by Element to Authorized Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 2 - continued

	1998-99		1997-98
	Authorized Budget	Actual Capital	Actual Capital
Natural Resources Service			
3.1 Resources Management	\$ -	\$ -	\$ -
3.1.1 Client and Licensing Services	583	321	204
3.1.2 Enforcement Field Services	-	-	-
3.1.3 Water Management	580	630	452
3.1.4 Wildlife Management	-	-	-
3.1.5 Fisheries Management	-	-	-
3.1.6 Recreation and Protected Areas	1,506	572	6
Total Sub-program	<u>2,669</u>	<u>1,523</u>	<u>662</u>
3.2 Regional Operations			
3.2.1 Northwest Boreal	350	295	575
3.2.2 Northeast Boreal	248	234	182
3.2.3 Northern East Slopes	131	215	215
3.2.4 Southern East Slopes	200	229	263
3.2.5 Parkland	1,145	1,017	1,188
3.2.6 Prairie	960	989	1,045
Total Sub-program	<u>3,034</u>	<u>2,979</u>	<u>3,468</u>
3.3 Amortization of Capital Investment			
3.3.1 Amortization of Capital Investment	-	-	-
Total Sub-program	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM 3	5,703	4,502	4,130
Land and Forest Service			
4.1 Provincial Operations			
4.1.1 Forest Management	567	511	400
4.1.2 Forest Protection	452	366	349
4.1.3 Land Administration	94	44	22
4.1.4 Resource Data	250	451	228
Total Sub-program	<u>1,363</u>	<u>1,372</u>	<u>999</u>
4.2 Regional Operations			
4.2.1 Northeast Boreal	45	45	22
4.2.2 Southern East Slopes	45	70	31
4.2.3 Northern East Slopes	45	45	41
4.2.4 Northwest Boreal	267	312	69
Total Sub-program	<u>402</u>	<u>472</u>	<u>163</u>

Schedule to the Consolidated Financial Statements
 Comparison of Capital by Element to Authorized Budget
 March 31, 1999
 (in thousands)

Schedule 2 - continued

	1998-99		1997-98
	Authorized Budget	Actual Capital	Actual Capital
4.3 Fire Suppression			
4.3.1 Fire Suppression	\$ 45	\$ 26	\$ 105
Total Sub-program	<u>45</u>	<u>26</u>	<u>105</u>
4.4 Amortization of Capital Investment			
4.4.1 Amortization of Capital Investment	-	-	-
Total Sub-program	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM 4	1,810	1,870	1,267
Reporting Agencies			
5.1 Administrative Appeal Services			
5.1.1 Environmental Appeal Board	-	-	-
Total Sub-program	<u>-</u>	<u>-</u>	<u>-</u>
5.2 Assistance to Natural Resources Conservation Board			
5.2.1 Natural Resources Conservation Board	-	-	-
Total Sub-program	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM 5	-	-	-
Total Voted Capital	<u>8,159</u>	<u>6,994</u>	<u>6,109</u>
Statutory Capital			
Environmental Protection Revolving Fund	-	-	512
Environmental Protection and Enhancement Fund	-	-	-
Alberta Special Waste Management Corporation	-	-	-
Natural Resources Conservation Board	-	4	24
Total Statutory Capital	<u>-</u>	<u>4</u>	<u>536</u>
TOTAL MINISTRY CAPITAL	<u>\$ 8,167</u>	<u>\$ 6,998</u>	<u>\$ 6,645</u>

To the Minister of Environment

I have audited the statement of financial position of the Department of Environmental Protection as at March 31, 1999 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Department is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 3. These accounting policies have been established by Alberta Treasury and are consistent across departments. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies the exceptions from generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury.

The following accounting policies are exceptions from generally accepted accounting principles:

Pension obligations

Obligations to pension plans for current and former employees of the Department have not been recognized as a liability in the accompanying statement of financial position and consequently the annual change in the liability has not been recognized in the statement of operations.

In my view, on a basis of allocation similar to that used for Provincial agencies, an amount of approximately \$6 million due to pension plans at March 31, 1999 (1998 \$8.6 million) in the Department's capacity as employer, and which is reflected in the financial statements of the Department of Treasury, should be recognized as a liability in these financial statements. The effect of not recognizing the annual change in the liability is to overstate the Department's expenses for the year ended March 31, 1999 by approximately \$2.6 million (1998 \$6 million).

Capitalization of assets

Capital asset purchases under \$15,000 in the Department have been expensed in the year acquired and have not been recognized as an asset in the accompanying statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the statement of operations. In my view, an amount of approximately \$16.7 million (1998 \$28.6 million), representing the net book value of these assets as at March 31, 1999, should be recognized in these financial statements. The net effect of this understatement of assets is to overstate expenses for the year ended March 31, 1999 by approximately \$3.2 million (1998 \$1.5 million).

Excluded direct costs

Accommodation and certain other administrative costs incurred in the operation of the Department have not been included in expenses. These costs, estimated at \$17.9 million (1998 \$17.4 million) for accommodation only, are recorded by the departments that paid these expenses on behalf of the Department.

Consumable Inventory

Consumable inventory has been expensed when purchased and has not been recognized as an asset in the accompanying statement of financial position. Since the Department does not calculate a year end balance for its inventory, the amount of the misstatement cannot reasonably be determined. However, I believe it to be material.

In my opinion, except for the effects of the matters discussed in the preceding sections, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
May 19, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Financial Information
Department of Environmental Protection

Statement of Financial Position
 As at March 31, 1999
 (in thousands)

	1999	1998
ASSETS		
Cash	\$ 6,962	\$ 10,116
Accounts Receivable (Note 4)	34,404	125,031
Advances (Note 5)	138	204
Inventories Held for Resale	3,811	4,710
Capital Assets (Note 7)	1,053,955	1,069,323
	<u>\$1,099,270</u>	<u>\$ 1,209,384</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 85,579	\$ 88,641
Unearned Revenue	32,298	33,482
	<u>117,877</u>	<u>122,123</u>
NET ASSETS		
Net Assets at Beginning of Year	\$ 1,087,261	\$ 1,078,830
Net Operating Results	(191,587)	(113,929)
Net Transfer from General Revenues	85,719	122,360
Net Assets at End of Year	<u>981,393</u>	<u>1,087,261</u>
	<u>\$1,099,270</u>	<u>\$ 1,209,384</u>

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

Financial Information
Department of Environmental Protection

Statement of Operations
 For the year ended March 31, 1999
 (in thousands)

	1999	1998
	Budget (Schedule 3)	Actual
		Actual
Revenues (Schedules 1 and 2)		
Transfer to Environmental Protection and Enhancement Fund	\$ (41,583)	\$ (79,542)
Transfer from Environmental Protection and Enhancement Fund	-	-
Transfers from Government of Canada	790	14,061
Fees, Permits and Licenses	100,479	125,390
Investment Income	300	245
Other Revenue	6,749	10,965
	<u>66,735</u>	<u>71,119</u>
Expenses		
Voted (Schedules 4 and 7)		
Ministry Support Services	7,767	10,605
Environmental Service	50,346	49,153
Natural Resources Service	104,799	106,423
Land and Forest Service	99,726	97,894
Natural Resources Conservation Board	1,230	430
Environmental Appeal Board	509	627
	<u>264,377</u>	<u>265,132</u>
Valuation Adjustments		
Provision for Doubtful Accounts	(84)	6,005
Provision for Vacation Pay	-	2,229
Adjustment for Closure of Alberta Special Waste Management Corporation	-	(8,408)
Deficit of Alberta Special Waste Management Corporation	-	-
	<u>(84)</u>	<u>(174)</u>
(Gains) Losses		
Disposal of Capital Assets	248	(2,048)
Disposal of Inventory Held for Resale	-	(204)
Writedown of Capital Assets	-	-
Writedown of Inventory Held for Resale	-	-
Dissolution of Revolving Fund	-	-
	<u>248</u>	<u>(2,252)</u>
	<u>264,541</u>	<u>262,706</u>
Net Operating Results	<u>\$ (197,806)</u>	<u>\$ (191,587)</u>
		<u>\$ (113,929)</u>

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

Financial Information
Department of Environmental Protection
Statement of Changes in Financial Position
For the year ended March 31, 1999
(in thousands)

	1999	1998
Operating Transactions		
Net Operating Results	\$ (191,587)	\$ (113,929)
Non-cash items included in Net Operating Results:		
Amortization	24,229	26,635
Gain on Disposal of Capital Assets	(2,048)	(2,556)
Loss on Writedown of Capital Assets	-	6,501
Valuation Adjustments	(174)	394
	<u>(169,580)</u>	<u>(82,955)</u>
Decrease (Increase) in Accounts Receivable	84,622	(92,070)
Decrease in Advances	66	12
Decrease (Increase) in Inventories Held for Resale	899	(1,749)
Decrease (Increase) in Accounts Payable and Accrued Liabilities	3,117	(23,863)
Increase (Decrease) in Unearned Revenue	(1,184)	12,400
Cash Used by Operating Transactions	<u>(82,060)</u>	<u>(188,225)</u>
Investing Transactions		
Purchase of Capital Assets (Schedule 5)	(6,994)	(6,109)
Transfer of Land at Net Book Value	-	(609)
Proceeds from Disposal of Capital Assets	2,391	3,563
Transfer of Capital Assets from Revolving Fund	-	(1,364)
Transfer of Capital Assets to (from) other Government Entities	(2,210)	74,161
Cash Provided (Used) by Investing Transactions	<u>(6,813)</u>	<u>69,642</u>
Financing Transactions		
Net Transfer from General Revenues	85,719	122,360
Cash Provided by Financing Transactions	<u>85,719</u>	<u>122,360</u>
Net Cash Provided (Used)	(3,154)	3,777
Cash, Beginning of Year	10,116	6,339
Cash, End of Year	<u>\$ 6,962</u>	<u>\$ 10,116</u>

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

Note 1

Authority

The Department of Environmental Protection operates under the authority of the Government Organization Act, Statutes of Alberta.

Note 2

Purpose

The purpose of the Department is the protection and enhancement of the environment and the management of Alberta's renewable natural resources (air, land, water, forests, fish, wildlife and parks). The Department is committed to managing the environment in a way that protects and maintains the landscape and its diversity for the benefit of present and future generations. Future economic prosperity is supported by managing natural resources in a sustainable manner.

Note 3

Summary Of Significant Accounting Policies And Reporting Practices

The financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector, are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Department of Environmental Protection, which is part of the Ministry of Environmental Protection (the Ministry) and for which the Minister of Environmental Protection is accountable. Other entities reporting to the Minister include the Environmental Protection and Enhancement Fund, the Natural Resources Conservation Board and the Alberta Special Waste Management Corporation. The activities of these organizations are not included in these financial statements.

Since significant financial transactions of the Ministry are reported outside the Department financial statements, the Ministry financial statements provide a more comprehensive

accounting of the financial position and results of the Ministry's operations. The Ministry Annual Report provides a more complete picture of the responsibilities for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Provincial Treasurer. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Dedicated revenues shown in Schedule 2 are included in revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's expense budget is reduced. Conversely, if actual dedicated revenues exceed budget, the Department may, with the approval of Treasury Board, use the excess revenue to fund additional expenses of the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

Expenses represent the costs of resources consumed during the year on the Department's operations. Expenses include amortization of capital assets.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employees' service relating to prior years.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the Department by other Ministries, are not reflected in the Statement of Operations.

Valuation Adjustments

Valuation adjustments 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 and indemnities and deficits of provincial corporations within the Ministry.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale. Inventories consist primarily of real estate held for resale and are recorded at the lower of cost and net realizable value.

Capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives of major asset categories are as follows:

Land	Infinite
Buildings	40 years
Equipment	3 - 10 years
Computer hardware and software	5 - 10 years
Other	20 years
Land improvements	40 years
Highways and roads	20 - 40 years
Bridges	60 years
Dams and water management structures	25 - 80 years

All land is capitalized. The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. Capital assets consist of assets acquired for cash, or as a result of transfers with other Government of Alberta entities. Assets acquired by right are not included.

Liabilities

Liabilities include all financial claims payable by the Department at fiscal year end, except long term disability benefits and certain pension benefits, which are reflected in the financial statements of Treasury Department on behalf of all departments.

Net Assets

Net assets represent the difference between the value of assets held by the Department and its liabilities.

Note 4

Accounts Receivable

	1999			1998
	Gross Amount	Allowance For Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 44,482	\$ 10,763	\$ 33,719	\$ 124,791
Refunds from Suppliers	685	-	685	240
	<u>\$ 45,167</u>	<u>\$ 10,763</u>	<u>\$ 34,404</u>	<u>\$ 125,031</u>

Accounts receivable are unsecured and interest bearing.

Note 5

Advances

	1999			1998
	Gross Amount	Allowance For Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel Advances	\$ 192	-	\$ 192	\$ 204
Payments Based on Agreements	(54)	-	(54)	-
	<u>\$ 138</u>	<u>\$ -</u>	<u>\$ 138</u>	<u>\$ 204</u>

Note 6

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

Note 7

Capital Assets

		1999		1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General capital assets:				
Land	\$ 134,219	\$ -	\$ 134,219	\$ 132,905
Buildings	122,990	53,662	69,328	71,781
Equipment	27,310	24,489	2,821	3,684
Computer hardware and software	18,916	9,839	9,077	7,495
Other	15,914	10,569	5,345	6,141
Infrastructure assets:				
Land improvements	137,666	53,242	84,424	87,148
Highways and roads	52,800	28,242	24,558	25,372
Bridges	2,517	485	2,032	1,952
Dams and water management structures	876,849	154,698	722,151	732,845
	<u>\$1,389,181</u>	<u>\$ 335,226</u>	<u>\$1,053,955</u>	<u>\$1,069,323</u>

Land includes land acquired for parks and recreation, building sites, infrastructure and other program use.

Equipment includes office equipment, laboratory equipment, vehicles, heavy equipment, mobile equipment and fire protection equipment.

Other includes ski lifts.

Land improvements include park development.

Highways and roads consist of original pavement, roadbed, drainage works and traffic control devices within provincial parks.

Dams and water management structures include dams, reservoirs, weirs, canals, dykes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

Changes to capital assets were as follows:

	1999	1998
Net book value at beginning of year	\$ 1,069,323	\$ 1,169,545
Capital assets purchased (Schedule 5)	6,994	6,109
Transfer of land at net book value	-	609
Amortization	(24,229)	(26,635)
Adjustment transactions	-	(28)
Disposals and writedowns	(343)	(7,480)
Transfers from Revolving Fund	-	1,364
Transfer with other government entities	2,210	(74,161)
Net book value at end of year	<u>\$ 1,053,955</u>	<u>\$ 1,069,323</u>

Note 8

Commitments

The Department has commitments to outside organizations with respect to contracts entered into before March 31, 1999, amounting to \$44,083 (1998, \$11,996). These commitments will become expenses of the Department when the terms of the contract are met.

	1999	1998
Construction Contracts	\$ 259	\$ 1,204
Service Contracts	43,824	10,792
	<u>\$ 44,083</u>	<u>\$ 11,996</u>

As well, the Department is committed to outside organizations with respect to long term lease agreements amounting to \$6,243 (1998, \$742). The aggregate amounts payable for the unexpired terms of these leases are as follows:

1999-2000	\$ 2,059
2000-01	1,984
2001-02	1,597
2002-03	537
2003-04	33
Thereafter	33
	<u>\$ 6,243</u>

Under the terms of a grant program, the Department is committed to fund \$19,478 (1998, \$2,763). These commitments relate to the Forest Resources Improvement Association of Alberta (\$17,000), the Water Management and Erosion Control Program (\$1,452) and various other programs (\$1,026). The grant to Forest Resources Improvement Association of Alberta is provided through the Lottery Fund.

Note 9

Contingencies

At March 31, 1999, the Department was named as the sole defendant in various legal actions which total approximately \$94,856 (1998, \$30,293). In addition, there are claims amounting to \$605,667 (1998, \$575,084) in which the Department has been jointly named with other entities. Claims, amounting to \$14,434 (1998, 11,544), are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Subsequent to the year end, the Department was named as co-defendant in a claim for \$500 million, the outcome of which is not determinable.

The Department also has a contingent liability with respect to future site restoration costs associated with various properties owned by the province. The Department recognizes these expenses in the period that site restoration work is performed.

Note 10

Trust Funds Under Administration

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

As at March 31, 1999, trust funds under administration are as follows:

	1999	1998
General Trust	\$ 9,127	\$ 7,957
Environmental Protection Security Fund	1,894	1,769
Junior Forest Ranger Program	65	28
	<u>\$ 11,086</u>	<u>\$ 9,754</u>

Note 11

Related Party Transactions

	1999	1998
Revenues		
Other Alberta Government Departments	\$ 146	\$ -
Environmental Protection and Enhancement Fund	-	111,863
Accommodation Costs		
Public Works, Supply and Services	17,908	17,409
Supplies and Services Expense		
Environmental Protection and Revolving Fund	-	8,593
Other Alberta Government Departments	4,108	4,954
Grants		
Funds and Agencies within the Ministry	450	879
Computer Processing Expense		
Payment Systems Corporation, a joint government venture	1,118	467
Accounts Receivable		
Environmental Protection and Enhancement Fund	64	102,155
Accounts Payable and Accrued Liabilities		
Environmental Protection and Enhancement Fund	46,932	41,210
Capital Assets		
Environmental Protection Revolving Fund (equipment)	-	1,364
Alberta Transportation and Utilities (highways and roads)	-	(74,161)
Public Works, Supply and Services (land, equipment, dams)	2,210	-

Any amounts paid through Public Works, Supply and Services (PWSS) are not included in the amount. Legal, telecommunications, personnel and certain financial costs were provided by other government organizations at no cost to the Department.

The Department and its employees paid certain taxes and fees set by regulation for permits, licenses, and other rights. These amounts were incurred in the normal course of business and reflect charges applicable to all users.

Note 12

Payments Under Agreement

In 1999, the Department entered into an agreement with the Federal Government to deliver the Arable Acres Program. The Department had also entered into agreements to deliver programs on behalf of BC Hydro and the Western Grain Transition Payments Program, which were completed in 1998. These programs and services were fully funded by BC Hydro and the Federal Government respectively. Expenses incurred under these agreements were made by the Department under authority of the Financial Administration Act, Section 29.1.

Total amounts paid under agreements to date are as follows:

	1999	1998
Arable Acres Program	\$ 104	\$ -
BC Hydro	-	1,500
Western Grain Transition Payments Program	-	978

Since 1997, the Department has also taken part in the Mutual Aid Resources Sharing agreement which allows for the provision of fire fighting resources to/from other provinces or the United States. In 1999, the Department expended and was reimbursed for \$1,129 (1998 \$694) related to fighting forest fires in other provinces.

Note 13

Uncertainty Due To The Year 2000

The year 2000 issue is the result of some computer systems using two digits rather than four to define the applicable year. Government computer programs that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. In addition, similar problems may arise in some systems if certain dates in 1999 are not recognized as a valid date or are recognized to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the effect on operations and financial reporting may range from minor errors to significant systems failure that could affect the ability to conduct some government operations.

Despite the Department's efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the Department, including those related to the efforts of customers, suppliers and other third parties, will be fully resolved.

Note 14

Forest Resource Improvement Program (FRIP) Adjustment

On July 8, 1997, management of the Environmental Protection and Enhancement Fund decided to discontinue the operations of the FRIP. Consequently, on September 1, 1997, the activities of the FRIP ceased and the net assets of the program were transferred to the Forest Resource Improvement Association of Alberta (FRIAA).

Since that time, the Department has identified an additional amount that it is required to transfer to FRIAA. The Department has accordingly adjusted its financial statements for 1998 by \$5,827. The effect of the adjustment is to increase Accounts Payable at March 31, 1998, to decrease Timber Royalties and Fees, and consequently to decrease net assets and decrease the transfer of excess revenue to the Environmental Protection and Enhancement Fund.

Note 15

Comparative Figures

Certain 1998 figures have been reclassified to conform to the 1999 presentation.

Due to General Revenues reported in 1998 has been reclassified to net liabilities in 1999. The change in net assets reported on the Statement of Financial Position includes net transfer from General Revenues. As a result, the net contribution from General Revenues, as previously reported, on the Statement of Operations is no longer required.

Certain 1998 figures have been restated to reflect prior period adjustments.
(Described in Note 14).

Note 16

Approval Of Financial Statements

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

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Revenue
 For the year ended March 31, 1999
 (in thousands)

Schedule 1

	Budget	1999 Actual	1998 Actual
Internal Government Transfers			
Transfer to Environmental Protection and Enhancement Fund	\$ (41,583)	\$ (79,542)	\$ (97,324)
Transfer from Environmental Protection and Enhancement Fund	-	-	101,180
Transfers from the Government of Canada	790	14,061	13,341
Fees, Permits and Licenses			
Timber Royalties and Fees	70,085	80,333	97,380
Land and Grazing	23,800	30,684	29,307
Other	6,594	14,373	10,445
	<u>100,479</u>	<u>125,390</u>	<u>137,132</u>
Investment Income	300	245	352
Other Revenue			
Sale of Inventory and Land	2,500	(2,106)	2,903
Refunds of Expenditure	328	8,570	737
Other	3,921	4,501	7,538
	<u>6,749</u>	<u>10,965</u>	<u>11,178</u>
Total Revenue	<u>\$ 66,735</u>	<u>\$ 71,119</u>	<u>\$ 165,859</u>

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Dedicated Revenue Operating Initiatives
 For the year ended March 31, 1999
 (in thousands)

Schedule 2A

	1999		1998
	Budget	Actual	Actual
Reforestation			
Dedicated Revenue	\$ (6,900)	\$ (5,503)	\$ -
Expenses	6,900	5,410	-
Net Revenue	<u>-</u>	<u>(93)</u>	<u>-</u>
Park Operations			
Dedicated Revenue	-	(906)	-
Expenses	-	623	-
Net Revenue	<u>-</u>	<u>(283)</u>	<u>-</u>
Parks Firewood			
Dedicated Revenue	(100)	(142)	(249)
Expenses	100	120	213
Net Revenue	<u>-</u>	<u>(22)</u>	<u>(36)</u>
Total			
Dedicated Revenue	(7,000)	(6,551)	(249)
Expenses	7,000	6,153	213
Net Revenues	<u>\$ -</u>	<u>\$ (398)</u>	<u>\$ (36)</u>

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's expense budget is reduced. Conversely, if actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the program.

Reforestation dedicated revenue initiative refers to reforestation services provided on behalf of industry operators who have opted to pay a levy to the Province.

The Park Operations dedicated revenue initiative is established to: a) ensure that tendered campgrounds, that have not been contracted out, and other recreation facilities will remain open to the public; b) facilitate the receipt of corporate and private sector contributions to the parks program; c) provide for the interim operation of tendered campgrounds and recreation facilities by redirecting fees, corporate and other contributions to park operations.

The Parks Firewood dedicated revenue initiative provides for the cost of firewood supply at sites which do not have facility operating agreements or firewood concessions or operating agreements. The sources of this dedicated revenue are \$2 per permit per night for camping and \$20 per permit per night for group camping.

Note: The dedicated revenues and expenses presented in this schedule are included in the Department's Statement of Operations.

Schedule to the Financial Statements
 Dedicated Revenue Capital Initiatives
 For the year ended March 31, 1999
 (in thousands)

Schedule 2B

	1999		1998
	Budget	Actual	Actual
Reforestation			
Dedicated Revenue	\$ (100)	\$ (100)	\$ -
Expenses	100	100	-
Net Expense	<u>-</u>	<u>-</u>	<u>-</u>
Parks Infrastructure Levy			
Dedicated Revenue	(1,500)	(426)	-
Expenses	1,500	572	-
Net Expense	<u>-</u>	<u>146</u>	<u>-</u>
Total			
Dedicated Revenue	(1,600)	(526)	-
Expenses	1,600	672	-
Net Expenses	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>

Revenues generated by the Parks Infrastructure Levy Dedicated Revenue are used for reinvestment in the aging infrastructure of Alberta's parks and recreation areas. This levy is included in the camping fees at all Natural Heritage Sites and those Recreation Facility sites operated to department standards and is collected as follows:

- Individual camping - \$2.00/camping permit/night;
- Group camping - \$20.00/group plus \$2.00 for each camping unit over 10/night;
- Back country camping - \$3.00/person/night
- Group day use - \$5.00/group/day

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 3

	1998-99 Estimates (c)	Encumbrance (a)	1998-99 Budget	1998-99 Treasury Board Approval (c)	1998-99 Authorized Budget
Revenues:					
Transfer to Environmental Protection and Enhancement Fund	\$ (41,583)	\$ -	\$ (41,583)	\$ -	\$ (41,583)
Transfers from Government of Canada	790	-	790	-	790
Fees, Permit and Licenses	100,479	-	100,479	-	100,479
Investment Income	300	-	300	-	300
Other Revenue	<u>6,749</u>	<u>-</u>	<u>6,749</u>	<u>-</u>	<u>6,749</u>
	<u>66,735</u>	<u>-</u>	<u>66,735</u>	<u>-</u>	<u>66,735</u>
Expenses:					
Voted Expenses (a)					
Ministry Support Services	7,767	-	7,767	2,691	10,458
Environmental Service	50,548	(202)	50,346	-	50,346
Natural Resources Service	105,338	(539)	104,799	2,000	106,799
Land and Forest Service	100,254	(528)	99,726	-	99,726
Natural Resources Conservation Board	1,230	-	1,230	-	1,230
Environmental Appeal Board	<u>509</u>	<u>-</u>	<u>509</u>	<u>-</u>	<u>509</u>
	<u>265,646</u>	<u>(1,269)</u>	<u>264,377</u>	<u>4,691</u>	<u>269,068</u>
Valuation Adjustments (b)					
Provision for Doubtful Accounts	(84)	-	(84)	-	(84)
Provision for Vacation Pay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(84)</u>	<u>-</u>	<u>(84)</u>	<u>-</u>	<u>(84)</u>
(Gains) Losses					
Disposal of Capital Assets	248	-	248	-	248
Writedown of Capital Assets	-	-	-	-	-
Writedown of Inventory Held for Resale	-	-	-	-	-
Dissolution of Revolving Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>248</u>	<u>-</u>	<u>248</u>	<u>-</u>	<u>248</u>
	265,810	(1,269)	264,541	4,691	269,232
	<u>\$ (199,075)</u>	<u>\$ 1,269</u>	<u>\$ (197,806)</u>	<u>\$ (4,691)</u>	<u>\$ (202,497)</u>

- (a) In the event that actual voted expenses in the prior year exceed that budgeted, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount for voted expenses in the current year. The Department will need to reduce its actual voted expenses below the amount budgeted to compensate for the net liabilities.
- (b) In the event that actual statutory expenses, actual valuation adjustments and actual loss on disposal of capital assets exceed that budgeted, General Revenues will contribute enough funding to prevent net liabilities in the Department.
- (c) Government Estimates were approved on March 26, 1998 and Supplementary Estimates were approved on December 6, 1998 and March 8, 1999.

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Expense Detail by Object
 For the year ended March 31, 1999
 (in thousands)

Schedule 4

		1999	1998
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 139,056	\$ 141,415	\$ 132,325
Supplies and Services	91,737	92,439	107,361
Grants	8,761	6,931	9,241
Financial Transactions and Other	100	118	112
Amortization of Capital Assets	24,723	24,229	26,635
Total Voted Expenses of Continuing Operations	\$ 264,377	\$ 265,132	\$ 275,674

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Purchase of Capital Assets
 For the year ended March 31, 1999
 (in thousands)

Schedule 5

	1998-99 Estimates (c)	1998-99 Budget	Voted Supplementary	1998-99 Authorized Budget	1998-99 Actual	1997-98 Actual
Ministry Support Services	\$ 57	\$ 57	\$ -	\$ 57	\$ 44	\$ 18
Environmental Service	589	589	-	589	578	694
Natural Resources Service	5,703	5,703	-	5,703	4,502	4,129
Land and Forest Service	<u>1,810</u>	<u>1,810</u>	<u>-</u>	<u>1,810</u>	<u>1,870</u>	<u>1,268</u>
	<u>\$ 8,159</u>	<u>\$ 8,159</u>	<u>\$ -</u>	<u>\$ 8,159</u>	<u>\$ 6,994</u>	<u>\$ 6,109</u>

Financial Information
Department of Environmental Protection
 Schedule to the Financial Statements
 Salary and Benefits
 For the year ended March 31, 1999

Schedule 6

	1998-99			1997-98
	Salary ⁽¹⁾	Benefits & Allowances ⁽²⁾	Total	Total
Senior Officials				
Deputy Minister ⁽³⁾	\$ 146,701	\$ 22,395	\$ 169,096	\$ 126,891
Executive Director of Finance ⁽⁴⁾	92,822	14,786	107,608	130,103
Director, Human Resources Service ⁽⁵⁾	92,822	17,481	110,303	29,639
Assistant Deputy Ministers				
Environmental Service ⁽⁶⁾	105,247	15,116	120,363	123,908
Natural Resources Service ⁽⁷⁾	105,245	18,756	124,001	102,413
Land and Forest Service ⁽⁸⁾	110,571	19,027	129,598	120,542
Corporate Management Service ⁽⁹⁾	-	-	-	84,532
	<u>\$ 653,408</u>	<u>\$ 107,561</u>	<u>\$ 760,969</u>	<u>\$ 718,028</u>

- (1) Salaries include regular base pay, bonuses and lump sum payments.
- (2) Government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short/long term disability plans, professional memberships and tuition.
- (3) The salary portion of the 1998-99 disclosure for the Deputy Minister includes a 1997-98 achievement bonus of \$2,107 paid in 1998-99. The benefits and allowances portion of the 1998-99 disclosure includes a vacation supplement of \$2,395, a vacation payout of \$4,789 and a professional membership fee of \$209. The deputy is provided with an automobile. No estimated value has been included in the benefits and allowances portion of the 1998-99 disclosure.
- (4) The benefits and allowances portion of the disclosure for the Executive Director of Finance includes a professional membership fee of \$740.
- (5) The benefits and allowances portion of the 1998-99 disclosure for the Director, Human Resources Service includes a \$2,626 vacation payout.
- (6) The benefits and allowances portion of the 1998-99 disclosure for the Assistant Deputy Minister of Environmental Service includes a professional membership fee of \$155.
- (7) The benefits and allowances portion of the 1998-99 disclosure for the Assistant Deputy Minister, Natural Resources Service includes a vacation payout of \$3,727.
- (8) The benefits and allowances portion of the 1998-99 disclosure for the Assistant Deputy Minister, Land and Forest Service includes a vacation payout of \$3,496 and a professional membership fee of \$400.
- (9) The Corporate Management Service was amalgamated with Environmental Service effective February 26, 1998.

Schedule to the Financial Statements
 Comparison of Expenses by Element to Authorized Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 7

	1998-99	1998-99	
	Authorized Budget	Actual Expense	Unexpended (Over Expended)
Expenses:			
Voted Expenses			
Ministry Support Services			
1.0.1 Minister's Office	\$ 353	\$ 331	\$ 22
1.0.2 Deputy Minister's Office	618	610	8
1.0.3 Financial Services	4,712	4,646	66
1.0.4 Communications	549	562	(13)
1.0.5 Human Resources	1,436	1,662	(226)
1.0.6 Standing Policy Committee on Sustainable Development and Environmental Protection	71	73	(2)
1.0.7 Achievement Award	2,691	2,690	1
1.0.8 Amortization of Capital Investment	28	31	(3)
TOTAL PROGRAM 1	10,458	10,605	(147)
Environmental Service			
2.1 Provincial Operations			
2.1.1 Land Reclamation	1,826	1,923	(97)
2.1.2 Environmental Assessment and Waste Management Assistance	8,457	8,172	285
2.1.3 Air and Water Approvals	2,438	2,483	(45)
2.1.4 Chemicals Assessment and Management	7,015	6,214	801
2.1.5 Pollution Control	2,046	2,025	21
2.1.6 Research and Scientific Support	2,250	2,250	-
2.1.7 Strategic and Regional Support	3,745	3,513	232
2.1.8 Information Management	8,046	7,564	482
2.1.9 Special Places 2000	631	711	(80)
2.1.10 Freedom of Information and Protection of Privacy	540	572	(32)
Total Sub-program	36,994	35,427	1,567
2.2 Regional Operations			
2.2.1 Northwest Boreal/Northern East Slopes	3,113	3,356	(243)
2.2.2 Northeast Boreal/Parkland	3,563	3,530	33
2.2.3 Southern East Slopes/Prairie	5,854	6,052	(198)
Total Sub-program	12,530	12,938	(408)
2.3 Amortization of Capital Investment			
2.3.1 Amortization of Capital Investment	822	788	34
Total Sub-program	822	788	34
TOTAL PROGRAM 2	50,346	49,153	1,193

Schedule to the Financial Statements
 Comparison of Expenses by Element to Authorized Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 7 - continued

	1998-99	1998-99	
	Authorized Budget	Actual Expense	Unexpended (Over- Expended)
Natural Resources Service			
3.1 Resources Management			
3.1.1 Client and Licensing Services	\$ 7,481	\$ 6,429	\$ 1,052
3.1.2 Enforcement Field Services	1,507	1,806	(299)
3.1.3 Water Management	13,820	14,103	(283)
3.1.4 Wildlife Management	1,223	1,206	17
3.1.5 Fisheries Management	2,614	2,753	(139)
3.1.6 Recreation and Protected Areas	2,073	2,393	(320)
Total Sub-program	<u>28,718</u>	<u>28,690</u>	<u>28</u>
3.2 Regional Operations			
3.2.1 Northwest Boreal	8,404	7,902	502
3.2.2 Northeast Boreal	7,815	7,452	363
3.2.3 Northern East Slopes	4,739	4,689	50
3.2.4 Southern East Slopes	13,561	13,849	(288)
3.2.5 Parkland	7,794	7,963	(169)
3.2.6 Prairie	13,082	13,667	(585)
Total Sub-program	<u>55,395</u>	<u>55,522</u>	<u>(127)</u>
3.3 Amortization of Capital Investment			
3.3.1 Amortization of Capital Investment	22,686	22,211	475
Total Sub-program	<u>22,686</u>	<u>22,211</u>	<u>475</u>
TOTAL PROGRAM 3	106,799	106,423	376
Land and Forest Service			
4.1 Provincial Operations			
4.1.1 Forest Management	13,418	12,104	1,314
4.1.2 Forest Protection	7,020	5,844	1,176
4.1.3 Land Administration	5,718	7,067	(1,349)
4.1.4 Resource Data	8,063	7,702	361
Total Sub-program	<u>34,219</u>	<u>32,717</u>	<u>1,502</u>
4.2 Regional Operations			
4.2.1 Northeast Boreal	4,731	5,037	(306)
4.2.2 Southern East Slopes	5,847	5,601	246
4.2.3 Northern East Slopes	5,063	4,971	92
4.2.4 Northwest Boreal	10,816	10,308	508
Total Sub-program	<u>26,457</u>	<u>25,917</u>	<u>540</u>

Schedule to the Financial Statements
 Comparison of Expenses by Element to Authorized Budget
 For the year ended March 31, 1999
 (in thousands)

Schedule 7 - continued

	1998-99 Authorized Budget	1998-99 Actual Expense	Unexpended (Over- Expended)
4.3 Fire Suppression			
4.3.1 Fire Suppression	37,863	38,060	(197)
Total Sub-program	37,863	38,060	(197)
4.4 Amortization of Capital Investment			
4.4.1 Amortization of Capital Investment	1,187	1,200	(13)
Total Sub-program	1,187	1,200	(13)
 TOTAL PROGRAM 4	 99,726	 97,894	 1,832
 Reporting Agencies			
5.1 Administrative Appeal Services			
5.1.1 Environmental Appeal Board	509	627	(118)
Total Sub-program	509	627	(118)
5.2 Assistance to Natural Resources Conservation			
5.2.1 Natural Resources Conservation Board	1,230	430	800
Total Sub-program	1,230	430	800
 TOTAL PROGRAM 5	 1,739	 1,057	 682
 TOTAL VOTED EXPENSES	 \$ 269,068	 \$ 265,132	 \$ 3,936

To the Minister of Environment

I have audited the statement of financial position of the Environmental Protection and Enhancement Fund as at March 31, 1999 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Environmental Protection and Enhancement Fund is required to follow corporate government accounting policies and reporting practices. These accounting policies have been established by Alberta Treasury and are consistent across government entities. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

Capitalization of assets

Capital asset purchases under \$15,000 have been expensed in the year acquired and have not been recognized as an asset in the accompanying statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the statement of operations. Since the Fund does not separately identify expenses that are capital in nature, the amount of the misstatement cannot reasonably be determined. However, I believe it to be material.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
May 19, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Financial Information
Environmental Protection and Enhancement Fund

Statement of Financial Position
 As at March 31, 1999
 (in thousands)

	1999	1998
ASSETS		
Cash (Note 4)	\$ 20,844	\$ 213,793
Accounts Receivable (Note 5)	46,936	53,923
Inventories (Note 6)	911	1,169
Property Held for Resale (Note 7)	1,111	-
	<u>\$ 69,802</u>	<u>\$ 268,885</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 10,704	\$ 118,885
Loan Payable (Note 8)	40,000	-
Provision for Cell Monitoring and Remediation (Note 9)	1,050	-
Provision for Future Removal and Site Restoration (Note 10)	10,409	-
	<u>62,163</u>	<u>118,885</u>
NET ASSETS		
Net Assets at Beginning of Year	150,000	190,629
Net Operating Results	(133,361)	60,551
Transfer to Department	-	(101,180)
Assumption of the Assets and Liabilities from the Alberta Special Waste Management Corporation (Note 7)	(9,000)	-
Net Assets at End of Year (Note 11)	<u>7,639</u>	<u>150,000</u>
	<u>\$ 69,802</u>	<u>\$ 268,885</u>

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

Financial Information
Environmental Protection and Enhancement Fund

Statement of Operations
 For the year ended March 31, 1999
 (in thousands)

	1999		1998
	Budget	Actual	Actual
Revenues			
Transfer from the Department (Note 12)	\$ 41,583	\$ 79,542	\$ 97,324
Investment Income	5,532	3,424	5,937
Fees, Permits and Licenses	250	838	704
Timber Supplemental Fees	515	491	593
Other Revenue	-	4	(3)
	<u>47,880</u>	<u>84,299</u>	<u>104,555</u>
Expenses			
Foothills Model Forest	-	-	3,200
Network Centres of Excellence	-	-	2,300
Forest Development Research Program	539	525	549
Land Reclamation	110	202	25
Natural Resources Emergency Program			
Alberta Environmental Research Trust	-	14	117
Fish and Wildlife	-	226	-
Emergency Spills and Cleanup	890	253	393
Drought/Flood Emergencies	2,000	293	309
Intercept Feeding and Fencing	80	331	332
Insect and Disease Management	500	544	572
Forest Resource Advancement Program	10,000	3,717	3,974
Forest Fires (Note 13)	12,000	211,310	748
Special Waste Management Program	-	45	-
	<u>26,119</u>	<u>217,660</u>	<u>12,519</u>
Net Operating Results from Continuing Operations	21,761	(133,361)	92,036
Net Operating Results from Discontinued Operations	-	-	(31,485)
Net Operating Results	<u>\$ 21,761</u>	<u>\$ (133,361)</u>	<u>\$ 60,551</u>

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

Financial Information
Environmental Protection and Enhancement Fund

Statement of Changes in Financial Position
 For the year ended March 31, 1999
 (in thousands)

	1999	1998
Operating Activities:		
Net Operating Results from Continuing Operations	\$ (133,361)	\$ 92,036
Non-Cash Items:		
Provision for Site Restoration	97	-
	<u>(133,264)</u>	<u>92,036</u>
Decrease in Accounts Receivable	6,987	25,312
Decrease (Increase) in Inventories	258	(1,169)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(108,181)	115,956
Cash Provided (Used) by Continuing Operations	<u>(234,200)</u>	<u>232,135</u>
Cash Used by Discontinued Operations (Note 14)	-	(31,485)
Cash Provided (Used) by Operating Transactions	<u>(234,200)</u>	<u>200,650</u>
Financing Activities:		
Advance from Alberta Treasury	40,000	-
Transfer to Department (Note 11)	-	(101,180)
Cash Provided (Used) by Financing Transactions	<u>40,000</u>	<u>(101,180)</u>
Transfers from Alberta Special Waste Management Corporation (Note 7)		
Capital Assets	(1,111)	-
Provision for Warehouse Site Restoration	62	-
Provision for Cell Monitoring and Remediation	1,050	-
Provision for Future Removal and Site Restoration	10,250	-
Deficit	(9,000)	-
	<u>1,251</u>	<u>-</u>
Net Cash Provided (Used)	<u>(192,949)</u>	<u>99,470</u>
Cash, Beginning of Year	213,793	114,323
Cash, End of Year	<u>\$ 20,844</u>	<u>\$ 213,793</u>

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

Note 1

Authority

The Environmental Protection and Enhancement Fund operates under the authority of the Environmental Protection and Enhancement Act, Chapter E 13.3 Statutes of Alberta 1992.

The Fund is comprised of the following components:

Forest Development Research Program

Land Reclamation

Forest Resource Improvement Program (Discontinued September 1, 1997)

Natural Resources Emergency Program

Special Waste Management Program (Commenced November 1, 1998)

Note 2

Purpose

The Environmental Protection and Enhancement Fund shall be used for the purposes of environmental protection and enhancement and emergencies with respect to any matter that is under the administration of the Minister of Environmental Protection.

Note 3

Summary Of Significant Accounting Policies And Reporting Practices

The financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector, are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Environmental Protection and Enhancement Fund, which is part of the Ministry of Environmental Protection (the Ministry) and for which the Minister of Environmental Protection is accountable. Other entities reporting to the Minister include the Department of Environmental Protection, the Natural Resources Conservation Board and the Alberta Special Waste Management Corporation. The activities of these organizations are not included in these financial statements.

Since significant financial transactions of the Ministry are reported outside the Enhancement Fund financial statements, the Ministry financial statements provide a more comprehensive accounting of the financial position and results of the Ministry's operations. The Ministry Annual Report provides a more complete picture of the responsibilities for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Expenses represent the costs of resources consumed during the year on the Enhancement Fund's operations.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the Enhancement Fund by other Ministries, are not reflected in the Statement of Operations.

Assets

Inventories and Work-in-Progress

Inventories are valued at the lower of cost or market value. Cost for all inventories is determined using the average cost method. The cost for the seedlings in work-in-progress inventory is comprised of all interim payments made to private nurseries to March 31, 1999. Market value is calculated on a replacement cost basis for inventories that are used in Fund activities.

Property Held for Resale

Real estate formerly owned by the Alberta Special Waste Management Corporation, now held for resale, is recorded at the lower of cost and net realizable value.

Liabilities

Liabilities include all financial claims payable by the Enhancement Fund at fiscal year end.

Net Assets

Net assets represent the difference between the value of assets held by the Enhancement Fund and its liabilities.

Note 4

Cash

Cash consists of investment in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is being managed by Treasury with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term of five years. Due to the short-term nature of the CCITF investments, carrying value approximates fair value.

Note 5

Accounts Receivable

	1999	1998
Department of Environmental Protection	\$ 46,932	\$ 53,797
Other	4	126
	\$ 46,936	\$ 53,923

Note 6

Inventories

	1999	1998
Seedlings ready for planting	\$ 911	\$ 734
Seedlings in work-in-process	-	435
	\$ 911	\$ 1,169

Note 7

Dissolution Of The Alberta Special Waste Management Corporation

With a decision to discontinue the operations of the Alberta Special Waste Management Corporation (ASWMC), the Special Waste Management Corporation Act Repeal Act received royal assent on May 29, 1997. The Repeal Act took effect on proclamation on November 1, 1998, whereupon the Crown in the right of Alberta assumed the rights, property and assets and became liable for the remaining obligations and liabilities of ASWMC. The following assets, liabilities and obligations were transferred to the Environmental Protection and Enhancement Fund on November 1, 1998:

Cash	\$ 1,251
Property Held for Resale	1,111
Provision for Warehouse Site Restoration	(62)
Provision for Cell Monitoring and Remediation	(1,050)
Provision for Future Removal and Site Restoration	(10,250)
Deficit Transferred to the Fund	\$ (9,000)

Note 8

Loan Payable

The loan payable represents the current line of credit payable to Treasury. The Enhancement Fund required additional funding for fire costs. It is anticipated that this loan will be paid back in the short term. The interest rate charged will be the daily-published average of the bid price of one-month Canada bankers' acceptance rates. Interest is calculated on a prorata basis for the number of days the advance is outstanding.

Note 9

Provision for Cell Monitoring and Remediation

The Environmental Protection and Enhancement Fund has assumed the responsibility to maintain the integrity of the landfill cells at the Swan Hills waste treatment facility. The obligation had originally been established by BOVAR and ASWMC at \$1,000; this amount estimated the costs related to any required future cell monitoring, repair, or replacement. The obligation was originally jointly fully funded by BOVAR and ASWMC. While ASWMC administered the program, interest on the funding accrued to and expenses were charged against the obligation.

Note 10

Provision for Future Removal and Site Restoration

Alberta Special Waste Management Corporation had been responsible for all site remediation that may be required upon closure of the Swan Hills facility. With the Repeal Act taking effect on November 1, 1998, the Province of Alberta is now responsible for these costs. A consultant's preliminary study in March 1995, indicated that the estimated cost of decommissioning the plant could range from \$31,000 to \$57,000. An updated study was conducted in 1998 resulting in revised estimated costs for three defined scenarios of \$8,900, \$21,000 and \$21,600. The amount of \$21,000 has been used as the new estimate and the annual provision for site restoration has been updated accordingly.

The amount of \$10,250 had been accumulated by ASWMC as a provision for future removal and site restoration. In conjunction with the above estimate, the Fund will amortize the remaining \$10,750 using the straight-line basis. This will result in an annual provision of \$597 over 18 years commencing 1998/99.

Note 11

Surplus

The surplus (Net Assets) for the Fund is capped at \$150,000 as per Treasury Department directive.

Note 12

Related Party Transactions

Revenues

The Fund's revenue includes \$79,542 (1998, \$97,324) from the Department of Environmental Protection. Subject to certain adjustments, this represents all revenue received by the Department that is in excess of the Department's base revenue of \$58,135.

Expenses

Expenses include \$0 (1998, \$100) paid to the Environmental Protection Revolving Fund.

Accounts Payable

The accounts payable includes \$64 (1998, \$111,863) payable to the Department of Environmental Protection.

Loan Payable

The loan payable consists of \$40,000 (1998, \$0) payable to Treasury.

Note 13

Forest Fire Expenses

Expenses include airport upgrading costs and a grant of \$10,000 paid to the Forest Resource Improvement Association of Alberta for the reforestation of areas burnt in the 1998 fire season.

Note 14

Discontinued Operations

On July 8, 1997, management of the Fund decided to discontinue the operations of the Forest Resource Improvement Program. Consequently, on September 1, 1997, the activities of the Forest Resource Improvement Program ceased and the net assets (\$29,411) of the program were transferred to the Forest Resource Improvement Association of Alberta (FRIAA). FRIAA was established as the Delegated Administrative Organization for the enhancement of forest resources.

Note 15

Salary and Benefits Disclosure

The Province's salary and benefit disclosure requirements are satisfied by disclosing salary and benefit costs borne by the Fund with those of the Department of Environmental Protection.

Note 16

Prior Year Adjustment

The prior year figures have been restated firstly, to reflect additional transfers to the Forest Resource Improvement Association of Alberta (FRIAA) under the Forest Research Improvement Program (FRIP) totaling \$5,827, and secondly, to include an allowance for doubtful accounts of \$4,856 in the calculation of the transfer of incremental revenues to the EPEE. The transfer of excess revenue to the Environmental Protection and Enhancement Fund for the year ending March 31, 1998 and the corresponding transfer back to the Department were decreased by \$10,683.

Note 17

Uncertainty Due To The Year 2000

The year 2000 issue is the result of some computer systems using two digits rather than four to define the applicable year. Government computer programs that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. In addition, similar problems may arise in some systems if certain dates in 1999 are not recognized as a valid date or are recognized to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the effect on operations and financial reporting may range from minor errors to significant systems failure that could affect the ability to conduct some government operations. Despite the government's efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the government, including those related to the efforts of customers, suppliers and other third parties, will be fully resolved.

Note 18

Budget Figures

The revenue and expenditure budget amounts disclosed in these financial statements agree with the 1998-99 Government Estimates.

Note 19

Approval Of Financial Statements

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

Financial Information
Environmental Protection and Enhancement Fund

Schedule to the Financial Statements
 Expense Detail by Object
 For the year ended March 31, 1999
 (in thousands)

	1999		1998
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,263	\$ 20,199	\$ 394
Supplies and Services	22,300	186,880	5,972
Grants	556	10,484	39,704
Financial Transactions and Other	-	97	-
Expenses from Discontinued Operations	-	-	(33,551)
	\$ 26,119	\$ 217,660	\$ 12,519
Total Expenses	\$ 26,119	\$ 217,660	\$ 12,519

To the Members of the Natural Resources Conservation Board

I have audited the balance sheet of the Natural Resources Conservation Board as at March 31, 1999 and the statements of revenue, expense and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from generally accepted accounting principles. As disclosed in Note 10, accommodation and certain other administration costs incurred in the operation of the Board have not been included in expenses. These costs, estimated at \$129,000, are recorded by the departments that paid the expenses on behalf of the Board.

In my opinion, except for the effects of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
May 13, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Balance Sheet
 March 31, 1999
 (in thousands)

	1999	1998
ASSETS		
Current:		
Cash (Note 3)	\$ 1,009	\$ 1,151
Accounts Receivable	22	40
	1,031	1,191
Capital Assets (Note 4)	85	139
	\$ 1,116	\$ 1,330
 LIABILITIES AND OPERATING SURPLUS		
Current:		
Accounts Payable	\$ 45	\$ 80
Pension Liability (Note 5)	-	34
Accumulated Operating Surplus	1,071	1,216
	\$ 1,116	\$ 1,330

The accompanying notes are part of these financial statements.

Statement of Revenue, Expense and Operating Surplus
 For the year ended March 31, 1999
 (in thousands)

	1999	1998
	Budget (Note 7)	Actual
Revenue		
Grants from the Department of Environmental Protection (Note 6)	\$ 1,230	\$ 450
Interest	15	90
Other	2	18
	<u>1,247</u>	<u>559</u>
		<u>\$ 879</u>
		68
		<u>110</u>
		<u>1,05</u>
Expense		
Salaries and Employee Benefits (Note 8)	917	503
Achievement Bonus and Benefits (Note 8)	-	26
Amortization of Capital Assets	64	58
Transcripts and Office	102	30
Consulting and Professional Fees	71	25
Travel and Automobile	57	17
Contribution to EUB (Note 9)	-	17
Technical Proficiency and Training (Note 8)	18	14
Telecommunications	14	11
Postage, Freight and Courier	5	2
Hosting and Promotion	1	1
Hearing Room Rent and Parking	6	0
Advertising	12	0
	<u>1</u>	<u>704</u>
		<u>1,027</u>
Operating Surplus (Deficit) for the Year	<u>\$ (21)</u>	<u>(145)</u>
Operating Surplus at Beginning of Year		<u>1,216</u>
Operating Surplus at End of Year		<u>\$ 1,071</u>
		<u>\$ 1,186</u>
		<u>\$ 1,216</u>

The accompanying notes are part of these financial statements.

Financial Information
Natural Resources Conservation Board
Statement of Changes in Financial Position
For the year ended March 31, 1999
(in thousands)

	1999	1998
Cash provided by (used in):		
Operating Activities		
Operating Surplus (Deficit)	\$ (145)	\$ 30
Non-Cash Expense:		
Amortization	58	66
Decrease in Pension Liability	(34)	(21)
	(121)	75
Change in Non-Cash Working Capital		
Accounts Receivable	18	(26)
Accounts Payable	(35)	24
	(138)	73
Investing Activities		
Acquisition of Capital Assets	(4)	(24)
	(142)	49
Net Increase (Decrease) in Cash	(142)	49
Cash at Beginning of Year	1,151	1,102
Cash at End of Year	\$ 1,009	\$ 1,151

The accompanying notes are part of these financial statements.

Note 1

Authority and Purpose

The Natural Resources Conservation Board (the "Board") operates under the authority of the Natural Resources Conservation Board Act, chapter N-5.5, Statutes of Alberta 1990. The Board provides for an impartial process to review projects that will or may affect the natural resources of the Province of Alberta.

Note 2

Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles.

(a) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Assets are amortized over their estimated useful lives commencing in the month following acquisition, using the following annual rates and methods:

Computer hardware	- 3 year straight line
Computer software	- 100% straight line
Office equipment	- 20% declining balance
Office furniture	- 20% declining balance

(b) Revenue Recognition

Operating grants are recorded as revenue in the years for which they are approved. All revenues are reported on the accrual method of accounting.

(c) Expenses

Expenses represent the cost of resources consumed during the year. Expenses include amortization of capital assets.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

Note 3

Cash

Cash includes \$1,009 (1998 \$1,151) invested in the Consolidated Cash Investment Trust Fund ("CCITF"). The CCITF is managed by Alberta Treasury with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is composed of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Note 4

Capital Assets

	Cost	1999		1998
		Accumulated Amortization	Net	Net
Computer Hardware	\$ 163	\$ 120	\$ 43	\$ 84
Computer Software	16	14	2	5
Office Equipment	31	19	12	15
Office Furniture	116	87	29	35
	<u>\$ 326</u>	<u>\$ 240</u>	<u>\$ 86</u>	<u>\$ 139</u>

Note 5

Pension Liability

All eligible employees of the Board, except the Chairman, are members of a defined contribution pension plan administered by the Board and managed by Mutual Life of Canada.

The past Chairman was the only member of the Management Employees Pension Plan, which is a defined benefit plan.

Note 6

Grants

The board returned \$800 of the grant received from the Department of Environmental Protection in order to preserve its operating surplus at the levels required for sound fiscal management.

Note 7

Budget

The 1998-99 budget was approved by the Board on May 28, 1998.

Note 8

Salaries and Benefits

	1999				1998	
	Number of Individuals ⁽⁶⁾	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Number of Individuals	Total
Chairman of the Board ⁽³⁾	0.07	\$ 8	\$ 1	\$ 9	1.0	\$ 124
Board Counsel ⁽⁴⁾	1.0	96	17	113	1.0	103
Acting Board Members ⁽⁵⁾	0.18	22	-	22	0.8	97

- (1) Salary includes regular base pay, lump sum payments, achievement bonus awards and other direct cash remuneration.
- (2) The Board's share of all employee benefits and contributions or payments made on behalf of employees including Canada Pension Plan and Board pension contributions, Employment Insurance contributions, supplementary medical coverage, dental coverage, 24 hour medical benefits, group life insurance, accidental death and dismemberment insurance, long-term disability plan premiums, professional memberships, course fees, personal development incentives, vacation pay payouts paid. The Board is a participant in the Alberta Energy and Utilities Board medical, dental and life insurance benefit plans.
- (3) This position is comprised of the past and current Chairman. At present, the Chairman is not paid a salary directly by the NRCB. A total amount of \$8 representing salaries and benefits has been estimated as owing to the Alberta Energy and Utilities Board where the Chairman of the NRCB is also a full-time Board member.
- (4) The Board Counsel was also Acting Chair until the appointment of the Chairman.
- (5) Acting Board members are paid on the basis of contractual arrangements.
- (6) The number of individuals shown reflects a proration for individuals not employed for the whole year.

Note 9

Shared Services

The Natural Resources Conservation Board embarked on a six-month pilot project to share resources with the Alberta Energy and Utilities Board. These resources are comprised of manpower (\$15), and travel (\$2) costs. The pilot project will be reviewed on June 30, 1999 and will either be wound up, extended or implemented as an ongoing project. Both Boards have seen considerable benefits as we near the completion of the pilot project.

Note 10

Related Party Transactions

In addition to the grant received from the Department of Environmental Protection, the Board incurred expenses of \$46 (1998 \$23) for goods and services provided by other government departments and agencies.

Expenses

Certain expenses, primarily for office space incurred on behalf of the Board by Public Works, Supply and Services, are not reflected in these statements. The Board has limited control over the location and costs related to the Board's offices. These decisions are primarily driven by the Department of Public Works, Supply and Services. These expenses amount to approximately \$129 for 1998-99 (1998 \$130).

Note 11

Uncertainty Due to Year 2000

The year 2000 issue is the result of some computer systems using two digits rather than four to define the applicable year. The Board's computer systems that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. In addition, similar problems may arise in some systems if certain dates in 1999 are not recognized as a valid date or are recognized to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the effect on operations and financial reporting may range from minor errors to significant systems failure that could affect the ability to conduct some Board operations. Despite the Board's efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the Board, including those related to the efforts of customers, suppliers, and other third parties, will be fully resolved.

Note 12

Cost of Outputs

The cost of reviewing the Little Bow/Highwood Diversion Plan application in the year ended March 31, 1999 is \$312 (1998 \$618). This cost is comprised of salaries and benefits (\$274), consulting (\$19), travel (\$9), and transcripts and office (\$10). These amounts represent the gross expenditures incurred. A portion of these costs was recovered from the Federal Government under the Joint NRCB/CEAA Review Agreement. The costs recovered for the year ended March 31, 1999 are \$18 (1998 \$109). These recovered costs are included in Other Revenue.

Note 13

Comparative Figures

Certain 1997-98 figures have been reclassified to conform to the 1998-99 presentation.

Note 14

Approval of Financial Statements

These financial statements were approved by the Board.

To the Minister of Environment Protection

I have audited the balance sheet of the Alberta Special Waste Management Corporation as at November 1, 1998 and the statements of revenue, expense and deficit and changes in financial position for the seven month period then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The corporation is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from generally accepted accounting principles. As disclosed in Note 2, accommodation and certain other administration costs incurred in the operation of the corporation have not been included in expenses. These costs, estimated at \$3,700 for office accommodations only, are recorded by the departments that paid the expenses on behalf of the Corporation.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at November 1, 1998 and the results of its operations and the changes in its financial position for the seven month period then ended in accordance with generally accepted accounting principles.

Original Signed by Peter Valentine

FCA
Auditor General
Edmonton, Alberta
January 14, 1999

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Financial Information
Alberta Special Waste Management Corporation

Balance Sheet
 As at November 1, 1998
 With comparative figures as at March 31, 1998
 (in thousands)

	1998 November 1	1998 March 31
ASSETS		
Current:		
Cash (Note 5)	\$ -	\$ 1,870
Prepaid Expenses	-	1
	<u>-</u>	<u>1,871</u>
Capital Assets (Note 6)	-	1,111
	<u>\$ -</u>	<u>\$ 2,982</u>
LIABILITIES AND DEFICIT		
Current liabilities:		
Accounts Payable and Accruals	\$ -	\$ 127
Provision for Warehouse Site Restoration (Note 9(b))	-	431
	<u>-</u>	<u>558</u>
Pension Liability (Note 7)	-	25
Obligation for Cell Monitoring and Remediation (Note 4)	-	1,057
Provision for Future Removal and Site Restoration (Note 9(a))	-	9,750
	<u>-</u>	<u>10,832</u>
Deficit	-	(8,408)
	<u>\$ -</u>	<u>\$ 2,982</u>

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

Alberta Special Waste Management Corporation

Statement of Revenue, Expense and Deficit
 For the seven month period ended November 1, 1998
 with comparative figures for the year ended March 31, 1998
 (in thousands)

	1998 November 1	1998 March 31
Operating Revenue:		
Interest Earnings	\$ 50	\$ 81
Rental Income	3	29
Gain on Decrease in Pension Liability	<u>25</u>	<u>21</u>
	<u>78</u>	<u>131</u>
Operating Expense:		
Operating and Administrative (Schedule 1)	<u>239</u>	<u>219</u>
Deficiency of Revenue Over Expense before the following:	(161)	(88)
Revision of Estimated Costs of Discontinuance (Note 2 (a))		
Reversal of Prior Year's Estimated Costs	69	45
Current Year's Estimated Costs	<u>-</u>	<u>(69)</u>
	69	(24)
Provision for Future Removal and Site Restoration (Note 9 (a))	<u>(500)</u>	<u>(800)</u>
Deficiency of Revenue Over Expense for the Year	(592)	(912)
Deficit at Beginning of Year	(8,408)	(7,496)
Assumption of Assets and Liabilities by the Environmental Protection and Enhancement Fund (Note 1)	<u>9,000</u>	<u>-</u>
Deficit at End of Period/Year	<u>\$ -</u>	<u>\$ (8,408)</u>

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

Alberta Special Waste Management Corporation

Statement of Changes in Financial Position
 For the seven month period ended November 1, 1998
 with comparative figures for the year ended March 31, 1998
 (in thousands)

	1998 November 1	1998 March 31
Deficiency of Revenue Over Expense for the Year	\$ (592)	\$ (912)
Non-Cash Items:		
Gain on Decrease in Pension Liability	(25)	(21)
Amortization (Schedule 1)	-	33
Provision for Future Removal and Site Restoration	500	800
	<u>(117)</u>	<u>(100)</u>
Decrease in Accounts Receivable	-	31
Decrease in Prepaid Expenses	1	2
Decrease in Current Liabilities (Note 1)	(496)	(253)
Decrease in Obligation for Cell Monitoring (Note 1)	<u>(7)</u>	<u>(48)</u>
Decrease in Cash	(619)	(368)
Cash at Beginning of Year	1,870	2,238
Cash Transferred to the Environmental Protection and Enhancement Fund	<u>(1,251)</u>	<u>-</u>
Cash at End of Period/Year	<u>\$ -</u>	<u>\$ 1,870</u>

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

Note 1

Authority and Purpose

The Alberta Special Waste Management Corporation ("ASWMC") operated under the authority of the Special Waste Management Act, Chapter S-21.5, Statutes of Alberta 1982, as amended. ASWMC's approved purpose was to promote the establishment and operation of cost-effective special waste management solutions in Alberta, which protect public health and safety, and enhance environmental quality.

Discontinuance of Operations

Following a decision to discontinue the operations of ASWMC, the Special Waste Management Corporation Act Repeal Act received royal assent on May 29, 1997. The Repeal Act took effect on proclamation on November 1, 1998, whereupon the Crown in the right of Alberta assumed the rights, property and assets and became liable for the remaining obligations and liabilities of ASWMC. The following assets, liabilities and obligations were assumed by the Environmental Protection and Enhancement Fund ("EP & EF") on November 1, 1998.

Cash	\$ 1,251
Capital Assets	1,111
Provision for warehouse site restoration	(62)
Obligations for cell monitoring and remediation	(1,050)
Provision for future removal and site restoration	(10,250)
Assets and liabilities assumed by the EP & EF	<u>\$ (9,000)</u>

Note 2

Significant Accounting Policies and Reporting Practices

(a) Discontinuance of Operations

The estimated costs of discontinuance on the Statement of Revenue, Expense and Deficit for the year ending March 31, 1998 included estimates of the revenue and expense until the complete discontinuance of operations of ASWMC.

(b) Amortization

On September 30, 1997, rental occupancy of the depreciable capital assets (i.e. the warehouse buildings) ceased. At the time, a program of property improvement commenced. From that date, amortization has not been taken.

(c) Pension Costs

The cost of pension benefits earned by the employee during the period has been included as part of salaries and group benefits in the Schedule of Operating and Administrative Expense.

The effect of change in the unfunded pension liability has been recorded in the statement of Revenue, Expense and Deficit. See also Note 7.

(d) Expenses

Certain expenses, primarily for office space and secretarial support incurred on behalf of ASWMC by other Departments, are not reflected in these statements.

Note 3

Joint Venture Operations

(a) Background

Until June 30, 1995, ASWMC owned a 40% interest in the Alberta Special Waste Management System Joint Venture (the "Joint Venture") which treats and disposes of special waste at its facility near Swan Hills, Alberta. BOVAR (Swan Hills) Limited Partnership ("BOVAR") owned the other 60% and the Joint Venture was operated by Chem-Security (Alberta) Ltd., an indirect wholly-owned subsidiary of BOVAR.

With effect from July 1, 1995, 542936 Alberta Ltd., which was wholly-owned by ASWMC, assumed the rights and certain obligations of ASWMC with respect to the Joint Venture. Effective July 12, 1996, the shares of 542936 Alberta Ltd. were sold to BOVAR for a nominal amount. The Province was released from all obligations related to the Joint Venture, except for the obligation to reclaim the site (see Note 9 (a)) and cell monitoring (see Note 4).

(b) Revenue Sharing Formula

Under the terms of the Definitive Agreement signed in November 1995, ASWMC shared in net income of the Joint Venture on a scale declining from 40% in 1996 to 10% in 1999 through 2003. Net income was calculated under a formula which excluded depreciation and amortization and provided for management fees and income taxes calculated on a rate applicable to an Alberta-based public company. For the seven month period ending November 1, 1998, the Joint Venture recorded a negative net income. Therefore, no amounts were payable to ASWMC for operations of that period.

ASWMC also shared in the net proceeds from the sale of certain fixed assets on a scale declining from 100% in 1996 to 10% in 2003. There were no disposals which would result in amounts payable under the agreement.

Note 4

Obligation for Cell Monitoring and Remediation

ASWMC had the responsibility to maintain the integrity of the landfill cells at the Swan Hills treatment facility. The obligation had originally been established by BOVAR and ASWMC at \$1 million; this amount estimated the costs related to any required future cell monitoring, repair, or replacement. The obligation was originally jointly fully funded by BOVAR and ASWMC. Under the terms of the Definitive Agreement in November 1995, ASWMC received all funding and assumed all financial liabilities related to cell monitoring and remediation. This responsibility is transferred to the EP & EF (Note 1).

Note 5

Cash

Cash consisted of investment in the Consolidated Cash Investment Trust Fund ("CCITF"). The CCITF is managed by Alberta Treasury with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is composed of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. Due to the short-term nature of CCITF investments, the carrying value approximates fair value. Cash was transferred to the EP & EF (Note 1).

Note 6

Capital Assets

	November 1, 1998			March 31, 1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Alberta Special Waste Treatment Centre:				
Land	\$ 74	\$ -	\$ 74	\$ 74
Warehouse Properties:				
Buildings	1,320	363	957	957
Land	80	-	80	80
	<u>1,474</u>	<u>363</u>	<u>1,111</u>	<u>1,111</u>
Transferred to the EP & EF (Note 1)	(1,474)	(363)	(1,111)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111</u>

Note 7

Pension Liability

ASWMC had participated with other employers in the Management Employees Pension Plan, a defined benefit pension plan. This plan provides pensions for employees based on length of service and earnings. ASWMC had an unfunded pension liability in the Management Employees Pension Plan of \$25 at March 31, 1998. The total unfunded pension liability for the Management Employees Pension Plan was determined by actuarial valuations as at December 31, 1996 and extrapolated to March 31, 1998.

The Public Sector Pension Plans Act specified the basis to determine the amount of the total unfunded liability for each plan which will be funded by employers. ASWMC's portion of these employer's liabilities was based on ASWMC's percentage of the total pensionable payroll of all employers. Upon its wind-up ASWMC's portion of the unfunded pension liability was allocated to other employers in the plans.

Note 8

Staff Compensation

Salaries and related benefits paid to or on behalf of ASWMC staff for the year were as follows:

	Period Ended November 1, 1998				Year Ended March 31, 1998	
	Number of Individuals ⁽¹⁾	Salary ⁽²⁾	Benefits and Allowances ⁽³⁾	Total	Number of Individuals ⁽¹⁾	Total
President and Chief Executive Officer ⁽⁴⁾	1	\$ -	\$ -	\$ -	1	\$ -
Vice President, Finance and Chief Executive Officer	1	52	13	65	1	93
		<u>\$ 52</u>	<u>\$ 13</u>	<u>\$ 65</u>		<u>\$ 93</u>

- (1) Number of employees includes all employees whether employed for a full or partial year.
- (2) Salary includes regular base pay.
- (3) ASWMC's share of all employee benefits and contributions or payments made on behalf of employees including vacation pay, pension, health care, dental coverage, group life insurance, short and long-term disability plan, professional memberships and tuition.
- (4) Position became unpaid on December 31, 1994.

Note 9

Provision for Future Removal and Site Restoration

(a) Swan Hills Facility

ASWMC had been responsible for all site remediation that may be required upon closure of the Swan Hills facility. An agreement with the Province of Alberta required ASWMC to restore the property to stated reclaimed standards.

A consultant's preliminary report indicated that the estimated cost of decontaminating the area was approximately \$100. The consultant further estimated that \$42 million is considered a reasonable estimate of cost of decommissioning the plant, representing a mid-point of a range of costs after deducting the plant's estimated salvage value.

An amount of \$10,250 had been accumulated as a provision for future removal and site restoration. Because assumptions can change, as can the decontamination of decommissioning methods used, these costs could decrease or increase by a material amount. This responsibility is assumed by the EP & EF (Note 1).

(b) Other

In addition to the Swan Hills facility, ASWMC owned two adjacent warehouse properties in Nisku, Alberta, which had been used as a transfer station and a storage location for various types of hazardous waste. A further provision of \$62 represents an estimate of future costs of clean up presently under way. The completion of this project is undertaken by the EP & EF (Note 1).

Alberta Special Waste Management Corporation

Schedule of Operating and Administrative Expense
 For the seven month period ended November 1, 1998
 with comparative figures for the year ended March 31, 1998
 (in thousands)

	1998 November 1	1998 March 31
Warehousing	\$ 84	\$ 50
Employees severance plans	77	-
Salaries and group benefits	67	94
Professional fees	8	36
Office expenses	2	3
Staff travel	1	2
Amortization of capital assets	-	33
Advertising and promotion	-	3
Swan Hills off-site services	-	(3)
Miscellaneous	-	1
	<u>\$ 239</u>	<u>\$ 219</u>

Statement of Remissions, Compromises and Write-Offs
For the year ended March 31, 1999
(unaudited)
(in thousands)

The following statement has been prepared pursuant to Section 28 of the Financial Administration Act. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

	1998/99
Remissions under Section 26 of the Financial Administration Act:	\$ 0
Compromises under Section 27 of the Financial Administration Act:	
Other Accounts Receivable:	
Environmental Protection and Enhancement Act	
Total Compromises	0
Write-offs:	
Departmental Accounts Receivable	\$ 98
Total write-offs	98
Total remissions, compromises and writeoffs	<u>\$ 98</u>

Ministry Annual Reports

Alphabetical List of Entities' Financial Information in Ministry Annual Reports

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Agricultural Research Institute	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Community Development
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Economic Development
Alberta Government Telephones Commission	Treasury
Alberta Heritage Foundation for Medical Research Endowment Fund	Treasury
Alberta Heritage Savings Trust Fund	Treasury
Alberta Heritage Scholarship Fund	Treasury
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Treasury
Alberta Motion Picture Development Corporation	Economic Development
Alberta Municipal Financing Corporation	Treasury
Alberta Oil Sands Technology and Research Authority	Science, Research and Information Technology
Alberta Opportunity Company	Economic Development
Alberta Pensions Administration Corporation	Treasury
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council	Science, Research and Information Technology
Alberta Risk Management Fund	Treasury
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Science, Research and Information Technology
Alberta Securities Commission	Treasury
Alberta Social Housing Corporation	Municipal Affairs
Alberta Special Waste Management Corporation	Environmental Protection
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Treasury

Alphabetical List of Entities' Financial Information in Ministry Annual Reports

Entities Included in the Consolidated
Government Reporting Entity

ATB Investment Services Inc.	Treasury
Calgary Rocky View Child and Family Services Authority	Family and Social Services
Chembiomed Ltd.	Treasury
Credit Union Deposit Guarantee Corporation	Treasury
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Community Development	Community Development
Department of Economic Development	Economic Development
Department of Education	Education
Department of Energy	Energy
Department of Environmental Protection	Environmental Protection
Department of Family and Social Services	Family and Social Services
Department of Justice	Justice
Department of Municipal Affairs	Municipal Affairs
Department of Public Works, Supply and Services	Public Works, Supply and Services
Department of Treasury	Treasury
Edmonton Community Board for Persons with Developmental Disabilities	Family and Social Services
Education Revolving Fund	Education
Environmental Protection and Enhancement Fund	Environmental Protection
Gainers Inc.	Treasury
Gas Alberta Operating Fund	Energy
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
Lottery Fund	Economic Development
Michener Centre Facility Board	Family and Social Services
Ministry of Advanced Education and Career Development ¹	Advanced Education and Career Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Community Development	Community Development
Ministry of Economic Development	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environmental Protection	Environmental Protection
Ministry of Executive Council ¹	Executive Council

Ministry of Family and Social Services	Family and Social Services
Ministry of Health ¹	Health
Ministry of Intergovernmental and Aboriginal Affairs ¹	Intergovernmental and Aboriginal Affairs
Ministry of Justice	Justice
Ministry of Labour ¹	Labour
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Public Works, Supply and Services	Public Works, Supply and Services
Ministry of Science, Research and Information Technology	Science, Research and Information Technology
Ministry of Transportation and Utilities ¹	Transportation and Utilities
Ministry of Treasury	Treasury
N.A. Properties (1994) Ltd.	Treasury
Natural Resources Conservation Board	Environmental Protection
Persons with Developmental Disabilities Calgary Region Community Board	Family and Social Services
Persons with Developmental Disabilities Central Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Foundation	Family and Social Services
Persons with Development Disabilities Northeast Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Northwest Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Provincial Board	Family and Social Services
Persons with Developmental Disabilities South Alberta Community Board	Family and Social Services
Public Works, Supply and Services Revolving Fund	Public Works, Supply and Services
S C Financial Ltd.	Treasury
Science and Research Fund	Science, Research and Information Technology
Utility Companies Income Tax Rebates Fund	Treasury
Victims of Crime Fund	Justice
Wild Rose Foundation	Community Development

¹ Ministry includes only the department so separate department financial statements are not necessary.

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health
Alberta Heritage Foundation for Medical Research	Science, Research and Information Technology
Alberta Mental Health Board	Health
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts Trust Account	Municipal Affairs
Local Authorities Pension Plan	Treasury
Long-Term Disability Income Continuance Plan Bargaining Unit	Advanced Education and Career Development
Long-Term Disability Income Continuance Plan Management, Opted Out and Excluded	Advanced Education and Career Development
Management Employees Pension Plan	Treasury
Provincial Judges and Masters in Chambers Pension Plan	Treasury
Public Post Secondary Institutions	Advanced Education and Career Development
Public Service Management (Closed Membership) Pension Plan	Treasury
Public Service Pension Plan	Treasury
Regional Health Authorities	Health
School Boards	Education
771045 Alberta Ltd. operating as Travel Alberta	Economic Development
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Treasury
Universities Academic Pension Plan	Treasury
Workers' Compensation Board	Labour