

Ministry of Service Alberta
Financial Statements
March 31, 2010

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Auditor's Report

To the Members of the Legislative Assembly

I have audited the statements of financial position of the Ministry of Service Alberta as at March 31, 2010 and 2009 and the statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Original signed by Merwan N. Saher)
CA
Auditor General

Edmonton, Alberta
June 3, 2010

Ministry of Service Alberta

Statements of Operations

Year ended March 31

(in thousands)

	2010		2009
	Budget (Schedule 4)	Actual	Actual (Restated - Note 3)
Revenues (Note 2b and Schedule 1)			
Fees and licences	\$ 447,800	\$ 431,450	\$ 452,474
Other revenue	52,937	63,505	57,959
	<u>500,737</u>	<u>494,955</u>	<u>510,433</u>
Expenses- directly incurred (Note 2b and Schedules 3, 5 and 8)			
Voted operating expenses			
Ministry Support Services	11,838	9,374	13,285
Services to Albertans	67,430	66,065	65,385
Services to Government	262,589	268,749	253,075
	<u>341,857</u>	<u>344,188</u>	<u>331,745</u>
Valuation adjustments and statutory expenses (Note 6)	1,084	(1,856)	844
	<u>342,941</u>	<u>342,332</u>	<u>332,589</u>
Gain (loss) on disposal of tangible capital assets	-	5	(36)
Net operating results	<u>\$ 157,796</u>	<u>\$ 152,628</u>	<u>\$ 177,808</u>

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

Ministry of Service Alberta

Statements of Financial Position

As at March 31

(in thousands)

	2010	2009 (Restated - Note 3)
Assets		
Cash and cash equivalents	\$ 76,260	\$ 95,438
Accounts receivable (Note 4)	27,518	19,377
Inventories (Note 5)	1,238	1,026
Tangible capital assets (Note 7)	286,596	264,403
	<u>\$ 391,612</u>	<u>\$ 380,244</u>
Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 54,618	\$ 77,607
Unearned revenue (Note 9)	218,150	216,305
	<u>272,768</u>	<u>293,912</u>
Net assets		
Net assets at beginning of year	86,332	34,012
Net operating results	152,628	177,808
Net financing provided for general revenues	(120,116)	(125,488)
Net assets at end of year	<u>118,844</u>	<u>86,332</u>
	<u>\$ 391,612</u>	<u>\$ 380,244</u>

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

Ministry of Service Alberta

Statements of Cash Flows

Year ended March 31

(in thousands)

	2010	2009
		(Restated - Note 3)
Operating transactions		
Net operating results	\$ 152,628	\$ 177,808
Non-cash items included in net operating results		
Amortization of tangible capital assets	32,779	28,851
Loss (gain) on disposal of tangible capital assets	(5)	36
Provision for employee benefits	(1,908)	421
Provision for doubtful accounts	49	50
	<u>183,543</u>	<u>207,166</u>
Increase in accounts receivable	(8,190)	(5,624)
Decrease (increase) in inventories	(212)	336
Increase (decrease) in accounts payable and accrued liabilities	(21,081)	1,312
Increase in unearned revenue	1,845	2,988
Cash provided by operating transactions	<u>155,905</u>	<u>206,178</u>
Capital transactions		
Acquisition of tangible capital assets	(55,352)	(76,839)
Adjustment to tangible capital assets	-	(51)
Proceeds on disposal of tangible capital assets	385	571
Cash applied to capital transactions	<u>(54,967)</u>	<u>(76,319)</u>
Financing transactions		
Net financing provided for general revenues	(120,116)	(125,488)
Cash applied to financing transactions	<u>(120,116)</u>	<u>(125,488)</u>
Increase (decrease) in cash and cash equivalents	<u>(19,178)</u>	<u>4,371</u>
Cash and cash equivalents at beginning of year	<u>95,438</u>	<u>91,067</u>
Cash and cash equivalents at end of year	<u>\$ 76,260</u>	<u>\$ 95,438</u>

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

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31

Note 1

Authority and Purpose

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

The Ministry supports a fair and effective marketplace in Alberta by providing licencing and registry services and promoting consumer protection. The Ministry also provides responsive, standardized and efficient shared services across government while delivering convenient, secure and timely access to programs and services for all Albertans.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Service Alberta for which the Minister of Service Alberta is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from (for) 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 basis of accounting when the service has been rendered and when the amount can be reasonably determined. Cash received for which goods or services have not been provided by year end is recorded as unearned 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. Internal government transfers are recognized as revenue when received.

Notes to the Financial Statements

Year ended March 31

Note 2

Summary of Significant Accounting Policies and Reporting Practices

(continued)

Credit or Recovery

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

Expenses

Directly Incurred

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

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

- amortization of tangible capital assets;
- pension costs which are the cost of employer contributions during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to doubtful accounts and vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are not recognized and are disclosed in Schedule 7 and allocated to programs in Schedule 8.

Notes to the Financial Statements

Year ended March 31

Note 2

Summary of Significant Accounting Policies and Reporting Practices

(continued)

Assets

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

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000.

Costs associated with business process reengineering and system development costs incurred during the preliminary stage of an information technology project are expensed. System development costs associated with the development and acquisition of software are capitalized. Capitalization of costs begins after the preliminary project stage and ends when the system application is completed and ready for its intended use.

The threshold for all other tangible capital assets is \$5,000.

Liabilities

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

Net Assets

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

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The allowance for doubtful accounts, recorded as \$318 (2009 - \$295) in these financial statements, is subject to measurement uncertainty. It is possible that the unrecoverable amount could be different from what was provided for.

Valuation of Financial Assets and Liabilities

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

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

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31

Note 3
Program Transfers

(in thousands)

Based on agreements between Service Alberta and three legislative offices, effective April 1, 2009, the Offices of the Auditor General, the Information and Privacy Commissioner and the Ombudsman transferred the budgetary responsibility for the functional reporting of information technology services to the Ministry.

Comparatives for 2009 have been restated as if the Ministry had always had the responsibility of reporting the transferred operating costs.

Net operating results for 2009 have been restated as follows:

Net operating results, as previously reported	\$ 177,961
Transfer from other government entities	(153)
Restated net operating results at March 31, 2009	<u>\$ 177,808</u>

Net financing provided for General Revenues on March 31, 2009 is made up of the following:

Net financing provided for general revenues, as previously reported	\$ (125,641)
Transfer from other government entities	153
Restated net financing for general revenues at March 31, 2009	<u>\$ (125,488)</u>

Note 4
Accounts Receivable

(in thousands)

	2010			2009
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	\$ 27,757	\$ (318)	\$ 27,439	\$ 18,913
Refunds from suppliers	79	-	79	464
	<u>\$ 27,836</u>	<u>\$ (318)</u>	<u>\$ 27,518</u>	<u>\$ 19,377</u>

Accounts receivable are unsecured and non-interest bearing. The accounts receivable amount includes \$786 (2009 - \$639) to be received from other government ministries.

Note 5
Inventories

(in thousands)

Inventories consist of the following items for resale:

	2010	2009
Postage	\$ 996	\$ 766
Queen's Printer publications	242	260
	<u>\$ 1,238</u>	<u>\$ 1,026</u>

Note 6
Valuation Adjustments and Statutory Expenses

(in thousands)

	2010	2009
Provision for employee benefits	\$ (1,908)	\$ 421
Provision for doubtful accounts	49	50
Land Titles Registrar's assurance liabilities	3	373
	<u>\$ (1,856)</u>	<u>\$ 844</u>

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31

Note 7

Tangible Capital Assets

(in thousands)

	2010			Total	2009
	Equipment ⁽¹⁾	Computer hardware and software ⁽²⁾	SuperNet ⁽³⁾		Total
Estimated Useful Life	3 - 20 years	3 - 10 years	20 years		
Historical Cost ⁽⁴⁾					
Beginning of year	\$ 74,592	\$ 184,360	\$ 195,995	\$ 454,947	\$ 380,996
Additions	20,491	34,861	-	55,352	76,890
Disposals	(3,929)	-	-	(3,929)	(2,939)
	\$ 91,154	\$ 219,221	\$ 195,995	\$ 506,370	\$ 454,947
Accumulated Amortization					
Beginning of year	\$ 27,823	\$ 109,203	\$ 53,518	\$ 190,544	\$ 164,025
Amortization expense	16,786	13,838	2,155	32,779	28,851
Effect of disposals	(3,549)	-	-	(3,549)	(2,332)
	\$ 41,060	\$ 123,041	\$ 55,673	\$ 219,774	\$ 190,544
Net Book Value at March 31, 2010	\$ 50,094	\$ 96,180	\$ 140,322	\$ 286,596	
Net Book Value at March 31, 2009	\$ 46,769	\$ 75,157	\$ 142,477		\$ 264,403

(1) Equipment includes furniture, fixtures and vehicles.

(2) Computer hardware and software includes all development costs incurred by the Ministry in the implementation of the Alberta Government Integrated Management Information Systems (IMAGIS). The cost of each module is amortized over a 10-year useful life.

(3) SuperNet includes the following components:
 Indefeasible Right of Use Agreements which grant the Government of Alberta exclusive use of specific fibre optic cable, wireless equipment, tower space and points of presences and an indefeasible right to use common support structures (sheathing,

conduit, handholes, pedestals, etc.). Indefeasible means the right to use cannot be defeated, revoked or made void. All indefeasible right of use agreements have an initial 20-year term with renewal options.

Fibre Purchase Agreements grant the ownership of specific fibre optic cables and an indefeasible right to use common support structures (sheathing, conduit, handholes, pedestals, etc.).

(4) Historical cost includes work-in-progress at March 31, 2010 totaling \$55,003 comprised of: equipment \$5,138 (2009 – \$6,290) and computer hardware and software \$49,865 (2009 – \$54,366).

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31

Note 8
Accounts Payable and
Accrued Liabilities

(in thousands)

The Ministry has an obligation to pay for goods and services acquired by its program areas. It must also remit funds collected on behalf of the Department of Justice and Attorney General.

	2010	2009
Accounts payable	\$ 18,516	\$ 26,102
Accrued liabilities		
Employee benefits	12,029	13,937
Other	14,149	29,083
Payable to Department of Justice and Attorney General	9,924	8,485
	<u>\$ 54,618</u>	<u>\$ 77,607</u>

Note 9
Unearned Revenue

(in thousands)

The Ministry records unearned revenue when it receives payments for services to be provided in a future accounting period.

	2010	2009
Motor Vehicles	\$ 216,904	\$215,691
Land Titles	755	83
Other fees	432	483
Other revenue	59	48
	<u>\$ 218,150</u>	<u>\$216,305</u>

Note 10
Contractual Obligations

(in thousands)

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

	2010	2009
Obligations under operating leases, contracts and programs	<u>\$ 389,035</u>	<u>\$ 311,910</u>

Estimated payment requirements for obligations under operating leases, contracts and programs for each of the next five years and thereafter are as follows:

Year	Total
2010-11	\$ 115,452
2011-12	77,724
2012-13	62,652
2013-14	47,733
2014-15	42,425
Thereafter	43,049
	<u>\$ 389,035</u>

Contractual obligations totaling \$297,318 (2009 - \$215,631) represent commitments for the provision and delivery of technology services.

Notes to the Financial Statements

Year ended March 31

Note 11

Contingent Liabilities

(in thousands)

At March 31, 2010, the Ministry is a defendant in fourteen legal claims (2009 – thirteen legal claims). Twelve of these claims have specified amounts totaling \$8,723 and the remaining two claims have no specified amount (2009 – ten claims with a specified amount of \$6,230 and three with no specified amount).

Included in the total legal claims is one claim totaling \$3,750 and one claim with no specified amount (2009 - one claim totaling \$3,750 and one claim with no specified amount) in which the Ministry has been jointly named with another entity.

Four claims (2009 – four claims) are covered or partially covered by Alberta Risk Management Fund, with coverage amounting to \$1,935 (2009 - \$1,610).

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

Note 12

Trust Funds under Administration

(in thousands)

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

As at March 31, 2010 trust funds under administration were as follows:

	2010	2009
Business licensing security	\$ 2,214	\$ 1,778
Miscellaneous trust funds	311	303
	<u>\$ 2,525</u>	<u>\$ 2,081</u>

Note 13

Payment under Agreement

(in thousands)

The Ministry has entered into an agreement with Statistics Canada to explore the feasibility of establishing a secure network for sharing vital event data between federal and provincial organizations. The National Routing System pilot project is fully funded by Statistics Canada.

Costs incurred under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts payable includes \$225 (2009 - \$292) of unspent funding contribution received from Statistics Canada. Amount paid under the agreement with Statistics Canada is \$219 (2009 - \$130).

Ministry of Service Alberta

Notes to the Financial Statements

Year ended March 31

Note 14

Benefit Plans

(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$11,399 for the year ended March 31, 2010 (2009 - \$10,324).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of \$483,199 (2008 – \$568,574) and the Public Service Pension Plan reported a deficiency of \$1,729,196 (2008 – \$1,187,538). At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,516 (2008 – \$7,111).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2010, the Bargaining Unit Plan reported an actuarial deficiency of \$8,335 (2009 – \$33,540) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$7,431 (2009 – actuarial deficiency of \$1,051). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 15

Comparative Figures

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

Note 16

Approval of Financial Statements

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

Ministry of Service Alberta

Revenues

Schedule 1

Year ended March 31

(in thousands)

	2010		2009
	Budget	Actual	Actual
			(Restated - Note 3)
Fees and licences			
Motor Vehicles	\$ 365,900	\$ 358,166	\$ 372,953
Land Titles	62,040	55,607	61,058
Other	19,860	17,677	18,463
	<u>447,800</u>	<u>431,450</u>	<u>452,474</u>
Other revenue			
Shared Services	45,066	51,335	48,356
Utilities Consumer Advocate	6,265	7,974	6,987
Other	1,606	4,196	2,616
	<u>52,937</u>	<u>63,505</u>	<u>57,959</u>
	<u>\$ 500,737</u>	<u>\$ 494,955</u>	<u>\$ 510,433</u>

Ministry of Service Alberta

Credit or Recovery

Schedule 2

Year ended March 31

(in thousands)

	2010		
	Authorized	Actual	(Shortfall)/ Excess
Shared Services ⁽¹⁾	\$ 51,776	\$ 51,335	\$ (441)
Utilities Consumer Advocate ⁽²⁾	8,065	7,974	(91)
Residential Tenancy Dispute Resolution ⁽³⁾	435	531	96
	<u>\$ 60,276</u>	<u>\$ 59,840</u>	<u>\$ (436) ⁽⁴⁾</u>

(1) The Ministry receives revenue from other ministries to recover the cost of providing cross-government services.

(2) The Utilities Consumer Advocate represents the interests of residential, farm and small business consumers of electricity and natural gas. It influences utility regulations, policies and practices and informs consumers about electricity and natural gas issues.

Eighty per cent of its funding is received through the Balancing Pool (section 148 of the *Electric Utilities Act*) with a further twenty per cent from three provincial natural gas distributors (section 28.1 of the *Gas Utilities Act*). Funding is based on the actual amount expended during the year.

(3) The Residential Tenancy Dispute Resolution Service offers landlords and tenants an alternative means of resolving serious disputes outside of court. The Service is designed to be faster, more informal and less expensive than the courts.

(4) Shortfall is deducted from current year's authorized budget, as disclosed in schedules 4 and 5 to the financial statements.

Ministry of Service Alberta

Expenses - Directly Incurred Detailed by Object

Schedule 3

Year ended March 31

(in thousands)

	2010		2009
	Budget	Actual	Actual
			(Restated - Note 3)
Voted			
Salaries, wages and employee benefits	\$ 145,983	\$ 135,285	\$ 133,459
Supplies and services	154,785	175,993	169,327
Amortization of tangible capital assets	40,994	32,779	28,851
Other	95	131	108
	<u>\$ 341,857</u>	<u>\$ 344,188</u>	<u>\$ 331,745</u>
Statutory			
Valuation adjustments and statutory expenses (Note 6)	\$ 1,084	\$ (1,856)	\$ 844

Ministry of Service Alberta

Budget

Schedule 4

Year ended March 31

(in thousands)

	2010			2009-2010 Authorized Budget
	2009-2010 Estimates	Adjustments ^(a)	Authorized Supplementary	
Revenues				
Fees and licences				
Motor Vehicles	\$ 365,900	\$ -	\$ -	\$ 365,900
Land Titles	62,040	-	-	62,040
Other	19,860	-	-	19,860
Other revenue				
Shared Services	45,066	6,710	-	51,776
Utilities Consumer Advocate	6,265	1,800	-	8,065
Other	1,606	-	-	1,606
	<u>500,737</u>	<u>8,510</u>	<u>-</u>	<u>509,247</u>
Expenses - directly incurred				
Voted expenses				
Ministry Support Services	11,838	-	-	11,838
Services to Albertans	67,430	1,800	-	69,230
Services to Government	262,589	7,710	-	270,299
Credit or recovery shortfall ^(b)	-	(436)	-	(436)
	<u>341,857</u>	<u>9,074</u>	<u>-</u>	<u>350,931</u>
Statutory expenses				
Valuation adjustments and statutory expenses	1,084	-	-	1,084
	<u>1,084</u>	<u>-</u>	<u>-</u>	<u>1,084</u>
	<u>342,941</u>	<u>9,074</u>	<u>-</u>	<u>352,015</u>
Net operating results	<u>\$ 157,796</u>	<u>\$ (564)</u>	<u>\$ -</u>	<u>\$ 157,232</u>
Equipment / inventory purchases	<u>\$ 24,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,161</u>
Capital investment	<u>\$ 92,500</u>	<u>\$ 1,495</u>	<u>\$ -</u>	<u>\$ 93,995</u>

^(a) The Ministry received approvals from Treasury Board to increase dedicated revenue for shared services and the Utilities Consumer Advocate and to transfer the operating budget for the Procurement Reengineering Project. The Ministry also received approval to carry over unexpended capital investment from the prior year.

^(b) Credit or recovery was less than authorized budget.

Ministry of Service Alberta

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) Capital Investment and Statutory Expenses By Element to Authorized Budget

Schedule 5

Year ended March 31

(in thousands)

	2010					
	2009-2010		Authorized	2009-2010		Unexpended
	Estimates	Adjustments ^(a)	Supplementary	Authorized Budget	Actual	(Over Expended)
Voted Expense, EIP and Capital Investment						
Program 1 Ministry Support Services						
Minister's Office	\$ 515	\$ -	\$ -	\$ 515	\$ 498	\$ 17
Deputy Minister's Office	500	-	-	500	476	24
Corporate Services	10,823	-	-	10,823	8,400	2,423
	<u>11,838</u>	<u>-</u>	<u>-</u>	<u>11,838</u>	<u>9,374</u>	<u>2,464</u>
Program 2 Services to Albertans						
Registries						
Land Titles						
Expenses	15,705	-	-	15,705	14,528	1,177
EIP	-	-	-	-	1,016	(1,016)
Motor Vehicles						
Expenses	15,350	-	-	15,350	16,270	(920)
EIP	-	-	-	-	1,169	(1,169)
Other Registry Services						
Expenses	7,800	-	-	7,800	7,863	(63)
EIP	245	-	-	245	23	222
Consumer Services						
Consumer Awareness and Advocacy						
Expenses	22,310	-	-	22,310	19,400	2,910
EIP	-	-	-	-	22	(22)
Utilities Consumer Advocate						
Expenses	6,265	1,800	-	8,065	8,004	61
EIP	-	-	-	-	12	(12)
	<u>67,675</u>	<u>1,800</u>	<u>-</u>	<u>69,475</u>	<u>68,307</u>	<u>1,168</u>
Program 3 Services to Government						
Financial Services						
Procurement and Administration Services						
Expenses	53,692	1,000	-	54,692	51,912	2,780
EIP	18,670	-	-	18,670	18,638	32
Financial and Employee Services						
Expenses	19,060	-	-	19,060	18,011	1,049
EIP	130	-	-	130	-	130
Amortization	9,250	-	-	9,250	7,853	1,397

Ministry of Service Alberta

**Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP),
Capital Investment and Statutory Expenses By Element to Authorized Budget**

Schedule 5 (Continued)

Year ended March 31

(in thousands)

	2010					
	2009-2010		Authorized	2009-2010	2009-2010	Unexpended
	Estimates	Adjustments ^(a)	Supplementary	Authorized Budget	Actual	(Over Expended)
Program 3 Services to Government						
(Continued)						
Technology Services						
Technology Operations and Infrastructure						
Expenses	95,193	6,710	-	101,903	125,565	(23,662)
EIP	3,500	-	-	3,500	3,319	181
Enterprise Services						
Expenses	35,730	-	-	35,730	24,381	11,349
EIP	1,616	-	-	1,616	157	1,459
Capital investment	92,500	1,495	-	93,995	30,942	63,053
Network Services						
Expenses	17,920	-	-	17,920	16,101	1,819
EIP	-	-	-	-	54	(54)
Amortization	31,744	-	-	31,744	24,926	6,818
	<u>379,005</u>	<u>9,205</u>	<u>-</u>	<u>388,210</u>	<u>321,859</u>	<u>66,351</u>
Credit or recovery shortfall (Schedule 2) ^(b)	-	(436)	-	(436)	-	(436)
	<u>\$ 458,518</u>	<u>\$ 10,569</u>	<u>\$ -</u>	<u>\$ 469,087</u>	<u>\$ 399,540</u>	<u>\$ 69,547</u>
Expense	341,857	9,074	-	350,931	344,188	6,743
Equipment/inventory purchases	24,161	-	-	24,161	24,410	(249)
	<u>366,018</u>	<u>9,074</u>	<u>-</u>	<u>375,092</u>	<u>368,598</u>	<u>6,494</u>
Capital investment	92,500	1,495	-	93,995	30,942	63,053
	<u>\$ 458,518</u>	<u>\$ 10,569</u>	<u>\$ -</u>	<u>\$ 469,087</u>	<u>\$ 399,540</u>	<u>\$ 69,547</u>
Statutory						
Valuation adjustments and statutory expenses	1,084	-	-	1,084	(1,856)	2,940
	<u>\$ 1,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,084</u>	<u>\$ (1,856)</u>	<u>\$ 2,940</u>

^(a) The Ministry received approvals from Treasury Board to increase dedicated revenue for shared services and the Utilities Consumer Advocate and to transfer the operating budget for the Procurement Reengineering Project. The Ministry also received approval to carry over unexpended capital investment from the prior year.

^(b) Credit or recovery was less than authorized budget.

Ministry of Service Alberta

Salary and Benefits Disclosure

Schedule 6

Year ended March 31

	2010			Total	2009
	Base Salary (1)	Other Cash Benefits (2)	Other Non- cash Benefits (3)		Total
Senior Official					
Deputy Minister (4)	\$ 264,069	\$ 500	\$ 63,560	\$ 328,129	\$ 372,530
Executives					
Assistant Deputy Ministers					
Information Management and Logistics (5)	168,485	9	41,000	209,494	244,645
Enterprise Services (6)	192,519	500	46,469	239,488	266,531
Corporate Business and Financial Services (7)	185,117	500	46,010	231,627	268,484
Registry Services (8)	127,267	500	30,577	158,344	244,675
Technology Services (9)	110,562	500	26,424	137,486	241,503
Executive Directors					
Consumer Services (10)	87,517	500	22,745	110,762	-
Strategic Planning and Financial Services (10)	78,881	500	19,570	98,951	-
Human Resource Services (6)	137,736	-	33,204	170,940	159,908

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

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits include lump sum payments. There were no bonuses paid in 2010.
- (3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, conferences and tuition fees.
- (4) An automobile is provided, but no dollar amount is included in other non-cash benefits.
- (5) The position of Assistant Deputy Minister, Business Services was renamed and occupied by three individuals in 2010.
- (6) The position was occupied by two individuals in 2009.
- (7) The position of Assistant Deputy Minister, Financial Services was renamed in 2010.
- (8) The position of Assistant Deputy Minister, Registry Services was occupied by two individuals in 2010. Salary charges represent 8.5 months of salary, the total amount expensed by the Ministry in 2010.
- (9) The position of Assistant Deputy Minister, Technology Services was occupied for 7.5 months in 2010.
- (10) The position was added to Executive Team on September 2009.

Ministry of Service Alberta

Related Party Transactions

Schedule 7

Year ended March 31

(in thousands)

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

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

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

	Other Entities	
	2010	2009
		(Restated - Note 3)
Revenues		
Shared services billings to other ministries (Schedule 2)	\$ 51,335	\$ 48,356
Expenses - directly incurred		
Insurance charges from the Department of Finance & Enterprise	\$ 166	\$ 156
Parking charges from the Department of Infrastructure	7	7
	\$ 173	\$ 163
Receivables due from Alberta Government departments and agencies (Note 4)	\$ 786	\$ 639
Payables due to Alberta Government departments and agencies	\$ -	\$ 3
Payable due to the Department of Justice & Attorney General (Note 8)	\$ 9,924	\$ 8,485

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2010	2009
Revenues		
Shared services	\$ 115,239	\$ 114,903
Executive vehicles	45	33
	\$ 115,284	\$ 114,936
Expenses - incurred by others		
Accommodations from the Department of Infrastructure	\$ 20,309	\$ 18,079
Legal services from the Department of Justice & Attorney General	1,597	1,391
Other	133	210
	\$ 22,039	\$ 19,680

Ministry of Service Alberta
Allocated Costs

Schedule 8
Year ended March 31

(in thousands)

Program	2010									2009
	Expenses ⁽¹⁾	Expenses - Incurred by Others			Valuation Adjustments			Total	Total (Restated - Note 3)	
		Accommodation Costs ⁽²⁾	Legal Services ⁽³⁾	Other Costs ⁽⁴⁾	Employee Benefits	Doubtful Accounts	Other Costs ⁽⁵⁾			
Ministry Support Services	\$ 9,374	\$ 919	\$ 64	\$ 133	\$ (86)	\$ -	\$ -	\$ 10,404	\$ 14,508	
Services to Albertans	66,065	6,558	716	-	(628)	49	3	72,763	72,119	
Services to Government	268,749	12,832	817	-	(1,194)	-	-	281,204	265,642	
	<u>\$ 344,188</u>	<u>\$ 20,309</u>	<u>\$ 1,597</u>	<u>\$ 133</u>	<u>\$ (1,908)</u>	<u>\$ 49</u>	<u>\$ 3</u>	<u>\$ 364,371</u>	<u>\$ 352,269</u>	

⁽¹⁾ Expenses - directly incurred as per the Statements of Operations, excluding valuation adjustments.

⁽²⁾ Costs shown for accommodation provided by the Department of Infrastructure on Schedule 7 are allocated to each program by employee.

⁽³⁾ Costs shown for legal services provided by the Department of Justice & Attorney General on Schedule 7 are allocated based on estimated costs incurred by each program.

⁽⁴⁾ Costs shown for internal audit, the Government of Alberta learning center and air transportation services provided by the Department of Treasury Board on Schedule 7 are allocated based on costs incurred by each program.

⁽⁵⁾ Costs shown are for Land Titles Registrar's assurance liabilities.