

Ministry of Transportation

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 Transportation 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 TRANSPORTATION
STATEMENTS OF OPERATIONS
Year ended March 31

	(in thousands)		
	2010		2009
	Budget	Actual	Actual
	(Schedule 4)		
Revenues (Schedule 1)			
Internal Government Transfers - Lottery Fund	\$ 375,000	\$ 301,792	\$ 195,000
Transfers from Government of Canada (Note 6)	230,450	306,945	131,004
Fees, Permits and Licenses	16,340	17,630	21,584
Other Revenue	65,690	99,205	46,937
	<u>687,480</u>	<u>725,572</u>	<u>394,525</u>
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	27,875	26,435	24,407
Provincial Highway Systems and Safety	454,645	389,816	478,282
Municipal Support Programs	1,322,350	1,565,979	1,395,269
Other Programs and Services	34,842	34,993	39,483
Non-Cash Items	387,072	330,759	303,489
Debt Servicing Costs (Note 7)	20,913	20,913	18,211
	<u>2,247,697</u>	<u>2,368,895</u>	<u>2,259,141</u>
Statutory (Schedules 3 and 5)			
Valuation Adjustments			
Provision for Doubtful Accounts	-	4	(603)
Provision for Vacation Pay	-	497	1,068
Provision for Future Site Remediation and Reclamation	-	(11,254)	4,716
	<u>-</u>	<u>(10,753)</u>	<u>5,181</u>
Total Expenses	<u>2,247,697</u>	<u>2,358,142</u>	<u>2,264,322</u>
Loss on Disposal of Tangible Capital Assets	-	(2,302)	(5,408)
Net Operating Results	<u>\$ (1,560,217)</u>	<u>\$ (1,634,872)</u>	<u>\$ (1,875,205)</u>

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

MINISTRY OF TRANSPORTATION
STATEMENTS OF FINANCIAL POSITION
As at March 31

	(in thousands)	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 312	\$ 134
Accounts Receivable (Note 3)	235,135	26,536
Advances	50	50
Inventories	16,173	11,860
Tangible Assets Held for Transfer (Note 4)	132,820	116,617
Tangible Capital Assets (Note 5)	<u>12,156,604</u>	<u>10,783,578</u>
	<u>\$ 12,541,094</u>	<u>\$ 10,938,775</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 333,242	\$ 273,333
Holdbacks Payable	43,553	46,679
Unearned Revenue	1,993	23,073
Obligations under Public Private Partnerships (Note 7)	991,468	719,674
Liabilities for Future Site Remediation and Reclamation (Note 2b)	<u>5,938</u>	<u>17,192</u>
	<u>\$ 1,376,194</u>	<u>\$ 1,079,951</u>
NET ASSETS		
Net Assets at Beginning of Year	\$ 9,858,824	\$ 8,925,733
Acquisition of Highways (Note 5a)	37,901	-
Net Operating Results	(1,634,872)	(1,875,205)
Net Financing Provided from General Revenues	<u>2,903,047</u>	<u>2,808,296</u>
Net Assets at End of Year	<u>11,164,900</u>	<u>9,858,824</u>
	<u>\$ 12,541,094</u>	<u>\$ 10,938,775</u>

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

MINISTRY OF TRANSPORTATION
STATEMENTS OF CASH FLOWS
Year ended March 31

	(in thousands)	
	<u>2010</u>	<u>2009</u>
Operating Transactions		
Net Operating Results	\$ (1,634,872)	\$ (1,875,205)
Non-cash items included in Net Operating Results:		
Amortization of Capital Assets and Consumption of Inventory	329,470	301,888
Loss on Disposal of Tangible Capital Assets	2,302	5,408
Non-Cash Adjustment	703	-
Grants in Kind	1,289	1,601
Donated Tangible Capital Assets	(63,775)	(7,811)
Valuation Adjustments	(10,753)	5,181
	<u>(1,375,636)</u>	<u>(1,568,938)</u>
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	(208,603)	72,420
Decrease in Advances	-	3
Increase in Accounts Payable and Accrued Liabilities	59,412	102,467
(Decrease) Increase in Holdbacks Payable	(3,126)	8,821
(Decrease) Increase in Unearned Revenue	(21,080)	19,573
	<u>(1,549,033)</u>	<u>(1,365,654)</u>
Cash Applied to Operating Transactions		
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(1,324,112)	(1,411,939)
Purchase of Inventories	(38,638)	(34,356)
Transfer of Tangible Assets to Other Government Entities	15,264	8,376
Proceeds from Disposal of Tangible Capital Assets	195	87
	<u>(1,347,291)</u>	<u>(1,437,832)</u>
Cash Applied to Capital and Inventory Transactions		
Financing Transactions		
Repayment of Obligations under Public Private Partnerships	(6,545)	(5,216)
Net Financing Provided from General Revenues	2,903,047	2,808,296
	<u>2,896,502</u>	<u>2,803,080</u>
Cash Provided by Financing Transactions		
Increase (Decrease) in Cash and Cash Equivalents	178	(406)
Cash and Cash Equivalents, Beginning of Year	134	540
Cash and Cash Equivalents, End of Year	<u>\$ 312</u>	<u>\$ 134</u>

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

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 1 AUTHORITY AND PURPOSE

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

The Minister of Transportation (the Minister) is responsible for:

- leading the planning, construction and preservation of our provincial highway network to connect Alberta's communities and support the Province's economic and social growth;
- leading provincial transportation safety services and providing a wide range of education, information and enforcement programs along with engineering solutions to promote safe driving, vehicles, roads, railways, and the transport of dangerous goods;
- designing, constructing and maintaining the Province's water management infrastructure on behalf of the Ministry of Environment;
- managing numerous federal and provincial grant programs to help municipalities develop and preserve their transportation systems, as well as their water and wastewater treatment systems for Albertans; and
- representing Alberta's interests in a sustainable and integrated transportation system at all levels of government, as well as national and international trade and regulatory harmonization.

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

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the 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 General Revenues is the difference between all cash receipts and all cash disbursements made.

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (continued)**

(b) Basis of Financial Reporting

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.

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.

Transfers from Government of Canada

Transfers from the Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made. Payments received in excess of the estimated amounts applicable to the fiscal year are deferred and included in unearned revenue. Externally restricted revenue is recognized as revenue in the period in which the resources are used for the purpose specified. Payments received prior to meeting this criterion are included in unearned revenue until the resources are used for the purpose specified. Payments due to be received where revenue recognition criteria has been met are included in accounts receivable.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board, 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.

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (continued)**

(b) Basis of Financial Reporting (continued)

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.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
 - grants are recognized as expenses when authorized, eligibility criteria, if any are met and a reasonable estimate of the amounts can be made;
 - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
 - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

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

Inventories consist of consumables (i.e. salt, sand and gravel) for the delivery of highway transportation programs and are valued at lower of cost or replacement cost.

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

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

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (continued)**

(b) Basis of Financial Reporting (continued)

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

Liabilities

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

Net Assets

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

Valuation of Financial Assets and Liabilities

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

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

Public Private Partnership (P3)

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

The Ministry accounts for P3 projects in accordance with the substance of the underlying agreements. Agreements that transfer substantially all the risks and rewards of ownership of the assets are classified as capital leases and are accounted for as follows:

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

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (continued)**

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty

(in thousands)

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

Site Remediation and Reclamation

Liabilities for Future Site Remediation and Reclamation recorded as \$5,938 (2009 - \$17,192) in these financial statements are subject to measurement uncertainty. The Ministry has compiled a list of all potential sites and reviews the list at least annually. The site remediation and reclamation liability is recorded when the sites are no longer in operation and where remediation is legally enforceable.

The recorded amount is based on management's estimates and historical costs to remediate or reclaim sites as well as expected expenditures on future reclamation activity. Actual costs may vary from these estimates and the variances may be material.

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 3 ACCOUNTS RECEIVABLE
(in thousands)

	2010			2009
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Transfers from Government of Canada (Note 6)	\$ 136,045	\$ -	\$ 136,045	\$ 6,269
Internal Government Transfers - Lottery Fund	69,592	-	69,592	-
Grants and Contributions	15,556	-	15,556	11,182
Rental and Other	8,538	-	8,538	461
Refunds from Suppliers	425	-	425	1,043
Payments Under Agreement (Note 11)	-	-	-	2,183
Fees, Permits and Licenses	1,625	33	1,592	2,174
Cost Recoveries	3,387	-	3,387	3,224
	<u>\$ 235,168</u>	<u>\$ 33</u>	<u>\$ 235,135</u>	<u>\$ 26,536</u>

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 TANGIBLE ASSETS HELD FOR TRANSFER
(in thousands)

Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Transportation does not amortize these assets.

	2010 Historical Cost			
	Beginning of Year	Additions	Transfers, Adjustments, and Write-downs	End of Year
Dams and water management structures	\$ 116,617	\$ 31,015	\$ (14,812)	\$ 132,820
2009 Total	<u>\$ 89,771</u>	<u>\$ 35,299</u>	<u>\$ (8,453)</u>	<u>\$ 116,617</u>

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 5 TANGIBLE CAPITAL ASSETS
(in thousands)

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

	Estimated Useful Life	2010 Historical Cost ⁽¹⁾			End of Year
		Beginning of Year	Additions	Disposals, Adjustments, and Write-downs	
Land	Indefinite	\$ 481,064	\$ 81,199	\$ (836)	\$ 561,427
Buildings	40 years	7,200	-	(1,001)	6,199
Equipment	5-40 years	12,656	-	(5,944)	6,712
Computer hardware and software	3-10 years	91,097	10,366	(665)	100,798
Provincial highways and roads ⁽²⁾	20-50 years	12,373,872	1,372,994	(51,439)	13,695,427
Bridges	50 years	1,332,875	166,680	83,381	1,582,936
Other ⁽³⁾	3-40 years	23,605	3,971	8,602	36,178
		<u>\$ 14,322,369</u>	<u>\$ 1,635,210</u>	<u>\$ 32,098</u>	<u>\$ 15,989,677</u>
2009 Total		<u>\$ 12,668,222</u>	<u>\$ 1,670,008</u>	<u>\$ (15,861)</u>	<u>\$ 14,322,369</u>

	2010 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2010	March 31, 2009
Land	\$ -	\$ -	\$ -	\$ -	\$ 561,427	\$ 481,064
Buildings	3,590	158	-	3,748	2,451	3,610
Equipment	2,858	216	-	3,074	3,638	9,798
Computer hardware and software	56,472	8,849	-	65,321	35,477	34,625
Provincial highways and roads ⁽²⁾	3,143,264	251,935	(841)	3,394,358	10,301,067	9,230,608
Bridges	322,134	31,435	-	353,569	1,229,368	1,010,741
Other ⁽³⁾	10,473	2,530	-	13,003	23,176	13,132
	<u>\$ 3,538,791</u>	<u>\$ 295,123</u>	<u>\$ (841)</u>	<u>\$ 3,833,073</u>	<u>\$ 12,156,604</u>	<u>\$ 10,783,578</u>
2009 Total	<u>\$ 3,282,348</u>	<u>\$ 264,135</u>	<u>\$ (7,692)</u>	<u>\$ 3,538,791</u>		

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 5 TANGIBLE CAPITAL ASSETS (continued)
(in thousands)

- (1) Included in the cost of land improvements, buildings equipment, computer hardware and software, provincial highways and roads, and bridges is work in progress amounting to \$1,335,386 (2009 - \$1,456,071). Included in this work in progress amount is the estimated progress to date of \$832,621 (2009 - \$420,432) on the North West Anthony Henday Ring Road. See Note 7.
 - (2) Highways include original pavement and repaving overlays that represent improvements, roadbed, drainage works, and traffic control devices.
 - (3) Includes trailers, leasehold improvements, and vehicle inspection stations.
- (a) Acquisition of highways and bridges in the City of Calgary**
Under an agreement between the City of Calgary and the Province, the City of Calgary transferred the title, control and management of the existing structures of a portion of the Stoney Trail North West Ring Road to the Province, effective November 2, 2009. The Ministry recorded the acquisition of the highways and bridges as an increase in net assets. The Ministry recorded the assets at their net book value at the date of transfer, in the amount of \$37,901.

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE
(in thousands)

The Ministry receives support for infrastructure from the Government of Canada through the following federal programs: Federal Gas Tax Fund, Canada Strategic Infrastructure Fund (CSIF), Public Transit Fund, Provincial Base Fund, Building Canada Fund, and Infrastructure Stimulus Fund. Transfers from the Federal Government are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made. The full cost of provincial projects will be capitalized and amortized over the useful life of the infrastructure. The summary of each federal initiative is as follows:

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE (continued)
(in thousands)

Federal Gas Tax Fund

In 2005-06, the Federal Government announced the New Deal for Cities and Communities. Under this program, the Federal Government will contribute \$476,907 in funding to the Ministry over a five year period for Municipal Infrastructure ending in 2009-10. Subsequently, this program was renamed to Federal Gas Tax Fund and was extended for four years ending 2013-14 with \$798,012 in additional funding. The total funding under this program will be \$1,274,919. The program provides financial assistance for sustainable capital municipal infrastructure in support of cleaner air and water, and the reduction of greenhouse gases.

Canada Strategic Infrastructure Fund

The Canada Strategic Infrastructure Fund (CSIF) is a program whereby the Federal Government contributes funding to large scale infrastructure projects across the country. In 2009-10, there is one project that the Ministry is receiving funding for under CSIF - Highway 63 twinning of approximately 100 kilometers of road to Fort McMurray (up to \$150,000 over 7 years beginning in 2009-10). Two completed projects that the Ministry had received funding for are Edmonton Southeast Anthony Henday Ring Road (\$75,000 over 3 years beginning in 2005-06) and Calgary Northwest Stoney Trail Ring Road (\$75,000 over 4 years beginning in 2005-06).

Public Transit Fund

The Public Transit Fund is a program whereby the Federal Government supported capital investment projects in public transit infrastructure that were jointly identified by the Government of Canada and those municipalities with public transit.

Provincial Base Fund

The Provincial Base Fund is a program whereby the Federal Government contributes funding to the provinces to repair bridges, local roads and secondary highways from 2009 to 2011.

Building Canada Fund

In 2008-09, the Federal Government announced the Building Canada Fund that is comprised of two programs: the Major Infrastructure Component and the Communities Component. The Major Infrastructure Component will focus on large, strategic projects of national and regional priority. This program requires a matching provincial contribution.

The Communities Component will focus on smaller-scale projects in communities with a population of less than 100,000. This program requires matching contribution from the province and municipalities. In 2009-10, the Federal Government committed to additional projects as a top-up to the Communities Component program.

MINISTRY OF TRANSPORTATION
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended March 31

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE (continued)
 (in thousands)

Infrastructure Stimulus Fund

In 2009-10, the Federal Government established the Infrastructure Stimulus Fund to focus on rehabilitation work needed to maintain the safety and extend the useful life of existing infrastructure while stimulating economic growth in the short term. Funding is only available for projects that will be substantially complete by March 31, 2011. This program requires matching contribution from the province and municipalities.

Revenue and Accounts Receivable recorded under Federal Support for Infrastructure are as follows:

	2010		2009	
	Revenue	Receivable	Revenue	Receivable
Federal Gas Tax Fund	\$ 190,387	\$ 93,425	\$ 93,801	\$ 20
Canada Strategic Infrastructure Fund	8,089	8,089	5,000	5,500
Public Transit Fund	20,404	-	31,360	-
Building Canada Fund: Major Infrastructure Component	17,700	1,529	-	-
Building Canada Fund: Communities Component and Top Up	10,976	1,776	-	-
Provincial Base Fund	28,154	22,154	-	-
Infrastructure Stimulus Fund	30,380	8,956	-	-
	\$ 306,090	\$ 135,929	\$ 130,161	\$ 5,520

MINISTRY OF TRANSPORTATION
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended March 31

NOTE 7 LIABILITIES UNDER CAPITAL LEASES
 (in thousands)

Public Private Partnerships

The Ministry has entered into contracts for the design, finance, build and maintenance of the following public private partnerships: Anthony Henday- South East Edmonton Ring Road, Stoney Trail- North East Calgary Ring Road, Anthony Henday- North West Edmonton Ring Road and Stoney Trail – South East Calgary Ring Road.

The details of the 33 year contracts are as follows:

Project	Contractor	Date contract entered into	Scheduled completion date	Date capital payments begin^(a)
Anthony Henday - South East Edmonton Ring Road	Access Roads Edmonton Ltd. (a consortium of companies)	January 2005	October 2007	November 2007
Stoney Trail - North East Calgary Ring Road	Stoney Trail Group (a consortium of companies)	February 2007	October 2009	November 2009
Anthony Henday - North West Edmonton Ring Road	NORTHWESTCONNECT GENERAL PARTNERSHIP (a consortium of companies)	July 2008	October 2011	November 2011
Stoney Trail - South East Calgary Ring Road	CHINOOK ROADS PARTNERSHIP (a consortium of companies)	March 2010	September 2013	October 2013

(a) Capital payments begin on the date specified or upon completion of the project, whichever is later.

The calculation of the liabilities under capital leases are as follows:

	2010 Total	2009 Total
Liabilities, beginning of year	\$ 719,674	\$ 439,334
Additions to liabilities during the year	278,339	285,556
Principal payments	(6,545)	(5,216)
Liabilities, end of year	<u>\$ 991,468</u>	<u>\$ 719,674</u>

MINISTRY OF TRANSPORTATION
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended March 31

NOTE 8 CONTRACTUAL OBLIGATIONS
 (in thousands)

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

	<u>2010</u>	<u>2009</u>
Capital Investment		
Construction Contracts and Service Agreements	\$ 978,831	\$ 803,035
Expense		
Maintenance Contracts and Service Agreements	681,777	552,083
Grants	703,187	1,461,617
Long-term Leases	6	107
Obligations under capital leases		
Operation and maintenance payments	1,521,957	1,110,979
Progress Payments	515,500	401,000
Capital Payments	2,904,928	2,467,043
	<u>\$ 7,306,186</u>	<u>\$ 6,795,864</u>

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

Obligations Under Operating Leases, Contracts and Programs

	Capital Investment	Expense			
	Construction Contracts and Service Agreements	Maintenance Contracts and Service Agreements	Grants	Leases	Total
2010-11	\$ 725,385	\$ 231,844	\$ 703,187	\$ 6	\$ 1,660,422
2011-12	191,933	164,025	-		355,958
2012-13	50,259	122,027	-	-	172,286
2013-14	8,862	88,467	-	-	97,329
2014-15	2,267	58,813	-	-	61,080
Thereafter	125	16,601	-	-	16,726
	<u>\$ 978,831</u>	<u>\$ 681,777</u>	<u>\$ 703,187</u>	<u>\$ 6</u>	<u>\$ 2,363,801</u>

MINISTRY OF TRANSPORTATION
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended March 31

NOTE 8 CONTRACTUAL OBLIGATIONS (continued)
 (in thousands)

Obligations under Capital Leases

	Operations and Maintenance Payments	Progress Payments	Capital Payments
2010-11	\$ 23,106	\$ 161,500	\$ 33,101
2011-12	25,072	195,000	54,039
2012-13	32,322	110,000	83,354
2013-14	36,867	49,000	91,110
2014-15	40,843	-	98,865
Thereafter	1,363,747	-	2,544,459
	\$ 1,521,957	\$ 515,500	2,904,928
Less amount representing interest			(1,381,062)
Total NPV of capital payments at scheduled completion date			\$ 1,523,866

NOTE 9 CONTINGENT LIABILITIES
 (in thousands)

At March 31, 2010, the Ministry is a defendant in one hundred and thirty-seven legal/other claims (2009 – one hundred and twenty-seven claims). One hundred and five of these claims have specified amounts totaling \$438,883 and the remaining thirty two have no specified amounts (2009 – ninety-seven claims with a specified amount of \$365,054 and thirty with no specified amount). Included in the total legal claims are seven claims in which the Ministry has been jointly named with other entities, six of which have specified claims amounting to \$202,743 (2009 – \$200,410). Forty-seven claims amounting to \$48,597(2009 – fifty-five claims amounting to \$52,228) are covered by the Alberta Risk Management Fund.

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

MINISTRY OF TRANSPORTATION
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended March 31

NOTE 10 TRUST FUNDS UNDER ADMINISTRATION
 (in thousands)

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

At March 31, 2010, trust funds under the Ministry's administration were as follows:

	<u>2010</u>	<u>2009</u>
Impaired Driving Initiatives Trust Fund	\$ 368	\$ 322
	<u>\$ 368</u>	<u>\$ 322</u>

The Impaired Driving Initiatives Trust Fund holds fines from individuals convicted of impaired driving. Trust funds are used for education programs.

NOTE 11 PAYMENTS UNDER AGREEMENT
 (in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada, the Kananaskis Improvement District and private companies. Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

	<u>2010</u>	<u>2009</u>
Government of Canada (program sponsor) Infrastructure Canada – Alberta Program	\$ 1,328	\$ 2,429
Kananaskis Improvement District (program sponsor) Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	1,795	1,689
	<u>\$ 3,196</u>	<u>\$ 4,191</u>

Accounts receivable relating to payments under agreement is zero in 2009-10 (2009 - \$2,183).

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 12 BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employee Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of \$6,983 for the year ended March 31, 2010 (2009 - \$6,327 as restated).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of \$483,199 (2008 - deficiency \$568,574) and the Public Service Pension Plan reported a deficiency of \$1,729,196 (2008 - deficiency \$1,187,538). At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,516 (2008 - deficiency \$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 - deficiency \$33,540) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,431 (2009 - deficiency \$1,051). The expense for these two plans is limited to the employer's annual contribution for the year.

NOTE 13 COMPARATIVE FIGURES

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

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

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

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
REVENUES
Year ended March 31

Schedule 1

	(in thousands)		
	2010		2009
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers			
Transfer from Lottery Fund	<u>\$ 375,000</u>	<u>\$ 301,792</u>	<u>\$ 195,000</u>
Transfers from Government of Canada			
Cost Recoveries and Contributions	<u>230,450</u>	<u>306,945</u>	<u>131,004</u>
Fees, Permits and Licenses			
Motor Transport Services & Other Premiums	<u>16,340</u>	<u>17,630</u>	<u>21,584</u>
Other Revenue			
Investment Income (Loss)	-	14	(19)
Refunds of Expenditure	1,475	4,255	8,125
Tourism Highway Signage Initiative	2,000	1,795	1,689
Cost Recoveries	-	4,784	4,942
Grants and Contributions	6,570	21,849	23,647
Donated Tangible Capital Assets	55,000	61,980	6,122
Miscellaneous	645	4,528	2,431
	<u>65,690</u>	<u>99,205</u>	<u>46,937</u>
	<u>\$ 687,480</u>	<u>\$ 725,572</u>	<u>\$ 394,525</u>

	(in thousands)		
	2010		
	Authorized	Actual	(Shortfall)/ Excess
Expense			
Motor Transport Permits and Licences	\$ 2,300	\$ 2,300	\$ -
Canada-Alberta Municipal Rural Infrastructure Fund	250	246	(4)
Natural Resources Canada	136	109	(27)
Bridge Maintenance	20	20	-
	<u>\$ 2,706</u>	<u>\$ 2,675</u>	<u>\$ (31)</u> ⁽¹⁾
Capital Investment			
Provincial Highway Systems	\$ 84,545	\$ 80,938	\$ (3,607)
Water Management Infrastructure	6,570	5,632	(938)
Tourism Highway Signage Initiative	2,000	1,795	(205)
	<u>\$ 93,115</u>	<u>\$ 88,365</u>	<u>\$ (4,750)</u> ⁽¹⁾

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

Motor Transport Permits and Licences

A portion of the revenue for Motor Transport Permits and Licences has been allocated to credit or recovery. This revenue partially offsets expenditures made to accommodate Alberta's increasing traffic volumes.

Canada-Alberta Municipal Rural Infrastructure Fund

The Canada-Alberta Municipal Rural Infrastructure Fund is a joint project with the Federal Government and Municipalities. The Federal Government is reimbursing for the administrative costs of this project.

Natural Resources Canada

There is an one year agreement between Natural Resources Canada, Statistics Canada and Alberta Transportation to assist jurisdictions to integrate their data into a roads database.

Bridge Maintenance

Canadian Forest Products Ltd. is contributing to the maintenance of the Dunvegan Bridge by providing \$200 of funding over 10 years beginning in 2007-2008.

Provincial Highway Systems

The private sector and municipalities are contributing to the capital investment in new roads, bridges, interchanges and Vehicle Inspection Station equipment in the province.

Water Management Infrastructure

A non-profit organization is contributing to the construction of a dam at the Calgary Bow River over 4 years starting in 2008-09.

Tourism Highway Signage Initiative

The private sector is contributing to the capital investment in new tourism highway-sign structures in the province.

The above credits or recoveries are included in the Statement of Operations.

MINISTRY OF TRANSPORTATION
 SCHEDULES TO FINANCIAL STATEMENTS
 EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
 Year ended March 31

Schedule 3

	(in thousands)		2009 Actual
	2010 Budget	2010 Actual	
<u>Voted:</u>			
Salaries, Wages and Employee Benefits	\$ 79,808	\$ 77,708	\$ 75,175
Supplies and Services	436,943	370,285	467,247
Grants	1,347,861	1,570,415	1,396,519
Financial Transactions and Other	21,013	21,017	18,312
Amortization of Tangible Capital Assets and Consumption of Inventory	<u>362,072</u>	<u>329,470</u>	<u>301,888</u>
Total Voted Expenses	<u>\$ 2,247,697</u>	<u>\$ 2,368,895</u>	<u>\$ 2,259,141</u>
 <u>Statutory:</u>			
Valuation Adjustments			
Provision for Doubtful Accounts	\$ -	\$ 4	\$ (603)
Provision for Vacation Pay	-	497	1,068
Provision for Future Site Remediation and Reclamation	-	(11,254)	4,716
	<u>\$ -</u>	<u>\$ (10,753)</u>	<u>\$ 5,181</u>

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
BUDGET
Year Ended March 31

Schedule 4

(in thousands)
2009-2010

	Estimates	Adjustment (a)	Budget	Authorized Supplementary (b)	Authorized Budget
Revenues					
Transfer from Alberta Lottery Fund	\$ 375,000	\$ -	\$ 375,000	\$ -	\$ 375,000
Transfers from Government of Canada	230,450	-	230,450	-	230,450
Fees, Permits and Licenses	16,340	-	16,340	-	16,340
Investment Income	-	-	-	-	-
Other Revenue	65,690	-	65,690	-	65,690
	<u>687,480</u>	<u>-</u>	<u>687,480</u>	<u>-</u>	<u>687,480</u>
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	27,875	-	27,875	(408)	27,467
Provincial Highway Systems and Safety	454,645	-	454,645	(6,900)	447,745
Municipal Support Programs	1,322,350	69,900	1,392,250	131,310	1,523,560
Other Programs and Services	34,842	136	34,978	250	35,228
Non-Cash Items	387,072	-	387,072	(50,425)	336,647
Debt Servicing Costs	20,913	-	20,913	-	20,913
Credit or Recovery Shortfall (Schedule 2)	-	(31)	(31)	-	(31)
	<u>2,247,697</u>	<u>70,005</u>	<u>2,317,702</u>	<u>73,827</u>	<u>2,391,529</u>
Statutory Expenses					
Valuation Adjustments	-	-	-	-	-
	<u>2,247,697</u>	<u>70,005</u>	<u>2,317,702</u>	<u>73,827</u>	<u>2,391,529</u>
Net Operating Results	<u>\$ (1,560,217)</u>	<u>\$ (70,005)</u>	<u>\$ (1,630,222)</u>	<u>\$ (73,827)</u>	<u>\$ (1,704,049)</u>
Equipment/Inventory Purchases	<u>\$ 35,009</u>	<u>\$ -</u>	<u>\$ 35,009</u>	<u>\$ -</u>	<u>\$ 35,009</u>
Capital Investment	<u>\$ 1,482,278</u>	<u>\$ 332,748</u>	<u>\$ 1,815,026</u>	<u>\$ -</u>	<u>\$ 1,815,026</u>
Credit or Recovery Shortfall (Schedule 2)	-	(4,750)	(4,750)	-	(4,750)
	<u>\$ 1,482,278</u>	<u>\$ 327,998</u>	<u>\$ 1,810,276</u>	<u>\$ -</u>	<u>\$ 1,810,276</u>
Statutory Capital Investment	<u>\$ 339,590</u>	<u>\$ -</u>	<u>\$ 339,590</u>	<u>\$ -</u>	<u>\$ 339,590</u>
Voted Non-Budgetary Disbursements	<u>\$ 6,545</u>	<u>\$ -</u>	<u>\$ 6,545</u>	<u>\$ -</u>	<u>\$ 6,545</u>

(a) Adjustments include credit or recovery increases, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2008-09 unused appropriation, pursuant to the *Financial Administration Act*, section 28.1.

(b) Supplementary Estimates were approved on February 17, 2010. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31

Schedule 5

	(in thousands)						
	2009-10		Authorized Supplementary (b)	Authorized Budget	Actual Expense	Unexpended (Over Expended)	
	Estimates	Adjustments (a)					
Voted Expense, Debt Servicing Costs, EIP and Capital Investments							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 543	\$ -	\$ 543	\$ -	\$ 543	\$ 530	\$ 13
1.0.2 Deputy Minister's Office	626	-	626	-	626	621	5
1.0.3 Communications	777	-	777	(6)	771	731	40
1.0.4 Strategic Services							
- Expense	25,929	-	25,929	(402)	25,527	24,554	973
- Equipment/Inventory Purchases	9,709	-	9,709	-	9,709	10,366	(657)
Total Program 1	37,584	-	37,584	(408)	37,176	36,802	374
2 Provincial Highway Systems and Safety							
2.0.1 Provincial Highway Maintenance							
- Expense	313,647	-	313,647	(3,500)	310,147	266,840	43,307
- Equipment/Inventory Purchases	25,300	-	25,300	-	25,300	38,638	(13,338)
2.0.2 Provincial Highway Preservation							
- Expense	13,436	-	13,436	(2,760)	10,676	2,768	7,908
- Expense funded by Lotteries	50,000	-	50,000	-	50,000	50,000	-
2.0.3 Provincial Highway Systems							
- Expense	34,109	-	34,109	-	34,109	29,584	4,525
- Equipment/Inventory Purchases	-	-	-	-	-	71	(71)
- Capital Investment	335,673	4,550	340,223	-	340,223	294,537	45,686
2.0.4 Transportation Safety Services	42,175	-	42,175	(600)	41,575	39,517	2,058
2.0.5 Transportation Safety Board	1,278	-	1,278	(40)	1,238	1,106	132
2.0.6 Strategic Economic Corridor Investment Initiative							
- Debt Servicing Costs	20,913	-	20,913	-	20,913	20,913	-
- Capital Investment	846,407	264,462	1,110,869	-	1,110,869	778,071	332,798
2.0.7 Provincial Highway Rehabilitation							
- Capital Investment	109,017	27,231	136,248	-	136,248	195,066	(58,818)
- Capital Investment funded by Lotteries	120,000	-	120,000	-	120,000	46,792	73,208
Total Program 2	1,911,955	296,243	2,208,198	(6,900)	2,201,298	1,763,903	437,395
3 Municipal Support							
3.0.1 Alberta Municipal Infrastructure Program	485,773	-	485,773	12,727	498,500	499,323	(823)
3.0.2 Alberta Cities Transportation Partnerships							
- Expense	212,125	-	212,125	86,135	298,260	323,193	(24,933)
- Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
3.0.3 Rural Transportation Partnerships							
- Expense	12,000	-	12,000	-	12,000	24,162	(12,162)
- Expense funded by Lotteries	50,000	-	50,000	-	50,000	50,000	-
3.0.4 Resource Road Program	16,000	-	16,000	12,000	28,000	22,080	5,920
3.0.5 Streets Improvement Program							
- Expense	6,700	-	6,700	8,300	15,000	12,177	2,823
- Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
3.0.6 Municipal Water Wastewater Program/Water for Life							
- Expense	88,300	-	88,300	75,860	164,160	186,057	(21,897)
- Expense funded by Lotteries	100,000	-	100,000	-	100,000	100,000	-
3.0.7 Green Transit Incentives Program (GreenTRIP)	10,000	-	10,000	(10,000)	-	-	-
3.0.8 Federal Public Transit Trust	6,400	-	6,400	15,140	21,540	20,404	1,136
3.0.9 Building Canada- Gas Tax Fund	190,800	-	190,800	-	190,800	190,387	413
3.0.10 Building Canada- Communities Component	66,000	69,900	135,900	(81,100)	54,800	34,128	20,672
3.0.11 Canada-Alberta Municipal Rural Infrastructure Fund	22,752	-	22,752	12,248	35,000	49,068	(14,068)
3.1.12 Infrastructure Canada-Alberta Program	500	-	500	-	500	-	500
Total Program 3	1,322,350	69,900	1,392,250	131,310	1,523,560	1,565,979	(42,419)
4 Other Programs And Services							
4.0.1 Capital for Emergent Projects							
- Expense	5,431	-	5,431	-	5,431	1,669	3,762
- Capital Investment	40,000	36,505	76,505	-	76,505	34,666	41,839
4.0.2 Program Services							
- Expense	29,411	136	29,547	250	29,797	33,324	(3,527)
- Equipment/Inventory Purchases	-	-	-	-	-	57	(57)
4.0.3 Water Management Infrastructure							
- Capital Investment	31,181	-	31,181	-	31,181	28,261	2,920
Total Program 4	106,023	36,641	142,664	250	142,914	97,977	44,937

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31

Schedule 5
(continued)

	(in thousands)						
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense	Unexpended (Over Expended)
5 Non-Cash Items							
5.0.1 Amortization of Capital Assets	337,072	-	337,072	(27,072)	310,000	295,123	14,877
5.0.2 Consumption of Inventories	25,000	-	25,000	-	25,000	34,347	(9,347)
5.0.3 Nominal Sum Disposals	25,000	-	25,000	(23,353)	1,647	1,289	358
Total Program 5	387,072	-	387,072	(50,425)	336,647	330,759	5,888
Credit or Recovery Shortfall (Schedule 2)							
Operating Expense		(31)	(31)		(31)	-	(31)
Capital Investment		(4,750)	(4,750)	-	(4,750)	-	(4,750)
Grand Total	\$ 3,764,984	\$ 398,003	\$ 4,162,987	\$ 73,827	\$ 4,236,814	\$ 3,795,420	\$ 441,394
Expense	\$ 1,971,784	\$ 70,005	\$ 2,041,789	\$ 73,827	\$ 2,115,616	\$ 2,092,982	\$ 22,634
Expense Funded by Lotteries	255,000	-	255,000	-	255,000	255,000	-
Debt Servicing Costs	20,913	-	20,913	-	20,913	20,913	-
	2,247,697	70,005	2,317,702	73,827	2,391,529	2,368,895	22,634
Equipment/Inventory Purchases	35,009	-	35,009	-	35,009	49,132	(14,123)
	2,282,706	70,005	2,352,711	73,827	2,426,538	2,418,027	8,511
Capital Investment	1,362,278	327,998	1,690,276	-	1,690,276	1,330,601	359,675
Capital Investment Funded by Lotteries	120,000	-	120,000	-	120,000	46,792	73,208
	1,482,278	327,998	1,810,276	-	1,810,276	1,377,393	432,883
	\$ 3,764,984	\$ 398,003	\$ 4,162,987	\$ 73,827	\$ 4,236,814	\$ 3,795,420	\$ 441,394
Statutory Expense							
Valuation Adjustments							
Provision for Doubtful Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ (4)
Provision for Vacation Pay	-	-	-	-	-	497	(497)
Provision for Future Site Remediation and Reclamation	-	-	-	-	-	(11,254)	11,254
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,753)	\$ 10,753
Statutory Capital Investment							
Alternatively Financed Projects	\$ 339,590	\$ -	\$ 339,590	\$ -	\$ 339,590	\$ 278,339	\$ 61,251
	\$ 339,590	\$ -	\$ 339,590	\$ -	\$ 339,590	\$ 278,339	\$ 61,251
Voted Non-Budgetary Disbursements							
Provincial Highway Systems and Safety							
2.0.7 Strategic Economic Corridor Investment Initiative	\$ 6,545	\$ -	\$ 6,545	\$ -	\$ 6,545	\$ 6,545	\$ -
	\$ 6,545	\$ -	\$ 6,545	\$ -	\$ 6,545	\$ 6,545	\$ -

(a) Adjustments include credit or recovery increases, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2008-09 unused appropriation, pursuant to the *Financial Administration Act*, section 28.1.

(b) Supplementary Estimates were approved on February 17, 2010. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31

Schedule 6

	2010			2009	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Deputy Minister ⁽⁴⁾	\$ 264,069	\$ -	\$ 38,771	\$ 302,840	\$ 332,282
Chair, Transportation Safety Board ⁽⁵⁾	141,053	-	4,665	145,718	183,295
Assistant Deputy Ministers					
Transportation Safety Services	182,146	-	44,097	226,243	241,187
Transportation and Civil Engineering ⁽⁶⁾	170,794	-	41,625	212,419	219,163
Policy and Corporate Services ⁽⁷⁾	171,259	-	40,998	212,257	215,543
Executive Directors					
Finance ⁽⁸⁾	151,545	-	36,808	188,353	204,552
Human Resources ⁽⁷⁾	151,545	-	36,808	188,353	203,096

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

Total salary and benefits related to a position are disclosed.

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits include vacation payouts, overtime, and lump sum payments. There were no bonuses paid in 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 and tuition fees.
- (4) Automobile provided, no dollar amount included in non-cash benefits figures.
- (5) The incumbent was appointed to this position in April 2009.
- (6) The incumbent was appointed to this position in February 2010.
- (7) The incumbent's services are shared with the Ministry of Infrastructure which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.
- (8) The incumbent's services are shared with the Ministry of Infrastructure from April 2009 to June 2009 which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.

MINISTRY OF TRANSPORTATION
 SCHEDULES TO FINANCIAL STATEMENTS
 RELATED PARTY TRANSACTIONS
 Year ended March 31
 (in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the 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, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

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

	Other Entities	
	2010	2009
	<u> </u>	<u> </u>
Revenues		
Lottery Fund	\$ 301,792	\$ 195,000
	<u> </u>	<u> </u>
Expenses - Directly Incurred		
Business and Technology Services	\$ 3,716	\$ 3,555
SUCH ⁽¹⁾ Sector Entities	1,119	161
Parking	5	5
Insurance	456	410
	<u> </u>	<u> </u>
	\$ 5,296	\$ 4,131
	<u> </u>	<u> </u>
Accounts Receivable	\$ 69,592	\$ -
	<u> </u>	<u> </u>
Accounts Payable	\$ 1,206	\$ 410
	<u> </u>	<u> </u>
Net Tangible Assets Transferred	\$ 15,264	\$ 8,376
	<u> </u>	<u> </u>

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

	Other Entities	
	2010	2009
	<u> </u>	<u> </u>
Revenue		
Road/Bridge Maintenance	\$ 7,180	\$ 7,768
	<u> </u>	<u> </u>
Expenses - Incurred by Others (Schedule 8)		
Accommodation	\$ 7,704	\$ 7,541
Air Transportation/Executive Vehicles	56	85
Business Services	9,736	9,690
Internal Audit	-	30
Legal Services	994	1,115
	<u> </u>	<u> </u>
	\$ 18,490	\$ 18,461
	<u> </u>	<u> </u>

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

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31
(in thousands)

Schedule 8

Program	2010							2009	
	Expenses ⁽¹⁾	Expenses - Incurred by Others			Valuation Adjustments ⁽⁵⁾			Expenses	Expenses
		Accommodation Costs ⁽²⁾	Business Services ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Future Site Remediation and Reclamation		
Ministry Support Services	\$ 26,435	\$ 978	\$ 9,792	\$ 45	\$ 76	\$ -	\$ -	\$ 37,326	\$ 35,600
Provincial Highway Systems and Safety	389,816	2,749	-	949	114	4	(11,254)	382,378	486,349
Municipal Support Programs	1,565,979	8	-	-	8	-	-	1,565,995	1,395,275
Other Programs and Services	34,993	3,969	-	-	299	-	-	39,261	43,859
Non-Cash Items	330,759	-	-	-	-	-	-	330,759	303,489
Debt Servicing Costs	20,913	-	-	-	-	-	-	20,913	18,211
	<u>\$ 2,368,895</u>	<u>\$ 7,704</u>	<u>\$ 9,792</u>	<u>\$ 994</u>	<u>\$ 497</u>	<u>\$ 4</u>	<u>\$ (11,254)</u>	<u>\$ 2,376,632</u>	<u>\$ 2,282,783</u>

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by number of employees in program.

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

(4) Cost shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

(5) Valuation Adjustments as per Statement of Operations. Employee Benefits, Doubtful Accounts and Future Site Remediation and Reclamation provision included in Valuation Adjustments were allocated as follows:

- Vacation Pay - allocated to the program by employee.
- Doubtful Accounts Provision - estimated allocation to program.
- Future site remediation and reclamation - allocated to program.