



Freedom To Create. Spirit To Achieve.

Transportation

Annual Report

2010-2011

Government of Alberta ■

CONTENTS

2	Preface
3	Minister's Accountability Statement
4	Message from the Minister
6	Management's Responsibility for Reporting

Results Analysis

9	Ministry Overview
10	Organizational Overview
12	Performance Measures Summary Table
13	Developing and Preserving the Provincial Highway Network
18	Managing Provincial Transportation Safety
22	Developing Partnerships to Support Alberta's Interests in an Integrated Transportation System
24	Supporting Provincial and Municipal Water Management Systems
26	Ministry Expense by Function
27	Ministry Expense by Core Business

Financial Information

31	Table of Contents
32	Auditor's Report
33	Financial Statements

Other Information

61	Appendix A - Performance Measures Methodology
----	---

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 24 Ministries.

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

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

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2011, was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at June 13, 2011 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Luke Ouellette
Minister of Transportation

Message from the Minister



Alberta Transportation is committed to providing Albertans with a safe, innovative and sustainable provincial transportation system – now and for the future.

Roads are essential to the system and they are the backbone of Alberta's economy and fundamental to our quality of life. They connect us to our families, friends and communities, link producers and businesses to global markets and bring visitors from all over.

As Minister of Transportation, I am proud of the Ministry's accomplishments on behalf of Albertans, and 2010-11 was a banner year for us.

Connecting Albertans

Investing in infrastructure is critical for Alberta's future growth, and the province continued to invest in Alberta's transportation system to keep the economy moving, keep Albertans working and support our communities.

The Ministry maintained its focus on highway paving and bridge repair, paving and widening more than 1,370 kilometres of roads. This helped expand strategic economic corridors and strengthen the vital links between Alberta's communities.

We made considerable progress on Calgary's ring road and work began on Stoney Trail southeast. Construction also continued on Edmonton's ring road, with significant development of the northwest segment of Anthony Henday Drive. These projects reduce congestion, foster the safe and efficient movement of people and goods, and better connect Albertans.

The Ministry continued to develop access routes and intermodal trade corridors to enhance Alberta's access to the Asia-Pacific market. We worked toward completing the design work for the construction of the QEII / 41 Avenue SW interchange in Edmonton. When the interchange is built, it will improve road connections to Canadian Pacific's new intermodal terminal.

Saving lives

The Ministry worked diligently to reduce the injuries and fatalities on Alberta's roads. The Ministry began development of Alberta Traffic Safety Plan 2011-2015, which includes strategies based on an internationally recognized "safer systems approach" to make Alberta's roads safer for all users.

Continuing this focus on traffic safety, the Ministry kept working on the Traffic Safety Amendment Act to support Alberta's new distracted driving legislation, which will come into force in 2011. It restricts the use of hand-held cell phones, texting, reading, writing and personal grooming while operating a motor vehicle. Transportation also continued to improve highway safety through intelligent transportation systems technology. We introduced the performance-based brake testers system, which enables our transport officers to conduct extensive brake inspections on commercial vehicles.

Enhancing Albertans' quality of life

To make public transit more accessible and better connect our communities, the Ministry launched the \$2 billion Green Transit Incentives Program (GreenTRIP). Part of Alberta's climate change action plan, this program is aimed at helping reduce congestion and the number of vehicles on roads, thereby reducing GHG emissions. GreenTRIP supports innovative transit projects throughout Alberta.

To further support communities, Transportation provided more than \$1 billion in funding to municipalities for infrastructure projects through a number of grant programs. Local governments may use this funding for projects including roads, bridges, public transit, and water and wastewater services.

Also, the Ministry continued to rehabilitate the Carseland/Bow River Headworks system, now 88 per cent complete. This will provide a reliable irrigation water supply to more than 2.3 million acres of farmland as well as water for towns, industry, recreation and wildlife within the Bow River Irrigation District.

These are just a few of the initiatives that Alberta Transportation accomplished on behalf of Albertans in 2010-11 – in support of safe and strong communities and government's goal of having some of the most advanced infrastructure in North America. We will continue to ensure that future generations have a well-designed, safe and sustainable transportation system, and take every measure to improve traffic safety on Alberta's roads.

Luke Ouellette
Minister of Transportation

Management's Responsibility for Reporting

The Ministry of Transportation includes the Department of Transportation, and the Transportation Safety Board.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Transportation. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

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

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

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

Gary G. Boddez
Deputy Minister of Transportation
June 13, 2011

RESULTS ANALYSIS

Ministry Overview

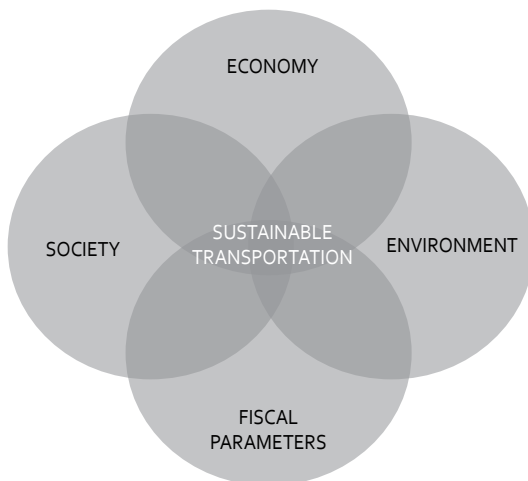
Our Mandate

The Ministry of Transportation consists of the Department of Transportation and the Transportation Safety Board. The Department of Transportation:

- Leads the planning, construction and preservation of our provincial highway network to connect Alberta's communities, and to support the province's economic and social growth;
- Leads the Alberta Traffic Safety Plan and transportation safety services to reduce collisions and promote safe driving, vehicles, and roads;
- Manages provincial and federal grant programs to help municipalities develop and preserve their transportation systems and other priority infrastructure for Albertans;
- Designs, constructs and maintains Alberta's water management infrastructure on behalf of Environment; and
- Promotes Alberta's interests in a safe, sustainable road-rail-air-port transportation system at all levels of government, national and international trade agreements, and regulatory harmonization.

Transportation for Albertans

Moving people, goods, and information to support the economy, society and environment.



The Ministry plans, develops, and preserves a safe, affordable and sustainable transportation system that supports Alberta's:

Economy: connects Albertans to world wide markets, and enables investment, business, industry, agriculture, tourism and job creation;

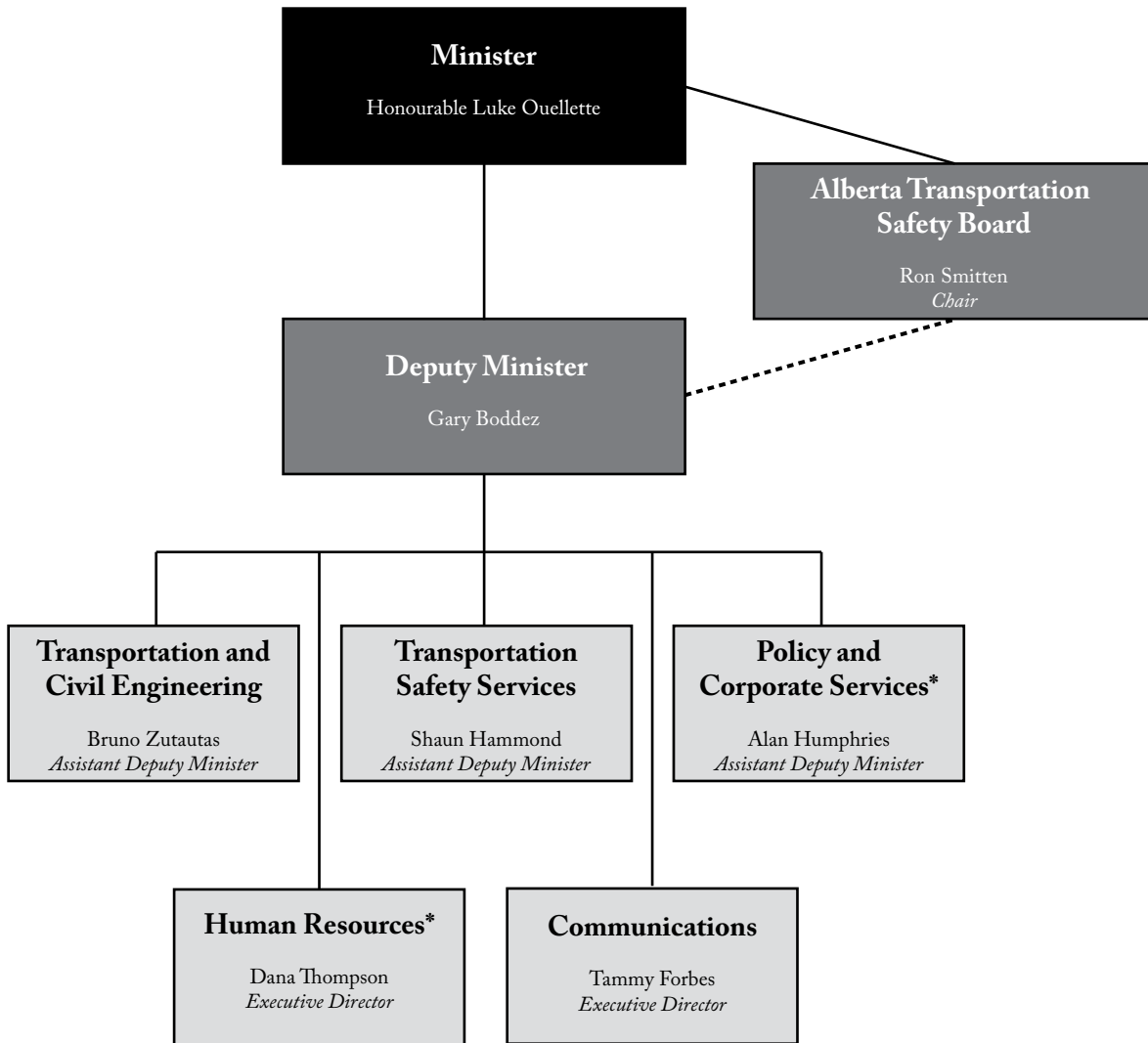
Society: connects Albertans to their families, friends, work, schools, health care, recreation and communities across the province;

Environment: supports quality of life in our communities by minimizing its impact on our land, water and air; and

Fiscal Parameters: must be world-class, and at the same time, affordable to the public and government.

Organizational Overview

Ministry of Transportation Organization as of March 31, 2011



*Policy and Corporate Services and Human Resources are shared services with the Ministry of Infrastructure

Transportation and Civil Engineering

ADM Bruno Zutaugas

Provides executive support to the offices of the Deputy Minister and Minister. Responsible for the planning, programming and delivery of provincial highway construction and rehabilitation projects, as well as numerous special projects. This includes the long-term Strategic Plan for Alberta Transportation and support of water and wastewater projects.

Transportation Safety Services

ADM Shaun Hammond

Provides executive support to the offices of the Deputy Minister and Minister. Responsible for developing, planning, and delivery of transportation safety programs and implementation of the Alberta Traffic Safety Plan.

Policy and Corporate Services

ADM Alan Humphries

Provides executive support including shared Strategic Policy and Business Planning, Legislative Planning and FOIP, Finance, and Information Management to the Ministries of Infrastructure and Transportation.

Communications

Director Tammy Forbes

Provides strategic communications planning and consultation for the offices of the Minister, Deputy Minister and the department.

Human Resources

Executive Director Dana Thompson

Provides human resources support for the departments of Infrastructure and Transportation, the associated offices of the Minister, Deputy Minister, and provides human resource services to the Alberta Transportation Safety Board.

Alberta Transportation Safety Board

Chair Ron Smitten

Conducts independent appeals of driver, vehicle, and safety decisions in accordance with the principles of natural justice. These include appeals of decisions of the Registrar of Motor Vehicle Services and appeals under the Railway (Alberta) Act. Also conducts hearings relating to driver attitude and behaviours that affect public safety.

2010-11 Performance Measures Summary Table

Core Businesses/Goals/Measure (s)	Prior years' Results			Target	Actual 2010-11	
	2007-08	2008-09	2009-10			
Goal 1: Alberta's provincial highway network connects communities and supports social and economic growth.						
Measure 1.a: Physical Condition of Provincial Highways. *	Good	59.0%	58.6%	58.1%	58.0%	58.4%
	Fair	25.9%	26.3%	26.8%	26.0%	26.7%
	Poor	15.1%	15.1%	15.1%	16.0%	14.9%
Measure 1.b: Functional Adequacy of Highways: Percentage of provincial highways that meet current engineering standards.		81.1%	82.2%	83.9%	80.0%	84.2%
Measure 1.c: Construction Progress on the North-South Trade Corridor: Percentage of four-laning open to travel.		90.4%	90.4%	91.1%	92.0%	92.2%
Measure 1.d: Ring Roads in Edmonton and Calgary: Percentage of ring roads open to travel.		36.4%	38.0%	58.5%	56.0%	58.5%
Goal 2: Alberta has the safest and most efficient road and rail system in Canada.						
Measure 2.a: Seat Belt Usage: Percentage of vehicle occupants wearing seat belts - Alberta. ***		88.9%	N/A	92.9%	95.0%	92.0%
Measure 2.b: Involvement of Drinking Drivers in Casualty Collisions:						
	i. Percentage of drivers involved in injury collisions who had consumed alcohol.	4.9%	5.3%	5.0%	4.4%	4.7%
	ii. Percentage of drivers involved in fatality collisions who had consumed alcohol.	22.3%	22.5%	21.1%	18.5%	21.8%
Measure 2.c: Mechanical Safety of Commercial Vehicles: Percentage of inspected vehicles requiring on-site adjustments.		23.2%	28.6%	23.2%	21.5%	21.2%
Goal 3: Alberta's policy and program interests in an integrated road, air, rail, and port transportation system are well represented.						
Measure 3.a: Client Satisfaction Survey: Percentage of municipal clients satisfied with overall quality of service.		96.0%	N/A**	95.0%	N/A**	N/A**
Goal 4: Alberta has safe and effective provincial and municipal water management infrastructure.						
Measure 4.a: Progress on Completion of Major Water Management Construction Projects: Percentage of Carseland/Bow River Rehabilitation completed.		73.0%	80.0%	84.0%	90.0%	88.0%

* This measure is also included in Measuring Up 2010-11 under goal 10. Data for this measure for years 2009-10 and 2010-11 was audited by the Auditor General as indicated in the Measuring Up Auditors' Report.

** Client Satisfaction survey is completed every two years.

*** Transport Canada did not conduct a seat belt usage survey in 2008-09 and 2010-11.

Discussion and Analysis of Results

Developing and Preserving the Provincial Highway Network

Goal 1: Alberta's provincial highway network connects communities and supports social and economic growth

Over the past year, the Ministry met the challenge of improving and maintaining the provincial highway network essential to the strength and future of the province, and met its target for doing so. The Ministry worked hard to ensure Albertans were connected both within the province and to the outside world and sought out smart investments to capitalize on the lower construction costs.

Preserved Alberta's Transportation Infrastructure while Supporting Responsible Growth

The Ministry continued to adopt innovative, cost-effective approaches to preserve the provincial transportation infrastructure. Examples include using the first fixed anti-icing spray technology (FAST) installation in Alberta on Anthony Henday Drive, the use of in-place recycling technologies to address the challenge of rehabilitating narrow roadways and the major costs associated with any widening, and 3R/4R Geometric Design Guidelines. These guidelines were used to assess the standards on existing paved roads and ultimately to extend the service life of and capital costs of existing infrastructure.

In addition, the Ministry also continued to plan and manage responsible growth with its partners to support the future needs of Albertans. It supported the Government of Alberta's Land-Use Framework to integrate transportation with land use and development by participating in the Lower Athabasca and South Saskatchewan Regional Planning initiatives, the Athabasca Comprehensive Regional Infrastructure Sustainability Plan project, and the review of the Crown Land releasing process for the Regional Municipality of Wood Buffalo. The Ministry also examined the future highway network needs for northeast Alberta and the Alberta Industrial Heartland area east of the City of Fort Saskatchewan.

Connected People and Communities in Alberta

The Ministry invested in major capital projects that improved the provincial transportation network throughout the province:

- It paved over 1,370 kilometres of highway to support strategic economic corridors and maintain the vital links between our communities. Highlights included the repaving of Highway 1 through Medicine Hat, Highway 27 from Sundre to Highway 2, Highway 2 near Bowden, Highway 16 near Entwistle and Highway 36 near Killam.
- It continued construction of the Athabasca River Bridge, interchanges at Thickwood and Confederation Way in Fort McMurray, Highway 9 near Beiseker, Highway 40 near Muskeg Cabins, and the twinning of Highway 43 near Wembley.

The Ministry also continued to plan, design and construct ring roads in both Calgary and Edmonton to reduce congestion, improve travel time, and provide vital transportation links to the urban centres:

- In Calgary, construction was completed on interchanges in northwest Stoney Trail at Deerfoot Trail, Shaganappi Trail and Harvest Hills Boulevard, while design and construction commenced on the southeast segment of Stoney Trail.
- In Edmonton, construction continued on interchanges in southwest Anthony Henday Drive at Lessard Road, Callingwood Road, Rabbit Hill Road, Cameron Heights and Stony Plain Road, and the northwest segment of Anthony Henday Drive. Additionally, the Ministry continued with planning and preliminary engineering work on the northeast segment of Anthony Henday Drive.

- The Ministry has been using public-private partnerships (PPPs) in constructing the ring roads as a cost effective method to provide transportation links that are vital to the quality of life and prosperity of Albertans.

Supported Alberta's Competitiveness by Connecting Alberta to Global Markets

Over the past year, the Province continued to invest in intermodal trade corridors and routes to better connect Alberta to the United States and other world markets, including the North-South Trade Corridor, Port-to-Plains Corridor and the Asia-Pacific Gateway and Corridor Initiative. Over 92 per cent of the twinning on the North-South Trade Corridor was completed to enable the safe transport of people and goods to national and international destinations from Anchorage, Alaska to Mexico City and from Grande Prairie west to B.C.

The Province also continued to support the Ports-to-Plains Corridor Alliance, where Alberta representatives met with the Head of Homeland Security last year to discuss border issues relating to this strategic initiative. Through the Asia-Pacific Gateway and Corridor Initiative, the Ministry continued working on the 41 Avenue S.W. Interchange contribution agreement in Edmonton which will improve Alberta's access to the burgeoning Asia-Pacific market by providing a connection to the Canadian Pacific intermodal terminal in south Edmonton.

Measure 1.a - *Physical Condition of Provincial Highways*

Description

This measure represents the percentage of the paved highway network that is in good, fair, or poor condition. The International Roughness Index (IRI) used to measure the roughness of roads and to categorize overall physical condition. The segments in poor and fair conditions are those that require attention now or in the near future.

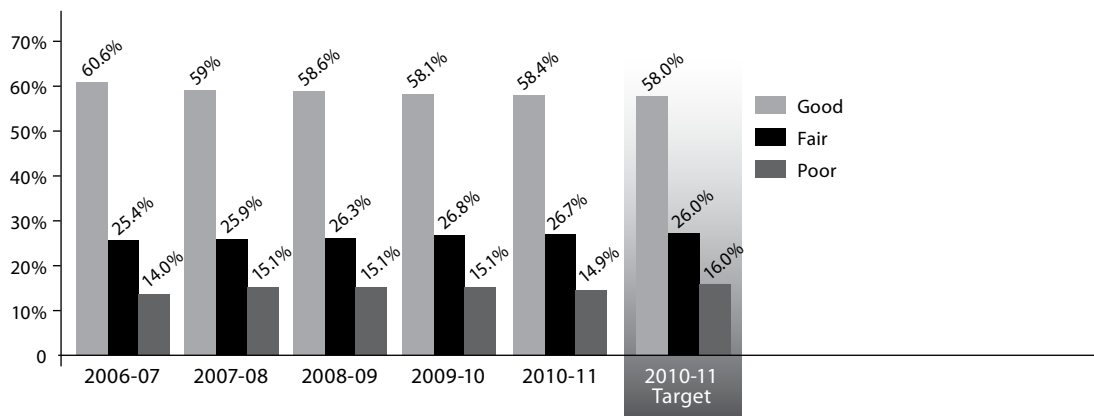
Rationale

The measure is used to sustain the quality of Alberta's paved highway network, and support the safe and efficient movement of commuter, business, commercial, and leisure traffic.

Results

In 2010-11, 58.4 per cent of the paved highways were in good condition compared to the target of 58 per cent; 26.7 per cent of the paved highways were in fair condition compared to the target of 26.0 per cent; 14.9 per cent of the paved highways were in poor condition compared to the target of 16.0 per cent. The Ministry met its targets for preserving and rehabilitating the percentage of highways in fair and poor condition. Pavement maintenance work, like patching, is a temporary or band aid treatment which affects the deterioration rate of the pavement. However, the overall highway network is continuing to age and deteriorate and will require additional funding to address the backlog of highway sections that are slipping into poor condition.

Physical Condition of Provincial Highways



Measure 1.b - Functional Adequacy of Provincial Highways

Description

This measures the percentage of provincial highways that meet target criteria for functional adequacy. A provincial highway is functionally adequate if the roadway meets acceptable width standards, has horizontal curves that allow normal travel speeds, has a paved surface where required, is free of road bans, and is paved as planned.

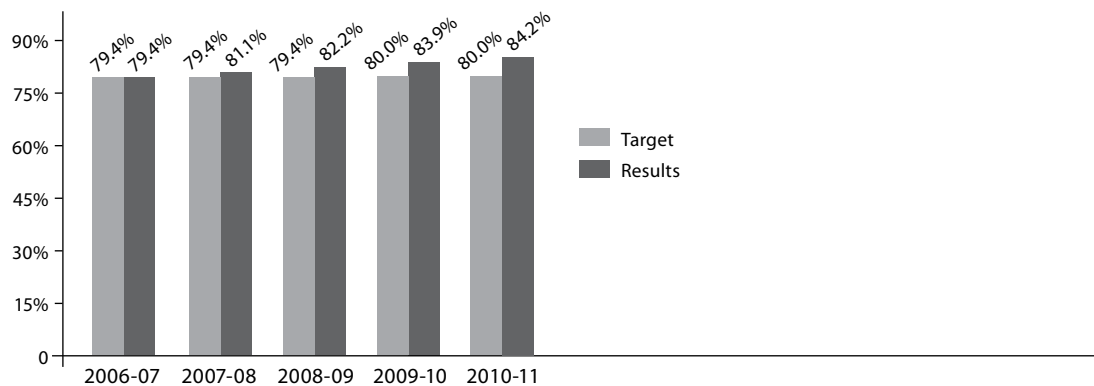
Rationale

The measure was established to ensure that the existing highway network is upgraded where necessary to meet standards and support traffic safety.

Results

The Ministry exceeded its target for maintaining the functional adequacy of provincial highways. 84.2 per cent of the provincial highways were deemed functionally adequate and continued to build upon the positive upward trend.

Percentage of Provincial Highways Functionally Adequate



Measure 1.c - Construction Progress on the North-South Trade Corridor

Description

This measure represents the percentage of the North-South Trade Corridor (urban and rural) twinned and open to travel. The Corridor forms part of the CANada/AMerica/MEXico (CANAMEX) Corridor, which stretches from Anchorage, Alaska to Mexico City. It consists of approximately 1,170 kilometres of highway, of which nearly 100 kilometres are within various city limits.

Rationale

The goals of the CANAMEX Corridor are to improve the north-south flow of goods and people, increase transport productivity, promote a seamless and efficient inter-modal transport system, and reduce transport, administrative and enforcement costs. Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-United States border at Coutts.

Results

With the completion of the Highway 43 twinning from Highway 723 to Highway 724 in 2010, Alberta Transportation has completed twinning 92.2 per cent of the North-South Trade Corridor and exceeded the 2010-11 target of 92.0 per cent.

Percentage of Four-laning Open to Travel



Measure 1.d - Ring Roads in Edmonton and Calgary

Description

This measure represents the percentage of ring roads in Edmonton and Calgary open to multi-lane travel. The total corridor length when completed will be approximately 99 kilometres around Calgary and 80 kilometres around Edmonton.

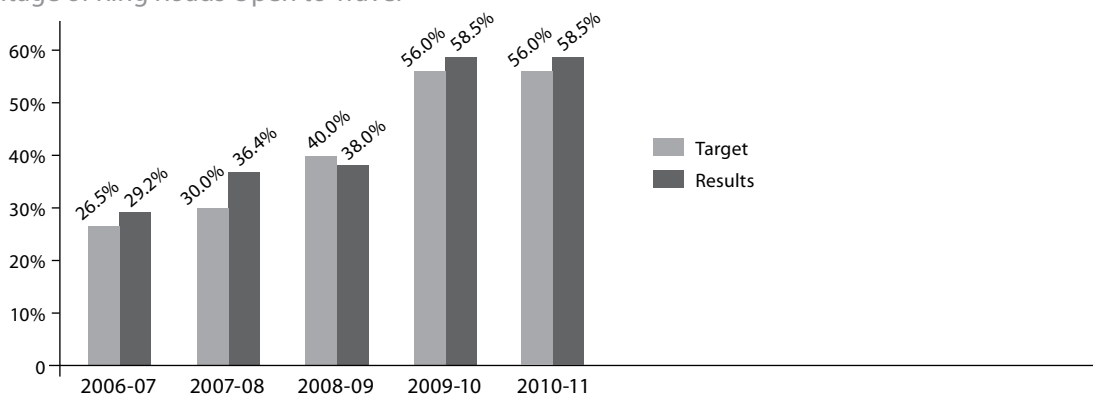
Rationale

The development of ring roads around Alberta's two major metropolitan areas is of paramount importance to the economic development of the provinces. Besides accommodating traffic growth in Edmonton and Calgary, the ring roads enable the efficient movement of goods and people into and out of the two metropolitan areas and their surrounding regions.

Results

The Ministry continued to not only meet but also exceed its target of 56.0 per cent achieving 58.5 per cent. In 2010, the construction of Northwest Anthony Henday Drive from Highway 16 West to Manning Drive is on schedule and it is anticipated that it will be completed by 2011.

Percentage of Ring Roads Open to Travel



Managing Provincial Transportation Safety

Goal 2: Alberta has the safest road and rail system in Canada

Safety is a cornerstone of Alberta's transportation system. Over the past year, the Ministry worked hard to promote safe drivers, vehicles, and roads, in making Alberta's roads among the safest in Canada.

The Alberta Traffic Safety Plan Helped Save Lives

To make Alberta's roads safer for all Albertans, the Ministry began work on developing the next Alberta Traffic Safety Action Plan 2011–2015. This plan will include strategies based on the internationally recognized safer-systems approach. Meanwhile, the Province continued to implement the Alberta Traffic Safety Plan, the Community Mobilization Strategy and the Aboriginal Traffic Safety Strategy to better facilitate community-led traffic safety initiatives within Alberta's communities to make Alberta's roads even safer.

The Province continued working on legislation, regulations and policies to support provincial traffic safety programs such as the Traffic Safety (Distracted Driving) Amendment Act. This new legislation encompasses all types of distractions, expecting drivers to keep their focus on driving while operating a motor vehicle.

Furthermore, the Dangerous Goods Transportation and Handling Act was updated to harmonize Alberta's policies with its neighbours, facilitating a safer environment for Albertans and leading to the greater ease of movement of goods across borders.

Alberta, along with other Canadian jurisdictions, has been working on developing the Canadian Driver License Agreement. This would eliminate the current Canadian Driver License Compact and other bilateral agreements among the Canadian jurisdictions and will harmonize practices and standards.

Improved Commercial Vehicle Safety

This past year, the Ministry continued to pursue new initiatives to enhance the safety of commercial drivers and vehicles on Alberta's highways such as the Commercial Driver Abstract. This will greatly assist carriers in the hiring of drivers and the monitoring of their performance by reducing the time and effort required to compile information from different sources. The Ministry also continued to work on a Fatigue Management Program.

Intelligent Transportation Systems continued to play an important role in improving highway safety. The Performance-Based Brake Testers system enabled Transport Officers to conduct extensive inspections of brakes on commercial vehicles.

Promoted Safer Drivers

The Ministry worked towards enhancing school bus safety for students across the province by completing the 10 recommendations from the government's report: Ensuring the Safety of our Children: a Report of School Bus Safety in Alberta. Ensuring bus drivers have the proper training is a key element of the report. As of September 2010, an "S" endorsement training has become mandatory and drivers are required to have an "S" endorsement once a driver has operated a school bus for one year.

Building on the success of the Graduated Driver Licensing Program, the Ministry continued to review and assess improvements to the program to address the needs of teen drivers and new Canadians.

Likewise, the Province explored new approaches to address new and emerging types of vehicles, including requirements for Off-Highway Vehicles (OHVs) to support the safety of all travelers. Pilot programs were conducted around the province in conjunction with other jurisdictions in Canada surrounding Low-Speed Vehicles, and Segways. The Ministry continued to educate the public regarding the operation of OHVs through Regional Traffic Safety Coordinators, who work with communities and local organizations to increase awareness about OHV.

Measure 2.a - Seat Belt Usage

Description

This measure reflects the percentage of seat belt use for light duty vehicles in the province.

Rationale

The Ministry continually promotes the use of seat belts as one of its many strategies to improve safety in Alberta. By tracking seat belt usage, compliance rates can be identified and further analyzed to determine methods of improvement.

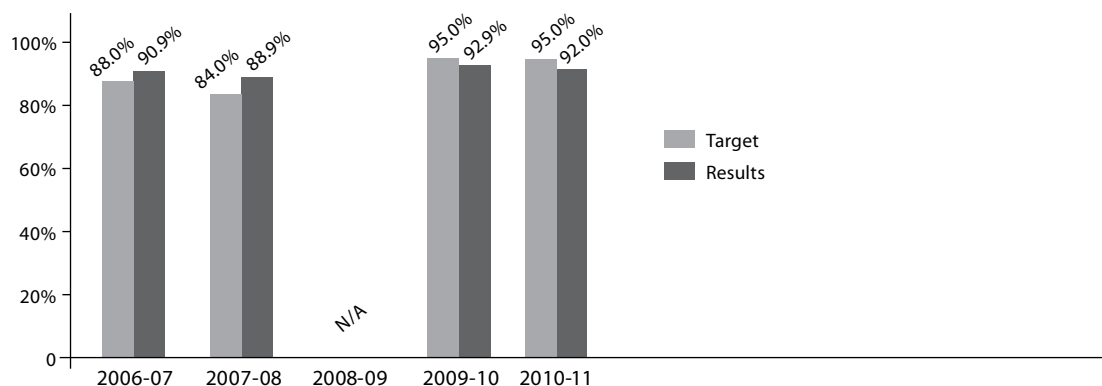
Results

The combined urban and rural seat belt wearing rate in 2010-11 for all vehicle occupants was 92.0 per cent. While this represents a slight decrease of 0.9 per cent from 2009, the trend represents an increase of 3.1 percentage points from the combined 2006 rural and 2007 urban survey results of 88.9 per cent.

At 92.3 per cent, the 2010 urban seat belt wearing rate is down slightly from the 2009 rate at 93.3 per cent. At 90.4 per cent, the Alberta rural seat belt wearing rate is up from the last rural survey results of 86.4 per cent in 2006.

While usage rates have increased, they remain below the target because some drivers and passengers may still believe that seat belt wearing does not impact safety and therefore continue to ride unbelted. Subsequently, the Ministry has undertaken a number of initiatives to increase awareness and education about traffic safety, including the Traffic Safety Calendar that helps coordinate efforts to address traffic safety issues, Alberta Occupant Restraint Program (AORP) activities, and increased community mobilization enforcement.

Percentage of Vehicle Occupants Wearing Seat Belts – Alberta (Rural and Urban)



Measure 2.b - Drinking Drivers in Casualty Collisions

Description

Represents the percentage of vehicle operators involved in casualty collisions, fatal and injury, who were judged to have consumed alcohol before the collision.

Measure 2.b.i - Represents the percentage of drivers in injury collisions who had consumed alcohol.

Measure 2.b.ii - Represents the percentage of drivers in fatal collisions who had consumed alcohol.

Rationale

In its continued effort to educate drivers about the dangers of drinking and driving, the Ministry monitors the percentage of drivers involved in injury and fatal collisions who had consumed alcohol prior to the collisions.

Results

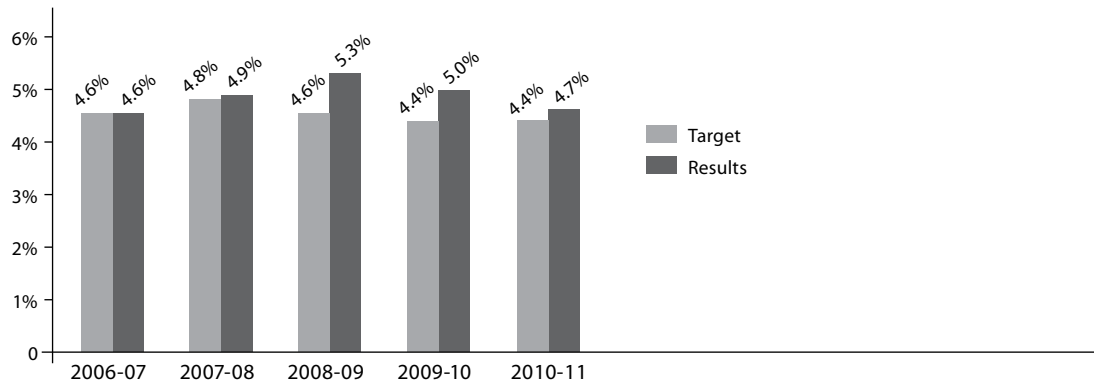
Measure 2.b.i

In 2010-11, there were a total of 19,551 drivers involved in injury collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 4.7 per cent of drivers who were involved in injury collisions were judged to have consumed alcohol prior to the collision. While this is above the target of 4.4 per cent, this year saw a decrease of 0.3 per cent over the last year's results.

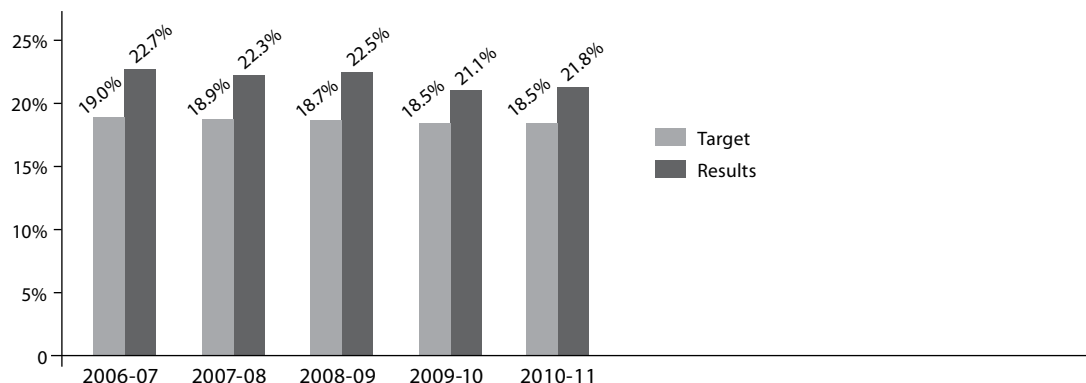
Measure 2.b.ii

In 2010-11, there were a total of 412 drivers involved in fatal collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 21.8 per cent of drivers who were involved in fatal collisions were judged to have consumed alcohol prior to the collision, a slight increase from last year's results of 21.1 per cent. While this is above the target of 18.5 per cent, the results continue the general decreasing trend.

Percentage of Drivers Involved in Injury Collisions Who Had Consumed Alcohol



Percentage of Drivers Involved in Fatal Collisions Who Had Consumed Alcohol



Measure 2.c - Mechanical Safety of Commercial Vehicles

Description

This measure represents the percentage of a random sample of commercial vehicles that have been rendered out-of-service when inspected at roadside checks by Ministry staff.

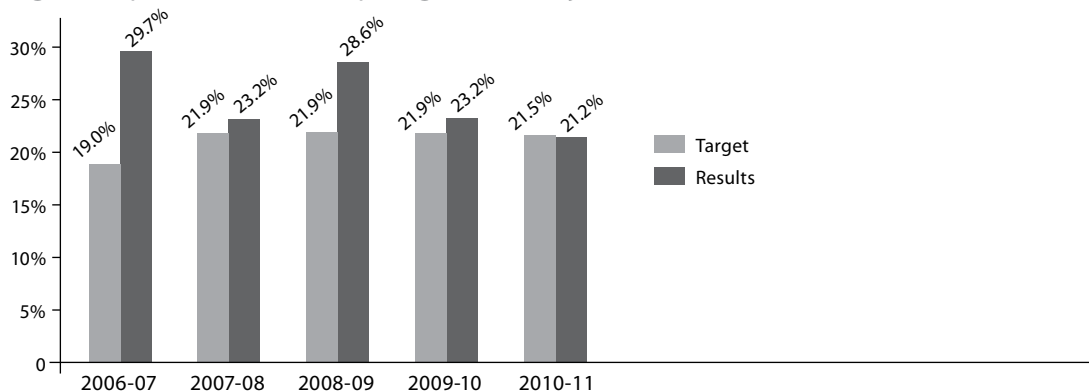
Rationale

Government must continually improve its monitoring of commercial vehicle traffic to promote the safe driving of and mechanical safety of commercial vehicles to maintain high standards of safety on Alberta's roads and the highway infrastructure. Growing inter-provincial and international trade, combined with the need for quick and efficient transport, has led to a significant increase in the number of trucks on Alberta's highways. Therefore, Alberta Transportation continues to work with the commercial carrier industry to assess and enhance commercial safety on Alberta's highways through ongoing education, inspection, and enforcement programs.

Results

The Ministry's education, inspection and enforcement efforts are promoting the safety of commercial vehicles, travellers, and the highway infrastructure. The percentage of inspected vehicles that were rendered out-of-service at roadside inspections because of mechanical issues decreased by 2 per cent compared to 2009-10 surpassing the target of 21.2 per cent.

Percentage of Inspected Vehicles Requiring On-site Adjustments



Developing Partnerships to Support Alberta's Interests in an Integrated Transportation System

Goal 3: Alberta policy and program interests in an integrated road-air-rail-port transportation system are well represented.

An effective and efficient transportation system is one that connects Albertans both locally and internationally. The Ministry has worked hard to expand Alberta's road-rail-air-port transportation system to keep Albertans on the move and the economy growing.

Expanded Strategic Transportation Infrastructure to Support Growth

With exports accounting for two thirds of Alberta's Gross Domestic Product, ensuring that Alberta maintains its infrastructural capacity is fundamental. Recognizing this, the Ministry worked with provinces and territories to complete the Western Canada Transportation Infrastructure Strategy which was endorsed by all Ministers of Transportation in the western provinces and territories. This strategy defines strategic transportation networks in western Canada, identifies investment needs, recommends high-level policy priorities, and facilitates discussions with the federal government for federal investment in transportation infrastructure.

Similarly, the Ministry has continued work under the Asia-Pacific Gateway and Corridor Initiative. Several initiatives were pursued with expanding capacity of the port, rail and road infrastructure as a top priority to capitalize on emerging economic opportunities in Asia.

The Province continued to support its 20 Year Strategic Plan for the sustainable development of Alberta's oil sands. A Highway Network Plan for North-East Alberta was completed and work continued on the development of the Lower Athabasca Plan of the Land-Use Framework. The Ministry provided support to the Oil Sands Secretariat for the development of the Athabasca Comprehensive Regional Infrastructure Sustainability Plan. The Ministry also began work on the long-term Strategic Plan for Alberta Transportation.

Promoted a Multimodal System

Over the past year, the Ministry worked to expand Alberta's multi-modal transportation capacity to enhance economic growth and Albertans' quality of life. The Ministry continued work on developing an overarching bus policy for all of Alberta to improve transportation options for rural and urban communities. In addition, the Ministry continued to work with British Columbia and Saskatchewan to create air service agreements that promote trade, tourism, and job creation.

The Province announced the Green Transit Incentives Program (GreenTRIP) open for applications which is part of the government's climate change action plan that will help to reduce congestion and decrease the number of vehicles on roads thereby reducing greenhouse gas emissions and Alberta's carbon footprint.

Provided Leadership in Promoting Regional Transit

Understanding that an efficient transportation system does not stop at city limits, the Province worked with its municipal counter-parts to ensure consistency across Alberta. In 2010-11, the Ministry successfully negotiated and implemented several federal Building Canada Fund contribution agreements which provided joint federal and provincial funding for provincial and municipal infrastructure projects. Some key projects include

- the construction of interchanges on the southwest leg of the Anthony Henday Drive in Edmonton; and
- the construction of the southeast section of Stoney Trail in Calgary.

These funding programs not only assisted municipalities to improve municipal infrastructure and meet local needs, but also created jobs and stimulated the economy.

Measure 3.a - Client Satisfaction Survey - Municipal Quality of Services

Description

The measure represents the percentage of municipal partners satisfied with the overall quality of services provided by the Ministry in the administration of grant programs. Respondents rate their satisfaction with the overall quality of services received on a scale of 1 to 6 (1 being very unsatisfied and 6 being very satisfied). Results include all those clients who indicated they were “somewhat satisfied”, “satisfied”, or “very satisfied”. The survey is administered every two years to allow the Ministry sufficient time to develop and implement strategies that address survey findings.

Rationale

Alberta Transportation is committed to service excellence and strives to foster an environment where partners consistently experience positive outcomes when interacting with the Ministry. Results of the survey allow the Ministry to continually improve its services to municipalities.

Results

Municipal client satisfaction in 2009-10 was 95 per cent, which met the target. Although satisfaction decreased by 1 per cent from 2007, the marginal decrease can mostly likely be attributed to statistical variance.

Performance Measure	Prior years' Results			Target	Actual 2010-11
	2007-08	2008-09	2009-10		
3.a: Client Satisfaction Survey: Percentage of municipal clients satisfied with overall quality of service	96.0%	N/A	95.0%	N/A	N/A

Source: 2007-08 and 2009-10 client satisfaction surveys. The Client satisfaction survey is completed every two years.

Supporting Provincial and Municipal Water Management Systems

Goal 4: Alberta has safe and effective provincial and municipal water management infrastructure

On behalf of Alberta Environment, the Ministry collaborated with partners to manage the design, construction and maintenance of the province's water management infrastructure to ensure Albertans have a safe supply of water for domestic, agriculture, industrial and recreational uses.

Ensured a Clean and Safe Water Supply

The Ministry continued to work with Environment and northern Alberta rural municipalities under the Northern Alberta Erosion Control Program. The completion of the Northern Alberta Erosion Control program projects benefit Albertans by preventing erosion and improving the water quality of downstream rivers and lakes while allowing land in flat areas that have had flooding problems in the past to be productively farmed. Highlights include:

- The construction of the first phase of the Ksituan Drainage Project was completed in Saddle Hills Country; and
- 95 per cent of the design of the Gordey Drainage project in the Municipal District of Greenview was completed.

Improved provincial water management

Over the past year, the Ministry continued to rehabilitate the Carseland Bow River Headworks which is now 88 per cent complete. Rehabilitation of the Carseland Bow River system will ensure safe and reliable irrigation water supply to 236,850 acres of farmland and water for industry/recreation/wildlife and towns within the Bow River Irrigation District.

The Ministry assisted municipalities with water supply, water treatment and wastewater treatment and disposal facilities by providing over \$110 million in funding. Grants were provided through the Alberta Municipal Water/Wastewater Partnership and the Water for Life programs. Similarly, work continued on the water supply and sewer infrastructure that serves the Parsons Creek and Saline Creek developments in Fort McMurray to continue contributing to the needed housing and community development plans for the developments in the Fort McMurray area.

The Ministry also oversaw the effective, timely and economical implementation of environmental components of the Travers Reservoir and Little Bow Reservoir Rehabilitation project.

Measure 4.a - *Progress on Completion of Major Water Management Infrastructure Projects.*

Description

This measure represents construction progress on major water management projects. Related activities that precede the construction phase, such as project design and land acquisition, are not reflected in the measure.

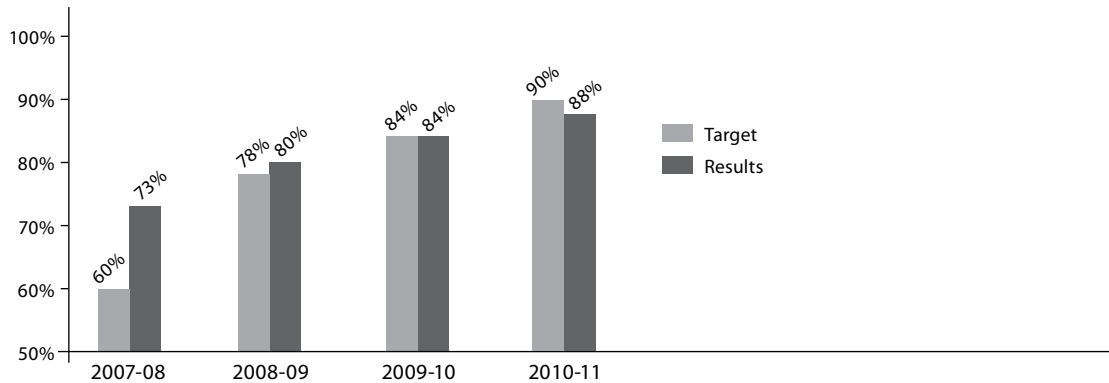
Rationale

Alberta Transportation works with Alberta Environment to provide quality water management facilities and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes. Work includes building dams, reservoirs, and canals, in addition to the construction of flood management and erosion control measures. By measuring construction progress on major water management projects, the Ministry is able to monitor its success in completing projects that will help the provincial government meet its water management objectives.

Results

At 88 per cent completion, the project fell short of the target of 90 per cent by 2 per cent. Work continued on the Travers Reservoir and by year-end 60 per cent had been completed. No further contracts were permitted on the Little Bow Reservoir (5 per cent of that major component) pending the resolution of environmental concerns.

Percentage of Carseland-Bow River Headworks Rehabilitation Completed



EXPENSE BY FUNCTION

Transportation's 2010-11 expenses can be classified into five of the Government of Alberta's expense functions. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred.

Overall, approximately 96 per cent of the Ministry's expenditures support the function of Transportation, Communications and Utilities.

Ministry of Transportation

Expense by Function for the year ended March 31, 2011

(thousands of dollars)

	2010-11 Budget	2010-11 Actual	2009-10 Comparable
Transportation, Communications and Utilities	1,879,735	1,834,844	2,271,474
Protection of Persons and Property	47,289	44,307	42,541
Environment	1,500	1,171	1,134
Agriculture, Resource Management and Economic Development	36,000	16,102	22,080
Debt Servicing Costs	24,810	24,810	20,913
Total Ministry Expenditures	\$ 1,989,334	\$ 1,921,234	\$ 2,358,142

Financial Resources

Ministry of Transportation

Expense by Core Business for the year ended March 31, 2011

(thousands of dollars)

Original Budget Estimates	\$ 1,989,334
Total Authorized Budget	\$ 1,990,086
Actual Spending in 2010-11	\$ 1,921,234

Overall, the total 2010-11 expenditures were lower than the original budget by \$68 million. This was primarily due to poor summer weather resulting in less summer maintenance activities.

EXPENSE BY CORE BUSINESS

Developing and preserving the provincial highway network

Approximately \$764 million was spent including:

- \$326 million for provincial highway maintenance and preservation; and
- \$334 million on amortization.

Managing provincial transportation safety

Approximately \$76 million was spent including:

- \$41 million for Transportation Safety Services;
- \$26 million for Provincial Highway Systems; and
- \$9 million for operational support and the Transportation Safety Board.

Developing partnerships to support Alberta's interests in an integrated transportation system

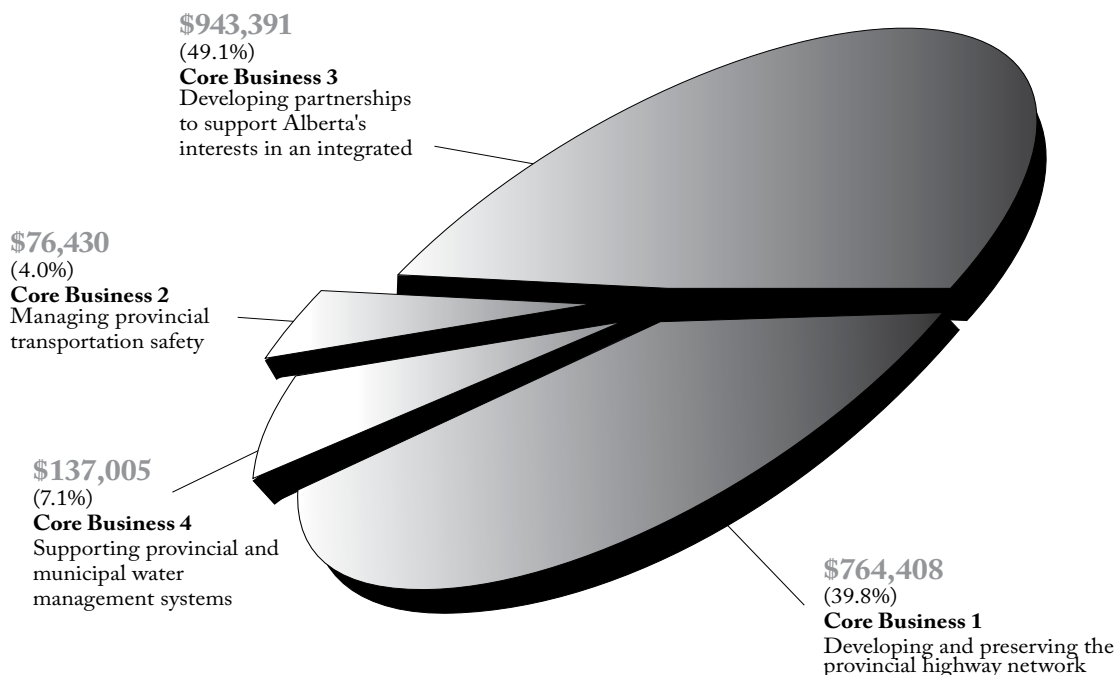
Approximately \$943 million was spent for grants including:

- \$317 million for the Building Canada Fund;
- \$269 million for the Alberta Cities Transportation Partnerships; and
- \$127 million for the Infrastructure Stimulus Fund.

Supporting provincial and municipal water management systems

Approximately \$137 million was spent on the Municipal Water Wastewater Program / Water for Life.

Alberta Transportation 2010-11 Ministry Spending by Core Business (Expense)
(Thousands of dollars)



FINANCIAL INFORMATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

CONTENTS

Table of Contents for Financial Statements

32	Auditor's Report
33	Statement of Operations
34	Statement of Financial Position
35	Statement of Cash Flows
36	Notes to the Financial Statements
51	Schedule 1 Revenues
52	Schedule 2 Credit or Recovery
53	Schedule 3 Expenses - Directly Incurred Detailed by Object
54	Schedule 4 Budget
55	Schedule 5 Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment, Statutory Expenses and non-budgetary disbursements by Element to Authorized Budget
57	Schedule 6 Salary and Benefits Disclosure
58	Schedule 7 Related Party Transactions
59	Schedule 8 Allocated Costs

Independent Auditor's Report



To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Transportation, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Transportation as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Auditor General

June 2, 2011

Edmonton, Alberta

**MINISTRY OF TRANSPORTATION
STATEMENT OF OPERATIONS
Year ended March 31, 2011**

	2011		2010
	Budget (Schedule 4)	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Schedule 1)			
Internal Government Transfers - Lottery Fund	\$ 184,208	\$ 184,208	\$ 301,792
Transfers from Government of Canada (Note 6)	682,553	577,215	306,945
Fees, Permits and Licenses	16,340	21,750	17,630
Other Revenue	6,183	57,039	99,205
	<u>889,284</u>	<u>840,212</u>	<u>725,572</u>
Expenses - Directly Incurred (Note 2(b) and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	26,817	25,073	26,435
Provincial Highway Systems and Safety	459,901	395,120	389,816
Municipal Support	1,060,063	1,071,857	1,565,979
Other Programs and Services	32,371	30,073	34,993
Non-Cash Items	385,372	375,580	330,759
Debt Servicing Costs (Note 7)	24,810	24,810	20,913
	<u>1,989,334</u>	<u>1,922,513</u>	<u>2,368,895</u>
Statutory (Schedules 3 and 5)			
Valuation Adjustments			
Provision for Doubtful Accounts	-	103	4
Provision for Vacation Pay	-	46	497
Provision for Future Site Remediation and Reclamation	-	(1,428)	(11,254)
	<u>-</u>	<u>(1,279)</u>	<u>(10,753)</u>
	<u>1,989,334</u>	<u>1,921,234</u>	<u>2,358,142</u>
Gain (Loss) on Disposal of Tangible Capital Assets	-	783	(2,302)
Net Operating Results	<u>\$ (1,100,050)</u>	<u>\$ (1,080,239)</u>	<u>\$ (1,634,872)</u>

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

**MINISTRY OF TRANSPORTATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2011**

	<u>2011</u>	<u>2010</u>
	<i>(in thousands)</i>	
ASSETS		
Cash and Cash Equivalents	\$ 333	\$ 312
Accounts Receivable (Note 3)	466,261	235,135
Advances	45	50
Inventories	11,920	16,173
Tangible Assets Held for Transfer (Note 4)	154,160	132,820
Tangible Capital Assets (Note 5)	<u>13,332,002</u>	<u>12,156,604</u>
	<u>\$ 13,964,721</u>	<u>\$ 12,541,094</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 511,742	\$ 333,242
Holdbacks Payable	57,193	43,553
Unearned Revenue	25,484	1,993
Liabilities under Public Private Partnerships (Note 7)	1,230,065	991,468
Liabilities for Future Site Remediation and Reclamation (Note 2(b))	<u>4,510</u>	<u>5,938</u>
	<u>\$ 1,828,994</u>	<u>\$ 1,376,194</u>
NET ASSETS		
Net Assets at Beginning of Year	\$ 11,164,900	\$ 9,858,824
Acquisition of Highways (Note 5(a))	22,463	37,901
Net Operating Results	(1,080,239)	(1,634,872)
Net Financing Provided from General Revenues	<u>2,028,603</u>	<u>2,903,047</u>
Net Assets at End of Year	<u>12,135,727</u>	<u>11,164,900</u>
	<u>\$ 13,964,721</u>	<u>\$ 12,541,094</u>
Contractual obligations and contingent liabilities (Notes 8 and 9)		

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

**MINISTRY OF TRANSPORTATION
STATEMENT OF CASH FLOWS
Year ended March 31, 2011**

	<u>2011</u>	<u>2010</u>
	<i>(in thousands)</i>	
Operating Transactions		
Net Operating Results	\$ (1,080,239)	\$ (1,634,872)
Non-cash items included in Net Operating Results:		
Amortization of Capital Assets and Consumption of Inventory	375,580	329,470
(Gain) Loss on Disposal of Tangible Capital Assets	(783)	2,302
Non-Cash Adjustment	270	703
Grants in Kind	-	1,289
Donated Tangible Capital Assets	(20,721)	(63,775)
Valuation Adjustments	<u>(1,279)</u>	<u>(10,753)</u>
	(727,172)	(1,375,636)
Changes in Working Capital		
Increase in Accounts Receivable	(231,229)	(208,603)
Decrease in Advances	5	-
Increase in Accounts Payable and Accrued Liabilities	178,454	59,412
Increase (Decrease) in Holdbacks Payable	13,640	(3,126)
Increase (Decrease) in Unearned Revenue	<u>23,491</u>	<u>(21,080)</u>
Cash Applied to Operating Transactions	<u>(742,811)</u>	<u>(1,549,033)</u>
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(1,245,478)	(1,324,112)
Purchase of Inventories	(35,048)	(38,638)
Transfer of Tangible Capital Assets to Other Government Entities	2,945	15,264
Proceeds from Disposal of Tangible Capital Assets	<u>101</u>	<u>195</u>
Cash Applied to Capital and Inventory Transactions	<u>(1,277,480)</u>	<u>(1,347,291)</u>
Financing Transactions		
Repayment of Liabilities under Public Private Partnerships	(8,291)	(6,545)
Net Financing Provided from General Revenues	<u>2,028,603</u>	<u>2,903,047</u>
Cash Provided by Financing Transactions	<u>2,020,312</u>	<u>2,896,502</u>
Increase in Cash and Cash Equivalents	21	178
Cash and Cash Equivalents, Beginning of Year	<u>312</u>	<u>134</u>
Cash and Cash Equivalents, End of Year	<u>\$ 333</u>	<u>\$ 312</u>

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

MINISTRY OF TRANSPORTATION NOTES TO THE FINANCIAL STATEMENTS

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 the Department of Transportation and the Transportation Safety Board through:

- leading the planning, construction and preservation of our provincial highway network to connect Alberta's communities and to support the Province's economic and social growth;
- leading the Alberta Traffic Safety Plan and transportation safety services to reduce collisions and promote safe drivers, vehicles and roads;
- managing provincial and federal grant programs to help municipalities develop and preserve their transportation systems and other priority infrastructure for Albertans;
- designing, constructing and maintaining Alberta's water management infrastructure on behalf of the Ministry of Environment; and
- promoting Alberta's interests in a safe, sustainable road-rail-air-port transportation system at all levels of government, national and international trade agreements and regulatory harmonization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of 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 (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

MINISTRY OF TRANSPORTATION NOTES TO THE FINANCIAL STATEMENTS

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

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.

Incurring 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.

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.

MINISTRY OF TRANSPORTATION NOTES TO THE FINANCIAL STATEMENTS

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

(b) Basis of Financial Reporting (continued)

Donated tangible capital assets are recorded at their fair value at the time of contribution. Amortization is only charged if the asset is in use.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the 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.

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.

Net Assets

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

**MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS**

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

(b) Basis of Financial Reporting (continued)

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.

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 \$4,510 (2010 - \$5,938) 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**

NOTE 3 ACCOUNTS RECEIVABLE
(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Transfers from Government of Canada (Note 6)	\$ 456,334	\$ -	\$ 456,334	\$ 136,045
Internal Government Transfers - Lottery Fund	-	-	-	69,592
Grants and Contributions	1,826	-	1,826	15,556
Rental and Other	635	-	635	8,538
Refunds from Suppliers	427	-	427	425
Fees, Permits and Licenses	2,741	14	2,727	1,592
Cost Recoveries	4,433	121	4,312	3,387
	<u>\$ 466,396</u>	<u>\$ 135</u>	<u>\$ 466,261</u>	<u>\$ 235,135</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.

	2011 Historical Cost			End of Year
	Beginning of Year	Additions	Transfers, Adjustments, and Write-downs	
Dams and water management structures	\$ 132,820	\$ 22,960	\$ (1,620)	\$ 154,160
2010 Total	<u>\$ 116,617</u>	<u>\$ 31,015</u>	<u>\$ (14,812)</u>	<u>\$ 132,820</u>

**MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS**

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	2011 Historical Cost ⁽¹⁾			End of Year
		Beginning of Year	Additions	Disposals, Adjustments, and Write-downs	
Land	Indefinite	\$ 561,427	\$ 76,866	\$ (719)	\$ 637,574
Buildings	40 years	6,199	-	-	6,199
Equipment	5-40 years	6,712	505	321	7,538
Computer hardware and software	3-10 years	100,798	8,090	(57)	108,831
Provincial highways and roads ⁽²⁾	20-50 years	13,695,427	1,316,046	1,638	15,013,111
Bridges	50 years	1,582,936	85,298	18,547	1,686,781
Other ⁽³⁾	3-40 years	36,178	3,321	(321)	39,178
		<u>\$ 15,989,677</u>	<u>\$ 1,490,126</u>	<u>\$ 19,409</u>	<u>\$ 17,499,212</u>
2010 Total		<u>\$ 14,322,369</u>	<u>\$ 1,635,210</u>	<u>\$ 32,098</u>	<u>\$ 15,989,677</u>

	2011 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2011	March 31, 2010
Land	\$ -	\$ -	\$ -	\$ -	\$ 637,574	\$ 561,427
Buildings	3,748	158	-	3,906	2,293	2,451
Equipment	3,074	257	-	3,331	4,207	3,638
Computer hardware and software	65,321	10,630	-	75,951	32,880	35,477
Provincial highways and roads ⁽²⁾	3,394,358	285,723	-	3,680,081	11,333,030	10,301,067
Bridges	353,569	35,459	-	389,028	1,297,753	1,229,368
Other ⁽³⁾	13,003	1,910	-	14,913	24,265	23,176
	<u>\$ 3,833,073</u>	<u>\$ 334,137</u>	<u>\$ -</u>	<u>\$ 4,167,210</u>	<u>\$ 13,332,002</u>	<u>\$ 12,156,604</u>
2010 Total	<u>\$ 3,538,791</u>	<u>\$ 295,123</u>	<u>\$ (841)</u>	<u>\$ 3,833,073</u>		

MINISTRY OF TRANSPORTATION NOTES TO THE FINANCIAL STATEMENTS

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 \$1,688,568 (2010 - \$1,335,386). Included in this work in progress amount is the estimated progress to date of \$1,192,399 (2010 - \$832,621) on the North West Anthony Henday Ring Road and \$97,377 on the South East Stoney Trail 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 South East Ring Road to the Province in 2010-11. 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, in the amount of \$22,463.

Similarly, a portion of the Stoney Trail North West Ring Road was transferred to the Province in 2009-10 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

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 2010-11, 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 Anthony Henday South East Edmonton Ring Road (\$75,000 over 3 years beginning in 2005-06) and Stoney Trail North West Calgary 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**

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 October 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:

	2011		2010	
	Revenue	Receivable	Revenue	Receivable
Federal Gas Tax Fund	\$ 198,736	\$ 292,161	\$ 190,387	\$ 93,425
Canada Strategic Infrastructure Fund	19,041	27,130	8,089	8,089
Public Transit Fund	1,088	-	20,404	-
Building Canada Fund: Major Infrastructure Component	73,379	74,024	17,700	1,529
Building Canada Fund: Communities Component and Top Up	58,986	13,827	10,976	1,776
Provincial Base Fund	2,362	-	28,154	22,154
Infrastructure Stimulus Fund	222,686	48,255	30,380	8,956
	\$ 576,278	\$ 455,397	\$ 306,090	\$ 135,929

**MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS
(in thousands)

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 for those projects that are under construction are as follows:

Project	Contractor	Date contract entered into	Scheduled completion date	Date capital payments begin^(a)
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 details of the contracts for those projects already operational are as follows:

Project	Contractor	Date contract entered into	Completion date	Date capital payments began
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

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

	2011 Total	2010 Total
Liabilities, beginning of year	\$ 991,468	\$ 719,674
Additions to liabilities during the year	246,888	278,339
Principal payments	(8,291)	(6,545)
Liabilities, end of year	<u>\$ 1,230,065</u>	<u>\$ 991,468</u>

**MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS**

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>2011</u>	<u>2010</u>
Capital Investment		
Construction Contracts and Service Agreements	\$ 907,216	\$ 978,831
Expense		
Maintenance Contracts and Service Agreements	779,704	681,777
Grants	754,061	703,187
Long-term Leases	-	6
Obligations under public private partnerships		
Operation and maintenance payments	1,498,850	1,521,957
Progress Payments	394,663	515,500
Capital Payments	2,871,826	2,904,928
	<u>\$ 7,206,320</u>	<u>\$ 7,306,186</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	Long-term Leases	Total
2011-12	\$ 769,432	\$ 219,634	\$ 754,061	\$ -	\$ 1,743,127
2012-13	99,104	170,248	-	-	269,352
2013-14	18,248	141,691	-	-	159,939
2014-15	7,419	101,857	-	-	109,276
2015-16	3,770	42,246	-	-	46,016
Thereafter	9,243	104,028	-	-	113,271
	<u>\$ 907,216</u>	<u>\$ 779,704</u>	<u>\$ 754,061</u>	<u>\$ -</u>	<u>\$ 2,440,981</u>

**MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 CONTRACTUAL OBLIGATIONS (continued)
(in thousands)

Obligations under Capital Leases and Public Private Partnerships

	Operations and Maintenance Payments	Progress Payments	Capital Payments
2011-12	\$ 25,072	\$ 235,663	\$ 54,039
2012-13	32,322	110,000	83,354
2013-14	36,867	49,000	91,109
2014-15	40,842	-	98,865
2015-16	41,027	-	98,865
Thereafter	1,322,720	-	2,445,594
	\$ 1,498,850	\$ 394,663	2,871,826
Less amount representing interest			(1,356,253)
Total NPV of capital payments at scheduled completion date			\$ 1,515,573

NOTE 9 CONTINGENT LIABILITIES
(in thousands)

At March 31, 2011, the Ministry is a defendant in one hundred and thirty-two legal/other claims (2010 – one hundred and thirty-seven claims). One hundred and six of these claims have specified amounts totaling \$5,403,277 and the remaining twenty-six have no specified amounts (2010 – One hundred and five claims with a specified amount of \$438,883 and thirty two 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 \$5,208,943 (2010 – six claims amounting to \$202,743). Thirty-five claims amounting to \$19,372 (2010 – forty-seven claims amounting to \$48,597) 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**

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, 2011, trust funds under the Ministry's administration were as follows:

	<u>2011</u>	<u>2010</u>
Impaired Driving Initiatives Trust Fund	\$ 416	\$ 368
	<u>\$ 416</u>	<u>\$ 368</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>2011</u>	<u>2010</u>
Government of Canada (program sponsor) Infrastructure Canada – Alberta Program	\$ -	\$ 1,328
Kananaskis Improvement District (program sponsor) Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	-	1,795
	<u>\$ 73</u>	<u>\$ 3,196</u>

MINISTRY OF TRANSPORTATION NOTES TO THE FINANCIAL STATEMENTS

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 \$7,960 for the year ended March 31, 2011 (2010 - \$6,983).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 - deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 - deficiency \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 - deficiency \$39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$8,335 (2010 - deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 - surplus \$7,431). The expense for these two plans is limited to the employer's annual contribution for the year.

NOTE 13 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

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

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
REVENUES
Year ended March 31, 2011**

Schedule 1

	2011		2010
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Internal Government Transfers			
Transfer from Lottery Fund	\$ 184,208	\$ 184,208	\$ 301,792
Transfers from Government of Canada			
Cost Recoveries and Contributions	682,553	577,215	306,945
Fees, Permits and Licenses			
Motor Transport Services & Other Premiums	16,340	21,750	17,630
Other Revenue			
Investment Income	-	5	14
Refunds of Expenditure	1,475	6,488	4,255
Tourism Highway Signage Initiative	1,500	587	1,795
Cost Recoveries	-	5,529	4,784
Grants and Contributions	2,563	24,850	21,849
Donated Tangible Capital Assets	-	13,913	61,980
Miscellaneous	645	5,667	4,528
	6,183	57,039	99,205
	\$ 889,284	\$ 840,212	\$ 725,572

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
CREDIT OR RECOVERY
Year ended March 31, 2011**

Schedule 2

	2011		
	<u>Authorized</u>	<u>Actual</u>	<u>(Shortfall)/ Excess</u>
	<i>(in thousands)</i>		
Expense			
Motor Transport Permits and Licences	\$ 2,300	\$ 2,300	\$ -
Canada-Alberta Municipal Rural Infrastructure Fund	250	-	(250)
Natural Resources Canada	110	97	(13)
Bridge Maintenance	925	925	-
	<u>3,585</u>	<u>3,322</u>	<u>(263)</u> ⁽¹⁾
Capital Investment			
Provincial Highway Systems	32,774	31,937	(837)
Water Management Infrastructure	3,488	4,282	794
Tourism Highway Signage Initiative	1,500	587	(913)
	<u>\$ 37,762</u>	<u>\$ 36,806</u>	<u>\$ (956)</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

An 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. In addition a one time payment of \$905 was received from the private sector for the maintenance of an interchange.

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. In addition a one time payment of \$475 was received from a regional services commission for the relocation of water pipe lines.

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
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2011**

Schedule 3

	2011		2010
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Voted:			
Salaries, Wages and Employee Benefits	\$ 75,739	\$ 71,714	\$ 77,708
Supplies and Services	440,956	374,008	370,285
Grants	1,062,357	1,076,300	1,570,415
Financial Transactions and Other	24,910	24,911	21,017
Amortization of Tangible Capital Assets and Consumption of Inventory	385,372	375,580	329,470
Total Voted Expenses	<u>\$ 1,989,334</u>	<u>\$ 1,922,513</u>	<u>\$ 2,368,895</u>
Statutory:			
Valuation Adjustments			
Provision for Doubtful Accounts	\$ -	\$ 103	\$ 4
Provision for Vacation Pay	-	46	497
Provision for (Decrease in) Future Site Remediation and Reclamation	-	(1,428)	(11,254)
	<u>\$ -</u>	<u>\$ (1,279)</u>	<u>\$ (10,753)</u>

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
BUDGET
Year ended March 31, 2011**

Schedule 4

	2010-11		2010-11		2010-11
	Estimates	Adjustment (a)	Budget	Authorized Supplementary	Authorized Budget
<i>(in thousands)</i>					
Revenues					
Transfer from Alberta Lottery Fund	\$ 184,208	\$ -	\$ 184,208	\$ -	\$ 184,208
Transfers from Government of Canada	682,553	-	682,553	-	682,553
Fees, Permits and Licenses	16,340	-	16,340	-	16,340
Investment Income	-	-	-	-	-
Other Revenue	6,183	-	6,183	-	6,183
	<u>889,284</u>	<u>-</u>	<u>889,284</u>	<u>-</u>	<u>889,284</u>
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	26,817	-	26,817	-	26,817
Provincial Highway Systems and Safety	459,901	905	460,806	-	460,806
Municipal Support Programs	1,060,063	-	1,060,063	-	1,060,063
Other Programs and Services	32,371	110	32,481	-	32,481
Non-Cash Items	385,372	-	385,372	-	385,372
Debt Servicing Costs	24,810	-	24,810	-	24,810
Credit or Recovery Shortfall (Schedule 2)	-	(263)	(263)	-	(263)
	<u>1,989,334</u>	<u>752</u>	<u>1,990,086</u>	<u>-</u>	<u>1,990,086</u>
Statutory Expenses					
Valuation Adjustments	-	-	-	-	-
	<u>1,989,334</u>	<u>752</u>	<u>1,990,086</u>	<u>-</u>	<u>1,990,086</u>
Net Operating Results					
	<u>\$ (1,100,050)</u>	<u>\$ (752)</u>	<u>\$ (1,100,802)</u>	<u>\$ -</u>	<u>\$ (1,100,802)</u>
Equipment/Inventory Purchases	<u>\$ 34,709</u>	<u>\$ -</u>	<u>\$ 34,709</u>	<u>\$ -</u>	<u>\$ 34,709</u>
Capital Investment	\$ 1,490,719	\$ 236,188	\$ 1,726,907	\$ -	\$ 1,726,907
Credit or Recovery Shortfall (Schedule 2)	-	(956)	(956)	-	(956)
	<u>\$ 1,490,719</u>	<u>\$ 235,232</u>	<u>\$ 1,725,951</u>	<u>\$ -</u>	<u>\$ 1,725,951</u>
Statutory Capital Investment	<u>\$ 355,325</u>	<u>\$ 15,122</u>	<u>\$ 370,447</u>	<u>\$ -</u>	<u>\$ 370,447</u>
Non-Budgetary Disbursements	<u>\$ 8,290</u>	<u>\$ -</u>	<u>\$ 8,290</u>	<u>\$ -</u>	<u>\$ 8,290</u>

(a) Adjustments include credit or recovery increases approved by Treasury Board, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2009-10 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES (EIP) AND CAPITAL INVESTMENT, STATUTORY EXPENSES
AND NON-BUDGETARY DISBURSEMENTS BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31, 2011

Schedule 5

	2010-11							Unexpended (Over Expended)
	Estimates	Adjustments (a)	Budget	Authorized Supplementary	Authorized Budget	Actual Expense		
Voted Expense, Debt Servicing Costs, EIP and Capital Investments								
1 Ministry Support Services								
1.0.1 Minister's Office	\$ 555	\$ -	\$ 555	\$ -	\$ 555	\$ 523	\$ 32	
1.0.2 Deputy Minister's Office	649	-	649	-	649	616	33	
1.0.3 Communications	757	-	757	-	757	695	62	
1.0.4 Strategic Services								
- Expense	24,856	-	24,856	-	24,856	23,239	1,617	
- Equipment/Inventory Purchases	9,709	-	9,709	-	9,709	8,049	1,660	
Total Program 1	36,526	-	36,526	-	36,526	33,122	3,404	
2 Provincial Highway Systems and Safety								
2.0.1 Provincial Highway Maintenance								
- Expense	325,569	905	326,474	-	326,474	273,295	53,179	
- Equipment/Inventory Purchases	25,000	-	25,000	-	25,000	35,457	(10,457)	
2.0.2 Provincial Highway Preservation								
- Expense	21,082	-	21,082	-	21,082	22,444	(1,362)	
- Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-	
2.0.3 Provincial Highway Systems								
- Expense	36,600	-	36,600	-	36,600	27,311	9,289	
- Equipment/Inventory Purchases	-	-	-	-	-	522	(522)	
- Capital Investment	215,247	30,883	246,130	-	246,130	183,894	62,236	
2.0.4 Transportation Safety Services	45,420	-	45,420	-	45,420	40,828	4,592	
2.0.5 Transportation Safety Board	1,230	-	1,230	-	1,230	1,226	4	
2.0.6 Strategic Economic Corridor Investment Initiative								
- Debt Servicing Costs	24,810	-	24,810	-	24,810	24,810	-	
- Capital Investment	898,437	153,517	1,051,954	-	1,051,954	717,629	334,325	
- Expense	-	-	-	-	-	16	(16)	
2.0.7 Provincial Highway Rehabilitation								
- Capital Investment	267,570	34,390	301,960	-	301,960	267,285	34,675	
- Capital Investment funded by Lotteries	-	-	-	-	-	-	-	
Total Program 2	1,890,965	219,695	2,110,660	-	2,110,660	1,624,717	485,943	
3 Municipal Support								
3.0.1 Alberta Municipal Infrastructure Program	30,200	-	30,200	-	30,200	16,511	13,689	
3.0.2 Alberta Cities Transportation Partnerships								
- Expense	122,985	-	122,985	-	122,985	238,971	(115,986)	
- Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-	
3.0.3 Rural Transportation Partnerships								
- Expense	37,792	-	37,792	-	37,792	34,321	3,471	
- Expense funded by Lotteries	24,208	-	24,208	-	24,208	24,208	-	
3.0.4 Resource Road Program	36,000	-	36,000	-	36,000	16,102	19,898	
3.0.5 Streets Improvement Program								
- Expense	37,500	-	37,500	-	37,500	40,742	(3,242)	
- Expense funded by Lotteries	-	-	-	-	-	-	-	
3.0.6 Municipal Water Wastewater Program/Water for Life								
- Expense	13,000	-	13,000	-	13,000	35,751	(22,751)	
- Expense funded by Lotteries	100,000	-	100,000	-	100,000	100,000	-	
3.0.7 Green Transit Incentives Program (GreenTRIP)	70,000	-	70,000	-	70,000	70,000	-	
3.0.8 Federal Public Transit Trust	-	-	-	-	-	1,136	(1,136)	
3.0.9 Building Canada- Gas Tax Fund	199,503	-	199,503	-	199,503	198,736	767	
3.0.10 Building Canada- Communities Component	136,200	-	136,200	-	136,200	117,971	18,229	
3.0.11 Building Canada-Major Infrastructure Component	30,000	-	30,000	-	30,000	-	30,000	
3.0.12 Infrastructure Stimulus Fund	157,200	-	157,200	-	157,200	127,470	29,730	
3.0.13 Canada-Alberta Municipal Rural	35,475	-	35,475	-	35,475	19,938	15,537	
3.0.14 Infrastructure Canada-Alberta Program	-	-	-	-	-	-	-	
Total Program 3	1,060,063	-	1,060,063	-	1,060,063	1,071,857	(11,794)	
4 Other Programs And Services								
4.0.1 Capital for Emergent Projects								
- Expense	-	-	-	-	-	4,653	(4,653)	
- Equipment/Inventory Purchases	-	-	-	-	-	-	-	
- Capital Investment	80,000	14,966	94,966	-	94,966	67,035	27,931	
4.0.2 Program Services								
- Expense	32,371	110	32,481	-	32,481	25,420	7,061	
- Equipment/Inventory Purchases	-	-	-	-	-	12	(12)	
4.0.3 Water Management Infrastructure								
- Capital Investment	29,465	2,432	31,897	-	31,897	21,362	10,535	
Total Program 4	141,836	17,508	159,344	-	159,344	118,482	40,862	

RESULTS ANALYSIS

FINANCIAL INFORMATION

OTHER INFORMATION

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EQUIPMENT/INVENTORY PURCHASES (EIP) AND CAPITAL INVESTMENT, STATUTORY EXPENSES
AND NON-BUDGETARY DISBURSEMENTS BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31, 2011**

Schedule 5
(continued)

	2010-11						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary	Authorized Budget	Actual Expense	Unexpended (Over Expended)
5 Non-Cash Items							
5.0.1 Amortization of Capital Assets	360,372	-	360,372	-	360,372	334,137	26,235
5.0.2 Consumption of Inventories	25,000	-	25,000	-	25,000	41,443	(16,443)
5.0.3 Nominal Sum Disposals	-	-	-	-	-	-	-
Total Program 5	385,372	-	385,372	-	385,372	375,580	9,792
Credit or Recovery Shortfall (Schedule 2)							
Operating Expense	-	(263)	(263)	-	(263)	-	(263)
Capital Investment	-	(956)	(956)	-	(956)	-	(956)
Grand Total	\$ 3,514,762	\$ 235,984	\$ 3,750,746	\$ -	\$ 3,750,746	\$ 3,223,758	\$ 526,988
Expense	\$ 1,780,316	\$ 752	\$ 1,781,068	\$ -	\$ 1,781,068	\$ 1,713,495	\$ 67,573
Expense Funded by Lotteries	184,208	-	184,208	-	184,208	184,208	-
Debt Servicing Costs	24,810	-	24,810	-	24,810	24,810	-
	1,989,334	752	1,990,086	-	1,990,086	1,922,513	67,573
Equipment/Inventory Purchases	34,709	-	34,709	-	34,709	44,040	(9,331)
	2,024,043	752	2,024,795	-	2,024,795	1,966,553	58,242
Capital Investment	1,490,719	235,232	1,725,951	-	1,725,951	1,257,205	468,746
Capital Investment Funded by Lotteries	-	-	-	-	-	-	-
	1,490,719	235,232	1,725,951	-	1,725,951	1,257,205	468,746
	\$ 3,514,762	\$ 235,984	\$ 3,750,746	\$ -	\$ 3,750,746	\$ 3,223,758	\$ 526,988
Statutory Expense							
Valuation Adjustments							
Provision for Doubtful Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103	\$ (103)
Provision for Vacation Pay	-	-	-	-	-	46	(46)
Provision for Future Site Remediation and Reclamation	-	-	-	-	-	(1,428)	1,428
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,279)	\$ 1,279
Statutory Capital Investment							
Alternatively Financed Projects	\$ 355,325	\$ 15,122	\$ 370,447	\$ -	\$ 370,447	\$ 246,888	\$ 123,559
	\$ 355,325	\$ 15,122	\$ 370,447	\$ -	\$ 370,447	\$ 246,888	\$ 123,559
Non-Budgetary Disbursements							
Provincial Highway Systems and Safety							
2.0.6 Strategic Economic Corridor							
Investment Initiative	\$ 8,290	\$ -	\$ 8,290	\$ -	\$ 8,290	\$ 8,291	\$ (1)
	\$ 8,290	\$ -	\$ 8,290	\$ -	\$ 8,290	\$ 8,291	\$ (1)

(a) Adjustments include credit or recovery increases approved by Treasury Board, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2009-10 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2011**

Schedule 6

	2011			2010	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Deputy Minister ⁽⁴⁾	\$ 264,576	\$ 1,750	\$ 9,618	\$ 275,944	\$ 302,840
Chair, Transportation Safety Board	141,324	12,996	4,351	158,672	145,718
Assistant Deputy Ministers					
Transportation Safety Services	182,496	15,734	44,417	242,647	226,243
Transportation and Civil Engineering	170,057	1,750	42,298	214,105	212,419
Policy and Corporate Services ⁽⁵⁾	171,588	1,750	41,180	214,518	212,257
Executive Directors					
Finance	151,836	1,750	37,106	190,692	188,353
Human Resources ⁽⁶⁾	141,844	1,750	34,062	177,656	188,353

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 and lump sum payments. There were no bonuses paid in 2011.
- (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'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.
- (6) From November 2010 to February 2011 a management employee was acting in the position. The incumbent was appointed to this position in March 2011. The incumbent's services are shared with the Ministry of Infrastructure which contributes its own share of the salary and benefits. Full salary and benefits are disclosed in this schedule.

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2011
(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	
	2011	2010
Revenues		
Lottery Fund	<u>\$ 184,208</u>	<u>\$ 301,792</u>
Expenses - Directly Incurred		
Business and Technology Services	\$ 2,604	\$ 3,716
SUCH ⁽¹⁾ Sector Entities	2,378	1,119
Parking	5	5
Insurance	445	456
Air Maps and Photos	7	-
	<u>\$ 5,439</u>	<u>\$ 5,296</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ 69,592</u>
Accounts Payable	<u>\$ 1,547</u>	<u>\$ 1,206</u>
Net Tangible Capital Assets Transferred	<u>\$ 2,945</u>	<u>\$ 15,264</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	
	2011	2010
Revenue		
Road/Bridge Maintenance	<u>\$ 6,824</u>	<u>\$ 7,180</u>
Expenses - Incurred by Others (Schedule 8)		
Accommodation	\$ 8,013	\$ 7,704
Air Transportation/Executive Vehicles	64	56
Business Services	4,558	9,736
Legal Services	692	994
	<u>\$ 13,327</u>	<u>\$ 18,490</u>

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

**MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2011
(in thousands)**

Schedule 8

Program	2011							2010	
	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	\$ 25,073	\$ 1,006	\$ 4,622	\$ 92	\$ 48	\$ -	\$ -	\$ 30,841	\$ 37,326
Provincial Highway Systems and Safety	395,120	2,967	-	600	(66)	103	(1,428)	397,296	382,378
Municipal Support Programs	1,071,857	8	-	-	1	-	-	1,071,866	1,565,995
Other Programs and Services	30,073	4,032	-	-	63	-	-	34,168	39,261
Non-Cash Items	375,580	-	-	-	-	-	-	375,580	330,759
Debt Servicing Costs	24,810	-	-	-	-	-	-	24,810	20,913
	<u>\$ 1,922,513</u>	<u>\$ 8,013</u>	<u>\$ 4,622</u>	<u>\$ 692</u>	<u>\$ 46</u>	<u>\$ 103</u>	<u>\$ (1,428)</u>	<u>\$ 1,934,561</u>	<u>\$ 2,376,632</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, vehicles and air transportation, and internal audit.

(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.

APPENDIX A - PERFORMANCE MEASURES METHODOLOGY

Measure 1.a: Condition Provincial Highways

The identification of highways as good, fair, or poor relies on standards established as a result of the University of Calgary's comprehensive research study on road conditions and other performance measures conducted for the Ministry in 2002.

The study's recommendations resulted in the establishment of condition trigger values. Condition trigger values are defined as the boundary between categories of good-fair and fair-poor, and are set using a proactive life cycle analysis approach. The values are categorized by highway classification and are compiled into one-kilometre segments.

Alberta Transportation Standards

IRI Rating	110 km/h Highway Group	Other Highway Group
Good	Avg IRI < 1.5 m/km	Avg IRI < 1.5 m/km
Fair	≥1.5 m/km Avg IRI < 1.9 m/km	≥1.5 m/km Avg IRI < 2.1 m/km
Poor	≥1.9 m/km Avg IRI	≥2.1 m/km Avg IRI

After existing good, fair, poor segments are identified, anticipated work activities and pavement deterioration rates are used to determine future performance targets.

The IRI rating for all highways is obtained through data collected annually by consultants for the Ministry.

By using laser-based equipment, the consultant records and determines the average IRI value over every 50-metre segment of the Alberta highway network. This detailed data is further averaged over one-kilometre sections to provide an assessment of condition over practical lengths.

Measure 1.b: Functional Adequacy of Provincial Highways

Functional adequacy is calculated by preparing an inventory of the various segments of highway that have deficiencies for any of the above factors, based on Transportation's standards and practices. If a section of highway has a deficiency due to any of the factors, it is considered functionally inadequate. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100.

Width Deficiencies

Data on existing road widths is obtained from the Ministry's Pavement Management System. The acceptable road width for each highway is determined using the 3R/4R chapter (resurfacing, rehabilitation, restoration, and reconstruction) of the Alberta Transportation Highway Geometric Design Guide. Actual width and acceptable width are then compared to determine whether a deficiency exists.

A deficiency analysis was conducted for every kilometre of paved provincial highway.

Geometric Deficiencies

Geometric deficiencies are based on horizontal curve geometrics, using alignment data collected by consultants. This data is compared to requirements in the Alberta Transportation Highway Geometric Design Guide to arrive at deficiencies.

A deficiency analysis was conducted for every kilometre of paved provincial highway.

Surface Type Deficiencies

A traffic volume of 400 vehicles per day and the provincial highway paving list on strategic roads are used to determine the need for a paved surface, and subsequently to identify deficiencies where the criterion is not met. Consultants collected traffic volume data and existing surface types are derived from the Ministry's internal Pavement Management System.

This deficiency analysis was done for every kilometre of gravelled provincial highway.

Final Paving Deficiencies

The final paving deficiencies are determined based on final paving completed as planned. A deficiency analysis was conducted for every kilometre of the paved provincial highway network.

Road Bans

Road ban information for provincial highways is obtained using internal data sources. The Transport Engineering Branch monitors the need for road bans on the provincial highway system. As road bans are issued they are entered into an internal database, which is updated as the status of road bans changes for particular highways.

The analysis is done for every kilometre of provincial highway.

Measure 1.c: *Construction Progress on the North-South Trade Corridor*

The measure is based on construction project and highway network data. The percentage is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the Corridor (approximately 1,170 kilometres).

Measure 1.d: *Ring Roads in Edmonton and Calgary*

The measure is based on construction project data supplied by the engineering consultants supervising the ring road construction. The percentage is calculated by totalling the number of kilometres multi-lane roadway opened to travel versus the total kilometres of ring road (177 kilometres).

Increased economic and population growth in the Edmonton-Calgary Corridor have raised expectations for alternate routes sooner to avoid traffic congestion and enable goods to quickly reach their market destination. In previous years, sustained high oil prices and market conditions such as labour shortages had contributed to construction delays. However, lower oil prices and labour surpluses should reduce construction costs, along with alternative methods of financing, such as public-private partnerships, are now helping to expedite the construction of transportation infrastructure like ring roads in major metropolitan centers.

Measure 2.a: *Seat Belt Use*

Transport Canada collects seat belt usage data through annual observational surveys on light duty vehicles, including passenger cars, passenger vans and light trucks in all provinces. Light duty vehicles do not include commercial vans or large trucks, farm equipment, or vehicles which are not equipped with and do not require seat belts (e.g. vintage automobiles). Transport Canada surveys alternate between urban and rural locations. In 2010, Transport Canada conducted a national urban seat belt survey. The 2010 urban results are combined with the 2009 rural results to obtain the overall rate for Alberta.

Over the years, rural surveys measured the seat belt usage in towns with a population of fewer than 10,000 but more than 1,000 inhabitants that are located outside any census metropolitan area or census agglomeration. Contrasting urban surveys measured the seat belt usage in communities with a population over 10,000, plus those communities with a population of less than 10,000 that are located within a census metropolitan area.

The urban survey, which occurred from September 15 to 21, 2010, involved 286 sites across Canada and a total of 74,475 vehicles and 98,540 occupants were observed during the course of the survey. The rural survey, which was conducted from September 15 to 21, 2009, involved 252 sites across Canada. A total of 22,642 vehicles and 30,831 occupants were observed during the course of the study in Canada.

For the 2010 urban Alberta data, the margin of error was plus or minus 0.3 per cent at the 95 per cent level of confidence. For the 2009 rural Alberta data, the margin of error was plus or minus 0.7 per cent at the 95 per cent level of confidence. For the combined Alberta 2010 urban and 2009 rural data, the margin of error was 0.3 per cent at the 95 per cent level of confidence.

Measure 2.b: *Drinking Drivers in Casualty Collisions:*

- *i. Percentage of Drivers Involved in Injury Collisions who Have Consumed Alcohol*
- *ii. Percentage of Drivers Involved in Fatality Collisions who Have Consumed Alcohol*

Data for this measure was taken from the Alberta Collision Information System, and the results for the measure are based on a calendar year. Drivers involved in casualty collisions resulting in either injury or fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition includes 'normal,' 'had been drinking,' 'alcohol impaired,' 'impaired by drugs' and 'fatigued/asleep'. Driver condition was unspecified for 3,823 drivers involved in casualty collisions and this is not included in the results.

Program enhancements, enforcement priorities and the level of funding for strategic initiatives have likely impacted this measure. Alberta's population has increased over the last five years. Traffic volumes for 2010 have increased by 10.63 per cent from 2006, as recorded by Alberta's 374 Automated Traffic Recorder sites throughout the province. In addition, the number of licensed drivers increased by 10 per cent since 2006.

Measure 3.a: *Client Satisfaction Survey – Municipal Quality of Service*

The client satisfaction survey is conducted every second year to measure the satisfaction of municipal partners with the Ministry's service for municipal grant programs.

An external consultant is contracted to conduct the survey to ensure the objectivity of results. Municipal clients are defined as organizations that have interacted with ministry staff regarding municipal grant programs during the survey calendar year, primarily from municipalities and towns.

Respondents are asked to rate on a scale of 1 to 6 (1 being very unsatisfied to 6 being very satisfied) their satisfaction with Municipal Grant Programs on the following eight key service areas:

- Clarity of written materials
- Ease of access to information
- Ease of access to services
- Consistency of services
- Timeliness of service delivery
- Proficiency of staff
- Courtesy of staff
- Overall quality of services

Results reported include all those clients who indicated they were '4-somewhat satisfied,' '5-satisfied,' and '6-very satisfied' with the service provided.

In 2009, there were a total of 185 surveys completed and returned for a response rate of 61 per cent. Twenty three municipal client contracts was excluded from the analysis due to incorrect contact information and/or surveys being returned as undeliverable.

Data analysis included cross-tabulation of quantitative data, whereby the frequency and percentage distribution of the results for each question were broken down based on client location and client sector. It also included coding of open-ended questions.

On average, the results are accurate within plus or minus 4.5 per cent, 19 times out of 20.

Measure 4.a: *Progress on Completion of Major Water Management Construction Projects*

This measure tracks the progress on construction contracts issued throughout the year. The final results for the measure are based on the actual construction completed during the fiscal year, as reported by the engineering consultants, verified by Transportation staff, and analyzed by independent cost consultants. The methodology was revised during 2006-07 to reflect the changing construction environment. Instead of tracking dollars spent, the measure is now calculated by tracking the number of kilometres of canal rehabilitated and the number of related structure sub-components replaced out of the total scope of the project implementation program.

The primary trends that could impact the outcome of this particular measure include: changes to Alberta Environment's operating strategy for the Headworks System, regulatory changes at the federal level, lack of construction industry capacity, availability of land for construction, weather and the ability of the contractors to meet the project schedule. These trends are monitored very closely to make any needed adjustments.

