

Department of Culture and Community Spirit

Financial Statements

March 31, 2011

**Department of Culture and Community Spirit
Financial Statements
March 31, 2011**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Credit or Recovery

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Budget

Schedule 5 – Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

Schedule 6 – Salary and Benefits Disclosure

Schedule 7 – Related Party Transactions

Schedule 8 – Allocated Costs

Schedule 9 – Tangible Capital Assets

To the Minister of Culture and Community Spirit

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Culture and Community Spirit, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net financial assets 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 Department 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.

[Original signed by Merwan N. Saher, CA]

Auditor General

May 27, 2011

Edmonton, Alberta

Department of Culture and Community Spirit
Statement of Operations
Year ended March 31, 2011

	2011		2010
	Budget (Schedule 4)	Actual	Actual (Restated) (Note 3)
	(in thousands)		
Revenues (Schedule 1)			
Internal Government Transfers	\$ 180,035	\$ 179,580	\$ 190,469
Transfers from the Government of Canada	30,627	20,869	2,125
Premiums, Fees and Licences	750	618	761
Other Revenue	1,920	1,361	2,804
	<u>213,332</u>	<u>202,428</u>	<u>196,159</u>
Expenses – Directly Incurred (Note 2(b) and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	7,750	7,634	7,553
Arts and Cultural Industries	49,160	47,435	60,291
Community and Voluntary Support Services	164,317	172,120	143,629
Heritage	37,756	36,903	41,190
Human Rights and Citizenship	7,620	7,374	7,555
	<u>266,603</u>	<u>271,466</u>	<u>260,218</u>
Statutory (Schedules 3 and 5)			
Queen’s Golden Jubilee Scholarships	10	10	10
Valuation Adjustments			
Provision for Environmental Obligations	-	861	8,518
Provision for (Decrease in) Vacation Pay and Banked Overtime	90	(338)	548
Provision for Doubtful Accounts	-	-	2
	<u>100</u>	<u>533</u>	<u>9,078</u>
	<u>266,703</u>	<u>271,999</u>	<u>269,296</u>
(Loss) on Disposal of Tangible Capital Assets	<u>-</u>	<u>(195)</u>	<u>(287)</u>
Net Operating Results	<u>\$ (53,371)</u>	<u>\$ (69,766)</u>	<u>\$ (73,424)</u>

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

Department of Culture and Community Spirit
Statement of Financial Position
As at March 31, 2011

	2011	2010 (Restated) (Note 3)
	(in thousands)	
Assets		
Cash	\$ 29	\$ 22
Accounts Receivable (Note 4)	9,878	1,711
Tangible Capital Assets (Schedule 9)	12,952	13,368
	\$ 22,859	\$ 15,101
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 77,819	\$ 82,035
Unearned Revenue	-	880
	77,819	82,915
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	(67,814)	(149,798)
Net Operating Results	(69,766)	(73,424)
Net Financing Provided from General Revenues	82,620	155,408
	(54,960)	(67,814)
	\$ 22,859	\$ 15,101

Contractual obligations and contingent liabilities (Notes 6 and 7)

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

Department of Culture and Community Spirit
Statement of Cash Flows
Year ended March 31, 2011

	2011	2010
	(in thousands)	
Operating Transactions		
Net Operating Results	\$ (69,766)	\$ (73,424)
Non-cash Items included in Net Operating Results		
Amortization	1,350	1,133
Valuation Adjustments	523	9,068
Loss on Disposal of Tangible Capital Assets	195	287
	(67,698)	(62,936)
(Increase) Decrease in Accounts Receivable	(8,167)	1,428
(Decrease) in Accounts Payable and Accrued Liabilities	(4,739)	(92,935)
(Decrease) Increase in Unearned Revenue	(880)	880
	(81,484)	(153,563)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedules 5 and 9)	(1,686)	(2,075)
Disposal of Tangible Capital Assets	4	-
Transfers of Tangible Capital Assets to Others (Schedule 9)	553	237
	(1,129)	(1,838)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Net Financing Provided from General Revenues	82,620	155,408
Increase in Cash	7	7
Cash at Beginning of Year	22	15
Cash at End of Year	\$ 29	\$ 22

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

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 1 Authority and Purpose

The Department of Culture and Community Spirit (Department) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to promote, develop and preserve Alberta's culture and heritage in support of vibrant and inclusive communities. This is done by:

- Fostering the sustainability and appreciation of Alberta's culture industries and the arts;
- Supporting Alberta's communities and the nonprofit/voluntary sector;
- Promoting and preserving Alberta's rich heritage; and
- Protecting human rights, promoting fairness and access, and supporting the inclusion of all Albertans.

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 Department of Culture and Community Spirit, which is part of the Ministry of Culture and Community Spirit (Ministry) and for which the Minister of Culture and Community Spirit (the Minister) is accountable.

Other entities reporting to the Minister are:

- Alberta Foundation for the Arts;
- The Alberta Historical Resources Foundation;
- The Government House Foundation;
- Historic Resources Fund;
- Human Rights Education and Multiculturalism Fund; and
- The Wild Rose Foundation.

The activities of these organizations are not included in these financial statements.

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.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

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.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value can reasonably be determined.

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 Government of Canada are recognized as revenue 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.

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 Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses on the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Expenses

Directly Incurred

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

Grants are recognized as expenses when authorized, eligibility criteria are met and a reasonable estimate of the amounts can be made.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (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 for current service of employees during the year; and
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime and environmental obligations.

Incurred by Others

Services contributed by other entities in support of the Department 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 consumed in the normal course of operations. Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

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

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

Collections of historic and scientific artifacts, archival holdings and works of art held by the Department are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded as nominal value.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

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

Environmental obligations are recorded as liabilities when there is little or no discretion to avoid settlement of the obligation and a reasonable estimate of the amount can be made.

Net Assets/Net Liabilities

Net asset/net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

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

The fair values of cash, accounts receivable, and accounts payable and accrued liabilities 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. Environmental obligations are included in accounts payable and accrued liabilities in the amount of \$9,594 (2010 – \$9,700) for Heritage, based on management's best estimates that reflect the environmental information known at the time. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 3 Program Transfer
(in thousands)

The Horse Racing and Breeding Renewal Program was transferred from the Department of Culture and Community Spirit to the Department of Solicitor General and Public Security effective April 1, 2010. Comparatives for 2009-10 have been restated for this transfer. The effect was a decrease in revenues by \$24,513 from \$220,672 to \$196,159 and to decrease expenses by \$24,513 from \$293,809 to \$269,296. The effect on the Statement of Financial Position was a decrease in Accounts Receivable by \$2,020 from \$3,731 to \$1,711 and a decrease in Accounts Payable and Accrued Liabilities by \$2,020 from \$84,055 to \$82,035.

Note 4 Accounts Receivable
(in thousands)

	2011			2010
		Allowance for Doubtful Accounts	Net Realizable Value	(Restated) (Note 3) Net Realizable Value
	Gross Amount			
Accounts Receivable	\$ 9,878	\$ -	\$ 9,878	\$ 1,674
Refunds from Suppliers	-	-	-	37
	<u>\$ 9,878</u>	<u>\$ -</u>	<u>\$ 9,878</u>	<u>\$ 1,711</u>

Accounts receivable are unsecured and non-interest bearing.

Note 5 Collections

Collections consist of historical and scientific artifacts, archival holdings and works of art of provincial, national and international significance located in the archives, museums and historical sites of the Province of Alberta. The Department has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. The collection is insured. A description of the major collections is as follows:

- (a) The Province, through the Historic Sites and Museums Branch, preserves, operates and presents Alberta's history as is represented through three museums, three interpretive centres and nine historic sites that contain 51 restored historic buildings/structures and three stabilized ruins. As well, it administers an additional three historic sites which contain 58 undeveloped historic buildings/structures and 10 newly acquired but unrestored buildings. In addition, the Branch owns one developed historic resource (leased to a society), 13 cairns, four archaeological sites and one palaeontological site. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 5 Collections (continued)

- (b) The collections of the Royal Alberta Museum represent Alberta's highly diverse cultural and natural heritage. They include 1,686,000 natural history specimens (e.g., animals, plants and minerals), 141,000 ethnological and historical artifacts, and millions of archaeological objects spanning 10,000 years of Alberta history. The collections include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, as well as industrial, domestic and textile collections, and the permitted archaeological materials recovered in Alberta, all with associated documentation and in many cases images and other media.
- (c) The Royal Tyrrell Museum collection has over 122,000 catalogued items including original and replica fossils. Annually, approximately 2,000 specimens are accessioned into the collection.
- (d) Reynolds-Alberta Museum is responsible for 6,430 agricultural, industrial and transportation artifacts. This includes 455 cars, trucks and motorcycles; 361 tractors and engines; 393 agricultural machines; and 365 artifacts. Also included in this number are 90 vintage aircraft, the second largest collection in Canada. The museum houses 849 linear meters of documents relating to the museum's mechanization themes.
- (e) The Remington Carriage Museum houses one of the largest collections of horse drawn vehicles in North America, with 333 carriages, buggies, wagons and sleighs, and approximately 760 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites' collection of approximately 76,228 artifacts. Approximately 5,000 of these objects are used to furnish various smaller sites throughout the province, and 8,000 objects furnish the historic buildings at the Ukrainian Cultural Heritage Village. The remaining artifacts are preserved in storage.
- (g) The Provincial Archives of Alberta holds approximately 43,890 linear metres of government textual records, 5,792 linear metres of private textual records, 67,219 maps, 30,060 architectural drawings, 2,241,779 photographic images, 56,581 hours of sound recordings, 68,771 hours of film and video materials and 13,970 volumes of library holdings.
- (h) The Arts Branch manages 14 collections containing approximately 1,500 donated, purchased and/or commissioned artworks.
- (i) The Glenbow-Alberta Institute, under contract to the Province of Alberta, manages the care of, and access to, a publicly-owned collection of approximately 227,000 artifacts in cultural history, military history, ethnology, art and mineralogy, approximately 5.5 shelf kilometres of textual and archival records, over 2,100,000 historical photographs, about 350 hours of film footage and 7,200 sound recordings.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 6 Contractual Obligations
(in thousands)

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

	2011	2010
Programs - Grant Agreements	\$ 48,725	\$ 73,316
Contracts - Service	4,161	5,426
Contracts - Capital Construction	28	-
Operating Leases	-	23
	\$ 52,914	\$ 78,765

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

	Grants	Contracts - Service	Contracts - Capital Construction	Total
2011-12	\$ 37,504	\$ 2,128	\$ 28	\$ 39,660
2012-13	9,996	733	-	10,729
2013-14	1,125	100	-	1,225
2014-15	100	600	-	700
2015-16	-	600	-	600
Thereafter	-	-	-	-
	\$ 48,725	\$ 4,161	\$ 28	\$ 52,914

Note 7 Contingent Liabilities
(in thousands)

At March 31, 2011, the Department is a defendant in two legal claims (2010 – one legal claim). The claims have a specified amount totalling \$456 (2010 – \$80). These claims, if successful (2010 – one claim amounting to \$80), would be covered by the Alberta Risk Management Fund.

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

Certain contingent liabilities may exist for site remediation and reclamation in addition to the environment obligations recorded in the financial statements, which are described in Note 2(b). Due to uncertainty surrounding these circumstances it is not possible to determine the likelihood or amount of these contingent liabilities.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 8 Trust Fund Under Administration
(in thousands)

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purposes of a trust, it is not included in the Department's financial statements.

As at March 31, 2011, a trust fund under administration was as follows:

	2011	2010
Fort Dunvegan Historical Society Trust Fund	\$ 3	\$ 3

Note 9 Benefit Plans
(in thousands)

The Department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$4,694 for the year ended March 31, 2011 (2010 – \$4,179).

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

The Department 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 \$4,141 (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 contributions for the year.

Note 10 Subsequent Events

Effective April 1, 2011 responsibility for the Bingo Associations program will be transferred to the Ministry of Solicitor General and Public Security and responsibility for the Major Fairs and Exhibitions program will be transferred to the Ministry of Agriculture and Rural Development.

Effective April 1, 2011, responsibility for Cultural Industries will be transferred to the Department of Culture and Community Spirit.

Department of Culture and Community Spirit
Notes to the Financial Statements
Year ended March 31, 2011

Note 11 Comparative Figures

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

Note 12 Approval of Financial Statements

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

Department of Culture and Community Spirit
Schedule to Financial Statements
Revenues
Year ended March 31, 2011

	2011		2010
	Budget	Actual	Actual (Restated) (Note 3)
	(in thousands)		
Internal Government Transfers			
Transfers from the Lottery Fund	\$ 180,025	\$ 179,570	\$ 190,459
Transfers from the Alberta Heritage Scholarship Fund	10	10	10
	<u>180,035</u>	<u>179,580</u>	<u>190,469</u>
Transfers from the Government of Canada			
Infrastructure Stimulus Fund	30,627	20,569	2,016
Other	-	300	109
	<u>30,627</u>	<u>20,869</u>	<u>2,125</u>
Premiums, Fees and Licences			
Film Classification	750	618	761
	<u>750</u>	<u>618</u>	<u>761</u>
Other Revenue			
Contributions in Kind	1,000	550	1,533
Prior Years Refunds of Expenses	420	385	948
Other	500	426	323
	<u>1,920</u>	<u>1,361</u>	<u>2,804</u>
Total Revenues	<u>\$ 213,332</u>	<u>\$ 202,428</u>	<u>\$ 196,159</u>

Department of Culture and Community Spirit
Schedule to Financial Statements
Credit or Recovery
Year ended March 31, 2011

	2011		
	Authorized	Actual ^(a)	(Shortfall) / Excess ^(d)
	(in thousands)		
Acquisition of Historical Collections ^(b)	\$ 1,000	\$ 550	\$ (450)
Royal Alberta Museum ^(c)	500	411	(89)
	<u>\$ 1,500</u>	<u>\$ 961</u>	<u>\$ (539)</u>

- ^(a) Revenues from credit or recovery initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- ^(b) Acquisition of Historical Collections is related to donations of artifacts and other items to various historic sites and museums.
- ^(c) Funding to the Royal Alberta Museum is provided for the Alberta Biodiversity Monitoring Program.
- ^(d) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Department of Culture and Community Spirit
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year ended March 31, 2011

	2011		2010
	Budget	Actual	Actual (Restated) (Note 3)
	(in thousands)		
Voted			
Grants	\$ 210,590	\$ 217,855	\$ 202,749
Salaries, Wages and Employee Benefits	50,280	47,893	46,967
Supplies and Services	10,016	10,494	14,047
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	1,581	1,466	1,874
Amortization of Tangible Capital Assets	1,786	1,350	1,133
Financial Transactions and Other	149	101	105
Total Voted Expenses before Recoveries	274,402	279,159	266,875
Less: Recovery from Support Service Arrangements with Related Parties ^(b)	(7,799)	(7,693)	(6,657)
	\$ 266,603	\$ 271,466	\$ 260,218
Statutory			
Grants	\$ 10	\$ 10	\$ 10
Valuation Adjustments			
Provision for Environmental Obligations	-	861	8,518
Provision for Vacation Pay and Banked Overtime	90	(338)	548
Provision for Doubtful Accounts	-	-	2
	\$ 100	\$ 533	\$ 9,078

^(a) The Department received Freedom of Information and Privacy services from the Department of Finance and Enterprise and Information Management and Technology Services from the Department of Tourism, Parks and Recreation.

^(b) The Department provided financial and administrative services to the funds and agencies of the Ministry of Culture and Community Spirit and provided Human Resource Services and Policy, Planning and Legislative Services to the Department of Tourism, Parks and Recreation. Costs incurred by the Department were recovered.

Department of Culture and Community Spirit
Schedule to Financial Statements
Budget
Year ended March 31, 2011

	2010-2011			Authorized ^{(b)(c)} Supplementary	Authorized Budget
	Estimates	Adjustment ^(a)	Budget		
	(in thousands)				
Revenues					
Internal Government Transfers	\$ 180,035	\$ -	\$ 180,035	\$ -	\$ 180,035
Transfers from the Government of Canada	30,627	-	30,627	-	30,627
Premiums, Fees and Licences	750	-	750	-	750
Other Revenue	1,920	-	1,920	-	1,920
	<u>213,332</u>	<u>-</u>	<u>213,332</u>	<u>-</u>	<u>213,332</u>
Expenses – Directly Incurred					
Voted Expenses					
Ministry Support Services	7,750	-	7,750	-	7,750
Arts and Cultural Industries	49,160	-	49,160	-	49,160
Community and Voluntary Support Services	164,317	-	164,317	5,599	169,916
Heritage	37,756	-	37,756	-	37,756
Human Rights and Citizenship	7,620	-	7,620	-	7,620
Credit or Recovery Shortfall (Schedule 2)	-	(539)	(539)	-	(539)
	<u>266,603</u>	<u>(539)</u>	<u>266,064</u>	<u>5,599</u>	<u>271,663</u>
Statutory Expenses					
Queen's Golden Jubilee Scholarships	10	-	10	-	10
Valuation adjustments					
Provision for Environmental Liability	-	-	-	-	-
Provision for Vacation Pay and Banked Overtime	90	-	90	-	90
Provision for Doubtful Accounts	-	-	-	-	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-	-	-
Net Operating Results	<u>\$ (53,371)</u>	<u>\$ 539</u>	<u>\$ (52,832)</u>	<u>\$ (5,599)</u>	<u>\$ (58,431)</u>
Equipment/Inventory Purchases	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ (371)</u>	<u>\$ 2,129</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371</u>	<u>\$ 371</u>
Non-Budgetary Disbursements	<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 2,340</u>

(a) Adjustments include credit or recovery shortfalls.

(b) Supplementary Estimates of \$2,629 in Expense and Equipment/Inventory purchases and \$371 in Capital Investment were approved on March 14, 2011.

(c) Treasury Board approved transfers of \$2,599 for emerging capital purposes from Alberta Infrastructure pursuant to section 5 of the *Appropriation Act, 2010*.

**Department of Culture and Community Spirit
Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011**

	2010-11 Estimates	Adjustments ⁽⁶⁾	2010-11 Budget	2010-11 Authorized Supplementary	2010-11 Authorized Budget	2010-11 Actual	Unexpended (Over Expended)
(in thousands)							
Voted Expense, Equipment/Inventory Purchases and Capital Investments							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 575	\$ -	\$ 575	\$ -	\$ 575	\$ 547	\$ 28
1.0.2 Deputy Minister's Office	630	-	630	-	630	628	2
1.0.3 Financial Services	1,455	-	1,455	-	1,455	1,323	132
1.0.4 Information Management and Technology Services	1,765	-	1,765	-	1,765	1,857	(92)
1.0.5 Policy, Planning and Legislative Services	650	-	650	-	650	492	158
1.0.6 Communications	535	-	535	-	535	532	3
1.0.7 Human Resources	655	-	655	-	655	513	142
1.0.8 Corporate Initiatives Expense	1,485	-	1,485	-	1,485	1,742	(257)
Equipment / Inventory Purchases	500	-	500	-	500	441	59
	8,250	-	8,250	-	8,250	8,075	175
2 Arts and Cultural Industries							
2.0.1 Program Support	770	-	770	-	770	639	131
2.0.2 Arts	2,215	-	2,215	-	2,215	1,807	408
2.0.3 Film and Television Production Expense	475	-	475	-	475	577	(102)
Expense Funded by Lotteries	16,500	-	16,500	-	16,500	15,312	1,188
2.0.4 Assistance to the Alberta Foundation for the Arts							
Expense Funded by Lotteries	29,200	-	29,200	-	29,200	29,100	100
	49,160	-	49,160	-	49,160	47,435	1,725

**Department of Culture and Community Spirit
Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses and Non-Budgetary Disbursement by Element to Authorized Budget (continued)
Year ended March 31, 2011**

	2010-11 Estimates	Adjustments ^(b)	2010-11 Budget	2010-11 Authorized Supplementary	2010-11 Authorized Budget	2010-11 Actual	Unexpended (Over Expended)
	(in thousands)						
3							
Community and Voluntary Support Services							
3.0.1 Program Support	\$ 2,490	\$ -	\$ 2,490	\$ -	\$ 2,490	\$ 2,312	\$ 178
3.0.2 Community Development	3,975	-	3,975	-	3,975	4,078	(103)
3.0.3 Voluntary Sector Services	2,625	-	2,625	-	2,625	2,176	449
3.0.4 Community Spirit Donation Grant Program Expense Funded by Lotteries	16,000	-	16,000	-	16,000	15,391	609
3.0.5 Community Facility Enhancement Program Expense Funded by Lotteries	38,000	-	38,000	-	38,000	40,519	(2,519)
3.0.6 Community Initiatives Program Expense Funded by Lotteries	25,500	-	25,500	-	25,500	24,217	1,283
3.0.7 Major Fairs and Exhibitions Expense Funded by Lotteries	22,000	-	22,000	-	22,000	22,000	-
3.0.8 Other Initiatives Expense	-	-	-	5,599	5,599	17,588	(11,989)
3.0.9 Bingo Associations Expense Funded by Lotteries	6,500	-	6,500	-	6,500	7,125	(625)
3.0.10 Support for Canada Sports Hall of Fame Expense Funded by Lotteries	6,600	-	6,600	-	6,600	6,145	455
3.0.11 Support for Mount Royal Conservatory of Music Expense Funded by Lotteries	13,175	-	13,175	-	13,175	6,930	6,245
3.0.12 Support for The Citadel Theatre Expense Funded by Lotteries	10,000	-	10,000	-	10,000	10,000	-
3.0.13 Support for GO Community Centre Expense Funded by Lotteries	2,652	-	2,652	-	2,652	2,134	518
	14,800	-	14,800	-	14,800	11,505	3,295
	164,317	-	164,317	5,599	169,916	172,120	(2,204)
4							
Heritage							
4.0.1 Program Support	870	-	870	-	870	960	(90)
4.0.2 Royal Alberta Museum	6,320	-	6,320	-	6,320	6,578	(258)
4.0.3 Royal Tyrrell Museum of Palaeontology	2,895	-	2,895	-	2,895	2,408	487

**Department of Culture and Community Spirit
Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (continued)
Year ended March 31, 2011**

	2010-11 Estimates	Adjustments ⁽⁶⁾	2010-11 Budget	2010-11 Authorized Supplementary	2010-11 Authorized Budget	2010-11 Actual	Unexpended (Over Expended)
	(in thousands)						
4.0.4	9,980	-	9,980	-	9,980	9,549	431
4.0.5	2,620	-	2,620	-	2,620	2,623	(3)
4.0.6	1,000	-	1,000	-	1,000	550	450
4.0.7	4,725	-	4,725	-	4,725	4,553	172
4.0.8							
Foundation							
Expense Funded by Lotteries	8,000	-	8,000	-	8,000	8,000	-
4.0.9	1,346	-	1,346	-	1,346	975	371
4.0.10							
Heritage Infrastructure							
Expense	-	-	-	-	-	707	(707)
Equipment / Inventory Purchases	2,000	-	2,000	(371)	1,629	893	736
Capital Investment	-	-	-	371	371	352	19
	39,756	-	39,756	-	39,756	38,148	1,608
5							
Human Rights and Citizenship							
5.0.1	1,320	-	1,320	-	1,320	555	765
5.0.2	4,575	-	4,575	-	4,575	5,094	(519)
5.0.3							
Assistance to the Human Rights Education and Multiculturalism Fund	1,725	-	1,725	-	1,725	1,725	-
Expense Funded by Lotteries							
	7,620	-	7,620	-	7,620	7,374	246
Credit or Recovery Shortfall (Schedule 2)	-	(539)	(539)	-	(539)	-	(539)
Total Voted Expenses	\$ 269,103	\$ (539)	\$ 268,564	\$ 5,599	\$ 274,163	\$ 273,152	\$ 1,011

**Department of Culture and Community Spirit
Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (continued)
Year ended March 31, 2011**

	2010-11 Estimates	Adjustments ⁽⁶⁾	2010-11 Budget	2010-11 Authorized Supplementary Budget ^{(b)(c)}	2010-11 Authorized Budget	2010-11 Actual	Unexpended (Over Expended)
				(in thousands)			
Expense	\$ 86,578	\$ (539)	\$ 86,039	\$ 5,599	\$ 91,638	\$ 91,932	\$ (294)
Expense Funded by Lotteries	180,025	-	180,025	-	180,025	179,534	491
Equipment / Inventory Purchases	2,500	-	2,500	(371)	2,129	1,334	795
Capital Investment	\$ 269,103	\$ (539)	\$ 268,564	\$ 5,228	\$ 273,792	\$ 272,800	\$ 992
	-	-	-	371	371	352	19
Total Voted Expenses	\$ 269,103	\$ (539)	\$ 268,564	\$ 5,599	\$ 274,163	\$ 273,152	\$ 1,011
Statutory Expenses	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ 10	\$ -
Queen's Golden Jubilee Scholarships							
Valuation Adjustments	-	-	-	-	-	861	(861)
Provision for Environmental Obligations	90	-	90	-	90	(338)	428
Provision for Vacation Pay and Banked Overtime	-	-	-	-	-	-	-
Provision for Doubtful Accounts	-	-	-	-	-	-	-
Total Statutory Expenses	\$ 100	\$ -	\$ 100	\$ -	\$ 100	\$ 533	\$ (433)

**Department of Culture and Community Spirit
Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (continued)
Year ended March 31, 2011**

	2010-11 Estimates	Adjustments ^(a)	2010-11 Budget	2010-11 Authorized ^{(b)(c)} Supplementary	2010-11 Authorized Budget	2010-11 Actual	Unexpended (Over Expended)
(in thousands)							
Non-Budgetary Disbursements							
4 Heritage	\$ 2,340	\$ -	\$ 2,340	\$ -	\$ 2,340	\$ 967	\$ 1,373
4.0.10 Heritage Infrastructure	\$ 2,340	\$ -	\$ 2,340	\$ -	\$ 2,340	\$ 967	\$ 1,373

(a) Adjustments include credit or recovery shortfalls (Schedule 2).

(b) Supplementary Estimates of \$2,629 in Expense and Equipment/Inventory purchases and \$371 in Capital Investment were approved on March 14, 2011.

(c) Treasury Board approved transfers of \$2,599 for emerging capital purposes from Alberta Infrastructure pursuant to section 5 of the *Appropriation Act, 2010*.

Department of Culture and Community Spirit
Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2011

	2011			2010	
	Base Salary ^(a)	Other Cash Benefits ^(b)	Other Non-cash Benefits ^(c)	Total	Total
	(in thousands)				
Senior Officials					
Deputy Minister ^(d)	\$ 265	\$ 2	\$ 63	\$ 330	\$ 327
Chief of the Commission and Tribunals, Alberta Human Rights Commission	221	10	6	237	231
Full-Time Member, Alberta Human Rights Commission ^(e)	62	12	4	78	-
Executives					
Assistant Deputy Minister, Culture, Community and Voluntary Services Division	185	2	9	196	194
Assistant Deputy Minister, Heritage Division	146	2	35	183	184
Executive Director, Human Resource Services ^(f)	152	2	37	191	188
Executive Director, Policy, Planning and Legislative Services ^(f)	147	1	37	185	188
Executive Director, Information Management and Technology Services ^{(f)(g)}	108	1	26	135	189
Executive Director, Financial Services	152	2	37	191	189
Executive Director, Strategic Technology Coordination ^(h)	64	-	14	78	184

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

- (a) Base salary includes pensionable base pay.
- (b) Other cash benefits include vacation payout, overtime, modifier in lieu of automobile and lump sum payments. There were no bonuses paid in 2011.
- (c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
- (d) Automobile provided, no dollar amount included in other non-cash benefits.
- (e) This position was appointed as a Senior Official on November 4, 2010.
- (f) The incumbent's services are shared with the Department of Tourism, Parks and Recreation which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.
- (g) This position was occupied by two individuals through the year.
- (h) This position ended September 4, 2010.

Department of Culture and Community Spirit
Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(in thousands)

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 Department.

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

The Department 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.

	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010 (Restated) (Note 3)
Revenues				
Grants	\$ -	\$ -	\$ 179,580	\$ 190,469
Expenses – Directly Incurred				
Grants	\$ 38,825	\$ 46,366	\$ 11,929	\$ 2,167
Other services	-	-	1,574	1,477
	<u>\$ 38,825</u>	<u>\$ 46,366</u>	<u>\$ 13,503</u>	<u>\$ 3,644</u>
Transfer of Tangible Capital Assets				
In (Out)	\$ -	\$ -	\$ (553)	\$ (237)
Payable to	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ 178</u>	<u>\$ 137</u>
Receivable from	<u>\$ 42</u>	<u>\$ 452</u>	<u>\$ 982</u>	<u>\$ 1,047</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

Department of Culture and Community Spirit
Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(in thousands)

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

	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
Recoveries				
Services Provided	\$ 1,010	\$ 1,172	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 35,357	\$ 36,047
GOA Learning Centre	-	-	38	27
Legal Services	-	-	172	261
Internal Audit	-	-	25	78
Financial Services	-	-	533	887
Transportation Services	-	-	61	172
Information Technology Services	-	-	1,601	1,773
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,787</u>	<u>\$ 39,245</u>

**Department of Culture and Community Spirit
Schedule to Financial Statements
Allocated Costs
Year ended March 31, 2011
(in thousands)**

Program	2011											2010		
	Expenses – Incurred by Others											Valuation Adjustments ^(f)		(Restated) (Note 3)
	Expenses ^(a)	Services Provided ^(b)	Accommodation ^(c)	GOA Learning Centre ^(d)	Legal Services ^(e)	Internal Audit ^(f)	Financial Services ^(g)	Transportation Services ^(h)	Information Technology Services ⁽ⁱ⁾	Provisions	Total Expenses	Total Expenses		
Ministry Support Services	\$ 7,634	\$ -	\$ 271	\$ 4	\$ 134	\$ 25	\$ 57	\$ 7	\$ 171	\$ 12	\$ 8,315	\$ 8,369		
Arts and Cultural Industries	47,435	(183)	8,812	4	5	-	55	6	166	12	56,312	69,066		
Community and Voluntary Support Services	172,120	(92)	788	6	17	-	84	10	251	(176)	173,008	145,071		
Heritage	36,903	(532)	24,829	20	15	-	282	32	847	726	63,122	76,564		
Human Rights and Citizenship	7,374	(203)	657	4	1	-	55	6	166	(51)	8,009	8,289		
Queen's Golden Jubilee Scholarships	10	-	-	-	-	-	-	-	-	-	10	10		
	<u>\$ 271,476</u>	<u>\$ (1,010)</u>	<u>\$ 35,357</u>	<u>\$ 38</u>	<u>\$ 172</u>	<u>\$ 25</u>	<u>\$ 533</u>	<u>\$ 61</u>	<u>\$ 1,601</u>	<u>\$ 523</u>	<u>\$ 308,776</u>	<u>\$ 307,369</u>		

^(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

^(b) The Department of Culture and Community Spirit provided financial and administrative services to its funds and agencies.

^(c) The Department of Infrastructure provided accommodations. Costs shown for Accommodation on Schedule 7, allocated by square footage.

^(d) The Department of Treasury Board provided training services. Costs shown for Government of Alberta Learning Centre on Schedule 7, allocated by full time equivalent.

^(e) The Department of Justice and Attorney General provided legal services. Costs for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

^(f) The Department of Treasury Board provided internal audit services. Costs shown for Internal Audit Services on Schedule 7, allocated by estimated costs incurred by each program.

^(g) The Department of Service Alberta provided financial services to the Department. Costs shown for Financial Services on Schedule 7, allocated to the program by full time equivalent.

^(h) The Department of Service Alberta and Department of Treasury Board provided transportation services. Costs shown for Transportation Services on Schedule 7, allocated to the program by full time equivalent.

⁽ⁱ⁾ The Department of Service Alberta provided information technology services. Costs shown for Information Technology Services on Schedule 7, allocated to the program by full time equivalent.

^(j) Valuation Adjustments as per Statement of Operations. Provisions included in Valuation Adjustments were allocated as follows: Vacation Pay and Banked Overtime – allocated to the program by full time equivalent; Doubtful Accounts – allocated to the program; and Environmental Obligations – allocated to the program.

Department of Culture and Community Spirit
Schedule to Financial Statements
Tangible Capital Assets
Year ended March 31, 2011
(in thousands)

	2011						2010
	General Capital Assets			Infrastructure Assets			Total
	Equipment ^(a) 3-10 years	Computer Hardware and Software 5-8 years	Land Indefinite	Buildings 20-40 years	Land Improvements 40 years	Total	
Estimated Useful Life Historical Cost ^(b)	\$ 10,042	\$ 4,009	\$ 2,453	\$ 311	\$ 1,504	\$ 18,319	\$ 16,843
Beginning of Year Additions	682	622	-	-	382	1,686	2,075
Disposals, Including Write-Downs	(57)	(193)	-	-	-	(250)	(362)
Transfers to Others ^(c)	(35)	(58)	-	(180)	(290)	(563)	(237)
	<u>\$ 10,632</u>	<u>\$ 4,380</u>	<u>\$ 2,453</u>	<u>\$ 131</u>	<u>\$ 1,596</u>	<u>\$ 19,192</u>	<u>\$ 18,319</u>
Accumulated Amortization							
Beginning of Year	\$ 3,709	\$ 1,084	\$ -	\$ 58	\$ 100	\$ 4,951	\$ 3,893
Amortization Expense	840	462	-	4	44	1,350	1,133
Effect of Disposal	(51)	-	-	-	-	(51)	(75)
Transfers to Others ^(c)	(2)	-	-	(8)	-	(10)	-
	<u>\$ 4,496</u>	<u>\$ 1,546</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 144</u>	<u>\$ 6,240</u>	<u>\$ 4,951</u>
Net Book Value at March 31, 2011	<u>\$ 6,136</u>	<u>\$ 2,834</u>	<u>\$ 2,453</u>	<u>\$ 77</u>	<u>\$ 1,452</u>	<u>\$ 12,952</u>	
Net Book Value at March 31, 2010	<u>\$ 6,276</u>	<u>\$ 2,964</u>	<u>\$ 2,453</u>	<u>\$ 253</u>	<u>\$ 1,422</u>	<u>\$ 13,368</u>	

^(a) Equipment includes network switches and routers, vehicles, office equipment and furniture, and other equipment.

^(b) Historical cost includes work-in-progress at March 31, 2011 totalling \$1,506 (2010 - \$1,250) comprised of: equipment \$437 (2010 - \$425); computer hardware and software \$604 (2010 - \$394); buildings \$60 (2010 - \$67); and land improvements \$405 (2010 - \$364).

^(c) Transfers of equipment and computer hardware and software were made to Alberta Tourism, Parks and Recreation at a net book value of \$91 and transfers of buildings and land improvements were made to Alberta Infrastructure at a net book value of \$462.

