

**Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2009**

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

(b) Basis of Financial Reporting (continued)

- 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 and environmental obligations.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

Incurred by Others

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

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

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 \$100,000 and 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.

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 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.

**Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2009**

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

(b) Basis of Financial Reporting (continued)

Net Assets

Net assets 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 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 \$1,480 (2008 – \$907) based on management's best estimates that reflect the most probable course of action. Increased construction costs, or other unanticipated changes may affect these estimates.

Department of Tourism, Parks and Recreation
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Year ended March 31, 2009

Note 3 Government Reorganization/Program Transfers (in thousands)

The Department of Tourism, Parks and Recreation was established as a result of restructuring of government ministries announced on March 12, 2008. The Department of Tourism, Parks, Recreation and Culture was split into the Department of Tourism, Parks and Recreation and the Department of Culture and Community Spirit. Comparatives for 2008 have been restated as if the Department had always been assigned with its current responsibilities. Net assets on March 31, 2007 are made up as follows:

| | |
|--|------------------------------|
| Net Assets as previously reported | \$ 249,191 |
| Transfer from the Department of Culture and Community Spirit | 16,344 |
| Transfer to the Department of Employment and Immigration | <u>(250)</u> |
| Net Assets at March 31, 2007 | <u><u>\$ 265,285</u></u> |

Based on an agreement between the Departments of Service Alberta and Tourism, Parks and Recreation, effective April 1, 2008, the Department of Tourism, Parks and Recreation transferred the budgetary responsibility for the functional reporting of information technology services to the Ministry of Service Alberta. This resulted in the restatement of comparative figures for 2008 which increased Net Operating Results by \$1,099 and decreased Net Financing provided from General Revenues by \$1,099.

Note 4 Accounts Receivable (in thousands)

| | <u>2009</u> | | | <u>2008</u> |
|------------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 398 | \$ 101 | \$ 297 | \$ 270 |
| Advances | 14 | - | 14 | - |
| Refunds from Suppliers | - | - | - | 44 |
| | <u>\$ 412</u> | <u>\$ 101</u> | <u>\$ 311</u> | <u>\$ 314</u> |

Accounts receivable are unsecured and non-interest bearing.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2009

Note 5 Contractual Obligations (in thousands)

| | 2009 | 2008 |
|--------------------------------|-------------|-------------|
| Capital Construction Contracts | \$ 4,821 | \$ 8,756 |
| Grant Agreements | 535 | 7,125 |
| Long-term Leases | 266 | 1,028 |
| Service Contracts | 38,625 | 43,357 |
| | \$ 44,247 | \$ 60,266 |

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

| | Capital Construction Contracts | Grant Agreements | Long-term Leases | Service Contracts | Total |
|-------------|---|-----------------------------|-----------------------------|------------------------------|--------------|
| 2009 - 2010 | \$ 4,821 | \$ 285 | \$ 133 | \$ 34,081 | \$ 39,320 |
| 2010 - 2011 | - | 250 | 133 | 1,369 | 1,752 |
| 2011 - 2012 | - | - | - | 1,240 | 1,240 |
| 2012 - 2013 | - | - | - | 915 | 915 |
| 2013 - 2014 | - | - | - | 755 | 755 |
| Thereafter | - | - | - | 265 | 265 |
| | \$ 4,821 | \$ 535 | \$ 266 | \$ 38,625 | \$ 44,247 |

Note 6 Contingent Liabilities (in thousands)

At March 31, 2009 the Department is a defendant in three legal claims (2008 - six legal claims). Two of these claims have specified amounts totalling \$5,201 and the remaining one has no specified amount (2008 – five claims with specified amounts of \$12,306 and one with no specified amount). These claims are covered by the Alberta Risk Management Fund.

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

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2009

Note 7 Trust Funds 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 various trusts, they are not included in the Department's financial statements.

As at March 31, 2009, the department administered the following trust fund:

| | 2009 | 2008 |
|--|--------|--------|
| Parks General Trust and Performance Deposits | \$ 795 | \$ 594 |

In addition to the above trust fund under administration, the Department holds bank guarantees in the form of letters of credit in the amount of \$40,827 (2008 – \$26,378).

Note 8 Defined 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 \$2,868 for the year ended March 31, 2009 (2008 – \$2,545).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of \$568,574 (2007 – \$84,341) and the Public Service Pension Plan reported a deficiency of \$1,187,538 (2007 – \$92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$7,111 (2007 – surplus of \$1,510).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of \$33,540 (2008 – \$6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of \$1,051 (2008 – actuarial surplus of \$7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2009

Note 9 Other Business Relationships (in thousands)

The Department has two agreements with Travel Alberta International Inc. (TAI), a not-for-profit Corporation jointly owned by Edmonton Economic Development Corporation and Tourism Calgary - Calgary Convention & Visitors Bureau, to carry out international tourism marketing on behalf of the Department. The primary agreement, which expires March 31, 2010, provides for international marketing services worldwide. A secondary agreement, which expired March 31, 2009, focused on the development and implementation of tourism marketing programs and activities in the US Meetings, Conventions & Incentive Travel (MCIT) market. The nature of these arrangements is such that the Department exercises significant influence over the strategic operating, capital, investing and financing activities of TAI. During the year, the Department acquired tourism marketing services totalling \$27,086 (2008 – \$24,539) from TAI, of which \$1,120 (2008 – \$2,397) was payable to TAI as at March 31, 2009. These amounts are included in the Department's financial statements under the element 2.0.9 International Marketing (Schedule 5).

Note 10 Subsequent Events

Travel Alberta was established by the *Travel Alberta Act* enacted on the June 3, 2008. Travel Alberta will commence operations on April 1, 2009. The department will transfer the agreed upon Tourism Marketing and Travel Alberta programs to the corporation along with the associated budgets, operating expenses, assets, liabilities and net assets.

Note 11 Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 12 Approval of Financial Statements

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

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 1
Revenues
For the year ended March 31, 2009
(in thousands)

| | 2009 | | 2008 |
|---|-------------------|-------------------|-------------------|
| | Budget | Actual | Actual |
| Internal Government Transfers | | | |
| Transfers from the Lottery Fund | \$ 95,470 | \$ 95,470 | \$ 113,970 |
| Transfers from the Government of Canada | 15 | 3 | 2 |
| Investment Income | | | |
| Interest | - | 18 | - |
| Premiums, Fees and Licences | | | |
| Camping Fees | 6,098 | 5,502 | 4,527 |
| Land and Grazing | 893 | 954 | 752 |
| Other | - | 678 | 1,203 |
| | 6,991 | 7,134 | 6,482 |
| Other Revenue | | | |
| Miscellaneous | 2,172 | 2,440 | 1,963 |
| Refunds of Expenses | 420 | 394 | 311 |
| Sales | - | 77 | 64 |
| | 2,592 | 2,911 | 2,338 |
| | <u>\$ 105,068</u> | <u>\$ 105,536</u> | <u>\$ 122,792</u> |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 2
Dedicated Revenue Initiatives
For the year ended March 31, 2009
(in thousands)

| | 2009 | | |
|--|-------------------------------------|--|---------------|
| | Authorized Dedicated Revenues | Actual Dedicated Revenues ^(a) | Excess |
| Park Operations ^(b) | \$ 8,023 | \$ 8,233 | \$ 210 |
| Parks Infrastructure Management ^(c) | 1,155 | 1,251 | 96 |
| | <u>\$ 9,178</u> | <u>\$ 9,484</u> | <u>\$ 306</u> |

- ^(a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- ^(b) Parks collects various fees and other revenues that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector, foundations, individuals, and others.
- ^(c) Parks collects a levy for facility redevelopment.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 3
Expenses – Directly Incurred Detailed By Object
For the year ended March 31, 2009
(in thousands)

| | 2009 | | 2008 |
|--|--------------------------|--------------------------|--------------------------------|
| | Budget | Actual | Actual Restated (Note 3) |
| Voted | | | |
| Salaries, Wages and Employee Benefits | \$ 48,923 | \$ 45,071 | \$ 41,209 |
| Supplies and Services | 80,806 | 77,138 | 69,262 |
| Supplies and Services from Support Service Arrangements with Related Parties ^(a) | - | 1,422 | 72 |
| Grants | 105,795 | 104,000 | 124,960 |
| Financial Transactions and Other | 93 | 102 | 78 |
| Amortization of Tangible Capital Assets | 12,817 | 11,204 | 10,534 |
| Total Voted Expenses before Recoveries | 248,434 | 238,937 | 246,115 |
| Less Recovery from Support Service Arrangements with Related Parties^(b) | (3,695) | (2,665) | (2,271) |
| | <u>\$ 244,739</u> | <u>\$ 236,272</u> | <u>\$ 243,844</u> |
| Statutory | | | |
| Valuation Adjustments | | | |
| Provision for Doubtful Accounts | \$ - | \$ 7 | \$ 8 |
| Provision for Environmental Obligations | - | 1,073 | 608 |
| Provision for Vacation Pay and Banked Overtime | 110 | 423 | 394 |
| | <u>\$ 110</u> | <u>\$ 1,503</u> | <u>\$ 1,010</u> |

^(a) The Department received Freedom of Information and Privacy (FOIP) service from the Department of Finance and Enterprise; and revenue services from the Department of Energy.

^(b) The Department provided financial and administrative services to the Alberta Sport, Recreation, Parks and Wildlife Foundation of the Ministry of Tourism, Parks and Recreation. Costs incurred by the Department for these services were recovered from the Alberta Sport, Recreation, Parks and Wildlife Foundation.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 4
Budget
For the year ended March 31, 2009
(in thousands)

| | 2008-09 Estimates | Adjustment | 2008-09 Budget | Authorized Supplementary | 2008-09 Authorized Budget |
|---|----------------------|-------------|---------------------|--------------------------------|---------------------------------|
| Revenues | | | | | |
| Internal Government Transfers | \$ 95,470 | - | \$ 95,470 | \$ - | \$ 95,470 |
| Transfers from the Government of Canada | 15 | - | 15 | - | 15 |
| Premiums, Fees and Licences | 6,991 | - | 6,991 | - | 6,991 |
| Other Revenue | 2,592 | - | 2,592 | - | 2,952 |
| | <u>105,068</u> | <u>-</u> | <u>105,068</u> | <u>-</u> | <u>105,068</u> |
| Expenses – Directly Incurred | | | | | |
| Voted Expenses | | | | | |
| Ministry Support Services | 7,628 | - | 7,628 | - | 7,628 |
| Tourism | 66,229 | - | 66,229 | - | 66,229 |
| Parks | 122,685 | - | 122,685 | (3,425) ^(a) | 119,260 |
| Recreation and Sport | 48,197 | - | 48,197 | 300 ^(b) | 48,497 |
| | <u>244,739</u> | <u>-</u> | <u>244,739</u> | <u>(3,125)</u> | <u>241,614</u> |
| Statutory Expenses | | | | | |
| Valuation adjustments | | | | | |
| Provision for Doubtful Accounts | - | - | - | - | - |
| Provision for Environmental Obligations | - | - | - | - | - |
| Provision for Vacation Pay and Banked Overtime | 110 | - | 110 | - | 110 |
| | <u>110</u> | <u>-</u> | <u>110</u> | <u>-</u> | <u>110</u> |
| Gain (Loss) on Disposal of Tangible Capital Assets | <u>2,300</u> | <u>-</u> | <u>2,300</u> | <u>-</u> | <u>2,300</u> |
| Net Operating Results | <u>\$ (137,481)</u> | <u>\$ -</u> | <u>\$ (137,481)</u> | <u>\$ 3,125</u> | <u>\$ (134,356)</u> |
| Equipment/Inventory Purchases | <u>\$ 1,543</u> | <u>\$ -</u> | <u>\$ 1,543</u> | <u>\$ -</u> | <u>\$ 1,543</u> |
| Capital Investment | <u>\$ 34,136</u> | <u>\$ -</u> | <u>\$ 34,136</u> | <u>\$ 4,072</u> ^(c) | <u>\$ 38,208</u> |

^(a) As part of Treasury Board third quarter decisions February 9, 2009, Treasury Board acknowledged the lapse of \$2,500 in nominal sum disposals, and acknowledged the lapse of \$925 in amortization expense.

^(b) A supplementary estimate of \$300 was approved for the Community Development Trust and transferred from Finance and Enterprise on December 4, 2008.

^(c) A supplementary estimate of \$4,072 was approved to carry forward from the 2007-08 capital investment budget on July 21, 2008.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
For the year ended March 31, 2009
(in thousands)

| | 2008-09 Estimates | Adjustments | 2008-09 Budget | 2008-09 Authorized Supplementary ^(a) | 2008-09 Authorized Budget | 2008-09 Actual ^(b) | Unexpended (Over Expended) |
|---|----------------------|-------------|-------------------|---|---------------------------------|----------------------------------|-------------------------------|
| Voted Expense and Equipment/Inventory Purchases and Capital Investment | | | | | | | |
| 1 Ministry Support Services | | | | | | | |
| 1.0.1 Minister's Office | \$ 549 | \$ - | \$ 549 | \$ - | \$ 549 | \$ 528 | \$ 21 |
| 1.0.2 Deputy Minister's Office | 713 | - | 713 | - | 713 | 696 | 17 |
| 1.0.3 Strategic Corporate Services | 3,811 | - | 3,811 | - | 3,811 | 3,164 | 647 |
| 1.0.4 Corporate Costs | | | | | | | |
| - Expense | 1,310 | - | 1,310 | - | 1,310 | 1,429 | (119) |
| - Equipment/Inventory Purchases | 45 | - | 45 | - | 45 | 393 | (348) |
| 1.0.5 Communications | 419 | - | 419 | - | 419 | 360 | 59 |
| 1.0.6 Human Resources | 826 | - | 826 | - | 826 | 750 | 76 |
| | <u>7,673</u> | <u>-</u> | <u>7,673</u> | <u>-</u> | <u>7,673</u> | <u>7,320</u> | <u>353</u> |
| 2 Tourism | | | | | | | |
| 2.0.1 Program Support | 550 | - | 550 | - | 550 | 516 | 34 |
| 2.0.2 Tourism Information Services | | | | | | | |
| -Expense | 2,978 | - | 2,978 | - | 2,978 | 2,429 | 549 |
| -Equipment/Inventory Purchases | 300 | - | 300 | - | 300 | 349 | (49) |
| -Capital Investment | 700 | - | 700 | - | 700 | - | 700 |
| 2.0.3 Tourism Development | | | | | | | |
| -Expense | 3,984 | - | 3,984 | - | 3,984 | 2,658 | 1,326 |
| -Equipment/Inventory Purchases | - | - | - | - | - | 2,195 | (2,195) |
| 2.0.4 Tourism Research | 1,225 | - | 1,225 | - | 1,225 | 1,055 | 170 |
| 2.0.5 Tourism Photo and Video Library | 686 | - | 686 | - | 686 | 551 | 135 |
| 2.0.6 Tourism Business Investment | 720 | - | 720 | - | 720 | 690 | 30 |
| 2.0.7 Travel Alberta Secretariat | | | | | | | |
| -Expense | 9,514 | - | 9,514 | - | 9,514 | 9,696 | (182) |
| -Equipment/Inventory Purchases | - | - | - | - | - | 45 | (45) |
| 2.0.8 In-Province/ Regional Marketing | 11,311 | - | 11,311 | - | 11,311 | 11,254 | 57 |
| 2.0.9 International Marketing | 28,166 | - | 28,166 | - | 28,166 | 28,320 | (154) |
| 2.0.10 Tourism Destination Regions | 7,095 | - | 7,095 | - | 7,095 | 6,775 | 320 |
| | <u>67,229</u> | <u>-</u> | <u>67,229</u> | <u>-</u> | <u>67,229</u> | <u>66,533</u> | <u>696</u> |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5 (continued)
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
For the year ended March 31, 2009
(in thousands)

| | 2008-2009 Estimates | Adjustments | 2008-2009 Budget | 2008-2009 Authorized Supplementary ^(a) | 2008-2009 Authorized Budget | 2008-2009 Actual ^(b) | Unexpended (Over Expended) |
|--|------------------------|-------------|---------------------|---|-----------------------------------|------------------------------------|-------------------------------|
| 3 Parks | | | | | | | |
| 3.0.1 Program Support | 465 | - | 465 | - | 465 | 474 | (9) |
| 3.0.2 Parks Policy and Planning | 5,262 | - | 5,262 | - | 5,262 | 5,091 | 171 |
| 3.0.3 Parks Operations | | | | | | | |
| -Expense | 41,464 | - | 41,464 | - | 41,464 | 40,839 | 625 |
| -Equipment/Inventory Purchases | 220 | - | 220 | - | 220 | 2,070 | (1,850) |
| 3.0.4 Parks Infrastructure Management | | | | | | | |
| -Expense | 10,243 | - | 10,243 | - | 10,243 | 9,878 | 365 |
| -Equipment/Inventory Purchases | 978 | - | 978 | - | 978 | 896 | 82 |
| -Capital Investment | 33,436 | - | 33,436 | 4,072 ^(e) | 37,508 | 38,197 | (689) |
| 3.0.5 Support for Capital Region River Valley Park | | | | | | | |
| -Expense funded by Lotteries | 50,000 | - | 50,000 | - | 50,000 | 50,000 | - |
| 3.0.6 Nominal Sum Disposals | 2,500 | - | 2,500 | (2,500) ^(c) | - | - | - |
| 3.0.7 Amortization | 12,751 | - | 12,751 | (925) ^(c) | 11,826 | 11,047 | 779 |
| | <u>157,319</u> | <u>-</u> | <u>157,319</u> | <u>647</u> | <u>157,966</u> | <u>158,492</u> | <u>(526)</u> |
| 4 Recreation and Sport | | | | | | | |
| 4.0.1 Program Support | | | | | | | |
| -Expense | 496 | - | 496 | - | 496 | 868 | (372) |
| -Equipment/Inventory Purchases | - | - | - | - | - | 58 | (58) |
| 4.0.2 Recreation and Sports Services | 2,231 | - | 2,231 | 300 ^(d) | 2,531 | 1,735 | 796 |
| 4.0.3 Recreation and Sport Facilities Grants | | | | | | | |
| -Expense funded by Lotteries | 20,000 | - | 20,000 | - | 20,000 | 20,000 | - |
| 4.0.5 Hosting Major Athletic Events | | | | | | | |
| -Expense funded by Lotteries | 500 | - | 500 | - | 500 | 500 | - |
| 4.0.6 Assistance to the Alberta Sport, Recreation, Parks and Wildlife Foundation | | | | | | | |
| Expense funded by Lotteries | 24,970 | - | 24,970 | - | 24,970 | 24,970 | - |
| | <u>48,197</u> | <u>-</u> | <u>48,197</u> | <u>300</u> | <u>48,497</u> | <u>48,131</u> | <u>366</u> |
| Dedicated Revenue Shortfall (Schedule 2) | | - | - | - | - | - | - |
| Total Voted Expenses | <u>\$ 280,418</u> | <u>\$ -</u> | <u>\$ 280,418</u> | <u>\$ 947</u> | <u>\$ 281,365</u> | <u>\$ 280,476</u> | <u>\$ 889</u> |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5 (continued)
Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment,
Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
For the year ended March 31, 2009
(in thousands)

| | 2008-2009 Estimates | Adjustments | 2008-2009 Budget | 2008-2009 Authorized Supplementary ^(a) | 2008-2009 Authorized Budget | 2008-2009 Actual ^(b) | Unexpended (Over Expended) |
|---------------------------------------|------------------------|-------------|---------------------|---|-----------------------------------|------------------------------------|-------------------------------|
| Expense | \$ 149,269 | \$ - | \$ 149,269 | \$ (3,125) | \$ 146,144 | \$ 140,802 | \$ 5,342 |
| Expense funded by Lotteries | 95,470 | - | 95,470 | - | 95,470 | 95,470 | - |
| Equipment/Inventory Purchases | 1,543 | - | 1,543 | - | 1,543 | 6,007 | (4,464) |
| | 246,282 | - | 246,282 | (3,125) | 243,157 | 242,279 | 878 |
| Capital Investment | 34,136 | - | 34,136 | 4,072 | 38,208 | 38,197 | 11 |
| Total Voted Expenses | \$ 280,418 | \$ - | \$ 280,418 | \$ 947 | \$ 281,365 | \$ 280,476 | \$ 889 |
| Statutory Expenses | | | | | | | |
| Valuation Adjustments | | | | | | | |
| – Doubtful Accounts | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7 | \$ (7) |
| – Environmental Obligations | - | - | - | - | - | 1,073 | (1,073) |
| – Vacation Pay and Banked | | | | | | | |
| Overtime | 110 | - | 110 | - | 110 | 423 | (313) |
| | \$ 110 | \$ - | \$ 110 | \$ - | \$ - | \$ 1,503 | \$ (1,393) |
| Non-Budgetary Disbursements | | | | | | | |
| 2 Parks | | | | | | | |
| 2.0.4 Parks Infrastructure Management | \$ 500 | \$ - | \$ 500 | \$ - | \$ 500 | \$ 500 | \$ - |
| | \$ 500 | \$ - | \$ 500 | \$ - | \$ 500 | \$ 500 | \$ - |

^(a) Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

^(b) Includes achievement bonuses amounting to \$721.

^(c) On February 9, 2009, Treasury Board acknowledged the lapse of \$2,500 in nominal sum disposals, and acknowledged the lapse of \$925 in amortization expense.

^(d) A supplementary estimate of \$300 was approved on December 4, 2008 that transferred Community Development Trust funding to the department from Finance and Enterprise.

^(e) A supplementary estimate of \$4,072 was approved on July 21, 2008 for a capital carry forward from the 2007-08 unused appropriation.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 6
Salary and Benefits Disclosure
For the year ended March 31, 2009
(in thousands)

| | 2009 | | | | 2008 | |
|--|-------------------------------|---------------------------------------|--|--------|-------|-----|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total | |
| Senior Officials | | | | | | |
| Deputy Minister ^(d) | \$ 254 | \$ 43 | \$ 62 | \$ 359 | \$ | 325 |
| Executives | | | | | | |
| Assistant Deputy Minister, Tourism Division | 178 | 5 | 42 | 225 | | 225 |
| Assistant Deputy Minister, Parks Division ^(e) | 135 | 27 | 33 | 195 | | 241 |
| Executive Director, Recreation and Sport Division | 133 | 13 | 33 | 179 | | 161 |
| Executive Director, Human Resources ^{(f) (k)} | 121 | 17 | 30 | 168 | | 184 |
| Executive Director, Travel Alberta ^(g) | 63 | - | 22 | 85 | | 171 |
| Executive Director, Policy, Planning and Legislative Services ^{(f) (i)} | 143 | 21 | 35 | 199 | | - |
| Executive Director, Information Management and Technology ^{(f) (i)} | 146 | 14 | 36 | 196 | | - |
| Executive Director, 2010 Olympics and Paralympics ^{(i)(j)} | 122 | 19 | 8 | 149 | | - |
| Executive Director, Financial Services ^{(h) (i)} | 98 | 14 | 24 | 136 | | - |

Prepared in accordance with Treasury Board Directive 12/98 as amended.
Total salary and benefits relating to a position are disclosed.

- (a) Base salary includes pensionable base pay.
- (b) Other cash benefits include bonuses, vacation payments, overtime and lump sum payments.
- (c) Other non-cash benefits include the 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 non-cash benefits.
- (e) Salary and benefits for this position are disclosed for 9 months.
- (f) The incumbent's services are shared with the Department of Culture and Community Spirit which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.
- (g) The contract for this position was completed in September 2008.
- (i) Salary and benefits for this position are disclosed for 10 months.
- (h) This position was occupied by two individuals through the year. One of the incumbent's services were shared with the Department of Culture and Community Spirit for 3 months.
- (j) This position became part of the Executive Team on April 1, 2008.
- (k) This position was occupied by two individuals and salary and benefits are disclosed for ten months.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 7
Related Party Transactions
For the year ended March 31, 2009
(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 permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The 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 | |
|--|---------------------------------|------------------|-----------------------|---|
| | 2009 | 2008 | 2009 | 2008 |
| | | | | Restated (Note 2 and Note 3) |
| Revenues | | | | |
| Internal Government Transfers | \$ - | \$ - | \$ 95,470 | \$ 113,970 |
| Expenses – Directly Incurred | | | | |
| Grants | \$ 24,970 | \$ 23,470 | \$ - | \$ - |
| Other Services | - | - | 2,996 | 841 |
| | <u>\$ 24,970</u> | <u>\$ 23,470</u> | <u>\$ 2,996</u> | <u>\$ 841</u> |
| Accounts Receivable | <u>\$ 4</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ -</u> |
| Tangible Capital Assets Transferred From | | | | |
| Others | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 170</u> | <u>\$ 5,404</u> |
| Accounts Payable | <u>\$ -</u> | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ -</u> |

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

Schedule to the Financial Statements - Schedule 7 (continued)

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.

| | <u>Entities in the Ministry</u> | | <u>Other Entities</u> | |
|-------------------------------|---------------------------------|-------------|-----------------------|-----------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Recoveries | | | | |
| Services Provided | \$ 2,635 | \$ 2,245 | \$ - | \$ - |
| Expenses – Incurred by Others | | | | |
| Accommodation | \$ - | \$ - | \$ 4,197 | \$ 4,840 |
| Internal Audit | - | - | - | 61 |
| Legal | - | - | 344 | 340 |
| Other | - | - | 2,703 | 1,099 |
| Parks Maintenance | - | - | 1,940 | 1,573 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,184</u> | <u>\$ 7,913</u> |

**Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 8
Allocated Costs
For the year ended March 31, 2009
(in thousands)**

| Program | 2009 | | | | | | | | | | 2008 |
|---------------------------|-------------------------------|----------------------------------|------------------------------------|-------------------------------|-------------------------------|---------------------------------|--------------------------------------|---|--|-------------------|----------------------------------|
| | Expenses – Incurred by Others | | | | | | Valuation Adjustments ^(g) | | | | Total Expenses Restated (Note 3) |
| | Expenses ^(a) | Services Provided ^(b) | Accommodation Costs ^(c) | Legal Services ^(d) | Other Services ^(e) | Park Maintenance ^(f) | Provision for Doubtful Accounts | Provision for Environmental Obligations | Provision for Vacation Pay and Banked Overtime | Total Expenses | |
| Ministry Support Services | \$ 6,927 | \$ (135) | \$ 401 | \$ 37 | \$ 291 | \$ - | \$ - | \$ - | \$ 28 | \$ 7,549 | \$ 6,756 |
| Tourism | 63,944 | - | 1,138 | 123 | 274 | - | - | - | 45 | 65,524 | 58,520 |
| Parks | 117,328 | - | 2,560 | 167 | 1,934 | 1,940 | 7 | 1,073 | 317 | 125,326 | 69,519 |
| Recreation and Sport | 48,073 | (2,500) | 98 | 17 | 204 | - | - | - | 33 | 45,925 | 117,782 |
| | <u>\$ 236,272</u> | <u>\$ (2,635)</u> | <u>\$ 4,197</u> | <u>\$ 344</u> | <u>\$ 2,703</u> | <u>\$ 1,940</u> | <u>\$ 7</u> | <u>\$ 1,073</u> | <u>\$ 423</u> | <u>\$ 244,324</u> | <u>\$ 252,577</u> |

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

^(b) Financial and administrative services are provided to the Alberta Sport, Recreation, Parks and Wildlife Foundation.

^(c) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.

^(d) Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

^(e) Costs shown for Other Services on Schedule 7, allocated by estimated costs incurred by each program.

^(f) The Department of Infrastructure and Transportation provided road and bridge maintenance to Parks. Costs shown for Parks Maintenance on Schedule 7, allocated to the program.

^(g) Valuation Adjustments as per Statement of Operations. Environmental Obligations, Vacation Pay and Banked Overtime, and Doubtful Accounts provision included in Valuation adjustments were allocated as follows:

- Provision for Doubtful Accounts Provision – allocated to the program.
- Provision for Environmental Obligations – allocated to the program.
- Provision for Vacation Pay and Banked Overtime – allocated to the program by employee.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 9
Tangible Capital Assets
For the year ended March 31, 2009
(in thousands)

| | 2009 | | | | | | | | 2008 | |
|---------------------------------------|------------------------|-------------------|--------------------------------------|--------------------------|------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| | General Capital Assets | | | | | Infrastructure Assets | | | | |
| | Land | Buildings | Computer Hardware and Software | Equipment ^(a) | Other | Bridges | Highways and Roads | Land Improvements | Total | Total |
| | Restated (Note 3) | | | | | | | | Restated (Note 3) | Restated (Note 3) |
| Estimated Useful Life | Indefinite | 20-40 years | 5-8 years | 3-10 years | 20 years | 40 years | 40 years | 40 years | | |
| Historical Cost ^(b) | | | | | | | | | | |
| Beginning of Year | \$ 106,985 | \$ 168,492 | \$ 1,999 | \$ 27,949 | \$ 16,128 | \$ 3,013 | \$ 54,341 | \$ 176,666 | \$ 555,573 | \$ 502,073 |
| Additions | - | 15,066 | 7,101 | 4,230 | 282 | 77 | 7,457 | 9,990 | 44,203 | 49,879 |
| Disposals, Including Write-Downs | - | (1,142) | (20) | (1,875) | (13) | - | - | - | (3,050) | (1,783) |
| Transfers to (from) Ministry | - | - | 202 | (32) | - | - | - | - | 170 | 5,404 |
| | <u>\$ 106,985</u> | <u>\$ 182,416</u> | <u>\$ 9,282</u> | <u>\$ 30,272</u> | <u>\$ 16,397</u> | <u>\$ 3,090</u> | <u>\$ 61,798</u> | <u>\$ 186,656</u> | <u>\$ 596,896</u> | <u>\$ 555,573</u> |
| Accumulated Amortization | | | | | | | | | | |
| Beginning of Year | \$ - | \$ 71,034 | \$ 1,249 | \$ 12,993 | \$ 15,873 | \$ 914 | \$ 35,450 | \$ 84,891 | \$ 222,404 | \$ 213,269 |
| Amortization Expense | - | 3,971 | 163 | 1,299 | 55 | 44 | 1,602 | 4,070 | 11,204 | 10,534 |
| Effect of Disposals | - | (815) | (20) | (1,861) | (1) | - | - | - | (2,697) | (1,399) |
| Effect of Transfer to (from) Ministry | - | - | - | (9) | - | - | - | - | (9) | - |
| | <u>\$ -</u> | <u>\$ 74,190</u> | <u>\$ 1,392</u> | <u>\$ 12,422</u> | <u>\$ 15,927</u> | <u>\$ 958</u> | <u>\$ 37,052</u> | <u>\$ 88,961</u> | <u>\$ 230,902</u> | <u>\$ 222,404</u> |
| Net Book Value at March 31, 2009 | <u>\$ 106,985</u> | <u>\$ 108,226</u> | <u>\$ 7,890</u> | <u>\$ 17,850</u> | <u>\$ 470</u> | <u>\$ 2,132</u> | <u>\$ 24,746</u> | <u>\$ 97,695</u> | <u>\$ 365,994</u> | |
| Net Book Value at March 31, 2008 | <u>\$ 106,985</u> | <u>\$ 97,458</u> | <u>\$ 750</u> | <u>\$ 14,956</u> | <u>\$ 255</u> | <u>\$ 2,098</u> | <u>\$ 18,891</u> | <u>\$ 91,776</u> | | <u>\$ 333,169</u> |

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

(b) Historical cost includes work-in-progress at March 31, 2009 totaling \$63,750 (2008 - \$61,615) comprised of: buildings \$31,311 (2008 - \$31,783); computer hardware and software \$6,846 (2008 - \$138); equipment \$1,788 (2008 - \$8,214); other Nil (2008 - \$191); land improvements \$20,531 (2008 - \$19,371); highways \$3,258 (2008 - \$1,823) and bridges \$16 (2008 - \$95).