

The background of the cover is an aerial photograph of a Prince Edward Island coastline. It shows a rugged, rocky shoreline with green grassy cliffs overlooking a deep blue bay. A small white boat is visible in the water. In the distance, more land and a body of water are visible under a clear sky.

Provincial Treasury Annual Report 2008-2009

Prince Edward Island
Department of the Provincial Treasury

Annual Report
2008-2009

Mandate

The mandate of the ministry is to ensure that the human, information technology and financial resources needed by Government are available, are allocated in keeping with Government priorities, and are used in an efficient and accountable way.

Minister's Message

To the Honourable H. Frank Lewis
Lieutenant Governor of Prince Edward Island
PO Box 846
Charlottetown, PE C1A 7L9

May It Please Your Honour:

It is my privilege to present the Annual Report
of the Department of the Provincial Treasury
for the fiscal year ended March 31, 2009.



During the period covered by this report,
I served as Provincial Treasurer.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'W. Sheridan', written over a light, textured background.

Wesley J. Sheridan
Provincial Treasurer

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Operating Principles Adopted by the Staff of the Department of the Provincial Treasury

Statement of Values

A Team Approach – We work together, sharing information to achieve departmental goals.

Service Quality – We provide our clients with the highest quality of service by seeking their input and advice and designing our services to best meet their needs.

Human Resource Development – We seek training and development opportunities which provide us with the appropriate skills to serve our clients.

Honesty, Integrity and Accountability – We perform our responsibilities in a competent and professional manner with the highest standard of ethical behaviour.

Mission Statement

The Department of the Provincial Treasury facilitates the effective and efficient management of Government's human and financial resources by:

- fostering a progressive approach to the management and development of human resources;
- overseeing the financial affairs of the Provincial Government;
- providing internal support services to public sector organizations; and
- leading and facilitating a Government-wide emphasis on program effectiveness and accountability.

Management Philosophy

We believe in a management approach where we:

- challenge, encourage, empower, support, respect, train and develop employees;
- practice clear and open communication;
- consult and involve employees;
- place strong emphasis on client service;
- encourage a team approach;
- use resources wisely;
- recognize, support and conduct our affairs within the Government's agenda; and,
- focus on the future.

Legislative Responsibilities Assigned to the Provincial Treasurer

As of March 31, 2009

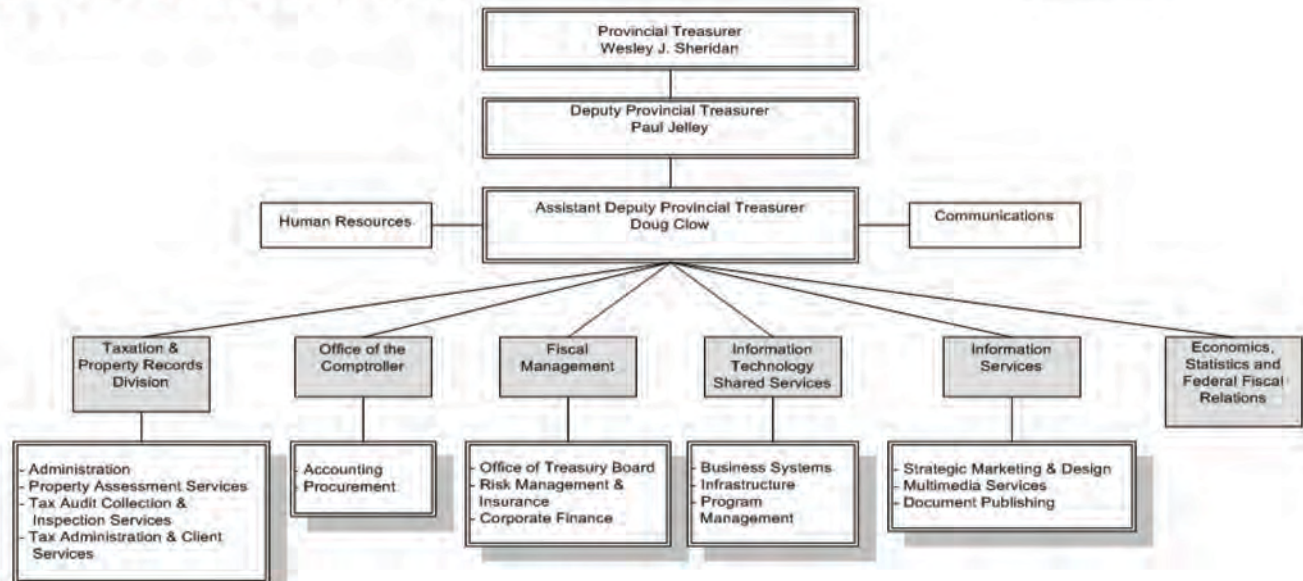
| Act | Division Responsible |
|---|--|
| <i>Appropriation Act</i> | Office of the Comptroller |
| <i>Civil Service Act</i> | PEI Public Service Commission |
| <i>Civil Service Superannuation Act</i> | PEI Public Service Commission |
| <i>Deposit Receipt Act</i> | Office of the Comptroller |
| <i>Environment Tax Act</i> | Taxation and Property Records |
| <i>Financial Administration Act</i> | Office of the Comptroller |
| <i>Financial Corporation Capital Tax Act</i> | Taxation and Property Records |
| <i>Gasoline Tax Act</i> | Taxation and Property Records |
| <i>Health Tax Act</i> | Taxation and Property Records |
| <i>Income Tax Act</i> | Economics, Statistics & Federal Fiscal Relations |
| <i>Labour Tax Act</i> | Taxation and Property Records |
| <i>Loan Act(s)</i> | Office of the Comptroller |
| <i>Lotteries Commission Act</i> | Deputy Minister's Office |
| <i>Maritime Provinces Harness Racing Commission Act</i> | Deputy Minister's Office |
| <i>Northumberland Strait Crossing Act</i> | Taxation and Property Records |
| <i>Public Purchasing Act</i> | Office of the Comptroller |
| <i>Public Sector Pay Reduction Act</i> | PEI Public Service Commission |
| <i>Queen's Printer Act</i> | Information Services |
| <i>Real Property Assessment Act</i> | Taxation and Property Records |
| <i>Real Property Tax Act</i> | Taxation and Property Records |
| <i>Real Property Transfer Tax Act</i> | Taxation and Property Records |
| <i>Registry Act</i> | Taxation and Property Records |
| <i>Revenue Administration Act</i> | Taxation and Property Records |
| <i>Revenue Tax Act</i> | Taxation and Property Records |
| <i>Supplementary Appropriation Act(s)</i> | Office of the Comptroller |
| <i>Tobacco Tax Act</i> | Taxation and Property Records |

Organizational Chart

As of March 31, 2009

Provincial Treasury

March 31, 2009



Departmental Overview

Role/Mission

The Department of the Provincial Treasury facilitates the efficient, effective and accountable management of Government's human, information technology and financial resources. The mission is accomplished through a team approach – working together and sharing information to achieve departmental goals.

Departmental Profile

Economics, Statistics and Federal Fiscal Relations

The Economics, Statistics and Federal Fiscal Relations Section is responsible for fiscal, tax, statistical and economic policy advice and provides liaison with the Federal Government and the provinces on federal/provincial fiscal arrangements.

Information Services

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, Crown corporations and agencies with a range of communication services.

Information Technology Shared Services

The mandate of Information Technology Shared Services is to maximize the return on investment for Government on internal information technology expenditures while assisting our clients in the delivery of information technology solutions. To satisfy the mandate of the division, ITSS provides a broad range of services to Government departments, agencies, Crowns, hospitals and schools.

Office of the Comptroller

The Office of the Comptroller's primary responsibility is to operate and maintain the Provincial Government's Corporate Accounting System and to produce the Public Accounts of the Province. It administers the Corporate Procurement Service for line departments and other agencies through embracing the principle of competitive procurement. It manages a Corporate Vehicle Fleet Information System. It provides support and advice in matters relating to financial management and policy submissions to both Treasury Board and Cabinet. Its primary mission is to streamline accounting processes and present financial statements that are as transparent as possible to the Legislature and the public.

Fiscal Management

The Fiscal Management Section provides policy advice on Government expenditures and fiscal planning, develops the annual fiscal framework, prepares the Budget Estimates of Revenue and Expenditure, manages the assets of the pension funds and also manages the cash, debt and Sinking Fund of the Province.

The Section is also responsible for developing, implementing and maintaining Government insurance and risk management programs with the goal of eliminating or minimizing the potential for loss to Government, associated agencies, and the health and education sectors.

Taxation and Property Records

Taxation and Property Records administers the Province's property and consumption tax legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Additional Ministry Responsibilities

The Department of the Provincial Treasury is also responsible for administering the budget allocation for the following "appropriation votes":

- Employee Benefits
- General Government
- Council of Atlantic Premiers
- Interest Charges on Debt

Tour d'horizon du ministère

Rôle/Mission

Le ministère du Trésor provincial facilite la gestion efficiente, efficace et responsable des ressources humaines, technologiques et financières du gouvernement. La mission s'accomplit par l'entremise d'une approche d'équipe permettant aux employés de travailler ensemble et de partager l'information afin d'atteindre les objectifs du ministère.

Profil ministériel

Économie, statistiques et relations financières fédérales

La Section de l'économie, des statistiques et des relations financières fédérales est responsable de donner des conseils stratégiques d'ordre financier, fiscal, statistique et économique et sert de liaison entre le gouvernement fédéral et les provinces en matière d'arrangements fiscaux fédéraux-provinciaux.

Services d'information

La mission de la Division des services d'information est de renforcer le service de messagerie du gouvernement en offrant aux ministères, aux sociétés de la Couronne et aux organismes toute une gamme de services de communication.

Services partagés en technologie de l'information

Le mandat de la Division des services partagés en technologie de l'information consiste à maximiser, pour le gouvernement, le rendement du capital investi à l'interne dans les technologies de l'information, tout en aidant nos clients à appliquer des

solutions qui s'y rattachent. Pour respecter son mandat, la Division offre un large éventail de services aux ministères, aux organismes, aux sociétés de la Couronne, aux hôpitaux et aux écoles de la province.

Bureau du contrôleur

La première responsabilité du Bureau du contrôleur est d'opérer et de maintenir le système de comptabilité ministérielle du gouvernement et de produire les comptes publics de la province. Le Bureau administre un service d'approvisionnement ministériel pour les ministères responsables et autres organismes en adhérant au principe de l'achat concurrentiel. Il gère un système d'information sur le parc automobile ministériel. Il fournit également du soutien et des conseils dans les domaines se rapportant à la gestion financière et à la soumission des politiques au Conseil du Trésor et au Cabinet. Sa mission première est de simplifier les processus comptables et de présenter des états financiers aussi transparents que possible à l'Assemblée législative et à la population.

Gestion financière

La Division de la gestion financière donne des avis stratégiques sur la planification financière et sur les dépenses du gouvernement, établit le cadre financier annuel, prépare les prévisions budgétaires en matière de revenus et de dépenses, gère les actifs des caisses de retraite et administre les fonds de caisse, de créance et d'amortissement de la province.

La gestion est aussi responsable de l'élaboration, de la mise en oeuvre et du maintien de programmes d'assurance et de gestion des risques du gouvernement en vue d'éliminer ou de minimiser le potentiel de perte pour le gouvernement, les organismes associés et les secteurs de la santé et de l'éducation.

Imposition et registre des biens

La Division de l'imposition et du registre des biens administre les mesures législatives relatives à l'impôt foncier et à la taxe de consommation et s'assure que la législation est appliquée de manière équitable et uniforme. De plus, la Division établit et maintient des systèmes d'information foncière et perçoit les recettes fiscales.

Responsabilités additionnelles du ministère

Le ministère du Trésor provincial est également responsable d'administrer l'affectation budgétaire pour les crédits suivants :

- avantages sociaux
- administration publique
- Conseil des premiers ministres de l'Atlantique
- frais d'intérêt sur la dette

Provincial Treasury

Financial Summary

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|---------------------------|-----------------------------|
| Expenditure by Division* | | |
| Administration | 540,524 | 549,800 |
| Fiscal Management | 2,551,611 | 2,848,000 |
| Office of the Comptroller | 1,192,990 | 1,289,900 |
| Taxation & Property Records | 5,167,630 | 6,364,100 |
| Information Services | 3,015,138 | 3,101,600 |
| Information Technology Management Group | 20,659,975 | 21,301,600 |
| Program Evaluation and Fiscal Relations | 628,112 | 874,900 |
| Total Department Expenditures | 33,755,980 | 36,329,900 |
| Other Budgetary Responsibilities** | | |
| General Government | 3,094,322 | 3,672,500 |
| Council of Atlantic Premiers | 123,500 | 123,500 |
| Interest Charges on Debt | 106,096,246 | 117,338,100 |
| Technology Asset Management | 1,615,677 | 2,300,000 |
| Employee Benefits | 45,578,735 | 39,053,500 |
| Revenue* | | |
| Federal Sources | 509,436,985 | 508,340,400 |
| Provincial Sources | 661,398,460 | 676,832,800 |
| Investment Income | 10,815,492 | 11,777,500 |
| Sinking Fund Earnings | 14,289,215 | 16,457,100 |
| General Government | 8,248,366 | 24,400 |
| Employee Benefits | 108,654 | 184,500 |

* Detailed Budgetary information is included in Appendix A and B.

** Detailed Other Budget information is included in Appendix C.

Economics, Statistics and Federal Fiscal Relations Division

Role/Mission

The Economics, Statistics and Federal Fiscal Relations Division strives to provide research, analytical expertise and advice at the highest professional standards to the department and Government generally on a wide range of tax, statistical, economic policy and federal/provincial fiscal matters. The major focus of the Division is on federal transfer payments, income tax issues, statistical reports and economic analysis for Government. The Division's role includes responsibility for analysing, researching and publishing key statistical information/data, and in disseminating statistics across Government. The Division represents the Province in discussions with the Federal Government and provinces and territories on a variety of key federal/provincial fiscal arrangements, supports the Provincial Treasurer and Deputy Provincial Treasurer at high-level meetings on these subjects, and promotes the interests of Prince Edward Island in public and academic circles.

Overview

The Economics, Statistics and Federal Fiscal Relations Division strives to provide research, analytical expertise and advice at the highest professional standards to the department and Government generally on a wide range of tax, statistical, economic policy and federal/provincial fiscal matters. The major focus of the section is on federal transfer payments, income tax issues, statistical reports and economics analysis for Government.

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Report Highlights

Federal Fiscal Relations includes interprovincial work on fiscal transfers, the equalization program and revenue forecasting.

The most prominent aspects of federal/provincial fiscal arrangements are Equalization, Canada Health Transfer, Canada Social Transfer, the Income Tax Collection Agreement, the Reciprocal Taxation Agreement, infrastructure funding,

Fiscal Stabilization and Statutory Subsidies. Extensive liaison with the Federal Department of Finance and the Canada Revenue Agency is involved with this work.

Federal Provincial Fiscal Issues/Transfers

The Federal Government announced that growth in the Equalization program would be capped for 2009/10. This was the first major change to transfers since the 2007 budget that introduced a new Equalization program based on the O'Brien report. The changes to the Equalization program also had an impact on the Canada Health Transfer. The Division provided analysis and advice on the impact that these changes will have on PEI's revenues.

Extensive input into the Budget Address was also provided. Budget schedules prepared by the section consisted of: Summary Comparison – Provincial Tax Rates, and Federal and Provincial Personal Income Tax Rates.

Canada Pension Plan

Responsibilities include advice to the Minister and Deputy on CPP financial and policy issues. The Division assisted and advised the Minister in the triennial review of the Canada Pension Plan.

Provincial Economics

This Division provided up-to-date economic information for senior officials, both in the department and in wider government, for numerous functions throughout the year.

The Division prepared the 2008 Budget Paper A: Background Notes on the Economy which consists of National and International Review, Provincial Highlights 2008, the Prince Edward Island Economy, Detailed Industry Analysis and Summary Statistics. The reports provided analytical support to the drafting of the Budget speech. The Division also produced the Provincial Economic Update in late fall 2008.

The Province's economic situation 2008/09 was presented to the following bond raters: Moody's, DBRS, Standard and Poors, and was delivered at the 18th Annual Atlantic Canadian Investment Seminar, in Moncton by Division staff and the Assistant Deputy Minister of Provincial Treasury.

The Division attended the Federal/Provincial Continuing Committee of Officials (CCO) Sub-Committee Meeting on Economic and Fiscal Issues in Victoria, BC. It also attended the Canada Mortgage and Housing Corporation Industry Roundtable, and the Federal-Provincial Labour Market Information Network.

The Division participated in and provided analytical support to various groups within Government. Notably, the Division provided analytical support to both the Public Service Commission and the Department of Health for their respective Employee Engagement Surveys.

National Economic Issues

Responsibilities include providing advice on;

- the Federal Budget and Federal fiscal position;
- Bank of Canada monetary policy;
- interest rates and Canadian dollar;
- economic performance of Canada, US and other countries; and
- discussions with bond rating agencies.

Tax Policy Issues

The Division provided significant advice regarding income tax matters for the Spring Provincial Budget.

Resulting *Income Tax Act* amendments for the Spring 2008 Session were developed and passed which implemented a multiple-year reduction in the lower "other than eligible" Dividend Tax Credit rate. This rate was reduced from 6.5% to 4.3% for 2008, effective January 1st. From 2009 to 2011, the rate will continue to decrease by an additional 1.1% annually. By 2011, the rate

will stand at 1.0%. The *Income Tax Act* was also amended to address outstanding technical issues.

Economic and fiscal analysis and advice were provided to the Provincial Treasurer, as well as the rest of government in general, on new Federal Budget tax measures and changes, and the associated impacts on the Provincial Government and Island residents.

The Division provided extensive briefing and background information to Social Assistance staff and the Provincial Treasurer on the Federal Budget enhancements to the Working Income Tax Benefit. Work was undertaken to see if provincial improvements could be made to the WITB program to better align its function with provincial income support programs.

The Division conducted considerable work in conjunction with Rural Development and Business Development staff in investigating the possible benefits and pitfalls of a made-in-PEI version of Nova Scotia's Community Economic Development Investment Fund framework. Ongoing advice was provided to the Provincial Treasurer.

The Division represents the Province on six different Federal/Provincial/Territorial income tax committees in total, of which Federal membership includes the Department of Finance Canada and the Canada Revenue Agency. These different committees deal with a large slate of income tax policy issues including such things as inter-provincial tax allocation, data and information sharing issues, legislative issues, tax avoidance issues, administration issues, national policy and coordination issues, and generally any other items affecting the Canadian income tax system at a Provincial or Federal level.

Statistical Activities

Statistical information to Government officials and the to the public via the Government Internet continues to be a priority.

The website is updated frequently, as new statistics become available. The Division also uses the website to disseminate publications authored by the Division, such as the Annual Statistical Review and the PEI Economy Progress Report. As the statistical focal point for PEI, the section maintains a close working relationship with Statistics Canada.

The Division continues to develop key information for senior government officials, including further research and development of the demographic model. Statistical activities include:

- a dissemination strategy for management and the Province,
- demographic forecasts,
- statistical publications and reports with regular updates on the website,
- representation at Statistics Canada meetings,
- maintenance of databases and report storage facilities,
- responses to public and Government department requests including participation in special projects such as the Population Secretariat, Social Services and Seniors, and Innovation and Advanced Learning
- analysis of specific statistical concerns.

The Division responded to many specific requests in 2008/09, including work for the Department of Innovation and Advanced Learning (Community and Labour Development Division), the Department of Social Services and Seniors, the PEI Population Secretariat, the Departments of Health, Community and Cultural Affairs,

as well as numerous requests for statistics from the public sector. In the fall of 2008, the Division conducted consultations with representatives from a number of government departments and agencies to review their statistical needs.

The population model continues to be a popular tool for population projection as demonstrated by the numerous requests for data and projections for the Province and its

counties. Most data-related documents are now published electronically by Statistics Canada, and are archived by division staff to form a local electronic library. A detailed Input-Output model, made possible by a bilateral agreement between Statistics Canada and the Province, enables the division to provide a more thorough analysis of the Prince Edward Island economy.

Information Services

Role/Mission

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, Crown corporations and reporting entities, agencies with a range of communication services.

Overview

The Document Publishing Centre (Queen's Printer) and PEI Mail

These sections provide professional publishing and distribution services to all Provincial Government departments and agencies. Specific activities are segmented into the following areas:

Office of the Queen's Printer

- Publishes the Royal Gazette, and the Statutes and Regulations of the Province.
- Does production printing of official departmental annual reports, journals, books, certificates, forms and other documents as required by law and Crown copyright.
- Manages the Government paper tenders, the Interoffice courier mail contract and the Buyer's Guide for photocopiers.

PEI Mail

- Responsible for central processing of Provincial Government mail.
- Executes envelope insertion service for notices, cheques, payroll advices and renewal letters.
- Provides sorting and distribution for interoffice courier mail service delivery across the Province.
- Delivery and pickup of all regular mail throughout the Provincial Government Administration Building.
- Processes outgoing mail through Canada Post software.
- Provides monthly statements for cost-

tracking and mail volume per department through postal management system.

The Document Publishing Centre

The Document Publishing Centre utilizes digital high speed print productivity in full color and black production, for a wide variety of government publications. The section also provides client consultation for print and finishing options and mail distribution. Monthly invoices are issued to departments using PrintShop management software.

Digital Print Section:

This section provides digital print on-demand document publishing in the following capacities:

- client-to-server document file submission
- custom variable data file printing
- digital file imposition and proofing
- digital scan to print for production color and black output
- PDF file conversion
- digital document file storage

Press Print Section:

This section provides quality single and full color offset press printing to client specification in the following areas:

- printing on a wide range of papers, envelopes and card stocks
- raised printing for letterhead and business cards

- multi-up forms printing on carbonless paper
- brochures, posters and forms printing
- Pantone color match inks and MICR ink printing

Bindery and Finishing Section:

This section provides a variety of document binding options for clients:

- spiral coil, cerlox and perfect binding
- scoring, creasing, folding, drilling, padding, perforations and stapling
- custom numbering for invoice and receipt books with wrap-around covers
- paper and cover stock cutting to specifications
- shipping and receiving of paper products and printed materials

Multimedia Services

Multimedia Services Section provides a wide range of services to government departments, agencies, reporting entities, school districts, Supreme and Provincial Courts and the Provincial Legislature.

- **Video and Radio Production** provides expertise in camera operation, online and offline editing, video taping, video and audio duplication, digitization for electronic formats, as well as creative direction and script-writing.
- **Photography Services** include studio portraits; product, scenic and event photos; on-site processing of black and white film; conversion of flat graphic materials to slides or electronic files; slide duplication; manipulation of full-colour digital images and in-house printing of digital images.
- **New Media Design Services** include animation, CD-ROM creation, internet streaming, web-based content, creative direction and non-linear editing. Provides content and support for video display units.

- **Technical Support** for video production broadcast and streaming of proceedings of the Provincial Legislature, as well as archiving to server and DVD, operation of conference taping system and audio recording for Legislative Committee hearings, as well as equipment and technical support for committee and other hearings across the Island.

- **Equipment Loan and Consultation Services** includes the loan of audio-visual equipment to government departments and consultation services for the purchase of new equipment systems.

- **Maintenance and Technical Support** includes on-site maintenance of PA systems in all Island schools, Provincial and Supreme Courts, and in-shop repairs to government audio-visual equipment and technical support for broadcast equipment of the Provincial Legislature.

- **Media Monitoring** provides daily news summaries from local and national newspapers, television and radio newscasts to a designated list of government recipients.

- **Conference and Event Set-up** provides planning, technical support and equipment for government conferences and special events.

- **Press Conference Set-up** provides technical support and a pooled media feed for the press.

Strategic Marketing and Graphic Design and Island Information Service

These two sections of Information Services provide service to all Government departments and agencies in the following areas:

Strategic Marketing and Communications Plans – the section develops and implements strategic marketing, communications and media plans for departments, agencies and specific events.

Advertising Design and Production – the section advises on strategic copy and prepares the layout and artwork according to the mechanical specifications of the print media and in accordance with the Government of PEI's corporate identity guidelines.

Document Design and Layout – the section prepares artwork for the production of newsletters, brochures, invitations, certificates, annual reports, application forms, directories, trade show displays and posters.

News Releases – the section advises on, and in some instances prepares, news releases for distribution to the media through Island Information Service.

Promotional Products – the section designs and/or sources promotional and incentive materials to be used at trade shows, as ministerial gifts or for departmental promotions.

Wordmark Guidelines – the section advises the rest of Government on the accepted use of the Provincial Government wordmark; provides electronic formats to outside parties when requested; provides staff workshops on the use of the wordmark; and monitors the use of the wordmark in advertising, signage, brochures, newsletters, letterhead, envelopes, business cards and displays.

Editing Service – the section edits and proofreads departmental documents intended for publication and distribution to the public.

Island Information Service (IIS) is the official distributor of Government news releases to the media. IIS responds to inquiries from the general public and other Government employees for information on Government services, programs and other general information. IIS maintains an inventory and distributes Government publications including the Throne Speech, Provincial Budget, annual reports and provincial legislation. IIS produces the Government Services Directory, Quick Reference Guide, Employee Telephone Directory and assembles the content for the Government Blue Pages published in the Aliant telephone directory for PEI. IIS also provides a centralized fax service for departments without fax capability.

Report Highlights

The Document Publishing Centre (Queen's Printer) and PEI Mail

This past year, the section produced over 4,431 print and bindery work requisitions for clients throughout the provincial government. The variety of documents published includes the "Speech from the Throne", Legislature documents, Budget documents, the Public Accounts, the Auditor

General's Annual Report and various Department of Education curriculum books and assessment documents.

The major project this year has been the printing and distribution of the provincial property tax and assessment statements for the Provincial Treasury. The property tax project required a total team effort: all of the resources and skilled staff of the

digital print, offset print, bindery and mail sections to print and distribute over 110,000 property tax assessment notices. A full color information folder is also produced and included with each assessment notice.

The section also produces the monthly amended property tax statements, tax arrears notices and the annual vendor return tax statements for mail distribution.

Working closely with the Department of Education and Strategic Marketing and Graphic Design, the section also published the Grade Three Primary Literacy Assessment tests and the Grade Six Elementary Language Arts assessment documents (reading and writing) as well as the Intermediate Math assessment tests for Grade Nine students. The following assessments were designed:

- Grade 3 reading – six tests (in both English and French)
- Grade 3 writing – six tests
- Grade 3 French reading – eight tests
- Grade 3 Math – English and French
- Grade 6 literacy – four tests
- Grade 9 math – four tests

These documents required strict confidentiality and were produced in a tight timeline to ensure prompt distribution to Island schools. The assessment test package included information brochures, letters to parents and teacher's guides along with the specific assessment tests for students, in both English and French. For this project, each booklet was printed and numbered, including a school number, student name and student number. This powerful print technology creates a unique and trackable document for students, teachers and school administrators.

The digital print section also produced the Grade 12 High School graduation certificates for English, French and French Immersion students. The certificates were produced using variable data print software which merged each students' name, school and date of graduation with the base graduation

certificate. The resulting graduation certificate is a personalized document for each student.

The three year Health Card Renewal project requires printing, envelope insertion and mailing of Health card renewal letters to Islanders each month. The data files are transmitted electronically, merged with and printed on the department letterhead to create a personalized renewal letter for each recipient.

Variable data printing extracts client database file information and merges it with documents and forms to create a one to one marketing tool. Staff from the Document Publishing Centre provide planning and support to several government departments utilizing variable data print technology.

The Document Publishing Centre collaborates with the Public Service Commission payroll division to digitally print bi-weekly payroll advice statements for employees in the departments of Health, Education and the Public Service Commission. This project requires prompt print and envelope insertion for courier distribution across the Province.

The Document Publishing Centre prints and mails pension statements and T-4 statements to all Public Service employees.

In 2007 the Document Publishing Centre began a continuing project to publish apprenticeship Individual Learning Modules (ILM), training module documents for high school students enrolled in automotive repair, carpentry and welding. The section partners with the Department of Education and the Province of Alberta to download select files from the Alberta government website for publication. The module documents are compiled in three ring binders for distribution to apprenticeship program students. The Apprenticeship Program is very

popular with students and demand continues to grow for the apprenticeship individual learning module documents and binders.

The PEI Mail section folds and inserts into envelopes and mails cheques for Provincial Treasury, Office of the Comptroller, Pensions and Benefits and the Department of Social Services and Seniors.

Due to the continued growth in short-run full color print demand, the Document Publishing Centre upgraded the color print production equipment with a Xerox 700 color printer. The 700 color printer has exceptional image quality with a high resolution output at 2400 dpi. The 700 printer has an in-line booklet maker and uses Emulsion Aggregate toner for a sharper and a more uniform image quality. The 700 printer is connected to a Freeflow print server that enables efficient file management and file imposition tools. The Freeflow software was upgraded in 2008 to allow the integration of electronic and scanned documents to be seamlessly routed to several digital print systems.

The Document Publishing Centre also added a 4127 copier/printer to the production fleet for black output print jobs. This device prints and finishes documents with in-line booklet maker, stacker, stapler and three hole punch capability. A Dibipack shrink wrap device was also added which makes packaging documents quick and efficient.

During the year, staff training was provided on the new production equipment, workflow and software. Staff also participated in a full day color print management session.

This section of the Provincial Treasury Information Services is positioned as a key resource area for document publishing and distribution for the Province.

Production Statistics for the fiscal year 2008-2009

The Document Publishing Centre

- Completed 4,431 printing requisitions.
- Digital black ink print impressions: 9,365,515
- Press print impressions: 5,025,607
- Digital color print impressions: 557,633
- Total print impressions: 14,948,755

PEI Mail

- Inserted mail items: 453,032
- Meter mailed items: 532,439
- Xpress post and Priority post items: 3767
- Pre-paid certified mail pieces: 4,725
- Total mail items processed: 870,616

Multimedia Services

This Section was extremely busy in the fiscal year 2008-2009 providing services to Government departments, agencies, school districts, Supreme and Provincial Courts.

Video and Audio Production

List of recent videos, projects, and commercials Multimedia has completed and is currently working on.

Videos

- (2) Harness Racing Awards Videos for Agriculture
- Breeders Crown Video for Agriculture
- Seniors Oral Health Video for Social Services and Seniors
- Golf Video for Tourism
- PEI Scenic Video for Liquor Control Commission
- (2) Diversity Video for Parks Canada
- (2) Treasures Ashore for Parks Canada

Commercials

- Craft Tour commercial for PEIBDI
- Winter Driving commercial for TPW
- Buy PEI commercial for Agriculture
- Acadian/Francophone commercial for CCA
- Canada Games commercial for CCA
- GED commercial for Innovation and

Advanced Learning
Speeding commercial for TPW

Audio Production

(52) Farm Market Report; (52) Forestry Report
(2) Meditation; Sport PEI Program;
(3) Children's Stories; TPW Radio Ads;
Craft Tour Radio Ads; (2) Members Radio Ads

Projects in Progress

(5) Heritage commercials for CCA
Women's Institute commercial
Build PEI Video
International Doctor Recruitment Video
Community Correctional Services Video

Key Multimedia Services Statistics

| | |
|--|-----|
| Audio and Video Production Requests | 132 |
| Press Conferences, Other Conferences & Special Events | 231 |
| Photography shoot assignments | 436 |
| Photography scanning | 393 |
| Service calls for a/v equipment repairs | 176 |
| Equipment loan request | 588 |
| In-shop Repairs | 111 |

Strategic Marketing and Graphic Design and Island Information Service

During the year the section executed over 3,000 separate projects for the Premier's Office, Government departments, agencies and Crown corporations.

The section continued work with the 2009 Canada Games Host Society to prepare a variety of collateral materials which were used in marketing and promoting the event.

Strategic Marketing and Graphic Design worked closely with the Department of Education on preparation of Literacy Assessment tests given to students Island-wide to measure literacy skills in Grade 3 and Grade 6, as well as math skills at the end of grades 3 and 9. The following assessments were designed:

- Grade 3 reading – six tests (in both English and French)
- Grade 3 writing – six tests
- Grade 3 French reading – eight tests
- Grade 3 Math – English and French
- Grade 6 literacy – four tests
- Grade 9 math – four tests

In addition to the assessments, informational brochures, teachers' guides, letters to parents and student reports were designed.

The section worked with ITSS and departments to overhaul the look and feel of the Provincial Government website. The section continues to work with departments and agencies to improve the usability and accessibility of the site.

The section developed a province-wide, corporate signage program – Build PEI – for infrastructure and capital projects.

The section carried out electronic production and delivery of Government advertisements for print media, designing and producing over 550 ads for local and regional newspapers.

Strategic Marketing and Graphic Design continued to enhance in-house computer graphic design capabilities through upgrades of Macintosh equipment and software and staff training. Two-, three- and full-colour design work continued to increase over the previous fiscal year.

Island Information Service distributed 551 news releases and 180 media advisories for Provincial Government departments and agencies. Staff mailed out over 500 PEI information packages to students across Canada for school projects. IIS receives numerous requests for copies of publications and legislation during the year, and respond to many inquiries for Provincial Government and general information.

Marketing and Graphic Design Project Statistics 2008-2009

| | | | | | |
|--------------------------|-----|----------------|-----|-----------------------|--------------|
| Advertisements | 552 | Envelopes | 172 | Posters | 83 |
| Booklets | 130 | Forms | 367 | Reports | 50 |
| Bookmarks | 18 | Notecards | 57 | Royal Gazette | 50 |
| Brochures | 103 | Handout/flyers | 96 | Signs | 40 |
| Business Cards | 798 | Invitations | 59 | Trade Show Displays | 5 |
| Certificates | 50 | Letterhead | 105 | Web Design | 23 |
| Declarations | 6 | Newsletters | 31 | Other Projects | 337 |
| Electronic Presentations | 11 | Note Pads | 24 | Total Projects | 3,167 |

Information Technology Shared Services

Role/Mission

IT Shared Services is dedicated to building a strong technology infrastructure and delivering quality services to client departments and agencies across Government.

Overview

Information Technology Shared Services (ITSS) Branch was formed on April 1, 2006, as the result of a Cabinet decision to consolidate all IT resources across Government within a single work unit. To satisfy the mandate of the branch, ITSS provides a broad range of services to Government departments and agencies. ITSS is divided into three divisions.

Business Systems Division

The *Application Development and Support* section of Business Systems is responsible for the maintenance and support of departmental applications, the development of applications using current technologies.

The *Consulting Services* section is responsible for information systems coordination, contract and service level agreement management, business process and requirements analysis services, IT planning assistance and project management.

The *Enterprise Systems* section is responsible for the acquisition, support and enhancement of corporate applications. Examples include the Government website, intranet, personnel and payroll systems and the Financial Information System (FIS).

Infrastructure Division

The *IT Infrastructure Support* section of the division is responsible for providing a leadership role in the planning, operation and support of network and server communications, which includes voice services, across Government.

The *Client Support* section of Infrastructure Division is responsible for providing client and technical support throughout the provincial Government. Client Support services include logging and tracking incidents and requests, telephone support and on-site technical assistance.

The Infrastructure Division is guided by the mandate to design, implement and manage cost-effective information technology required to support Government's business needs. Infrastructure's mission is to align IT services with current and future needs of the business and its customers; to improve the quality of the IT services delivered and to reduce the long-term cost of service provision.

Program Management Division

The Program Management Division of IT Shared Services is responsible for providing IT Governance support; setting corporate policy, security and standards for IT service delivery for Government; ensuring ongoing planning and research into best practices for IT services in the future; budget and administration coordination; ensuring responsible and accountable investment and financial management; representing PEI on Federal, Provincial and Territorial IT related issues; and providing an Office of the Health CIO on behalf of the Department of Health.

Accountability Statement

ITSS, together with client departments and agencies, is jointly responsible for achieving acceptable results in:

- IT planning, alignment and prioritization

- Analyzing business needs
- Projects of business transformation
- Responsible use of IT resources cost-effectiveness
- IT security for Government, information protection
- Quality of the relationship with client departments and agencies
- Quality of the relationship with Federal/Provincial/Territorial jurisdictions on IT matters

Areas in which it is critical that the ITSS Branch has acceptable results and is solely responsible:

- Quality of the advice, assistance, and/or services delivered to our clients
- Procurement of infrastructure equipment
- Professional conduct of ITSS staff

- Quality of advice provided to the Deputy Provincial Treasurer and ITGC
- Client satisfaction with ITSS programs and services
- Condition of the ITSS Branch finances and cost effectiveness of programs and services
- Condition and quality of ITSS assets, facilities, systems and information
- Quality of the work environment for staff to carry out their work
- Quality of the relationship with vendors
- Quality of ITSS policies and standards
- Monitoring compliance with TB/ITSS policies and standards including IT security
- Contribution to corporate initiatives

Report Highlights

Legislative Assembly and Executive Council

- Implemented a new broadcast solution which provides the live sitting of the house in a Adobe Flash Video format
- New hardware and software is now in production to record and create digital audio of the General Assembly from 1968 until the mid 90's. This service will be launched to the public on the Legislative Assembly website.

Tourism/Communications PEI

- Established 2 new GolfLinks offices in Brudenell
- Implemented accommodations online which is a listing of all of the tourist accommodations and their licensing status
- Redesigned the Government Website

PEI Liquor Commission

- Implemented a Forum for staff of PEI Liquor Control Commission (PEILCC) across the Province to share information

PEI Business Development Inc (Innovation PEI)

- Established 26 new workstations for the Trade Essentials Program

Education & Early Childhood

- Assisted in School Closures Inventory collection and redistribution
- Completed Computer for Success (CFS) Elementary project
- Developed Student Account Creation (20,199 accounts created for Sept 8th)
- Implemented the Integrated Library System completion of Phase 1 and 2. All high schools have access as well as new hardware in each of the libraries
- Provided 6 laptops to each high school because of science curriculum changes
- Provided Intermediate Industrial Arts Technology modules. Computers were replaced in industrial arts labs to adapt to new modules

Provincial Treasury

Taxation & Property Records

- Implemented a new Geographical Information System server to replace an end-of-life server.
- Implemented a process with the Document Publishing Centre to reconcile the number of tax bills printed annually.
- Implemented a Test Environment for the GeoLinc Application (GeoLinc Virtual Test Server) on a Virtual Server Platform.
- Implemented the ability to scan payments (Bar Code Scanning) for the annual property tax bills within the Property Tax Application.
- Implemented the Electronic Cash Book to replace the manual paper-based process for capturing payment information.
- Upgrades underway of Review Tax System (AMANDA), Revenue Tax, and International Fuel Tax Association (IFTA).

IT Shared Services

- Completed research on best practices for architecture, which is making coding easier for new applications. Research findings have been adopted which has made development easier and provides long-term benefits.
- Developed Business Intelligence Report for various Government Departments.
- Implemented the Clarity System for time tracking and project management.

Transportation & Public Works

- Auto-Cad Software and Hardware upgrade.
- Implemented the Digimarc Inventory Management System.
- Implemented the Motor Vehicle Licensing System (MVLS) Production Release.
- Modified the Graduated Driver License (GDL) to accommodate legislation change.
- Upgraded the Telephone Vehicle Registration Systems (TVRS) Hardware.

Social Services and Seniors-

Integrated Services Management(ISM)

- Assisted with ITSS, Social Services and Seniors, and Comptroller's Office to

collaboratively transition financials interface from Health Financial System to Government Financial System for Integrated Services Management.

- Initiated Privacy Impact Assessment/Security Threat Risk Assessment for Integrated Services Management system (ISM); reports have been completed with recommendations.
- Provided over 40 application enhancements/changes made to Integrated Services Management in a large build deployment.
- Re-designed Documents Manager module to increase ease of use for Integrated Services Management users.
- Resolved 2727 helpdesk calls in the past year for ISM.

Health

- Assisted in the planning of the IT Infrastructure for the Cancer Treatment Centre Expansion (CTC) expansion.
- Completed a hardware upgrade to the provincial diagnostic imaging for Picture Archiving Communication System(\$1.6m). This upgrade provided for increased storage capacity, redundancy and system failover capacity.
- Implemented Philips TracemasterVue at eight island hospitals in Spring 2009. TracemasterVue (TMVue) is an advanced data management system that automates the processing, storage, and distribution of old data acquired from multiple sources across an enterprise.
- Implemented two application Releases (3.4) to the Integrated Claims Systems.
- Installed a fully functioning test environment for the Dictaphone.
- Completed 2 ICORE Upgrades, implemented for all ICORE databases and workstations for both Medical Programs and Family Health Centres.
- Upgrade and made modifications to existing Health Job Opportunities web site.
- Upgraded modifications to the Drug Utilization Module, deployment of the

Provider Portal to Prince County Hospital
Emergency Room Drug Information System
Operational work.

- Provided Department of Health with service related to the role of Health Chief Information Officer.

Office of the Attorney General

- Implemented electronic signature for the cheques produced by the Maintenance Enforcement Program (MEP) Office.

Office of the Comptroller

Role/Mission

The Office of the Comptroller's primary responsibility is to operate and maintain the Provincial Government's Corporate Accounting System, and to produce the Public Accounts of the Province. It administers the Corporate Procurement Service for departments and other agencies through embracing the principle of competitive procurement. It manages the collection of revenues through electronic processes, and manages a Corporate Vehicle Fleet Information System. It includes Fiscal Management, Debt Management, Pensions & Benefits, Self Insurance & Risk Management and the Corporate Administration for the department. It provides support and advice in matters relating to financial management and policy submissions to both Treasury Board and Cabinet. Its primary mission is to streamline accounting processes and present financial statements that are as transparent as possible to the Legislature and the Public.

Overview

Accounting

This section is responsible for the operation and maintenance of the Province's corporate accounting system and the preparation of the financial statements for the Government's operating fund and consolidated financial statements which form the Public Accounts. It performs audit and monitoring functions on the financial transactions entered by departments for processing in the Province's financial information system and provides reporting on those transactions. It oversees and manages a number of processes which interface with the financial system. The accounting section works with departments to ensure accurate recording of transactions and the proper management of supporting documentation for transactions. It also manages a Student Loan portfolio for overdue accounts and performs an audit function on several cost-shared claims that the Province participates in.

Accounts Payable and File Maintenance

This section is responsible for the timely and accurate processing of Government payments through a decentralized payment system and the records management of all supporting financial documentation. It

provides various administrative functions relating to accounts payable and payment issuance as well as processing for several revenue processing streams and activities pertaining to Government bank account transactions. It administers the Provincial corporate procurement card program which includes training and support for departmental card users, managerial approvers and senior financial personnel.

Accounts Receivable

This section is responsible for co-ordinating and operating the centralized accounts receivable function within the Government's corporate accounting system. It is also responsible for co-ordinating the protocol and the issuing of accounting directives for the processing of Government revenues from the various sites across the province. These duties involve the accurate and timely recording and management of revenues due to the Province.

Procurement Services

This centralized function is responsible for the timely and economical procurement of goods and services and the administration and management of the Government's corporate fleet information system. The

section also oversees the policy and issuance of Provincial corporate procurement cards. It represents the Province on Committees for the Atlantic Procurement Agreement and the Agreement on Internal Trade.

Financial System Support

This section is responsible for the support necessary to operate, maintain and establish security over the Government's corporate financial information system as well as maintenance of the various service level and maintenance agreements. Through a help desk and user meetings approach, procedural and functional support is provided to financial system users. This section is also responsible for the management of system development projects to ensure that the system standards and security are met and the business processes are maintained or enhanced as well as responding to financial corporate reporting needs.

Pensions and Benefits

The Pensions and Benefits Section continues to manage three funds on an ongoing basis. The Civil Service Superannuation Fund (CSSF) has approximately 6,300 active members spread across 18 participating employers. There are 2,560 pensioners (retirees, survivor spouses and dependants) receiving benefits from the CSSF. The Teachers' Superannuation Fund (TSF) has approximately 1,800 active members and 1,330 pensioners receiving benefits. There are four participating employers in the TSF and the MLA Pension Plan.

Fiscal Management

Budget Management and Treasury Board Operations

This section is comprised of two distinct segments: Budget Management and Treasury Board Operations.

Budget Management

The Budget Management segment is responsible for the preparation and co-ordination of the Capital and Operating Budgets, which assist Government in the overall financial direction for the Province.

This segment also provides technical support and policy advice on various aspects of Government fiscal planning.

Under the direction of Government, the Budget Management segment prepares the annual Estimates of Revenue and Expenditure for capital and operating funding; develops, implements and reviews budgetary systems and quarterly forecasts; manages the appropriation control system; and formulates and implements expenditure restrictions and control policies as directed by Treasury Board and/or Executive Council.

The Budget Management segment also assesses and monitors all financial, personnel, administrative proposals and issues for overall budgetary impacts.

Treasury Board Operations

The Treasury Board Operations segment provides:

- analytical, consultative and administrative services to Treasury Board;
- consultative services to departments and agencies on policy, operational and administrative matters;
- Government's administrative policies to ensure consistency and efficiency;
- support for departments'/agencies' progress toward an improved accountability and reporting framework; and
- leadership and/or participation in special projects and/or initiatives identified by the departments or Treasury Board.

Debt, Investment and Pension Management

Banking

The Debt, Investment and Pension Management Section is responsible for the Province's day-to-day banking. This section is also involved with the development of short, mid- and long-term debt management strategies. These strategies include making arrangements for cash management, project financing, issuance of public debt and asset/liability management for Crown corporation debt.

Sinking Fund

Attached to most semi-annual pay debentures of the Province is a provision for sinking fund payments used for principal repayment. These sinking funds, which are set aside annually, are also managed by the Debt, Investment and Pension Management Section. These monies are invested under guidelines set out in the *Financial Administration Act* and are tightly controlled by an internal Sinking Fund Policy which is reviewed on a regular basis.

Pension Fund

The pension monies for the funds are managed under an "umbrella trust" which is monitored and controlled by the Debt, Investment and Pension Management Section staff. Although the Debt, Investment and Pension Management Section does not directly invest the pension monies as it does for the Sinking Fund, it does act as the manager of external managers. This work includes setting up and monitoring guidelines for investing monies and daily monitoring of assets and cash flows of the managers and the trust itself.

Loans

The Debt, Investment and Pension Management Section is responsible for advancing loans to eligible entities in accordance with the *Financial Administration Act*. As part of the overall administration of

the Province's loan portfolio, staff are in regular contact with Crown corporations and other entities to keep them informed of the changing market-based interest rates, to make arrangements for new or amended loans, and to ensure payments are made on existing loans. Staff are also responsible for developing and monitoring investment revenue amounts that are included in the Budget Estimates, quarterly forecasts and the year-end Public Accounts.

Loan Guarantees

The Debt, Investment and Pension Management Section administers loan guarantees provided by the Province to primarily Crown corporations. The *Financial Administration Act* is the enabling legislation that allows the Province to issue loan guarantees. The administrative duties include maintaining a record of guarantees issued, monitoring and confirming related balances, follow-up to ensure any required renewals are prepared, and generating a statement to be included in the Province's Public Accounts.

Risk Management and Insurance

The Risk Management and Insurance Section is responsible to develop, implement and maintain Government risk management and insurance or self-insurance programs, with the goal of eliminating or minimizing the potential for loss to Government departments, Crown corporations, agencies, commissions, hospitals and school boards/districts. The objective is to project a quality service which protects public sector assets and programs, and controls losses when they occur by providing a professional claims management service to our insurers and the public we serve. The focus is on providing risk management and insurance advice on a daily basis which is essential to the many programs our clients deliver to the general population.

Corporate Administration

This section is responsible for processing human resource transactions and performing all payroll functions for

Provincial Treasury as well as all accounting functions for revenues and expenditures for the department.

Report Highlights

Accounting

In 2006, the Department of Social Services and Seniors was set up in the Government's financial system (FIS). A number of areas of the Department's business were still linked to the Department of Health financial system (HFS) through a subsystem called Integrated Services Management (ISM). The final phase of the project to transfer ISM from HFS to FIS was completed in March, 2009. All activity of Social Services and Seniors is now recorded in FIS.

The Accounting Section continued its ongoing review and evaluation of proposed changes to Public Sector Accounting Board (PSAB) standards providing feedback to decision-makers on our opinion of the proposals. Proposed changes in 2008-2009 included addition of two Statements of Recommended Practice entitled "Assessment of Tangible Capital Assets" and "Indicators of Financial Position". Consultation and review continued on a number of proposed changes including "Government Transfers", "Financial Instruments" and "Tax Revenue". The topic of International Accounting Standards became a hot topic when PSAB announced that some Government Agencies and Crown Corporations would be required to comply with International Standards beginning in 2012. Due to a number of concerns expressed over proposed PSAB standards a Joint Working Group (JWG) was established to bring PSAB and government representatives together to discuss the issues. Provincial representation on the JWG includes a number of Deputy Ministers of Finance. During the year the JWG met on a number of occasions to discuss proposed changes which the provinces feel need

further work before they are implemented as accounting standards.

Upon review of final PSAB recommendations, the section determines the most appropriate reporting policies for the Province and makes changes to the presentation of the Public Accounts.

In addition to changes made to comply with PSAB, efforts are made each year to improve the presentation of the Public Accounts. Statements, notes and schedules are reviewed and revised where needed to make them more informative and clearer for users.

Considerable effort and resources are expended each year to keep the Province's financial system up to date and responsive to the needs of users. This includes upgrading the system and performing ongoing work with interfacing systems which transfer information into and out of our system.

Accounts Payable and File Maintenance

This section continued to promote the use of electronic payments in the year ending March 31, 2009. Although there was a six per cent increase in cheques issued, the rate of increase for electronic transactions was tripled at 18 per cent.

During the fiscal year 2008-2009 there were approximately 9,000 transactions representing a 32 percent increase in transactions from the previous fiscal year. Through the use of purchase cards we are reducing our cheque volume production and related costs as well as making the procurement process less cumbersome for

purchasers and for vendors. The purchase card process has been in place for five years and a policy and process review is underway to identify improvements.

This section continues to support the division and other departments in a number of electronic commerce applications.

Increase in Purchase cards -

Transactions 31.7%, Dollar Amount 35.7%

| | 2008/2009 | | 2007/2008 | |
|-------------------------------------|-----------|--------------------|-----------|--------------------|
| | Number | Amount | Number | Amount |
| System Vendors updated | 5,059 | n/a | 4,612 | n/a |
| Vendor Sites updated | 9,816 | n/a | 8,715 | n/a |
| Invoices processed | 142,880 | \$1,340,448,661.87 | 131,997 | \$1,290,254,500.14 |
| Batches processed | 15,128 | | 14,963 | n/a |
| Procurement Card transactions | 8,949 | \$1,706,128.43 | 6,793 | \$1,257,458.90 |
| Payments issued – Cheques | 32,229 | \$249,652,539.91 | 32,539 | \$182,538,720.53 |
| Payments issued – Electronic | 40,994 | \$1,110,227,138.96 | 36,652 | \$1,067,397,826.57 |
| Payments issued – Internal Clearing | 178 | \$8,148,291.38 | 176 | \$7,399,407.06 |

Accounts Receivable

In 2008-2009, an eServices interface was implemented. E-services is the Province's online client service application, which enables the public to conduct business with the Province over the internet. The interface will allow web-based service revenues to be captured and recorded in the Government's corporate financial system eliminating manual input and lessening chance of error. With this new process revenue information captured in the financial system the following business day enabling improved management and forecasting by department managers.

The section is continuing to work with departments to move various legacy accounts receivable systems that exist throughout Government departments to a single centrally supported system. The Office of the Comptroller is working with departments to centralize the accounts receivable function while Accounts Receivable Policies and Procedures are being developed to meet the needs of Government

business operations.

Procurement Services

I-Procurement module training and education is on-going throughout Government to assist and illustrate the efficient use and benefits of the system. As more departments use the system, this section has seen an increase in the number of purchase orders being processed.

This new process provides better control over government purchases.

A current initiative is to improve the services provided by this section, allowing for better delivery of information and assistance to Government departments and agencies, while adhering to the *Public Purchasing Act* and related Trade Agreements. Examples of improvements are efforts to increase the number of standing orders and work in progress to receive purchase orders electronically. The section continues to offer assistance, consultation and facilitation on many RFP's.

The Procurement Credit Card continues to have a significant increase in transactions (32% higher than the previous year), resulting in a decrease in low-volume purchase orders being processed.

The Fleet Management System is administered and maintained by this section, presently there are 336 vehicles in the system. In addition, all vehicles are tendered through this section.

| | 2008/2009 | | 2007/2008 | |
|------------------------|-----------|--------------|-----------|-----------------|
| | Number | Amount | Number | Amount |
| Purchase Orders Issued | 12,806 | \$26,842,333 | 10,996 | \$20,059,329 |
| Tenders Processed | 228 | \$16,951,581 | 190 | \$16,627,728.52 |
| RFPs Processed | 13 | \$757,779 | 20 | \$3,511,296.86 |
| P cards issued | 240 | n/a | 205 | n/a |

Financial Information System

With the implementation of the new government payroll system for the Civil Service payroll, an interface was required between it and the Province's Financial Information System (FIS). The interface creates, validates and uploads journals for payroll accounts on a bi-weekly basis into the FIS General Ledger. The design and development of the Payroll interface was completed in 2007-08 for the Civil payroll but the final integration testing, implementation and support occurred in the 2008-09 year. This interface took considerably more time than the project team had planned on.

A reporting tool, was implemented in 2008-2009 to provide reporting capabilities on payroll to departmental administration. Training and rollout of the payroll reporting was also completed in 2008-2009, and was well received by departmental administrators.

The capabilities of the reporting tool, Report Manager, available through (FIS) was researched and demonstrated in the past year. As a result, a project was initiated to configure the tool with implementation planned for in the next fiscal year.

Pensions and Benefits

The Pensions and Benefits section has fiscal, operational and policy responsibilities for employer sponsored benefit programs such as pension programs, group insurance, workers compensation, and retirement payments. The section's resources are primarily dedicated to the provision of centralized pension administration for the Civil Service Superannuation Fund (CSSF), the Teachers Superannuation Fund (TSF) and the MLA Pension Plan.

Pensions and Benefits provides leadership and direction to both employees and employers across the public sector with regards to administration of benefits and pensions.

Pensions and Benefits takes a proactive role in keeping members up to date on their pension plan by offering information sessions to employees approaching retirement and other active members wishing more information on their pension plan. The Provincial Treasury is committed to providing ongoing education to its staff to ensure a high level of knowledge and proficiency in the area of pension benefits for public sector plans is maintained.

The UPP conversion process is complete, as well as, projects relating to the loading of all historical data from the civil service and the five former health authorities. A project is ongoing to load historical data for the TSF into the pension administration system. Work continues on collecting and verifying historical data for the employees of the remaining smaller employers who participate in the CSSF.

Budget Management and Treasury Board Operations

Budget Management provided its fourth Capital Estimates of Revenue and Expenditure for tabling in the Fall sitting of the Legislative Assembly. For the Spring sitting, the section provided the 2008 Budget Address, the Operating Estimates of Revenue and Expenditure and the 2008 *Appropriation Act* with the supporting Supplementary Estimates. These documents were created with input from all departments, agencies and Crown corporations and are presented on a consolidated basis.

Treasury Board Operations

During the year analytical, consultative and administrative support to Treasury Board was provided on an ongoing basis. As well, special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury were undertaken. As Treasury Board Secretariat, staff of the division maintained linkages with the Executive Council Office, the Legislative Review Committee and the Strategic Planning Committees on Economic Policy and Community and Social Policy.

During the past fiscal year, divisional staff represented Treasury Board on various committees including the Agricultural Insurance Corporation, the Land Use Coordinating Committee, Student Loans Appeal Board, monitored the Government Loan Guarantee Program and represented Treasury Board on collective negotiating teams for agreements with UPSE Health,

Nurses and IUOE.

Accountability

The section promotes compliance with the accountability reporting requirements of the *Financial Administration Act* and Treasury Board policy through consultations and meetings with departments and agencies and through directors' forums.

Treasury Board Policy and Procedures

The Budget Management and Treasury Board Operations sections are responsible for the research, development and maintenance of corporate administrative and operational policies, and the distribution of these through the Government's Intranet.

Staff of the section continue to monitor and enhance services to users by drafting new corporate policies and revising existing policies in collaboration with departments responsible for their administration.

Debt and Investment

Accomplishments in 2008-2009

Debentures

In March, 2009, a new five year debenture for \$100 million at 3.2% was issued. Maturities in 2008-2009 included a \$48 million, 11.375% debenture in June, 2008, and a \$45 million, 10.75% debenture in December, 2008. There are no maturities in 2009-2010.

Canada Pension Plan Borrowing

The Province has borrowed \$140 million from the Canada Pension Plan. Beginning in July 2005, the Province rolled over maturities for a 30-year time period. The interest rates attached to the new refinancing are about one-half of the interest rates attached to the original debentures. By refinancing CPP debentures, the Province saves the fees that would be charged by the syndicate on a new issue.

Bond Rating

The division is the focal point for all consultations with bond rating firms. During the 2007-2008 year, the division provided information to three bond rating agencies. All three long-term credit ratings fall into the "A" category. The Province's short-term credit rating is R-1 (low), considered by the Dominion Bond Rating Service to be prime credit quality.

Bonds and preferred stock which are rated "A" possess many favourable investment attributes and are to be considered as upper-medium grade obligations. The ratings for the Province continue to send a strong signal to Canadians that Prince Edward Island is a good and sound place for investment.

| Summary of Bond Ratings for PEI | | | |
|---------------------------------|-------------------|------------------|-------------------|
| Bond Raters | Short-term Rating | Long-term Rating | Confirmation Date |
| Moody's | – | Aa2 | January 2009 |
| DBRS | R-1 (low) | A (low) | July 2008 |
| S&P | – | A/Stable | October 2008 |

Master Trust

The Master Trust holds the pension assets of civil service employees, teachers and MLAs.

At the beginning of 2008-2009 Master Trust assets had a market value of \$1.220 billion.

The Master Trust has contracts with six investment managers (who invest the assets), one custodian (who holds, transfers and accounts for the assets), and one consultant/performance measurement provider (who gives advice and informs the Investment Advisory Committee and Minister of how the investments are performing).

In the Provincial Budget of 2005, Government promised to inject \$160 million over a 10-year period to improve the funding position of the Teachers' Superannuation Fund (TSF). These payments have commenced and have been invested by the investment managers in the financial markets. A similar Promissory Note in 2006-2007 with the Civil Service Superannuation Fund (CSSF) injects \$52 million over a 10-year period. The purpose of these two Promissory notes is to reduce unfunded pension liabilities bringing the funding levels within the TSF and CSSF to 90 per cent.

Risk Management and Insurance

Implemented a 9.4% premium increase as recommended in the actuarial study of the P.E.I. Government Risk Management and Self Insurance Fund to ensure long term sustainability.

- Developed policies and procedures to transfer or minimize risks associated with vendors who supply goods and services to Government.
- Introduced contract templates for educational institutions using PEI Health environments to provide practical training for students.
- Conducted educational seminars with School Boards and Health re effective risk management.
- Completed a thorough inventory of approximately 800 buildings to confirm what we need to insure and the "replacement cost" value.
- In partnership with senior Provincial Treasury analysts, revised Treasury Board Policy Manual Section related to Risk Management and Insurance.

Office of the Comptroller; Key Results

Key Result Area No. 1 - Improve Client Service

To provide the Public Accounts by early fall each year.

Key Result Area No. 2 - Priority on Human Resources

Provide an open atmosphere for training opportunities. Encourage and support staff to pursue professional development workshops.

Key Result Area No. 3 - Maintain High Level Corporate Approach in Managing Policy Matters

Provide the highest quality review of corporate policy matters.

Key Result Area No. 4 - Development and Implementation of IT Systems/programs to Improve Government's Business Issues

Provide a corporate accounting system that has maximum availability during business hours, dependability, and is within one release of the manufacturer's recommended release status.

Key Result Area No. 5 - Maximize Provincial Revenue and Investment Returns

Work with departments to ensure timely collection of cost shared claims. Use the CRA Set-off program to collect overdue accounts receivable. Engagement of a third party consultant to identify amounts due from the Government of Canada for GST.

Taxation and Property Records

Role/Mission

The mandate of Taxation and Property Records Division is to ensure fairness and equity in the application and collection of provincial tax revenues, and equity and uniformity in the production of provincial and municipal real property assessment rolls.

The Division is also mandated to develop, implement and maintain land-related information systems in the area of Corporate Geomatics, Registry of Deeds and Toponymy – the study of place names.

The mandate of the division requires that services be co-ordinated and integrated with federal, provincial and municipal Governments and the private sector.

Overview

Taxation and Property Records Division administers the Province's property and consumption tax legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Administration Services

Administration Services provides overall administration of Taxation and Property Records including monitoring and reporting of provincial revenues, expenditure control, and financial reconciliation of major revenue. The section also maintains the Provincial Civic Address Program and Property Line Program, and provides property-related geomatics products and services to other Government departments and agencies, and to the private sector.

Audit, Collection and Inspection Services

Audit, Collection and Inspection Services is responsible for tax compliance activity, including the performance of tax audits to determine the level of compliance with consumption tax acts and regulations. This section is also responsible for the collection of consumption taxes due to the Province in

the most effective and efficient manner, with a minimum amount of hardship to the taxpayer. The applicable acts and regulations are the *Revenue Tax Act*, *Revenue Administration Act*, *Health Tax Act*, *Environment Tax Act*, *Gasoline Tax Act*, *Tobacco Tax Act* and related regulations.

Tax Administration and Client Services

Tax Administration and Client Services is responsible for tax administration, interpretation of all tax acts and regulations administered by Taxation and Property Records, processing of tax payments, dissemination of tax information, operation of the provincial land registry system, interpretation of all land-related documents and the provision of property mapping for Prince Edward Island. All communications for the division via hard copy brochures, websites, and news releases are maintained and updated through this section.

Property Assessment Services

Property Assessment Services' primary function is to value all real property, as defined by the *Real Property Assessment Act*, at the indicated market value on an annual basis. This value forms the basis for the

collection of provincial and municipal property taxes. The four main programs administered by the section are the

Reappraisal Program, the New Construction Program, the Referral and Appeal Program and the Appraisal Services Program.

Report Highlights

Provincial Tax Commissioner

Effective November 2008, Beth Gaudet was appointed the new Provincial Tax Commissioner. Beth replaced Jim Ramsay who retired after a long and distinguished career with the Public Service. The Division was successful in implementing a succession plan which ensured a smooth transition for taxation stakeholders and staff.

Tobacco Tax Act

Following the introduction of the *Tobacco Tax Act* in the Fall of 2007, Taxation and Property Records implemented provisions of the Act including setting up a licensing system for tobacco retailers and wholesalers, introducing procedures for coordination of the provincial fines associated with contraband tobacco, and developing a suspension policy for retailers regarding tobacco related convictions.

PST Payments Online by Large Companies

Taxation and Property Records continued the development of a new online payment system (Emergis/Can-Act) for large corporations. The system will now allow large corporations to electronically report and pay revenue tax (PST), tobacco tax, environment tax, gas tax, property tax, capital tax, geolinc fees and 911 fees.

Interprovincial and Territorial Tax Conference

In September 2008 Taxation and Property Records hosted the annual Interprovincial and Territorial Tax Conference. This conference brings together tax administrators from across Canada. The conference was very successful and delegates were very pleased with the venue.

Municipal Assessment and Property Charges Online (MAPCO)

To improve client service, a web-based application was developed and customized for the Island's 75 municipalities to assist in the retrieval of information on properties within a particular municipality. The Province is providing the service to municipalities free of charge. Response from the municipalities has been very favourable.

Assessment Freeze for Three Years

One of the commitments of the newly elected Government in 2007 was a three-year property assessment freeze. This freeze will be in place until 2010.

Property assessments will be frozen on all owner occupied residential properties on Prince Edward Island at the December 31, 2007, assessment values.

During this period properties will continue to be reassessed, and those revised assessments will appear on the property owner's Notice of Assessment. However, provincial and municipal property charges will be based on the frozen December 31, 2007, assessment. Property owners will continue to be able to refer and appeal their revised assessments.

Comparison of Division Activity Over the Three-year Period – 2006-2009

| | 2006- 2007 | 2007- 2008 | 2008- 2009 |
|---|----------------|---------------|----------------|
| Tax payments received in offices | 289,841 | 290,471 | 308,118 |
| Documents registered and interpreted (Registry of Deeds office) | 20,168 | 19,734 | 18,602 |
| New parcels (property) created | 1,245 | 1,692 | 1,053 |
| Subdivision plans filed | 944 | 832 | 806 |
| Registered revenue tax vendors | 12,131 | 12,442 | 13,136 |
| Registered tax exempt permit applications (farmers and fishermen) | 3,869 | 2,892 | 2,805 |
| Properties assessed (as of municipal rolls date) | 97,454 | 98,907 | 101,226 |
| Property assessment referrals (first-level appeal) | 554 | 816 | 360 |
| Appeals to IRAC (property assessment related) | 16 | 16 | 22 |
| Provincial market value assessment (as of municipal rolls date) | \$8.85 billion | \$9.5 billion | \$10.3 billion |
| Market value of exemptions (as of municipal rolls date) | \$864 million | \$909 million | \$945 million |
| New construction reviews and new accounts (property assessed value) | \$220 million | \$202 million | \$160 million |
| Number of regular audits completed | 170 | 97 | 36 |
| Regular audit assessments | \$2.6 million | \$1.4 million | \$0.6 million |
| Number of special assessments issued | 293 | 190 | 216 |
| Special assessments | \$217,000 | \$146,000 | \$114,000 |
| Tax Revenue | \$345 million | \$349 million | \$377 million |

Appendix A

Department of Provincial Treasury

Expenses by Division

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|---------------------------|-----------------------------|
| Administration | | |
| <i>Administration</i> | | |
| Administration | 27,145 | 21,700 |
| Equipment | - | 2,000 |
| Materials, Supplies & Services | 4,488 | 4,000 |
| Salaries | 457,791 | 464,200 |
| Travel & Training | 51,100 | 57,900 |
| Total Administration | 540,524 | 549,800 |
| Fiscal Management | | |
| <i>Debt, Investment and Pension Management</i> | | |
| Administration | 21,091 | 17,500 |
| Equipment | - | 5,700 |
| Materials, Supplies & Services | 522 | 9,700 |
| Professional & Contract Services | 74,703 | 175,600 |
| Salaries | 490,174 | 475,600 |
| Travel & Training | 25,901 | 28,100 |
| | 612,391 | 712,200 |
| <i>Treasury Board Operations</i> | | |
| Administration | 25,828 | 22,600 |
| Equipment | 4,198 | 5,700 |
| Materials, Supplies & Services | 3,650 | 67,600 |
| Professional & Contract Services | 57,500 | - |
| Salaries | 626,445 | 680,900 |
| Travel & Training | 12,477 | 10,000 |
| | 730,098 | 786,800 |
| <i>Pension & Benefits</i> | | |
| Administration | 14,734 | 9,500 |
| Equipment | 118 | 12,000 |
| Materials, Supplies & Services | 275 | 6,800 |
| Salaries | 688,275 | 652,500 |
| Travel & Training | 9,500 | 12,400 |
| | 712,902 | 693,200 |
| <i>Corporate Administration</i> | | |
| Administration | 21,028 | 22,800 |
| Equipment | 1,334 | 1,900 |
| Materials, Supplies & Services | 1,711 | 1,900 |
| Salaries | 166,792 | 313,300 |
| Travel & Training | - | 6,700 |
| | 190,865 | 346,600 |

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|------------------------------------|--------------------------------------|
| <i>Risk Management and Insurance</i> | | |
| Administration | 5,572 | 4,500 |
| Equipment | - | 800 |
| Materials, Supplies & Services | 1,457 | 800 |
| Professional & Contract Services | 58,905 | 48,000 |
| Salaries | 237,694 | 249,500 |
| Travel & Training | 1,727 | 5,600 |
| | <u>305,355</u> | <u>309,200</u> |
| Total Fiscal Management | <u>2,551,611</u> | <u>2,848,000</u> |

Office of the Comptroller

Accounting

| | | |
|----------------------------------|----------------|------------------|
| Administration | 28,342 | 31,100 |
| Equipment | 2,818 | 10,500 |
| Materials, Supplies & Services | 4,532 | 18,100 |
| Professional & Contract Services | 5,495 | 9,700 |
| Salaries | 918,517 | 961,400 |
| Travel & Training | 14,013 | 13,600 |
| | <u>973,717</u> | <u>1,044,400</u> |

Procurement

| | | |
|----------------------------------|----------------|----------------|
| Administration | 6,256 | 11,100 |
| Equipment | 702 | 5,400 |
| Materials, Supplies & Services | 307 | 2,200 |
| Professional & Contract Services | - | 1,700 |
| Salaries | 210,565 | 222,000 |
| Travel & Training | 1,443 | 3,100 |
| | <u>219,273</u> | <u>245,500</u> |

Total Office of the Comptroller

| | |
|-------------------------|-------------------------|
| <u>1,192,990</u> | <u>1,289,900</u> |
|-------------------------|-------------------------|

Taxation and Property Records

Administration

| | | |
|--------------------------------|----------------|------------------|
| Administration | 38,472 | 41,100 |
| Debt | 263,900 | 1,063,900 |
| Materials, Supplies & Services | 35,458 | 15,000 |
| Salaries | 324,749 | 294,300 |
| Travel & Training | 10,824 | 17,500 |
| | <u>673,403</u> | <u>1,431,800</u> |

Tax Audit, Collection and Inspection Services

| | | |
|-------------------|------------------|------------------|
| Salaries | 1,123,892 | 1,305,700 |
| Travel & Training | 68,673 | 90,000 |
| | <u>1,192,565</u> | <u>1,395,700</u> |

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|--|------------------------------------|--------------------------------------|
| <i>Tax Administration and Client Services</i> | | |
| Administration | 92,392 | 103,700 |
| Equipment | 9,379 | 5,000 |
| Materials, Supplies & Services | 82,007 | 77,000 |
| Professional & Contract Services | 155,145 | 174,300 |
| Salaries | 1,719,404 | 1,983,800 |
| Travel & Training | 11,309 | 12,000 |
| | <u>2,069,636</u> | <u>2,355,800</u> |
| <i>Property Assessment Services</i> | | |
| Materials, Supplies & Services | 3,352 | 7,400 |
| Salaries | 1,154,010 | 1,094,000 |
| Travel & Training | 74,664 | 79,400 |
| | <u>1,232,026</u> | <u>1,180,800</u> |
| Total Taxation and Property Records | <u>5,167,630</u> | <u>6,364,100</u> |
| Information Services | | |
| <i>Document Publishing Centre</i> | | |
| Administration | 515,947 | 548,400 |
| Materials, Supplies & Services | 522,493 | 707,800 |
| Professional & Contract Services | 274,228 | 75,000 |
| Salaries | 558,149 | 572,900 |
| Travel & Training | 26 | 900 |
| | <u>1,870,843</u> | <u>1,905,000</u> |
| <i>Multimedia Services</i> | | |
| Administration | 8,652 | 10,800 |
| Equipment | 21,411 | 13,700 |
| Materials, Supplies & Services | 50,336 | 76,200 |
| Professional & Contract Services | 1,515 | 1,500 |
| Salaries | 527,149 | 530,400 |
| Travel & Training | 6,377 | 18,600 |
| | <u>615,440</u> | <u>651,200</u> |
| <i>Strategic Marketing and Design</i> | | |
| Administration | 9,938 | 21,200 |
| Equipment | 5,358 | 10,000 |
| Materials, Supplies & Services | 12,350 | 19,600 |
| Salaries | 500,209 | 492,800 |
| Travel and Training | 1,000 | 1,800 |
| | <u>528,855</u> | <u>545,400</u> |
| Total Information Services | <u>3,015,138</u> | <u>3,101,600</u> |

| Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---------------------------|-----------------------------|
|---------------------------|-----------------------------|

Information Technology Shared Services- Program Management

Administration

| | | |
|----------------------------------|---------|---------|
| Administration | 34,335 | 31,300 |
| Equipment | 4,904 | 12,000 |
| Materials, Supplies & Services | 11,182 | 6,000 |
| Professional & Contract Services | 208,649 | 132,200 |
| Salaries | 376,028 | 510,000 |
| Travel & Training | 64,180 | 105,100 |

| | | |
|--|----------------|----------------|
| Total Information Tech. Shared Services- Program Management | 699,278 | 796,600 |
|--|----------------|----------------|

Information Technology Shared Services- Business Systems

Administration

| | | |
|----------------------------------|---------|---------|
| Administration | 69,850 | 64,500 |
| Equipment | 6,875 | 2,900 |
| Materials, Supplies & Services | 824 | 5,700 |
| Professional & Contract Services | 61,214 | 55,000 |
| Salaries | 111,272 | 133,100 |
| Travel & Training | 66 | 15,300 |
| | 250,101 | 276,500 |

Business Systems

| | | |
|----------------------------------|------------|------------|
| Administration | 19,707 | 6,600 |
| Equipment | 225,467 | 104,000 |
| Materials, Supplies & Services | 2,272,461 | 2,553,700 |
| Professional & Contract Services | 4,169,038 | 4,404,000 |
| Salaries | 3,814,843 | 4,021,000 |
| Travel & Training | 203,318 | 110,300 |
| | 10,704,834 | 11,199,600 |

| | | |
|---|-------------------|-------------------|
| Total Information Technology Shared Services- Business Systems | 10,954,935 | 11,476,100 |
|---|-------------------|-------------------|

Information Technology Shared Services- Infrastructure

Administration

| | | |
|----------------------------------|---------|---------|
| Administration | 75,426 | 85,700 |
| Equipment | 26,400 | 200 |
| Materials, Supplies & Services | 31,423 | 1,500 |
| Professional & Contract Services | 64,080 | 73,700 |
| Salaries | 267,285 | 296,600 |
| Travel & Training | 21,473 | 42,200 |
| | 486,087 | 499,900 |

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|------------------------------------|--------------------------------------|
| Infrastructure | | |
| Administration | 302,652 | 196,500 |
| Equipment | 939,642 | 1,010,300 |
| Materials, Supplies & Services | 2,594,993 | 2,741,000 |
| Professional & Contract Services | 596,041 | 538,800 |
| Salaries | 3,881,979 | 3,939,100 |
| Travel & Training | 204,368 | 103,300 |
| | <u>8,519,675</u> | <u>8,529,000</u> |
| Total Information Technology Shared Services- Infrastructure | <u>9,005,762</u> | <u>9,028,900</u> |
| Program Evaluation and Fiscal Relations | | |
| <i>Economics, Statistics and Federal Fiscal Relations</i> | | |
| Administration | 7,794 | 8,100 |
| Equipment | 641 | 5,200 |
| Materials, Supplies & Services | 2,750 | 2,800 |
| Professional & Contract Services | 22,685 | 15,800 |
| Salaries | 342,075 | 353,000 |
| Travel & Training | 28,339 | 36,600 |
| | <u>404,284</u> | <u>421,500</u> |
| <i>Program Evaluation and Access and Privacy Services Office</i> | | |
| Administration | 5,224 | 9,300 |
| Equipment | - | 5,500 |
| Materials, Supplies & Services | 122 | 3,400 |
| Professional & Contract Services | 14,385 | - |
| Salaries | 199,084 | 420,200 |
| Travel & Training | 5,013 | 15,000 |
| | <u>223,828</u> | <u>453,400</u> |
| Total Program Evaluation and Fiscal Relations | <u>628,112</u> | <u>874,900</u> |
| Total Provincial Treasury Expenses | <u>33,755,980</u> | <u>36,329,900</u> |

Appendix B

Department of Provincial Treasury

Revenue

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|---------------------------|-----------------------------|
| Federal | | |
| Equalization | 321,686,000 | 321,686,000 |
| Canada Health Transfer | 99,539,000 | 98,823,000 |
| Canada Social Transfer | 44,233,000 | 44,171,000 |
| Base Funding for Infrastructure | 25,000,000 | 25,000,000 |
| Wait Time Funding | 6,581,622 | 6,581,600 |
| Trust Fund for Clean Air and Climate Change | 5,000,000 | 5,000,000 |
| Community Development Trust | 4,578,349 | 4,578,300 |
| Housing Federal Revenue | 1,417,384 | 1,079,600 |
| Statutory Subsidy | 678,965 | 679,000 |
| Miscellaneous | 722,665 | 741,900 |
| Total Federal Revenue | 509,436,985 | 508,340,400 |
| Provincial | | |
| Lottery Commission | 13,894,217 | 12,063,500 |
| Health Tax on Liquor | 15,027,697 | 14,309,400 |
| Health Tax on Tobacco | 27,956,661 | 27,300,000 |
| Real Property Tax | 87,994,187 | 86,163,000 |
| Revenue Tax | 195,364,852 | 194,670,000 |
| Gasoline Tax | 38,950,950 | 43,000,000 |
| Corporation Capital Tax | 2,406,208 | 2,300,000 |
| Environmental Tax | 734,347 | 600,000 |
| Real Property Transfer Tax | 3,226,340 | 4,000,000 |
| Personal Income Tax | 236,146,851 | 239,359,500 |
| Corporate Income Tax | 28,441,324 | 43,872,500 |
| Registry of Deeds Fees | 2,474,425 | 2,700,000 |
| Self Insurance Rebate | 308,746 | 319,700 |
| Beverage Container | 5,406,364 | 5,200,000 |
| Other | 3,065,291 | 975,200 |
| Total Provincial Revenue | 661,398,460 | 676,832,800 |
| Total Departmental Revenue | 1,170,835,445 | 1,185,173,200 |
| Investment Income | 10,815,492 | 11,777,500 |
| Sinking Fund Earnings | 14,289,215 | 16,457,100 |
| General Government | 8,248,366 | 24,400 |
| Employee Benefits | 108,654 | 184,500 |

Appendix C

Department of Provincial Treasury

Other Expenditure Budgetary Responsibilities

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|--|---------------------------|-----------------------------|
| General Government | | |
| Miscellaneous General | 258,925 | 438,900 |
| Grants | 1,546,606 | 1,120,100 |
| Government Insurance Program | 1,288,791 | 1,195,000 |
| Contingency Fund and Salary Negotiations | - | 918,500 |
| Total General Government | 3,094,322 | 3,672,500 |

Explanation Notes:

Miscellaneous General provides funding for the Premier's and Ministers' out-of-province travel, cabinet meetings, protocol-related expenses and unanticipated expenditures realized.

Miscellaneous Grants includes grants-in-lieu of property tax and other miscellaneous grants.

Government Insurance Program provides insurance coverage to all Government departments, and many Crown corporations, agencies and commissions.

Salary Negotiations: The budget for 08/09 was used for contract settlements in the Health Sector for Physicians and PEI Nurses Union; Education Sector for C.U.P.E. Locals 1145,1770,1775, and 3260; and Civil Sector for Excluded, Senior Compensation Plan and U.P.S.E.

Contingency Fund: This allocation was used by Government for unanticipated or unusual costs that occurred throughout the fiscal year but had not been budgeted.

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|---------------------------|-----------------------------|
| Council of Atlantic Premiers | | |
| Council of Atlantic Ministers of Education and Training | 15,900 | 15,900 |
| Council of Atlantic Premiers Secretariat | 17,400 | 17,400 |
| Maritime Provinces Higher Education Commission | 86,000 | 86,000 |
| Atlantic Provinces Community College Consortium | 4,200 | 4,200 |
| Total Council of Atlantic Premiers | 123,500 | 123,500 |

Explanation Notes:

The Council of Atlantic Premiers is funded by the four Atlantic Provinces. Contributions are based on population and upon the recommendation of the Regional Treasury Board.

| | Actual 2008/2009 \$ | Estimate 2008/2009 \$ |
|---|---------------------------|-----------------------------|
| Interest Charges on Debt | | |
| Debt | 104,502,398 | 115,704,500 |
| Total Interest | 104,502,398 | 115,704,500 |
| Amortization of Debenture Discount | | |
| Debt | 1,593,848 | 1,633,600 |
| Total Amortization of Debenture Discount | 1,593,848 | 1,633,600 |
| Total Interest Charges on Debt | 106,096,246 | 117,338,100 |

Explanation Notes:

Interest: Appropriations provided for the funding of interest cost associated with monies borrowed by the way of issuance of Provincial Debentures, Treasury Notes, as well as borrowing through the use of bank lines of credit and loans from the Federal Government and the Canada Pension Plan.

Amortization of Debenture Discount: Annual provision required in order to write-up, over the term of the debenture, the cost associated with debenture issues at a discount.

| | Actual 2008/2009 \$ | Restated Estimate 2008/2009 \$ |
|--|---------------------------|---|
| Technology Asset Management | | |
| Equipment Rental | 1,615,677 | 2,300,000 |
| Total Technology Asset Management | 1,615,677 | 2,300,000 |
| Employee Benefits | | |
| Medical/Life Benefits | 224,946 | 311,600 |
| Employees' Future Benefits | 15,828,845 | 12,360,700 |
| Government Pension Contribution | 29,200,192 | 25,880,400 |
| Pension Management | 324,752 | 500,800 |
| Total Employee Benefits | 45,578,735 | 39,053,500 |



Design: Strategic Marketing and Graphic Design
Printing: Document Publishing Centre
2012