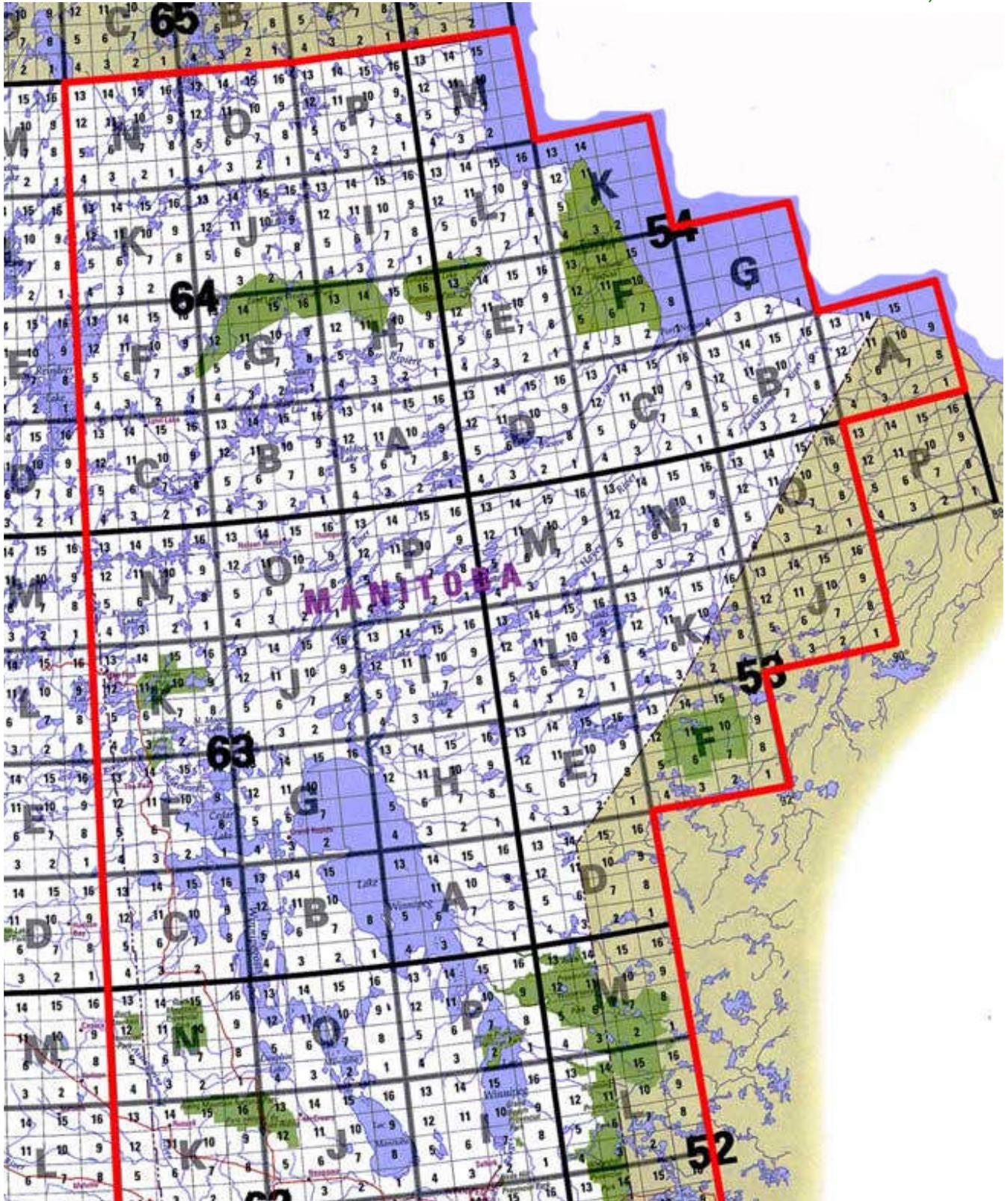


# Annual Report

March 31, 2007



## Crown Lands and Property Agency

Supply and Services Division  
Infrastructure and Transportation

Manitoba 



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# MINISTER'S LETTER



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## MINISTER OF INFRASTRUCTURE AND TRANSPORTATION

Room 203  
Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

June 25, 2007

The Honourable John Harvard  
Lieutenant Governor of Manitoba  
Room 235, Legislative Building  
Winnipeg MB R3C 0V8

May It Please Your Honour:

I respectfully present the first Annual Report of Crown Lands and Property Agency (CLPA), a Special Operating Agency, covering the period from April 1, 2006, to March 31, 2007

This is the Agency's first year of operation created from: the Land Acquisition Branch (formerly Land Management Services Agency) and includes the real estate transactional segments formerly part of the Department of Conservation; Lands Branch and Parks and Natural Areas; and the Department of Agriculture, Food and Rural Initiatives - Agricultural Crown Lands.

The Agency is in a state of continuing evolution during 2007-08. I am encouraged by the commitment of its employees and the support of its stakeholders. I commend the staff at CLPA for their dedication to transform challenges into opportunities during the continuing amalgamation.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Ron Lemieux'.

Ron Lemieux  
Minister Responsible for  
Crown Lands and Property Agency

# ASSOCIATE DEPUTY MINISTER'S LETTER



## Infrastructure and Transportation

Associate Deputy Minister's office  
300 - 215 Garry  
Winnipeg MB R3C 3Z1  
T 204-945-3887 F 204-945-1857

June 25, 2007

Honourable Ron Lemieux  
Minister  
Infrastructure and Transportation  
Room 203, Legislative Building  
Winnipeg MB R3C 0V8

Dear Minister Lemieux:

I have the honour of submitting for your consideration the first Annual Report of the Crown Lands and Property Agency. The report summarizes the Agency's activity for the fiscal year ending March 31, 2007.

The Agency processed 15,190 sales, leases and permitting transactions and was involved in the acquisition of properties for PTH 16 at Russell, PTH 10 south of Brandon and the Manitoba Floodway Expansion. The Agency also provided evaluations for the Department of Conservation Cottage Lots Program, Manitoba Public Insurance Corporation Asset Management Program and for Public Schools Finance Board properties. In addition to the aforementioned, the Agency has been administering the sale of higher valued surplus government properties.

The first year of CLPA's operations held many challenges which required commitment by its employees and the support of its stakeholders to achieve the continued performance in the effective delivery of program services during the ongoing amalgamation of Land Acquisition Branch (formerly Land Management Services), and segments of Department of Conservation; Lands Branch and Parks and Natural Areas; and the Department of Agriculture, Food and Rural Initiatives - Agricultural Crown Lands

Respectfully submitted,

Paul Rochon  
Chairperson of the  
Crown Lands and Property Agency Advisory Board

**Manitoba**  
spirited energy

June 27, 2007

Mr. Paul Rochon  
Associate Deputy Minister  
Infrastructure and Transportation  
3rd Floor, 215 Garry Street  
Winnipeg MB R3C 0V8

Dear Sir:

I have the honour of submitting for your consideration the Annual Report of the Crown Lands and Property Agency for the fiscal year ending March 31, 2007.

This is the Agency's first year of operation as a merged entity incorporating the former Land Management Services Special Operating Agency (SOA) and the real estate transactional functions from Conservation and Agriculture, Food and Rural Initiatives.

In closing the books on the 2006-07 fiscal year, I would like to acknowledge the invaluable guidance and support of the Advisory Board, and the continued dedication of our staff from all four predecessor entities in maintaining customer service during this challenging start-up period.

Respectfully submitted,



Michal Kubasiewicz, BES, MBA, MCIP  
Chief Operating Officer  
Crown Lands and Property Agency



## **AGENCY PROFILE**

### **HISTORICAL PERSPECTIVE**

#### **Background**

The Manitoba Government announced its plans to create a Crown Lands and Property Special Operating Agency (SOA) in response to various internal and external reviews of the management of Crown lands. Alternative methods of providing quality, cost-effective services to the public, government departments and agencies were evaluated, resulting in a recommendation to establish a Crown Lands and Property SOA.

#### **Origin**

On September 7, 2004, Treasury Board approved in principle the creation of a new SOA out of the dissolution of the Land Management Services SOA using its structure and framework and incorporation of the functions from the Manitoba Agriculture, Food and Rural Initiatives' Leases and Permits and Manitoba Conservation's Park District Records and Lands Branch.

#### **Agency Status**

Effective April 1, 2006, CLPA was established by regulation under SOAFA as a Special Operating Agency through consolidating four Crown land related components of government departments that are responsible for Crown land leasing, permitting, sales and acquisition transactions, and management of related records. The new Agency is formed through the dissolution of Land Management Services Agency (Land Acquisition Branch) and reconstituted by consolidating the Land Acquisition Branch with Lands Branch and Parks District Records (formerly of Manitoba Conservation), as well as Agricultural Crown Lands Management (Manitoba Agriculture, Food and Rural Initiatives). The new SOA reports under the Manitoba Infrastructure and Transportation – Supply and Services Division.

CLPA operates outside the Consolidated Fund and is sustained by recovering costs from its clients (government agencies). CLPA administers Crown lands according to the policies and direction of client departments and the Lands Committee of Deputy Ministers.

## **AGENCY PROFILE**

### **Statutory Base**

The Crown Lands and Property Agency (CLPA) has full authority for all Crown land sales, leasing, and permitting, as well as land appraisal, acquisition, expropriation and other related real estate services to government.

The Agency administers Crown lands according to five main Acts:

*The Crown Lands Act*, (involving agricultural and non-agricultural Crown land), *The Crown Lands Act*, C.C.S.M. c.C340, *Land Administration Fees Regulation* 216/89, *Crown Lands Fees Regulation* 130/91, *Agricultural Crown Lands Leases Regulation* 168/2001, *Agricultural Crown Lands Grazing and Hay Permits Regulation* 288/88;

*The Provincial Parks Act*, C.C.S.M. c.P20, *Chief Place of Residence Levy Regulation* 178/97, *Debt Certificate Regulation* 140/96, *Permits and Leases Regulation* 150/96, *Park Fees Regulation* 148/96;

*The Wild Rice Act*, C.C.S.M. c.W140, *Wild Rice Regulation* 38/88R;

*The Land Acquisition Act*, C.C.S.M. c.40;

*The Expropriation Act*, C.C.S.M. E190 including related regulations *Regulation* 318/87 R, 295/87;

### **Mission Statement**

The mission of the Crown Lands and Property Agency (CLPA) is to provide quality Crown land information and services to the public and government departments that are open, fair and transparent.

### **Mandate**

CLPA provides centralized Crown land information and services to the public and government.

### **Vision**

The Crown Lands and Property Agency's vision is to be a leader in Crown lands information and services that are highly valued for being open, fair, transparent and customer-centered.

## **AGENCY PROFILE**

### **Values and Guiding Principles**

<b>Values</b>	<b>Guiding Principles</b>
Serving the Public Interest	Crown land services, processes, and controls that are open, fair, transparent and accountable
Serving Our Customers	Customer services that are courteous, equitable, accessible, efficient and effective
Being Accountable	Business operations that: <ul style="list-style-type: none"><li>• Operate on a break even basis; provide opportunities for revenue sharing with the Province; and provide value-for-money for client departments</li><li>• Are socially, environmentally, and fiscally responsible</li><li>• Reflect our public interest and customer service values</li><li>• Meet the standards of an employer of choice</li></ul>

### **Scope of Service**

The role of Crown Lands and Property Agency (CLPA) is to provide regulated services in administering Crown lands to the public and on behalf of its clients, government departments and agencies, on a cost recovery basis.

The CLPA provides service to the public in the areas of:

- Crown Lands Registry
- Licensing
- Leasing
- Sales
- Permitting

and to government in the areas of:

- Acquisitions
- Expropriations
- and other real estate services

## **AGENCY PROFILE**

### **Markets**

**The Public:** CLPA's information and services are used by the public when looking for information about Crown land that may be available for various private uses. If that Crown land is available, CLPA facilitates the completion of the needed lease, permit, license, easement or purchase arrangements.

**Government:** CLPA's information and services are also used by Government departments, boards, commissions, corporations and agencies when they need to purchase or expropriate for public works or dispose of surplus property.

**Customer Profile:** Crown lands geographically cover about 75% of Manitoba's land mass. The Agency's customer base is located in both rural and urban Manitoba. The general public is the primary clientele for Crown land rentals and purchases. Clientele for Agricultural Crown Land Management dispositions primarily comprises agricultural producers. Land disposition services to the public are provided through the Agency on behalf of Manitoba Conservation and Manitoba Agriculture, Food and Rural Initiatives.

Clientele for land appraisal and acquisition services consists primarily of government departments, boards, commissions, corporations and agencies. The primary users of appraisal services include Manitoba Infrastructure and Transportation, Manitoba Water Stewardship, and Manitoba Conservation. Secondary users include Manitoba Habitat Heritage Corporation, Conservation Districts, Rural Municipalities, and Manitoba Health. Manitoba Agricultural Services Corporation and utilities are excluded in legislation from mandatory use of these services.

## **AGENCY PROFILE**

### **Agency Structure**

CLPA is a Special Operating Agency within the Department of Infrastructure and Transportation and is accountable to the Associate Deputy Minister for operational and financial performance through the Assistant Deputy Minister of Supply and Services. CLPA operates outside the Consolidated Fund, under *The Special Operating Agency Financing Authority Act* (SOAFA). The Special Operating Agency Financing Authority holds title to assets used by CLPA, provides financing for operations and is responsible for CLPA's liabilities.

CLPA is governed and accountable by compliance with its Operating Charter, Transfer Agreement, Management Agreement and policies under the General Manual of Administration (unless exempted under the Charter) and by SOAFA.

The structure consists of the following six operational units that report to the Chief Operating Officer:

1. Agricultural Crown Land Leases and Permits
2. Lands Branch
3. Parkland Leases and Permits
4. Land Acquisition Branch
5. Marketing
6. Finance and Information Technology

### **Advisory Board**

The Board reviews the various statutory reporting presented by the Agency. The Advisory Board's role is to offer advice and direction in areas of strategic planning and operations, structure, business priorities, finances and issues of concern. The composition of the Board may change over time as circumstances warrant. Other external resources or Agency staff may be invited to attend meetings at the request of the Chair. The Advisory Board currently consists of:

- Paul Rochon, Associate Deputy Minister of Infrastructure and Transportation, who acts as Chair;

Members representing client departments;

- Dori Gingera-Beauchemin, Assistant Deputy Minister, Agriculture, Food & Rural Initiatives Development
- Bruce Gray, Assistant Deputy Minister, Conservation

Ex Officio;

- Tracey Danowski, Assistant Deputy Minister, Supply and Services
- Michal Kubasiewicz, Chief Operating Officer, Crown Lands and Property Agency
- Staff Representative, Maxine Cook, Crown Lands and Property Agency

## ***AGENCY PROFILE***

### **Sustainable Development**

The Province of Manitoba established a sustainable development policy which provided guidelines and principles to ensure sustainable development objectives are considered in all government initiatives.

The Agency actively participates in current programs by following recycling guidelines and through the procurement of products that have been recycled or remanufactured where permitted. Staff is directed to use ethanol fuel when using Government vehicles.

## **OPERATIONAL STATUS**

### **INITIATIVES**

The creation of the new Crown Lands and Property Agency (CLPA) was a significant new undertaking involving a number of specifically defined initiatives.

The focus is customer service in the delivery of land transactional services to the clients. The Agency developed critical success factors including:

- Timely, accurate, and friendly service
- The “one-stop shop” concept of service across all Agency outlets offered consistently; “one-face” seamless service delivery
- Standardized service delivery to all customers through multiple channels
- A strong base of trust and credibility established with all customers

To accomplish these critical success factors internal operations have been defined and reviewed and have its own specified targets:

- Harmonized or standardized policies and procedures on Crown land dispositions
- Non-public facing operations focused on supporting and enabling the “one-stop shop” and seamless service delivery concepts
- Continuous improvement and alignment of operations and delivery channels
- Expanded service offerings to encompass the full scope of Crown lands activities within the Agency’s mandate

To date the Agency has accomplished the following towards meeting these objectives:

- Transactional processes have been defined and extracted from the originating departmental areas
- Relocation plans have been developed to house the new Agency in one location effective September 1, 2007
- Data and records requirements have been identified and continued access for the data and programs will be maintained with the least amount of interruption for all concerned participants to ensure that staff both within the Agency and the departments can continue completing their assigned duties

## **OPERATIONAL STATUS**

### **2006 – 2007 New Initiative – Record Scanning**

CLPA has proceeded with the new initiative to increase the volume of, and speed of creating, digitized copies of CLPA records. The work involves putting paper files through scanning equipment so that searchable electronic image files of the paper records are created and shared with multiple users of these records from multiple locations throughout Manitoba.

This initiative, already underway in the current Land Acquisitions Branch, is being expanded to include the records scanning requirements of other business units of the new CLPA, specifically Park District Records and Agricultural Crown Land Management.

Creating digitized copies of government records through scanning improves the safeguarding, access and sharing of government records regardless of physical location, while preserving the original paper, or microfiche, record in a passive storage area in accordance with legal requirements.

As there is only one paper record for Park District records, they are the most in need of safeguarding, access and sharing capability. Therefore, these records are currently being scanned on the new CLPA high speed system with estimated time of completion to be in the first quarter of 2007 - 08.

### **Performance Activities**

As this is the first year of operations for Crown Land and Properties Agency, management has decided to summarize activity results for the 2006 - 07 fiscal year for each of the Agency's existing branches, starting on the following page.

## OPERATIONAL STATUS

**Agricultural Crown Lands (ACL)** is responsible for the transactional activities governed by the *Crown Lands Act*.

Agricultural Crown Lands work closely with client departments and agencies of provincial, federal and municipal governments.

Lands with agricultural land use designations are advertised for allocation or tender.

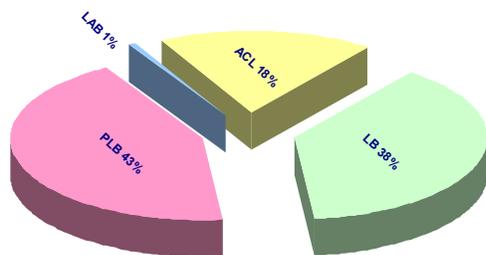
Applications are received for haying, grazing or cropping.

Types of dispositions: Forage leases, cropping leases, special leases, renewable hay/grazing permits and casual hay/grazing permits.

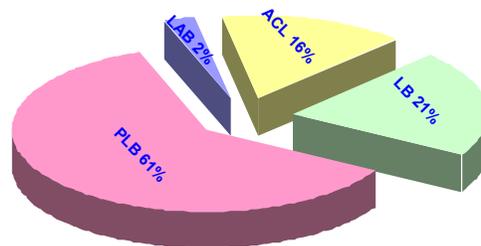
Agricultural Crown Lands are also responsible for processing cancellations for non-payment or non-use, cancellations for surrendered lands, in-family or unit transfers, consolidations, lease renewals, acre/animal units months adjustments, recording and maintenance of chattel or land improvements and updating of the Agricultural Crown Lands Computer System.

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**Sales, Leasing & Permitting  
Transactional Activity by Branch**



**Revenue Generated for Departments  
Through Sales, Leasing & Permitting**



## OPERATIONAL STATUS

**Lands Branch (LB)** is responsible for the transactional activities on Crown Lands which are governed by the *Crown Lands Act* and the *Wild Rice Act*.

Lands Branch works closely with client departments and agencies of provincial, federal and municipal governments.

Applications are received for a broad range of private, public and commercial uses. Circulation on applications is subject to an extensive review involving various government departments and agencies to determine the acceptability.

Types of transactions: permits and leases, license of occupation, easements and sales. The terms, conditions, and time frames are different for each type of tenure.

The Branch is responsible for the preparation of various legal documents related to an approved transaction. These include sale, lease, license of occupation and easement agreements, land grants, land transfers, real property applications, caveats, assignments and collateral assignments.

Lands Branch also prepares registrar functions in support of the Crown Land Registry which maintains secure and accurate records of current and historical dispositions of Crown land and related transactions for public and government use.

Transactional Activities	#
<b>Land Acquisition Branch</b>	
Leases	70
Sales: Non-Marginal Property	12
Sales: Marginal Property	1
Subtotal	<b>83</b>
<b>Agricultural Crown Lands</b>	
Forage Leases	2,234
Cropping Leases	75
Special Leases	2
Casual Grazing Permits	344
Renewable Grazing Permits	59
Casual Hay Permits	40
Renewable Hay Permits	10
Subtotal	<b>2,764</b>
<b>Lands Branch</b>	
Permits (Vacation Home Permits & General Permits)	3,071
Leases (Vacation Home Leases & Miscellaneous)	635
Licences of Occupation	610
Easements	1,137
Wild Rice Licences	319
Subtotal	<b>5,772</b>
<b>Parks Program</b>	
Vacation Home Leases & Permits	5,822
Commercial Leases & Permits	144
Private Land Service Fees	409
General Permits	165
Non-profit Permits & Leases	31
Subtotal	<b>6,571</b>
<b>TOTAL</b>	<b>15,190</b>

## OPERATIONAL STATUS

**Park Land Leases & Permits (PLB)** performs a variety of administrative functions relating to vacation home lot permits and leases, miscellaneous leases, general permits (such as commercial fish camps, wild rice cultivation, trap-line cabins, hay and grazing, water lines and wells, community docks, etc.), chief place of residence and private land subdivision requests. Functions include initiating renewals; requesting compliance checks; preparing legal documentation and related correspondence; ensuring licencing requirements are met; administering vehicle entry permit program for cottagers; maintaining all aspects of the Crown Land Registry System respecting Parks District's clients; and various other administrative activities involving variances, updates to plans, lease/permit surrenders, changes in use requests, assignments, collateral recordings, changes of address or marital status, deceased persons; discharge caveats, and issuing building permits.

**Land Acquisition Branch (LAB)** performs sales and leasing services including circulation, marketing, negotiating, preparing documents and other activities relating to the sale or lease of surplus government land and/or building and central management of records.

Revenue Activity Type	\$(000)
<b>Land Acquisition Branch</b>	
Leases	86.6
Sales: Non-Marginal Property	104.7
Sales: Marginal Property	2.2
<b>Subtotal</b>	<b>193.5</b>
<b>Agricultural Crown Lands</b>	
Forage Leases	1,115.2
Cropping Leases	93.1
Special Leases	12.3
Casual Grazing Permits	1.8
Renewable Grazing Permits	8.9
Casual Hay Permits	4.0
Renewable Hay Permits	46.3
<b>Subtotal</b>	<b>1,281.6</b>
<b>Lands Branch</b>	
Vacation Home Permits & Leases	111.3
Miscellaneous	565.0
Miscellaneous & Easements	577.2
Wild Rice Licences	17.2
Land Sales	435.4
<b>Subtotal</b>	<b>1,706.1</b>
<b>Parks District Program</b>	
Vacation Home Leases & Permits	4,461.2
Commercial Leases & Permits	307.1
Private Land Service Fees	113.0
General Permits	71.7
Non-profit Permits & Leases	23.5
<b>Subtotal</b>	<b>\$4,976.50</b>
<b>TOTAL</b>	<b>\$8,157.7</b>

## OPERATIONAL STATUS

**Land Acquisition Branch** performs all paralegal functions necessary to convey ownership and/or register the Province's interest in lands acquired ensuring compliance with all statutory requirements unique to the acquisition of land by government departments.

### APPRAISAL AND ACQUISITION ACTIVITIES

This business area provides services in the appraisal and valuation of property, which includes a broad range of service from the acquisition of right-of-way to complex commercial or special use properties. Services also include acquisition of real property through negotiation by agreement or expropriation, easement acquisitions, valuation of Crown property for disposal purposes and property assessment reviews.

### PROCESSING ACTIVITIES

The focus of service in this area is the completion of all paralegal work necessary to convey ownership and/or register interests in land and ensure compliance with statutory requirements on behalf of clients. This includes the production of all legal documentation required to ensure policies, procedures and statutory requirements are met when acquiring real property through agreement or expropriation. This business area also directs all payments from the client department to the beneficiary.

Appraisal and Negotiation		
		Actual
Land Acquisition Branch	Projects Completed	46
	Borrow Agreements	5
	Agreements	39
	Appraisals	72
	Acres Acquired	87
	LVAC Certification	\$693,750

Legal Processing		
		Actual
Land Acquisition Branch	Expropriations	32
	<b>Current Files:</b>	
	Processing	57
	Finalizing	184
	Backlog Files	191
	Other Files	124
	Plan Certificates	5
	Right-of-Way Plans	47

# PERFORMANCE MEASURES

## Performance Framework

STRATEGIC AREA	LONG-TERM SIGNIFICANT RESULT	SHORT-TERM (YEAR 1) EXPECTED RESULT	RESULTS TO DATE
<b>FINANCIAL</b>	<ul style="list-style-type: none"> <li>▪ Full cost-recovery</li>   <li>▪ Reduced costs</li>   <li>▪ Risks in relation to loans, technology and operations appropriately managed</li> </ul>	<p><b>Dividend Payment:</b> CLPA's revenue sharing contribution of \$250.0 is made to the Province as directed</p> <p><b>Short-term Cost Recovery Model:</b> CLPA fully recovers real estate related service costs and recovers costs relating to the administration of Crown land dispositions not exceeding client department appropriations (MAFRI and Conservation) and current fee schedule for real estate services</p> <p><b>Future Cost Recovery Model:</b> A management information system is in place to support the development of a future comprehensive cost recovery pricing model, which is targeted for implementation in 2008-09</p>	<p>Deferred as approved by Treasury Board</p> <p>Cost recovery model in place</p> <p>A new general ledger developed distinguishing financial reporting by location and business areas. Further development and functionality analysis continues</p>
<b>CUSTOMER SERVICE</b>	<ul style="list-style-type: none"> <li>▪ Timely, accurate, and friendly service</li>   <li>▪ The "one-stop shop" concept of service across all Agency outlets offered consistently; "one-face" seamless service delivery</li>   <li>▪ Standardized service delivery to all customers through multiple channels (in-person, on-line, telephone, fax)</li>   <li>▪ A strong base of trust and credibility established with all customers</li> </ul>	<p><b>Process Improvements</b> with a focus on improving openness, fairness, transparency and "one-stop shop" and a seamless cost-effective customer service, are assessed and implemented. The feasibility of consolidating processes on circularizing proposed land use applications, if practicable, has been determined and action is taken accordingly</p> <p><b>New Consolidated Web Information</b> presence is launched providing information about the Agency. The website features a current inventory of Crown lands that are available for use, including information about the policies related to using these lands, and the relevant application procedures</p> <p><b>Payment Methods:</b> Various methods of payment options, currently available for Lands Branch and Parks District Program customers, are expanded to include lease and permit invoices for agricultural Crown lands. Methods include cheque payments and payments through a bank teller or Automated Teller Machine (ATM) and payments via the Internet and telephone. The feasibility of implementing a time payment plan for higher cost leases is completed</p> <p><b>Customer Satisfaction Index:</b> A customer satisfaction measurement system is developed for the public and client departments</p> <p><b>Crown Land Registry System:</b> Front-line service delivery staff provides a more integrated service through the addition of linkages between lease billing systems and the Crown Lands Registry System (CLRS)</p>	<p>Under review</p> <p>Under development</p> <p>Transfer of ownership of bank accounts are transferred or in process</p> <p>No Action</p> <p>No Action</p>

STRATEGIC AREA	LONG-TERM SIGNIFICANT RESULT	SHORT-TERM (YEAR 1) EXPECTED RESULT	RESULTS TO DATE
<b>INTERNAL OPERATIONS</b>	<ul style="list-style-type: none"> <li>▪ Harmonized and standardized policies and procedures on land use circulation and advertising activities</li> <li>▪ Non-public facing operations focused on supporting and enabling the “one-stop shop” and seamless service delivery concepts</li> <li>▪ Continuous improvement and alignment of operations and delivery channels</li> <li>▪ Expanded service offerings to encompass the full scope of Crown lands activities within the Agency mandate area</li> </ul>	<p><b>CLPA Consolidated Location:</b> There is a ready-to-implement relocation plan to transition staff and its operations while minimizing impacts to staff and service delivery</p> <p><b>CLPA Records Scanning:</b> This new initiative has created an electronic version of Park District records for easy access and sharing by multiple users and safeguarding regardless of physical location; and the remainder of Land Acquisition Branch records are digitized</p> <p><b>Sole Source Service Model</b> for land appraisals, acquisitions, and sale of surplus land and buildings is in effect with all government agencies, as approved by Treasury Board</p> <p><b>Access to MAVAS,</b> the Intergovernmental Affairs and Trade municipal land valuation database is arranged for authorized use to expedite and improve effectiveness and efficiency of appraisal services for internal clients</p>	<p>Completed</p> <p>Scanning initiative in full production, with estimated time of completion by 1st quarter of the following fiscal period</p> <p>Mandated by Treasury Board;</p> <p>Preliminary discussions initiated</p>
<b>AGENCY LEARNING AND GROWTH</b>	<ul style="list-style-type: none"> <li>▪ Employee relations and supports leading to an “employer of choice” status for the Agency.</li> <li>▪ Technology-based opportunities identified and enabled to improve sales, lines and services, and strengthen customer service capabilities</li> <li>▪ The most appropriately skilled individuals for the respective jobs are recruited and retained</li> </ul>	<p><b>SOA Orientation</b> is provided to all Agency employees</p> <p><b>Job Descriptions</b> are revised in alignment with new Agency framework</p> <p><b>Employee Needs Assessment</b> for managers will be completed and an action plan developed</p>	<p>Completed</p> <p>No Action</p> <p>No Action</p>
	<ul style="list-style-type: none"> <li>▪ Cross-business unit partnerships and collaboration actively promoted</li> </ul>		<p>Continuously reviewed and applied as the circumstances present themselves</p>

# **FINANCIAL REPORT**

## **CROWN LANDS AND PROPERTY AGENCY**

### **Index to Financial Statements**

**Year Ended March 31, 2007**

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Notes to Financial Statements	5 - 8

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THE EXCHANGE

chartered accountants LLP

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**AUDITORS' REPORT**

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To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Crown Lands and Property Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2007 and the statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*The Exchange*

chartered accountants LLP

Winnipeg, Manitoba  
May 25, 2007

**CROWN LANDS AND PROPERTY AGENCY**

**Balance Sheet**

**(In Thousands)**

**March 31, 2007**

<b>ASSETS</b>	
CURRENT	
Accounts receivable <i>(Note 3)</i>	\$ 775
Work in progress	412
Prepaid expenses	<u>57</u>
	1,244
PLANT AND EQUIPMENT <i>(Notes 2, 4)</i>	220
ASSETS HELD IN TRUST	4
DUE FROM PROVINCE OF MANITOBA <i>(Notes 5, 8)</i>	<u>670</u>
	<b><u>\$ 2,138</u></b>
<b>LIABILITIES</b>	
CURRENT	
Working capital advance <i>(Note 6)</i>	\$ 1,517
Accounts payable and accrued liabilities <i>(Note 7)</i>	420
Client held funds	<u>238</u>
	2,175
SEVERANCE PAY LIABILITY <i>(Note 8)</i>	357
TRUST FUND LIABILITY	<u>4</u>
	2,536
<b>EQUITY</b>	
Deficit	<u>(398)</u>
	<b><u>\$ 2,138</u></b>

**CROWN LANDS AND PROPERTY AGENCY**

**Statement of Loss and Deficit**

**(In Thousands)**

**Year Ended March 31, 2007**

<b>RECOVERIES</b>	<b>\$ 3,012</b>
<b>EXPENSES</b>	
Advertising	15
Amortization	44
Desktop operating lease	138
Insurance	2
Interest on working capital advance	65
Contributed services	66
Meals and accommodations	9
Computer maintenance costs	123
Office	148
Professional fees	118
Rental	234
Salaries and wages	2,365
Training	21
Travel	52
	<u>3,400</u>
<b>NET LOSS</b>	<b>(388)</b>
DEFICIT - BEGINNING OF YEAR <i>(Note 9)</i>	<u>(10)</u>
<b>DEFICIT - END OF YEAR</b>	<b><u>\$ (398)</u></b>

**CROWN LANDS AND PROPERTY AGENCY**

**Statement of Cash Flows**

**(In Thousands)**

**Year Ended March 31, 2007**

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<b>OPERATING ACTIVITIES</b>	
Cash receipts from customers	\$ 1,153
Cash paid to suppliers and employees	(2,332)
Interest paid	<u>(65)</u>
Cash flow used by operating activities	<u>(1,244)</u>
<b>INVESTING ACTIVITY</b>	
Purchase of plant and equipment	<u>(263)</u>
Cash flow used by investing activity	<u>(263)</u>
<b>FINANCING ACTIVITY</b>	
Net deficit on transfer	<u>(10)</u>
Cash flow used by financing activity	<u>(10)</u>
<b>DECREASE IN CASH</b>	<b>(1,517)</b>
CASH - BEGINNING OF YEAR	<u>-</u>
<b>DEFICIENCY - END OF YEAR</b>	<b><u>\$ (1,517)</u></b>

## **CROWN LANDS AND PROPERTY AGENCY**

### **Notes to Financial Statements**

**(In Thousands)**

**Year Ended March 31, 2007**

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#### 1. NATURE OF ORGANIZATION

Effective April 1, 2006, Crown Lands and Property Agency (the "Agency") was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Agency will have full authority for all Crown land sales, leases and permits, as well as land appraisal, acquisition, expropriation and other services for the provincial government. The Agency's mission is to provide quality Crown land information and services to the public and government departments that are open, fair and transparent.

The newly designated Agency consolidates the services previously done by the Lands Acquisition Branch, Lands Branch, Agricultural Crown Land Management and Parks Districts Records departments.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency forms part of the Supply and Services Division of Manitoba Infrastructure and Transportation under the general direction of the Chief Operating Officer and the Assistant Deputy Minister of the Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations.

The Agency is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province. The transactions with the Province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

##### Revenue Recognition

Recoveries are recognized as revenue when the service has been performed and collection is reasonably assured.

*(continues)*

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**CROWN LANDS AND PROPERTY AGENCY**

**Notes to Financial Statements**

**(In Thousands)**

**Year Ended March 31, 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Plant and Equipment

Equipment transferred to the Agency on April 1, 2006 assumed a cost equal to its net book value at March 31, 2006.

Plant and equipment are stated at cost less accumulated amortization. Plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer hardware	5 years	straight-line method
Computer software	5 years	straight-line method
Equipment	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method

3. ACCOUNTS RECEIVABLE

The balance is comprised of the following amounts:

Trade accounts receivable	<b>\$ 564</b>
Expense recoveries from other departments	<b>23</b>
Revenue share payments	<b>188</b>
	<b>\$ 775</b>

4. PLANT AND EQUIPMENT

	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 132	\$ 26	<b>\$ 106</b>
Computer software	73	10	<b>63</b>
Equipment	46	5	<b>41</b>
Furniture and fixtures	12	2	<b>10</b>
	<b>\$ 263</b>	<b>\$ 43</b>	<b>\$ 220</b>

5. DUE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay, vacation pay and banked time benefits earned by the employees of the four departments referred to in note 1 to March 31, 2006. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

**CROWN LANDS AND PROPERTY AGENCY**

**Notes to Financial Statements**

**(In Thousands)**

**Year Ended March 31, 2007**

6. WORKING CAPITAL ADVANCE

The Agency has an authorized line of working capital from the Province of Manitoba of \$4,000 of which \$1,517 was used as at March 31, 2007.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The balance is comprised of the following amounts:

Trade accounts payable	<b>\$ 148</b>
Accrued vacation pay and banked time	<b>267</b>
Goods and services tax	<b>5</b>
	<hr/>
	<b>\$ 420</b>

8. SEVERANCE LIABILITY

The Agency records accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the employees of the four departments referred to in note 1 to March 31, 2006. Accordingly, the opening severance pay liability of \$405 is included in the receivable from the Province of Manitoba.

9. DEFICIT

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Agency. As at April 1, 2006, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of \$10. This amount was recorded as the deficit at April 1, 2006.

**CROWN LANDS AND PROPERTY AGENCY**

**Notes to Financial Statements**

**(In Thousands)**

**Year Ended March 31, 2007**

**10. PUBLIC SECTOR COMPENSATION DISCLOSURE**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding \$50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of \$50:

Bernat, Leonard	Property Appraiser	\$	<b>53</b>
Chadney, Faren	Information Technologist		<b>56</b>
Csversko, Raeburn	Senior Manager		<b>74</b>
Dureault, Diane	Administration Officer		<b>61</b>
Kent, Rodney	Administration Officer		<b>53</b>
Krakowka, Larry	Resource Officer		<b>57</b>
Le Neal, Normand	Financial Officer		<b>60</b>
Lucky, Rob	Property Appraiser		<b>58</b>
McLeod, Jerry	Property Appraiser		<b>55</b>
Millar, Scott	Property Appraiser		<b>72</b>
Pantel, Aurel	Property Appraiser		<b>51</b>
Penner, Mary Ann	Property Appraiser		<b>55</b>
Pishak, Calvin	Information Technologist		<b>61</b>
Sheridan, Bryan	Administration Officer		<b>52</b>
Sonley, Judy	Property Appraiser		<b>54</b>
Wright, Kurt	Property Appraiser		<b>72</b>

**11. FINANCIAL INSTRUMENTS**

The Agency's financial instruments consist of accounts receivable, assets held in trust, due from Province of Manitoba, working capital advance, accounts payable and accrued liabilities, client held funds, severance liability and trust fund liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.