

Environment and Parks

Annual Report **2018–2019**

Note to Readers:

Copies of the annual report are available on the Alberta Open Government Portal website open.alberta.ca

Environment and Parks

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

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

This annual report of the Ministry of Environment and Parks contains the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including regulated funds and provincial agencies for which the minister is responsible;**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report; and**
- **financial information related to trust funds.**

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements previously included in the annual report of the Ministry of Environment and Parks have been replaced with the financial information of the ministry Financial Information section.

Key information previously contained in the annual reports of each of the 21 ministries is now included in the audited consolidated financial statements of the province.

Message from the Minister



As the new Minister for Environment and Parks in Alberta, it is my great pleasure to head up a department dedicated to preserving the province's precious air, land, water and biodiversity, as well as managing Provincial Parks and protected areas province-wide.

In the coming year, I look forward to working with our public servants, businesses, experts in a variety of fields, and with Albertans toward ensuring our province is a world leader in conserving some of our most valuable environmental assets for generations to come. Our approach will be one of balancing the needs and desires of recreational users with those of business owners on public lands; but always with an eye to what is best in terms of protecting the ecosystems and landscapes that define so much of our character as Albertans.

To that end, we will take a sensible and results-based approach to tackling the important issue of climate change. I look forward to fulfilling the mandate directed to me by Premier Jason Kenney to cement our province's status as an environmental leader and ensure the province's emissions are managed through innovative and, above all, effective programming.

Though we are early in our mandate, we have an ambitious and fresh approach to many of the issues noted in the attached report. I look forward to implementing positive changes that build on success stories and take past mistakes into account to create the best conditions for our environment and our economy to thrive – to the benefit of all Albertans.

[Original signed by]

Honourable Jason Nixon
Minister of Environment and Parks

Management's Responsibility for Reporting

The Ministry of Environment and Parks includes the Department of Environment and Parks and the other reporting entities listed in the ministry overview charts on pages seven and eight. The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

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

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Environment and Parks. Under the direction of the minister, I oversee the preparation of the ministry's annual report, financial information and performance results. The financial information and performance results, of necessity, include amounts that are based on estimates and judgments. The financial information is prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.

Understandability – the performance measure methodologies and results are presented clearly.

Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.

Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2018.

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

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance and the Minister of Environment and Parks the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

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

[Original signed by]

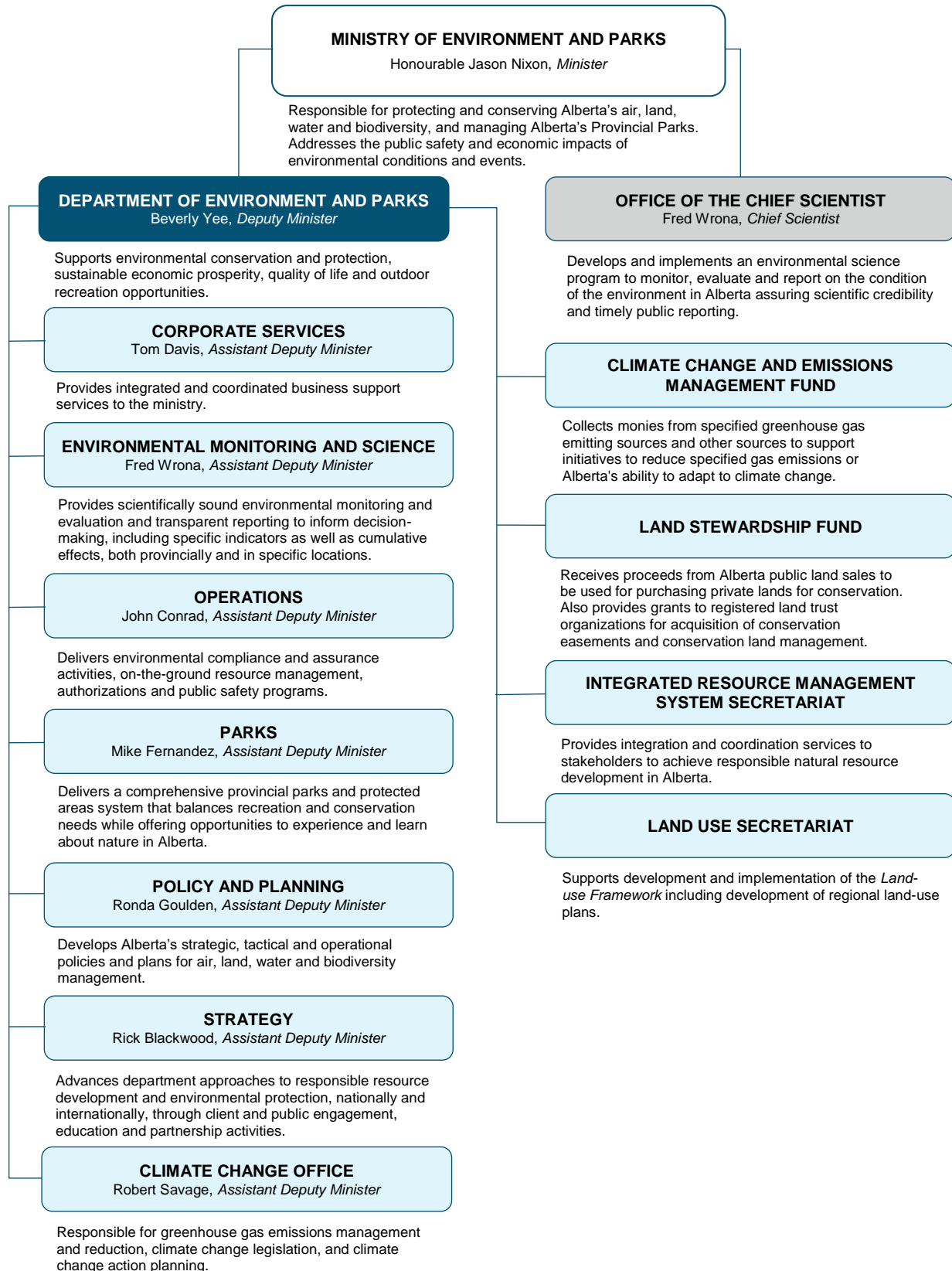
Bev Yee
Deputy Minister of Environment and Parks
June 5, 2019

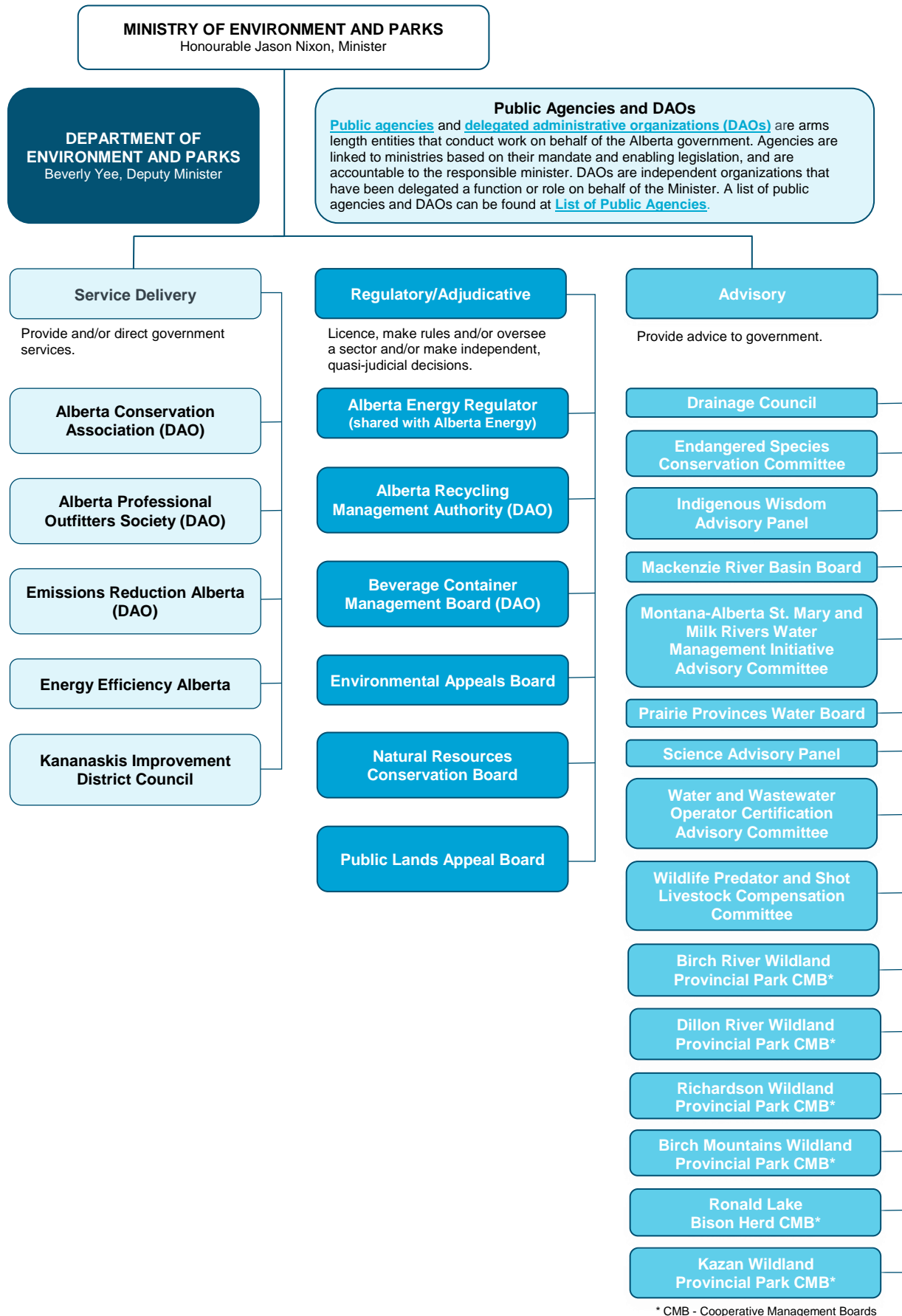
Results Analysis

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Ministry Overview





* CMB - Cooperative Management Boards

This annual report describes results achieved through delivery of key strategies, performance measurement and risk mitigation, and how they contributed to achieving outcomes as described in the [Business Plan 2018-21 Environment and Parks](#).

The outcomes and key strategies identified in this annual report are aligned with the strategic direction of the Government of Alberta as set out in 2018-19. The results described in this annual report contributed to the evaluation of risk treatment activities and determined they were sufficient to remove one risk from the ministry priority risk list, i.e., providing timely and consistent information on issues affecting the Province of Alberta.

Gender Based Analysis Plus (GBA+)

Environment and Parks worked collaboratively to support the Government of Alberta's efforts in advancing gender equality. The ministry adopted Gender-based Analysis Plus (GBA+) as a method of analysis and has a Centre of Responsibility (COR) accountable for developing GBA+ expertise.

Throughout the 2018-19 fiscal period, capacity was built for the use of GBA+ in the ministry. GBA+ was incorporated into Environment and Parks' policy development process. The GBA+ Centre of Responsibility has provided information and resources for staff to better understand GBA+ and how to conduct GBA+ analysis.

Discussion and Analysis of Results

Outcome One

Environment and ecosystem health and integrity

Albertans care about the health and integrity of their environment and ecosystems and the ministry establishes productive relationships and partnerships to achieve this outcome. Throughout 2018-19 progress was made towards establishing cleaner energy sources and reducing emissions through implementation of climate change policies and programs. Programs, funds and incentives helped large emitters invest in innovation and clean technology.

Regional plan development and implementation continued in collaboration with Indigenous groups, industry, municipalities and environmental non-governmental organizations. Engagement of this type was critical in reducing ministry risks associated with shared responsibility in sustainable resource development and management of cumulative effects. This included development and refinement of regional environmental management frameworks and reporting of results. Environmental planning was advanced through recreation and land footprint management plans, caribou range planning, and the tailings management framework and work plan. Conservation of the province's terrestrial areas and inland waters was enhanced, and included efforts toward collaboration with Indigenous peoples. The development of new capital infrastructure and the maintenance and renewal of existing infrastructure within Alberta's parks has contributed to ensuring safe and enjoyable experiences of Albertans and other users.

New agreements in oil sands monitoring and publications created through the [Oil Sands Monitoring Program](#) led to significant progress in multi-stakeholder governance and identifying themes and areas for monitoring, assessment and cumulative effects.

Initiatives were undertaken to implement higher scientific standards and expand environmental monitoring efforts for Albertans. Environmental standards for air, land, water and biodiversity have progressed to a higher level through improvements to policies, regulations, frameworks, reviews, recommendations and other tools used in environmental and species conservation, protection, remediation and recovery. These improvements assisted in mitigating ministry risks associated with responding and adapting to future climate scenarios.

The following section describes key strategies, performance measures and performance indicators the ministry delivered in the past year that demonstrate progress towards achievement of Outcome One.

Key Strategies

1.1 Continued coordination of Alberta's Climate Leadership Plan implementation through collaboration between the Climate Change Office and ministries by:

- phasing out emissions from coal-fired sources of electricity and developing cleaner sources of energy generation;
- implementing a carbon levy on fuels that emit greenhouse gas and invest in economic diversification, energy efficiency programs and infrastructure that reduce greenhouse gas emissions, for example the Calgary Light Rail Transit Green Line;
- implementing a legislated oil sands emission limit; and

- employing a new methane emission reduction plan.

Phasing Out Coal Pollution and Developing Cleaner Energy Sources — Alberta increased its renewable electricity sources in 2018-19 and reduced emissions from coal-fired electricity generation. Though not yet reflected in the national inventory report data due to a data lag, immediate results are observed in the electricity sector with coal-fired power generation decreasing and cleaner forms of electricity generation increasing, with a projected net decrease in electricity emissions of seven to eight million tonnes in 2018.

Reducing Methane Emissions — Environment and Parks continued to support work done to enhance methane emissions quantification, reporting and leak detection. With Alberta Energy, the department supported development of the Methane Emission Reduction Regulation and also continued to engage with the federal government on its planned federal methane regulation. The department also incented early action to reduce methane through Alberta's Emission Offset System.

Oil Sands Innovation Fund — Alberta re-invested a portion of the funds generated by the Carbon Competitiveness Incentive Regulation back to the oil sands sector to support continued economic growth and investment in innovation to reduce emissions. The Oil Sands Innovation Fund will help update and upgrade facilities and processes, thereby reducing emissions.

Emissions Reduction Alberta awarded funding under its [Oil Sands Innovation Challenge](#) to nine projects with potential annual GHG reductions estimated at over 4.1 megatonnes by 2030.

Bioenergy Producer Program — In 2018-19 over 300,000 megawatt hours of renewable electricity and over 58 million litres of biofuel production was supported through the program. Extended to March 2020, the program supports production of liquid biofuel and stand-alone bio-electricity producers.

1.2 Continue collaborative development and implementation of regional plans under *Alberta's Land-use Framework* including:

- developing or completing sub-regional air, land, water, biodiversity and recreational use frameworks and management plans that include cumulative effects triggers and thresholds for priority areas; and
- developing, implementing and revising landscape level species recovery plans and ecosystem plans, including caribou range plans and associated landscape recovery actions.

Development and implementation of regional plan content, sub-regional environmental plans and environmental management frameworks with input from Indigenous peoples, continued in the Lower Athabasca, South Saskatchewan and North Saskatchewan regions. Work on the [Moose Lake 10 km Management Zone Plan](#), part of the [Lower Athabasca Regional Plan](#), continued with Fort McKay First Nation, other Indigenous groups and organizations and stakeholders.

As part of implementing the [South Saskatchewan Regional Plan](#), land management plans for the [Livingstone-Porcupine Hills](#) areas were approved in May 2018 to help conserve and protect sensitive ecosystems while improving economic and recreation opportunities.

In early 2019, a multi-stakeholder Recreation Advisory Group was established to support long-term implementation, monitoring and evaluation of recreation opportunities identified in the [Livingstone-Porcupine Hills Recreation Management Plan](#) area. The [Castle Management Plan - Castle Provincial Park and Castle Wildland Provincial Park](#) was released in May 2018.

Updated Environmental Management Frameworks for Lower Athabasca, South Saskatchewan, North Saskatchewan, Red Deer and Upper Athabasca regions advanced cumulative effects management in 2018-19 for air, surface water, groundwater and biodiversity. Developing and implementing these frameworks is an ongoing effort.

State of Ambient Environmental Condition Reports that inform environmental management decision making and the public were released for Air Quality (Lower Athabasca and South Saskatchewan Regions), Surface Water Quality (Lower Athabasca and South Saskatchewan Regions) and Surface Water Quantity (Lower Athabasca Region). Management response reports were also released identifying activities undertaken in response to environmental conditions that cross management thresholds for Air Quality (Lower Athabasca and South Saskatchewan Regions) and Surface Water Quality (Lower Athabasca and South Saskatchewan Regions).

Implementation of the [Lower Athabasca Region: Tailings Management Framework for the Mineable Athabasca Oil Sands](#) continued with a work plan developed in 2018 with the Multi-stakeholder Integrated Water Management Working Group (comprised of First Nations, Métis, environmental non-government organizations, industry and the Municipality of Wood Buffalo). This work plan details projects required to manage critical risks unique to oil sands process-affected water treatment and release. Tailings Management Plans from oil sands mines were reviewed and approved with conditions by the Alberta Energy Regulator. These plans include the establishment of thresholds for tailings volumes on the landscape, and ensure continued research and evolution of tailings management knowledge to improve reclamation clarity and certainty.

In collaboration with the ministries of Energy, Agriculture and Forestry, Indigenous Relations, and Economic Development and Trade, Environment and Parks is leading caribou range planning. The ministry is also collaborating and engaging with Indigenous peoples, the forestry and oil and gas industries, municipalities, environmental non-government organizations and other stakeholders. The potential social and economic outcomes of caribou range plans are being assessed so impacts on local communities are minimized, while intending to meet the direction provided in the federal recovery strategy.

A methodology for strategic siting and pre-disturbance site-assessments for industrial activities on native grasslands was published: [Conservation Assessments in Native Grasslands](#) informs grassland conservation, enhanced management of land disturbance, and linear footprint management planning.

1.3 Enhance the Alberta Parks system by:

- implementing Alberta's response to "Pathway to Canada Target 1 – Achieving Canada Target 1 in Alberta" to conserve 17 per cent of Alberta's terrestrial area and inland waters;
- advancing co-operative management of Alberta's Parks with Indigenous peoples; and
- developing new Alberta Parks capital infrastructure and investing in maintenance and renewal of existing Alberta Parks infrastructure.

Under the [Lower Athabasca Regional Plan](#), approximately 1.36 million hectares (2.1 per cent of Alberta) was added to Alberta's parks and protected areas network through establishment of five wildland provincial parks in northeastern Alberta in May 2018. This resulted in 14.7 per cent of Alberta lands under federal and provincial jurisdiction being protected under parks legislation. These five new protected areas also contributed to filling ecological representation gaps in the provincial parks and protected areas network in the Central Mixedwood, Lower Boreal Highlands and Athabasca Plain Natural Subregions of the Boreal Forest Natural Region. Ecological representation is a key guiding element of Canada Target 1 in Alberta.

Through collaboration with the Mikisew Cree First Nation, government and a number of energy companies, the Kitaskino Nuwenëné Wildland Provincial Park was created to protect the northern boreal forest and conserve natural landscapes and watersheds while supporting the exercise of treaty rights, traditional Indigenous uses and sustainable development. This adds 161,880 hectares to the largest contiguous area of boreal protected land in the world.

To support Indigenous knowledge and culture in Castle Provincial Park and Castle Wildland Provincial Park, the ministry and the Piikani Nation signed a Cooperative Management Terms of Reference. This Terms of Reference outlines a process of cooperative management that enables greater emphasis on traditional activities and treaty rights in provincial parks and protected areas planning. In 2018-19 the ministry also completed discussions to reach agreement on similar cooperative management terms of references with over 20 other Indigenous communities/organizations for wildland provincial parks. This included the establishment of cooperative management boards dedicated to: Birch River, Birch Mountains, Dillon River, Richardson, and Kazan Wildland Provincial Parks.

Through 2018-19 the ministry continued developing, enhancing and maintaining infrastructure in Alberta Parks. Under the [Lower Athabasca Regional Plan](#) the Pinehurst Lake campground was redeveloped, the Seibert Lake campground was upgraded and expanded, and design and development continued on the Sir Winston Churchill Provincial Park community facility. Through the [South Saskatchewan Regional Plan](#), there were developments made to Writing-on-Stone Provincial Park, the Lower Kananaskis River site, Boulton Creek Campground Loop Extension, Bow River Campground, Jura Creek Trailhead and the Barrier Lake Dam Day Use and Trailhead. Cypress Hills Provincial Park also had upgrades to a boardwalk, and trail renewal. Various improvements were also made at Castle Provincial Park, Dunvegan Provincial Park, Jarvis Bay Provincial Park, Dinosaur Provincial Park, Beaver Lake Provincial Recreation Area, Fish Lake Provincial Recreational Area, St. Mary Reservoir Provincial Recreation Area, the Boreal Centre for Bird Conservation, Martin River campground, the Canmore Nordic Centre and the Sikome Lake Aquatic Facility in Fish Creek Provincial Park.

1.4 Implement higher scientific standards and expanded provincial monitoring efforts to assess and report on Alberta's ambient environmental conditions and trends including:

- implementing a multi-year strategic science plan;
- developing and implementing a multiple evidence-based approach to knowledge co-production between Indigenous and scientific knowledge systems; and
- developing, supporting and growing community-based monitoring and citizen science programs.

The role of the Chief Scientist was established with the mandate to develop and implement an environmental science program to monitor, evaluate and report on the condition of the environment to Albertans. To support this mandate the [Science Advisory Panel](#) provides an independent review and recommendations on [Alberta's Environmental Monitoring and Science Program](#) and the [Indigenous Wisdom Advisory Panel](#) helps the Chief Scientist apply Indigenous knowledge and experience to Alberta's environmental monitoring efforts.

The ministry released its first science strategy, [Knowledge for a Changing Environment: 2019-2024 Science Strategy](#), in March 2019. It outlines the collaborative network approach in the planning and delivery of an integrated, inclusive, adaptive, transparent and scientifically credible environmental monitoring and science program. Past and present initiatives have set a solid foundation of [environmental monitoring and science](#) to support protecting Alberta's environmental health and the health and safety of the public. Knowledge sharing partnerships with Alberta's academic institutions such as the University of Alberta, University of Calgary and the University of Lethbridge have been strengthened through co-

investment for collaborative research. The collaborative approach also includes developing principles and strategies to guide and advance knowledge co-production, based on respectful braiding of [Indigenous](#), local and scientific ways of knowing, [citizen science](#) and community-based monitoring.

Environmental assessment and monitoring information reports released during 2018-19 included the:

- [Land Use, Climate Change and Ecological Responses in the Upper North Saskatchewan and Red Deer River Basins: A Scientific Assessment](#) (September 2018);
- [Linear Disturbances in the Livingstone-Porcupine Hills of Alberta: Review of Potential Ecological Responses](#) (June 2018);
- [Wabasca Lake Monitoring Project Results Report](#) (March 2019); and
- [A five-year provincial water quality monitoring, evaluation, and reporting plan for lotic systems \(rivers and streams\)](#) (February 2019).

Changes in environmental conditions due to oil sands development were monitored through the [Oil Sands Monitoring \(OSM\) Program](#). In 2018-19 a [Letter of Agreement and Operational Framework Agreement](#) to govern the program was endorsed by 18 Indigenous communities in the oil sands region, the oil sands industry and the governments of Alberta and Canada. Significant progress under the OSM program will continue as outlined in the Memorandum of Understanding between the Governments of Alberta and Canada. Over 500 publications have been generated from the program and significant progress has been made to identify key themes and areas for monitoring and assessment including cumulative effects. Many of the publications are available in the OSM [Document Library](#) and [Science Papers](#) webpages. The [Oil Sands Monitoring Program Annual Report for 2017-2018](#) describing program accomplishments was released in October of 2018.

1.5 Implement higher environmental standards for air, land, water and biodiversity by addressing issues through a variety of tools (e.g., policies, regulations, frameworks, strategies, plans, programs, reviews, recommendations).

Implementing higher environmental standards for air, land, water and biodiversity requires ongoing attention and regular updates to the various tools the ministry uses (e.g., regulations, directives, objectives). In 2018-19 this included:

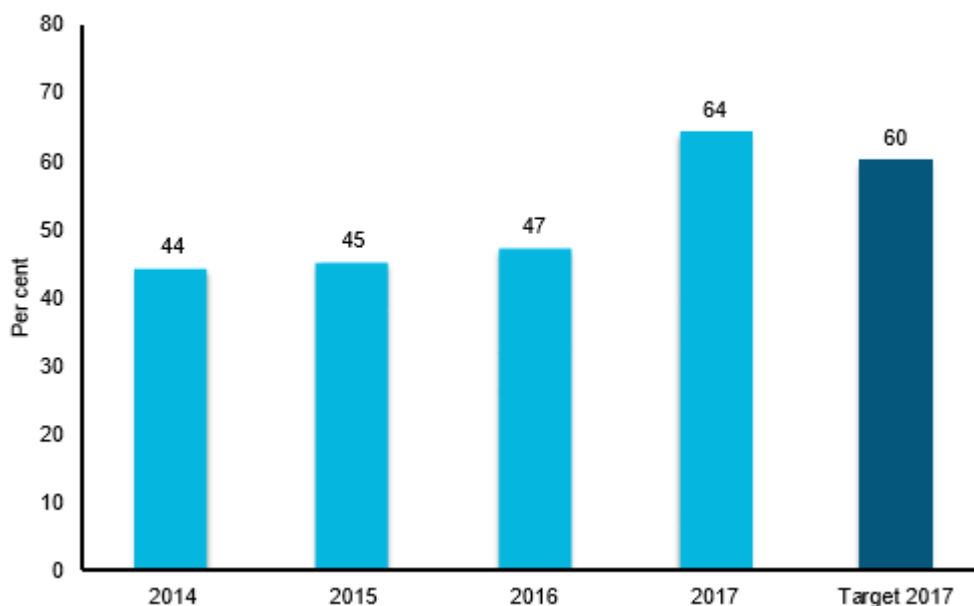
- The Environmental Approvals System [OneStop](#) online portal was released in January 2019 as an improvement to how the department manages *Water Act* applications.
- In May 2018, enforcement personnel received additional authority to write 38 new or increased, on-the-spot, specified penalty tickets for those who break the rules on [public land](#).
- Under the [Environmental Protection and Enhancement Act](#) (EPEA), amendments to the [Conservation and Reclamation Regulation](#) came into force in June 2018 to clarify the conservation and reclamation requirements for renewable energy operations. The [Conservation and Reclamation Directive for Renewable Energy Operations](#) was subsequently released in September 2018, setting out the specific requirements for conservation and reclamation of wind, solar and geothermal electrical energy operations.
- Under EPEA, amendments to the [Pesticide \(Ministerial\) Regulation](#) and to the [Pesticide Sales, Handling, Use and Application Regulation](#) came into force in June of 2018 to clarify compliance provisions and requirements for pesticide vendors and dispensers.
- The [Alberta Wetland Mitigation Directive](#) was updated in December 2018 with a new process for replacing and restoring wetlands that will enhance the delivery of wetland ecosystem services. The directive informs planning and decision-making to avoid and minimize negative impacts to wetlands and replace lost wetland area and value.

- The [Water \(Ministerial\) Regulation](#) and [Water \(Offences and Penalties\) Regulation](#) were amended in December 2018 to enhance dam and canal safety, and protect groundwater during drilling of water wells and ground source heat exchange systems. Enforceable directives were incorporated into the regulations, outlining safety requirements for dams and canals, and the drilling, construction and reclamation requirements of water wells and ground source heat exchange systems.
- Also under EPEA, amendments to the [Remediation Regulation](#) came into effect in January 2019 to support effective contaminated sites management by encouraging brownfield redevelopment through the remediation certificate program and providing clarity on remediation requirements. Updates to the [Tier 1](#) and [Tier 2](#) Soil and Groundwater Remediation Guidelines for contaminated sites were also made.
- The revised [Air Monitoring Directive](#) was implemented with new reporting requirements taking effect in January 2019, which sets out the requirements for monitoring and reporting air quality and source emissions.
- [Ambient air quality objectives](#) for ozone and fine particulate matter were updated to provide further protection for the health of Albertans. The objectives are used to determine the adequacy of industrial facility design, establish release conditions, assess compliance and facility performance and report on air quality.
- The [Alberta Orphan Black Bear Cub Rehabilitation Protocol](#) was developed and implemented. It allows a given number of orphan black bear cubs to be removed from the wild and rehabilitated by an approved facility, using modern standards to ensure successful release into the wild while minimizing risks for habituation and wildlife-human conflict.

Outcome One Performance Measures

1.a Priced greenhouse gas emissions:

Percentage of priced provincial CO₂ equivalent emissions



Source: Environment and Climate Change Canada, Treasury Board and Finance, Environment and Parks.

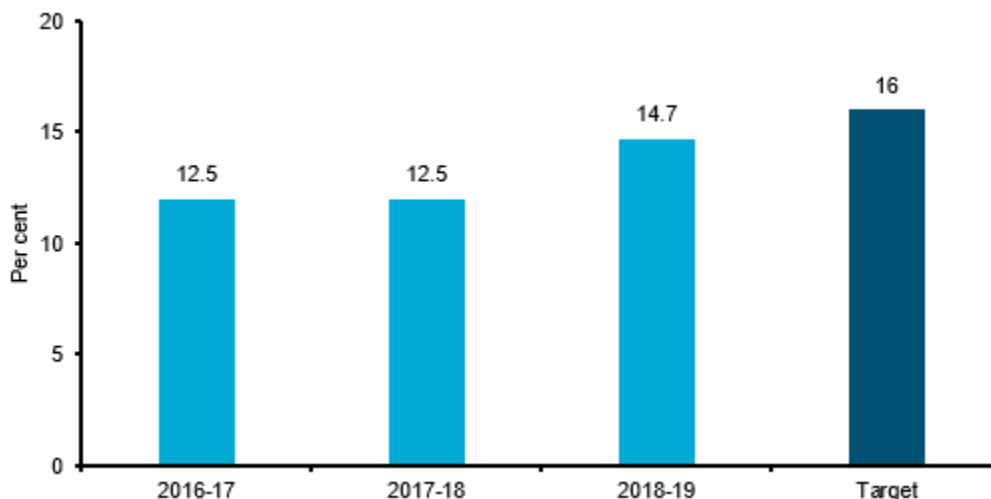
Note(s): Environment and Climate Change Canada greenhouse gas emissions results have an 18-month reporting lag, therefore the ministry 2017-20 business plan target is used for reporting. The 2014 and 2015 results have been corrected to account for updates to Alberta's emissions inventory in the National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada. The impact of the carbon levy on combustion of transportation and heating fuel emissions introduced in January 1, 2017 is demonstrated in the table below:

Priced Greenhouse Gas Emissions	2017
With carbon levy	64%
Without carbon levy	48%

Emission pricing systems provide a financial incentive to lower greenhouse gas emissions that contribute to climate change. The pricing of greenhouse gas emissions through legislation extended from carbon pricing based on emissions intensity limits for large final emitters to include an economy-wide price on combustion fuels in 2017.

Priced greenhouse gas emissions have been trending steady over the last three years reflecting priced emissions from large industrial emitters under the Specified Gas Emitters Regulation. In 2017, priced greenhouse gas emissions coverage was 64 per cent, a significant increase from the target at 60 per cent and 2016 results at 47 per cent. The variance reflects the new carbon levy introduced in January 2017, broadening the carbon price to include emissions from the combustion of transportation and heating fuels.

1.b Protected and conserved areas:
Percentage of recognized protected or conserved areas of Alberta



Source: Environment and Parks, Parks Canada, Environment and Climate Change Canada.

Note(s): Results include protected areas under federal and provincial jurisdiction that meet the International Union for Conservation of Nature definition.

Protected and conserved areas contribute to biodiversity conservation objectives. These areas provide habitat to support viable species population and ecosystem services such as water quality and quantity, air purification, and nutrient recycling.

Protected and conserved areas in Alberta have increased over time as a result of provincial protected area expansions or establishments. Results of 14.7 per cent in 2018-19 showed an increase from 12.5

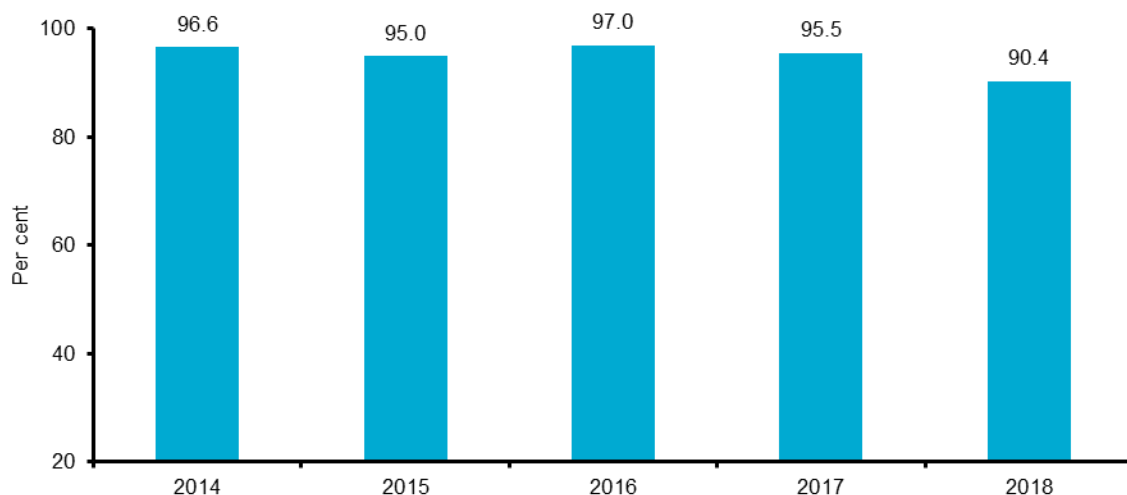
per cent in 2017-18 due to the establishment of five *Lower Athabasca Regional Plan* protected areas and the Kitaskino Nuwenëné Wildland Provincial Park. However, the 2018-19 target of 16 per cent was not met as a result of delays in expected timing of designations or changes in the ministry's intent to designate new protected areas.

As reported in the Conservation Areas Reporting and Tracking System geodatabase December 2017, Alberta had the second highest percentage of protected areas in Canada at 12.5 per cent, behind British Columbia at 15.3 per cent. Protected area establishments continue to be complex projects that include significant public, Indigenous and stakeholder consultation processes, and can face delays or changes in government priority. In future years, new or expanded provincial protected areas or Other Effective Area-based Conservation Measures (OECMs) will continue to be identified and established through *Land-use Framework* regional planning or other initiatives. Results are also expected to increase due to inclusion of private and municipal protected areas and OECMs. This will allow for a more comprehensive accounting of existing protected or conserved areas in Alberta that meet the intent criteria for the performance measure.

Outcome One Performance Indicators

1.a Provincial air quality index:

Percentage of good air quality days in urban areas based on Alberta's ambient air quality objectives and guidelines for fine particulate matter, ozone, carbon monoxide, nitrogen dioxide and sulphur dioxide



Source: Parkland Airshed Management Zone, Calgary Region Airshed Zone, Fort Air Partnership, Peace Airshed Zone Association, Palliser Airshed Society, Wood Buffalo Environmental Association, Lakeland Industry and Community Association, Alberta Capital Airshed, Environment and Parks.

Note(s): The air quality index reflects the overall provincial air quality based on ambient air quality objectives and guidelines of five major pollutants: fine particulate matter, ozone, carbon monoxide, nitrogen dioxide and sulphur dioxide. The Canadian Ambient Air Quality Standards focus on long-term ambient levels of fine particulate matter and ozone in the province's six air zones and complement the air quality index by guiding air quality management actions.

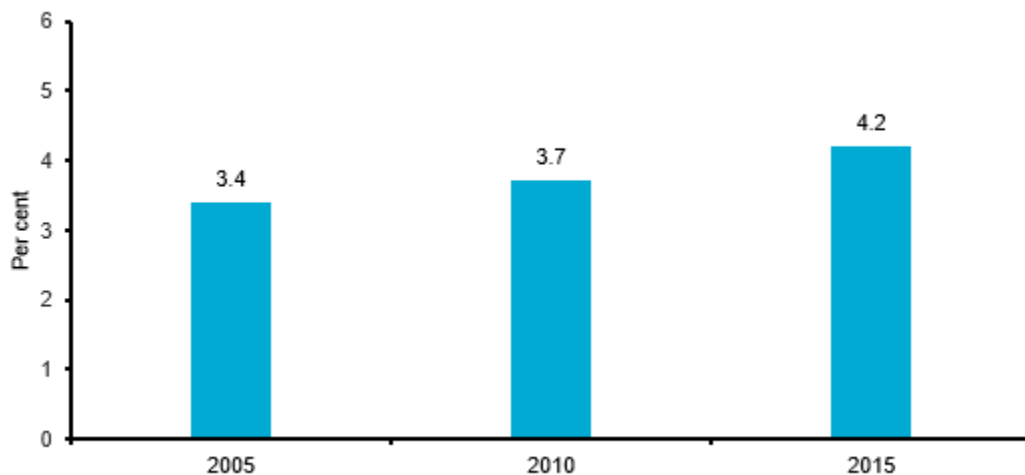
Good air quality is critical for both human and ecosystem health. The index tracks Alberta's air quality relative to provincial ambient air quality objectives and guidelines for pollutants linked to human respiratory health effects, particularly of more sensitive populations including young children and the elderly.

Over the last five years air quality has been consistently high with an average of 94.9 per cent good air quality days. However, in 2018 there were 90.4 per cent good air quality days, down substantially from 95.5 per cent in 2017. Human and natural factors in 2018 including wintertime smog from inversions in March, forest fire smoke in August, as well as spring and summertime ozone contributed to the variance. Management levels for Alberta air zones under the Canadian Ambient Air Quality Standards (CAAQS) will be assessed in the future to determine any anthropogenic impact on ozone and fine particulate matter levels.

In 2019 the ministry implemented the Industrial Air Emissions Management Program to improve quantification of emissions by facilities and inform policy options and regulator decision making. In partnership with other levels of government and stakeholders, the ministry is taking steps to manage non-point source emissions through Emissions Reduction Alberta's Biotechnology, Electricity, and Sustainable Transportation (BEST) Challenge for sustainable transportation, and a Clean Air Strategic Alliance roadside vehicle emissions testing study planned for 2019.

1.b Species at risk:

Percentage of vertebrate species including mammals, birds, amphibians, reptiles and fish designated as "at risk"



Source: Environment and Parks.

Note(s): Results are reported once every five years as committed to as a signatory of Canada's Accord for the Protection of Species at Risk.

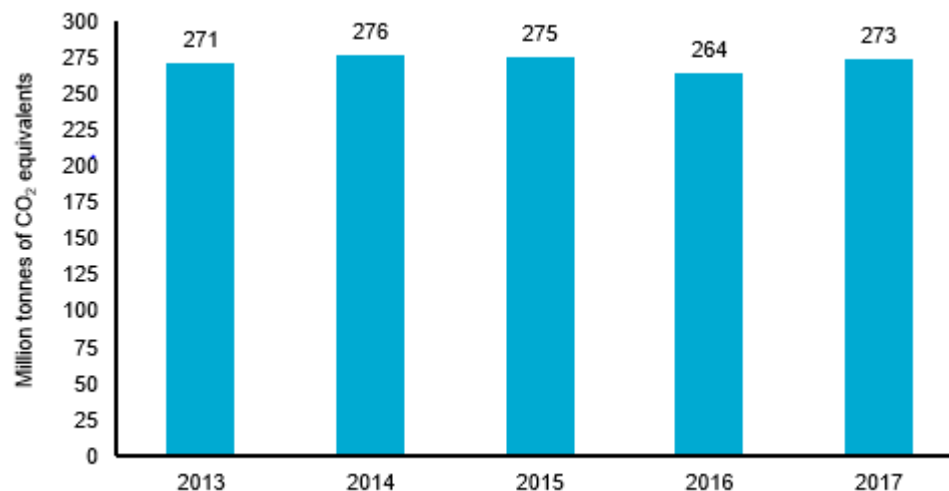
The species at risk results provide an indication of the state of ecological integrity, biodiversity on the landscape and ecosystem health. Species more sensitive to change can exhibit population decreases that can have cascading impacts on other species and ecosystem components and services, therefore signaling when special management and recovery actions are necessary.

In 2015, 25 species out of a total of 601 (4.2 per cent) were identified as at risk, an increase from 2010 of 3.7 per cent (22 out of 589 species). The increase was attributed to three fish species being identified as at risk including pygmy whitefish, Athabasca rainbow trout, and bull trout. The western grebe of the bird species was also identified as at risk, however this was balanced out by the trumpeter swan at risk declassification. The results reflect a reduction in classification backlog due to assessment work conducted by the Endangered Species Conservation Committee (ESCC) rather than a deteriorating status of species. This has impacted the increasing trend since 2005.

Once the ESCC clears the backlog of high priority candidate species, results will likely remain relatively stable. In the long term, at risk species are expected to increase due to growing pressures on the landscape. However, as management plans are implemented, it is anticipated that species will recover back to naturally sustainable populations. The ministry continues to work with other departments, partners and Albertans to manage multiple land uses in Alberta, improve habitat restoration, minimize habitat loss and fragmentation, and reduce the risk of predation on several at risk species.

1.c Total greenhouse gas emissions:

Total million tonnes of CO₂ equivalent (greenhouse gas) emitted



Source: Environment and Climate Change Canada.

Note(s): Results for 2013 to 2016 have been restated due to a change in Environment and Climate Change Canada's methodology. The performance indicator description has been updated to enhance understandability. Environment and Climate Change Canada greenhouse gas emissions results have an 18-month reporting lag.

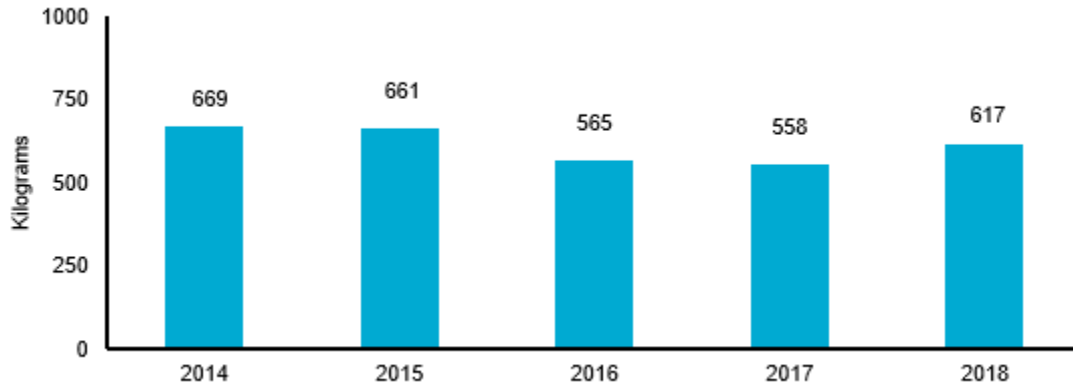
Greenhouse gas emissions from human activity contribute toward climate change and can have long-term adverse affects on biodiversity, and ecosystem health and services. The monitoring and assessment of greenhouse gas emission trends provides valuable information to inform climate change policy in Alberta.

Total greenhouse gas emissions increased to 273 million tonnes in 2017, from 264 in 2016 reflecting Alberta's recovery from economic recession. The variance is due to increased emissions in 2017 from oil sands, electricity, petroleum refining, and residential emission sources and a reduction in emissions in 2016 due to facility shut downs during the Fort McMurray wildfire.

Historically Alberta has been one of the highest emitting provinces in Canada with an upward trend in greenhouse gas emissions that peaked in 2014 at 276 million tonnes. Emissions have remained relatively stable since then despite oil production and Alberta’s population continuing to grow.

1.d Municipal solid waste to landfills:

Kilograms of municipal solid waste, per capita, disposed of in landfills



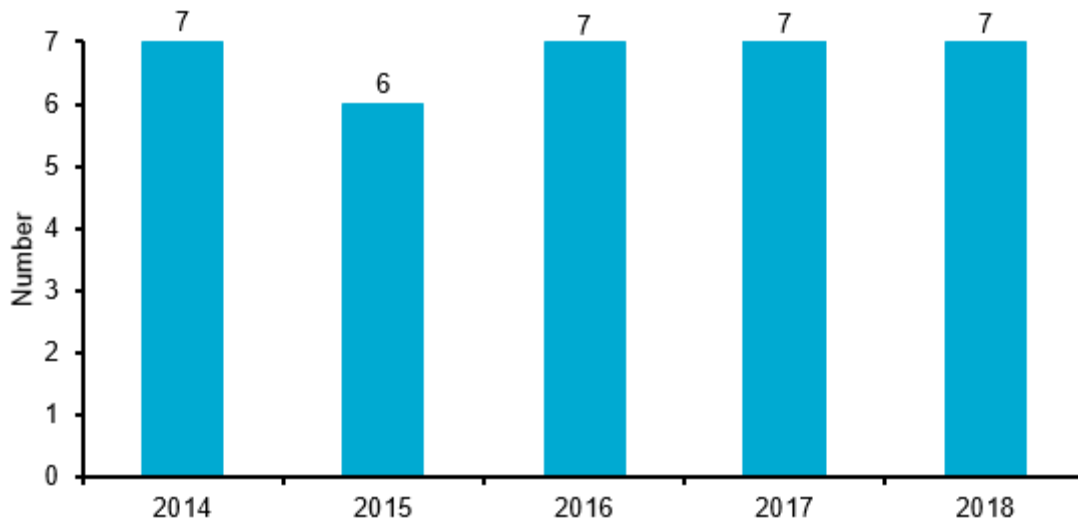
Source: Environment and Parks.

The quantity of waste disposed in landfills can affect landfill capacity, landfill lifespan, and land-use. Tracking per capita municipal solid waste disposed in landfills is used to monitor trends in Alberta’s progress towards reducing the amount of municipal solid waste.

Historical municipal solid waste disposal had shown a modest downward trend in the last four years. In 2018, results increased to 617 kilograms from 558 kilograms in 2017. Some of the increase in results may reflect more materials and organics going to landfills due to changes in recycling markets and how organic waste is handled. Waste generation and disposal is strongly linked to economic activity, the availability of recycling programs, markets for recycling materials and efforts by individual municipalities to provide waste diversion programs.

The ministry contributes to the reduction of municipal solid waste disposal through regulated recycling programs for paint, electronics, tires, used oil, beverage containers, and a non-regulated program for household hazardous waste. Programs are administered through delegated administrative organizations and through collaboration with local municipalities and landfill operators. The ministry is working towards modernizing Alberta’s waste management strategy and tools to make them more effective in responding to present and future waste management needs.

1.e Transboundary waters outflow obligations:
Number of inter-provincial and international transboundary rivers for which Alberta delivers its river water quantity outflow obligations, out of the total number of outflow obligations



Source: Prairie Provinces Water Board Secretariat, International Joint Commission Accredited Officers.

Note(s): Interim data from administrative bodies have been used to populate 2016, 2017, and 2018 results.

Alberta works in partnership with water users and inter-jurisdictional partners toward achieving sustainable water supplies and healthy aquatic ecosystems. Inter-jurisdictional agreements are based on the guiding principles of equitable utilization of available river flows. Alberta manages inter-jurisdictional water outflow obligations for Lodge Creek, Middle Creek, Battle Creek, South Saskatchewan River, North Saskatchewan River and Cold River flowing into Saskatchewan, and the Milk River entering Montana.

Transboundary waters outflow obligations have been consistently met over the last five years, with the exception of 2015, when Canada incurred a deficit to the United States (U.S.) on the Milk River as a result of a wet spring and dry irrigation season. Although Alberta met obligations for seven out of seven rivers in 2018, the Milk River basin had a late spring run-off and very high flows, followed by extreme drought conditions in Southern Alberta and Eastern Montana. By July, the Milk River had no natural flow resulting in a Canadian deficit to the U.S. on the Milk River. The International Joint Commission (IJC) Accredited Officers allowed an offsetting U.S. deficit to Canada on the St. Mary River to support continued Milk River irrigation in Alberta and the U.S.

Alberta has been working collaboratively with Montana on a Joint Water Management Initiative to explore options to better use the shares of the river. The ministry is also working in partnership with the IJC Accredited Officers to improve monitoring, operations and flow forecasting information to support decision making, and communication to water users.

Outcome Two

Sustainable economic diversification

Albertans wish to generate economic prosperity through a diversified economy that improves human well-being while reducing environmental risks and ecological imbalances. Government policies, investments and programs have had positive impact on growing skills and jobs that directly support the environment. Investments assisted in reducing energy use and greenhouse gas emissions, increasing use of high-efficiency vehicles, and supporting retrofits in recreational facilities. Grants and programs provided energy efficiency audits, improvements towards on-farm energy efficiency, and Indigenous climate leadership. These investments led to building clean technology and green infrastructure, and an increase in green job postings. These initiatives helped mitigate ministry risks associated with responding and adapting to future climate scenarios, and demonstrating shared responsibility in sustainable resource development.

The following section describes key strategies, performance measures and performance indicators the ministry delivered in the past year that demonstrate progress towards achievement of Outcome Two.

Key Strategies

2.1 Through the Climate Change Office and in collaboration with other ministries and Energy Efficiency Alberta implement energy efficiency initiatives.

In 2018-19, the Alberta Government continued to invest in programs promoting energy efficiency. Highlights included:

Energy Efficiency Alberta

- Upgraded affordable housing units with direct no-charge installations of energy efficient products, supported residential home energy evaluations, and undertook retrofits and detailed energy audits of Indigenous-owned facilities.
- Provided energy audit, energy management planning, and direct no-charge installation of energy efficient products to non-profit and volunteer organizations.
- Provided funding to commercial, institutional and small to medium industrial facilities to undertake energy management, scoping audits, engineering studies, retro- and re-commissioning investigations, and retrofits.
- Provided incentives for clean energy training and created an Efficiency Professionals Network to support industry and job growth.

The Municipal Climate Change Action Centre — Provided funding to support the Electric Vehicles for Municipalities program focusing on the transition to electric and high efficiency non-transit municipal fleet vehicles and funding to support the Recreation Energy Conservation program. This program focuses on reducing energy use and greenhouse gas emissions through scoping audits, engineering studies and retrofits in recreational facilities.

2.2 Support economic investment opportunities focused on environmental conservation and green jobs.

Investments in climate related programs and incentives to reduce emissions supported 5,010 new jobs in 2017-18 (last available green jobs data). Investments increased in 2018-19 and as investments increase and projects move into implementation the demand for construction-related and operational jobs is anticipated to go up.

Job postings in Alberta are categorized as green if deemed environmentally beneficial. This includes jobs that are purely green in focus, jobs that are primarily green, and jobs that are somewhat green. There has been an increase in the percentage of green job postings in the last two years. It is expected the recent upward trend will continue from increased investments in lower-carbon sectors such as green infrastructure, and innovation and technology.

2.3 Complete review of public land utilization and fees, and implement accepted recommendations.

The focus for this key strategy shifted to increasing public lands competitiveness, streamlining regulatory process and reducing land-use approval backlogs.

2.4 Continue to develop and implement opportunities for revenue generation, partnerships and program financial sustainability within the Alberta Parks system.

Identification and continuous improvement of desired client services and levels continued while ensuring Alberta's parks and recreation areas provided services in an efficient manner. Reserve.AlbertaParks.ca manages the inventory, operations and sales of the wide range of Alberta Parks camping opportunities. Over 650 new booking options for online reservation for the 2019 season were added including seven campgrounds, five comfort camping units, eight new group camping areas plus 13 Kananaskis Country Backcountry campgrounds.

Phase one of a levels of service project has been completed and consisted of developing a categorization tool for describing levels of service for front-country campgrounds, and conducting a current state assessment using the categorization tool and financial data. Levels of service will support decision-making for effective resource allocation and service delivery in the planning, development and operation of services within Alberta Parks.

In addition to its conservation mandate, Alberta Parks operates an extensive and complex network of locations, accommodations, programs and services on its own and in partnership with others. These efforts will support the ongoing sustainability of the Alberta Parks system through added efficiencies, partnerships and revenue generation.

2.5 Participate in collaborative development of a Castle Region Tourism/Economic Development Strategy.

The Government of Alberta, in consultation with local residents, Indigenous peoples and interested Albertans, identified a vision for tourism development in the areas bordering the Castle Provincial Park, and the expanded Castle Wildland Provincial Park. This vision led to development of the [Castle Region Tourism - Strategy for Government of Alberta Support of Tourism Development](#). The plan is intended to strike a balance between economic development, respecting local culture, and environmental sustainability. Supporting and encouraging Indigenous tourism in the Castle region supports the Cooperative Management Terms of Reference signed by Alberta Parks and the Piikani Nation, which outlines a process of cooperative management that enables greater emphasis on traditional activities and treaty rights in provincial parks and protected areas planning.

A range of nature-based outdoor opportunities for residents and visitors were developed including building of a backcountry hut-to-hut system in Castle Wildland Provincial Park in partnership with the Alpine Club of Canada. Ten comfort camping huts were also added in frontcountry campgrounds in Castle Provincial Park.

Environment and Parks also partnered with Travel Alberta to run a combined awareness campaign for Waterton-Castle region via social media, Alberta Tourism Information Service and influencers. Over 75,000 interested travelers sought information about Waterton-Castle parks (federal and provincial) through the campaign.

Outcome Two Performance Measures

Performance Measure(s) Under Development

Performance measure(s) that reflect progress toward achieving sustainable economic diversification are under development.

Outcome Three

Social well-being

Albertans value the social benefits provided by its high quality natural environments. Initiatives to enhance public understanding and increase participation in the responsible stewardship of the province's natural resources and in healthy living for Albertans continued. New and ongoing programs and strategies developed in consultation with multi-stakeholder and Indigenous groups helped advance Albertans' understanding of how air, land, water and biodiversity is managed, ultimately improving the stewardship of the province's natural resources. Millions of visitors every year experience the wide range of outdoor nature based tourism and recreation opportunities, including trails, programs, tours and overnight accommodations. Recreation management strategies for public lands focused on facilitating outdoor recreation planning and nature-based tourism experiences. Improvements to access and awareness of recreational opportunities on public lands were made through adaptive planning, enforcement and education. Implementing and expanding community-based monitoring and citizen science programs and integrating learnings delivered through Indigenous and Western scientific knowledge exchanges contributed to an enhanced knowledge of the environment. Learnings from these information exchanges helped mitigate ministry risks associated with responding and adapting to future climate scenarios and demonstrating shared responsibility in sustainable resource development and management of cumulative effects.

The following section describes key strategies, performance measures and performance indicators the ministry delivered in the past year that demonstrate progress towards achievement of Outcome Three.

Key Strategies

3.1 Enhance Alberta Parks system through continuous improvement of park operations and implementation of the Alberta Parks' Inclusion Strategy and Visitor Experience Strategy.

Environment and Parks offers three strategies that enable Albertans of all ages, backgrounds and abilities to experience nature through the provincial parks and protected areas system.

Inclusion — [Everyone Belongs Outside, Alberta's Plan for Parks: Inclusion Plan](#) continued to make Alberta Parks programming, infrastructure and operations more accessible and inviting. Programming initiatives, such as Miquelon Lake Provincial Park's Cultural Links Camping Program, worked to introduce new Canadian families to outdoor activities and traditions by pairing them with experienced campers. The Cecile Buhl One Kilometer Experience in Fish Creek Provincial Park opened November 2018, reflecting

volunteer Cecile Buhl's passion for nature and inclusion. Accessibility improvements to parking, washrooms and trails were completed at Fish Creek Provincial Park, Lois Hole Centennial Provincial Park, Pigeon Lake Provincial Park and Sir Winston Churchill Provincial Park. Accessible elements were also incorporated at other provincial parks and provincial recreation areas including Writing-on-Stone Provincial Park, Peter Lougheed Provincial Park, West Bragg Creek Provincial Recreation Area and Jarvis Bay Provincial Park. Implementation of the Parks inclusion strategy reduces physical barriers in Alberta Parks for people with disabilities.

Visitor Experience — Alberta Parks celebrated 50 years of interpretation and education programming in 2018 with events throughout the province, including a production of Kananaskis Country's award winning amphitheater programming at the Alberta Legislature during Canada Day celebrations. Over 100,000 Alberta students and park visitors participated in 306 distinct public programs and 177 school programs throughout the year. System-wide enhancements were made to occupational health and safety approaches involving voluntary sector workers. Hundreds of volunteers and dozens of partnering organizations helped welcome visitors, deliver public programming, maintain trails, conduct research and support other aspects of Alberta Parks operations. Partnerships with not-for-profit organizations assisted in the provision of visitor experiences in both Kananaskis Country and the Castle provincial parks areas. Efforts to enrich and improve visitor experiences continue through enhancements to planning, information, programming, retail and reservation services, and voluntary sector opportunities.

Continuous Improvement of Parks Operations — Ongoing enhancement to the parks system is important to providing services for close to nine million visitors to Alberta's parks every year. Highlights of 2018-19 include:

- Migration of radio communications to the Alberta First Responder Radio Communication System was completed across all park regions of the province by March 31, 2019. This project was a joint effort with Justice and Solicitor General and improves communication coverage for enforcement, operations and visitor experience employees across Alberta Parks.
- Development of a levels of service framework to categorize close to 300 campgrounds into three levels of service to guide consistent maintenance and other operational standards in the future for both public and private campground operators within the Alberta Parks system.

3.2 Implement and expand community-based monitoring pilots and citizen science programs to enhance public understanding and increase participation.

Respectful braiding of Indigenous, local and scientific ways of knowing continues. Where possible and applicable these learnings were implemented in 2018-19.

- Ethics experts, scientists, active community-based monitoring (CBM) practitioners and Indigenous partners were brought together to inform the draft Ethical Guidelines for CBM.
- Skills training involving members from Kainai First Nation and Samson Cree Nation was part of a multi-year initiative with the Indigenous Climate Change Observation Network. Participatory video was used to document and share Indigenous knowledge of climate change and will be used to inform local, regional and international climate change adaptation efforts.
- A multi-year CBM partnership with the University of Alberta looks towards building capacity, support and coordination of Indigenous CBM, as well as establishing a CBM community of practice in Alberta.
- Environment and Parks and the Miistakis Institute collaborated to deliver the [Advancing Citizen Science in Alberta: Changing Perspectives, Breaking Barriers workshop](#) in September 2018. The workshop was guided by an advisory committee and input from researchers and practitioners. This contributed to the development of principles and strategies for [citizen science](#) in Alberta.

- A new [Oil Sands Monitoring Program Operational Framework Agreement](#) was co-developed in 2018 with 18 Indigenous communities and was endorsed by the oil sands industry. An Indigenous CBM advisory committee and technical advisory committees are developing strategy and criteria for initiatives across the oil sands regions.
- Demonstration projects within the Oil Sands Monitoring Program included the Community-Led Berry Contamination Study, the ongoing Community-Based Fish Monitoring Pilot, and the Culturally Important Wetland Plants Project. Additional projects and details can be found in the [2018-2019 Ambient Environment Monitoring Plan for Oil Sands Development](#).
- Projects within provincial programs included the ongoing Indigenous Provincial Lake Monitoring Program and the Indigenous Climate Change Observation Network.

Establishing and testing tools, growing communities of practice, focusing on the overall ability of the science and monitoring system to link Indigenous and Western scientific approaches in the appropriate context, and supporting priorities and capacity building at the community level through projects such as the Indigenous Climate Change Observation Network will continue in the coming years.

3.3 Enhance public and key stakeholder environmental literacy programs for responsible stewardship and healthy living.

Promoting environmental literacy to improve stewardship of the province's natural resources is a primary non-regulatory function of the ministry. Environment and Parks invites Albertans to improve their understanding of how the province's air, land, water and biodiversity are managed through a suite of environmental literacy programs and products. Additional efforts were undertaken in 2018-19 to adapt and reach larger audiences on multiple platforms due to the increasing shift away from traditional education tools and the move towards online consumption of information. These efforts resulted in:

- Creation of a recreation literacy strategy for Alberta's Public Lands and implementation of the year one projects identified including the Outdoor Recreation Guide for Alberta's Public Land and a social media plan and branding standards for education materials.
- [Respect our Lakes Program](#) launching [The Water Channel](#) - an online portal for water literacy practitioners to access educational resources, advance inquiries and provide a platform for collaboration.
- [Aquatic Invasive Species Program](#) releasing the *Aquatic Invasive Species Pocket Guide* to help the public identify 52 prohibited species (fish, plants and invertebrate) and fish diseases of concern.

Building on introduction of the [TalkAEP.alberta.ca](#) website in 2017, Environment and Parks expanded its use of online engagement in 2018. In 2018-19, 16 projects were showcased on Talk AEP; the site had more than 115,000 visits with nearly 17,000 contributing feedback through the related forums, surveys, and polls. With linkages to Parks' public consultation site and the Government of Alberta's active consultations and engagements site, Talk AEP now serves as an additional tool to reach out to and meaningfully engage the public and stakeholders.

Development of an air literacy strategy, water literacy strategy, biodiversity literacy strategy and release of the Outdoor Recreation Guide for Alberta's Public Land is anticipated in 2019.

3.4 Implement a recreation management strategy for public lands that fosters outdoor recreation planning, management, development and nature-based tourism.

As part of the ministry role in environmental management, progress was made in fostering outdoor recreation opportunities while managing the increase of human activity on public land across the province. This included development and improvement of recreation trails and supporting infrastructure, reducing trail impacts in areas with species at risk and better coordination of enforcement, especially in critical high use areas. Stakeholder engagement and education initiatives to encourage responsible recreation continued.

Investments in recreation trails across the province included funding in grants to recreation groups to provide improved recreation experiences. This includes the Greater Bragg Creek Trails Association which received a grant to pay for equipment that improves public safety and increases capacity to do trail maintenance, repair and grooming of the Bragg Creek trail system.

The [Livingstone-Porcupine Hill Recreation Management Plan](#) came into effect in May 2018, as did two new Public Land Use Zones (PLUZs), Livingstone and Porcupine Hills. The plan addresses the priorities for outdoor recreation expressed in the [South Saskatchewan Regional Plan](#) and provides direction for recreational opportunities and management so that Albertans and visitors are able to enjoy these public lands responsibly. Implementation of the plan is supported by a multi-stakeholder recreation advisory group.

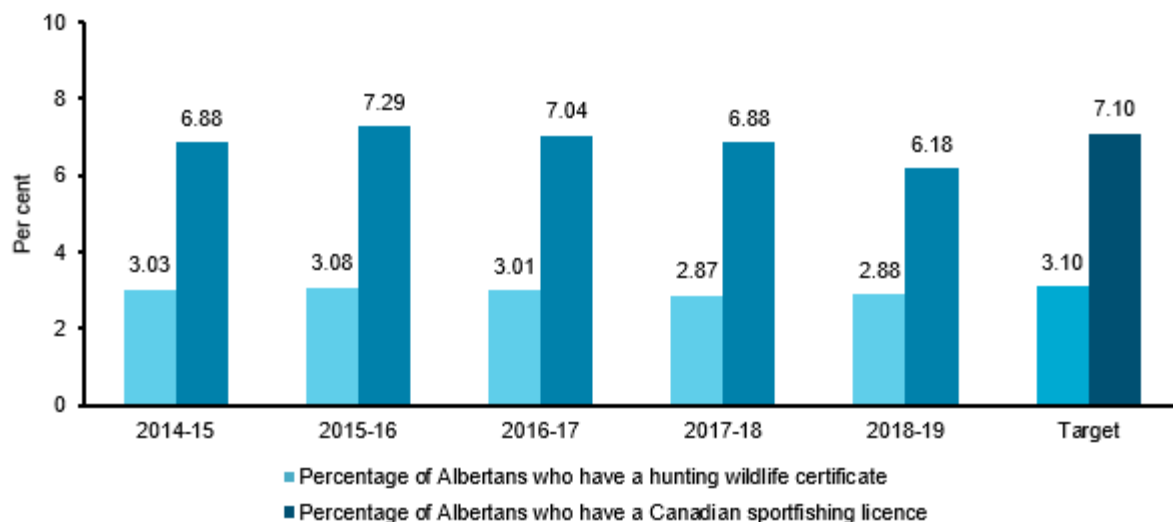
The department conducted a nature-based tourism industry analysis, identified constraints and recommended actions for successful ongoing development of tourism opportunities on public land.

Outcome Three Performance Measures

3.a Hunting and fishing participation:

Percentage of Albertans who have a hunting wildlife certificate

Percentage of Albertans who have a Canadian sportfishing licence



Source: Aspira, Treasury Board and Finance.

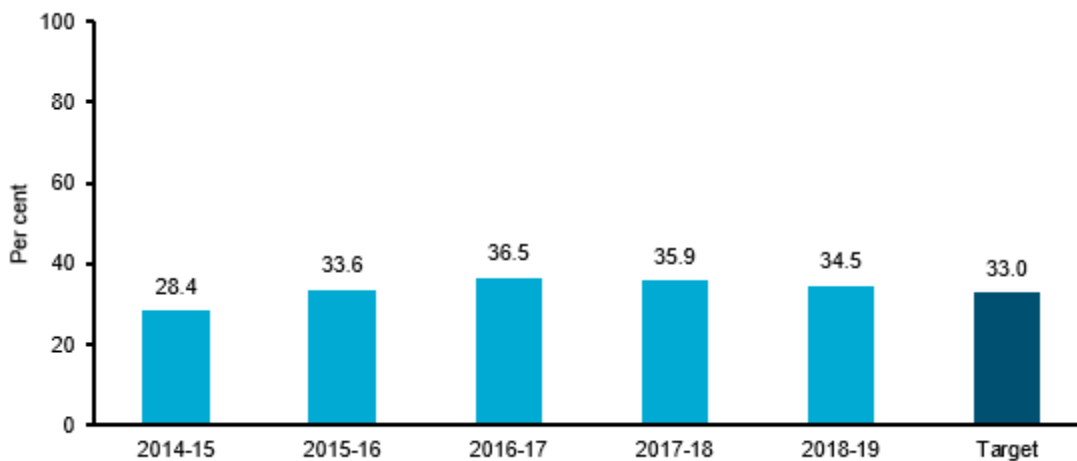
Note(s): The measure name and description have been amended to enhance understanding and more accurately reflect the calculation. The stated reporting period has been corrected from calendar year to fiscal year.

Environment and Parks issues hunting wildlife certificates and sportfishing licences to provide Albertans opportunities to participate in nature-based recreational activities. Monitoring certificate and licence sales helps assess the success of maintaining hunting and fishing at sustainable levels.

Hunting wildlife certificate and sportfishing licence sales have been stable over the last five years. Hunting certificate sales at 2.88 per cent in 2018-19 were similar to the results of 2.87 per cent from 2017-18 and lower than the target of 3.1 per cent. Sportfishing licence sales at 6.18 per cent in 2018-19 were down from 6.88 per cent in 2017-18 and did not meet the 7.1 per cent target. The decrease in sportfishing sales in 2018-19 may be a result of a late spring, low water levels, and warm water advisories.

To maintain angling and hunting participation rates at their current levels, recent recruitment programs focused on introducing hunting and fishing to new participants including new Canadians, women and children, are anticipated to offset the reduction in participation by the older generation. Lowering the minimum age for game bird hunting may increase recruitment of youth in the 2019-20 hunting season.

3.b Alberta Parks visitation:
Percentage of Albertans who visited provincial parks or protected areas, managed by Alberta Parks, in the last 12 months



Source: Advanis.

Note(s): The measure name and description have been updated to enhance understandability.

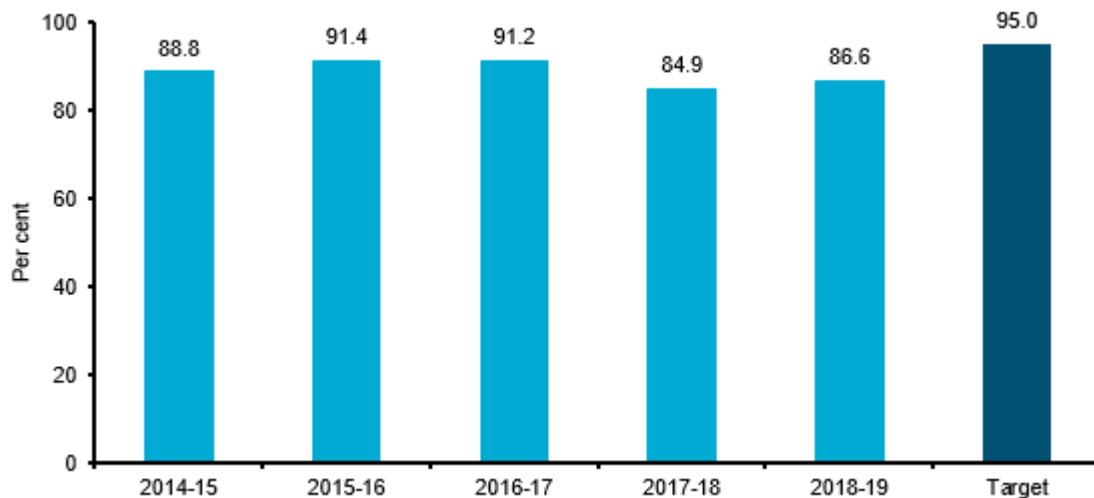
Alberta Parks provides access to provincial parks and protected areas for Albertans to reconnect with nature, and participate in outdoor recreational and cultural activities. Monitoring visitation helps assess the success of maintaining sustainable visitation levels across the Alberta Parks system.

Alberta Parks visitation has been relatively consistent over the last five years with approximately one-in-three Albertans visiting at least one location in the previous 12 months. In 2018-19, the visitation rate of 34.5 per cent was negligibly down from previous year at 35.9 per cent and slightly up from the target of 33 per cent. Targets were set to balance between recreational opportunities, ecological needs and conservation objectives, while continuing to provide high levels of service to Albertans.

The ministry continues to support parks visitation levels through information and supports provided on AlbertaParks.ca, the online reservation system Reserve.AlbertaParks.ca, education and public programs and tours, social media and newsletters.

3.c Alberta Parks visitor satisfaction:

Percentage of Albertans who visited provincial parks or protected areas, managed by Alberta Parks, in the last 12 months and are satisfied with the quality of services and facilities



Source: Advanis.

Note(s): The measure description has been updated to enhance understandability.

Alberta Parks manages land, facilities and services within the provincial parks and protected areas system to provide enjoyable visitor experiences, educational programs and recreational opportunities in nature. Measuring visitor satisfaction with the quality of facilities, campgrounds, day use areas and trails, as well as public education programs and tours, and reservation and public information services provides valuable feedback for future planning and continuous improvement.

The Alberta Parks visitor satisfaction has remained high with some variance over the last five years. In 2018-19, 86.6 per cent of parks visitors were satisfied with the quality of services and facilities, more than 10 per cent were neutral and less than two per cent were dissatisfied. Alberta Parks visitor satisfaction was nominally higher than previous year at 84.9 per cent, and significantly below the target of 95 per cent. The target was set based on maintenance and infrastructure upgrades extending from 2016-17 to 2021-22. However, the immediacy of improvement in visitor satisfaction as a result of necessary ongoing capital maintenance may have been overestimated.

In 2019-20, the target has been set at 90 per cent to reflect a more gradual improvement in visitor satisfaction anticipated through progressive maintenance and infrastructure upgrades. The ministry continues to invest in various Alberta Parks infrastructure in support of visitor satisfaction including trail upgrades and campground and day use area improvements.

Outcome Four

Protected public health and safety from environmental conditions and events

Environment and Parks works with other ministries and agencies to protect Albertans from the adverse effects of environmental conditions and events. This includes investing in awareness, education, monitoring and compliance initiatives to help Albertans prepare for and recover from adverse environmental conditions and events, and adaptation to climate change. These initiatives assist in mitigating ministry risks associated with responding and adapting to future climate scenarios and demonstrating shared responsibility in sustainable resource development and management of cumulative effects.

Flood, drought and other emergency planning advances included further exploration of flood and drought mitigation infrastructure, development of community flood risk models, upgrades of parks capital infrastructure to improve user safety and experiences, completion of flood damaged trail rehabilitation, fish habitat recovery projects and implementation of a water shortage response plan for Alberta. Efforts to manage invasive species focused on monitoring, education and control efforts as well as awareness messaging in service of Albertans. Human-wildlife conflict saw new supports for those suffering from ungulate damage and lost livestock due to predators. Water management advances to ensure Indigenous communities are receiving safe drinking water continued and included development of a government-wide action plan to address drinking water on reserves. Public access to air quality information was delivered through air quality websites and mobile apps.

The following section describes key strategies, performance measures and performance indicators the ministry delivered in the past year that demonstrate progress towards achievement of Outcome Four.

Key Strategies

4.1 Develop and implement policy, plans and programs to anticipate and minimize impacts of catastrophic events including floods, droughts, invasive species and human-wildlife conflicts.

Alberta communities are making progress in preparing for the effects of adverse environmental conditions and events as a result of the following initiatives:

Floods — Community-level mitigation investments were made through the [Alberta Community Resilience Program](#) and [Watershed Resiliency and Restoration Program](#) to help address on-going flood risk in communities across the province. Progress was made in exploring flood mitigation and increasing water storage capacity on the Bow River through a conceptual assessment of potential dam options upstream of the City of Calgary and potential to increase the drawdown rate of Ghost Reservoir to provide additional flood storage capacity. Work continued on the Springbank Off-stream Reservoir project located on the Elbow River upstream of the City of Calgary. Creation of flood mapping products for flood-prone communities continued under the provincial [Flood Hazard Identification Program](#).

Work continued on the 2013 flood recovery measures including completion of eight fish habitat recovery projects under the [Southern Alberta FISHES Program](#) and eleven projects under the [Backcountry Trail Flood Rehabilitation Program](#).

Droughts — The South Saskatchewan Region implemented its water shortage response plan for 2018. Actions taken included issuing fisheries advisories, suspending current and new applications for

temporary diversion licences, as well as notification and licence compliance checks when water conservation objectives were not being met. In May 2018, initial discussions took place on creating a draft Government of Alberta-wide drought response plan. It is anticipated plan development will occur in 2019-20 in collaboration with the Alberta Emergency Management Agency.

Invasive Species — Legislative changes on specified penalties intended to reduce the risk of new aquatic invasive species entering Alberta came into effect in June 2018. In collaboration with Alberta Transportation highway signage was increased with the goal of increasing awareness and compliance at watercraft inspection stations to ensure boats are inspected for invasive species. Approximately 32,000 boat inspections were conducted resulting in the interception of 15 mussel-fouled boats as well as 15 that carried invasive plant fragments.

Education and awareness continued to reach Albertans with [Clean, Drain, Dry your Boat](#) messaging as well as with the [Don't Let it Loose](#) campaign. An interactive exhibit was established at the Bow Habitat station that allows visitors to look at potential impacts of invasive mussels and fish if they were to establish in Alberta waters.

Monitoring, education and control efforts will continue in 2019-20 with a focus on aquatic and terrestrial invasive species of highest potential impact from an ecological, social and economic perspective. The ministry's White Area Weed Program partnered with approximately 20 municipalities and counties on terrestrial invasive species control and monitoring projects. The Green Area Weed Program initiated by Environment and Parks resulted in collaboration with several counties/municipalities to control select terrestrial invasive plants on public Green Area lands.

Whirling Disease — Since the discovery of whirling disease in 2016, the department created the Whirling Disease Program with an action plan based on three core elements of management: distribution/monitoring, education, and mitigation. In 2018, the Whirling Disease Program monitored the parasite's distribution in wild populations, conducted an angler survey on the Bow River, assessed fish populations in four positive watersheds, and launched a large-scale stream temperature monitoring project.

A mandatory decontamination protocol for government personnel working in or near waterbodies was created to mitigate the spread of the parasite.

In the past year, educational efforts reached nearly 8,000 individuals at 55 public events to promote a deeper understanding of the impacts of whirling disease and to encourage action. The department has also partnered with local and international agencies on a number of research projects studying whirling disease in Alberta. Allocating funds to research and development projects will generate novel methodologies to inform effective management of whirling disease in Alberta.

Human/Wildlife Conflict — Developed with the Town of Canmore, Town of Banff, and Parks Canada, the [Human-Wildlife Coexistence: Recommendations for Improving Human-Wildlife Coexistence in the Bow Valley](#) report was released in June 2018. Implementation of the report will be ongoing in partnership with the Town of Banff, Town of Canmore, and Parks Canada. The Department continued to support the Waterton Biosphere Institute's Carnivores and Communities Program, which is reducing human/wildlife conflict in rural areas of southwestern Alberta.

The [Wildlife Predator Compensation Program](#) received and processed 310 applications for compensation for lost livestock due to wildlife predation. The [Ungulate Damage Prevention and Compensation program](#) was delivered to livestock producers who experienced depredation of livestock feed supplies from

ungulates. A total of 26 intercept feeding programs were completed in order to alleviate ungulate damage on livestock feed supplies throughout the province. New producer supports in the form of cost-share permanent exclusion techniques were provided to producers experiencing chronic and high levels of ungulate depredation, with a focus on historical conflict sites with elk and deer. This program generated producer investments at eight locations and was generally considered a great success. Permanent and temporary exclusion fencing was provided to prevent future damage.

4.2 Complete upgrade of capital infrastructure in the Alberta Parks system and other public lands.

To improve user experiences and safety, Environment and Parks completed upgrades of Alberta Parks capital infrastructure throughout the province.

Operation improvements made or in progress in the Castle Provincial Park and the Castle Wildland Provincial Park included backcountry huts, warm-up shelters, comfort cabins and improved fishing access at the Bathing Lake day use area. A backcountry hut-to-hut system is being developed in partnership with the Alpine Club of Canada. This investment is part of the Government of Alberta's ongoing commitment to diversify and modernize Alberta's provincial parks and protected area system.

Through ongoing implementation of the [South Saskatchewan Regional Plan](#), trail, boardwalk and facility improvements were completed and are in progress at Writing-on-Stone Provincial Park, Cypress Hills Interprovincial Park, Kinbrook Island Provincial Park, Boulton Creek Campground and Jura Creek.

Through ongoing implementation of the [Lower Athabasca Regional Plan](#), campground and/or facility improvements were made at Gregoire Lake Provincial Park, Pinehurst Lake, Lakeland Provincial Recreation Area and Beaver Lake Provincial Recreation Area.

Provincial park infrastructure recovery continued from 2013 floods in Kananaskis Country including work at the Kananaskis Country Golf Course, berm development and armoring at Kananaskis River, and work at the Mount Kidd RV Park. Impacted infrastructure was also refurbished within the Cobble Flats Bridge, Poplar Island, West Bank Bow River Pathway and Ford Creek Trail.

Alberta Parks capital programs improved the condition of Alberta Parks facilities and reduced the number of assets rated in poor or worse condition. Capital maintenance and renewal projects included: Young's Point Provincial Park playground replacement and day use upgrades; Martin River shower building renovations; Jarvis Bay Provincial Park refurbishment; and Dinosaur Provincial Park waste water treatment plant upgrades.

4.3 Develop and implement a ministry emergency management plan and continuity plan to enhance preparedness.

An existing Environment and Parks Emergency Management Plan guides the ministry's environmental emergency response services. A regularly updated business continuity plan is also in place so the department can successfully respond to and recovery from a business disruption that could compromise its delivery of environmental emergency response services.

4.4 Implement a water management strategy for safe and quality drinking water for Albertans and Indigenous communities.

Collaborative efforts continue between the federal and provincial governments to ensure Indigenous communities have reliable access to clean and safe drinking water as part of Alberta's commitment to implementing the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The Alberta Government developed an action plan in March 2017 to address drinking water on reserves and is working in partnership with Indigenous peoples to deliver that plan. This included:

- Engagement with 31 First Nations and Métis representatives in Treaty 6 and 7 territories to assess potential expansion of the [Working Well](#) education program. This program encourages improvements in private water well and cistern best management practices.
- Continued work on regional water supply "tie-in" projects to bring drinking water to reserve borders.

4.5 Monitor and report on the changes in environmental conditions with the potential to effect health and safety related to climate change, catastrophic events, and declining air and water quality.

Additional air monitoring equipment implemented at remote locations in Alberta supplemented data available from the long-term air quality monitoring network. This additional equipment provided important information about air quality during wildfire smoke events between April and September 2018. Wildfire smoke from British Columbia caused High Risk and Very High Risk air quality on August 14 and 15, 2018. This event affected a large part of the province from north of Grande Prairie to south of Calgary. Air quality data was verified and made available to our partners, Alberta Health, and Environment and Climate Change Canada, to support the issuance of [air quality advisories](#) and special air quality statements. Public access to air quality information was assured through the real-time [Air Quality Health Index \(AQHI\) web site](#) and [AQHI Canada app](#).

Continued modernization of air quality websites and mobile apps contributed to the real-time reporting and communication of air quality and health information to the public. Enhancements to the air quality monitoring system are being developed to make air quality data available over a larger spatial area, especially during wildfire events.

Outcome Four Performance Measures

Performance Measure(s) Under Development

Performance measure(s) that reflect progress toward achieving protected public health and safety from environmental conditions and events are under development.

Performance Measure and Indicator Methodology

Performance Measures

1.a Priced greenhouse gas emissions

Priced tonnes of provincial CO₂ equivalent emissions includes priced tonnes of CO₂ equivalent emissions from large final emitters and emissions covered by the carbon levy starting 2017 onwards. Price emissions from large final emitters include all total annual emissions reported from regulated facilities. Emissions priced under the carbon levy are calculated by taking the total carbon levy revenue and dividing by the carbon levy dollars per tonne (price). The priced emissions are compared as a percentage to total tonnes of provincial CO₂ equivalent emissions. The price of carbon is factored into the fuel rates calculated in the *Climate Leadership Act* when estimating tonnes covered by the levy. The values used were \$20 per tonne effective January 1, 2017 and \$30 per tonne effective January 1, 2018. The carbon levy excludes agriculture on farm fuel use, inter-jurisdictional flights, Indigenous use on reserves, the federal government, emissions at facilities subject to the Specified Gas Emitters Regulation, and a temporary exemption for fuel used in eligible upstream oil and gas production processes. Priced emissions excludes emissions priced through emissions offset protocols, methane emissions regulated under Alberta Energy Regulator Directive 060, and non-reported emissions. Total provincial greenhouse gas emissions are reported by Environment and Climate Change Canada through the *National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada*. Total tonnes of provincial CO₂ equivalent emissions includes emissions from agriculture, energy, industrial processes, solvent and other product use and waste source categories, but excludes CO₂ from biomass combustion, and emissions from land use, land-use change and forestry. Environment and Climate Change Canada has a rigorous quality control/quality assurance process following international best practices that results in a 18-month reporting lag time for the total provincial emissions.

Source: Environment and Climate Change Canada, Treasury Board and Finance, Environment and Parks (Specified Gas Emitters Regulation, Carbon Competitiveness Incentive Regulation (2018-fwd)).

1.b Protected and conserved areas

The protected and conserved areas performance measure includes protected areas that meet the International Union for Conservation of Nature definition, and national and provincial conserved areas that align with the Convention on Biological Diversity's definition of Other Effective Area-Based Conservation Measure (OECM), outlined in Canada's [One with Nature](#) report. Protected areas under provincial management are established through Order in Councils and under federal management are provided by Environment and Climate Change Canada, or Parks Canada. Protected areas are assessed using the national decision support tool for screening to facilitate consistent reporting across Canada. The measure is calculated by dividing the hectares of protected areas by the total hectares of Alberta. The 2018-19 result is limited to federal and provincial protected areas and does not include OECMs and areas under municipal or private management that may meet the definition of a protected area as data is unavailable.

Source: Environment and Parks, Parks Canada, Environment and Climate Change Canada.

3.a Hunting and fishing participation

The measure includes residents who purchase hunting wildlife certificates or Canadian sportfishing licences within the fiscal year. Youth hunters under the age of 12, youth anglers under the age of 15, seniors aged 65 and older, and all Indigenous people are not included in the measure as they are exempt

from licensing requirements. Sportfishing activities occurring within Alberta's national parks are administered by the federal government and are not captured. To produce the performance measure results the total licence and certificate sales are divided by the population of Alberta using quarterly population estimates produced by Treasury Board and Finance.

Source: Aspira, Treasury Board and Finance.

3.b Alberta Parks visitation

The Alberta Parks visitation performance measure results are based on a telephone survey conducted by the survey firm Advanis. Population estimates from Statistics Canada and population projections from the Office of Statistics and Information, Treasury Board and Finance were used to determine the population of Alberta. A random sample of a 1000 Albertans aged 18+ were surveyed. The sample was stratified by region, gender and age to ensure representativeness. The birthday method was also used to ensure random respondent selection. The margin of error is 3.1 per cent at the 95 per cent confidence level. The performance measure results were calculated by dividing the total number of Albertans who visited provincial parks and protected areas in the last 12 months, by the total number of survey respondents. This survey method does not capture out of province visitation.

Source: Advanis.

3.c Alberta Parks visitor satisfaction

The Alberta Parks visitor satisfaction performance measure results are based on a telephone survey conducted by the survey firm Advanis. Population estimates from Statistics Canada and population projections from the Office of Statistics and Information, Treasury Board and Finance were used to determine the population of Alberta. A random sample of a 1000 Albertans aged 18+ were surveyed. The sample was stratified by region, gender and age to ensure representativeness. The birthday method was also used to ensure random respondent selection. The margin of error is 3.1 per cent at the 95 per cent confidence level. The performance measure results were calculated by dividing the total number of Albertans who visited provincial parks and protected areas in the last 12 months and are satisfied or very satisfied with the quality of services and facilities, by the total number of Albertans who visited provincial parks or protected areas in the last 12 months. Note that this does not include satisfaction measures from visitation from outside the province.

Source: Advanis.

Performance Indicators

1.a Provincial air quality index

Alberta's air quality index (AQI) is calculated based on a minimum of four and a maximum of five major pollutants: carbon monoxide, nitrogen dioxide, ozone, sulphur dioxide and fine particulate matter (PM_{2.5}), which are measured hourly. The pollutant that gives the highest AQI value for each hour determines the AQI for that hour. The hourly AQI number is compared to AQI ranges that represent good (0-25), fair (26-50), poor (51-100) and very poor (>100) air quality. These categories are based on Alberta's ambient air quality objectives and guidelines under the *Environmental Protection and Enhancement Act* and the National Ambient Air Quality Objectives. Stations with a valid AQI value for at least 75 per cent of hours in the year are included in the calculation. The air quality index reflects the total number of hours of good air quality divided by the total number of hours with an AQI value for all stations in the year. Using these values, the result is expressed as a percentage of good quality air days in the year. Environment and

Parks and Airsheds monitor the pollutants and the results are stored at Alberta's Ambient Air Quality Data Warehouse. New monitoring stations situated in urban centres are given consideration for proximity to industrial and nonindustrial sources.

Results from 2018 are based on data from 18 stations, located in Edmonton (four stations), Calgary (two stations), Fort McMurray (two stations), Red Deer (two stations), Airdrie, Grande Prairie, Cold Lake, Fort Saskatchewan, Sherwood Park, Medicine Hat, Lethbridge and St. Albert (one station each). The number of stations may change from year to year as stations are added, relocated, or if operational difficulties result in less than 75 per cent of AQI values being available.

Source: Parkland Airshed Management Zone, Calgary Region Airshed Zone, Fort Air Partnership, Peace Airshed Zone Association, Palliser Airshed Society, Wood Buffalo Environmental Association, Lakeland Industry and Community Association, Alberta Capital Airshed, Environment and Parks.

1.b Species at risk

Wildlife inventory data provided by universities, colleges, and expert biologist are reviewed by Environment and Parks through a general status assessment. Species are scored as “at risk”, “may be at risk”, “sensitive”, “secure”, “undetermined”, “not assessed”, “exotic/alien”, “extirpated/extinct” or “vagrant/accidental”. Species scored as at risk or may be at risk undergo a detailed status assessment. The Scientific Sub-Committee of the Endangered Species Conservation Committee provides species status and conservation action recommendations based on a review of the detailed status assessment report. Species that are legally classified as “threatened” or “endangered” under the *Wildlife Act* are included in the species at risk performance indicator. The indicator is calculated by taking the number of at risk vertebrate species’ and dividing it by the total number of vertebrate species known in the province. Results are reported once every five years as committed to as a signatory of Canada’s Accord for the Protection of Species at Risk.

Source: Environment and Parks.

1.c Total greenhouse gas emissions

As Canada is a signatory to the United Nations Framework Convention on Climate Change, Environment and Climate Change Canada prepares and submits an annual national greenhouse gas inventory covering anthropogenic emissions by sources and removals by sinks. Guidelines produced by the Intergovernmental Panel on Climate Change for countries reporting to the [United Nations Framework Convention on Climate Change](#) provide methods for calculating greenhouse gas emissions from a given human activity. Greenhouse gas emissions are reported in carbon dioxide equivalents, determined by multiplying the amount of emissions of a particular gas by the global warming potential of that gas. Results are reported annually with an 18-month reporting lag period. The total greenhouse gas (GHG) emissions indicator utilizes GHG emissions data from Environment and Climate Change Canada's *National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada*.

Source: Environment and Climate Change Canada.

1.d Municipal solid waste to landfills

Municipal solid waste includes waste from the residential sector; industrial, commercial and institutional sector; and the construction, renovation and demolition sectors. The indicator includes municipal waste disposed of in participating municipal and private landfills. Waste data is collected from landfills with weigh scales and in some cases is voluntarily provided. The calculation is based on the kilograms of

municipal solid waste sent to landfills and the population served by each reporting landfills. The most up-to-date population statistics from either the Ministry of Municipal Affairs' official provincial population list or Statistics Canada's census data is used. In 2018, approximately 85 per cent of Alberta's population had access to the service provided by reporting landfills. Estimates are used for the remaining population and are derived by multiplying the per capita disposal rate with the unmeasured population.

Source: Environment and Parks.

1.e Transboundary waters outflow obligation

The performance indicator tracks the delivery of Alberta's inter-jurisdictional water quantity outflow obligations on seven monitored waters. The obligation for the Milk River is defined in the 1909 International Boundary Waters Treaty and the 1921 Order of the International Joint Commission (IJC) on the Division of the Waters of the St. Mary and Milk Rivers. For the remaining six waters, the obligations are defined in the 1969 Master Agreement on Apportionment. The Prairie Provinces Water Board Secretariat and the IJC Field Representatives provide transboundary outflow data used by Environment and Parks to determine whether outflow obligations are met. Interim data for the Milk River, Lodge Creek, Middle Creek, Cold River and the South Saskatchewan River were used for the 2017 and 2018 results. Results for Battle Creek and the North Saskatchewan River for 2018 were estimated based on historical use of apportioned flow of those rivers, historical water use, current water use, and professional judgement. Interim data have also been used to populate 2016 results for the Milk River, while 2015 and preceding historical results are based on final data.

Source: Prairie Provinces Water Board Secretariat, International Joint Commission Accredited Officers.

Financial Information

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Introduction

The annual report for the ministry contains financial information, including the department and audited financial statements of the other entities making up the ministry for which the Minister is responsible and includes a comparison of actual performance results to planned results set out in the ministry business plan.

The ministry annual report also includes other financial information as required by the *Financial Administration Act (FAA)* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.

Reporting Entity and Method of Consolidation

The financial information is to be prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry of Environment and Parks for which the Minister of Environment and Parks is accountable. The accounts of the ministry are fully consolidated, which includes the department, Climate Change and Emissions Management Fund, Land Stewardship Fund, Natural Resources Conservation Board and Energy Efficiency Alberta, on a line-by-line basis.

Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related assets and liability balances between the consolidated entities have been eliminated.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

	2019		2018		Change from	
	Budget (Restated)	Actual	Actual (Restated)	Budget	2018 Actual	
	<i>(in thousands)</i>					
Revenues						
Internal Government Transfers	\$ 126,729	\$ 137,499	\$ 106,392	\$ 10,770	\$ 31,107	
Transfers from Government of Canada	29,074	4,610	2,663	(24,464)	1,947	
Investment Income	4,507	12,548	6,171	8,041	6,377	
Premiums, Fees and Licences	127,253	147,424	118,791	20,171	28,633	
Climate Change and Emissions Management Fund	537,000	517,835	245,673	(19,165)	272,162	
Other Revenue	85,281	89,257	85,434	3,976	3,823	
Ministry Total	909,844	909,173	565,124	(671)	344,049	
Inter-ministry Consolidation Adjustments	(141,547)	(148,086)	(122,552)	(6,539)	(25,534)	
Adjusted Ministry Total	768,297	761,087	442,572	(7,210)	318,515	
Expenses – Directly Incurred						
Programs						
Ministry Support Services	30,691	27,060	43,169	(3,631)	(16,109)	
Air	18,867	21,613	20,408	2,746	1,205	
Land	58,789	65,211	64,260	6,422	951	
Water	108,275	107,281	213,062	(994)	(105,781)	
Fish and Wildlife	54,821	42,731	40,389	(12,090)	2,342	
Integrated Planning	36,201	51,216	37,920	15,015	13,296	
Parks	106,634	110,281	111,883	3,647	(1,602)	
Land Use Secretariat	6,134	6,080	4,302	(54)	1,778	
Science and Monitoring	82,264	77,476	75,142	(4,788)	2,334	
Climate Leadership Plan	300,156	238,719	339,611	(61,437)	(100,892)	
Quasi-Judicial Bodies	9,068	14,223	13,290	5,155	933	
2013 Alberta Flooding – Non DRP	13,309	10,327	1,156	(2,982)	9,171	
Ministry Total	825,209	772,218	964,592	(52,991)	(192,374)	
Inter-ministry Consolidation Adjustments	(23,768)	(24,440)	(23,949)	(672)	(491)	
Adjusted Ministry Total	801,441	747,778	940,643	(53,663)	(192,865)	
Annual Surplus (Deficit)	\$ (33,144)	\$ 13,309	\$(498,071)	\$ 46,453	\$ 511,380	

Revenue and Expense Highlights

Revenues

- Revenues totalled \$909.2 million in 2018-19, an increase of \$344.1 million from 2017-18. This was primarily due to increased payments into the Climate Change and Emissions Management Fund of \$272.2 million for the purchase of fund credits by industry.
- Internal government transfers totalled \$137.5 million, an increase of \$31.1 million from the prior year due to the value of completed dams and water management infrastructure transferred from the Ministry of Transportation.
- Transfers from the Government of Canada totalled \$4.6 million. This is a decrease of \$24.5 million from budget due to the reallocation of projects under the Low Carbon Economy Leadership Fund to the 2019-20 fiscal year.
- Premiums, fees and licences totalling \$147.4 million were \$20.2 million higher than budgeted primarily due to a royalty reassessment. A recent review combined with revised legislation determined that certain materials extracted by Oil Sand companies are no longer considered royalty exempt.

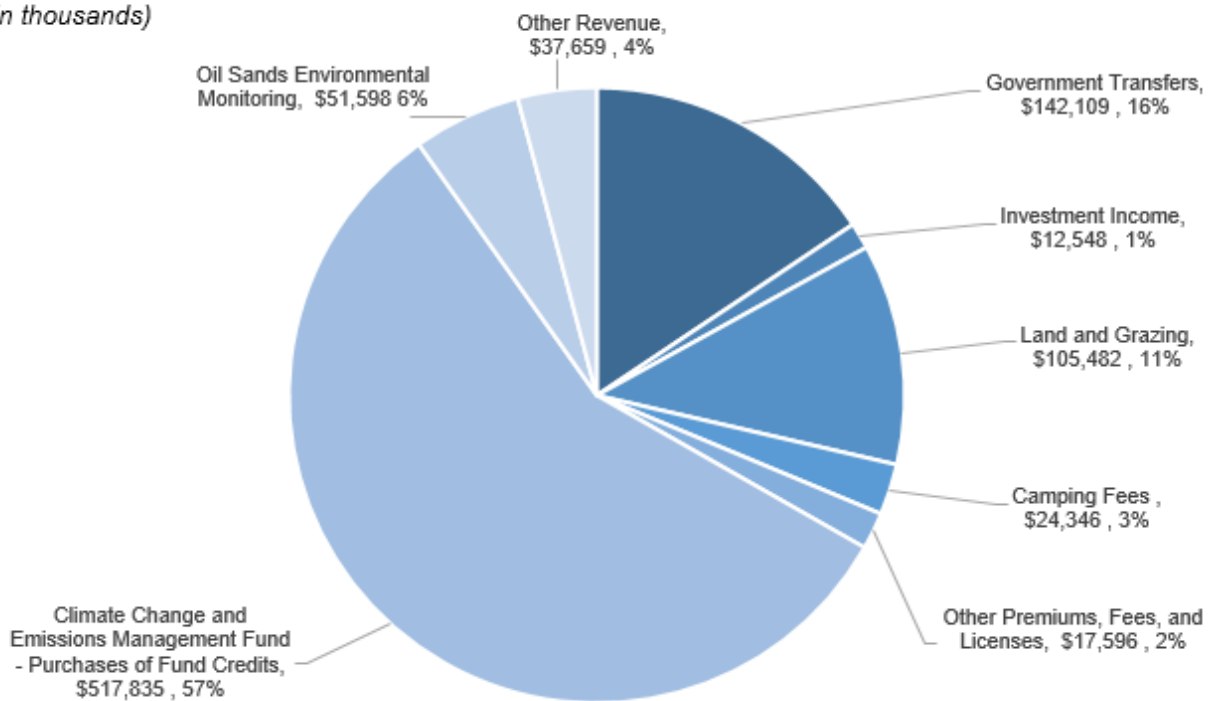
Expenses

- Expenses totalled \$772.2 million, which is a decrease of \$53.0 million from budget and a decrease of \$192.4 million from 2017-18.
- Expenses for Water were lower than 2017-18 by \$105.8 million as a result of capital grants for the Alberta Community Resilience Program and the Drumheller Floodway Relocation Program.
- Climate Leadership Plan expenses were \$61.4 million lower than budgeted and \$100.9 million lower than 2017-18.
 - Reduced demand and program development costs for the bioenergy producer program, green loan guarantee program, clean energy improvement program and Emissions Reduction Alberta contributed to lower spending against the budget.
 - A one-time grant to the Alberta Urban Municipalities Association and the transfer of funding to other ministries under the Climate Leadership Plan contributed to the reduced spending compared to 2017-18.
- Reductions in the provision for doubtful accounts; vacation payouts; and losses and write-downs of tangible capital assets account for most of the \$16.1 million decrease from 2017-18 for Ministry Support Services.
- Expenses for Integrated Planning were \$15.0 million higher than budgeted and \$13.3 million higher than 2017-18 due to the recording of two contaminated site liabilities: the Gas Plus site in Calgary and an abandoned gas station near Fort Chipewyan. It is anticipated that remediation will span multiple fiscal years.
- Fish and Wildlife expenses were \$12.1 million lower than budgeted as a result of contract delays for whirling disease and uncompleted surveys for woodland caribou management and project recovery program due to the early spring.
- Expenses were \$5.2 million higher than budgeted for the Surface Rights Board (Quasi-Judicial) due to industry defaults resulting in compensation payments to landowners under the *Surface Rights Act*.
- Expenses for the Bassano Dam emergency spillway project resulted in a \$9.2 million increase from 2017-18 for 2013 Flood – Non DRP.

Breakdown of Revenues (unaudited)

The following information presents detailed revenues of the ministry. The objective of detailed revenues disclosure is to provide information that is useful in understanding and assessing the financial impact of government's revenue raising and for enhancing legislative control.

2019 Actual (in thousands)



Climate Change and Emissions Management Fund

- Payments into the Climate Change and Emissions Management Fund (\$517.8 million) from industry was the largest source of revenue for the ministry. In 2018-19, revenue was collected under the new *Carbon Competitiveness Incentive Regulation (CCIR)*. The CCIR has a minimum compliance through the fund of 50% of tonnes owed (i.e. maximum credit usage of 50%) and introduced credit usage limits.

Premiums, Fees and Licences

- Land and Grazing revenues (\$105.5 million) collected 11% of the Ministry's revenue from public land dispositions, fees and permits. A recent review combined with revised legislation determined that certain materials extracted by Oil Sand companies are no longer considered exempt resulting in higher commercial volumes and increased revenues.
- Camping fees of \$24.3 million (3%) were collected for camping and day use in Alberta parks and reflects increased visitation for 2018-19.
- Other premiums, fees and licences of \$17.6 million (2%) were collected for fish and wildlife licences (\$13.1 million); parks visitor experiences and facility operations (\$1.2 million); digital integrated

disposition and spatial data cadastral mapping (\$1.1 million); water power rentals (\$0.8 million); new wetland replacement program (\$0.7 million) and other (\$0.7 million).

Government Transfers

- Internal government transfers totalling \$137.5 million included transfers from the Department of Transportation (\$115.2 million), the Department of Infrastructure (\$11.4 million), the Environmental Protection and Enhancement Fund (\$10.0 million) and other ministries (\$0.9 million).
- Transfers from the Government of Canada totalling \$4.6 million included revenues from the National Disaster Mitigation Program in support of flood resiliency (\$1.6 million), the Canada Nature Fund in support of Alberta's biodiversity stewardship area for bison and watershed protection and Indigenous leadership, rights and values (\$1.7 million), and other Government of Canada support (\$1.3 million).

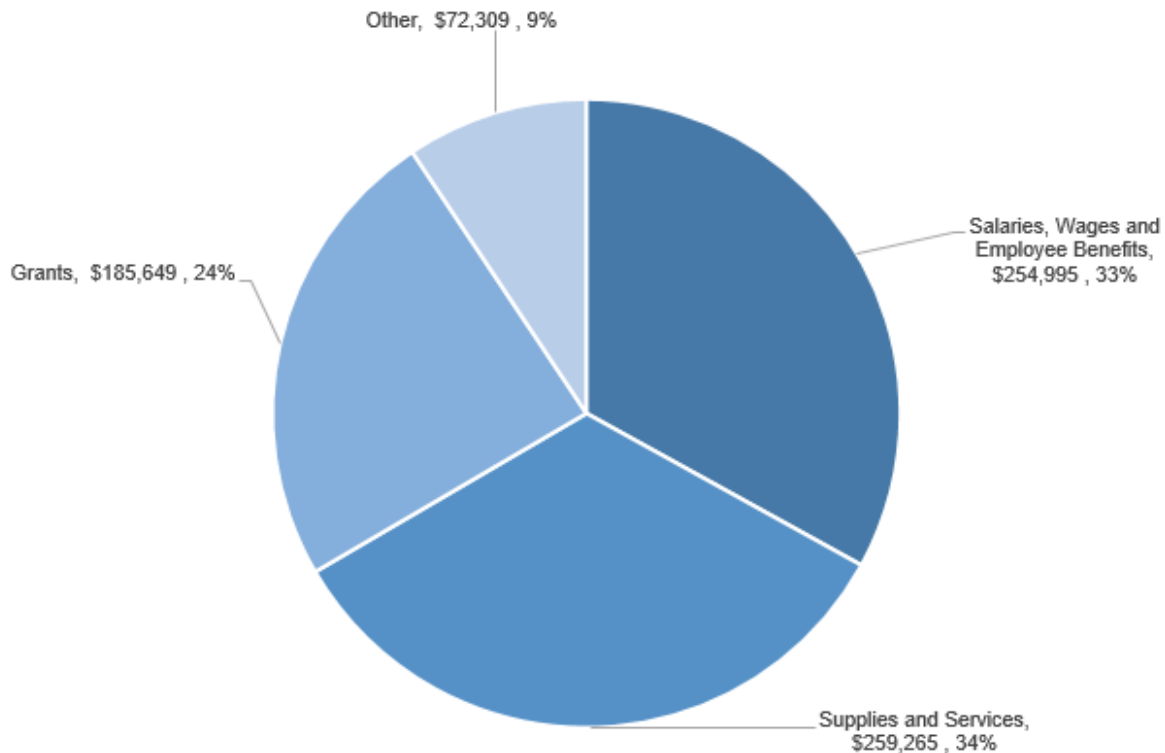
Other Revenue

- Oil Sands Monitoring revenue of \$51.6 million (6%) represents industry contributions under the *Oil Sands Environmental Monitoring Program Regulation* supporting environmental monitoring within the oil sands area to enhance understanding of the cumulative effects of oil sands development. The program is jointly managed by the Department of Environment and Parks and Environment and Climate Change Canada.
- The remaining \$37.7 million (4%) is comprised of refunds of expenditures (\$13.3 million); shared service agreement with other departments (\$11.0 million); park concessions and other miscellaneous revenue (\$9.9 million); land sales (\$1.5 million) and water resources (\$2.0 million).

Expenses – Directly Incurred Detailed by Object (unaudited)

The following information presents expense of the ministry that were directly incurred by object. The objective of disclosure of expenses by object is to provide information that is useful in evaluating the economic impact of government acquiring or consuming various types of resources.

2019 Actual (in thousands)



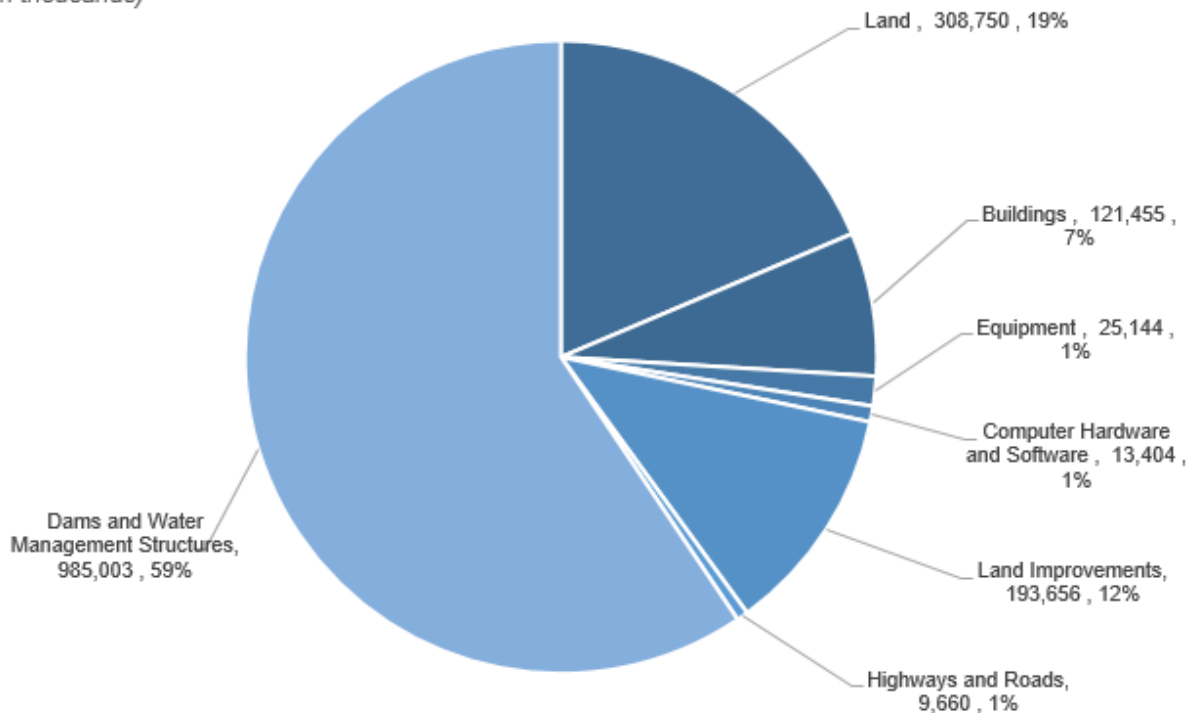
- The Ministry's largest operating expense was supplies and services, which made up 34% of the total operating expenses. In 2018-19, supplies and services of \$259.3 million included contracts for protecting and enhancing Alberta's environment and ecosystems to ensure a sustainable future making life better for Albertans, in addition to ongoing operational requirements for the ministry such as shared services provided by Service Alberta; rentals; insurance; utilities and telecommunications; legal; and travel and support costs for field staff.
- Salaries, wages and employee benefit expenses totalled \$255 million (33%) and were primarily to manage air, land, water, fish and wildlife, parks, climate leadership plan and monitoring and science programs.
- Grants totalling \$185.6 million (24%) were provided to support organizations, communities and individuals through various grant programs.
- The remainder of the Ministry's expenses are comprised of amortization of tangible capital assets (\$58.6 million) and other expenses (\$13.7 million).

Supplemental Financial Information

Ministry Tangible Capital Assets (unaudited)

Net Book Value as of March 31, 2019

(in thousands)



- The ministry's largest category of tangible capital assets, Dams and Water Management Structures, represents 59% (\$985 million) of the Net Book Value (NBV). This category is comprised of dams, reservoirs, weirs, canals, dykes, ditches, channels, diversion, cut-offs, pump houses and erosion protection structures. Construction and oversight for these assets is performed by the Ministry of Transportation and transferred to the Ministry of Environment and Parks. For 2018-19, transfers totalled \$115.3 million.
- Land, with a value of \$308.8 million (19%), is the second largest category of tangible capital assets and includes land acquired for parks and recreation, building sites, infrastructure and other program use. Land acquired for conservation is purchased through the Land Stewardship Fund, which operates under the authority of the *Land Stewardship Act*.
- Land improvements, representing 12% of total NBV (\$193.6 million), includes trails, campsites, parking lots and other site developments that increase the use and value of the land.
- Buildings, with a NBV of \$121.5 million (7%) include various support buildings and structures, primarily for public use, located in provincial parks, recreation areas and the backcountry.
- Smaller categories of tangible capital assets include Equipment (1%), Computer Hardware and Software (1%) and Highways and Roads (1%).

Financial Statements of Other Reporting Entities

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Climate Change and Emissions Management Fund

Financial Statements Year Ended March 31, 2019

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Independent Auditor's Report

To the Minister of Environment and Parks

Report on the Financial Statements

Opinion

I have audited the financial statements of the Climate Change and Emissions Management Fund (the Fund, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Environment and Parks Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Environment and Parks Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 5, 2019
Edmonton, Alberta

Climate Change and Emissions Management Fund Statement of Operations

Year Ended March 31, 2019

(in thousands)

	2019		2018
	Budget	Actual	Actual
Revenues (Note 2(a))			
Facility Purchases of Fund Credits by Sector			
Mining, Oil and Gas Extraction	\$ 177,210	\$ 169,571	\$ 114,352
Utilities	322,200	311,816	121,437
Manufacturing	16,110	13,911	6,593
Transportation and Warehousing	21,480	22,117	3,287
Waste Management and Remediation	-	420	-
Investment Income	4,000	10,446	4,579
Other Revenue	-	-	3
	<u>541,000</u>	<u>528,281</u>	<u>250,251</u>
Expenses – Directly Incurred (Note 2(a) and Schedule 1)			
Administration	-	497	397
Grants to Land Stewardship Fund	-	4,033	-
Innovation and Technology	20,000	38,150	134,500
Other Investments	506,818	359,549	68,870
	<u>526,818</u>	<u>402,229</u>	<u>203,767</u>
Annual Surplus	<u>\$ 14,182</u>	<u>\$ 126,052</u>	<u>\$ 46,484</u>

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

**Climate Change and Emissions Management Fund
Statement of Financial Position**

As at March 31, 2019

(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 3)	\$ 767,219	\$ 487,875
Accounts Receivable (Note 4)	181,987	179,721
	<u>949,206</u>	<u>667,596</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	359,612	204,054
	<u>359,612</u>	<u>204,054</u>
Net Financial Assets	<u>589,594</u>	<u>463,542</u>
Net Assets	<u>589,594</u>	<u>463,542</u>
Net Assets at Beginning of Year	\$ 463,542	\$ 417,058
Annual Surplus	126,052	46,484
Net Assets at End of Year	<u>\$ 589,594</u>	<u>\$ 463,542</u>

Contractual Obligations (Note 6)

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

Climate Change and Emissions Management Fund

Statement of Change in Net Financial Assets

Year Ended March 31, 2019

(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual Surplus	\$ 14,182	\$ 126,052	\$ 46,484
Increase in Net Financial Assets		\$ 126,052	\$ 46,484
Net Financial Assets at Beginning of Year		463,542	417,058
Net Financial Assets at End of Year		\$ 589,594	\$ 463,542

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

Climate Change and Emissions Management Fund

Statement of Cash Flows

Year Ended March 31, 2019

(in thousands)

	2019	2018
Operating Transactions		
Annual Surplus	\$ 126,052	\$ 46,484
Increase in Accounts Receivable	(2,266)	(163,540)
Increase in Accounts Payable and Accrued Liabilities	155,558	99,593
Cash Provided by (Applied to) Operating Transactions	<u>279,344</u>	<u>(17,463)</u>
Increase (Decrease) in Cash and Cash Equivalents	279,344	(17,463)
Cash and Cash Equivalents at Beginning of Year	487,875	505,338
Cash and Cash Equivalents at End of Year	<u>\$ 767,219</u>	<u>\$ 487,875</u>

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

Climate Change and Emissions Management Fund Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 1 AUTHORITY AND PURPOSE

The Climate Change and Emissions Management Fund (CCEMF) operates under the authority of the *Climate Change and Emissions Management Act*, Chapter C-16.7 and the *Oil Sands Emissions Limit Act*, Chapter O-7.5.

The CCEMF may be used only for purposes related to reducing emissions of specified gases or supporting Alberta's ability to adapt to climate change including, without limitation, energy conservation, energy efficiency, demonstration and use of new technologies that emphasize reductions in specific gas emissions, capture or removal of specific gases from the atmosphere, measurement of natural removal and storage of carbon, climate change adaptation programs, education and outreach initiatives, and Government of Alberta costs in respect of activities related to reduce emissions.

For the compliance year beginning January 1, 2018, the *Carbon Competitiveness Incentive Regulation* (CCIR) replaced the *Specified Gas Emitters Regulation* (SGER) and requires facilities to ensure that their net emissions (emissions less compliance instruments provided) do not exceed their output-based allocation which is based on the facility production and benchmarks established or assigned for those facility products. The new regulation sets a maximum on the usage of emission offset credits or emissions performance credits in calculating net emissions where usage of fund credits remains unlimited.

CCEMF revenues operate as follows:

- Revenues to the CCEMF are primarily from purchases of fund credits as a method of compliance under the CCIR which was effective on January 1, 2018. These credits can be purchased at a rate of \$30 per tonne and may be used to ensure that the facility net emissions do not exceed the facility output-based allocation.
- Under the CCIR, facilities, which have emitted over one million tonnes of carbon dioxide equivalent (CO₂e) in 2016 or a subsequent year, are required to submit annual forecasts, which include expected payments to the CCEMF. These facilities are also required to submit interim compliance reports including fund payment, where applicable, on May 15, August 15 and November 15 for the current year.
- Emissions measurement at facilities involves the use of different methodologies including estimation techniques and use of emission factors. Such techniques can involve using equipment with varying degrees of precision. Use of different techniques and emission factors may produce different results.

Climate Change and Emissions Management Fund
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 1 AUTHORITY AND PURPOSE (Cont'd)

- Management has provided guidance to facilities and verifiers in setting the quantification methodology, and the calculation and verification requirements of emissions and production. Every facility submitting a compliance report is required to have a third party verify the report. These verifications are required to be at a reasonable assurance level since January 1, 2012.

Facilities that demonstrate that emissions were less than output-based allocations are eligible to request emission performance credits for the difference. These credits may be used for compliance in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Facility Purchases of Fund credits

These revenues are measured from amounts assessed by management and from estimates of amounts not yet assessed based on cash and fund credit purchase information received from facilities that relates to compliance period ended December 31, 2018. Revenues also include adjustments resulting from reviews and audits of previous years' submissions.

Management has adopted a regulatory threshold on errors in emissions and production reported by facilities when calculating emissions intensity. This threshold requires facilities to correct and re-verify submissions where errors exceed the threshold. Management can require errors below the threshold to be corrected.

Climate Change and Emissions Management Fund Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Revenue (Cont'd)

Completeness of Revenues from Facility Purchases of Fund Credits

Facilities submitting compliance reports are expected to understand and comply with the relevant legislation. This has an impact on the completeness of revenue when facilities do not fully meet the legislative requirements and, for example, report inaccurate or incomplete emissions or production data. Management has implemented systems and processes to detect and correct situations where facilities have not complied with the legislation. These systems and controls, based on areas of highest risk, include performing re-verifications of facility and offset project records.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The revenues and accounts receivable include an estimate for non-forecasting facilities (those that have not had emissions greater than one million tonnes of carbon dioxide equivalent (CO₂e) since 2016) of \$19,200 for the period January 1 to March 31, 2019 (2018: \$16,484). Management estimates this amount drawing on past performance of facilities, preference for fund payment taken from forecasting facilities and year to date production where available and appropriate. Preference for compliance mechanism of each facility is significantly influenced by the policy decision in the changes of price per tonne. For large emitters (those with emissions greater than one million tonnes), the revenues and accounts receivable for the period January 1 to March 31 are based on first quarter interim compliance reports for which the department has not completed its internal review procedures. The estimates, in these financial statements, are subject to measurement uncertainty. The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts of assets and revenues reported.

Expenses

Expenses are those costs the CCEMF has primary responsibility and accountability for, as reflected in the Government's budget documents.

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

Climate Change and Emissions Management Fund
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

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

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

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

As the CCEMF does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the CCEMF to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

(b) Change in Accounting Policy

The CCEMF has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

Climate Change and Emissions Management Fund

Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
 This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- PS 3400 Revenue (effective April 1, 2022)**
 This standard provides guidance on how to account for and report on revenue, and specifically, addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term securities with a maximum term to maturity of three years. As at March 31, 2019, securities held by the Fund have a time-weighted return of 1.8% per annum (2018: 1.1% per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and non-interest bearing.

	2019	2018
Facility Purchases of Fund Credits by Sector		
Mining, Oil and Gas Extraction	\$ 76,317	\$ 57,096
Utilities	92,448	108,272
Manufacturing	7,819	9,140
Transportation and Warehousing	4,983	5,213
Waste Management and Remediation	420	-
	<u>\$ 181,987</u>	<u>\$ 179,721</u>

Climate Change and Emissions Management Fund

Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	2019	2018
Accrued Grants	\$ 359,549	\$ 203,370
Accrued Liabilities	63	684
	<u>\$ 359,612</u>	<u>\$ 204,054</u>

NOTE 6 CONTRACTUAL OBLIGATIONS

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

	2019	2018
Grants	\$ 18,034	\$ 38,000
	<u>\$ 18,034</u>	<u>\$ 38,000</u>

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and senior financial officer approved these financial statements.

Climate Change and Emissions Management Fund
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object

Schedule 1

Year Ended March 31, 2019

(in thousands)

	2019		2018
	Budget	Actual	Actual
Supplies and Services	\$ -	\$ 497	\$ 397
Grants	526,818	401,732	203,370
Total Expenses	\$ 526,818	\$ 402,229	\$ 203,767

Climate Change and Emissions Management Fund
Schedule to Financial Statements
Related Party Transactions

Schedule 2

Year Ended March 31, 2019

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel in the CCEMF and their close family members. As a result of an assessment made by management there are no transactions to report.

The CCEMF had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry	
	2019	2018
Expenses – Directly Incurred		
Grants to Land Stewardship Fund	\$ 4,033	\$ -
Grants to the Department of Environment and Parks	359,549	68,870
	<u>\$ 363,582</u>	<u>\$ 68,870</u>
Payable To the Department of Environment and Parks	<u>\$ 359,549</u>	<u>\$ 68,870</u>

Land Stewardship Fund

Financial Statements Year Ended March 31, 2019

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Independent Auditor's Report

To the Minister of Environment and Parks

Report on the Financial Statements

Opinion

I have audited the financial statements of the Land Stewardship Fund (the Fund), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Environment and Parks Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Environment and Parks Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

June 5, 2019

Edmonton, Alberta

Land Stewardship Fund
Statement of Operations
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual (Restated)
Revenues			
Internal Government Transfers (Note 2(a) and 5)			
Proceeds from Surplus Land Sales	\$ 5,000	\$ 1,532	\$ 1,654
Transfer from Climate Change and Emissions Management Fund	-	4,033	-
Investment Income	300	1,160	773
Other Revenue	-	471	812
	<u>5,300</u>	<u>7,196</u>	<u>3,239</u>
Expenses – Directly Incurred (Note 2(a) and Schedule 1)			
Grants to the Department of Environment and Parks to Acquire Land	5,000	3,600	-
Grants to Land Trusts	5,000	9,444	7,120
Land Transaction Expenses	-	165	77
	<u>10,000</u>	<u>13,209</u>	<u>7,197</u>
Annual Deficit	<u>\$ (4,700)</u>	<u>\$ (6,013)</u>	<u>\$ (3,958)</u>

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

Land Stewardship Fund
Statement of Financial Position
 As At March 31, 2019
(in thousands)

	2019	2018 (Restated)
Financial Assets		
Cash and Cash Equivalents (Note 3)	\$ 58,865	\$ 70,790
Accounts Receivable	-	1,234
	<u>58,865</u>	<u>72,024</u>
Liabilities		
Accounts Payable and Accrued Liabilities	26	7,173
	<u>26</u>	<u>7,173</u>
Net Financial Assets	<u>58,839</u>	<u>64,851</u>
Net Assets	<u>\$ 58,839</u>	<u>\$ 64,851</u>
Net Assets at Beginning of Year	\$ 64,852	\$ 68,810
Annual Deficit	(6,013)	(3,958)
Net Assets at End of Year (Note 4)	<u>\$ 58,839</u>	<u>\$ 64,852</u>

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

Land Stewardship Fund
Statement of Change in Net Financial Assets
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual (Restated)
Annual Deficit	\$ (4,700)	\$ (6,013)	\$ (3,958)
Decrease in Net Financial Assets		\$ (6,013)	\$ (3,958)
Net Financial Assets at Beginning of Year		64,852	68,810
Net Financial Assets at End of Year		\$ 58,839	\$ 64,852

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

Land Stewardship Fund
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)

	2019	2018 (Restated)
Operating Transactions		
Annual Deficit	\$ (6,013)	\$ (3,958)
Decrease (Increase) in Accounts Receivable	1,234	(1,234)
Decrease in Accounts Payable and Accrued Liabilities	(7,147)	(3,579)
Cash Applied to Operating Transactions	<u>(11,925)</u>	<u>(8,771)</u>
Decrease in Cash and Cash Equivalents	(11,925)	(8,771)
Cash and Cash Equivalents at Beginning of Year	70,790	79,561
Cash and Cash Equivalents at End of Year	<u>\$ 58,865</u>	<u>\$ 70,790</u>

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

Land Stewardship Fund
Notes to the Financial Statements

March 31, 2019

*(in thousands)***NOTE 1 AUTHORITY**

The Land Stewardship Fund (the Fund) operates under the authority of the *Public Lands Act*, section 11.2(1) and was established effective April 1, 2010. The Fund has been set up to receive the proceeds from the sale of public land in Alberta. The funds can be used to purchase land for conservation and stewardship needs such as land for sensitive habitat, critical watersheds and conservation easements that better meet the ministry's mandate. Further, under the authority of the *Alberta Regulation 31/2011 Public Lands Act, Land Stewardship Fund Regulation*, the Fund may be used to provide grants made by the Minister under the *Environment Grant Regulation (AR 182/2000)* to persons for the purchase of an estate or interest in land for conservation purposes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Basis of Financial Reporting**Revenue**

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers

Government transfers are recognized as deferred revenue and/or deferred capital contributions if the eligibility criteria of the transfer or the stipulations together with the Fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues as the stipulations are met and, when applicable, the Fund complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Fund meets the eligibility criteria (if any).

Land Stewardship Fund
Notes to the Financial Statements
March 31, 2019
(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Expenses

Directly Incurred

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

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include grants which are recognized as expenses when authorized, eligibility criteria, if any, are met and a reasonable estimate of the amount can be made.

Valuation of Financial Assets and Liabilities

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

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

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

As the LSF does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Land Stewardship Fund
Notes to the Financial Statements
March 31, 2019
(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Liabilities

Liabilities are present obligations of the Fund to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

(b) Change in Accounting Policy

The Fund has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

(c) Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

Land Stewardship Fund
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2019, securities held by the Fund have a time-weighted return of 1.8% per annum (2018: 1.1% per annum).

NOTE 4 NET ASSETS

The Net Assets for the Fund are capped at \$150,000 in accordance with the *Land Stewardship Fund Regulation*.

NOTE 5 TRANSFER FROM THE DEPARTMENT OF ENVIRONMENT AND PARKS

Revenue received by the Department of Environment and Parks (the department) in payment for the sale of land inventory was transferred to the Fund according to the *Land Stewardship Fund Regulation*.

NOTE 6 COMPARATIVE FIGURES

Certain 2018 figures have been restated to conform to the 2019 presentation.

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and senior financial officer approved these financial statements.

Land Stewardship Fund
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2019
(in thousands)

Schedule 1

	2019		2018
	Budget	Actual	Actual
Supplies and Services	\$ -	\$ 165	\$ 77
Grants	10,000	13,044	7,120
Total Expenses	\$ 10,000	\$ 13,209	\$ 7,197

Land Stewardship Fund
Schedule to Financial Statements
Related Party Transactions

Schedule 2

Year Ended March 31, 2019

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in the Fund and their close family members. As a result of an assessment made by management, there are no transactions to report.

The Fund had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2019	2018 (Restated)	2019	2018
Revenues				
Internal Government Transfers – Proceeds from Surplus Land Sales (Note 2(b) and 5)	\$ 1,532	\$ 420	\$ -	\$ -
Internal Government Transfers – Proceeds from Climate Change and Emissions Management Fund	4,033	-	-	-
	<u>\$ 5,565</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Grants to the Department of Environment and Parks to Acquire Land	\$ 3,600	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 1,234</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from	\$ -	\$ -	\$ -	\$ -
Payable to	\$ -	\$ -	\$ -	\$ 5

Natural Resources Conservation Board

Financial Statements Year Ended March 31, 2019

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Management's Responsibility for Financial Reporting

The accompanying NRCB financial statements have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian public sector accounting standards. The financial statements necessarily include certain amounts based on the informed judgments and best estimates of management.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the NRCB has developed and maintains systems of internal controls to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that NRCB transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for the preparation of the financial statements.

The Auditor General of Alberta, the NRCB's external auditor appointed under the *Auditor General Act*, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the accompanying Independent Auditor's Report.

NRCB's board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. In both the presence and absence of management, the NRCB's board meets with the external auditors to discuss the audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the NRCB's board.

[Original signed by]

Walter Ceroici
Acting Chief Executive Officer
May 30, 2019

Independent Auditor's Report

To the Members of the Natural Resources Conservation Board

Report on the Financial Statements

Opinion

I have audited the financial statements of the Natural Resources Conservation Board, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Natural Resources Conservation Board as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Natural Resources Conservation Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Natural Resources Conservation Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Natural Resources Conservation Board's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Natural Resources Conservation Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Natural Resources Conservation Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Natural Resources Conservation Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
May 30, 2019
Edmonton, Alberta

Natural Resources Conservation Board
Statement of Operations
 Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
Revenues			
Government Transfers			
Transfer from the Department of Environment and Parks (Note 4)	\$ 6,433,000	\$ 5,133,000	\$ 5,574,000
Investment Income	40,000	89,973	53,899
Other Revenue	1,000	2,977	6,679
	<u>6,474,000</u>	<u>5,225,950</u>	<u>5,634,578</u>
Expenses – Directly Incurred (Note 2(a) and Schedules 1 and 4)			
Board Reviews and Hearings	1,344,000	1,034,099	1,092,410
Regulating Confined Feeding Operations	5,118,000	4,049,863	4,412,198
	<u>6,462,000</u>	<u>5,083,962</u>	<u>5,504,608</u>
Annual Operating Surplus	12,000	141,988	129,970
Accumulated Surplus, at Beginning of Year	<u>3,758,536</u>	<u>3,758,536</u>	<u>3,628,566</u>
Accumulated Surplus, at End of the Year	<u>\$ 3,770,536</u>	<u>\$ 3,900,524</u>	<u>\$ 3,758,536</u>

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

Natural Resources Conservation Board
Statement of Financial Position
 As At March 31, 2019

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 4,113,567	\$ 3,993,576
Accounts Receivable	1,735	1,679
	<u>4,115,302</u>	<u>3,995,255</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	283,425	346,189
	<u>3,831,877</u>	<u>3,649,066</u>
Net Financial Assets		
Non-Financial Assets		
Tangible Capital Assets (Note 8)	67,647	109,470
Prepaid Expenses	1,000	-
	<u>68,647</u>	<u>109,470</u>
Net Assets	<u>\$ 3,900,524</u>	<u>\$ 3,758,536</u>
Net Assets		
Accumulated Surplus (Note 10)	<u>\$ 3,900,524</u>	<u>\$ 3,758,536</u>

Contractual Obligations (Note 11)

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

Natural Resources Conservation Board
Statement of Change in Net Financial Assets
 Year Ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
Annual Operating Surplus	\$ 12,000	\$ 141,988	\$ 129,970
Acquisition of Tangible Capital Assets (Note 8)	(17,000)	-	(62,980)
Amortization of Tangible Capital Assets (Note 8)	30,000	41,823	34,836
(Increase) Decrease in Prepaid Expenses		(1,000)	3,228
Increase in Net Financial Assets	25,000	182,811	105,054
Net Financial Assets at Beginning of Year	3,649,066	3,649,066	3,544,012
Net Financial Assets at End of Year	\$ 3,674,066	\$ 3,831,877	\$ 3,649,066

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

Natural Resources Conservation Board
Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
Operating Transactions		
Annual Operating Surplus	\$ 141,988	\$ 129,970
Non-Cash Item Included in Annual Operating Surplus:		
Amortization of Tangible Capital Assets (Note 8)	41,823	34,836
	<u>183,811</u>	<u>164,806</u>
Increase in Accounts Receivable	(56)	(901)
(Increase) Decrease in Prepaid Expenses	(1,000)	3,228
Decrease in Accounts Payable and Accrued Liabilities	(62,764)	(35,406)
Cash Provided by Operating Transactions	<u>119,991</u>	<u>131,727</u>
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	<u>-</u>	<u>(62,980)</u>
Cash Applied to Capital Transactions	<u>-</u>	<u>(62,980)</u>
Increase in Cash and Cash Equivalents	119,991	68,747
Cash and Cash Equivalents at Beginning of Year	<u>3,993,576</u>	<u>3,924,829</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,113,567</u>	<u>\$ 3,993,576</u>

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

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 1 AUTHORITY AND PURPOSE

The Natural Resources Conservation Board (NRCB) operates under the authority of the *Natural Resources Conservation Board Act*, Chapter N-3, RSA 2000 (NRCBA). NRCB's mandate is to provide for an impartial process to review projects that will or may affect the natural resources of the Province of Alberta. Included in this mandate are reviewable projects described in the NRCBA as well as the regulatory responsibilities set out in Part 2 of the *Agricultural Operation Practices Act*, Chapter A-7, RSA 2000 (AOPA) for the approval, monitoring and compliance of livestock confined feeding operations. The NRCB is exempt from income taxes under the *Income Tax Act*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting.

Government transfers

Transfers from the Government of Alberta are recognized as revenue when the transfer is authorized and the NRCB meets the eligibility criteria.

Government transfers and the associated externally restricted investment income are recognized as deferred revenue and/or deferred capital contributions if the eligibility criteria for use of the transfer, or the stipulations together with NRCB's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, NRCB complies with its communicated use of the transfer.

Investment Income

Investment income includes interest income and is recognized when earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Directly Incurred

Directly Incurred expenses are those costs the NRCB has primary responsibility and accountability for, as reflected in the government's budget documents.

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Expenses (Cont'd)

Incurred by Others

Services contributed by other related entities in support of NRCB's operations are not recognized but disclosed in Schedule 4.

Valuation of Financial Assets and Liabilities

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

The NRCB's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Components</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower of Cost or Net Recoverable Value
Accounts Payable and Accrued Liabilities	Cost

The NRCB does not hold equities traded in an active market, nor does it engage in derivative contracts or foreign currency transactions. The NRCB is not exposed to remeasurement gains and losses and, consequently, a statement of remeasurement gains and losses is not presented.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are NRCB's financial claims on external organizations and individuals at the year end.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value.

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Liabilities

Liabilities are present obligations of the NRCB to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- all financial claims payable by the NRCB at the year end; and
- accrued employee vacation entitlements.

Liability for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. Management has reviewed the accounting standard PS 3260 and has concluded that the NRCB does not have any liability for contaminated sites.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services,
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost less accumulated amortization. The threshold for capitalizing new tangible capital assets is \$5,000. These assets are amortized over their estimated useful lives commencing in the month following acquisition, using the following annual rates and methods:

Computer Hardware	Straight line – 3 years
Computer Software	Straight line – 2 to 3 years
Office Equipment	Declining balance – 20% per year
Office Furniture	Declining balance – 20% per year

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Tangible Capital Assets (Cont'd)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the NRCB's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The amounts recognized for amortization of tangible capital assets are based on estimates of the useful life of the related assets. The resulting estimates are within reasonable limits of materiality and are in accordance with the NRCB's significant accounting policies.

(b) Change in Accounting Policy

The NRCB has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

NOTE 3 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 4 GOVERNMENT TRANSFERS

	2019	2018
Original transfer from the Department of Environment and Parks	\$ 6,433,000	\$ 6,474,000
Transfer amounts returned to the Department of Environment and Parks	(1,300,00)	(900,000)
Adjusted transfer from the Department of Environment and Parks	<u>\$ 5,133,000</u>	<u>\$ 5,574,000</u>

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2019, securities held by the fund have a time-weighted return of 1.8% per annum (2018 - 1.1% per annum). Due to the short-term nature of the CCITF investments, the carrying value approximates fair value.

NOTE 6 FINANCIAL INSTRUMENTS

The NRCB has the following financial instruments: cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

The NRCB has exposure to the following risks from its use of financial instruments:

(a) Liquidity Risk

Liquidity risk is the risk that the NRCB will encounter difficulty in meeting obligations associated with its financial liabilities. The NRCB does not consider this to be a significant risk as the NRCB collects government transfers quarterly to meet all obligations that arise during the year.

(b) Credit Risk

The NRCB is exposed to credit risk from potential non-payment of accounts receivable. As at March 31, 2019, there were no uncollectible receivable balances.

Natural Resources Conservation Board
Notes to the Financial Statements
 March 31, 2019

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts Payable	\$ 51,635	\$ 56,593
Accrued Liabilities - Employee Benefits	231,790	289,596
	\$ 283,425	\$ 346,189

NOTE 8 TANGIBLE CAPITAL ASSETS

	Computer Hardware	Computer Software	Office Equipment	Office Furniture	2019 Total	2018 Total
Historical Costs						
Beginning of year	\$ 233,374	\$ 19,884	\$ 71,568	\$ 195,271	\$ 520,097	\$ 522,261
Additions	-	-	-	-	-	62,980
Disposals, including write-downs	-	-	-	(8,105)	(8,105)	(65,144)
	233,374	19,884	71,568	187,166	511,992	520,097
Accumulated Amortization						
Beginning of year	169,715	6,628	44,735	189,549	410,627	440,935
Amortization expense	28,653	6,628	5,367	1,175	41,823	34,836
Effects of disposals including write-downs	-	-	-	(8,105)	(8,105)	(65,144)
	198,368	13,256	50,102	182,619	444,345	410,627
Net Book Value at March 31, 2019	\$ 35,006	\$ 6,628	\$ 21,466	\$ 4,547	\$ 67,647	
Net Book Value at March 31, 2018	\$ 63,659	\$ 13,256	\$ 26,833	\$ 5,722		\$ 109,470

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2019

NOTE 9 BENEFIT PLANS

The NRCB participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contribution of \$16,127 for the year ended March 31, 2019 (2018 - \$19,957). The NRCB is not responsible for future funding of the plan deficit other than through contribution increases.

The NRCB does not have sufficient plan information on the Government of Alberta multi-employer defined benefit pension plans to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the Government of Alberta multi-employer defined benefit pension plans is comprised of employer contributions to the plans that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plans' future benefits.

At December 31, 2018, the MEPP reported a surplus of \$670,700,000 (2017 – surplus of \$866,006,000), and the SRP reported a deficiency of \$70,310,000 (2017 – deficiency of \$54,984,000).

In addition, the NRCB sponsors a defined contribution pension plan for employees who are not eligible to participate in the government sponsored pension plans. The expense for this pension plan is \$228,678 for the year ended March 31, 2019 (2018 – \$240,768). Pension expense comprises the cost of employer contributions during the year.

NOTE 10 ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	Investment in Tangible Capital Assets	Unrestricted Surplus	2019 Total	2018 Total
Balance at Beginning of Year	\$ 109,470	\$ 3,649,066	\$3,758,536	\$ 3,628,566
Annual Operating Surplus	-	141,988	141,988	129,970
Net Investment in Capital Assets	(41,823)	41,823	-	-
Balance at End of Year	<u>\$ 67,647</u>	<u>\$ 3,832,877</u>	<u>\$3,900,524</u>	<u>\$ 3,758,536</u>

NOTE 11 CONTRACTUAL OBLIGATIONS

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

Natural Resources Conservation Board
Notes to the Financial Statements
 March 31, 2019

NOTE 11 CONTRACTUAL OBLIGATIONS (Cont'd)

As at March 31, 2019, the NRCB had contractual obligations under operating leases and contracts totalling \$490,647 (2018 – \$147,148).

Estimated payment requirements for obligations under operating leases and contracts for each of the next four years are as follows:

2019-20	\$	219,606
2020-21		145,734
2021-22		124,091
2022-23		1,216
	\$	<u>490,647</u>

NOTE 12 BUDGET

The budget was included in the 2018-19 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board on May 1, 2018.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of the NRCB.

Natural Resources Conservation Board
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
 Year Ended March 31, 2019

Schedule 1

	2019		2018
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 5,270,492	\$ 4,349,965	\$ 4,573,652
Supplies and Services	1,161,508	692,174	896,120
Amortization of Tangible Capital Assets (Note 8)	30,000	41,823	34,836
Total Expenses	\$ 6,462,000	\$ 5,083,962	\$ 5,504,608

Natural Resources Conservation Board
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2019

Schedule 2

	2019			2018	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair A ⁽⁴⁾⁽⁵⁾⁽⁷⁾	\$ -	\$ -	\$ -	\$ -	\$ 176,126
Chair B ⁽⁴⁾⁽⁵⁾⁽⁸⁾	173,520	33,884	13,036	220,440	63,821
Board Member A ⁽⁶⁾⁽⁹⁾	-	-	-	-	45,550
Board Member B ⁽⁶⁾⁽¹⁰⁾	93,762	13,464	13,329	120,555	88,720
Board Member C ⁽⁶⁾⁽¹¹⁾	93,762	6,718	31,087	131,567	73,272
Chief Executive Officer ⁽¹²⁾	-	-	-	-	183,629
Acting Chief Executive Officer ⁽¹³⁾	177,684	18,946	30,133	226,763	56,321

(1) Base salary includes regular salary.

(2) Other cash benefits include health benefits pay in lieu, pension pay in lieu and vacation payouts. There were no bonuses paid in 2019 and 2018.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including Employment Insurance, Canada Pension Plan, Government of Alberta pension plan, health benefits, professional memberships, parking and WCB premiums. The NRCB is a participant in the Alberta Energy Regulator (AER) flexible health benefit plan.

(4) Automobile allowance included in other cash benefits.

(5) The position is 80% permanent part-time.

(6) The position is 60% permanent part-time.

(7) The former Chair's last day was December 21, 2017.

(8) The position commenced on December 21, 2017.

(9) The term of the position expired on August 14, 2017.

(10) The position commenced on June 1, 2017.

(11) The position commenced on August 15, 2017.

(12) The former Chief Executive Officer left the position on December 18, 2017.

(13) The Acting Chief Executive Officer was appointed to the position on January 1, 2018.

Natural Resources Conservation Board
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019

Schedule 3

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the NRCB. The NRCB and its employees paid certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The NRCB had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<u>2019</u>	<u>2018</u>
Revenues	\$ 5,133,000	\$ 5,574,000
Expenses – Directly Incurred	\$ 25,539	\$ 124,273
Payable To	\$ 1,000	\$ 4,175

The NRCB also had transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements and are included in Schedule 4.

The NRCB has a Memorandum of Understanding (MOU) with the AER and an MOU with the Alberta Utilities Commission (AUC) to share resources on an on-going basis. Under the MOU's, the NRCB is both a service provider and a service recipient.

Natural Resources Conservation Board
Schedule to Financial Statements
Allocated Costs

Schedule 4

Year Ended March 31, 2019

	2019		2018	
	Expenses ⁽¹⁾	Expenses incurred by others		Total Expenses
		Accommodation Costs ⁽²⁾	Total Expenses	
AOPA and NRCBA Mandates				
Board Reviews and Hearings ⁽³⁾	\$1,034,099	\$ 97,686	\$ 1,131,785	\$1,191,697
Regulating Confined Feeding Operations ⁽⁴⁾	4,049,863	382,571	4,432,434	4,813,212
	\$5,083,962	\$ 480,257	\$ 5,564,219	\$6,004,909

- (1) Expenses – Directly Incurred as per Statement of Operations.
- (2) Accommodation Costs, including grants in lieu of taxes, allocated by square footage.
- (3) Board reviews and hearings comprise expenses related to AOPA appeals and NRCBA reviews.
- (4) Regulating confined feeding operations comprise expenses related to (a) the approval, monitoring and compliance activities under AOPA and (b) science and technical activities in support of AOPA and NRCBA mandates.

Energy Efficiency Alberta

Financial Statements Year Ended March 31, 2019

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Management's Responsibility for Financial Reporting

The accompanying Energy Efficiency Alberta financial statements have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian public sector accounting standards. The financial statements necessarily include certain amounts based on the informed judgments and best estimates of management.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the EEA has developed and maintains a system of internal control to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that EEA transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for the preparation of the financial statements.

The Auditor General of Alberta, the EEA's external auditor appointed under the *Auditor General Act*, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the accompanying Independent Auditor's Report.

EEA's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board exercise this responsibility through the Audit and Finance Committee. In both the presence and absence of management, the Audit and Finance Committee meets with the external auditors to discuss the audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the members of the Audit and Finance Committee.

[Original signed by]

Monica Curtis
Chief Executive Officer
June 12, 2019

[Original signed by]

Stephen Appleton
Vice President, Corporate Services
June 12, 2019

Independent Auditor's Report

To the Board of Directors of Energy Efficiency Alberta

Report on the Financial Statements

Opinion

I have audited the financial statements of Energy Efficiency Alberta, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Energy Efficiency Alberta as at March 31, 2019, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Energy Efficiency Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing Energy Efficiency Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Energy Efficiency Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Energy Efficiency Alberta's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Energy Efficiency Alberta's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Energy Efficiency Alberta to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 12, 2019
Edmonton, Alberta

Energy Efficiency Alberta
Statement of Operations
 Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Revenues			
Government Transfers			
Government of Alberta Grants	\$ 136,700	\$ 113,491	\$ 107,431
Federal and Other Municipal Grants	12,500	471	-
Investment Income	-	448	614
	<u>149,200</u>	<u>114,410</u>	<u>108,045</u>
Expenses (Schedule 1)			
Energy Efficiency Initiatives	149,200	116,199	107,431
	<u>149,200</u>	<u>116,199</u>	<u>107,431</u>
Annual (Deficit) Surplus	-	(1,789)	614
Accumulated Surplus at Beginning of Year	9,184	9,184	8,570
Accumulated Surplus at End of Year	<u>\$ 9,184</u>	<u>\$ 7,395</u>	<u>\$ 9,184</u>

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

Energy Efficiency Alberta
Statement of Financial Position

As At March 31, 2019

(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 31,564	\$ 39,426
Accounts Receivable (Note 6)	1,303	43
	<u>32,867</u>	<u>39,469</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	24,915	29,195
Deferred Contributions (Note 11)	779	1,191
	<u>25,694</u>	<u>30,386</u>
Net Financial Assets	<u>7,173</u>	<u>9,083</u>
Non-Financial Assets		
Prepaid Expenses	222	101
	<u>222</u>	<u>101</u>
Net Assets	<u>7,395</u>	<u>9,184</u>
Net Assets		
Net Assets at Beginning of Year	9,184	8,570
Accumulated (Deficit) Surplus	(1,789)	614
	<u>\$ 7,395</u>	<u>\$ 9,184</u>

Contingent liabilities (Note 9)
 Contractual obligations (Note 10)

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

Energy Efficiency Alberta
Statement of Change in Net Financial Assets
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual (Deficit) Surplus	\$ -	\$ (1,789)	\$ 614
Increase in Prepaid Expenses		(121)	(101)
(Decrease) Increase in Net Financial Assets		(1,910)	513
Net Financial Assets at Beginning of Year		9,083	8,570
Net Financial Assets at End of Year		\$ 7,173	\$ 9,083

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

Energy Efficiency Alberta
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)

	2019	2018
Operating Transactions		
Annual (Deficit) Surplus	\$ (1,789)	\$ 614
Increase in Accounts Receivable	(1,260)	(43)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(4,280)	28,259
Increase in Prepaid Expenses	(121)	(101)
(Decrease) Increase in Deferred Contributions	(412)	1,191
Cash (Applied to) Provided by Operating Transactions	<u>(7,862)</u>	<u>29,920</u>
(Decrease) Increase in Cash and Cash Equivalents	(7,862)	29,920
Cash and Cash Equivalents at Beginning of Year	39,426	9,506
Cash and Cash Equivalents at End of Year	<u>\$ 31,564</u>	<u>\$ 39,426</u>

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

Energy Efficiency Alberta Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 1 AUTHORITY AND PURPOSE

Energy Efficiency Alberta (EEA) is a provincial corporation established on October 27, 2016 and operates under the authority of the *Energy Efficiency Alberta Act*, Chapter E-9.7 of the Statutes of Alberta, 2016.

The mandate of EEA is:

- To raise awareness among energy consumers of energy use and the associated economic and environmental consequences,
- To promote, design and deliver programs and carry out other activities related to energy efficiency,
- To promote energy conservation and the development of micro-generation and small scale energy systems in Alberta, and
- To promote the development of an energy efficiency services industry.

EEA is exempt from income taxes under the *Income Tax Act*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

(a) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with EEA's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, EEA complies with its communicated use of the transfer.

All other government transfers, without stipulations for use of the transfer, are recognized as revenue when the transfer is authorized and EEA meets the eligibility criteria (if any).

Energy Efficiency Alberta
Notes to the Financial Statements
 March 31, 2019
 (in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Revenue (Cont'd)

Investment Income

Investment income is recognized in the period in which the income is earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Foreign exchange gains and losses are reflected within the cost of goods and services.

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

Valuation of Financial Assets and Liabilities

EEA's financial assets and financial liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

EEA does not carry any financial assets or liabilities at fair value and has no derivatives or unsettled exchange gains or losses therefore; the statement of remeasurement gains or losses is not included in these financial statements.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are EEA's financial claims on external organizations and individuals, at the year end.

Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Energy Efficiency Alberta
Notes to the Financial Statements
 March 31, 2019
(in thousands)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Financial Assets (Cont'd)

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of EEA to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver EEA services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

(b) Change in Accounting Policy

EEA has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

NOTE 3 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
 This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Energy Efficiency Alberta
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 3 FUTURE ACCOUNTING CHANGES (Cont'd)

- **PS 3400 Revenue (effective April 1, 2022)**

This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 4 BUDGET

The budget, in the EEA business plan, as approved by the EEA board, was included in the 2018-19 Government Estimates under the Ministry of Environment and Parks. Subsequent to the submission of the EEA business plan, EEA and the Ministry of Environment and Parks amended EEA's grant agreement. This resulted in a decrease in the budget as originally set out in the business plan from \$149.2 million to \$112.3 million in both revenues and expenses.

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash on hand and demand deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta and cash and deposits with ATB Financial (ATB). The CCITF is managed while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term securities and mid-term fixed income with a maximum term of maturity of three years. For the year ended March 31, 2019, securities held by the CCITF had a time-weighted return of 1.8% (2018 – 1.1%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value. During the time the securities were held by ATB, a time-weighted return of 1.8% (2018 – 0%) was realized.

NOTE 6 ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and non-interest bearing.

	2019	2018
Accounts Receivable	\$ 1,298	\$ 27
GST Receivable	5	16
	<u>\$ 1,303</u>	<u>\$ 43</u>

Energy Efficiency Alberta
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 7 FINANCIAL RISK MANAGEMENT

EEA has the following financial instruments: accounts receivable, accounts payable and accrued expenses. EEA has exposure to the following risks from use of financial instruments:

(a) Credit Risk

Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. EEA conducts a significant amount of business through contracts. In order to mitigate this risk, EEA requires surety bonds to be posted by contractors in favour of EEA. At March 31, 2019, EEA was a beneficiary under surety arrangements in the amount of \$7,202 (2018 – under letters of credit in the amount of \$750) as security for performance commitments by contractors executing programs on behalf of EEA. Credit risk on accounts receivable is considered low as amounts owing by third parties are usually immaterial and significant amounts owing are due from related parties.

(b) Liquidity Risk

Liquidity risk is the risk that EEA will not be able to meet its obligations as they fall due. Liquidity risk is associated with EEA's financial liabilities. EEA's exposure to liquidity risk arises due to its cash flow requirements to fulfill payment of its account payable and accrued liabilities. EEA manages this risk by obtaining adequate funding from the Department of Environment and Parks.

NOTE 8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts Payable General	\$ 24,396	\$ 19,506
Accrued Liabilities	519	9,689
	<u>\$ 24,915</u>	<u>\$ 29,195</u>

NOTE 9 CONTINGENT LIABILITIES

At March 31, 2019, EEA was not named as defendant in any specific legal actions.

Energy Efficiency Alberta
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 10 CONTRACTUAL OBLIGATIONS

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

	2019		2018	
Obligations Under Operating Leases, Contracts and Programs	\$	99,121	\$	154,638
	\$	99,121	\$	154,638

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

	2019	
Obligations Under Operating Leases, Contracts and Programs:		
2019-20	\$	78,823
2020-21		18,992
2021-22		435
2022-23		435
2023-24		436
Thereafter		-
	\$	99,121

NOTE 11 DEFERRED CONTRIBUTIONS

(a) Deferred Contributions

	2019			2018	
	Government of Alberta	Other Sources	Total	Total	
Balance at Beginning of Year	\$ 1,191	-	1,191	\$	-
Add: Contributions received	108,621	1,250	109,871		108,622
Less: Deferred operating contributions recognized as revenue	(109,812)	(471)	(110,283)		(107,431)
Balance at End of Year	\$ -	779	779	\$	1,191

Energy Efficiency Alberta
Notes to the Financial Statements

March 31, 2019

(in thousands)

NOTE 12 BENEFIT PLAN

EEA also provides benefits whereby it makes available contributions for Registered Retirement Savings Plans (RRSP) on behalf of employees of EEA. The contributions are calculated based on a fixed percentage of the employee's salary to a maximum of the RRSP contribution limit as specified in the *Income Tax Act (Canada)*. The expense of \$491 (2018 - \$226) included in these financial statements represents the current contributions made on behalf of these employees.

NOTE 13 COMPARATIVE FIGURES

Certain 2018 figures have been reclassified to conform to the 2019 presentation.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of EEA.

Energy Efficiency Alberta
Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2019
(in thousands)

Schedule 1

	2019		2018
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 5,673	\$ 4,892	\$ 2,079
Supplies and Services ⁽¹⁾	143,527	101,391	94,136
Grants	-	9,899	11,156
Financial Transactions and Other	-	17	60
	<u>\$ 149,200</u>	<u>\$ 116,199</u>	<u>\$ 107,431</u>

(1) Incentives, rebates and other benefits received by recipients of EEA's program services are included in supplies and services expenses. Amounts of these benefits are \$71,639 (2018 - \$82,348).

Energy Efficiency Alberta
Schedule to Financial Statements
Salary and Benefits Disclosure

Schedule 2

Year Ended March 31, 2019

(in thousands)

	2019			2018	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Board of Directors					
Chair ⁽⁴⁾⁽⁵⁾	\$ -	21	1	22	\$ 48
Board Members ⁽⁴⁾⁽⁵⁾	-	99	10	109	64
Executive					
Chief Executive Officer ⁽¹⁰⁾	182	-	43	225	220
Vice President of Corporate Services ⁽⁶⁾	161	-	45	206	135
Vice President of Marketing and Communications ⁽⁷⁾	159	-	46	205	118
Vice President of Corporate Performance ⁽⁸⁾	158	-	45	203	112
Vice President of Performance Design and Delivery ⁽⁹⁾	159	-	41	200	43
	\$ 819	120	231	1,170	\$ 740

(1) Base salary includes regular salary.

(2) Other cash benefits include honoraria payments and other lump sum payments. There were no bonuses paid.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including RRSP, health care, dental coverage, group life insurance, short and long term disability plans, conference fees and parking.

(4) The board was re-appointed by the Lieutenant Governor in Council by Order in Council O.C. 130/2018 and appointments will expire on April 30, 2021.

(5) Remuneration and expenses of the Board are prescribed as that specified in Schedule 1, Part A of the Committee Remuneration Order.

(6) The position was filled effective August 8, 2017.

(7) The position was filled effective September 5, 2017.

(8) The position was filled effective August 17, 2017.

(9) The position was filled effective January 15, 2018.

(10) Automobile provided, no dollar amount included in other non-cash benefits.

Energy Efficiency Alberta
Schedule to Financial Statements
Related Party Transactions

Schedule 3

Year Ended March 31, 2019

(in thousands)

Related Parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel and close family members of those individuals in EEA. There were no transactions between EEA and its key management personnel or close family members during the year.

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

EEA had the following transactions with related parties reported in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	2019		2018	
	Entities in the Ministry	Other Entities	Entities in the Ministry	Other Entities (Restated)
Revenues				
Grants from the Department of Environment and Parks	\$ 113,491	\$ -	\$ 107,431	\$ -
Expenses				
Other Services ⁽¹⁾	-	2,709	-	917
	\$ 113,491	\$ 2,709	\$ 107,431	\$ 917
Payable to				
Department of Environment and Parks	\$ -	\$ -	\$ 19	\$ -
Other Entities ⁽¹⁾	-	499	-	745
	\$ -	\$ 499	\$ 19	\$ 745

(1) Included in this amount is \$1,575 (2018 - \$711) of other services provided to related parties but contracted through third parties implementing EEA's energy efficiency programs. As of March 31, 2019, \$91 (2018 - \$675) is payable to related parties through third parties implementing EEA's energy efficiency programs.

Other Financial Information

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Department of Environment and Parks
Statement of Credit or Recovery (unaudited)
For the Year Ended March 31, 2019
(in thousands)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	2019				
	Authorized ⁽¹⁾	Actual Revenue Recognized	Unearned Revenue/Deferred Contributions	Actual Cash/Donation Received/Receivable	(Shortfall)/Excess
Parks Operations	\$ 29,118	\$ 29,565	\$ 2,921	\$ 32,486	\$ 3,368
Parks Infrastructure Management	3,800	4,176	779	4,955	1,155
Provincial Mapping Data	2,000	1,132	10	1,142	(858)
Remediation Certificates	25	11	-	11	(14)
Water Management Infrastructure	1,200	1,604	85	1,689	489
Bow Habitat Station	315	196	93	289	(26)
Fish and Wildlife	8,550	7,764	590	8,354	(196)
Long Lake Education Centre	30	11	-	11	(19)
Air Quality Health Index	20	16	4	20	-
	\$ 45,058	\$ 44,475	\$ 4,482	\$ 48,957	\$ 3,899

⁽¹⁾ The authorized budget for credits or recoveries includes Adjustments appearing on Schedule 4 and includes an increase of \$300 for Water Management Infrastructure. Treasury Board approval is pursuant to Section 24 (2) of the *Financial Administration Act*. Only expenditures are authorized.

Parks Operations – Parks collects various fees and other revenues through the *Provincial Parks Act* that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others. Element 7.1, 7.2, 7.3 and 7.4

Parks Infrastructure Management – Parks collects a levy for facility redevelopment within the fees charged for use of campgrounds and park facilities through the *Provincial Parks Act*, as well as; contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others. This revenue is then used to manage infrastructure within provincial parks. Element 7.5

Provincial Mapping Data – Revenue for maintenance activities for this initiative is from filing fees for cadastral and disposition mapping collected at the time of registration. Elements 1.5 and 3.2

Remediation Certificate – Fees are collected to offset the costs of conducting site audits under the program. Element 3.2

Water Management Infrastructure – Revenue from annual fees collected from developers through the Use of Works Agreements is used to offset costs of maintenance and upgrading of provincial water management infrastructure systems. Element 4.3

Department of Environment and Parks
Statement of Credit or Recovery (unaudited)
For the Year Ended March 31, 2019
(in thousands)

(Cont'd)

Bow Habitat Station – Admission fees collected for an aquatic ecosystem visitor centre focusing on public education and outreach offset the cost of operating the centre. Element 5.2

Fish and Wildlife – Contributions from stakeholders and revenue from the sale of recreational fishing and hunting licences are used to fund the costs related to the delivery and management of those licences and associated resources, game surveys, and the promotion of industry stewardship and investment in this provincial resource. This amount includes an agreement with the Alberta Agriculture Financial Services Corporation for Wildlife Predator Compensation in which \$157 was funded from the Agriculture and Agri-Food Canada. Elements 5.1 and 5.3

Long Lake Education Centre – Funding from community groups, environmental education providers and other partners is used to support the delivery of environmental and natural resource education opportunities at the facility. Element 4.2

Air Quality Health Index – Funding from the federal government is used to support the implementation of the national Air Quality Health Index in the province. Element 2.1

Note: The credits or recoveries presented in this schedule are included in the Department's Statement of Operations.

Department of Environment and Parks
Lapse/Encumbrance (unaudited)
For the Year Ended March 31, 2019
(in thousands)

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program Operating						
Ministry Support Services						
1.1 Minister's Office	\$ 722	\$ -	\$ -	\$ 722	\$ 689	\$ 33
1.2 Deputy Minister's Office	676	-	-	676	525	151
1.3 Human Resources	-	-	-	-	-	-
1.4 Legal Services	327	-	-	327	310	17
1.5 Corporate Services	24,981	-	(180)	24,801	22,792	2,009
	26,706	-	(180)	26,526	24,316	2,210
Air						
2.1 Air Policy	6,833	-	-	6,833	6,932	(99)
2.2 Air Partners and Stewardship	4,760	-	-	4,760	7,033	(2,273)
2.3 Air Quality Management	7,266	-	-	7,266	7,625	(359)
	18,859	-	-	18,859	21,590	(2,731)
Land						
3.1 Land Policy	6,941	-	-	6,941	9,187	(2,246)
3.2 Public Land Management	36,834	-	628	37,462	36,959	503
3.3 Rangeland Management	4,628	-	-	4,628	4,284	344
3.4 Rangeland Programs and Stewardship	3,824	-	-	3,824	3,632	192
	52,227	-	628	52,855	54,062	(1,207)
Water						
4.1 Water Policy	5,033	-	-	5,033	4,145	888
4.2 Water Partners and Stewardship	3,529	-	-	3,529	7,522	(3,993)
4.3 Water Management	48,935	-	378	49,313	47,222	2,091
4.4 Flood Adaptation	16,717	-	2,024	18,741	16,785	1,956
	74,214	-	2,402	76,616	75,674	942
Fish and Wildlife						
5.1 Fish and Wildlife Policy	6,640	-	20	6,660	5,901	759
5.2 Fisheries Management	13,734	-	500	14,234	13,224	1,010
5.3 Wildlife Management	23,962	-	-	23,962	23,260	702
	44,336	-	520	44,856	42,385	2,471
Integrated Planning						
6.1 Resource Management	25,094	-	-	25,094	26,956	(1,862)
6.2 Regional Cumulative Effects Management	7,635	-	-	7,635	7,341	294
6.3 Environmental Emergency Response	1,390	-	-	1,390	1,815	(425)
	34,119	-	-	34,119	36,112	(1,993)

Department of Environment and Parks
Lapse/Encumbrance (unaudited)
For the Year Ended March 31, 2019
(in thousands)

(Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Parks						
7.1 Parks Operations	41,027	-	-	41,027	48,485	(7,458)
7.2 Parks Visitor Experience	8,761	-	-	8,761	8,392	369
7.3 Parks Conservation Management	5,836	-	-	5,836	7,032	(1,196)
7.4 Parks Public Safety and Security	13,714	-	-	13,714	13,355	359
7.5 Parks Infrastructure Management	12,076	-	-	12,076	11,783	293
	<u>81,414</u>	<u>-</u>	<u>-</u>	<u>81,414</u>	<u>89,047</u>	<u>(7,633)</u>
Land Use Secretariat	<u>6,127</u>	<u>-</u>	<u>1,700</u>	<u>7,827</u>	<u>6,071</u>	<u>1,756</u>
Science and Monitoring						
9.1 Environmental Science, Monitoring, Evaluation and Reporting	22,799	-	-	22,799	23,249	(450)
9.2 Oil Sands Environmental Monitoring	57,000	-	-	57,000	49,936	7,064
	<u>79,799</u>	<u>-</u>	<u>-</u>	<u>79,799</u>	<u>73,185</u>	<u>6,614</u>
Climate Leadership Plan						
Regulatory and Operations	17,536	-	-	17,536	11,835	5,701
Green Infrastructure	-	-	-	-	-	-
Renewables/Bioenergy	49,670	-	(5,000)	44,670	12,284	32,386
Other Investments	67,995	-	(9,600)	58,395	57,243	1,152
Energy Efficiency	116,560	-	4,600	121,160	112,815	8,345
Emerging Projects	28,395	-	(28,395)	-	-	-
	<u>280,156</u>	<u>-</u>	<u>(38,395)</u>	<u>241,761</u>	<u>194,177</u>	<u>47,584</u>
Quasi-Judicial Bodies						
Natural Resources Conservation Board	6,433	-	-	6,433	5,133	1,300
Surface Rights and Land Compensation Boards	700	-	-	700	89	611
Environmental and Public Lands Appeal Board	1,903	-	-	1,903	1,619	284
	<u>9,036</u>	<u>-</u>	<u>-</u>	<u>9,036</u>	<u>6,841</u>	<u>2,195</u>
2013 Alberta Flooding						
12.1 Infrastructure Recovery	-	-	-	-	-	-
12.2 Flood Hazard Mapping	-	-	-	-	-	-
12.3 Parks Flood Recovery	-	-	-	-	-	-
12.4 Community Stabilization	10,000	-	-	10,000	10,000	-
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Debt Servicing						
1.5 Corporate Services	86	-	-	86	-	86
	<u>86</u>	<u>-</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>86</u>
Total	<u>\$ 717,079</u>	<u>\$ -</u>	<u>\$ (33,325)</u>	<u>\$ 683,754</u>	<u>\$ 633,460</u>	<u>\$ 50,294</u>
Lapse/(Encumbrance)						<u>\$ 50,294</u>

Department of Environment and Parks
Lapse/Encumbrance (unaudited)
For the Year Ended March 31, 2019
(in thousands)

(Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Capital Acquisitions						
Ministry Support Services						
1.5 Corporate Services	425	-	-	425	112	313
Air						
2.3 Air Quality Management	-	-	-	-	12	(12)
Land						
3.2 Public Land Management	5,402	-	2,528	7,930	5,560	2,370
3.3 Rangeland Management	200	-	-	200	36	164
3.4 Rangeland Programs and Stewardship	-	-	-	-	303	(303)
Water						
4.3 Water Management	-	-	-	-	263	(263)
Fish and Wildlife						
5.2 Fisheries Management	5,758	-	3,588	9,346	6,258	3,088
5.3 Wildlife Management	4,299	-	(3,471)	828	164	664
Integrated Planning						
6.1 Resource Management	-	-	-	-	501	(501)
Parks						
7.1 Parks Operations	-	-	-	-	14	(14)
7.5 Parks Infrastructure Management	37,932	-	45	37,977	37,229	748
Science and Monitoring						
9.1 Environmental Science, Monitoring, Evaluation and Reporting	1,000	-	-	1,000	1,267	(267)
9.2 Oil Sands Environmental Monitoring	-	-	1,726	1,726	1,478	248
Climate Leadership Plan						
10.2 Green Infrastructure (Investment)	-	-	-	-	1,996	(1,996)
2013 Alberta Flooding						
12.1 Infrastructure Recovery	2,678	-	-	2,678	2,235	443
12.3 Parks Flood Recovery	4,600	-	(935)	3,665	2,423	1,242
12.4 Community Stabilization	1,100	-	-	1,100	-	1,100
Total	\$ 63,394	\$ -	\$ 3,481	\$ 66,875	\$ 59,851	\$ 7,024
Lapse/(Encumbrance)						<u>\$ 7,024</u>

Department of Environment and Parks
Lapse/Encumbrance (unaudited)
For the Year Ended March 31, 2019
(in thousands)

(Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Financial Transaction						
Environmental Site Liability						
Retirement						
Water						
4.3 Water Management	100	-	-	100	-	100
Total	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 100
Lapse/(Encumbrance)						<u>\$ 100</u>

- (1) As per "Expense Vote by Program," "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page 130 to 134 of 2018-19 Government Estimates. The Voted Estimates for Program 1, Ministry Support Services, were restated to reflect the transfer of Human Resources (Element 1.3) to the Public Service Commission and Freedom of Information and Privacy (Element 1.5), Enterprise IT Environment (Element 1.5) and Information Management and Technology (Element 1.5) to Service Alberta as part of Government restructuring (Note 3).
- (2) No supplementary Supply.
- (3) Adjustments include encumbrances, capital carry forward amounts, transfers between votes and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2). An encumbrance is incurred when, on a vote-by-vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.
- (4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Department of Environment and Parks
Statement of Remissions, Compromises, Write-offs (unaudited)
(in thousands)

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

Remissions under Section 21 of the <i>Financial Administration Act</i>		\$	-
Compromises under Section 22 of the <i>Financial Administration Act</i>			-
Write-offs:			
Department Accounts Receivable	234,870		
Department Accounts Payable Credits	<u>-</u>		
Total Write-offs			<u>234,870</u>
Total Remissions, Compromises and Write-offs		\$	<u>234,870</u>

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 32 (1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

Here is a summary of the activity in my office pertaining to your department from the period April 1, 2018 to March 31, 2019.

2 – Disclosures

- 1 disclosure acted on
- 1 disclosure not acted on

1 - Investigation

0 - Investigations resulting in a finding of wrongdoing

