

GOVERNMENT OF ALBERTA

Annual Report

Environment and Parks

2020-2021

Alberta 

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Table of Contents

Preface	3
Minister’s Accountability Statement	4
Message from the Minister	5
Management’s Responsibility for Reporting	7
Results Analysis	8
Ministry Overview	9
Organizational Structures	9
Operational Overview	11
Key Highlights in Past Year	11
Discussion and Analysis of Results	12
Red Tape Reduction.....	12
Outcome One: Environment and ecosystem health and integrity.....	13
Outcome Two: Sustainable economic development	26
Actions that Support Alberta Strategic Plan Priorities	
Reducing Red Tape.....	26
Supporting Job Creation.....	27
Outcome Three: Public well-being	34
Outcome Four: Public health and safety from environmental conditions and events....	42
Performance Measure and Indicator Methodology	51
Financial Information	56
Reporting Entity and Method Consolidation.....	57
Ministry Financial Highlights	58
Statement of Revenues and Expenses (unaudited)	58
Revenue and Expense Highlights.....	59
Breakdown of Revenues (unaudited).....	61
Expenses – Directly Incurred Detailed by Object (unaudited)	63
Supplemental Financial Information	65
Other Ministry Level Disclosures	65
Tangible Capital Assets (unaudited)	66
Financial Statements of Other Reporting Entities	69
Technology Innovation and Emissions Reduction Fund.....	70
Land Stewardship Fund.....	90
Natural Resources Conservation Board.....	104
Energy Efficiency Alberta.....	124
Other Financial Information	144
Department of Environment and Parks	144
Annual Report Extracts and Other Statutory Reports	153
Public Interest Disclosure (Whistleblower Protection) Act.....	153

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 20 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and a comparison of actual performance results to desired results set out in the government's strategic plan, previously published in one volume entitled Measuring Up report.

This annual report of the Ministry of Environment and Parks contains the minister's accountability statement, 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 relating to trust funds.**

Each Ministry Annual Report should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2021, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 15, 2021 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by the Honourable Jason Nixon
Minister of Environment and Parks

Message from the Minister

We are fortunate to live in the province of Alberta, the only place in North America where prairie, boreal forest and mountain ecosystems meet. To help conserve this land, we must continue working together to preserve our province's air, land, water and biodiversity while balancing sustainable resource development.

Over the past year, Alberta Environment and Parks has led the way in conservation efforts and proactive initiatives. For the first time in history, grizzly bear populations in Alberta are increasing, and we have science-based population estimates in place for all provincial bear management units. Our science-informed conservation agenda led us to receive a formal acknowledgment from the federal government on our caribou recovery plan and actions. We announced plans to expand the Kitaskino Nuwenënë Wildland provincial park, the largest continuous area of protected boreal forest in the world. The expansion will protect and conserve Alberta's wildlife, including species at risk like wood bison and woodland caribou.



In the middle of a pandemic that had more Albertans than ever seeking opportunities in the outdoors, the ministry worked to provide accessible and abundant recreational opportunities. We invested more than \$50 million to upgrade Alberta's four provincial fish culture facilities, which allowed us to stock more waterbodies for recreational fishing. After listening closely to stakeholders, we made amendments to improve the way Alberta manages its freshwater sport fisheries.

Many Albertans, including myself, love and value our parks and wild spaces. Alberta taxpayers spent \$43 million to improve and conserve provincial parks. Our parks are a key part of our economy, supporting opportunities and jobs in tourism, hospitality and services, making them an important part of Alberta's Recovery Plan.

Under a successful partnership model in place since 1932, we secured or maintained partnership agreements in 170 park sites with non-profit organizations, municipalities, Indigenous communities and others to help protect Alberta's parks. All sites remain in the parks system under the ownership and jurisdiction of Environment and Parks. They will all retain their current designations and associated protections, and remain open.

In collaboration with Fort McKay First Nation, the Fort McKay Métis and other stakeholders, the ministry completed the Moose Lake Access Management Plan, supporting responsible resource development while conserving culturally and ecologically important lands. We announced a partnership with the City of Edmonton and Enoch Cree Nation to establish Big Island Provincial Park. Helping develop this new provincial park is a platform commitment and a key part of the government's common-sense conservation plan.

The ministry continues to work to balance the needs of the environment with creating jobs and ensuring a healthy economy. The Technology Innovation and Emissions Reduction (TIER) fund is supporting programs and projects that will inject \$1.9 billion, over three years, into the province's economy, cut about six million tonnes of emissions per year, and support nearly 9,000 jobs.

Introduction

A TIER grant of \$180 million to Emissions Reduction Alberta (ERA) funded three new programs. These will support around 5,000 jobs and cut an estimated 13 million tonnes of emissions by 2030 – the same as taking about four million cars off the road. On April 20, 2021, ERA announced another \$33 million in TIER funding for 17 projects with a combined value of \$107 million in public and private investment, supporting innovation in the agriculture, agri-food, and forestry sectors. These innovations will lead to emissions reductions of up to 2.7 million tonnes by 2030.

These are only a few of our successes from this past year. I am looking forward to working with the ministry to conserve, protect and sustain our quality of life for generations to come.

Original signed by the 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 other reporting entities listed in the ministry overview.

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, including the 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 using the government's stated accounting policies, which are based on 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 2020*.

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 Deputy Minister Bev Yee
Deputy Minister of Environment and Parks
June 15, 2021

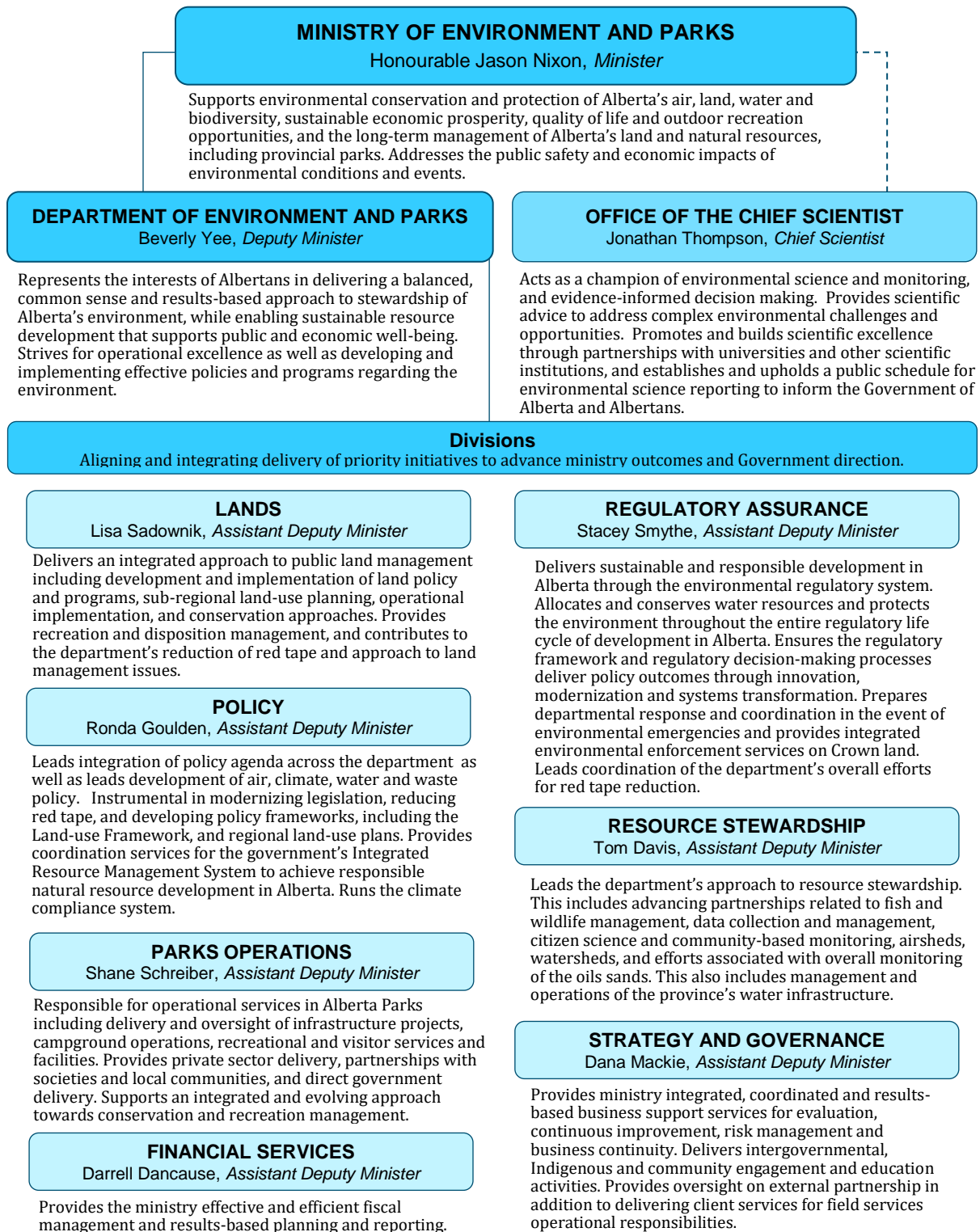
Results Analysis

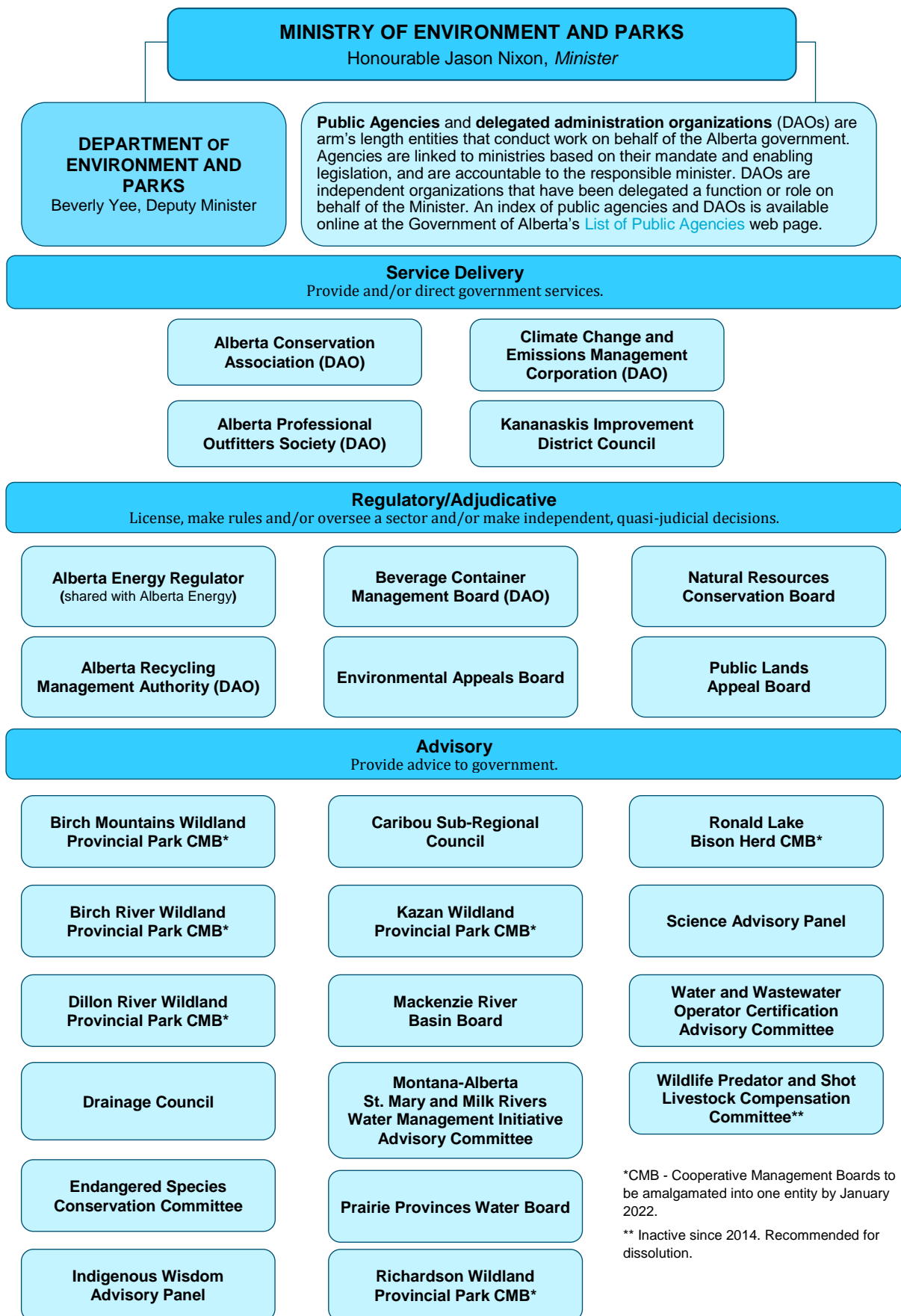
Table of Contents

Ministry Overview	9
Organizational Structures	9
Operational Overview	11
Key Highlights in Past Year	11
Discussion and Analysis of Results	12
Red Tape Reduction.....	12
Outcome One: Environment and ecosystem health and integrity.....	13
Outcome Two: Sustainable economic development	26
Actions that Support the Priorities of the Government of Alberta Strategic Plan:	
Red Tape Reduction.....	26
Supporting Job Creation	28
Outcome Three: Public well-being	33
Outcome Four: Public health and safety from environmental conditions and events....	42
Performance Measure and Indicator Methodology	49

Ministry Overview

Organizational Structures





Operational Overview

Information provided in this annual report is aligned with the Government of Alberta's 2020-21 strategic direction. This annual report highlights results achieved from delivery of key strategies and performance measurement, how they contributed to achieving outcomes described in the *Environment and Parks Business Plan 2020-23* and key factors that influenced those results. This included Environment and Parks taking additional operational measures to ensure the safety of department staff, Albertans and visitors in response to the COVID-19 pandemic.

Results described considered identification and potential impact of risks facing the organization and their ongoing management through risk management activities.

Department operations also included delivery of the:

- **Technology Innovation and Emissions Reduction Fund** (formerly the Climate Change and Emissions Management Fund): Collects monies from specified greenhouse gas emitting sources and other sources to support initiatives to reduce specified gas emissions or to increase Alberta's ability to adapt to climate change. A portion of the monies are transferred to the General Revenue Fund to support deficit reduction.
- **Land Stewardship Fund**: Receives proceeds from Alberta public land sales to be used for conservation purposes, either through purchasing private lands or through providing grants to registered land trust organizations for acquisition of conservation easements and conservation land management.

Key Highlights in Past Year

- Launch of Alberta's Crown Land Vision to guide the department toward a common sense approach to provincial Crown land management that recognizes conservation, recreation and economic uses can support each other.
- Providing safe and accessible recreational opportunities and effective management of Crown land by enhancing education, monitoring, and enforcement activities through periods of unprecedented use by Albertans.
- Continued investment in Alberta's provincial parks system and recreation on Crown lands as part of Alberta's Recovery Plan.
- Working with partners to support long-term, community-level strategies that protect Albertans and the province's natural resources from the impact of floods, droughts and invasive species.
- Continued implementation of the Technology Innovation and Emissions Reduction System to help industrial facilities find innovative ways by reducing emissions and investing in clean technology to stay competitive and reduce costs.
- Launch of the Regulatory Assurance Framework to modernize Environment and Parks' environmental regulatory system and achieve higher levels of regulatory efficiency that enables economic development while ensuring environmental outcomes.
- Delivery of 77 red tape reduction initiatives that reduced over 26,600 regulatory requirements while maintaining standards to ensure strong environmental management and human health.

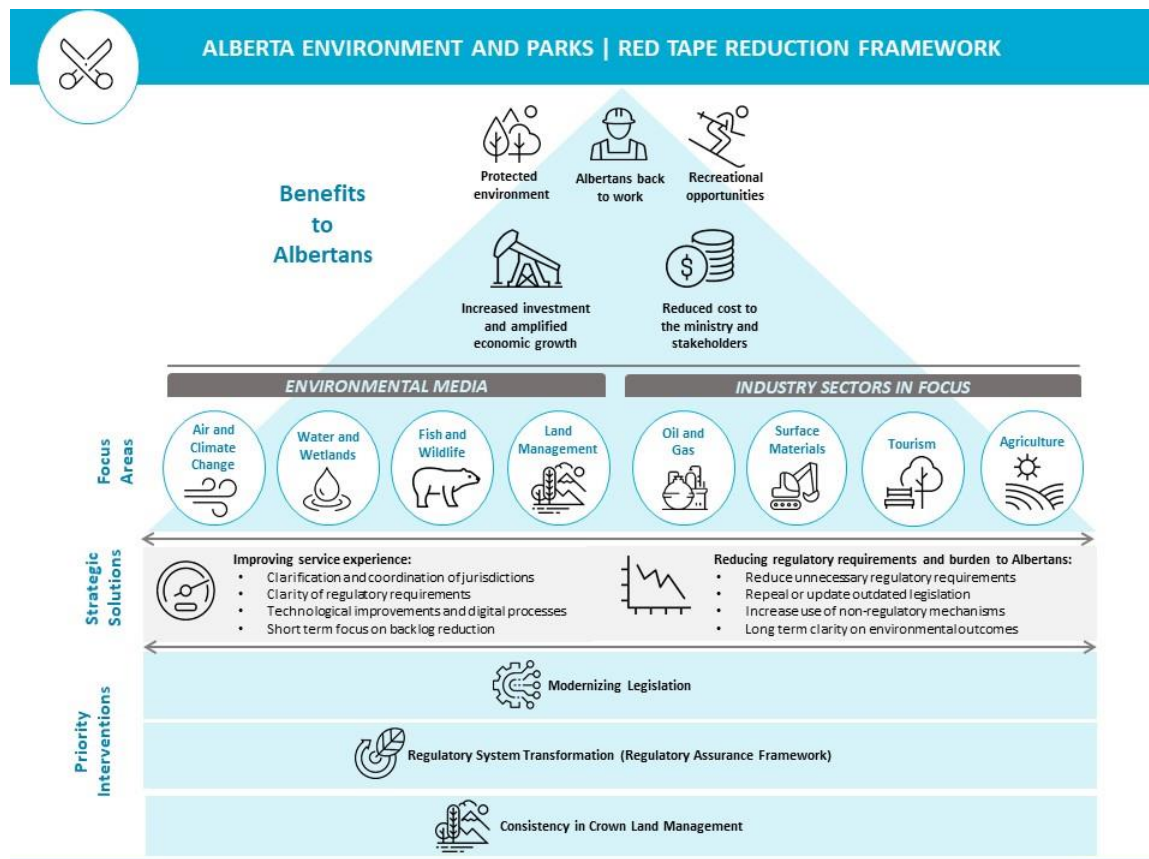
Discussion and Analysis of Results

Red Tape Reduction

The Ministry of Environment and Parks is committed to the ongoing review of programs and services to ensure the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to making life easier for hard-working Albertans and job creators by reducing regulatory requirements by one-third by 2023, and eliminating administrative burden through more efficient processes. This work will improve service delivery for Albertans; foster economic growth, innovation and competitiveness; create a strong and attractive investment climate; and make Alberta one of the freest and fastest moving economies in North America.

Environment and Parks is taking a comprehensive and balanced approach (see diagram below) to reducing red tape for both the short-term and long-term while maintaining consumer, environmental, health and safety protections, and fiscal accountability. The department's red tape reduction efforts will target outdated or excessive regulations and administrative processes related to air, water, fish and wildlife, and Crown land management; as well as for sectors such as oil and gas, tourism, agriculture, and sand and gravel. Additionally, legislation will be modernized for the 21st century and current economic realities. Fundamental to transforming our regulatory system is the improvement of overall client experience and addressing concerns for particular sectors and users of Crown land, while maintaining the ministry's focus on protecting the environment and ecosystems throughout the province, and working to ensure a sustainable future for Albertans.

The ministry commitment to the Government of Alberta's one-third reduction target will reduce approximately 49,500 requirements by March 31, 2023. In 2020-21, the Environment and Parks baseline count which guides the regulatory reduction, was approximately 148,560 regulatory requirements within its legislation, regulation, policies and forms. The Government of Alberta



regulatory reduction target for 2020-21 was set at 12 per cent, which meant a reduction of approximately 17,830 for Environment and Parks. This target was exceeded with a reduction of over 26,600 (approximately 18 per cent) while maintaining standards to ensure strong environmental management and human health. This includes 77 completed red tape reduction initiatives, ranging from changes to operational policies in order to help reduce administrative burden on stakeholders, enhancing service delivery, eliminating backlog in approvals and streamlining processes. Environment and Parks' 2021-22 red tape reduction work is estimated to reduce an additional 3,000 (7.2 per cent) regulatory requirements from baseline by March 31, 2022 to achieve the 20 per cent target. Examples of completed Red Tape Reduction initiatives and projects that illustrate positive changes in streamlining delivery can be found under [Key Objective 1.6 – Cutting Red Tape](#); [Key Objective 2.1 DRAS](#); and [Key Objective 4.1 – Flood Mapping](#).

Outcome One: Environment and ecosystem health and integrity

Environment and ecosystem health and integrity are indispensable to the well-being of Albertans. Part of achieving and sustaining this outcome includes leadership and leveraging effective consultation, collaboration and partnerships to develop and implement regional and sub-regional land use plans, environmental frameworks, and complementary strategies. Adherence to high scientific standards, improving data collection, and leveraging local and Indigenous knowledge contributes to informed and quality decision making. Legislation and regulation underpin the ministry's approach to implementing policies and programs, and they require periodic updates to address current and emergent issues. These efforts and commitments are reflected in the ministry's key objectives and align with ongoing red tape reduction efforts to remove unnecessary administrative, regulatory and process burdens for Albertans while maintaining robust environmental standards.

Key Objectives and Supporting Initiatives

1.1 Collaborative and integrated regional and sub-regional land use planning and implementation effectively balances environmental, economic and social concerns.

1.2 Collaborate with other ministries to establish a balanced and sustainable approach to manage the combined or cumulative effects of resource development.

Supporting Initiatives

- In 2020-21, \$10.2 million was allocated to regional and sub-regional land-use planning. The ministry is committed to returning to a comprehensive, collaborative and integrative approach in regional and sub-regional planning to manage cumulative effects and achieve desired economic, social and environmental goals for a region. Land use planning supports coordinated and efficient land use by identifying environmental, social and economic outcomes and approaches for meeting the outcomes while improving efficiency and transparency in regulatory processes. Environmental management frameworks monitor and report trends and, as needed, require management responses to ensure regional environmental outcomes are achieved.
- In 2020-21, \$39.8 million was allocated to caribou recovery planning and actions aimed at stabilizing and ultimately recovering caribou populations that are naturally sustaining. Caribou recovery planning is occurring through holistic sub-regional planning processes to ensure a practical and balanced approach that supports a sustainable economy while demonstrating leadership in environmental stewardship. This work is supported by three Caribou Sub-regional Task Forces. Alberta continues to work with partners and invest in caribou habitat restoration and other recovery actions while sub-regional planning is undertaken.

Land use plans and their outcomes are supported through modernization of land stewardship and Crown land management tools are transforming Alberta's regulatory system.

The Government of Alberta continues to implement the [Lower Athabasca Regional Plan](#) and the amended (2018) [South Saskatchewan Regional Plan](#) by working together with stakeholders and Indigenous Peoples and making decisions in alignment with those regional plans. See [Key Objective 3.2](#) for key investments made in these plans.

Environmental management frameworks for the [Lower Athabasca](#) and [South Saskatchewan](#) regions were implemented in 2020-21. Ambient air quality, surface water quality and surface water quantity monitoring informed reporting on the status of condition in relation to management thresholds. Status of ambient condition and management response reports were prepared for the 2019-20 monitoring period. Results showed regional management objectives are being achieved; and proactive management actions will help ensure environmental conditions continue to support environmental and human health.

The Government of Alberta continues to advance sub-regional planning that can achieve caribou recovery while, reflecting the principles of working landscapes informed by socio-economic and environmental assessment. Recommendations were provided from the [Cold Lake, Bitscho Lake and Upper Smoky caribou sub-regional task forces](#), consisting of a broad range of land users, to support development of sub-regional plans that support caribou recovery. Each sub-regional plan will be shared for public and Indigenous engagement prior to being finalized.

Lower Athabasca Region:

The Government of Alberta:

- Worked with Indigenous groups and stakeholders to complete the [Moose Lake Access Management Plan](#) in February 2021, providing land use resource development direction for industry and regulators for the 10 kilometer Moose Lake planning area or zone. The plan includes management actions to support achievement of three outcomes – ecological integrity, exercise of [Section 35 rights and traditional land uses](#), and well-managed development of resources.
- Continued to support outdoor recreation and tourism development including development of the Lakeland Country Destination Development Strategy and Tourism Opportunity Plan, Regional Trail System Plan, and implementation of outcomes and actions identified in existing tourism strategies and destination development plans for the Regional Municipality of Wood Buffalo, Lac La Biche County and the Municipal District of Bonnyville.
- Continued to support implementation of the [Wood Buffalo National Park Action Plan](#).
- Supported environmentally sustainable and responsible development through continued implementation of the [Lower Athabasca Region Tailings Management Framework](#) for the Mineable Athabasca Oil Sands. This included managing long-term liability and environmental risk associated with fluid tailings, process-affected water and pit lakes. The ministry continued working with representatives of Indigenous communities, stakeholders, Environment and Climate Change Canada and external experts to develop and implement plans to address scientific gaps associated with development of regulatory requirements for the safe treatment and release of treated oil sands mine water.

South Saskatchewan Region:

- The Government of Alberta continues implementing the [Livingstone-Porcupine Hills footprint and recreation management plans](#), and supporting stakeholders in effective land management such as the [Calgary Metropolitan regional planning](#). See [Key Objective 3.2](#) for related results.

North Saskatchewan Region:

- The North Saskatchewan Regional Plan is not complete. However, through implementation of the Land-use Framework stakeholders were supported in effective land management in this region through initiatives like the Edmonton Metropolitan Region Growth Plan and piloting a designated industrial zone in Alberta's Industrial Heartland. The pilot includes assessing regulatory performance, environmental outcomes, and cluster infrastructure.

1.3 Leverage traditional and other effective conservation measures in collaboration with non-government partners to develop and advance conservation projects and programs.

Supporting Initiative:

- In 2020-21, \$15 million was allocated to the Land Trust Grant Program and Land Purchase Program. This funding supports efforts aimed at conserving ecologically important lands to prevent habitat fragmentation, maintain biodiversity, and preserve native landscapes.

Land Trust Grant Program — The **Program** works with partners to conserve landscapes representative of Alberta's natural regions and ecosystems to help address habitat fragmentation, maintain biodiversity (including species at risk), and preserve intact landscapes. The program helps preserve cultural and historical resources through the conservation of lands and achieve the landscape conservation goals of regional plans. In 2020-21, the program also provided funding support for economic recovery through job creation within the land trust community and rural areas by hiring staff or contractors to assist with site assessments, baseline reporting, land appraisals, development of conservation easements, and project monitoring.

The program, since its inception in 2011-12, has awarded \$79 million in funding to nine land trusts to assist in the voluntary conservation of more than 159,000 acres of private land in Alberta.

In 2020-21:

- The program received 38 project applications from eight land trusts and provided over \$4.7 million in grant funding for 17 projects that best met the program goals. These funds were leveraged to over \$14 million and conserved 12,210 acres.
- \$13.1 million from the **Land Stewardship Fund**, normally allocated to the Land Trust Grant Program and Land Purchase Program, was re-allocated to fund conservation projects supporting economic stimulus. This included approximately \$9.7 million for watercourse crossing repairs to help recover at-risk species and protect habitat as well as restoration of legacy seismic lines to support habitat recovery in caribou management areas. The conservation related projects supported over 100 jobs.
- The Land Trust Grant Program piloted an expanded evaluation criteria to include additional values that acknowledge the importance of conserving agricultural land, recreational access and opportunities, commitment to maintain ecological health and integrity, riparian habitat conservation and water quality improvements. In March 2021 Environment and Parks initiated engagement with land trusts and targeted stakeholders on the expanded evaluation criteria in preparation for the June 2020 grant program launch.

As of December 2020, **Alberta Parks Partnerships** were secured or maintained for 170 parks sites across the province. This included over a dozen new parks partnerships supporting conservation and quality visitor experiences that will be in place for the 2021 operating season. In 2020-21, government continued its practice of building operating agreements with third parties (e.g., Indigenous communities, municipalities and municipal organizations, non-profit groups) to manage day-use area facilities, campgrounds and concessions. There are also long-standing relationships with Park Ambassadors, Campground Hosts and other volunteer organizations that do trail

maintenance and other stewardship and interpretation work to support conservation and quality visitor experiences.

Environment and Parks also supported its commitment to strengthen partnerships with non-profit parks societies across Alberta by providing almost \$500,000 to the [Friends of Fish Creek Provincial Park Society](#), to help the group continue their conservation and ecology work, while upgrading education and visitor information.

1.4 Effective stewardship of Alberta's environmental resources is supported through development and implementation of targeted strategies and frameworks.

Supporting Initiative:

- In 2020-21, \$6 million was allocated to the Wetland Restoration Program to enable the Government of Alberta to collect wetland replacement fees and expend them on wetland restoration projects in priority areas.

Wetland Replacement Program — Initiated in 2020-21, [this program](#) operates under the [Alberta Wetland Mitigation Directive](#) and delivers on Environment and Parks' obligation to use wetland replacement fees collected under the 2013 [Alberta Wetland Policy](#) to offset wetland losses and value in Alberta.

Wetland replacement projects deliver key ecosystem services, such as flood and drought protection, groundwater supply, water quality improvement, and habitat for wildlife and biodiversity in alignment with public values.

In 2020-21, the Wetland Replacement Program delivered seven projects that replaced 158 hectares of wetlands across the province. These projects supported approximately 24 jobs in environmental consulting, construction and equipment operation and seed and nursery supply. Through the program Environment and Parks developed formal wetland replacement working relationships with Ducks Unlimited Canada and eleven Alberta municipalities.

1.5 Alberta's ambient environmental condition is monitored, evaluated and reported upon.

Supporting Initiatives:

- In 2020-21, \$22.5 million in combined operating and capital was allocated to science and environment monitoring to provide scientifically sound environment monitoring, evaluation and transparent reporting to inform cumulative effects decision-making.
- In 2020-21, \$10.3 million was allocated as part of predictable multi-year funding arrangements with a number of local partners supporting the collaborative delivery of air and water monitoring, education and stewardship activities.
- In 2020-21, \$50 million in combined operating and capital was allocated to the Oil Sands Monitoring Program to deliver ambient environmental monitoring within the oil sands area to enhance understanding of the cumulative effects of oil sands management, implementation of regional plan environmental management frameworks, and inform future regulatory decisions and plans. Oil Sands Monitoring Program development and implementation is a collaborative process inclusive of industry, Indigenous communities, federal and provincial governments, academic institutions, environmental non-government organizations and various monitoring agencies.

Environmental Monitoring and Science Program — The program provides information and reports on different media (air, water, land, biodiversity) to support emergency response, regional planning processes and environmental policies that also incorporate the information needs and concerns of stakeholders and Albertans.

All long-term environmental monitoring programs are actively being reviewed and optimized through ongoing scientific assessment of historical and current data using modern approaches to

statistical and geospatial analyses to improve data collection on environmental outcomes. This includes combining consensus-based priorities from multiple stakeholders to develop and fund environmental monitoring, evaluation and reporting programs. These programs will build on past and present monitoring, evaluation and reporting initiatives to enhance scientifically credible environmental monitoring and science in Alberta. Examples include:

- Ongoing implementation of the five fiscal year (2016-17 to 2020-2021) provincial water quality monitoring, evaluation and reporting plan for lotic systems. This has resulted in continued refinement of the monitoring network for surface water quality and quantity in Alberta. A primary focus in 2020-21 was finalization of an expanded tributary monitoring network in the North Saskatchewan River watershed in support of the [WaterSHED Monitoring Program](#). Development and delivery mechanisms of this monitoring program reflect consensus-based priorities from multiple stakeholders in a collaborative partnership mode. Other active collaborations include academic partners in Alberta and across Canada in the delivery of key surface and groundwater water related research.
- Improvements to air quality and atmospheric deposition monitoring networks through development and implementation of the draft five-year (2021-2025) provincial air quality and deposition monitoring, evaluation and reporting plan. This plan identifies areas of the province with significant monitoring gaps and proposes cost-effective solutions to improve availability of air quality information for Albertans. Significant accomplishments have been made in developing and testing air quality sensor technology that will allow expansion of monitoring to smaller communities and rural areas impacted by air quality events such as wildfire smoke. In addition, modernization of the provincial atmospheric deposition monitoring network will align Alberta's deposition monitoring program with international standards.
- Release of publically accessible environmental information including: environmental data, peer reviewed papers on various aspects of environmental condition, reporting on Environmental Management Frameworks, and technical and plain language summaries of information collected through the environmental monitoring and science program. In addition to published reports scientists and technical experts shared their knowledge and connected to decision makers through a seminar series, communities of practice workshops and webinars, and stakeholder information sessions. These interactive opportunities allowed increased connections at the science-policy interface and promoted timely evidence-informed decision-making processes.
- Full access to the stories, reports and data released in 2020 can be found at environmentalmonitoring.alberta.ca.

Due to the COVID-19 pandemic, non-critical field monitoring activities for ambient air and water quality by department staff were temporarily paused in March 2020. Continuous monitoring of ambient air, water quality, as well as critical field monitoring, and emergency response activities continued throughout, and by June 2020 remaining field activities resumed with additional safety measures in place to protect staff and the communities where the work was done.

Environmental stewardship in Alberta demands the best available knowledge rooted in multiple ways of knowing – scientific, Indigenous, and local. The ministry works collaboratively with Indigenous and local communities and their partners across Alberta to advance place-based environmental stewardship through community-based monitoring, knowledge coproduction, and [citizen science](#). In 2020-21, the following advancements took place:

- The [Citizen Science Principles of Good Practice](#) were publically released by the department in October 2020. The principles serve as a foundation and catalyst for ongoing dialogue and collaboration in the application of citizen science to address information and knowledge gaps across Alberta.
- The State of Indigenous Community-Based Monitoring in Alberta Report was finalized and shared with department staff and externally with First Nations and Metis organizations who

participated in the project. This report provides a snapshot of the needs, interests and readiness of First Nations and Métis organizations to engage in Indigenous Community-based Monitoring in Alberta. The department intends to publish the report on www.alberta.ca in 2021.

- The Indigenous Climate Change Observation Network is focused on shared stewardship of Alberta's resources by enabling Alberta's Indigenous knowledge holders and scientists to coproduce the best available knowledge of climate change. In 2020-21 a virtual webinar series "Keeping the Fire Burning" created space for knowledge sharing and co-learning, and two First Nations received training in participatory methodologies.
- The [Indigenous Lake Monitoring Program](#) aims to support the stewardship of Alberta's lakes based on the best available Indigenous and scientific knowledge. Three reports completed in 2020-21 summarized lake water quality results and key findings for lakes monitored with three First Nations. Human-water-land relationships are explored in these reports based on contributions from the participating Indigenous Nations.
- Indigenous Community-Based Monitoring in the Hay River Basin project was initiated in 2020 as part of the Government of Alberta's commitment to jointly managing Alberta and Northwest Territories transboundary waters. Based on community interests and identified needs, the Hay River project will focus on building capacity within the interested Indigenous communities in the Hay River Basin by co-developing and implementing a pilot program (2021-22) addressing questions about climate change impacts on environmental events and water resources in the Hay River Basin.
- The [Oil Sands Monitoring Program](#) supported a record number of Community Based Monitoring projects in 2020-21. Over \$2 million dollars in funding for stand-alone and integrated projects was provided and the program worked with fourteen different Indigenous and Métis communities to expand community based monitoring in the oil sands area.

1.6 Environmental legislation and regulation is modernized to address current and emerging issues and reduce red tape without sacrificing robust environmental standards and safety.

Alberta Crown Land Vision — In November 2020 the Government of Alberta launched the [Crown Land Vision](#) as part of its common sense approach to managing provincial Crown land that recognizes conservation, recreation and economic uses support each other.

This approach provides improvements Albertans requested, like supporting sustainable use of trails and backcountry land, getting rid of confusing and conflicting rules, and conservation of Crown land and biodiversity.

The three key priorities of Alberta's Crown Land Vision are:

- make the land-use system clear and understandable;
- support sustainable funding and partnerships for recreation; and
- focus on outcomes and reducing red tape.

In support of the Crown Land Vision, Environment and Parks engaged with Albertans from November 2020 to January 2021 to receive their thoughts about [Sustainable Outdoor Recreation](#) and Crown land management improvements to better meet the needs of communities, Indigenous peoples and job creators without compromising conservation values and recreation opportunities. These engagement were delivered through targeted discussions with key stakeholders and consultation with Indigenous peoples, an online ideas board, and an online public survey where approximately 8,200 Albertans offered a diverse range of input.

Information from this engagement will also help inform the development of a *Trails Act* and fee framework and a public land annual camping fee.

The Government of Alberta has publicly shared its intention to introduce an annual fee for camping on public lands, beginning in the 2021 camping season. Revenue generated from the fee will support the overall visitor experience by addressing growing user demand, through infrastructure upgrades, education, enforcement, fire and rescue services, public safety, environmental and waste management.

Minister’s Fish and Wildlife Vision — In 2020, substantial changes for the 2021-22 sportfishing regulations were made in consideration of feedback received from the January and February 2020 [fisheries engagement sessions](#) and associated in-person and online surveys. Provincially, nearly 100 waterbody-specific changes were made to simplify regulations.

- **Northeast Region** — 16 harvest slot limit fisheries for walleye and pike were added, eight walleye [Special Harvest Licence](#) fisheries were changed to harvest slot limits and ten northern pike lakes had 63 cm size limits replaced with bag limits.
- **Southern Region** — eight harvest slot limit fisheries for walleye and pike were introduced, 12 size limits fisheries were changed to bag limits for both walleye and pike and three fisheries had increased bag limits for both pike and walleye.
- **Northwest Region** — four harvest slot limits fisheries for walleye and pike were introduced, including transition of one from Special Harvest License to harvest slot. One catch and release walleye lake was transitioned to Special Harvest Licence.

Wildlife Act and Regulation Updates — Updates to the [Wildlife Act](#) and [Wildlife Regulations](#) in 2020 resulted in over 40 amendments. This included:

- improved administration which streamlined and modernized hunting methods, updated permitting, reporting and licensing requirements and addressed elements related to non-game species including wildlife rehabilitation, falconry and wildlife sanctuaries;
- improved support for wildlife conservation and proper use of wildlife;
- additional and enhanced hunting and trapping opportunities;
- provision of relief to outfitters; and
- updated [Procedures Regulation](#) to establish new specified penalties for six new or existing offences created under the Wildlife Regulation and to remove a specified penalty for an offence that is no longer required.

Annual hunting regulations were also adjusted to enable date changes for big game seasons, creation of big game seasons in specific wildlife management units and removing restrictions on daily and possession limits for pintail ducks. Environment and Parks also introduced a new hunting season for sandhill crane across portions of the province.

Mine Financial Security Program – This program helps manage coal and oilsands liabilities by collecting financial security from mine owners and protects the public from paying for project closure costs. As of June 30, 2020, \$1.48 billion was held in security under the program. Oilsands mines account for just under \$1 billion of this total.

The formula to determine payment into the Mine Financial Security Program includes an operator’s revenue, operating cost and sales volume. Under the program, coal companies pay their security up front, while oilsands mines use their reserves as collateral for financial security.

Extremely low oil prices in 2020 reinforced problems with the program’s formula. As a result, the Government of Alberta is making an interim change to the formula calculation while engaging in a [program review](#) to ensure security amounts align with the intent of the program while ensuring positive environmental outcomes. Work on the program review will include engaging Indigenous Peoples and other stakeholders. Government is making a change in the interim to the calculation while the review is underway to ensure security amounts align with the intent of the program.

Cutting Red Tape — Environment and Parks’ efforts in 2020-21 targeted outdated, duplicative or inefficient regulations and administrative processes related to air, water, fish and wildlife, and land

management for sectors such as oil and gas, tourism, agriculture, and surface materials. This included responding to stakeholders and public submissions. Efforts resulting in positive and streamlined delivery changes included:

- Master Schedule of Standards and Conditions
- Environment and Parks and the [Alberta Energy Regulator](#) completed a joint comprehensive technical review of all [Public Lands Act](#) activities in the [Master Schedule of Standards and Conditions](#) for both energy and non-energy resources.
- A new wildlife sweep protocol guideline was introduced to further clarify and modernize wildlife reviews on public lands.
- Water Conservation Policy for Upstream Oil and Gas
- [This policy](#) provides direction for water use in major upstream oil and gas operations where additional water conservation measures are feasible.
- The policy affirms the Government of Alberta's support for use of wastewater, deeper groundwater and saline water instead of high quality freshwater. This saves industry money through collaboration and joint infrastructure.
- Jurisdiction for Energy Activity - Borrow Pits
- Changes to the [Specified Enactments Jurisdiction Regulation](#) to expand the Alberta Energy Regulators ability to [authorize borrow pits for use in energy development](#) increased regulatory certainty and clarity, and alignment in jurisdiction between Environment and Parks, and the Alberta Energy Regulator.
- Wildlife Regulation Changes
- Burdensome regulatory [requirements were removed](#), reducing the amount of time and resources hunters, trappers, outfitters, ministry staff and enforcement personnel spent ensuring compliance with the requirements.
- Regulatory changes [streamlined processes for licensing and reporting](#) activity and improved clarity, provided significant internal administrative efficiencies for Environment and Parks and Justice and Solicitor General staff, enabled flexibility for wildlife rehabilitation facilities during emergencies, and provided opportunities to increase the value for legally harvested wildlife not completely utilized once harvested.

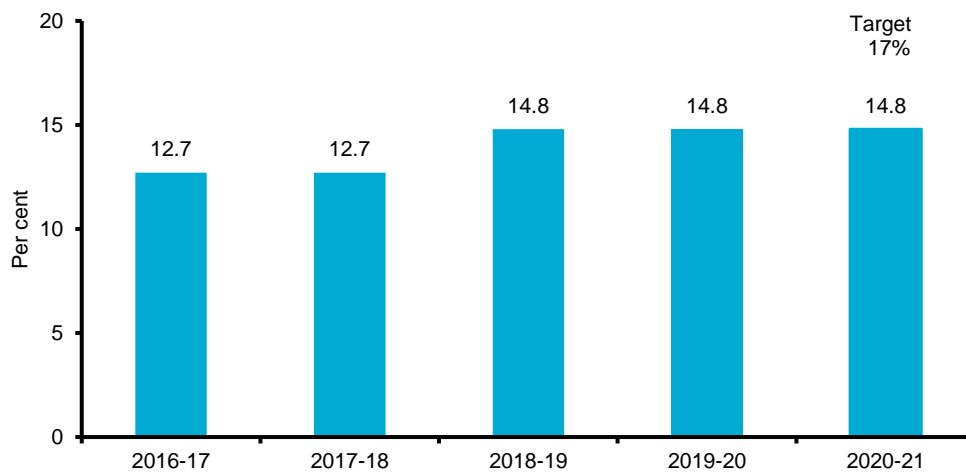
Extended Producer Responsibility and the Circular Economy — Environment and Parks engaged with Albertans between March and May 2021 through virtual webinars to gather initial feedback on three proposed policy changes to enable [Extended Producer Responsibility \(EPR\)](#) and designate materials for end-of-life management, focused on packaging, paper products, single-use plastics and, hazardous and special products. EPR is a policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life-cycle. In practice, EPR involves producers taking responsibility at end-of-life for the products and packaging they put on the market.

A circular economy is enabled in part by recycling and can create more jobs than landfilling. Materials in a circular economy are reused, recycled and remanufactured, and the full value of materials is realized across multiple lifecycles. Circular economies keep valuable materials out of landfills and help to reduce greenhouse gas emissions.

Public and stakeholder engagement feedback is now being compiled and will be used to ensure Alberta's proposed EPR legislative framework meets stakeholder needs, keeps pace with changes over time, and leads to positive environmental, social, and economic outcomes.

Performance Metrics

1.a Performance Measure: Percentage of recognized protected and conserved areas



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

Note: This measure includes protected areas under federal, provincial and municipal jurisdiction that meet the International Union for Conservation of Nature definition.

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

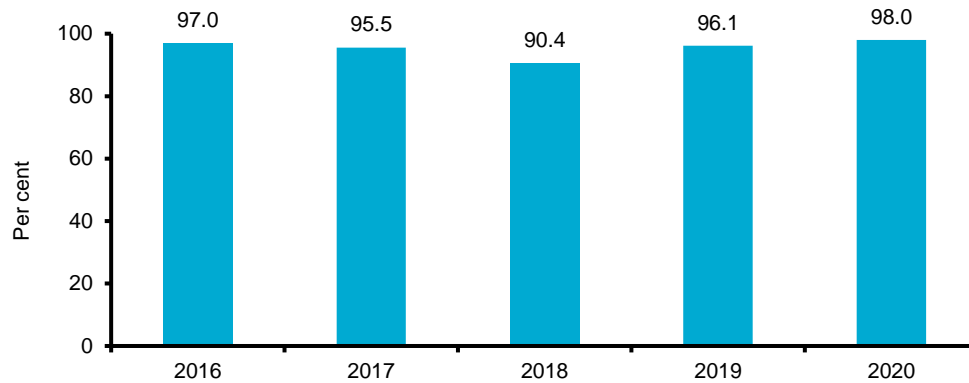
Protected and conserved areas in Alberta have increased over time as a result of provincial protected area expansions or establishments. Results of 14.8 per cent in 2020-21 were virtually static, with no new protected areas established since 2019-20, with only minor adjustments to reported sites and area totals. The 2020-21 target of 17.00 per cent was not met due to delays in the timing of designations of Land-use Framework Regional Plan commitments or changes in the government priorities and the ministry's intent to designate new protected areas.

Alberta has the third highest percentage of protected and conserved areas in Canada behind British Columbia at 19.5 per cent and Northwest Territories at 15.8 per cent, even after significant additions in 2020 to systems in the Northwest Territories, Yukon Territory, Quebec and Nova Scotia. 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.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the 2021-24 Environment and Parks Business Plan.

1.b Performance Indicator: Percentage of good air quality days in urban areas

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



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: The Canadian Ambient Air Quality Standards focus on long-term ambient levels of fine particulate matter, ozone, nitrogen dioxide, and sulphur dioxide in the province's six air zones and complement the air quality index by guiding air quality management actions.

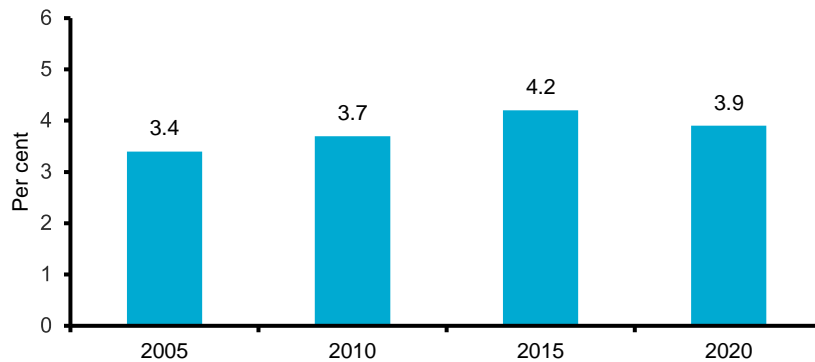
Good air quality is critical for both human and ecosystem health. The index tracks Alberta's air quality relative to provincial ambient air quality objectives and guidelines for pollutants linked to human respiratory health effects, particularly of more sensitive populations including young children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

Over the last five years air quality has been consistently high with an average of 95.4 per cent good air quality days. In 2020, there were 98.0 per cent good air quality days, up from 96.1 per cent in 2019. Major factors influencing air quality from year to year include incidence of wintertime smog, springtime ozone (which can be natural or a result of human activity), summertime smog, and forest fire smoke. Alberta was only slightly affected by forest fire smoke in 2020, and springtime ozone was generally lower than in previous years. Additionally, reduction in economic activity resulting from the COVID-19 pandemic likely led to decreases in emissions of smog-causing pollutants. This combination of factors likely led to the increase in good air quality days in 2020.

Air quality in Alberta is generally shown as good using the Air Quality Index methodology. However, air quality reported through the [Canadian Ambient Air Quality Standards \(CAAQS\)](#) uses more stringent and up-to-date science. As a result, CAAQS will now be used to indicate air quality in Alberta.

Due to changing business planning standards a CAAQS based performance indicator was not included in the Environment and Parks 2021-24 Business Plan.

1.c Performance Indicator: Percentage of vertebrate species designated as 'at risk'



Source: Environment and Parks.

Note: Results are reported once every five years as committed to as a signatory of the National Accord for the Protection of Species at Risk.

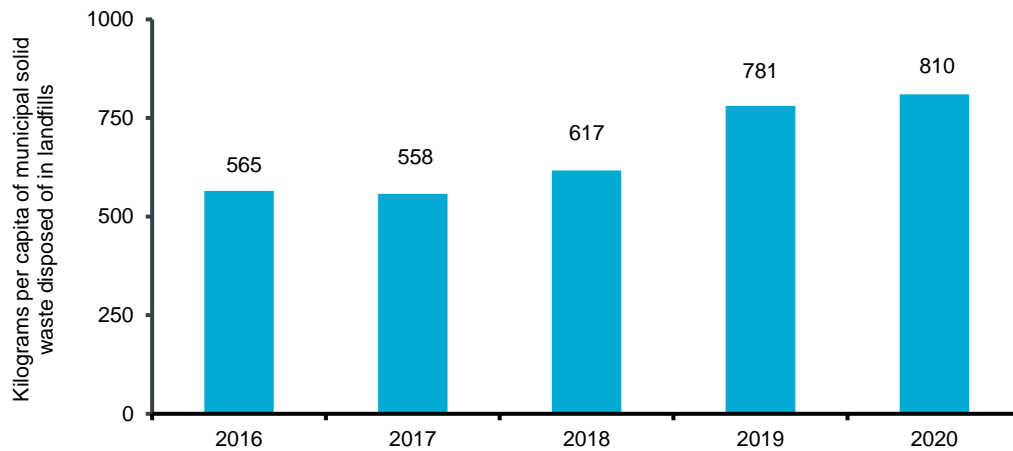
The species at risk results provide an important indication of the state of ecological integrity, biodiversity on the landscape and ecosystem health. Species more sensitive to change can exhibit population decreases that can have cascading impacts on other species and ecosystem components and services,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

In 2020, 24 species out of a total of 615 (3.9 percent) in Alberta were identified as at risk, a decrease from 4.2 percent (25 out of 601 species) in 2015. The decrease was attributed to 14 more species recognized as present in the province during the reporting interval. The increasing trend from 2005 to 2015 reflects a reduction in classification backlog due to assessment work conducted by the Endangered Species Conservation Committee (ESCC), rather than a deteriorating status of species.

Once the ESCC clears the backlog of high priority candidate species, results will likely rise in the short term. In the long term, at risk species are also expected to increase due to growing pressures on the landscape. However, as recovery plans are implemented, it is anticipated that species will recover 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 enhance populations of several at risk species. The ongoing recovery of several species like the trumpeter swan and peregrine falcon represent the success of such endeavors.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

1.d Performance Indicator: Kilograms per capita of municipal solid waste disposed of in landfills



Source: Environment and Parks.

Note: Alberta population data for 2020 was not available and 2019 population data was used to produce 2020 results.

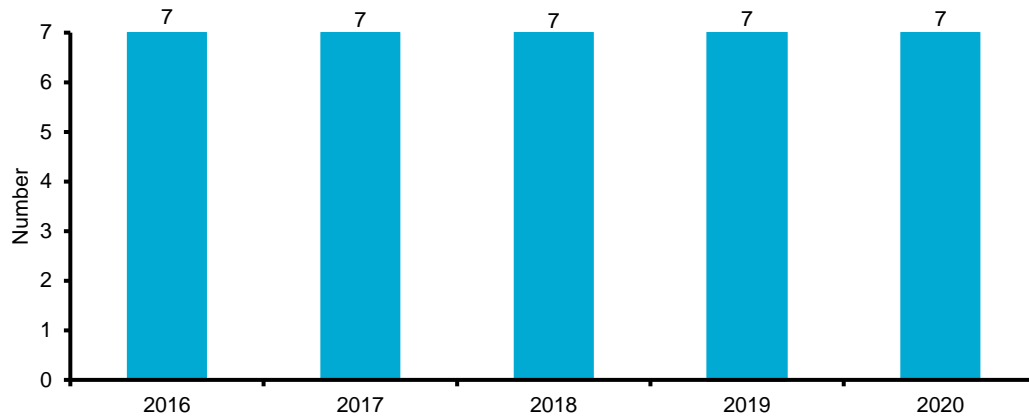
The quantity of waste disposed in landfills can affect landfill capacity, landfill lifespan, and land-use. Tracking per capita municipal solid waste disposed in landfills is used to monitor trends in Alberta's progress towards reducing the amount of municipal solid waste.

Municipal solid waste disposal shows an upward trend over the last three years. The result of 810 kg per capita in 2020 is up 29 kg per capita from 2019, and substantially higher than the 2018 result of 617 kg per capita. In 2020 public health restrictions shifted many Albertans to working at home instead of in commercial buildings changing the types and volumes of waste generated.

The Alberta Government consulted with Albertans between March and April 2021 on the design of an [Extended Producer Responsibility](#) approach for reducing waste entering Alberta landfills.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

1.e Performance Indicator: Number of inter-provincial and international transboundary river water quantity outflow obligations met



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

Note: Interim data was used to populate 2018-2020 results for one river and 2019-2020 results for remaining rivers. Data is considered interim until published by the administrative bodies.

The Government of Alberta in partnership with water users and inter-jurisdictional partners works toward achieving sustainable water supplies and healthy aquatic ecosystems. Inter-jurisdictional agreements provide guiding principles for equitable utilization of available river flows. Administrative bodies monitor 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. Challenges in water share balancing were experienced including irrigators using the Milk River having to cease diversions in August of 2017 and July 2020 so outflow obligations could be met. The International Joint Commission (IJC) Accredited Officers (AO's) are responsible for apportioning the waters of the St. Mary and Milk rivers, and a water shortage occurred in the Milk River in 2020 due to failure of United States Bureau of Reclamation water diversion infrastructure in Montana.

In February 2021 the IJC approved the AO's proposal to investigate options for increased resilience in the shared waters, including changes to the administrative procedures and structural (storage) options. The next step is for the U.S. and Canadian federal governments to appropriate equal shares of the funding required. Environment and Parks will continue to partner with AO's to improve monitoring, operations and flow forecasting information to support increased resilience in the shared waters, decision making and communication to water users.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

Outcome Two: Sustainable economic development

Sustainable economic development offers Albertans job creation opportunities for the economic well-being and quality of life they desire, within environmental capacity. In alignment with this outcome, Environment and Parks is transforming client-facing regulatory business processes and reducing unnecessary red tape and administrative, regulatory and process burdens. Alberta, as a resource-based economy that contributes significantly to Canada's economic well-being, will continue work to balance interrelated environment, economy, and social needs through responsible development of the province's natural resources. Alberta is taking action to mitigate greenhouse emissions by working collaboratively with large heavy emitters and investing in innovation and the practical application of technology. Consulted and considered actions will balance protecting at-risk caribou populations while maintaining environmental, social and economic needs and opportunities.

Key Objectives and Supporting Initiatives

2.1 An integrated regulatory assurance framework that increases the effectiveness of Alberta's environmental approval and compliance processes while reducing the administrative, regulatory and process burdens

Regulatory Assurance Framework — Launched in 2020, this is the ministry's foundational approach to modernizing the ministry's environmental regulatory system to achieve higher levels of regulatory efficiency that enables economic development while ensuring environmental outcomes. The framework will see increased focus on delivering clear and consistent regulatory processes, risk-based environmental management and the use of digital technology.

Digital Regulatory Assurance System (DRAS) — This is the technological backbone of the transformed regulatory system, enabling clear, expedient decision making and straightforward environmental monitoring. DRAS will replace multiple systems and consolidate applications, approvals, long-term monitoring, and reporting. Initial stage of DRAS will be functional in 2021 and is anticipated to be fully operational in 2023.

2.2 Provincial policy encourages and increases the use of development credits and conservation offsets.

The Government of Alberta has committed to encourage and increase the use of development credits and conservation offsets in provincial policy to support regulatory certainty and resolve land-use conflicts. In 2020-21 this included continued delivery of the [Land-use Framework](#), particularly as it relates to existing regional plans and other land stewardship tools.

Actions that Support the Priorities of the Government of Alberta Strategic Plan

Key Priority One:
Supporting job creation

Objective Three:
Reducing Red Tape

Action:
Increase the effectiveness of Alberta's environmental approval and compliance processes while reducing administrative, regulatory and process burdens. This will be achieved by developing and implementing an integrated regulatory assurance framework that is supported with streamlined regulatory business processes.

Response:
Environment and Parks through delivery of Key Objective 2.1 supported this action in 2020-21 by initiating delivery of an integrated regulatory assurance framework that increases the effectiveness of Alberta's environmental approval and compliance processes while reducing the administrative, regulatory and process burdens. This will allow industry to move on projects faster, with enhanced clarity and certainty, to create more job opportunities.

2.3 Climate change is mitigated through the implementation of the Technology Innovation and Emissions Reduction (TIER) system and effective innovation and practical programming in collaboration with large final emitters and other stakeholders.

Supporting Initiative

- In 2020-21, \$272 million was allocated to Environment and Parks from funding that is derived from the Technology Innovation and Emissions Reduction (TIER) system. The TIER system for Alberta's large final emitters will protect the competitiveness of Alberta's industry while achieving real emission reductions.
 - Emissions Management Programming: effective and practical investments in innovation and technology, and related emissions reduction programming will support further reductions.
 - Oil Sands Innovation Fund: partnerships with Alberta's oil sands sector will support practical investments to help reduce greenhouse gas emissions at emission intensive facilities.

Climate Change — In early 2021 Environment and Parks engaged with a variety of stakeholders and Indigenous peoples to support development of a climate economic framework. Topics discussed included technology and innovation, carbon capture utilization and storage, methane reduction and oil sands emission limit. Results achieved will help inform practical actions going forward.

Technology Innovation and Emissions Reduction (TIER)

Innovation and Programming — Based on TIER forecast data, emissions from coal fired power in Alberta have now declined by more than 50 per cent since 2017-18. This is evidence Alberta's TIER system and electricity market continued to drive innovation and emissions performance in 2020-21 with benefits to local air quality and action taken on climate change. These results are aligned with industry announcements committing to zero coal power emissions by 2023.

In 2020-21 the Government of Alberta utilized TIER Funding and other public funding to support job creation, grow our clean-tech industry and cut emissions. These investments:

- supported 3,400 jobs and up to 8,700 jobs when investments from industry and other funding sources are included;
- are anticipated to enable five to eight megatonnes of greenhouse gas emissions reductions per year for many years to come; and
- Supported Alberta's technology-neutral approach to carbon pricing for electricity within the deregulated electricity market and will drive over 10 megatonnes of emissions reductions in the electricity sector per year.
- Environment and Parks invested TIER funding for program delivery in 2020-21 including:
 - The [Industrial Energy Efficiency, Carbon Capture Utilization and Storage Program](#). Projects are expected to reduce emissions by about three megatonnes by 2030

Actions that Support the Priorities of the Government of Alberta Strategic Plan

Key Priority One:
Supporting job creation

Objective Six:
Making Alberta more dynamic, innovative and sustainable

Action:
Implement the Technology Innovation and Emissions Reduction (TIER) Fund to help industrial facilities to reduce emissions and invest in clean technology.

Response:
Environment and Parks through delivery of Key Objective 2.3 supported this action in 2020-21 by implementing the TIER system to deliver effective innovation and practical programming in collaboration with large final emitters and other stakeholders to help mitigate climate change.

- The [Alberta Methane Emissions Program](#) to support over 200 jobs in the oil and gas sector, set the stage for future job growth and cut about one and a half megatonnes of emissions.
- The federal [Low Carbon Economy Fund](#) administered through [Emissions Reduction Alberta Programs](#) that supported innovative projects for small, medium and large industries across all sectors in Alberta to help facilities lower emissions, create investment opportunities and cut costs.
- The Oil Sands Innovation Fund Program to support emissions intensity reductions at facilities with the highest emission intensity of bitumen production in the Alberta oil sands. On average, proposed projects are estimated to reduce emissions intensity at eligible facilities by approximately 15 per cent.

Offset System — Environment and Parks released the [Quantification Protocol for Biogas Production and Combustion](#) in December 2020. This quantification protocol provides guidance to those familiar with wastewater treatment processes and with the operation of anaerobic digesters and biogas utilization systems. The protocol includes opportunities for generating emission offsets from both solid and liquid waste streams.

Work also continued in 2020-21 on developing or updating protocols for bio-cover, enhanced oil recovery and solution gas.

A Memorandum of Understanding with Environment and Climate Change Canada was finalized in 2020-21 allowing credits from four Alberta protocols to be included as recognized units under the federal [Output-Based Pricing System](#) outside of Alberta.

2.4 Mandatory environmental impact assessments for major economic development proposals and social-economic impact assessments for environmental protection proposals support evidence based decision making.

Socio-Economic Assessments — The Government of Alberta remains committed to delivering regional and sub-regional plans under the [Land-use Framework](#). In 2020-21 the federal government acknowledged the Government of Alberta's commitment to develop 11 made-in-Alberta sub-regional plans by the end of 2025 in order to better protect our native caribou and ensure a future for our forestry and oil and gas industries. As these plans are developed and finalized to support caribou recovery, a socio-economic assessment will be completed to better understand the potential impacts and opportunities presented by the landscape management approaches. Development of draft sub-regional plans includes a broad range of socio-economic perspectives informed through public engagement and multi-stakeholder task forces that include municipalities, industry and indigenous communities.

Environment and Parks supported the [Springbank Off-Stream Reservoir Project's](#) release of its [Draft Environmental Assessment Report](#) and associated [Draft Potential Conditions](#) in February 2021.

A socio-economic assessment will be included in the proposed expansion of the [Kitaskino Nuwené Wildland Provincial Park](#). See [Key Objective 3.2](#) for related results.

2.5 Reclamation responsibilities are addressed through effective liability management policies and providing options to industry to pay adequate security.

As part of the Government of Alberta's ongoing [Oil and Gas Liabilities Management](#) efforts in 2020-21, Environment and Parks and Alberta Energy co-led work on a new [Liability Management Framework](#) aimed at reducing the province's inventory of orphan and inactive well sites.

In December 2020, the Government of Alberta approved changes to the [Oil and Gas Conservation Rules](#) and [Pipeline Rules](#) authorizing the [Alberta Energy Regulator](#) to set industry closure spending targets, require closure plans and collect company financial and reserves information. These

measures set clear industry expectations throughout the life cycle of oil and gas projects, empower the Alberta Energy Regulator with new regulatory authorities and support timely clean up of well sites on private land.

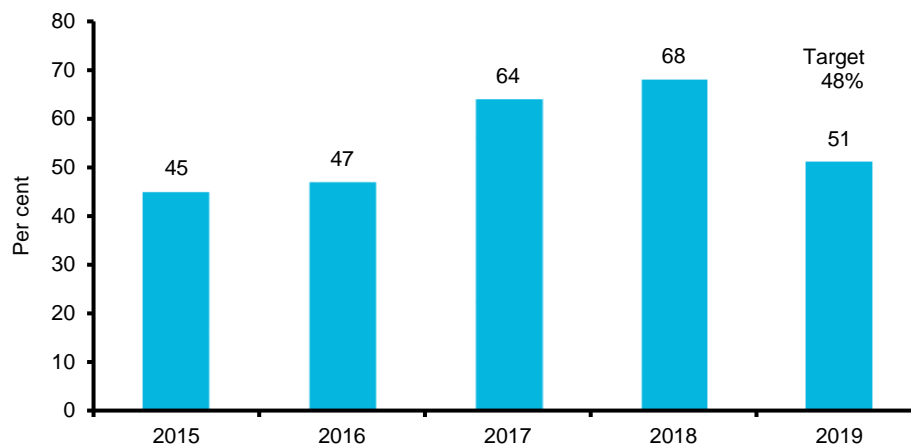
Environment and Parks confirmed that designated Directors may use a form of surety bond as security for reclamation obligations under the *Environmental Protection and Enhancement Act* and the *Public Lands Act*. The department is working with Treasury Board and Finance to finalize the reclamation surety bond form for activities regulated by Environment and Parks. Implementing surety bonds in 2021-22 as an option will enhance liquidity for industry (e.g., sand and gravel pit operators) while ensuring there is adequate security in place to address reclamation obligations.

The *Conservation and Reclamation Regulation* was amended in 2020 to streamline processes and align requirements for similar types of operations. Changes included:

- Exploration operations now being exempt from requiring a reclamation inquiry on all sites. This inquiry will now be incorporated into the audit process, aligning it with processes used for oil and gas, industrial pipelines and batteries audit.
- The surface reclamation liability period for exploration operations was extended from five to 25 years. Exploration operations are still subject to the relevant code of practice and reclamation requirements necessary to maintain current environmental standards. This change brings exploration operations into line with other oil and gas operations.
- The designated Director, in addition to the Minister, can now authorize timely return of reclamation security to operators after reclamation activities are complete.

Performance Metrics

2.a Performance Measure: Percentage of provincially priced greenhouse gas emissions.



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

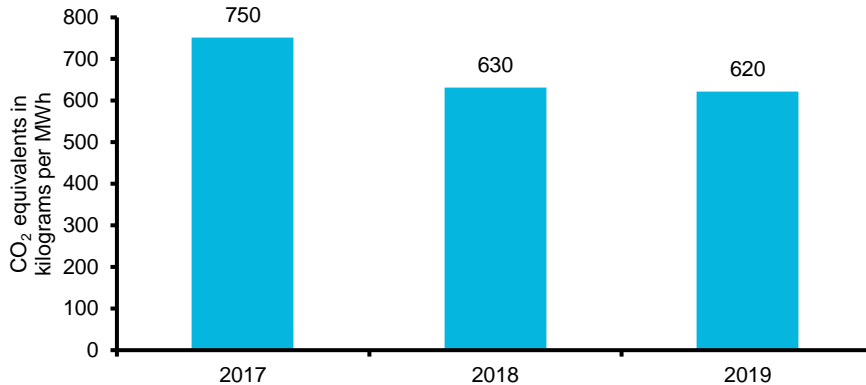
Note: Environment and Climate Change Canada greenhouse gas emissions results have an 18-month reporting lag, therefore the ministry 2019-23 business plan target is used for reporting.

The pricing of greenhouse gas emissions through provincial legislation and regulation furthers responsible and sustainable economic development in Alberta by providing a financial incentive to lower greenhouse gas emissions that contribute to climate change.

Priced greenhouse gas emissions prior to 2017 have closely reflected priced emissions from large industrial emitters under the Specified Gas Emitters Regulation. In 2017, priced greenhouse gas emissions coverage was 64 per cent, an increase from previous years as a result of the introduction of the carbon levy in January 2017, broadening the carbon price to include emissions from the combustion of transportation and heating fuels. In 2018, the emissions coverage increased to 68 per cent, a four percentage point increase from 2017 when the Carbon Competitiveness Incentive Regulation replaced the Specified Gas Emitters Regulation.

On May 30, 2019, Alberta discontinued the provincial carbon tax to help ease the financial burdens on Albertans. This resulted in a 17 percentage point decrease in provincially priced greenhouse gas emissions, with the percentage of priced emissions dropping to 51 per cent.

2.b Performance Measure: Total greenhouse gas emissions in kilograms per MWh of electricity generated.



Source: Environment and Climate Change Canada, Statistics Canada

Note: Environment and Climate Change Canada greenhouse gas emissions results have an 18-month reporting lag and values are reported in CO₂ equivalents.

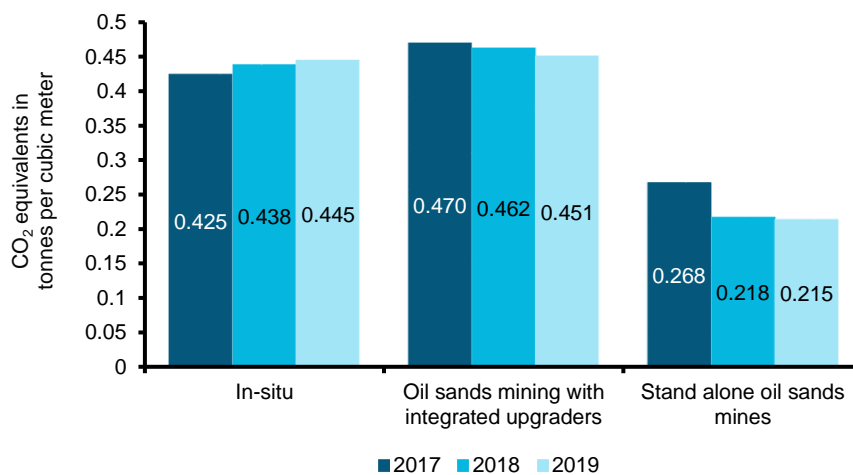
Tracking Alberta's electricity systems emissions intensity helps to determine how the industrial emissions pathway is being altered as a result of policy and legislation, in particular, the pricing of carbon from large industrial emitters.

Alberta's electricity emissions intensity has declined by 10 kilograms per MWh between 2018 and 2019, a 1.6 per cent decrease. The decline between 2017 and 2019 is 130 kilograms per MWh, a 17.3 per cent decrease. These decreases reflect changes in Alberta's power generation, with a shift away from coal to natural gas power generation.

The decrease in coal generation and increase in natural gas generation was an expected outcome of emissions pricing of large industrial emitters.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the 2021-24 Environment and Parks Business Plan.

2.c Performance Measure: Total greenhouse gas emissions in tonnes per cubic meter of oil sands production.



Sources: Environment and Climate Change Canada, Statistics Canada

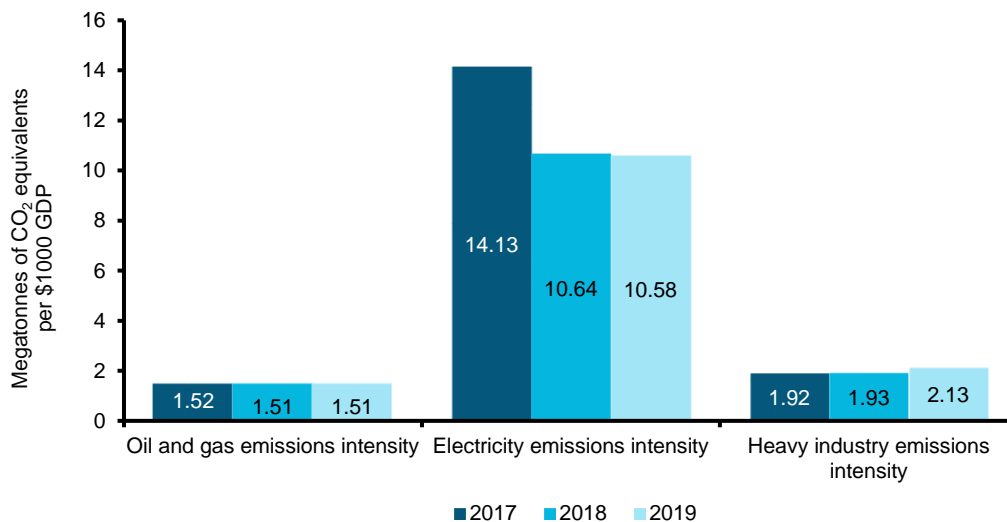
Note: Government of Alberta CO₂ equivalent greenhouse gas emissions intensity results have an 18-month reporting lag.

The oil sands represent a significant source of greenhouse gas emissions in Alberta. Tracking oil sands emissions intensity helps to assess the effectiveness of climate change policy and legislation.

In-situ oil sands emissions intensity increased by 2 per cent between 2018 and 2019, and emissions intensity of mines with integrated upgraders decreased by 2 per cent between 2018 and 2019. The emissions intensity of stand alone oil sands mines decreased by 1 per cent between 2018 and 2019. Of the three types of facility, the most notable change in emissions intensity was a 20 per cent decrease in emissions intensity of stand alone oil sands mines between 2017 and 2019. Oil sands mining indicates continuing improvements in emissions intensity while in-situ intensity is rising over the three years period.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the 2021-24 Environment and Parks Business Plan.

2.d Performance Indicator: Megatonnes of greenhouse gas emissions per \$1000 GDP produced by large industry.



Sources: Environment and Climate Change Canada, Statistics Canada

Note: Environment and Climate Change Canada CO₂ equivalent greenhouse gas emissions results have an 18-month reporting lag. The 2017 results are restated to account for Statistics Canada refinements to estimated Gross Domestic Product by industry type.

Large industries are major contributors of greenhouse gas emissions in Alberta. Tracking the relationship between large industry emissions and economic growth provides an overview of industrial greenhouse gas emission management in Alberta.

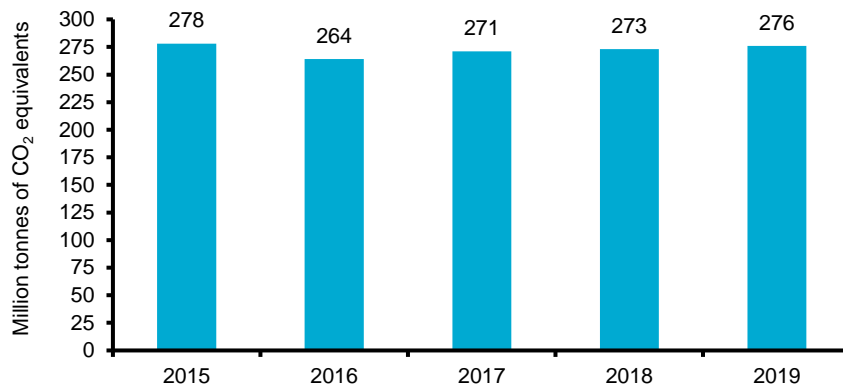
There was no change in the oil and gas emissions intensity per \$1000 GDP between 2018 and 2019, and a modest decline of 0.4 per cent between 2017 and 2019. The decline in emissions intensity in the electricity sector was more pronounced, with a 25 per cent decline between 2017 and 2019. The heavy industry sector emissions intensity increased by 10 per cent between 2018 and 2019, after a very small increase from 2017 to 2018.

The decrease in electricity emissions intensity reflects increased electricity generation from natural gas and a shift away from coal. The change in heavy industry is an outcome of a 5 per cent increase in emissions and a 5 percent decrease in GDP from 2018 to 2019. Due to the diversity of products in this category, it is difficult to determine whether the trend reflects higher emissions intensity industries receiving lower prices for products, or changes to the mix of products.

Key learnings for these indicators requires more years of data for heavy industry with further insights included with indicators 2b Electricity emissions intensity and 2c. Oil sands production emissions.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

2.e Performance Indicator: Total million tonnes of greenhouse gas emissions.



Source: Environment and Climate Change Canada

Note: Results for 2015 to 2017 have been restated due to a change in Environment and Climate Change Canada's methodology.

Environment and Climate Change Canada's CO₂ equivalent 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 276 million tonnes (MT) in 2019, from 273 MT in 2018, a 1.2 per cent increase. Although the total emissions were stable from year to year, individual sectors showed more considerable changes. Alberta's electricity greenhouse gas emissions were 31.0 MT of CO₂ equivalent (CO₂e), a 0.3 Mt CO₂e decrease (1.0 per cent) from 2018. Alberta's oil sands greenhouse gas emissions were 80.8 Mt CO₂e, a 1.8 Mt (2.3 per cent) increase from 2018.

Historically Alberta has been one of the highest emitting provinces in Canada with an upward trend in greenhouse gas emissions that peaked in 2015 at 278 million tonnes. Emissions have remained relatively stable since then despite oil production and Alberta's population continuing to grow.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

Outcome Three: Public well-being

Alberta's natural environments offer educational and recreational experiences that positively contribute to human health and quality of life. These same experiences contribute to a diversified economy through sustainable recreation and tourism opportunities. The ministry provides Albertans, and visitors, opportunities to explore natural landscapes, engage in nature-based experiences or outdoor recreational activities, and learn about Alberta's natural heritage through access to Alberta Parks, urban parks, public lands, issuing licences and certificates, and providing educational, interpretative and experiential programs and services. The ministry works with Albertans and associated agencies, including Indigenous populations, to integrate environmental stewardship with recreational access and conservation while providing appropriate and sustainable recreational opportunities.

Key Objectives and Supporting Initiatives

3.1 Improve recreational access management through effective public lands management, introducing an Alberta Trails Act and establishing a trail fee to restore and create trails.

Parks and Public Lands and the COVID-19 Pandemic — Unprecedented use of parks and public lands for recreation by Albertans occurred in 2020-21. Challenges associated with the heavy use arose, including garbage and waste management, and other environmental and human safety impacts. To address these impacts a number of measures were implemented including managing partnerships and maintaining public lands and signage. Some additional measures included:

- release of the [Crown Land Recreation guide](#);
- launch of a targeted social media campaign on AEP's "Respect the Land" Facebook page;
- additional staff engaging with and educating Albertans to support responsible land-use; and
- deployment of additional garbage bins and portable toilets in high-use areas.

Parks Partnerships and Management — On December 22, 2020, it was announced that partnerships were secured or maintained for 170 parks sites across the province. This includes over a dozen new parks partnerships that will be in place for the 2021 operating season. No parks sites were delisted and all sites remained open and accessible to Albertans. All parks will retain their current designations and associated protections under law.

Recreation Management Planning — In 2020-21 work began to improve recreational amenities through capital upgrades and partnership projects aimed at improving recreation on public lands.

Northern Alberta projects include development and management of the Mackenzie Creek trail, Cardinal headwater trail, Kakwa Trail, Grande Cache Trail, Little Fisheries Creek Trail, and Wapiti Recreation Project.

Southern Alberta projects include:

- continued partnerships with Friends of the East Slopes to manage toilet facilities and improvements at Preachers point in the Hwy 11 area, Bighorn Dam and other recreational access points;
- continued work on trail and fish habitat improvements with groups like Trout Unlimited, Elbow River Watershed Partnership and Cows and Fish; and
- partnering on trail building or maintenance with the Bragg Creek Trails Society, Friends of Kananaskis County, Moose Mountain Bike Trail Society, Calgary ATV Riders Association, Crowsnest Pass Quad Squad and other partners.

See [Key Objective 1.6](#) for related results.

3.2 Local and issue-based land use planning ensures all Albertans can enjoy and appreciate parks and public lands, including through creation of the capital region Big Island Provincial Park and development of a public lands backcountry outdoor recreation, education and management plan.

Supporting Initiative:

- In 2020-21, \$52.1 million in combined operating and capital funding was allocated for various capital programs to refurbish and enhance outdoor recreational opportunities on Crown land, including funds to plan refurbish, repair and maintain natural features and buildings. Funds are also allocated for specific regions to enhance infrastructure in South Saskatchewan Regional Plan Implementation, Lower Athabasca Regional Plan Implementation, Castle Provincial Park and [Big Island Provincial Park](#).

Big Island Provincial Park — Planning and engagement for this park is underway with the City of Edmonton and Enoch Cree Nation through a tri-government partnership. Provincial grants of \$300,000 are supporting an ecological assessment and traditional land use study in 2021. These studies will inform sustainable recreation opportunities for the future park, while making sure Indigenous rights are respected and sensitive habitat and wildlife are protected. Consultation with the public and Indigenous communities is being planned for 2022, and establishment of the park is targeted for 2023.

Alberta's Recovery Plan — Environment and Parks supported the [recovery plan](#) in 2020-21 through recreation and parks infrastructure improvements on Crown land. This included:

- Provincial Parks Capital Maintenance and Renewal Funding, including replacement of water treatment infrastructure in [Peter Lougheed Provincial Park](#) and improvements to recreation safety at the Bighorn Dam Site in partnership with the Friends of the Eastern Slopes;
- implementing trail improvements at [Writing-on-Stone Provincial Park](#) and through partnership with Bragg Creek Trails;
- implementing infrastructure, utilities, and safety projects for [Gregoire Lake Provincial Park](#); and
- enhancements at [Castle Wildland Provincial Park](#) including development and improvement of rustic camping opportunities.

Land-Use Planning Partnerships — Over the years, government has built many operating agreements with third parties to manage day-use area facilities, campgrounds and concessions. There are also long-standing relationships with [Park Ambassadors](#), [Campground Hosts](#) and other [volunteer organizations](#) that do trail maintenance and other stewardship and interpretation work to support conservation and quality visitor experiences. Examples of partners include:

- the Buffalo Lake Métis Settlement, which has operated [North Buck Lake Provincial Recreation Area](#) for more than 20 years;
- the [Special Areas Boards](#), which began operating [Gooseberry Lake](#) and [Little Fish Lake](#) Provincial Parks in 2020; and
- Non-profit groups like [Nordiq Alberta](#) who support cross-country ski trail grooming in Kananaskis, through a new voluntary user fee pilot partnership arrangement.

The [Livingstone-Porcupine Hills Recreation Advisory Group](#), composed of stakeholders and First Nations, completed a recommendations report in early 2021 that provided advice to the Minister including support for motorized and non-motorized recreation access, and on other land uses across the region. The report is being reviewed by the department to determine how the recommendations can help resolve issues and regional concerns. See [Key Objective 1.1/1.2 for related results](#).

In February and March 2021, the Government of Alberta in collaboration with industry and Indigenous communities gathered input from Albertans on a proposal to expand the [Kitaskino Nuwenéné Wildland Provincial Park](#). The proposed expansion would add 143,800 hectares to the existing 161,880 hectare wildland provincial park, increasing this to be the largest contiguous area of protected boreal land in the world. The proposed expansion would also support collaboration between government Indigenous communities, and industry; support Indigenous peoples' traditional activities, including the exercise of treaty rights, provide habitat protection for caribou, bison and other wildlife; and provide additional opportunities for hiking, hunting, trapping, fishing and backcountry camping. See [Key Objective 2.4](#) for related results.

3.3 Engagement and consultations with stakeholders and the public maintains or improves operations and visitor enjoyment of Alberta Parks and public lands.

Supporting Initiative:

- In 2020-21, \$47.5 million was allocated to Alberta Parks operations and visitor services to support opportunities for outdoor recreation and nature-based tourism. Over the coming years, Alberta Parks envisions a system managed by many partners and will seek to increase partnerships with municipalities, Indigenous communities and non-profit societies to assist with provision of park operations and quality visitor experiences. This will allow for focused spending in high value areas (conservation, recreation, tourism) of the parks system and improved leveraging of resources.

Public Engagement – Environment and Parks continued its commitment in 2020-21 to [engage with Albertans](#) in decisions about parks. Our engagement framework ("[Involving Albertans](#)") describes when and how we engage with Albertans. We continue to encourage all Albertans to take an active role in planning the future of Alberta's parks. See [Key Objective 3.2](#) for related results.

Alberta's Outdoor Recreation Relaunch — Government of Alberta responses and decisions occurred throughout 2020-21 to support both public health restrictions associated with the COVID-19 pandemic and Alberta's outdoor recreation relaunch. This included delayed openings of provincial parks and early season shutdown and re-opening of vehicle day-use sites throughout the [Alberta Parks](#) system. During this time the department worked to shift operations and processes to ensure compliance with all Alberta Health Services COVID-19 guidelines and restrictions. Despite these challenges, Alberta's parks system was fully open to Albertans by July 1, 2020.

Visitation rates to Alberta provincial parks in 2020 exceeded those of 2019 as Albertans recreated closer to home. [Kananaskis Country](#) alone saw a record setting 5.3 million visitors in 2020-21.

There are currently 106 Provincial Parks/Provincial Recreation Areas run on behalf of Environment and Parks by third-party operators under 23 different agreements. See [Key Objective 1.6](#) for related results.

3.4 Continue revitalizing angling in Alberta by enhancing fisheries management through increased stocking programs, stewardship and public engagement and increased recreational fish harvest opportunities.

Supporting Initiative:

- In 2020-21, \$8.2 million was allocated to the provincial fish stocking program through capital investment in four government facilities to increase available trout numbers and species for stocking in select Alberta lakes. Modernization of the Cold Lake Fish Hatchery, through energy efficiency and improved fish production, will lead to lasting operational cost savings. Alternative species such as Walleye or other species will be explored as options to diversify the fish stocking program and to provide more angler recreational opportunities based on public consultation and feedback.

Engagement Initiatives - The department greatly increased efforts to engage with Albertans on topics related to fish conservation and fisheries management. The engagement plan included:

- face-to-face interactions;
- online information; and
- surveys and social media efforts.

In January 2020, fourteen [Fisheries Engagement Sessions](#) were hosted across the province and online surveys were conducted via TalkAEP. A [What We Heard](#) report of these engagement activities was published in April 2020. In total, more than 1,200 Albertans attended the face-to-face open house events and nearly 800 individuals participated in online surveys. The information gathered was used to inform decisions about sportfishing management changes for 2021.

In January 2021 seven online [Fisheries Public Engagement Sessions](#) were hosted by the department to inform and engage participants on a variety of provincial fisheries management and regulations topics including harvest slot-size limits, fish culture and stocking, and regulation changes.

Fisheries Program Management — In 2020-21, the department initiated an adaptive management program to evaluate the success of harvest slot-size limits aimed at providing sustainable walleye and northern pike fisheries. This resulted in increased fish harvest opportunities at 55 Alberta lakes and streams.

Angler Effort Surveys — Despite COVID-19 restrictions, the department was able to undertake activities to monitor the response of anglers to regulation changes. Results of angler effort surveys conducted at 17 lakes indicated:

- sportfishing licence sales increased by roughly 30 per cent, compared to 2019;
- angling effort increased by about 30 per cent overall; and
- anglers did not target their fishing effort on lakes with additional harvest opportunities to a disproportionately greater degree.

Fish Culture Infrastructure — Over \$50 million was invested in Alberta's four provincial fish hatcheries to expand and modernize operations to support a larger, more efficient and more disease-free fish stocking program and improve sustainable recreational fishing opportunities.

3.5 Renew focus on game species management, increased hunting opportunities, engagement with hunters, addressing human-wildlife conflicts and species at risk conservation efforts, including woodland caribou, native trout and wood bison.

Stakeholder Engagement — In 2020 Environment and Parks commenced preparations for late spring 2021 engagement with Alberta's hunting and trapping communities regarding:

- review and renewal of the [Wildlife Act](#) and regulations;
- providing quality hunting opportunities; and
- updating data and analysis to support decisions and modernizing game management plans.

Hunting Regulations — In 2020, over 40 amendments were made to the [Wildlife Act](#) and [hunting regulations](#) that addressed issues related to hunting licenses, commercial trapping, falconry, reporting requirements, habitat protection, conservation and wildlife taxonomy to better manage wildlife populations.

Annual hunting regulations were also revised to improve the department's ability to change big game season dates, create big game seasons in specific wildlife management units and remove restrictions on daily and possession limits for pintail ducks. The department also introduced a new hunting seasons for sandhill crane across portions of the province in 2020.

Human Wildlife Conflicts — The Alberta [BearSmart](#) program continued working with community groups to educate people living, working and recreating in bear country to avoid conflicts. This included:

- working with the community of Nordegg to resolve garbage issues that could lead to human-bear conflicts;
- assisting Suncor to design an aversive conditioning research project that will be implemented in spring of 2022; and
- working with land owners to install electric fencing around attractants (e.g., bee hives, chicken coups) to mitigate and reduce the potential for human-bear conflict.

Species at Risk — In October 2020, the Government of Alberta and Government of Canada signed a five-year [Agreement for the Conservation and Recovery of the Woodland Caribou in Alberta](#). This Section 11 Agreement is now being implemented and sets out tangible immediate, medium and long-term conservation, management and recovery actions with detailed timelines, including landscape planning, habitat conservation management and recovery, mortality and population management, and population and habitat monitoring. Subsequent socio-economic assessments are a key commitment of the Section 11 Agreement. Completion and implementation of sub-regional plans are informed by the caribou sub-regional task force recommendations.

The department has also negotiated a draft conservation agreement with Environment and Climate Change Canada and the Parks Canada Agency for conservation and management of the Ronald Lake and Wabasca wood bison herds. Both governments are planning public engagement on the draft agreement.

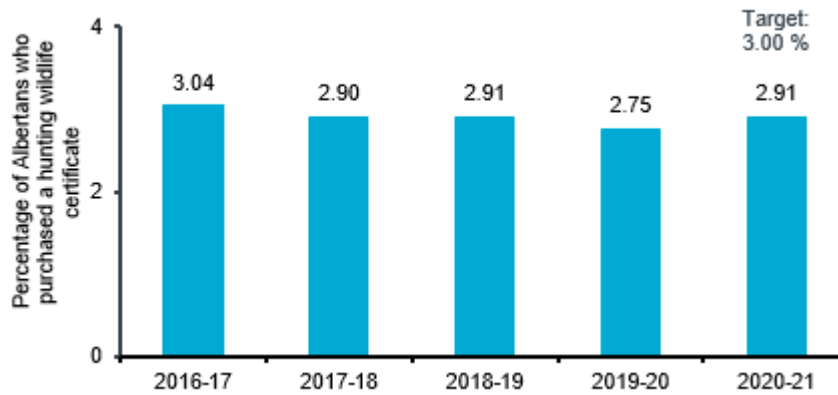
The Ronald Lake Bison Herd Cooperative Management Board was stood up in February 2021. The board is the first of its kind in Alberta and is tasked with advising the Minister of Environment and Parks on the long term sustainability of the herd, and its cultural connection to local Indigenous peoples. [See Key Objective 1.1/1.2](#) for related results.

Fish and Wildlife initiatives — In 2020-21, the department prepared a draft recovery plan for bull trout, Alberta's provincial fish. The department also worked with a number of government and external partners to deliver a comprehensive [Native Trout Recovery Program](#) in the eastern slopes, with a focus on habitat restoration

The department also negotiated two multi-year federal funding agreements to expand existing recovery programs for sage-grouse and Ord's kangaroo rat, two critically imperilled species in Alberta.

Performance Metrics

3.a Performance Measure: Percentage of Albertans who purchased a hunting wildlife certificate



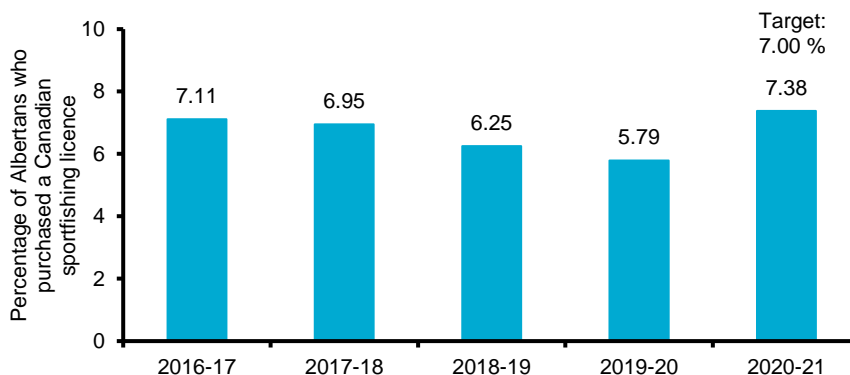
Alberta Environment and Parks issues hunting wildlife certificates to provide Albertans opportunities to participate in nature-based recreational activities. Monitoring certificate sales helps assess the success of maintaining hunting at sustainable levels.

At 2.91 per cent, the 2020-21 hunting certificate sales were higher than the 2019-20 result of 2.75 per cent and slightly below the target of 3.00 per cent. Beginning in 2020-21, prospective hunters entering the special licence draw had to pre-purchase their wildlife certificate, and this change to the hunting regulations resulted in the increase of wildlife certificate sales this year, and helped maintain hunting participation rates at their current levels. Demographic insights include fewer purchases made by hunting outfitters and slightly fewer women purchasing certificates this year compared with the trend over the last three years.

Restrictions placed on Albertans to meet COVID-19 health regulations, which require physical distancing have encouraged Albertans to take up hunting as an outdoor recreational pursuit. This trend is likely to persist in future years.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the 2021-24 Environment and Parks Business Plan.

3.b Performance Measure: Percentage of Albertans who purchased a sportfishing licence.



Source: Aspira, Treasury Board and Finance.

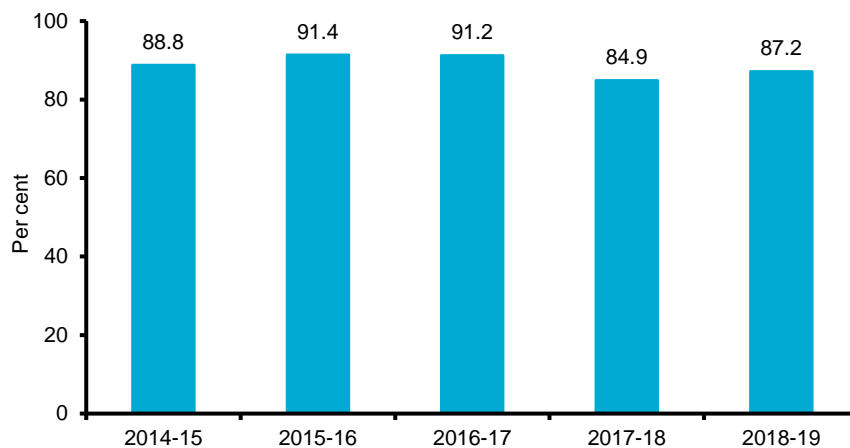
Alberta Environment and Parks issues sportfishing licences to provide Albertans opportunities to participate in nature-based recreational activities. Monitoring licence sales helps assess the success of maintaining fishing at sustainable levels.

At 7.38 per cent in 2020-21, sportfishing licence sales were much higher than the 5.79 per cent result from 2019-20 and exceeded the 7.00 per cent target. The increase in sales was present across all age groups, and is likely the result of new and existing anglers taking advantage of an activity that can be done at safe distances from others and enjoyed outdoors where risk of COVID-19 transmission is reduced. In addition, substantial sportfishing regulation changes may have caused anglers who did not purchase a licence in earlier years to purchase one in 2020-21.

To maintain angling participation rates at their current levels in future years, Alberta Environment and Parks intends to capitalize on the upward trend and continue to encourage this outdoor activity. Increased fish stocking and stocking of new lakes, including the introduction of new fish species may result in stable sportfishing licence sales as new regulations allow for more catch and keep opportunities.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the 2021-24 Environment and Parks Business Plan.

3.c Performance Measure: Percentage of Albertans that are satisfied with the quality of services and facilities of provincial parks or protected areas.



Note: Due to extenuating circumstances and the COVID-19 pandemic Environment and Parks did not conduct a parks visitor satisfaction survey for 2019-20 and 2020-21.

Environment and 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.

Provincial parks and protected areas have a 2014-15 to 2018-19 (five-year) average satisfaction rate of 88.7 per cent. During this time, the lowest result was 84.9 per cent reported in 2017-18 and was attributed to a shift to more neutral opinions about the quality of services and facilities.

Due to a change in the Government of Alberta Business Plan Standards, this performance measure was not included in the [2021-24 Environment and Parks Business Plan](#).

3.d Performance Indicator: Percentage of Albertans who visited provincial parks or protected areas

Alberta Environment and 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 Alberta's provincial parks system.

Due to extenuating circumstances and the COVID-19 pandemic Environment and Parks did not conduct a survey to collect visitation information in 2019-20 and 2020-21. In 2018-19 visitation was 63.4 per cent (last actual). See [Key Objective 3.3](#) for related results.

Due to a change in the Government of Alberta Business Plan Standards, this performance indicator was not included in the 2021-24 Environment and Parks Business Plan.

Outcome Four: Public health and safety from environmental conditions and events

Albertans and visitors want to be safe when they live, work and play in Alberta's outdoors. Environment and Parks works with other ministries and agencies to protect Albertans from the adverse effects of environmental conditions and events and maintains access to safe drinking water and maintenance of dams and related water infrastructure. The ministry also works collaboratively with communities and municipalities to effectively respond to emergencies and strengthen environmental resilience and adaptation through infrastructure changes and development of comprehensive response plans and programs.

Key Objectives and Supporting Initiatives

4.1 Impact of environmental conditions and events including floods, droughts and invasive species are anticipated, responded to and mitigated.

Supporting Initiatives:

- In 2020-21, \$2 million was allocated to undertake a feasibility study of the three reservoir options within the Bow Reservoir Water Management Project. The study consisting of stakeholder and First Nation engagement, site investigation, geotechnical investigation and a drilling program will identify a preferred site for future dam development consideration.
- In 2020-21, \$1.8 million was allocated to the Aquatic Invasive Species Inspection Program to keep Alberta free from zebra and quagga mussels and other aquatic invasive species through watercraft inspection stations on major highways entering the province, development of early detection rapid response plans, eradication and control efforts and outreach to support awareness of aquatic invasive species.

Environment and Parks is committed to providing the front line defenses for reducing the impact of floods, droughts and invasive species on Albertans while reducing red tape through ongoing review of its programs and services. In 2020-21, Environment and Parks worked closely with partners to support long-term, community-level strategies to protect Albertans and the province's natural resources. Examples of key programs and initiatives are listed below.

Bow River Reservoir Options — The Government of Alberta is continuing its work to assess options for mitigating the impacts of both flood and drought on the Bow River. The [Bow River Reservoir Options, phase 1 conceptual assessment: main report](#) was released to the public in March 2020. Phase 2, a three-year feasibility study of three reservoir options, was initiated in 2020-21. The study focuses on determining the technical feasibility of each option and their associated implementation requirements, costs and impacts. Through a process involving engineering, environmental and engagement disciplines, a clear and transparent decision-making framework will be developed and [applied to the three options](#). Approximately \$580,000 was spent on this work in 2020-21, and due to schedule delays, remaining work will be addressed in the final two years of the study.

Flood Mitigation Grant Programs — In 2020-21, Environment and Parks coordinated capital infrastructure funding provided to municipalities as part of the pandemic recovery effort through delivery of the:

- [Alberta Community Resilience Program](#) (ACRP) that supported community flood-mitigation infrastructure. ACRP also allocated funding from the Technology Innovation and Emissions Reduction (TIER) fund to nine priority flood mitigation infrastructure projects in Alberta. Work on these projects will continue until 2022-23.

- [Watershed Resiliency and Restoration Program](#) (WRRP) that in 2020-21 awarded almost \$3.5 million in grants led by municipalities, stewardship groups, and non-for-profit organizations in support of sixteen natural watershed resiliency projects around the province. WRRP also allocated funding from TIER to support additional natural watershed resiliency projects and stimulate job growth.

Flood Mapping — Flood maps support development of safe, resilient communities by informing emergency planning and response activities as well as long-term land use and development decisions. 2020-21 work included:

- new and updated flood inundation maps being released to the public;
- continued production of flood hazard maps in the same areas where recent flood inundation maps were completed;
- initiation of four new flood mapping studies covering Marten Beach, Rochester, Rocky Mountain House, and Stand Off. Technical work associated with these studies is expected to be complete by spring 2022; and
- continued development of the [Flood Hazard Map Application](#). This application equips decision makers with accurate flood map information and the ability to show different sets of flood information to different groups of stakeholders. The application also aims to reduce red tape by giving stakeholders simple, web-based access to provincial flood mapping data that would otherwise require technical staff involvement.

River Forecast Centre — The centre continues making various process improvements to support stronger communities in preparation for flooding events.

- The Alberta River Forecast System - Flood Early Warning System (ARFS-FEWS) became operational in 2020-21. System improvements and upgrades are ongoing, and technical support and maintenance work will continue through 2024. When fully operational, ARFS-FEWS will increase forecast efficiency, allowing local emergency managers to better prepare for potential flooding events.
- As part of the ARFS-FEWS, the River Forecast Centre can now more efficiently monitor river ice conditions from imagery provided by a new generation of Canadian satellites launched under the [Canada's RADARSAT Constellation Mission](#).
- The '[Alberta Rivers](#)' application is now available at the [Google Play Store](#) and [Apple App Store](#). This application provides the latest information about Alberta's rivers, including low flow advisories, flood advisories, ice jam advisories and comments issued by Alberta's River Forecast Centre.

Aquatic Invasive Species Program — Aquatic invasive species are non-native organisms brought from other places into Alberta's water. These species cause, or have high potential to cause, harm to our environment, economy, and human health should they become established. Many aquatic invasive species are very difficult to eradicate once established, so prevention is essential.

The [Alberta Aquatic Invasive Species Program](#) continues to be delivered through the collaboration of many creative partnerships between ministries including, Environment and Parks, Agriculture and Forestry and, Justice and Solicitor General. Numerous municipal governments have also entered into collaborative programs with the department to prevent and respond to aquatic invasive species that threaten Alberta waters. The program is supported by five elements: policy and legislation, education and outreach, monitoring of water bodies, watercraft inspections, and response.

Policy and Legislation — Industry in Alberta working in or near water must now, at a minimum, clean, drain and dry all equipment touching water. Higher risk zones will require additional levels

of decontamination. Decontamination conditions issued under *Water Act* and *Public Lands Act* approvals for industry began in June 2020. General *Fisheries (Ministerial) Regulation* also underwent shifts in 2020-21 to better address crayfish prohibitions and set aquatic bait definitions allowing stronger protection around accidental/intentional release of aquatic invasive species.

Education and Outreach — *Clean, drain, dry your gear* and *Don't Let It Loose* continued to be the backbone of education and outreach efforts for aquatic invasive species. Efforts have shifted largely to free social media based opportunities and applications (e.g., *EDD Maps*), but department staff continue to support other opportunities as COVID-19 restrictions allow.

Monitoring of Waterbodies — Monitoring continues thanks to the department's creative partnerships with internal and external partners willing to conduct water sampling, substrate and shoreline inspections. Plans are underway to expand lakes monitored through minimal investment by providing loaned equipment. Time, personnel, boat and all other associated expenses will be leveraged through *Winter Lake Keepers* (volunteer network) under the *Alberta Lake Management Society*.

Watercraft Inspections — Alberta is under the highest risk of an aquatic invasive species introduction from surrounding jurisdictions through the movement of watercraft. Despite the challenges posed by COVID-19, in 2020 the *Conservation K9 Program* team safely provided the same level of inspections and decontaminations that Albertans have come to expect. With US-Canada international borders remaining closed for most of 2020, the team opened three inspection stations on the eastern border and inspected 7,276 watercraft, resulting in Alberta intercepting a record 30 mussel-fouled watercraft. Sixteen of the 30 mussel-fouled watercraft intercepted were previously inspected or decontaminated by other jurisdictions, underlining the need for redundancy in watercraft inspections and the importance of maintaining a high quality watercraft inspection station network in Alberta to protect our waters. The average time watercraft remained quarantined was only 26 hours, representing a high level of service for Albertans who are able to safely and quickly get back on the water. The Conservation K9 teams inspected 587 watercraft at highway stations and completed shoreline inspections at 33 Alberta lakes of high recreational value to support routine monitoring activities.

Response — The Aquatic Invasive Species Program relies on invaluable local partners to ensure projects can take place to minimize impacts of aquatic invasive species that have broken through prevention efforts. Prevention remains the preference of effort over response to aquatic invasive species. Response is challenging, with each site and species offering its own specific challenges to overcome for success.

Aquatic Invasive Species Program staff launched a complex emergency response in March 2021 to the threat of thousands of moss balls, normally found in pet and plant stores, found to be infested with invasive mussels. Response efforts also targeted essential guidance to the public to ensure disposal and decontamination reduced the risk of mussels being introduced into Alberta waters.

A potash registration package was submitted in February 2020 to the Canadian Pest Management Regulatory Agency requesting the federal government register potash as a molluscicide. Potash is normally mined as a fertilizer in Saskatchewan. This will be a vital response tool if our mussel prevention efforts fail, especially considering the 2021 moss ball introduction. Decision on the request is pending.

A collaborative partnership used the herbicide 'Habitat Aqua' in 2020 under emergency use registration to control Flowering Rush along Buffalo Creek near the community of Innisfail, Alberta. This is an improved approach, as previously used herbicides only held the Flowering Rush population from expanding during five years of effort. Habitat Aqua was also utilized to control invasive Phragmites along transportation vectors like highways and rail lines. These two aquatic invasive species continue to be found in other areas and department staff continue to support response by landowners.

Additional aquatic invasive species response and prevention efforts in 2020-21 included:

- completion of a collaborative Chinese Mystery Snail (invasive gastropod) DNA and food web impacts study at Lake McGregor Alberta led by the University of Alberta;
- initiation of Purple Loosestrife (invasive plant) control work on Engstrom Pond just south of Wainwright;
- interception of Oriental Weather Loach (invasive fish) at the Canadian border in collaboration with Canadian Border Services Agency;
- use of targeted angling events as a trial for control of Prussian Carp (invasive fish);
- using Rotenone (piscicide) to control Goldfish (invasive fish) in storm water management ponds across Alberta; and
- collaborating with citizens who observe and report illegal release of invasive fish species (e.g., Koi) into Alberta waterbodies.

4.2 Visitors to Alberta's parks, protected areas and other public lands have a safe and pleasant experience.

Supporting Initiatives:

- In 2020-21, \$16.9 million was allocated to conservation officers and Alberta Environment and Parks Support and Emergency Response Team (ASERT) to ensure effective holistic emergency response, public safety, security and lawful use of Alberta Crown lands through the Alberta's Conservation Officer and seasonal Park Rangers programs, and ASERT
- In 2020-21, \$0.2 million was allocated as part of a predictable multi-year grant for Avalanche Canada to keep Albertans safe by developing knowledge and understanding of avalanches, promoting industry standards in avalanche country, and providing high quality information and education to backcountry users.

Environment and Parks is responsible for the conservation and protection of Alberta's natural resources and Crown lands, through education, prevention, public safety and conservation enforcement services.

Parks, Protected Areas and other Public Land — These areas support a wide range of outdoor recreation activities and experiences, including picnicking, hiking, biking, camping, hunting and off highway vehicle activity. There are currently 473 sites in the provincial parks and protected areas system, including two UNESCO World Heritage Sites [Writing-on-Stone Provincial Park](#) and [Dinosaur Provincial Park](#).

Alberta park sites continue to see a massive increase in visitation due to pandemic related shifts in activities. This high level of public activity created increased demands and requests for assistance from conservation officers and public safety specialists in many areas across the province. Increased demand in [public safety](#) is anticipated to continue in 2021 and beyond with Albertans recreating closer to home. *See results under [Key Objective 3.1](#) for additional information.*

Alberta Environment and Parks Support and Emergency Response Team — This team triaged and coordinated the department's response to emergency incident notifications in 2020-21 and deploying department staff to provide on-site assistance. This included:

- activation of the Department Coordination Centre to respond to the COVID-19 pandemic;
- the Department Coordination Centre assuming unified command with [Alberta Emergency Management Agency](#) and the [Provincial Operations Centre](#) for the 2020 spring flooding emergency activation; and
- the department updating its emergency management plan to incorporate lessons learned from the COVID-19 response and 2020 Spring Flooding.

Kananaskis Public Safety Program — Visitation in Kananaskis Country reached a record setting 5.3 million visitors in 2020-21, as Albertans recreated closer to home during the COVID-19 pandemic. This resulted in the public safety program responding to more emergency incident calls than the federal parks of Banff, Yoho, Kootenay, Jasper and Waterton National Parks combined.

- The program treated 167 patients and responded to 428 incidents with 39 per cent of incident calls requiring medical attention.
- A 66 per cent increase in reported occurrences involving conservation officers was recorded compared to the same period in 2019.

Avalanche Canada — Environment and Parks provided funding in 2020-21 for this public safety partner to:

- supply the South Rockies Avalanche Forecast Region with a field team five days per week from mid-December to mid-April;
- deliver avalanche awareness talks and leading avalanche skills training sessions;
- continue existing snowmobile outreach in Alberta;
- collect vital data for daily avalanche forecasts;
- include [Kananaskis Country's avalanche forecast](#) on [Avalanche Canada's website](#) and mobile app;
- ensure the [Mountain Weather Forecast](#) included Alberta content;
- collaborate with the Kananaskis Country Public Safety team regarding The Canadian Avalanche Information Distribution forecasting application;
- maintain the Mountain Information Network; and
- maintain the public data feed of Kananaskis Country weather stations

4.3 Environment and Parks regulated drinking water systems provide high quality potable water to Albertans; federal initiatives to meet the drinking water needs of Indigenous communities are supported through Environment and Parks programs such as the Operator Certification program.

COVID-19 Pandemic Response — Communities and businesses rely on having safe drinking water and reliable municipal and industrial wastewater collection and treatment to protect the aquatic health of Alberta's rivers, creeks and lakes, and the recreational opportunities they provide. Environment and Parks regulates these activities under the [Environmental Protection and Enhancement Act](#) for Alberta's:

- 680 municipal drinking water systems;
- 53 large municipal wastewater systems and industrial facilities; and
- 615 small municipal wastewater systems.

The department continues working closely with Alberta Health Services, Alberta Health, and many local operators to ensure Alberta's drinking water systems provide safe drinking water to Albertans while protecting the staff that run these systems from COVID-19. In 2020-21 this included collaborative development and use of a geospatial drinking water and wastewater operations status tool to identify COVID-19 related trends at facilities that could affect the ability to deliver safe drinking water and effectively treat wastewater.

Alberta's Operator Certification Program — the Association of Boards of Certification's annually presents its Certification Program Award to an association member, volunteer or stakeholder in recognition of outstanding contribution toward establishing or advancing the certification of environmental professionals. In 2020 Environment and Parks received this award for its management of the Alberta's Operator Certification Program. This ongoing program supports

professional certification of Alberta's more than 3,000 drinking water and wastewater management systems operators.

Flood Response — In April 2020 a significant ice-jam event on the Athabasca River damaged the Fort McMurray water treatment plant resulting in a boil water order for the City of Fort McMurray and several surrounding communities. The department, in collaboration with municipal officials and Alberta Health Services, responded by providing direction, guidance and technical/regulatory advice to various stakeholders which assisted in getting the water treatment plant back on line in 55 days.

4.4 Alberta Government owned or operated water management and monitoring infrastructure is safe and effective.

Supporting Initiative:

- In 2020-21, \$19.4 million was allocated to water management infrastructure operations. The department operates and maintains approximately \$10 billion of provincially owned water management infrastructure that contributes to managing multi-purpose water supply in the face of potentially adverse impacts from flood and drought conditions. As the single largest dam owner in the province, the department ensures compliance with Dam and Canal Safety Regulations and mitigates infrastructure risk related to public safety, environmental impacts and economic losses.

Infrastructure Operations — The effective and efficient delivery of water infrastructure operations contributes to water security (quantity and quality) that mitigates the adverse impacts of flood and drought, preserves healthy aquatic habitats, and ensures public health and safety.

The ministry operated and maintained over 200 provincially owned water management systems throughout the province including 535 kilometers of main irrigation canals, 1.5 billion cubic meters of storage in over 120 dams, irrigation diversion works, lake control structures, and pump houses. This infrastructure helped supply safe and secure water for 50 municipalities and 554,000 hectares of irrigated land. Water supplied for irrigation generates approximately \$3.6 billion (2015 dollars) annually to Alberta's Gross Domestic Product (GDP) and approximately \$13.7 million (2015 dollars) from generation of about 82 mega-watts of hydroelectricity (as reported in Economic Value of Irrigation in Alberta).

Infrastructure Inspections and maintenance — The ministry is tasked with ensuring safe and operable water management infrastructure for effective management of floods, protecting communities and providing a safe and adequate water supply for Albertans.

In 2020-21, the ministry invested \$5 million to deliver over 1,200 infrastructure inspections, engineering investigations and dam safety assessments. Results showed 78.5 per cent of Alberta's water management infrastructure was in good condition (See performance metric 4.a), 16.7 per cent in fair condition and 4.8 per cent in poor condition. This informed prioritized and directed maintenance of approximately \$31.3 million in capital rehabilitation funding (administered through Alberta Transportation's Environmental Management System) primarily focused in 2020-21 on Jensen Dam flood handling enhancements, low level outlet valves at St. Mary Dam, Cavan Lakes drop structure replacement and refurbished low level outlet gates at Dickson Damo. There are capital maintenance plans in place to ensure infrastructure elements in poor condition are a top priority when funding is allocated.

Dam and Canal Safety Regulatory Framework — The safety of dams and canals is administered through implementation of Part 6 of the [Water \(Ministerial\) Regulation](#) and the [Alberta Dam and Canal Safety Directive](#). This ensures that dams and canals are designed, constructed, operated, maintained and decommissioned/closed in a safe manner using best available technologies and best applicable practices.

In 2020-21 the ministry monitored and reported on approximately 1,350 government and private dams, conducted approximately 150 audit inspections, conducted approximately 10 emergency or incident related inspections and ensured dam owners (including the Alberta Government) mitigated and managed identified risks.

4.5 Albertans are resilient to environmental impacts through increased awareness, skills and capacity for adaptation.

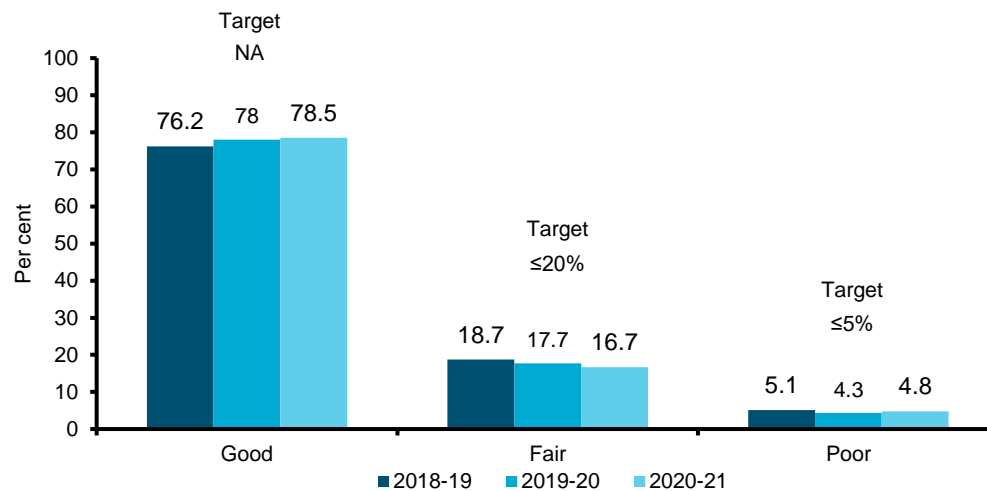
Climate Adaptation Program — The [Municipal Climate Change Action Centre](#), a partnership of the Alberta Urban Municipalities Association, Rural Municipalities of Alberta, and the Government of Alberta, worked to design a new [Climate Adaptation Program](#) in 2020-21. This program will help municipalities and Indigenous communities in Alberta better understand, manage and adjust to a changing climate, including assessing their vulnerability to events like floods, droughts and severe storms, and building climate adaptation plans.

Adaptation Resilience Training — In 2020-21 the department led the [Adaptation Resilience Training Project](#) which developed training to help professionals understand and manage climate change risks as part of their professional practice. Additionally, 21 recent graduates were placed in organizations that are addressing climate change risks to community planning, water management, infrastructure, and agricultural business.

ClimateWest — This initiative was launched in January 2021 and is a collaborative effort between Environment and Climate Change Canada and the provincial governments of Manitoba, Saskatchewan and Alberta. It's goal is to help equip communities, businesses, non-profits and governments with the tools to thrive in the face of a changing climate.

Performance Metrics

4.a Performance Measure: Percentage of water management infrastructure in good, fair and poor status



Source: Environment and Parks.

Note(s): The 2019-20 "Good" last actual has been corrected to 78% from 80% as reported in the 2019-20 Annual Report due to a rounding error. Water management infrastructure status is based on an aggregate assessment of physical condition, functional adequacy, utilization and consequence of failure, measured in current year replacement value dollars.

Good: Infrastructure requiring normal maintenance or operations, rated low or medium priority for rehabilitation and replacement.

Fair: Infrastructure requiring above normal maintenance and/or modified operations, rated elevated priority for rehabilitation or replacement.

Poor: Infrastructure requiring significantly above normal maintenance and/or significantly modified operations, rated high priority for rehabilitation or replacement with an action plan for implementation.

Environment and Parks is responsible for maintaining provincially-owned water management infrastructure that contributes to managing water supply and adverse impacts of flood and drought. The maintenance and rehabilitation of infrastructure ensures the physical condition, functional adequacy and utilization of infrastructure meet service levels and standards. Consequences of infrastructure failure is factored into assessments to manage risks related to public safety, environmental impacts and economic losses.

In 2020-21, the service levels and standards for water management infrastructure were generally maintained. The 16.7 per cent results for the Fair category remained in alignment with the target of less or equal to 20 per cent and showed a slight improvement compared with the 2019-20 results. The results of 4.8 per cent of infrastructure in the Poor category also continued to align with the target of less or equal to 5 per cent, and the results are slightly higher than 2019-20. The increase is due to the Paddle River Dam spillway and the Carseland Bow Headgate Structure assigned to the Poor category. The 78.5 percent of provincially-owned water management infrastructure in Good status is an improvement from last year and a result of investments in capital maintenance and rehabilitation. The completion of Dickson Dam low level outlet rehabilitation, Janet Dam

rehabilitation and Buffalo Lake Tail Creek outlet repairs were the major projects contributing to the improvement in infrastructure status.

Well-maintained infrastructure can reduce the impacts of flood and drought across the province, and provide reliable water supplies for the economy, environment, and recreational opportunities. Infrastructure age and environmental events such as floods can significantly impact the overall status of infrastructure. Regular monitoring and maintenance is critical to maintain service levels and standards. Environment and Parks will continue to identify and address critical infrastructure needs and maintain water management infrastructure operations as part of its robust infrastructure management system.

Performance Measure and Indicator Methodology

1.a Performance Measure: Percentage of recognized 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 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. Municipal protected areas are established using tools under the *Municipal Government Act* and provided by the governing municipality. All protected and conserved 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 and conserved areas by the total hectares of Alberta, which was officially revised in March 2020. The 2020-21 result is limited to federal, provincial and municipal protected areas and does not include OECMs or protected areas under 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.

1.b Performance Indicator: Percentage of good air quality days in urban areas

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 on the Alberta Air Data Warehouse. New monitoring stations situated in urban centres are given consideration for proximity to industrial and nonindustrial sources.

Results from 2020 are based on data from 18 stations, located in Edmonton (three stations), Calgary (three stations), Fort McMurray (two stations), Red Deer (two stations), Airdrie, Grande Prairie, Cold Lake, Fort Saskatchewan, Sherwood Park, Medicine Hat, Lethbridge and St. Albert. 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.c Performance Indicator: Percentage of vertebrate species designated as '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 Subcommittee 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 signatory of the National Accord for the Protection of Species at Risk.

Source: Environment and Parks.

1.d Performance Indicator: Kilograms per capita of municipal solid waste disposed of in 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 landfill. 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 2020, approximately 82 per cent of Alberta's population (based on 2019 population data) 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 Performance Indicator: Number of inter-provincial and international transboundary river water quantity outflow obligations met

The performance indicator tracks the delivery of Alberta's inter-jurisdictional river outflow obligations on seven monitored rivers. 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 rivers, 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 2019 and 2020 results. Results for Battle Creek and the North Saskatchewan River for 2020 were estimated based on historical use of apportioned flow of those rivers, historical water use, current water use, and professional judgement. Interim data was used to populate 2018 results for the Milk River.

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

2.a Performance Measure: Percentage of provincially 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. Priced 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 excluded 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 then Carbon Competitiveness Incentive 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 1990-2019: 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)).

2.b Performance Indicator: Total million tonnes of greenhouse gas emissions

As a signatory to the United Nations Framework Convention on Climate Change Canada, 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 (CO₂eq), determined by multiplying the amount of emissions of a particular gas by the global warming potential of that gas. Results are available by large industry sector and reported annually in the National Inventory Report (NIR) 1990-2019: Greenhouse Gas Source and Sinks in Canada with an 18-month reporting lag period. Statistics Canada compiles and disseminates current measures of Gross Domestic Product by industry, at the provincial and territorial level. This data is made available on an annual basis at basic prices, by industry, provinces and territories. GHG emissions and GDP values for each sector are used to complete the calculation to produce the provincial results.

Source: Environment and Climate Change Canada, Statistics Canada

2.c Performance Measure: Total greenhouse gas emissions in tonnes per cubic meter of oil sands production.

As a signatory to the United Nations Framework Convention on Climate Change Canada, 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 (CO₂eq), determined by multiplying the amount of emissions of a particular gas by the global warming potential of that gas. Results are available by large industry sector and reported annually in the National Inventory Report (NIR) 1990-2019: Greenhouse Gas Source and Sinks in Canada with an 18-month reporting lag period. Statistics Canada compiles and disseminates current measures of Gross Domestic Product by industry, at the provincial and territorial level. This data is made available on an annual basis at basic prices, by industry, provinces and territories. GHG emissions and GDP values for each sector are used to complete the calculation to produce the provincial results.

Sources: Environment and Climate Change Canada, Statistics Canada

2.d Performance Indicator: Megatonnes of greenhouse gas emissions per \$1000 GDP produced by large industry.

As a signatory to the United Nations Framework Convention on Climate Change Canada, 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 (CO₂eq), determined by multiplying the amount of emissions of a particular gas by the global warming potential of that gas. Results are available by large industry sector and reported annually in the National Inventory Report (NIR) 1990-2019: Greenhouse Gas Source and Sinks in Canada with an 18-month reporting lag period. Statistics Canada compiles and disseminates current measures of Gross Domestic Product by industry, at the provincial and territorial level. This data is made available on an annual basis at basic prices, by industry, provinces and territories. GHG emissions and GDP values for each sector are used to complete the calculation to produce the provincial results.

Sources: Environment and Climate Change Canada, Statistics Canada

2.e Performance Indicator: Total million tonnes of 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 1990-2019: Greenhouse Gas Sources and Sinks in Canada.

Source: Environment and Climate Change Canada

3.a Performance Measure: Percentage of Albertans who purchased a hunting wildlife certificate

The measure includes residents who purchase hunting wildlife certificates within the fiscal year. Indigenous people are not included in the measure as they are exempt from licensing requirements. To produce the performance measure results the total 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 Performance Measure: Percentage of Albertans who purchased a sportfishing licence

The measure includes residents who purchase resident Canadian sportfishing licences within the fiscal year. Youth anglers under the age of 16, 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 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.c Performance Measure: Percentage of Albertans that are satisfied with the quality of services and facilities of provincial parks or protected areas

The Environment and Parks visitor satisfaction performance measure methodology is not applicable as 2020-21 results were not produced for this year's annual report.

3.d Performance Indicator: Percentage of Albertans who visited provincial parks or protected areas

The Alberta Environment and Parks visitation performance indicator methodology is not applicable as 2020-21 results were not produced for this year's annual report.

4.a Performance Measure: Percentage of water management infrastructure in good, fair and poor status

Water management infrastructure status reflects the percentage of water management infrastructure in good, fair and poor status based on an aggregate assessment of physical condition, functional adequacy, utilization and consequence of failure, measured in current year replacement value dollars. Replacement costs do not factor in required enhancements to bring structures to current standards. Good status refers to infrastructure rated as low or medium priority, fair status refers to infrastructure rated as elevated priority and poor status refers to infrastructure rated as high priority; for maintenance, rehabilitation or replacement based on an assessment physical condition, functional adequacy, utilization and consequence of failure. The result is measured in current year replacement value (dollars) by applying a cost adjustment factor to the actual cost. The total replacement value of infrastructure in good, fair, or poor status is divided by the total replacement value of all infrastructure and a then a percentage is calculated to produce the results for the measure.

Source: Environment and Parks.

Financial Information

Table of Contents

Reporting Entity and Method Consolidation.....	57
Ministry Financial Highlights.....	58
Statement of Revenues and Expenses (unaudited).....	58
Revenue and Expense Highlights.....	59
Breakdown of Revenues (unaudited).....	61
Expenses – Directly Incurred Detailed by Object (unaudited).....	63
Supplemental Financial Information.....	65
Other Ministry Level Disclosures.....	65
Tangible Capital Assets (unaudited).....	66
Financial Statements of Other Reporting Entities.....	69
Technology Innovation and Emissions Reduction Fund.....	70
Land Stewardship Fund.....	90
Natural Resources Conservation Board.....	104
Energy Efficiency Alberta.....	124
Other Financial Information.....	144
Department of Environment and Parks.....	144

Reporting Entity and Method Consolidation

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

The reporting entity is the ministry for which the Minister is accountable. The accounts of the ministry, which includes the department and the entities making up the ministry, are consolidated using the line-by-line method.

Under this method, accounting policies of the consolidated entities are adjusted to conform to those of the government 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 asset and liability balances between the consolidated entities have been eliminated.

A list of the individual entities making up the ministry are shown on the "Management's Responsibility for Reporting" statement included in this annual report.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Year Ended March 31, 2021

(In thousands)

	2021		2020	Change from	
	Budget ^{(1) (2)}	Actual ⁽⁴⁾	Actual	Budget	2020 Actual
Revenues					
Internal Government transfers	31,582	52,521	32,173	\$20,939	\$ 20,348
Federal government transfers	23,253	2,484	38,200	(20,769)	(35,716)
Investment income	9,067	4,668	14,696	(4,399)	(10,028)
Premiums, fees and licences ⁽²⁾	123,340	133,566	124,529	10,226	9,037
Technology Innovation and Emissions Reduction Fund	413,000	458,798	389,752	45,798	69,046
Other revenue ⁽³⁾	97,457	65,734	82,837	(31,723)	(17,103)
Ministry total	697,699	717,771	682,187	20,072	35,584
Inter-ministry consolidation adjustments ⁽⁶⁾	(43,446)	(61,615)	(42,235)	(18,169)	(19,380)
Adjusted Ministry Total ⁽⁶⁾	654,253	656,156	639,952	1,903	16,204
Expenses - directly incurred Programs⁽⁴⁾					
Ministry Support Services ⁽⁵⁾	22,750	28,539	25,583	5,789	2,956
Air	19,345	14,072	19,670	(5,273)	(5,598)
Land	59,698	78,721	63,590	19,023	15,131
Water	146,960	157,228	124,922	10,268	32,306
Fish & Wildlife	61,114	57,501	34,647	(3,613)	22,854
Integrated Planning	30,720	32,507	32,133	1,787	374
Parks	112,483	90,328	104,744	(22,155)	(14,416)
Land Use Secretariat	5,174	1,467	3,268	(3,707)	(1,801)
Science and Monitoring	72,487	56,442	72,479	(16,045)	(16,037)
Emissions Management	147,173	418,439	180,257	271,266	238,182
Quasi-Judicial Bodies	7,129	36,337	16,337	29,208	20,000
2013 Alberta Flooding	401	374		(27)	374
Ministry Total	685,434	971,955	677,630	286,521	294,326
Inter-ministry Consolidation Adjustments ⁽⁶⁾	(13,209)	(26,742)	(17,536)	(13,533)	(9,206)
Adjusted ministry total ⁽⁶⁾	672,225	945,213	660,094	272,988	285,119
Annual surplus (deficit)	\$(17,972)	\$(289,057)	\$(20,142)	\$(271,085)	\$(268,915)

These numbers agree to the GoA CFS Schedule of Revenues by Source by Ministry.

These numbers agree to the GoA CFS Schedule of Expenses by Object by Ministry.

This number agrees to the 2020-23 Fiscal Plan - Expense by Object.

- (1) No program transfers occurred during fiscal 2020-21.
- (2) Premiums, fees and licences include \$78.9M Lands and Grazing; \$31.5M Camping Fees; \$13.3M Fish and Wildlife; \$1.2M Water power rentals and \$8.6M various other premiums fees and licenses.
- (3) Other revenue includes OSM - \$36.9M; Refund of expenditure - \$2.6M; Water Resources \$1.8M; Shared Service \$8.6M; Provincial Parks - \$3.7M; Government of Canada \$2.1M and various other revenues \$10M.
- (4) Programs are presented on the same program structure as the Ministry Statement of Operations on the 2020-21 Government Estimates. The amount of a ministry's program activity for the year includes voted amounts and amounts not required to be voted.

Revenue and Expense Highlights

Revenues

- Revenues totaled \$717.8 million in 2020-21, before the inter-ministry consolidation, and increased \$35.6 million from 2019-20. This was due to multiple factors, the most significant are increased payments of \$27.4 million from the Technology Innovation and Emissions Reduction Fund.
- Internal government transfers totaled \$52.5 million, an increase of \$20.3 million from the prior year due to the asset transfers including Bow Habitat Station, Cold Creek Ranger Station, and the Kananaskis Emergency Station.
- Transfers from the Government of Canada were lower than budget by \$20.8 million and resulted from a change in cash flow for federally approved projects 'Investing in Canada's Infrastructure Program' (ICIP). The updated cash flow re-profiled the majority of funding into the next two fiscal years.
- Investment income was lower in comparison to budget by \$4.4 million as a result of lower interest rates and reduced cash balances in entity funds. Interest rates have reduced 1.5% since budget was set for the 2020-21 fiscal year. The same cause resulted in a decrease of \$10 million from 2019-20 investment income.
- Premiums, fees and licences totaling \$133.6 million were \$10.2 million higher than budget primarily due to camping fees of \$6 million; water resources and shared service revenues of \$4 million being greater than 2019-20.
- Technology Innovation and Emissions Reduction Fund totalling \$458.8 million were \$45.8 million higher than budget due to changing expectations of future fund prices due to announcements made by the Federal Government.
- Other Revenues totaling \$65.7 million were \$31.7 million lower than budget due to multiple factors including a decrease of \$22 million from a delay in finalizing the Canadian Association Petroleum Producers (CAPP) and Section 11 agreements for Woodland Caribou Habitat Restoration. The other significant decrease of \$13 million reflects reduced Oil Sands Monitoring (OSM) dedicated revenues for delayed initiatives.

Expenses

- Ministry expenses totaled \$972 million before the inter-ministry consolidation, which is an increase of \$286.5 million from budget and an increase of \$294.3 million from 2019-20.
- Ministry support services showed an increase of \$5.8 million from budget. The provision for doubtful accounts resulted in an increase of \$3.3 million. IT System maintenance services was higher than budget by \$2.5 million.
- Expenses for Air were \$5.3 million lower than the budget as a result of savings from manpower expenses and supplies and services.
- Land program expenses were \$19 million higher than budget. Treasury Board approved economic stimulus package in response to the COVID-19 pandemic which increased spending by \$10.3 million in 2020-21. As required by the accounting treatment, AEP's internal reorganization resulted in higher costs of \$7.9 million costs for Lands program, initially budgeted by Parks operations. The Public safety and security related manpower and supplies and services expenses are now captured in Lands program.

- Expenses for Water were higher than 2019-20 by \$32.3 million as a result of increased spending to stimulate the economy in response to the COVID-19 pandemic.
- Fish & Wildlife increased spending from 2019-20 of \$22.9 million is due to \$12.6 million capital assets for Sam Livingston Fish Hatchery. Additionally, \$10.3 million Resource Management manpower and supplies and service expenses that were previously being captured in Integrated Planning are now part of the Fish and Wildlife expenditures as a result of AEP's internal reorganization.
- Parks expenses were \$22 million lower than the budget. The decrease from 2019-20 of \$14 million was as a result of shortened operation season under COVID-19 pandemic and \$8 million was booked to Lands program due to the internal re-organization.
- Ministry expenditures for Land Use Secretariat are lower than 2019-20 resulting from \$1.8 million decreased discretionary spending for supplies and services and a decrease of \$0.6 million in manpower due to hiring restraints and vacancies.
- Science and Monitoring expenditures are lower than 2019-20 given the decrease for Oil Sands Monitoring dedicated revenue initiatives due to a reduced workplan and project delays. Additionally, a decrease in manpower due to hiring restraints and vacancies of \$2.9 million also contributed to the variance.
- Emissions management expenses were higher than 2019-20 by \$238.2 million as a result of economic stimulus package in response to the COVID-19 which is an increase of \$271.3 million from budget.
- Quasi-Judicial Expenses were \$29 million higher than budgeted and \$20 million higher than 2019-20 due to industry defaults resulting in compensation payments to landowners under the Surface Rights Act.

Breakdown of Revenues (unaudited)

2021 Actual

(In thousands)

	2021		2020
	Budget ⁽¹⁾	Actual	Actual ⁽¹⁾
Government transfers			
Internal Government Transfers ⁽²⁾	31,582	52,521	32,173
Transfers from Government of Canada ⁽³⁾	23,253	2,484	38,200
	\$54,835	\$55,005	\$70,373
Net investment income ⁽⁴⁾	9,067	4,668	14,696
Premiums, fees and licences ⁽⁵⁾	123,340	133,566	124,529
Technology Innovation and Emissions Reduction Fund	413,000	458,798	389,752
Other revenue ⁽⁶⁾	97,457	65,734	82,837
	642,864	662,766	611,814
Total ministry revenues	\$697,699	\$717,771	\$682,187

This number agrees to the Statement of Revenues and Expenses (before consolidation adjustments).

(1) No program transfers occurred during fiscal 2020-21, no restatement was required.

(2) Transfers included \$31.3M from Transportation; and \$21.3M from Infrastructure.

(3) Transfers from Government of Canada included \$40M Air Quality Health Index; \$282M Air Weapons Range; \$237M Wildlife Predator; and various other program transfers of \$1,925.6M such as OSM, NRCAN, AFSC, and Fisheries & Oceans.

(4) Investment Income includes Interest Income of \$0.2M; CCITF investment income \$4.4M. Other investment income related to realized gain foreign exchange and CFI Public direct income of \$0.07M.

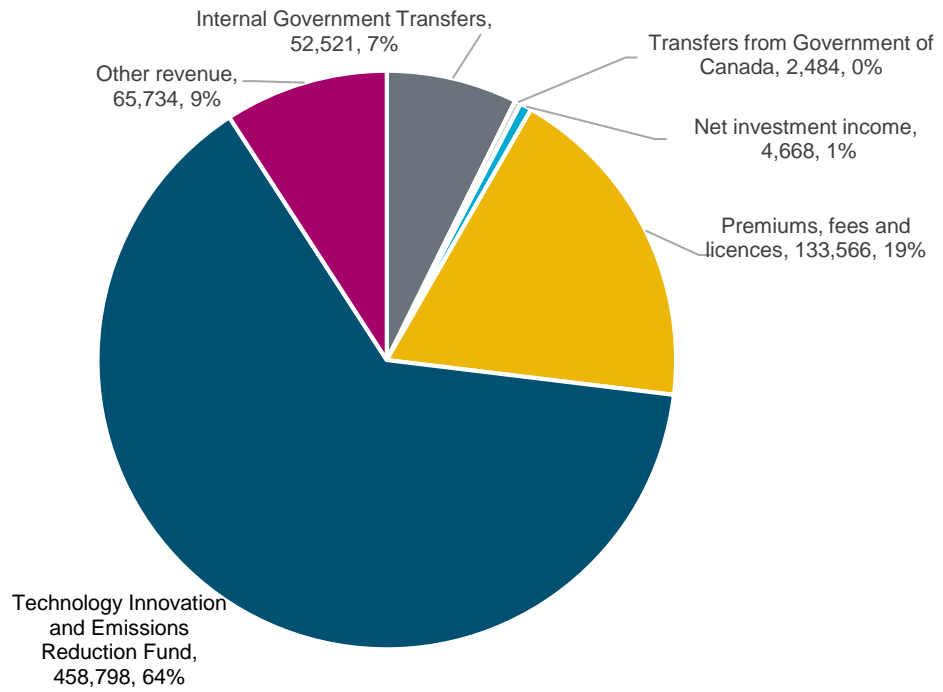
(5) Premiums, fees and licences include \$78.9M Lands and Grazing; \$31.5M Camping Fees; \$13.3M Fish and Wildlife; \$1.2M Water power rentals and \$8.6M various other premiums fees and licenses.

(6) Other revenue includes OSM - \$36.9M; Refund of expenditure - \$2.6M; Water Resources \$1.8M; Shared Service \$8.6M; Provincial Parks - \$3.7M; Government of Canada \$2.1M and various other revenues \$10M.

Breakdown of Revenues (unaudited) (cont'd.)

The following information presents detailed revenues of the ministry.

2021 Actual
(In thousands)



Expenses – Directly Incurred Detailed by Object (unaudited)

	2021		2020
	Budget ⁽¹⁾	Actual ⁽²⁾	Budget ⁽¹⁾
	In thousands		
Salaries, wages and employee benefits	\$ 231,730	\$ 218,913	\$ 241,002
Grants	197,426	543,430	176,248
Supplies and services	168,970	133,834	197,172
Amortization of tangible capital assets	84,988	50,898	63,562
Other ⁽²⁾	2,320	24,280	(354)
Total Ministry Expenses	\$685,434	\$971,956	\$677,630

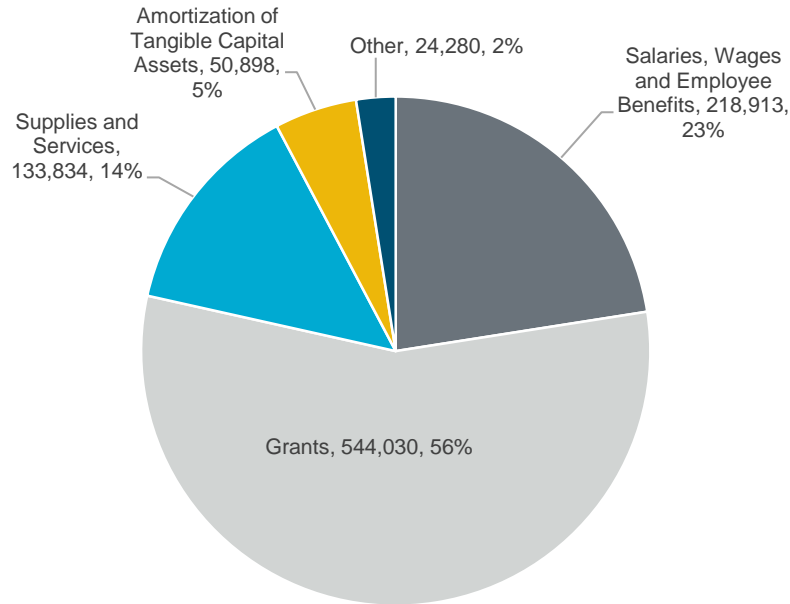
■ This number agrees to the Statement of Revenues and Expenses (before consolidation adjustments).

(1) No restatement was required for fiscal 2020-21.

(2) Other expenses incurred include Transfers of TCA to other Departments of \$12.6; Valuation adjustment for contaminated site of \$6M; Provision for doubtful account of \$3.3M; Write down of capital assets \$1.2M; and various other expenses of \$1.2M for items such as interest expense, tariffs on supplies, loss on disposal of capital assets and bad debts.

Expenses – Directly Incurred Detailed by Object (unaudited) (Cont’d)

2021 Actual
(In thousands)



- The ministry’s largest operating expense object was grants \$544.1 million (56%) provided to support individuals, organizations and communities through grant programs.
- Salaries, wages and employee benefit expenses totaled \$218.9 million (23%) and were primarily to manage heritage facilities, support community groups and administer grant programs.
- Supplies and services of \$133.8 million (13%) included contracts for the development of Alberta as a tourism destination and related tourism products and marketing through Travel Alberta, in addition to ongoing supply requirements for the ministry (i.e. contracts and contract services, materials and supplies, and shared services provided by the Ministry of Service Alberta).
- The remainder of ministry expenses were classified as amortization of tangible capital assets \$50.9 million and other expenses \$24.3 million.

Supplemental Financial Information

Other Ministry Level Disclosures

Additional disclosures that remain relevant to the users of ministry annual reports and includes financial reporting figures/discussion on:

- 2020-21 COVID-19 costs totaled \$1 million. Direct costs include salaries, wages benefits and other materials and supplies of \$0.2 million. Prevention costs for COVID-19 which relate to disinfecting solutions, general contracted services and other materials and supplies of \$0.8 million.
- Contractual obligations and commitments are \$530.4 million in contrast to the restated prior year 2019-20 of \$577.5 million. This difference relates to the Infrastructure Canada (ICIP) initiatives and contractual obligation associated with OSIF.
- The Department has identified various sites where contamination exists and the level of contamination is either known or unknown at this time. As at March 31, 2021 \$7.1 million has been recognized as liabilities for contaminated sites. Additionally, certain contingent liabilities exist for site remediation and reclamation which will likely be the responsibility of the Department. The potential costs relate to future site remediation works associated with various properties owned or acquired by the Province as a result of abandonment of contaminated properties. The preliminary estimate of the amount of such contingent liabilities is \$6.3 million.

Tangible Capital Assets (unaudited)

Estimated Useful Life	General Capital Assets (b)					Infrastructure Assets			2021 Total	2020 Total
	Land (a)	Buildings	Equipment (c),(h)	Computer hardware and software	Land Improvements (d)	Provincial highways, roads and airstrips (e)	Bridges	Dams and water management structures(f)		
	Indefinite	10-50 yrs	3-25 yrs	3-10 yrs	10-40 yrs	20-50 yrs	50 yrs	25-80 yrs		
<i>In thousands</i>										
Historical cost (h)										
Beginning of year	\$ 308,838	\$ 279,449	\$ 106,443	\$ 73,509	\$ 443,289	\$ 10,269	\$ 6,602	\$ 1,517,774	\$ 2,746,173	\$ 2,700,685
Additions (h)	-	11,948	4,500	1,097	31,129	2,190	953	1	51,818	\$ 31,665
Transfers to/from Profit Centers	763	5,224	2,716	-	-	-	-	31,266	39,969	\$ 31,961
Adjustments	-	676	89	-	(830)	164	32	-	131	\$ (162)
Disposals including write-downs	-	(3,539)	(2,162)	(28)	(23)	-	-	(10)	(5,762)	\$ (17,976)
	309,601	293,758	111,586	74,578	473,565	12,623	7,587	1,549,031	2,832,329	2,746,173
Accumulated amortization										
Beginning of year	\$ -	\$ (146,978)	\$ (83,525)	\$ (63,521)	\$ (259,803)	\$ (667)	\$ (1,755)	\$ (553,940)	\$ (1,110,189)	\$ (1,062,612)
Amortization expense	-	(8,825)	(4,828)	(3,759)	(11,089)	(476)	(150)	(21,771)	(50,898)	\$ (63,562)
Transfers to/from Profit Centers	-	(97)	-	-	-	-	-	-	(97)	\$ 15,973
Adjustments	-	(150)	46	-	105	(91)	-	-	(90)	\$ -
Disposals including write-downs	-	2,442	2,008	88	-	-	-	9	4,547	\$ 12
	-	(153,608)	(86,299)	(67,192)	(270,787)	(1,234)	(1,905)	(575,702)	(1,156,727)	(1,110,189)
Net book value (NBV)										
at March 31, 2021	\$ 309,601	\$ 140,150	\$ 25,287	\$ 7,386	\$ 202,778	\$ 11,389	\$ 5,682	\$ 973,329	\$ 1,675,602	\$ 1,635,984
NBV at March 31, 2020	\$ 308,838	\$ 132,471	\$ 22,918	\$ 9,988	\$ 183,486	\$ 9,602	\$ 4,847	\$ 963,834		\$ 1,635,984

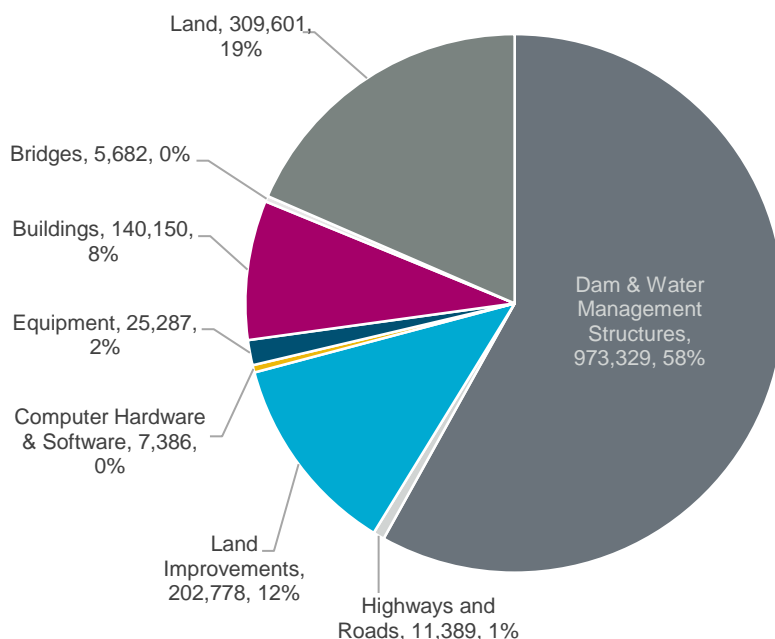
Tangible Capital Assets (unaudited) (Cont'd)

- (a) Land includes land acquired for parks and recreation, building sites, infrastructure and other program use.*
- (b) There is no leased equipment included.*
- (c) Equipment includes vehicles, heavy and mobile equipment, office equipment and furniture, laboratory equipment.*
- (d) Land Improvements include parks development and grazing reserves.*
- (e) Provincial highways and roads consist of original pavement, roadbed, drainage works and traffic control devices, and include secondary highways and bridges. Amortization for capital assets acquired through public private partnerships.*
- (f) Dams and water management structures include dams, reservoirs, weirs, canals, dikes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.*
- (g) Historical costs include \$91,023M (2020 - \$95,801) in construction in progress which are not amortized until the tangible capital assets are completed and in use.*
- (h) The department received \$146 in Equipment donated by non Government entity.*

Tangible Capital Assets (unaudited) (Cont'd)

Net Book Value as of March 31, 2021

(In thousands)



- The ministry’s largest category of tangible capital assets, Dams and Water Management Structures, represents \$973.3 million (58%) 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 2020-21, transfers totaled \$31.3 million
- Land, with a value of \$309.6 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 a total NBV \$202.8 million (12%), includes trails, campsites, parking lots and other site developments that increase the use and public safety for Alberta provincial parks.

Financial Statements of Other Reporting Entities

Table of Contents

Index of Audited Financial Statements

Technology Innovation and Emissions Reduction Fund.....	70
Land Stewardship Fund.....	90
Natural Resources Conservation Board.....	104
Energy Efficiency Alberta.....	124

Technology Innovation and Emissions Reduction Fund

Financial Statements Year Ended March 31, 2021

Table of Contents

Independent Auditor’s Report.....	71
Statement of Operations	74
Statement of Financial Position.....	75
Statement of Change in Net Financial Assets	76
Statement of Cash Flows	77
Notes to the Financial Statements.....	78
Schedule 1 Expenses – Directly Incurred Detailed By Object.....	88
Schedule 2 Related Party Transactions	89

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 Technology Innovation and Emissions Reduction Fund (the Fund), which comprise the statement of financial position as at March 31, 2021, 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, 2021, 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 financial statements of the Fund are included in the *Annual Report of the Ministry of Environment and Parks*. The other information comprises the information included in the *Annual Report of the Ministry of Environment and Parks* relating to the Fund, but does not include the financial statements of the Fund and my auditor's report thereon. The *Annual Report of the Ministry of Environment and Parks* 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 15, 2021
Edmonton, Alberta

Technology Innovation and Emissions Reduction Fund
Statement of Operations
Year Ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Note 2(a))			
Facility purchases of fund credits by sector			
Mining, oil and gas extraction	\$ 135,795	\$ 99,759	\$ 128,151
Utilities	235,202	335,138	221,962
Manufacturing	22,406	5,269	21,145
Transportation and warehousing	19,408	19,230	18,316
Waste management and remediation (refund)	189	(598)	178
Investment income	7,996	4,116	12,864
Other revenue	-	13	32,500
	<u>420,996</u>	<u>462,927</u>	<u>435,116</u>
Expenses – Directly Incurred (Note 2(a) and Schedule 1)			
Administration	-	131	72
Innovation and technology	376,229	708,622	316,453
Other investments	160,498	-	145,126
Transfers to the General Revenue Fund	-	172,238	-
	<u>536,727</u>	<u>880,991</u>	<u>461,651</u>
Annual deficit	<u>(115,731)</u>	<u>(418,064)</u>	<u>(26,535)</u>
Accumulated surplus at beginning of year	563,059	563,059	589,594
Accumulated surplus at end of year	<u>\$ 447,328</u>	<u>\$ 144,995</u>	<u>\$ 563,059</u>

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

Technology Innovation and Emissions Reduction Fund
Statement of Financial Position
As at March 31, 2021

	2021	2020
	<i>(in thousands)</i>	
Financial assets		
Cash and cash equivalents (Note 4)	\$ 487,467	\$ 771,621
Accounts receivable (Note 5)	541,433	253,032
	<u>1,028,900</u>	<u>1,024,653</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 6)	883,905	461,594
	<u>883,905</u>	<u>461,594</u>
Net financial assets	<u>144,995</u>	<u>563,059</u>
Net assets	<u>\$ 144,995</u>	<u>\$ 563,059</u>
Net assets at beginning of year	\$ 563,059	\$ 589,594
Annual deficit	(418,064)	(26,535)
Net assets at end of year	<u>\$ 144,995</u>	<u>\$ 563,059</u>

Contractual obligations (Note 7)

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

Original signed by Bev Yee
Deputy Minister
June 15, 2021

Original signed by Darrell Dancause
Senior Financial Officer
June 15, 2021

Technology Innovation and Emissions Reduction Fund
Statement of Change in Net Financial Assets
Year Ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual deficit	\$ (115,731)	\$ (418,064)	\$ (26,535)
Decrease in net financial assets	(115,731)	(418,064)	(26,535)
Net financial assets at beginning of year	563,059	563,059	589,594
Net financial assets at end of year	\$ 447,328	\$ 144,995	\$ 563,059

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

Technology Innovation and Emissions Reduction Fund
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
	<i>(in thousands)</i>	
Operating transactions		
Annual deficit	\$ (418,064)	\$ (26,535)
Increase in accounts receivable	(288,401)	(71,045)
Increase in accounts payable and other accrued liabilities	422,311	101,982
Cash (applied to) provided by operating transactions	<u>(284,154)</u>	<u>4,402</u>
(Decrease)/Increase in cash and cash equivalents	(284,154)	4,402
Cash and cash equivalents at beginning of year	771,621	767,219
Cash and cash equivalents at end of year	<u>\$ 487,467</u>	<u>\$ 771,621</u>

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

Technology Innovation and Emissions Reduction Fund

Notes to the Financial Statements

March 31, 2021

NOTE 1 AUTHORITY

The Technology Innovation and Emissions Reduction (TIER) Fund operates under the authority of the *Emissions Management and Climate Resilience Act*, Chapter E-7.8 and the *Oil Sands Emissions Limit Act*, Chapter O-7.5.

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

The CCIR remained in place for the 2019 compliance year.

For the compliance year beginning January 1, 2020, the Technology Innovation and Emissions Reduction (TIER) Regulation replaced the CCIR and requires facilities to ensure that their net emissions (emissions less compliance instruments provided) do not exceed their allowable emissions which are based on the facility production and the greater of the facility-specific benchmark or the high performance benchmark for each product of the facility. The new regulation also 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. Under TIER all compliance reporting is completed on an annual basis by June 30th of the year following the compliance year.

TIER Fund revenues operate as follows:

- Revenues to the TIER Fund include forecasted purchases of fund credits as a method of compliance under TIER regulation for April 1 to March 31st, 2021, covering portions of the 2020 and 2021 compliance years. These credits can be purchased at a rate of \$30 per tonne for the 2020 compliance period and \$40 per tonne for the 2021 compliance period and may be used to ensure that the facility net emissions do not exceed the facility allowable emissions.

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
March 31, 2021

NOTE 1 AUTHORITY (Cont'd)

- Under TIER regulation, facilities which have emitted over one million tonnes of carbon dioxide equivalent (CO₂e) in 2016 or a subsequent year and which have not had a true-up obligation less than 50,000 tonnes in the two previous years are required to submit a forecasting report by November 30th which forecasts their emissions, production, true-up obligation and ratio of fund credits to other credits used to meet their true-up obligation for the coming compliance year. This forecast is to be updated by March 31st of the year following the year being forecast.
- 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.
- 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.

Under TIER regulation, facilities that demonstrate that emissions are less than allowable emissions are eligible to request emission performance credits for the difference. These credits may be used for compliance in future periods.

Technology Innovation and Emissions Reduction Fund

Notes to the Financial Statements

March 31, 2021

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

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Investment income

Investment income includes the interest income earned on cash and cash equivalents and is recognized in the period in which the income is earned.

Facility purchases of fund credits

These revenues are from estimates of amounts not yet assessed by management based on cash and fund credit purchase information received from facilities that relates to compliance periods ending December 31, 2020 and December 31, 2021. 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. The materiality threshold for facilities with total regulated emissions and allowed emissions less than 500,000 tonnes is 5%. The materiality threshold for facilities with total regulated emissions or allowed emissions over 500,000 tonnes is 2%.

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.

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
March 31, 2021

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

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

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 \$458 million for the period April 1, 2020 to March 31, 2021 (2020: \$75.6 million – January 1 to March 31, 2020). There are uncertainties with the inputs used to calculate this forecast. Based on our estimate, the revenue for this period is expected to be between \$419 million and \$504 million based on the full range of Monte Carlo samples that were run. Additional details on the forecast approach and accounting of uncertainty are provided below.

Under the TIER regulation revenue occurs when individual facilities make payments to cover all or part of their true up obligation¹. The Fund estimate is based on the sum of each regulated facility's estimated true-up obligation multiplied by a forecast fund contribution percentage² multiplied by \$30 per tonne for 2020 and \$40 per tonne for 2021.

- The estimate of true-up obligation is based on the most recent available data, such as compliance or forecasting reports submitted under TIER, CCIR, SGER, and from public data sources included Petrinex data³, Alberta Energy Regulator, and Alberta Electric System Operator.
- The sites emitting more than 1 million tonnes of carbon dioxide equivalent are defined under TIER as Forecasting Facilities. For Forecasting Facilities the Fund percentage is based on the values indicated in the forecasting report. For the non-forecasting facilities in the 2020 Final TIER Fund Estimate and 2021 TIER Fund Forecasts, the Fund contribution percentage is varied according to historic observations as set out in the section regarding Monte Carlo simulation. The TIER Fund rates of \$30 per tonne of carbon dioxide equivalent and \$40 per tonne of carbon equivalent is set by Ministerial Order 36/2020 for 2020 and 2021 in accordance with section 21(2) of TIER.

¹ The true up obligation is the amount in tonnes of carbon dioxide equivalent by which the total regulated emissions exceeds the allowable emissions. Allowable emissions will depend on the benchmarks for products for the facility and the production in the year.

² Fund contribution percentage is the share of a facility's true up obligation that is met through payment to the fund. This can range from 100 per cent to 40 per cent.

³ Petrinex is system used in Saskatchewan, Alberta and British Columbia for reporting data including data on production and fuel use.

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
March 31, 2021

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

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

Measurement Uncertainty (Cont'd)

The forecast accounts for differences between actual and forecast values by varying inputs according to previously observed statistical distributions. The tables below describes how inputs are varied.

True-Up	
2020	2021
<ul style="list-style-type: none"> • Forecasting facilities, electricity facilities, in situ, and gas plants – based on 2019 observations of a multinomial probability distribution with 86% of facilities varied by a multiple of 1.00, 7% of facilities varied by a multiple of 1.01, and 7% of facilities varied by a multiple of 0.81. • Aggregate true-up varied by factor of 0.98 to 1.00 to reflect variability possible with 2019 benchmark applications. • All others except aggregates – based on observations of applying the TIER Fund architecture to 2018 and 2019 data, a triangular distribution with a lower bound of -12%, an upper bound of 198%, and a peak of 95% are applied to true-up. 	<ul style="list-style-type: none"> • Electricity, in situ, and gas plants uncertainty ranges were established by comparing actual and forecast for prior period production data. These ranges are a mean of -6% with a standard deviation of 25% for electricity, a mean of 2% with a standard deviation of 11% for in situ and a mean of -5% with a standard deviation of 24% for gas plants. • Coal-fired powerplants and oil sands remain unvaried until there is sufficient validation data (approximately mid-year). • Aggregate true-up varied by factor of 0.98 to 1.00 to reflect variability possible with 2019 benchmark applications. • All others except aggregates – based observations of applying the TIER Fund architecture to 2018 and 2019 data, a triangular distribution with a lower bound of -12%, an upper bound of 198%, and a peak of 95% are applied to true-up.

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
March 31, 2021

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

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

Measurement Uncertainty (Cont'd)

Fund Credits	
2020	2021
<ul style="list-style-type: none"> • Forecasting facilities – based on 2019 observations of a multinomial probability distribution with 86% of facilities varied by a multiple of 1.00, 7% of facilities varied by a multiple of 1.39, and 7% of facilities varied by a multiple of 0.82. • Non-Forecasting facilities – based on 2019 observations of a multinomial probability distribution with a 29.5% probability that a facility would satisfy 100% of their true-up with fund credits, 54.5% probability that a facility would satisfy 40% of their true-up obligation with fund credits, and 16% probability that a facility would satisfy 60% of their true-up obligation with fund credits. • After the fund credit ratio is varied, it is corrected to be within the bounds of 40% and 100%. 	<ul style="list-style-type: none"> • Forecasting facilities - based on observations of the difference in fund credit ratios between the original 2020 forecast report and the updated forecast report, which follows a multinomial probability distribution with 11.1% of facilities varied by a multiple of 2.29, 77.8% of facilities varied by a multiple of 1, 11.1% of facilities varied by a multiple of 0.676. • Non-Forecasting facilities - based on 2019 observations of a multinomial probability distribution with a 30% probability that a facility would satisfy 100% of their true-up with fund credits, 54% probability that a facility would satisfy 40% of their true-up obligation with fund credits, and 16% probability that a facility would satisfy 60 per cent of their true-up obligation with fund credits. • After the fund credit ratio is varied, it is corrected to be within the bounds of 40% and 100%.
Monte Carlo	
<p>Run 100 times, varying within the distributions described above. For the period from January 1st to December 31st, 2020, the forecast is based on the 50th percentile case as the most likely estimate. For the period from January 1st to March 31st, 2021, the forecast is based on the 25th percentile case for conservatism.</p>	

Technology Innovation and Emissions Reduction Fund

Notes to the Financial Statements

March 31, 2021

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

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

Measurement Uncertainty (Cont'd)

Under TIER regulation, facility-specific benchmarks may be updated based on management review or application by facilities. High-performance benchmarks may also be created or updated by Ministerial Order. Updates to benchmarks subsequent to forecast being prepared have not been incorporated which creates an un-estimated uncertainty in forecast values.

Expenses

Expenses are those costs the TIER Fund 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.

Transfers to the General Revenue Fund

Out of a total of \$462,927 recorded as TIER revenue, \$290,689 will be used for new and cleaner Alberta-based technologies that reduce greenhouse gas emissions or support Alberta's ability to adapt to climate change. The remaining \$172,238 was recognized as a transfer to the General Revenue Fund in accordance with the Section 10(4.1) of the Emissions Management and Climate Resilience Act. As TIER revenue is subject to measurement uncertainty, a change in estimate that impacts the transfer amount would be accounted for in the following year.

Valuation of Financial Assets and Liabilities

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

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

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
 March 31, 2021

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

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

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 TIER Fund are limited to financial claims, such as receivables from other organizations, employees and other individuals, as well as the below listed assets.

As the TIER Fund 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 TIER 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.

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2022)**
 This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2023)**
 This standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

The TIER Fund has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

Technology Innovation and Emissions Reduction Fund

Notes to the Financial Statements

March 31, 2021

NOTE 4 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, 2021, securities held by the Fund have a time-weighted return of 0.4 percent per annum (2020: 1.9 per cent per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 5 ACCOUNTS RECEIVABLE

(In thousands)

Accounts receivable are unsecured and non-interest bearing.

	2021	2020
Facility purchases of fund credits by sector		
Mining, oil and gas extraction	\$ 131,005	\$ 91,262
Utilities	375,654	110,892
Manufacturing	11,228	12,843
Transportation and warehousing	20,960	5,257
Waste management and remediation	-	278
Accounts receivable from the Department of Environment and Parks	586	32,500
	<u>\$ 541,433</u>	<u>\$ 253,032</u>

Note 6 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

(in thousands)

	2021	2020
Accrued grants	\$ 700,860	\$ 461,579
Accrued liabilities	183,045	15
	<u>\$ 883,905</u>	<u>\$ 461,594</u>

Note 7 CONTRACTUAL OBLIGATIONS

(in thousands)

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

	2021	2020
Contracts	-	27
	<u>\$ -</u>	<u>\$ 27</u>

Technology Innovation and Emissions Reduction Fund
Notes to the Financial Statements
March 31, 2021

NOTE 8 APPROVAL OF FINANCIAL STATEMENTS

The Deputy Minister and Senior Financial Officer of Environment and Parks approved the financial statements of the TIER Fund.

Technology Innovation and Emissions Reduction Fund

Schedule 1

Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and services	\$ -	\$ 131	\$ 72
Grants	536,727	880,860	461,579
Total expenses	\$ 536,727	\$ 880,991	\$ 461,651

Technology Innovation and Emissions Reduction Fund

Schedule 2

Related Party Transactions

Year ended March 31, 2021

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 and close family members of those individuals in the TIER Fund. As a result of an assessment made by management there are no transactions to report.

The TIER 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	
	2021	2020
	<i>(in thousands)</i>	
Revenues		
Grants from the Department of Environment and Parks	\$ 13	\$ 32,500
Expenses – Directly Incurred		
Grants to Land Stewardship Fund	-	-
Grants to the Department of Environment and Parks	700,860	436,579
	<u>\$ 700,860</u>	<u>\$ 436,579</u>
Receivable From	<u>\$</u>	<u>\$ 32,500</u>
Payable To	<u>\$ 883,884</u>	<u>\$ 436,579</u>

Land Stewardship Fund

**Financial Statements
Year Ended March 31, 2021**

Table of Contents

Independent Auditor’s Report.....	91
Statement of Operations	94
Statement of Financial Position.....	95
Statement of Change in Net Financial Assets	96
Statement of Cash Flows	97
Notes to the Financial Statements.....	98
Schedule 1 Expenses – Directly Incurred Detailed By Object.....	102
Schedule 2 Related Party Transactions	103

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, 2021, 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, 2021, 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 financial statements of the Fund are included in the *Annual Report of the Ministry of Environment and Parks*. The other information comprises the information included in the *Annual Report of the Ministry of Environment and Parks* relating to the Fund, but does not include the financial statements of the Fund and my auditor's report thereon. The *Annual Report of the Ministry of Environment and Parks* 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 3, 2021
Edmonton, Alberta

Land Stewardship Fund
Statement of Operations
Year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues			
Internal Government Transfers (Note 2 and 8)			
Proceeds from Surplus Land Sales	\$ 5,000	\$ 4,745	\$ 2,985
Investment Income	800	278	1,122
Other Revenue	-	1,460	1,614
	<u>5,800</u>	<u>6,483</u>	<u>5,721</u>
Expenses – Directly Incurred (Note 2 and Schedule 1)			
Habitat Rehabilitation	-	13,136	-
Grants to the Department of Environment and Parks to Acquire Land	5,000	-	-
Grants to Land Trusts	10,000	4,743	10,227
Land Transaction Expenses	-	45	46
	<u>15,000</u>	<u>17,924</u>	<u>10,273</u>
Annual deficit	<u>\$ (9,200)</u>	<u>\$ (11,441)</u>	<u>\$ (4,552)</u>
Accumulated surplus at beginning of year	<u>54,287</u>	<u>54,287</u>	<u>58,839</u>
Accumulated surplus at end of year	<u>\$ 45,087</u>	<u>\$ 42,846</u>	<u>\$ 54,287</u>

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

Land Stewardship Fund
Statement of Financial Position
As at March 31, 2021

	2021		2020
	<i>(in thousands)</i>		
Financial Assets			
Cash and Cash Equivalents (Note 4)	\$ 50,009	\$	54,292
Accounts receivable (Note 5)	4,285		-
	<u>54,294</u>		<u>54,292</u>
Liabilities			
Accounts Payable and Accrued Liabilities (Note 6)	11,448		5
	<u>11,448</u>		<u>5</u>
Net Financial Assets	<u>42,846</u>		<u>54,287</u>
Net Assets	<u>\$ 42,846</u>	<u>\$</u>	<u>54,287</u>
Net Assets at Beginning of Year	\$ 54,287	\$	58,839
Annual Deficit	(11,441)		(4,552)
Net Assets at End of Year (Note 7)	<u>\$ 42,846</u>	<u>\$</u>	<u>54,287</u>

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

Original signed by Bev Yee
 Deputy Minister
 June 3, 2021

Original signed by Darrell Dancause
 Senior Financial Officer
 June 3, 2021

Land Stewardship Fund
Statement of Change in Net Financial Assets
Year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual deficit	\$ (9,200)	\$ (11,441)	\$ (4,552)
Decrease in net financial assets	(9,200)	(11,441)	(4,552)
Net financial assets at beginning of year	54,287	54,287	58,839
Net Financial Assets at End of Year	\$ 45,087	\$ 42,846	\$ 54,287

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

Land Stewardship Fund
Statement of Cash Flows
Year ended March 31, 2021

	2021		2020
	<i>(in thousands)</i>		
Operating Transactions			
Annual Deficit	\$	(11,441)	\$ (4,552)
Increase in Accounts Receivable		(4,285)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities		11,443	(21)
Cash Applied to Operating Transactions		(4,283)	(4,573)
Decrease in Cash and Cash Equivalents		(4,283)	(4,573)
Cash and Cash Equivalents at Beginning of Year		54,292	58,865
Cash and Cash Equivalents at End of Year	\$	50,009	\$ 54,292

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

Land Stewardship Fund
Notes to the Financial Statements
March 31, 2021

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 and Sustainable Resource Development Grant Regulation (AR 182/2000) to persons for the purchase of an estate or interest in land for conservation purposes. The Fund is exempt from Income Tax 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.

Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting.

Government transfers

Transfers from all levels of government are referred to as government transfers.

Government transfers and associated externally restricted investment income are recognized as deferred revenue and/or deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Fund's actions and communications as to the use of transfer, 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).

Grants and donations for land

The Fund records transfers and donations for the purchase of the land as a liability when received and as revenue when the Fund is used to purchase the land.

Land Stewardship Fund
Notes to the Financial Statements
March 31, 2021

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

Basis of Financial Reporting (Cont'd)

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, foreign exchange gains and losses and issuances costs.

Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Lower of cost or net realizable value
Debt	Amortized cost

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 well as the below listed assets.

As the Fund 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 re-measurement gains and losses and therefore a statement of re-measurement gains and losses has not been presented.

Land Stewardship Fund

Notes to the Financial Statements

March 31, 2021

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

Cash and Cash Equivalents

Cash comprises 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.

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 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.

NOTE 3 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2022)**
This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2023)**
This standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

The Fund has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

NOTE 4 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, 2021, securities held by the Fund have a time-weighted return of 0.4 per cent per annum (2020: 1.9 per cent per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Land Stewardship Fund
Notes to the Financial Statements
March 31, 2021

NOTE 5 ACCOUNTS RECEIVABLE
(In thousands)

Accounts receivable are unsecured and non-interest bearing

	2021	2020
Land sales	\$ 4,285	\$ -

NOTE 6 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES
(In thousands)

	2021	2020
Grants	\$ 11,415	\$ -
Supplies and services	33	5
	\$ 11,448	\$ 5

NOTE 7 NET ASSETS

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

NOTE 8 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 9 APPROVAL OF FINANCIAL STATEMENTS

The Deputy Minister and Senior Financial Officer approved the financial statements of the Land Stewardship Fund.

Land Stewardship Fund

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object

Schedule 1

Year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and Services	\$ -	\$ 45	\$ 46
Grants	15,000	17,879	10,227
Total Expenses	\$ 15,000	\$ 17,924	\$ 10,273

Land Stewardship Fund
 Schedule to Financial Statements
 Related Party Transactions

Schedule 2

Year Ended March 31, 2021

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	
	2021	2020
	<i>(in thousands)</i>	
Revenues		
Internal Government Transfers – Proceeds from Surplus Land Sales (Note 2 and 6)	\$ 4,745	\$ 2,985
Expenses – Directly Incurred		
Grants to the Department to Acquire Land	10,136	-
Annual surplus	\$ (5,391)	\$ 2,985
Assets		
Accounts receivable - Land Sales (Note 5)	\$ 4,285	\$ -
	4,285	-
Liabilities		
Accounts payable - Grants	10,136	-
	10,136	-
Net Liabilities	\$ (5,851)	\$ -

Natural Resources Conservation Board

Financial Statements Year Ended March 31, 2021

Table of Contents

Management’s Responsibility for Financial Reporting	105
Independent Auditor’s Report.....	106
Statement of Operations	109
Statement of Financial Position.....	110
Statement of Change in Net Financial Assets	111
Statement of Cash Flows	112
Notes to the Financial Statements.....	113
Schedule 1 Expenses – Directly Incurred Detailed By Object.....	120
Schedule 2 Salary and Benefits Disclosure	121
Schedule 3 Related Party Transactions	122
Schedule 4 Allocated Costs	123

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 Kevin Seward
Acting Chief Executive Officer

May 31, 2021

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 (the Board), which comprise the statement of financial position as at March 31, 2021, 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 Board as at March 31, 2021, 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 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 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 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 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 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 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 31, 2021
Edmonton, Alberta

Natural Resources Conservation Board

Statement of Operations

Year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
Revenues			
Government transfers			
Transfer from the Department of Environment and Parks (Note 4)	\$ 5,397,000	\$ 2,700,000	\$ 5,397,000
Investment income	70,000	16,388	86,195
Other revenue	1,000	2,140	2,565
	<u>5,468,000</u>	<u>2,718,528</u>	<u>5,485,760</u>
Expenses – directly incurred (Note 2(a) and Schedules 1 and 4)			
Board reviews and hearings	1,066,000	1,089,962	1,152,655
Regulating confined feeding operations	4,358,000	4,039,843	4,235,107
	<u>5,424,000</u>	<u>5,129,805</u>	<u>5,387,762</u>
Annual operating (deficit) surplus	44,000	(2,411,277)	97,998
Accumulated surplus at beginning of year	3,998,522	3,998,522	3,900,524
Accumulated surplus at end of year	<u>\$ 4,042,522</u>	<u>\$ 1,587,245</u>	<u>\$ 3,998,522</u>

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

Natural Resources Conservation Board

Statement of Financial Position

As at March 31, 2021

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents (Note 5)	\$ 1,885,583	\$ 4,218,142
Accounts receivable	2,134	4,449
	<u>1,887,717</u>	<u>4,222,591</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 7)	341,274	275,999
Net financial assets	<u>1,546,443</u>	<u>3,946,592</u>
Non-financial assets		
Tangible capital assets (Note 8)	40,802	51,775
Prepaid expenses	-	155
	<u>40,802</u>	<u>51,930</u>
Net assets	<u>\$ 1,587,245</u>	<u>\$ 3,998,522</u>
Net assets		
Accumulated surplus (Note 10)	<u>\$ 1,587,245</u>	<u>\$ 3,998,522</u>
Contractual obligations (Note 11)		

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

Original signed by Peter Woloshyn
Chair

Original signed by Kevin Seward
Acting Chief Executive Officer

Edmonton, Alberta
May 31, 2021

Natural Resources Conservation Board

Statement of Change in Net Financial Assets

Year Ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
Annual operating (deficit) surplus	\$ 44,000	\$ (2,411,277)	\$ 97,998
Acquisition of tangible capital assets (Note 8)	(17,000)	(6,000)	(22,900)
Amortization of tangible capital assets (Note 8)	30,000	16,973	38,772
Decrease in prepaid expenses	155	155	845
(Decrease)/Increase in net financial assets	57,155	(2,400,149)	114,715
Net financial assets at beginning of year	3,946,592	3,946,592	3,831,877
Net financial assets at end of year	\$ 4,003,747	\$ 1,546,443	\$ 3,946,592

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

Natural Resources Conservation Board

Statement of Cash Flows

Year Ended March 31, 2021

	2021	2020
Operating transactions		
Annual operating (deficit) surplus	\$ (2,411,277)	\$ 97,998
Non-cash item included in annual operating (deficit) surplus:		
Amortization of tangible capital assets (Note 8)	16,973	38,772
	<u>(2,394,304)</u>	<u>136,770</u>
Decrease/(Increase) in accounts receivable	2,315	(2,714)
Decrease in prepaid expenses	155	845
Increase/(Decrease) in accounts payable and other accrued liabilities	<u>65,275</u>	<u>(7,426)</u>
Cash (applied to) provided by operating transactions	<u>(2,326,559)</u>	<u>127,475</u>
Capital transactions		
Acquisition of tangible capital assets (Note 8)	<u>(6,000)</u>	<u>(22,900)</u>
Cash applied to capital transactions	<u>(6,000)</u>	<u>(22,900)</u>
(Decrease)/Increase in cash and cash equivalents	(2,332,559)	104,575
Cash and cash equivalents at beginning of year	<u>4,218,142</u>	<u>4,113,567</u>
Cash and cash equivalents at end of year	<u>\$ 1,885,583</u>	<u>\$ 4,218,142</u>

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

Natural Resources Conservation Board
 Notes to the Financial Statements
 March 31, 2021

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.

(a) Basis of Financial Reporting

Revenues

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 associated externally restricted investment income are recognized as deferred 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 these transfers.

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.

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.

Natural Resources Conservation Board
Notes to the Financial Statements
March 31, 2021

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 (Cont'd)

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other 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.

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 amounts.

Liabilities also include:

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

Environmental Liabilities

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. A liability for remediation of a contaminated site may arise from an operation that is either in productive use or no longer in productive use and may also arise from an unexpected event resulting in contamination. Management has reviewed the accounting standards PS3200 and PS 3260 and has concluded that the NRCB does not have any environmental liabilities.

Natural Resources Conservation Board
Notes to the Financial Statements
March 31, 2021

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

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

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 include 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 7 years
Office equipment	Declining balance – 20% per year
Office furniture	Declining balance – 20% per year

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, whenever estimates are used. 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.

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2022)**
 This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets..

Natural Resources Conservation Board
Notes to the Financial Statements
March 31, 2021

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS (Cont'd)

- **PS 3400 Revenue (effective April 1, 2023)**
 This standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

The NRCB has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

NOTE 4 GOVERNMENT TRANSFERS

	2021	2020
Budgeted transfer from the Department of Environment and Parks	\$ 5,397,000	\$ 5,397,000
Adjustment to transfer from the Department of Environment and Parks	(2,697,000)	-
Actual transfer received from the Department of Environment and Parks	\$ 2,700,000	\$ 5,397,000

NOTE 5 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, 2021, securities held by the fund have a time-weighted return of 0.4% (2020 – 1.9%) 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 other 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, 2021, there were no uncollectible receivable balances.

Natural Resources Conservation Board
Notes to the Financial Statements
March 31, 2021

NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

	2021	2020
Accounts payable	\$ 87,844	\$ 77,898
Accrued liabilities - employee benefits	253,430	198,101
	<u>\$ 341,274</u>	<u>\$ 275,999</u>

NOTE 8 TANGIBLE CAPITAL ASSETS

	Computer Hardware	Computer Software	Office Equipment	Office Furniture	2021 Total	2020 Total
Historical Cost						
Beginning of year	\$ 233,374	\$ 19,884	\$ 94,468	\$ 187,166	\$ 534,892	\$ 511,992
Additions	-	6,000	-	-	6,000	22,900
Disposals						
	<u>233,374</u>	<u>25,884</u>	<u>94,468</u>	<u>187,166</u>	<u>540,892</u>	<u>534,892</u>
Accumulated Amortization						
Beginning of year	225,310	19,884	54,395	183,528	483,117	444,345
Amortization expense	8,064	167	8,014	728	16,973	38,772
Effect of disposals	-	-	-	-	-	-
	<u>233,374</u>	<u>20,051</u>	<u>62,409</u>	<u>184,256</u>	<u>500,090</u>	<u>483,117</u>
Net Book Value at March 31, 2021	<u>\$ -</u>	<u>\$ 5,833</u>	<u>\$ 32,059</u>	<u>\$ 2,910</u>	<u>\$ 40,802</u>	
Net Book Value at March 31, 2020	<u>\$ 8,064</u>	<u>\$ -</u>	<u>\$ 40,073</u>	<u>\$ 3,638</u>		<u>\$ 51,775</u>

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 \$30,726 for the year ended March 31, 2021 (2020 - \$32,964). 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, 2020, the MEPP reported a surplus of \$809,850,000 (2019 - surplus \$1,008,135,000), and the SRP reported a deficiency of \$59,972,000 (2019 - deficiency \$44,698,000).

Natural Resources Conservation Board

Notes to the Financial Statements

March 31, 2021

NOTE 9 BENEFIT PLANS (Cont'd)

As a result of the COVID-19 outbreak, declared a global pandemic on March 11, 2020, global financial markets and world economies have experienced significant volatility. Given the extent of the crisis, and varying levels of response and recovery of countries across the globe, additional uncertainty remains and will continue to exist with regards to fair value measurement of the pension plans investments.

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 \$233,107 for the year ended March 31, 2021 (2020 - \$234,835). Pension expense comprises the cost of employer contributions during the year.

NOTE 10 ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	Investments in Tangible Capital Assets	Unrestricted Surplus	2021 Total	2020 Total
Balance at beginning of year	\$ 51,775	\$ 3,946,747	\$ 3,998,522	\$ 3,900,524
Annual operating (deficit) surplus	-	(2,411,277)	(2,411,277)	97,998
Net investment in capital assets	(10,973)	10,973	-	-
Balance at end of year	<u>\$ 40,802</u>	<u>\$ 1,546,443</u>	<u>\$ 1,587,245</u>	<u>\$ 3,998,522</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.

As at March 31, 2021, the NRCB had contractual obligations under operating leases and contracts totalling \$138,722 (2020 - \$330,027).

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

2021-22	\$ 129,555
2022-23	2,500
2023-24	2,500
2024-25	2,500
2025-26	1,667
	<u>\$ 138,722</u>

Natural Resources Conservation Board**Notes to the Financial Statements****March 31, 2021****NOTE 12 BUDGET**

The budget was included in the 2020-21 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board on May 22, 2020.

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

Schedule 1

Year Ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
Salaries, wages and employee benefits	\$ 4,593,465	\$ 4,452,290	\$ 4,611,984
Supplies and services	800,535	660,542	737,006
Amortization of tangible capital assets (Note 8)	30,000	16,973	38,772
Total expenses	\$ 5,424,000	\$ 5,129,805	\$ 5,387,762

Natural Resources Conservation Board
 Schedule to Financial Statements
 Salary and Benefits Disclosure

Schedule 2

Year Ended March 31, 2021

	2021			2020	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair ⁽⁴⁾⁽⁵⁾	\$ 177,135	\$ 47,399	\$ 10,202	\$ 234,736	\$ 240,311
Board Member A ⁽⁵⁾	104,108	14,104	13,035	131,247	152,006
Board Member B ⁽⁵⁾⁽⁷⁾	-	-	-	-	177,686
Board Member C ⁽⁶⁾⁽⁸⁾	40,125	4,724	6,824	51,673	-
Chief Executive Officer ⁽⁹⁾	200,863	8,895	43,847	253,605	131,254
Acting Chief Executive Officer ⁽¹⁰⁾	-	-	-	-	106,148

- (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 2021.
- (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 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 position became vacant on March 6, 2020.
- (8) The position commenced on October 19, 2020.
- (9) The position commenced on October 1, 2019.
- (10) The appointment of the Acting Chief Executive Officer ended on September 30, 2019.

Natural Resources Conservation Board
 Schedule to Financial Statements
 Related Party Transactions

Schedule 3

Year Ended March 31, 2021

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 in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<u>2021</u>	<u>2020</u>
Revenues	\$ 2,700,000	\$ 5,397,000
Expenses – Directly Incurred	\$ 29,320	\$ 27,984
Payable To	\$ 5,475	\$ 4,650

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 MOUs, the NRCB is both a service provider and a service recipient.

Natural Resources Conservation Board
 Schedule to Financial Statements
 Allocated Costs
 Year Ended March 31, 2020

Schedule 4

AOPA and NRCBA Mandates	2021		2020	
	Expenses ⁽¹⁾	Expenses - Incurred by Others Accommodation Costs ⁽²⁾	Total Expenses	Total Expenses
Board reviews and hearings ⁽³⁾	\$ 1,089,962	\$ 93,858	\$ 1,183,820	\$ 1,244,464
Regulating confined feeding operations ⁽⁴⁾	4,039,843	347,876	4,387,719	4,572,432
	\$ 5,129,805	\$ 441,734	\$ 5,571,539	\$ 5,816,896

(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 182 Days ended September 30, 2020

Table of Contents

Management's Responsibility for Financial Reporting	125
Independent Auditor's Report.....	126
Statement of Operations	129
Statement of Financial Position.....	130
Statement of Cash Flows	132
Notes to the Financial Statements.....	133
Schedule 1 Expenses – Detailed by Object.....	141
Schedule 2 Salary and Benefits Disclosure.....	142
Schedule 3 Related Party Transactions	143

Management's Responsibility for Financial Reporting

The accompanying Energy Efficiency Alberta (EEA) 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 was dissolved on September 30, 2020. During the period of April 1 to September 30, EEA's Board of Directors were responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. In both the presence and absence of management, the Board of Directors met 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. During the period from April 1st 2020 to September 30th 2020, the external auditors had full and unrestricted access to the members of the Board of Directors. During the period from October 1st 2020 to November 30th 2020, the external auditors had full and unrestricted access to the senior leadership team of the Ministry of Environment and Parks.

Original signed by Bev Yee
Deputy Minister for Environment and Parks
June 3, 2021

Original signed by Darrell Dancause
Assistant Deputy Minister Financial Services
and Senior Financial Officer for
Environment and Parks
June 3, 2021

Independent Auditor's Report

To the Minister of Environment and Parks

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 September 30, 2020, and the statements of operations, change in net financial assets, and cash flows for the 182 days 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 September 30, 2020, and the results of its operations, its changes in net financial assets, and its cash flows for the 182 days 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.

Emphasis of matter

I draw attention to Note 1 and Note 3 of the financial statements, which describes the dissolution of Energy Efficiency Alberta. My opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The financial statements of Energy Efficiency Alberta are included in the *Annual Report of the Ministry of Environment and Parks*. The other information comprises the information included in the *Annual Report of the Ministry of Environment and Parks* relating to Energy Efficiency Alberta, but does not include the financial statements of Energy Efficiency Alberta and my auditor's report thereon. The *Annual Report of the Ministry of Environment and Parks* 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 as applicable in accordance with Canadian public sector accounting standards.

Those charged with governance are responsible for overseeing 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. Because of the dissolution of Energy Efficiency Alberta, as disclosed in the financial statements, it ceased to be 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 3, 2021
Edmonton, Alberta

Energy Efficiency Alberta
Statement of Operations

182 Days ended September 30, 2020

	182 Days Ended September 30, 2020		Year Ended March 31, 2020
	Budget (Note 4)	Actual	Actual
<i>(in thousands)</i>			
Revenues			
Government Transfers			
Government of Alberta grants	\$ 8,000	\$ -	\$ 64,800
Federal and Other Government grants	-	812	1,990
Other Revenues	-	632	-
Investment Income	-	59	439
	8,000	1,503	67,229
Expenses – (Schedule 1 and Note 2(a))			
Energy Efficiency Initiatives	8,000	7,750	66,908
Net assets transferred due to dissolution (Note 3)	-	1,469	-
	8,000	9,219	66,908
(Deficit) surplus	-	(7,716)	321
Accumulated surplus at beginning of period	-	7,716	7,395
Accumulated surplus at end of period	\$ -	\$ -	\$ 7,716

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

Energy Efficiency Alberta

Statement of Financial Position

As at September 30, 2020

(In thousands)

	September 30, 2020 (Note 1 and 3)	March 31, 2020
Financial assets		
Cash and cash equivalents (Note 5)	\$ -	\$ 14,112
Accounts receivable (Note 6)	-	541
	-	14,653
Liabilities		
Accounts payable and other accrued liabilities (Note 8)	-	7,027
Deferred contributions (Note 9)	-	150
	-	7,177
Net financial assets	-	7,476
Non-financial assets		
Prepaid expenses	-	240
	-	240
Net assets	\$ -	\$ 7,716
Net assets		
Net assets at beginning of period	7,716	7,395
(Deficit) surplus	(7,716)	321
Accumulated surplus	\$ -	\$ 7,716

Contingent liabilities (Note 10)

Contractual obligations (Note 11)

The accompanying notes and schedules are part of these financial statements. All elements on EEA's statement of financial position were transferred to Alberta Environment and Parks on September 30, 2020 when the dissolution of EEA was effective. Please see more details in Notes 1 and 3.

Original signed by Bev Yee
Deputy Minister
June 3, 2021

Original signed by Darrell Dancause
Senior Financial Officer
June 3, 2021

Energy Efficiency Alberta
Statement of Change in Net Financial Assets

182 Days ended September 30, 2020
(In thousands)

	182 Days Ended September 30, 2020		Year End March 31, 2020
	Budget (Note 4)	Actual	Actual
(Deficit) surplus	\$ -	\$ (7,716)	\$ 321
Decrease (increase) in prepaid expenses		18	(18)
Other adjustments:			
Prepaid expenses transferred due to dissolution (Note 3)		222	
(Decrease) increase in net financial assets		(7,476)	303
Net financial assets at beginning of year		7,476	7,173
Net financial assets at end of year	\$ -	\$ -	\$ 7,476

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

Energy Efficiency Alberta

Statement of Cash Flows

182 Days Ended September 30, 2020

	182 Days Ended September 30, 2020	Year Ended March 31, 2020
	<i>(In thousands)</i>	
Operating transactions		
(Deficit)/Surplus	\$ (7,716)	\$ 321
(Increase) decrease in accounts receivable	(443)	762
(Decrease) in accounts payable and accrued liabilities	(6,600)	(17,888)
Decrease (increase) in prepaid expenses	18	(18)
Deferred contributions recognized as revenue (Note 9)	(150)	(629)
Net Assets Transferred due to Dissolution (Note 3)	1,469	
Cash applied to operating transactions	<u>(13,422)</u>	<u>(17,452)</u>
(Decrease) in cash and cash equivalents	(13,422)	(17,452)
Transfer of cash to GRF due to dissolution (Note 3)	(690)	-
Cash and cash equivalents at beginning of period	14,112	31,564
Cash and cash equivalents at end of period	<u>\$ -</u>	<u>\$ 14,112</u>

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

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

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

The mandate of EEA was:

- to raise awareness among energy consumers of energy use and the associated economic and environmental consequence,
- 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 was exempt from income taxes under the *Income Tax Act*.

On July 23rd, 2020, *Bill 22 - Red Tape Reduction Implementation Act, 2020* received Royal Assent, which repealed *the EEA Act* and resulted in the dissolution of EEA on September 30th, 2020. Legislation sets the date of the dissolution. Different practices exist regarding timing of accounting for the dissolution, either the day of or day before the legislated dissolution. When management determines that the accounting period ends the day of the dissolution, the statement of financial position reports no assets and/or liabilities as at the period end date, and the statement of operations and accumulated surplus reports the net amount of liabilities or assets transferred upon dissolution as revenue or expense. When management determines that the accounting period ends the day before the dissolution, the dissolution is a subsequent event, and the statement of financial position reports assets and/or liabilities as at the day before the dissolution, and no dissolution revenue or expense is reported in the current period statement of operations and accumulated surplus. Management has determined EEA's accounting period ended the day of the dissolution. Accordingly, the statement of financial position reports no assets and liabilities as at the period end date, and the statement of operations and accumulated surplus includes an amount related to the dissolution. As a result, the property, assets, rights, obligations, liabilities, powers, duties and functions of EEA became the property, assets, rights, obligations, liabilities, powers, duties and functions of the Crown in right of Alberta as of the dissolution of EEA on September 30th, 2020. Although the intention of Bill 22 was the dissolution of EEA, these financial statements have been prepared on a going concern basis as all the assets and liabilities of EEA were transferred to the Government of Alberta and the Government of Alberta had the intention to transfer EEA's programs and services. Accordingly, the amounts in the financial statements are recorded at carrying value in accordance with the accounting policies further described below.

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

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

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by period end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers 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 the use of the transfer, are recognized as revenue when the transfer is authorized and EEA meets the eligibility criteria (if any).

Investment income

Investment income includes interest income earned on cash and deposits held with financial institutions and 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 period 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 other accrued liabilities	Cost

Energy Efficiency Alberta**Notes to the Financial Statements**

September 30, 2020

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 (Cont'd)**

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 re-measurement 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 on the normal course of operations.

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

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 period 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, constructed, or developed assets that do not normally provide resources to discharge 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.

Energy Efficiency Alberta

Notes to the Financial Statements

September 30, 2020

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

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

Prepaid expenses

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

NOTE 3 GOVERNMENT RESTRUCTURING

(In thousands)

Upon the dissolution of EEA, the following net financial assets and non-financial assets were assumed by the Ministry of Environment and Parks on behalf of the Government of Alberta:

Cash and cash equivalents	\$ 690
Accounts receivable	984
Less:	
Accounts payable and other accrued liabilities	427
Net financial assets	<u>\$ 1,247</u>
Non-financial assets	
Prepaid expenses	<u>\$ 222</u>
Net assets transferred due to dissolution	<u>\$ 1,469</u>

Upon dissolution, estimated contractual payment requirements of \$2,388 were assumed by the Ministry of Environment and Parks on behalf of the Government of Alberta.

Upon dissolution, related party transactions of \$110 in receivable from other entities and \$121 payable to other entities were assumed by the Ministry of Environment and Parks on behalf of the Government of Alberta (Schedule 3).

NOTE 4 BUDGET

The budget of \$8 million was included in the 2020-21 Government estimates under the Ministry of Environment and Parks. Given EEA's dissolution on September 30, 2020, there was no submission of a business plan for EEA for 2020-21 and the budget was not received.

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

NOTE 5 CASH AND CASH EQUIVALENTS
(In thousands)

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 was managed while maintaining appropriate security and liquidity of depositors' capital. The portfolio was comprised of high-quality, short-term and mid-term fixed income securities with a maximum term of maturity of three years. Due to the short-term nature of CCITF and ATB investments, the carrying value approximates fair value. The CCITF account was closed at the start of the period. During the period the securities were held with ATB, a return was realized equal to 0.8% (2020 - 1.7%) based on the time weighted average of cash and cash equivalents outstanding.

	September 30, 2020	March 31, 2020
Cash - ATB	\$ -	\$ 3,938
Cash equivalents	-	10,174
	\$ -	\$ 14,112

NOTE 6 ACCOUNTS RECEIVABLE
(In thousands)

Accounts receivable are unsecured and non-interest bearing.

	September 30, 2020	March 31, 2020
Accounts receivable	\$ -	\$ 529
GST receivable	-	12
	\$ -	\$ 541

NOTE 7 FINANCIAL RISK MANAGEMENT
(In thousands)

EEA had the following financial instruments: accounts receivable, accounts payable and accrued liabilities. EEA had 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 required

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

NOTE 7 FINANCIAL RISK MANAGEMENT (Cont'd.)

(a) Credit Risk (Cont'd.)

surety bonds to be posted by contractors in favour of EEA. At September 30, 2020, EEA was a beneficiary under surety arrangements in the amount of \$ nil (2020 – \$3,758) 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 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 or by accessing net financial assets held. EEA also manages the liquidity risk by managing forecasting to ensure there is sufficient cash to meet the obligations.

NOTE 8 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

(In thousands)

	September 30, 2020	March 31, 2020
Accounts payable general	\$ -	\$ 4,971
Accrued liabilities	-	2,056
	<u>\$ -</u>	<u>\$ 7,027</u>

NOTE 9 DEFERRED CONTRIBUTIONS

(In thousands)

Deferred operating contributions

	September 30, 2020		March 31, 2020
	Government of Alberta	Other sources	Government of Alberta and other sources
Balance at beginning of period	\$ -	\$ 150	\$ 779
Add: cash contributions received/receivable during period	-	662	66,291
Less: amounts recognized as revenue	-	(812)	(66,790)
Less: amounts repaid pursuant to funding agreements	-	-	(130)
Balance at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

NOTE 10 CONTINGENT LIABILITIES

As of September 30, 2020, EEA was not named as defendant in any specific legal actions

NOTE 11 CONTRACTUAL OBLIGATIONS

(In thousands)

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. The obligations noted below give consideration to amounts existing under contracts adjusted for anticipated spending based on funding agreements negotiated or under negotiation.

	182 Days Ended		Year Ended
	September 30, 2020		March 31, 2020
Obligations under operating leases, contracts and programs	\$ 2,388	\$	10,687
	<u>\$ 2,388</u>	<u>\$</u>	<u>10,687</u>

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

	182 Days Ended
	September 30, 2020
Obligations under operating leases, contracts and programs	
2020-21	\$ 1,433
2021-22	944
2022-23	11
2023-24	-
2024-25	-
Thereafter	-
	<u>\$ 2,388</u>

Effective September 30, 2020, EEA was dissolved. Upon dissolution, estimated payment requirements of \$2,388 were assumed by the Ministry of Environment and Parks on behalf of the Government of Alberta.

Energy Efficiency Alberta
Notes to the Financial Statements
September 30, 2020

NOTE 12 BENEFIT PLAN

(In thousands)

EEA 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 \$162 (2020 - \$445) included in these financial statements represents the current contributions made on behalf of these employees

NOTE 13 COMPARATIVE FIGURES

Certain Year Ended March 31, 2021 figures have been reclassified, where necessary, to conform to the 182 Days Ended September 30, 2020 presentation.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

The Deputy Minister and Assistant Deputy Minister Financial Services and Senior Financial Officer of Environment and Parks approved the financial statements of EEA.

Energy Efficiency Alberta
 Schedule to Financial Statements
 Expenses – Detailed by Object

Schedule 1

182 DAYS ENDED SEPTEMBER 30, 2020

	182 Days Ended September 30, 2020		Year Ended March 31, 2020 (Restated)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits ⁽¹⁾	\$ 2,470	\$ 2,548	\$ 4,787
Supplies and Services ⁽²⁾	5,530	5,194	62,117
Financial Transactions and Other	-	8	4
	\$ 8,000	\$ 7,750	\$ 66,908

(1) Termination payments are included in Salaries, Wages and Employee Benefits expenses. Amounts of these payments are \$897 (2020 - \$27).

(2) 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 \$979 (2020 - \$43,886).

Energy Efficiency Alberta
 Schedule to Financial Statements
 Salary and Benefits Disclosure

Schedule 2

182 Days Ended September 30, 2020

	182 Days Ended September 30, 2020			Year Ended March 31, 2020	
	<i>(in thousands)</i>				
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non- cash benefits ⁽³⁾	Total	Total
Board of Directors					
Board Chair ⁽⁴⁾	\$ -	\$ -	\$ -	\$ -	\$ 15
Vice Chair ⁽⁴⁾	-	6	-	6	-
Board Members ⁽⁴⁾	-	21	1	22	83
Executive					
Chief Executive Officer ⁽⁵⁾ ⁽⁶⁾	91	164	42	297	231
Vice President of Corporate Services ⁽⁷⁾	81	144	24	249	207
Vice President of Corporate Performance ⁽⁸⁾	79	123	38	240	203
Vice President of Marketing and Communications ⁽⁹⁾	76	116	26	218	215
Vice President of Program Design and Delivery ⁽¹⁰⁾	-	-	-	-	222
Total	\$ 327	\$ 574	\$ 131	\$ 1,032	\$ 1,176

- (1) Base salary includes regular salary.
- (2) Other cash benefits include severance, vacation payouts, honoraria payments and other lump sum payments. There were no bonuses paid in the 182 days ended September 30, 2020.
- (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, outplacement, legal fees and fair market value of parking.
- (4) Remuneration and expenses of the Board are prescribed as that specified in Schedule 1, Part A of the Committee Remuneration Order. The Vice Chair is the acting chair since January 23rd, 2020.
- (5) Automobile provided, no dollar amount included in other non-cash benefits.
- (6) As a result of the dissolution a payment in the amount of \$128K was made to the post holder in respect of contractual severance obligations.
- (7) As a result of the dissolution a payment in the amount of \$103K was made to the post holder in respect of statutory severance and without prejudice settlement in lieu of contractual severance obligations.
- (8) As a result of the dissolution a payment in the amount of \$101K was made to the post holder in respect of statutory severance and without prejudice settlement in lieu of contractual severance obligations.
- (9) As a result of the dissolution a payment in the amount of \$96K was made to the post holder in respect of statutory severance and without prejudice settlement in lieu of contractual severance obligations.
- (10) Effective January 15th, 2020, the position was eliminated and the Vice President of Corporate Performance assumed any remaining duties previously associated with the position.

Energy Efficiency Alberta
 Schedule to Financial Statements
 Related Party Transactions

Schedule 3

182 Days Ended September 30, 2020

(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 period.

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.

	182 Days Ended September 30, 2020		Year Ended March 31, 2020	
	Entities in the Ministry	Other Entities	Entities in the Ministry	Other Entities
Revenues				
Grants from the Department of Environment and Parks	\$ -	\$ -	\$ 64,800	\$ -
Others	-	310	-	-
	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 64,800</u>	<u>\$ -</u>
Expenses				
Other services	-	161	-	158
	<u>\$ -</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 158</u>
Receivable from Other Entities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>
Payable to Other Entities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>

Effective September 30, 2020, EEA was dissolved. Upon dissolution, related party transactions of \$110 in receivable from other entities and \$121 payable to other entities were assumed by the Ministry of Environment and Parks on behalf of the Government of Alberta.

Other Financial Information

Department of Environment and Parks

Table of Contents

Statement of Credit or Recovery (unaudited)	145
Statement of Lapse/Encumbrance (unaudited)	147
Statement of Remissions, Compromises, Write-offs (unaudited).....	151
Payments Based on Agreements (unaudited)	152

Department of Environment and Parks
Statement of Credit or Recovery (unaudited)
Year Ended March 31, 2021
(In thousands)

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

	2021				
	Authorized (1)	Actual Revenue Recognized	Unearned Revenue/ Deferred Contributions	Actual Cash/ Donation Received/ Receivable (Shortfall) /Excess	
Parks Operations	\$ 24,062	\$ 35,178	\$ 4,833	\$ 40,011	\$ 15,949
Parks Infrastructure Management	3,800	7,082	1,398	8,480	4,680
Provincial Mapping Data	1,250	976	118	1,094	(156)
Remediation Certificates	25	6	-	6	(19)
Water Management Infrastructure	1,200	1,412	210	1,622	422
Bow Habitat Station	275	36	56	92	(183)
Fish and Wildlife	7,800	8,544	929	9,473	1,673
Air Quality Health Index	37	40	6	46	9
	<u>\$ 38,449</u>	<u>\$ 53,274</u>	<u>\$ 7,550</u>	<u>\$ 60,824</u>	<u>\$ 22,375</u>

(1) The authorized budget for credits or recoveries includes Adjustments appearing on Schedule 4. 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 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 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 1.4 and 3.2

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

Department of Environment and Parks
Statement of Credit or Recovery (unaudited) (Cont'd.)
Year Ended March 31, 2021
(In thousands)

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

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 4.2

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 Agriculture Financial Services for Wildlife Predator Compensation in which Alberta Environment and Parks received \$0.1 million in 2020-21 for work on this program. Elements 5.1 and 5.3

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
Statement of Lapse/Encumbrance (unaudited)
Year Ended March 31, 2021
(In thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
EXPENSE VOTE BY PROGRAM						
Ministry Support Services						
1.1 Minister's Office	\$ 977	\$ -	\$ -	\$ 977	\$ 837	\$ 140
1.2 Deputy Minister's Office	665	-	-	665	601	64
1.3 Legal Services	327	-	-	327	253	74
1.4 Corporate Services	17,900	-	-	17,900	21,956	(4,056)
	19,869	-	-	19,869	23,647	(3,778)
Air						
2.1 Air Policy	6,330	-	-	6,330	5,490	840
2.2 Air Partners and Stewardship	6,460	-	-	6,460	5,208	1,252
2.3 Air Quality Management	6,551	-	-	6,551	3,275	3,276
	19,341	-	-	19,341	13,972	5,368
Land						
3.1 Land Policy	7,889	-	-	7,889	9,627	(1,738)
3.2 Public Land Management	32,402	800	-	33,202	44,555	(11,353)
3.3 Rangeland Management	4,273	-	-	4,273	2,925	1,348
3.4 Rangeland Programs and Stewardship	3,606	-	-	3,606	2,357	1,249
	48,170	800	-	48,970	59,464	(10,494)
Water						
4.1 Water Policy	4,971	-	-	4,971	3,044	1,927
4.2 Water Partners and Stewardship	3,848	-	-	3,848	5,871	(2,023)
4.3 Water Management	41,682	408	336	42,426	45,988	(3,562)
4.4 Flood Adaptation	55,864	29,862	-	85,726	79,127	6,599
	106,365	30,270	336	136,971	134,030	2,941
Fish and Wildlife						
5.1 Fish and Wildlife Policy	6,246	-	-	6,246	7,715	(1,469)
5.2 Fisheries Management	10,503	-	40	10,543	11,768	(1,225)
5.3 Wildlife Management	41,586	-	1,435	43,021	24,900	18,121
	58,335	-	1,475	59,810	44,383	15,427
Integrated Planning						
6.1 Resource Management	21,952	-	-	21,952	13,595	8,357
6.2 Regional Cumulative Effects Management	4,984	-	-	4,984	9,373	(4,389)
6.3 Environmental Emergency Response	3,680	-	-	3,680	3,194	486
	30,616	-	-	30,616	26,162	4,454

Department of Environment and Parks
Statement of Lapse/Encumbrance (unaudited) (Cont'd)
Year Ended March 31, 2021
(In thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Parks						
7.1 Parks Operations	39,446	-	7,281	46,727	46,458	269
7.2 Parks Visitor Experience	8,123	-	-	8,123	7,112	1,011
7.3 Parks Conservation Management	5,738	-	-	5,738	4,008	1,730
7.4 Parks Public Safety and Security	13,351	-	-	13,351	2,332	11,019
7.5 Parks Infrastructure Management	9,582	-	-	9,582	7,020	2,562
	<u>76,240</u>	<u>-</u>	<u>7,281</u>	<u>83,521</u>	<u>66,930</u>	<u>16,591</u>
Land Use Secretariat	<u>5,169</u>	<u>-</u>	<u>-</u>	<u>5,169</u>	<u>1,467</u>	<u>3,702</u>
Science and Monitoring						
9.1 Environmental Science, Monitoring, Evaluation and Reporting	20,419	-	-	20,419	16,906	3,513
9.2 Oil Sands Environmental Monitoring	49,000	(6,086)	-	42,914	36,850	6,064
	<u>69,419</u>	<u>(6,086)</u>	<u>-</u>	<u>63,333</u>	<u>53,756</u>	<u>9,577</u>
Emissions Management						
10.1 Regulatory and Operations	10,802	-	-	10,802	7,556	2,640
10.2 Technology Innovation and Emissions Reduction	51,006	277,269	-	328,275	144,298	183,977
10.3 Oil Sands Innovation	77,365	-	-	77,365	77,365	-
10.4 Other Investments	8,000	731	-	8,731	9,003	(272)
	<u>147,173</u>	<u>278,000</u>	<u>-</u>	<u>425,173</u>	<u>238,222</u>	<u>186,951</u>
Quasi-Judicial Bodies						
11.1 Natural Resources Conservation Board	5,397	-	-	5,397	2,700	2,697
11.2 Surface Rights and Land Compensation Boards	100	-	-	100	(9)	109
11.3 Environmental and Public Lands Appeal Board	1,602	-	-	1,602	1,475	127
	<u>7,099</u>	<u>-</u>	<u>-</u>	<u>7,099</u>	<u>4,166</u>	<u>2,933</u>
2013 Alberta Flooding						
12.1 Infrastructure Recovery	-	-	-	-	(2)	2
12.2 Parks Flood Recovery	-	-	-	-	(2)	2
12.3 Community Stabilization	401	-	-	401	-	401
	<u>401</u>	<u>-</u>	<u>-</u>	<u>401</u>	<u>(4)</u>	<u>405</u>
Total	<u>\$ 588,197</u>	<u>\$ 302,984</u>	<u>\$ 9,092</u>	<u>\$ 900,273</u>	<u>\$666,196</u>	<u>\$ 234,077</u>
Lapse/(Encumbrance)						<u>\$ 234,077</u>

Department of Environment and Parks
Statement of Lapse/Encumbrance (unaudited) (Cont'd)
Year Ended March 31, 2021
(In thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
CAPITAL INVESTMENT VOTE BY PROGRAM						
Ministry Support Services						
1.5 Corporate Services	425	-	425	850	76	774
Air						
2.1 Air Policy	-	-	-	-	296	(296)
Land						
3.2 Public Land Management	5,402	-	629	6,031	786	5,245
3.3 Rangeland Management	200	-	-	200	-	200
Water						
4.2 Water Partners and Stewardship	-	-	-	-	30	(30)
4.3 Water Management	-	-	-	-	13	(13)
4.4 Flood Adaptation	2,000	-	-	2,000	656	1,344
Fish and Wildlife						
5.2 Fisheries Management	6,098	-	3,169	9,267	3,660	5,607
5.3 Wildlife Management	7,088	-	-	7,088	59	7,029
Integrated Planning						
6.1 Resource Management	-	-	-	-	469	(469)
6.3 Environmental Emergency Response	-	-	-	-	-	-
Parks						
7.1 Parks Operations	-	-	-	-	-	-
7.5 Parks Infrastructure Management	42,932	-	24,622	67,554	44,084	23,470
Science and Monitoring						
9.1 Environmental Science, Monitoring, Evaluation and Reporting	2,107	-	729	2,836	1,312	1,524
9.2 Oil Sands Environmental Monitoring	1,000	-	-	1,000	332	668
2013 Alberta Flooding						
12.1 Infrastructure Recovery	-	-	-	-	-	-
12.3 Parks Flood Recovery	-	-	-	-	-	-
12.4 Community Stabilization	-	-	-	-	-	-
Total	\$ 67,252	\$ -	\$ 29,574	\$ 96,826	\$ 51,773	\$ 45,053
Lapse/(Encumbrance)						\$ 45,053

Department of Environment and Parks
Statement of Lapse/Encumbrance (unaudited) (Cont'd)
Year Ended March 31, 2021
(In thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
FINANCIAL TRANSACTIONS						
VOTE BY PROGRAM						
Environmental Site Liability Retirement						
Water						
4.3 Water Management	100	-	-	100	-	100
Integrated Planning						
6.3 Environmental Emergency Response	3,919	-	-	3,919	-	3,919
Total	\$ 4,019	\$ -	\$ -	\$ 4,019	\$ -	\$ 4,019
Lapse/(Encumbrance)						\$ 4,019

- (1) As per "Expense Vote by Program," "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page 97 to 100 of 2020-21 Government Estimates.
- (2) Supplementary supply includes increases in budget for Public Land Management, Water management, Flood Adaptation, TIER, and Other investments. There was a decrease in budget for Oil Sands Environmental Monitoring.
- (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. 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.

Statement of Remissions, Compromises, Write-offs (unaudited)
Year Ended March 31, 2021
(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	52	
Department Accounts Payable Credits	-	
Total Write-offs	<u>52</u>	<u>52</u>
Total Remissions, Compromises and Write-offs	\$	<u>52</u>

Department of Environment and Parks

Payments Based on Agreements (unaudited)

March 31, 2021

(In thousands)

The following has been prepared pursuant to Section 25(3) of the Financial Administration Act.

The Department has entered into agreements to deliver programs and services that are fully funded by Infrastructure Canada (INFC) and relate to the Investing in Canada Infrastructure Program (ICIP). This is a 10-year federal program, ending March 31 2028, intended to address ongoing infrastructure needs. The ICIP amount approved for Environment and Parks' is \$44.6 million. The program is administered through an Integrated Bilateral Agreement (IBA), which is being managed by Infrastructure on behalf of Alberta. Costs based on these agreements are incurred by the Department under the authority in Section 25 of the Financial Administration Act. Accounts payable and receivable relating to payments based on agreements are nil as of March 31, 2021.

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 and if the department, public entity or office to which the recommendations relate has not taken corrective.
- (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.

There were no disclosures of wrongdoing filed with my office for your department between April 1, 2020 and March 31, 2021.