

GOVERNMENT OF ALBERTA

Environment and Protected Areas

Annual Report
2023-24

Alberta 

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2023–2024 Annual Report

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Preface

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

In January 2024, the Sustainability and Emissions Reductions Innovation Secretariat was created. As such, the environment, social, and governance programming responsibilities of the Ministry of Environment and Protected Areas was transferred to the Ministry of Executive Council, and the budget and actual revenues and expenses for are transferred to Executive Council as of April 1, 2024. The 2023-24 Annual Report reflects the 2023-26 Ministry Business Plan and the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2023-24 fiscal year, which ended on March 31, 2024.

The Annual Report of the Government of Alberta contains Budget 2023 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Environment and Protected Areas contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, 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 the regulated funds, and the provincial agencies for which the minister is responsible;
- other financial information as required by the *Financial Administration Act* and *Sustainable Fiscal Planning and Reporting Act*, as separate reports, to the extent that the ministry has anything to report; and
- financial information relating to trust funds.

All Ministry Annual Reports 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, 2024, was prepared under my direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the government's accounting policies. All the government's policy decisions as at June 5, 2024 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by Honourable Rebecca Schulz
Minister of Environment and Protected Areas

Message from the Minister



As the Minister for Environment and Protected Areas in Alberta, it is a privilege and an honour to lead those dedicated to preserving the province's air, land, water and biodiversity resources.

Over the past year, I have been sharing Alberta's great environmental record with the world. Alberta made it clear to global audiences that the Emissions Reduction and Energy Development Plan sets a course for a carbon neutral economy by 2050. As leaders, it's been important to share our accomplishments on the world stage, including promoting Alberta's emissions reduction technologies internationally. I was proud to share that our province is a world-leader in reducing methane emissions, carbon capture utilization and storage, and that coal-fired electricity will be completely phased out this year.

Our government is doing more than ever when it comes to protecting and sustainably managing the environment. We are committed to responsible planning, strong climate and energy policy that includes reliability and affordability, and a results-based approach to tackling important environmental issues. We are helping protect Albertans from floods and droughts, and conserving Alberta's breathtaking landscapes and biodiversity for future generations.

Reducing emissions and protecting the environment does not mean reducing economic development. The ministry is successfully ensuring sustainable economic development is being achieved within an environmental capacity.

Alberta's dedication to environmental resource management embraces working together with municipalities, non profit organizations and Indigenous communities. This approach supports many strategies and frameworks, including work on regional, sub-regional, and environmental management plans to keep our air, water and biodiversity healthy.

Alberta continues to enhance its strong recycling stewardship. We continue our transition to a circular economy, including establishing new extended producer responsibility systems, and continuing effective stewardship programs for beverage containers, electronics, used oil, paint and tires.

We continue working to address emergent issues as many regions in the province face challenges from flood, drought and the threat of invasive species. We, and our many partners, are working diligently on provincial monitoring programs so that we are prepared and can respond in a timely and effective manner. Water is one of the most precious resources we have, and we must manage this resource more efficiently now, and for years to come.

We will keep building on Alberta's legacy as a world leader in environmental conservation. We are moving faster than any government in Alberta's history to advance land use planning, are protecting species at risk, and are creating a new nature strategy that will be the best in Canada.

Albertans have a proud history of environmental stewardship and conservation – because of these incredible natural landscapes we are blessed with, and the resources they contain, they are ours to

protect, to conserve, to develop, to grow, and to share. We are stepping up where it matters most, and making the long-term investments needed to support Albertans for decades to come.

Looking forward to the year ahead, I will continue to work on regulatory transformation, and implementing positive changes so that our province remains a world leader in environmental conservation and protection, sustainable economic prosperity, and quality of life, now, and in the future.

Original signed by Honourable Rebecca Schulz
Minister of Environment and Protected Areas

Management's Responsibility for Reporting

The Ministry of Environment and Protected Areas includes:

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 Protected Areas. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the *2023-26 Government of Alberta Strategic Plan*. The financial information and performance results, out 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:

- **Reliable** – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- **Understandable** – the performance measure methodologies and results are presented clearly.
- **Comparable** – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- **Complete** – outcomes, performance measures and related targets match those included in the ministry's *Budget 2023*.

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 Protected Areas the information needed to fulfill their responsibilities; and

Introduction

- facilitate preparation of Ministry Business Plans and annual reports required under the *Sustainable Fiscal Planning and Reporting 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 Sherri Wilson
Deputy Minister of Environment and Protected Areas

June 5, 2024

Results Analysis

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Ministry Overview

The Ministry of Environment and Protected Areas works to protect and enhance the environment and ecosystems throughout the province. Alberta, as a leader in environmental conservation and protection, works to secure a sustainable future including economic prosperity and quality of life for Albertans.

The ministry delivers a balanced made-in-Alberta approach for provincial Crown land that meets the needs of communities, Indigenous Peoples, and job creators without compromising conservation values. The Alberta Crown Land Vision outlines the government's approach to Crown land management that finds the right balance between conservation, recreation and economic use, and ensures land uses are sustainable into the future. Environment and ecosystem health and integrity are a foundation for a healthy economy and communities, and the safety and well-being of Albertans. Achieving this requires the ministry to leverage effective consultation, engagement, collaboration, and partnerships to implement the Alberta Crown Land Vision, regional and sub-regional land use plans, and environmental management frameworks, as well as complementary strategies to support the protection and recovery of species at risk, the wise and sustainable use of fish and wildlife, and habitat conservation.

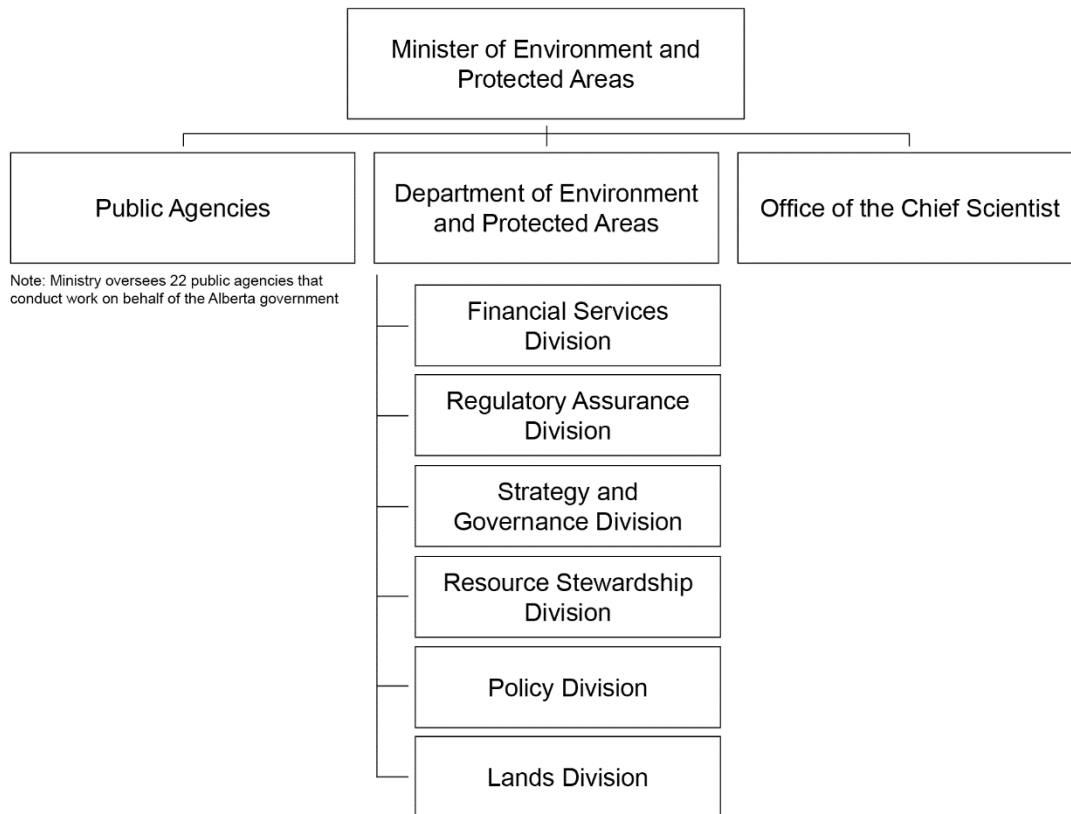
Through a collaborative approach to environmental stewardship, the ministry provides direction and regulates access, allocation and use of natural resources through legislation, planning, policy, and regulatory assurance. The ministry administers several programs that provide funding to our partners and support the economy by creating jobs to achieve the outcomes important to Albertans.

Under its continued leadership, the ministry delivers the Technology Innovation and Emissions Reduction regulatory system and provides certainty and stability for investment into large emission reducing projects while maintaining industry competitiveness. The ministry is home to the Land Use Secretariat and the Integrated Resource Management Secretariat responsible for cross-ministry integration and collaboration in policy coordination, resource management, and delivery of the Land-use Framework.

The Office of the Chief Scientist provides Albertans and the ministry with expert environmental science knowledge, research, and advice to address the complex environmental challenges and opportunities facing Alberta and reports on the condition of Alberta's environment.

The Ministry of Environment and Protected Areas remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasizes outcomes to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Organizational Structure



Information provided in this annual report aligns with the Government of Alberta 2023-24 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 Protected Areas Business Plan 2023-26](#) and key factors that influenced those results.

Results described considered identification and potential impact of risks facing the organization and their ongoing management through risk management activities. Department operations also include:

- **Technology Innovation and Emissions Reduction (TIER) Fund:** Collects monies from specified greenhouse gas emitting sources and supports initiatives to reduce greenhouse 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.

Operational Overview

Department of Environment and Protected Areas

The department represents the interests of Albertans in delivering a balanced and results-based approach to stewardship of Alberta's environment, while enabling sustainable resource development that supports public and economic well-being. The department strives for operational excellence, as well as developing and implementing effective environmental policies and programs.

Office of the Chief Scientist

The Office of the Chief Scientist (OCS) communicates environmental science information to Albertans and government and provides scientific oversight for the Alberta Environmental Science Program using a multiple evidence-based approach. Additionally, the OCS provides scientific advice to help address complex environmental challenges and opportunities facing the province and the government.

Financial Services Division

The division provides leadership in financial planning, manages financial reporting and systems, and supports the achievement of financial outcomes for the ministry.

Lands Division

The division enables an integrated approach to Crown land management including policy, planning and decision-making. The policy and planning work of the division considers the many values and uses of Crown land including conservation, ecosystem services, industrial development, exercise of treaty rights and traditional use, and recreational land use. Planning work includes watershed planning, regional planning, sub-regional planning, Indigenous cooperative management; and policy work spans conservation and biodiversity, recreation, agricultural use and industrial use, reclamation and remediation, and liability management. The division also has responsibility for delivery of programs. The division work requires engagement and collaboration across government and with Indigenous communities, local communities, and industry and other stakeholders.

The division includes the Integrated Resource Management System Secretariat and the Land Use Secretariat to enable cross-ministry coordination for responsible natural resource management in Alberta, and implementation of the Land-use Framework, including statutory land use planning.

Policy Division

The division is responsible for the integration of the ministry's policy agenda and legislative, cabinet and policy systems coordination including a lead role in air, climate, water and waste policy. The division is instrumental in modernizing legislation and regulations, developing and implementing policy frameworks. The division is responsible for delivery of climate change regulations, including emissions reporting, industrial carbon pricing and emissions trading, and renewable fuels standards. This includes oversight of the TIER Fund investments to reduce emissions and enhance resilience to a changing climate.

Regulatory Assurance Division

The division ensures the regulatory framework and regulatory decision-making processes deliver policy outcomes through innovation, modernization, and systems transformation. The division leads departmental response and coordination during environmental emergencies.

Resource Stewardship Division

The division leads the department's approach to resource stewardship including advancing partnerships related to fish and wildlife management, data collection and management, citizen science and community-based monitoring, and the overall oil sands monitoring program.

Strategy and Governance

The division provides integrated, coordinated and results-based business support services for key transformation initiatives, evaluation, continuous improvement, risk management and business continuity. The division is also responsible for delivering intergovernmental, Indigenous and

community engagement and education activities, and providing oversight of external agencies and partnerships.

Public Agencies

Public Agencies are arm's length entities that are linked to ministries based on their mandate and are accountable to the responsible minister(s). The Ministry of Environment and Protected Areas provides oversight of 22 public agencies that are classified as advisory, regulatory/adjudicative, and service delivery.

The Ministry of Environment and Protected Areas shares a common responsibility with the:

- Ministry of Forestry and Parks for eight public agencies listed in this section (*);
- Ministry of Energy and Minerals for the Alberta Energy Regulator (AER) (**); and
- Ministry of Agriculture and Irrigation for the Natural Resources Conservation Board (NRCB) (***)).

Service Delivery

Alberta Conservation Association*

Alberta Conservation Association (ACA) encourages all Albertans to enjoy the outdoors. ACA members study the wildlife, fish and plants that live in Alberta to find ways to help them flourish. A key aspect of the Association is sharing its learnings about fish, wildlife, and habitat with the public. As of 2022-23, ACA has awarded approximately \$23.4 million through grant funding to conservation-related projects throughout the province.

Both Environment and Protected Areas and Forestry and Parks Ministers are responsible for the *Wildlife Act* and this agency because it was established by the Wildlife Regulation, thereby share responsibility for this agency.

Alberta Professional Outfitters Society*

The Alberta Professional Outfitters Society (APOS) is responsible for qualifying the province's guides and outfitters, the distribution, transfer, and leasing of game allocations and waterfowl privileges provided by the department. APOS is also responsible for the sale of licenses and permits for guide-outfitting activities, and discipline in Alberta.

Both Environment and Protected Areas and Forestry and Parks Ministers are responsible for the *Wildlife Act* and this agency because it was established by the Wildlife Regulation.

Climate Change and Emissions Management Corporation

The Climate Change and Emissions Management Corporation operates as Emissions Reduction Alberta (ERA). ERA invests in a diverse portfolio of technologies that will reduce greenhouse gas emissions and grow Alberta's economy. From 2009 to April 2024, ERA has invested \$935 million across 277 projects that are anticipated to reduce greenhouse gas emissions by 42.5 megatonnes by 2030 and add \$5.4 billion to Alberta's Gross Domestic Product (GDP) by 2027.

Regulatory/Adjudicative

Alberta Energy Regulator**

The AER ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes AER allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

Environment and Protected Areas and Energy and Minerals Ministers have common responsibility for the *Responsible Energy Development Act* which establishes the AER.

Alberta Recycling Management Authority

The Alberta Recycling Management Authority (ARMA) manages the provincially regulated recycling programs for scrap tires, waste electronics, waste paint and paint containers, and used oil materials. Since 1992, ARMA has secured valuable relationships with a multi-stakeholder board, four industry councils, over 5,300 registered suppliers and producers, and 27 recyclers. ARMA is also designated as the management board for administration and oversight of Alberta's extended producer responsibility systems for single-use products, packaging and paper products, and hazardous and special products, which is on track to be in place April 2025.

Beverage Container Management Board

The Beverage Container Management Board (BCMB) is responsible for managing Alberta's regulated recycling program for beverage containers. The BCMB works with Alberta bottle depots, the Alberta Beverage Container Recycling Corporation, and Brewers Distributors Ltd. and others to ensure the collection and processing of used beverage containers. The BCMB is responsible for setting criteria for the beverage container management system; conducting depot and retail inspections; registering new containers; issuing operating permits for depots; and approving collection system agents.

Environmental Appeals Board

The Environmental Appeals Board (AEB) hears appeals relating to administrative decisions regarding environmental approvals, water licenses, enforcement orders, reclamation/remediation certificates, preliminary certificates, administrative penalties, and environmental protection orders. The AEB generally makes recommendations to the Minister for final decision and has final decision on matters related to requests for confidentiality, administrative penalties, preliminary motions, and cost.

Natural Resources Conservation Board***

The NRCB provides Albertans with a mechanism to address concerns and grievances related to the forestry industry, non-energy mining, recreational and water management development proposals. The NRCB is also responsible for the review, approval, monitoring and enforcement of confined feeding operations. The Environment and Protected Areas Minister has responsibility for the *Natural Resources Conservation Board Act* and the Agriculture and Irrigation Minister has responsibility for the *Agriculture Operators Practices Act*, thereby sharing responsibility for this agency.

Public Lands Appeal Board*

The Public Lands Appeal Board (PLAB) is responsible to hear and, if possible, resolve appeals of specified decisions for the regulated entities or directly affected parties as authorized under the *Public Lands Act* and the Public Lands Administration Regulation.

Advisory

Birch Mountains Wildland Provincial Park Cooperative Management Board*

Birch River Wildland Provincial Park Cooperative Management Board*

Dillon Wildland Provincial Park Cooperative Management Board*

Kazan Wildland Provincial Park Cooperative Management Board*

Richardson Wildland Provincial Park Cooperative Management Board*

Wildland provincial parks are created under the authority of the *Provincial Parks Act* (PPA), but the boards are established under the *Government Organization Act*. The Boards were established to provide recommendations to the Minister on matters related to the development of a park-specific management plan and implementation oversight. The PPA is under the responsibility of the Forestry and Parks Minister, with exception to sections 14 and 15, which relate to control and protection of roads and highways which are under the authority of the Environment and Protected Areas Minister.

Caribou Sub-Regional Council

The Caribou Sub-Regional Council (CSRC) provides recommendations to the Minister based upon local knowledge and expertise for sub-regional planning areas encompassing one or more of Alberta's 15 caribou ranges. CSRC recommendations address caribou priorities, including achieving and maintaining naturally self-sustaining caribou populations, and consideration for multi-species conservation, economic opportunities, recreational pursuits, other societal interests, and the impact on the exercise of Treaty rights and traditional uses.

Endangered Species Conservation Committee

The Endangered Species Conservation Committee (ESCC) brings together scientific expertise and the knowledge of people who own, manage, or use the land on which wild species depend, to effectively plan for the management of species at risk. The ESCC's primary role is to advise the Minister on matters related to the identification, conservation and recovery of species at risk in Alberta.

Indigenous Wisdom Advisory Panel

The Indigenous Wisdom Advisory Panel (IWAP) is dedicated to ensuring that Indigenous knowledge systems, languages, oral traditions, understandings, natural laws and cultures are represented and respected equitably within the Alberta Environmental Science Program. The IWAP provides advice on these matters to the Chief Scientist and the Minister.

Mackenzie River Basin Board

The Mackenzie River Basin Board (MRBB) is an interjurisdictional third-party board whose role is to administer the Mackenzie River Basin Transboundary Waters Master Agreement. The agreement relates to water quantity and quality sharing among Alberta, Saskatchewan, British Columbia, Yukon and Northwest Territories for waterbodies that cross provincial and/or territorial borders.

Prairie Provinces Water Board

The Prairie Province Water Board (PPWB) is an interjurisdictional third-party board whose role is to administer the Master Agreement on Apportionment. This relates to water quantity and quality sharing among Alberta, Saskatchewan, and Manitoba for waterbodies that cross provincial and/or territorial borders.

Ronald Lake Bison Herd Cooperative Management Board

The Ronald Lake Bison Herd Cooperative Management Board advises the Minister on matters related to the long-term sustainability of the Ronald Lake bison herd, including sustainability of Indigenous traditional use of and cultural connection to the herd. In developing its recommendations, the Board considers both Indigenous knowledge and western science.

Science Advisory Panel

The Science Advisory Panel (SAP) reviews the scientific quality and relevance of the Alberta Environmental Science Program, including its related monitoring and research programs, to assess the scientific integrity of the program and comment publicly when considered necessary. The SAP also provides independent scientific advice on environmental issues and opportunities to the Chief Scientist and the Minister.

Water and Wastewater Operator Certification Advisory Committee

The Water and Wastewater Operator Certification Advisory Committee (AWWOA) meets to make recommendations on certification program policy, facility classifications, applications for certification and renewal, certification examinations, evaluation of specific training/education with respect to the Certification Program, experience and education relevance, and determination of Certification Program fees.

Key Highlights

The Ministry of Environment and Protected Areas focused on accomplishing two outcomes identified in the 2023-26 Ministry Business Plan:

- Environment and ecosystem health and integrity are vital to Albertans' well-being and safety.
- Sustainable economic development is achieved within environmental capacity.

Key highlights and results achieved by the Ministry of Environment and Protected Areas in 2023-24 include:

- Alberta's TIER regulatory system continued to drive emissions reductions at regulated facilities and other sectors of the economy covered by Alberta carbon offsets. In 2023-24, Environment and Protected Areas invested \$94.3 million from the TIER fund to support innovation and technology in Alberta.
- Implemented three initiatives to explore ways to improve oil and gas sector reclamation policies and business processes including the Well Site Reduction Pilot, Reclaiming Peatland Pilot and endorsed the Petroleum Technology Alliance Canada (PTAC) weed management guide, Preparing Variance Justifications for Weeds and Problematic Species on Wellsites and Associated Facilities on Forested Land.
- Delivered provincial flood forecasting and drought support services through the River Forecast Centre, provincial flood mapping, Bow River Reservoir Options initiative, and grants to local governments investing in mitigation projects to increase their resilience to flood and drought impacts.
- Continued supporting Piikani Nation's Traditional Knowledge Services in developing a biocultural framework, an important holistic tool for bridging the gap between Indigenous and scientific knowledge systems, as well as a multi-year Kát'odeh River Basin Indigenous community-based monitoring program, focused on building capacity within the interested Indigenous communities in the basin and to address questions about the health of the aquatic ecosystem.
- Released several monitoring reports: the 2021 Status of Surface Water Quality: Lower Athabasca Region, 2021 Status of Surface Water Quantity: Lower Athabasca Region, and 2021-22 Status of Surface Water Quality: South Saskatchewan Region, fulfilling reporting requirements outlined in the Frameworks, and completed the report: Looking Upstream: A 5-year Review of Alberta's Monitoring, Evaluation, and Reporting Plan for Lotic Systems which reviewed results for Alberta's river water quality monitoring programs covering activities conducted between 2016 and 2021.
- Began implementation of the surface water quality management frameworks for the North Saskatchewan and Upper Athabasca Regions.
- In 2023-24 Environment and Protected Areas proactively deployed air quality sensors and portable monitoring equipment to provide invaluable air quality information to Albertans and emergency personnel during the unprecedented 2023 wildfire season.

The Ministry of Environment and Protected Areas remains committed to regulatory approaches and program delivery that reduces unnecessary government oversight and emphasizes outcomes, to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Discussion and Analysis of Results

Actions that support the priorities of the [2023-26 Government of Alberta Strategic Plan](#)

Key Priority One:

Securing Alberta's Future.

Objective 1.4: Securing a fair deal for Alberta within a united Canada.

Working closely with the world's leading banks, insurers, pension funds, credit rating agencies and investors to define and defend Alberta's leadership on Environmental, Social and Governance (ESG) standards across all sectors. This includes adopting a standardized jurisdictional ESG framework to enable transparent, comparable jurisdictional assessments and to enhance Alberta's reputation as a leader for clean, secure, and ethically-sourced energy, attracting new investment to the province.

Detailed reporting on Environment and Protected Areas actions is found in [Key Objective 2.1](#) on page 27 of this report.

Objective 1.7: Ensuring the health and integrity of Alberta's environment and ecosystems.

Taking meaningful action toward a lower carbon future with the Alberta Emissions Reductions and Energy Development Plan. This plan sets out to reduce greenhouse gas emissions by working collaboratively with industrial emitters and investing in innovation and the practical application of technology through the Technology, Innovation and Emissions Reduction (TIER) system. As one of the strongest policies in North America, this will help Alberta achieve its climate goals, strengthen the economy, and drive innovation in the province.

Detailed reporting on Environment and Protected Areas actions is found in [Key Objectives 2.4](#) on page 29 of this report.

Objective 1.7: Ensuring the health and integrity of Alberta's environment and ecosystems.

Maintaining and strengthening environmental resource stewardship and conservation through proactive engagement and partnerships with municipalities, nonprofit organizations, and Indigenous communities. Through Alberta's Clean Air Strategy, the province is reaffirming its commitment to the wise management of air quality, and through the Water for Life Strategy, Alberta is achieving its commitment to safe, secure drinking water supply; healthy aquatic ecosystems; and reliable, quality water supplies for a sustainable economy.

Detailed reporting on Environment and Protected Areas actions is found in [Key Objective 1.2](#) on page 18 of this report.

Objective 1.7: Ensuring the health and integrity of Alberta's environment and ecosystems.

Securing Alberta's position as a leader in regulatory assurance through the Regulatory Transformation Project (RTP). Alberta is supporting community and economic development while maintaining high-quality environmental health in Alberta through legislation, policies and plans. Once fully implemented, the RTP will provide outcomes-based approaches to decisions, be impartial, transparent, and agile with clear accountability, a common risk management framework, and enhanced stakeholder awareness.

Detailed reporting on Environment and Protected Areas actions is found in [Key Objective 2.3](#) on page 28 of this report.

Outcome One: Environment and ecosystem health and integrity are vital to Albertan's well-being and safety.

Key Objectives

1.1 Balance environmental, economic and social interests through integrated policy development, and land and environmental planning (land-use plans, management frameworks, programs, agreements, biodiversity planning) with effective legislation, regulation and processes while maintaining robust environmental standards and safety.

Supporting Initiative:

- \$15.5 million is allocated for land-use planning and stewardship tools in 2023-24.

Land Use Secretariat Initiatives

The Land Use Secretariat, in collaboration with government-wide partners, focused efforts on the Land-use Framework and the Lower Athabasca and South Saskatchewan Regional Plans. In 2023-24, the Land Use Secretariat continued to assess the feedback provided about the ongoing relevance and effectiveness of the Lower Athabasca Regional Plan obtained in the engagement process for the 10-year review required by the *Alberta Land Stewardship Act*. The review process has been seeking feedback from Albertans, Indigenous communities, municipal governments, industry, non-governmental organizations, and others to assist in determining the ongoing relevancy and effectiveness to support the long-term vision for economic, social, and environmental needs in the region.

Regional Planning

Lower Athabasca Region

Alberta's government remained committed to implementation of the Lower Athabasca Regional Plan by working together with stakeholders and Indigenous Peoples. The plan includes environmental management frameworks for air, surface water quality, surface water quantity, groundwater and tailings management. It also commits to developing a biodiversity management framework. These frameworks help manage the long-term cumulative effects of development and activities on the regional environment.

South Saskatchewan Region

Implementation of the South Saskatchewan Region environmental management frameworks remained a focus for 2023-24, as well as the Livingstone-Porcupine Hills Land Footprint Management Plan and the Livingstone Porcupine Hills Recreation Management Plan.

Sub-regional Planning

Land-use plans are being developed and implemented to support a cumulative effects management approach by setting and integrating economic, environmental and social outcomes, and by managing new and existing land activities to achieve these outcomes. Environmental management frameworks establish threshold values, and provide for monitoring and reporting and as needed, require management responses to ensure regional environmental outcomes are achieved. Overall 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. Examples of this work in 2023-24 are provided below.

Moose Lake Access Management Plan

Implementation of the Moose Lake Access Management Plan (MLAMP) is ongoing. The MLAMP provides clear management direction for access to natural resources and support of Treaty rights and traditional uses in the Moose Lake area 10 km zone (103,000 hectares). A Technical Advisory Committee has been established and will support plan implementation. A conceptual surface/groundwater interaction model has been developed and is being reviewed by sectors. Legacy seismic disturbance restoration is a commitment under the Moose Lake Plan and treatment plans are being prepared with Fort McKay First Nation, Fort McKay Metis Nation, and the newly established Technical Advisory Committee for restoration activity to occur in 2024.

Sub-regional Planning in the South Saskatchewan Region

Implementation of the Livingstone-Porcupine Hills Land Footprint Management Plan continues to minimize the extent, duration and rate of cumulative footprint for the purpose of achieving a landscape with healthy and functioning ecosystems that support economic activities, First Nations use, and provide a wide range of benefits to communities and the public. The footprint plan has set regulated limits on the total amount of motorized access permitted from all activities, including public recreational use, and to support industrial access such as forestry activities.

Analysis to prepare for future sub-regional planning in the Ghost-Kananaskis region is in progress.

Springbank Off-Stream Reservoir Land Use Plan

Public and First Nation engagement on the Springbank Off-Stream Reservoir (SR1) Draft Land Use Plan was launched in February and completed in April 2024. The draft Land Use Plan took into consideration recommendations from the Joint Land Use Advisory Committee and the First Nations Land Use Collaboration Committee. The final Land Use Plan is expected to be released in 2024.

Environmental Management Frameworks

Environmental management frameworks establish threshold values, provide for monitoring and reporting, and require management responses as needed to ensure regional environmental outcomes are achieved. Environmental management frameworks for the Lower Athabasca and South Saskatchewan regions continued to be implemented in 2023-24. Status reporting for surface water quality management frameworks were completed along with reporting on the surface water quantity management framework for the Lower Athabasca Region. Following approval of the surface water quality management frameworks for the North Saskatchewan and Upper Athabasca Regions in December 2022, implementation began in 2023-24. Status reporting for these frameworks will begin in 2024-25.

As part of a commitment to provide open and transparent access to data and information, province-wide data layers for the biodiversity indicators “Native Cover” and “Landscape Connectivity” were published in 2023-24. Two technical reports outlining the development methodologies for these indicators will be published in 2024-25.

Annual reporting for the Air Quality Management Frameworks for the Lower Athabasca and South Saskatchewan Regions have been consolidated under a province-wide approach. Reporting on ambient air quality conditions in relation to management thresholds will continue to be included in the Status of Air Quality in Alberta: Air Zones Report that is being prepared in 2024-25.

Note: results described above also contribute to Key Objective 2.7: Continue reviewing existing land use plans and establishing new land use plans responsive to a broad range of land uses that support environmental and conservation outcomes, Indigenous traditional use, recreation, and economic development. Details on Caribou Recovery and Sub-Regional Planning and Caribou Habitat Recovery Program which support Key Objective 1.1 are provided in [Key Objective 2.7](#) on page 32.

1.2 Maintain and strengthen environmental resource stewardship and conservation through proactive engagement and partnerships with municipalities, non profit organizations, and Indigenous communities to support targeted strategies and frameworks including conservation programs, Alberta’s Clean Air Strategy and Water for Life Strategy, and efficient regulated waste facilities and recycling programs.

Supporting Initiatives:

- \$11 million allocated to support strategic partnerships in the shared stewardship of air, water, land, and biodiversity in 2023-24.
- \$22.4 million is allocated to conservation programs including \$10 million from the Land Stewardship Fund in 2023-24.

Environment and Protected Areas committed \$24.8 million to support the ministry’s 25 air and water strategic partnerships, for example airshed and watershed organizations through 2023-2027. The ministry’s air, water, and other strategic partnerships continued to actively engage stakeholders and leverage resources to deliver environmental programing across Alberta.

The Land Trust Grant Program approved 16 capital grants worth \$2.9 million to support high-value conservation projects throughout the province. This funding will enable land trust organizations to work with landowners to conserve 5,430 acres of private land in working landscapes, leveraging more than \$15 million from other sources.

The Watershed Resiliency and Restoration Program approved eight projects, awarding \$3.5 million in capital grants, which will support flood and drought resiliency and improve the health of Alberta’s watersheds. These projects will reduce the intensity, magnitude, duration and effects of flood and drought through activities including riverbank restoration, natural drainage improvements and support for outreach and public education.

The Wetland Replacement Program works directly with municipalities and non profit organizations to construct or restore wetlands in Alberta. These partners work with private or public landowners to restore wetlands that were previously drained, partially drained or filled-in, and to fund construction of new wetland area. From April 2023 to March 2024, the Wetland Replacement Program entered into six contracts with two non profit organizations and two municipalities to provide \$3.3 million in funding over the next five years to replace 75.27 hectares of wetland area.

The ministry initiated the Bow River Chloride Management Response to reduce salt concentrations in Nose Creek (a tributary to the Bow River), working with municipal partners: City of Airdrie, City of Calgary and Mountainview County. A pilot project was initiated in 2023-24 with local retail partners. This is a multi-year response with plans to support alternatives to road-salt.

\$100,000 was provided to the Blackfoot Confederacy to establish the Environmental Sub-Table under the Blackfoot Confederacy Protocol Agreement with the Government of Alberta. This funding provided ecological project capacity and opportunities for Blackfoot Confederacy Chiefs to meet with Minister Nixon. The purpose of the table is to identify and undertake joint environmental issues, such as monitoring and protecting native Trout, and conserving native grassland for carbon offset. Initiatives also included evaluating renewable energy, climate change and nature-based solutions that benefit all Albertans.

The Fort Chipewyan Working Group was established to bring government and representatives of the community together following the unauthorized releases from the Kearl oil sands mine. This group is providing a forum for sharing information on government activities in response to the releases and helping ensure community perspectives are reflected in government’s additional monitoring in areas downstream of the Kearl Oil Sands Project site. The focus is firmly on keeping drinking water safe and secure for communities.

The Fort Chipewyan Working Group has met seven times since March 2023. Government is conducting independent monitoring in high priority areas to provide an additional level of assurance in response to concerns voiced by communities near the Kearl oil sands site. All water testing thus far at the intake, in the reservoir, and in distribution systems indicates that the drinking water and its supply is safe for human consumption. All water quality results (along with all data previously collected by Environment and Protected Areas related to the Kearl incident) are uploaded to the [Oil Sands Monitoring Program \(OSMP\) data portal](#) for easy visualization.

Waste Diversion and Recycling

- Alberta has some of the best recycling systems in Canada. More than 2 billion beverage containers and 6 million tires are recycled each year, along with nearly 200,000 tonnes of packaging and paper. Five regulated provincial programs divert materials from Alberta's landfills for recycling. These are managed by arms-length delegated administrative organizations and regulated under Environmental Protection and Enhancement Act (EPEA).
- ARMA currently manages programs for tires, used oil materials, electronics, and paint and paint containers.
- BCMB manages empty beverage containers.

The government is putting a new Extended Producer Responsibility (EPR) system in place that will keep recyclables, like plastics, out of landfills and create jobs. Alberta's first two EPR systems, for single-use products, packaging and paper as well as hazardous and special products, will launch in spring 2025. This approach will reduce waste while creating jobs and growing the economy, increase access to recycling in small communities, and help reduce waste. As of December 31, 2023, 70 per cent of communities representing 90 per cent of Albertans have registered to receive recycling services under EPR as the system rolls out.

Alberta is also working towards the Natural Gas Vision and Strategy goal to become the Western North America centre of excellence for plastic diversion and recycling by 2030. In 2023-24 the Government of Alberta worked with partner agencies Alberta Innovates and ERA to fund initiatives targeted technology support. Up to \$58 million from the TIER fund was allocated through ERA to support projects in the Circular Economy Challenge. This funding from the Alberta Government targets innovations that will reduce the impacts of material production including plastics, processing, and disposal, and support economic opportunities.

The Government of Alberta, Alberta Innovates, and Prairies Economic Development Canada jointly commissioned a study to assess the volume and type of plastics waste that can be diverted and recycled province-wide to grow plastic feedstocks volume in Alberta. This will allow us to determine the economics of scale needed to establish recycling opportunities and create jobs.

1.3 Continue delivering scientifically based ambient environmental condition monitoring, evaluation, and reporting with partners to support environment and resource stewardship and Albertans' safety.

Supporting Initiative:

- \$50 million in dedicated revenue is provided by industry to support the multi-stakeholder Oil Sands Monitoring Program.

Oil Sands Monitoring Program

The Oil Sands Monitoring (OSM) Program generates data and information that contribute to the understanding of environmental impacts related to oil sands development and support the responsible management of Alberta's oil sands resources. The OSM Program is funded under Regulation (AB226/2013) by the oil sands industry at up to \$50 million per year and has been jointly managed by the governments of Alberta and Canada since February 2012.

In determining annual monitoring and reporting priorities, including activities that address community questions, the program operates a consensus decision-making model under a governance system involving a series of multi-stakeholder committees comprised of representatives of Indigenous communities, industry, and both levels of government.

In 2023-24, \$55.2 million (up to \$50 million in dedicated revenue from industry and the remaining risk managed by the ministry) in combined operating and capital funds was approved for the OSM Program and allocated among workplans to support ambient environmental monitoring in the oil sands region. The OSM Program supported provincial (\$8.7 million) and federal (\$11.1 million) programs and activities, as well as several external delivery organizations such as the Wood Buffalo Environmental Association (\$14.2 million), the Lakeland Industry and Community Association (\$1.3 million), the Peace River Area Monitoring Program (\$0.9 million), the Alberta Biological Monitoring Institute (\$4.2 million), and various universities (\$1.5 million). Funding provided to external delivery partners represented over half of the total 2023-24 approved budget.

In addition to governance, Indigenous communities are actively involved in indigenous-designed and led community-based monitoring (CBM) activities that address community questions. Investment in Indigenous-led CBM has increased significantly since 2019-20, with nearly \$8 million provided to support stand-alone and integrated CBM projects. The OSM program continues to work with Indigenous communities to expand CBM in the oil sands region, as Indigenous communities also collaborate with program scientists on several western science workplans in addition to the CBM monitoring activities.

Environmental monitoring data for water, air, land and wetlands generated by the OSM Program participants continued to be uploaded on a regular basis to the publicly accessible [OSM Program Data Portal](#).

Provincial Monitoring Programs

Work continues on the implementation of the five-year (2021-2025) Air and Deposition Monitoring, Evaluation and Reporting Plan, including completing a mid-term review and updated monitoring network gap analysis. To fill gaps identified in the air and atmospheric deposition monitoring network, a new permanent air monitoring station is under construction in Brooks, portable monitoring implemented in High Level and a new deposition monitoring station was added in Calling Lake. A low-cost air quality sensor evaluation study was completed and a pilot project begun reporting the [Air Quality Health Index \(AQHI\)](#) in real-time from an air quality sensor in Leduc. Alberta is the first jurisdiction in Canada to report the AQHI from sensor-based monitoring and will build on this milestone by continuing to fill monitoring gaps and bringing the AQHI to more Albertans. In 2023-24 the ministry proactively deployed air quality sensors and portable monitoring equipment to provide invaluable air quality information to Albertans and emergency personnel during the unprecedented 2023 wildfire season. The ministry also released the 2019-2021 Status of air quality in Alberta: air zones report, comparing to regional and national air quality benchmarks.

In 2023-24 the ministry continued to work collaboratively to monitor the quality and quantity of Alberta's water resources year-round across province-wide networks of monitoring stations. These networks provide data to understand baseline conditions, natural variability, and quantify cumulative effects within Alberta's lakes, streams, rivers and groundwater. These provincial monitoring programs were supplemented in 2023-24 with numerous scientific collaborations with academic and other partners. Scientists, decision makers and the public use this information to understand if Alberta's water resources are safe for recreational, domestic and traditional use, can meet the needs of the economy, and are able to support the diversity and health of plants and animals in Alberta's ecosystems. Information on the ministry's water monitoring networks can be found at [Environmental Monitoring | Alberta.ca](#).

The ministry conducted a comprehensive assessment of all existing departmental water monitoring used to inform forecasting, support decision-making, and provide information to the public. From this assessment, additional monitoring needs were identified that would be required to more effectively respond to severe drought and provide the most accurate information regarding drought conditions and impacts. These needs include new monitoring activities that will be added to existing monitoring networks (e.g. for snow coverage, snow depth surveys, flow monitoring stations, camera and/or temperature sensors); enhanced monitoring and analysis projects (e.g. expansion of surface water quality sampling, isotope analysis of groundwater samples); and operational changes to current monitoring programs (e.g., early start-up of flow monitoring stations, enhanced support from Water Survey of Canada). Implementation of additional monitoring will continue in 2024-25. Work on the mountain snow monitoring network began in 2023-24, which includes enhancing the number of stations that provide near-real-time snow depth/conditions data. Planning for the assessment of groundwater and hydrometric networks occurred in 2023-24, to be implemented in 2024-25.

In 2023-24 the ministry released several monitoring reports: the 2021 Status of Surface Water Quality: Lower Athabasca Region, 2021 Status of Surface Water Quantity: Lower Athabasca Region, and 2021-22 Status of Surface Water Quality: South Saskatchewan Region, fulfilling reporting requirements outlined in the Frameworks. Another report: Looking Upstream: A 5-year Review of Alberta's Monitoring, Evaluation, and Reporting Plan for Lotic Systems was completed which reviewed results for Alberta's river water quality monitoring programs covering activities conducted between 2016 and 2021. In addition, a number of articles in peer reviewed academic journals were published, including papers on the following topics:

- Impacts of legacy of coal mines on the surface water quality of local rivers in the Crowsnest Pass region of southwestern Alberta.
- Drivers of winter temperature changes in western Canada, in collaboration with Environment and Climate Change Canada.
- Regional variability and changing water distribution in Alberta.
- River water quality of the upper headwaters of the Bow, North Saskatchewan, and Athabasca rivers as part of a collaboration with the Canadian Mountain Network at the University of Alberta.
- Organic contaminants in the Athabasca River in collaboration with Environment and Climate Change Canada.
- Combining western science and traditional knowledge in collaboration with the University of Victoria, Cold Lake First Nations, Environment and Climate Change Canada, Chipewyan Prairie First Nation, and the University of Alberta.

Proactive partnerships with Indigenous communities

For environmental stewardship and land use decision making in Alberta, the best available Indigenous, scientific and local knowledge is required. 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 co-production, and citizen science. Processes, tools, and partnerships are supported that enable ethically and culturally appropriate sharing and coproduction between diverse knowledge systems, improving the efficiency and quality of environmental data collection.

Advancements to support Environmental Stewardship

In 2023-24 the ministry continued supporting Piikani Nation's Traditional Knowledge Services in developing a biocultural framework, an important holistic tool for bridging the gap between Indigenous and scientific knowledge systems, as well as a multi-year Kát'odeh River Basin Indigenous community-based monitoring program, focused on building capacity within the interested Indigenous communities in the basin and to address questions about the health of the aquatic ecosystem. The Indigenous Lake Monitoring Program evaluation report, an independent,

external evaluation of the program was released, including the strengths and challenges related to program design and implementation. The ministry continued working with Bigstone Cree Nation to explore opportunities for collaboration, including mobilizing knowledge through participatory video and co designing a pilot study to address common interests.

Guided by the Citizen Science Principles of Good Practice (2020), the Alberta Citizen Science Community of Practice hosted several webinars and continued development of an online Citizen Science Collaboration Hub. The Community of Practice is a collaborative effort led by a steering committee including members from the ministry (Resource Stewardship Division and OCS), the Alberta Lake Management Society, the Miistakis Institute, Nature Alberta, and the Battle River Watershed Alliance.

Annual updates to Condition of Environment reporting indicators on the Alberta Environmental Science Program website:

The Alberta Environmental Science Program led by the OCS provides scientifically credible data and information about the condition of Alberta's environment as required under section 15.1(1) of the *Environmental Protection and Enhancement Act*. Condition of environment reporting indicators for air and water have been released, with indicators for wildfire smoke, precipitation chemistry, climate, and status of wildlife, plants and protected areas anticipated in 2024. In addition, the air quality indicators (fine particulate matter, nitrogen dioxide, ground level ozone, sulphur dioxide) were updated in 2023 with new interactive maps and figures. Condition of Environment reporting is publicly available at [Alberta's Environmental Science Program](#) website.

1.4 Continue the protection, conservation and sustainable management of fish and wildlife to enable Indigenous use as well as recreational angling and hunting opportunities.

Supporting Initiative:

- \$49 million is allocated to the provincial fish stocking program in 2023-24 to improve angling opportunities.

Provincial Fish Stocking Program

The province has modernized three of its four fish hatcheries in the past five years. A partial water re-use system was brought online in January 2024 at the Cold Lake Fish Hatchery station to significantly reduce operating costs. The improvements at the Cold Lake Fish Hatchery totalled \$11.7 million dollars.

The tender for building the proposed new fish hatchery at the Raven Brood Trout Station came in significantly above resources available. The ministry will utilize assigned capital dollars to improve existing facility infrastructure and add the ability to rear fish species at risk. This is expected to increase recreational trout stocking capacity by 100,000 trout per year.

In 2023-24, a total of 1.78 million trout were stocked into 258 water bodies across Alberta. There were also 5.7 million walleye fry stocked into 18 lakes creating additional recreational fishing opportunities throughout Alberta. The put, grow and take stocking program for walleye is ongoing, aimed at providing enhanced fishing opportunities at a number of lakes around the province.

Fish Population Monitoring

The province continued data collection to support the evaluation of slot-size harvest regulations for walleye and pike to find additional management tools to provide sustainable recreational fish harvest opportunities. The annual delivery of the Fall Index Netting program for 2023 resulted in the completion of surveys and reports for 18 lakes. This program ensures fish populations are monitored effectively to assess status and mitigate risk of serious decline. In order to obtain input on plans and actions to support fish conservation and sustainable use, the ministry participated in

broadly-inclusive and open engagement with Albertans, including Indigenous peoples to support fish conservation and sustainable use.

Wildlife Population Monitoring

Environmental conditions permitting, annual aerial surveys are conducted for ungulates in a number of provincial Wildlife Management Units (WMU). In 2023-24, these surveys were completed in six WMUs. The information is used to assess the status of populations and is provided to Forestry and Parks to inform decisions on the allocation of recreational hunting opportunities for resident and on-resident hunters, as well as for decisions by the ministry related to wildlife management, such as disease surveillance.

1.5 Support development of a flood mitigation strategy and work to mitigate the adverse effects of flood and drought; and contribute to water management flexibility.

Supporting Initiative:

- \$65.4 million is allocated to effectively anticipate, respond to and mitigate the impact of environmental conditions and events including floods, droughts and invasive species.

Flood and Drought Mitigation

With the funding, the ministry delivered provincial flood forecasting and drought support services through the River Forecast Centre, provincial flood mapping, the Bow River Reservoir Options initiative, and grants to local governments investing in mitigation projects to increase their resilience to flood and drought impacts.

The ministry supported the development of a flood mitigation strategy and work to mitigate the adverse effects of flood and drought through public release of flood studies including flood hazard mapping for 27 Alberta communities and through implementation of enhanced hydrometric and snowpack monitoring in response to drought concerns. Planning and execution for drought response was swift and was sustained over several months for drought response. The ministry is also developing code that will statistically analyze and report water quality guideline exceedances for surface water quality stations under a drought advisory.

Drought response is critical to ensuring the health and safety of Albertans is protected and that longer-term solutions are considered for flexible water management and increased water availability. To respond to significant and forecasted drought conditions the ministry confirmed priority water uses and triggers for declaration of a water emergency under the *Water Act*. In addition, the ministry developed proposed amendments to the *Water Act* to provide additional measures to support the province's response in severe drought conditions.

Other initiatives are underway to help ensure all Albertans are well-prepared for the possibility of a severe drought in 2024.

Environmental Emergency Management

Within the ministry, the Environmental Emergency Management Branch is accountable for environmental emergency management in the Government of Alberta, communicating and coordinating department-wide environmental emergency planning and response capabilities. In 2023-24, this included:

- 24/7/365 emergency response program: for triaging and coordinating response to emergency incident notifications and deploying Environment and Protected Areas staff to provide on-site assistance.
- Department Coordination Centre (DCC) support and activations: support for the government response to the 2023 Spring Wildfires and Drought/Water Shortage events and coordination of the June flood events in Edson, Yellowhead County, and Whitecourt areas.
- Preparedness: organized and conducted training and exercises to ensure departmental and

- partner readiness to respond to environmental emergencies.
- Outreach: conducted outreach and engagement sessions with emergency management partners such as Alberta municipalities, Environment and Climate Change Canada, and Parks Canada to improve outcomes during environmental emergencies.

Exploring infrastructure to mitigate the effects of flood and drought and support community resilience

The investigation of a potential reservoir on the Bow River continues. Additional water storage would increase water management flexibility, thereby reducing the impacts of extreme weather events. Working collaboratively with stakeholders and rights holders is a critical component of exploring large-scale flood and drought projects.

Since 2014, the ministry's Alberta Community Resilience Program has distributed \$278.7 million to 84 projects in over 50 Alberta communities vulnerable to flooding or drought events. The projects were able to leverage \$5.5 million in 2021-22, \$18 million in 2022-23, \$14.2 million in 2023-24, with a further \$7 million forecast for 2024-25 from the Investing in Canada's Infrastructure Program. In addition, stand-alone grants totaling \$64 million were provided to Drumheller (\$27.3 million), Lower Highwood (\$9.6 million), MD of Taber (\$10 million), and Canmore (\$16.7 million) to support priority flood mitigation projects.

Establishing and implementing inter-jurisdictional water agreements

The ministry works cooperatively with neighboring provincial/territorial jurisdictions and the United States to ensure Alberta receives its entitlements and meets its obligations under existing inter-jurisdictional water management agreements and develops agreements where they do not yet exist. These agreements improve Alberta's ability to use its water resources and enable cooperative monitoring and management of transboundary waters.

Monitoring, reporting and forecasting of river conditions

Alberta's River Forecast Centre (RFC) provides near real-time monitoring and reporting of current and future river conditions, including river ice conditions, as well as water supply outlooks. The RFC maintains a close relationship with Alberta's Support and Emergency Response Team (ASERT) to inform response and recovery programs throughout flood, drought and other river-related emergencies. Alberta Rivers webpage and mobile application enhancements include updated ice conditions maps, improved graphical information, and a geospatial service to support the data integration between the RFC and emergency response teams during flood and drought events. Improvements to the Alberta River Forecast System – Flood Early Warning System adds new provincial flood forecasting data sources and capabilities which significantly augment the RFC's ability to provide public safety services during floods and droughts. New flood maps have been created to improve public safety, support emergency management and help build safer and more resilient communities. Twenty-seven recently created flood maps are nearing finalization, eleven additional flood maps will be completed in 2025, and twenty-four new flood maps are planned through 2028. Half of the \$1.6 million cost for 2023-24 and the projected cost of \$2.2 million for 2024-25 is recoverable under the federal Flood Hazard Identification and Mapping Program.

Information to inform Albertans and municipalities of flood risk

The ministry released education and awareness information on alluvial fan flooding, including an inventory which shows the spatial extents of alluvial fan boundaries in Alberta. This will help to inform Albertans about flood risks associated with steep mountainous terrain and provincial efforts to identify potential hazard areas. The development of technical guidelines on alluvial fan hazard identification is underway. Provincial Flood Damage Assessments provide economic risk information to flood-prone communities to support municipal decision-making that considers resiliency to floods. Thirteen community-based reports were finalized for publication in 2023-24. The Canada-Alberta Agreement on Hydrometric Monitoring is a key partnership for the ministry. In

2023-24, Alberta contributed \$3.2 million, including \$550,000 from Flood Adaptation and \$2.3 million from Environmental Science, Monitoring, Evaluation and Reporting. Alberta's hydrometric monitoring network is cost-shared and made up of lake and river monitoring stations strategically located across the province to support emergency response, economic development and watershed management. Similar costs are anticipated for 2024-25.

1.6 Prevent the entry of invasive species into Alberta and implement rapid response measures to mitigate impacts if invasive species are detected.

The Alberta Government has invested in addressing minimizing the impacts of Aquatic Invasive Species (AIS) through the implementation of the AIS Program.

Aquatic Invasive Species (AIS) Prevention

Implementing watercraft inspection and decontamination for watercrafts entering the province along east and southern borders is a priority of the AIS Program. In the 2023 season, five inspection stations were operated from May through October and conducted inspections on 8,818 watercrafts. Nineteen mussel-fouled boats were intercepted and decontaminated, and 1,314 hotwashes were done on high-risk boats. The mussel-fouled watercrafts originated in eastern Canada and the USA. Out of the 19 boats, 8 had been previously inspected in another province and notification shared on six of these. This underscores the need for redundancy in watercraft inspections and the importance of maintaining a robust inspection network across North America. The Conservation K9 team assisted with inspections of watercraft when possible and supported the program by increasing public awareness and education.

Partnership with Canada Border Services continues. Canadian snowbirds routinely return home in March and April, and the majority of watercrafts originate from high-risk mussel-fouled areas in the southwestern United States. Program staff are notified of watercraft entering Alberta from the USA when stations are not operational. This system helps to ensure that regardless of the season and operations of the inspections program, Alberta can respond to these high-risk watercrafts.

The success of the watercraft inspections program is in large part due to the many relationships and partnerships with industry and within government. Alberta remains free of invasive mussel infestations.

AIS Education & Awareness

The outreach intent of the AIS program is to promote AIS prevention through changing risky behaviour in Albertans and visitors to protect our freshwater resources and infrastructure. Clean, Drain, Dry Your Gear and Don't Let It Loose continue to be the backbone of education and outreach efforts for AIS, in alignment with other Canadian and U.S. AIS programs. These messages were shared with thousands of people during tradeshow, presentations and K9 demonstrations. Additionally, watercraft inspectors engaged with the 8,000-plus members of public traveling into Alberta with watercraft.

AIS Monitoring

2023 monitoring efforts confirmed no detections of invasive mussels (zebra or quagga), spiny water flea or Eurasian water milfoil; Monitoring continues thanks to our creative partnerships with internal and external partners willing to conduct water sampling, substrate and shoreline inspections in addition to already planned visits to water bodies. Expansion plans are underway through the Lake Keepers (a volunteer network) under the Alberta Lake Management Society.

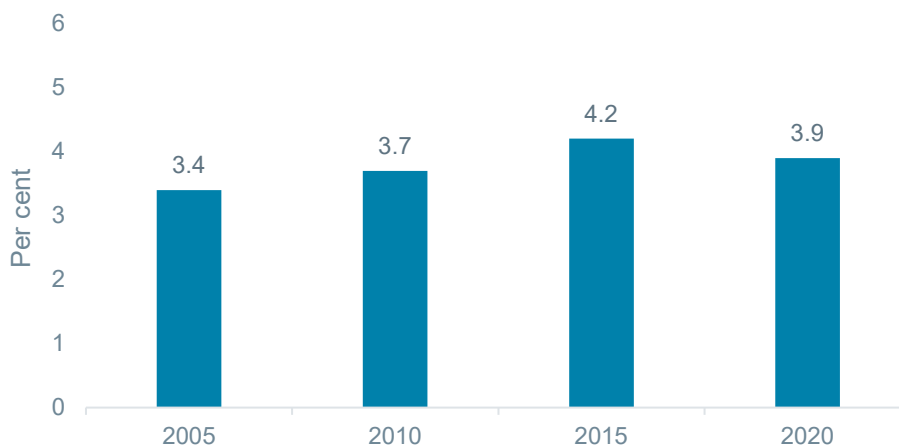
AIS Response Highlights for 2023:

- Flowering Rush - Alberta undertook the largest scale response project in Canada on flowering rush at Lake Isle. Habitat Aqua, a newly registered aquatic herbicide in 2021, was used to kill a significant amount of flowering rush across the entire shoreline at Lake Isle, approximately one-hour drive west of Edmonton.
- This year was the second year in a five-year response plan, which is a collaborative community project reaching pinnacle effort after eight years of engagement and consultation.

Performance Measure 1.a: Legacy industrial footprint in caribou range receiving restoration treatment – under development.

This performance metric was finalized during the reporting timeframe resulting in two performance metrics (*1.a Performance Measure: Legacy seismic line footprint in the caribou ranges that received restoration and 1.b Performance Indicator: Legacy seismic line footprint in the caribou ranges*) were included in the 2024-27 Business Plan.

Performance Indicator 1.b: Percentage of vertebrate species designated as ‘at risk’.



Source: Environment and Protected Areas.

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 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 over the long term. The ministry continues to work with other departments, partners and Albertans to manage multiple land uses in Alberta, implement habitat restoration actions, minimize habitat loss and fragmentation, and enhance populations of several at risk species.

Outcome Two: Sustainable economic development is achieved within environmental capacity.

Key Objectives

2.1 Develop and coordinate Alberta's government-wide Environmental, Social and Governance (ESG) strategy to showcase Alberta as an ESG leader; including a standardized jurisdictional ESG framework to enable transparent comparable jurisdictional assessments.

The ESG strategy focused on demonstrating how our government enables strong ESG performance across the province, in our businesses, industries and all entities which are being assessed on their ESG performance by investors, financial institutions and other stakeholders.

Further education was provided to the ESG stakeholders on Alberta's Jurisdictional ESG Framework, which was developed to map the government's policies and programs that enable ESG performance across 13 priority categories.

- Alberta's ESG approach was presented to key Alberta-based regional/provincial commissions and business associations, advocacy groups and corporates to enhance their understanding of the framework.
- ESG 101 sessions were delivered to executive leadership and staff across the Alberta Public Service to raise awareness of ESG and to discuss opportunities around ESG-related policies.

Throughout 2023-24 most major Canadian financial stakeholders were engaged to understand their approaches to ESG, to inform them regarding Alberta's ESG record (approach and performance), and to build relationships and trust.

Due to reorganization, this program was transferred to Executive Council prior to the end of the 2023-24 fiscal year

2.2 Complete social-economic impact assessments for all major environmental protection proposals and implement designated industrial zones to enhance investor confidence.

Supporting Initiative:

- \$2.5 million is allocated to the designated industrial zone pilot in 2023-24 which will reduce red tape and streamline regulatory approvals to help attract new investment and job creation for Albertans.

Sub-Regional Planning and Socio-economic Impact Assessments

Sub-regional planning includes completing comprehensive socio-economic assessments to understand potential impacts and opportunities associated with land use planning for each unique sub-region. Integrated sub-regional planning, including socio-economic assessments, on the Upper Smoky and Wandering River sub-regional plans continued and are anticipated to be completed in 2024.

Designated Industrial Zone Project

The Designated Industrial Zone project taking place in Alberta's Industrial Heartland supports the Government's commitment to work with municipalities and industry to enhance regulatory efficiency across the lifecycle of approvals. The Industrial Heartland Designated Industrial Zone (IH-DIZ) came into effect October 1, 2022; through 2023-24 the ministry continued to work with municipalities, industry, environmental non-government organizations, and other government departments to operationalize the zone. Achievements include:

- Implementation of an Applicant Advisory Service to enhance regulatory certainty for new

- applicants.
- Implementation of the streamlined EPEA renewals.
 - Implementation of the IH-DIZ Directive, that sets consistent standards, clarity and achievable regulatory expectations under the EPEA. Industry stakeholders now have the option to initiate voluntary amendments to their Environmental Protection and Enhancement Act approvals to reflect the IH-DIZ Directive.
 - Enhanced access to industrial process water, a key factor that underpins industrial growth in the zone.
 - Improved soil management, saving new investors millions of dollars in costs for storage of topsoil while more effectively conserving topsoil quality and quantity in the zone.
 - Developed a Master Drainage Plan for the zone to streamline Water Act applications.
 - Scoping analysis to enhance Natural Gas Access, which will continue during 2024-25, led by Energy and Minerals.
 - Developed air quality policies and guidance, and indicators for new and existing facilities to ensure space in the airshed for future growth. There is also ongoing development of tools to better manage point and non-point air pollution sources in the region.
 - Cumulative load-management of wastewater to meet surface water quality management objectives while ensuring maintenance of assimilative capacity for future growth (underway).
 - Improved monitoring and knowledge of baseline environmental system to support future growth (underway).

Establishing a DIZ can be a way to increase the competitiveness of and investment in industrial facilities in Alberta, create jobs and provide economic stimulus, while ensuring we are protecting the environment. Evaluation and recommendations from the implementation of the DIZ in the Industrial Heartland will inform future potential DIZ developments in other parts of the province. The ministry continues to meet with municipal and industrial groups to discuss the potential opportunities and steps for establishing other Designated Industrial Zones.

2.3 Continue implementation of the regulatory system transformation to enhance administrative and regulatory efficiency and effectiveness.

Supporting Initiative:

- \$7.1 million is allocated to continue the digital regulatory assurance system build as part of the regulatory system transformation to enhance administrative and regulatory efficiency and effectiveness in 2023-24.

Transformation of the regulatory system continued with the implementation of the Regulatory Assurance Framework. This framework describes the approach to enabling development activity while maintaining environmental standards. The framework drives increased focus on delivering clear and consistent regulatory processes, risk-based environmental management, and the use of digital technology.

The Digital Regulatory Assurance System (DRAS) 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, reporting and compliance. When completed, it will include all activities authorized by the ministry.

The build of DRAS continued in 2023-24, adding functionality into the system including:

- Regulator workspace improvements including the DRAS map viewer, enhancements to the Statement of Concern, redesign of the regulator homepage, and beta version of the Director's record.

- Improvements to the applicant workspace including redesign of the applicant dashboard and improvements to DRAS stakeholder profile management were released in July 2023.
- Addition of a new module for incident response, risk and compliance for internal and key stakeholders including the establishment of incident, investigation and long-term management cases connecting the authorization processes to the operational processes was released in October 2023.
- Move My Licence functionality which allows water licence holders to move their pre-DRAS licences into DRAS from legacy systems for improved water licence management released in March 2024.

The implementation of DRAS has reduced processing time for water authorizations significantly for both *Water Act* approvals and licences.

2.4 Implement a made-in-Alberta climate strategy with provincial measures such as emissions reduction strategies, nature-based carbon sequestration solutions, and the Technology Innovation and Emissions Reduction (TIER) system to encourage technological innovation while advancing our understanding of climate change and its impacts.

Supporting Initiative:

- In 2023-24, \$208.6 million derived from TIER system is allocated to support investments in innovation and technology in Alberta.

The ministry continued to support Alberta's sustainable economic development and job creation opportunities, through the implementation of the Emissions Reduction and Energy Development Plan (ERED). This plan reduces emissions, attracts investment, works with Indigenous communities, supports jobs and reinforces Alberta's reputation for technological expertise while remaining a responsible, reliable and secure energy producer. Throughout 2023-24, the ministry continued to support innovative technology and clean energy to enable global emission reductions. The ministry also continued to deliver the TIER regulatory system to drive economy-wide decarbonization and provide certainty and stability for investment into large emission reducing projects while maintaining industry competitiveness. Highlights from 2023-24 include the following:

- Alberta's TIER regulatory system continues to drive emissions reductions at regulated facilities, and in other sectors of the economy covered by Alberta carbon offsets.
- Implementation of the TIER Regulation for the 2022 reporting period resulted in approximately 479 annual compliance reports submitted by regulated facilities with 160 megatonnes of total regulated emissions reported and about 20 megatonnes of true-up obligations (can be covered by use of emissions performance credits, purchase of emissions offsets, or compliance payments into the TIER Fund). The number of regulated facilities more than doubled since 2019, with the ability for smaller facilities to opt-in; and approximately 245 aggregate facilities, comprising of 57,000 conventional oil and gas sites. Note: the most recent verified data available is from 2022.
- Electricity emissions intensity has dropped from 630 kg/MWh in 2018 to 470 kg/MWh in 2022 (2022 is the last year that data has been published). This is a 25 per cent decrease in emissions intensity.
- Since 2002 up to April 2024, 88 million tonnes of emission offsets have been generated by voluntary projects that are above and beyond business-as-usual approved activities in Alberta. There are over 400 emission offset projects listed in the registry system. For the 2023 year, the system serialized over 7.7 million tonnes, which were registered as emission offsets and 44 new projects were initiated. The ministry has 18 active, approved quantification protocols for emission offsets.

- In 2023-24, the ministry invested \$94.3 million from the TIER fund to support innovation and technology in Alberta.
 - The ministry is supporting the development of the geothermal industry in Alberta by investing in a feasibility study for an Alberta Drilling Accelerator. If the project is viable, and approved by the Government of Alberta, the Alberta Drilling Accelerator would be the first of its kind in Canada and would establish Alberta as a global hub for geothermal technology. This initiative would also expedite carbon capture, utilization and storage, helium extraction and critical minerals extraction technology development.
 - Emissions Reduction Alberta was granted \$50 million in 2023-24 for continued investments in innovate technologies and emission reduction projects. Through 2023-24, ERA launched a number of funding initiatives, including:
 - Funding for 13 projects to reshape Alberta’s energy systems with projects including grid modernization, battery storage and evaluation of small modular nuclear reactors.
 - A targeted funding round supporting pilot, scale-up and first-of-kind emissions reduction projects being led by emerging technology companies.
 - Investments to support the future hydrogen economy supporting pilot, demonstration, and first-of-kind projects focused on production, distribution, and end uses of clean hydrogen. Technologies include low-carbon hydrogen production, novel infrastructure, novel carriers, and hydrogen in industry and transportation.
 - Other initiatives the TIER Fund supported include:
 - \$20.3 million for continued investment in Alberta’s two commercial-scale CCS projects: Quest and the Alberta Carbon Trunk Line. These projects have safely captured and stored more than 10 million tonnes of carbon dioxide (CO₂) since 2015, equivalent to emissions from approximately 1.9 million cars for a year.
 - \$14 million to support Alberta Innovates’ Alberta Hydrogen Centre of Excellence to accelerate technology and innovation across the hydrogen value chain, closing innovation and support gaps to strengthen Alberta’s hydrogen economy.
 - \$1.6 million for the Coal Workforce Transition program to support Albertans affected by the wind down of coal-fired electricity generation.

2.5 Develop a conservation and biodiversity management strategy that supports a range of land uses and conservation outcomes while balancing economic recreation and tourism opportunities.

Understanding of the role of nature in supporting our communities and economies has grown significantly and the ministry sees the opportunities to demonstrate jurisdictional leadership through developing a strategy for nature. In April 2023, the ministry released the ERED where land and nature-based solutions are one of many ways to address the decline in biodiversity and build resiliency from impacts to climate through maintaining and restoring our natural landscapes. In ERED, there is a commitment to develop a strategy and nature-based solutions policy framework to provide clarity on the priorities for conservation outcomes that supports Indigenous values and is aligned with Alberta’s economic future. A made-in-Alberta Nature Strategy will showcase the great work the Government of Alberta is already doing through our regulatory system and programs and will establish actions toward continuous improvement. The ministry is targeting to engage on a Nature Strategy for Alberta later in 2024.

2.6 Address reclamation and remediation responsibilities through effective liability management, reclamation and remediation policies, and business processes such as collecting reclamation security, improving reclamation guidance, and certificate issuance.

Liability Management – Oil and Gas

The Government of Alberta continues to work with the AER to implement the oil and gas liability management framework announced in July 2020. In 2023-24, the AER continued the phased implementation of the new liability management framework, which included the issuance of the annual industry-wide, and licensee-specific closure spend requirements. The AER also issued its first annual liability management performance report, which aims at improving the transparency of industry's management of conventional oil and gas liabilities, as well as to develop performance measure baselines and ongoing assessments of the industry as a whole and licensees specifically. The key component of the policy for 2024-25 is the ongoing work to replace the Liability Management Rating/Licensee Liability Rating Program, and development of a new security framework.

Mine Financial Security Program Review

In 2022, the ministry committed to conducting a review of the Mine Financial Security Program (MFSP) to ensure sufficient security is in place to address the reclamation obligations of oil sands and coal mines and protect the public from project closure costs. The review focused on assessing the Alberta Auditor General's feedback on the program's asset calculation, information reporting, security implications for not meeting reclamation targets, and timing of security payments during mine life. Mine operators and Indigenous communities and organizations were engaged in the program review from January to November 2022. The input gathered from stakeholders and Indigenous communities and organizations helped to inform the program review and options development. Options are under review by the ministry.

Improving Reclamation Guidance and Certificate Issuance

The ministry released three initiatives in December 2023 to explore ways to improve oil and gas sector reclamation policies and business processes.

- The Well Site Reduction Pilot, which enables the AER to issue partial reclamation certificates for wellsite's on private land. The goal is to test implementation and both operator and landowner interest in partial reclamation certificates.
- The Reclaiming Peatland Pilot, which enables operators to apply to the AER to leave clay pad materials in place when reclaiming sites to a forested landscape instead of peatland. The goal is to ensure clear parameters to determine when it is acceptable to reclaim to a forest, instead of a peatland.

The ministry endorsed the Petroleum Technology Alliance Canada (PTAC) weed management guide, Preparing Variance Justifications for Weeds and Problematic Species on Wellsites and Associated Facilities on Forested Land. The goal is to support operators preparing reclamation certificate applications and the AER in reviewing requests for minor weed variances that contribute to less environmental impact and more cost-effective measures during the reclamation certification process.

The ministry will continue to work with stakeholders to find ways to address liabilities, prioritizing areas with the largest risks and opportunities.

2.7 Continue reviewing existing land use plans and establishing new land use plans responsive to a broad range of land uses that support environmental and conservation outcomes, Indigenous traditional use, recreation, and economic development.

Supporting Initiative:

- \$35.9 million is allocated for caribou recovery planning and actions in 2023-24.

Caribou Recovery and Sub-Regional Planning

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. Caribou sub-regional task forces provide recommendations to inform the development of sub-regional plans and are made up of representatives from local municipalities, Indigenous peoples and communities, the energy sector, the forestry sector, the small business sector, trappers, recreational users, environmental non-government organizations, and other local stakeholders. Interested First Nations communities have received capacity funding to support their participation in the subregional planning processes. The First report on the implementation of the section 11 agreement for the conservation and recovery of the woodland caribou in Alberta was published in January 2024.

In 2023-24, progress continued on the Cold Lake, Bistcho Lake, Upper Smoky and Wandering River sub-regional plans. Implementation of the Cold Lake and Bistcho Lake Sub-regional Plans is continuing; development of draft regulatory details was advanced in preparation for upcoming public engagement in 2024. Development of the Upper Smoky and Wandering River Sub-Regional Plans continued, including meetings with sector-specific and Indigenous working groups.

The Berland and Chinchaga task forces provided recommendation reports in 2023. Sub-regional planning is anticipated to begin in winter 2024-25.

Caribou Habitat Recovery Program

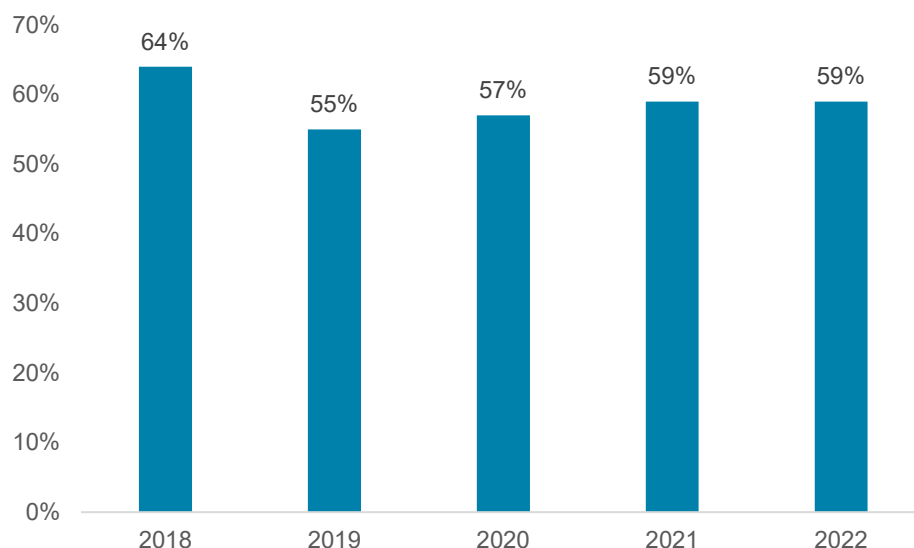
As of March 31, 2024, there has been over \$70 million invested to the Caribou Habitat Recovery Program (CHRP) through various funding sources. This includes approximately \$14 million in federal funding, \$1.4 million from industry, and \$59 million in provincial funding.

The funding is used for ongoing seismic line restoration work, which complements the sub-regional plans being developed. Approximately 881 km of seismic lines received restoration treatment in 2023-24.

The draft Provincial Restoration and Establishment Framework for Legacy Seismic Lines in Alberta provides the targets, objectives and expectations for restoration projects being conducted under the CHRP. Work is underway to ensure Indigenous values and perspectives are included in the framework.

Additional results that contribute to Key Objective 2.7 are provided above under Key Objective 1.1: Balance environmental, economic and social interests through integrated policy development, and land and environmental planning (land-use plans, management frameworks, programs, agreements, biodiversity planning) with effective legislation, regulation and processes while maintaining robust environmental standards and safety.

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



Source: Environment and Climate Change Canada, Treasury Board and Finance, Environment and Protected Areas

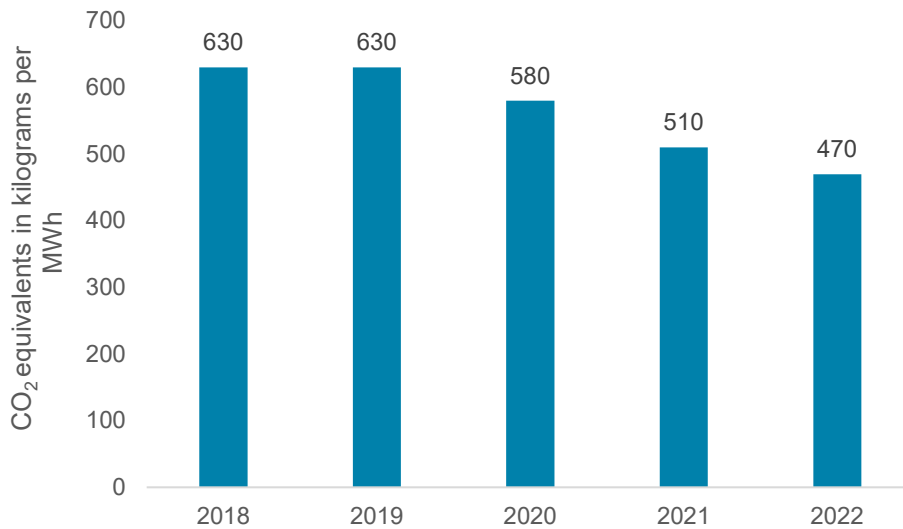
Note: Environment and Climate Change Canada greenhouse gas emissions results have an 18-month reporting lag, therefore the 2022-25 Ministry Business Plan target is used for reporting. Prior year results have been corrected to account for updates to Alberta’s emissions inventory in the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks and provincial carbon levy revenues reported in Treasury Board and Finance annual reports.

The pricing of greenhouse gas emissions through provincial legislation and regulation supports sustainable economic development in Alberta by providing a financial incentive to lower greenhouse gas emissions.

Alberta implemented a provincial carbon levy on heating and transportation fuels in 2017, which was discontinued in 2019, resulting in a 9 per cent decrease in provincially priced greenhouse gas emissions, with the percentage of priced emissions dropping from 64 per cent in 2018 to 55 per cent in 2019. The federal carbon tax does not impact the percentage of provincially priced emissions.

When the Carbon Competitiveness Incentive Regulation was replaced by the Technology Innovation and Emissions Reduction Regulation in January 2020, a provision was made for aggregated facilities to opt-in to allow emitters to avoid paying the federal carbon tax on the entirety of their emissions. The percentage of provincially-priced emissions rose to 59 per cent in 2021, an increase of two per cent from the previous year, and remained at 59 per cent in 2022.

Performance Indicator 2.b: Electricity greenhouse gas emissions intensity.



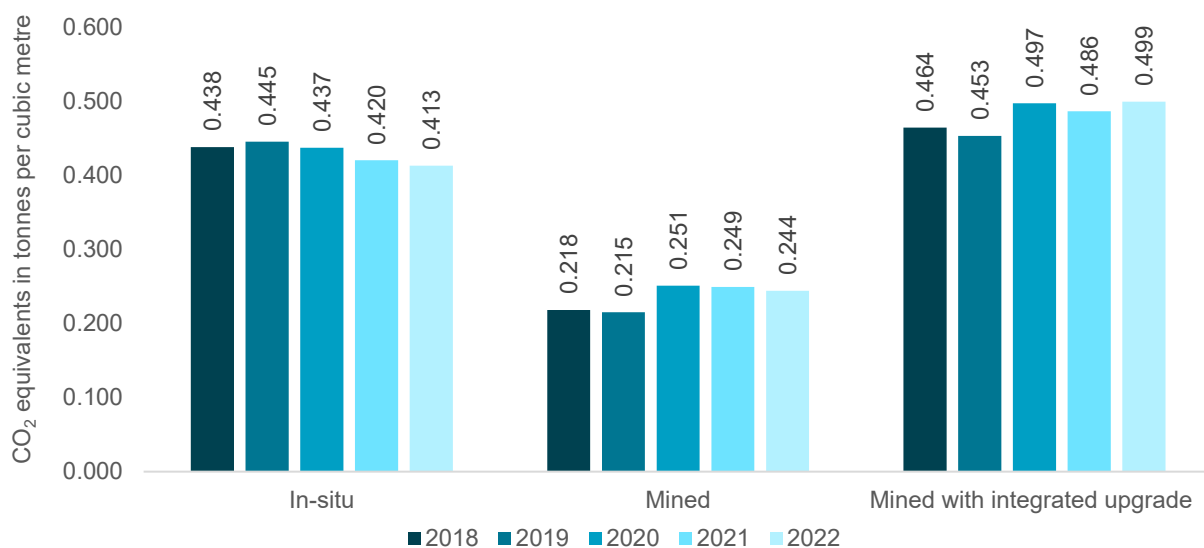
Source: Environment and Climate Change Canada, Environment and Climate Change Canada, Statistics Canada

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

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.

Between 2019 and 2022, electricity emissions intensity declined by 160 kilograms per MWh to 470 kilograms per MWh, a 25 per cent decrease. This reflects changes in Alberta’s power generation sector, with a shift away from coal to natural gas power generation.

Performance Indicator 2.c: Oil sands greenhouse gas production emissions intensity.



Source: Environment and Protected Areas – Alberta Oil Sands Greenhouse Gas Emissions Intensity Analysis (open data).

Tracking oil sands emissions intensity helps to assess the effectiveness of climate change policy and legislation.

In-situ oil sands emissions intensity decreased by 7 per cent between 2019 and 2022. Emissions intensity of standalone mines decreased by 3 per cent decrease between 2020 and 2022. Emissions intensity of mines with integrated upgrading increased by 8 per cent between 2018 and 2022. In situ bitumen extraction has seen an overall improvement in emissions over the five-year reporting period, while the emissions intensities of mined and mined with integrated upgrading have increased over the same timeframe.

Performance Indicator 2.d: Percentage of interior habitat in Alberta.

This performance metric was discontinued. The metric was adopted in the 2023-26 Ministry Business Plan as a performance indicator, to be considered in conjunction with restoration efforts. Two new performance metrics (*1.a Performance Measure: Legacy seismic line footprint in the caribou ranges that received restoration and 1.b Performance Indicator: Legacy seismic line footprint in the caribou ranges*) have since been developed. These metrics are more responsive to departmental actions and investments on habitat restoration; convey successes achieved through seismic line restoration efforts in support of biodiversity management; and reflect contributions to the increase in interior habitat.

Performance Indicator 2.e: Percentage of ministries utilizing the ESG Secretariat for data and narrative that showcases Alberta's performance and ambition across the full spectrum of ESG – under development.

This performance metric was under development during the reporting period and due to reorganization, the program was transferred to Executive Council prior to the end of the 2023-24 fiscal year.

Performance Measure and Indicator Methodology

Performance Measure 1.a: Legacy industrial footprint in caribou range receiving restoration treatment – under development.

This performance metric was under development during the reporting timeframe.

Performance Indicator 1.b: Percentage of vertebrate species designated as ‘at risk’.

Wildlife inventory data provided by universities, colleges, and expert biologist are reviewed by Environment and Protected Areas 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 ESCC 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 Protected Areas.

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

Priced tonnes of provincial CO₂ equivalent emissions include priced tonnes of CO₂ equivalent emissions from large final emitters and emissions covered by the provincial carbon levy during its existence between January 2017 and May 2019. Priced emissions from large final emitters include all total annual emissions reported from regulated facilities. Emissions subject to the provincial carbon levy were calculated by taking the carbon levy revenue (obtained from the respective year’s Treasury Board and Finance Annual Report) and dividing this by the compliance cost per tonne (carbon price). The priced emissions are compared as a percentage of total tonnes of provincial CO₂ equivalent emissions. Priced emissions exclude emissions priced through provincial carbon offset protocols, methane emissions regulated under the Methane Emission Reduction Regulation, and federally-priced emissions and non-reported emissions.

Total provincial greenhouse gas emissions are reported by Environment and Climate Change Canada through the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks in Canada. Total tonnes of provincial CO₂ equivalent emissions include 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 quality control/quality assurance processes that result 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 (2018-2020), Technology Innovation and Emissions Reduction Regulation (2020)).

Performance Indicator 2.b: Electricity greenhouse gas emissions intensity.

Provincial greenhouse gas emissions are reported by Environment and Climate Change Canada in the National Inventory Report (NIR) 1990-2022: Greenhouse Gas Sources and Sinks in Canada, which has an 18-month reporting lag period. Statistics Canada compiles and disseminates annual data on electricity generation at the provincial and territorial level. Emissions for the electricity sector and the amount of electricity generated are used to calculate the electricity emissions data in units of kg CO₂eq per MWh of electricity generated.

Source: Environment and Climate Change Canada, Statistics Canada

Performance Indicator 2.c: Oil sands greenhouse gas production emissions intensity.

The data used for this measure is reported on the AER [website](#). In-situ production data is from [ST53: Alberta In Situ Oil Sands Production Summary](#) report and mining and upgrading production data is from [ST39: Alberta Mineable Oil Sands Plant Statistics Monthly Supplement](#) report. The methodology is outlined in the published in the Government of Alberta Open Government Data [website](#). Results are calculated by dividing the total greenhouse gas emitted in tonnes of CO₂ equivalents for each production category by the total cubic meters of production for each production category.

Source: Environment and Protected Areas – Alberta Oil Sands Greenhouse Gas Emissions Intensity Analysis (open data).

Performance Indicator 2.d: Percentage of interior habitat in Alberta.

This performance metric was discontinued.

Performance Indicator 2.e: Percentage of ministries utilizing the ESG Secretariat for data and narrative that showcases Alberta's performance and ambition across the full spectrum of ESG – under development.

This performance metric was under development during the reporting period and due to reorganization, the program was transferred to Executive Council.

Financial Information

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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 as at March 31, 2024. 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.

The reporting entity is the Ministry of Environment and Protected Areas for which the Minister of Environment and Protected Areas is accountable. The accounts of the ministry are fully consolidated and include the Technology Innovation Emissions Reduction Fund, Land Stewardship Fund and Natural Resources Conservation Board, on a line-by-line basis.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited) Year Ended March 31, 2024

	2024		2023		Change from	
	Budget (Restated)	Actual	Actual (Restated)	Budget	2023 Actual	
<i>(In thousands)</i>						
Revenues						
Federal government transfer	\$45,081	\$54,916	\$62,210	\$9,835	\$(7,294)	
Investment income	7,925	28,059	7,613	20,134	20,446	
Premiums, fees and licenses	9,130	5,611	10,967	(3,519)	(5,356)	
Technology Innovation and Emissions Reduction Fund	516,000	906,966	764,253	390,966	142,713	
Other revenue	63,013	86,007	72,705	22,994	13,302	
Ministry total	641,149	1,081,559	917,748	440,410	163,811	
Inter-ministry consolidation adjustments	(11,830)	(36,631)	(16,302)	(24,801)	(20,329)	
Adjusted Ministry Total	629,319	1,044,928	901,446	415,609	143,482	
Expenses - directly incurred Programs						
Ministry Support Services	23,093	25,338	21,615	2,245	3,723	
Air	13,039	11,798	12,328	(1,241)	(530)	
Land	29,682	27,686	35,752	(1,996)	(8,066)	
Water	98,592	126,775	73,125	28,183	53,650	
Fish & Wildlife	69,987	62,977	50,233	(7,010)	12,744	
Integrated Planning	34,994	35,792	49,737	798	(13,945)	
Land Use Secretariat	5,046	1,139	943	(3,907)	196	
Science and Monitoring	70,569	71,233	68,087	664	3,146	
Emissions Management	209,431	79,961	138,931	(129,470)	(58,970)	
Quasi-Judicial Bodies	7,753	32,956	31,877	25,203	1,079	
Ministry Total	562,186	475,655	482,628	(86,531)	(6,973)	
Inter-ministry Consolidation Adjustments	(12,825)	(10,200)	(12,460)	2,625	2,260	
Adjusted Ministry Total	549,361	465,455	470,168	(83,906)	(4,713)	
Annual surplus (deficit)	\$79,958	\$579,473	\$431,278	\$499,515	\$148,195	

Revenue and Expense Highlights

Revenues

- Revenues totaled \$1.1 billion in 2023-24, an increase of \$163.8 million from 2022-23. This was primarily due to the increased compliance payments by industry of \$142.7 million into the Technology Innovation and Emissions Reduction Fund.
- Transfers from Government of Canada totaled \$54.9 million, an increase of \$9.8 million from budget due to re-profiling of projects from 2022-23 to 2023-24, approved under the Investing in Canada Infrastructure Program.
- Investment Income totaled \$28.1 million, an increase of \$20.1 million from budget as a result of higher interest rates compared to interest rates when budget estimates were prepared.
- Technology Innovation and Emissions Reduction totaling \$907.0 million, an increase of \$391.0 million in revenue compared to budget due to updated modelling for compliance payments and shifts in expectations for offset credit usage, credit banking activity and carbon price expectations.
- Other Revenue totaled \$86.0 million, an increase of \$23.0 million from budget primarily due to recovery of expenses incurred on a contaminated site, certificates filed against operators for unpaid surface leases, and the donation of groundwater wells to the department.

Expenses

- Ministry expenses totaled \$475.7 million, a decrease of \$86.5 million from budget and a decrease of \$7.0 million from 2022-23.
- Expenses for Air were \$1.2 million lower than budgeted due to decreased grants provided to airshed organizations in 2023-24 as these organizations used amounts retained from previous years funding provided for their operations.
- Expenses for Land were \$8.1 million lower compared to 2022-23 spending due to less grants to Land Trusts from Land Stewardship Fund, as the Land Trust Grant Program is being reviewed to identify opportunities to strengthen and improve the program.
- Expenses for Water were \$28.2 million higher than budget primarily from increases of \$34.1 million for capital grants and reprofiling of flood adaptation projects funded from the Investing in Canada Infrastructure Program. This was offset by \$5.9 million in lower operating expenses partly attributed to a decline in industry funded wetland replacement program projects.
- Expenses for Fish and Wildlife were \$7.0 million lower than budgeted mainly due to less spending for Caribou habitat restoration. Caribou habitat restoration, involving tree planting in old seismic lines and is cost-dependent on the availability of specialized equipment and contractors, as well as seedlings and nursery resources.
- Integrated Planning expenses were \$13.9 million lower than 2022-23 due to a legal settlement in 2022-23, offset by increased spending for salaries, wages, and benefit due to recruitment, drought emergency management, the Digital Regulatory Assurance system, and the Kearl incident response.
- Expenses for Land Use Secretariat were \$3.9 million lower than budgeted as the department focuses on building capacity and consideration of the regional planning approach.
- Emissions Management expenses were \$129.5 million lower than budget due to reprofiling funding to support TIER investments in future fiscal years with the objective for Alberta to achieve its net-zero emissions goal by 2050. This involves commitments in the Emissions Reduction and Energy Development Plan for assessing clean technology and innovation opportunities in emitting sector.
- Expenses for Quasi-Judicial Bodies were \$25.2 million higher than budgeted due to compensation payments to landowners as per section 36 of the *Surface Rights Act*.

Breakdown of Revenues (unaudited)**2024 Actual**

	2024		2023
	Budget <i>(Restated)</i>	Actual	Actual <i>(Restated)</i>
	<i>(in thousands)</i>		
Government transfers			
Transfers from Government of Canada ⁽¹⁾	\$45,081	\$54,916	\$62,210
	<u>45,081</u>	<u>54,916</u>	<u>62,210</u>
Investment income ⁽²⁾	7,925	28,059	7,613
Premiums, fees and licenses ⁽³⁾	9,130	5,611	10,967
Technology Innovation and Emissions Reduction Fund	516,000	906,966	764,253
Other revenue ⁽⁴⁾	63,013	86,007	72,705
	<u>596,068</u>	<u>1,026,643</u>	<u>855,538</u>
Total ministry revenues	<u>\$641,149</u>	<u>\$1,081,559</u>	<u>\$917,748</u>

(1) Transfers from Government of Canada included \$21.2 million Low Carbon Emissions Leadership Fund; \$14.2 million Investing in Canada Infrastructure Program; \$12.0 million Boreal Caribou and Southern Mountain Caribou; \$5.0 million Caribou Habitat Recovery program; \$1.3 million Species at Risk; \$1.2 million various Flood study and other programs.

(2) Investment Income is the interest earned on cash balances in Technology Innovation and Emissions Reduction Fund, Land Stewardship Fund and Natural Resources Conservation Board.

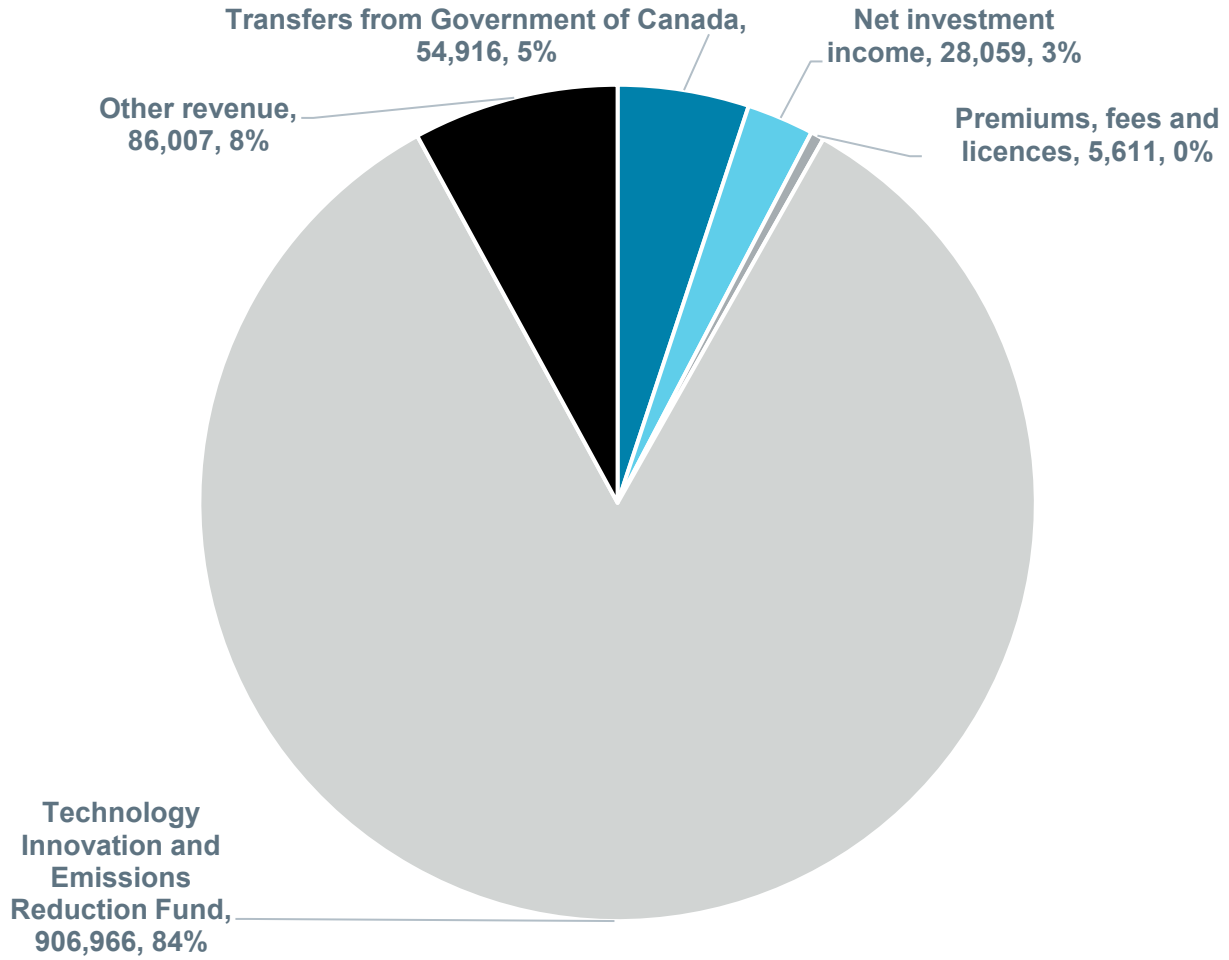
(3) Premiums, fees, and licenses include \$5.4 million Wetland Replacement and \$0.3 million from permits and licenses.

(4) Other revenue includes \$46.7 million Oil Sands Monitoring; other shared services revenue of \$9.0 million; \$8.3 million from revenue receivable for the expenses incurred on a contaminated site; \$8.1 million expenditure refunds; \$7.0 million recovery of unpaid surface leases; \$4.2 million of groundwater wells donation and \$3.0 million of various other revenues.

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

The following information presents detailed revenues of the ministry.

2024 Actual
(in thousands)



Expenses – Directly Incurred Detailed by Object (unaudited)

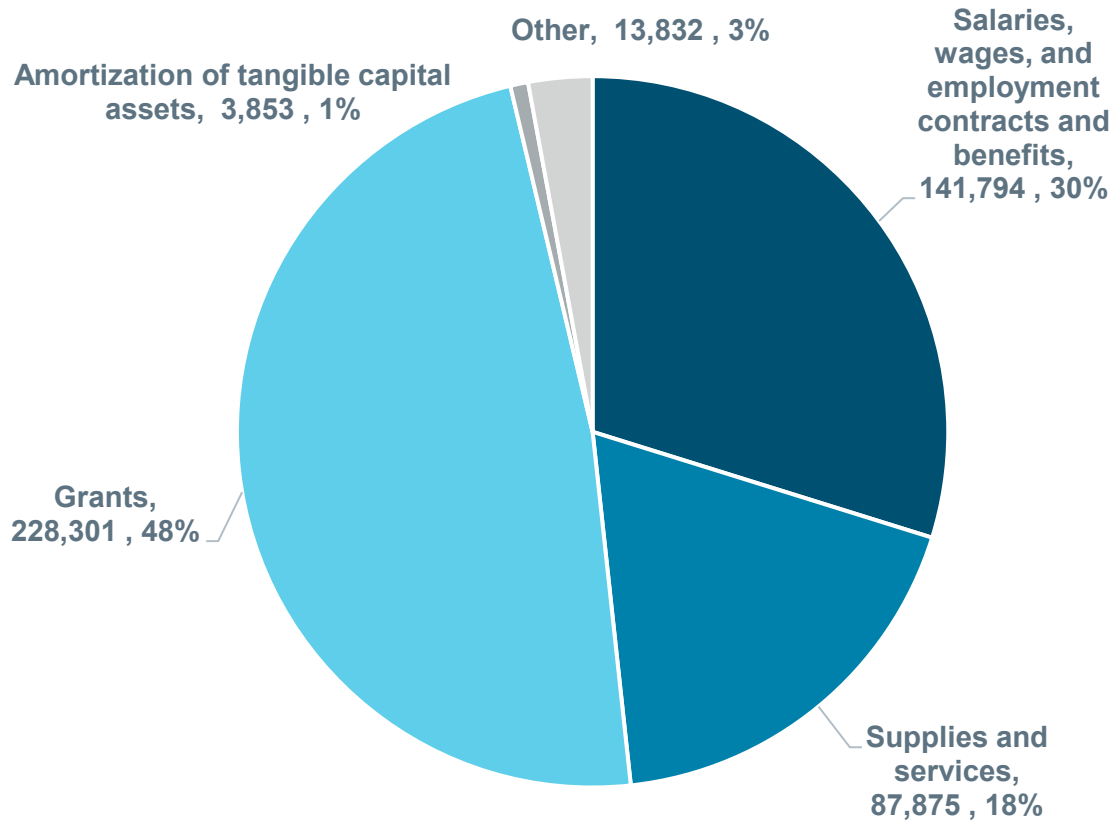
2024 Actual

	2024		2023
	Budget (Restated)	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Salaries, wages, and employee benefits	\$149,995	\$141,794	\$129,500
Supplies and services	105,964	87,875	102,466
Grants	300,722	228,301	240,292
Amortization of tangible capital assets	4,412	3,853	4,367
Other ⁽¹⁾	1,093	13,832	6,003
Total Ministry Expenses	\$562,186	\$475,655	\$482,628

(1) Other expenses incurred include provision for doubtful account of \$6.4 million and various other expenses of \$4.0 million write downs and losses and \$2.0 million for other provisions.

Expenses – Directly Incurred Detailed by Object (unaudited) (cont'd) 2024 Actual

(In thousands)



- The ministry's largest operating expense object was Grants which amounted to \$228.3 million (48 per cent). The ministry administers several grant programs that provide funding to partners and support the economy by creating jobs to achieve the outcomes important to Albertans.
- Salaries, wages, and employee benefit expenses totaled \$141.8 million (30 per cent) and included support for community groups and administration of grant programs.
- Supplies and services of \$87.9 million (18 per cent) included contracts for projects supporting environmental conservation and protection, sustainable economic prosperity, and quality of life.
- The remainder of ministry expenses were classified as amortization of tangible capital assets \$3.9 million (1 per cent) and other expenses \$13.8 million (3 per cent).

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:

1. Contractual obligations and commitments are \$212.9 million in contrast to the prior year 2022-23 of \$398.0 million. The decrease is primarily due to decrease in operating grant agreements related to TIER and Strategic Partnership and a decrease in capital grants related to Investing in the Canada Infrastructure Program.
2. The Department has identified various sites where contamination exists, and the level of contamination is either known or unknown at this time and totals \$11.0 million. As at March 31, 2024, \$4.8 million has been recognized as liabilities for contaminated sites, as compared to \$4.6 million in prior year. 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 and remains the same as the prior year.
3. As of March 31, 2024, Asset Retirement Obligations primarily constitute \$10.1 million of reclamation obligations on groundwater wells.

Tangible Capital Assets (unaudited)

Year Ended March 31, 2024

(in thousands)

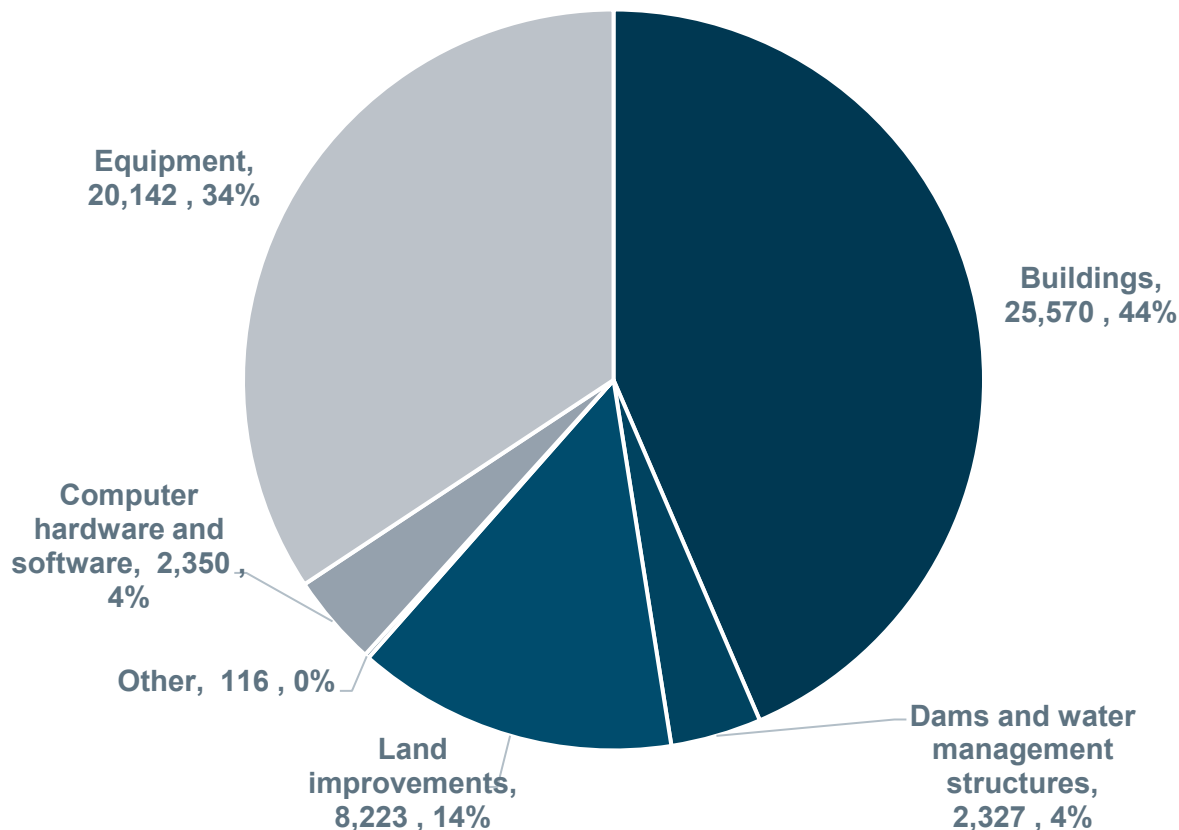
	General Capital Assets				Infrastructure Assets			2024 Total	2023 Total
	Buildings	Equipment ^(a)	Computer hardware and software	Other	Land improvements	Bridges	Dams and water management structures		
Historical cost ^(b)									
Beginning of year	\$ 22,190	\$ 60,404	\$ 74,206	\$ 89	\$ 3,259	\$ -	\$ 993	\$ 161,141	\$ 143,617
Additions	8,708	1,833	154	27	4,247	-	2,327	17,296	18,330
Transfers to/from Profit Centers	(259)	(100)	-	-	-	-	-	(359)	-
Adjustments	161	(81)	6	-	2,957	-	-	3,043	-
Disposals including write-downs	(487)	(1,034)	(2,003)	-	-	-	(993)	(4,517)	(806)
	30,313	61,022	72,363	116	10,463	-	2,327	176,604	161,141
Accumulated amortization									
Beginning of year	5,336	39,499	70,138	-	2,007	-	-	116,980	113,150
Amortization expense	131	2,486	1,004	-	233	-	-	3,854	4,367
Transfers to/from Profit Centers	(237)	(90)	-	-	-	-	-	(327)	-
Adjustments	-	-	-	-	-	-	-	-	236
Disposals including write-downs	(487)	(1,015)	(1,129)	-	-	-	-	(2,631)	(773)
	4,743	40,880	70,013	-	2,240	-	-	117,876	116,980
Net book value at									
March 31, 2024	\$ 25,570	\$ 20,142	\$ 2,350	\$ 116	\$ 8,223	\$ -	\$ 2,327	\$ 58,728	\$ 44,161
Net book value at									
March 31, 2023	\$ 16,854	\$ 20,905	\$ 4,068	\$ 89	\$ 1,252	\$ -	\$ 993	-	\$ 44,161

(a) There are no capital assets under capital lease as of March 31, 2024.

(b) Historical costs include \$38.8 million in construction in progress which are not amortized until the tangible capital assets are completed and in use.

Tangible Capital Assets (unaudited) (Cont'd)
Net Book Value as of March 31, 2024

(In thousands)



- The ministry's largest category of tangible capital assets is Buildings, which represents \$25.6 million (44 per cent) of the Net Book Value (NBV). This category is comprised of ranger and monitoring stations, and other support buildings and structures.
- Equipment represents costs of \$20.1 million (34 per cent) of the NBV and is the second largest category of tangible capital assets. This category is comprised of vehicles, heavy and mobile equipment, office equipment and furniture, and laboratory equipment.
- Land improvements with a NBV of \$8.2 million (14 per cent) largely comprises of observation wells. In 2023-24, the Department received a donation of seven groundwater wells with a fair market value of \$4.2 million.
- Computer hardware and software, representing a total cost \$2.3 million (4 per cent), includes laptops, desktop computers, printers, plotters, scanners, servers, and software applications.

Financial Statements of Other Reporting Entities

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TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

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Independent Auditor's Report



To the Minister of Environment and Protected Areas

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, 2024, 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, 2024, 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 Protected Areas*. The other information comprises the information included in the *Annual Report of the Ministry of Environment and Protected Areas* 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 Protected Areas* is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

June 5, 2024
Edmonton, Alberta

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Note 2)			
Facility purchases of fund credits by sector			
Mining, oil and gas extraction	\$ 259,072	454,433	\$ 383,714
Utilities	160,085	329,601	237,104
Manufacturing	37,879	91,110	56,103
Transportation and warehousing	58,964	31,822	87,332
Investment income	6,956	26,365	6,650
Other revenue	-	2,835	1,199
	522,956	936,166	772,102
Expenses – (Note 2 and Schedule 1)			
Administration	800	385	530
Innovation and technology	277,735	94,330	181,105
Transfers to the General Revenue Fund	210,478	416,666	335,451
	489,013	511,381	517,086
Annual surplus	33,943	424,785	255,016
Accumulated surplus at beginning of year	591,821	591,821	336,805
Accumulated surplus at end of year	\$ 625,764	1,016,606	\$ 591,821

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, 2024

	2024	2023
	<i>(in thousands)</i>	
Financial assets		
Cash and cash equivalents (Note 4)	\$ 548,571	\$ 167,281
Accounts receivable (Note 5)	979,139	942,019
	<u>1,527,710</u>	<u>1,109,300</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 6)	511,104	517,479
	<u>511,104</u>	<u>517,479</u>
Net financial assets	<u>1,016,606</u>	<u>591,821</u>
Net assets	<u>\$ 1,016,606</u>	<u>\$ 591,821</u>
Net assets		
Accumulated surplus	\$ 1,016,606	\$ 591,821
	<u>\$ 1,016,606</u>	<u>\$ 591,821</u>

Contractual obligations (Note 7)

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

Approved:

Approved:

Original signed by Sherri Wilson
Deputy Minister
June 5, 2024

Original signed by Ryan Fernandez
Assistant Deputy Minister, Senior Financial Officer
June 5, 2024

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual surplus	\$ 33,943	\$ 424,785	\$ 255,016
Net financial assets at beginning of year	591,821	591,821	336,805
Net financial assets at end of year	\$ 625,764	1,016,606	\$ 591,821

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, 2024

	2024	2023
	<i>(in thousands)</i>	
Operating transactions		
Annual surplus	\$ 424,785	\$ 255,016
(Increase) in accounts receivable	(37,120)	(256,830)
(Decrease)/Increase in accounts payable and other accrued liabilities	(6,375)	218
Cash provided by (applied to) operating transactions	<u>381,290</u>	<u>(1,596)</u>
Increase (decrease) in cash and cash equivalents	381,290	(1,596)
Cash and cash equivalents at beginning of year	167,281	168,877
Cash and cash equivalents at end of year	<u>\$ 548,571</u>	<u>\$ 167,281</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, 2024**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. The TIER Fund is exempt from income taxes under the *Income Tax Act*.

The TIER Regulation 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 regulation also sets a maximum on the usage of emission offset credits, emissions performance credits or sequestration credits in calculating net emissions where usage of fund credits remains unlimited. Under the TIER regulation all compliance reporting is completed on an annual basis by June 30th of the year following the compliance year.

Alberta Regulation (A.R.251/2022)¹ introduced amendments to the TIER Regulation that took effect on January 1, 2023. Additionally, TIER incorporated standards were revised to maintain equivalency with the federal benchmark stringency requirements. Changes with effect on revenue for 2023 and subsequent compliance years include but are not limited to updated Global Warming Potentials (GWP) used for quantification of emissions, expanded emissions scope for aggregated conventional oil and gas facilities, increased stringencies for facility-specific and high-performance benchmarks, shortening of credit expiry and increases to future credit use limits.

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**Revenues**

All revenues are reported on the accrual basis of accounting. The purchase of fund credits is considered as a method of compliance under the TIER Regulation. PS 3400 applies to TIER compliance payments as they are categorized as non-exchange transactions with no performance obligation on Government of Alberta. Management has concluded the prospective adoption of PS 3400 effective April 1, 2023, has no significant impact on the financial statements.

¹ A.R.251/2022. https://kings-printer.alberta.ca/documents/Orders/Orders_in_Council/2022/2022_403.html

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

TIER Fund revenues are recognized on an accrual basis for the fiscal year. Under the TIER regulation revenue occurs when individual facilities make payments to the TIER Fund to cover all or part of their true up obligation. Facilities must submit their compliance reports for the compliance year (calendar year) by June 30 each following year. As a result, management estimates revenue based on a forecasting model of the various components of the TIER Regulation. The allowable emissions, a forecasted estimate of actual emissions, an estimate of credit usage and fund credit purchases are key components of the model.

Revenues also include adjustments resulting from reviews and audits of previous years' compliance reports, including differences between the prior year's estimate and current year's payments received to purchase fund credits. It also includes revenues recognized when corrected compliance reports and/or true-up obligations are submitted as a result of new facility-specific benchmarks assigned.

Facilities can purchase TIER fund credits for \$65 per tonne for the 2023 compliance year and \$80 per tonne for the 2024 compliance year Ministerial Order 62/2022 sets the rates for 2023 and 2024, in accordance with section 21(2) of the TIER regulation.

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

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Completeness of revenues from facility purchases of fund credits

Facilities submitting compliance reports are expected to understand and comply with the relevant legislation. This has an impact on the completeness of revenue when facilities do not fully meet the legislative requirements and, for example, report inaccurate or incomplete emissions or production data.

Management has implemented systems and processes to detect and correct situations where facilities have not complied with the legislation. These systems and controls, based on areas of highest risk, include performing re-verifications of selected facility and offset project records.

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.

Management has adopted a 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 five per cent. The materiality threshold for facilities with total regulated emissions or allowed emissions over 500,000 tonnes is two per cent.

Measurement Uncertainty

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

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

The revenues and accounts receivable include an estimate of \$803 million for the period April 1, 2023, to March 31, 2024 (2023: \$788 million). 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 \$695 million and \$1,175 million based on the full range of Monte Carlo samples that were run. The minimum revenue that could occur if facilities use credits to the maximum limits is \$392 million, while the maximum revenue could be \$2,519 million if facilities do not use any credits and only buy credits from the TIER Fund. Additional details on the forecast approach and accounting of uncertainty are provided as follows.

The TIER 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 \$65 per tonne for compliance year 2023 and \$80 per tonne for compliance year 2024.

- The estimate of true-up obligation is based on the most recent available data, such as compliance or forecasting reports submitted under the TIER regulation, Carbon Competitiveness Incentive Regulation (CCIR), and from public data sources included Petrinex³ data, Alberta Energy Regulator, and Alberta Electric System Operator (AESO).
- For forecasting facilities⁴, the TIER Fund percentage is based on the values indicated in the forecasting report. For non-forecasting facilities in the TIER Fund 2023 Final Estimate and 2024 Forecasts, the TIER Fund contribution percentage is varied according to historic observations as set out in the section regarding Monte Carlo simulation.

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

² Fund contribution percentage is the share of a facility's true up obligation that is met through payment to the TIER Fund. This can range from 40 per cent to 100 per cent for the 2023 compliance year and 30 per cent to 100 per cent for the 2024 compliance year.

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

⁴ Facilities which 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.

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

True-Up	
April 1 to Dec 31, 2023	Jan 1 to Mar 31, 2024
Forecasting facilities – based on observed ratios of compliance report true-up to forecast report true-up from 2020 and 2022.	
Non-forecasting electricity, in situ, and gas plants uncertainty ranges were established by comparing an estimate for the full year and actual values for 12 months of activity data from public data sources. Since the public data for the 12 months of the year is available, no uncertainty remains, and the bounds tend to 0%.	Non-forecasting facilities from electricity, in situ and gas plants sectors adjusted based on comparing an estimate for the full year and actual values for the last 12 months of activity data from public data sources. Since the year is incomplete at the time of forecasting, some remaining uncertainty results. These ranges of uncertainty at the time of forecasting 2024 data are: <ul style="list-style-type: none"> • Mean of -9% with a standard deviation of 28% for electricity. • Mean of 4% with a standard deviation of 13% for in situ. • Mean of -4% with a standard deviation of 15% for gas plants. Mean of 9% with a standard deviation of 30% for oil sands.
Aggregate true-up varied by factor of 0.98 to 1.00.	Aggregate true-up varied by factor of 0.7 to 1.0.
All others based on the range of uncertainty from prior year actual to forecast true-up. The uncertainty ranges are established based on facility-level variability within a sector filtering out facilities with forecasted or actual true-up obligations between -1,000 and 1,000 tonnes of CO ₂ e and facilities for which previous year was forecasted with inaccurate data.	

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

Fund Credits	
April 1 to Dec 31, 2023	Jan 1 to Mar 31, 2024
For forecasting facilities, fund credit ratio was not varied, it is 40% for each forecasting facility. There is confidence that forecasting facilities will maintain the fund credit ratios provided in the updated forecasts reports in submitted in March 2024.	For forecasting facilities, fund credit ratio was not varied, it resulted in an average of 43%. The fund credit ratios provided in the forecast reports submitted in November 2023 are considered the best data available.
For forecasting facilities, given the changing carbon market environment, the previous approach of varying fund credit ratio based on historically observed ratios of compliance reports to forecast reports values is no longer accurate and is no longer used.	
<ul style="list-style-type: none"> • For non-forecasting facilities, fund credit ratios varied randomly and uniformly between the lowest and highest observed values for each facility from 2020-2022. For 2024 the lowest and highest observed values were normalized to the allowed range of 30% to 100%. • For facilities with no historic data, the fund credit ratios are varied randomly and uniformly between the low (40%) and high (100%) fund ranges allowed for 2023 and low (30%) and high (100%) allowed for 2024. 	
Monte Carlo	
Run 400 times, varying within the distributions described above. For the period from January 1st to December 31st, 2023, the forecast is based on the 50th percentile case as the most likely estimate. For the period from January 1st to March 31st, 2024, the forecast is based on the 25th percentile case for conservatism. The overall fund credit ratio was forecasted as 55% for 2023 and 58% for 2024.	

Under the 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 uncertainty in forecast values.

The publicly available data from Petrinex, Alberta Energy Regulator and AESO are used to estimate TIER Fund revenue; however, updates to the data after forecasting being prepared have not been incorporated which creates an uncertainty in forecast values.

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

TIER Credits

The 2024 fiscal year estimate of credits retired used in determining the TIER Revenue is 8.3 million for the 2024 compliance year and 9.6 million for the 2023 compliance year (the 2023 fiscal year estimate was 6.7 million for the 2023 compliance year and 4.8 million for the 2022 compliance year). The difference between these estimates and the actual credits that companies retire is reflected in the compliance payments to the TIER fund.

The following is the information about Emission Offsets & Sequestration Credits and Emissions Performance Credits that are active as at March 31, 2024 with their last compliance year of use:

Emission Offsets & Sequestration Credits

Emission Offsets and Sequestration Credits are revocable licenses generated by projects that have voluntarily reduced their greenhouse gas emissions. Emission offsets are quantified using Alberta-approved methodologies called quantification protocols and are verified by a third party in accordance with the Standard for Validation, Verification and Audit.

Alberta emission offsets are registered and publicly listed on the Alberta Emission Offset Registry currently operated by CSA Group.

Vintage Year	Active	Last Compliance Year of use
2017	975,611	2025
2018	1,632,769	2026
2019	3,150,503	2027
2020	5,286,923	2028
2021	6,771,912	2029
2022	6,948,392	2030
2023	2,381,742	2031
Total	27,147,852	

*1 credit = 1 tonne of CO₂e

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Emissions Performance Credits (EPC)

EPCs are generated by regulated facilities that have reduced their emissions below their reduction targets specified in the TIER Regulation. EPCs are revocable licenses which can be banked or sold, and ultimately retired by facilities, reducing the amount they owe to the Fund, subject to the TIER Regulation to meet their reduction targets.

Vintage Year	Active	Last Compliance Year of use
2017	1,157,007	2025
2018	3,547,134	2026
2019	4,256,511	2027
2020	3,888,434	2028
2021	4,453,321	2029
2022	3,758,910	2030
Total	21,061,317	

* 1 credit = 1 tonne of CO₂e

The Alberta Emissions Offset Registry (AEOR) and the Alberta Emission Performance Credit (EPC) Registry, as operated by CSA Group in coordination with the Government of Alberta, provides the infrastructure to support the ability for regulated facilities to be compliant with the TIER Regulation through the transparent display of Alberta-based emission offsets, sequestration credits and Emission Performance Credits. Below is the link:

alberta.csaregistries.ca

Management annually issues a report summarizing information gathered from compliance reports submitted by regulated facilities under the TIER Regulation. Information contained in the report includes total regulated emissions, compliance position, and credit usage by sector, and a summary of historic compliance results from 2007 forward. Below is the link:

open.alberta.ca/publications/alberta-industrial-greenhouse-gas-compliance

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

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.

Expenses

Expenses are those costs the TIER Fund has primary responsibility and accountability for, as reflected in the Government's budget documents. Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year are expensed.

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 \$936 million recorded as TIER Fund revenue, \$94 million was used for new and cleaner Alberta-based technologies that reduce greenhouse gas emissions or support Alberta's ability to adapt to climate change and \$417 million was recognized as a transfer to the General Revenue Fund in accordance with Section 10(4.1) of the *Emissions Management and Climate Resilience Act* and \$0.38 million for administration. The remaining \$425 million will be retained as assets in the TIER Fund. As TIER Fund revenue is subject to measurement uncertainty, a change in estimate that impacts the transfer amount would be accounted for in the following year. Transfers to General Revenue Fund was not paid as of March 31, 2024, so it creates measurement uncertainty to accounts payable as well.

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

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

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 the TIER Fund's financial claims on external organizations and individuals, as well as cash at year end.

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.

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 receivables 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.

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Basis of Financial Reporting (Cont'd)

Accounts payable and other accrued liabilities

Accounts payable and other accrued liabilities are recorded on an accrual basis.

Note 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2026 (*beginning of fiscal year or thereafter*), The ministry will adopt the following conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework)**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It will replace the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

Note 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalent include deposits in the Consolidated Liquidity Solution (CLS). CLS participants receive monthly interest on their cash balances at an interest rate based on the 12-week rolling average of the Province's 3-month cost of borrowing.

Note 5 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2024	2023
Facility purchases of fund credits by sector		
Mining, oil and gas extraction	\$ 526,568	\$ 445,629
Utilities	335,697	352,505
Manufacturing	73,606	58,029
Transportation and warehousing	40,866	84,630
Accounts receivable from the Department of Environment and Protected Areas	-	586
Interest Receivable	2,344	640
Other	58	-
	<u>\$ 979,139</u>	<u>\$ 942,019</u>

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

Note 6 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES
(in thousands)

	2024	2023
Accrued grants	\$ 94,330	\$ 181,105
Transfer to the General Revenue Fund	416,666	335,451
Accrued liabilities	108	923
	<u>\$ 511,104</u>	<u>\$ 517,479</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.

	2024	2023
		<i>(Restated⁵)</i>
Obligations under contracts	\$ 55,185	\$ 120,076
	<u>\$ 55,185</u>	<u>\$ 120,076</u>

Footnote 5: Restatement required for fiscal 2022-23 to include the grants not previously included.

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

	<u>Contracts</u>
2024-25	\$ 55,185
	<u>\$ 55,185</u>

Note 8 APPROVAL OF FINANCIAL STATEMENTS

The Deputy Minister and the Assistant Deputy Minister/Senior Financial Officer of Environment and Protected Areas approved the financial statements of the TIER Fund.

Schedule 1

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
EXPENSES – DETAILED BY OBJECT
MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Administration	\$ 800	\$ 385	\$ 530
Grants - Innovation and technology	277,735	94,330	181,105
Transfers to the General Revenue Fund	210,478	416,666	335,451
Total expenses	\$ 489,013	\$ 511,381	\$ 517,086

TECHNOLOGY INNOVATION AND EMISSIONS REDUCTION FUND
RELATED PARTY TRANSACTIONS
MARCH 31, 2024

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:

	2024	2023
	<i>(in thousands)</i>	
Revenues		
Interest from CLS – Treasury Board & Finance	\$ 26,365	\$ 5,883
Expenses		
Environment and Protected Areas - grants	\$ 94,330	\$ 181,105
Treasury Board & Finance – transfer to General Revenue Fund	416,666	335,451
	<u>\$ 510,996</u>	<u>\$ 516,556</u>
Receivable From Environment and Protected Areas	\$ -	\$ 586
Interest Receivable from CLS - Treasury Board & Finance	2,343	640
	<u>\$ 2,343</u>	<u>\$ 1,226</u>
Payable to Environment and Protected Areas	<u>\$ (510,996)</u>	<u>\$ (516,556)</u>

LAND STEWARDSHIP FUND
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

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Independent Auditor's Report



To the Minister of Environment and Protected Areas

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, 2024, 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, 2024, 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 Protected Areas*. The other information comprises the information included in the *Annual Report of the Ministry of Environment and Protected Areas* 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 Protected Areas* is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

June 5, 2024
Edmonton, Alberta

LAND STEWARDSHIP FUND
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Note 2, Note 8 and Schedule 2)			
Internal government transfers			
proceeds from surplus land sales	\$ 5,000	\$ 3,599	\$ 1,000
Interest income (Note 4)	671	1,102	891
Other revenue	-	2,293	2,865
	<u>5,671</u>	<u>6,994</u>	<u>4,756</u>
Expenses – (Note 2 and Schedule 1)			
Grants to the Department of Environment and Protected Areas			
to acquire land	5,000	-	-
Grants to land trusts	5,000	2,906	12,926
Land transaction expenses	-	60	153
	<u>10,000</u>	<u>2,966</u>	<u>13,079</u>
Annual surplus (deficit)	\$ (4,329)	\$ 4,028	\$ (8,323)
Accumulated surplus at beginning of year	20,139	20,139	28,462
Accumulated surplus at end of year	<u>\$ 15,810</u>	<u>\$ 24,167</u>	<u>\$ 20,139</u>

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

LAND STEWARDSHIP FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024		2023
	<i>(in thousands)</i>		
Financial assets			
Cash and cash equivalents (Note 4)	\$ 26,998	\$	19,958
Accounts receivable (Note 5)	108		9,449
	<u>27,106</u>		<u>29,407</u>
Liabilities			
Accounts payable and other accrued liabilities (Note 6)	2,939		9,268
	<u>2,939</u>		<u>9,268</u>
Net financial assets	<u>24,167</u>		<u>20,139</u>
Net assets	<u>\$ 24,167</u>	<u>\$</u>	<u>20,139</u>
Net assets (Note 7)			
Accumulated surplus	24,167		20,139
	<u>\$ 24,167</u>	<u>\$</u>	<u>20,139</u>

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

Approved:

Approved:

Original signed by Sherri Wilson
 Deputy Minister
 June 5, 2024

Original signed by Ryan Fernandez
 Assistant Deputy Minister, Senior Financial Officer
 June 5, 2024

LAND STEWARDSHIP FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual surplus (deficit)	\$ (4,329)	\$ 4,028	\$ (8,323)
Net financial assets at beginning of year	20,139	20,139	28,462
Net financial assets at end of year	\$ 15,810	\$ 24,167	\$ 20,139

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

LAND STEWARDSHIP FUND
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

	2024	2023
	<i>(in thousands)</i>	
Operating transactions		
Annual surplus (deficit)	\$ 4,028	\$ (8,323)
Decrease (increase) in accounts receivable	9,341	(9,435)
(Decrease) increase in accounts payable and other accrued liabilities	(6,329)	(5,280)
Cash provided by operating transactions	<u>7,040</u>	<u>(23,038)</u>
Increase (decrease) in cash and cash equivalents	7,040	(23,038)
Cash and cash equivalents at beginning of year	19,958	42,996
Cash and cash equivalents at end of year	<u>\$ 26,998</u>	<u>\$ 19,958</u>

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

LAND STEWARDSHIP FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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 Ministerial Grant Regulation (AR 215/2022) 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

Revenues

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

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, 2024

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.

Transfers include grants. Transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Valuation of the 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

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 cash and cash equivalents, accounts receivable from related parties and other external organizations.

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, 2024

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, 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

On April 1, 2026 (beginning of fiscal year or thereafter), the ministry will adopt the following conceptual framework and accounting standard approved by the Public Sector Accounting Board. Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

• **The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework)**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It will replace the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

• **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

LAND STEWARDSHIP FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

Note 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalent include deposits in the Consolidated Liquidity Solution (CLS). CLS participants receive monthly interest on their cash balances at an interest rate based on the 12-week rolling average of the Province's 3-month cost of borrowing.

Note 5 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2024		2023
Land sales	\$ -	\$	190
Interest	108		106
Grant Receivable Accrual	-		9,153
	<u>\$ 108</u>	\$	<u>9,449</u>

Note 6 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

(in thousands)

	2024		2023
Accounts Payable - Others	\$ 33	\$	113
Supplies and services	-		2
Grant Payable Accrual	2,906		9,153
	<u>\$ 2,939</u>	\$	<u>9,268</u>

Note 7 NET ASSETS

(in thousands)

The Net Assets for the Fund are capped at \$150,000 in accordance with the Land Stewardship Fund Regulation. The Minister must transfer the amount in excess of the \$150,000 to the General Revenue Fund.

Note 8 TRANSFER FROM THE DEPARTMENT OF ENVIRONMENT AND PROTECTED AREAS

Revenue received by the Department of Environment and Protected Areas 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.

Schedule 1

LAND STEWARDSHIP FUND
EXPENSES – DETAILED BY OBJECT
MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and Services	\$ -	\$ 60	\$ 153
Grants	10,000	2,906	12,926
Total Expenses	\$ 10,000	\$ 2,966	\$ 13,079

LAND STEWARDSHIP FUND
RELATED PARTY TRANSACTIONS
MARCH 31, 2024

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:

	2024	2023
	<i>(in thousands)</i>	
Revenues		
Environment and Protected Areas - proceeds from surplus land sales	\$ 3,599	\$ 1,000
Interest from CLS	1,102	808
	<u>\$ 4,701</u>	<u>\$ 1,808</u>
Receivable from Environment and Protected Areas	\$ -	\$ 190
Interest Receivable from CLS	108	106
	<u>\$ 108</u>	<u>\$ 296</u>

NATURAL RESOURCES CONSERVATION BOARD

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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Management's Responsibility for Financial Reporting

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

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

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the NRCB has developed and maintains systems of internal controls to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that the 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.

The 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.

Approved:

Original signed by Sean Royer
Chief Executive Officer

May 30, 2024

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, 2024, 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, 2024, 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 30, 2024
Edmonton, Alberta

NATURAL RESOURCES CONSERVATION BOARD
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
Revenues (Note 2(a))			
Government transfers			
Transfer from the Department of Environment and Protected Areas	\$ 6,009,000	\$ 6,009,000	\$ 5,397,000
Investment income	50,000	110,528	72,412
Other revenue	1,000	1,689	1,979
	<u>6,060,000</u>	<u>6,121,217</u>	<u>5,471,391</u>
Expenses – directly incurred (Note 2(a) and Schedules 1 and 4)			
Board reviews and hearings	1,175,000	1,044,952	1,011,865
Regulating confined feeding operations	4,861,000	4,817,164	4,228,210
	<u>6,036,000</u>	<u>5,862,116</u>	<u>5,240,075</u>
Annual surplus	24,000	259,101	231,316
Accumulated surplus at beginning of year	1,981,868	1,981,868	1,750,552
Accumulated surplus at end of year	<u>\$ 2,005,868</u>	<u>\$ 2,240,969</u>	<u>\$ 1,981,868</u>

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

NATURAL RESOURCES CONSERVATION BOARD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents (Note 5)	\$ 2,389,711	\$ 2,272,915
Accounts receivable	13,004	11,221
	<u>2,402,715</u>	<u>2,284,136</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 7)	358,063	377,985
Net financial assets	<u>2,044,652</u>	<u>1,906,151</u>
Non-financial assets		
Tangible capital assets (Note 8)	171,317	62,717
Prepaid expenses	25,000	13,000
	<u>196,317</u>	<u>75,717</u>
Net assets		
Accumulated surplus (Note 10)	<u>\$ 2,240,969</u>	<u>\$ 1,981,868</u>

Contractual obligations (Note 11)

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

Approved

Approved

Original signed by Peter Woloshyn
Chair

Original signed by Sean Royer
Chief Executive Officer

Edmonton, Alberta
May 30, 2024

NATURAL RESOURCES CONSERVATION BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
Annual surplus	\$ 24,000	\$ 259,101	\$ 231,316
Acquisition of tangible capital assets (Note 8)	(17,000)	(128,800)	(39,424)
Amortization of tangible capital assets (Note 8)	30,000	20,200	7,785
(Increase)/Decrease in prepaid expenses		(12,000)	9,000
Increase in net financial assets	37,000	138,501	208,677
Net financial assets at beginning of year	1,906,151	1,906,151	1,697,474
Net financial assets at end of year	<u>\$ 1,943,151</u>	<u>\$ 2,044,652</u>	<u>\$ 1,906,151</u>

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

NATURAL RESOURCES CONSERVATION BOARD
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Operating transactions		
Annual surplus	\$ 259,101	\$ 231,316
Non-cash item included in annual surplus:		
Amortization of tangible capital assets (Note 8)	20,200	7,785
	<u>279,301</u>	<u>239,101</u>
Increase in accounts receivable	(1,783)	(9,862)
(Increase)/Decrease in prepaid expenses	(12,000)	9,000
(Decrease)/Increase in accounts payable and other accrued liabilities	<u>(19,922)</u>	<u>75,543</u>
Cash provided by operating transactions	<u>245,596</u>	<u>313,782</u>
Capital transactions		
Acquisition of tangible capital assets (Note 8)	<u>(128,800)</u>	<u>(39,424)</u>
Cash applied to capital transactions	<u>(128,800)</u>	<u>(39,424)</u>
Increase in cash and cash equivalents	116,796	274,358
Cash and cash equivalents at beginning of year	<u>2,272,915</u>	<u>1,998,557</u>
Cash and cash equivalents at end of year	<u>\$ 2,389,711</u>	<u>\$ 2,272,915</u>

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

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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). The 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.

Revenues from transactions with performance obligations are recognized when the NRCB provides the promised goods and/or services to a payor.

Cash received for goods and/or services not yet provided before year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Revenues from transactions with no performance obligations are recognized at their realizable value when the NRCB has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Government transfers

Transfers from the Government of Alberta, without stipulations for the use of the transfer, 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 the 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, the NRCB complies with its communicated use of these transfers.

Investment income

Investment income includes interest income and is recognized when earned.

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

(a) 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.

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 the NRCB's operations are not recognized but disclosed in Schedule 4.

Valuation of Financial Assets and Liabilities

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

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

<u>Financial Statement 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 the NRCB's financial claims on external organizations and individuals as well as cash at year end.

Cash and cash equivalents

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

Accounts receivable

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

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

Liabilities

Liabilities are present obligations of the NRCB to external organizations and individuals arising from past transactions or events occurring before 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 year end; and
- accrued employee vacation entitlements.

Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. Management has concluded that the NRCB does not have any asset retirement obligation liabilities.

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 concluded that the NRCB does not have any environmental liabilities.

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.

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

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

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

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 to 6 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 CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the NRCB adopted the PS 3400 Revenue standard and the PSG-8 Purchased Intangibles Guideline. There are no changes to the financial statements from the adoption of these two standards.

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

NOTE 4 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2026, the NRCB will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**
The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- **PS 1202 Financial Statement Presentation**
Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits in the Consolidated Liquidity Solution (CLS). The CLS is the Province's cash pooling structure which enhances the effectiveness and efficiency from the Province's cash management perspective. A CLS participant is paid interest on a monthly basis on their cash balance at an interest rate based on 12 week rolling average of the Province's 3 month cost of borrowing.

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, 2024, there were no uncollectible receivable balances.

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

	2024	2023
Accounts payable	\$ 106,516	\$ 168,931
Accrued liabilities - employee benefits	251,547	209,054
	<u>\$ 358,063</u>	<u>\$ 377,985</u>

NOTE 8 TANGIBLE CAPITAL ASSETS

	Computer Hardware	Computer Software	Office Equipment	Office Furniture	2024 Total	2023 Total
Historical Cost						
Beginning of year	\$ 113,361	\$ 35,984	\$ 103,616	\$ 126,826	\$ 379,787	\$ 480,552
Additions ⁽¹⁾	-	71,850	56,950	-	128,800	39,424
Disposals including write-downs	(88,522)	(19,884)	-	-	(108,406)	(140,189)
	<u>24,839</u>	<u>87,950</u>	<u>160,566</u>	<u>126,826</u>	<u>400,181</u>	<u>379,787</u>
Accumulated Amortization						
Beginning of year	93,521	24,051	73,950	125,548	317,070	449,474
Amortization expense	4,035	4,358	11,551	256	20,200	7,785
Effect of disposals including write- downs	(88,522)	(19,884)	-	-	(108,406)	(140,189)
	<u>9,034</u>	<u>8,525</u>	<u>85,501</u>	<u>125,804</u>	<u>228,864</u>	<u>317,070</u>
Net Book Value at March 31, 2024	<u>\$ 15,805</u>	<u>\$ 79,425</u>	<u>\$ 75,065</u>	<u>\$ 1,022</u>	<u>\$ 171,317</u>	<u>-</u>
Net Book Value at March 31, 2023	<u>\$ 19,840</u>	<u>\$ 11,933</u>	<u>\$ 29,666</u>	<u>\$ 1,278</u>	<u>-</u>	<u>\$ 62,717</u>

(1) The amortization for the computer software addition in 2024 did not start in the year because the software was not yet in use by the end of the fiscal year.

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

NOTE 9 BENEFIT PLANS

The NRCB participates in the following 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 \$24,626 for the year ended March 31, 2024 (2023 - \$25,617). 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, 2023, the MEPP reported a surplus of \$1,316,313,000 (2022 - surplus \$924,735,000), and the SRP reported a deficiency of \$21,343,000 (2022 - deficiency \$25,117,000).

In addition, the NRCB sponsors a defined contribution pension plan for employees who are not eligible to participate in the government sponsored pension plans. The expense for this pension plan is \$274,050 for the year ended March 31, 2024 (2023 - \$260,043). 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	2024 Total	2023 Total
Balance at beginning of year	\$ 62,717	\$ 1,919,151	\$ 1,981,868	\$ 1,750,552
Annual surplus	-	259,101	259,101	231,316
Net investment in capital assets	108,600	(108,600)	-	-
Balance at end of year	<u>\$ 171,317</u>	<u>\$ 2,069,652</u>	<u>\$ 2,240,969</u>	<u>\$ 1,981,868</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, 2024, the NRCB had contractual obligations under operating leases and contracts totalling \$218,042 (2023 - \$290,244).

NATURAL RESOURCES CONSERVATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

NOTE 11 CONTRACTUAL OBLIGATIONS (Cont'd)

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

2024-25	\$ 204,896
2025-26	7,248
2026-27	5,898
	<u>\$ 218,042</u>

NOTE 12 BUDGET

The budget was included in the 2023-24 Government Estimates under the Ministry of Environment and Protected Areas. The budget was approved by the Board on May 30, 2023.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of the NRCB.

NATURAL RESOURCES CONSERVATION BOARD
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
Salaries, wages and employee benefits	\$ 4,872,340	\$ 5,001,384	\$ 4,373,083
Supplies and services	1,133,660	840,532	859,207
Amortization of tangible capital assets (Note 8)	30,000	20,200	7,785
Total expenses	\$ 6,036,000	\$ 5,862,116	\$ 5,240,075

Schedule 2

NATURAL RESOURCES CONSERVATION BOARD
SALARY AND BENEFITS DISCLOSURE
MARCH 31, 2024

	2024			2023	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair ⁽⁴⁾⁽⁵⁾	\$ 195,447	\$ 31,339	\$ 21,687	\$ 248,473	\$ 233,183
Board Member A ⁽⁶⁾	2,227	8,617	1,074	11,918	128,521
Board Member B ⁽⁷⁾	94,067	11,834	18,729	124,630	119,180
Board Member C ⁽⁷⁾⁽⁸⁾	91,729	12,108	19,145	122,982	-
Chief Executive Officer	187,589	-	42,023	229,612	221,151

(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 2024.

(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, pension, health benefits, parking, 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 was 60% permanent part-time and changed to 80% permanent part-time effective October 1, 2022. The term of the position expired on April 10, 2023.

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

(8) The position commenced on April 11, 2023.

NATURAL RESOURCES CONSERVATION BOARD
RELATED PARTY TRANSACTIONS
MARCH 31, 2024

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>2024</u>	<u>2023</u>
Revenues		
Transfer from the Department of Environment and Protected Areas	\$ 6,009,000	\$ 5,397,000
Interest from CLS	110,528	\$ 65,883
	<u>\$ 6,119,528</u>	<u>\$ 5,462,883</u>
Expenses – Directly Incurred	\$ 150,427	\$ 240,767
Interest Receivable from CLS	\$ 11,501	\$ 8,785
Payable to	\$ 6,009	\$ 17,455

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.

Schedule 4

NATURAL RESOURCES CONSERVATION BOARD
ALLOCATED COSTS
MARCH 31, 2024

	2024			2023
	Expenses ⁽¹⁾	Expenses - Incurred by Others	Total Expenses	Total Expenses
Accommodation Costs ⁽²⁾				
AOPA and NRCBA Mandates				
Board reviews and hearings ⁽³⁾	\$ 1,044,952	\$ 76,253	\$ 1,121,205	\$ 1,100,448
Regulating confined feeding operations ⁽⁴⁾	4,817,164	351,521	5,168,685	4,598,366
	<u>\$ 5,862,116</u>	<u>\$ 427,774</u>	<u>\$ 6,289,890</u>	<u>\$ 5,698,814</u>

(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.

Other Financial Information

Department of Environment and Protected Areas

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Department of Environment and Protected Areas

Statement of Credit or Recovery (unaudited)

Year ended March 31, 2024

(in thousands)

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

	2024				
	Authorized	Actual Revenue Recognized	Unearned Revenue	Total Amount Received	(Shortfall) /Excess ⁽¹⁾
Remediation Certificates	25	12	-	12	(13)
Bow Habitat Station	300	269	72	341	41
Fish and Wildlife	274	-	-	-	(274)
	\$ 599	\$ 281	\$ 72	\$ 353	\$ (246)

(1) Shortfall is deducted from current year's corresponding funding authority.

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

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. Program 4.2

Fish and Wildlife – Recreational fishing and hunting licences revenue collected is used to fund the costs related to the delivery and management of those licences. Program 5.3

Department Of Environment and Protected Areas

Statement of Lapse/Encumbrance (unaudited)

Year ended March 31, 2024

(in thousands)

	Voted Estimate	Supplementary Estimate	Adjustments	Adjusted Voted Estimate	Voted Actuals	Over Expended (Unexpended)
EXPENSE VOTE BY PROGRAM						
Ministry Support Services						
1.1 Minister's Office	\$ 968	\$ -	\$ -	\$ 968	\$ 965	\$ (3)
1.2 Deputy Minister's Office	660	-	-	660	658	(2)
1.4 Corporate Services	20,165	-	-	20,165	18,016	(2,149)
	21,793	-	-	21,793	19,639	(2,154)
Air						
2.1 Air Policy	5,332	-	-	5,332	5,411	79
2.2 Air Partners and Stewardship	5,409	-	-	5,409	3,716	(1,693)
2.3 Air Quality Management	2,280	-	-	2,280	2,736	456
	13,021	-	-	13,021	11,863	(1,158)
Land						
3.1 Land Policy	6,370	-	-	6,370	6,099	(271)
3.2 Public Land Management	18,312	-	-	18,312	17,471	(841)
	24,682	-	-	24,682	23,570	(1,112)
Water						
4.1 Water Policy	5,111	-	-	5,111	3,014	(2,097)
4.2 Water Partners and Stewardship	5,590	-	-	5,590	5,090	(500)
4.3 Water Management	29,237	-	-	29,237	25,775	(3,462)
4.4 Flood Adaptation	10,398	-	-	10,398	9,062	(1,336)
	50,336	-	-	50,336	42,941	(7,395)
Fish & Wildlife:						
5.1 Fish and Wildlife Policy	6,904	-	-	6,904	9,267	2,363
5.2 Fisheries Management	11,136	-	-	11,136	11,099	(37)
5.3 Wildlife Management	50,656	-	-	50,656	41,575	(9,081)
	68,696	-	-	68,696	61,941	(6,755)
Integrated Planning						
6.1 Resource Management	19,691	-	-	19,691	17,471	(2,220)
6.2 Regional Cumulative Effects Management	10,164	-	-	10,164	12,045	1,881
6.3 Environmental Emergency Response	3,906	-	-	3,906	3,727	(179)
6.4 Environmental Social Governance Secretariat	1,014	-	-	1,014	536	(478)
	34,775	-	-	34,775	33,779	(996)

Department Of Environment and Protected Areas
Statement of Lapse/Encumbrance (unaudited)
Year ended March 31, 2024

(in thousands)

	Voted Estimate	Supplementary Estimate	Adjustments	Adjusted Voted Estimate	Voted Actuals	Over Expended (Unexpended)
Land Use Secretariat						
7 Land Use Secretariat	5,046	-	-	5,046	1,121	(3,925)
Science and Monitoring						
8.1 Environmental Science, Monitoring, Evaluation and Reporting	17,980	-	-	17,980	20,529	2,549
8.2 Environmental Monitoring	49,892	-	(138)	49,754	46,733	(3,021)
	67,872	-	(138)	67,734	67,262	(472)
Emissions Management						
9.1 Regulatory and Operations	10,541	-	-	10,541	7,468	(3,073)
9.2 Technology Innovation and Emissions Reduction	195,090	-	-	195,090	72,172	(122,918)
9.3 Oil Sands Innovation	3,000	-	-	3,000	-	(3,000)
	208,631	-	-	208,631	79,640	(128,991)
Quasi-judicial Land-use and Compensation Decisions						
10.1 Natural Resources Conservation Board Environmental and Public Lands Appeal	6,009	-	-	6,009	6,009	-
10.2 Board	1,717	-	-	1,717	1,719	2
	7,726	-	-	7,726	7,728	2
Capital Grants						
Water						
4.4 Flood Adaption	47,147	-	-	47,147	81,285	34,138
	47,147	-	-	47,147	81,285	34,138
Total	549,725	-	(138)	549,587	430,769	(118,818)
Credit or Recovery Shortfall	-	-	(246)	(246)	-	246
	\$549,725	\$	\$ (384)	\$549,341	\$430,769	\$ (118,572)
(Lapse)/Encumbrance						\$ (118,572)

Department Of Environment and Protected Areas

Statement of Lapse/Encumbrance (unaudited)

Year ended March 31, 2024

(in thousands)

	Voted Estimate	Supplementary Estimate	Adjustments	Adjusted Voted Estimate	Voted Actuals	Over Expended (Unexpended)
CAPITAL INVESTMENT VOTE BY PROGRAM						
Ministry Support Services						
1.4 Corporate Services	425	-	1,356	1,781	-	(1,781)
	425	-	1,356	1,781	-	(1,781)
Air						
2.3 Air Quality Management	392	-	-	392	-	(392)
	392	-	-	392	-	(392)
Land						
3.2 Public Land Management	5,602	-	(4,900)	702	235	(467)
	5,602	-	(4,900)	702	235	(467)
Water						
4.2 Water Partners and Stewardship	800	-	331	1,131	328	(803)
4.3 Water Management	-	-	-	-	9	9
4.4 Flood Adaptation	7,901	-	1,678	9,579	2,393	(7,186)
	8,701	-	2,009	10,710	2,730	(7,980)
Fish & Wildlife:						
5.2 Fisheries Management	38,452	-	281	38,733	8,081	(30,652)
5.3 Wildlife Management	424	-	236	660	43	(617)
	38,876	-	517	39,393	8,124	(31,269)
Integrated Planning						
6.2 Regional Cumulative Effects Management	2,500	-	-	2,500	2,327	(173)
6.3 Environmental Emergency Response	-	-	-	-	82	82
	2,500	-	-	2,500	2,409	(91)
Science and Monitoring						
8.1 Environmental Science, Monitoring, Evaluation and Reporting	2,900	-	4,242	7,142	1,795	(5,347)
8.2 Oil Sands Environmental Monitoring	-	-	138	138	4	(134)
	2,900	-	4,380	7,280	1,799	(5,481)
Total	59,396	-	3,362	62,758	15,297	(47,461)
Credit or Recovery Shortfall	-	-	-	-	-	-
	\$ 59,396	\$ -	\$ 3,362	\$ 62,758	\$ 15,297	\$ (47,461)
(Lapse)/Encumbrance						\$ (47,461)

Department Of Environment and Protected Areas
Statement of Lapse/Encumbrance (unaudited)
Year ended March 31, 2024

(in thousands)

	Voted Estimate	Supplementary Estimate	Adjustments	Adjusted Voted Estimate	Voted Actuals	Over Expended (Unexpended)
FINANCIAL TRANSACTIONS VOTE BY PROGRAM						
Water						
4.3 Water Management	100	-	-	100	-	(100)
Integrated Planning						
6.1 Resource Management	-	-	-	-	274	274
6.3 Environmental Emergency Response	-	-	-	-	408	408
Total	100	-	-	100	682	582
Credit or Recovery Shortfall						
	\$ 100	\$ -	\$ -	\$ 100	\$ 682	\$ 582
(Lapse)/Encumbrance						\$ 582

Department of Environment and Protected Areas
Statement of Remissions, Compromises, Write-Offs (unaudited)
Year ended March 31, 2024

(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.

Write-offs:

Department Accounts Receivable	\$	57
Total Remissions, Compromises and Write-offs	\$	<u>57</u>

(1) There were no remissions or compromises during the year.

Department Of Environment and Protected Areas

Payments Based on Agreements (unaudited)

Year ended March 31, 2024

(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 Protected Areas 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, 2024.

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

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

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

There were no disclosures of wrongdoing filed with my office for your department between April 1, 2023, and March 31, 2024.