



**NRCB**

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Natural Resources  
Conservation Board

**Financial Statements**

**Year Ended March 31, 2017**

**NATURAL RESOURCES CONSERVATION BOARD**  
**FINANCIAL STATEMENTS**  
**March 31, 2017**

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## Independent Auditor's Report

To the Members of the Natural Resources Conservation Board

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Natural Resources Conservation Board, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Natural Resources Conservation Board as at March 31, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

May 23, 2017

Edmonton, Alberta

**NATURAL RESOURCES CONSERVATION BOARD  
STATEMENT OF OPERATIONS  
Year ended March 31**

	<u>2017</u>		<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>			
Government Transfers			
Transfer from the Department of Environment and Parks	\$6,474,000	\$5,674,000	\$5,537,000
Investment Income	43,000	41,848	38,754
Other Revenue	1,000	3,967	1,946
	<u>6,518,000</u>	<u>5,719,815</u>	<u>5,577,700</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)</b>			
Board Reviews and Hearings	1,356,000	1,001,130	1,048,129
Regulating Confined Feeding Operations	5,162,000	4,485,220	4,387,234
	<u>6,518,000</u>	<u>5,486,350</u>	<u>5,435,363</u>
<b>Annual Operating Surplus</b>	-	233,465	142,337
<b>Accumulated Surplus, Beginning of Year</b>	<u>3,395,101</u>	<u>3,395,101</u>	<u>3,252,764</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$3,395,101</u>	<u>\$3,628,566</u>	<u>\$3,395,101</u>

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

**NATURAL RESOURCES CONSERVATION BOARD  
STATEMENT OF FINANCIAL POSITION  
As at March 31**

	<b>2017</b>	<b>2016</b>
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 4)	\$3,924,829	\$3,703,186
Accounts Receivable	778	1,484
	3,925,607	3,704,670
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	381,595	331,952
<b>Net Financial Assets</b>	3,544,012	3,372,718
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 7)	81,326	19,825
Prepaid Expenses	3,228	2,558
	84,554	22,383
<b>Net Assets</b>	\$3,628,566	\$3,395,101
<b>Net Assets</b>		
Accumulated Surplus (Note 9)	\$3,628,566	\$3,395,101

Contractual Obligations (Note 10)

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

Approved:

[Original signed by Vern Hartwell]

Vern Hartwell  
Chair

Approved:

[Original signed by Peter Woloshyn]

Peter Woloshyn  
Chief Executive Officer

**NATURAL RESOURCES CONSERVATION BOARD**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
Year ended March 31

	<b>2017</b>		<b>2016</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Annual Operating Surplus (Deficit)</b>	\$-	\$233,465	\$142,337
Acquisition of Tangible Capital Assets	(17,000)	(66,663)	(7,698)
Amortization of Tangible Capital Assets (Note 7)	30,000	5,162	12,892
Change in Prepaid Expenses		(670)	(1,006)
<b>Increase in Net Financial Assets in the Year</b>	<u>13,000</u>	<u>171,294</u>	<u>146,525</u>
<b>Net Financial Assets, Beginning of Year</b>	<u>3,372,718</u>	<u>3,372,718</u>	<u>3,226,193</u>
<b>Net Financial Assets, End of Year</b>	<u><u>\$3,385,718</u></u>	<u><u>\$3,544,012</u></u>	<u><u>\$3,372,718</u></u>

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

**NATURAL RESOURCES CONSERVATION BOARD**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31

	<b>2017</b>	<b>2016</b>
<b>Operating Transactions</b>		
Annual Operating Surplus	\$233,465	\$142,337
Non-cash Item:		
Amortization of Tangible Capital Assets (Note 7)	5,162	12,892
	238,627	155,229
Decrease in Accounts Receivable	706	570
Increase in Prepaid Expenses	(670)	(1,006)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	49,643	(18,707)
Cash Provided by Operating Transactions	288,306	136,086
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets (Note 7)	(66,663)	(7,698)
Cash Applied to Capital Transactions	(66,663)	(7,698)
<b>Increase in Cash and Cash Equivalents</b>	221,643	128,388
<b>Cash and Cash Equivalents, Beginning of Year</b>	3,703,186	3,574,798
<b>Cash and Cash Equivalents, End of Year</b>	\$3,924,829	\$3,703,186

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

**NATURAL RESOURCES CONSERVATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE 1 AUTHORITY AND PURPOSE**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

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

**(a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is Natural Resources Conservation Board. NRCB is controlled by and fully consolidated in the Ministry of Environment and Parks, for which the Minister of Alberta Environment and Parks is accountable. Inter-entity accounts and transactions between NRCB and any of the entities included in the ministry are eliminated upon consolidation within the ministry's financial statements.

**(b) Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual basis of accounting.

Government Transfers

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

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

Investment Income

Investment income includes interest income and is recognized when earned.

**Expenses**

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

Directly Incurred

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



**NATURAL RESOURCES CONSERVATION BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2017**

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

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

Incurred by Others

Services contributed by other entities in support of NRCB's operations are not recognized and are disclosed in Note 11 and allocated to programs in Schedule 3.

**Valuation of Financial Assets and Liabilities**

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

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

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

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

**Financial Assets**

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

Cash and Cash Equivalents

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

Accounts Receivable

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

**Liabilities**

Liabilities represent present obligations of the NRCB to external organizations and individuals arising from transactions or events occurring before the year end. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

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

Liability for Contaminated Sites

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

**NATURAL RESOURCES CONSERVATION BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2017**

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

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

**Non-Financial Assets**

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

Tangible Capital Assets

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

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

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 Expense

Prepaid expense is recognized at cost and amortized based on the terms of the agreement.

**Measurement Uncertainty**

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies. The amounts recognized for amortization of tangible capital assets are based on estimates of the useful life of the related assets.

**Pension Expense**

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.

**NATURAL RESOURCES CONSERVATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE 3 FUTURE ACCOUNTING CHANGES**

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

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**  
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**  
PS3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**  
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

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

**NOTE 4 CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents consist of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2017, securities held by the fund have a time-weighted return of 0.9% per annum (2016 - 0.8% per annum). Due to the short-term nature of the CCITF investments, the carrying value approximates fair value.

**NOTE 5 FINANCIAL INSTRUMENTS**

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

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

(a) Liquidity Risk

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

(b) Credit Risk

The NRCB is exposed to credit risk from potential non-payment of accounts receivable. As at March 31, 2017, there were no uncollectible receivable balances.

**NATURAL RESOURCES CONSERVATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2017</u>	<u>2016</u>
Accounts Payable	\$60,855	\$37,318
Accrued Liabilities - Employee Benefits	320,740	294,634
	<u>\$381,595</u>	<u>\$331,952</u>

**NOTE 7 TANGIBLE CAPITAL ASSETS**

	<u>2017</u>				<u>2016</u>	
	<u>Computer Hardware</u>	<u>Computer Software</u>	<u>Office Equipment</u>	<u>Office Furniture</u>	<u>Total</u>	<u>Total</u>
<b>Historical Cost</b>						
Beginning of year	\$195,295	\$13,742	\$45,406	\$201,785	\$456,228	\$449,170
Additions	46,779	19,884	-	-	66,663	7,698
Disposals, including write-downs	(630)	-	-	-	(630)	(640)
	<u>241,444</u>	<u>33,626</u>	<u>45,406</u>	<u>201,785</u>	<u>522,261</u>	<u>456,228</u>
<b>Accumulated Amortization</b>						
Beginning of year	188,453	13,742	41,754	192,454	436,403	424,151
Amortization expense	2,566	-	730	1,866	5,162	12,892
Effect of disposals including write-downs	(630)	-	-	-	(630)	(640)
	<u>190,389</u>	<u>13,742</u>	<u>42,484</u>	<u>194,320</u>	<u>440,935</u>	<u>436,403</u>
<b>Net Book Value at March 31, 2017</b>	<u>\$51,055</u>	<u>\$19,884</u>	<u>\$2,922</u>	<u>\$7,465</u>	<u>\$81,326</u>	
<b>Net Book Value at March 31, 2016</b>	<u>\$6,842</u>	<u>\$-</u>	<u>\$3,652</u>	<u>\$9,331</u>	<u>\$19,825</u>	<u>\$19,825</u>

**NOTE 8 BENEFIT PLANS**

The NRCB participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP) and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$45,102 for the year ended March 31, 2017 (2016 - \$85,470). The NRCB is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, MEPP reported a surplus of \$402,033,000 (2015 - surplus \$299,051,000), and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$50,020,000 (2015 - deficiency \$16,305,000).

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 \$239,519 for the year ended March 31, 2017 (2016 - \$241,155). Pension expense comprises the cost of employer contributions during the year.

**NATURAL RESOURCES CONSERVATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE 9 ACCUMULATED SURPLUS**

Accumulated surplus is comprised of the following:

	<b>2017</b>			<b>2016</b>
	<b>Investment in Tangible Capital Assets</b>	<b>Unrestricted Surplus</b>	<b>Total</b>	<b>Total</b>
Balance April 1, 2016	\$19,825	\$3,375,276	\$3,395,101	\$3,252,764
Annual Operating Surplus	-	233,465	233,465	142,337
Net Investment in Capital Assets	61,501	(61,501)	-	-
Balance March 31, 2017	<u>\$81,326</u>	<u>\$3,547,240</u>	<u>\$3,628,566</u>	<u>\$3,395,101</u>

**NOTE 10 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, 2017, the NRCB had contractual obligations under operating leases and contracts totalling \$232,114 (2016 - \$81,500).

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

2017-18	\$124,065
2018-19	103,165
2019-20	4,884
Thereafter	Nil
	<u>\$232,114</u>

**NOTE 11 RELATED PARTY TRANSACTIONS**

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel of 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 note.

The NRCB received \$5,674,000 (2016 - \$5,537,000) in net transfers from the Department of Environment and Parks. During the year, the NRCB paid \$46,342 (2016 - \$32,429) to various Government of Alberta departments and agencies for supplies and/or services. The Statement of Financial Position also includes \$16,075 (2016 - \$0) as payable to various government entities.

**NATURAL RESOURCES CONSERVATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE 11 RELATED PARTY TRANSACTIONS (Cont'd)**

In addition, certain expenses for office space and parking incurred on behalf of the NRCB by the Department of Infrastructure are not reflected in the Statement of Operations. These expenses amount to \$489,487 (2016 - \$481,544) and are reflected in Schedule 3.

The NRCB has a Memorandum of Understanding (MOU) with the Alberta Energy Regulator (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.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE 12 BUDGET**

The budget was included in the 2016-17 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board on May 3, 2016.

**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  
Year ended March 31, 2017**

	<b>2017</b>		<b>2016</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries, Wages and Employee Benefits	\$5,464,500	\$4,782,424	\$4,833,813
Supplies and Services	1,023,500	698,764	588,658
Amortization of Tangible Capital Assets	30,000	5,162	12,892
	<u>\$6,518,000</u>	<u>\$5,486,350</u>	<u>\$5,435,363</u>

**NATURAL RESOURCES CONSERVATION BOARD**  
**SALARY AND BENEFITS DISCLOSURE**  
Year ended March 31, 2017

	2017			2016	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Chair <sup>(4)(5)</sup>	\$174,071	\$21,743	\$35,452	\$231,266	\$232,094
Board Member A <sup>(6)</sup>	78,708	11,125	12,763	102,596	18,393
Board Member B <sup>(6)(8)</sup>	59,094	8,164	12,960	80,218	-
Board Member C <sup>(6)(7)</sup>	8,491	3,253	3,286	15,030	143,455
Board Member D <sup>(5)(9)</sup>	-	-	-	-	117,881
CEO	200,863	9,700	55,631	266,194	270,627

(1) Base salary includes regular salary.

(2) Other cash benefits include health benefits, pay in lieu and vacation payouts. There were no bonuses paid in 2017 and 2016.

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

(4) Automobile allowance included in other cash benefits.

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

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

(7) The position became vacant on April 29, 2016.

(8) The position took an unpaid leave of absence starting October 1, 2014 and returned to the NRCB on September 6, 2016. The board member resigned effective March 31, 2017.

(9) The term of the position expired on November 12, 2015.



**NATURAL RESOURCES CONSERVATION BOARD**  
**ALLOCATED COSTS**  
**Year ended March 31, 2017**

	2017		Total Expenses	2016
	Expenses	Expenses incurred by others Office Costs <sup>(1)</sup>		Total Expenses
<b>AOPA and NRCBA Mandates</b>				
Board Reviews and Hearings <sup>(2)</sup>	\$1,001,130	\$89,320	\$1,090,450	\$1,140,988
Regulating Confined Feeding Operations <sup>(3)</sup>	4,485,220	400,167	4,885,387	4,775,919
	\$5,486,350	\$489,487	\$5,975,837	\$5,916,907

(1) See Note 11, Related Party Transactions.

(2) Board reviews and hearings comprise expenses related to AOPA appeals and NRCBA reviews.

(3) 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.