



NRCB

Natural Resources
Conservation Board

Financial Statements

Year Ended March 31, 2024

**NATURAL RESOURCES CONSERVATION BOARD
FINANCIAL STATEMENTS
MARCH 31, 2024**

Management’s Responsibility for Financial Reporting 1

Independent Auditor’s Report 2

Statement of Operations 5

Statement of Financial Position 6

Statement of Change in Net Financial Assets 7

Statement of Cash Flows 8

Notes to the Financial Statements 9

Schedule 1 - Expenses – Directly Incurred Detailed by Object 16

Schedule 2 - Salary and Benefits Disclosure 17

Schedule 3 - Related Party Transactions 18

Schedule 4 - Allocated Costs 19

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.

[Original signed by Sean Royer]

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**

	<u>2024</u>	<u>2023</u>
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]

[Original signed by Sean Royer]

Peter Woloshyn
Chair

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	\$ 1,943,151	\$ 2,044,652	\$ 1,906,151

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.

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, 2024**

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

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

Expenses (Cont'd)

Incurring 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.

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.

**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)

Liabilities (Cont'd)

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.

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.

**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)

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.

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.

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

NOTE 6 FINANCIAL INSTRUMENTS (Cont'd)

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.

NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
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

	<u>Computer Hardware</u>	<u>Computer Software</u>	<u>Office Equipment</u>	<u>Office Furniture</u>	<u>2024 Total</u>	<u>2023 Total</u>
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>	
Net Book Value at March 31, 2023	<u>\$ 19,840</u>	<u>\$ 11,933</u>	<u>\$ 29,666</u>	<u>\$ 1,278</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	<u>\$ 6,036,000</u>	<u>\$ 5,862,116</u>	<u>\$ 5,240,075</u>

**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.

**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.