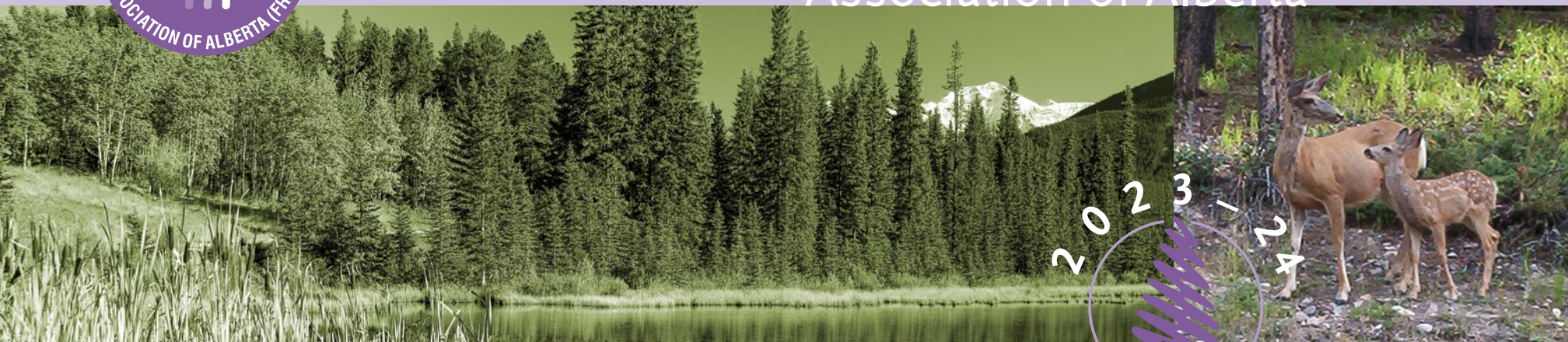




# Forest Resource Improvement Association of Alberta











Boreal toad (*Anaxyrus boreas*), on peat mound, CNRL Winefred Lake seismic line restoration monitoring project, near Conklin, Caribou Habitat Recovery Program

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# President's Message

Alberta is a leader in sustainable forest management and unique in that the forestry sector works together to enhance the value Albertans receive from its forests. The Forest Resources Improvement Association of Alberta (FRIAA) is at the centre of this collaborative approach to sustainable forestry and is proud to help bring industry, government, academia, and various others together to enhance our forests resources. There have been many projects and programs funded by FRIAA that deal with issues and opportunities such as regeneration after wildfire, reforestation, impacts of insect infestation, restoration of wildlife habitat, wildfire risk mitigation, integrated resource management, enhanced productivity, forest education, recreation opportunities, and others. These initiatives support communities, local companies, researchers, First Nations, Métis settlements, and others as they take on projects that are priorities for the province.

Our priority over the past year has been to sustain the important programs we deliver on behalf of our government partners, to take a longer-term and more strategic view of our cornerstone program—the Forest Resource Improvement Program (FRIP)—and to expand funding for the FireSmart and new Community FireGuard programs. I'm pleased about the progress we've made towards these objectives. Our ongoing programs continue to be highly successful as we deliver the Community Reforestation, Wildfire Reclamation, Enhanced Reforestation of Legacy Disturbances, Mountain Pine Beetle, and Caribou Habitat Recovery programs. Each provides invaluable contributions to the government's commitment to sustainable management of forests and wildlife resources. Last year FRIAA started with the implementation of a FRIP strategy to encourage the use of FRIP funds for longer-term, more strategic projects and programs. We are pleased at the progress with the strategy and expect to announce some exciting funding commitments in the coming years. We are also proud to be part of the solution to address threats and potential impacts of wildfires on our

forested communities. The FRIAA FireSmart program is highly active, and the Community FireGuard program is off to a strong start.

FRIAA is committed to ensuring that Albertans receive value from its programs and program funds. Activity measures for each program, such as the number of projects, area treated, seedlings planted, and funds disbursed, are important and useful and are presented in our annual report to members. Tangible outcomes of the various projects and activities are the ultimate measure of success; towards this objective, we regularly monitor and measure outcomes. For example, the collective effort of government, industry, and contractors has significantly contributed to forest sustainability by reducing the impact of mountain pine beetle on our forests.

All FRIAA's accomplishments are a direct result of the contributions of our members, partners, and grant recipients. Thanks to everyone involved for your creative thinking, collaboration, and hard work. I would especially like to thank our industry members for actively promoting and delivering projects under the FRIP program and our government colleagues for sponsoring key programs and contributing expertise and insights. Through a commitment to collaboration and common goals, we continue to grow the substantial contributions to our forest resources and communities that depend on forests for their livelihoods and way of life.



**Richard Briand**, President



Lundbreck Falls,  
on the Crowsnest  
River near  
Pincher Creek,  
FRIAA FireSmart  
Program

# Report on Business Plan Objectives

FRIAA establishes and administers programs and initiatives for the enhancement of Alberta's forest resources in accordance with the Forest Resources Improvement Regulation under the Environmental Protection and Enhancement Act and the Forests Act (Alberta Regulation 152/1997).

FRIAA's purpose and objectives are to establish programs and initiatives that

- enhance the forest resources of Alberta,
- promote the enhanced management of the forest resources of Alberta,
- improve the sustained yield of the forest resources of Alberta,
- promote integrated resource management, and
- reforest public land using reforestation levies collected by FRIAA or cash and securities transferred to FRIAA.

As a delegated authority that reports to the Minister responsible for forestry, FRIAA also supports the Province's priorities as described in the Government of Alberta's 2023–26 Strategic Plan as well as the ministry business plans for Forestry Parks and Tourism (now Forestry and Parks), Environment and Protected Areas, and Indigenous Relations.

FRIAA's five-year business plan (April 1, 2023, to March 31, 2028) was prepared to guide the association's activities over the past year (and subsequent years) as it looked to fulfill its mandate and support the government's strategic direction through forest resource improvement initiatives.

FRIAA's programs supported the following specific ministry outcomes and objectives:

Department	Key Objectives Related to Forest Resources
Alberta Forestry and Parks	<p>Outcome 1: Effective stewardship of Alberta's provincial Crown lands and forests:</p> <ul style="list-style-type: none"> <li>• Ensure environmental outcomes, such as biodiversity and conservation, are achieved while supporting use and access for Indigenous, social, and economic benefits on Alberta's Crown lands.</li> <li>• Sustainably manage Alberta's forests and rangelands to ensure healthy ecosystems and to support a variety of land uses, biodiversity, and nature-based carbon sequestration.</li> <li>• Protect the health and resilience of Alberta's forest resources through effective wildfire management, including the exploration and adoption of innovative technologies.</li> <li>• Through effective partnerships with stakeholders and collaboration with Indigenous communities, improve provincial Crown land stewardship and uphold the rights of Indigenous peoples.</li> </ul>
Alberta Environment and Protected Areas	<p>Outcome 1: Environment and ecosystem health and integrity are vital to Albertans' well-being and safety.</p> <p>Outcome 2: Sustainable economic development is achieved within environmental capacity.</p>
Alberta Indigenous Relations	<p>Outcome 1: Indigenous Peoples and communities are engaged as economic partners, and resource or economic development occurs in the context of Alberta's legal duty to consult.</p> <p>Outcome 2: Government of Alberta programs, initiatives, and services reflect Indigenous perspectives and advance reconciliation with its cross-government and industry partners.</p> <p>Outcome 3: Relationships with Indigenous leadership and organizations are maintained and strengthened.</p>

All of FRIAA's programs support these objectives and priorities:

- The Forest Resource Improvement Program (FRIP), Community Reforestation Program (CRP), Mountain Pine Beetle (MPB) Program, Wildlife Reclamation Program (WRP), Enhanced Reforestation of Legacy Disturbances (EnRLD) Program, and Caribou Habitat Recovery Program all support responsible resource management, aim to enhance the health of forest resources, promote ecosystem health, support sustainable economies, and enable the public to experience outdoor recreation.
- All programs respect and include Indigenous interests in the provision of funding, either through direct support or by including Indigenous traditional knowledge, interests, and services in project design.
- The FireSmart and Community FireGuard programs provide funds for projects that help improve wildfire management in relation to community protection and help communities take measures to mitigate the risk of impacts from wildfire.



Bumble bee (*Bombus*), on  
tall bluebells (*Mertensia  
paniculata*), in Wabasca,  
Community FireGuard  
Construction Program







# Report on Program Activities

The following section highlights key activities and results for each of FRIAA's nine programs for fiscal year 2023–24.

Trembling aspen (*Populus tremuloides*), Loon River Cree First Nation, Community FireGuard Construction Program

## Forest Resource Improvement Program (FRIP)

FRIP is funded entirely by the forest industry through FRIAA dues, which form a part of stumpage assessed on the harvest of Crown timber. FRIP-funded projects are aimed at enhancing Alberta's forest resources for the benefit of all Albertans, which can be accomplished in various ways. FRIP has a broad scope to address these many aspects and approaches to forest resource improvement.

FRIP project activities must not be a requirement of a disposition-holder as defined in legislation, terms of tenure agreements, or provincial policies, and projects must benefit at least one forest resource. FRIP projects represent effective tools for government, industry, academics, communities, and contractors to collaborate and work toward a greater purpose.

Since its inception in 1997, FRIAA has invested over \$396 million in FRIP funding toward forestry projects that enhance Alberta's forests and improve the management of Alberta's forest resources. Expenditures on FRIP projects in 2023–24 totalled \$46 million, and another \$178 million was committed to ongoing projects. FRIAA has developed a special FRIP Strategy to address the large inflow of funds over the previous two years and is active in encouraging new projects that address strategic challenges facing forestry today and in the future.

Theme	Project payments in 2023–24	Active projects	Current commitments
Integrated mountain pine beetle / wildfire management	\$322,000	8	\$1,815,987
Species at risk / wildlife	\$5,393,368	35	\$9,499,074
Indigenous relations	\$4,852,218	35	\$18,945,135
Public engagement	\$9,337,633	88	\$22,556,424
Forest productivity	\$26,378,329	166	\$125,433,521
<b>Total</b>	<b>\$46,283,548</b>	<b>332</b>	<b>\$178,250,140</b>

*Project expenditures in FRIP were \$46 million, the highest in FRIAA's history. This amount reflects an intentional effort by FRIAA to put FRIP funds to work for all Albertans.*

## Community Reforestation Program (CRP)

The CRP provides for the reforestation of areas harvested by timber permit-holders required to pay the reforestation levy and small quota-holders with annual harvest levels under 10,000 m<sup>3</sup> per year who choose to pay the levy. The CRP is funded entirely by reforestation levies paid directly to FRIAA by industry. FRIAA has been achieving sustainability goals for 40,153 hectares (ha) of cutblocks harvested since May 1, 2000. These results clearly demonstrate that the CRP is meeting its reforestation objectives, sustaining yields, and contributing to public priorities.

*The CRP is highly efficient and effective at ensuring full reforestation of areas harvested by small timber operators and permit-holders throughout Alberta.*

Harvested area within the CRP program (ha)	CRP reforestation completed (ha)	Active treatment area (ha)
40,153	25,640	14,513

Activities in 2023–24	Area/unit
Site preparation	162 ha
Planting (area)	887 ha and 2,094,525 seedlings
Tending	319 ha
Regeneration surveys	5,366 ha



Wildfire Reclamation Program (WRP)

Since 2006, the WRP has supported reforestation and reclamation activities related to previously reforested cutblocks damaged or destroyed by wildfire. As of March 31, 2024, 48,970 ha of reforested cutblocks damaged or destroyed by wildfires were being retreated and were expected to fully meet provincial standards.

In 2017–18, the WRP was renewed for a further 10 years, and FRIAA has been able to continue committing funds to support efficient post-wildfire reclamation and reforestation activities. The program requires participants to carry out silvicultural treatments to meet provincial standards.

As of March 31, 2024, 70 approved WRP projects were active, with outstanding commitments of \$19,648,670. Work carried out under this program has been extraordinary in showing how FRIAA allocates funds directly to resource improvement and long-term sustainability.

Activities	2023–24	Since inception
Site assessments	802 ha	46,167 ha
Site preparation (mechanical/chemical)	183 ha	21,181 ha
Planting (area)	851 ha	44,583 ha
Purchase of seedlings	1,325,173 seedlings	65,870,095 seedlings
Vegetation control	1,003 ha	13,719 ha
Regeneration surveys	2,352 ha	29,922 ha

The WRP helps sustain Alberta’s forests in the wake of wildfire.

Mountain Pine Beetle Program (MPBP)

The MPBP was established on April 1, 2007, to support activities aimed at controlling the mountain pine beetle (MPB) infestation of Alberta. Funding is provided by the Province and managed by FRIAA. This program has allowed industry to participate in the Province’s critical MPB detection and control efforts. To date, the MPBP has distributed over \$36.4 million to key projects delivered by members and their contractors.

In 2023–24 the MPBP continued to be active, as funds were made available for activities related to controlling and mitigating the MPB infestation. Activities included containment baiting, dispersal pheromone, log-yard management, surveys, single-tree treatments, and seed collection.

FRIAA has provided \$36.4 million in funding toward critical mountain pine beetle control activities.

Activities	2023–24	Since inception
Aerial surveys	-	13,667 kilometres (km)
Ground surveys	-	5,415 ha
Long-distance dispersal monitoring	55 sites	2,587 sites
Containment baiting	-	1,244 ha
Log-yard management	831 traps	25,778 traps
Dispersal pheromone	7,462 pouches	126,478 pouches
Single-tree control	42 trees	126,885 trees
Seed collection and seed orchard expansion	-	15,035 hectolitres (hl)
Other eligible activities	-	29 activities



Mountain Pine Beetle Forest Rehabilitation Program (MPBFRP)

The MPBFRP was established in the fall of 2013. Its purpose is to maintain and enhance Alberta's forest ecosystems by providing funding for the rehabilitation of pine-dominated forests impacted by MPB. Established target areas are those with the best prospects for successful rehabilitation and where active treatment will enhance ecosystem functionality.

Since its introduction in 2013, the MPBFRP has funded 23 projects, resulting in approximately \$11.2 million of targeted funds committed to rehabilitating forest stands damaged by MPB infestations. As of March 31, 2024, outstanding commitments to open projects amounted to \$246,150.

Activities	Since inception
Applied research	4 projects
Cone collection	4,536 hl
Growth and yield	2 projects
Stand rehabilitation	533 ha

FRIAA FireSmart Program

FRIAA FireSmart is designed to support the department's priorities related to public safety and community well-being. This program is a vehicle for engaging and supporting Alberta communities in their effort to reduce the threat of wildfire through community-based wildfire prevention, mitigation, and preparedness. Disciplines such as community planning, public education and outreach, municipal development controls, legislation development, inter-agency co-operation and cross-training, emergency planning, and vegetation management are eligible for funding. FRIAA

FireSmart improves a community's resiliency to wildfire, minimizes potential loss, provides for firefighter safety, and improves suppression capability.

Since its inception, FRIAA FireSmart has approved 526 projects that help protect Alberta's people, infrastructure, property, and environment by reducing fire hazard throughout the province. In 2023–24, \$5.1 million in funding went to local communities, and another \$5.7 million to outstanding commitments. As of March 31, 2024, 98 projects were active and 428 were completed.

Activities	Active at March 31, 2024	Completed	Total
Community planning	29	103	132
Public education	28	69	97
Legislation development	2	4	6
Inter-agency co-operation and cross-training	6	25	31
Vegetation management	33	227	260
Emergency planning	0	1	1
Total	98	429	527

Activities	Project payments in 2023–24	Project payments since inception	Outstanding commitments	Completed project details
Community planning	\$246,316	\$3,549,614	\$897,217	486 plans
Public education	\$359,975	\$2,545,394	\$581,283	1011 events
Legislation development	\$21,324	\$140,243	\$29,331	4 projects
Inter-agency co-operation and cross-training	\$44,488	\$1,931,858	\$83,773	28 events
Vegetation management	\$4,406,072	\$38,211,103	\$4,126,417	5,096 ha
Emergency planning	\$0	\$9,120	\$0	1 plan
Total	\$5,078,174	\$46,446,464	\$5,718,021	

FRIAA provided \$5.1 million toward FRIAA FireSmart projects aimed at protecting vulnerable communities from wildfire.



### Caribou Habitat Recovery Program (CHRP)

The CHRP is sponsored by Alberta Environment and Protected Areas. It is intended to support the Province's objectives related to the federal recovery strategies for Boreal and Southern Mountain woodland caribou populations and Alberta's woodland caribou recovery plan. Eligible activities under the program include inventory, planning, legacy seismic-line restoration, and certain activities that directly relate to these.

In 2023–24 the program funded one seedling survival assessment project, one planning project, one restoration project, and four vegetation inventory projects.

Activities	Active at March 31, 2024	Completed/Cancelled	Total
Planning – operations	4	9	13
Engagement – traditional land use	2	11	13
Operational treatments	1	10	11
Inventory	2	4	6
Monitoring	0	4	4
Seed collection	0	2	2
<b>Total</b>	<b>9</b>	<b>40</b>	<b>49</b>

Activities	Project payments in 2023–24	Project payments since inception	Outstanding commitments	Completed project details
Planning – operations	\$356,762	\$2,523,409	\$1,399,885	5,853 km
Engagement – traditional land use	\$78,811	\$210,983	\$177,858	5 projects
Operational treatments (km)	\$7,213,389	\$22,946,948	\$0	1,851 km
Operational treatments (seedlings)	\$1,381,924	\$3,623,399	\$2,200,543	1,915,300 seedlings
Inventory	\$639,138	\$2,952,146	\$495,498	83,162 km
Monitoring	\$205,643	\$386,932	\$0	478 km
Seed collection	\$177,144	\$240,099	\$0	17 kilograms (kg)
<b>Total</b>	<b>\$9,875,667</b>	<b>\$32,962,727</b>	<b>\$4,155,926</b>	

### Enhanced Reforestation of Legacy Disturbances (EnRLD) Program

The EnRLD Program provides funds aimed at sequestering carbon by reforesting public lands disturbed by wildfire or other natural disturbances. It was established at the end of the 2019–20 fiscal year to help the Province enhance carbon sequestration by reforesting areas that would otherwise remain unproductive in terms of forest growth. The reforestation activities also improve the forest resource by adding to the productive forest land base and enhancing sustained yield.

In addition, the EnRLD Program provides a vehicle to support Alberta's contribution to the federal 2 Billion Trees (2BT) initiative. Reforestation activities under this program are eligible for matching funds towards achieving this national goal.

Since its inception, the EnRLD Program has approved 12 projects throughout the province to enable rehabilitation of public lands disturbed by wildfire. In 2023–24, FRIAA provided \$4.9 million to local contractors and committed another \$1.5 million. As of March 31, 2024, four projects were active and seven were completed; \$14.1 million was either provided or committed to these activities.

Activities	2023–24	Since inception
Site assessments	4,535 ha	33,006 ha
Site preparation (mechanical/chemical)	1,074 ha	3,608 ha
Planting area	611 ha	1,416 ha
Planted seedlings	910,890 seedlings	2,173,380 seedlings

*FRIAA has committed \$14.1 million toward EnRLD projects aimed at sequestering carbon by reforesting public lands that have been disturbed by wildfire.*

An aerial photograph showing a vast boreal forest. A winding river flows through the center of the image, surrounded by lush green wetlands. In the background, a large body of water (Lac La Biche) is visible under a cloudy sky. Power lines stretch across the horizon.

### **Community FireGuard Program (CFP)**

The CFP is designed to support the Provincial FireSmart Program initiative by funding the construction of community fireguards that provide for enhanced public safety and improved protection of at-risk communities.

The program received \$5,000,000 in funding in the 2023–24 fiscal year. A request for proposals was posted for Phase 1: Planning projects.

Boreal forest, riparian areas and wetlands, northeast of Lac La Biche, Caribou Habitat Recovery Program



# Status of Legislative, Governance, and Policy Requirements

The following tables outline the status of FRIAA's legislative, governance, and policy requirements for fiscal year 2023–24.

Legislative requirement	Action required by FRIAA	Status
Business plan	Provide a three-year business plan (including goals) to the Minister annually.	Completed – Submitted February 28, 2024
Annual report	Provide an annual report summarizing activities and financial statements to the Minister of Forestry and Parks (AF&P).	Completed – Submitted September 19, 2023
Freedom of Information and Protection of Privacy (FOIP) Act requests	Adhere to FOIP Act regulations.	One FOIP Act referral received by Alberta Environment and Protected Areas (AEPA) in 2023–24
Records management system	Have a reliable records management system in place.	In compliance
Program reporting to the Minister of AF&P	Report all forestry enhancement programs to the Minister as per the grant agreements.	In compliance – Individual annual reports submitted by June 30, 2023
Notice of change of bylaws	Give reasonable notice to the Minister of AF&P to complete a regulation review before the expiry date.	No changes in 2023–24
FRIAA dues	Determine FRIAA dues as per sections 5(1) and 5(1.1) of the Forest Resources Improvement Regulation.	Confirmed FRIAA dues rates on April 28, 2023

Governance requirement	Action required by FRIAA	Status
Bylaws review	Ensure an annual review of FRIAA's bylaws.	In compliance
Director requirements	In accordance with the bylaws, elect or appoint directors to the board and provide indemnification and reimbursement of directors' expenses where the board approves.	In compliance
Financial accountability	Audit FRIAA's financial records yearly and provide the results to all members through the annual report.	In compliance
Program reporting to the board	Ensure all forestry enhancement programs provide regular administration reports to the board.	Reported at each board meeting
Memorandum of understanding (MOU) review	Review the MOU with the Minister annually.	To be reviewed with the Minister in 2024–25
Objectives review	Periodically review FRIAA's activities to ensure they align with FRIAA's objectives.	In compliance
Directors' meetings	Call directors' meetings as per bylaw requirements and ensure majority quorum. Ensure minutes are written and approved by directors.	In compliance
Annual general meeting	Hold a yearly meeting for all members. Conduct the meeting and vote as per the bylaws.	AGM held on September 14, 2023

All FRIAA policies and regulatory requirements have been reviewed aside year-end accountability reporting undertaken by FRIAA's board. FRIAA reviews all policies, bylaws, and regulatory requirements annually to ensure compliance with its governance and accountability framework. This review is documented as an annual accountability report and ensures that FRIAA's mandate is being fulfilled, its objectives are being pursued, and its members and the Minister are well represented.

Policy	Status
Audit committee policy	<ul style="list-style-type: none"> <li>• Approved August 26, 1997</li> <li>• Audit committee established August 26, 1997; membership reviewed annually (October 18, 2022)</li> <li>• Audit committee met April 7 and May 19, 2022, in accordance with policy, and reported to board</li> <li>• Audit for 2022–23 completed as per policy and legislative requirements</li> </ul>
Conflict-of-interest policy	<ul style="list-style-type: none"> <li>• Approved August 26, 1997</li> <li>• Conflicts reported and recorded as per policy</li> </ul>
Appeal policy	<ul style="list-style-type: none"> <li>• Approved January 19, 1998, as amended</li> <li>• No appeals under policy initiated in 2023–24</li> </ul>
Fund management policy	<ul style="list-style-type: none"> <li>• Fund management committee established November 17, 1997</li> <li>• Membership reviewed annually (October 18, 2022)</li> <li>• Fund management committee met June 23 and December 5, 2022, and reported to board</li> <li>• Statement of investment policies and goals approved April 22, 1998, and last amended December 4, 2017</li> <li>• Statement of investment policies and goals for Community Reforestation Fund approved December 1, 2003, and last amended February 18, 2016</li> <li>• Monthly and quarterly reports made by investment managers to committee and board in compliance with policy and investment statement</li> </ul>
Public-at-large director selection protocol	<ul style="list-style-type: none"> <li>• Protocol reviewed and confirmed October 2000</li> <li>• Protocol reviewed on an ongoing basis</li> </ul>
Community Reforestation Program	<ul style="list-style-type: none"> <li>• Approved and effective May 30, 2000, and reviewed on ongoing basis</li> </ul>
Forest Resource Improvement Program description and guidelines	<ul style="list-style-type: none"> <li>• Approved August 26, 1997, as amended, and reviewed on ongoing basis</li> </ul>
Annual budgeting protocol	<ul style="list-style-type: none"> <li>• In compliance in 2023–24</li> </ul>
Annual business plan review	<ul style="list-style-type: none"> <li>• In compliance in 2023–24</li> </ul>

White spruce tree (*Picea glauca*),  
Sherwood Park Natural Area; photo  
submitted by Connie Wilander







# FRIAA Governance

FRIAA is an association under the Societies Act of Alberta with delegated responsibilities and authorities under the Environmental Protection and Enhancement Act. FRIAA is accountable to its members and to the Minister responsible for forestry. FRIAA is governed by a board of directors elected by members and appointed by the Minister. The current directors are as follows:

- President: Richard Briand
- Vice-president: Allan Bell
- Second vice-president: Andrew Neigel
- Treasurer: David Wall
- Directors: Daniel Lux  
Mary-Jane Munn-Kristoff  
Wendy Crosina

FRIAA's board establishes standing committees to assist with details related to financial audits and fund management. These two committees report directly to the board about desired committee outcomes, relevant policies, and mandates.

## **Audit Committee**

The audit committee meets at least twice a year. Its board-established mandate includes:

- overseeing preparation of the financial statements by management,
- conducting audits through FRIAA's auditors, and
- recommending an auditor to the members for approval.

Balsam poplar (*Populus balsamifera*), on the Snaring River in Jasper National Park, FRIAA FireSmart Program

Members of this committee are the following FRIAA directors:

- Andrew Neigel
- David Wall
- Mary-Jane Munn-Kristoff
- Richard Briand

### **Fund Management Committee**

The fund management committee meets twice a year and reports to the board in accordance with FRIAA's fund management policy. The committee's responsibilities include:

- ensuring that requirements in FRIAA's statements of investment policies and goals for the Forest Resource Improvement Program (FRIP) and Community Reforestation Program (CRP) are observed,
- assessing the performance of FRIAA's investment manager and the investment fund against specific targets and measurement criteria, and
- confirming that FRIAA's investment return targets are achieved.

Members of this committee are the following FRIAA directors:

- Andrew Neigel
- David Wall
- Mary-Jane Munn-Kristoff
- Richard Briand

In addition to FRIAA's standing committees, FRIAA also uses committees or review panels with the following mandates.

### **FRIP Project Appeals Panel**

If needed, a panel can be established to hear appeals initiated by the membership. Members of the panel are selected case by case to suit the particular appeal and

to ensure each appeal is heard by the most skilled and experienced panel members. Because no appeals were made in 2023–24, no panel was formed during that fiscal year.

### **Mountain Pine Beetle Program (MPBP) Evaluation Panel**

The MPBP evaluation panel reviews and evaluates projects submitted under the MPBP and makes recommendations on funding. Members of this panel are selected from FRIAA's board of directors, Alberta Forestry and Parks (AF&P), and the public at large. Panel members in 2023–24 included:

- David Wall, FRIAA director and chair;
- Devon Belanger, AF&P representative; and
- Jim McCammon, public member.

### **FRIAA FireSmart Review Committee**

The FRIAA FireSmart review committee evaluates and approves proposals submitted under FRIAA FireSmart. The committee's responsibilities include selecting project proposals that best meet the program criteria and that represent value for funding requested. Committee members are selected from FRIAA's board of directors, AF&P, Alberta Municipal Affairs (AMA), the Alberta Emergency Management Agency (AEMA), the Rural Municipalities Association (RMA), the Urban Municipalities (UM), and FireSmart Alberta. The current committee includes:

- Daniel Lux / David Wall, FRIAA director and chair;
- Adam Gossell, AF&P;
- Winston Delorme, AEMA;
- James Burrows, RMA;
- Justin Laurie, Urban Municipalities;
- Laura Stewart, Community Wildfire Resilience Association of Alberta – FireSmart Alberta; and
- James Orr, AMA, Standards Development and Support – Building, Fire, Energy, and Barrier-Free.

### **Caribou Habitat Recovery Program (CHRP) Review Panel**

The CHRP review panel reviews and evaluates proposals submitted under the CHRP. Its responsibilities include selecting project proposals that best meet the criteria outlined in requests for proposals and that represent value for funding requested. Panel members are selected from FRIAA's board of directors, the energy industry, the forestry industry, and Alberta Environment and Protected Areas (AEPA) and include a subject matter expert or member of the public. A panel was struck four times in 2023–24 and included:

- Mary-Jane Munn-Kristoff, FRIAA director and chair (4 panels);
- Cynthia Chand, AEPA (4 panels);
- Norman James, Chevron Ltd. (3 panels);
- Matthew Pyper, FUSE Consulting Ltd. (2 panels);
- Greg Branton, independent (1 panel);
- Sara Barszczewski, AEPA (1 panel); and,
- Don Pope, independent (1 panel).

### **Enhanced Reforestation of Legacy Disturbances (EnRLD) Program Review Panel**

The EnRLD review panel reviews and evaluates proposals submitted under the EnRLD Program. Its responsibilities include selecting project proposals that best meet the criteria outlined in requests for proposals and that represent value for funding requested. The members of the panel are selected from FRIAA's board of directors and AF&P and include a subject matter expert. Panel members in 2023–24 included:

- Mary-Jane Munn-Kristoff, FRIAA director and chair;
- Andy Shandro, AF&P representative; and
- Greg Branton, public member.



# Financial Highlights

FRIAA's financial statements provide an overview of the funds and resources used to deliver its programs and initiatives. Notable financial aspects in 2023–24 are as follows:

- The Forest Resource Improvement Program (FRIP) collected \$6.8 million in FRIAA dues, significantly lower than in the previous fiscal.
- Project expenditures in FRIP were \$46 million, the highest in more than 20 years. This amount relates to project contract commitments made in the past and is expected to continue to increase. All FRIP funds are allocated to support projects that enhance the forest resources of Alberta.
- The Community Reforestation Program collected reforestation levies of \$2.1 million, all committed to outstanding reforestation work over the next 14 years. Program expenditures were \$2 million, reflecting a balance between levies and investment income and expenditures.
- The Caribou Habitat Recovery Program had expenditures of \$9.8 million for restoration activities that promoted caribou habitat recovery. This reflects a growing level of importance placed on caribou populations in Alberta.
- The ratio of administration to total spending was 4.65%.

# Risk Management

Risk identification and mitigation are important priorities for FRIAA. The following measures are in place to ensure that FRIAA appropriately mitigates risks:

- The audit and fund management committees provide assurance and oversight and ensure FRIAA's operating structure and programs are cost-effective and efficient.
- Internal operations and controls are periodically reviewed to ensure they are current and effective.
- Operational risks are managed and minimized by engaging the forest industry and experienced forestry stakeholders in delivering projects through contractual agreements.

In addition to the above measures, FRIAA adheres to Alberta Forestry and Parks practices and regulations and to appropriate forestry principles.

# Independent Auditor's Report

To the Members of  
Forest Resource Improvement Association of Alberta

## Opinion

We have audited the financial statements of Forest Resource Improvement Association of Alberta ("the Organization"), which include the statement of financial position as at March 31, 2024, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Forest Resource Improvement Association of Alberta as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our 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 taken by users on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

We 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 we identify during our audit.

*Grant Thornton LLP*

Grant Thornton LLP  
Chartered Professional Accountant  
Edmonton, Canada  
May 16, 2024



# Financial Statements and Notes

## Statement of Financial Position

	March 31, 2024	March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 11,081,630	\$ 15,002,711
Restricted cash	73,526,155	75,755,651
Accounts receivable and accrued interest receivable	412,659	434,475
Investments (Note 2)	451,601,221	460,703,814
Prepaid expenses and deposits	701	193,244
	<b>\$ 536,622,366</b>	<b>\$ 552,089,895</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,522,084	\$ 6,066,191
<b>Net assets</b>		
Forest Resource Improvement Program	446,964,536	457,974,091
Wildfire Reclamation Program (Note 3)	31,798,722	31,924,137
Community Reforestation Program (Note 4)	13,660,621	13,184,174
Mountain Pine Beetle Program (Note 5)	9,691,739	9,845,102
Mountain Pine Beetle Forest Rehabilitation Program (Note 6)	269,044	255,276
FRIAA FireSmart Program (Note 7)	13,780,326	11,308,779
Caribou Habitat Recovery Program (Note 8)	9,912,825	16,508,021
Enhanced Reforestation of Legacy Disturbances Program (Note 9)	2,047,442	5,024,124
Community FireGuard Program (Note 10)	4,975,027	-
	<b>533,100,282</b>	<b>546,023,704</b>
	<b>\$ 536,622,366</b>	<b>\$ 552,089,895</b>

### Commitments (Note 12)

See accompanying notes to financial statements.

On behalf of the board:

  
Richard Briand  
Director

  
David Wall  
Director

## Statement of Revenue and Expenditures

### Year ended March 31

Program											
	Forest Resource Improvement	Community Reforestation (Note 4)	Wildfire Reclamation (Note 3)	Mountain Pine Beetle (Note 5)	Mountain Pine Beetle Forest Rehabilitation (Note 6)	FRIAA FireSmart (Note 7)	Caribou Habitat Recovery (Note 8)	Enhanced Reforestation of Legacy Disturbances (Note 9)	Community FireGuard (Note 10)	2024 total	2023 total
Revenue											
FRIAA dues	\$ 6,865,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,865,703	\$ 156,551,782
Grants	-	-	-	-	-	7,500,000	3,115,000	2,037,773	5,000,000	17,652,773	24,177,594
Reforestation levies	-	2,165,200	-	-	-	-	-	-	-	2,165,200	2,316,170
Total income	6,865,703	2,165,200	-	-	-	7,500,000	3,115,000	2,037,773	5,000,000	26,683,676	183,045,546
Expenditures											
Accounting	144,353	67,288	55,591	38,189	-	42,353	32,197	35,171	-	415,142	381,746
Communication	185,567	18,733	7,926	7,339	-	27,300	19,371	10,377	-	276,613	303,088
Directors' expenses	646	484	323	323	-	484	586	484	-	3,330	5,292
Directors' honoraria	2,285	1,714	1,143	1,143	-	1,714	2,434	1,714	-	12,147	8,293
Field review	40,286	8,526	3,402	1,313	-	37,086	63,962	5,271	-	159,846	272,813
Financial audit	10,998	9,036	3,924	3,924	-	5,886	4,074	4,074	3,623	45,539	39,247
Insurance	1,689	1,267	845	815	30	1,267	1,267	1,267	-	8,447	7,090
Management support	527,018	182,305	152,647	251,182	-	232,300	244,015	124,739	24,108	1,738,314	1,158,163
Project audits	13,230	-	-	-	-	-	-	-	-	13,230	12,528
Office and miscellaneous	11,511	27,300	-	-	-	7,177	4,091	970	-	51,049	60,038
Professional fees	417,863	143,946	54,202	53,340	-	82,774	80,010	80,448	19,002	931,585	743,229
Project expenditures	46,279,548	2,070,321	1,460,615	263,201	-	5,078,174	9,875,668	4,937,465	2,784	69,967,776	63,827,461
Project operations and monitoring	279,499	154,860	58,477	27,728	-	141,589	118,146	33,292	-	813,591	713,683
Project review and approval	266,976	114,942	30,549	27,503	-	138,548	114,745	41,593	5,132	739,988	711,729
Total expense	48,181,469	2,800,722	1,829,644	676,000	30	5,796,652	10,560,566	5,276,865	54,649	75,176,597	68,244,400
	(41,315,766)	(635,522)	(1,829,644)	(676,000)	(30)	1,703,348	(7,445,566)	(3,239,092)	4,945,351	(48,492,921)	114,801,146
Other income (expense)											
Dividends	14,084,761	481,927	-	-	-	-	-	-	-	14,566,688	16,572,109
Interest	401,182	119,559	1,704,229	522,637	13,798	768,199	850,370	262,410	29,676	4,672,060	4,136,693
Increase (decrease) in fair value of investments	17,280,817	536,836	-	-	-	-	-	-	-	17,817,653	(13,813,900)
Investment management fees	(1,460,549)	(26,353)	-	-	-	-	-	-	-	(1,486,902)	(1,244,839)
Net other income	30,306,211	1,111,969	1,704,229	522,637	13,798	768,199	850,370	262,410	29,676	35,569,499	5,650,063
(Deficiency) excess of revenue over expenditures	\$ (11,009,555)	\$ 476,447	\$ (125,415)	\$ (153,363)	\$ 13,768	\$ 2,471,547	\$ (6,595,196)	\$ (2,976,682)	\$ 4,975,027	\$ (12,923,422)	\$ 120,451,209

See accompanying notes to financial statements.



## Statement of Changes in Net Assets

Year ended March 31

	Program										
	Forest Resource Improvement	Community Reforestation	Wildfire Reclamation	Mountain Pine Beetle	Mountain Pine Beetle Forest Rehabilitation	FRIAA FireSmart	Caribou Habitat Recovery	Enhanced Reforestation of Legacy Disturbances	Community FireGuard	2024 total	2023 total
		(Note 4)	(Note 3)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	(Note 9)	(Note 10)		
Net assets, beginning of year	\$ 457,974,091	\$ 13,184,174	\$ 31,924,137	\$ 9,845,102	\$ 255,276	\$ 11,308,779	\$ 16,508,021	\$ 5,024,124	\$ -	<b>\$546,023,704</b>	\$ 425,572,495
(Deficiency) excess of revenue over expenditures	(11,009,555)	476,447	(125,415)	(153,363)	13,768	2,471,547	(6,595,196)	(2,976,682)	4,975,027	<b>(12,923,422)</b>	120,451,209
Net assets, end of year	\$446,964,536	\$ 13,660,621	\$ 31,798,722	\$ 9,691,739	\$ 269,044	\$ 13,780,326	\$ 9,912,825	\$ 2,047,442	\$ 4,975,027	<b>\$533,100,282</b>	\$ 546,023,704

See accompanying notes to financial statements.


## Statement of Cash Flows

### Year ended March 31

	2024	2023
(Decrease) increase in cash		
<b>Operations</b>		
(Deficiency) excess of revenue over expenditures	\$ (12,923,422)	\$ 120,451,209
Non-cash items		
(Increase) decrease in fair value of investments	(17,817,653)	13,813,900
	(30,741,075)	134,265,109
Change in non-cash operating working capital		
Accounts receivable and accrued interest receivable	21,816	(344,603)
Prepaid expenses and deposits	192,543	(73,234)
Accounts payable and accrued liabilities	(2,544,107)	(5,689,873)
	(33,070,823)	128,157,399
<b>Investing</b>		
Changes in restricted cash	2,229,496	2,201,822
Purchase of investments	(47,962,555)	(193,873,500)
Proceeds on sale and redemption of investments	74,882,801	54,546,232
	29,149,742	(137,125,446)
Net decrease in cash	(3,921,081)	(8,968,047)
Cash		
Beginning of year	15,002,711	23,970,758
End of year	\$ 11,081,630	\$ 15,002,711

See accompanying notes to financial statements.





Kakwa Wildland Provincial  
Park, west central Alberta,  
near Grande Cache, Caribou  
Habitat Recovery Program



# Notes to Financial Statements

## Year Ended March 31, 2024

### 1. Nature of operations

The Forest Resource Improvement Association of Alberta ("FRIAA" or the "Association") is incorporated under the Societies Act of Alberta and has a mandate under the Forest Resources Improvement Regulation pursuant to the Environmental Protection and Enhancement Act and the Forests Act to establish programs or initiatives to enhance forest resources of Alberta and the management thereof, improve the sustained yield of Alberta forest resources, and promote integrated resource management. FRIAA uses Forest Resource Improvement Program dues to fund the program, which is aimed at these objectives.

Per agreement with the Province of Alberta, FRIAA commenced administering the following programs in the years noted below:

Year of agreement	Program	Reference
1998	Wildfire Reclamation Program	Note 3
2000	Community Reforestation Program	Note 4
2007	Mountain Pine Beetle Program	Note 5
2013	Mountain Pine Beetle Forest Rehabilitation Program	Note 6
2014	FRIAA FireSmart Program	Note 7
2018	Caribou Habitat Recovery Program	Note 8
2019	Enhanced Reforestation of Legacy Disturbances Program	Note 9
2024	Community FireGuard Program	Note 10

FRIAA is a not-for-profit organization and, accordingly, no provision for corporate income taxes has been provided in these financial statements pursuant to Section 149(1)(l) of the Income Tax Act, Canada.

### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

**Revenue recognition:** FRIAA uses the restricted fund method of accounting. All restricted contributions are recorded as revenue of the appropriate restricted fund in the period to which it relates under the terms of the agreements. The restricted funds are described within the restricted cash accounting policy note.

FRIAA earns dues and levies based on the timber sales of Alberta producers. Producers are required to report timber sales and related dues or levies by filing a timber return with FRIAA. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. The unrestricted funds include the Forest Resource Improvement and Community Reforestation programs. Dues and levies are based on the volume of timber produced and legally owing to FRIAA when timber dues are owing to the Crown. Reforestation levies are recorded in the Community Reforestation Program, as they provide direct funding for the program.

Investment income is recorded in the period that it is earned.

**Cash and cash equivalents:** Includes unrestricted cash on hand and balances with banks, net of outstanding cheques.

**Restricted cash:** Includes cash restricted for use in the following programs: Wildfire Reclamation, FRIAA FireSmart, Mountain Pine Beetle Forest Rehabilitation, Mountain Pine Beetle, Caribou Habitat Recovery, Enhanced Reforestation of Legacy Disturbances, and Community FireGuard.



**Investments:** Investments are recorded at market value. Changes in fair value are recognized in the statement of revenues and expenditures. Interest and dividends on investments are recorded as other income when earned. The Association maintains their investments in mutual funds. As at March 31, 2024, the cost of these investments is \$440,196,522 (2023: \$465,521,143).

**Use of estimates:** In preparing FRIAA's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial instruments:** Initial measurement: FRIAA's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. These fees and costs relating to financial instruments measured subsequently at fair value are recognized in operations in the year they are incurred.

**Subsequent measurement:** At each reporting date, FRIAA measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. FRIAA has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of FRIAA's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. FRIAA uses the effective interest method to amortize premiums, discounts, transaction fees, and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash, accounts receivable and accrued interest receivable, and accounts payable and accrued liabilities. The carrying value of financial instruments

approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, FRIAA regularly assesses whether there is any indication of impairment. If there is and FRIAA determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes the impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

**Related party financial instruments:** Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Subsequent measurement is based on how the Association initially measured the instrument. The Association does not have any financial assets or financial liabilities in related party transactions measured at fair value.

### 3. Wildfire Reclamation Program

The Wildfire Reclamation Program was established on November 1, 1998, and amended on November 24, 2000, and February 15, 2006, by agreement between the Minister of Forestry and Parks ("the Department") and the Association. The Wildfire Reclamation Program, established to encourage the reclamation of land disturbed or destroyed by wildfire, will be operated by FRIAA.

Under the agreement, the grant amounts to \$35,000,000. FRIAA received the following grant amounts under this program:

Received	Grant amount
1999	\$ 10,000,000
1999	\$ 17,000,000
2000	\$ 4,000,000
2002	\$ 4,000,000

The agreement ("1998 Program"), which was to expire on March 31, 2006, was extended to March 31, 2012. Any unexpended funds plus earning thereon at that time would have had to return to the Department, except that after March 31, 2012, FRIAA received a letter of intent from the Department extending the expiry to March 31, 2013. FRIAA was also directed to transfer any then-unexpended funds plus earnings to the 2006 program, where they were to be used to complete any outstanding work under the 1998 agreement then used in the 2006 program.

On July 3, 2007, FRIAA entered into a new grant agreement ("2006 Program") with the Department. Under the terms of the agreement, the grant amounts were to be used as follows:

Received	Grant amount
2007	\$ 5,137,986
2009	\$ 730,272
2010	\$ 2,631,068
2011	\$ 372,288
2012	\$ 15,000,000
2013	\$ 8,869,107
2013	\$ 7,081,465
2014	\$ 878,965
2015	\$ 1,097,656
2016	\$ 19,828,670
2017	\$ 8,019,112

The agreement originally expired on March 31, 2017; however, the term of the 2006 Program agreement was extended by the Department. The obligations of the parties continue for such period of time required to complete the work under the agreement, which shall be no earlier than 14 years past the end of the term. Any unused grant amount shall be returned to the Department, together with any interest or return earned from investment of the grant amount, 14 years from the end of the term.

FRIAA entered into a new grant agreement with the Department effective April 1, 2017, to address wildfires occurring in 2017 and forward. The agreement is in effect until March 31, 2027, unless otherwise extended or renewed or terminated. The grants will be assessed based on the cost for reforestation of the burned cutblock. The following grants have been received under this agreement:

Received	Grant amount
2019	\$ 1,766,102
2020	\$ 25,000,000
2022	\$ 605,923
2023	\$ 1,888,430

In 2019, at the direction of the Minister of Forestry and Parks, \$1,746,000 of uncommitted funds were transferred from the Wildfire Reclamation Program to the Enhanced Reforestation of Legacy Disturbances Program to support the new initiative. In 2021, at the direction of the Minister of Forestry and Parks, \$4,108,274 of uncommitted funds was transferred between the 2006 program to the 2017 program.

Restricted cash includes funds of \$31,745,119 (2023: \$31,926,270) that are restricted for use on the Wildfire Reclamation Program and held in a separate bank account.

#### 4. Community Reforestation Program

The Community Reforestation Program was established on May 1, 2000, by order in council amending the Timber Management Regulation pursuant to the Forests Act and the Forest Resource Improvement Regulation pursuant to the Environmental Protection and Enhancement Act. The Community Reforestation Program was established to reforest Crown lands subject to reforestation levies.

To implement the program, funds received for the Community Reforestation Program were delegated to FRIAA in two parts:

- Reforestation levies received and unexpended by the Province on areas cut under the authority of timber licences and permits on or after May 1, 1994, but before May 30, 2000, are to be transferred to FRIAA according to section 143.91 of the Timber Management Regulation. No levies were received during the year.
- FRIAA has the authority to collect reforestation levies on areas cut under the authority of timber licences and permits on or after May 30, 2000. The levies received during the year were \$2,165,200 (2023: \$2,316,183).

All reforestation levies and association interests are to be used solely for this program.

#### 5. Mountain Pine Beetle Program

The Mountain Pine Beetle Program was established on July 5, 2007, by agreement between the Department and FRIAA. This program was established because mountain pine beetle infestations in Alberta reached epidemic proportions, causing significant damage to Alberta's pine stands. Under the agreement, the Department provides a grant to be used to administer projects by forest industry sector operators engaged to provide services, beyond tenured obligations, to control, suppress, or eradicate the mountain pine beetle.

Under the agreement, annual grant amounts will be approved by the Department throughout the term of the agreement, April 1, 2007 to March 31, 2012, unless otherwise extended or renewed or terminated in accordance with the terms.

Received	Grant amount
2007	\$ 5,000,000
2008	\$ 5,000,000
2009	\$ 5,000,000
2011	\$ 1,200,000
2012	\$ 4,500,000

The Mountain Pine Beetle Program was extended to 2020. Annual grants were received as follows:

Received	Grant amount
2013	\$ 2,000,000
2014	\$ 4,000,000
2015	\$ 2,000,000
2016	\$ 2,000,000
2018	\$ 2,000,000
2018	\$ 1,000,000
2019	\$ 2,000,000
2020	\$ 3,000,000

A new agreement was put in place for the period of April 1, 2020, to March 31, 2025. Under this new agreement, annual grants were received as follows:

Received	Grant amount
2021	\$ 5,000,000
2022	\$ 2,000,000
2023	\$ 3,000,000

Restricted cash includes \$9,765,318 (2023: \$9,889,038), which is restricted for use on the Mountain Pine Beetle Program and held in a separate bank account.

#### 6. Mountain Pine Beetle Forest Rehabilitation Program

The Mountain Pine Beetle Rehabilitation Program was established on March 31, 2013, by agreement between the Department and FRIAA. It was established as a framework for providing the requisite funding to FRIAA in the form of a grant to engage forest industry sector operators and other interested parties in activities beyond regulatory obligations, to rehabilitate forested lands impacted by mountain pine beetle infestations. The agreement is in effect from



March 31, 2013, to March 31, 2020, unless otherwise extended, renewed or terminated with 60 days' notice.

Under the agreement, \$9,000,000 of initial funding was provided to FRIAA to start the program. Its purpose is to maintain and enhance the ecosystem function of forest resources of Alberta by assisting the Department in rehabilitating pine-dominated forests impacted by the mountain pine beetle to such an extent that they are unable to be saved or rejuvenated in a timely manner without the assistance contemplated by the program and such activities contemplated by the program are not the existing tenure, regulatory, or legislative responsibility of any timber disposition-holder. The program encourages activities above and beyond required forest management obligations.

On September 20, 2013, the Mountain Pine Beetle Forest Rehabilitation Grant Agreement was amended by increasing the initial program grant by an additional \$5,000,000, which was received on April 29, 2014, and slightly changing the proposal approval process and cost/funding caps. Subsequent amendments added more funding as follows:

Received	Grant amount
2014	\$ 3,000,000
2016	\$ 3,500,000

In 2019, at the direction of the Department, \$8,000,000 of uncommitted funds were transferred from the Mountain Pine Beetle Forest Rehabilitation Program to the Enhanced Reforestation of Legacy Disturbances Program to support the new initiative. A new agreement was approved for the period of April 1, 2020, to March 31, 2025.

Restricted cash includes \$267,786 (2023: \$254,220), which is restricted for use on the Mountain Pine Beetle Forest Rehabilitation Program and held in a separate bank account.

## 7. FRIAA FireSmart Program

The FRIAA FireSmart Program was established January 9, 2014 by agreement between the Department and FRIAA. It was established to support the FireSmart initiative by providing funds for eligible activities that:

- Enhance public safety and protection of forest communities, forest resources, and planning designed to prevent wildfire occurrence and to reduce the fire hazard throughout Alberta;
- Provide financial assistance to communities, organizations, and groups that wish to reduce the threat of wildfire; and
- Support community education and involvement in the continuing dialogue on wildfire prevention, management, and suppression and the practical application of FireSmart throughout Alberta.

The agreement is in effect from January 9, 2014, to March 31, 2019, unless extended or renewed by agreement in writing or terminated by the parties. The parties' rights and obligations shall continue in full force and effect past the term for such period required for completing the eligible activities and FRIAA obligations under this agreement. The Department may terminate this agreement without cause on 60 days' written notice to FRIAA. A new agreement was signed to cover the period of April 1, 2019, to March 31, 2024.

Two years from the last day of the term, any unused grant money shall be returned to the Department together with any interest or other return earned from investment of the grant money by or on behalf of FRIAA.

Under the agreement, FRIAA received \$6,000,000 for the program. The Department may from time to time, within a fiscal year during the term of this agreement, grant additional funds to this program. The following shows the subsequent funding for this program:

Received	Grant amount
2014	\$ 1,600,000
2014	\$ 8,000,000
2015	\$ 3,000,000
2016	\$ 5,000,000
2017	\$ 2,500,000
2018	\$ 5,000,000
2019	\$ 2,500,000
2019	\$ 6,500,000
2019	\$ 1,000,000
2020	\$ 2,000,000
2021	\$ 2,000,000
2021	\$ 1,500,000
2022	\$ 2,500,000
2023	\$ 7,400,000
2024	\$ 7,500,000

The balance of \$149,595 was transferred from the completed Community FireGuard Construction Program to the FRIAA FireSmart Program after March 31, 2022.

Restricted cash includes \$14,660,569 (2023: \$11,623,664), which is restricted for FRIAA FireSmart Program use and held in a separate bank account.

## 8. Caribou Habitat Recovery Program

The Caribou Habitat Recovery Program was established in 2018 to support Alberta Environment and Protected Areas efforts in supporting the Government of Canada's Recovery Strategy for the Woodland Caribou Boreal Population and the Recovery Strategy for the Woodland Caribou, Southern Mountain Population by providing funds for eligible activities. Eligible activities that may be funded through projects include operational planning for caribou landscape restoration

activities, caribou habitat restoration, monitoring, evaluation and reporting on caribou habitat conditions and other activities such as access management planning and Traditional Knowledge collection.

The agreement is in effect from April 1, 2018, to March 31, 2025, unless extended or renewed by agreement in writing or terminated by the parties. The program's overall purpose is to support efforts at sustaining and improving caribou habitat in a manner that supports healthy and self-sustaining caribou populations. The program also supports the Recovery Strategy by providing funds for eligible activities for projects that:

- Assist the Department with projects that contribute to the scientific and technical understanding of caribou landscape restoration strategies and activities;
- Provide financial and logistical oversight of funding for planning work required to guide operational landscape restoration work for caribou habitat; or
- Provide financial and logistical oversight of funding for operational landscape restoration work for caribou habitat as supported by the Government of Alberta and industry.

Under the agreement, \$12,300,000 was granted to FRIAA for the program in 2019. Subsequent funding was received as follows:

Received	Grant amount
2020	\$ 2,267,858
2021	\$ 2,000,000
2021	\$ 7,700,000
2021	\$ 4,000,000
2022	\$ 4,150,000
2023	\$ 8,194,000
2024	\$ 3,115,000

In March 2023, an agreement was reached between His Majesty the King in Right of Alberta as represented by the Minister of Environment and Protected Areas as it relates to the Low Carbon Economy Leadership Fund to support provincial and territorial mitigation action under the Pan-Canadian Framework on Clean Growth and Climate Change. Grant funding of \$5,000,000 was received March 30, 2023.

Restricted cash includes \$9,968,856 (2023: \$11,970,996), which is restricted for use on the Caribou Habitat Recovery Program and held in a separate bank account.

## 9. Enhanced Reforestation of Legacy Disturbances Program

The objective of the Enhanced Reforestation of Legacy Disturbances Program is to support the Department by reforesting eligible disturbed areas by applying the provincial grant funds to projects that undertake eligible activities to rehabilitate damaged forests, enhance carbon sequestration to mitigate climate change and to maintain and enhance the forest resource.

The term of this agreement shall be from April 1, 2018, to March 31, 2022, unless otherwise extended or renewed or terminated in accordance with the terms hereof (the "Term").

In 2019, at the direction of the Department, \$1,746,000 of uncommitted funds were transferred from the Wildfire Reclamation Program and \$8,000,000 of uncommitted funds were transferred from the Mountain Pine Beetle Forest Rehabilitation Program.

FRIAA entered into an agreement with the Department on April 1, 2022, under the 2 Billion Trees Program. This agreement shall be in effect until March 31, 2025. The objective of this project is to reforest burned areas of Alberta's public land to maintain and enhance the forest resources as well as enhancing carbon sequestration. The following shows the subsequent funding for this program:

Received	Grant amount
2022	\$ -
2023	\$ 3,695,164
2024	\$ 2,037,773

On April 23, 2022, the Enhanced Reforestation of Legacy Disturbances Program was amended to extend the expiry to March 31, 2031.

Restricted cash includes \$2,112,425 (2023: \$10,091,463), which is restricted for use on the Enhanced Reforestation of Legacy Disturbances Program and held in a separate bank account.

## 10. Community FireGuard Program

The Community FireGuard Program, initiated in 2024, is aimed at providing municipalities with financial assistance to construct fireguards in high-risk communities across the province and integrate livestock grazing as a guard maintenance tactic and economic opportunity.

The term of this agreement shall be from February 12, 2024, to March 31, 2026, unless otherwise extended or renewed or terminated in accordance with the terms hereof (the "Term"). Under the agreement, FRIAA received \$5,000,000.

Restricted cash includes \$5,006,082 (2023: \$nil), which is restricted for use on the Community FireGuard Program and held in a separate bank account.

## 11. Commitments

All funds received for specific programs must be spent on the program's operating activities. As at March 31, 2024, FRIAA is committed to funding approved projects with various terms in the following amounts for each program:

Program	2024	2023
Forest Resource Improvement	\$ 184,514,948	\$ 152,861,364
Community Reforestation	\$ 254,193	\$ 192,653
Wildfire Reclamation	\$ 19,648,669	\$ 21,443,759
Mountain Pine Beetle	\$ -	\$ -
Mountain Pine Beetle Forest Rehabilitation	\$ 246,150	\$ 246,150
FRIAA FireSmart	\$ 5,718,021	\$ 3,706,396
Caribou Habitat Recovery	\$ 4,115,926	\$ 5,226,518
Enhanced Reforestation of Legacy Disturbances	\$ 1,572,000	\$ 596,201
	\$216,069,907	\$184,273,041

## 12. Related party transactions

As required under the Forest Resources Improvement Regulation, the honoraria paid to the members of the board of directors are as follows:

Director	2024	2023
Andrew Neigel	\$ 3,097	\$ 2,113
Mary-Jan Munn-Kristoff	\$ 7,751	\$ 6,180
David Wall	\$ 611	\$ -

## 13. Financial instruments

FRIAA's financial instruments consist of cash, accounts receivable and accrued interest receivable, investments and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that FRIAA is not exposed to significant interest, currency, or credit risks from these financial instruments.

**Fair value:** The estimated fair value of cash, accounts receivable and accrued interest receivable, and accounts payable and accrued liabilities approximates their carrying value due to the relatively short-term nature of these

instruments. The Association holds marketable security investments which are subject to various risks such as market fluctuations. These risks are mitigated by restricting both the type and term of securities eligible for investment. The estimated fair value of investments is determined using quoted market prices.

**Credit risk:** The risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. FRIAA is not exposed to significant credit risk.

**Interest rate risk:** The potential for financial loss arising from changes in interest rates. Investments bear interest at a fixed rate. Fixed-rate investments are subject to interest rate price risk, as the values will fluctuate because of changes in market rates.



## FRIAA's Members

- Alberta-Pacific Forest Industries Inc.
- ANC Timber Ltd.
- Askee Development Corporation
- Blue Ridge Lumber Inc.
- Boucher Bros. Lumber Ltd.
- Canadian Forest Products Ltd.
- Canfor (Whitecourt) Forest Products Ltd.
- Canfor (Fox Creek) Forest Products Ltd.
- Crowsnest Forest Products Ltd.
- Ed Bobocel Lumber (1993) Ltd.
- Foothills Forest Products Inc. (Dunkley Lumber Ltd.)
- Manning Forest Products
- Medicine Lodge Timber Products Ltd.
- Mercer Peace River Pulp Ltd.
- Millar Western Forest Products Ltd.
- N'deh Limited Partnership
- Northland Forest Products Ltd.
- Spray Lake Sawmills (1980) Ltd.
- Sundre Forest Products Inc.
- Tall Pine Timber Co. Ltd.
- Tolko Industries Ltd.
- Vanderwell Contractors (1971) Ltd.
- West Fraser Mills Ltd.
- Weyerhaeuser Company Limited
- Zavisha Sawmills Ltd.

Common raven (*Corvidae corax*), atop burnt Black spruce (*Picea mariana*), in Little Smoky (LSM2) compartment near Grande Cache, Caribou Habitat Recovery Program





Forest Resource Improvement  
Association of Alberta  
[www.friaa.ab.ca](http://www.friaa.ab.ca)