

Alberta recycling

MANAGEMENT AUTHORITY



ELECTRONICS



PAINT



TIRES



USED OIL

2020/21 ANNUAL REPORT
STANDARD VERSION

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LETTER TO THE MINISTER

September 30, 2021

Honourable Jason Nixon
Minister of Environment and Parks
House Leader
323 Legislature Building
10800 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Nixon:

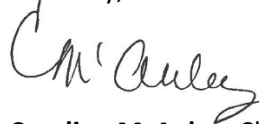
On behalf of the Board, Industry Councils, and staff of the Alberta Recycling Management Authority (ARMA), we are pleased to present our Annual Report which reflects the fiscal year of April 1, 2020, to March 31, 2021. This is presented in accordance with Section 16 of the *Designated Material Recycling and Management Regulation (Alberta Regulation 93/2004)*, under the *Environmental Protection and Enhancement Act*.

The COVID-19 pandemic has had a profound impact on Albertans' lives and livelihoods. The resilience Albertans have continued to show in recycling and ensuring diversion from landfills has been extraordinary. Reports from several registered collection sites indicated they were much busier than anticipated as residents completed renovations or general cleanup that generated items such as leftover paint for recycling. We are grateful that our programs continue to make an impact in the communities they operate in.

ARMA has greatly appreciated your support to enhance our current recycling programs such as the expanded electronics pilot project, and to explore future ones including an EPR program for household hazardous waste, strengthening the foundation of our vision of *inspiring a future without waste*.

We look forward to continuing the momentum of the work we have accomplished with you and your department to date in diverting more materials from the landfill and seeking innovative ways to advance the circular economy in Alberta.

Sincerely,



Caroline McAuley, Chair



Ed Gugenheimer, CEO

MESSAGE FROM THE CHAIR AND CEO

ARMA proudly stands alongside our registered suppliers, recyclers, municipal and Indigenous collection sites, board, and staff in having administered our recycling programs and our vision of *inspiring a future without waste* through one of the most challenging years in recent memory due to COVID-19.

Stories emerged of very busy collection sites with Albertans lining up in their vehicles, waiting to safely drop off their recycling and in particular their leftover paint – 3.2 million litres in 2020 - after completing home renovation projects. The collection sites noted that the measures they put in place to address COVID e.g., revamping websites with directions for what the public could expect upon arrival, created a safer, controlled user experience.

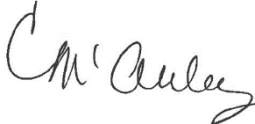
The expanded electronics pilot project (e-pilot), launched in September 2020, raised the level of excitement for municipalities, Indigenous communities, and Albertans as they welcomed the opportunity to potentially divert up to 24,600 tonnes of additional electronics products from the landfill over the course of the two-year project. ARMA has compiled a significant amount of data with the help of municipalities and Indigenous communities that will help to develop a good understanding of what it takes to collect and recycle this material and administer an expanded electronics program for the long term.

While the processing numbers for tires (6.65 million tires) and used oil (73.3 million litres) were down 7% and 15% respectively over the prior year due to limited travel and business activity resulting from the pandemic, there were still significant developments within each program to continue advancing the circular economy. This includes a new recycler registered in the tire program who is based in southern Alberta. Together with the two existing recyclers in the Edmonton area, Alberta's 2,900 tire suppliers and over 350 tire collection sites will be well served for timely pick up and processing of scrap tires. The number of registered used oil collection sites has grown significantly since ARMA began managing the program in 2018; there are now over 200 registered sites throughout the province that ensure this hazardous material does not contaminate our water and soil.

The paint program received tremendous support from the province and stakeholders when ARMA implemented the first adjustment in 12 years to the program's environmental fees. A fee adjustment was essential for ARMA to continue to responsibly and sustainably manage this program that to date has diverted 29 million litres of paint along with millions of containers for recycling. This adjustment also ensured that municipalities and Indigenous communities no longer have to bear the cost of collecting this material and supports harmonization of Alberta's fees with that of other provincial programs.

Innovation is increasingly becoming a cornerstone of ARMA's corporate approach to support our vision of *inspiring a future without waste*. One example is our partnership with other provincial used oil programs whereby funding has been provided to a national registered recycler of used oil containers who is researching a process to make new containers out of old ones – this is a prime example of the circular economy in action. Innovation is also evident in the approach to our e-pilot project where we are working with industry experts to address solar panels for which there is currently no reuse or recycling program in North America.

ARMA is looking forward to doing all that we can to fulfill our vision of *inspiring a future without waste*. Approaching our 30th anniversary in 2022, we thank stakeholders past and present for the strong foundation upon which this organization has been built, resulting to date in the diversion from the landfill of 1.9 billion litres of used oil, over 131 million tires, 29 million litres of paint and 10.6 million electronics and we are excited about where our collaboration will take us next!



Caroline McAuley
Chair



Ed Gugenheimer
CEO

VISION

Inspiring a future without waste.

MISSION

- **Our mission is to be an inspiring partner and a respected steward of the environment:** We will be a leader in recycling and waste minimization best practices and innovation in effort to make the world a sustainable place.
- **We believe every place should be left better than we found it:** We will inspire Albertans to waste less, teach them to use things in different ways, and help them partner with others who share our passion.
- **Keeping our environment clean is a shared responsibility:** We will educate Albertans, support and contribute to best practices, and will be a responsible, trusted and transparent partner in the global effort to reduce waste.

MANDATE

ARMA is a not-for-profit organization incorporated under the *Societies Act* and operates as a delegated administrative organization accountable to the Alberta Minister of Environment and Parks through its Budget, Business Plan, and Annual Report.

The *Designated Material Recycling and Management Regulation* (the Regulation) authorizes ARMA to levy and collect Surcharges (environmental fees) on the sale or supply of designated material in Alberta. These funds are to be used to provide or pay for any of the following elements regarding designated material:

- Waste minimization and recycling programs.
- Public information programs for the promotion of waste minimization and recycling programs.
- Expenditures on the collection, transportation, storage, processing, and disposal of end-life-materials.
- Research and development activities.
- Promote the uses of recycled materials and products.

ARMA is authorized to manage four Designated Materials – electronics, paint, tires, and used oil – through a process called multi-material stewardship. Fundamental to this process is ensuring that the financial resources, including environmental fee revenue for each designated material program, are managed independently, while at the same time realizing the synergies and cost-effectiveness of operating under a single organization.

In addition to its environmental stewardship mandate, ARMA meets its obligations under the *Societies Act* through its bylaws and governance framework. ARMA formally reports to its membership through an Annual Report and Annual General Meeting.

STRATEGIC FOCUS

To provide direction to the annual business planning process, the Board of Directors developed a strategic focus that expands on current priorities and open new avenues for discussion and research.

- Evolve and be innovative in developing Alberta-made solutions to address local challenges that could make a global impact.
- Work with the recycling champions in this province e.g., municipalities, Indigenous communities, industry, thought leaders, post-secondary institutions, and government to generate ideas, systems and services that would enhance and expand existing programs and processes and develop new ones.
- Remain steadfast in our recycling mandate and at the same time explore the other 3Rs in the waste management hierarchy - reduce, reuse, and recover.
- Consider different stewardship models e.g., extended producer responsibility to evolve with the needs of Alberta.
- Develop synergies and harmonization with other industry-related environmental organizations across Canada.



ELECTRONICS RECYCLING PROGRAM

GOALS, PERFORMANCE MEASURES, OPERATIONAL ACTION PLANS

Goal E1: All designated electronics available at end-of-life are collected and processed.

Performance measures are set to ensure progress toward this goal to collect and recycle all available, designated electronics at end-of-life (EOL).

Performance Measure E1.1: Total Amount of End-of-life Electronics Processed

Annual targets are set to drive a consistently high recovery of available EOL designated electronics to measure the progress towards recycling all the material discarded by Albertans. The targets are set based on the trend of previous years' results and market expectations for the annual sales of designated material and recycled material, the trend of size and weight of products being sold into market, and estimated alternative diversions e.g., asset management, resale exports and imports.

Target

1. Total tonnes processed
The total tonnes processed in a year are the actual output of the Program, and the basis for the target.
2. Amount processed per capita
Presenting the per capita rate provides a better indicator of progress than changes in population. Additionally, the kg. per capita indicator may be useful to compare the Program's effectiveness with programs in other jurisdictions.
3. Total Cost per kg.
The total cost for the Program encompasses collecting and processing material, Program administration and developmental funding e.g., education, research, and development. Development funding is intended to enhance Program effectiveness but is considered over and above the core Program costs and varies substantially year-over-year.
4. Recovery Rate
The recovery rate measures the amount of product processed as a percent of the amount of product purchased in a year. It is a useful target for tracking trends in changes to the recovery of material over time – how much of the annual inflow of new electronics is offset by the amount of EOL electronics removed – indicating whether the effectiveness of the Program is increasing, decreasing, or levelling off. However, it should be noted that product sales revenue is an indirect measure of the amount of materials at EOL; older electronic products are not necessarily discarded when new products are purchased.

Year	Total Processed (tonnes)	Kg. per Capita	Total Cost per Kg.	Recovery Rate
2018/19 Result	10,111	2.33	\$1.09	34%
2019/20 Result	10,776	2.45	\$1.07	33%
2020/21 Target	10,286	2.40	\$1.13	32%
2020/21 Result*	8,600	1.94	\$1.09	24%

* 2020/21 results include tonnage and costs for the main Electronics program only. Tonnage and costs for the ePilot are not included and will be reported separately throughout and at the conclusion of the pilot project.

Result

This chart displays the results of electronics processing over the last three years. The total amount processed in 2020/21 decreased by 20% over the prior year. A significant contributor to this decrease was the launch of the e-pilot project in September 2020, which saw electronics processors temporarily reduce the processing of main program material in order to process stockpiles of pilot materials. The light-weighting of electronics products (smaller, lighter components) continues to impact program volumes with the decline over time of older, heavier units entering the program.

Supplementary Information for Performance Measure E1.1: Materials Processed from Recovered Electronics

The following table identifies the types and amounts of material processed from EOL electronics. These materials are used for feedstock in the manufacturing of new products e.g., plastics into pellets; steel into rebar; lead recovered from leaded glass through smelting; copper wire recycled into copper feedstock; precious metals recovered from computer chips.

Material	2020/21 Results (tonnes)	2019/20 Results (tonnes)	2018/19 Results (tonnes)
Glass	1,390	2,159	2,283
Plastic	3,480	3,496	3,810
Metals	3,358	4,689	3,562
Other ^{1.}	372	432	456
Total	8,600	10,776	10,111

1. Includes batteries, toner and inks, wire and cables, and wood.

Supplementary Information for Performance Measure E.1.1: Disposal of Residual Materials

The following table identifies the amount of residual material disposed of in accordance with methods acceptable under the Program. For example, when markets for wood and toner cartridges are limited, the material is sent to landfill. As there was a gap in the data reported for previous years, 2020/21 is considered a benchmark with all processors reporting from this point forward.

Year	Total Disposed (tonnes)	Total Processed (tonnes)	Percent of Total Processed
2020/21 Result	408	8,600	4.75%

Operational Action Plan: Reuse Assessment

Further to Goal E1 “All designated electronics available at end-of-life are collected and processed”, part of the Board’s strategic focus includes exploring the other three Rs in the waste management hierarchy - reduce, reuse, and recover.

Beginning in 2020/21, ARMA will incorporate a regular reuse assessment into their operational plan (e.g., every three years) to gain an understanding of the proportion of the material coming through the program that is EOL vs. suitable for reuse.

ARMA’s current position on reuse: If Albertans or Alberta businesses think their computer equipment or TV’s can still be used, they may choose to donate them to a charitable organization or drop them off at companies that refurbish these products. They can also check if their local municipal landfill/transfer station/recycling depot (municipal depot) has a "take-it-or-leave-it" area where items can be left for others to take.

Result

ARMA’s most recent reuse study was slated to occur in 2020/21 however it was deferred to 2021-22 for completion due to various considerations related to the impact of COVID-19.

Goal E2: Ensure Program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

Ongoing financial analysis and projections will ensure that the Fund balance (net assets of the Program) is consistent with Board directions, providing for longer term financial stability of the Program.

Performance Measure E2.1: Program Sustainability

Ongoing financial analysis includes:

1. Environmental fee revenues remitted on the sales of designated electronics.
2. Program expenditures on the collection and processing of designated EOL electronics.
3. Investment earnings and changes in market value.
4. The Fund target and range set by the Board.
5. Potential factors that could impact the Fund balance e.g., changes in technology and product sales, processing costs, changes in product lifespan, and recovery rates.

Target

1. Provide regular reports against Program revenues and expenditure projections.
2. Identify any changes and provide possible adjustment scenarios for environmental fees and/or Program funding rates, including timelines for reduction of the Fund balance.

Result

1. Quarterly financial reports including analysis and projections of revenues and expenditures were reviewed by the Audit & Investment Committee and reported to the Board of Directors.
2. The e-pilot project will utilize a portion of program resources and contribute to reduction of the Fund balance.
3. ARMA is introducing reductions to environmental fees on electronics products to support the continued reduction of the Electronics Fund towards its target level. Fee reductions on these products average 40% and represent a reduction of \$3.4 million on an annual basis.

Following are highlights of revenues and expenditures for the year ending March 31, 2021, from the Audited Financial Statements.

1. Overall financial results
The electronics program generated an operating deficit of \$4.3 million. Strong investment earnings of \$11.0 million offset this deficit with a resulting increase in program net assets of \$6.7 million.
2. Total recycling revenue
 - a) No adjustments were made to the environmental fees collected per unit on the sale of eligible electronics products.
 - b) Recycling revenues of \$9.5 million were 2.1% higher than the prior year, representing higher sales of work-from-home and home entertainment items such as laptops, printers, and televisions due to the impacts of COVID-19.
3. Total Program expenditures
 - a) No adjustments were made to the Program incentive rates paid per tonne on the collection and recycling of eligible electronics products.
 - b) Total recycling expenditures of \$11.0 million were 17.4% higher than the previous year. This net increase included a reduction on eligible program materials and the addition of \$3.1 million in recycling expenditures for e-pilot materials. The e-pilot commenced operations in September 2020, therefore the first seven months of the e-pilot are represented in these results.
 - c) Total recycling development, Program delivery expenditures, and Corporate administration expenditures of \$2.8 million were 32% higher than last year. E-pilot start-up and project costs were the primary driver of this increase. Other categories declined with COVID-19 restrictions which limited business travel and reduced some office expenditures with staff working predominantly from home.
4. Net investment income
 - a) Positive net investment income of \$11.0 million reflected strong market performance, as well as the recovery of financial markets from ARMA's prior year-end, when markets had been significantly, negatively impacted by COVID-19 concerns.

Performance Measure E2.2: Ensuring Revenue Completeness

ARMA is authorized by Regulation to identify and register companies supplying designated electronics in and into Alberta. This is to ensure that in accordance with the Electronics Recycling Bylaw, environmental fees are collected and remitted on the sale of new electronics. To confirm that these

registered companies (Suppliers) comply with the bylaw, compliance reviews are conducted using a risk-based sampling process, based on a Supplier's revenue profile, to select the companies for review.

Target

1. Suppliers reporting 90% of total Program revenue are reviewed over a two-year period.
 - a) Table A indicates the revenue profile of the Suppliers and the frequency of reviews based on their average monthly fee remittance. Higher frequencies are used for larger and medium-sized Suppliers who represent the majority of Program revenue. Small Suppliers, collectively reporting only 5% of Program revenue, do not have a predetermined review schedule. They are selected through a combined approach of random selection and identification of Suppliers with significant changes in their remittance history.
 - b) Table B indicates the percent of reported revenue to be reviewed over a two-year period to meet the target of 90%.

TABLE A: SUPPLIER SIZE PROFILE			
Average Env. Fees per Month	Percent of Suppliers	Percent of Env. Fees Reported	Review Frequency
Small <\$500	91.4%	5.0%	As needed
Medium \$500 - \$2,000	5.2%	7.2%	Every three years
Large >\$2,000	3.4%	87.8%	Every two years
Total	100%	100%	

TABLE B: REVENUE REVIEW		
Year	Percent Reviewed of Total Revenue	
	Annual Percent Reviewed	Two-year Total (Target 90%)
2018/19 Result	60%	92% (17/18 + 18/19)
2019/20 Result	34%	94% (18/19 + 19/20)
2020/21 Target	60%	95% (19/20 + 20/21)
2020/21 Result	60%	94% (19/20 + 20/21)

Result

This performance measure helps to address the goal of providing for longer term financial stability for the program by verifying that the program is receiving the regulated environmental fees on sales of

eligible products. The percentage reviewed on an annual basis can vary widely depending on the number of large suppliers that are reviewed each year, with a goal to review suppliers representing 90% of revenue over each two-year period. The goal was met for 2020/21.

Performance Measure E2.3: Sustainability of Recycling Industry

Verify that the current levels of Program funding are adequate to sustain the collection and processing of EOL electronics within Alberta's recycling industry.

1. Conduct a comprehensive Sustainability Review at least every four years, to determine if there is a need to adjust Program funding rates. The review is to be comprised of a professional audit of all Processors receiving Program funding and an assessment of the financial stability of the processing industry.
2. In the intervening years, consult with Processors to identify and analyze any significant changes occurring since the Program's last Sustainability Review.

Target

1. The Board will review the final report of the 2019/20 Sustainability Review and will make recommendations based on the results.

Result

1. Based on the results of the 2019/20 Sustainability Review, the Board adjusted program funding rates for transportation incentives effective April 1, 2020.

Operational Action Plan: Processing Incentive Structure Review

Potential for changes to the processing incentive structure, including incentives for higher environmental outcomes and in recognition of the circular economy, based on the outcome of the sustainability review.

Result:

It was determined that the current incentive for processing is an appropriate rate to support the current recycling process.

Goal E3: End-of-life electronics are processed in an environmentally and socially responsible manner.

Our goal is to process collected electronics to the highest possible environmental standard as outlined in the Mission Statement.

Performance Measure E3.1: Environmental Assurance – Processors

Ensure that Processors meet or exceed the Processor Incentive Program Requirements. This includes compliance with applicable environmental, occupational health and safety regulations as well as industry standards related to health and safety, and transportation and export.

Target

1. Annual third-party compliance assurance reviews of all Processors are completed in accordance with the requirements stated above.
2. Third-party desktop or onsite assurance reviews, determined on a case-by case basis, of downstream processors.

3. Over and above the third-party assurance reviews, Processors sites are inspected monthly to confirm compliance with Program requirements.
4. If deficiencies are identified, the Processors or downstream processors are required to address them in accordance with approved timelines.
5. The 2020 Compliance Assurance Summary Report is completed and posted on ARMA's website.

Result

1. The third-party compliance assurance reviews of all processors were deferred due to minimal deficiencies identified in the prior year, and the effectiveness of regular inspections conducted by ARMA field staff (see point #3 below).
2. A combination of seven onsite and virtual assurance reviews were completed of downstream processors, and deficiencies identified against program requirements were addressed in accordance with approved timelines. The reviews confirmed that the electronics material was being recycled in an environmentally sound manner.
3. Processors were inspected regularly (with COVID-19 protocols in place) which included tracking of eligible and ineligible inventory and verifying that all required documentation for approved downstream processors and scale calibration reports were current.
 - a) Deficiencies related to program requirements were addressed according to approved timelines.
 - b) A significant amount of time was also spent with the processors in preparation for the launch of the e-pilot project in September 2020 including monitoring the processing of stockpiled e-pilot material.
4. Due to the deferment of third-party compliance reviews per point #1 above, a 2020 Compliance Assurance Summary Report was not generated.

Performance Measure E3.2: Environmental Assurance - Municipal and Indigenous Community Collection Sites

Ensure that municipal and Indigenous sites that receive ARMA grant funding meet or exceed all applicable environmental standards, consistent with the terms of the funding grant.

Target

1. Inspect electronics collection sites annually to confirm adherence to the terms of the grant requirements. If deficiencies are identified, they are addressed in accordance with approved timelines.

Result

Although there was a delayed start to the annual onsite reviews of registered electronics collection sites due to COVID-19, ARMA field staff completed reviews of all sites – adhering to the COVID-19 safety protocols in place – and any issues found related to grant funding criteria were addressed in accordance with approved timelines. There were also numerous virtual presentations given to promote the e-pilot project and register sites to participate in this two-year project.

Supplementary Information for Performance Measure E3.2: Substances of Concern Diverted

The following table identifies substances of concern removed from the total electronics processed, as reported in E1.1. The weight of each material is calculated by multiplying the estimated amount contained in a product by the number of those products processed.

Material	Source	2020/21 Result	2019/20 Result	2018/19 Result
Lead (tonnes)	Circuit boards, cathode ray tubes, TVs, monitors, CPU's, laptops, and printers.	289	285	279
Mercury (kgs.)	Lamps, batteries and switches, laptops	0.34	0.31	0.28
Cadmium (kgs.)	Circuit boards, cathode ray tubes, insulated wire, TV's, monitors and CPU's	4.10	3.87	4.08
Beryllium (kgs.)	Circuit boards, TVs, and monitors	12.30	12.10	11.90
Antimony (tonnes)	Circuit board, CPU's, laptops, and printers	1.25	1.26	1.32

Goal E4: There is strong awareness and support for ARMA and the Electronics Recycling Program.

Public, stakeholder and industry awareness and support are critical for the Programs.

Performance Measure E4.1: Key Stakeholder Support

Key stakeholders are aware of ARMA, and the Electronics Recycling Program and the levels of awareness increase over time.

Target

1. Employ a set of public information initiatives for key stakeholders including provincial and municipal governments, industrial, commercial, and institutional sector (ICI) and the general public that will include:
 - a) Attendance and participation at stakeholder and industry conferences, tradeshow, and community events.
 - b) Regional meetings with (and tours of) municipalities, waste authorities/commissions, and Indigenous communities.
 - c) Meetings and possible research and innovation projects with ICI.
 - d) Develop educational materials for K-12 schools and post-secondary institutions.
 - e) Active social media platforms.

Result

Due to COVID-19, ARMA held over 125 virtual meetings, calls, and presentations with stakeholders in the fields of industry, post-secondary institutions, municipal and provincial governments, and Indigenous relations, creating/supporting opportunities for innovation and expansion of existing and future programs.

Some of the subject matter included a 'made-in-Alberta' plastics solution, exploring different EPR models, and collaborations on various development opportunities with other provincial recycling programs and organizations. Twitter was used extensively to promote ARMA and the programs,

followed by Facebook and LinkedIn. Development of educational materials for K-12 schools will be initiated in 2021-22.

Goal E5: There is strong participation in the collection of electronics for recycling under the Program.

Participation is the basis for higher levels of recovery, which is fundamental to Program completeness.

Performance Measure E5.1: Access to recycling

Access to registered collection sites and Processor sites for Albertans to recycle their EOL electronics is improving.

Target

1. Increasing participation from Indigenous communities and municipalities.
2. Continue efforts to promote the electronics collection site and roundup programs through Best Practices presentations, conferences, and tradeshow to engage communities that have not participated in either format.

Year	Registered Collections Sites	Number of Roundups
2018/19 Result	365	74
2019/20 Result	353	67
2020/21 Target	373	72
2020/21 Result	361	33

Result

Eight collection sites were added to the program and the number of roundups decreased by 50% over the previous year due to concerns regarding COVID-19.

Additionally, there was significant engagement on the implementation of the e-pilot project with numerous virtual presentations provided to collection site staff and municipalities interested in registering.

Performance Measure E5.2: Industrial, Commercial, and Institutional (ICI) Participation

The level of participation by the ICI sector in recycling their EOL electronics through the Program is increasing.

Target

1. Consider incorporating ICI participation into existing hard-to-get (Electronics Roundups) funding opportunities.

The non-residential tonnage represents material picked up directly from businesses. It does not include ICI material dropped off at municipal collection sites (as the source of individual drop offs is

not recorded) and the amount of material leaving the province due to corporate lease and asset management “take-back” Programs is also unknown.

Year	Total Electronics Processed (Tonnes: Res. & Non-Res.)	Estimated Non-Res. Tonnage (Direct Collection)	Percent of Total Processed
2018/19 Result	10,111	3,699	36.6%
2019/20 Result	10,776	3,712	34.4%
2020/21 Target	10,286	3,343	32.5%
2020/21 Result	8,600	3,511	40.8%

Result

While the total amount of electronics processed is lower in 2020/21 over the prior year due to the impact of COVID-19, the amount of ICI material as a percent of the total is higher than in previous years. There were nine hard-to-get Electronics Roundups held this year by non-profit organizations/community groups (uptake in larger centres).



ELECTRONICS



PAINT



TIRES



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PAINT RECYCLING PROGRAM

GOALS, PERFORMANCE MEASURES, OPERATIONAL ACTION PLANS

Goal P1: All designated paint and paint containers available at end-of-life are collected and processed.

Performance measures are set to ensure progress toward this goal to collect and recycle all available, designated paint and paint containers at end-of-life (EOL).

Performance Measure P1.1: Total Amount of End-of-Life Designated Paint Processed

Annual targets are set to drive a consistently high recovery of available EOL designated paint collected and processed in accordance with the estimated amount discarded by Albertans. The targets are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. Total paint processed

The total tonnes processed in a year is the actual output of the program each year and is the basis for the target. The equivalent number of litres, based on an average weight per litre of 1.2 kg, is presented as supplementary information.

2. Amount processed per capita

Presenting the per capita rate provides a better indicator of progress than changes in population. Additionally, the kg. per capita indicator may be useful to compare the Program's effectiveness with programs in other jurisdictions.

3. Total Cost per Kg.

The total cost for the Program encompasses collecting and processing material, Program administration and developmental funding e.g., education, research, and development. Development funding is intended to enhance Program effectiveness but is considered over and above the core Program costs and varies substantially year-over-year.

4. Recovery rate

The recovery rate measures the amount of product processed as a percent of the amount of product purchased in a year. It is a useful target for tracking trends in changes to the recovery of material over time - how much of the annual inflow of new paint is offset by the amount of leftover paint removed - indicating whether the effectiveness of the Program is increasing, decreasing, or leveling off.

5. Capture rate

The capture rate measures the total amount processed as a percent of an estimated total amount of paint considered EOL. Because very little of paint sold is leftover after use, the recovery rate is very low compared to most other materials, making the capture rate a more useful performance measure for paint. Industry estimates that 85-90% of the paint sold is used, leaving 10-15% identified as EOL. For Program reporting, the amount for EOL paint is considered 12%. For example, if 100 litres of paint are sold, 12 litres (or 12%) will be EOL. If 8 litres are recovered that results in:

- a recovery rate of 8% (8 litres recovered / 100 litres sold); or
- a capture rate of 66.7% (8 litres recovered / 12 litres EOL)

Year	Total Paint Processed		Kg. per Capita	Total Cost per Kg.	Recovery Rate	Capture Rate*
	Kg. (millions)	Litres (millions)				
2018/19 Result	2.62	2.19	0.61	\$1.72	9.3%	77.2%
2019/20 Result	2.74	2.28	0.62	\$1.55	10.0%	83.2%
2020/21 Target	2.72	2.26	0.63	\$1.58	10.5%	87.7%
2020/21 Result	3.02	2.51	0.68	\$1.48	9.2%	77.0%

Result

This chart displays results of paint recycling over the last three years; 2020-21 shows an increase of 10% over the prior year. Sales of paint were very strong under COVID-19 conditions with Albertans completing home projects. This resulted in increased volumes of leftover paint brought in for recycling.

Supplementary Information for P1.1: Processing of Latex and Oil (Alkyd) Paint

The following table identifies the types and amounts of material processed from products under the Program. The increase in oil-based paint for the second year in a row over 2018/19 may be a result of commercial paint roundups drawing large volumes of expired product.

Year	Latex Processed (kg)	Percent of Total Processed	Oil Processed (kg) – Energy Recovery	Percent of Total Processed
2018/19 Result	1,752,330	66.8%	870,065	33.2%
2019/20 Result	1,675,532	61.1%	1,066,336	38.9%
2020/21 Result	1,890,675	62.7%	1,124,884	37.3%

Performance Measure P1.2: Total Amount of Aerosol Paint Cans Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated aerosol paint cans collected and processed in accordance with the estimated amount discarded by Albertans. The target is set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. The total tonnes processed in a year is the actual output of the Program each year and is the basis for the target.
2. The recovery rate measures the amount of product processed as a percent of the amount of product purchased.

Year	Aerosol Paint Cans Processed	Recovery Rate Percent
2018/19 Result	752,141	15.7%
2019/20 Result	705,920	15.8%
2020/21 Target	658,123	14.9%
2020/21 Result	702,697	14.2%

Result

Aerosol volumes in 2020/21 have decreased slightly over the prior year with less activity in the business sector (where the bulk of the containers are generated) due to COVID-19 but remained over the 700,000 level for the third year in a row.

Performance Measure P1.3: Total Amount of Paint Containers Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated paint containers collected and processed in accordance with the estimated amount discarded by Albertans. The target is set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. The total tonnes processed in a year is the actual output of the Program each year and is the basis for the target.
2. It is important to note that the processed amounts do not include:
 - a) containers diverted by municipalities for scrap metal
 - b) aerosol paint containers
 - c) containers recycled by downstream processors

<u>PAINT CONTAINERS PROCESSED</u>			
Year	Metal Containers (Kg.)	Plastic Containers (Kg.)	Total (Kg.)
2018/19 Result	228,709	112,857	341,566
2019/20 Result	259,567	151,466	411,033
2020/21 Target	236,809	116,853	353,662
2020/21 Result	255,133	161,776	416,908

Result

Reported volumes of recycled containers in 2020/21 increased slightly over the prior year. This is due to a combination of factors including the incentive paid to processors on containers, improved reporting by processors and strong sales under COVID-19 conditions with Albertans completing home projects.

Supplementary Information for Goal P1.1: Disposal of Residual Materials

The following table identifies the amount of residual material disposed of by methods acceptable under the Program e.g., solidified, or contaminated latex paint and containers. It is anticipated that we will eventually see a decrease in the amount of residual latex due to a downstream processor who began recycling solid or semi-solid material as a feedstock in cement manufacturing approximately three years ago. The empty containers generated from this process will also be diverted for recycling.

Year	Total Disposed (Kg.)	Total Processed (Kg.)	Residual material disposed of as a percent of the total processed
2018/19 Result	244,141	2,622,395	9.3%
2019/20 Result	351,999	2,741,868	12.8%
2020/21 Result	419,587	3,015,559	13.9%

Goal P2: Ensure Program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

Ongoing financial analysis and projections will ensure that the Fund balance (net assets of the Program) is consistent with Board directions, providing for longer term financial stability of the Program.

Performance Measure P2.1: Program Sustainability

Ongoing financial analysis includes:

1. Environmental fee revenues remitted on the sale of designated paint and paint containers.
2. Program expenditures on the collection and processing of leftover paint and paint containers.
3. The Fund target and range set by the Board and, as the Fund increases, investment earnings and changes in market value.
4. Potential factors that could impact the Fund balance.

Target

1. Provide regular reports against the Program revenues and expenditures projection.
2. Identify any changes and provide possible adjustment scenarios for environmental fees and/or Program funding rates including timelines and resulting Fund balances.

Result

1. Quarterly financial reports including analysis and projections of revenues and expenditures were reviewed by the Audit & Investment Committee and reported to the Board of Directors.
2. ARMA received support from Alberta Environment and Parks to conduct a consultation with key stakeholders (industry groups, key opinion leaders and municipal interests) on revisions to the Paint Bylaw to increase the environmental fees on eligible paint products. There was strong key

stakeholder support for the increases and the proposed changes were supported by the Minister of Environment for implementation April 1, 2021. The increased environmental fees will support the sustainability of the program and alleviate the financial burden on municipalities for collecting these materials.

Following are highlights of revenues and expenditures for the year ending March 31, 2021, from the Audited Financial Statements.

1. Overall financial results

The Paint program generated a strong, positive operating result of \$855,000 for 2020/21. This positive outcome was driven by impacts of COVID-19 on paint sales.

2. Total recycling revenue

- a) No adjustments were made to the environmental fees collected per unit on the sale of designated paint products. (Fee adjustments were approved for implementation April 1, 2021, the start of ARMA's 2021/22 fiscal year).
- b) Recycling revenues of \$5.3 million were 23.7% higher than the prior year due to higher unit sales throughout the year. The impact of COVID-19 on the Paint program was a sharp increase in paint sales in March 2020 and throughout the 2020/21 fiscal year as consumers worked on home projects.

3. Total program expenditures

- a) No adjustments were made to the Program incentive rates paid on the collection and recycling of eligible paint products.
- b) Total recycling expenditures of \$4.0 million were 10% higher than the previous year. Latex and oil paint processing volumes increased with consumers completing more painting projects and clean-up of basements and garages under COVID-19 conditions. Aerosol volumes decreased slightly with these products being tied more closely to industrial activity.
- c) Total recycling development, program delivery expenditures, and corporate administration expenditures of \$460,000 were (23.8%) lower than the previous year. The decrease was driven primarily by COVID-19 restrictions which limited business travel and reduced some office expenditures with staff working predominantly from home.

Performance Measure P2.2: Ensuring Revenue Completeness

ARMA is authorized by Regulation to identify and register companies supplying designated paint and paint containers in Alberta. This is to ensure that in accordance with the Paint Recycling Bylaw, environmental fees are collected and remitted on the sale of new paint products. To confirm that these registered companies (Suppliers) comply with the bylaw, compliance reviews are conducted, using a risk-based sampling process based on a Supplier's revenue profile, to select the companies for review.

Target

- 1. Suppliers reporting 90% of total Program revenue are reviewed over a two-year period.
 - a) Table A indicates the revenue profile of the Suppliers and the frequency of reviews based on their average monthly Surcharge remittance. Higher frequencies are used for larger and medium sized Suppliers, who represent the majority of program revenue. Small Suppliers, collectively reporting 2.5% of Program revenue, do not have a predetermined review schedule. They are selected through a combined approach of random selection and identification of Suppliers with significant changes in their remittance history.

- b) Table B indicates the percent of reported revenue to be reviewed over a two-year period to meet the target of 90%.

TABLE A: SUPPLIER SIZE PROFILE			
Average Env. Fees per Month	Percent of Suppliers	Percent of Env. Fees Reported	Review Frequency
Small <\$500	83.3%	2.5%	As needed
Medium \$500 - \$2,000	10.1%	4.9%	Every three years
Large >\$2,000	6.6%	92.6%	Every two years
Total	100%	100%	

TABLE B: REVENUE REVIEW		
Year	Percent Reviewed of Total Revenue	
	Annual Percent Reviewed	Two-year total (Target 90%)
2018/19 Result	39%	83% (17/18 + 18/19)
2019/20 Result	57%	96% (18/19 + 19/20)
2020/21 Target	38%	96% (19/20 + 20/21)
2020/21 Result	34%	91% (19/20 + 20/21)

Result

This performance measure helps to address the goal of providing for longer term financial stability for the program by verifying that the program is receiving the regulated environmental fees on sales of eligible products. The percentage reviewed on an annual basis can vary widely depending on the number of large suppliers that are reviewed in each year, with a goal to review suppliers representing 90% of revenue over each two-year period; this goal was met for 2020/21.

Performance Measure P2.3: Sustainability of Recycling Industry

Verify that the current levels of program funding are adequate to sustain the collection and processing of waste paint and paint containers within Alberta's recycling industry.

1. Conduct a comprehensive Sustainability Review at least every four years to determine if there is a need to adjust program funding rates. The review is to be comprised of a professional audit of all processors receiving program funding and an assessment of the financial stability of the processing industry.

2. In the intervening years, consult with processors to identify and analyze any significant changes occurring since the program's last Sustainability Review.

Target

1. The next sustainability review is scheduled for 2021/22. In the interim, work will continue to identify and implement efficiency improvements in the industry and to work towards an increase in the environmental fees paid by consumers, to ensure long-term viability for the paint program and to reduce the financial burden on municipalities.

Result

The sustainability review was completed in 2020/21, earlier than scheduled, as it was a critical element in the analysis of environmental fee levels. The results of this review supported the need for increased funding in the program for registered recyclers in order to relieve the financial burden placed on municipalities to accept leftover paint and containers for recycling. This formed a key component of the foundation of the proposed environmental fee adjustment submitted to the Minister of Alberta Environment and Parks. The fee adjustment was approved for implementation April 1, 2021 and will ensure sustained recovery and service levels in the program.

Goal P3: End-of-life paint and paint containers are recycled in an environmentally and socially responsible manner.

Our goal is to process collected paint and paint containers to the highest possible environmental standard as outlined in the Mission Statement.

Performance Measure P3.1: Environmental Assurance - Processors

Ensure that Processors meet or exceed the Processor Incentive Program Requirements. This includes compliance with applicable environmental, occupational health and safety regulations as well as industry standards related to health and safety, and transportation and export.

Target

1. Processor sites are inspected regularly to confirm compliance with Program requirements.
2. Third-party desktop or onsite assurance reviews, determined on a case-by-case basis, are conducted for downstream processors.
3. If deficiencies are identified, the Processors or downstream processors are required to address them in accordance with approved timelines.
4. A comprehensive compliance review is conducted by a third-party at least every four years to ensure Processor conformance to Program requirements. The next review is scheduled for 2022/23.

Result

1. The target for regular inspections of all processor sites was met (with COVID-19 protocols in place). This included verifying permits for approved downstream processors and scale calibration reports are current, separation of eligible and ineligible inventory and recycling of containers.
2. There were no Inspections of downstream processing facilities this year due to the impact of COVID-19.
3. The next Environmental assurance review is deferred to 2023/24.

Performance Measure P3.2: Environmental Assurance - Municipal and Indigenous Community Collection Sites

Ensure that municipal and Indigenous sites which receive ARMA grants meet or exceed all applicable environmental standards, consistent with the terms of the funding grant.

Target

1. Inspect paint collection sites annually to confirm adherence to the terms of the grant requirements. If deficiencies are identified, they are addressed in accordance with approved timelines.

Result

Although there was a delayed start to the annual onsite reviews of registered paint collection sites due to COVID-19, ARMA field staff completed reviews of all sites – adhering to the COVID-19 safety protocols in place – and any issues found related to grant funding criteria were addressed in accordance with approved timelines.

Goal P4: There is strong awareness and support for ARMA and the Paint Recycling Program.

Public, stakeholder and industry awareness and support are critical for ARMA and the Program.

Performance Measure P4.1: Key Stakeholder Support

Key stakeholders are aware of ARMA, and the Paint Recycling Program and the levels of awareness increase over time.

Target

1. Employ a set of public information initiatives for key stakeholders including provincial and municipal governments, industrial, commercial, and institutional sector (ICI) and the general public that will include:
 - a) Attendance and participation at stakeholder and industry conferences, tradeshow, and community events.
 - b) Regional meetings with (and tours of) municipalities, waste authorities/commissions, and Indigenous communities.
 - c) Meetings and possible research and innovation projects with ICI.
 - d) Develop educational materials for K-12 schools and post-secondary institutions.
 - e) Active social media platforms.

Result

This year ARMA held over 125 virtual meetings and dialogues with stakeholders in the fields of industry, post-secondary institutions, municipal and provincial governments, and Indigenous relations, creating/supporting opportunities for innovation and expansion of existing and future programs.

In the spirit of innovation, ARMA has brought together resources to develop a stronger made-in-Alberta plastics solution. This project has partnered a post-secondary institution and a local downstream recycler to increase opportunities in maximizing their manufacturing line. Twitter was used extensively to promote ARMA and the programs, followed by Facebook and LinkedIn. Development of educational materials for K-12 schools will be initiated in 2021-22.

Goal P5: There is strong participation in the collection of leftover paint and paint containers for recycling under the Program.

Participation is the basis for higher levels of recovery, which is fundamental to Program completeness.

Performance Measure P5.1: Access to recycling

Access to facilities, including collection sites, voluntary return-to-retailers, and Processor sites, for Albertans to recycle their paint and containers is improving.

Target

1. Increasing participation from Indigenous communities and municipalities.
2. Continue efforts to promote the paint collection site and roundup programs through Best Practices presentations, conferences, and tradeshow to draw out those communities that have not participated in either format.

Year	Registered Collection Sites	Number of Roundups
2018/19 Result	318	71
2019/20 Result	323	67
2020/21 Target	326	70
2020/21 Result	335	33

Result

Nine collection sites were added to the program and the number of roundups decreased by 52% over the previous year due to concerns regarding COVID-19. There were also numerous virtual presentations given to collection sites in relation to the e-pilot project as all collection sites registered in each of the paint, tire and used oil materials recycling programs were invited to participate in the e-pilot.

Performance Measure P5.2: Industrial, Commercial, and Institutional (ICI) Participation

The level of participation by the ICI sector in recycling their leftover paint and paint containers through the Program is increasing.

Target

1. Increasing ICI participation
 - a) Continue efforts to increase and enhance commercial paint roundups.
 - b) Work directly with municipal collection sites that do not accept ICI material volumes to help address the challenges of accepting paint from the ICI sector through additional collection initiatives.

Result

1. The impact of COVID-19 resulted in a delayed start to the commercial paint roundup season with events commencing in late spring 2020 in Calgary, Edmonton, and Red Deer for a total of 24 roundups. Public health measures were implemented for the safety of the public and staff.

- a) Attendance was strong at all three locations and this program will continue into the next fiscal year.
- 2. An increase in sites accepting paint from the ICI sector is anticipated in fiscal 2021/22 and forward, resulting from the environmental fee adjustments approved for April 1, 2021. These adjustments have supported the ability for the program to increase both processor incentives and collection site grants, and enabled ARMA to introduce new program requirements prohibiting registered processors from charging registered collection sites for paint pick up.



ELECTRONICS



PAINT



TIRES



USED OIL



TIRE RECYCLING PROGRAM

GOALS, PERFORMANCE MEASURES, OPERATIONAL ACTION PLANS

Goal T1: All designated tires available at end-of-life are collected and processed.

Performance measures are set to ensure progress toward the goal to collect and recycle all available, designated tires at end-of-life (EOL).

Performance Measure T1.1: Total amount of End-of-life Tires Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated tires collected and processed in accordance with the estimated amount discarded by Albertans. The target is set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. Total tires processed
The total tonnes processed in a year is the actual output of the program each year and is the basis for the target.
2. Amount processed per capita
Presenting the per capita rate provides a better indicator of progress than changes in population. Additionally, the kg. per capita indicator may be useful to compare the Program's effectiveness with programs in other jurisdictions.
3. Total cost per Kg.
The total cost for the program encompasses collecting and processing material, program administration and developmental funding e.g., education, research, and development. Development funding is intended to enhance program effectiveness but is considered over and above the core program costs and varies substantially year-over-year.
4. Recovery Rate
The recovery rate measures the amount of product processed as a percent of the amount of product purchased in a year. It is a useful target for tracking trends in changes to the recovery of material over time – how much of the annual inflow of new tires is offset by the amount of scrap tire removed – indicating whether the effectiveness of the Program is increasing, decreasing, or levelling off.
 - a) The recovery rates for car and light truck tires (PLTT), medium truck tires (MTT), specialty, industrial and other (SIO) tires are presented separately from off-the-road tires (OTR) as there is a substantial difference in the discard (lifespan) and collection process, with OTR resulting in a much lower rate.

Year	Total Tires Processed (Tonnes)	Total Kg. per Capita	Total Cost per Kg.	Recovery Rate for PLTT, MTT, and SIO Tires	Recovery Rate for Off-the-Road Tires
2018/19 Result	67,611	15.61	\$0.39	86%	65%
2019/20 Result	62,328	14.16	\$0.41	85%	49%
2020/21 Target	64,881	15.14	\$0.42	86%	69%
2020/21 Result	66,461	14.98	\$0.38	94%	68%

Result

This chart displays results of tire recycling over the last three years; 2020/21 volumes increased 7% over the previous year. While sales declined due to limited travel during COVID-19 and reduced business activity, recyclers processed scrap tires held in inventory from previous years.

Supplementary Information for Performance Measure T1.1: Amount Processed by Tire Type

This chart presents the volume of tires processed by type for the past three years.

Year	PLTT and SIO Tires (Tonnes)	MTT (Tonnes)	OTR (Tonnes)
2018/19 Result	40,394	21,987	5,230
2019/20 Result	39,221	19,291	3,816
2020/21 Result	40,997	20,960	4,504

Supplementary Information for Performance Measure T1.1: Processed Material

The following table identifies the recycled materials processed from scrap tires as a percent of the total amount of tires processed.

1. Tire-derived Aggregate (TDA) for civil engineering applications - a value-added material in municipal landfill projects where it is used as drainage material in leachate collection systems. TDA is produced by mechanically cutting up tires (shredding), in 6" nominal pieces, with the steel and fibre still embedded.
2. Crumb - particles of rubber ground from shred, ranging in size from pea-gravel (#3 mesh) to fine powder, with the steel and fibre removed. Uses for crumb include loose applications for infill or top dressing in sports fields and feedstock for manufactured products.
3. Mulch: tires processed in maximum 2" pieces with the metal extracted. Mulch is used in landscaping applications.

End Use Material	2020/21 Result		2019/20 Result		2018/19 Result	
	Tonnes	Percent of Total Processed	Tonnes	Percent of Total Processed	Tonnes	Percent of Total Processed
TDA for civil engineering projects	16,490	25%	10,718	17%	28,559	42%
Crumb	38,686	58%	39,618	64%	37,924	56%
Mulch	10,882	16%	11,992	19%	1,128	2%
TDA for energy recovery	403	1%	0	0%	0	0%
TOTAL	66,461	100%	62,328	100%	67,611	100%

Supplementary Information for Performance Measure T1.1: Disposal of Residual Materials

The following table identifies the residual material e.g., fibre and steel extracted during mulch and crumb (mainly from PLTT) processing which is disposed of in accordance with program-acceptable methods. Generally, the steel can be recycled and therefore is not a significant component in these disposal figures. End-use opportunities fluctuate for fibre so when options are limited, the material is sent to landfill.

Year	Total Disposed (tonnes)	Total Processed (tonnes)	Percent of Total Processed
2018/19 Result	2,645	67,611	3.91%
2019/20 Result	2,294	62,328	3.68%
2020/21 Result	2,275	66,461	3.42%

Goal T2: Ensure Program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

Ongoing financial analysis and projections will ensure that the Fund balance (net assets of the Program) is consistent with Board directions, providing for longer term financial stability of the Program.

Performance Measure T2.1: Program Sustainability

Ongoing financial analysis including:

1. Environmental fee revenues remitted on the sale of designated tires.
2. Program expenditures on the collection and processing of scrap tires.
3. Investment earnings and changes in market value.
4. The Fund target and range set by the Board.

5. Potential factors that could impact the Fund balance e.g., changes in technology, processing costs, product life span changes and recovery rates.

Target

1. Provide regular reports against Program revenues and expenditures projection.
2. Identify any changes and provide possible adjustment scenarios for environmental fees and/or Program funding rates, including timelines, and resulting Fund balance.

Result

1. Quarterly financial reports including analysis and projections of revenues and expenditures were reviewed by the Audit & Investment Committee and reported to the Board of Directors.
2. Foundational work was initiated to support an engagement process - in conjunction with Alberta Environment and Parks – to consult with producers, key program stakeholders and industry regarding fee adjustments for:
 - a) increasing the environmental fee on medium truck tires (MTT).
 - b) implementing the appropriate fee structure on MTT with a rim diameter from 17.5” to 19.5”.
 - This foundational work included the completion of a sustainability review that reviewed the financial sustainability of registered processors participating in the tire program.
 - The engagement process with key program stakeholders for adjusting the MTT fee and fee structure on the rim diameter will be conducted in 2021-22, supported by Alberta Environment and Parks.
 - It was determined that agricultural and aircraft tires will not be included in this review, focusing instead on the MTT rate.

Following are highlights of revenues and expenditures for the year ending March 31, 2021, from the Audited Financial Statements.

1. Overall financial results
The Tire program generated an operating loss of \$1.1 million compared to an operating loss of \$1.2 million in the prior year. Strong investment earnings of \$2.3 million offset this deficit with a resulting increase in program net assets of \$1.1 million.
2. Total recycling revenue
 - a) No adjustments were made to the environmental fees collected per unit on the sale of designated tires.
 - b) Recycling revenues of \$23.8 million were (2.5%) lower than the prior year due to sales decreases resulting from the impact of COVID-19, related business closures and operating restrictions in the early portion of the fiscal year. Sales returned to more typical levels for the latter half of the year.
3. Total program expenditures
 - a) No adjustments were made to the majority of Program incentive rates paid per tonne on the collection and recycling of eligible tire products. One adjustment occurred with the removal of the special reload incentive for tires collected from Zone 2 and consolidated for shipping north for processing.

- b) Collection volumes fell due to lower sales, but the processors had significant inventory on hand at the prior year end and were able to increase processing volumes by 6.6%.
- c) Total recycling expenditures of \$22.1 million were (0.9%) lower than the previous year. Overall processing volumes increased by 6.6%. TDA production increased from the prior year due to an increase in the cyclical demand for landfill projects while mulch and crumb production, which carry higher incentives, decreased (4.0%).
- d) Total recycling development, program delivery expenditures, and corporate administration expenditures of \$2.9 million were (14.2%) lower than the previous year. The decrease was driven primarily by reduced research, compliance, and other activities due to the impact of COVID-19 restrictions on business travel and staff working predominantly from home.

4. Net investment income

- a) Positive net investment income of \$2.3 million reflected strong market performance, as well as the recovery of financial markets from ARMA's prior year-end, when markets had been significantly, negatively impacted by COVID-19 concerns.

Performance Measure T2.2: Ensuring Revenue Completeness

ARMA is authorized by Regulation to identify and register companies supplying designated tires in and into Alberta. This is to ensure that in accordance with the Tire Recycling Bylaw, environmental fees are collected and remitted on the sale of new tires. To confirm that these registered companies (Suppliers) comply with the bylaw, compliance reviews are conducted, using a risk-based sampling process based on a Supplier's revenue profile, to select the companies for review.

Target

1. Suppliers reporting 70% of total Program revenue are reviewed over a two-year period.
 - a) Table A indicates the revenue profile of the Suppliers and the frequency of reviews based on their average monthly Surcharge remittance. Higher frequencies are used for larger and medium sized Suppliers who represent the majority of Program revenue. Small Suppliers, collectively reporting 17% of Program revenue, do not have a predetermined review schedule. They are selected through a combined approach of random selection and identification of Suppliers with significant changes in their remittance history.
 - b) Table B indicates the percent of reported revenue to be reviewed over a two-year period to meet the target of 70%.

TABLE A: SUPPLIER SIZE PROFILE			
Average Env. Fees per Month	Percent of Suppliers	Percent of Env. Fees Reported	Review Frequency
Small <\$1,000	77%	17%	As needed
Medium \$1,000 - \$2,500	16%	23%	Every three years
Large >\$2,500	7%	60%	Every two years
Total	100%	100%	

TABLE B: REVENUE REVIEW		
Year	Percent Reviewed of Total Revenue	
	Annual Percent Reviewed	Two-year total (Target 70%)
2018/19 Result	55%	87% (17/18 + 18/19)
2019/20 Result	27%	82% (18/19 + 19/20)
2020/21 Target	45%	72% (19/20 + 20/21)
2020/21 Result	35%	62% (19/20 + 20/21)

Result

This performance measure helps to address the goal of providing for longer term financial stability for the program by verifying that the program is receiving the regulated environmental fees on sales of eligible products. The percentage reviewed on an annual basis can vary widely depending on the number of large suppliers that are reviewed in each year, with a goal to review suppliers representing 70% of revenue over each two-year period.

ARMA has been working in cooperation with tire recycling programs in other Canadian jurisdictions towards harmonization of the compliance review process. The intention of this approach is to reduce the administrative burden of the compliance process on national tire suppliers, replacing individual reviews by various provincial programs with joint reviews covering multiple provincial programs.

As ARMA transitions the reviews for these major, national suppliers (representing a significant portion of overall program revenue) to the harmonized review program, the schedule for reviewing several of the largest suppliers in the Alberta program was amended. Compliance review activity in 2020/21 was therefore comprised of a larger proportion of reviews of medium and small suppliers, and this resulted in a decline in the revenue reviewed from target (62% over a two-year period for 2019/20 and 2020/21).

With the harmonized review program utilizing a three-year review cycle for these major suppliers, ARMA will be amending future targets to reflect this three-year cycle and the benefits of the harmonized approach between provincial tire programs.

Performance Measure T2.3: Sustainability of Recycling Industry

Verify that the current levels of program funding are adequate to sustain the collection and processing of scrap tires within Alberta's recycling industry.

1. Conduct a comprehensive Sustainability Review at least every four years to determine if there is a need to adjust program funding rates. The review is to be comprised of a professional audit of all Processors receiving program funding and an assessment of the financial stability of the processing industry.
2. In the intervening years, consult with Processors to identify and analyze any significant changes occurring since the program's last Sustainability Review.

Target

1. The next Sustainability Review is scheduled for 2020/21.

Result

The sustainability review was completed in 2020/21. This review is a critical element in the preparatory work towards an engagement process with key program stakeholders on potential adjustments to environmental fees in the tire program. The results of the review will form a key component of the foundation for any resulting proposal for environmental fee adjustments sent to the Minister of Environment in 2021/22.

Goal T3: Scrap tires are processed in an environmentally and socially responsible manner.

Our goal is to process collected tires to the highest possible environmental standard as outlined in the Mission Statement.

Performance Measure T3.1: Environmental Assurance - Processors

Ensure that Processors meet or exceed the Processor Incentive Program Requirements. This includes compliance with applicable environmental, occupational health and safety regulations as well as industry standards related to health and safety, and transportation and export. This is to ensure proper collection and processing of material.

Target

1. Processor sites are inspected monthly to confirm compliance with program requirements.
2. If deficiencies are identified, Processors are required to address them in accordance with approved timelines.
3. A comprehensive compliance review is conducted by a third-party at least every four years to ensure Processor conformance to program requirements. The next review is scheduled for 2022/23.

Result

1. The target for monthly inspections of all processors was met with COVID-19 protocols in place. Inspections included tracking of inventory; adherence to the Alberta Fire Code for storage of material; and verifying that reports for fire code inspections completed by local authorities and scale calibration were current.
2. Deficiencies related to program requirements were addressed according to approved timelines. Additionally, quality control inspections of TDA material were regularly conducted at the processor sites, inspecting material bound for municipal leachate collection projects and at the point of delivery.

Operational Action Plan: Innovation for Recycled Tire End-Use

Develop innovative uses for recycled scrap tire material and enhance options for currently produced recycled tire products.

- a) As TDA is considered an acceptable product for road construction, consider incorporating TDA for road projects as an ongoing option for processing incentives (no longer a pilot project, consider incorporating into program requirements document).

- i. Provide data to appropriate Alberta Environment and Parks staff to ensure that all environmental concerns area addressed with relevant information.
- b) New end-uses based on research for new technologies or products.

Result

- a) A TDA expert was engaged to promote its application in landfills and road construction as well as supporting the development of new uses.
- b) Phase III of a life cycle assessment, specifically reviewing pyrolysis/thermal vacuum recovery, is in the process of completion in partnership with other provincial tire programs.

Performance Measure T3.2: Environmental Assurance - Registered Municipal and Indigenous Community Collection Sites

Ensure that municipal sites which are registered with ARMA meet or exceed all applicable collection site requirements, consistent with terms and conditions of site registration.

Target

- 1. Municipal Collection Sites are inspected annually to confirm adherence to the terms of the collection site requirements. If deficiencies are identified, they are addressed in accordance with approved timelines.

Result

Although there was a delayed start to the annual onsite reviews of registered tire collection sites due to COVID-19, ARMA field staff completed the review of all sites – adhering to the COVID-19 safety protocols in place – and any issues found related to grant funding criteria were addressed in accordance with approved timelines.

Goal T4: There is strong awareness and support for ARMA and the Tire Recycling Program.

Public, stakeholder and industry awareness and support are critical to ARMA and the Program.

Performance Measure T4.1: Key Stakeholder Support

Key stakeholders are aware of ARMA, and the Tire Recycling Program and the levels of awareness increase over time.

Target

- 1. Employ a set of public information initiatives for key stakeholders including provincial and municipal governments, industrial, commercial, and institutional sector (ICI) and the general public that will include:
 - a) Attendance and participation at stakeholder and industry conferences, tradeshow, and community events.
 - b) Regional meetings with (and tours of) municipalities, waste authorities/commissions, and Indigenous communities.
 - c) Meetings and possible research and innovation projects with ICI.
 - d) Develop educational materials for K-12 schools and post-secondary institutions.
 - e) Active social media platforms.

Result

ARMA held over 125 virtual meetings and dialogues with stakeholders in the fields of industry, post-secondary institutions, municipal and provincial government, and Indigenous relations, creating and /or supporting opportunities for innovation and expansion of the existing programs and future possibilities.

With respect to innovation, phase III of a life cycle assessment, specifically reviewing pyrolysis/thermal vacuum recovery, is in the process of completion in partnership with other provincial tire programs.

Twitter was used extensively to promote ARMA and the programs, followed by Facebook and LinkedIn. Development of educational materials for K-12 schools will be initiated in 2021-22.



ELECTRONICS



PAINT



TIRES



USED OIL



USED OIL MATERIALS RECYCLING PROGRAM

GOALS, PERFORMANCE MEASURES, AND SUMMARY BUDGET

Goal UO1: All designated oil, oil filters and oil containers available at end-of-life are collected and processed.

Performance measures are set to ensure progress toward this goal to collect and recycle all available, designated oil, oil filters and oil containers at end-of-life (EOL).

Performance Measure UO1.1: Total Amount of End-of-Life Designated Oil Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated oil (used oil) collected and processed in accordance with the estimated amount discarded by Albertans. The targets are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. Total amount of used oil processed

The used oil program under the Alberta Used Oil Management Association (AUOMA) reported volumes processed in litres. The chart below presents the figures both in litres to allow for consistency with historical reporting under AUOMA, and kgs. to determine kg. per capita for consistency with the reporting of Key Performance Indicators used in ARMA's other Programs, and generally in recycling programs across Canada.

2. Amount processed per capita

Presenting the per capita rate provides a better indicator of progress than changes in population. Additionally, the kgs. per capita indicator may be useful to compare the Program's effectiveness with programs in other jurisdictions.

3. Capture Rate

The capture rate measures the total amount processed as a percent of an estimated total amount of oil considered EOL. Because a portion of oil sold is consumed in use, this results in a lower recovery rate for used oil as compared to other materials and makes the capture rate a more useful performance measure. Industry estimates that 35.5% of oil sold is consumed during use, leaving 64.5% identified as EOL. For Program reporting, the amount for EOL oil will be calculated at 64.5% of the amount sold.

Year	Total Used Oil Processed		Kg. per Capita	Capture Rate
	Litres (millions)	Kg. (millions)		
2018/19 Result*	84.49	73.50	16.97	76.6%
2019/20 Result	86.61	75.02	17.04	79.4%
2020/21 Target	87.68	76.28	17.80	81.9%
2020/21 Result	73.26	63.74	14.37	74.1%

*This result reflects the last six months of operation under AUOMA and the first six months of operation under ARMA.

Result

This chart presents results over the last three years of used oil recovery. This year shows a 15% decrease over 2019/20 resulting from limited travel and reduced business activity/expenditure due to the impact of COVID-19.

Performance Measure UO1.2: Total Amount of Oil Filters Collected and Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated oil filters collected in accordance with the estimated amount discarded by Albertans. The targets are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. The total volume collected and processed in a year is the actual output of the Program, and the basis for the forecast, target, and projections.
2. The recovery rate measures the amount of product collected as a percent of the amount of product purchased.

	Kg. Collected (millions)	Kg. Processed (millions)	Kg. per Capita	Recovery Rate
2018/19 Result*	4.50	3.36	1.04	80.2%
2019/20 Result	4.49	3.24	1.02	82.4%
2020/21 Target	4.63	3.42	1.08	82.7%
2020/21 Result	3.74	2.67	0.84	77.0%

*This result reflects the last six months of operation under AUOMA and the first six months of operation under ARMA.

Result

The chart presents results over the last three years for used oil filters collected and processed. This year shows a 17% decrease over 2019/20 in collected volumes and an 18% decrease in processed volumes, resulting from limited travel and reduced business activity/expenditure due to the impact of COVID-19.

Performance Measure UO1.3: Total Amount of Oil Containers Collected and Processed

Annual targets are set to drive a consistently high recovery each year of available EOL designated oil containers collected in accordance with the estimated amount discarded by Albertans. The targets are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material.

Target

1. The total volume collected and processed in a year is the actual output of the Program, and the basis for the target.
2. The recovery rate measures the amount of product collected as a percent of the amount of product sold.

	Kg. Collected (millions)	Kg. Processed (millions)	Kg. per Capita	Recovery Rate**
2018/19 Result*	2.30	2.04	0.53	94.1%
2019/20 Result	2.37	2.07	0.54	95.6%
2020/21 Target	2.13	1.82	0.50	90.9%
2020/21 Result	2.15	1.61	0.49	92.6%

*This result reflects the last six months of operation under AUOMA and the first six months of operation under ARMA.

Result

This chart presents results over the last three years for containers. Similar in experience with used oil and filters, COVID-19 impacted the volume of containers generated for recycling due to limited travel and reduced business activity/expenditure. The collected volume declined 9%. The volume processed declined more significantly at 22%. The disparity between these two figures is a result of a change ARMA made to container incentives to better align with the Regulation. This change discontinued payments for processing of non-program containers, while allowing a tolerance level to support a smooth transition period for processors of containers.

Performance Measure UO1.4: Total Cost per Kilogram

Annual projections for the total cost per kg. are calculated based on the trend of previous years collected and processed volumes, and expectations for administrative and developmental funding.

1. Combined total cost per kg. for used oil, filters, and containers

The total cost for the Program encompasses collecting and processing material, Program administration and developmental funding e.g., education, and research and development. Development funding is intended to enhance Program effectiveness but is considered over and above the core Program costs and varies substantially year-over-year.

	Total kg. processed - used oil, filters, containers (millions)	Total Cost per Kg.
2018/19 Result * (Apr/18 - Mar/19)	80.30	\$0.19
2019/20 Result	82.29	\$0.19
2020/21 Target	83.05	\$0.19
2020/21 Result	69.63	\$0.19

*This result reflects the last six months of operation under AUOMA and the first six months of operation under ARMA.

Supplementary Information for Goal UO1: Disposal of Residual Material

In 2021/22 administration will review the tracking of residual material (e.g., cardboard filters) with the registered processors.

Goal UO2: Ensure Program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

Ongoing financial analysis and projections will ensure that the Fund balance is consistent with Board directions, providing for longer term financial stability of the Program.

Performance Measure UO2.1: Program Sustainability

Ongoing financial analysis includes:

1. Environmental fee revenues remitted on the sale of designated oil materials.
2. Program expenditures on the collection and processing of used oil, filters, and containers.
3. Fund target and range to be set by the Board and, as the Fund increases, investment earnings and changes in market value.
4. Potential factors that could impact the Fund balance e.g., changes in technology and product sales, processing costs, changes in product lifespan, and recovery rates.

Target

1. Provide regular reports against the Program revenues and expenditures projection.
2. Identify any changes and provide possible adjustment scenarios for environmental fees and/or Program funding rates including timelines and resulting Fund balances.

Result

1. Quarterly financial reports including analysis and projections of revenues and expenditures were reviewed by the Audit & Investment Committee and reported to the Board of Directors.

Following are highlights of revenues and expenditures for the year ending March 31, 2021, from the Audited Financial Statements.

1. Overall financial results

The Used Oil program generated a positive operating result of \$1.4 million for 2020/21, with an additional positive result from the investment portfolio of \$331,000 for an overall result of \$1.8 million.

2. Total recycling revenue

- a) No adjustments were made to the environmental fees collected per unit on the sale of eligible oil products.
- b) Recycling revenues of \$14.5 million were 10.2% lower than the prior year, representing the negative impact of COVID-19 on travel and industry.

3. Total Program expenditures

- a) Adjustments were made to some of the Program incentive rates paid on the recycling of eligible used oil products. The previous six-zone collection model was realigned to the three-zone model utilized by the Electronics and Tires programs. While this adjusted individual zone rates, the overall impact to program costs was net neutral. Additionally, the payment of incentives for non-program containers was discontinued.
- b) Total recycling expenditures of \$11.5 million were down 19.0% from the prior year. Declines in processed volumes correlated both with lower sales volumes and the change to container incentives to discontinue payment for non-program containers.
- c) Total recycling development, program delivery expenditures, and corporate administration expenditures of \$1.6 million were 26.6% higher than prior year with the Used Oil program transitioning to a full share of overall ARMA costs.

4. Net investment income

- a) Positive net investment income of \$331,000 reflected strong market performance, as well as the recovery of financial markets from ARMA's prior year-end, when markets had been significantly, negatively impacted by COVID-19 concerns.

Performance Measure UO2.2: Ensuring Revenue Completeness

ARMA is required by Regulation to identify and register companies supplying designated oil materials in Alberta. This is to ensure that in accordance with the Used Oil Recycling Bylaw, environmental fees are collected and remitted on the sale of new oil materials. For the Used Oil Materials Program all Remitters must register with the Program and be reviewed within a three-year window, using joint compliance reviews in cooperation with used oil material programs in other provinces.

Target

All or substantially all Remitters will be reviewed at least once in a three-year period.

TABLE A: SUPPLIER SIZE PROFILE			
Average Env. Fees per Quarter	Percent of Suppliers	Percent of Env. Fees Reported	Review Frequency
Small e.g., <\$5,000	69.8%	3.3%	Every three years
Medium e.g. \$5,000 - \$25,000	14.9%	9.3%	Every three years
Large e.g., >\$25,000	15.3%	87.4%	Every three years
Total	100%	100%	

Result

In 2020/21, 68 registered suppliers (out of 245 total registered at the start of Fiscal 2021) were selected for EHC compliance reviews; 75 reviews were completed by a third-party in conjunction with the other provincial used oil programs.

Performance Measure UO2.3: Sustainability of Recycling Industry

Verify that the current levels of Program funding are adequate to sustain the collection and processing of used oil materials within Alberta's recycling industry.

1. Conduct a comprehensive Sustainability Review at least every four years to determine if there is a need to adjust Program funding rates. The review is to be conducted by an external financial expert of a sample of Processors receiving Program funding to provide an assessment of the financial stability of the processing industry.
2. In the intervening years, consult with Processors to identify and analyze any significant changes occurring since the Program's last Sustainability Review.

Target

1. The first sustainability review for registered Processors under ARMA's management of the Used Oil Materials Recycling Program is scheduled for 2021/22.
2. In the interim, work will continue to identify and implement efficiency improvements in the industry and to work towards an increase in the environmental fees paid by consumers, to ensure long-term viability for the used oil program.

Result

A sustainability review for registered processors is scheduled for 2021/22. This timing will allow for a full year of operations under the adjusted 2020/21 program requirements and recycling incentive structure prior to completing the review.

Goal UO3: End-of-life used oil materials are recycled in an environmentally and socially responsible manner.

Our goal is to process collected used oil materials to the highest possible environmental standard as outlined in the Mission Statement.

Performance Measure UO3.1: Environmental Assurance - Processors

Ensure that Processors meet or exceed the Processor Incentive Program Requirements, currently referred to as the Manual for Registered Collectors and Processors. This includes compliance with applicable environmental, occupational health and safety regulations as well as industry standards related to health and safety, and transportation and export.

Target

1. Processor sites are inspected regularly to confirm compliance with program requirements.
2. Desktop or onsite assurance reviews, determined on a case-by-case basis, are conducted for downstream processors.
3. If deficiencies are identified, the processor or downstream processors are required to address the in accordance with approved timelines.
4. A comprehensive compliance review is conducted by a third-party at least every four years to ensure Processor conformance to Program requirements. The first review is scheduled for 2021/22.

Result

1. Regular inspections of all processors were conducted (with COVID-19 protocols in place). Inspections included tracking of inventory; verification of storage tank registration with the Petroleum Tank Management Association of Alberta (PTMAA); confirming current scale calibration; monitoring eligible vs. ineligible containers; and verification of water testing results. There were no desktop/onsite reviews conducted of downstream processors.
2. The comprehensive environmental assurance review is tentatively scheduled for 2022/23.

Performance Measure UO3.2: Environmental Assurance - Municipal and Indigenous Community Collection Sites

Ensure that municipal and Indigenous sites registered with ARMA meet or exceed all applicable environmental standards, consistent with the site requirements.

Target

1. Inspect used oil collection sites annually to confirm adherence to the terms of the site requirements.
2. If deficiencies are identified, they are to be addressed in accordance with approved timelines.

Result

Although there was a delayed start to the annual onsite reviews of registered used oil material collection sites due to COVID-19, ARMA field staff completed reviews of all sites – adhering to the COVID-19 safety protocols in place – and any issues found related to grant funding criteria were addressed in accordance with approved timelines.

Operational Action Plan: Processing Incentives Based on Results

Potential changes to the processing incentive structure to encourage the 4R's including promoting a circular economy and the highest environmental outcome.

Payment on Results

- a) Adjust the incentive payment structure for used oil so that all materials under the program are paid on material shipped to an approved downstream processor rather than what is received at a registered processor site.

Result

This action plan is being reviewed in 2021-22 in discussion with the registered processors.

Goal UO4: There is strong awareness and support for ARMA and the Used Oil Materials Recycling Program.

Public, stakeholder and industry awareness and support are critical to ARMA and the Programs.

Performance Measure UO4.1: Key Stakeholder Support

Key stakeholders are aware of ARMA, and the Used Oil Materials Recycling Program and the levels of awareness increase over time.

Target

1. Employ a set of public information initiatives for key stakeholders including provincial and municipal governments, industrial, commercial, and institutional sector (ICI) and the general public that will include:
 - a) Attendance and participation at stakeholder and industry conferences, tradeshow, and community events.
 - b) Regional meetings with (and tours of) municipalities, waste authorities/commissions, and Indigenous communities.
 - c) Meetings and possible research and innovation projects with ICI.
 - d) Develop educational materials for K-12 schools and post-secondary institutions.
 - e) Active social media platforms.

Result

ARMA held over 125 virtual meetings and dialogues with stakeholders in the fields of industry, post-secondary institutions, municipal and provincial government, and Indigenous relations, creating and/or supporting opportunities for innovation and expansion of the existing programs and future possibilities.

Twitter was used extensively to promote ARMA and the programs, followed by Facebook and LinkedIn. Development of educational materials for K-12 schools will be initiated in 2021-22. Development of educational materials for K-12 schools will be initiated in 2021-22.

Goal UO5: There is strong participation in the collection of used oil materials for recycling under the Program.

Participation is the basis for higher levels of recovery, which is fundamental to Program completeness.

Performance Measure UO5.1: Residential Participation and Access

Access to collection sites, for Albertans to recycle their used oil, filters and containers is improving.

Target

1. Work with municipalities and Indigenous communities to register their collection sites for used oil materials with the Program.

Year	Registered Collection Sites	Number of Roundups
2019/20 Result	178	48
2020/21 Target	220	55
2020/21 Result	218	23

Forty collection sites were added to the program and the number of roundups decreased by 58% over the previous year due to concerns regarding COVID-19.

Performance Measure UO5.2: Industrial, Commercial, and Institutional (ICI) Participation

The level of participation by the ICI sector in recycling their used oil materials through the Program is increasing.

Target

1. A target for this performance measure will be developed in 2019/20 to be used as a benchmark and the result, which will be reported in the 2019/20 Annual Report, will be used to develop future targets.

Result

The 2019/20 fiscal year was referenced in this target of the 2020/21 Business Plan as it was during Fiscal 2019 that this business plan was drafted with the intent of developing a tracking mechanism at that time for ICI-generated material. However, this target requires more review (regarding its feasibility) which will be undertaken in 2021-22.

CONTRACTS

- **Alberta Environment and Parks**
- **Government of the Northwest Territories**
- **Government of Yukon**

Contract with Alberta Environment and Parks Household Hazardous Waste (HHW)

Contract Requirement

1. Administer funding to brokers on a per kilogram basis, for delivery of municipal HHW to the Swan Hills Treatment Centre¹ for disposal, or on a per can basis, for delivery of aerosol cans to a recycler.
 - a) Additional funding is paid to brokers for collection of HHW from rural areas.

Municipal HHW delivered to Swan Hills Treatment Centre for Disposal	2020/21 Result (Kg.)	2019/20 Result (Kg.)	2018/19 Result (Kg.)
Bulked acid liquids	10375	12,000	13,625
Bulked base liquids	54,566	56,395	61,592
Bulked flammable liquids	65,786	88,873	103,815
Bulked poisonous liquids	148,194	176,374	197,506
Sub-total bulked liquids	278,921	333,642	376,538
Lab Packs	419,941	429,228	352,253
Total bulked liquids and lab packs	698,862	762,870	728,791

Municipal HHW collected per rural and urban areas	2020/21 Result (Kg.)	2019/20 Result (Kg.)	2018/19 Result (Kg.)
Rural	387,355	403,049	374,696
Urban	395,332	447,927	433,679
	782,687	850,876	808,375

Municipal HHW aerosol cans recycled	2020/21 Result (Units)	2019/20 Result (Units)	2018/19 Result (Units)
	461,182	367,041	291,050

¹ As of June 1, 2021, the operating model for Swan Hills Treatment Centre was changed with HHW no longer being accepted. The HHW collectors have identified alternative facilities that can accept HHW for processing and ARMA is working with the collectors to review and approve these facilities.

Contract with the Government of Northwest Territories (GNWT)

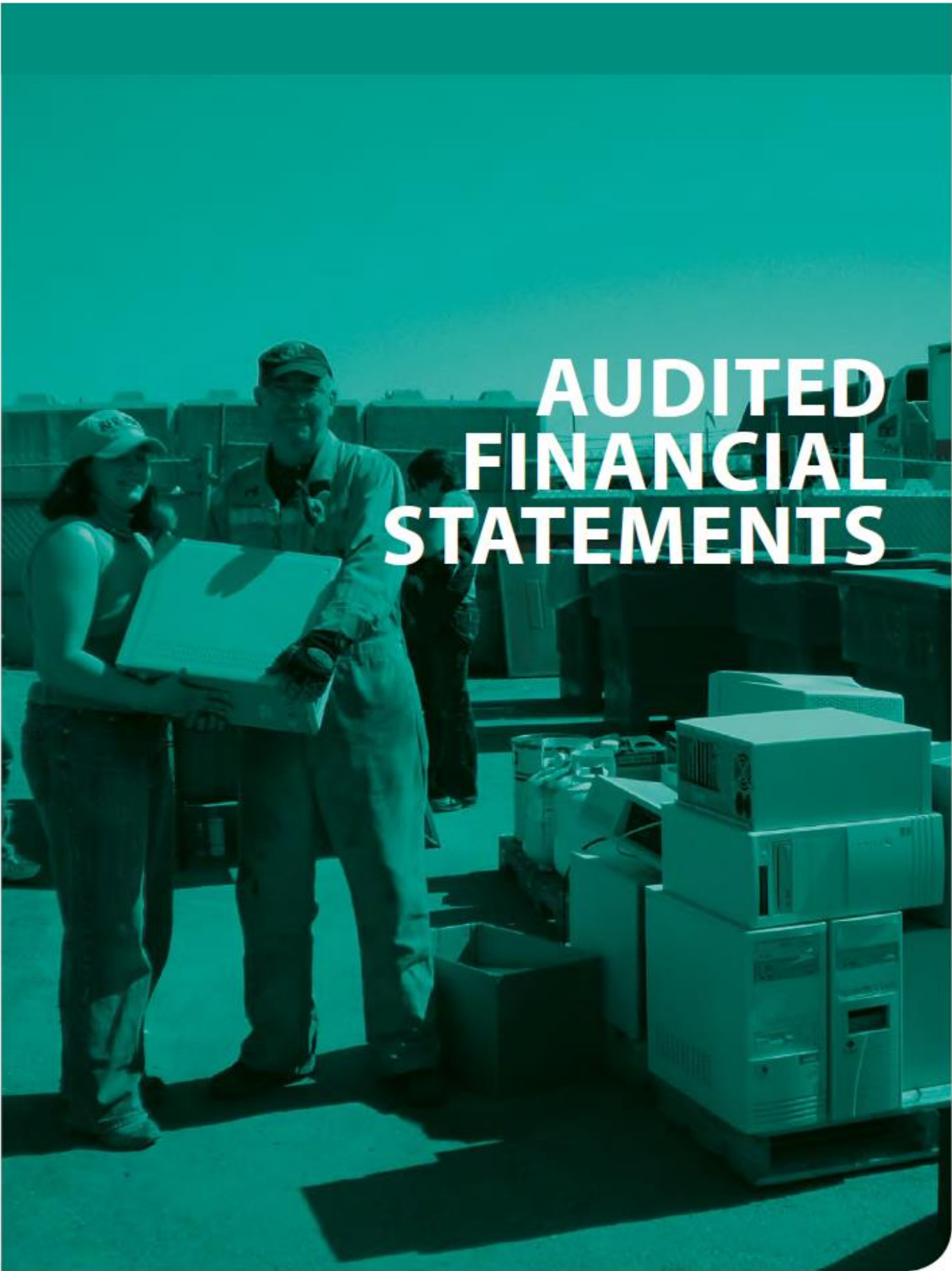
Contract Requirement

1. As of November 2015, ARMA delivers the revenue portion of the GNWT's Electronics Recycling Program including:
 - a) Implementing and administering a registration program for Distributors of eligible electronics.
 - b) Collecting Environmental Handling Surcharges from Distributors together with applicable reports and documentation for forwarding to GNWT.
 - c) Conducting compliance reviews of Distributors on a risk-based sampling process.
 - d) Report quarterly on registration and compliance review progress.
 - i. Quarterly reporting schedule is based on ARMA's fiscal year which runs from April 1 – March 31 therefore the reports are to be submitted at the end of June, September, December, and March.
2. Additional services
 - a) Provide various advisory services as requested e.g., selection of an electronics recycler, advising on eligible products.
 - b) Leverage the results of a third-party Supplier Identification Project completed every three years by Alberta's Electronics Program to identify possible Distributors for the GNWT program.

Contract with the Government of Yukon

Contract Requirement

1. As of October 2018, ARMA delivers the revenue portion of Yukon's Tire Recycling Program including:
 - a) Implementing and administering a registration program for Producers of eligible tires.
 - b) Collecting Surcharges from Producers together with applicable reports and documentation for forwarding to Government of Yukon.
 - c) Conducting compliance reviews of producers on a risk-based sampling process.
 - d) Report quarterly on registration and compliance review progress.
 - i. Quarterly reporting schedule is based on ARMA's fiscal year which runs from April 1 – March 31 therefore the reports are to be submitted at the end of June, September, December, and March.
2. Additional services
 - a) Provide various advisory services as requested e.g., selection of a tire recycler, advising on eligible products.
 - b) Leverage the results of a third-party Supplier Identification Project completed every three years by Alberta's Tire Program to identify possible Distributors for the Yukon program.

A photograph of two workers in a recycling facility. A woman on the left, wearing a cap and overalls, is handing a large white box to a man on the right, who is also wearing a cap and overalls. In the background, there are stacks of electronic waste, including computer monitors and towers. The entire image is overlaid with a teal color filter.

AUDITED FINANCIAL STATEMENTS

Independent Auditor's Report

July 9, 2021
Edmonton, Alberta

To the Members of Alberta Recycling Management Authority

Report on the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Alberta Recycling Management Authority (the Authority), which comprise the statement of financial position as at March 31, 2021 and the statements of revenue and expenditures, changes in net assets and cash flow for the year ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2021 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Authority in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 combined financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

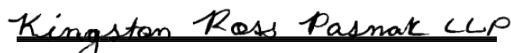
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 of users taken on the basis of these combined 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 combined 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 Authority'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 Authority'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 combined 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 Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the individual programs within the Authority to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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


Kingston Ross Pasmak LLP
Chartered Professional Accountants

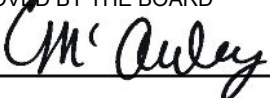
Statement of Financial Position

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
CURRENT			
Cash	\$	3,135,076	\$ 2,890,804
Short term investments (Note 4)		27,413,351	36,063,633
Accounts receivable		8,249,897	7,223,393
Interfund receivable (Note 5)		1,070,234	940,052
Prepaid expenses		144,584	72,417
		<u>40,013,142</u>	<u>47,190,299</u>
LONG TERM INVESTMENTS (Note 6)		105,204,994	86,101,796
PROPERTY AND EQUIPMENT (Note 7)		162,880	295,228
INTANGIBLE ASSET (Note 8)		524,904	-
		<u>\$ 145,905,920</u>	<u>\$ 133,587,323</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals	\$	8,674,356	\$ 7,915,397
Accounts payable and accrued liabilities		1,893,085	928,444
Interfund payable (Note 5)		1,070,234	940,052
		<u>11,637,675</u>	<u>9,783,893</u>
COMMITMENTS (Note 10)			
EXTERNALLY RESTRICTED			
NET ASSETS (Note 11)			
Invested in capital assets		687,784	295,228
Electronics Recycling Alberta		98,235,848	91,920,184
Paint Recycling Alberta		2,531,215	1,676,215
Tire Recycling Alberta		22,220,059	21,088,576
Used Oil Recycling Alberta		10,592,328	8,822,216
Household Hazardous Waste contract		1,011	1,011
		<u>134,268,245</u>	<u>123,803,430</u>
		<u>\$ 145,905,920</u>	<u>\$ 133,587,323</u>

APPROVED BY THE BOARD

 Director

 Director

Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Environmental fees	\$ 51,306,876	\$ 52,969,061	\$ 54,115,503
Less: Import tire agent charges	(17,400)	(14,040)	(16,889)
Government contract - Household Hazardous Waste	1,400,000	1,343,036	1,400,000
Interest	83,400	182,391	93,248
Total recycling revenue	52,772,876	54,480,448	55,591,862
Recycling expenditures			
Recycling incentives	64,354,206	48,559,196	49,462,626
Broker contracts - Household Hazardous Waste	1,227,994	1,199,192	1,241,005
Total recycling expenditures	65,582,200	49,758,388	50,703,631
Recycling development and other			
Research and development	458,000	445,605	353,087
Public information	387,345	246,197	310,930
Rural Alberta project and municipal grants	1,608,655	829,079	863,257
Total recycling development and other	2,454,000	1,520,881	1,527,274
Program delivery expenditures			
Compensation and advisory services	2,933,660	2,672,100	1,631,131
Contract program administration fees	283,002	281,009	436,805
Compliance and assurance activities	914,195	366,534	554,738
Contract delivery expenditures - Household Hazardous Waste	12,182	11,796	12,230
Other program expenses	159,111	110,849	-
Total program delivery expenditures	4,302,150	3,442,288	2,634,904
Corporate administration expenditures			
Compensation and professional fees	2,019,124	1,864,429	2,055,573
Office and general expenses, including amortization	1,563,734	1,069,329	1,307,713
Total corporate administration expenditures	3,582,858	2,933,758	3,363,286
Total expenditures	75,921,208	57,655,315	58,229,095
Revenue net of expenditures	(23,148,332)	(3,174,867)	(2,637,233)
Fund Investment			
Investment income	4,826,444	8,458,805	4,805,221
Unrealized investment gain (loss)	-	5,473,521	(4,624,903)
Investment managers and related expense	(269,600)	(292,644)	(269,883)
Net investment income (loss)	4,556,844	13,639,682	(89,565)
Excess (deficiency) of revenue over expenditures	\$ (18,591,488)	\$ 10,464,815	\$ (2,726,798)

Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021			2020
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 295,228	\$ 123,508,202	\$ 123,803,430	\$ 126,530,228
Excess (deficiency) of revenue over expenditures	-	10,464,815	10,464,815	(2,726,798)
Amortization of property and equipment	(118,901)	118,901	-	-
Investment in capital assets	511,457	(511,457)	-	-
Net assets, end of year	\$ 687,784	\$ 133,580,461	\$ 134,268,245	\$ 123,803,430

Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow from operating activities		
Recycling revenue collected	\$ 52,381,944	\$ 55,049,494
Government contracts received - Household Hazardous Waste	1,057,345	1,475,000
Program expenditures	(55,870,884)	(56,619,775)
Investment income	8,458,805	4,805,221
Investment management costs	(292,644)	(269,883)
Other income	558	2,552
	5,735,124	4,442,609
Cash flow used by investing activities		
Investment contributions	(4,979,395)	(6,980,370)
Acquisitions of property and equipment	(38,603)	(221,601)
Acquisitions of intangible asset	(472,854)	-
	(5,490,852)	(7,201,971)
Increase (decrease) in cash position	244,272	(2,759,362)
Cash, beginning of year	2,890,804	5,650,166
Cash, end of year	\$ 3,135,076	\$ 2,890,804

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 1

Authority and Purpose

The Alberta Recycling Management Authority (the "Authority") is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta and operates as a delegated administrative organization (DAO), reporting to the Minister responsible for the administration of the Designated Material Recycling & Management Regulation AR 93/04 (the "Regulation"). The Authority has a mandate to establish waste minimization and recycling initiatives and programs in the Province of Alberta in accordance with sound environmental principles.

The Regulation authorizes the Authority to levy and collect advance disposal surcharges (environmental fees), which are to be used to provide or pay for any or all of the following but in respect of that specific designated material only:

- Waste minimization and recycling programs;
- Public information programs for the promotion of minimization and recycling programs;
- Expenditures on the collection, transportation, storage, processing and disposal of designated materials;
- Research and development activities related to designated materials management;
- Promotion of the use of recycled materials and products.

Under the Designation Regulations (AR 94/04), (AR 200/07), (AR 95/04) and (AR 100/18), electronics, paint, tires and used oil, respectively, have been defined as "designated materials" by the Government of Alberta. The Regulation has the effect of externally restricting the designated material reserves.

Updates to the Regulation and the Designation Regulations for each designated material, effective January 1, 2020, removed prescribed environmental fee maximums and introduced the procedure for the Authority to set environmental fees through its bylaws. This change will allow the Authority more flexibility and adaptability in determining fees that are in line with current market and economic conditions and that will support the long-term sustainability of the programs operated for each designated material. The first environmental fee rate change implemented under this new methodology came into effect for the Paint program on April 1, 2021.

End-of-Life Electronics

The Authority administers, through Electronics Recycling Alberta, an electronics waste minimization and recycling program in the Province of Alberta. Electronics Recycling Alberta uses environmental fees levied on the supply of eligible new electronics in or into Alberta to fund used electronics recycling initiatives in accordance with the Regulation.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 1

Authority and
Purpose
continued ...

Leftover Paint Material

The Authority administers, through Paint Recycling Alberta, paint waste minimization and recycling programs in the Province of Alberta. Paint Recycling Alberta uses environmental fees levied on the supply of eligible paint and paint containers in or into Alberta to fund paint recycling initiatives in accordance with the Regulation.

Scrap Tires

The Authority administers, through Tire Recycling Alberta, used tire waste minimization and recycling programs in the Province of Alberta. Tire Recycling Alberta uses environmental fees levied on the supply of eligible new tires in or into Alberta to fund tire recycling initiatives in accordance with the Regulation.

Used Lubricating Oil Materials

Since October 1, 2018, the Authority administers, through Used Oil Recycling Alberta, used lubricating oil material, waste minimization and recycling programs in the Province of Alberta. Used Oil Recycling Alberta uses environmental fees levied on the supply of eligible new oil materials in or into Alberta to fund used oil material recycling initiatives in accordance with the Regulation. This program was managed by the Alberta Used Oil Management Association (AUOMA) to September 30, 2018.

Household Hazardous Waste

Through a contract with the Province of Alberta, the Authority administers the Province's Household Hazardous Waste ("HHW") Program. The Authority receives government funding restricted for purposes of carrying out the Household Hazardous Waste Program.

As of the report date, funding for the 2022 fiscal year has not been confirmed. The continued operations of the Program are dependent on this funding.

The Authority is a not-for-profit association, 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).

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 2

Basis of Presentation

The Authority bases its accounting policies on Canadian accounting standards for not-for-profit organizations, Part III of the CPA Canada Handbook - Accounting. Based on an annual evaluation of indicators of control, it has been verified that the Authority is not subject to the Public Sector Accounting Standards Handbook.

Comparative information on a program by program basis for the Authority's four regulated programs (Electronics Recycling Alberta, Paint Recycling Alberta, Tire Recycling Alberta and Used Oil Recycling Alberta) is provided in Schedules 1, 2, 3 and 4. Each program has a separate and distinct purpose and is governed by its own legislative mandate. The Regulation requires that each program be operated and funded separately. Use of environmental fee revenue and/or net assets between the programs is not permitted by the legislation.

Schedule 5 presents comparative financial statements for the Household Hazardous Waste Program which is operated under a contract with the Government of Alberta.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 3

Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Fund Accounting

The accounts of the Authority are maintained in accordance with the principles of Fund accounting. The major reserve groupings: Electronics Recycling, Paint Recycling, Tire Recycling, Used Oil Recycling and Household Hazardous Waste, are described in Note 1. The Authority uses the restricted fund method of accounting for contributions.

Revenue Recognition

Electronics Recycling Alberta

Revenue from environmental fees on eligible electronics supplied in or into Alberta (including the city of Lloydminster) is recognized by the Authority at the time the electronics are supplied by a registered supplier to the customer. The customer is defined as a person or business entity not registered with Electronics Recycling Alberta or registered as a Payment on Purchase supplier. Interest income is recognized when earned.

Paint Recycling Alberta

Revenue from environmental fees on eligible paint and paint containers supplied in or into Alberta (including the city of Lloydminster) is recognized by the Authority at the time the paint is supplied by a registered supplier to the customer. The customer is defined as a person or business entity not registered with Paint Recycling Alberta or registered as a Payment on Purchase supplier. Interest income is recognized when earned.

Tire Recycling Alberta

Revenue from environmental fees on eligible tires supplied in or into Alberta (excluding the city of Lloydminster) is recognized by the Authority at the time the tires are supplied by a registered supplier to the customer. The customer is defined as a person or business entity not registered with Tire Recycling Alberta, or registered as a Payment on Purchase supplier. Interest income is recognized when earned.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 3

Significant

Accounting

Policies

continued. . .

Used Oil Recycling Alberta

Revenue from environmental fees on eligible lubricating oil materials supplied in or into Alberta (including sales from businesses located in the portion of the City of Lloydminster under the jurisdiction of the Province of Alberta) is recognized by the Authority at the time the lubricating oil materials are supplied by a registered supplier to the customer. The customer is defined as a person or business entity not registered with Used Oil Recycling Alberta, or a registered business where all environmental fees are reported and paid to Used Oil Recycling Alberta by their suppliers. Interest income is recognized when earned.

Household Hazardous Waste Program

The Authority uses the restricted fund method of accounting for revenue from government contracts, whereby contract revenue is recognized by the Authority in the appropriate reserve when approved. Amounts agreed to or contractually required to be repaid are recognized as a reduction to approved revenue once known.

Investments

Investments are recorded at market value. The Authority's short term investments consist of money market securities, guaranteed investment certificates and bonds while the long-term investments consist of bonds and fixed income and Canadian and global equities. This policy of recording at market value will generate unrealized gains and losses on investments and are separately identified on the Statement of Revenue and Expenditures. The portfolio is held primarily for trading purposes. The portfolio is managed by third party investment managers and is subject to an investment policy set by the Board with the main objective of capital preservation.

Property and Equipment

Amortization is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

	Years
Computer equipment and software	3
Furniture and fixtures	5
Communications equipment	5

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 3

Significant

Accounting

Policies

continued. . .

To simplify the maintenance and tracking of property and equipment, all property and equipment are recognized as part of the net assets of Electronics Recycling Alberta. Consequently, all purchases and disposals are recorded under one program. Monthly amortization and gains/losses on disposals are recognized in each of the programs with reimbursements made from the other programs to Electronics Recycling Alberta for their portion of these charges. In this manner, the full costs of property and equipment are allocated to each of the programs based on the formula prescribed by the Board of Directors (Note 12).

Intangible Assets

The software license rights are being amortized on a straight-line basis over the estimated useful lives of five years.

Intangibles acquired during the year but not available for use are not amortized until they are available for use.

To simplify the maintenance and tracking of intangible assets, all intangible assets are recognized as part of the net assets of Electronics Recycling Alberta. Consequently, all purchases and disposals are recorded under one program. Monthly amortization and gains/losses on disposals are recognized in each of the programs with reimbursements made from the other programs to Electronics Recycling Alberta for their portion of these charges. In this manner, the full costs of intangible assets are allocated to each of the programs based on the formula prescribed by the Board of Directors (Note 12).

Financial Instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Authority subsequently measures its financial instruments at amortized cost.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant management estimates pertain to the collectability of environmental fees, related accounts receivable, and the estimated useful lives of property and equipment and intangible assets.

The Authority identifies new suppliers, as well as reviewing electronics, paint, tires and lubricating oil material sales volumes from existing suppliers, through its compliance review activity. Any amendments arising from these reviews are recorded by the Authority as adjustments to revenue in the current period in which the amendments are made. The revenues reported represent fees collected and management's best estimate of uncollected revenue. Due to the inherent uncertainties in the industry reporting, there may be adjustments in future periods and such adjustments may be material to the financial position of the Authority.

Note 4

Short Term Investments

Short term investments are comprised of Money Market securities, guaranteed investment certificates and bonds:

	2021	2020
Electronics Recycling Alberta	\$ 13,973,173	\$ 21,181,733
Paint Recycling Alberta	\$ 2,075,634	\$ 1,405,660
Tire Recycling Alberta	\$ 7,060,813	\$ 9,094,236
Used Oil Recycling Alberta	\$ 4,303,731	\$ 4,382,004
	\$ 27,413,351	\$ 36,063,633

The guaranteed investment certificates rate is 0.760%, and mature on December 18, 2021.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 5
**Interfund
Balances**

The Authority incurs common expenses that are attributable to the various programs that the Authority administers. For administrative purposes these shared expenses are allocated to each program. Allocation of shared expenses is performed monthly using allocation formulas as prescribed by the Board of Directors (Note 12).

At year-end, the following amounts represent the interfund accounts receivable and accounts payable and accrued liabilities of the programs administered by the Authority:

	Accounts Receivable	Accounts Payable
<i>Electronics Recycling Alberta</i>		
Paint Recycling Alberta	\$ 114,715	\$ -
Tire Recycling Alberta	\$ 544,800	\$ -
Used Oil Recycling Alberta	\$ 378,082	\$ -
Household Hazardous Waste Program	\$ 32,031	\$ -
	\$ 1,069,628	\$ -
<i>Paint Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 114,715
	\$ -	\$ 114,715
<i>Tire Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 544,800
Used Oil Recycling Alberta	\$ -	\$ 606
	\$ -	\$ 545,406
<i>Used Oil Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 378,082
Tire Recycling Alberta	\$ 606	\$ -
	\$ 606	\$ 378,082
<i>Household Hazardous Waste Program</i>		
Electronics Recycling Alberta	\$ -	\$ 32,031
	\$ -	\$ 32,031

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 6**Long Term
Investments**

Long term investments consist of:

Electronics Recycling Alberta				
2021		2020		
Cost	Market Value	Cost	Market Value	
Bonds and fixed income	\$ 39,327,746	\$ 40,127,446	\$ 40,481,218	\$ 42,354,931
Canadian equities	21,598,279	25,579,312	12,499,971	13,189,569
Global equities	15,546,021	18,724,437	13,043,193	14,049,504
\$ 76,472,046	\$ 84,431,195	\$ 66,024,382	\$ 69,594,004	

Tire Recycling Alberta				
2021		2020		
Cost	Market Value	Cost	Market Value	
Bonds and fixed income	\$ 7,579,568	\$ 7,542,524	\$ 8,531,287	\$ 8,683,721
Canadian equities	4,426,334	5,142,275	2,666,371	2,653,883
Global equities	3,227,510	3,887,095	2,667,548	2,820,702
\$ 15,233,412	\$ 16,571,894	\$ 13,865,206	\$ 14,158,306	

Used Oil Recycling Alberta				
2021		2020		
Cost	Market Value	Cost	Market Value	
Bonds and fixed income	\$ 2,425,705	\$ 2,389,702	\$ 1,585,625	\$ 1,634,126
Canadian equities	998,572	1,031,192	324,833	282,536
Global equities	701,910	781,011	440,184	432,824
\$ 4,126,187	\$ 4,201,905	\$ 2,350,642	\$ 2,349,486	

The bond coupon and guaranteed investment certificate rates range from 1.91% to 4.93% and mature from May 1, 2023 to June 1, 2027.

Further information on the investment policy is provided in Note 3.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 7
**Property and
Equipment**

	Electronics Recycling Alberta			
	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 860,284	\$ 728,521	\$ 131,763	\$ 250,344
Furniture and fixtures	286,497	267,883	18,614	28,297
Communications equipment	20,419	7,916	12,503	16,587
	\$ 1,167,200	\$ 1,004,320	\$ 162,880	\$ 295,228

Amortization provided for in the current year total \$118,901; (2020 - \$100,555).

Note 8
Intangible Asset

	Electronics Recycling Alberta			
	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	\$ 524,904	\$ -	\$ 524,904	\$ -
	\$ 524,904	\$ -	\$ 524,904	\$ -

In the current year the Authority has not taken any amortization as the asset is not yet available for use.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 9**Compensation**

As required under the Designated Material Recycling and Management Regulation (AR 93/04), Section 16(2) and Section 16(3), the remuneration and benefits paid to all members of the Board of Directors (on an individual basis by name) and remuneration and benefits paid to all management personnel who report directly to one or more members of the Board of Directors (on an aggregate basis) are as follows:

Board of Directors' Honoraria	2021	2020
Ms. Caroline McAuley	\$ 38,194	\$ 60,844
Ms. Lis Anderson	-	-
Mr. Peter Dugandzic (September 24, 2019 - December 18, 2019)	-	2,850
Mr. Jeff Faber	9,075	11,338
Mr. John Graham	-	-
Ms. Cathy Heron	4,088	6,163
Mr. Patrick Kane (non-voting member since March 26, 2019)	-	-
Mr. Al Kemmere (December 19, 2017 - September 29, 2020)	1,350	4,563
Mr. Brent Kennedy	5,250	7,100
Mr. Joe Kostler	4,875	7,000
Mr. Alain Portelance (since January 28, 2020)	-	-
Mr. David Schaaf	4,913	9,013
Ms. Rachelle Venne	4,013	7,650
Ms. Kara Westerlund (since January 19, 2021)	1,050	-
Mr. Lee Wilkie (October 1, 2018 to July 5, 2019)	-	1,975
Mr. Ian Young	5,963	10,288
Board of Directors' Benefits	30,305	35,921
Subtotal	109,076	164,705
Chief Executive Officer Salary	202,417	188,183
Benefits	31,822	29,595
Subtotal	234,239	217,778
Total	\$ 343,315	\$ 382,483

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 10

Commitments

The Authority has leased office space to October 31, 2025 and leased equipment expiring between December 19, 2024 and March 31, 2025. The approximate minimum payments required under the lease agreements in future years are as follows:

	Rent	Equipment
2022	\$ 522,587	\$ 20,234
2023	522,587	20,234
2024	522,587	20,234
2025	522,587	15,199
2026	304,842	-
	\$ 2,395,190	\$ 75,901

Rental expense for the year is allocated to each of the four primary programs under the Authority's administration based on a formula prescribed by the Board of Directors (Note 12).

Note 11

Externally Restricted Net Assets

All the net assets of the Authority are externally restricted as stipulated in the Regulation (Note 1) and are maintained for purposes set out in the Regulation.

The Authority's allocated net assets represent those net assets not invested in capital assets. These net assets represent environmental fees collected on products sold which are in excess of incentives paid for products discarded into the program and recycled, plus investment earnings on these fees. The Authority's net assets are to be used for the purposes set out in the Regulation. They are managed in such a manner that they provide for reserve amounts that are sufficient to ensure the ongoing sustainability of the recycling programs or sufficient to allow for the event of cancellation of the program's environmental fees and the resulting windup of the program.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 12
**Allocation of
Expenses**

Included in program delivery and corporate administration expenditures of \$6,083,241 (2020 - \$5,549,155) are costs that have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributed to the individual programs have been allocated to the specific program. The allocation formula for shared costs that benefit all programs is shown in the table below.

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
2021	21%	8%	42%	29%
2020	28%	7%	40%	25%

Where the Used Oil program carried existing commitments originating prior to the transfer of the program to the Authority effective October 1, 2018, different allocation formulas were used with no share or a lower share allocated to the Used Oil program. The different allocation formulas were phased out and the allocation to the Used Oil normalized as the existing commitments expired during the year.

Note 13
**Ineligible
Containers**

The return incentive (recycling incentive) paid for used oil containers in prior years included payment for ineligible containers from related products such as windshield washer fluid, engine coolants, and fuel or oil additives. These types of containers are considered ineligible as they are currently excluded from the regulation governing the Used Oil materials program and are therefore not subject to a recycling levy. Based on studies performed by independent consultants, Alberta Used Oil Management Authority determined that the historical percentage of ineligible containers was approximately 21% by weight. The estimated amount spent on ineligible containers for the year ended March 31, 2020 was \$856,000.

In order to better align with the Regulation, the Authority discontinued payments for ineligible containers effective April 1, 2020. To allow for a transition period for processors of containers, a maximum tolerance level of 10% for ineligible plastics was permitted during the year.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 14

Financial Instruments

The Authority is exposed to various risks through its financial instruments. The following analysis provides information about the Authority's risk exposure and concentration as of March 31, 2021. Unless otherwise noted, the Authority's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that electronics, paint, tire or used oil suppliers will fail to perform their respective obligations. The Authority is exposed to credit risk from these suppliers. However, the Authority has a large number of suppliers, which minimizes the concentration of credit risk. Management monitors its accounts receivable regularly and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Currency risk

The Authority has investments that are denominated in foreign currencies and is therefore exposed to currency risk. The Authority's earnings are exposed to financial risk that arises from fluctuations in foreign exchange rates and the degree of the volatility of these rates. As at March 31, 2021 foreign denominated investments amounted to \$9,561,099 (5.51%) of the Authority's total short and long term investments. The Authority does not use derivative or other financial instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Authority is exposed to interest rate risk primarily through its floating interest rate money market securities, bonds, and fixed income investments.

Note 15

COVID-19

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and continues to impact the worldwide economic activity. This global pandemic poses the risk that the Authority or its employees, contractors, suppliers, remitters, registered collection sites, registered processors and other partners may experience periodic interruptions to their regular business activities. While it is not possible at this time to estimate the impact that COVID-19 will have on the Authority's business in the coming fiscal year, the continued spread of the virus and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Authority's business, financial condition and/or the results of its operations. The impact of COVID-19 could contribute to decreased compliance in the areas of the reporting and collection of environmental fees due to the Authority by program remitters, or decreased material flows through municipal or other collection sites and through registered processors. The extent to which the COVID-19 outbreak will continue to impact the Authority's results will depend on future developments that are highly uncertain and cannot be predicted at this time.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

Note 16

Electronics Pilot

On May 11, 2020, the Alberta Government approved a pilot project (the "Pilot") for the Authority to use \$43 million in reserve funds in the Electronics fund to recycle electronics products that were not accepted previously in the program. The Pilot and the use of the reserve funds are consistent with the allowable activities under the Regulation and the Authority's bylaws. The Pilot is collecting valuable data and will inform the possibility of a permanently expanded electronics program. The Pilot planning phase commenced in May 2020, with full operations beginning in fall 2020 and to last for up to two years. Pilot expenditures in the year ended March 31, 2021 totaled \$4,401,142.

Note 17

Subsequent Events - Household Hazardous Waste

It is expected that the April 1, 2021 to March 31, 2022 year may be the last year of operations for the Household Hazardous Waste program under contract between the Authority and Alberta Environment and Parks ("AEP").

AEP is conducting public consultation on designing a made-in-Alberta solution for HHW (in addition to packaging and paper products, and plastics). Establishing a permanent HHW program, based on an Extended Producer Responsibility framework, shifts the responsibility for program costs to producers, and away from municipalities and Indigenous communities.

AEP is expected to maintain their funding for the collection and transport of HHW to an approved facility until at least March 31, 2022.

Note 18

Budget Information

The Authority prepares annual operating budgets for each of the recycling programs (Note 1). Budget information, where prepared, is included for information purposes and is unaudited.

Schedule 1 Statement of Financial Position

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
CURRENT			
Cash		\$ 1,415,188	\$ 1,002,813
Short term investments (Note 4)		13,973,173	21,181,733
Accounts receivable		903,636	1,057,806
Interfund receivable (Note 5)		1,069,628	872,630
Prepaid expenses		143,887	59,738
		<u>17,505,512</u>	<u>24,174,720</u>
LONG TERM INVESTMENTS (Note 6)		84,431,195	69,594,004
PROPERTY AND EQUIPMENT (Note 7)		162,880	295,228
INTANGIBLE ASSET (Note 8)		524,904	-
		<u>\$102,624,491</u>	<u>\$ 94,063,952</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals		\$ 2,115,135	\$ 1,168,625
Accounts payable and accrued liabilities		1,585,724	679,915
		<u>3,700,859</u>	<u>1,848,540</u>
COMMITMENTS (Note 10)			
EXTERNALLY RESTRICTED NET ASSETS (Note 11)			
Invested in capital assets		687,784	295,228
Allocated		98,235,848	91,920,184
		<u>98,923,632</u>	<u>92,215,412</u>
		<u>\$102,624,491</u>	<u>\$ 94,063,952</u>
Basis of presentation (Note 2)			

Schedule 1(a) Statement of Revenue and Expenditures

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Environmental fees	\$ 6,425,705	\$ 9,459,803	\$ 9,185,069
Interest	8,000	24,020	105,276
Total recycling revenue	6,433,705	9,483,823	9,290,345
Recycling expenditures			
Recycling incentives	23,910,631	10,982,290	9,357,552
Total recycling expenditures	23,910,631	10,982,290	9,357,552
Recycling development and other			
Research and development	400,000	384,375	136,379
Public information	156,695	90,086	93,788
Rural Alberta project and municipal grants	200,517	114,461	57,119
Total recycling development and other	757,212	588,922	287,286
Program delivery expenditures			
Compensation and advisory services	1,292,049	1,381,668	575,458
Compliance and assurance activities	309,555	107,470	182,231
Other program expenses	12,591	15,079	-
Total program delivery expenditures	1,614,195	1,504,217	757,689
Corporate administration expenditures			
Compensation and professional fees	462,213	426,246	674,158
Office and general expenses, including amortization	393,697	289,268	410,008
Total corporate administration expenditures	855,910	715,514	1,084,166
Total expenditures	27,137,948	13,790,943	11,486,693
Revenue net of expenditures	(20,704,243)	(4,307,120)	(2,196,348)
Fund Investment			
Investment income	3,862,340	6,874,505	3,802,438
Unrealized investment gain (loss)	-	4,371,899	(3,851,565)
Investment managers and related expense	(215,000)	(231,064)	(214,749)
Net investment income (loss)	3,647,340	11,015,340	(263,876)
Excess (deficiency) of revenue over expenditures	\$(17,056,903)	\$ 6,708,220	\$ (2,460,224)

Basis of presentation (Note 2)

Schedule 1(b) Statement of Changes in Net Assets

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021			2020
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 295,228	\$ 91,920,184	\$ 92,215,412	\$ 94,675,636
Excess (deficiency) of revenue over expenditures	-	6,708,220	6,708,220	(2,460,224)
Amortization of property and equipment	(118,901)	118,901	-	-
Investment in capital assets	511,457	(511,457)	-	-
Net assets, end of year	\$ 687,784	\$ 98,235,848	\$ 98,923,632	\$ 92,215,412

Basis of presentation (Note 2)

Schedule 1(c) Statement of Cash Flow

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow from operating activities		
Recycling revenues collected	\$ 9,630,319	\$ 9,095,475
Program expenditures	(12,093,196)	(11,277,450)
Investment income	6,874,505	3,802,438
Investment management costs	(231,064)	(214,749)
	<u>4,180,564</u>	<u>1,405,714</u>
Cash flow used by investing activities		
Investment contributions	(3,256,732)	(2,240,146)
Acquisitions of property and equipment	(38,603)	(221,601)
Acquisitions of intangible asset	(472,854)	-
	<u>(3,768,189)</u>	<u>(2,461,747)</u>
Increase (decrease) in cash position	412,375	(1,056,033)
Cash, beginning of year	1,002,813	2,058,846
Cash, end of year	\$ 1,415,188	\$ 1,002,813

Basis of presentation (Note 2)

Schedule 2 Statement of Financial Position

Paint Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
	CURRENT		
	Cash	\$ 581,612	\$ 337,147
	Short term investments (Note 4)	2,075,634	1,405,660
	Accounts receivable	655,213	404,490
	Interfund receivable (Note 5)	-	643
		\$ 3,312,459	\$ 2,147,940
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 556,665	\$ 309,939
	Accounts payable and accrued liabilities	109,864	62,710
	Interfund payable (Note 5)	114,715	99,076
		781,244	471,725
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	2,531,215	1,676,215
		2,531,215	1,676,215
		\$ 3,312,459	\$ 2,147,940
	Basis of presentation (Note 2)		

Schedule 2(a) Statement of Revenue and Expenditures

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Environmental fees	\$ 4,297,755	\$ 5,294,060	\$ 4,278,727
Interest	15,000	15,497	13,669
Total recycling revenue	4,312,755	5,309,557	4,292,396
Recycling expenditures			
Recycling incentives	3,667,944	4,018,068	3,654,364
Total recycling expenditures	3,667,944	4,018,068	3,654,364
Recycling development and other			
Research and development	3,000	525	13,592
Public information	25,700	25,227	25,800
Rural Alberta project and municipal grants	30,475	20,970	18,935
Total recycling development and other	59,175	46,722	58,327
Program delivery expenditures			
Compensation and advisory services	181,318	138,528	134,695
Compliance and assurance activities	80,979	25,416	144,066
Other program expenses	4,804	3,449	-
Total program delivery expenditures	267,101	167,393	278,761
Corporate administration expenditures			
Compensation and professional fees	161,494	158,314	156,394
Office and general expenses, including amortization	124,086	85,889	107,715
Total corporate administration expenditures	285,580	244,203	264,109
Total expenditures	4,279,800	4,476,386	4,255,561
Revenue net of expenditures	32,955	833,171	36,835
Fund Investment			
Investment income	34,600	23,737	37,321
Unrealized investment (loss) gain	-	(1,025)	1,025
Investment managers and related expense	(600)	(883)	(657)
Net investment income	34,000	21,829	37,689
Excess of revenue over expenditures	\$ 66,955	\$ 855,000	\$ 74,524

Basis of presentation (Note 2)

Schedule 2(b) Statement of Changes in Net Assets

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021		2020
	Allocated	Total	Total
Net assets, beginning of year	\$ 1,676,215	\$ 1,676,215	\$ 1,601,691
Excess of revenue over expenditures	855,000	855,000	74,524
Net assets, end of year	\$ 2,531,215	\$ 2,531,215	\$ 1,676,215

Basis of presentation (Note 2)

Schedule 2(c) Statement of Cash Flow

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow from (used by) operating activities		
Recycling revenues collected	\$ 5,058,834	\$ 4,368,441
Program expenditures	(4,166,224)	(4,456,163)
Investment income	23,737	37,321
Investment management costs	(883)	(657)
	915,464	(51,058)
Cash flow used by investing activities		
Investment contributions	(670,999)	(322,935)
	(670,999)	(322,935)
Increase (decrease) in cash position	244,465	(373,993)
Cash, beginning of year	337,147	711,140
Cash, end of year	\$ 581,612	\$ 337,147

Basis of presentation (Note 2)

Schedule 3 Statement of Financial Position

Tire Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
	CURRENT		
	Cash	\$ 673,205	\$ 1,061,890
	Short term investments (Note 4)	7,060,813	9,094,236
	Accounts receivable	2,313,129	1,599,082
		10,047,147	11,755,208
	LONG TERM INVESTMENTS (Note 6)	16,571,894	14,158,306
		\$ 26,619,041	\$ 25,913,514
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 3,753,125	\$ 4,055,114
	Accounts payable and accrued liabilities	100,451	152,046
	Interfund payable (Note 5)	545,406	617,778
		4,398,982	4,824,938
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	22,220,059	21,088,576
		22,220,059	21,088,576
		\$ 26,619,041	\$ 25,913,514
	Basis of presentation (Note 2)		

Schedule 3(a) Statement of Revenue and Expenditures

Tire Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Environmental fees	\$ 24,469,327	\$ 23,721,988	\$ 24,479,134
Less: Import tire agent charges	(17,400)	(14,040)	(16,889)
Interest (waived)	49,000	110,061	(36,676)
Total recycling revenue	24,500,927	23,818,009	24,425,569
Recycling expenditures			
Recycling incentives	22,772,245	22,055,570	22,254,178
Total recycling expenditures	22,772,245	22,055,570	22,254,178
Recycling development and other			
Research and development	45,000	45,880	193,291
Public information	113,600	72,805	119,745
Rural Alberta project and municipal grants	1,241,163	639,630	702,842
Total recycling development and other	1,399,763	758,315	1,015,878
Program delivery expenditures			
Compensation and advisory services	953,024	755,001	752,125
Contract administration	28,600	24,552	-
Compliance and assurance activities	243,850	120,788	156,563
Other program expenses	25,197	18,973	-
Total program delivery expenditures	1,250,671	919,314	908,688
Corporate administration expenditures			
Compensation and professional fees	880,980	810,953	934,730
Office and general expenses, including amortization	640,944	413,548	523,363
Total corporate administration expenditures	1,521,924	1,224,501	1,458,093
Total expenditures	26,944,603	24,957,700	25,636,837
Revenue net of expenditures	(2,443,676)	(1,139,691)	(1,211,268)
Fund Investment			
Investment income	778,004	1,292,757	775,628
Unrealized investment gain (loss)	-	1,027,823	(692,342)
Investment managers and related expense	(45,000)	(49,406)	(45,340)
Net investment income	733,004	2,271,174	37,946
Excess (deficiency) of revenue over expenditures	\$ (1,710,672)	\$ 1,131,483	\$ (1,173,322)

Basis of presentation (Note 2)

Schedule 3(b) Statement of Changes in Net Assets

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 21,088,576	\$ 21,088,576	\$ 22,261,898
Excess (deficiency) of revenue over expenditures	1,131,483	1,131,483	(1,173,322)
Net assets, end of year	\$ 22,220,059	\$ 22,220,059	\$ 21,088,576

Basis of presentation (Note 2)

Schedule 3(c) Statement of Cash Flow

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow (used by) from operating activities		
Recycling revenue collected	\$ 23,103,963	\$ 25,292,470
Program expenditures	(25,383,657)	(24,351,794)
Investment income	1,292,757	775,628
Investment management costs	(49,406)	(45,340)
	(1,036,343)	1,670,964
Cash flow from (used by) investing activities		
Investment proceeds (contributions)	647,658	(2,717,886)
	647,658	(2,717,886)
Decrease in cash position	(388,685)	(1,046,922)
Cash, beginning of year	1,061,890	2,108,812
Cash, end of year	\$ 673,205	\$ 1,061,890

Basis of presentation (Note 2)

Schedule 4 Statement of Financial Position

Used Oil Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
	CURRENT		
	Cash	\$ 450,497	\$ 357,040
	Short term investments (Note 4)	4,303,731	4,382,004
	Accounts receivable	4,092,228	4,162,015
	Interfund receivable (Note 5)	606	66,779
	Prepaid expenses	697	6,594
		<u>8,847,759</u>	<u>8,974,432</u>
	LONG TERM INVESTMENTS (Note 6)	4,201,905	2,349,486
		<u>\$ 13,049,664</u>	<u>\$ 11,323,918</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 2,044,422	\$ 2,288,630
	Accounts payable and accrued liabilities	34,832	28,260
	Interfund payable (Note 5)	378,082	184,812
		<u>2,457,336</u>	<u>2,501,702</u>
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	10,592,328	8,822,216
		<u>\$ 13,049,664</u>	<u>\$ 11,323,918</u>
	Basis of presentation (Note 2)		

Schedule 4(a) Statement of Revenue and Expenditures

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Environmental fees	\$ 16,114,089	\$ 14,493,210	\$ 16,172,573
Interest	10,000	32,255	8,427
Total recycling revenue	16,124,089	14,525,465	16,181,000
Recycling expenditures			
Recycling incentives	14,003,386	11,503,268	14,196,532
Total recycling expenditures	14,003,386	11,503,268	14,196,532
Recycling development and other			
Research and development	10,000	14,825	9,825
Public information	91,350	58,079	71,597
Rural Alberta project and municipal grants	100,875	41,331	59,407
Total recycling development and other	202,225	114,235	140,829
Program delivery expenditures			
Compensation and advisory services	507,269	396,904	168,853
Contract program administration fees	131,203	136,538	312,442
Compliance and assurance activities	277,411	112,859	71,878
Other program expenses	116,519	73,348	-
Total program delivery expenditures	1,032,402	719,649	553,173
Corporate administration expenditures			
Compensation and professional fees	514,437	468,916	290,291
Office and general expenses, including amortization	405,007	280,624	266,627
Total corporate administration expenditures	919,444	749,540	556,918
Total expenditures	16,157,457	13,086,692	15,447,452
Revenue net of program expenditures	(33,368)	1,438,773	733,548
Fund Investment			
Investment income	151,500	267,806	189,834
Unrealized investment gain (loss)	-	74,824	(82,021)
Investment managers and related expense	(9,000)	(11,291)	(9,137)
Net investment income	142,500	331,339	98,676
Excess of revenues over expenditures	\$ 109,132	\$ 1,770,112	832,224

Basis of presentation (Note 2)

Schedule 4(b) Statement of Changes in Net Assets

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 8,822,216	\$ 8,822,216	\$ 7,989,992
Excess of revenue over expenditures	1,770,112	1,770,112	832,224
Net assets, end of year	\$ 10,592,328	\$ 10,592,328	\$ 8,822,216

Basis of presentation (Note 2)

Schedule 4(c) Statement of Cash Flow

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow from operating activities		
Recycling revenue collected	\$ 14,588,828	16,293,108
Program expenditures	(13,052,564)	(14,945,954)
Investment income	267,806	189,834
Investment management costs	(11,291)	(9,137)
	1,792,779	1,527,851
 Cash flow used by investing activities		
Investment contributions	(1,699,322)	(1,699,403)
	(1,699,322)	(1,699,403)
 Increase (decrease) in cash position	93,457	(171,552)
Cash, beginning of year	357,040	528,592
Cash, end of year	\$ 450,497	\$ 357,040

Basis of presentation (Note 2)

Schedule 5 Statement of Financial Position

Household Hazardous Waste ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2021

		2021	2020
ASSETS			
	CURRENT		
	Cash	\$ 14,574	\$ 131,914
	Accounts receivable	285,691	-
	Prepaid expenses	-	6,085
		\$ 300,265	\$ 137,999
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 205,009	\$ 93,089
	Accounts payable and accrued liabilities	62,214	5,513
	Interfund payable (Note 5)	32,031	38,386
		299,254	136,988
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	1,011	1,011
		\$ 300,265	\$ 137,999
	Basis of presentation (Note 2)		

Schedule 5(a) Statement of Revenue and Expenditures and Changes in Net Assets

Household Hazardous Waste ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021 Budget Unaudited	2021 Actual	2020 Actual
Recycling revenue			
Government contract	\$ 1,400,000	\$ 1,343,036	\$ 1,400,000
Interest	1,400	558	2,552
Total recycling revenue	1,401,400	1,343,594	1,402,552
Recycling expenditures			
Broker contracts	1,227,994	1,199,192	1,241,005
Total recycling expenditures	1,227,994	1,199,192	1,241,005
Recycling development and other			
Rural Alberta project and municipal grants	35,625	12,687	24,954
Total recycling development and other	35,625	12,687	24,954
Program delivery expenditures			
Contract administration fees	123,199	119,919	124,363
Compliance and assurance activities	2,400	-	-
Contract delivery expenditures	12,182	11,796	12,230
Total program delivery expenditures	137,781	131,715	136,593
Total expenditures	1,401,400	1,343,594	1,402,552
Excess of revenue over expenditures	-	-	-
Net assets, beginning of year	1,011	1,011	1,011
Net assets, end of year	\$ 1,011	\$ 1,011	\$ 1,011

Basis of presentation (Note 2)

Schedule 5(b) Statement of Cash Flow

Household Hazardous Waste ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2021

	2021	2020
Cash flow used by operating activities		
Government contracts received	\$ 1,057,345	\$ 1,475,000
Program expenditures	(1,175,243)	(1,588,414)
Other income	558	2,552
	(117,340)	(110,862)
Decrease in cash position	(117,340)	(110,862)
Cash, beginning of year	131,914	242,776
Cash, end of year	\$ 14,574	\$ 131,914

Basis of presentation (Note 2)