



Alberta ^{30 YEARS} recycling
MANAGEMENT AUTHORITY

INSPIRING A FUTURE WITHOUT WASTE

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LETTER TO THE MINISTER

September 27, 2022

Honourable Whitney Issik
Minister of Environment and Parks
323 Legislature Building
10800 - 97 Avenue
Edmonton, AB
T5K 2B6
aep.minister@gov.ab.ca

Dear Minister Issik,

As you can well appreciate, the COVID-19 pandemic has presented unprecedented challenges for government and policy leaders. The world of recycling has been no different. Putting the health and well-being of Albertans first, ARMA made every effort to continue to provide safe options for community recycling, including a number of curbside roundups. Despite the occasional and unavoidable inconvenience, Albertans continued to be resilient in recycling and ensuring diversion from landfills. Indeed, several registered collection sites indicated they were much busier than anticipated as residents completed renovations or general cleanups, generating items such as leftover paint containers and used oil materials.

ARMA prides itself on making a real, positive difference in communities across the province, whether it is High Level, Cardston, Grande Cache, or Fort McMurray. We would like to thank you for everything your ministry has done to enhance our current recycling programs, including expanding the electronics pilot project and exploring future programs (e.g., one for household hazardous waste). Last year's passage of the Environmental Protection and Enhancement Amendment Act represented a major step forward for recycling in the province. Beyond enabling the creation of effective and efficient producer-run provincial recycling systems for single-use plastics, packaging and paper products, and hazardous and special products, the Act is helping to develop a plastics circular economy—a key component of Alberta's Natural Gas Vision and Strategy—and contribute to the province's economic recovery.

On behalf of the board, industry councils, and staff of the Alberta Recycling Management Authority (ARMA), we are pleased to present our Annual Report covering the fiscal year of April 1, 2021, to March 31, 2022. The attached is submitted in accordance with Section 16 of the Designated Material Recycling and Management Regulation (Alberta Regulation 93/2004) under the Environmental Protection and Enhancement Act.

While we have achieved much this year, particularly given the circumstances, ARMA knows there is more to be done. In partnership with the Government of Alberta and our stakeholders, we look forward to building on our momentum so we can divert even more materials from Alberta's landfills while pursuing new and innovative ways to advance the province's circular economy.

Sincerely,



Brad Pickering,
Board Chair



Ed Gugenheimer,
CEO

MESSAGE FROM THE CHAIR OF THE BOARD AND CEO

Despite the challenges posed by the COVID-19 pandemic, the Alberta Recycling Management Authority (ARMA), working together with our registered suppliers, recyclers, and municipal and Indigenous partners, moved forward with our vision of **inspiring a future without waste**. Building on past successes, we continued to grow Alberta's circular economy by recycling and reusing existing materials to create in-demand products, creating jobs and exciting new opportunities in the process.

Albertans' commitment to recycling throughout the pandemic remained commendable. As always, the health and safety of Albertans come first, so we continued with a series of measures at our collection sites (e.g., safety protocols, signage, revamping websites with directions and information on what the public could expect upon arrival) to ensure a safer, controlled user experience. Through it all, Albertans continued to do the right thing—dropping off their old paint, electronics, tires, and oil materials.

Home renovations boomed in Alberta during the pandemic. As a result, we recycled 2.46 million litres of paint and 711,999 kgs of containers this year, a more than 70 per cent increase from 2020–21. That wasn't the only success for the paint program: with support from the province and our stakeholders, ARMA implemented the first adjustment of environmental fees to the program in 12 years. The update was needed to ensure ARMA can continue to responsibly and sustainably manage this program that has diverted over 29 million litres of paint, along with millions of containers for recycling. The adjustment also means municipalities and Indigenous communities will no longer have to bear the cost of collecting these materials.

Our expanded two-year electronics pilot project, ePilot, continued to be a success—helping to divert over 6,400 tonnes of products from the landfill. To promote the expansion of the project, ARMA ran an ePilot contest that encouraged municipalities to compete to become an ePilot Champion. In total, over 2.4 million units of ePilot material were collected. Working with our municipal and Indigenous partners, ARMA also compiled a significant amount of data that will inform an even more effective electronics program over the long term.

Unfortunately, the processing numbers for tires (66,308 tonnes) were down slightly over the prior year due to limited travel and restricted business activity as a result of the pandemic. That said, there was a significant development within the program that is helping to advance Alberta's circular economy—a new recycler 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 pickup and processing of scrap tires.

In terms of used oil, the number of collection sites has grown significantly since ARMA began managing the program in 2018. There are now over 200 registered sites throughout the province working to ensure that this hazardous material does not contaminate our water and soil. Used oil (78.05 million litres) and filters collected and processed (3.98 million kgs) increased by over six per cent this year.

Continued on next page

MESSAGE FROM THE CHAIR OF THE BOARD AND CEO (CONTINUED)

Innovation is increasingly becoming a cornerstone of ARMA's corporate approach. One example is our partnership with other provincial used oil programs. Under this program, funding has been provided to a nationally registered recycler of used oil containers that is researching a process to make new containers out of old ones—a prime example of the circular economy in action. Innovation is also evident in the approach to our ePilot project as we are working with industry experts to address the increasing use of solar panels for which there is currently no reuse or recycling program in North America.

It was a year of challenges, but also one of successes and opportunities. Working from our strong foundation, ARMA is as committed as ever to fulfilling our vision of a future without waste and building a strong, robust circular economy. As we approach our 30th anniversary this year, we would like to thank our stakeholders, past and present, for helping us divert 31.5 million litres of paint, 11.2 million electronics, over 137 million tires, and 1.9 billion litres of used oil from Alberta's landfills. While this is undoubtedly a tremendous accomplishment, there is so much more to do as we move forward. As Albertans, we understand that how we consume today, will determine the quality of life our children and grandchildren enjoy tomorrow. With our eyes on the future, ARMA will continue to pursue innovative ways to find value in waste so we can grow our economy and reduce our environmental impacts.

Sincerely,



Brad Pickering,
Board Chair



Ed Gugenheimer,
CEO

OUR STORY

For thirty years, Albertans have proven their commitment to the environment through enduring support and participation in the recycling programs.

Since 1992 the Alberta Recycling Management Authority (ARMA) has proudly and responsibly managed some of the province's major recycling initiatives. Through this process, we have secured valuable relationships with a multistakeholder board, four industry councils, over 5,300 registered suppliers and producers, and 27 recyclers. Additionally, we have 157 municipal and Indigenous communities who manage 440 electronics, paint, tire and used oil materials collection sites throughout the province, equipping Albertans to do the right thing and recycle their end-of-life products instead of throwing them away.

As we look forward to celebrating our 30th anniversary in 2022, we salute the partnerships that have strengthened the foundation upon which our organization was built and continues to thrive, giving Albertans some of the best recycling programs in Canada, while positively impacting the economy with over 1,500 FTE and \$180 million annually in GVA.

As ARMA heads into the next 30 years, we have set a bold target: **INSPIRING A FUTURE WITHOUT WASTE.**

This vision—unveiled in 2020—is ambitious and exactly what is needed to continue fostering creativity, leadership and enhanced performance. Within this space we will continue collaborating with innovators and entrepreneurs to advance our existing programs and make new ones, building a high-value circular economy where ingenuity creates local jobs and extends our value beyond Alberta's borders.

Importantly, ARMA's direction supports the province's future EPR framework that will create more jobs and new systems for three product streams: single-use plastics, paper and packaging products, and household hazardous waste.

1992 - Alberta launches the second oldest tire recycling program in Canada.

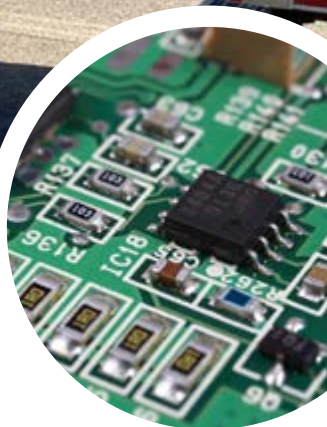
2004 - Alberta launches the first electronics recycling program in Canada.

2008 - Alberta launches the used paint recycling program creating Made-in-Alberta solutions.

2018 - ARMA takes responsibility for managing the used oil materials recycling program.

2022 - Celebrating 30 Years of helping Albertans do the right thing for the environment.





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 or into Alberta. These funds are to be used to provide or pay for any or all of the following components regarding designated material:

- Waste minimization and recycling programs;
- Public information programs for the promotion of waste minimization and recycling programs;
- Expenditures on collection, transportation, storage, processing and disposal;
- 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 materials—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.





OUR VISION

INSPIRING A FUTURE WITHOUT WASTE

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 an 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 products 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.

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 opens 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 province's recycling champions including municipalities, Indigenous communities, industry, thought leaders, post-secondary institutions, and government to generate ideas, systems and services to enhance and expand existing programs as well as explore new ones.
- Fulfill our recycling mandate but also discover waste minimization opportunities that incorporate rethinking, refusing, reducing, reusing, repairing, repurposing and recovering.
- Continue to explore and support 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.
- Gain and maintain public support for recycling initiatives in Alberta through effective stakeholder and industry awareness efforts across all programs and at the corporate level.





RESULTS

Key Program performance measures



GOAL 1

All designated materials available at End-Of-Life (EOL) are collected and processed.

Forecasts are set based on the trend of previous years' results and market expectations for both the annual sales of designated material and recycled material, as well as estimated alternative diversions (e.g., reuse).

Terminology utilized in this section:

1. KG. PER CAPITA

Volume of EOL material processed per Albertan, to allow for meaningful comparison between programs and jurisdictions.

2. RECOVERY RATE

The amount of EOL product collected or processed as a percent of the amount of new product purchased by consumers in a year.

The recovery rate is a useful target for tracking trends in changes to the recovery of materials over time. A higher rate is considered to indicate a successful program although a lower rate may indicate a successful diversion of materials through reuse options. Additionally, a lower rate could denote accumulation of products by consumers rather than recycling old units when new units are purchased (e.g., consumers retaining multiple electronic products).

3. CAPTURE RATE

This measurement is applicable to the paint and used oil programs where a portion of the material sold is consumed / utilized by the consumer, reducing the discarded volume.

The capture rate measures the total amount processed as a percent of an estimated total amount of material considered EOL.

The amount for EOL paint is assumed to be 12%. For example, if 100 litres of paint is sold, 12 litres (or 12%) will be EOL. If 8 litres is 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)

Regarding used oil, the amount for EOL is assumed to be 64.5%. For example, if 100 litres of oil is sold, 64.5 litres (or 64.5%) will be EOL. This is based on industry estimates that 35.5% of oil sold is consumed during use.



**HAZAROUS
MATERIAL
DIVERTED FROM
LANDFILL**
270 TONNES OF LEAD
0.36 KGS OF MERCURY
3.3 KGS OF CADMIUM
11.5 KGS OF BERYLLIUM



ELECTRONICS

RESULTS

Processed volumes continue to decline in the Electronics program as the trend toward lighter devices continues over time.

There were 25 Hard-to-Get Electronics Roundups held this year by non-profit organizations and community groups (uptake in larger centres).

THE RECYCLING PROCESS FOR PROGRAM ELECTRONICS

Registered processors pick up TVs and computer products from businesses and institutions, and 363 registered collection sites located in 145 municipalities and Indigenous communities across the province. The collected material is transported to Alberta-based processing facilities where they are broken down and separated into metals, plastic and glass which are then shipped into the manufacturing supply chain.

STRATEGIC PRIORITY – PROGRAM EXPANSION (EPILOT)

The ePilot has received strong support from Albertans with over 6,400 tonnes of devices being dropped off for recycling in the categories of small appliances, audio visual, telecom, power and air tools, games, toys and music, and lawn and garden material.

The data gathered through the ePilot project—which began in September 2020—will be used to develop recommendations to be submitted to the province in 2022 to modernize the electronics recycling program for the long term.

	TONNES	PROGRAM MATERIALS KG. PER CAPITA	RECOVERY RATE**	ePILOT MATERIALS* TONNES
2019/20 Result	10,776	2.45	41%	N/A
2020/21 Result	8,600	1.94	31%	5,538
2021/22 Target	11,034	2.50	33%	N/A
2021/22 Result	8,493	1.90	35%	4,678

*2020/21 ePilot tonnage represents six months of operation plus a clean-up of volumes at processor sites at the outset of the ePilot. 2021/22 ePilot tonnage represents 12 months of operation.

**Recovery rates previously reported for 2019/20 and 2020/21 have been amended based on an update to the calculation methodology, utilizing more up-to-date product weight data.

See definitions on page 10 for KG. PER CAPITA and RECOVERY RATE.



PAINT

RESULTS

PAINT AND COATINGS PROCESSED

While sales of new paint and volumes of recycled paint remained strong in 2021/22, both metrics eased from the higher-than-typical results seen in 2020/21 (during the first year of the COVID-19 pandemic when travel and other restrictions drove an increased volume of residential painting activity).

Changes to the environmental fees on new paint materials implemented on April 1, 2021, have benefited registered collection sites and paint processors with adjustments to incentives, generating increased opportunities for Albertans and businesses to recycle their leftover paint.

AEROSOL PAINT CANS PROCESSED

Aerosol volumes in 2021/22 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.

PAINT AND COATING CONTAINERS PROCESSED

Reported volumes of recycled containers in 2021/22 increased more than 70% 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.

THE RECYCLING PROCESS FOR PAINT MATERIAL

Made-in-Alberta solutions address the handling of leftover latex paint with an approved recycler who processes it into new paint. If the latex is found to be solid or semi-solid, it does not need to be landfilled but rather it is used as feedstock in cement manufacturing.

Leftover oil-based products such as stains and finishes are used in fuel blends to provide an alternative fuel source. Plastic containers are recycled into molded products and the metal cans are recycled into industrial products such as rebar.

PAINT AND COATINGS PROCESSED	KG. (MILLIONS)	LITRES* (MILLIONS)	KG. PER CAPITA	RECOVERY RATE	CAPTURE RATE
2019/20 Result	2.74	2.28	0.62	10.0%	83.2%
2020/21 Result	3.02	2.51	0.68	9.2%	76.5%
2021/22 Target	2.93	2.44	0.66	10.3%	85.5%
2021/22 Result	2.95	2.46	0.66	9.5%	79.0%

*Based on an average weight per litre of 1.2 kg.

PAINT AND COATING CONTAINERS PROCESSED

	METAL (KG.)	PLASTIC (KG.)	TOTAL (KG.)
2019/20 Result	259,567	151,466	411,033
2020/21 Result	255,133	161,776	416,908
2021/22 Target	236,809	229,072	465,881
2021/22 Result	402,278	309,721	711,999

AEROSOL PAINT CANS PROCESSED

	UNITS	RECOVERY RATE
2019/20 Result	705,920	15.8%
2020/21 Result	702,697	14.0%
2021/22 Target	708,374	15.8%
2021/22 Result	651,743	14.3%

See definitions on page 10 for KG. PER CAPITA, RECOVERY RATE and CAPTURE RATE.





TIRES

RESULTS

Tire volumes collected in 2021/22 increased over the year as sales of tires recovered from the lower levels seen during the first year of the COVID-19 pandemic. Processing volumes declined slightly, and year-end processor inventory increased over the prior year.

THE RECYCLING PROCESS FOR USED TIRES

The tires are recycled in Alberta by ARMA approved processors into products such as tire-derived aggregate, an engineered cost-effective alternative to conventional aggregate for use in leachate drainage blankets, mulch for landscaping purposes and crumb applied as a top dressing in sports fields, and as feedstock for manufactured products.

TIRES PROCESSED	— TONNES —		KG. PER CAPITA	RECOVERY RATE FOR PLTT, MTT, AND SIO TIRES *†	RECOVERY RATE FOR OFF-THE- ROAD-TIRES †
	COLLECTED	PROCESSED			
2019/20 Result	70,956	62,328	14.16	94%	88%
2020/21 Result	67,804	66,461	14.98	95%	80%
2021/22 Target	70,804	66,429	15.06	96%	64%
2021/22 Result	73,572	66,308	14.80	96%	65%

*Passenger and Light Truck Tires (PLTT), Medium Truck Tires (MTT), Specialty, Industrial and Other Tires (SIO).

†The Recovery Rate for 2021/22 has been shifted to evaluate Collected tire volumes as a percentage of tire sales to more accurately reflect the activity of collecting and transporting tires into the recycling system. This replaces the methodology of evaluating Processed tire volumes as a percentage of tire sales; which was highly impacted in the tire program by large changes in processor inventories from year to year. The Recovery Rates for 2019/20, 2020/21 and the 2021/22 Target have been adjusted from previously reported figures to utilize the new methodology.

See definitions on page 10 for KG. PER CAPITA and RECOVERY RATE.



USED OIL

RESULTS

USED OIL RECOVERED

2021/22 shows a 6.5% increase in recovered oil over 2020/21. This is a result of slightly loosened personal travel restrictions but still similarly reduced business activity/expenditure due to the impact of COVID-19.

FILTERS COLLECTED AND PROCESSED

Again, we saw a 6.4% increase in collected volumes and an 8.5% increase in processed volumes of filters.

CONTAINERS COLLECTED AND PROCESSED

The disparity between the container volumes for 2019/20 and those for 2020/21 and 2021/22 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. Additionally, and similar to the experience with used oil and filters, COVID-19 impacted the volume of containers sold and recovered for the past two fiscal years.

THE RECYCLING PROCESS FOR USED OIL MATERIALS

High-quality used oil is re-refined into new lubricating oil. Filters are crushed (with the residual oil captured) and processed into industrial metals. The containers are pelletized and used as feedstock for new plastic products such as composite lumber, fence posts and parking curbs.

STRATEGIC PRIORITY

In 2021-22 ARMA received direction from Alberta Environment and Parks to consult with industry associations and other stakeholder organizations regarding expanding the program to include:

- Diesel Exhaust Fluid (DEF) containers,
- Glycol/Antifreeze concentrate and pre-mix,
- Glycol/Antifreeze containers,
- Brake fluid containers,
- Aerosol containers for brake cleaner, automotive parts cleaner, and lubricant, and
- Windshield washer fluid containers.

The proposed expansion is also focused on increasing the maximum container size in the program from 30L to 210L. The first phase of consultation took place from September/21 – March/22 with industry support received for the materials listed above to be included in a program expansion.



USED OIL (continued)

USED OIL RECOVERED	LITRES* (MILLIONS)	KG. (MILLIONS)	KG. PER CAPITA	CAPTURE RATE
2019/20 Result	86.61	75.35	17.12	79.7%
2020/21 Result	73.26	63.74	14.37	74.0%
2021/22 Target	82.59	71.85	16.29	78.9%
2021/22 Result	78.05	67.91	15.16	70.2%

**Based on an average weight per litre of 0.87 kg.*

FILTERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED PROCESSED	KG. PER CAPITA	RECOVERY RATE
2019/20 Result	4.49 3.24	1.02	82.3%
2020/21 Result	3.74 2.67	0.84	77.0%
2021/22 Target	4.20 3.02	0.95	80.2%
2021/22 Result	3.98 2.90	0.89	74.1%

CONTAINERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED PROCESSED	KG. PER CAPITA	RECOVERY RATE
2019/20 Result	2.37 2.07	0.54	95.6%
2020/21 Result	2.15 1.61	0.49	92.2%
2021/22 Target	2.02 1.70	0.46	79.8%
2021/22 Result	2.11 1.77	0.47	87.1%

See definitions on page 10 for KG. PER CAPITA, RECOVERY RATE and CAPTURE RATE.





RESULTS

Program specific goals



INSPIRING A FUTURE WITHOUT WASTE

GOAL 2 - SUSTAINABILITY

Ensure program sustainability by confirming environmental fees and funding rates are appropriate and effectively managed.

A key element to the success of the ARMA programs is sustainability. This includes the sustainability of processors managing the EOL materials in each program, municipalities and other collectors participating in the programs, and the operations of the programs themselves.

PERFORMANCE MEASURE

2.1 SUSTAINABILITY OF RECYCLING INDUSTRY

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

RESULTS

The results of the 2020/21 sustainability review for registered tire processors were a key component in the consultation process taking place in the fall of 2021 with industry stakeholders to consider increasing the environmental fee on Medium Truck Tires for the sustainability of the tire program. This proposal received strong support from stakeholders, including the province, resulting in the fee increase effective April 1, 2022. The results of the sustainability review also informed incentive changes for the registered processors.

A sustainability review for registered electronics processors was completed in 2021/22, which resulted in changes to transportation incentives implemented April 1, 2022, and will also be a factor in the consultation process regarding expansion of the electronics program. Paint and Used Oil Materials Recycling Programs will take place in 2022/23.

2.2 ENVIRONMENTAL FEE MANAGEMENT

Ongoing financial analysis and projections to support any required change in environmental fee levels to meet program goals and ensure sustainability and stability of the programs.

The ensuing stakeholder support—including from the Minister of Environment—to increase the environmental fee on Medium Truck Tires, resulted in the adjustment effective April 1, 2022. The Board also reviewed adjustments for the incentive rates on transportation and processing with changes to be implemented in 2022/23.



GOAL 3 - EFFECTIVENESS

Albertans' awareness of the programs, proximity to collection points and participation drive the success of the programs in effectively collecting and diverting EOL materials from landfill.

PERFORMANCE MEASURE

3.1 KEY STAKEHOLDER AWARENESS AND SUPPORT

Key stakeholders are aware of ARMA programs and the levels of awareness increase over time.

RESULTS

ELECTRONICS YEAR	PROGRAM		SURCHARGES	
	AWARENESS	SUPPORT	AWARENESS	SUPPORT
2017/18 Result	64%	89%	49%	47%
2018/19 Result	52%	85%	49%	47%
2021/22 Result	72%	87%	46%	54%

PAINT YEAR	PROGRAM		SURCHARGES	
	AWARENESS	SUPPORT	AWARENESS	SUPPORT
2017/18 Result	59%	82%	42%	54%
2018/19 Result	57%	82%	42%	59%
2021/22 Result	57%	79%	34%	54%

TIRES YEAR	PROGRAM		SURCHARGES	
	AWARENESS	SUPPORT	AWARENESS	SUPPORT
2017/18 Result	65%	83%	65%	60%
2018/19 Result	61%	83%	64%	62%
2021/22 Result	54%	80%	56%	59%

USED OIL YEAR	PROGRAM		SURCHARGES	
	AWARENESS	SUPPORT	AWARENESS	SUPPORT
2018/19 Result	57%	86%	54%	64%
2021/22 Result	30%	82%	42%	51%

The most significant shift in awareness of the programs occurs in electronics—an increase of 20% (most likely due to promotions associated with the ePilot)—and of the used oil program—a decrease of 27% in awareness (most likely due to continued working from home, requiring less travel and less vehicle maintenance.) There has been a downward shift in awareness of the fees across all four programs, however, support for the programs and the fees remains relatively strong.

GOAL 3 - EFFECTIVENESS

PERFORMANCE MEASURE

3.2 RESIDENTIAL PARTICIPATION AND ACCESS

Access to facilities, including collection sites, voluntary return-to-retailers and processor facilities for Albertans to recycle their EOL electronics, waste paint and used oil, filters and containers are improving.

RESULTS

CONSOLIDATED FOR E/P/T/UO (REGISTERED COLLECTION SITES | ROUNDUPS)

YEAR	ELECTRONICS	PAINT	TIRES	USED OIL MATERIALS
2019/20 Result	353 67	323 67	350 29	178 48
2020/21 Result	360 38	328 37	353 15	218 26
2021/22 Result	364 42	336 39	357 16	235 28

TOTAL MUNICIPAL ROUNDUPS

YEAR	MUNICIPAL ROUNDUPS*	HOSTED BY REGISTERED COLLECTION SITES*
2019/20 Result	70	51
2020/21 Result	39	36
2021/22 Result	42	34

**Some municipalities host spring and fall roundups at the same location.*

3.3 INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL (ICI) PARTICIPATION

ICI participation remains strong for all programs. Businesses took advantage of the opportunity to partner with processors for electronics collection events. The implementation of increased incentives under the paint program has resulted in reduced costs for generators of leftover paint material encouraging more collection sites to accept material from businesses. In addition, commercial paint roundups were held offering additional opportunities for the ICI sector to bring materials in for recycling. The tire and used oil programs have historically had high participation from the ICI sector with this representing a large portion of the overall material collected under those programs.



GOAL 4 - COMPLIANCE

Compliance with Regulation, Bylaws, requirements for suppliers, registered processors, downstream processors, collection sites and high environmental standards.

PERFORMANCE MEASURE

4.1 ENSURING REVENUE COMPLETENESS

ARMA reviews the submissions of environmental fees by suppliers of designated materials to confirm compliance with the Regulation and with ARMA bylaws.

RESULTS

REVENUE REVIEW

ELECTRONICS	ANNUAL PERCENTAGE REVIEWED	TWO-YEAR TOTAL (TARGET 90%)
YEAR		
2019/20 Result	34%	94% (18/19 + 19/20)
2020/21 Result	60%	94% (19/20 + 20/21)
2021/22 Result	33%	93% (20/21 + 21/22)

TIRES	ANNUAL PERCENTAGE REVIEWED	THREE-YEAR TOTAL (TARGET 80%)
YEAR		
2019/20 Result	27%	82%* (18/19 + 19/20)
2020/21 Result	35%	62%* (19/20 + 20/21)
2021/22 Result	27%	89% (19/20–21/22)

PAINT	ANNUAL PERCENTAGE REVIEWED	TWO-YEAR TOTAL (TARGET 90%)
YEAR		
2019/20 Result	57%	96% (18/19 + 19/20)
2020/21 Result	34%	91% (19/20 + 20/21)
2021/22 Result	54%	88% (20/21 + 21/22)

USED OIL	ANNUAL PERCENTAGE REVIEWED	THREE-YEAR TOTAL (TARGET 90%)
YEAR		
2019/20 Result	52%	n/a**
2020/21 Result	7%	n/a**
2021/22 Result	35%	94% (19/20–21/22)

*This was a two-year result, prior to shifting to a three-year cycle with a higher target. This shift was made to align with the review schedule for the harmonized, national audits of major tire Suppliers.

**ARMA began managing the Used Oil program in mid 2018/19. As a result, the first three-year total is available for 2021/22.



GOAL 4 - COMPLIANCE

PERFORMANCE MEASURE

4.2 ENVIRONMENTAL ASSURANCE – PROCESSORS AND DOWNSTREAM PROCESSORS

Ensure that EOL materials are recycled to a high environmental standard. Registered processors and downstream processors must 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, transportation and export.

RESULTS

The target for regular inspections of registered processors in all programs was completed by ARMA field staff with electronics processors also receiving their annual third-party environmental health and safety audit. Processors in paint, electronics, and used oil will receive their audits in 2022-23.

Four downstream processor audits were conducted; the audits for three of the companies were successfully completed. One of the downstream processors was found to be out of compliance, rendering them inactive in the program.

4.3 ENVIRONMENTAL ASSURANCE – MUNICIPAL COLLECTION SITES

Ensure that municipal sites which receive ARMA grant funding meet or exceed the collection site requirements, consistent with the funding terms of the grant.

ARMA field staff completed reviews of collection sites for all four programs and any issues found related to grant funding criteria were addressed in accordance with approved timelines.





APPENDICES

A - Strategic Priorities

B - Household Hazardous Waste



INSPIRING A FUTURE WITHOUT WASTE

STRATEGIC PRIORITIES

AREA	STRATEGIC / ORGANIZATIONAL PRIORITY	TASK/SUBJECT	TIMEFRAME
ORGANIZATION	IT DATABASE	ARMA Connect database replacement	2020/23
	GOVERNANCE	Review of internal governance and policies	2020/23
	FRAMEWORK SUPPORT	Support the government in developing infrastructure for new program framework	2021/23
	ARMA INNOVATION ENDOWMENT FUND	Support the government in incorporating an innovation endowment fund in the designated material regulation	2022
	HUMAN RESOURCES	HR infrastructure development	2021/23
	EDUCATION PROGRAM	Develop educational materials and method of distribution for applicable primary and secondary school levels	2022/23
ELECTRONICS	EXPANSION	Support the government in amending the Electronics Designation Regulation to include ePilot devices	2020/23
	REUSE - PARTS ONLY	Reuse (parts only); implement April 1, 2023	2023
	COLLECTION SITES	Optimize collection site options	2021/23
	INNOVATION	Local downstream business development	Ongoing
	REUSE PROGRAM	Reuse program for whole devices	2023
PAINT	EXPANSION	Support the government in amending the paint regulation to include other paint products	2024
	EDUCATION	Paint purchasing – buy what you need	2022
	PROCESSING	Optimize processing: processor risk mitigation	2024/25
TIRES	FEE INCREASE	Revision to bylaw to reflect fee adjustment on medium truck tires	2022
OIL	EXPANSION	Support the government in amending the used oil regulation to include other automotive materials and containers	2022
	PROGRAM DEFINITIONS	Update Processor and Collector definitions	2023
	PROGRAM INCENTIVES	Processor incentives – results hierarchy	2023
ALL PROGRAMS	ENHANCED RECYCLING	Enhanced recycling options	Ongoing



HOUSEHOLD HAZARDOUS WASTE (HHW)

Since 2004, ARMA has administered funding on a contract basis with Alberta Environment and Parks (AEP) to HHW brokers for the pick-up, consolidation, lab packing and transportation of eligible material from HHW roundups or year-round sites to approved facilities for destruction. This funding is provided on a per kilogram basis. Funding is also provided for the recycling of HHW aerosols.

ARMA supports the Government of Alberta in their commitment to supporting Albertans with access to appropriate disposal options for HHW and the eventual transition to extended producer responsibility as a long-term solution for HHW management.

In the interim, we continue to provide contracted oversight to the HHW program for AEP including working with collectors to identify additional facilities as needed for material treatment and destruction.

MUNICIPAL HHW DELIVERED TO SWAN HILLS TREATMENT CENTRE FOR DISPOSAL

	2021/22 RESULT (KG.)	2020/21 RESULT (KG.)	2019/20 RESULT (KG.)
Bulked Acid Liquids	16,654	10,375	12,000
Bulked Base Liquids	62,852	54,566	56,395
Bulked Flammable Liquids	95,714	65,786	88,873
Bulked Poisonous Liquids	195,759	148,194	176,374
Sub-Total Bulked Liquids	370,978	278,921	333,642
Lab Packs	207,435	419,941	429,228
Total Bulked Liquids and Lab Packs	578,413	698,862	762,870

MUNICIPAL HHW COLLECTED PER RURAL AND URBAN AREAS

	2021/22 RESULT (KG.)	2020/21 RESULT (KG.)	2019/20 RESULT (KG.)
Rural	337,165	387,355	403,049
Urban	458,493	395,332	447,927
Total Rural and Urban	795,657	782,687	850,876

MUNICIPAL HHW AEROSOL CANS RECYCLED

	2021/22 RESULT (UNITS)	2020/21 RESULT (UNITS)	2019/20 RESULT (UNITS)
Total	495,871	461,182	367,041



ARMA FINANCIAL STATEMENTS

March 31, 2022



ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

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July 8, 2022
Edmonton, Alberta

Independent Auditor's Report

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, 2022 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, 2022 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.

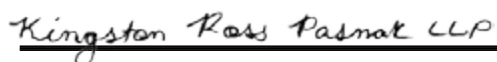
Auditor's Responsibilities for the Audit of the Financial Statements

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, 2022

		2022	2021
ASSETS			
CURRENT			
Cash		\$ 3,364,882	\$ 3,135,076
Short term investments (Note 4)		19,224,192	27,413,351
Accounts receivable		7,758,741	8,249,897
Interfund receivable (Note 5)		1,332,184	1,070,234
Prepaid expenses		138,428	144,584
		<u>31,818,427</u>	<u>40,013,142</u>
LONG TERM INVESTMENTS (Note 6)		105,883,777	105,204,994
PROPERTY AND EQUIPMENT (Note 7)		100,025	162,880
INTANGIBLE ASSET (Note 8)		3,100,033	524,904
		<u>\$ 140,902,262</u>	<u>\$ 145,905,920</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals		\$ 8,699,265	\$ 8,674,356
Accounts payable and accrued liabilities		1,385,872	1,893,085
Interfund payable (Note 5)		1,332,184	1,070,234
		<u>11,417,321</u>	<u>11,637,675</u>
COMMITMENTS (Note 10)			
EXTERNALLY RESTRICTED			
NET ASSETS (Note 11)			
Invested in capital assets		3,200,058	687,784
Electronics Recycling Alberta		88,578,428	98,235,848
Paint Recycling Alberta		3,504,751	2,531,215
Tire Recycling Alberta		22,154,676	22,220,059
Used Oil Recycling Alberta		12,046,017	10,592,328
Household Hazardous Waste contract		1,011	1,011
		<u>129,484,941</u>	<u>134,268,245</u>
		<u>\$ 140,902,262</u>	<u>\$ 145,905,920</u>

APPROVED BY THE BOARD



Director

Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Environmental fees	\$ 54,745,861	\$ 54,568,688	\$ 52,969,061
Less: Import tire agent charges	-	(15,880)	(14,040)
Government contract - Household Hazardous Waste	1,400,000	1,800,000	1,343,036
Interest	52,500	167,289	182,392
Total recycling revenue	56,198,361	56,520,097	54,480,449
Recycling expenditures			
Recycling incentives	68,891,738	52,940,311	48,559,196
Broker contracts - Household Hazardous Waste	1,235,750	1,605,878	1,199,192
Total recycling expenditures	70,127,488	54,546,189	49,758,388
Recycling development and other			
Research and development	1,095,000	351,850	445,605
Public information	511,778	528,821	246,197
Rural Alberta project and municipal grants	475,560	290,537	829,079
Total recycling development and other	2,082,338	1,171,208	1,520,881
Program delivery expenditures			
Compensation and advisory services	2,717,230	2,741,318	2,672,100
Contract program administration fees	158,667	184,620	281,009
Compliance and assurance activities	849,871	505,876	366,534
Contract delivery expenditures - Household Hazardous Waste	13,133	12,419	11,796
Other program expenses	1,112,040	440,918	110,849
Total program delivery expenditures	4,850,941	3,885,151	3,442,288
Corporate administration expenditures			
Compensation and professional fees	2,090,887	1,943,249	1,864,429
Office and general expenses, including amortization	1,503,693	1,300,119	1,069,329
Total corporate administration expenditures	3,594,580	3,243,368	2,933,758
Total expenditures	80,655,347	62,845,916	57,655,315
Revenue net of expenditures	(24,456,986)	(6,325,819)	(3,174,866)
Fund Investment			
Investment income	4,376,288	13,309,111	8,458,805
Unrealized investment (loss) gain	-	(11,442,215)	5,473,521
Investment managers and related expense	(317,600)	(324,381)	(292,644)
Net investment income	4,058,688	1,542,515	13,639,682
(Deficiency) excess of revenue over expenditures	\$ (20,398,298)	\$ (4,783,304)	\$ 10,464,816

Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022			2021
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 687,784	\$ 133,580,461	\$ 134,268,245	\$ 123,803,430
(Deficiency) excess of revenue over expenditures	-	(4,783,304)	(4,783,304)	10,464,816
Amortization of capital assets	(268,933)	268,933	-	-
Investment in capital assets	2,781,207	(2,781,207)	-	-
Net assets, end of year	\$ 3,200,058	\$ 126,284,883	\$ 129,484,941	\$ 134,268,246

Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022	2021
Cash flow from operating activities		
Recycling revenue collected	\$ 54,933,591	\$ 52,381,944
Government contracts received - Household Hazardous Waste	2,085,691	1,057,345
Program expenditures	(63,061,997)	(55,870,884)
Investment income	13,309,111	8,458,805
Investment management costs	(324,381)	(292,644)
Other income	838	558
	6,942,853	5,735,124
Cash flow used by investing activities		
Investment contributions	(3,931,839)	(4,979,395)
Acquisitions of property and equipment	(1,060)	(38,603)
Acquisitions of intangible asset	(2,780,148)	(472,854)
	(6,713,047)	(5,490,852)
Increase in cash position	229,806	244,272
Cash, beginning of year	3,135,076	2,890,804
Cash, end of year	\$ 3,364,882	\$ 3,135,076

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

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.

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, 2022

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. Environmental fees were amended at the outset for the 2021/22 fiscal year (April 1, 2021).

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. Environmental fees on medium truck tires were amended at the outset for the 2022/23 fiscal year (April 1, 2022).

Used Lubricating Oil Materials

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.

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 2023 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, 2022

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, 2022

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, 2022

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, registered as a Payment on Purchase supplier, 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, 2022

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 computer software is being amortized on a straight-line basis over the estimated useful life 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, 2022

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:

	2022	2021
Electronics Recycling Alberta	\$ 7,794,032	\$ 13,973,173
Paint Recycling Alberta	\$ 3,338,967	\$ 2,075,634
Tire Recycling Alberta	\$ 4,186,352	\$ 7,060,813
Used Oil Recycling Alberta	\$ 3,904,841	\$ 4,303,731
	\$ 19,224,192	\$ 27,413,351

The bond coupon and guaranteed investment certificate rates range from 0.72% to 2.36%, and mature between November 8, 2022 and January 7, 2023.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

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	\$ 121,186	\$ -
Tire Recycling Alberta	\$ 682,465	\$ 21,219
Used Oil Recycling Alberta	\$ 454,417	\$ -
Household Hazardous Waste Program	\$ 52,897	\$ -
	\$ 1,310,965	\$ 21,219
<i>Paint Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 121,186
	\$ -	\$ 121,186
<i>Tire Recycling Alberta</i>		
Electronics Recycling Alberta	\$ 21,219	\$ 682,465
	\$ 21,219	\$ 682,465
<i>Used Oil Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 454,417
	\$ -	\$ 454,417
<i>Household Hazardous Waste Program</i>		
Electronics Recycling Alberta	\$ -	\$ 52,897
	\$ -	\$ 52,897

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

Note 6

Long Term
Investments

Long term investments consist of:

	Electronics Recycling Alberta			
	2022		2021	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 35,777,103	\$ 34,010,780	\$ 39,327,746	\$ 40,127,446
Canadian equities	26,686,198	26,953,027	21,598,279	25,579,312
Global equities	19,466,941	19,792,435	15,546,021	18,724,437
	\$ 81,930,242	\$ 80,756,242	\$ 76,472,046	\$ 84,431,195

	Tire Recycling Alberta			
	2022		2021	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 8,771,836	\$ 8,147,365	\$ 7,579,568	\$ 7,542,524
Canadian equities	6,094,864	6,118,702	4,426,334	5,142,275
Global equities	4,734,733	4,804,536	3,227,510	3,887,095
	\$ 19,601,433	\$ 19,070,603	\$ 15,233,412	\$ 16,571,894

	Used Oil Recycling Alberta			
	2022		2021	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 3,645,464	\$ 3,370,113	\$ 2,425,705	\$ 2,389,702
Canadian equities	1,636,388	1,570,650	998,572	1,031,192
Global equities	1,125,636	1,116,169	701,910	781,011
	\$ 6,407,488	\$ 6,056,932	\$ 4,126,187	\$ 4,201,905

The bond coupon and guaranteed investment certificate rates range from 1.91% to 4.93% and mature from May 1, 2023 to December 1, 2028.

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

Note 7Property and
Equipment

	Electronics Recycling Alberta			
	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 861,343	\$ 781,567	\$ 79,776	\$ 131,763
Furniture and fixtures	286,497	274,667	11,830	18,614
Communications equipment	20,419	12,000	8,419	12,503
	\$ 1,168,259	\$ 1,068,234	\$ 100,025	\$ 162,880

Amortization provided for in the current year total \$91,510; (2021 - \$118,901).

Note 8

Intangible Asset

	Electronics Recycling Alberta			
	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	\$ 3,277,456	\$ 177,423	\$ 3,100,033	\$ 524,904
	\$ 3,277,456	\$ 177,423	\$ 3,100,033	\$ 524,904

In the current year the Authority has amortized \$177,423; (2021 - \$Nil) on the portion of the system build available for use during the year.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

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	2022	2021
Ms. Caroline McAuley (Chairperson January 14, 2018 to December 31, 2021)	\$ 28,508	\$ 38,194
Mr. Brad Pickering (Chairperson from January 1, 2022)	10,225	-
Ms. Lis Anderson	-	-
Mr. Jeff Faber	10,038	9,075
Mr. John Graham	-	-
Ms. Cathy Heron	1,675	4,088
Mr. Nelson Tonn (since July 7, 2021)	1,750	-
Mr. Al Kemmere (December 19, 2017 - September 29, 2020)	-	1,350
Mr. Brent Kennedy (September 19, 2012 - June 24, 2021)	1,125	5,250
Mr. Joe Kostler	3,075	4,875
Mr. Alain Portelance (since January 28, 2020)	-	-
Mr. David Schaaf	5,325	4,913
Ms. Rachelle Venne (February 1, 2019 - January 31, 2022)	1,609	4,013
Ms. Kara Westerlund (since January 19, 2021)	2,250	1,050
Mr. Ian Young	4,488	5,963
Mr. Jim Boucher (since March 18, 2022)	-	-
Mr. Patrick Kane (non-voting member August 18, 2004 - January 31, 2022)	-	-
Board of Directors' Benefits	28,579	30,305
Subtotal	98,647	109,076
Chief Executive Officer Salary	207,042	202,417
Benefits	32,980	31,822
Subtotal	240,022	234,239
Total	\$ 338,669	\$ 343,315

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

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
2023	\$ 522,587	\$ 20,234
2024	522,587	20,234
2025	522,587	15,199
2026	304,842	-
	\$ 1,872,603	\$ 55,667

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, 2022

Note 12
**Allocation of
Expenses**

Included in program delivery and corporate administration expenditures of \$6,931,481 (2021 - \$6,083,241) 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
2021/22	24%	7%	42%	27%
2020/21	21%	8%	42%	29%

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 2020/21 fiscal year.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

Note 13

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, 2022. 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, 2022, foreign denominated investments amounted to \$13,105,898 (10.29%) of the Authority's total short and long term investments.

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 14

COVID-19

The global pandemic related to the Coronavirus Disease 2019, or COVID-19, continues to impact worldwide economic activity. While the impacts of the first two years of the pandemic on the Authority are now known and reflected in the Authority's reported financial results, the pandemic continues to pose 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. The risk of these interruptions has shifted from the immediate impacts of public health restrictions (measures taken by the federal, provincial and municipal government to contain the impact of the virus) to longer-term impacts (e.g. challenges in the global supply chain and in the labour market.) The extent to which the COVID-19 outbreak may continue to evolve and potentially impact the Authority's results will depend on the future developments that are highly uncertain and cannot be predicted at this time.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

Note 15

Electronics Pilot

On May 11, 2020, the Alberta Government approved a pilot project (the "Pilot") for the Authority to use up to \$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, 2022 totaled \$5,877,586 (2021 - \$4,401,142).

Note 16

Subsequent Events - Household Hazardous Waste

It is expected that the April 1, 2023 to March 31, 2024 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, 2024.

Note 17

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, 2022

		2022	2021
ASSETS			
	CURRENT		
	Cash	\$ 866,010	\$ 1,415,188
	Short term investments (Note 4)	7,794,032	13,973,173
	Accounts receivable	592,973	903,636
	Interfund receivable (Note 5)	1,310,965	1,069,628
	Prepaid expenses	138,428	143,887
		<u>10,702,408</u>	<u>17,505,512</u>
	LONG TERM INVESTMENTS (Note 6)	80,756,242	84,431,195
	PROPERTY AND EQUIPMENT (Note 7)	100,025	162,880
	INTANGIBLE ASSET (Note 8)	3,100,033	524,904
		<u>\$ 94,658,708</u>	<u>\$102,624,491</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 1,720,093	\$ 2,115,135
	Accounts payable and accrued liabilities	1,138,910	1,585,724
	Interfund payable (Note 5)	21,219	-
		<u>2,880,222</u>	<u>3,700,859</u>
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Invested in capital assets	3,200,058	687,784
	Allocated	88,578,428	98,235,848
		<u>91,778,486</u>	<u>98,923,632</u>
		<u>\$ 94,658,708</u>	<u>\$102,624,491</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, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Environmental fees	\$ 9,087,511	\$ 6,779,091	\$ 9,459,803
Interest	8,000	10,024	24,020
Total recycling revenue	9,095,511	6,789,115	9,483,823
Recycling expenditures			
Recycling incentives	28,230,336	12,473,309	10,982,290
Total recycling expenditures	28,230,336	12,473,309	10,982,290
Recycling development and other			
Research and development	1,007,500	293,030	384,375
Public information	286,194	230,695	90,086
Rural Alberta project and municipal grants	143,250	60,251	114,461
Total recycling development and other	1,436,944	583,976	588,922
Program delivery expenditures			
Compensation and advisory services	1,027,684	1,159,312	1,381,668
Compliance and assurance activities	278,569	165,359	107,470
Other program expenses	248,262	92,920	15,079
Total program delivery expenditures	1,554,515	1,417,591	1,504,217
Corporate administration expenditures			
Compensation and professional fees	502,012	476,551	426,246
Office and general expenses, including amortization	399,762	354,970	289,268
Total corporate administration expenditures	901,774	831,521	715,514
Total expenditures	32,123,569	15,306,397	13,790,943
Revenue net of expenditures	(23,028,058)	(8,517,282)	(4,307,120)
Fund Investment			
Investment income	3,435,107	10,765,693	6,874,505
Unrealized investment (loss) gain	-	(9,143,854)	4,371,899
Investment managers and related expense	(250,000)	(249,703)	(231,064)
Net investment income	3,185,107	1,372,136	11,015,340
(Deficiency) excess of revenue over expenditures	\$ (19,842,951)	\$ (7,145,146)	\$ 6,708,220

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, 2022

	2022			2021
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 687,784	\$ 98,235,848	\$ 98,923,632	\$ 92,215,412
(Deficiency) excess of revenue over expenditures	-	(7,145,146)	(7,145,146)	6,708,220
Amortization of property and equipment	(268,933)	268,933	-	-
Investment in capital assets	2,781,207	(2,781,207)	-	-
Net assets, end of year	\$ 3,200,058	\$ 88,578,428	\$ 91,778,486	\$ 98,923,632

Basis of presentation (Note 2)

Schedule 1(c) Statement of Cash Flow

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022	2021
Cash flow from operating activities		
Recycling revenues collected	\$ 7,111,312	\$ 9,630,319
Program expenditures	(16,105,511)	(12,093,196)
Investment income	10,765,693	6,874,505
Investment management costs	(249,703)	(231,064)
	<u>1,521,791</u>	<u>4,180,564</u>
Cash flow used by investing activities		
Investment contributions	710,239	(3,256,732)
Acquisitions of property and equipment	(1,060)	(38,603)
Acquisitions of intangible asset	(2,780,148)	(472,854)
	<u>(2,070,969)</u>	<u>(3,768,189)</u>
(Decrease) increase in cash position	(549,178)	412,375
Cash, beginning of year	1,415,188	1,002,813
Cash, end of year	\$ 866,010	\$ 1,415,188

Basis of presentation (Note 2)

Schedule 2 Statement of Financial Position

Paint Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2022

		2022	2021
ASSETS			
	CURRENT		
	Cash	\$ 393,538	\$ 581,612
	Short term investments (Note 4)	3,338,967	2,075,634
	Accounts receivable	697,577	655,213
		\$ 4,430,082	\$ 3,312,459
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 701,203	\$ 556,665
	Accounts payable and accrued liabilities	102,942	109,864
	Interfund payable (Note 5)	121,186	114,715
		925,331	781,244
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	3,504,751	2,531,215
		3,504,751	2,531,215
		\$ 4,430,082	\$ 3,312,459
	Basis of presentation (Note 2)		

Schedule 2(a) Statement of Revenue and Expenditures

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Environmental fees	\$ 6,361,679	\$ 6,663,303	\$ 5,294,060
Interest	7,500	19,001	15,497
Total recycling revenue	6,369,179	6,682,304	5,309,557
Recycling expenditures			
Recycling incentives	5,291,765	5,234,349	4,018,068
Total recycling expenditures	5,291,765	5,234,349	4,018,068
Recycling development and other			
Research and development	37,500	29,656	525
Public information	20,718	33,366	25,227
Rural Alberta project and municipal grants	29,100	18,131	20,970
Total recycling development and other	87,318	81,153	46,722
Program delivery expenditures			
Compensation and advisory services	161,095	140,748	138,528
Compliance and assurance activities	60,161	13,279	25,416
Other program expenses	60,140	25,308	3,449
Total program delivery expenditures	281,396	179,335	167,393
Corporate administration expenditures			
Compensation and professional fees	149,963	138,885	158,314
Office and general expenses, including amortization	107,050	90,982	85,889
Total corporate administration expenditures	257,013	229,867	244,203
Total expenditures	5,917,492	5,724,704	4,476,386
Revenue net of expenditures	451,687	957,600	833,171
Fund Investment			
Investment income	34,600	17,265	23,737
Unrealized investment gain (loss)	-	-	(1,025)
Investment managers and related expense	(600)	(1,329)	(883)
Net investment income	34,000	15,936	21,829
Excess of revenue over expenditures	\$ 485,687	\$ 973,536	\$ 855,000

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, 2022

	2022		2021
	Allocated	Total	Total
Net assets, beginning of year	\$ 2,531,215	\$ 2,531,215	\$ 1,676,215
Excess of revenue over expenditures	973,536	973,536	855,000
Net assets, end of year	\$ 3,504,751	\$ 3,504,751	\$ 2,531,215

Basis of presentation (Note 2)

Schedule 2(c) Statement of Cash Flow

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022	2021
Cash flow from operating activities		
Recycling revenues collected	\$ 6,639,940	\$ 5,058,834
Program expenditures	(5,580,618)	(4,166,224)
Investment income	17,265	23,737
Investment management costs	(1,329)	(883)
	<u>1,075,258</u>	<u>915,464</u>
Cash flow used by investing activities		
Investment contributions	(1,263,332)	(670,999)
	<u>(1,263,332)</u>	<u>(670,999)</u>
(Decrease) increase in cash position	(188,074)	244,465
Cash, beginning of year	581,612	337,147
Cash, end of year	\$ 393,538	\$ 581,612

Basis of presentation (Note 2)

Schedule 3 Statement of Financial Position

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2022

		2022	2021
ASSETS			
	CURRENT		
	Cash	\$ 1,006,952	\$ 673,205
	Short term investments (Note 4)	4,186,352	7,060,813
	Accounts receivable	2,229,857	2,313,129
	Interfund receivable (Note 5)	21,219	-
		7,444,380	10,047,147
	LONG TERM INVESTMENTS (Note 6)	19,070,603	16,571,894
		\$ 26,514,983	\$ 26,619,041
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 3,578,362	\$ 3,753,125
	Accounts payable and accrued liabilities	99,480	100,451
	Interfund payable (Note 5)	682,465	545,406
		4,360,307	4,398,982
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	22,154,676	22,220,059
		22,154,676	22,220,059
		\$ 26,514,983	\$ 26,619,041
	Basis of presentation (Note 2)		

Schedule 3(a) Statement of Revenue and Expenditures

Tire Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Environmental fees	\$ 23,974,163	\$ 25,235,141	\$ 23,721,988
Less: Import tire agent charges	-	(15,880)	(14,040)
Interest	25,000	96,911	110,061
Total recycling revenue	23,999,163	25,316,172	23,818,009
Recycling expenditures			
Recycling incentives	22,529,949	22,787,666	22,055,570
Total recycling expenditures	22,529,949	22,787,666	22,055,570
Recycling development and other			
Research and development	42,500	29,164	45,880
Public information	125,810	161,833	72,805
Rural Alberta project and municipal grants	208,295	169,397	639,630
Total recycling development and other	376,605	360,394	758,315
Program delivery expenditures			
Compensation and advisory services	936,500	868,930	755,001
Contract administration	28,600	15,826	24,552
Compliance and assurance activities	167,906	115,681	120,788
Other program expenses	433,513	151,829	18,973
Total program delivery expenditures	1,566,519	1,152,266	919,314
Corporate administration expenditures			
Compensation and professional fees	874,772	810,029	810,953
Office and general expenses, including amortization	595,848	512,903	413,548
Total corporate administration expenditures	1,470,620	1,322,932	1,224,501
Total expenditures	25,943,693	25,623,258	24,957,700
Revenue net of expenditures	(1,944,530)	(307,086)	(1,139,691)
Fund Investment			
Investment income	752,081	2,170,961	1,292,757
Unrealized investment (loss) gain	-	(1,872,087)	1,027,823
Investment managers and related expense	(55,000)	(57,171)	(49,406)
Net investment income	697,081	241,703	2,271,174
(Deficiency) excess of revenue over expenditures	\$ (1,247,449)	\$ (65,383)	\$ 1,131,483

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, 2022

	<u>2022</u>		<u>2021</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 22,220,059	\$ 22,220,059	\$ 21,088,576
(Deficiency) excess of revenue over expenditures	<u>(65,383)</u>	<u>(65,383)</u>	<u>1,131,483</u>
Net assets, end of year	<u>\$ 22,154,676</u>	<u>\$ 22,154,676</u>	<u>\$ 22,220,059</u>

Basis of presentation (Note 2)

Schedule 3(c) Statement of Cash Flow

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022	2021
Cash flow from (used by) operating activities		
Recycling revenue collected	\$ 25,399,444	\$ 23,103,963
Program expenditures	(25,683,152)	(25,383,657)
Investment income	2,170,961	1,292,757
Investment management costs	(57,171)	(49,406)
	1,830,082	(1,036,343)
Cash flow (used by) from investing activities		
Investment (contributions) proceeds	(1,496,335)	647,658
	(1,496,335)	647,658
(Increase) decrease in cash position	333,747	(388,685)
Cash, beginning of year	673,205	1,061,890
Cash, end of year	\$ 1,006,952	\$ 673,205

Basis of presentation (Note 2)

Schedule 4 Statement of Financial Position

Used Oil Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2022

		2022	2021
ASSETS			
	CURRENT		
	Cash	\$ 344,206	\$ 450,497
	Short term investments (Note 4)	3,904,841	4,303,731
	Accounts receivable	4,238,334	4,092,228
	Interfund receivable (Note 5)	-	606
	Prepaid expenses	-	697
		8,487,381	8,847,759
	LONG TERM INVESTMENTS (Note 6)	6,056,932	4,201,905
		\$ 14,544,313	\$ 13,049,664
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 2,011,134	\$ 2,044,422
	Accounts payable and accrued liabilities	32,745	34,832
	Interfund payable (Note 5)	454,417	378,082
		2,498,296	2,457,336
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	12,046,017	10,592,328
		\$ 14,544,313	\$ 13,049,664
	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, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Environmental fees	\$ 15,322,508	\$ 15,891,153	\$ 14,493,210
Interest	10,000	40,515	32,255
Total recycling revenue	15,332,508	15,931,668	14,525,465
Recycling expenditures			
Recycling incentives	12,839,688	12,444,987	11,503,268
Total recycling expenditures	12,839,688	12,444,987	11,503,268
Recycling development and other			
Research and development	7,500	-	14,825
Public information	79,056	102,927	58,079
Rural Alberta project and municipal grants	68,665	27,798	41,331
Total recycling development and other	155,221	130,725	114,235
Program delivery expenditures			
Compensation and advisory services	591,951	572,327	396,904
Contract program administration fees	3,200	1,212	136,538
Compliance and assurance activities	343,235	211,558	112,859
Other program expenses	370,125	170,862	73,348
Total program delivery expenditures	1,308,511	955,959	719,649
Corporate administration expenditures			
Compensation and professional fees	564,140	517,784	468,916
Office and general expenses, including amortization	401,033	341,264	280,624
Total corporate administration expenditures	965,173	859,048	749,540
Total expenditures	15,268,593	14,390,719	13,086,692
Revenue net of program expenditures	63,915	1,540,949	1,438,773
Fund Investment			
Investment income	154,500	355,192	267,806
Unrealized investment (loss) gain	-	(426,274)	74,824
Investment managers and related expense	(12,000)	(16,178)	(11,291)
Net investment income (loss)	142,500	(87,260)	331,339
Excess of revenues over expenditures	\$ 206,415	\$ 1,453,689	1,770,112

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, 2022

	<u>2022</u>		<u>2021</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 10,592,328	\$ 10,592,328	\$ 8,822,216
Excess of revenue over expenditures	1,453,689	1,453,689	1,770,112
Net assets, end of year	\$ 12,046,017	\$ 12,046,017	\$ 10,592,328

Basis of presentation (Note 2)

Schedule 4(c) Statement of Cash Flow

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2022

	2022	2021
Cash flow from operating activities		
Recycling revenue collected	\$ 15,782,895	14,588,828
Program expenditures	(14,345,789)	(13,052,564)
Investment income	355,192	267,806
Investment management costs	(16,178)	(11,291)
	<u>1,776,120</u>	<u>1,792,779</u>
 Cash flow used by investing activities		
Investment contributions	(1,882,411)	(1,699,322)
	<u>(1,882,411)</u>	<u>(1,699,322)</u>
 (Decrease) increase in cash position	(106,291)	93,457
Cash, beginning of year	450,497	357,040
Cash, end of year	\$ 344,206	\$ 450,497

Basis of presentation (Note 2)

Schedule 5 Statement of Financial Position

Household Hazardous Waste ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2022

		2022	2021
ASSETS			
	CURRENT		
	Cash	\$ 754,176	\$ 14,574
	Accounts receivable	-	285,691
		\$ 754,176	\$ 300,265
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 688,473	\$ 205,009
	Accounts payable and accrued liabilities	11,795	62,214
	Interfund payable (Note 5)	52,897	32,031
		753,165	299,254
	COMMITMENTS (Note 10)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 11)		
	Allocated	1,011	1,011
		\$ 754,176	\$ 300,265
	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, 2022

	2022 Budget Unaudited	2022 Actual	2021 Actual
Recycling revenue			
Government contract	\$ 1,400,000	\$ 1,800,000	\$ 1,343,036
Interest	2,000	838	558
Total recycling revenue	1,402,000	1,800,838	1,343,594
Recycling expenditures			
Broker contracts	1,235,750	1,605,878	1,199,192
Total recycling expenditures	1,235,750	1,605,878	1,199,192
Recycling development and other			
Rural Alberta project and municipal grants	26,250	14,960	12,687
Total recycling development and other	26,250	14,960	12,687
Program delivery expenditures			
Contract administration fees	126,867	167,581	119,919
Compliance and assurance activities	-	-	-
Contract delivery expenditures	13,133	12,419	11,796
Total program delivery expenditures	140,000	180,000	131,715
Total expenditures	1,402,000	1,800,838	1,343,594
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, 2022

	2022	2021
Cash flow used by operating activities		
Government contracts received	\$ 2,085,691	\$ 1,057,345
Program expenditures	(1,346,927)	(1,175,243)
Other income	838	558
	739,602	(117,340)
Increase (decrease) in cash position	739,602	(117,340)
Cash, beginning of year	14,574	131,914
Cash, end of year	\$ 754,176	\$ 14,574

Basis of presentation (Note 2)

INSPIRING A FUTURE WITHOUT WASTE



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