

2022 – 2023

ANNUAL REPORT



INSPIRING A FUTURE WITHOUT WASTE

TABLE OF CONTENTS

- LETTER TO THE MINISTER.....2
- MESSAGE FROM THE
CHAIR OF THE BOARD AND CEO.....3
- MESSAGE FROM THE CFO5
- BY THE NUMBERS.....8
- OUR STORY9
- OUR MANDATE10
- OUR VISION11
- STRATEGIC FOCUS12
- BOARD GOVERNANCE13
- RESULTS
- STEWARDSHIP GOAL 1, KEY METRICS15
 - ELECTRONICS16
 - PAINT17
 - TIRES.....18
 - USED OIL MATERIALS.....19
- STEWARDSHIP GOAL 2, SUSTAINABILITY21
- STEWARDSHIP GOAL 3, EFFECTIVENESS23
- STEWARDSHIP GOAL 4, COMPLIANCE25
- EPR GOAL 5, EPR IMPLEMENTATION27
- APPENDICES28
- AUDITED FINANCIAL STATEMENTS31

ARMA works with Albertans from all areas of our province. As such, we acknowledge the Indigenous Peoples who lived among and travelled through the land in the area currently known as Alberta. The relationship that Peoples of Treaty 4, 6, 7, 8, and 10, Alberta’s Métis and Inuit people have with the land is founded on a deep respect for the environment. This connection forms the foundation of our responsibility and vision of inspiring a future without waste.

LETTER TO THE MINISTER

September 13, 2023

Honourable Rebecca Shulz
Minister of Environment and Protected Areas
224 Legislature Building
10800 - 97 Avenue, Edmonton, AB, T5K 2B6
aep.minister@gov.ab.ca

Dear Minister Schulz,

For more than 30 years now, the Alberta Recycling Management Authority (ARMA) has served as the province's leading authority on recycling, overseeing all aspects of end-of-life processing of electronics, paint, tires, and used oil materials. In collaboration with our partners in government and industry, we are actioning our vision for a future without waste.

Like the Government of Alberta, ARMA knows we can improve the environment while promoting economic growth. According to third-party evidence, the province's recycling sector already contributes nearly \$1 billion in annual GDP and supports more than 7,500 direct jobs. Another 5,357 producers and suppliers of designated materials benefit from ARMA recycling programs.

This is just the beginning. ARMA has been working to help develop a marketplace that extends the lifecycle of products and increases their value through the supply chain so they can be used differently, more efficiently, and for longer and longer periods. This year we began advancing the extended producer responsible (EPR) framework through our role as the provincially appointed oversight body.

The goal is to incentivize waste reduction from the very early stages of a product's life cycle—raw material extraction—right through its development to the point of sale. EPR will help ARMA and our partners in the circular economy do even more to reduce waste and make our province a more attractive place for investors.

This is just one of many exciting developments from the past year. Our milestones included extending our popular and effective ePilot for electronics recycling through to March 2024, migrating all processors and collectors to ARMA Connect and refreshing our Board governance model to better align our priorities to support the provincial government's agenda.

On behalf of the Board, Industry Councils and staff of ARMA, I am pleased to present our Annual Report, which addresses the fiscal year of April 1, 2022, to March 31, 2023. 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.

Our directors, senior management, and CEO are excited to work with you and your department to reduce environmental impacts while building a high-value circular economy where ingenuity creates jobs and other benefits. A province of dreamers and innovators, Alberta is poised to become a leader in generating economic opportunities through environmental protection.

Sincerely,



Brad Pickering,
Board Chair



Ed Gugenheimer,
CEO

MESSAGE FROM THE

BOARD CHAIR AND CEO

After three unprecedented and challenging years because of the COVID-19 pandemic, the past 12 months saw exciting developments and new opportunities. Like the world around us, recycling is evolving to meet growing needs and changing expectations. As we have for more than 30 years now, the Alberta Recycling Management Authority (ARMA), empowered by partnerships with our stakeholders, from the public and municipalities to industry and government, moved forward with our vision of inspiring a future without waste.

We began by building on our past successes, starting with our popular ePilot for electronics. Diverting 5,176 tonnes of material from the province's landfills this year alone (in addition to the 8,377 tonnes recycled under our general program), the project has been extended through Ministerial Order until March 2024. In a bid to modernize electronics recycling for the long term, ARMA has submitted a proposal to the province to include ePilot materials under ARMA's general program.

Further to that, we have also proposed expanding our oil recycling program with the objective to divert more plastics, glycol, anti-freeze, etc., from the landfill. This year, we recovered 82.07 million litres of used oil. We also collected 3.91 million kilograms of oil filters, processing 2.92 million kilograms. Additionally, we collected 2.09 million kilograms of oil containers.

In the Paint program, 2.94 million kilograms of paint and 532,532 kilograms of paint containers were recycled this year. The number of spray paint cans collected and processed was 1,024,115.

Collection under Canada's second-oldest tire recycling program was 77,581 tonnes of tires. 64,940 tonnes of tires were processed; this was lower than collection tonnage due to softer demand for the resulting mulch and rubber crumb.

Our latest initiative also made its mark. In 2020, ARMA launched a pilot project to deal with the wave of expired solar panels resulting from the push to lower-carbon energy sources. We recovered 2,200 panels with the aim of testing and refurbishing them so they stay out of Alberta landfills.

While ARMA has accomplished much through our 437 registered recycling depots in 161 communities throughout the province, we know we can do more. By signing the final extended producer responsible (EPR) agreement in April 2023, we have begun advancing a framework that, starting this November, will make ARMA responsible for the administration and oversight authority of Single-use Products, Packaging, and Paper Products (PPP) and Hazardous and Special Products (HSP).

Continued on next page

EPR shifts the cost of recycling these materials away from our municipalities and everyday Albertans to the producers and manufacturers who supply those products into the marketplace. In doing so, it generates significant economic opportunities through the necessary process of waste reduction. To support this important and necessary shift, ARMA has refreshed our Board governance model. We will work diligently to create bylaws, policies, and processes to support an EPR framework that is thoughtful and pragmatic.

Appreciating we are nothing without our partners, ARMA has also reinforced our commitment to Alberta communities this year by:

- Providing 37 grants to fund municipal recycling roundups;
- Hosting four curbside roundups in small communities;
- Operating two new paint and used oil roundups; and
- Organizing 27 commercial paint roundups.

In celebration of our 30th anniversary, ARMA also gifted 25 recycled plastic benches to communities across the province, each keeping 108 kilograms of plastic out of landfills, while giving people a place to sit and enjoy Alberta's unique beauty.

ARMA will continue to partner with our stakeholders to deliver responsible stewardship programs. Only by working together, as Albertans, can we effectively shape recycling policy to divert waste and support a value-added processing system that grows our economy for the benefit of Albertans today and tomorrow. Through smart, forward-looking policies, we will continue to embrace and advance a future without waste.

Sincerely,

A handwritten signature in black ink, appearing to read 'BP', with a long horizontal flourish extending to the right.

Brad Pickering,
Board Chair

A handwritten signature in black ink, appearing to read 'Ed', with a long horizontal flourish extending to the right.

Ed Gugenheimer,
CEO

MESSAGE FROM THE CFO

Alberta Recycling Management Authority (ARMA) has always taken pride in responsibly managing the finances associated with recycling electronics, paint, tires, and used oil materials, and this year is no exception. The 2022/23 financial results of the stewardship programs built on the stable financial footing of the programs.

In the Electronics program, temporary reductions to environmental fees continue to enable the gradual reduction of the program fund. The extension of the ePilot through March 2024 (still within the original ePilot budget) allows ARMA to continue to support the collection and recycling of an expanded list of electronic products while the expansion proposal is considered by government.

2022/23 brought a small, positive financial result for the Paint program, returning to more typical levels. In the past few years, the Paint program had experienced stronger than typical financial results, driven by high paint sales during the COVID-19 pandemic.

In the Tires program, the statement of revenue and expenditures shows a positive financial result for the year; however, processors have been experiencing decreased demand for their products. This has resulted in higher inventories at processor sites and delayed program expenditures, which will have a continuing financial impact on the program until inventory levels normalize.

The interpretation of the Used Oil program's strong financial results for 2022/23 is enhanced with additional background information on program volumes and the sustainability of recycling operations. Recycling volumes have not yet normalized after the tremendous disruption to the industry during the pandemic. A sustainability study of the industry in 2021/22 demonstrated a need for higher financial support for recyclers, particularly in recycling plastic containers. With the expectation of increasing volumes over time back towards more typical levels, and a need to enhance the sustainability of recycling used oil materials through increased incentives, in 2022/23 ARMA proposed changes to the program's bylaws to amend environmental fees. Approval for these amendments was obtained subsequent to the end of the fiscal year, with implementation planned for the fall of calendar 2023. ARMA has also proposed an expansion of eligible materials to allow the program to incent the recycling of additional materials.

Extended Producer Responsibility Oversight

A major and exciting opportunity in 2022/23 was the Government of Alberta selecting ARMA as the administration and oversight authority for Extended Producer Responsibility (EPR). This has required ARMA to budget and secure financing for a new division of ARMA while learning about the oversight role and assessing future needs. Work on bylaws and policies for the EPR oversight division continues, with the registration of producers, producer responsibility organizations and community authorities set to open in the fall.

Continued on next page

ARMA Connect

2022/23 saw the completion of the main build of ARMA's new system for the administration of environmental fees, and for claims by registered processors and registered collectors for recycling incentives. This new system, named ARMA Connect, modernizes the organization's data, enables enhanced reporting and business intelligence, and enables improved operational efficiency. Moving forward, this system's functionality will be expanded to include the registration and reporting of organizations obligated under Alberta's new EPR regulations for the PPP and HSP material streams.

Last year, ARMA successfully onboarded over 2,400 suppliers and producers to the platform for reporting environmental fees in the Electronics, Tires and Paint stewardship programs. In 2022/23, we built on this success by extending the platform as the engine for incentive claims from registered processors and registered collectors in ARMA's four stewardship programs.

While the number of stakeholders brought onto the system this year to complete their claims was much smaller than the number onboarded last year for environmental fee reporting (175 users vs 2,400 users), the complexity of the claim functionality is much higher. The system project was an immense team effort of our staff and our IT partner, with success driven both by the dedication of the project team and the input and cooperation of registered processors and collectors. Support continues for registered collectors who are completing their first claims in the system, and so that we can continue to enhance the system's capability to streamline processor claims.

As we look forward to 2023/24, the financial stability of ARMA's programs and the dedication of our team allow us to be confident to achieve the long-term goals of our stewardship programs and EPR oversight, while delivering on our vision of inspiring a future without waste.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lee Heidecker', written in a cursive style.

Lee Heidecker,
Chief Financial Officer

[illegible]

2022 – 2023 BY THE

NUMBERS

11.6 
MILLION
ELECTRONICS
RECYCLED
SINCE 2004

33.9 
MILLION
LITRES OF PAINT
RECYCLED
SINCE 2008

144.5 
MILLION
TIRES RECYCLED
SINCE 1992

2.0 
BILLION
LITRES OF USED
OIL RECYCLED
SINCE 1997

2,200
SOLAR PANELS
DIVERTED
FROM
LANDFILL 

37 
MUNICIPAL
RECYCLING
ROUNDUP
GRANTS

4 
CURBSIDE
RECYCLING
ROUNDUPS
COMPLETED

27 
COMMERCIAL
PAINT
ROUNDUPS
HOSTED

2 
PAINT & USED
OIL ROUNDUPS
HOSTED IN
RED DEER

437 
REGISTERED
RECYCLING
DEPOTS IN 161
MUNICIPALITIES

2 
STEWARDSHIP
PROGRAM
EXPANSION
RECOMMENDATIONS
TO THE PROVINCE

25 
RECYCLED
PLASTIC
BENCHES GIVEN
TO ALBERTA
COMMUNITIES

90% 
AVERAGE
PARTICIPATION
AT STAFF
ENGAGEMENT
AT EVENTS

3 
EQUITY,
DIVERSITY,
AND INCLUSION
WORKSHOPS

36% 
OVERALL
SOCIAL MEDIA
FOLLOWER
INCREASE

13 
CONFERENCES
ATTENDED

1 
WEBSITE
OVERHAUL

1
NEW HOME FOR
ARMA
SECURED 

1 
NEW
ARMA DIVISION
CREATED



OUR STORY

For over thirty years, Albertans have proven their commitment to the environment through enduring support and participation in our 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 multi-stakeholder board, four industry councils, over 5,300 registered suppliers and producers, and 27 recyclers. Additionally, 161 municipal and Indigenous communities manage 437 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.

Working from our strong foundation, ARMA is as committed as ever to fulfilling our vision of Inspiring **A Future Without Waste** and building a strong, robust, circular economy. This ambitious vision is 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 stewardship programs while expanding into the oversight of EPR, building a high-value circular economy where ingenuity creates local jobs and extends our value beyond Alberta's borders while reducing our environmental impacts.



OUR MANDATE

Alberta Recycling Management Authority (ARMA) is a not-for-profit organization incorporated under the Societies Act. As a Delegated Administrative Organization, ARMA is accountable to the Government of Alberta Minister of Environment and Protected Areas through its Business Plan and Annual Report.

STEWARDSHIP:

The Designated Material Recycling and Management Regulation (the Stewardship 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; and
- Promote the use 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.

OVERSIGHT:

The Extended Producer Responsibility Regulation (the EPR Regulation) authorizes ARMA to be responsible for the administration and oversight authority of the following designated materials:

- Single-use Products, Packaging, and Paper Products (PPP); and
- Hazardous and Special Products (HSP).

We are currently in a transitional period with the Alberta government on the next steps surrounding EPR—including model bylaws—in order to fulfill objectives and goals as an oversight body.

In addition to its environmental stewardship mandate and regulatory oversight, ARMA meets its obligations under the Societies Act through its bylaws and governance regulation. 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.



OUR STRATEGIC FOCUS

To provide direction to the annual business planning process, the Board of Directors and Senior Leadership developed a strategic focus that expands on the current priorities and incorporates EPR oversight, while keeping avenues open for discussion and research.

While ARMA has always sought to uplift the environmental performance of Alberta's waste ecosystem, we know that regulation alone is not sufficient to attain the best environmental outcomes.

Our strategic plan revolves around repositioning, growing, and building on a proud history of delivering stewardship programs while establishing EPR and becoming an administration and oversight authority.

Building and developing our capacity as a modern, effective, and trusted oversight authority is a priority in the next two years. Our emerging philosophy as a delegated oversight authority (on behalf of the province) is based on the view that ARMA must focus on objectives and expected environmental outcomes and then consider the most innovative, efficient, and effective method of supporting and achieving compliance.

To maximize our influence and impact in a complex and evolving environment, we are committed to several strategic choices that will produce transformational change defined by the following:

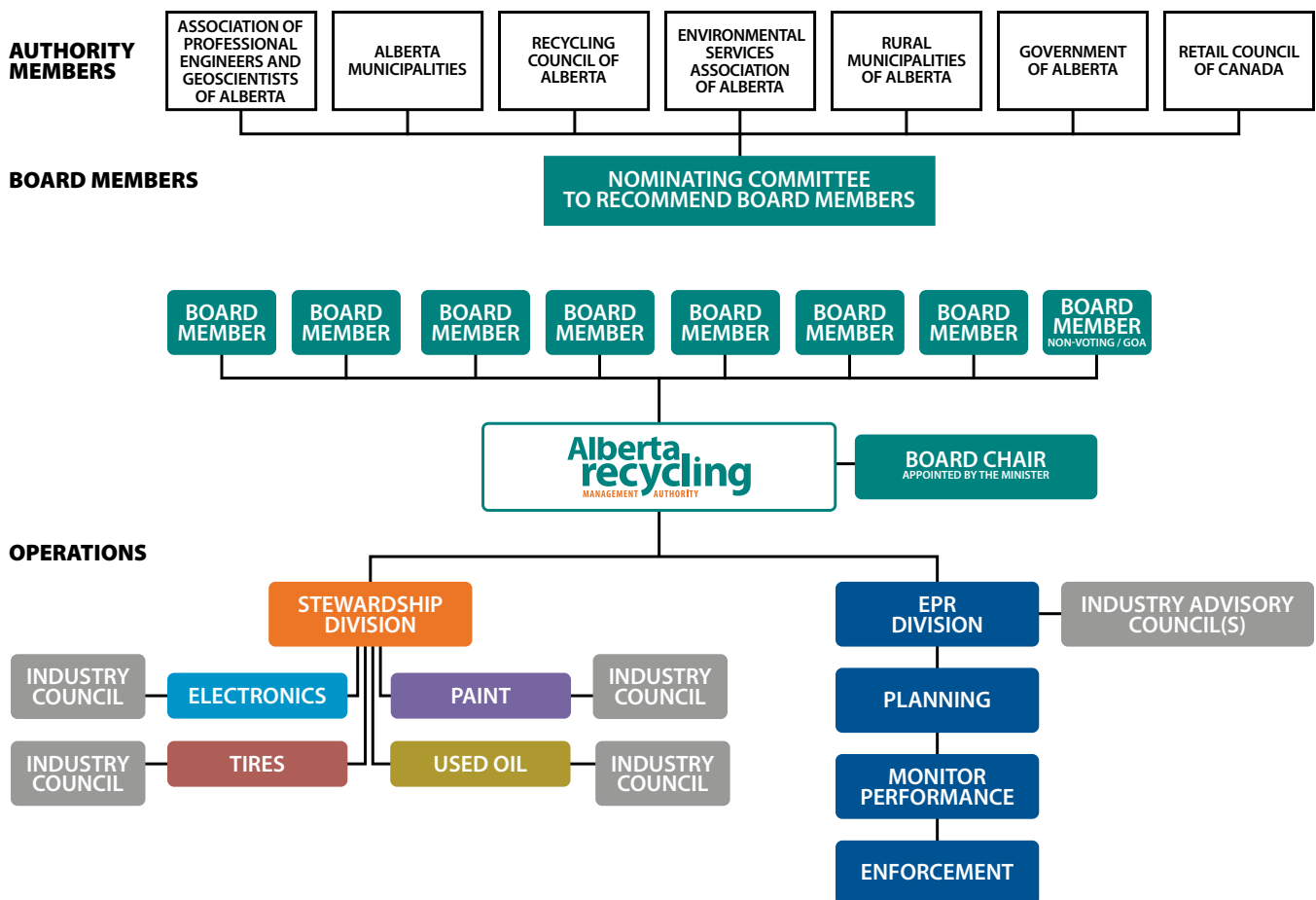
- **Focus on impact and outcomes;**
- **Transformational impact achieved with a complex systems view;**
- **Outcomes achieved through influence—relationships are broad and strategic;**
- **Viewed as a sought-after partner and collaborator;**
- **Expanded view of our role; and**
- **Empowered and performance-driven culture.**

A NEW

BOARD GOVERNANCE

A refreshed Board governance model for ARMA has been created, shifting from an operating to a governance Board structure to ensure a successful transition while eliminating any conflicts in our role of administration and oversight authority for EPR. The divisional corporate structure separates our stewardship efforts from EPR oversight and allows for efficiency by minimizing the number of entities and sharing corporate services between the two divisions.

The new model includes a nominating committee, which independently recruits eligible, non-conflicted and highly skilled Board members, rather than Board members being directly appointed by member organizations. Through this nominating process, individuals are assessed via a qualifications and eligibility criteria and a skills matrix for evaluation and conflict of interest checks to ensure all are acting in the best interest of EPR.





RESULTS

KEY PROGRAM PERFORMANCE MEASURES



STEWARDSHIP GOAL 1

KEY METRICS

All materials designated under the stewardship regulation 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 65.7%. For example, if 100 litres of oil is sold, 65.7 litres (or 65.7%) will be EOL. This is based on industry estimates that 34.3% of oil sold is consumed during use.

STEWARDSHIP RESULTS

ELECTRONICS

	TONNES	PROGRAM MATERIALS KG. PER CAPITA	RECOVERY RATE	ePILOT MATERIALS* TONNES
2020/21 Result	8,600	1.94	31%	4,663
2021/22 Result	8,493	1.90	34%	5,340
2022/23 Target	9,026	1.99	36%	N/A
2022/23 Result	8,377	1.80	31%	5,176

*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 and 2022/23 ePilot tonnage represents 12 months of operation.

See definitions on page 14 for KG. PER CAPITA and RECOVERY RATE.

	LEAD (TONNES)	HAZARDOUS MATERIAL DIVERTED FROM LANDFILL				ANTIMONY (TONNES)
		MERCURY (KG.)	CADMIUM (KG.)	BERYLLIUM (KG.)		
2020/21 Result	289	0.34	4.10	12.25		1.25
2021/22 Result	270	0.36	3.13	11.51		1.07
2022/23 Result	229	0.30	3.23	9.70		1.08

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

There were 53 Electronics Recycling 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 365 registered collection sites located in 148 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 continued to receive strong support from Albertans with over 5,100 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—was used to develop recommendations to modernize the electronics recycling program for the long term. These recommendations were submitted to the province in 2022 and are being reviewed. In the interim, the ePilot has been extended through Ministerial Order until March 2024.

STEWARDSHIP RESULTS

PAINT

PAINT AND COATINGS PROCESSED	KG. (MILLIONS)	LITRES* (MILLIONS)	KG. PER CAPITA	RECOVERY RATE	CAPTURE RATE
2020/21 Result	3.02	2.51	0.68	9%	77%
2021/22 Result	2.95	2.46	0.66	9%	78%
2022/23 Target	2.70	2.25	0.60	10%	85%
2022/23 Result	2.94	2.45	0.63	10%	86%

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

PAINT AND COATING CONTAINERS PROCESSED	METAL (KG.)	PLASTIC (KG.)	TOTAL (KG.)
2020/21 Result	255,133	161,776	416,908
2021/22 Result	402,278	309,721	711,999
2022/23 Target	301,286	242,529	543,815
2022/23 Result	363,319	169,213	532,532

AEROSOL PAINT CANS PROCESSED	UNITS	RECOVERY RATE
2020/21 Result	702,697	14%
2021/22 Result	651,743	14%
2022/23 Target	705,672	17%
2022/23 Result	1,024,115**	25%

**See commentary in 'Aerosol Paint Cans Processed' section below.

See definitions on page 14 for KG. PER CAPITA and RECOVERY RATE.

PAINT AND COATINGS PROCESSED

Paint and coating processed remained relatively flat over the previous year.

PAINT AND COATING CONTAINERS PROCESSED

Reported volumes of recycled containers have decreased over 2021/22. Some recyclers have expressed challenges with finding an end-market that will accept their empty containers for recycling.

AEROSOL PAINT CANS PROCESSED

The handling of aerosol paint cans by registered processors resulted in a large increase over the prior year, i.e. delays in processing at the previous year end pushed a large volume from 2021/22 into 2022/23.

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 solid or semi-solid, it can be used as feedstock in cement manufacturing rather than being landfilled.

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.

STEWARDSHIP RESULTS

TIRES

TIRES PROCESSED	— TONNES —		KG. PER CAPITA	RECOVERY RATE FOR PLTT, MTT, AND SIO TIRES *	RECOVERY RATE FOR OFF-THE- ROAD-TIRES
	COLLECTED	PROCESSED			
2020/21 Result	67,804	66,461	14.98	94%	80%
2021/22 Result	73,572	66,308	14.80	95%	65%
2022/23 Target	70,664	65,929	14.57	95%	74%
2022/23 Result	77,581	64,940	13.97	97%	78%

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

See definitions on page 14 for KG. PER CAPITA and RECOVERY RATE.

Tire volumes collected in 2022/23 increased over the previous year, consistent with higher sales of new tires. Processing volumes declined marginally due to market fluctuations and reduced demand for processed tire material.

THE RECYCLING PROCESS FOR USED TIRES

Tires are recycled in Alberta by ARMA-approved processors into products such as tire-derived aggregate (TDA)—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.

STEWARDSHIP RESULTS

USED OIL & MATERIALS

USED OIL RECOVERED	LITRES (MILLIONS)	KG.* (MILLIONS)	KG. PER CAPITA	CAPTURE RATE
2020/21 Result	73.26	63.74	14.37	74%
2021/22 Result	78.05	67.91	15.16	70%
2022/23 Target	82.73	71.98	15.90	78%
2022/23 Result	82.07	71.40	15.37	70%

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

FILTERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED	— PROCESSED	KG. PER CAPITA	RECOVERY RATE
2020/21 Result	3.74	2.67	0.84	77%
2021/22 Result	3.98	2.90	0.89	72%
2022/23 Target	4.24	3.03	0.96	82%
2022/23 Result	3.91	2.92	0.84	76%

CONTAINERS COLLECTED AND PROCESSED	— KG. (MILLIONS) — COLLECTED	— PROCESSED	KG. PER CAPITA	RECOVERY RATE
2020/21 Result	2.15	1.61	0.49	92%
2021/22 Result	2.14	1.77	0.48	86%
2022/23 Target	2.38	1.79	0.53	96%
2022/23 Result	2.09	1.53**	0.45	87%

**2022/23 container processing volumes were negatively impacted by equipment issues at a processing site.

See definitions on page 14 for KG. PER CAPITA, RECOVERY RATE and CAPTURE RATE.



STEWARDSHIP RESULTS

USED OIL & MATERIALS

USED OIL RECOVERED

2022-23 showed a 5.2% increase in recovered oil over the previous year.

FILTERS COLLECTED AND PROCESSED

Collected volumes declined by 1.8% while processed volumes of filters rose marginally by 0.7%.

CONTAINERS COLLECTED AND PROCESSED

There was small decrease in containers collected. The volume of containers processed was negatively impacted by equipment issues at a processing site. ARMA continues to conduct container audits at processor sites to ensure that program funds are used for eligible material.

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 Protected Areas 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 also focused on increasing the maximum container size in the program from 30L to 210L. The consultations received industry support for the materials listed above to be included in a program expansion.

These recommendations were submitted to the province in 2022/23 and are being reviewed.



STEWARDSHIP 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

In 2022/23 an incentive review study was initiated and will be finalized in 2023/24. This review is an encompassing look at ARMA's stewardship programs to assess the overall incentive model and make recommendations on necessary adjustments to incentive program activities, incentive structure, and associated incentive rates.

The primary objective of this review is to optimize the programs with the following goals in mind:

1. Ensure materials are managed appropriately at end-of-life.
2. Maximize environmental outcomes.
3. Optimize the collection network to support high recovery rates and access of Albertans.
4. Consider the impacts of recycling by-products with volatile market prices.
5. Provide an adequate level of funding to ensure sustainable collection, transportation, and processing at a reasonable cost (environmental fees) to Albertans.
6. Encourage in-province solutions to support Alberta job creation and economic diversification.
7. Support the advancement of the circular economy in Alberta by encouraging entrepreneurship, investment, and innovation.
8. Ensure an optimal transportation model.
9. Ensure the program incentive model minimizes disruption to the operation of free markets

Periodically, sustainability reviews of processor operations are conducted by an independent third-party to assess if program funding levels are appropriate. In 2022/23, a sustainability review was completed for the Paint program, providing valuable information for the management of the program.



STEWARDSHIP GOAL 2

SUSTAINABILITY

PERFORMANCE MEASURE

2.2 ENVIRONMENTAL FEE MANAGEMENT

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

RESULTS

The need for an environmental fee increase was identified as an urgent need for the sustainability of the used oil materials recycling program. ARMA has proposed amendments to the environmental fees based on the results of the completed sustainability review, which has stakeholder support, with the implementation planned for the fall of 2023.

STEWARDSHIP 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

Ensure key stakeholders are aware of ARMA programs and that 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%

Surveys are done every three years so there is no new data this year.

In the previous year, the most significant shift in awareness of the programs occurred in electronics which was likely due to promotions associated with the ePilot—and a decrease in the awareness of the used oil program which was 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.



STEWARDSHIP GOAL 3

EFFECTIVENESS

PERFORMANCE MEASURE

3.2 RESIDENTIAL PARTICIPATION AND ACCESS

Monitor access to facilities, including collection sites, voluntary return-to-retailers, and processor facilities, to ensure that Albertans have more access to recycling their EOL electronics, tires, paint, and used oil, filters, and containers.

RESULTS

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

YEAR	ELECTRONICS	PAINT	TIRES	USED OIL MATERIALS
2020/21 Result	360 38	328 37	353 15	218 26
2021/22 Result	364 42	336 39	357 16	235 28
2022/23 Result	365 35	341 31	357 17	244 28

TOTAL MUNICIPAL ROUNDUPS

YEAR	MUNICIPAL ROUNDUPS*	HOSTED BY REGISTERED COLLECTION SITES*
2020/21 Result	39	36
2021/22 Result	42	34
2022/23 Result	37	36

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

3.3 INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL (ICI) PARTICIPATION

Create opportunities in our stewardship programs to increase levels of ICI participation in order to increase awareness and recycling rates.

RESULTS

ICI participation remains strong for all programs. Businesses took advantage of the opportunity to partner with processors for electronics collection events. In addition, commercial paint roundups offer 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.

STEWARDSHIP 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

Suppliers in ARMA's stewardship programs self-report the sales of eligible products and remit environmental fees on those sales. To ensure compliance with the regulation and bylaws, ARMA utilizes a risk-based audit approach to review self-reported sales figures. A target is set for each stewardship program to review a percentage of Supplier files (weighted by sales) within a multi-year time period. The target and time period vary between programs, based on the number of suppliers and concentration of reported sales within the industry.

RESULTS

REVENUE REVIEW

ELECTRONICS	ANNUAL PERCENTAGE REVIEWED	TWO-YEAR TOTAL (TARGET 90%)
YEAR		
2020/21 Result	60%	94% (19/20 + 20/21)
2021/22 Result	33%	93% (20/21 + 21/22)
2022/23 Result	62%	95% (21/22 + 22/23)

TIRES	ANNUAL PERCENTAGE REVIEWED	THREE-YEAR TOTAL (TARGET 80%)
YEAR		
2020/21 Result	35%	62%* (19/20 + 20/21)
2021/22 Result	27%	89% (19/20–21/22)
2022/23 Result	35%	92% (20/21–22/23)

PAINT	ANNUAL PERCENTAGE REVIEWED	TWO-YEAR TOTAL (TARGET 90%)
YEAR		
2020/21 Result	34%	91% (19/20 + 20/21)
2021/22 Result	54%	88% (20/21 + 21/22)
2022/23 Result	42%	96% (21/22 + 22/23)

USED OIL	ANNUAL PERCENTAGE REVIEWED	THREE-YEAR TOTAL (TARGET 90%)
YEAR		
2020/21 Result	7%	n/a†
2021/22 Result	35%	94% (19/20–21/22)
2022/23 Result	41%	83% (20/21–22/23)

*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.

**In the transition from a two-year cycle to a three-year cycle, several tire Supplier files were reviewed twice in the last three-year period. The three-year average for 2022/23 has been amended to remove the impact of files reviewed more than once in the period.

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



STEWARDSHIP 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 the paint program and a selection of processors in the used oil materials program participated in audits. Due to the large number of used oil material processors, the remaining audits will be conducted in 2023-24.

Four downstream processor audits in the electronics program were conducted; the audits for all of the companies were successfully completed.

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 which were addressed in accordance with approved timelines.



EPR GOAL 5

EPR IMPLEMENTATION

Establishing and contributing as an effective, modern regulatory oversight authority.

PERFORMANCE MEASURE

5.1 ENSURING THE SUCCESSFUL TRANSITION OF EPR

Work with the Government of Alberta and agreement to build upon the model bylaws, develop policies associated with EPR regulation, and ensure a timely transition.

RESULTS

The final EPR agreement was signed in April of 2023, and ARMA consulted with the Government of Alberta on the initial phases of the model bylaws.

5.2 ESTABLISHING AN EFFECTIVE OVERSIGHT AUTHORITY

Over the next two years, develop the infrastructure and knowledge necessary to support the implementation and future success of the regulation.

The refreshed Board governance model which shifts from an operating to a governance Board structure, helps ensure a successful transition, eliminating any conflicts through a nominating committee.

A separate EPR budget was developed and financing was secured in order to begin acquiring the necessary subject matter experts to help build a foundation of knowledge.

Utilizing the existing IT infrastructure as a foundation, plans began for the integration of EPR.

5.3 BUILDING INDUSTRY AWARENESS AND SUPPORT

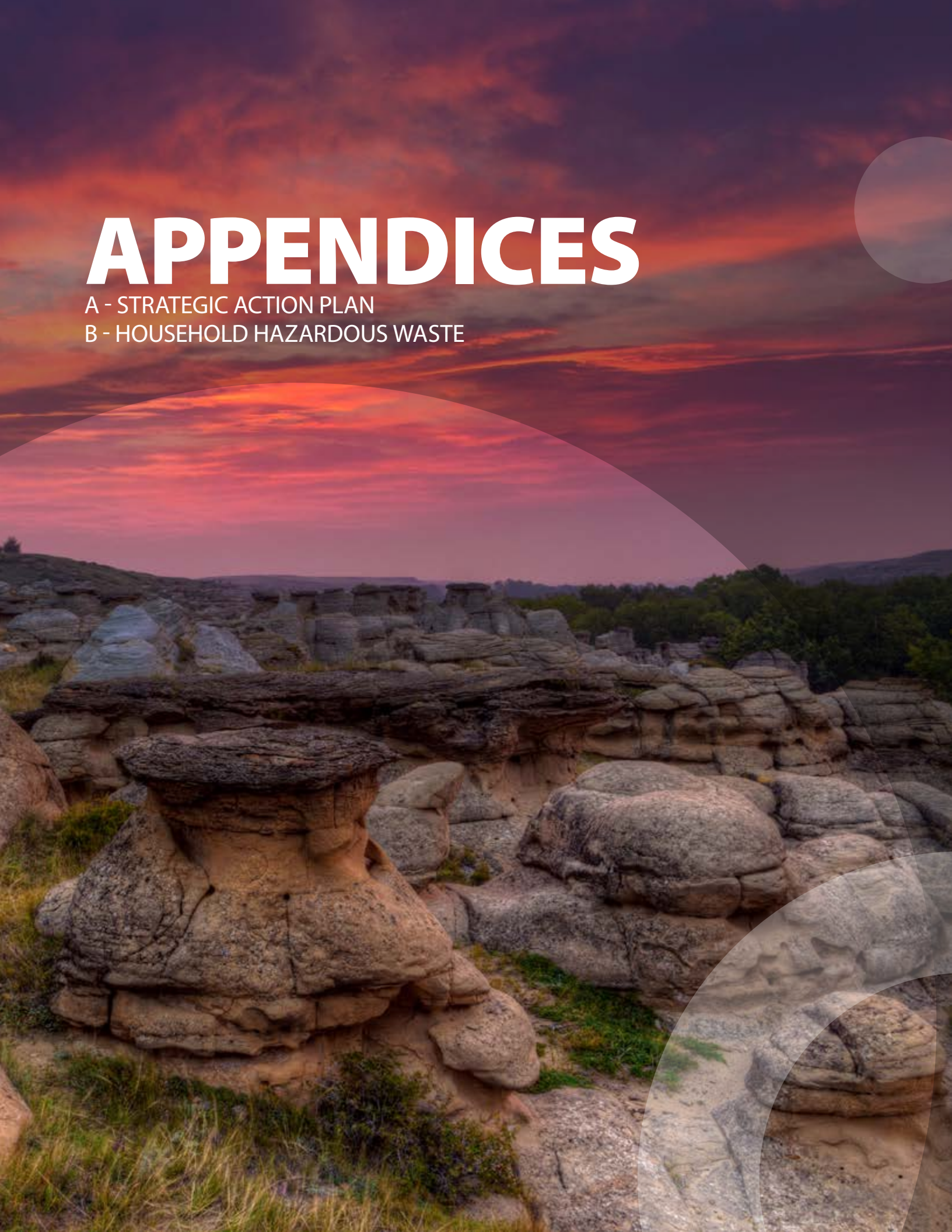
Ensure ongoing consultations are done in a fair and transparent manner that is as efficient as possible, and create an effective registry system, to gain industry buy-in and support.

ARMA has considered the approaches taken in BC, Ontario, and other jurisdictions to help shape a made-in-Alberta solution that works for the nuances and needs of Alberta's industries and recycling landscape. Working with the province, our goal is to minimize red tape and unnecessary processes. We want this process to work well to ensure we maximize its benefits, like opportunities for innovation, enhancing recycling percentages across the province, building Alberta's circular economy, and keeping Alberta's environment clean for future generations.

APPENDICES

A - STRATEGIC ACTION PLAN

B - HOUSEHOLD HAZARDOUS WASTE



A person wearing a green helmet and backpack is riding a mountain bike over a rocky stream in a forest. The background shows dense evergreen trees and a clear blue sky with some clouds.

STRATEGIC

ACTION PLAN

1. Providing excellence in regulatory oversight.

Building and developing our capacity as a modern, effective, and trusted regulator will be a top priority for 2023-25. Our emerging philosophy as a delegated regulator (on behalf of the province) will be based on a view that ARMA must focus on objectives and expected environmental outcomes and then consider the most innovative, efficient and effective method of supporting and achieving compliance.

We will adopt proactive approaches to support compliance based on assistance, guidance, education, and reporting, rather than solely focusing on investigation and compliance failures. We believe that this approach builds trust and supports desired policy outcomes.

2. Renewing our stewardship programs.

Opportunities to improve the quality and effectiveness of existing stewardship programs will be pursued in parallel to establishing ARMA as a regulator.

3. Building and nurturing government and industry (producer/processor/collection network) relationships.

The work of ARMA increasingly requires that we lead with credibility and trust gained through strong, mutually beneficial relationships. Developing this competency and capacity in the organization is a priority.

4. Attracting results-focused innovation partnerships and joint ventures.

Growing our contributions to environmental and other public policy outcomes requires that we leverage our reputation, knowledge, and positioning to attract new, results-focused partners. This choice is about positioning ARMA as a sought-after partner to industry, entrepreneurs, universities, and governments seeking innovation, disruption, and advancement.

5. Delivering with a continuous improvement culture.

In light of our vision to inspire, all ARMA staff must be empowered to seek out and advance improvement opportunities. An aligned organizational culture is critical to achieving impact at the scale we envision.

KEY CAPABILITIES

These are the core areas of capacity and capability that will enable ARMA to succeed in accomplishing its vision and mission.

- 1. Establishing and contributing as an effective, modern regulatory oversight body.**
- 2. A systematic approach to industry and government relations.**
- 3. A systematic approach to partnership development and management.**
- 4. A systematic approach to develop an improvement culture at all levels.**

HOUSEHOLD HAZARDOUS WASTE

Since 2004, ARMA has administered funding on a contract basis with Alberta Environment and Protected Areas (EPA) 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 (EPR) as a long-term solution for HHW management.

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

HHW DELIVERED FOR DISPOSAL	2022/23 RESULT (KG.)	2021/22 RESULT (KG.)	2020/21 RESULT (KG.)
Bulked Acid Liquids	16,494	16,654	10,375
Bulked Base Liquids	46,334	62,852	54,566
Bulked Flammable Liquids	119,256	95,714	65,786
Bulked Poisonous Liquids	170,790	195,759	148,194
Sub-Total Bulk Liquids	352,874	370,978	278,921
Lab Packs	90,751	207,435	419,941
Total Bulk Liquids and Lab Packs	443,625	578,413	698,862

HHW COLLECTED PER RURAL AND URBAN AREAS	2022/23 RESULT (KG.)	2021/22 RESULT (KG.)	2020/21 RESULT (KG.)
Rural	281,523	337,165	387,355
Urban	376,902	458,493	395,332
Total Rural and Urban	658,425	795,657	782,687

HHW AEROSOL CANS RECYCLED	2022/23 RESULT (KG.)	2021/22 RESULT (KG.)	2020/21 RESULT (KG.)
Total	436,999	495,871	461,182



AUDITED FINANCIAL STATEMENTS

MARCH 31, 2023

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	Page
Independent Auditor's Report	33 - 34
Statement of Financial Position	35
Statement of Revenue and Expenditures	36
Statement of Changes in Net Assets	37
Statement of Cash Flow	38
Notes to the Financial Statements	39 - 56
Program Financial Information	
<i>Electronics Recycling Alberta</i>	
Schedule 1 Statement of Financial Position	57
Schedule 1(a) Statement of Revenue and Expenditures	58
Schedule 1(b) Statement of Changes in Net Assets	59
Schedule 1(c) Statement of Cash Flow	60
<i>Paint Recycling Alberta</i>	
Schedule 2 Statement of Financial Position	61
Schedule 2(a) Statement of Revenue and Expenditures	62
Schedule 2(b) Statement of Changes in Net Assets	63
Schedule 2(c) Statement of Cash Flow	64
<i>Tire Recycling Alberta</i>	
Schedule 3 Statement of Financial Position	65
Schedule 3(a) Statement of Revenue and Expenditures	66
Schedule 3(b) Statement of Changes in Net Assets	67
Schedule 3(c) Statement of Cash Flow	68
<i>Used Oil Recycling Alberta</i>	
Schedule 4 Statement of Financial Position	69
Schedule 4(a) Statement of Revenue and Expenditures	70
Schedule 4(b) Statement of Changes in Net Assets	71
Schedule 4(c) Statement of Cash Flow	72
<i>Extended Producer Responsibility Oversight</i>	
Schedule 5 Statement of Financial Position	73
Schedule 5(a) Statement of Revenue and Expenditures and Changes in Net Assets	74
Schedule 5(b) Statement of Changes in Net Assets	75
Schedule 5(b) Statement of Cash Flow	76
<i>Household Hazardous Waste</i>	
Schedule 6 Statement of Financial Position	77
Schedule 6(a) Statement of Revenue and Expenditures and Changes in Net Assets	78
Schedule 6(b) Statement of Cash Flow	79

June 29, 2023
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, 2023 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, 2023 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.

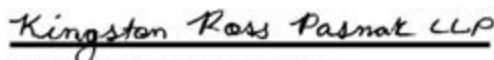
Auditor's Responsibilities for the Audit of the Financial Statements

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, 2023

		2023	2022
ASSETS			
CURRENT			
Cash	\$	3,026,594	\$ 3,364,882
Short term investments (Note 4)		23,819,180	19,224,192
Accounts receivable		8,294,462	7,758,741
Interfund receivable (Note 6)		1,469,166	1,332,184
Prepaid expenses		230,329	138,428
		<u>36,839,731</u>	<u>31,818,427</u>
LONG TERM INVESTMENTS (Note 7)		92,285,404	105,883,777
TENANT IMPROVEMENT ALLOWANCE RECEIVABLE (Note 10)		977,860	-
PROPERTY AND EQUIPMENT (Note 8)		86,270	100,025
INTANGIBLE ASSET (Note 9)		<u>5,043,383</u>	<u>3,100,033</u>
		\$ 135,232,648	\$ 140,902,262
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals	\$	8,883,724	\$ 8,699,265
Accounts payable and accrued liabilities		1,453,639	1,385,872
Interfund payable (Note 6)		1,469,166	1,332,184
Tenant improvement allowance liability (Note 10)		76,197	-
		<u>11,882,726</u>	<u>11,417,321</u>
DEFERRED RENT		89,847	-
TENANT IMPROVEMENT ALLOWANCE LIABILITY (Note 10)		<u>882,614</u>	<u>-</u>
		<u>12,855,187</u>	<u>11,417,321</u>
COMMITMENTS (Note 12)			
EXTERNALLY RESTRICTED NET ASSETS (Note 13)			
Invested in capital assets		5,129,653	3,200,058
Electronics Recycling Alberta		76,755,168	88,578,428
Paint Recycling Alberta		3,782,388	3,504,751
Tire Recycling Alberta		22,428,200	22,154,676
Used Oil Recycling Alberta		14,348,002	12,046,017
Extended Producer Responsibility Oversight		(66,961)	-
Household Hazardous Waste contract		1,011	1,011
		<u>122,377,461</u>	<u>129,484,941</u>
		\$ 135,232,648	\$ 140,902,262

APPROVED BY THE BOARD



Director



Director

Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Environmental fees	\$ 53,337,008	\$ 57,550,140	\$ 54,568,688
Less: Import tire agent charges	(15,800)	(29,520)	(15,880)
Government contract - Household Hazardous Waste	1,800,000	1,605,793	1,800,000
Government of Alberta grant	-	190,000	-
Interest	105,500	571,394	167,289
Total revenue	55,226,708	59,887,808	56,520,097
Recycling expenditures			
Recycling incentives	57,051,394	55,669,602	52,940,311
Broker contracts - Household Hazardous Waste	1,599,875	1,405,245	1,605,878
Total recycling expenditures	58,651,269	57,074,847	54,546,189
Recycling development and other			
Research and development	1,132,500	639,515	351,850
Public information	433,247	447,308	528,821
Rural Alberta project and municipal grants	417,150	263,049	290,537
Total recycling development and other	1,982,897	1,349,872	1,171,208
Program delivery expenditures			
Compensation and advisory services	2,831,059	2,406,104	2,741,318
Contract program administration fees	204,010	210,722	184,620
Compliance and assurance activities	905,761	535,024	518,295
Other program expenses	1,384,510	1,309,326	440,918
Financing expense	-	200	-
Total program delivery expenditures	5,325,340	4,461,376	3,885,151
Corporate administration expenditures			
Compensation and professional fees	2,432,774	2,308,486	1,943,249
Office and general expenses, including amortization	1,478,928	1,376,433	1,300,119
Total corporate administration expenditures	3,911,702	3,684,919	3,243,368
Total expenditures	69,871,208	66,571,013	62,845,916
Revenue net of expenditures	(14,644,500)	(6,683,205)	(6,325,819)
Fund Investment			
Investment income	4,868,800	3,490,357	13,309,111
Unrealized investment (loss) gain	-	(3,625,924)	(11,442,215)
Investment managers and related expense	(317,600)	(288,707)	(324,381)
Net investment income	4,551,200	(424,274)	1,542,515
(Deficiency) excess of revenue over expenditures	\$ (10,093,300)	\$ (7,107,480)	\$ (4,783,304)

Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023			2022
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 3,200,058	\$ 126,284,883	\$ 129,484,941	\$ 134,268,245
(Deficiency) excess of revenue over expenditures	-	(7,107,480)	(7,107,480)	(4,783,304)
Amortization of capital assets	(979,836)	979,836	-	-
Investment in capital assets	2,909,431	(2,909,431)	-	-
Net assets, end of year	\$ 5,129,653	\$ 117,247,808	\$ 122,377,461	\$ 129,484,941

Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from operating activities		
Recycling revenue collected	\$ 57,556,294	\$ 54,933,591
Government contracts received - Household Hazardous Waste	1,605,793	2,085,691
Government grants received	190,000	-
Program expenditures	(65,365,673)	(63,061,997)
Investment income	3,490,357	13,309,111
Investment management costs	(288,708)	(324,381)
Other income	5,616	838
	(2,806,320)	6,942,853
Cash flow used by investing activities		
Investment proceeds (contributions)	5,377,463	(3,931,839)
Acquisitions of property and equipment	(61,949)	(1,060)
Acquisitions of intangible asset	(2,847,481)	(2,780,148)
	2,468,032	(6,713,047)
(Decrease) increase in cash position	(338,288)	229,806
Cash, beginning of year	3,364,882	3,135,076
Cash, end of year	\$ 3,026,594	\$ 3,364,882

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

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 of Environment and Protected Areas ("EPA").

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).

ARMA has delegated mandates under two Alberta Regulations:

Designated Material Recycling & Management Regulation AR 93/04 (the "Stewardship Regulation")

Under the Stewardship 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, 2023

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 2024 fiscal year has not been confirmed. The continued operations of the Program are dependent on this funding.

Extended Producer Responsibility Regulation AR 194/2022 (the "EPR Regulation")

Under the EPR Regulation the Authority has a mandate to act as the management board responsible for oversight of organizations and parties obligated under the EPR Regulation for Single-use Products, Packaging and Paper Products ("PPP") and Hazardous and Special Products ("HSP"). The EPR Regulation came into force November 30, 2022.

Please see Note 17 – Extended Producer Responsibility (EPR) for additional details.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

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 Stewardship programs (Electronics Recycling Alberta, Paint Recycling Alberta, Tire Recycling Alberta and Used Oil Recycling Alberta) is provided in Schedules 1, 2, 3 and 4. Information for the Authority's EPR Oversight mandate is provided in Schedule 5. Each Stewardship program and the EPR Oversight mandate has a separate and distinct purpose and is governed by its own regulation. Use of revenue and/or net assets between the EPR Oversight mandate and the Stewardship programs, or between different Stewardship programs, is not permitted by regulation.

Schedule 6 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, 2023

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, EPR Oversight 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, 2023

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.

Extended Producer Responsibility - Oversight

Revenue from the initial, partial year of operations under the EPR Regulation was received in the form of a Government of Alberta grant. This grant revenue was recognized by the Authority at the time of receipt of the grant funding. 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, 2023

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 14).

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 have been 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 14).

Financial Instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Authority subsequently measures its financial instruments at amortized cost. The measurement basis for related party financial instruments is disclosed in Note 11.

Tenant Improvement Allowance

Tenant improvement allowance is recognized over the term of the lease as a reduction to rent expense.

To simplify the maintenance and tracking of tenant improvement allowance, all assets and liabilities are recognized as part of the net assets of Electronics Recycling Alberta. Monthly amortization and rent reduction 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 rent and tenant improvement allowance are allocated to each of the programs based on the formula prescribed by the Board of Directors (Note 14).

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

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, allocation of expenses and the estimated useful lives of property and equipment and intangible assets.

For revenue within the Stewardship programs, 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:

	2023	2022
Electronics Recycling Alberta	\$ 8,754,857	\$ 7,794,032
Paint Recycling Alberta	\$ 3,934,187	\$ 3,338,967
Tire Recycling Alberta	\$ 4,803,477	\$ 4,186,352
Used Oil Recycling Alberta	\$ 6,326,659	\$ 3,904,841
	\$ 23,819,180	\$ 19,224,192

The bond coupon and guaranteed investment certificate rates range from 1.91% to 2.98%, and mature between May 1, 2023, and March 4, 2024.

Note 5
Line of Credit

The Authority established, during the year, an unsecured line of credit with its financial institution for the purposes of supporting the EPR Oversight mandate. The line of credit has a lending limit of \$6.5 million at an interest rate of prime rate + 1.0% per annum. The line of credit was not drawn on in the year.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 6
**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 14) with settlements of interfund balances occurring quarterly.

At yearend, the following amounts represent the interfund accounts receivable and accounts payable and accrued liabilities of the Stewardship programs and the EPR Oversight mandate:

	Accounts Receivable	Accounts Payable
<i>Electronics Recycling Alberta</i>		
Paint Recycling Alberta	\$ 180,449	\$ -
Tire Recycling Alberta	\$ 760,417	\$ -
Used Oil Recycling Alberta	\$ 437,745	\$ -
Extended Producer Responsibility Oversight	\$ 24,224	\$ -
Household Hazardous Waste Program	\$ 65,997	\$ -
	\$ 1,468,832	\$ -
<i>Paint Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 180,449
Tire Recycling Alberta	\$ -	\$ 8
Used Oil Recycling Alberta	\$ -	\$ -
	\$ -	\$ 180,457
<i>Tire Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 760,417
Paint Recycling Alberta	\$ 8	\$ -
Used Oil Recycling Alberta	\$ -	\$ 326
	\$ 8	\$ 760,743
<i>Used Oil Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 437,745
Tire Recycling Alberta	\$ 326	\$ -
	\$ 326	\$ 437,745
<i>Household Hazardous Waste Program</i>		
Electronics Recycling Alberta	\$ -	\$ 65,997
	\$ -	\$ 65,997
<i>Extended Producer Responsibility Oversight</i>		
Electronics Recycling Alberta	\$ -	\$ 24,224
	\$ -	\$ 24,224

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 7

Long Term Investments

Long term investments consist of:

	Electronics Recycling Alberta			
	2023		2022	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 32,392,576	\$ 29,589,256	\$ 35,777,103	\$ 34,010,780
Canadian equities	39,350,272	38,158,281	26,686,198	26,953,027
Global equities	-	-	19,466,941	19,792,435
	\$ 71,742,848	\$ 67,747,537	\$ 81,930,242	\$ 80,756,242

	Tire Recycling Alberta			
	2023		2022	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 8,301,551	\$ 7,426,940	\$ 8,771,836	\$ 8,147,365
Canadian equities	11,500,858	11,207,099	6,094,864	6,118,702
Global equities	-	-	4,734,733	4,804,536
	\$ 19,802,409	\$ 18,634,039	\$ 19,601,433	\$ 19,070,603

	Used Oil Recycling Alberta			
	2023		2022	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 3,254,264	\$ 2,902,607	\$ 3,645,464	\$ 3,370,113
Canadian equities	3,164,211	3,001,219	1,636,388	1,570,650
Global equities	-	-	1,125,636	1,116,169
	\$ 6,418,475	\$ 5,903,826	\$ 6,407,488	\$ 6,056,932

The bond coupon and guaranteed investment certificate rates range from 2.05% to 5.40% and mature from July 24, 2024, to June 18, 2035.

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 8

Property and
Equipment

	Electronics Recycling Alberta			
	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 908,007	\$ 846,155	\$ 61,852	\$ 79,776
Furniture and fixtures	301,782	281,700	20,082	11,830
Communications equipment	20,419	16,084	4,336	8,419
	\$ 1,230,208	\$ 1,143,939	\$ 86,270	\$ 100,025

Amortization provided for in the current year total \$77,101; (2022 - \$91,510).

Note 9

Intangible Asset

	Electronics Recycling Alberta			
	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	\$ 6,123,541	\$ 1,080,157	\$ 5,043,383	\$ 3,100,033
	\$ 6,123,541	\$ 1,080,157	\$ 5,043,383	\$ 3,100,033

In the current year the Authority has amortized \$902,734; (2022 - \$177,423) on the portion of the system build available for use during the year.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 10
**Tenant Improvement
Allowance**

The Authority entered into a new lease agreement, which included a tenant improvement allowance of \$977,860 in the current year, to be amortized over the term of the rental agreement, from January 1, 2023, to October 31, 2035.

Electronics Recycling Alberta

	2023	2022
Tenant improvement allowance receivable	\$ 977,860	\$ -
Amount amortized as reduction to rent expense	(19,049)	-
Subtotal	958,811	-
Current portion	(76,197)	=
	\$ 882,614	\$ -

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 11**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	2023	2022
Brad Pickering (Chairperson from January 1, 2022)	\$ 30,800	\$ 10,225
Caroline McAuley (Chairperson January 14, 2018 - December 31, 2021)	-	28,508
Jeff Faber (January 28, 2016 - October 24, 2022)	5,125	10,038
John Graham	-	-
Cathy Heron	2,814	1,675
Nelson Tonn (July 7, 2021- September 28, 2022)	4,163	1,750
Brent Kennedy (September 19, 2012 - June 24, 2021)	-	1,125
Joe Kostler	4,088	3,075
Alain Portelance (January 28, 2020 - September 28, 2022)	-	-
David Schaaf	8,744	5,325
Rachelle Venne (February 1, 2019 - January 31, 2022)	-	1,609
Kara Westerlund (since January 19, 2021)	3,025	2,250
Ian Young	4,250	4,488
Jim Boucher (since March 18, 2022)	7,244	-
Lis Anderson (May 11, 2017 - September 28, 2022)	-	-
Board of Directors' Benefits	15,190	28,579
Subtotal	85,443	98,647
Chief Executive Officer Salary	225,034	207,042
Benefits	34,345	32,980
Subtotal	259,379	240,022
Total	\$ 344,822	\$ 338,669

The Board of Directors and CEO are considered a related party and transactions with related parties are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 12**Commitments**

The Authority has leased office space in its existing location expiring October 31, 2025. The Authority has entered into a new lease agreement for a different office location from January 3, 2023, to October 31, 2035. The new lease includes a rent-free period until November 1, 2025, to coincide with the end date of the lease agreement on the current office space. As required by accounting requirements, lease costs for the new space are amortized and being recognized over the full lease period (Note 10).

The Authority has commitments to October 31, 2035, 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
2024	\$ 522,587	\$ 20,234
2025	522,587	15,199
2026	500,697	-
2027	470,052	-
2028	470,052	-
	\$ 2,485,975	\$ 35,433

Rental expense for the year is allocated under the Authority's administration based on a formula prescribed by the Board of Directors (Note 14).

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 13

Externally Restricted
Net Assets

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

The Authority's allocated net assets represent those net assets not invested in capital assets.

For the Stewardship programs, net assets represent environmental fees collected on products sold which are in excess of incentives paid for products discarded into the program and recycled and the costs of administering the programs, plus investment earnings on these fees. The net assets are to be used for the purposes set out in the Stewardship 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

EPR net assets represent revenue less expenditures on EPR oversight activities. The net assets are to be used for the purposes of performing oversight functions as set out in the EPR Regulation. During the initial start-up period for the EPR Oversight Mandate, revenue, expenditures and net assets are being recorded and reported on a consolidated basis. All revenue and expenditures incurred for EPR Oversight will be reallocated and reported separately per Part I and Part II of the EPR Regulation at a later date.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 14
**Allocation of
Expenses**

Included in program delivery and corporate administration expenditures of \$7,935,371 (2022 - \$6,931,481) 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 Stewardship programs and EPR Oversight mandate have been allocated to the specific program/mandate.

The allocation formula for shared costs that benefit all Stewardship programs is shown in the table below.

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
2022/23	26%	9%	41%	24%
2021/22	24%	7%	42%	27%

The EPR oversight function is not yet being allocated a standard share of corporate costs. The EPR function is being charged an allocation of costs where it can be reasonably demonstrated that EPR activity directly utilized resources or resulted in additional costs to the organization.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 15

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, 2023. Unless otherwise noted, the Authority's risk exposure has not changed from the prior year.

Credit risk- Stewardship Programs

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, 2023, foreign denominated investments amounted to \$1,326,760 (1.09%) 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.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 16

Electronics Pilot

On May 11, 2020, the Government of Alberta approved a pilot project (the "Pilot") through Ministerial Order 21/2020 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 planning phase commenced in May 2020, with full operations beginning in fall 2020. With the final report submitted to EPA during the 2022/23 reporting year, the Authority has fulfilled the requirements of the initial Ministerial Order. EPA has extended the Pilot program through Ministerial Order 65/2022 to March 31, 2024, while the government considers any potential permanent program changes.

Pilot expenditures in the year ended March 31, 2023, totaled \$5,029,153 (2022 - \$5,877,586).

Note 17

Extended Producer
Responsibility
Oversight

On October 3, 2022, the Government of Alberta announced the approval of the Extended Producer Responsibility Regulation AR 194/2022, coming into force November 30, 2022. Under the EPR Regulation, the Authority was established as the management board providing oversight for PPP and HSP materials.

The primary activities by the Authority in the reported year for EPR Oversight included the negotiation of the Extended Producer Responsibility Agreement on Administration and Oversight (the "EPR Agreement") between the Authority and EPA, and an initial review of model bylaws from EPA that will govern organizations obligated under the EPR Regulation.

Subsequent to year-end the Authority and EPA finalized and entered the EPR Agreement.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

Note 18

Household Hazardous Waste

The EPR Regulation introduces a framework for HSP that is expected to eventually make redundant the current HHW contract between the Authority and EPA. As the common collection system for HSP in Alberta is developed over the next several years under the requirements of the EPR Regulation, it is anticipated that the Authority will work with EPA to wind down the existing HHW contract structure.

EPA is expected to maintain their funding for the collection and transport of HHW to an approved facility under the current contract structure until March 31, 2025, when it is expected that the EPR program will be fully operational.

Note 19

Budget Information

The Authority prepares annual operating budgets for each of the Stewardship programs and the EPR Oversight mandate (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, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 1,483,866	\$ 866,010
	Short term investments (Note 4)	8,754,857	7,794,032
	Accounts receivable	746,267	592,973
	Interfund receivable (Note 6)	1,468,832	1,310,965
	Prepaid expenses	222,471	138,428
		<u>12,676,293</u>	<u>10,702,408</u>
	LONG TERM INVESTMENTS (Note 7)	67,747,538	80,756,242
	TENANT IMPROVEMENT ALLOWANCE RECEIVABLE (Note 10)	977,860	-
	PROPERTY AND EQUIPMENT (Note 8)	86,270	100,025
	INTANGIBLE ASSET (Note 9)	5,043,383	3,100,033
		<u>\$ 86,531,344</u>	<u>\$ 94,658,708</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 2,490,847	\$ 1,720,093
	Accounts payable and accrued liabilities	1,107,018	1,138,910
	Interfund payable (Note 6)	-	21,219
	Tenant improvement allowance liability (Note 10)	76,197	-
		<u>3,674,062</u>	<u>2,880,222</u>
	DEFERRED RENT	89,847	-
	TENANT IMPROVEMENT ALLOWANCE LIABILITY (Note 10)	882,614	-
		<u>4,646,523</u>	<u>2,880,222</u>
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Invested in capital assets	5,129,653	3,200,058
	Allocated	76,755,168	88,578,428
		<u>81,884,821</u>	<u>91,778,486</u>
		<u>\$ 86,531,344</u>	<u>\$ 94,658,708</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, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Environmental fees	\$ 5,223,573	\$ 5,806,282	\$ 6,779,091
Government of Alberta grant	-	36,400	-
Interest	8,000	219,297	10,024
Total revenue	5,231,573	6,061,979	6,789,115
Recycling expenditures			
Recycling incentives	15,773,246	12,287,586	12,473,309
Total recycling expenditures	15,773,246	12,287,586	12,473,309
Recycling development and other			
Research and development	1,015,000	616,886	293,030
Public information	140,646	112,909	230,695
Rural Alberta project and municipal grants	121,125	91,438	60,251
Total recycling development and other	1,276,771	821,233	583,976
Program delivery expenditures			
Compensation and advisory services	1,010,951	740,662	1,159,312
Compliance and assurance activities	431,488	105,930	165,359
Other program expenses	328,466	323,032	92,920
Total program delivery expenditures	1,770,905	1,169,624	1,417,591
Corporate administration expenditures			
Compensation and professional fees	632,321	596,732	476,551
Office and general expenses, including amortization	418,296	396,141	354,970
Total corporate administration expenditures	1,050,617	992,874	831,521
Total expenditures	19,871,539	15,271,317	15,306,397
Revenue net of expenditures	(14,639,966)	(9,209,338)	(8,517,282)
Fund Investment			
Investment income	3,691,000	2,352,201	10,765,693
Unrealized investment (loss) gain	-	(2,823,473)	(9,143,854)
Investment managers and related expense	(250,000)	(213,055)	(249,703)
Net investment income	3,441,000	(684,327)	1,372,136
(Deficiency) excess of revenue over expenditures	\$ (11,198,966)	\$ (9,893,665)	\$ (7,145,146)
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, 2023

	2023			2022
	Capital Assets	Allocated	Total	Total
Net assets, beginning of year	\$ 3,200,058	\$ 88,578,428	\$ 91,778,486	\$ 98,923,632
(Deficiency) excess of revenue over expenditures	-	(9,893,665)	(9,893,665)	(7,145,146)
Amortization of property and equipment	(979,836)	979,836	-	-
Investment in capital assets	2,909,431	(2,909,431)	-	-
Net assets, end of year	\$ 5,129,653	\$ 76,755,168	\$ 81,884,821	\$ 91,778,486

Basis of presentation (Note 2)

Schedule 1(c) Statement of Cash Flow

Electronics Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from operating activities		
Recycling revenues collected	\$ 5,908,085	\$ 7,111,312
Program expenditures	(13,744,350)	(16,105,511)
Investment income	2,352,201	10,765,693
Investment management costs	(213,055)	(249,703)
	(5,697,119)	1,521,791
Cash flow used by investing activities		
Investment contributions	9,224,406	710,239
Acquisitions of property and equipment	(61,950)	(1,060)
Acquisitions of intangible asset	(2,847,481)	(2,780,148)
	6,314,975	(2,070,969)
(Decrease) increase in cash position	617,856	(549,178)
Cash, beginning of year	866,010	1,415,188
Cash, end of year	\$ 1,483,866	\$ 866,010

Basis of presentation (Note 2)

Schedule 2 Statement of Financial Position

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 260,434	\$ 393,538
	Short term investments (Note 4)	3,934,187	3,338,967
	Accounts receivable	649,106	697,577
		\$ 4,843,727	\$ 4,430,082
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 798,764	\$ 701,203
	Accounts payable and accrued liabilities	82,118	102,942
	Interfund payable (Note 6)	180,457	121,186
		1,061,339	925,331
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Allocated	3,782,388	3,504,751
		3,782,388	3,504,751
		\$ 4,843,727	\$ 4,430,082
	Basis of presentation (Note 2)		

Schedule 2(a) Statement of Revenue and Expenditures

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Environmental fees	\$ 5,878,036	\$ 6,310,269	\$ 6,663,303
Interest	7,000	103,795	19,001
Government of Alberta grant	-	12,600	-
Total revenue	5,885,036	6,426,664	6,682,304
Recycling expenditures			
Recycling incentives	4,872,524	5,425,599	5,234,349
Total recycling expenditures	4,872,524	5,425,599	5,234,349
Recycling development and other			
Research and development	32,500	5,211	29,656
Public information	43,893	48,325	33,366
Rural Alberta project and municipal grants	28,650	18,489	18,131
Total recycling development and other	105,043	72,024	81,153
Program delivery expenditures			
Compensation and advisory services	228,125	219,041	140,748
Compliance and assurance activities	141,131	110,746	13,279
Other program expenses	113,700	109,305	25,308
Total program delivery expenditures	482,956	439,093	179,335
Corporate administration expenditures			
Compensation and professional fees	222,149	206,634	138,885
Office and general expenses, including amortization	137,007	124,904	90,982
Total corporate administration expenditures	359,156	331,538	229,867
Total expenditures	5,819,679	6,268,253	5,724,704
Revenue net of expenditures	65,357	158,411	957,600
Fund Investment			
Investment income	28,300	120,917	17,265
Investment managers and related expense	(800)	(1,691)	(1,329)
Net investment income	27,500	119,226	15,936
(Deficiency) excess of revenue over expenditures	\$ 92,857	\$ 277,637	\$ 973,536

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, 2023

	<u>2023</u>		<u>2022</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 3,504,751	\$ 3,504,751	\$ 2,531,215
Excess of revenue over expenditures	<u>277,637</u>	<u>277,637</u>	<u>973,536</u>
Net assets, end of year	<u>\$ 3,782,388</u>	<u>\$ 3,782,388</u>	<u>\$ 3,504,751</u>

Basis of presentation (Note 2)

Schedule 2(c) Statement of Cash Flow

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from operating activities		
Recycling revenues collected	\$ 6,475,135	\$ 6,639,940
Program expenditures	(6,132,245)	(5,580,618)
Investment income	120,917	17,265
Investment management costs	(1,691)	(1,329)
	462,116	1,075,258
Cash flow used by investing activities		
Investment contributions	(595,220)	(1,263,332)
	(595,220)	(1,263,332)
(Decrease) increase in cash position	(133,104)	(188,074)
Cash, beginning of year	393,538	581,612
Cash, end of year	\$ 260,434	\$ 393,538

Basis of presentation (Note 2)

Schedule 3 Statement of Financial Position

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 745,820	\$ 1,006,952
	Short term investments (Note 4)	4,803,477	4,186,352
	Accounts receivable	2,388,988	2,229,857
	Interfund receivable (Note 6)	8	21,219
	Prepaid expenses	7,858	-
		7,946,151	7,444,380
	LONG TERM INVESTMENTS (Note 7)	18,634,039	19,070,603
		\$ 26,580,190	\$ 26,514,983
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 3,282,405	\$ 3,578,362
	Accounts payable and accrued liabilities	108,842	99,480
	Interfund payable (Note 6)	760,743	682,465
		4,151,990	4,360,307
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Allocated	22,428,200	22,154,676
		22,428,200	22,154,676
		\$ 26,580,190	\$ 26,514,983
	Basis of presentation (Note 2)		

Schedule 3(a) Statement of Revenue and Expenditures

Tire Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Environmental fees	\$ 26,881,013	\$ 28,798,068	\$ 25,235,141
Less: Import tire agent charges	(15,800)	(29,520)	(15,880)
Government of Alberta grant	-	57,400	-
Interest	80,000	128,424	96,911
Total revenue	26,945,213	28,954,373	25,316,172
Recycling expenditures			
Recycling incentives	23,347,538	25,469,229	22,787,666
Total recycling expenditures	23,347,538	25,469,229	22,787,666
Recycling development and other			
Research and development	80,000	17,418	29,164
Public information	155,899	178,112	161,833
Rural Alberta project and municipal grants	154,575	78,498	169,397
Total recycling development and other	390,474	274,028	360,394
Program delivery expenditures			
Compensation and advisory services	960,129	884,697	868,930
Contract administration	22,748	19,556	15,826
Compliance and assurance activities	143,858	85,894	115,681
Other program expenses	517,966	497,951	151,829
Total program delivery expenditures	1,644,701	1,488,097	1,152,266
Corporate administration expenditures			
Compensation and professional fees	994,237	931,855	810,029
Office and general expenses, including amortization	573,262	530,043	512,903
Total corporate administration expenditures	1,567,499	1,461,898	1,322,932
Total expenditures	26,950,212	28,693,253	25,623,258
Revenue net of expenditures	(4,999)	261,120	(307,086)
Fund Investment			
Investment income	944,000	706,289	2,170,961
Unrealized investment (loss) gain	-	(638,358)	(1,872,087)
Investment managers and related expense	(55,000)	(55,527)	(57,171)
Net investment income	889,000	12,404	241,703
(Deficiency) excess of revenue over expenditures	\$ 884,001	\$ 273,524	\$ (65,383)

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, 2023

	<u>2023</u>		<u>2022</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 22,154,676	\$ 22,154,676	\$ 22,220,059
(Deficiency) excess of revenue over expenditures	273,524	273,524	(65,383)
Net assets, end of year	\$ 22,428,200	\$ 22,428,200	\$ 22,154,676

Basis of presentation (Note 2)

Schedule 3(c) Statement of Cash Flow

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from (used by) operating activities		
Recycling revenue collected	\$ 28,795,242	\$ 25,399,444
Program expenditures	(28,888,216)	(25,683,152)
Investment income	706,289	2,170,961
Investment management costs	(55,527)	(57,171)
	557,788	1,830,082
Cash flow (used by) from investing activities		
Investment (contributions) proceeds	(818,920)	(1,496,335)
	(818,920)	(1,496,335)
(Increase) decrease in cash position	(261,132)	333,747
Cash, beginning of year	1,006,952	673,205
Cash, end of year	\$ 745,820	\$ 1,006,952

Basis of presentation (Note 2)

Schedule 4 Statement of Financial Position

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 178,783	\$ 344,206
	Short term investments (Note 4)	6,326,658	3,904,841
	Accounts receivable	4,510,101	4,238,334
	Interfund receivable (Note 6)	326	-
		11,015,868	8,487,381
	LONG TERM INVESTMENTS (Note 7)	5,903,826	6,056,932
		\$ 16,919,694	\$ 14,544,313
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 2,114,550	\$ 2,011,134
	Accounts payable and accrued liabilities	19,397	32,745
	Interfund payable (Note 6)	437,745	454,417
		2,571,692	2,498,296
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Allocated	14,348,002	12,046,017
		\$ 16,919,694	\$ 14,544,313
	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, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Environmental fees	\$ 15,354,386	\$ 16,635,521	\$ 15,891,153
Government of Alberta grant	-	33,600	-
Interest	10,000	114,262	40,515
Total revenue	15,364,386	16,783,383	15,931,668
Recycling expenditures			
Recycling incentives	13,058,086	12,487,188	12,444,987
Total recycling expenditures	13,058,086	12,487,188	12,444,987
Recycling development and other			
Research and development	5,000	-	-
Public information	92,809	107,962	102,927
Rural Alberta project and municipal grants	92,175	58,462	27,798
Total recycling development and other	189,984	166,423	130,725
Program delivery expenditures			
Compensation and advisory services	631,854	543,831	572,327
Contract program administration fees	1,262	1,166	1,212
Compliance and assurance activities	189,284	160,983	211,558
Other program expenses	424,378	379,036	170,862
Total program delivery expenditures	1,246,778	1,085,017	955,959
Corporate administration expenditures			
Compensation and professional fees	584,067	547,682	517,784
Office and general expenses, including amortization	350,363	323,511	341,264
Total corporate administration expenditures	934,430	871,193	859,048
Total expenditures	15,429,278	14,609,822	14,390,719
Revenue net of program expenditures	(64,892)	2,173,562	1,540,949
Fund Investment			
Investment income	205,500	310,950	355,192
Unrealized investment (loss) gain	-	(164,092)	(426,274)
Investment managers and related expense	(12,000)	(18,435)	(16,178)
Net investment income (loss)	193,500	128,423	(87,260)
(Deficiency) excess of revenue over expenditures	\$ 128,608	\$ 2,301,985	1,453,689

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, 2023

	<u>2023</u>		<u>2022</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 12,046,017	\$ 12,046,017	\$ 10,592,328
Excess of revenue over expenditures	2,301,985	2,301,985	1,453,689
Net assets, end of year	\$ 14,348,002	\$ 14,348,002	\$ 12,046,017

Basis of presentation (Note 2)

Schedule 4(c) Statement of Cash Flow

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from operating activities		
Recycling revenue collected	\$ 16,495,583	\$ 15,782,895
Program expenditures	(14,520,719)	(14,345,789)
Investment income	310,950	355,192
Investment management costs	(18,435)	(16,178)
	<u>2,267,380</u>	<u>1,776,120</u>
 Cash flow used by investing activities		
Investment contributions	(2,432,804)	(1,882,411)
	<u>(2,432,804)</u>	<u>(1,882,411)</u>
 (Decrease) increase in cash position	(165,424)	(106,291)
Cash, beginning of year	344,206	450,497
Cash, end of year	<u>\$ 178,783</u>	<u>\$ 344,206</u>

Basis of presentation (Note 2)

Schedule 5 Statement of Financial Position

Extended Producer Responsibility Oversight
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 37,550	\$ -
		\$ 37,550	\$ -
LIABILITIES AND NET ASSETS			
	CURRENT		
	Accounts payable and accrued liabilities	\$ 80,287	\$ -
	Interfund payable (Note 6)	24,224	-
		104,511	-
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Allocated	(66,961)	-
		(66,961)	-
		\$ 37,550	\$ -
	Basis of presentation (Note 2)		

Schedule 5(a) Statement of Revenue and Expenditures

Extended Producer Responsibility Oversight ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Government of Alberta grant	\$ -	\$ 50,000	\$ -
Total revenue	-	50,000	-
Program delivery expenditures			
Compensation and advisory services	-	17,873	-
Compliance and assurance activities	-	71,471	-
Financing expense	-	200	-
Total program delivery expenditure	-	89,544	-
Corporate administration expenditures			
Compensation and professional fees	-	25,583	-
Office and general expenses, including amortization	-	1,834	-
Total corporate administration expenditure	-	27,417	-
Total expenditures	-	116,961	-
(Deficiency) excess of revenue over expenditures	\$ -	\$ (66,961)	\$ -

Basis of presentation (Note 2)

Schedule 5(b) Statement of Changes in Net Assets

Extended Producer Responsibility Oversight ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	<u>2023</u>		<u>2022</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ -	\$ -	\$ -
Excess of revenue over expenditures	(66,961)	(66,961)	-
Net assets, end of year	\$ (66,961)	\$ (66,961)	\$ -

Basis of presentation (Note 2)

Schedule 5(c) Statement of Cash Flow

Extended Producer Responsibility Oversight ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow from (used by) operating activities		
Government grant received	\$ 50,000	\$ -
Program expenditures	(12,450)	-
	<u>37,550</u>	<u>-</u>
(Increase) decrease in cash position	37,550	-
Cash, beginning of year	-	-
Cash, end of year	<u>\$ 37,550</u>	<u>\$ -</u>

Basis of presentation (Note 2)

Schedule 6 Statement of Financial Position

Household Hazardous Waste ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2023

		2023	2022
ASSETS			
	CURRENT		
	Cash	\$ 320,141	\$ 754,176
		\$ 320,141	\$ 754,176
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 197,156	\$ 688,473
	Accounts payable and accrued liabilities	55,977	11,795
	Interfund payable (Note 6)	65,997	52,897
		319,130	753,165
	COMMITMENTS (Note 12)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 13)		
	Allocated	1,011	1,011
		\$ 320,141	\$ 754,176
	Basis of presentation (Note 2)		

Schedule 6(a) Statement of Revenue and Expenditures and Changes in Net Assets

Household Hazardous Waste

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023 Budget Unaudited	2023 Actual	2022 Actual
Revenue			
Government contract	\$ 1,800,000	\$ 1,605,793	\$ 1,800,000
Interest	500	5,616	838
Total revenue	1,800,500	1,611,409	1,800,838
Recycling expenditures			
Broker contracts	1,599,875	1,405,245	1,605,878
Total recycling expenditures	1,599,875	1,405,245	1,605,878
Recycling development and other			
Rural Alberta project and municipal grants	20,625	16,164	14,960
Total recycling development and other	20,625	16,164	14,960
Program delivery expenditures			
Contract administration fees	180,000	190,000	167,581
Compliance and assurance activities	-	-	-
Contract delivery expenditures	-	-	12,419
Total program delivery expenditures	180,000	190,000	180,000
Total expenditures	1,800,500	1,611,409	1,800,838
(Deficiency) 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 6(b) Statement of Cash Flow

Household Hazardous Waste

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2023

	2023	2022
Cash flow used by operating activities		
Government contracts received	\$ 1,605,793	\$ 2,085,691
Program expenditures	(2,045,444)	(1,346,927)
Other income	5,616	838
	(434,035)	739,602
Increase (decrease) in cash position	(434,035)	739,602
Cash, beginning of year	754,176	14,574
Cash, end of year	\$ 320,141	\$ 754,176

Basis of presentation (Note 2)

INSPIRING A FUTURE WITHOUT WASTE

albertarecycling.ca

**Alberta
recycling**
MANAGEMENT AUTHORITY

