

**ALBERTA RECYCLING MANAGEMENT
AUTHORITY**
Financial Statements
March 31, 2019

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ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

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Independent Auditor's Report

July 3, 2019
Edmonton, Alberta

To the Members of Alberta Recycling Management Authority

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, 2019 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, 2019 and the results of its operations and its cash flow for the year ended March 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

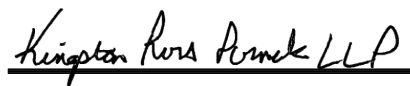
Auditor's Responsibilities for the Audit of the Financial Statements

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 Pasnak LLP
 Chartered Professional Accountants

Statement of Financial Position

ALBERTA RECYCLING MANAGEMENT AUTHORITY

For Alberta Recycling's four regulated material programs

March 31, 2019

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
	(Note 1) Sch 1	(Note 1) Sch 2	(Note 1) Sch 3	(Note 1) Sch 4
ASSETS				
CURRENT				
Cash	\$ 2,058,846	\$ 711,140	\$ 2,108,812	\$ 528,592
Short term investments (Note 4)	9,062,835	1,081,701	4,841,008	2,466,752
Accounts receivable	852,075	480,536	2,465,983	3,962,551
Interfund receivable (Note 5)	880,968	-	-	1,796
Prepaid expenses	64,467	-	3,000	8,607
	<u>12,919,191</u>	<u>2,273,377</u>	<u>9,418,803</u>	<u>6,968,298</u>
LONG TERM INVESTMENTS (Note 6)	83,324,320	-	16,385,990	2,647,355
PROPERTY AND EQUIPMENT (Note 7)	174,182	-	-	-
	\$ 96,417,693	\$ 2,273,377	\$ 25,804,793	\$ 9,615,653
LIABILITIES AND NET ASSETS				
CURRENT				
Payable to recyclers and related accruals	\$ 1,107,843	\$ 466,639	\$ 2,920,297	\$ 1,424,246
Accounts payable and accrued liabilities	634,214	83,935	42,076	51,428
Interfund payable (Note 5)	-	121,112	580,522	149,987
	<u>1,742,057</u>	<u>671,686</u>	<u>3,542,895</u>	<u>1,625,661</u>
COMMITMENTS (Note 9)				
EXTERNALLY RESTRICTED NET ASSETS (Note 10)				
Invested in property and equipment	174,182	-	-	-
Allocated	94,501,454	1,601,691	22,261,898	7,989,992
	<u>94,675,636</u>	<u>1,601,691</u>	<u>22,261,898</u>	<u>7,989,992</u>
	\$ 96,417,693	\$ 2,273,377	\$ 25,804,793	\$ 9,615,653

Basis of presentation (Note 2)
 See Schedule 5 for the Household Hazardous Waste contract

APPROVED BY THE BOARD
 Director

 Director

Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY
For Alberta Recycling's four regulated material programs

Year ended March 31, 2019

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
	(Note 1) Sch 1(a)	(Note 1) Sch 2(a)	(Note 1) Sch 3(a)	(Note 1) Sch 4(a)
Recycling revenue				
Environmental fees	\$ 8,270,437	\$ 4,545,271	\$ 25,993,251	\$ 7,819,438
Less: Import tire agent charges	-	-	(22,584)	-
Interest	28,863	137,089	318,231	-
Total recycling revenue	8,299,300	4,682,360	26,288,898	7,819,438
Recycling expenditures				
Recycling incentives	8,956,093	3,943,381	22,746,795	6,659,802
Total recycling expenditures	8,956,093	3,943,381	22,746,795	6,659,802
Recycling development and other				
Research and development	106,021	2,476	136,101	4,546
Public information	107,699	24,829	120,172	20,179
Rural Alberta project and municipal grants	108,042	15,422	1,015,847	-
Total recycling development and other	321,762	42,727	1,272,120	24,725
Administration				
Compensation and professional fees	1,218,045	346,718	1,612,888	147,248
Contract administration fees	-	-	-	190,758
Compliance and assurance	83,070	72,011	119,941	12,967
General and administration expenses, including amortization	409,465	95,647	527,985	131,435
Program transition expense	-	-	-	192,382
Total administration expenditures	1,710,580	514,376	2,260,814	674,790
Total program expenditures	10,988,435	4,500,484	26,279,729	7,359,317
Revenue net of program expenditures	(2,689,135)	181,876	9,169	460,121
Fund Investment				
Investment income	7,720,341	34,140	1,371,384	48,864
Unrealized investment (loss) income	(2,732,295)	-	(300,821)	82,915
Less:				
Investment managers and related expense	(207,765)	(567)	(42,411)	(2,060)
Net investment income	4,780,281	33,573	1,028,152	129,719
Excess of revenues over expenditures	\$ 2,091,146	\$ 215,449	\$ 1,037,321	\$ 589,840

Basis of presentation (Note 2)
See Schedule 5(a) for the Household Hazardous Waste contract

Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY
For Alberta Recycling's four regulated material programs

Year ended March 31, 2019

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
	Property and equipment	Allocated	Allocated	Allocated
	(Note 1) Sch 1(b)	(Note 1) Sch 1(b)	(Note 1) Sch 2(b)	(Note 1) Sch 3(b)
Net assets, beginning of year	\$ 152,859	\$ 92,431,631	\$ 1,386,242	\$ 21,224,577
Excess of revenue over expenditures	-	2,091,146	215,449	1,037,321
Amortization of property and equipment	(91,689)	91,689	-	-
Investment in property and equipment	113,012	(113,012)	-	-
Transfer of used oil recycling program, effective October 1, 2018 (Note 14)	-	-	-	7,400,152
Net assets, end of year	\$ 174,182	\$ 94,501,454	\$ 1,601,691	\$ 22,261,898

Basis of presentation (Note 2)
See Schedule 5(a) for the Household Hazardous Waste contract

Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

For Alberta Recycling's four regulated material programs

Year ended March 31, 2019

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
	(Note 1) Sch 1(c)	(Note 1) Sch 2(c)	(Note 1) Sch 3(c)	(Note 1) Sch 4(c)
Cash flow from operating activities				
Recycling revenues collected	\$ 8,214,528	\$ 4,592,011	\$ 25,839,507	\$ 8,358,832
Program expenditures	(11,069,847)	(4,342,191)	(26,290,172)	(7,412,808)
Investment income	7,720,341	34,140	1,371,384	48,864
Investment management costs	(207,765)	(567)	(42,411)	(2,060)
	4,657,257	283,393	878,308	992,828
Cash flow (used by) from investing activities				
Investment contributions	(3,673,613)	(20,245)	191,116	(5,031,193)
Acquisitions of property and equipment	(113,012)	-	-	-
	(3,786,625)	(20,245)	191,116	(5,031,193)
Increase (decrease) in cash position	870,632	263,148	1,069,424	(4,038,365)
Cash, beginning of year	1,188,214	447,992	1,039,388	-
Transfer of used oil recycling program, effective October 1, 2018 (Note 14)				4,566,957
Cash, end of year	\$ 2,058,846	\$ 711,140	\$ 2,108,812	\$ 528,592

Basis of presentation (Note 2)

See Schedule 5(b) for the Household Hazardous Waste contract

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 1

Authority and Purpose

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

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

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

Under the Designation Regulations (AR 95/04), (AR 94/04), (AR 200/07), and (AR 100/18), tires, electronics, paint 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.

Leftover Paint Material

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

Scrap Tires

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 1

Authority and
Purpose
continued ...

Used Lubricating Oil Materials

Effective October 1, 2018, the Government of Alberta transferred the management of Alberta's used oil material recycling program from the Alberta Used Oil Management Association (AUOMA) to the Authority. See note 14 for more information on the program transfer.

The Authority now 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 2020 fiscal year has not been confirmed. The continued operations of the Program are dependent on this funding.

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

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.

The primary financial statements of the Authority present the operations of the Authority's four regulated programs: Electronics Recycling Alberta, Paint Recycling Alberta, Tire Recycling Alberta and Used Oil Recycling Alberta. Each program has a separate and distinct purpose and is governed by its own legislative mandate. The Regulation requires that each program be operated and funded separately. Use of environmental fee revenue and/or net assets between the programs is not permitted by the legislation.

Comparative information on a program by program basis for the regulated programs is provided in Schedules 1, 2, 3 and 4. Schedule 5 presents comparative financial statements for the Household Hazardous Waste Program which is operated under a contract with the Government of Alberta.

The combined statements of financial position, revenue and expenditures, and changes in net assets as reported in the financial statements (Schedule 6) have been presented in accordance with the requirements of Section 4400 of Part III of the CPA Canada Handbook - Accounting, which requires the presentation of total assets, liabilities, revenues, expenses and net assets for all programs. Totals contained in Schedule 6 have been provided solely for the purpose of presenting the overall financial position, results of operations, changes in net assets and cash flow for the Authority. This presentation is not intended to imply that the assets, liabilities, revenues, expenses and net assets of each of the programs have been combined or co-mingled. By law, the assets, liabilities, revenues, expenses and net assets of each program cannot be combined or co-mingled.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 3
 Significant
 Accounting
 Policies

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

Fund Accounting

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

Revenue Recognition**Electronics Recycling Alberta**

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

Paint Recycling Alberta

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

Tire Recycling Alberta

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 3
 Significant
 Accounting
 Policies
 continued. . .

Used Oil Recycling Alberta

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

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 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 or current lease terms of the assets as follows:

	<u>Years</u>
Computer equipment and software	3
Furniture and fixtures	5
Communications equipment	5
Leasehold improvements	lease term

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

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 11).

Financial Instruments

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

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, return incentives paid for ineligible containers in the Used Oil program (note 12) and the estimated useful lives of property and equipment.

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.

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 4
Short Term
Investments

Short term investments are comprised of Money Market securities and bonds, and a guaranteed investment certificate (GIC):

	2019	2018
Electronics Recycling Alberta	\$ 9,062,835	\$ 6,972,372
Paint Recycling Alberta	\$ 1,081,701	\$ 1,061,456
Tire Recycling Alberta	\$ 4,841,008	\$ 5,418,081
Used Oil Recycling Alberta	\$ 2,466,752	\$ -

The bond coupon rates range from 2.98% to 4.10%, and mature between May 7, 2019 and December 18, 2019. The guaranteed investment certificate bears interest at 2.30% and matures on February 1, 2020.

Note 5
Interfund
Balances

The Authority incurs common expenses that are attributable to the various programs that the Authority administers. For administrative purposes these shared expenses are allocated to each program. Allocation of shared expenses is performed monthly using allocation formulas as prescribed by the Board of Directors (Note 11).

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

	Accounts Receivable	Accounts Payable
Electronics Recycling Alberta		
Paint Recycling Alberta	\$ 121,112	\$ -
Tire Recycling Alberta	\$ 578,726	\$ -
Used Oil Recycling Alberta	\$ 149,987	\$ -
Household Hazardous Waste Program	\$ 31,143	\$ -
Paint Recycling Alberta		
Electronics Recycling Alberta	\$ -	\$ 121,112
Tire Recycling Alberta		
Electronics Recycling Alberta	\$ -	\$ 578,726
Used Oil Recycling Alberta	\$ -	\$ 1,796
Used Oil Recycling Alberta		
Electronics Recycling Alberta	\$ -	\$ 149,987
Tire Recycling Alberta	\$ 1,796	\$ -
Household Hazardous Waste Program		
Electronics Recycling Alberta	\$ -	\$ 31,143

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 6
Long Term
Investments

Long term investments consist of:

	Electronics Recycling Alberta			
	2019		2018	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 49,576,063	\$ 51,180,616	\$ 44,849,737	\$ 45,113,664
Balanced fund	-	-	12,722,118	16,377,731
Canadian equities	12,272,880	15,838,272	12,087,614	15,961,759
Global equities	13,902,407	16,305,432	4,630,019	7,020,312
	\$ 75,751,350	\$ 83,324,320	\$ 74,289,488	\$ 84,473,466

	Tire Recycling Alberta			
	2019		2018	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 9,900,279	\$ 10,029,510	\$ 9,082,243	\$ 8,940,914
Balanced fund	-	-	2,578,604	3,067,882
Canadian equities	2,573,681	3,123,697	2,459,819	3,006,071
Global equities	2,862,422	3,232,783	872,774	1,285,988
	\$ 15,336,382	\$ 16,385,990	\$ 14,993,440	\$ 16,300,855

	Used Oil Recycling Alberta	
	2019	
	Cost	Market Value
Bonds and fixed income	\$ 1,809,013	\$ 1,853,556
Canadian equities	402,801	420,819
Global equities	352,627	372,980
	\$ 2,564,441	\$ 2,647,355

The bond coupon rates range from 1.60% - 4.00% and mature from June 4, 2020 to March 15, 2028.

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

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 7
Property and
Equipment

	Electronics Recycling Alberta			
	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 704,476	\$ 564,694	\$ 139,782	\$ 96,511
Furniture and fixtures	297,700	263,693	34,007	53,448
Communications equipment	12,533	12,140	393	2,900
Leasehold improvements	17,956	17,956	-	-
	\$ 1,032,665	\$ 858,483	\$ 174,182	\$ 152,859

Amortization provided for in the current year total \$91,689; (2018 - \$101,536).

All property and equipment transferred to the Authority from AUOMA with the October 1, 2018 transfer of the Used Oil program held a \$nil net book value.

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 8
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	2019	2018
Ms. Caroline McAuley (Board Chair since January 14, 2018)	\$ 60,519	\$ 12,300
Mr. Robert Barss (Board Chair until January 13, 2018)	-	50,350
Ms. Lis Anderson (since May 11, 2017)	-	-
Mr. Jeffrey Dirks (until April 19, 2018)	-	3,325
Mr. Jeff Faber	11,162	7,138
Mr. John Graham (since February 2, 2018)	-	-
Ms. Cathy Heron	3,950	4,350
Mr. Patrick Kane	-	-
Mr. Al Kemmere (since December 19, 2017)	7,325	1,175
Mr. Brent Kennedy	6,325	4,600
Ms. Carolyn Kolebaba (until December 18, 2017)	-	4,375
Mr. Joseph Kostler	6,463	6,106
Mr. Raymond Massey (until July 5, 2017)	-	3,525
Mr. Lanny McInnes (until April 10, 2017)	-	-
Mr. David Schaaf (since November 20, 2018)	3,550	-
Ms. Leah Seabrook (until November 20, 2018)	-	-
Ms. Rachelle Venne (since February 1, 2019)	1,100	-
Mr. Lee Wilkie (since October 1, 2018)	-	-
Mr. Ian Young (since October 22, 2018)	2,912	-
Board of Directors' Benefits	22,624	13,246
Subtotal	125,930	110,490
Chief Executive Officer Salary	181,985	189,208
Benefits	23,684	24,727
Subtotal	205,669	213,935
Total	\$ 331,599	\$ 324,425

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 9
Commitments

The Authority has leased office space to October 31, 2025, leased equipment expiring between September 30, 2019 and May 31, 2021, and contracts expiring between June 30, 2019 and August 31, 2020. The approximate minimum payments required under the lease agreements in future years are as follows:

	Rent	Equipment	Contracts
2020	\$ 297,865	\$ 26,992	\$ 441,416
2021	273,687	6,153	135,195
2022	275,222	-	-
2023	275,222	-	-
2024	275,222	-	-
Thereafter	435,767	-	-
	\$ 1,832,985	\$ 33,145	\$ 576,611

Rental expense for the year is allocated to each of the five programs under the Authority's administration based on a formula prescribed by the Board of Directors (Note 11).

The transfer of the Used Oil Recycling program from AUOMA to the Authority effective October 1, 2018 included several commitments made by AUOMA prior to the transfer date. These commitments are included in the approximate minimum payments above and include leased office space to June 30, 2020, leased equipment expiring between July 31, 2019 and March 31, 2020, and contracts expiring August 31, 2020. The approximate minimum payments required under the agreements in future years are as follows:

	Rent	Equipment	Contracts
2020	\$ 44,229	\$ 2,016	\$ 324,468
2021	11,057	-	135,195
	\$ 55,286	\$ 2,016	\$ 459,663

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 10
Externally Restricted
Net Assets

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

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 11
Allocation of
Expenses

Included in administration expenses of \$4,903,234 (2018 - \$4,691,006) are costs that have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributed to the individual programs have been allocated to the specific program.

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Household Hazardous Waste
2019	39%	9%	49%	3%
2018	39%	9%	50%	2%

With the transfer of the Used Oil recycling program from AUOMA to the Authority effective October 1, 2018, the allocation formulas for some expenditures shifted during fiscal 2019. Different allocation formulas are used for expenditures where the Used Oil program carried existing commitments from before the program transfer (e.g. rent) and for expenditures where separate costs for the Used Oil program have been eliminated and replaced with joint costs benefiting all programs (e.g. website costs). Over time as pre-transfer commitments under the Used Oil program are eliminated, the need for different allocations formulas will be eliminated.

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta	Household Hazardous Waste
Expenses allocated to legacy programs	39%	9%	49%	0%	3%
Expenses allocated to all programs	29%	7%	37%	25%	2%

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 12
Ineligible
Containers

The return incentive (recycling incentive) paid for used oil containers may include payment for ineligible containers from related products such as windshield washer fluid, engine coolants, and fuel or oil additives. Containers for these products are currently excluded from the regulation governing the Used Oil materials program.

Since these containers are generally made of the same plastic as used oil containers, there is limited economic or environmental benefit in separating these containers from the used oil container waste stream. There are also additional costs related to segregating these materials. On account of these factors, the Board of Directors of AUOMA historically elected not to strictly enforce the removal of these containers in return incentive payments. With the program transfer from AUOMA to the Authority effective October 1, 2018, the Authority elected not to make changes to AUOMA's historical policy during the period covered by these financial statements.

Based on studies performed by independent consultants, AUOMA determined that the percentage of ineligible containers is approximately 21% by weight. This percentage is used to estimate the amount spent on ineligible plastics. The estimated amount is \$387,000 for the six months ended March 31, 2019.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 13
Financial
Instruments

The Authority is exposed to various risks through its financial instruments. The following analysis provides information about the Authority's risk exposure and concentration as of March 31, 2019. Unless otherwise noted, the Authority's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that tire, electronics, paint 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, 2019 foreign denominated investments amounted to \$6,450,949 (5.73%) of the Authority's total short and long term investments. The Authority does not use derivative or other financial instruments to reduce its exposure to foreign currency risk.

Interest rate risk

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

Notes to the Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

Note 14

Used Oil Material
Recycling Program
Transfer

On October 1, 2018, the Government of Alberta transferred the management of Alberta's used oil material recycling program to the Authority. This program was previously managed by the Alberta Used Oil Management Association (AUOMA).

The Government's decision to transfer the program arose from the review of agencies, boards, and commissions, the purpose of which was to improve the services and ensure value for Albertans. Their review of the recycling management boards concluded that it would strengthen recycling work in the province to consolidate the used oil materials recycling program under one management board.

The Authority's multi-material mandate was therefore expanded to include the recycling programs for tire, electronics, paint and used oil materials.

The Alberta used oil material recycling program was established by the Government of Alberta in 1997 to ensure that Albertans have access to convenient and cost-effective opportunities to recycle their used lubricating (e.g. automotive) oil, oil filters, and oil containers.

The Authority's 2018/19 audited financial statements therefore report on the operations of Electronics, Tires, Paint (and the Household Hazardous Waste contract), with the addition of a partial year of operations for the Used Oil program.

The October 1, 2018 opening balance figures for the Used Oil program have been provided in the program financial statements in Schedule 4 and represent the balances transferred from AUOMA to the Authority. These October 1, 2018 opening balances for Used Oil Recycling Alberta have been audited by another auditor and confirmed to agree with the closing balances of the audited AUOMA financial statements as at September 30, 2018.

Note 15

Budget Information

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

Schedule 1 Statement of Financial Position

Electronics Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2019

		2019	2018
ASSETS			
CURRENT			
Cash		\$ 2,058,846	\$ 1,188,214
Short term investments (Note 4)		9,062,835	6,972,372
Accounts receivable		852,075	768,992
Interfund receivable (Note 5)		880,968	740,400
Prepaid expenses		64,467	42,063
		<u>12,919,191</u>	<u>9,712,041</u>
LONG TERM INVESTMENTS (Note 6)		83,324,320	84,473,466
PROPERTY AND EQUIPMENT (Note 7)		174,182	152,859
		\$ 96,417,693	\$ 94,338,366
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals		\$ 1,107,843	\$ 1,229,566
Accounts payable and accrued liabilities		634,214	524,310
		<u>1,742,057</u>	<u>1,753,876</u>
COMMITMENTS (Note 9)			
EXTERNALLY RESTRICTED NET ASSETS (Note 10)			
Invested in property and equipment		174,182	152,859
Allocated		94,501,454	92,431,631
		<u>94,675,636</u>	<u>92,584,490</u>
		\$ 96,417,693	\$ 94,338,366
Basis of presentation (Note 2)			

Schedule 1(a) Statement of Revenue and Expenditures

Electronics Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019 Budget Unaudited	2019 Actual	2018 Actual
Recycling revenue			
Environmental fees	\$ 7,783,945	\$ 8,270,437	\$ 8,007,730
Interest	8,000	28,863	19,777
Total recycling revenue	7,791,945	8,299,300	8,027,507
Recycling expenditures			
Recycling incentives	11,542,453	8,956,093	10,445,389
Total recycling expenditures	11,542,453	8,956,093	10,445,389
Recycling development and other			
Research and development	1,077,500	106,021	180,330
Public information	132,204	107,699	85,034
Rural Alberta project and municipal grants	330,790	108,042	108,398
Total recycling development and other	1,540,494	321,762	373,762
Administration			
Compensation and professional fees	1,413,980	1,218,045	1,239,142
Compliance and assurance	190,876	83,070	103,094
General and administration expense, including amortization	448,943	409,465	398,152
Total administration expenditures	2,053,799	1,710,580	1,740,388
Total program expenditures	15,136,746	10,988,435	12,559,539
Revenue net of program expenditure	(7,344,801)	(2,689,135)	(4,532,032)
Fund Investment			
Investment income	2,521,285	7,720,341	4,075,395
Unrealized investment loss	-	(2,732,295)	(1,493,318)
Less:			
Investment managers and related expense	-	(207,765)	(219,425)
Net investment income	2,521,285	4,780,281	2,362,652
Excess (deficit) of revenue over expenditures	\$ (4,823,516)	\$ 2,091,146	\$ (2,169,380)

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, 2019

	2019			2018
	Property and Equipment	Allocated	Total	Total
Net assets, beginning of year	\$ 152,859	\$ 92,431,631	\$ 92,584,490	\$ 94,753,870
Excess (deficiency) of revenues over expenditures	-	2,091,146	2,091,146	(2,169,380)
Amortization of property and equipment	(91,689)	91,689	-	-
Investment in property and equipment	113,012	(113,012)	-	-
Net assets, end of year	\$ 174,182	\$ 94,501,454	\$ 94,675,636	\$ 92,584,490

Basis of presentation (Note 2)

Schedule 1(c) Statement of Cash Flow

Electronics Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019	2018
Cash flow from (used by) operating activities		
Recycling revenues collected	\$ 8,214,528	\$ 7,942,695
Program expenditures	(11,069,847)	(12,894,390)
Investment income	7,720,341	4,075,395
Investment management costs	(207,765)	(219,425)
	<u>4,657,257</u>	<u>(1,095,725)</u>
Cash flow (used by) from investing activities		
Investment (contributions) proceeds	(3,673,613)	1,650,966
Acquisitions of property and equipment	(113,012)	(96,201)
	<u>(3,786,625)</u>	<u>1,554,765</u>
Increase in cash position	870,632	459,040
Cash, beginning of year	1,188,214	729,174
Cash, end of year	\$ 2,058,846	\$ 1,188,214

Basis of presentation (Note 2)

Schedule 2 Statement of Financial Position

Paint Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 711,140	\$ 447,992
Short term investments (Note 4)	1,081,701	1,061,456
Accounts receivable	480,536	390,187
	<u>\$ 2,273,377</u>	<u>\$ 1,899,635</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Payable to recyclers and related accruals	\$ 466,639	\$ 317,511
Accounts payable and accrued liabilities	83,935	62,093
Interfund payable (Note 5)	121,112	133,789
	<u>671,686</u>	<u>513,393</u>
COMMITMENTS (Note 9)		
EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
Allocated	1,601,691	1,386,242
	<u>1,601,691</u>	<u>1,386,242</u>
	\$ 2,273,377	\$ 1,899,635

Basis of presentation (Note 2)

Schedule 2(a) Statement of Revenue and Expenditures

Paint Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019 Budget Unaudited	2019 Actual	2018 Actual
Recycling revenue			
Environmental fees	\$ 4,260,555	\$ 4,545,271	\$ 4,380,524
Interest	12,000	137,089	24,920
Total recycling revenue	4,272,555	4,682,360	4,405,444
Recycling expenditures			
Recycling incentives	3,981,735	3,943,381	3,828,260
Total recycling expenditures	3,981,735	3,943,381	3,828,260
Recycling development and other			
Research and development	45,000	2,476	4,267
Public information	45,674	24,829	25,106
Rural Alberta project and municipal grants	39,720	15,422	14,593
Total recycling development and other	130,394	42,727	43,966
Administration			
Compensation and professional fees	386,847	346,718	369,709
Compliance and assurance	85,477	72,011	18,664
General and administration expenses, including amortization	107,671	95,647	100,123
Total administration expenditures	579,995	514,376	488,496
Total program expenditures	4,692,124	4,500,484	4,360,722
Revenue net of program expenditures	(419,569)	181,876	44,722
Fund Investment			
Investment income	10,000	34,140	19,723
Investment managers and related expense	-	(567)	(526)
Net investment income	10,000	33,573	19,197
Excess of revenue over expenditures	\$ (409,569)	\$ 215,449	\$ 63,919

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, 2019

	2019		2018
	Allocated	Total	Total
Net assets, beginning of year	\$ 1,386,242	\$ 1,386,242	\$ 1,322,323
Excess of revenues over expenditures	215,449	215,449	63,919
Net assets, end of year	\$ 1,601,691	\$ 1,601,691	\$ 1,386,242

Basis of presentation (Note 2)

Schedule 2(c) Statement of Cash Flow

Paint Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019	2018
Cash flow from (used by) operating activities		
Recycling revenues collected	\$ 4,592,011	\$ 4,403,095
Program expenditures	(4,342,191)	(4,469,312)
Investment income	34,140	19,723
Investment management costs	(567)	(526)
	<u>283,393</u>	<u>(47,020)</u>
Cash flow used by investing activities		
Investment contributions	(20,245)	(1,061,456)
	<u>(20,245)</u>	<u>(1,061,456)</u>
Increase (decrease) in cash position	263,148	(1,108,476)
Cash, beginning of year	447,992	1,556,468
Cash, end of year	\$ 711,140	\$ 447,992

Basis of presentation (Note 2)

Schedule 3 Statement of Financial Position

Tire Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 2,108,812	\$ 1,039,388
Short term investments (Note 4)	4,841,008	5,418,081
Accounts receivable	2,465,983	2,016,609
Prepaid expenses	3,000	-
	<u>9,418,803</u>	<u>8,474,078</u>
LONG TERM INVESTMENTS (Note 6)	16,385,990	16,300,855
	\$ 25,804,793	\$ 24,774,933
LIABILITIES AND NET ASSETS		
CURRENT		
Payable to recyclers and related accruals	\$ 2,920,297	\$ 2,806,851
Accounts payable and accrued liabilities	42,076	156,063
Interfund payable (Note 5)	580,522	587,442
	<u>3,542,895</u>	<u>3,550,356</u>
COMMITMENTS (Note 9)		
EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
Allocated	22,261,898	21,224,577
	<u>22,261,898</u>	<u>21,224,577</u>
	\$ 25,804,793	\$ 24,774,933

Basis of presentation (Note 2)

Schedule 3(a) Statement of Revenue and Expenditures

Tire Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019 Budget Unaudited	2019 Actual	2018 Actual
Recycling revenue			
Environmental fees	\$ 26,702,851	\$ 25,993,251	\$ 25,027,840
Less: Import tire agent charges	(27,662)	(22,584)	(23,344)
Interest	49,000	318,231	104,320
Total recycling revenue	26,724,189	26,288,898	25,108,816
Recycling expenditures			
Recycling incentives	23,620,693	22,746,795	21,020,758
Total recycling expenditures	23,620,693	22,746,795	21,020,758
Recycling development and other			
Research and development	287,000	136,101	73,911
Public information	170,319	120,172	104,882
Rural Alberta project and municipal grants	1,219,900	1,015,847	1,151,717
Total recycling development and other	1,677,219	1,272,120	1,330,510
Administration			
Compensation and professional fees	1,783,079	1,612,888	1,606,638
Compliance and assurance	96,742	119,941	113,387
General and administration expenses, including amortization	564,782	527,985	657,130
Total administration expenditures	2,444,603	2,260,814	2,377,155
Total program expenditures	27,742,515	26,279,729	24,728,423
Revenue net of program expenditures	(1,018,326)	9,169	380,393
Fund Investment			
Investment income	290,095	1,371,384	827,669
Unrealized investment loss	-	(300,821)	(268,069)
Less:			
Investment managers and related expense	-	(42,411)	(43,399)
Net investment income	290,095	1,028,152	516,201
Excess of revenue over expenditures	\$ (728,231)	\$ 1,037,321	\$ 896,594

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, 2019

	2019		2018
	Allocated	Total	Total
Net assets, beginning of year	\$ 21,224,577	\$ 21,224,577	\$ 20,327,983
Excess of revenues over expenditures	1,037,321	1,037,321	896,594
Net assets, end of year	\$ 22,261,898	\$ 22,261,898	\$ 21,224,577

Basis of presentation (Note 2)

Schedule 3(c) Statement of Cash Flow

Tire Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019	2018
Cash flow from operating activities		
Recycling revenue collected	\$ 25,839,507	\$ 24,958,555
Program expenditures	(26,290,172)	(25,037,210)
Investment income	1,371,384	827,669
Investment management costs	(42,411)	(43,399)
	<u>878,308</u>	<u>705,615</u>
Cash flow from (used by) investing activities		
Investment proceeds (contributions)	191,116	(409,813)
	<u>191,116</u>	<u>(409,813)</u>
Increase in cash position	1,069,424	295,802
Cash, beginning of year	1,039,388	743,586
Cash, end of year	\$ 2,108,812	\$ 1,039,388

Basis of presentation (Note 2)

Schedule 4 Statement of Financial Position

Used Oil Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2019

	2019	October 1, 2018 (Note 14)
ASSETS		
CURRENT		
Cash	\$ 528,592	\$ 4,566,957
Short term investments (Note 4)	2,466,752	-
Accounts receivable	3,962,551	4,543,413
Interfund receivable (Note 5)	1,796	-
Prepaid expenses	8,607	6,594
	<u>6,968,298</u>	<u>9,116,964</u>
LONG TERM INVESTMENTS (Note 6)	2,647,355	-
	\$ 9,615,653	\$ 9,116,964
LIABILITIES AND NET ASSETS		
CURRENT		
Payable to recyclers and related accruals	\$ 1,424,246	\$ 1,622,784
Accounts payable and accrued liabilities	51,428	94,028
Interfund payable (Note 5)	149,987	-
	<u>1,625,661</u>	<u>1,716,812</u>
COMMITMENTS (Note 9)		
EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
Allocated	7,989,992	7,400,152
	\$ 9,615,653	\$ 9,116,964

Basis of presentation (Note 2)

Schedule 4(a) Statement of Revenue and Expenditures

Used Oil Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Six month period ended March 31, 2019

	2019 Budget Unaudited	2019 Actual
Recycling revenue		
Environmental fees	\$ 7,894,661	\$ 7,819,438
Total recycling revenue	7,894,661	7,819,438
Recycling expenditures		
Recycling incentives	7,222,870	6,659,802
Total recycling expenditures	7,222,870	6,659,802
Recycling development and other		
Research and development	21,500	4,546
Public information	37,500	20,179
Total recycling development and other	59,000	24,725
Administration		
Compensation and professional fees	96,000	147,248
Contract administration fees	276,000	190,758
Compliance and assurance	52,000	12,967
General and administration expenses, including amortization	225,487	131,435
Program transition expense	-	192,382
Total administration expenditures	649,487	674,790
Total program expenditures	7,931,357	7,359,317
Revenue net of program expenditures	(36,696)	460,121
Fund Investment		
Investment income	20,000	48,864
Unrealized investment gain	-	82,915
Investment managers and related expense	-	(2,060)
Net investment income	20,000	129,719
Excess of revenues over expenditures	\$ (16,696)	\$ 589,840

Basis of presentation (Note 2)

Schedule 4(b) Statement of Changes in Net Assets

Used Oil Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Six month period ended March 31, 2019

	2019		October 1, 2018 (Note 14)
	Allocated	Total	Total
Net assets, as of October 1, 2018 program transfer	\$ 7,400,152	\$ 7,400,152	\$ 7,400,152
Excess of revenues over expenditures	589,840	589,840	-
Net assets, end of year	\$ 7,989,992	\$ 7,989,992	\$ 7,400,152

Basis of presentation (Note 2)

Schedule 4(c) Statement of Cash Flow

Used Oil Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Six month period ended March 31, 2019

	2019
Cash flow from operating activities	
Recycling revenue collected	\$ 8,358,832
Program expenditures	(7,412,808)
Investment income	48,864
Investment management costs	(2,060)
	<u>992,828</u>
Cash flow used by investing activities	
Investment contributions	(5,031,193)
	<u>(5,031,193)</u>
Decrease in cash position	(4,038,365)
Cash, opening balance as at October 1, 2018 program transfer	4,566,957
	<u>4,566,957</u>
Cash, end of year	\$ 528,592

Basis of presentation (Note 2)

Schedule 5 Statement of Financial Position

Household Hazardous Waste
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 242,776	\$ 264,924
Accounts receivable	75,000	-
Prepaid expenses	6,085	-
	<u>\$ 323,861</u>	<u>\$ 264,924</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Payable to recyclers and related accruals	\$ 108,829	\$ 98,467
Accounts payable and accrued liabilities	182,878	146,277
Interfund payable (Note 5)	31,143	19,169
	<u>322,850</u>	<u>263,913</u>
COMMITMENTS (Note 9)		
EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
Allocated	1,011	1,011
	<u>\$ 323,861</u>	<u>\$ 264,924</u>

Basis of presentation (Note 2)

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

Household Hazardous Waste
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019 Budget Unaudited	2019 Actual	2018 Actual
Recycling revenue			
Government contract	\$ 1,500,000	\$ 1,328,500	\$ 1,359,256
Interest	1,400	6,728	2,404
Total recycling revenue	1,501,400	1,335,228	1,361,660
Recycling expenditures			
Broker contracts	1,311,574	1,183,509	1,251,981
Total recycling expenditures	1,311,574	1,183,509	1,251,981
Recycling development and other			
Public information	-	294	190
Rural Alberta project and municipal grants	40,000	25,611	24,522
Total recycling development and other	40,000	25,905	24,712
Administration			
Compensation and professional fees	104,199	86,114	56,527
General and administration expenses, including amortization	44,278	39,700	28,440
Total administration expenditures	148,477	125,814	84,967
Total program expenditures	1,500,051	1,335,228	1,361,660
Excess of revenues over expenditures	1,349	-	-
Net assets, beginning of year	1,011	1,011	1,011
Net assets, end of year	\$ 2,360	\$ 1,011	\$ 1,011

Basis of presentation (Note 2)

Schedule 5(b) Statement of Cash Flow

Household Hazardous Waste
ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2019

	2019	2018
Cash flow used by operating activities		
Government contracts received	\$ 1,253,500	\$ 1,359,256
Program expenditures	(1,282,376)	(1,515,750)
Other income	6,728	2,404
	(22,148)	(154,090)
Decrease in cash position	(22,148)	(154,090)
Cash, beginning of year	264,924	419,014
Cash, end of year	\$ 242,776	\$ 264,924

Basis of presentation (Note 2)

Schedule 6 Combined Statement of Financial Position

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Includes Alberta Recycling's four regulated material programs and the Household Hazardous Waste contract

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 5,650,166	\$ 2,940,518
Short term investments (Note 4)	17,452,296	13,451,909
Accounts receivable	7,836,145	3,175,788
Interfund receivable (Note 5)	882,764	740,400
Prepaid expenses	82,159	42,063
	<u>31,903,530</u>	<u>20,350,678</u>
LONG TERM INVESTMENTS (Note 6)	102,357,665	100,774,321
PROPERTY AND EQUIPMENT (Note 7)	174,182	152,859
	<u>\$ 134,435,377</u>	<u>\$ 121,277,858</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Payable to recyclers and related accruals	\$ 6,027,854	\$ 4,452,395
Accounts payable and accrued liabilities	994,531	888,743
Interfund payable (Note 5)	882,764	740,400
	<u>7,905,149</u>	<u>6,081,538</u>
COMMITMENTS (Note 9)		
EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
Invested in property and equipment	174,182	152,859
Allocated	126,356,046	115,043,461
	<u>126,530,228</u>	<u>115,196,320</u>
	<u>\$ 134,435,377</u>	<u>\$ 121,277,858</u>

Basis of presentation (Note 2)

Schedule 6(a) Combined Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Includes Alberta Recycling's four regulated material programs and the Household Hazardous Waste contract

Year ended March 31, 2019

	2019	2018
Recycling revenue		
Environmental fees	\$ 46,628,397	\$ 37,416,094
Less: Import tire agent charges	(22,584)	(23,344)
Government contract - Household Hazardous Waste	1,328,500	1,359,256
Interest	490,911	151,421
Total recycling revenue	<u>48,425,224</u>	<u>38,903,427</u>
Recycling expenditures		
Recycling incentives	42,306,071	35,294,407
Broker contracts - Household Hazardous Waste	1,183,509	1,251,981
Total recycling expenditures	<u>43,489,580</u>	<u>36,546,388</u>
Recycling development and other		
Research and development	249,144	258,508
Public information	273,173	215,212
Rural Alberta project and municipal grants	1,164,922	1,299,230
Total recycling development and other	<u>1,687,239</u>	<u>1,772,950</u>
Administration		
Compensation and professional fees	3,411,013	3,272,016
Contract administration fees	190,758	-
Compliance and assurance	287,989	235,145
General and administration expenses, including amortization	1,204,232	1,183,845
Program transition expense (used oil)	192,382	-
Total administration expenditures	<u>5,286,374</u>	<u>4,691,006</u>
Total program expenditures	<u>50,463,193</u>	<u>43,010,344</u>
Revenue net of program expenditures	<u>(2,037,969)</u>	<u>(4,106,917)</u>
Fund Investment		
Investment income	9,174,729	4,922,787
Unrealized investment loss	(2,950,201)	(1,761,387)
Less: Investment managers and related expense	(252,803)	(263,350)
Net investment income	<u>5,971,725</u>	<u>2,898,050</u>
Excess (deficiency) of revenue over expenditures before used oil program transfer	<u>\$ 3,933,756</u>	<u>\$ (1,208,867)</u>
Used oil program transfer, effective October 1, 2018	7,400,152	-
Excess (deficiency) of revenue over expenditures	<u>\$ 11,333,908</u>	<u>\$ (1,208,867)</u>

Basis of presentation (Note 2)

Schedule 6(b) Combined Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Includes Alberta Recycling's four regulated material programs and the Household Hazardous Waste contract

Year ended March 31, 2019

	2019			2018
	Property and Equipment	Allocated	Total	Total
Net assets, beginning of year	\$ 152,859	\$115,043,461	\$115,196,320	\$116,405,187
Excess (deficiency) of revenues over expenditures before used oil transfer	-	3,933,756	3,933,756	(1,208,867)
Used Oil program transfer, effective October 1, 2018	-	7,400,152	7,400,152	-
Amortization of property and equipment	(91,689)	91,689	-	-
Investment in property and equipment	113,012	(113,012)	-	-
Net assets, end of year	\$ 174,182	\$126,356,046	\$126,530,228	\$115,196,320

Basis of presentation (Note 2)

Schedule 6(c) Combined Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Includes Alberta Recycling's four regulated material programs and the Household Hazardous Waste contract

Year ended March 31, 2019

	2019	2018
Cash flow from (used by) operating activities		
Recycling revenue collected	\$ 47,004,878	\$ 37,304,345
Government contracts received - Household Hazardous Waste	1,253,500	1,359,256
Program expenditures	(50,397,394)	(43,916,662)
Investment income	9,174,729	4,922,787
Investment management costs	(252,803)	(263,350)
Other income	6,728	2,404
	<u>6,789,638</u>	<u>(591,220)</u>
Cash flow (used by) from investing activities		
Investment (contributions) proceeds	(8,533,935)	179,697
Acquisitions of property and equipment	(113,012)	(96,201)
	<u>(8,646,947)</u>	<u>83,496</u>
Decrease in cash position	(1,857,309)	(507,724)
Cash, beginning of year	2,940,518	3,448,242
Transfer of used oil recycling program, effective October 1, 2018	4,566,957	-
Cash, end of year	\$ 5,650,166	\$ 2,940,518

Basis of presentation (Note 2)