

**ALBERTA RECYCLING MANAGEMENT
AUTHORITY
Financial Statements
March 31, 2020**

Index to Financial Statements

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenue and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to the Financial Statements	7 - 22
Program Financial Information	
<i>Electronics Recycling Alberta</i>	
Schedule 1 Statement of Financial Position	23
Schedule 1(a) Statement of Revenue and Expenditures	24
Schedule 1(b) Statement of Changes in Net Assets	25
Schedule 1(c) Statement of Cash Flow	26
<i>Paint Recycling Alberta</i>	
Schedule 2 Statement of Financial Position	27
Schedule 2(a) Statement of Revenue and Expenditures	28
Schedule 2(b) Statement of Changes in Net Assets	29
Schedule 2(c) Statement of Cash Flow	30
<i>Tire Recycling Alberta</i>	
Schedule 3 Statement of Financial Position	31
Schedule 3(a) Statement of Revenue and Expenditures	32
Schedule 3(b) Statement of Changes in Net Assets	33
Schedule 3(c) Statement of Cash Flow	34
<i>Used Oil Recycling Alberta</i>	
Schedule 4 Statement of Financial Position	35
Schedule 4(a) Statement of Revenue and Expenditures	36
Schedule 4(b) Statement of Changes in Net Assets	37
Schedule 4(c) Statement of Cash Flow	38
<i>Household Hazardous Waste</i>	
Schedule 5 Statement of Financial Position	39
Schedule 5(a) Statement of Revenue and Expenditures and Changes in Net Assets	40
Schedule 5(b) Statement of Cash Flow	41



KINGSTON
ROSS
PASNAK^{LLP}

Suite 1500, 9888 Jasper Avenue
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

August 13, 2020
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, 2020 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, 2020 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
Kingston Ross Pasmak LLP
Chartered Professional Accountants

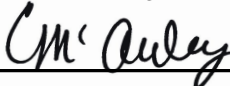
Statement of Financial Position

ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		2020	2019
ASSETS			
CURRENT			
Cash		\$ 2,890,804	\$ 5,650,166
Short term investments (Note 4)		36,063,633	17,452,296
Accounts receivable		7,223,393	7,836,145
Interfund receivable (Note 5)		940,052	882,764
Prepaid expenses		72,417	82,159
		<u>47,190,299</u>	<u>31,903,530</u>
LONG TERM INVESTMENTS (Note 6)		86,101,796	102,357,665
PROPERTY AND EQUIPMENT (Note 7)		295,228	174,182
		<u>\$ 133,587,323</u>	<u>\$ 134,435,377</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Payable to recyclers and related accruals		\$ 7,915,397	\$ 6,027,854
Accounts payable and accrued liabilities		928,444	994,531
Interfund payable (Note 5)		940,052	882,764
		<u>9,783,893</u>	<u>7,905,149</u>
COMMITMENTS (Note 9)			
EXTERNALLY RESTRICTED NET ASSETS (Note 10)			
Invested in property and equipment		295,228	174,182
Electronics Recycling Alberta		91,920,184	94,501,454
Paint Recycling Alberta		1,676,215	1,601,691
Tire Recycling Alberta		21,088,576	22,261,898
Used Oil Recycling Alberta		8,822,216	7,989,992
Household Hazardous Waste contract		1,011	1,011
		<u>123,803,430</u>	<u>126,530,228</u>
		<u>\$ 133,587,323</u>	<u>\$ 134,435,377</u>

APPROVED BY THE BOARD

 Director

 Director

Statement of Revenue and Expenditures

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual
Recycling revenue			
Environmental fees	\$ 54,999,152	\$ 54,115,503	\$ 46,628,397
Less: Import tire agent charges	(21,000)	(16,889)	(22,584)
Government contract - Household Hazardous Waste	1,500,000	1,400,000	1,328,500
Interest	70,400	93,248	490,911
Total recycling revenue	56,548,552	55,591,862	48,425,224
Recycling expenditures			
Recycling incentives	50,125,460	49,462,626	42,306,071
Broker contracts - Household Hazardous Waste	1,316,009	1,241,005	1,183,509
Total recycling expenditures	51,441,469	50,703,631	43,489,580
Recycling development and other			
Research and development	1,031,136	353,087	249,144
Public information	395,794	310,930	272,879
Rural Alberta project and municipal grants	1,350,451	863,257	1,164,922
Total recycling development and other	2,777,381	1,527,274	1,686,945
Program delivery expenditures			
Compensation	1,660,085	1,631,131	1,481,119
Contract program administration fees	491,261	436,805	305,062
Compliance and assurance activities	880,129	554,738	496,843
Contract delivery expenditures - Household Hazardous Waste	12,139	12,230	11,804
Program transition expense	-	-	192,382
Total program delivery expenditures	3,043,614	2,634,904	2,487,210
Corporate administration expenditures			
Compensation and professional fees	2,064,784	2,055,573	1,710,816
Office and general expenses, including amortization	1,352,460	1,307,713	1,088,642
Total corporate administration expenditures	3,417,244	3,363,286	2,799,458
Total expenditures	60,679,708	58,229,095	50,463,193
Revenue net of expenditures	(4,131,156)	(2,637,233)	(2,037,969)
Fund Investment			
Investment income	3,282,502	4,805,221	9,174,729
Unrealized investment loss	-	(4,624,903)	(2,950,201)
Investment managers and related expense	(270,600)	(269,883)	(252,803)
Net investment (loss) income	3,011,902	(89,565)	5,971,725
(Deficiency) excess of revenue over expenditures before Used Oil program transfer	-	(2,726,798)	3,933,756
Used Oil program transfer, effective October 1, 2018			7,400,152
(Deficiency) excess of revenue over expenditures	\$ (1,119,254)	\$ (2,726,798)	\$ 11,333,908

Statement of Changes in Net Assets

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	<u>2020</u>			<u>2019</u>
	Property and equipment	Allocated	Total	Total
Net assets, beginning of year	\$ 174,182	\$ 126,356,046	\$ 126,530,228	\$ 115,196,320
(Deficiency) excess of revenue over expenditures	-	(2,726,798)	(2,726,798)	3,933,756
Used Oil program transfer, effective October 1, 2018	-	-	-	7,400,152
Amortization of property and equipment	(100,555)	100,555	-	-
Investment in property and equipment	221,601	(221,601)	-	-
Net assets, end of year	\$ 295,228	\$ 123,508,202	\$ 123,803,430	\$ 126,530,228

Statement of Cash Flow

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020	2019
Cash flow from operating activities		
Recycling revenue collected	\$ 55,049,494	\$ 47,004,878
Government contracts received - Household Hazardous Waste	1,475,000	1,253,500
Program expenditures	(56,619,775)	(50,397,394)
Investment income	4,805,221	9,174,729
Investment management costs	(269,883)	(252,803)
Other income	2,552	6,728
	<hr/> 4,442,609	<hr/> 6,789,638
Cash flow used by investing activities		
Investment contributions	(6,980,370)	(8,533,935)
Acquisitions of property and equipment	(221,601)	(113,012)
	<hr/> (7,201,971)	<hr/> (8,646,947)
Decrease in cash position	(2,759,362)	(1,857,309)
Cash, beginning of year	5,650,166	2,940,518
Transfer of used oil recycling program, effective October 1, 2018	-	4,566,957
Cash, end of year	<hr/> \$ 2,890,804	<hr/> \$ 5,650,166

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 1

Authority and
Purpose

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

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

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

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

Updates to the Regulation and the Designation Regulations for each designated material, effective January 1, 2020, removed prescribed surcharge maximums and introduced the procedure for the Authority to set surcharge rates through its bylaws. This change will allow the Authority more flexibility and adaptability in determining fees that are in line with current market and economic conditions and that will support the long-term sustainability of the programs operated for each designated material. No surcharge maximums were adjusted during the three-month period following the effective date of the change to the end of the current year.

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, 2020

Note 1

Authority and
Purpose
continued ...

Leftover Paint Material

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

Scrap Tires

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

Used Lubricating Oil Materials

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

Household Hazardous Waste

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

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, 2020

Note 2
Basis of
Presentation

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

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

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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, 2020

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. 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 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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 4
Short Term
Investments

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

	2020	2019
Electronics Recycling Alberta	\$21,181,733	\$ 9,062,835
Paint Recycling Alberta	\$ 1,405,660	\$ 1,081,701
Tire Recycling Alberta	\$ 9,094,236	\$ 4,841,008
Used Oil Recycling Alberta	\$ 4,382,004	\$ 2,466,752
	\$ 36,063,633	\$17,452,296

The bond coupon and guaranteed investment certificate rates range from 1.70% to 3.27%, and mature between December 18, 2020 and March 9, 2021.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 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
<i>Electronics Recycling Alberta</i>		
Paint Recycling Alberta	\$ 99,076	\$ -
Tire Recycling Alberta	\$ 550,446	\$ -
Used Oil Recycling Alberta	\$ 184,722	\$ -
Household Hazardous Waste Program	\$ 38,386	\$ -
	\$ 872,630	\$ -
<i>Paint Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 99,076
Tire Recycling Alberta	\$ 553	\$ -
Used Oil Recycling Alberta	\$ 90	\$ -
	\$ 643	\$ 99,076
<i>Tire Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 550,446
Paint Recycling Alberta	\$ -	\$ 553
Used Oil Recycling Alberta	\$ -	\$ 66,779
	\$ -	\$ 617,778
<i>Used Oil Recycling Alberta</i>		
Electronics Recycling Alberta	\$ -	\$ 184,722
Paint Recycling Alberta	\$ -	\$ 90
Tire Recycling Alberta	\$ 66,779	\$ -
	\$ 66,779	\$ 184,812
<i>Household Hazardous Waste Program</i>		
Electronics Recycling Alberta	\$ -	\$ 38,386
	\$ -	\$ 38,386

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 6
Long Term
Investments

Long term investments consist of:

	Electronics Recycling Alberta			
	2020		2019	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 40,481,218	\$ 42,354,931	\$ 49,576,063	\$ 51,180,616
Canadian equities	12,499,971	13,189,569	12,272,880	15,838,272
Global equities	13,043,193	14,049,504	13,902,407	16,305,432
	\$ 66,024,382	\$ 69,594,004	\$ 75,751,350	\$ 83,324,320

	Tire Recycling Alberta			
	2020		2019	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 8,531,287	\$ 8,683,721	\$ 9,900,279	\$ 10,029,510
Canadian equities	2,666,371	2,653,883	2,573,681	3,123,697
Global equities	2,667,548	2,820,702	2,862,422	3,232,783
	\$ 13,865,206	\$ 14,158,306	\$ 15,336,382	\$ 16,385,990

	Used Oil Recycling Alberta			
	2020		2019	
	Cost	Market Value	Cost	Market Value
Bonds and fixed income	\$ 1,585,625	\$ 1,634,126	\$ 1,809,013	\$ 1,853,556
Canadian equities	324,833	282,536	402,801	420,819
Global equities	440,184	432,824	352,627	372,980
	\$ 2,350,642	\$ 2,349,486	\$ 2,564,441	\$ 2,647,355

The bond coupon and guaranteed investment certificate rates range from 2.11% to 3.30% and mature from June 4, 2021 to March 1, 2028.

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

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 7Property and
Equipment

	Electronics Recycling Alberta			
	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	\$ 880,095	\$ 629,751	\$ 250,344	\$ 139,782
Furniture and fixtures	311,665	283,368	28,297	34,007
Communications equipment	20,419	3,832	16,587	393
Leasehold improvements	17,956	17,956	-	-
	\$ 1,230,135	\$ 934,907	\$ 295,228	\$ 174,182

Amortization provided for in the current year total \$100,555; (2019 - \$91,689).

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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	2020	2019
Ms. Caroline McAuley	\$ 60,844	\$ 60,519
Ms. Lis Anderson	-	-
Mr. Jeff Dirks (until April 19, 2018)	-	-
Mr. Peter Dugandzic (September 24, 2019 - December 18, 2019)	2,850	-
Mr. Jeff Faber	11,338	11,162
Mr. John Graham	-	-
Ms. Cathy Heron	6,163	3,950
Mr. Patrick Kane (non-voting member since March 26, 2019)	-	-
Mr. Al Kemmere	4,563	7,325
Mr. Brent Kennedy	7,100	6,325
Mr. Joe Kostler	7,000	6,463
Mr. Alain Portelance (since January 28, 2020)	-	-
Mr. David Schaaf (since November 20, 2018)	9,013	3,550
Ms. Leah Seabrook (until November 20, 2018)	-	-
Ms. Rachelle Venne (since February 1, 2019)	7,650	1,100
Mr. Lee Wilkie (October 1, 2018 to July 5, 2019)	1,975	-
Mr. Ian Young (since October 22, 2018)	10,288	2,912
Board of Directors' Benefits	35,921	22,624
Subtotal	<u>164,705</u>	<u>125,930</u>
Chief Executive Officer Salary	188,183	181,985
Benefits	29,595	23,684
Subtotal	<u>217,778</u>	<u>205,669</u>
Total	\$ 382,483	\$ 331,599

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 9**Commitments**

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

	Rent	Equipment	Contracts
2021	\$ 520,423	\$ 22,202	\$ 140,788
2022	522,587	20,234	-
2023	522,587	20,234	-
2024	522,587	20,234	-
2025	522,587	15,199	-
Thereafter	304,842	-	-
	\$ 2,915,613	\$ 98,103	\$ 140,788

Rental expense for the year is allocated to each of the four primary programs under the Authority's administration based on a formula prescribed by the Board of Directors (Note 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 April 30, 2020 and July 31, 2020, and contracts expiring between June 30, 2020 and August 31, 2020. The approximate minimum payments required under the agreements in future years are as follows:

	Rent	Equipment	Contracts
2021	\$ 11,058	\$ 1,968	\$ 140,788
	\$ 11,058	\$ 1,968	\$ 140,788

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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.

Note 11

Allocation of
Expenses

Included in program delivery and corporate administration expenditures of \$5,549,155 (2019 - \$4,777,420) are costs that have been allocated proportionately as determined by the Board of Directors on an annual basis. Costs that can be directly attributed to the individual programs have been allocated to the specific program. The allocation formula for shared costs that benefit all programs is shown in the table below.

	Electronics Recycling Alberta	Paint Recycling Alberta	Tire Recycling Alberta	Used Oil Recycling Alberta
2020	28%	7%	40%	25%
2019	30%	7%	38%	25%

During the year ended March 31, 2020, the accounting methodology for administrative charges to the Household Hazardous Waste contract was adjusted resulting in that program being removed from the allocation formula for shared costs. This methodology has been retrospectively applied in the table above and to comparative figures (Note 17).

Where the Used Oil program carries existing commitments originating prior to the transfer of the program to the Authority effective October 1, 2018, different allocation formulas are used with no share or a lower share allocated to the Used Oil program.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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. 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 \$856,000 for the year ended March 31, 2020 (\$387,000 for the six months ended March 31, 2019).

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

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, 2020. Unless otherwise noted, the Authority's risk exposure has not changed from the prior year.

Credit risk

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

Currency risk

The Authority has investments that are denominated in foreign currencies and is therefore exposed to currency risk. The Authority's earnings are exposed to financial risk that arises from fluctuations in foreign exchange rates and the degree of the volatility of these rates. As at March 31, 2020 foreign denominated investments amounted to \$10,696,117 (9.03%) 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.

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

Note 14

COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Authority or its employees, contractors, suppliers, remitters, registered collection sites, registered processors and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Authority's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Authority's business, financial condition or results of operations. The impact of COVID-19 could contribute to decreased compliance in the areas of the reporting and collection of environmental fees due to the Authority by program remitters, or decreased material flows through municipal or other collection sites and through registered processors. The extent to which the COVID-19 outbreak impacts the Authority's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

Note 15

**Subsequent Event -
Electronics Pilot**

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

Note 16

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.

Note 17

Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Schedule 1 Statement of Financial Position

Electronics Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		<u>2020</u>	<u>2019</u>
ASSETS			
	CURRENT		
	Cash	\$ 1,002,813	\$ 2,058,846
	Short term investments (Note 4)	21,181,733	9,062,835
	Accounts receivable	1,057,806	852,075
	Interfund receivable (Note 5)	872,630	880,968
	Prepaid expenses	59,738	64,467
		<u>24,174,720</u>	<u>12,919,191</u>
	LONG TERM INVESTMENTS (Note 6)	69,594,004	83,324,320
	PROPERTY AND EQUIPMENT (Note 7)	295,228	174,182
		<u>\$ 94,063,952</u>	<u>\$ 96,417,693</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 1,168,625	\$ 1,107,843
	Accounts payable and accrued liabilities	679,915	634,214
		<u>1,848,540</u>	<u>1,742,057</u>
	COMMITMENTS (Note 9)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
	Invested in property and equipment	295,228	174,182
	Allocated	91,920,184	94,501,454
		<u>92,215,412</u>	<u>94,675,636</u>
		<u>\$ 94,063,952</u>	<u>\$ 96,417,693</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, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual
Recycling revenue			
Environmental fees	\$ 8,214,176	\$ 9,185,069	\$ 8,270,437
Interest	8,000	105,276	28,863
Total recycling revenue	8,222,176	9,290,345	8,299,300
Recycling expenditures			
Recycling incentives	8,807,037	9,357,552	8,956,093
Total recycling expenditures	8,807,037	9,357,552	8,956,093
Recycling development and other			
Research and development	765,000	136,379	106,021
Public information	98,837	93,788	107,699
Rural Alberta project and municipal grants	118,990	57,119	108,042
Total recycling development and other	982,827	287,286	321,762
Program delivery expenditures			
Compensation	594,265	575,458	567,380
Compliance and assurance activities	324,512	182,231	106,022
Total program delivery expenditures	918,777	757,689	673,402
Corporate administration expenditures			
Compensation and professional fees	688,498	674,158	646,163
Office and general expenses, including amortization	425,869	410,008	391,015
Total corporate administration expenditures	1,114,367	1,084,166	1,037,178
Total expenditures	11,823,008	11,486,693	10,988,435
Revenue net of expenditures	(3,600,832)	(2,196,348)	(2,689,135)
Fund Investment			
Investment income	2,793,071	3,802,438	7,720,341
Unrealized investment loss	-	(3,851,565)	(2,732,295)
Investment managers and related expense	(215,000)	(214,749)	(207,765)
Net investment (loss) income	2,578,071	(263,876)	4,780,281
(Deficiency) excess of revenue over expenditures	\$ (1,022,761)	\$ (2,460,224)	\$ 2,091,146

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, 2020

	2020			2019
	Property and Equipment	Allocated	Total	Total
Net assets, beginning of year	\$ 174,182	\$ 94,501,454	\$ 94,675,636	\$ 92,584,490
(Deficiency) excess of revenue over expenditures	-	(2,460,224)	(2,460,224)	2,091,146
Amortization of property and equipment	(100,555)	100,555	-	-
Investment in property and equipment	221,601	(221,601)	-	-
Net assets, end of year	\$ 295,228	\$ 91,920,184	\$ 92,215,412	\$ 94,675,636

Basis of presentation (Note 2)

Schedule 1(c) Statement of Cash Flow

Electronics Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020	2019
Cash flow from operating activities		
Recycling revenues collected	\$ 9,095,475	\$ 8,214,528
Program expenditures	(11,277,450)	(11,069,847)
Investment income	3,802,438	7,720,341
Investment management costs	(214,749)	(207,765)
	<u>1,405,714</u>	<u>4,657,257</u>
Cash flow used by investing activities		
Investment contributions	(2,240,146)	(3,673,613)
Acquisitions of property and equipment	(221,601)	(113,012)
	<u>(2,461,747)</u>	<u>(3,786,625)</u>
(Decrease) increase in cash position	(1,056,033)	870,632
Cash, beginning of year	2,058,846	1,188,214
Cash, end of year	<u>\$ 1,002,813</u>	<u>\$ 2,058,846</u>

Basis of presentation (Note 2)

Schedule 2 Statement of Financial Position

Paint Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		<u>2020</u>	<u>2019</u>
ASSETS			
	CURRENT		
	Cash	\$ 337,147	\$ 711,140
	Short term investments (Note 4)	1,405,660	1,081,701
	Accounts receivable	404,490	480,536
	Interfund receivable (Note 5)	643	-
		<u>\$ 2,147,940</u>	<u>\$ 2,273,377</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 309,939	\$ 466,639
	Accounts payable and accrued liabilities	62,710	83,935
	Interfund payable (Note 5)	99,076	121,112
		<u>471,725</u>	<u>671,686</u>
	COMMITMENTS (Note 9)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
	Allocated	1,676,215	1,601,691
		<u>1,676,215</u>	<u>1,601,691</u>
		<u>\$ 2,147,940</u>	<u>\$ 2,273,377</u>
	Basis of presentation (Note 2)		

Schedule 2(a) Statement of Revenue and Expenditures

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual
Recycling revenue			
Environmental fees	\$ 4,117,544	\$ 4,278,727	\$ 4,545,271
Interest	12,000	13,669	137,089
Total recycling revenue	4,129,544	4,292,396	4,682,360
Recycling expenditures			
Recycling incentives	3,557,595	3,654,364	3,943,381
Total recycling expenditures	3,557,595	3,654,364	3,943,381
Recycling development and other			
Research and development	20,000	13,592	2,476
Public information	29,035	25,800	24,829
Rural Alberta project and municipal grants	30,520	18,935	15,422
Total recycling development and other	79,555	58,327	42,727
Program delivery expenditures			
Compensation	145,719	134,695	136,636
Compliance and assurance activities	99,102	144,066	137,858
Total program delivery expenditures	244,821	278,761	274,494
Corporate administration expenditures			
Compensation and professional fees	167,604	156,394	148,540
Office and general expenses, including amortization	103,082	107,715	91,342
Total corporate administration expenditures	270,686	264,109	239,882
Total expenditures	4,152,657	4,255,561	4,500,484
Revenue net of expenditures	(23,113)	36,835	181,876
Fund Investment			
Investment income	10,600	37,321	34,140
Unrealized investment gain	-	1,025	-
Investment managers and related expense	(600)	(657)	(567)
Net investment income	10,000	37,689	33,573
Excess of revenue over expenditures	\$ (13,113)	\$ 74,524	\$ 215,449

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, 2020

	<u>2020</u>		<u>2019</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 1,601,691	\$ 1,601,691	\$ 1,386,242
Excess of revenue over expenditures	74,524	74,524	215,449
Net assets, end of year	\$ 1,676,215	\$ 1,676,215	\$ 1,601,691

Basis of presentation (Note 2)

Schedule 2(c) Statement of Cash Flow

Paint Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020	2019
Cash flow (used by) from operating activities		
Recycling revenues collected	\$ 4,368,441	\$ 4,592,011
Program expenditures	(4,456,163)	(4,342,191)
Investment income	37,321	34,140
Investment management costs	(657)	(567)
	<u>(51,058)</u>	<u>283,393</u>
Cash flow used by investing activities		
Investment contributions	(322,935)	(20,245)
	<u>(322,935)</u>	<u>(20,245)</u>
(Decrease) increase in cash position	(373,993)	263,148
Cash, beginning of year	711,140	447,992
Cash, end of year	<u>\$ 337,147</u>	<u>\$ 711,140</u>

Basis of presentation (Note 2)

Schedule 3 Statement of Financial Position

Tire Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		2020	2019
ASSETS			
	CURRENT		
	Cash	\$ 1,061,890	\$ 2,108,812
	Short term investments (Note 4)	9,094,236	4,841,008
	Accounts receivable	1,599,082	2,465,983
	Prepaid expenses	-	3,000
		<u>11,755,208</u>	<u>9,418,803</u>
	LONG TERM INVESTMENTS (Note 6)	14,158,306	16,385,990
		<u>\$ 25,913,514</u>	<u>\$ 25,804,793</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 4,055,114	\$ 2,920,297
	Accounts payable and accrued liabilities	152,046	42,076
	Interfund payable (Note 5)	617,778	580,522
		<u>4,824,938</u>	<u>3,542,895</u>
	COMMITMENTS (Note 9)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
	Allocated	21,088,576	22,261,898
		<u>21,088,576</u>	<u>22,261,898</u>
		<u>\$ 25,913,514</u>	<u>\$ 25,804,793</u>
	Basis of presentation (Note 2)		

Schedule 3(a) Statement of Revenue and Expenditures

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual
Recycling revenue			
Environmental fees	\$ 26,395,098	\$ 24,479,134	\$ 25,993,251
Less: Import tire agent charges	(21,000)	(16,889)	(22,584)
Interest (waived)	49,000	(36,676)	318,231
Total recycling revenue	26,423,098	24,425,569	26,288,898
Recycling expenditures			
Recycling incentives	23,205,969	22,254,178	22,746,795
Total recycling expenditures	23,205,969	22,254,178	22,746,795
Recycling development and other			
Research and development	207,136	193,291	136,101
Public information	143,822	119,745	120,172
Rural Alberta project and municipal grants	1,115,941	702,842	1,015,847
Total recycling development and other	1,466,899	1,015,878	1,272,120
Program delivery expenditures			
Compensation	788,847	752,125	744,720
Compliance and assurance activities	241,718	156,563	227,655
Total program delivery expenditures	1,030,565	908,688	972,375
Corporate administration expenditures			
Compensation and professional fees	925,362	934,730	783,823
Office and general expenses, including amortization	551,502	523,363	504,616
Total corporate administration expenditures	1,476,864	1,458,093	1,288,439
Total expenditures	27,180,297	25,636,837	26,279,729
Revenue net of expenditures	(757,199)	(1,211,268)	9,169
Fund Investment			
Investment income	368,831	775,628	1,371,384
Unrealized investment loss	-	(692,342)	(300,821)
Investment managers and related expense	(45,000)	(45,340)	(42,411)
Net investment income	323,831	37,946	1,028,152
(Deficiency) excess of revenue over expenditures	\$ (433,368)	\$ (1,173,322)	\$ 1,037,321

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, 2020

	<u>2020</u>		<u>2019</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 22,261,898	\$ 22,261,898	\$ 21,224,577
(Deficiency) excess of revenue over expenditures	<u>(1,173,322)</u>	<u>(1,173,322)</u>	<u>1,037,321</u>
Net assets, end of year	<u>\$ 21,088,576</u>	<u>\$ 21,088,576</u>	<u>\$ 22,261,898</u>

Basis of presentation (Note 2)

Schedule 3(c) Statement of Cash Flow

Tire Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020	2019
Cash flow from operating activities		
Recycling revenue collected	\$ 25,292,470	\$ 25,839,507
Program expenditures	(24,351,794)	(26,290,172)
Investment income	775,628	1,371,384
Investment management costs	(45,340)	(42,411)
	<u>1,670,964</u>	<u>878,308</u>
Cash flow (used by) from investing activities		
Investment (contributions) proceeds	(2,717,886)	191,116
	<u>(2,717,886)</u>	<u>191,116</u>
(Decrease) increase in cash position	(1,046,922)	1,069,424
Cash, beginning of year	2,108,812	1,039,388
Cash, end of year	<u>\$ 1,061,890</u>	<u>\$ 2,108,812</u>

Basis of presentation (Note 2)

Schedule 4 Statement of Financial Position

Used Oil Recycling Alberta
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		2020	2019
ASSETS			
	CURRENT		
	Cash	\$ 357,040	\$ 528,592
	Short term investments (Note 4)	4,382,004	2,466,752
	Accounts receivable	4,162,015	3,962,551
	Interfund receivable (Note 5)	66,779	1,796
	Prepaid expenses	6,594	8,607
		<u>8,974,432</u>	<u>6,968,298</u>
	LONG TERM INVESTMENTS (Note 6)	2,349,486	2,647,355
		<u>\$ 11,323,918</u>	<u>\$ 9,615,653</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 2,288,630	\$ 1,424,246
	Accounts payable and accrued liabilities	28,260	51,428
	Interfund payable (Note 5)	184,812	149,987
		<u>2,501,702</u>	<u>1,625,661</u>
	COMMITMENTS (Note 9)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
	Allocated	8,822,216	7,989,992
		<u>\$ 11,323,918</u>	<u>\$ 9,615,653</u>
	Basis of presentation (Note 2)		

Schedule 4(a) Statement of Revenue and Expenditures

Used Oil Recycling Alberta

ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual (6 months)
Recycling revenue			
Environmental fees	\$ 16,272,334	\$ 16,172,573	\$ 7,819,438
Interest	-	8,427	-
Total recycling revenue	16,272,334	16,181,000	7,819,438
Recycling expenditures			
Recycling incentives	14,554,859	14,196,532	6,659,802
Total recycling expenditures	14,554,859	14,196,532	6,659,802
Recycling development and other			
Research and development	39,000	9,825	4,546
Public information	124,100	71,597	20,179
Rural Alberta project and municipal grants	50,000	59,407	-
Total recycling development and other	213,100	140,829	24,725
Program delivery expenditures			
Compensation	131,254	168,853	32,383
Contract program administration fees	361,700	312,442	190,758
Compliance and assurance activities	206,297	71,878	25,308
Program transition expense	-	-	192,382
Total program delivery expenditures	699,251	553,173	440,831
Corporate administration expenditures			
Compensation and professional fees	283,320	290,291	132,290
Office and general expenses, including amortization	272,007	266,627	101,669
Total corporate administration expenditures	555,327	556,918	233,959
Total expenditures	16,022,537	15,447,452	7,359,317
Revenue net of program expenditures	249,797	733,548	460,121
Fund Investment			
Investment income	110,000	189,834	48,864
Unrealized investment (loss) gain	-	(82,021)	82,915
Investment managers and related expense	(10,000)	(9,137)	(2,060)
Net investment income	100,000	98,676	129,719
Excess of revenues over expenditures	\$ 349,797	\$ 832,224	589,840

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, 2020

	<u>2020</u>		<u>2019</u> <u>(6 months)</u>
	<u>Allocated</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 7,989,992	\$ 7,989,992	\$ 7,400,152
Excess of revenue over expenditures	832,224	832,224	589,840
Net assets, end of year	\$ 8,822,216	\$ 8,822,216	\$ 7,989,992

Basis of presentation (Note 2)

Schedule 4(c) Statement of Cash Flow

Used Oil Recycling Alberta ALBERTA RECYCLING MANAGEMENT AUTHORITY

Year ended March 31, 2020

	2020	2019 (6 months)
Cash flow from operating activities		
Recycling revenue collected	\$ 16,293,108	8,358,832
Program expenditures	(14,945,954)	(7,412,808)
Investment income	189,834	48,864
Investment management costs	(9,137)	(2,060)
	<u>1,527,851</u>	<u>992,828</u>
Cash flow used by investing activities		
Investment contributions	(1,699,403)	(5,031,193)
	<u>(1,699,403)</u>	<u>(5,031,193)</u>
Decrease in cash position	(171,552)	(4,038,365)
Cash, beginning of year	528,592	4,566,957
Cash, end of year	<u>\$ 357,040</u>	<u>\$ 528,592</u>

Basis of presentation (Note 2)

Schedule 5 Statement of Financial Position

Household Hazardous Waste
ALBERTA RECYCLING MANAGEMENT AUTHORITY

March 31, 2020

		<u>2020</u>	<u>2019</u>
ASSETS			
	CURRENT		
	Cash	\$ 131,914	\$ 242,776
	Accounts receivable	-	75,000
	Prepaid expenses	6,085	6,085
		<u>\$ 137,999</u>	<u>\$ 323,861</u>
LIABILITIES AND NET ASSETS			
	CURRENT		
	Payable to recyclers and related accruals	\$ 93,089	\$ 108,829
	Accounts payable and accrued liabilities	5,513	182,878
	Interfund payable (Note 5)	38,386	31,143
		<u>136,988</u>	<u>322,850</u>
	COMMITMENTS (Note 9)		
	EXTERNALLY RESTRICTED NET ASSETS (Note 10)		
	Allocated	1,011	1,011
		<u>\$ 137,999</u>	<u>\$ 323,861</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, 2020

	2020 Budget Unaudited	2020 Actual	2019 Actual
Recycling revenue			
Government contract	\$ 1,500,000	\$ 1,400,000	\$ 1,328,500
Interest	1,400	2,552	6,728
Total recycling revenue	<u>1,501,400</u>	<u>1,402,552</u>	<u>1,335,228</u>
Recycling expenditures			
Broker contracts	1,316,009	1,241,005	1,183,509
Total recycling expenditures	<u>1,316,009</u>	<u>1,241,005</u>	<u>1,183,509</u>
Recycling development and other			
Rural Alberta project and municipal grants	35,000	24,954	25,611
Total recycling development and other	<u>35,000</u>	<u>24,954</u>	<u>25,611</u>
Program delivery expenditures			
Contract administration fees	129,561	124,363	114,304
Compliance and assurance activities	8,500	-	-
Contract delivery expenditures	12,139	12,230	11,804
Total program delivery expenditures	<u>150,200</u>	<u>136,593</u>	<u>126,108</u>
Total expenditures	<u>1,501,209</u>	<u>1,402,552</u>	<u>1,335,228</u>
Excess of revenue over expenditures	191	-	-
Net assets, beginning of year	1,011	1,011	1,011
Net assets, end of year	\$ 1,202	\$ 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, 2020

	2020	2019
Cash flow used by operating activities		
Government contracts received	\$ 1,475,000	\$ 1,253,500
Program expenditures	(1,588,414)	(1,282,376)
Other income	2,552	6,728
	<u>(110,862)</u>	<u>(22,148)</u>
Decrease in cash position	(110,862)	(22,148)
Cash, beginning of year	242,776	264,924
Cash, end of year	<u>\$ 131,914</u>	<u>\$ 242,776</u>

Basis of presentation (Note 2)