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TOMATO JUICE

**bomb**  
2000 annual report



BEVERAGE CONTAINER MANAGEMENT BOARD

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## letter to the minister

June 30, 2001

Honourable Lorne Taylor  
Minister of Environment  
228 Legislature Bldg.  
10800 97 Street  
Edmonton Alberta T5K 2B6

Dear Minister Taylor:

On behalf of the Board of Directors of the Beverage Container Management Board of Alberta, it is a privilege to present to you the Beverage Container Management Board Annual Report for the Fiscal Year January 1 to December 31, 2000 in accordance with section 5 of the Beverage Container Recycling Regulation (Alta. Reg. 101/97).

Yours truly,



E.R. (Ernie) Patterson  
Chairman  
Beverage Container Management Board

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# legislative mandate

The Beverage Container Management Board (BCMB), a not for profit Society, is a Delegated Administrative Organization mandated under the Environmental Protection and Enhancement Act and the Beverage Container Recycling Regulation. This form of governance gives industry and other stakeholders accountability for environmental stewardship of regulated “ready to drink beverage containers” in Alberta.

Section 4 of the regulation establishes the BCMB as a management board for the purposes of carrying out the powers and duties conferred on it pursuant to the Act, the Regulation, and the bylaws with respect to regulated containers.

Under the Regulations and bylaws, the BCMB registers beverage containers for the purposes of the recycling system (section 7), and issues permits for bottle depots (section 14).

Under Section 18, the BCMB also prescribes and establishes criteria and procedures for the collection and recycling system in Alberta.

The authority to issue compliance levies and determine fees or charges is set out in the Beverage Container

Recycling Regulation, Section 18, the Beverage Container Management Fee bylaw, and the BCMB’s Administrative bylaw.

The regulations that govern Alberta’s Beverage Container Management System are under review and proposed for renewal in the fall of 2001. The BCMB has taken preliminary measures to facilitate this review through the preparation of a discussion paper, which identifies issues affecting stakeholders. The discussion paper will be distributed to solicit the views, opinions, and experience of stakeholders and the public with respect to beverage container management in Alberta.

In order to qualify for renewal, regulations must be deemed “necessary to ensure the protection of the public interest” by complying with one or more of the following criteria:

- *Be necessary for the maintenance and/or enhancement of public health, education, order, or safety;*

- *Be necessary for the maintenance and/or enhancement of the environment;*
- *Contribute significantly to the goals of sustainable development;*
- *Contribute significantly and positively to the competitiveness of the private sector in the province, including the promotion of innovation and encouragement of efficiency in the conduct of business;*
- *Be necessary for effective internal administration of the government of the province.*

The BCMB reports annually to the Minister of Environment, the public at large, and industry stakeholders in the form of a Business Plan, Annual Report and audited financial statements.

## Mission Statement

The Beverage Container Management Board will work in partnership with Albertans to oversee a leading, innovative, accessible, and cost-effective beverage container management system throughout Alberta.

## Operating Principles

- *Beverage container collection performance will meet the expectations of the Minister of Environment.*
- *Results are best achieved through the cooperative efforts of bottle depot operators, the common collection system agent, and the BCMB.*
- *Industry, Government, and the Public will support fair programs that are efficient and cost effective.*
- *Stakeholders value ongoing dialogue and active involvement.*
- *Continuous improvements in efficiency will be pursued at every opportunity.*
- *Measurement at all levels is necessary to evaluate performance.*

## Core Business

### Core Business 1 System Criteria

- *Establish various operating guidelines, policies, procedures, and accountability frameworks to ensure the efficient and effective operation of the entire beverage container recycling system.*
- *Continuously review and promote return rates of beverage containers to achieve targets set by the Board of Directors.*

### Core Business 2 Registering Containers

- *Manufacturers must ensure all regulated beverage containers are registered with the BCMB prior to sale in the province of Alberta. The BCMB registers beverage containers under the bylaws established by the Board that outline the registration fee and the form and manner in which containers are to be registered.*

### Core Business 3

#### Permit Depots and Approve Common Collection Agent

The BCMB establishes criteria for:

- *Permitting of Bottle Depots*
- *Approval of the Common Collection Agent*

### Core Business 4 Maintain a System of Appeals

- *A system of appeals is available to parties affected by BCMB decisions.*

## chairman's report

The extensive public review conducted in 1999 provided the Beverage Container Management Board with a large amount of valuable information, which facilitated the Board's decision making in 2000.

To be more precise, the information was used by the Board as a basis for its continuing focus on improving the system and developing programs to increase the return rates of beverage containers. In addition, the completion of the 360° evaluation and the ongoing internal analysis of the system confirmed that the Board was meeting its objective of overseeing the system in an accountable and efficient manner. It should be noted that the BCMB repaid the bank loan that financed the start up costs of the BCMB.

The continuing evaluation of the system identified the need for better quality control on counts submitted by bottle depots to the common collection agent, the ABCRC. A committee composed of representatives from the BCMB, ABCRC, and ABDA worked to address the problem by establishing new procedures, criteria, and standards. The work of this committee produced positive results and its work is ongoing.

Another example of the three main industry partners working co-operatively can be found in the advertising campaign to increase return rates. The committee reviewed previous advertising campaigns and utilized research and information gathered in the public review process to develop a more extensive advertising campaign for the year 2001. This completed analysis and plan is an appendix to the BCMB's 2001-2003 three-year business plan.

The BCMB, as a part of its function of administering the Beverage Container Recycling Regulation, established new Beverage Container Depot Criteria. In addition, the Criteria for Approval of the Common Collection System Agent, outlining the standards for evaluation and accountability of the common collection agent was completed. A process of consulting and negotiation was used to fulfill these functions.

The ability of the three industry partners to consult and negotiate was the key to the success of the Beverage Container Recycling System.

The knowledge and experience of the industry partners also played a major role in ensuring the effective and efficient operation of the system. It should also be stated that the industry partners have been very receptive to the advice given by the three non-industry members of the Board. Thus, the Board of the BCMB operated as a team working towards building the best and most cost effective recycling system for Alberta.

It is of interest to note that the BCMB was subjected to a judicial review. The review centered on the administration of the Depot Application Guidelines and process. The judicial review found that the BCMB was correct in its procedures of administering and implementing the Beverage Container Recycling Regulation.

The Beverage Container Recycling Regulation is scheduled to expire on October 31, 2001. Extensive preparatory work was started by a Board Committee to prepare the BCMB for the Regulatory Review Process, which will take place in co-operation with Alberta Environment.

The “secret shopper” project continued in 2000. This project involves taking known quantities of containers to depots to check the accuracy of deposit returns. The accuracy of deposit returns was correct in the majority of depots checked.

The largest number of public complaints received by the BCMB focused on the return of deposits on domestic beer. The public does not understand or accept the fact that some bottle depots are agents for the brewing industry and some are not. The BCMB will continue to work towards achieving a level playing field that is fair to both beverage competitors and the public. The beverage container recycling system is organized and administered to keep the cost of recycling containers as low as possible while providing adequate access for consumers to return containers. The location of depots and the coordination of shipping and sorting materials enable the system to recycle the maximum number of containers for the best financial returns. The system of two hundred and fourteen depots working in co-operation with the common collection agent not only provides a healthier environment for Albertans, but also business opportunities for the owners and employees of the system.

In the year 2000, beverage container recycling initiatives resulted in the return of more than 700 million containers such as polycoat, plastic, glass and aluminum cans. Over 49,000 metric tonnes of material was diverted from landfills. Municipalities and property tax payers of Alberta benefited from the collection of materials that saved precious landfill space and kept our roadways and streets clean. There is also the economic benefit derived from the use of the materials to create other products such as carpet, fleece for clothing, rebar, new aluminum cans and fine papers. Communities, groups and individuals benefited from receiving millions of dollars in refunded deposits for participating in beverage container recycling.

I would like to thank the public, our Board and staff, and the Boards and staff of Alberta Beverage Container Recycling Corporation (ABCRC) and the Alberta Bottle Depot Association (ABDA) for working to make the Alberta Beverage Container Recycling System so successful.

On behalf of the BCMB Directors, I am very pleased to present our 2000 Annual Report. This report is part of the process of the BCMB's accountability framework and helps to ensure that the BCMB carries out its mandate for the regulation and supervision of the beverage container recycling system. The BCMB will strive to reach the goals of its most recent business plan.

The Government of Alberta and the Minister of the Environment are to be complemented for establishing and enabling the BCMB, through legislation and regulation, to operate the most comprehensive container recycling system in the world.

Yours truly,



E.R. (Ernie) Patterson  
Chairman  
Beverage Container Management Board

# board of directors

Membership on the BCMB is set under the Societies Act. The current membership of the BCMB is based on an agreement reached following lengthy consultations among the bottle depots, beverage manufacturer's and the Provincial Government. The BCMB consists of members of the beverage manufacturers, bottle depot operators, municipal governments, and non-government environmental organizations. This ensures sufficiently broad representation to address public interests while maintaining the current level of expertise and a balance of sectoral representation. Each of the member organizations appoints a representative to sit on the Board of Directors for a three year term.

The nine member board is divided into three sectors representing:

## **Manufacturers**

(Alberta Soft Drink Council, Alberta Beverage Council, Alberta Gaming and Liquor Commission);

## **Depots**

(three members from Alberta bottle depots);

## **'Public'**

(Alberta Environment, Alberta Municipal Associations, the Toxic/Waste Avoidance Caucus of the Alberta Environmental Network).

The nine member organizations and their directors for the 2000 term were:

Alberta Urban Municipalities Association  
& Alberta Association of Municipal  
Districts & Counties

**Ernie Patterson**

Alberta Environment

**Pat Kane**

Toxics/Waste Avoidance Caucus of  
Alberta Environmental Network

**Myles Kitagawa**

Alberta Gaming & Liquor Commission

**Alain Maisonneuve**

Alberta Beverage Council

**Derek Brown**

Alberta Soft Drink Council

**John Nixon**

Fir Street Bottle Depot

**Tim Mastel-Marr**

Fish Creek Bottle Depot

**Dave Custer**

Sundre Container Depot

**Don Dewinetz**

# 2000 beverage container recovery highlights

During the year 2000 the BCMB continued to conduct refund compliance checks and retail inspections. These compliance programs ensure that depots pay the correct deposit back to Albertans and that manufacturers, through registration of regulated containers, are responsible for the cost of recycling their containers through the common collection system.

The BCMB also established New Depot Criteria and Standards to ensure the continued success of the system through an optimal balance between accessibility, depot viability, and system efficiency. System accessibility for Albertans is determined by ensuring that an adequate number of depots are readily available to serve the public by providing standard levels of service. The managed collection system establishes bottle depots across Alberta through a permitting process that considers population base, proximity to other depots, and ability to meet service standards. This system enables the orderly and efficient collection of material through the common collection agent.

A quality assurance program was jointly implemented by the BCMB, ABCRC, and the ABDA for containers

shipped to ABCRC. This program developed an auditing process at processing plants to ensure the accuracy of container shipments. It is the collective desire of industry stakeholders, through these types of initiatives, to achieve further improvements and integrity within our industry.

## System Achievements

In the year 2000, approximately 825 million beverage containers were sold in the Alberta market. Over 713 million containers were collected by the system, totaling over 49,000 metric tonnes of recycled material. The magnitude of container materials that this represents is a dramatic and substantial amount of paper, metals, glass, and plastics. As a result of the beverage container recycling program:

- *Aluminum is recycled back into new aluminum cans.*
- *PET is used in the manufacture of carpet, polar fleece, clothing, and new bottles.*
- *Other plastics are manufactured into plastic lumber or repelletized for injection molding of new products.*

## 2000 Return Rates

The return rates per material stream for the 12-month rolling average ending December 2000 were:

Aluminum	80.19 %
Plastics	71.85 %
Glass	78.45 %
Polycoat	51.44 %
Bi-Metal	50.88 %

**TOTAL 74.44 %**

This is a 4.01% decrease from the previous year. However, it is important to note that several factors contributed to the decreased return rate. A 5% increase in sales volume, lag time between when a container is sold and when it is returned, and poor weather conditions in the month of December were large contributors to the decline in the return rates.

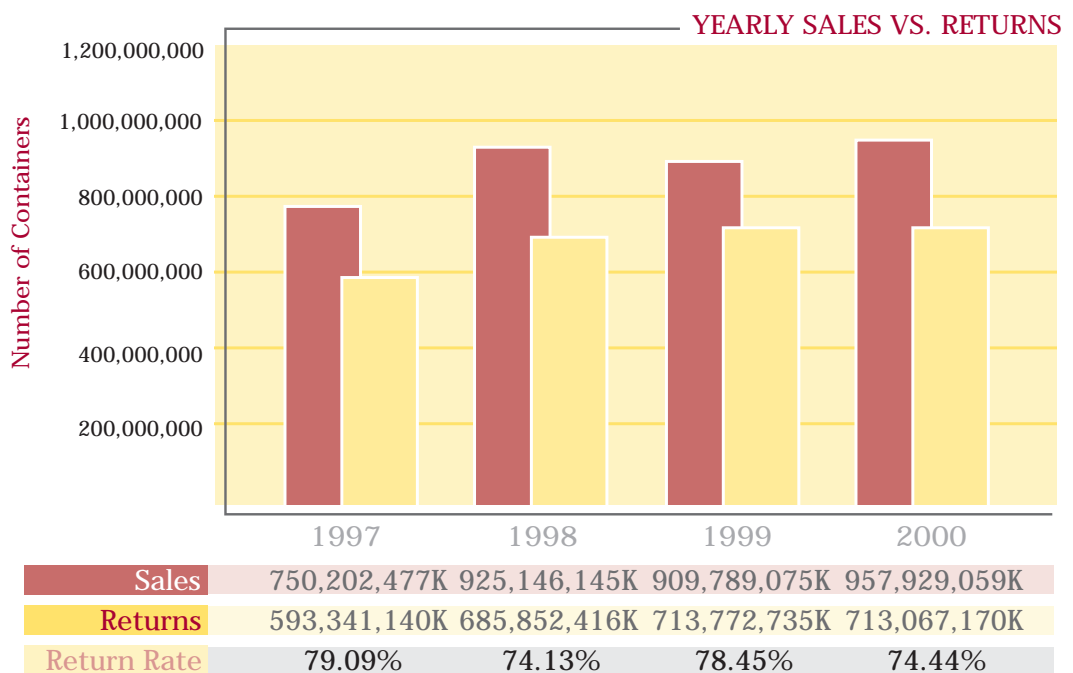
## Container Recovery Twelve (12) Months Ending

DEC 1999	Sales	Recovered	Return Rate
ALUMINUM	471,827,052	396,647,607	84.07%
PLASTICS	196,976,250	151,262,604	76.79%
GLASS	130,743,083	106,313,064	81.31%
POLYCOAT	106,020,395	57,117,468	53.87%
BI-METAL	4,222,295	2,431,992	57.60%
<b>TOTAL</b>	<b>909,789,075</b>	<b>713,772,735</b>	<b>78.45%</b>

PRE 1997	Sales	Recovered	Return Rate
	801,052,761	657,054,123	82.02%

DEC 2000	Sales	Recovered	Return Rate
ALUMINUM	482,889,946	387,209,041	80.19%
PLASTICS	215,907,457	155,139,550	71.85%
GLASS	140,132,644	109,530,470	78.16%
POLYCOAT	114,351,193	58,823,232	51.44%
BI-METAL	4,647,819	2,364,877	50.88%
<b>TOTAL</b>	<b>957,929,059</b>	<b>713,067,170</b>	<b>74.44%</b>

PRE 1997	Sales	Recovered	Return Rate
	844,232,898	654,496,155	77.53%

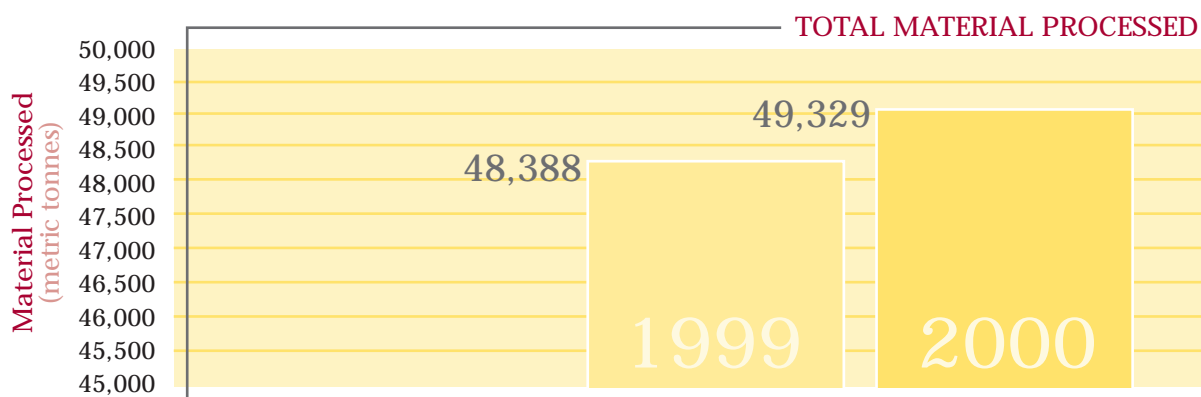


## ABCRC Processed Material Shipments

On a positive note, an increase of 940 metric tonnes of material was processed by the system and diverted from landfills in the year 2000.

METRIC TONNES

Material	1999	2000	Increase/(Decrease)
ALUMINUM	5784	5828	44
PET	5839	5802	(37)
OTHER PLASTICS	311	332	21
GLASS	35,028	35,584	556
TETRA BRIK	901	1,097	196
GABLE TOP	254	433	179
BI-METAL	272	253	(19)
<b>TOTAL</b>	<b>48,389</b>	<b>49,329</b>	<b>940</b>



# recycling

The recycling of end products from the beverage container system has changed dramatically over the past three years. In the past, most of the products were sold to the United States for re-use. In 1999 the majority of the items were sold in Western Canada, and in the year 2000 all of the items will be sold in Alberta or British Columbia. The beverage container system in Alberta is producing a very positive economic impact due to the manufacture of these various end products. The recycling of beverage containers produces high quality usable end products. This significant volume of materials is enough to create a secondary industry, and thus ensure the re-use of recycled materials that would have ended up in landfills.

## 2001 - 2003 business plan

### Introduction

Almost one billion ready-to-serve beverage containers are sold in Alberta each year. An effective and accessible recovery system in Alberta now has almost 80% of those materials reused or recycled into other valuable products. The Provincial Government has delegated administration of the regulation of this challenging and complex system to the Beverage Container Management Board.

The BCMB is an innovative partnership of beverage manufacturers, container depot operators, environmental organizations, municipalities and the Alberta Government. This unique alliance is responsible for supervising the system of collection and recycling of beverage containers throughout Alberta within the policy parameters set out by the Minister of the Environment.

The nine-member board with three members each from beverage manufacturers, depot operators and the public, has the following responsibilities:

- a *Setting criteria for the system*
- b *Conducting inspections*
- c *Registering beverage containers*
- d *Issuing operating permits for container depots*
- e *Approving the common collection agent, and*
- f *Maintaining a system of appeals.*

Depot operators and beverage manufacturers fund the administrative costs of the Board through operation fees based upon the returns of beverage containers. The BCMB first assumed its responsibilities on December 1, 1997. In its first three years, the BCMB has been successful in ensuring that Albertans continue to have access to an easy to use and cost-effective system of recycling for all ready-to-serve beverage containers. The focus of the next three years will be on improving the performance of the system to retain its position as an industry leader in beverage container management, with emphasis on accountability and achieving targets.

## Legislative Mandate

The Beverage Container Management Board (BCMB) was incorporated under the *Societies Act* on October 9, 1997.

The BCMB was established as a management board under the *Beverage Container Recycling Regulation* pursuant to Section 168 of the *Environmental Protection and Enhancement Act* on December 1, 1997.

The BCMB operates in accordance with the above, as well as the following bylaws set by the Board:

- a *Beverage Container Management Board Administrative Bylaw*
- b *Beverage Container Management Board Fee Bylaw*
- c *Beverage Container Management Board Administrative Compliance Bylaw*

## Past Accomplishments

The following summarizes key accomplishments of the Board over the past year, and the challenges that remain.

### Rates of Return

The return rates for each material stream for the 12-month rolling average ending October 2000 are as follows:

MATERIAL	SALES	% TOTAL SALES	RECOVERED	% TOTAL RECOVERED	RETURN RATES
ALUMINUM	475,957,763	50.78%	369,707,562	54.53%	83.35%
PLASTICS	209,959,270	22.40%	158,113,795	21.73%	75.31%
GLASS	137,141,804	14.63%	110,172,099	15.14%	80.33%
POLYCOAT	109,845,389	11.72%	60,069,232	8.26%	54.69%
BI-METAL	4,361,278	0.47%	2,412,462	0.33%	55.32%
<b>TOTAL</b>	<b>937,265,504</b>	<b>100%</b>	<b>727,475,150</b>	<b>100%</b>	<b>77.62%</b>

All container types have been analyzed to identify poor performers. Polycoat containers were introduced into the system in September 1997 and have a substantially lower but growing return rate. Experience has shown that it takes several years to build consumer awareness to the point that return rates are closer to average. Programs to encourage recovery of polycoat containers have been conducted resulting in an increased return rate from 26% in 1997 to 52% in 1999 to 55% in October 2000.

Consumer studies conducted by the Board indicate that some of the public are not aware that several container types are returnable for deposit. Ongoing promotional programs are addressing this problem.

### **Accountability**

The Board has established the regulatory and operational environment necessary to effectively oversee the beverage container system. In addition to bylaws governing administration and setting fees, the Board has implemented a bylaw on compliance allowing for the application of levies to recover the cost of encouraging improved services.

The Board has established New Depot Criteria and Depot Standards after a comprehensive process of public consultation. A process for the approval of the Common Collection Agent and the verification of reporting statistics from the Common Collection Agent has been implemented.

Accountability agreements have been negotiated and adopted by all stakeholders, and the Board Auditors have issued an unqualified audit report.

### **Public Satisfaction**

The Board surveyed Albertans in 1999 and found very high public satisfaction levels with the system. The Board intends to pursue a 3-year cycle of surveying Albertans to measure consumer satisfaction. The Board records, monitors and responds to all inquiries and complaints on a timely basis.

### **Cost Effectiveness**

Business planning, financial planning, performance measurement, and reporting are an important part of Board business. The partnership between beverage manufacturers, container depot operators, environmental organizations, municipalities, and the Alberta Government is the basis for the success of the program and is a successful approach to operating a cost-effective system.

## Board Vision, Mission & Expected Outcomes

### Vision

Protection of Alberta's environment by minimizing the presence of beverage containers in the waste stream.

### Mission

The Beverage Container Management Board will work in partnership with Albertans to oversee a leading, innovative, accessible, and cost-effective beverage container management system throughout Alberta.

### Performance Indicators

Our success will be measured by

- *High rates of return of regulated beverage containers;*
- *Continuing innovation and improvement in the system;*
- *Public satisfaction with the system;*
- *Cost-efficiency of operations, and*
- *Demonstrated support of the Government and stakeholders.*

### Goals

In response to the challenges before it, the Board has identified five goals:

1

Maximize the recovery of regulated beverage containers

2

Be accountable for the Beverage Container Management System

3

Improve the level of public satisfaction

4

Improve the effectiveness of the system

5

Minimize the impact of beverage containers on the environment

## 1 Maximize the recovery of regulated beverage containers

### Strategies

- Research and analyze industry wide benchmarks on return rates in other jurisdictions where appropriate.
- Determine factors affecting recycling behavior among Albertans.
- Coordinate the collaborative efforts of the Beverage Container Management Board, Alberta Beverage Container Recycling Corporation and the Alberta Bottle Depot Association to develop and implement specific promotion programs targeting specific populations and container types to improve return rates.

### Measures & Targets

- 1 Overall return rates for all regulated beverage containers will be:

2001	83%
2002	85%
2003	85%

- 2 All regulated beverage container types will record increases in return rates.

#### NOTE

- 1 The Board will in the year 2001, research what determining factors could have the greatest impact on return rates.
- 2 A detailed plan involving significant expenditures on advertising and public education is nearing completion, and will be submitted to the Minister as an appendix to this Business Plan by January 31, 2001.

## 2 Be accountable for the beverage container management system

### Strategies

- Redefine and communicate the roles and relationships of the BCMB including dispute resolution processes as defined by the following:
  - a Beverage Container Recycling Regulation
  - b Administrative Bylaw
  - c BCMB Business Plan
  - d Compliance Bylaw

- e Fee Bylaw
- f Audited Financial Statements
- g Depot Criteria & Standards
- h Common Collection Agent Criteria
- i Internal Policies

- Report system performance to the Minister, stakeholders, and the public.
- Conduct an ongoing evaluation of BCMB roles & activities.
- Undertake the consultations as requested by Alberta Environment for the review of the Beverage Container Recycling Regulation.

### Measures

- 1 Annual Report of the Board including all measures required by the Accountability Framework.
- 2 Demonstrated support of the Minister.
- 3 Auditor's report.
- 4 Completion of the consultation and submission of the report to Alberta Environment.

## 3 Improve the level of public satisfaction

### Strategies

- Identify issues of public concern and establish or modify programs to address them.
- Increase public education and awareness.
- Offer training programs for stakeholders as needs are identified.

### Measures

- 1 Level of satisfaction of clients.
- 2 Number of inquiries resolved.
- 3 Percentage of depots providing accurate refunds.

## 4 Improve the effectiveness of the system

### Strategies

- Maintain continuing effectiveness of the system including:
  - a Cost effectiveness of BCMB operations

- b Inspections
  - c Registration of beverage containers
  - d Issuance of operating permits for container depots
  - e Approval of the common collection agent, and
  - f Maintenance of a system of appeals.
- Encourage economic and innovative methods and processes by depots, the ABCRC and the Board.
  - Assist in the implementation of innovative pilot and/or demonstration projects with the ABDA and ABCRC to improve system operations.

### Measures

- 1 Cost of BCMB operations.
- 2 Net cost of recycling per unit.
- 3 Stakeholder satisfaction.

## 5 Minimize the impact of beverage containers on the environment

### Strategies

- Research available literature on the environmental impact of the different types of beverage containers.
- Review with the ABCRC the current markets for recyclables to ensure that all beverage containers are recycled.

### Measures

- 1 Reports submitted to the BCMB.

# financial statements

December 31, 2000

February 23, 2001

To the Directors of  
Beverage Container Management Board

## auditors' report

We have audited the balance sheet of Beverage Container Management Board as at December 31, 2000 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP*

Chartered Accountants

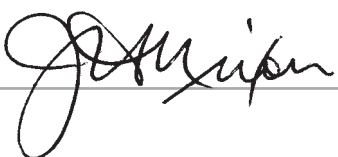
**Balance Sheet**

As at December 31, 2000

**financial statements**PRICEWATERHOUSECOOPERS 

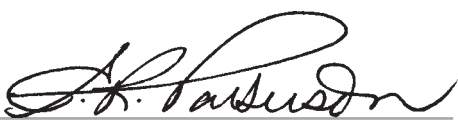
	2000 \$	1999 \$
Assets		
Current assets		
Cash	192,141	32,442
Accounts receivable	3,152	22,453
Prepaid expenses	3,948	3,936
	199,241	58,831
Fixed assets (note 3)	46,105	64,425
	245,346	123,256
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	79,046	61,924
Current portion of obligations under capital leases (note 4)	2,982	2,708
Current portion of long-term debt (note 5)	-	20,060
	82,028	84,692
Obligations under capital leases (note 4)	5,352	8,334
	87,380	93,026
Surplus	157,966	30,230
	245,346	123,256

Approved by the Board of Directors




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 Director




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 Director

**Statement of Revenue & Expenditures & Surplus**

As at December 31, 2000



	2000	1999
	\$	\$
<b>Revenue</b>		
Container fees	712,851	713,814
Product registration fees	36,097	35,158
Interest and other	7,237	3,704
Federal grant	7,080	6,679
Depot and application package fees	4,038	6,854
	767,303	766,209
<b>Expenditures</b>		
Payroll	307,129	337,003
Office and depot inspections	86,166	90,482
Professional fees	74,969	71,671
Travel	40,510	34,296
Directors honoraria and expense	34,053	49,331
Committee	33,106	21,527
Depreciation	26,843	23,729
Advertising	23,551	61,976
Insurance and licenses	6,177	7,016
Staff training	3,536	6,823
Bad debt	1,692	-
Interest on capital lease obligation	952	1,699
Interest and bank charges	784	3,675
Miscellaneous	99	709
Public consultation	-	46,012
	127,736	10,260
Excess of revenue over expenditures for the year		
Surplus – Beginning of year	30,230	19,970
	157,966	30,230
Surplus – End of year		

**Statement of Cash Flow**

As at December 31, 2000

PRICEWATERHOUSECOOPERS 

	2000	1999
	\$	\$
Cash provided by <i>(used in)</i>		
Operating activities		
Excess of revenue over expenditures for the year	127,736	10,260
Item not affecting cash		
Depreciation	26,843	23,729
	<hr/> 154,579	<hr/> 33,989
Net change in non-cash working capital items	36,411	18,532
	<hr/> 190,990	<hr/> 52,521
Investing activities		
Purchase of fixed assets	(8,523)	(13,346)
Financing activities		
Repayment of bank loan	(20,060)	(37,469)
Repayment of obligation under capital lease	(2,708)	(9,722)
	<hr/> (22,768)	<hr/> (47,191)
Increase (decrease) in cash	159,699	(8,016)
Cash - Beginning of year	32,442	40,458
Cash - End of year	<hr/> 192,141	<hr/> 32,442



## 1 Nature of operations

The Beverage Container Management Board was incorporated as a not-for-profit society under the Societies Act of Alberta. The Board's objectives are to establish, maintain and administer a waste minimization and recycling program for beverage containers.

## 2 Accounting policy

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policy summarized below.

### Fixed assets

Fixed assets are recorded at cost. Depreciation on these assets is provided using the straight-line method as follows:

Furniture and equipment	5 years
Computer equipment	4 years
Leasehold improvements	5 years

## 3 Fixed assets

		2000		1999
	Cost \$	Accumulated depreciation \$	Net \$	Net \$
Assets under capital lease	34,524	21,576	12,948	21,579
Computer equipment	48,718	27,988	20,730	28,167
Furniture and fixtures	18,859	8,564	10,295	11,480
Leasehold improvements	4,739	2,607	2,132	3,199
	106,840	60,735	46,105	64,425

(1)

**Notes to Financial Statements**

As at December 31, 2000



4 Obligations under capital leases	2000 \$	1999 \$
AT&T capital lease, bearing interest at 9.7% blended monthly payments of \$305, due August 23, 2003, collateralized by specific equipment with a net book value	8,334	11,042
Less current portion	2,982	2,708
	5,352	8,334

Future annual principle payments required to retire the lease obligations are as follows:

	\$
2001	3,660
2002	3,660
2003	2,440
	9,760
Less: Amount representing interest	1,426
	8,334

5 Long term debt	2000 \$	1999 \$
Bank loan, bearing interest at prime plus 1.75%, blended monthly payments of \$3,401	-	20,060
Less: Current portion	-	20,060
	-	-

(2)



## 6 Commitments

Under the terms of an operating lease agreement for premises, the Board is required to make the following annual lease payments:

		\$
2001	15,126	
2002	15,873	
2003	12,330	

## 7 Income Taxes

The Board qualifies as a tax exempt organization under paragraph 149(1)(1) of the Canadian Income Tax Act and, as such, is not required to pay income tax.

## 8 Board member & management remuneration

The Board has expensed honoraria benefits and other remuneration to its directors and senior management reporting to the directors of the following amounts:

	2000	1999
	\$	\$
Board chairman		
Mr. E. Patterson	5,790	6,875
Board members		
Mr. D. Custer	1,750	2,675
Mr. D. Dewinetz	1,500	2,500
Mr. M. Kitagawa	2,300	1,875
Mr. V. Magnan - resigned April 13, 1999	-	250
Mr. T. Mastel Marr	2,000	2,500
Mr. J. Nixon	1,500	2,875
Mr. D. Brown	1,000	875
	15,840	20,425
Managing Director (including severance package)	118,565	81,601
	134,405	102,026

(3)