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Waste Reduction and Recovery Program 2015-2016 Annual Report





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1.0 HIGHLIGHTS

The Waste Reduction and Recovery Program was very successful in 2015-2016. Northwest Territories (NWT) residents, community depots, processing centres, schools, community government organizations, distributors, and other businesses and organizations are directly responsible for this success.

Highlights from the past year include:

- Celebrating 10 years of the Beverage Container Program. To date, over 271 million containers have been returned for recycling and reuse.
- More than 28 million beverage containers were returned for recycling or reuse in 2015-2016. This is equivalent to 635 containers returned per resident. On average, more than 76,000 beverage containers were returned for recycling or reuse in the NWT each day.
- An estimated 6.7 million single-use retail bags were kept out of landfills because NWT residents brought their own reusable bags to carry purchases.
- More than 45 tonnes of electronics were collected under the Electronics Recycling Program since September 2013.
- The Waste Reduction and Recycling Initiative provided funding to 10 NWT organizations, businesses and schools for community-based projects to reduce waste and increase recycling.



2.0 BEVERAGE CONTAINER PROGRAM

2.1 Overview

The Beverage Container Program (BCP) was the first program created under the *Waste Reduction and Recovery Act*. It was implemented on November 1, 2005, to help divert approximately 30 million containers that were ending up in NWT landfills or as litter along streets and highways each year.

The BCP is operated through a network of community depots. The depots collect beverage containers, pay refundable deposits to NWT residents and send beverage containers to regional processing centres in Yellowknife, Hay River and Inuvik. The community depots are operated by businesses, schools, community governments and individuals.

Regional processing centres sort and bale beverage containers. Baled containers are then shipped to recycling facilities in Alberta and the United States.



Image 1: Advertisement introducing the Beverage Container Program in 2005



Image 2: Advertisement introducing fee and deposit changes in 2016



Image 3: 2005 deposit and fee structure

Refundable Deposits and Container Recycling Fees as of February 1, 2016 Container Type Glass (non-refillable) 13¢ Glass (refillable beer) 10¢ or les Aluminum and 80 Plastic Tetra Pak, Gable Top, 5¢ Drink Pouch and Bi-metal Glass 13c All types of containers 10c except glass Non-selected www.rethinkitmwt.ca

Image 4: 2016 deposit and fee structure

2.1.1 Refundable Deposits and Non-refundable Handling Fees

On February 1, 2016, new handling fees, refundable deposits and container categories came into effect. Categories were simplified, sorting containers by size instead of content. Containers one litre and less have a refund of 10 cents and containers over one litre have a refund of 25 cents. Before February 1, 2016, refundable deposits were 25 cents for all wine and spirits containers and milk containers larger than one litre, and 10 cents for all other containers. Consumers pay a refundable deposit and a non-refundable handling fee when purchasing ready-to-serve drinks in the NWT. The refundable deposit is returned to consumers when they take their empty beverage containers to a local community depot.

The refundable deposit is an economic incentive to recycle beverage containers and one of the major reasons for its success. Legislated deposit-refund programs, such as the BCP, result in a much higher return rate than voluntary programs. The BCP also provides local employment at beverage container depots.

The non-refundable handling fees are used to operate the BCP. This includes paying for:

- · depot and processing centre handling fees;
- transportation and storage of containers;
- general administration such as staff wages and benefits, equipment supplies and maintenance, and insurance; and
- improvements to the existing program.

2.2 Highlights from the Past 10 Years

In 2015, the BCP celebrated its 10th year of operation. Since 2005, the BCP has undergone many updates, including the addition of milk containers to the program, a change in the fee structure and operational improvements (see Figure 1).

The addition of milk containers to the BCP came into effect on February 15, 2010. A refundable deposit and non-refundable handling fee were added to purchases of milk and liquid milk products, including milk and cream substitutes in ready-to-serve containers. The importance of washing the milk containers before recycling was a key message when the program was introduced.

The total number of containers returned over the life of the program has surpassed 271 million. This amounts to nearly \$30 million refunded to NWT residents. Figure 2 illustrates the beverage container return trends over the past 10 years. 2015-2016 had the best rate of return to date. The program has diverted 2,043 tonnes of aluminum from NWT landfills.

Technology has improved significantly since the beginning of the program. A 2011 review recommended enhanced accounting practices and better service to maintain the financial security of the BCP and the Environment Fund.

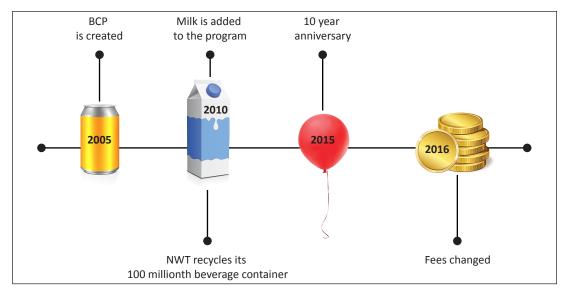


Figure 1: Beverage container program highlights

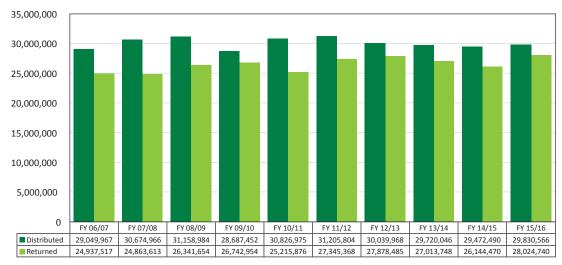


Figure 2: Beverage container recovery rates 2006-2016

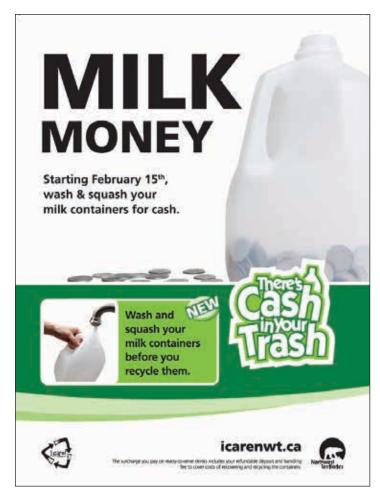


Image 5: Introduction of milk containers in 2010

CHIT SHEET					
Name of Ser	ver:				
		Container Material and/or Type	GNWT Code	Quantity	Total
		Glass	100		
	a	Aluminum	101		
	< 1.0 Litre	Plastic	102		
ES	1.0	Tetra Pak/Drink Pouch	103		
NON-ALCOHOL BEVERAGES	V	Gable Top	104		
EVEI		Bi-Metal	105		
)L B		Glass	200		
ОНС	a	Plastic	202		
ALC	≥ 1.0 Litre	Tetra Pak/Drink Pouch	203		
ON-		Gable Top	204		
Z		Bi-Metal	205		
		Bag-in-a-Box	206		
		Milk ≤ 1.0 Litre - Any Material	600		
		Milk > 1.0 Litre - Any Material	601		
	tre	Glass - Refillable Bottle	300		
40	1.0 Litre	Glass - Non Refillable Bottle	301		
\GE9	^ 1	Aluminum	302		
ALCOHOL BEVERAGES	> Litre	Glass - Other Than Wine or Spirits	400		
ALCO	Any Size	Any Material - Wine or Spirits	500		

Image 6: Sample bottle depot chit sheet, which is being replaced as the Management Information System is introduced

2.3 **Operational Update**

2.3.1

Management Information System

A program review and recommendations resulted in changes to the BCP, including enhanced accountability through improved reporting and reconciliation of containers collected and paid for in the system, and better customer service. As a result, an internet-based Management Information System and new Quality Assurance procedures were introduced.

2.3.2 Drop and Go

The Yellowknife and Hay River depots offer "Drop and Go" services. This allows customers to create an account and print labels to attach to their bags of recyclables. These bags can be left at the depot to be counted later. The system sends an email to the customer confirming the number of bags dropped off, and a second email confirming the number and type of containers counted and the cash amount credited to their account (Image 8). The customer can leave the money in their account and watch it grow as they drop off more containers or withdraw funds as they wish.

2.3.3 Quality Assurance Procedures

A Quality Assurance Centre, established in Hay River, is an integral part of the Management Information System.

Mechanized counting equipment reports electronically through the Management Information System, allowing verification of container counts as received from depots. Counting errors are tracked, compared and rectified, and depots are notified when improvements are necessary.



Image 7: Touch screen technology associated with the Management Information System makes it more efficient for depot staff and a more pleasant experience for residents returning their containers

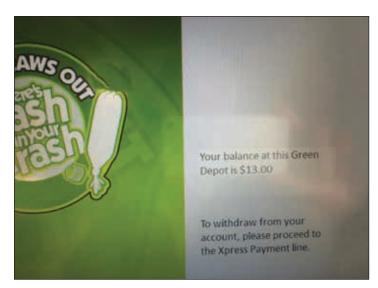


Image 8: Customers are able to view their balances from Drop and Go accounts

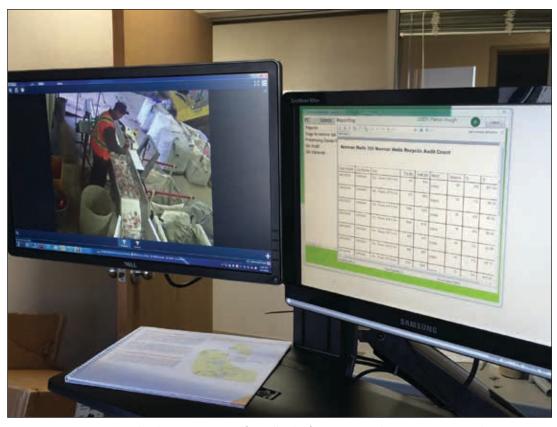


Image 9: Using internet technology, program staff in Yellowknife monitor quality assurance procedures in Hay River remotely, enabling verification of the number of containers collected through the depot network

2.4 Depots and Processing Centres

As of March 31, 2016, there are 24 locally operated beverage container depots, five temporary satellite depots and three processing centres in the NWT. Four communities – Detah, Kakisa, Hay River Dene Reserve (Katl'odeeche First Nation) and Tsiighetchic – use nearby depots. Satellite depots are provided by the program in cooperation with a regional processing centre. Figure 3 shows depots located in the NWT. Table 1 lists beverage container depot operators.

Three depot licenses (Colville Lake, Sachs Harbour and Paulatuk) were issued during the 2015-2016 fiscal year. One license was cancelled and then reissued in Norman Wells.

Depots are operated by individuals, businesses, schools, non-profit groups, and Aboriginal and community governments, as highlighted in Figure 4. Depots receive monthly subsidies to help offset costs related to operational expenses. Depots are eligible to apply for interest-free loans to help cover start-up costs. Depot Development Grants assist with costs of renovations or other improvements to depot facilities.



Figure 3: Beverage Container Program depots and processing centres

Community	Licencee	Station
North Slave Region	'	
Behchokò	FC Services	Local Operator
Detah	-	Use Yellowknife Depot
Gamètì	Tłįcho Community Government	Local Operator
Wekweètì	Tłįcho Community Government	Local Operator
Whatì	Alex's Confectionery	Local Operator
Yellowknife	The Bottle Shop	Local Operator
South Slave Region		
Enterprise	Amelia Mercredi	Local Operator
Fort Providence	_	Temporary Satellite Depot
Fort Resolution	Frank Lafferty	Local Operator
Hay River and Hay River Reserve	Tri R Recycling	Local Operator
Kakisa	_	Use Enterprise or Hay River Depot
Lutselk'e	_	Temporary Satellite Depot
Deh Cho Region		
Fort Liard	_	Temporary Satellite Depot
Fort Simpson	Rowe's Recycling	Local Operator
Jean Marie River	Deh Cho Divisional Education Council	Local Operator
Nahanni Butte	_	Temporary Satellite Depot
Sambaa K'e	Sambaa K'e Development Corporation	Local Operator
Wrigly	Chief Julian Yendo School	Local Operator
Sahtù Region		
Colville Lake	Sheena Snow	Local Operator
Délįne	Entseo Ayha School	Local Operator
Fort Good Hope	Chief T'Selehye School	Local Operator
Norman Wells	Wes Hodgson	Local Operator
Tulita	Tulita Dene Band	Local Operator
Inuvik Region		
Aklavik	_	Temporary Satellite Depot
Fort McPherson	Tetlit Gwich'in Recycling Depot	Local Operator
Inuvik	Wrangling River Supply	Local Operator
Paulatuk	Hamlet of Paulatuk	Local Operator
Sachs Harbour	Hamlet of Sachs Harbour	Local Operator
Tsiigehtchic	_	Use Fort McPherson or Inuvik Depot
Tuktoyaktuk	Tuktoyaktuk Community Corporation	Local Operator
Ulukhaktok	Rose Marie Kuptana	Local Operator

Table 1: Beverage container depots

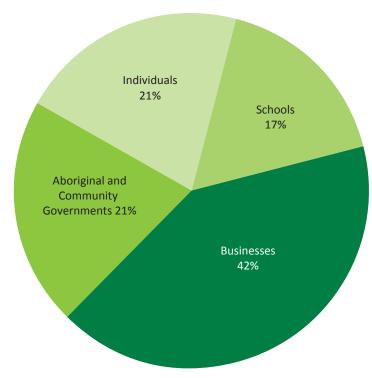


Figure 4: Depot operators by organization type

2.5 Depot Accolades

The following individuals and organizations have worked hard during the last 10 years to make community recycling a success:

- Adam Pich and the Bottle Shop Yellowknife
- · Alex Nitsiza and Alex's Confectionery Whatì
- Bob McArthur and RTL Recycling Fort Smith
- Teachers at the Chief T'Selehye School Fort Good Hope
- Gregory Rowe and Tri R Recycling Hay River
- Lionel and Judy Harder and Wrangling River Supply Inuvik
- Luke Groscoe and FC Services Behchokò
- Patrick Rowe and Rowe's Recycling Fort Simpson
- Grace Angel and the Tłycho Community Government Wekweètì
- Taig Connell and the Tetlit Gwich'in Recycling Depot Fort McPherson

2.6 Depot Profile

The Yellowknife Bottle Shop, operated by Adam Pich, was one of the first bottle depots to open in the NWT. The Bottle Shop services Ndilo, Detah and Yellowknife, and serves as a processing centre for the North Slave region.

The Bottle Shop has been busy since the start of the program. In the first two weeks of operation, 30,000 beverage containers had been returned to the Bottle Shop every day. Adam Pich had the building constructed in 2005 to house the recycling depot (Image 10). As of November 1, 2005, he had six to nine employees working six days a week. The Bottle Shop offers easy access for drop-offs and an indoor sorting centre.

More than half of the territory's beverage containers pass through the Bottle Shop. The depot bales aluminum and plastics, and packs or crushes glass. The recyclables are then packed into trucks and shipped out weekly, travelling directly to North American markets, some as far as Kentucky, USA.

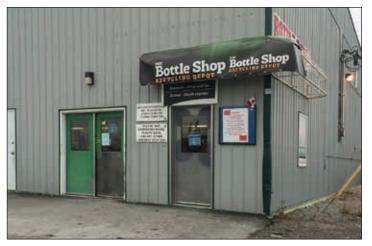


Image 10: The Yellowknife Bottle Shop recycling depot



Image 11: Adam Pich, owner of the Yellowknife Bottle Shop

	Contai	ner Material and/or Type	Total Distributed	Total Returned
		Glass	369,535	354,700
	a	Aluminum (alcohol & non-alcohol)	14,727,729	14,593,579
	1.0 Litre	Plastic	6,600,265	6,334,707
Non-Alcohol Beverages		Tetra Pak/Drink Pouch	2,148,677	1,435,239
verg	· ·	Gable Top	898,113	506,878
l Be		Bi-Metal	47,644	55,549
oho		Glass	21,051	202,474
- Alc	a	Plastic	907,174	901,322
Nor	1.0 Litre	Tetra Pak/Drink Pouch	404,436	395,307
		Gable Top	390,142	316,941
	ΛI	Bi-Metal	06,479	1,232
		Bag-in-a-Box	2,866	1,014
v	E E	Glass - Refillable Bottle	1,447,150	1,477,695
age	1.0 Litre	Glass - Non Refillable Bottle	736,247	110,534
evel	\ 1	Other Material - Other than Wine or Spirits	84,579	482,223
Alcohol Beverages	Any Size	Any Material - Wine or Spirits	1,038,481	885,476
		Total	29,830,566	28,054,869

Table 2: Beverage container recovery rate

Region	North Slave	Beaufort Delta	South Slave	Deh Cho	Sahtù
Total Containers	13,961,325	7,035,286	4,940,890	1,507,487	609,881
% of NWT Containers Collected	50%	25%	18%	5%	2%
% of NWT Population	55%	15%	16%	8%	6%

Table 3: Beverage containers returned by region

2.7 Distributors

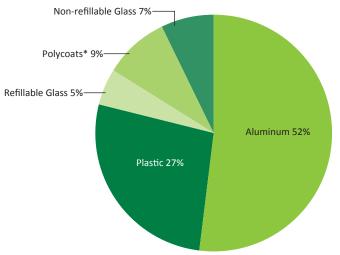
Thirty-one (31) beverage container distributors were registered with ENR as of March 31, 2016.

Eight distributor registrations were cancelled. One new distributor was registered during 2015-2016. Distributors are required to report sales and remit container surcharges to ENR on a monthly basis.

2.8 Beverage Containers Distributed and Returned

More than 29 million beverage containers were distributed and 28 million beverage containers were returned in the NWT between April 1, 2015 and March 31, 2016 (see Table 2). Table 3 shows the number of containers returned by region. Figures 5 and 6 illustrate the containers returned by material type.

Overall, the number of containers distributed in 2015-2016 increased by 358,000 from the previous year. The number of containers returned increased by approximately 1.9 million (see Figure 2). The recovery rate for 2015-2016 was 94 percent, representing a five percent increase from the previous year. NWT depots refunded \$3.2 million in refundable deposits to NWT residents in 2015-2016. As of March 31, 2016, more than \$29.6 million in refundable deposits have been paid out to NWT residents since the program began in 2005. Much of the increase in the number of containers returned this year can be attributed to the introduction of the new handling fees and refundable deposits, and advertising to encourage NWT residents to recycle their containers before the new fees and deposits came into effect. This ensured deposits paid on purchase would be refunded at the same rate.



*Polycoats include Tetra Paks, Drink Pouches and Gable Tops

Figure 5: Beverage containers returned by material type

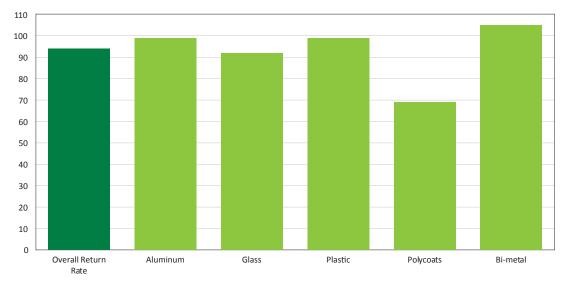


Figure 6: Beverage container return rates

Material	Tonnes of Material Recycled	MTCO₂E*
Aluminum	204	1,928
Polycoat	58	276
Plastics	142	129
Refillable Glass (ISB)	389	183
Non-Refillable Glass (NRG)	525	67
Bi-Metal	9	38
Total	1,327	2,621

* MTCO₂E: metric tonnes of carbon dioxide equivalent

Table 4: Tonnage recycled and carbon dioxide savings for all materials

Container Material	Container Type	Recycling Uses
Aluminum	Alcohol and non- alcohol containers (primarily pop and beer cans).	Aluminum is densified and baled, then shipped to the United States (US), where 97% by weight is recycled, primarily into new beverage containers.
Refillable Glass	Industry Standard Beer Bottles (ISB). These are the domestic beer bottles, primarily from the large breweries such as Labatt's and Molson's.	Bottles are returned to breweries in Alberta, where they are cleaned and refilled an average of 15 times.
Non-refillable Glass	All glass other than ISB, includes juice, wine, liquor, coolers, etc.	Glass is broken and turned into "cullet" at the regional processing centres, shipped to Airdrie, Alberta, and processed into fiberglass insulation.
Plastic	Primarily high density polyethylene (HDPE) and polyethylene terephthalate (PET) plastic used to make soft drink, juice, water, milk and liquor containers.	Baled and shipped to Alberta, where 80% of it, by weight, is recycled into non-food containers.
Multi-material	Includes aseptic containers (juice boxes, drink pouches), polycoats (gable tops, milk and juice), bi-metal containers (tomato juice, evaporated milk, etc.).	Aseptic and polycoat containers are baled and shipped to US recycling markets. These containers are 80% recycled by weight. Bi-metal containers are baled and shipped south. They are recycled into rebar and car parts, where 95% of it is recycled by weight.

Table 5: Container material and recycling uses

2.9 **Environmental Benefits of the Beverage Container Program**

The BCP continues to provide environmental benefits to the NWT through the recycling and reuse of materials and the reduction of greenhouse gas emissions.

2.9.1 Reduction of Greenhouse Gas Emissions

NWT residents diverted 1,327 tonnes of beverage containers from NWT landfills in 2015-2016. The greenhouse gases avoided by recycling these materials are equivalent to 2,621 tonnes of carbon dioxide savings, as estimated by the United States Environmental Protection Agency Waste Reduction Model¹ (see Table 4). This is equivalent to taking 554 cars off NWT roads in 2015-2016².

2.9.2 Recycling of Materials

Resources found in beverage containers are converted back into the same material or transformed into a different material when recycled. This reduces the amount of virgin resources needed to produce goods.

For example, aluminum pop cans can be recycled back into cans instead of new aluminum being sourced from bauxite, a raw material found in soil in regions around the equator. Large amounts of energy are needed to extract and produce aluminum from bauxite. It takes about 95 percent less energy to recycle aluminum cans than it does to mine aluminum and make new cans. In 2015-2016, 204 tonnes of aluminum were recycled in the NWT. This is the same amount of aluminum it would take to produce 60 twin otter airplanes.

2.10 Enforcement

There were no convictions for offences under the Waste Reduction and Recovery Act in 2015-2016.

Assumptions:

- No landfill gas recovery at landfills.
- Distance from Hay River to Hay River landfill is 8 km, Inuvik to Inuvik landfill is 3 km and Yellowknife to Yellowknife landfill is 2 km.

¹Based on United States Environmental Protection Agency Waste Reduction Model: https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARMToolV14

²Calculation of the number of cars off the road is: 4.73 tonnes CO₂E = 1 passenger vehicle off the road.



3.0 SINGLE-USE RETAIL BAG PROGRAM

3.1 Background

In January 2010, the Government of the Northwest Territories (GNWT) became the first Canadian territorial or provincial jurisdiction to implement regulations targeting single-use retail bags (SRB). The regulations include plastic, paper and biodegradable bags.

Phase I of the Single-use Retail Bag Program (SRBP) required customers to pay 25 cents for each SRB from all grocery stores in the NWT. In February 2011, Phase II was expanded to include all NWT stores. All retailers in the NWT are required to register in the program and charge customers 25 cents for every SRB sold.

3.2 Distributors and Retailers

There were 28 registered distributors and 111 retailers as of March 31, 2016. During the 2015-2016 fiscal year, 16 retailers cancelled their registrations because they were either no longer in business or chose to become bag-free.





3.3 Single-use Retail Bags Distributed

NWT retail stores distributed 2,443,742 single-use retail bags during 2015-2016. This is equivalent to 55 bags per NWT resident. There were 211,717 fewer bags distributed in 2014-2015 as compared to 2015-2016. A total of \$646,586 was remitted to the Environment Fund through the SRBP.

ENR estimated residents used about nine million SRB per year (equivalent to 208 SRBs per person per year)³ before the implementation of the SRBP. Half of these came from grocery stores. It is estimated NWT residents have reduced SRB use by 73 percent since the program started.

From January 15, 2010 to March 31, 2016, approximately 38 million SRBs have been kept out of NWT landfills and off the land because of the SRBP. Estimates indicate NWT residents avoided using 6.7 million bags (approximately 153 bags per person) during 2015-2016.

From 2010-2016, this has led to savings of about 310 metric tonnes of carbon dioxide equivalent emissions⁴. This is equal to taking 66 vehicles off NWT roads⁵.

3.4 Enforcement

There were no convictions for offences under the Waste Reduction and Recovery Act in 2015-2016.

Assumptions:

- 5g per bag x 37,775,465 bags = 189 tonnes (208 tons) of HDPE avoided (source reduction).
- No landfill gas recovery at landfills. Average distance to a community landfill is 5 km.

³ Based on research completed by Resource Conservation Manitoba.

⁴ Calculations made using United States Environmental Protection Agency Waste Reduction Model: https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARMToolV14.

⁵ Calculations made using United States Environmental Protection Agency Greenhouse Gas Equivalences Calculator: https://www.epa.gov/energy/ghg-equivalencies-calculator-calculations-and-references. Calculation of the number of cars off the road is: 4.73 tonnes CO₂E = 1 passenger vehicle off the road.



4.0 **ELECTRONICS RECYCLING**

4.1 Why Electronics Recycling?

Electronics can contain harmful materials such as heavy metals like mercury and lead, brominated flame retardants and halogenated hydrocarbons. Electronics are designed so these materials remain contained within them. When disposed in landfills, burned or left on the land where they are exposed to rain, snow and wind, they may leach materials harmful to the environment and human health. Recycling electronics keeps these materials out of the natural environment.

Electronics also contain valuable materials such as aluminum, copper, precious and rare metals, and plastics, which can be recycled into new products. Recycling old electronics into new products minimizes environmental impacts related to extracting raw materials through mining and other activities.





4.2 Developing the Electronics Recycling Program

The *Electronics Recycling Regulations* were developed in 2015-2016 to support the Electronics Recycling Program (ERP), which was launched on February 1, 2016. Input from the Waste Reduction and Recovery Advisory Committee (WRRAC) was gathered throughout the ERP's development and shaped many aspects of the program.

In January 2015, an invitation was sent to a diverse group of stakeholders, including the NWT Association of Communities, NWT and local Chambers of Commerce offices, Arctic Co-operatives Limited, Northwest Company, industry associations, large volume electronics users (e.g., federal and territorial government departments, school districts, mines, KBL Environmental Ltd., the City of Yellowknife) and waste managers. Feedback was primarily received from industry associations representing national electronics manufacturers, distributors and retailers. There was general support for the ERP.

NWT electronics retailers were identified as an important stakeholder. Feedback from this group was not received in response to the formal January 2015 invitation. ENR conducted phone interviews to ensure this group was informed of the proposed program and their input was received. At that time, there was general support from local retailers. During interviews, retailers stressed the significance of providing a level playing field for all distributors (e.g., including online sales) and minimizing their administrative responsibilities. All electronics sales in and into the NWT, including online sales, are included in the ERP. The responsibilities of local retailers have been minimized by requiring distributors bringing electronics into the NWT to report and remit fees on behalf of the local retailers they supply.

4.3 Launching the Electronics Recycling Program

On August 25, 2015, the *Electronics Recycling Regulations* were approved by the GNWT under the *Waste Reduction and Recovery Act*. When the ERP was launched on February 1, 2016, depots in the 10 largest NWT communities (with populations greater than 750) began collecting electronics for recycling during their regular depot hours. Electronics collection events will be hosted for all other communities (see Figure 7). Electronics accepted under the ERP include laptops, desktop computers, monitors and printers. Electronics are consolidated in Hay River, Yellowknife and Inuvik, and shipped to a processor meeting environmental health and safety standards under Alberta's electronics recycling program.

On February 1, 2016, electronics retailers and distributors began charging environmental fees (i.e., environmental handling surcharges) on electronics sold. These are used to fund the ERP. Image 12 outlines the electronics included in the program and these fees. The fees do not include a deposit and, therefore, no refunds are provided for electronics brought to depots for recycling. The fee applies to all electronics purchased in the NWT, including online sales.

Promotional postcards were mailed to all NWT residents with information about the ERP and encouragement to recycle their electronics. The ERP was advertised across the NWT in newspapers, on local radio and online.



Figure 7: Electronics Recycling Program depots and collection events



Image 12: Electronics accepted for recycling and fees

4.4 **Electronics Recycling Pilot Project**

The electronics recycling pilot project, which began in September 2013, continued in Fort McPherson, Norman Wells and Fort Smith throughout 2015-2016 until the ERP was formally launched on February 1, 2016. The pilot project also ran in Fort Providence for a short period. More than 45 tonnes of electronics were collected under this pilot project in two and a half years. Lessons gathered informed the development of the ERP.

The quantity of electronics collected through the pilot project was higher than expected. In Fort Smith and Norman Wells, 4.5 kilograms of electronics were collected on average per person annually. This is more than double that of programs in other Canadian jurisdictions in their first year of operation.



5.0 WASTE REDUCTION AND RECYCLING INITIATIVE

The Waste Reduction and Recycling Initiative (WRRI) is a funding program which began in 2013. It supports efforts to reduce and recycle materials not yet included in NWT-wide recycling programs. The WRRI is designed to be flexible so residents can prioritize the materials they want diverted from their community landfill through community-based waste reduction and recycling projects.

Each year, the WRRI provides financial assistance to NWT municipalities, schools, organizations, businesses and individuals for waste reduction and recycling projects. In 2016, the funding was increased from \$25,000 per project to up to \$40,000. A total of \$150,000 is available on an annual basis. Funding for the WRRI comes from the Environment Fund.

Projects supporting one or more of these objectives are eligible for funding:

- reducing the amount of waste generated in NWT communities;
- reusing materials and products, rather than discarding them;
- recycling materials not already collected through a NWT recycling program; and
- recovering a useful benefit from waste.

Priority materials for WRRI funding are: organics, paper and cardboard, air conditioning and refrigeration equipment, lead acid batteries, end-of-life vehicles, and tires. Applications to reduce waste for other material categories are also accepted.



Image 13: Yellowknives Dene First Nation's recycling centre in Ndilo funded by the Waste Reduction and Recycling Initiative



Image 14: Habitat for Humanity NWT ReStore's grand opening

The deadline for the first intake of applications was April 15, 2015. Projects are set to be completed by the end of the 2016 fiscal year. Advertising for 2016-2017 took place between January and March 2016 and included print, radio and online media as well as direct emails to community governments throughout the NWT.

In 2015-2016, 10 projects across the NWT were selected, providing \$150,000 in funding. Completed initiatives included a recycling centre in Ndilo, a waste management and reduction plan for Fort Smith, and removal and recycling of hazardous waste in Tsiigehtchic and Aklavik.

These trailblazers are inspiring other municipalities and organizations to consider unique and alternative ways to reduce, reuse and recycle waste.

5.1 Waste Reduction and Recycling Initiative Grant Recipient Spotlight

Habitat for Humanity NWT received \$22,500 to construct and operate a ReStore on a site adjacent to the City of Yellowknife's Solid Waste Facility. Habitat for Humanity is a home building program serving Yellowknife families in need of affordable housing. The ReStore accepts donated merchandise such as household goods, electronics, building materials, hardware and paint, which are sold at a discount rate to generate funds for Habitat for Humanity. ReStores are gaining popularity across Canada as they grant residents access to inexpensive quality building materials, while reducing local landfill demands. The ReStore will assist in waste reduction efforts by successfully keeping hundreds of tonnes of waste out of the Yellowknife landfill each year.

In the summer of 2015, Habitat for Humanity prepared the site and constructed the ReStore with the help of a team of volunteers and used building supplies. An old trailer serves as a retail area and office, while two sea cans provide cold storage. Local companies donated services and materials so Habitat for Humanity could complete the project with few cash resources. The ReStore opened in April 2016.



6.0 WASTE REDUCTION AND RECOVERY ADVISORY COMMITTEE

The Waste Reduction and Recovery Advisory Committee (WRRAC) was established under the authority of the *Waste Reduction and Recovery Act*. WRRAC advises the Minister of ENR on the establishment and operation of programs with respect to the reduction and recovery of waste in the NWT. Committee membership includes retailers, distributors/manufacturers, environmental organizations, community governments, the Department of Municipal and Community Affairs, the public at large, and ENR staff (Table 6). WRRAC met twice in 2015-2016.

Name	Sector	Organization	Community
Jade Cambron	Environmental NGO	Ecology North	Yellowknife
Andrew Robinson	Public at Large	_	Yellowknife
Olivia Lee	Municipal and Community Affairs	GNWT Department of Municipal and Community Affairs	Yellowknife
Shelagh Kerr	Industry representative for electronic manufacturers	Electronic Product Stewardship Canada	Toronto
Peter Houweling	Municipal	City of Yellowknife	Yellowknife
Robin Williams	Electronics retailer	Roy's Audio Video	Yellowknife
Sara Brown	NWT communities	NWT Association of Communities	Yellowknife
Taig Connell	Community representative	Depot Operator	Fort McPherson

Table 6: Waste Reduction and Recovery Advisory Committee members to March 31, 2016



7.0 NWT WASTE RESOURCE MANAGEMENT STRATEGY

ENR is in the preliminary stages of developing a Waste Resource Management Strategy (the Strategy) to plan and take action on programs, initiatives and policies to reduce, divert and manage waste in the NWT.

Across Canada, municipal waste generation rates have been steadily increasing. Canadians generate approximately 952 kg of waste per capita per year, with a waste diversion rate of 25 percent. NWT residents generate an estimated 1,094 kg of waste per capita per year, with a waste diversion rate of 10 percent. Waste diversion programs are limited in most NWT communities.

An integrated approach to managing waste is needed (see Figure 8), as approximately 90 percent of waste in the NWT is disposed of as residual waste in landfills. There is an opportunity to focus on prevention and reduction of waste, followed by reusing, recycling and recovering prior to disposal. Ongoing, proper management of residual waste in all NWT communities is also necessary. Several realities must be acknowledged when considering waste management practices across the territory. Most community landfills are not modern engineered facilities, many have uncontrolled access and numerous have stockpiles of hazardous waste.

Most jurisdictions across Canada have developed waste resource management strategies to plan and take action to reduce, divert and manage waste streams. As waste diversion programs are established, it is clear they contribute to a sustainable economy by providing jobs and saving space in landfills, both of which have long-term economic benefits. In establishing the NWT's Strategy, ENR will work collaboratively with other government departments, regulatory agencies, industry and local governments to explore ways to improve waste management in all communities. WRRAC will also provide guidance as the Strategy is being developed.

Public engagement is critical to the development of the Strategy. It is expected to take place in the spring of 2017. The resulting Strategy will lay out a clear road map for waste resource management in the NWT.

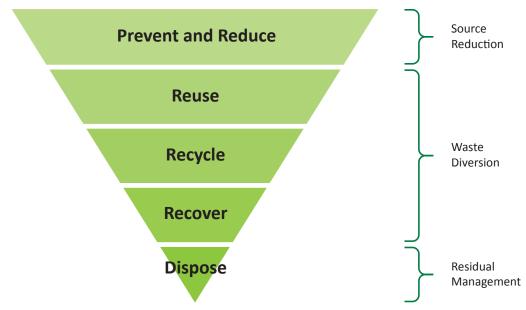


Figure 8: Waste management hierarchy



8.0 AUDITED FINANCIAL STATEMENT OF THE ENVIRONMENT FUND

The Environment Fund is a special purpose fund as defined in the *Financial Administration Act*. The Environment Fund was set up under the authority of the *Waste Reduction and Recovery Act*. All surcharges from the Beverage Container Program, the Single-use Retail Bag Program and the Electronics Recycling Program are paid into the Environment Fund. In accordance with the WRRA, the assets may be used to pay for waste reduction and recovery programs and initiatives, including program administration.

In 2015-2016, revenue into the Environment Fund was \$6,120,819 (including interest income) and expenditures were \$6,550,742, which resulted in a deficit for the fiscal year of \$429,923. The deficit in 2015-2016 can be attributed to the increased cost of starting up programs (amendments to the BCP and the creation of the ERP). Amendments to existing programs and creation of new programs have added costs that are not generally covered in annual operating expenses such as advertising and program promotion, engagement, pilot projects, purchase of new equipment, etc. In addition, the recovery rate for the BCP was higher in 2015-2016 than it has ever been (at 94 percent) in 10 years. While high recovery rates mean the program is successful, it also means higher costs for the Environment Fund to pay for expenses such as refundable deposits to NWT residents, processing centres and depots handling fees, and transportation and storage costs. The annual deficit in 2015-2016 was covered with the existing cumulative surplus in the Environment Fund. As of March 31, 2016, the balance in the Environment Fund was \$1,590,674. An audited financial statement is included in Appendix A.

RECVA

9.0 CONTACT INFORMATION

For more information, or to provide comments about the waste reduction and recovery program and/or initiatives in the NWT, contact:

Waste Reduction and Management Section
Environment Division
Department of Environment and Natural Resources
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT X1A 2L9

Phone: (867) 767-9236 Fax: (867) 873-0221

Email: nwtrecycle@gov.nt.ca Website: www.rethinkitnwt.ca



APPENDIX A AUDITED FINANCIAL STATEMENT OF THE ENVIRONMENT FUND 2015-2016

Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

Ernie Campbell, Deputy Minister,

Department of Environment and Natural Resources

Susan Craig, Director Finance and Administration, Department of Environment and Natural Resources



Crowe MacKay LLP

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Independent Auditors' Report

To the Minister of the Department of Environment and Natural Resources

We have audited the accompanying financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Fund's preparation and fair presentation of the financial statements 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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Independent Auditors' Report (continued)

Basis for Qualified Opinion

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program revenues, depot handling fees, processing fees and refundable deposits. The reports provided by distributors, processing centres and depots are not independently verifiable, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine, if adjustments would be required to revenues, expenditures, accounts receivable, accounts payable or fund balances.

Salaries and benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of salaries and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenditures, liabilities and net assets.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Environment Fund as at March 31, 2016 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Yellowknife, Canada July 6, 2016

Chartered Accountants

Gowe Mackay LCP

Environment Fund

Statement of Operations

Statement of Operations		
For the year ended March 31, 2016	2016	2015
	\$	\$
Revenues		
Beverage container program	5,105,248	4,994,935
Recoveries	52,419	35,017
Salvage	283,889	345,175
Single-use retail bag program	646,586	561,857
	6,088,142	5,936,984
Expenditures		
Advertising and promotion	78,986	21,154
Contract service - miscellaneous	11,475	94,838
Contract service - satellite depots	99,291	81,292
Depot handling fee	677,034	641,143
E-waste fee	87,070	21,000
Equipment, supplies and maintenance	104,640	193,378
Freight	348,537	337,863
Grants and contributions	203,567	259,271
Insurance	12,314	4,125
Memberships	6,030	8,091
Office	11,286	17,127
Processing centre handling fee	611,731	566,160
Professional fees	101,148	60,311
Refundable deposit fee	3,252,653	2,805,887
Storage	90,450	81,894
Travel and training	36,733	31,554
Wages and benefits (note 4)	817,797	198,388
	6,550,742	5,423,476
Excess (deficiency) of revenues over	(462 600)	E12 E00
expenditures before other income Other income	(462,600)	513,508
Interest	32,677	41,849
Excess of revenues over expenditures	(429,923)	555,357
LACESS OF TEVERIUES OVER EXPERIURURES	(423,323)	/ 35,557

Statement of Changes in Fund Balances

For the year ended March 31, 2016						
		Equipment				
		replacement				
	Unrestricted	reserve	Total 2016	Total 2015		
	\$	\$	\$	\$		
Balance, beginning of year	2,032,514	439,942	2,526,456	1,971,099		
Excess (deficiency) of revenues over expenditures	(429,923)	-	(429,923)	555,357		
Transfers (Note 2c)	(11,917)	11,917	-	-		
Balance, end of year	1,590,674	505,859	2,096,533	2,526,456		

Statement of Financial Position

For the year ended March 31, 2016	2016	2015
	\$	\$
Financial Assets		
Accounts receivable	1,143,085	747,323
Due from treasury (note 5)	2,153,279	3,110,971
Loans receivable	472	472
	3,296,836	3,858,766
Liabilities		
Accounts payable and accrued liabilities	427,115	559,122
Unredeemed container liability (note 6)	773,188	773,188
	1,200,303	1,332,310
Net financial assets	2,096,633	2,526,456
Fund balances		
Unrestricted	1,590,674	2,032,514
Equipment replacement reserve	505,859	493,942
	2,096,533	2,526,456

1. Nature of operations

The Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the *Waste Reduction and Recovery Act* ("the Act") of the Northwest Territories. The Act was enacted in October 2003 during the 6th session of the 16th Legislative Assembly. The Act came into force in July 2005 with the establishment of the Environment Fund.

The financial assets of the Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee
 established by the Minister to provide advice and assistance
 relating to the establishment of programs and operation of
 programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Single Use Retail Bag Program, which came into effect January 15, 2010, is currently the second of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Electronics Recycling Program, which came into effect on February 1, 2016, is currently the third of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Department of Environment and Natural Resources advised it will be examining other waste reduction and recovery programs that could, in the future, to become part of the Fund

2. Significant accounting policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

2. Significant accounting policies (continued)

(b) Capital assets

The equipment managed by the fund is not included in these financial statements as they are not the capital assets of the Fund, they are held by the Department of Environment and Natural Resources.

(c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

Equipment replacement reserve – an amount equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment. The 2016 transfer is \$11,917 (2015 - \$59,511). This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement.

(d) Contributed services

The Department of Environment and Natural Resources maintains the accounts of the Environment Fund. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(e) Start-up funding

The Department of Environment and Natural Resources received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); a statement of cash flows has not been presented.

(g) Financial instruments

The Fund classifies its financial instruments at cost or amortized cost. The Fund's accounting policy for this financial instrument category is as follows:

This category includes accounts receivable, loans receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the statement of operations.

(h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Future changes to significant accounting policies Related party disclosures, Section PS 2200

PSAB approved Section PS 2200, Related Party Disclosures. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The impact of the transition to this accounting standard has not yet been determined.

Assets, Section PS 3210

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections.

The impact of the transition to this accounting standard has not yet been determined.

Contingent Assets, Section PS 3320

PSAB approved Section PS 3320, Contingent Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of contingent assets except certain specific types of contingent assets.

The impact of the transition to this accounting standard has not yet been determined.

Contractual Rights, Section PS 3380

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights.

The impact of the transition to this accounting standard has not yet been determined.

Inter-entity Transactions, Section PS 3420

PSAB approved Section PS 3420, Inter-entity Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section PS 2200.

The impact of the transition to this accounting standard has not yet been determined.

4. Wages and benefits

During the prior year the Department of Environment and Natural Resources allocated funds to directly pay a significant portion of the payroll for the Fund. This was a one time reduction of wages and benefits. The details of the transaction are noted below.

	2016	2015
	\$	\$
Wages and benefits	817,797	660,339
Reduction of wages and benefits by the Department of		
Environment and Natural Resources		(461,951)
	817,797	198,388

5. Due from Treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the Financial Administration Act that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants in money market securities. The monies for these investments flow out of the Consolidated Revenue Fund and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

6. Expenses by program

Of the Fund's two major programs, beverage container program and single-use retail bag, only the beverage container program has direct costs associated with it in terms of depot handling fees, processing and refundable deposits. Out of the total expenses, the costs for the beverage container program total \$4,206,972. Out of the total expenses, the cost for the Electronics Recycling Program totaled \$87,070 for the year.

7. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. It was derived per the policy that the Government of the Northwest Territories specified.

8. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

9. Related party transactions

The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge.

The Fund also receives management services from the Department of Environment and Natural Resources, as outlined in Note 2(d).

10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The financial instruments of the Fund and the nature of the risks to which it may be subject are as follows:

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable, loans receivable, due from Treasury.

Accounts receivable are due from government agencies. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$1,143,557 (2015 - \$747,795). All financial assets are considered current.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2016, receivables from three customers comprised 55% of the total outstanding accounts receivables (2015 - 45%). The Fund reduces this risk by monitoring overdue balances.

