



TABLED DOCUMENT 341-18(3) TABLED ON FEBRUARY 14, 2019

Waste Reduction and Recovery Program

2017-2018 Annual Report





TABLE OF CONTENTS

1. HIGHLIGHTS.....	1	4. ELECTRONICS RECYCLING	14
2. BEVERAGE CONTAINER PROGRAM.....	2	4.1. Why Electronics Recycling?	14
2.1. Overview	2	4.2. Program Overview	15
2.1.1 REFUNDABLE DEPOSITS AND NON-REFUNDABLE HANDLING FEES.....	3	4.3. Operational Update.....	15
2.2. Operational Update.....	4	4.3.1. DEPOTS AND COLLECTION EVENTS.....	15
2.2.1. MANAGEMENT INFORMATION SYSTEM	4	4.3.2. BATTERY RECYCLING	16
2.2.2. DROP AND GO	4	4.3.3. ELECTRONICS DISTRIBUTORS.....	16
2.2.3. QUALITY ASSURANCE PROCEDURES	5	4.4. Electronics Collection Results.....	17
2.3. Depots and Processing Centres.....	6	4.4.1. QUANTITY OF ELECTRONICS COLLECTED	17
2.4. Distributors	8	4.5. Program Costs	17
2.5. Beverage Containers Distributed and Returned.....	8	5. WASTE REDUCTION AND RECYCLING INITIATIVE	18
2.6. Environmental Benefits of the Beverage Container Program	9	6. WASTE REDUCTION AND RECOVERY ADVISORY COMMITTEE.....	21
2.6.1. REDUCTION OF GREENHOUSE GAS EMISSIONS	9	7. NWT WASTE RESOURCE MANAGEMENT STRATEGY	22
2.6.2. RECYCLING OF MATERIALS	10	8. CONTACT INFORMATION	24
2.7. Enforcement.....	11	9. APPENDIX A: AUDITED FINANCIAL STATEMENTS	25
3. SINGLE-USE RETAIL BAG PROGRAM	12		
3.1. Background	12		
3.2. Distributors and Retailers.....	12		
3.3. Single-use Retail Bags Distributed.....	13		
3.4. Enforcement.....	13		

TABLE OF CONTENTS *CONTINUED*

TABLES		FIGURES	
Table 1:	Beverage Container Depots in the NWT7	Figure 1:	Beverage Container Recovery Rates 2008 - 20183
Table 2:	Beverage Container Recovery Rate.....8	Figure 2:	Recycling Depots and Processing Centres.....6
Table 3:	Tonnage Recycled and Greenhouse Gas Emissions Savings for All Materials.....10	Figure 3:	Depot Operators by Organization Type.....7
Table 4:	Container Material and Recycling Uses11	Figure 4:	Relative Proportion of Beverage Containers Returned by Material Type (weight in tonnes, and by %)9
Table 5:	Electronics Collected in the 2017/18 Fiscal Year.....17	Figure 5:	Beverage Container Return Rates by Material Type9
Table 6:	Waste Reduction and Recovery Advisory Committee Members as of March 31, 2018.....21	Figure 6:	Flow of ERP Environmental Handling Fees and Electronics in the NWT16
IMAGES		Figure 7:	Waste Management Hierarchy23
Image 1:	Beverage container deposits and fee structure2		
Image 2:	Touch screen technology associated with the MIS makes it more efficient for depot staff4		
Image 3:	Customers are able to view their balances from Drop and Go Accounts.....4		
Image 4:	Staff operating the mechanized counting machine in Hay River5		
Image 5:	Label attached to bags of containers at participating depots. Information on this tag is used to verify the counts.5		
Image 6:	List of electronics included in the ERP and Fees Environmental Handling15		



1. HIGHLIGHTS

The Waste Reduction and Recovery Program celebrated many successes in the 2017-18 year, thanks to the participation of residents from across the Northwest Territories (NWT), and the dedication of many people working at community depots, processing centres, schools, community governments, and other businesses and organizations.

Highlights from the past year include:

- Nearly 24 million beverage containers were returned for recycling or reuse in 2017-18. This is equivalent to 532 containers returned per resident. On average, more than 65,000 beverage containers were returned for recycling or reuse in the NWT each day.
- An estimated 6.4 million single-use retail bags were kept off the land and out of landfills.
- More than 86.4 tonnes of electronics were collected under the Electronics Recycling Program.
- The Waste Reduction and Recycling Initiative provided funding to 11 NWT organizations, businesses and schools for community-based projects to reduce waste and increase recycling.









2. 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 millions of 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 consolidate and bale beverage containers. Baled containers are then shipped to recycling facilities in Alberta and the United States.

Volume	Container Type	Container Recycling Fee*
1 Litre or less 10¢ Refund	Glass (non-refillable) 	13¢
	Glass (refillable beer) 	10¢
	Aluminum and Plastic 	8¢
	Tetra Pak, Gable Top, Drink Pouch and Bi-metal 	5¢
Larger than 1 Litre 25¢ Refund	Glass 	13¢
	All types of containers except glass 	10¢

*Non-refundable




www.rethinkitnwt.ca


Image 1: Beverage container deposits and fee structure

2.1.1. REFUNDABLE DEPOSITS AND NON-REFUNDABLE HANDLING FEES

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 containers to a recycling depot. This provides an economic incentive to recycle beverage containers, and is 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 and processing centres throughout the NWT.

The non-refundable handling fees and unredeemed refunds for containers that are not returned 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 insurance, equipment supplies and maintenance, and staff wages and benefits
- improvements to the existing program

The total number of containers returned over the life of the program is nearly 320 million. This amounts to more than \$34 million refunded to NWT residents since the program started. Figure 1 illustrates the beverage container return trends.

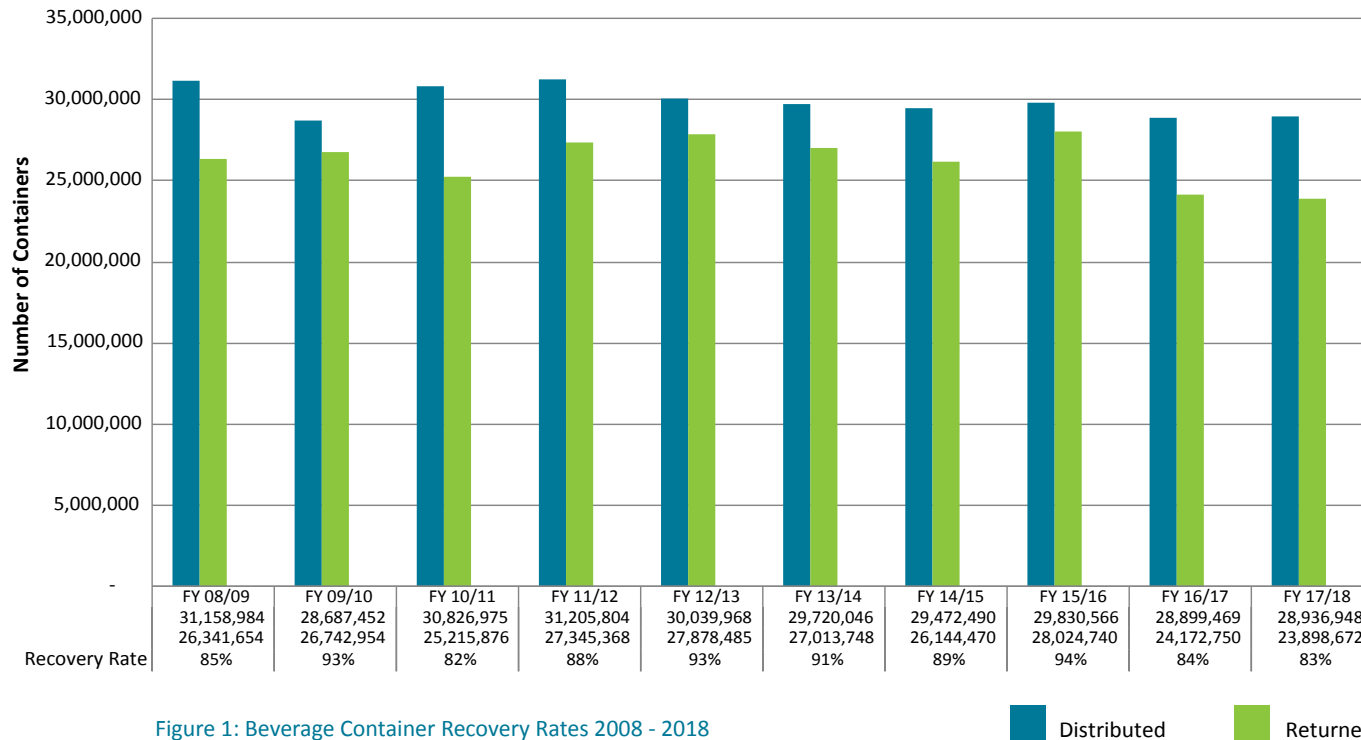


Figure 1: Beverage Container Recovery Rates 2008 - 2018

2.2. Operational Update

2.2.1. MANAGEMENT INFORMATION SYSTEM

In 2015, the Department of Environment and Natural Resources (ENR) introduced the Management Information System (MIS) to deliver substantive advantages to all aspects of program delivery and reporting. It allows program staff to monitor operations in real time and quickly identify problems and reporting errors. It also enabled the development and implementation of a quality assurance program that significantly improved the accuracy of reported container counts, and the condition of returned containers. It has also greatly reduced the workload for processing centre (PC) and depot operators. Previously, monthly reporting forms were completed manually. They are now generated automatically and transmitted electronically, thereby speeding up the reconciliation and payment process. As of March 31, 2018, three PCs and six depots report through the MIS, with four more depots scheduled to come online in 2018-19.



Image 2: Touch screen technology associated with the MIS makes it more efficient for depot staff

2.2.2. DROP AND GO

In Yellowknife and Hay River, the “Drop and Go” service allows customers to return their containers without waiting for staff to count them. Customers 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, a second email confirming the number and type of containers counted, and the cash amount credited to their account (Image 3). The customer can withdraw their funds at any time. The system also allows customers to donate their refund to a charity of their choice. By simply picking from a list of registered charities, the customer directs the system to credit the selected charity’s account. Both the customer and the charity are notified by email of the donation.

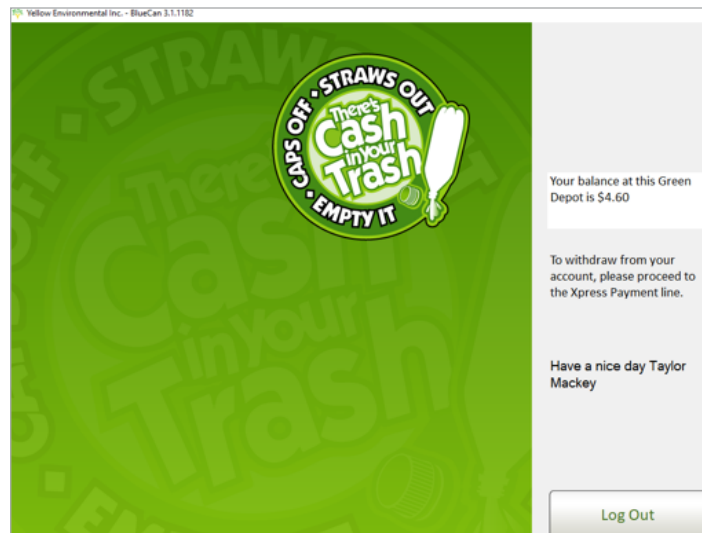


Image 3: Customers are able to view their balances from Drop and Go Accounts

2.2.3. QUALITY ASSURANCE PROCEDURES

The Quality Assurance Centre (QAC) in Hay River is an integral part of the MIS. Mechanized counting equipment generates automated electronic reports, allowing verification of container counts as received from depots (Image 4). Counting errors are tracked, compared and rectified. Depots are notified when improvements are necessary. Participating depots (representing over 90 percent of the total containers collected in the NWT) are now subject to verification.

Depots label each bag with a tag and barcode (Image 5). The tag identifies the number and type of containers in the bag, the date the bag was filled and the depot that filled it. The barcode on the label is scanned at the QAC prior to the verification count. The number of containers reported by the depot is compared to the number counted in the verification process, and any variation is noted. The MIS produces a report comparing the number of containers claimed on the bag and the actual number verified by the QAC count. Up to three percent error is acceptable, while anything above requires a recount. If the second count is still not within the allowable margin of error, the depot will be notified and steps will be taken to identify and resolve the problem.



Image 4: Staff operating the mechanized counting machine in Hay River



Image 5: Label attached to bags of containers at participating depots. Information on this tag is used to verify the counts.

2.3. Depots and Processing Centres

As of March 31, 2018, there were 25 locally operated recycling depots, five temporary satellite depots and three processing centres in the NWT. Three communities – Dettah, Kakisa and Kát'odeeche – use nearby depots. Satellite depots are operated by the program in cooperation with a regional processing centre. Figure 2 shows depots located in the NWT. Table 1 lists recycling depot operators. In 2017-18, processing centres and depots provided 13 full-time and 34 part-time jobs.

One depot licence was cancelled and two licences were issued in 2017-18.



Figure 2: Recycling Depots and Processing Centres

Table 1: Beverage Container Depots in the NWT

COMMUNITY	LICENCEE	STATUS
North Slave Region		
Behchok̄	FC Services	Local Operator
Detah	-	Use Yellowknife Depot
Gamèti	Gamèti Development Corp	Local Operator
Ndilo	-	Use Yellowknife Depot
Wekweèti	Tł̄chq̄ Community Government	Local Operator
Whati	James Company Ltd	Local Operator
Yellowknife	The Bottle Shop	Local Operator
South Slave Region		
Enterprise	Armella Mercredi	Local Operator
Fort Providence	-	Temporary Satellite Depot
Fort Resolution	Frank Lafferty	Local Operator
Fort Smith	RTL Recycling	Local Operator
Hay River	Tri R Recycling	Local Operator
Kakisa	-	Use Hay River Depot
Kát'odeeche	-	Use Hay River Depot
Łutselk'e	-	Temporary Satellite Depot
Deh Cho Region		
Fort Liard	-	Temporary Satellite Depot
Fort Simpson	Rowes Recycling	Local Operator
Jean Marie River	Dehcho Divisional Educational Council	Local Operator
Nahanni Butte	-	Temporary Satellite Depot
Sambaa K'e	Sambaa K'e Development Corporation	Local Operator
Wrigley	Chief Julian Yendo School	Local Operator
Sahtù Region		
Colville Lake	Sheena Snow	Local Operator
Délj̄ne	Délj̄ne Got'j̄ne Government	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 Gwichin Recycling Depot	Local Operator
Inuvik	Caps Off Recycling	Local Operator
Paulatuk	Hamlet of Paulatuk	Local Operator
Sachs Harbour	Hamlet of Sachs Harbour	Local Operator
Tsiigehtchic	Anna May MacLeod	Local Operator
Tuktoyaktuk	Tuktoyaktuk Community Corporation	Local Operator
Ulukhaktok	Rose Kuptana	Local Operator

Depots are operated by individuals, businesses, schools, non-profit groups, and Indigenous and community governments, as highlighted in Figure 3. 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.

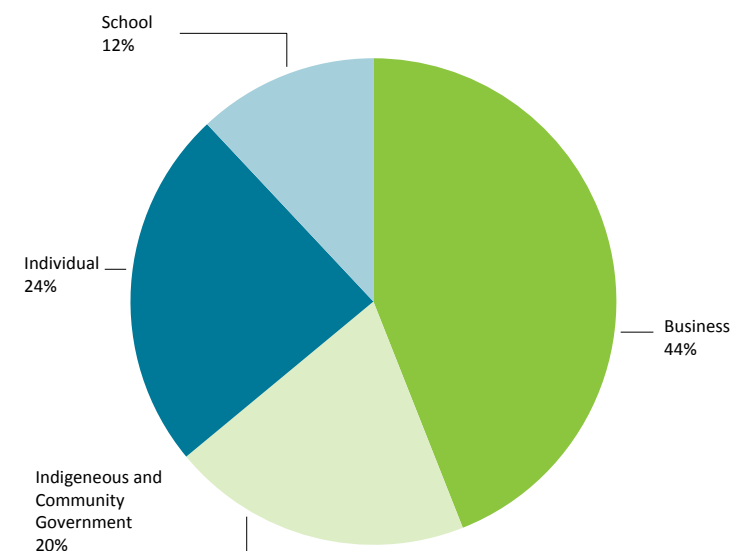


Figure 3: Depot Operators by Organization Type

2.4. Distributors

Thirty-three (33) beverage container distributors were registered with ENR as of March 31, 2018.

There were two new distributor registrations during 2017-2018. Distributors are required to report sales and remit container surcharges to ENR on a monthly basis.

2.5. Beverage Containers Distributed and Returned

Nearly 29 million beverage containers were distributed and nearly 24 million beverage containers returned in the NWT between April 1, 2017, and March 31, 2018 (see Table 2). Figures 4 and 5 illustrate the containers returned by material type.

Overall, the number of containers distributed in 2017-18 increased by over 37,400 from the previous year. The number of containers returned decreased by approximately 274,000 (as illustrated in Figure 1). The recovery rate for 2017-18 was 82.6 percent. NWT depots refunded nearly \$2.6 million in refundable deposits to NWT residents in 2017-2018. As of March 31, 2018, \$34.6 million in refundable deposits have been paid out to NWT residents since the program began in 2005.

By weight, the relative proportion of returned containers is illustrated in Figure 4, while Figure 5 shows the return rate for each container type.

Table 2: Beverage Container Recovery Rate

Container Material and/or Type			Total Distributed	Total Returned	Total Rate of Return	
Beverage Container Categories	≤ 1.0 Litre	100	Glass	1,592,127	1,541,985	96.9%
		101	Aluminum	14,479,581	12,218,361	84.4%
		102	Plastic	7,458,381	5,861,295	78.6%
		103	Tetra Pak and Gable Top	2,184,022	1,277,561	58.5%
		104	Bi-Metal	141,274	89,011	63.0%
		105	Drink Pouch	227,709	117,496	51.6%
		106	Refillable Glass Bottles	1,387,012	1,431,985	103.2%
	> 1.0 Litre	200	Glass	60,324	87,485	145.0%
		201	Aluminum	667	3,208 ¹	481.0%
		202	Plastic	1,034,256	962,301	93.0%
		203	Tetra Pak and Gable Top	348,507	295,907	84.9%
		204	Bi-Metal	5,633	3,521	62.5%
		205	Drink Pouch	1,251	1,545	123.5%
		206	Bag-in-a-Box	16,204	7,011	43.3%
Total			28,936,948	23,898,672	82.6%	

¹ High return rate associated with these materials is attributable to improper coding of containers received at depots. Relative to the large volume of containers processed by the BCP, this error does not have significant implications. Program staff are working with operators to rectify the matter.

2.6. 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.

2.6.1. REDUCTION OF GREENHOUSE GAS EMISSIONS

NWT residents diverted 1,303 tonnes of beverage containers from NWT landfills in 2017-18. The greenhouse gas emissions avoided by recycling these materials are equivalent to 2,514 tonnes of carbon dioxide, as estimated using the United States Environmental Protection Agency's Waste Reduction Model (WARM)² (see Table 3). This is equivalent to taking 531 cars off NWT roads in 2017-18³.

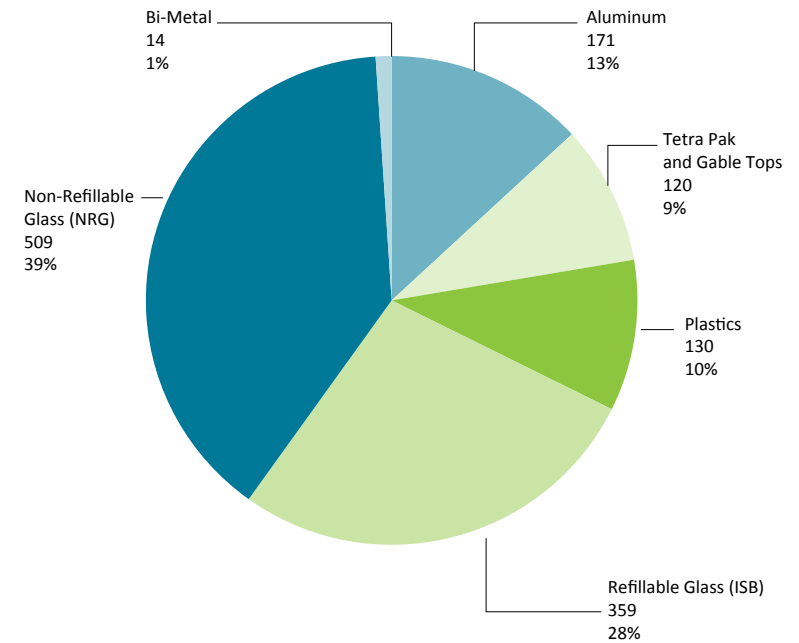


Figure 4: Relative Proportion of Beverage Containers Returned by Material Type (weight in tonnes, and by %)

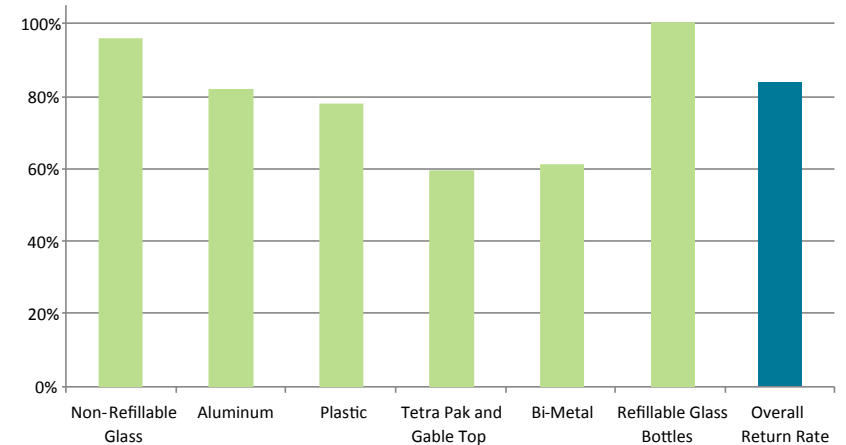


Figure 5: Beverage Container Return Rates by Material Type

² Based on United States Environmental Protection Agency Waste Reduction Model: <https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARMToolV14>

Assumptions:

- No landfill gas recovery at landfills
- Distance from Hay River to Hay River landfill is 8km, Inuvik to Inuvik landfill is 3 km and Yellowknife to Yellowknife landfill is 2km
- Tetra Pak and gable containers were estimated as if they were mixed recycling. No category in the WARM model accurately captures the multi-material packaging challenge of these container types.

³ Calculation of the number of cars off the road is: 4.73 tonnes CO₂e = 1 passenger vehicle off the road.

2.6.2. RECYCLING OF MATERIALS

Resources found in beverage containers are recycled into new beverage containers or used to create other products when recycled. This reduces the amount of virgin resources needed to produce goods.

Aluminum cans can be recycled back into cans instead of mining raw bauxite ore and refining it into new aluminum. 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 2017-18, 171 tonnes of aluminum were recycled in the NWT. This is the same amount of aluminum it would take to produce nearly 55 Twin Otter airplanes⁶. Since 2005, the program has diverted 2,386 tonnes of aluminum (enough for 764 Twin Otters) from NWT landfills. See Table 4 for information on the common products made from recycled beverage containers.

Table 3: Tonnage Recycled and Greenhouse Gas Emissions Savings for All Materials

Material	Tonnes of Material Recycled	MTCO ₂ e*
Aluminum	171	-1,620
Tetra Pak and Gable Top	120	-466
Plastics	130	-120
Refillable Glass (ISB) ⁴	359	-136
Non-Refillable Glass (NRG) ⁵	509	-105
Bi-Metal	14	-67
Total	1,303	-2,514

* MTCO₂e: metric tonnes of carbon dioxide equivalent

⁴ The MTCO₂e for refillable glass was calculated with avoided greenhouse gas estimates from Brewers Distributed Ltd, rather than WARM.






⁵ An estimated 94 tons (128 tonnes) of NRG was used locally in Hay River as clean fill at construction sites.

⁶ Empty weight of a DHC-6 Series 400 Twin Otter is 3.121 tonnes.

2.7. Enforcement

There were no convictions for offences under the *Waste Reduction and Recovery Act* in 2017-2018.

Table 4: Container Material and Recycling Uses

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. Some of the glass is crushed and used as clean fill on construction sites.
Plastic 	Primarily high density polyethylene (HDPE) (#2) and polyethylene terephthalate (PET) (#1) plastic used to make soft drink, juice, water, milk and liquor containers.	Plastic is baled and shipped to Alberta, where 80% by weight, is recycled into non-food containers.
Multi-material 	Includes aseptic containers (juice boxes and 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 U.S. 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.



3. 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 (SRBs). 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 expanded the program to include all NWT stores. All retailers in the NWT are required to register with the program, and charge customers 25 cents for every SRB distributed.

3.2. Distributors and Retailers

There were 29 registered distributors and 113 retailers as of March 31, 2018. During the 2017-18 fiscal year, no retailers cancelled their registrations.

3.3. Single-use Retail Bags Distributed

In 2017-18, distributors supplied NWT retail stores with 2,856,464 SRBs. This is equivalent to 64 bags per NWT resident⁷. There were 232,896 more bags distributed in 2017-18 compared to 2016-17. A total of \$714,116 was remitted to the Environment Fund through the SRBP.

Before the implementation of the program, ENR estimated residents used more than 9 million SRBs per year (equivalent to 208 SRBs per person, per year)⁸. NWT residents avoided using an estimated 6.4 million bags (approximately 144 bags per person) during 2017-18.

From January 15, 2010 to March 31, 2018, over 50 million SRBs have been kept out of NWT landfills and off the land, representing a 71 percent reduction in SRB use as a result of the program. Over the same period, ENR estimates the SRBP avoided the emission of approximately 408 metric tonnes of carbon dioxide equivalent emissions⁹. This is equivalent to taking approximately 86 vehicles off the road.

3.4. Enforcement

There were no convictions for offences under the *Single-use Retail Bag Regulations* in 2017-18.



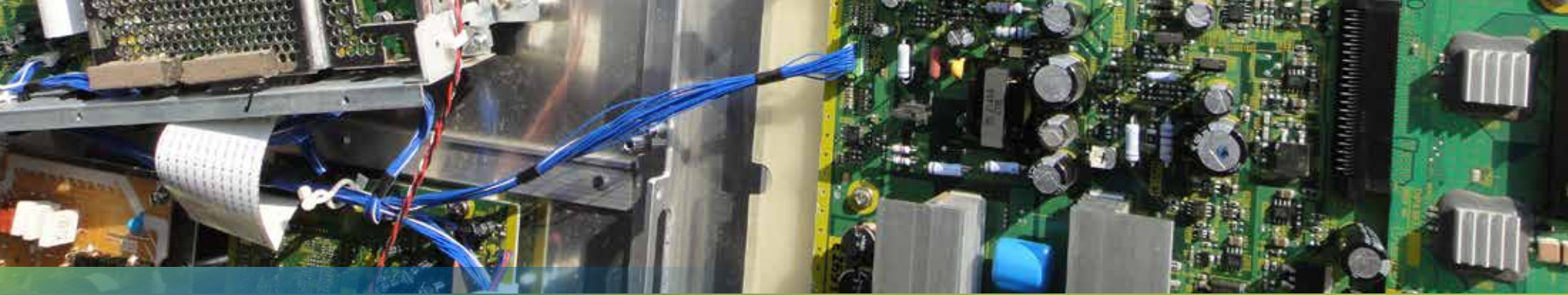
⁷ NWT population estimate for 2017-2018 of 44,942 (source: average of NWT Bureau of Statistics quarterly estimates).

⁸ Source: Resource Conservation Manitoba, 2009.

⁹ Calculations made using United States Environmental Protection Agency Waste Reduction Model: <https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARMToolV14>

Assumptions:

- 5g per bag x 50,500,959 bags = 252.2 tonnes (278 US short tons) of HDPE avoided (source reduction)



4. 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 helps keep these materials out of the natural environment.

Electronics also contain valuable materials such as aluminum, copper, and precious and rare metals, 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. Program Overview

The Electronics Recycling Program (ERP) was launched on February 1, 2016, as established by the *Electronics Recycling Regulations* (the Regulations) under the *Waste Reduction and Recovery Act*. The Regulations identify a list of electronic devices included in the program. These devices are collected at recycling depots and one-day collection events throughout the NWT. When distributed in the NWT, these devices are subject to an environmental handling fee, which are collected in the Environment Fund and cover the costs of running the ERP.

Image 6 provides an overview of categories of electronics included in the ERP. Environmental handling fees are applied to these electronics when they are purchased new and only these electronics are accepted at recycling depots and electronics collection events.

4.3. Operational Update

4.3.1. DEPOTS AND COLLECTION EVENTS

Ten communities in the NWT are licenced to accept electronics at their local depot (see Figure 2). For the majority of the remaining communities, electronics are collected through electronics collection events and satellite depots coordinated by ENR. Residents in these communities are invited to bring their electronics to a central location during these events. Collection events are not held in communities that have close access to Hay River and Yellowknife depots.

To increase efficiency and reduce costs associated with transportation and consolidation, networks in place for beverage containers are also being used for electronics. Electronics are transported from communities and consolidated at beverage container processing centres in Inuvik, Hay River and Yellowknife.

Electronics are prepared for shipping at these facilities and sent to a registered electronics recycling facility in Alberta that meets environmental health and safety standards.

You can now recycle these electronics:

Note: Before dropping off your computer for recycling, remove any personal information stored on it. If you are unsure of how to do this, contact your manufacturer for more information.

Laptop, Tablet and Notebook Computers	\$3.00
Computers and Servers	\$10.50
Printers, Copiers, Scanners and Fax Machines	
Desktop	\$8.00
Floor standing	\$40.00
TVs and Monitors	
Less than 30 inches	\$12.25
30 - 45 inches	\$24.50
Greater than 45 inches	\$40.00

When you purchase new electronics these environmental fees will be charged to cover the cost of recycling. There is no refund for recycling your electronics.

Northwest Territories | www.rethinkitnwt.ca | rethinkit

Image 6: List of electronics included in the ERP and Fees Environmental Handling

4.3.2. BATTERY RECYCLING

Through a partnership with Call2Recycle, an industry-run battery recycling program, batteries are also accepted for recycling at electronics depots and collection events. Batteries accepted include single-use alkaline batteries, rechargeable batteries (e.g., batteries from power tools) and cell phones. Automotive batteries are not accepted. Since the launch of electronics recycling program, the NWT has shipped 1.6 tonnes of batteries to Call2Recycle for recycling.

4.3.3. ELECTRONICS DISTRIBUTORS

On March 31, 2018, there were 145 electronics distributors registered under the ERP. About 25 of these distributors have retail stores in the NWT and the rest are businesses outside the NWT that import electronics into the NWT. Most NWT retailers are Pay on Purchase Distributors (POPs), meaning they collect the environmental fee from their customers and pay it to ERP registered distributors who remit on their behalf. Of the 145 registered distributors, 25 are POPs and 120 are Remitters (Remitters pay the fees they collect from their customers directly to the GNWT). See Figure 6.

4.4. Electronics Collection Results

The success of electronics recycling programs across Canada are measured through a variety of performance indicators, the most common of which is total weight of electronics collected from year to year. All existing Canadian programs also break down this total annual weight into a per capita (per person) measure, which allows for comparison between jurisdictions and communities of different sizes.

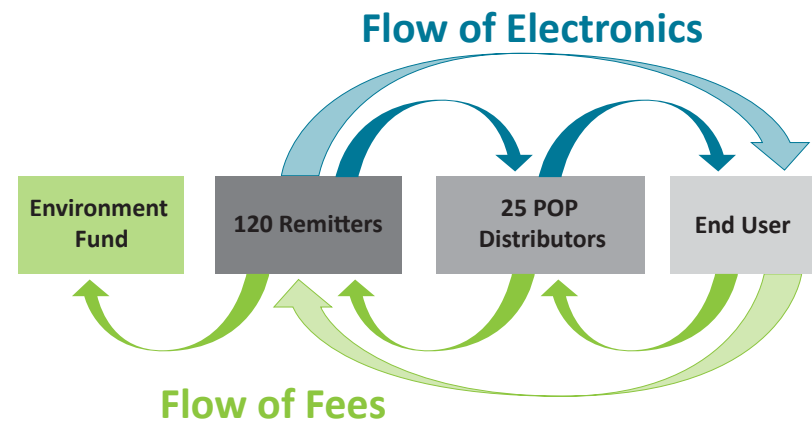


Figure 6: Flow of ERP Environmental Handling Fees and Electronics in the NWT

4.4.1. QUANTITY OF ELECTRONICS COLLECTED

A total of 199.2 tonnes of electronics were collected since the launch of the ERP (February 1, 2016) to March 31, 2018. It is estimated that 86.4 tonnes of this were collected in the 2017-18 fiscal year. A breakdown is provided in Table 5. On average, 1.9 kilograms of electronics were recycled per person in 2017-18.

4.5. Program Costs

Program costs for 2017-18 were \$166,146, while revenues were \$250,531 (a surplus of \$84,385). Not included in the program costs was the cost of transporting electronics in mixed loads with empty beverage containers to NWT processing centres, which was included in the transportation costs to the Beverage Container Program. Administration costs for ENR staff wages were also not attributed to the Program, but rather to all programs under the Environment Fund.

Table 5: Electronics Collected in the 2017/18 Fiscal Year¹⁰

Processing Centre Region	Electronics Collected (tonnes)	Population of Region	Average Kilograms Collected per Person
Yellowknife (includes recycling depots in Yellowknife, Behchokò and collection events)	57.0	24,454	2.2
Hay River (includes recycling depots in Hay River, Norman Wells, Fort Providence, Fort Simpson, Fort Smith and collection events)	23.9	12,331	1.9
Inuvik (includes recycling depots in Inuvik, Fort McPherson, Tuktoyaktuk and collection events)	5.5	6,684	0.8
TOTAL	86.4	44,469	1.9

¹⁰Estimates in this table have been made using the following calculations and assumptions:

- Weights were divided by population.
- NWT Bureau of Statistics population data were used to estimate electronics collected per capita.



5. WASTE REDUCTION AND RECYCLING INITIATIVE

Each year, the WRRRI provides financial assistance to NWT municipalities, schools, organizations, businesses and individuals for waste reduction and recycling projects. A total of \$150,000 is available on an annual basis, of which no more than \$50,000 can be allocated to one project. Funding for the WRRRI 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
- Recovering a useful benefit from waste

Priority materials for WRRRI 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.

The deadline for applications was April 11, 2017. Advertising for 2017-18 took place in March and April 2017 and included print, radio and online advertisements, as well as direct e-mails to community governments throughout the NWT.



In 2017-18, 11 projects across the NWT were selected to receive a cumulative total of \$140,131. However, one applicant subsequently withdrew their application, and two applicants required an extension to complete their project in the 2018-19 fiscal year. Two projects approved in 2016-17 were completed in 2017-18.

Completed initiatives included:

- A Sustainable Event Checklist/Guide developed by Ecology North
- Promotion of waste reduction and composting through the Yellowknife Farmer's Market, including composting of 86% of waste generated at the market
- A compost project by the Hamlet of Tulita that diverted approximately 700 lbs of organic and paper waste, and involved compost training workshops
- Portable indoor/outdoor recycling and compost stations to reduce waste at City of Yellowknife events
- More than 180 tonnes of scrap metal, including depolluted derelict vehicles and white goods, from Jean Marie River First Nation
- More than 22 tonnes of hazardous waste removed from Łutselk'e
- A cardboard shredder that enabled the Northern Farm Training Institute to divert 36m³ of cardboard from the K'atl'odeeche First Nation and the Hay River Super A store, and will enable them to divert 200m³ of cardboard annually from the Hay River landfill

- A recycling and compost education and assistance program in Smbaa K'e
- Removal of hazardous materials and scrap metal from Yellowknives Dene First Nation lands
- A project by the Ka'a'gee Tu First Nation to divert waste from the Kakisa landfill through in-vessel composting and recycling, and to build a network for regional collaboration on waste issues

2016-17 projects completed in 2017-18 included the removal of approximately 40 tonnes of hazardous waste from Paulatuk, and an expansion to the Habitat for Humanity Re-Store at the Yellowknife Solid Waste Facility.

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



6. 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*. The 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 (MACA), the public at large and ENR staff (Table 6). WRRAC met twice in 2017-18.

Table 6: Waste Reduction and Recovery Advisory Committee Members as of March 31, 2018

Name	Sector	Organization	Community
Dawn Tremblay	Environmental NGO	Ecology North	Yellowknife
Andrew Robinson	Public at Large	—	Yellowknife
Olivia Lee	Municipal and Community Affairs (MACA)	MACA	Yellowknife
Shelagh Kerr	Industry representative for electronics manufacturers	Electronic Product Stewardship Canada	Toronto
Michael Auge	Community Government	City of Yellowknife	Yellowknife
Peter Houweling	Waste Hauler	Kavanaugh Bros. Ltd.	Yellowknife
Sara Brown	NWT communities	NWT Association of Communities	Yellowknife
Henry Kruse	Waste Haulers, Processors and Recyclers	Precision North Recycling Ltd., and HCH Trucking	Yellowknife



7. NWT WASTE RESOURCE MANAGEMENT STRATEGY

The Departments of ENR and MACA are co-developing a Waste Resource Management Strategy (Strategy) to serve as a 10-year road map to improving waste management throughout the territory. Waste, and how we deal with it, can impact the quality of our land, air and water, as well as the health of wildlife, plants, ecosystems and people living in the NWT. Shifting the way we see waste from something to be buried in the ground to a valuable resource can help protect our environment and enhance our economy.

Across Canada, municipal waste generation rates have been steadily increasing. Canadians divert just less than 27 percent of the 961 kg of waste per capita generated per year, disposing approximately 706 kg per capita, per year. In 2014, an estimated 41,513 tonnes of waste, or 946 kg per person per year, was disposed of in NWT landfills¹¹ from the residential and non-residential sectors. Nova Scotia disposed the least amount of waste in Canada at 386 kg per capita per year¹², almost 2.5 times less than the NWT.

An integrated approach to managing waste is needed (Figure 7). There is an opportunity to focus on prevention and reduction of waste, followed by reusing, recycling and recovering before 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.

¹¹Estimated based on data from the Study of NWT Waste Management Systems, Golder Associates. 2016.

¹²Statistics Canada (2016). Disposal and diversion of waste, by province and territory for 2014. <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/envir32b-eng.htm>



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, 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 has worked collaboratively with other government departments, regulatory agencies, industry and Indigenous and community governments to explore ways to improve waste management in all communities. Staff hosted engagement meeting in all regions in January and February 2018. A Waste Resource Advisory Panel (WRAP), which includes staff from a cross-section of NWT communities and a representative from the NWT Association of Communities, has been established to help guide the development and eventual implementation of the Strategy. The WRRAC has also been instrumental in this process. The Strategy is expected to be complete in spring 2019.

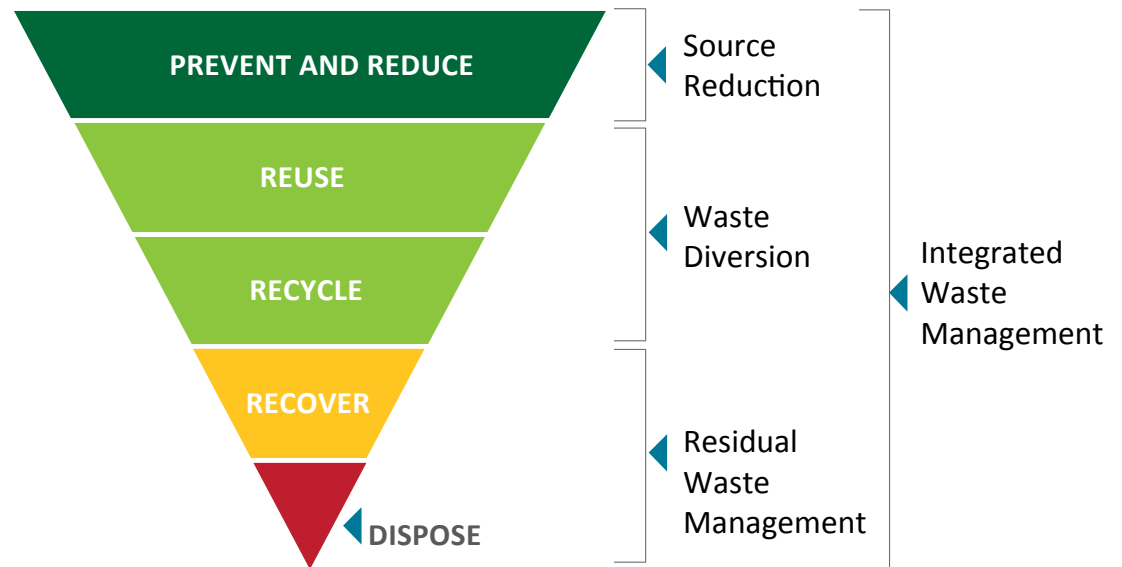


Figure 7: Waste Management Hierarchy



8. 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
Environmental Protection and
Waste Management Division
Department of Environment and Natural Resources
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT X1A 2L9

Phone: (867) 767-9236 ext. 53176

Fax: (867) 873-0221

Email: rethinkitnwt@gov.nt.ca

Website: www.rethinkitnwt.ca



9. APPENDIX A: AUDITED FINANCIAL STATEMENTS

ENVIRONMENT FUND
FINANCIAL STATEMENTS
For the year ending March 31, 2018

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Fund Balances	3
Notes to the Financial Statements	4 - 9
Schedule of Beverage Container Program	10
Schedule of Electronics Recycling Program	11
Schedule of Other Programs and Initiatives	12

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Management is responsible with the reliability, integrity and objectivity of the data in the accompanying financial statement which was 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 the integrity for financial reporting, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, 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.

Avery Cooper & Co. Ltd., Chartered Professional Accountants provides an independent, objective audit for the purpose of expressing an opinion on the financial statement. 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.



Dennis Marchiori, Director, Corporate Services,
Department of Environment and Natural Resources

June 18, 2018

100, 5th Street, Yellowknife, NT X1A 2P2 | Tel: (867) 873-2353 | Fax: (867) 873-2353

INDEPENDENT AUDITOR'S REPORT

To the Minister of
the Environmental Fund - 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, 2018, 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.

Auditor's 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 auditor's 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 auditor considers 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.

Basis for Qualified Opinion

The Environment Fund relies on reports prepared by distributors, processing centres, and depots for the recording of the beverage container program revenues, deposit handling fees, and refundable deposits. The reports provided by the distributors, processing centres, and depots are not independently verified, and consequently, the review of the review of the accounts related these reports is limited to the amounts indicated in the reports. As a result, there's inability to determine if adjustments are required to the recorded revenues, expenditures, accounts receivable, accounts payable or fund balances.

Wages and benefits paid to the employees of the Fund are administered by the Government of Northwest Territories and are audited as part of the Government of Northwest Territories audit. There was limited scope as the components of wages and benefit expenses and related balances were not audited. Accordingly, the auditor was unable to determine whether any adjustments were required/necessary to wages and benefits expenses, liabilities and fund balances.



INDEPENDENT AUDITOR'S REPORT, continued

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Environment Fund as at March 31, 2018, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Other Matter

The financial statements of The Environment Fund for the year ended March 31, 2017 were audited by another auditor who expressed a qualified opinion similar to matters described in the Basis for Qualified Opinion paragraph above, on those statements on July 6, 2017.

Avery Cooper & Co. L.P.C.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 18, 2018

THE ENVIRONMENT FUND

STATEMENT OF FINANCIAL POSITION

March 31, 2018

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT		
Due from Treasury (note 3)	\$ 3,941,955	\$ 2,780,578
Accounts receivable (note 4)	931,419	984,151
Loans receivable (note 5)	<u>22,500</u>	<u>22,500</u>
	<u>\$ 4,895,874</u>	<u>\$ 3,787,229</u>


LIABILITIES


CURRENT		
Accounts payable and accrued liabilities	\$ 275,976	\$ 389,438
Unredeemed container liability (note 6)	<u>729,858</u>	<u>840,821</u>
	<u>1,005,834</u>	<u>1,230,259</u>

FUND BALANCES

UNRESTRICTED per page 3	3,360,347	2,039,194
EQUIPMENT REPLACEMENT RESERVE per page 3	<u>529,693</u>	<u>517,776</u>
	<u>3,890,040</u>	<u>2,556,970</u>
	<u>\$ 4,895,874</u>	<u>\$ 3,787,229</u>

Approved:


Deputy Minister
05 July 2018


Director, Corporate Services

See accompanying notes and schedules

THE ENVIRONMENT FUND

STATEMENT OF OPERATIONS
For the year ended March 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Beverage Container Program - Schedule 1	\$ 5,736,681	\$ 5,800,724
Electronics Recycling Program - Schedule 2	250,531	153,654
Other Programs and Initiatives - Schedule 3	<u>722,411</u>	<u>680,996</u>
	<u>6,709,623</u>	<u>6,635,374</u>
EXPENSES		
Beverage Container Program - Schedule 1	4,653,309	5,027,690
Electronics Recycling Program - Schedule 2	166,146	171,142
Other Programs and Initiatives - Schedule 3	<u>557,098</u>	<u>976,105</u>
	<u>5,376,553</u>	<u>6,174,937</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u><u>1,333,070</u></u>	\$ <u><u>460,437</u></u>

See accompanying notes and schedules

THE ENVIRONMENT FUND

STATEMENT OF CHANGES IN FUND BALANCES
For the year ended March 31, 2018

	<u>Unrestricted</u>	<u>Equipment replacement reserve</u>	<u>Total 2018</u>	<u>Total 2017</u>
BALANCE, opening	\$ 2,039,194	\$ 517,776	\$ 2,556,970	\$ 2,096,533
Excess of revenues over expenses per page 2	1,333,070	-	1,333,070	460,437
Transfers (Note 2c)	<u>(11,917)</u>	<u>11,917</u>	<u>-</u>	<u>-</u>
BALANCE, closing	\$ <u><u>3,360,347</u></u>	\$ <u><u>529,693</u></u>	\$ <u><u>3,890,040</u></u>	\$ <u><u>2,556,970</u></u>

See accompanying notes and schedules

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

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; and
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste.

There are three programs that operate under the Environment Fund. The first program, the Beverage Container Program was implemented on November 1, 2005. The second program is the Single-use Retail Bag Program established on January 15, 2010. The Electronics Recycling Program became the third program and was implemented on February 1, 2016. Administration of the three programs rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(a) Revenue Recognition

- Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue are recognized when beverage containers, single-use retail bags or electronics are distributed or sold in the Northwest Territories. Recoveries are recognized when funds are received. Salvage revenue from recycled materials are recognized when cash is received from the sale of aluminum and plastic.
- 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.

(b) Tangible 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.

The Equipment Replacement Reserve is equal to 1/10th of the cost of capital equipment including capital equipment purchased with start-up funds. In 2018; \$11,917 (2017 - \$11,917) has been reserved for future replacements of capital equipment. The 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 account of the Environment Fund. The costs associated with the administering and maintaining the accounts are not reflected in these statements as they are reported on 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 the consolidated financial statements of the Government of the Northwest Territories.

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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) 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(h) 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

3. DUE FROM TREASURY

The Fund is a special purpose fund as defined in *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 the 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.

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

4. ACCOUNTS RECEIVABLE

	2018	2017
Accounts receivable	\$ 751,945	\$ 733,626
Due from GNWT - ENR	-	76,603
Due from NWT Liquor Commission	<u>179,474</u>	<u>173,922</u>
	<u>\$ 931,419</u>	<u>\$ 984,151</u>

5. LOANS RECEIVABLE

The Fund loaned one bottle depot operator funds to be used to pay persons returning empty beverage containers to the depots. The outstanding loan is non-interest bearing loan with an amount currently outstanding of \$22,500. It is repayable in monthly installments of \$535.71 starting May 1, 2018 with the final payment due on November 1, 2021.

	2018	2017
	\$ -	\$ 22,500
Due in 2019	5,893	-
Due in 2020	6,429	-
Due in 2021	6,429	-
Due in 2022	<u>3,749</u>	<u>-</u>
Total note receivable	<u>\$ 22,500</u>	<u>\$ 22,500</u>

6. 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.

7. EXPENSE ALLOCATION

Wages and benefits for all programs and initiatives have been reported on Schedule 3 - Other Programs and Initiatives.

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

8. 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).

9. 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.

(a) Credit Risk

The Fund does have credit risk in accounts receivable of \$931,419 (2017 - \$984,151). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Accounts receivable are due from participating distributors of the Beverage Container Program, the Single-use Retail Bag Program and the Electronics Recycling Program. 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.

(b) Concentrations of Credit Risk

The Fund does have concentrations of credit risk. Concentrations of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterpart that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2018, receivables from four (2017 - three) customers comprised 52% (2017 - 50%) of the total outstanding accounts receivables. The Fund reduces the risk by monitoring overdue balances.

10. CONTINGENT LIABILITIES

There is one outstanding claim that is pending against the Fund. The likelihood or amount, if any, cannot be reasonably determined and as such no liability has been accrued in these financial statements.

THE ENVIRONMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

11. OVERALL REVENUE AND EXPENSE DETAIL

	<u>2018</u>	<u>2017</u>
REVENUES		
Fees	\$ 6,353,885	\$ 6,277,992
Salvage	305,694	272,029
Interest	40,491	37,135
Recoveries	<u>9,553</u>	<u>48,218</u>
Total Revenues	<u>6,709,623</u>	<u>6,635,374</u>
EXPENSES		
Advertising	26,541	32,961
Contract service -satellite depot	109,303	116,240
Equipment, supplies and maintenance	124,598	141,834
Freight	345,942	354,516
Grants and contributions	84,886	173,451
Handling fees	3,970,993	4,280,572
Insurance	12,233	12,106
Office and software	84,628	16,806
Professional fees	82,980	73,402
Storage	19,350	66,101
Travel and training	54,834	47,586
Wages	<u>460,265</u>	<u>859,362</u>
Total Expenses	<u>5,376,553</u>	<u>6,174,937</u>
Excess of revenues over expenditures	\$ <u>1,333,070</u>	\$ <u>460,436</u>

Please note: There was a large decrease in wages and benefits in 2017-18 because the Department of Environment and Natural Resources allocated funds to directly pay a significant portion of the payroll for the Fund.

12. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

THE ENVIRONMENT FUND

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

SCHEDULE OF BEVERAGE CONTAINER PROGRAM

Schedule 1

	<u>2018</u>	<u>2017</u>
REVENUE		
Beverage Container Program Fees	\$ 5,389,988	\$ 5,491,235
Salvage	305,694	272,029
Interest revenue	40,491	37,135
Recoveries	<u>508</u>	<u>325</u>
	<u>5,736,681</u>	<u>5,800,724</u>
EXPENSES		
Advertising and promotion	5,724	9,878
Contract service - satellite depot	105,603	116,240
Depot handling fees	920,264	886,557
Equipment, supplies and maintenance	123,030	141,536
Freight	317,640	339,640
Grants and contributions	81,825	90,321
Insurance	12,233	12,106
Office and software	70,618	15,564
Processing centre handling fees	544,412	575,377
Quality control fees	9,019	38,500
Refundable deposit fees	2,418,136	2,695,070
Storage	16,950	62,001
Travel and training	<u>27,855</u>	<u>44,900</u>
	<u>4,653,309</u>	<u>5,027,690</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>1,083,372</u>	\$ <u>773,034</u>

THE ENVIRONMENT FUND

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

SCHEDULE OF ELECTRONICS RECYCLING PROGRAM

Schedule 2

	<u>2018</u>	<u>2017</u>
REVENUE		
Electronics Recycling Program Fees	\$ 249,781	\$ 130,865
Recoveries	<u>750</u>	<u>22,789</u>
	<u>250,531</u>	<u>153,654</u>
EXPENSES		
Advertising and promotion	-	11,841
Contract service - satellite depot	3,700	-
Depot, processing centre and recycling fees	79,163	85,069
Equipment, supplies and maintenance	1,568	298
Freight	28,302	14,876
Office	80	104
Professional fees	38,328	53,003
Storage	2,400	4,100
Travel and training	<u>12,606</u>	<u>1,851</u>
	<u>166,146</u>	<u>171,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>84,385</u>	\$ <u>(17,488)</u>

THE ENVIRONMENT FUND

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

SCHEDULE OF OTHER PROGRAMS AND INITIATIVES

Schedule 3

	<u>2018</u>	<u>2017</u>
REVENUES		
Single-use Retail Bag Program Fees	\$ 714,116	\$ 655,891
Recoveries	8,295	25,105
	<u>722,411</u>	<u>680,996</u>
EXPENSES		
Advertising and promotion	20,817	11,241
Grants and contributions	3,061	83,130
Office	13,930	1,138
Professional fees	44,652	20,399
Travel and training	14,373	835
Wages and benefits	460,265	859,362
	<u>557,098</u>	<u>976,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>165,313</u>	\$ <u>(295,109)</u>

