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Waste Reduction and Recovery Program

2016-2017 Annual Report





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1. HIGHLIGHTS

The Waste Reduction and Recovery Program was very successful in 2016-2017. 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:

- More than 24 million beverage containers were returned for recycling or reuse in 2016-2017. This is equivalent to 544 containers returned per resident over the year. On average, more than 66,000 beverage containers were returned for recycling or reuse in the NWT each day.
- An estimated 6.6 million single-use retail bags were kept off the land and out of landfills.
- More than 112.8 tonnes of electronics were collected under the Electronics Recycling Program between its launch on February 1, 2016 and the end of March 2017.
- The Waste Reduction and Recycling Initiative provided funding to eight 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 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.

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

*Non-refundable




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Image 1: Beverage Container Refundable Deposits and Container Recycling Fees

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 local community 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.

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 insurance, equipment supplies and maintenance, and staff wages and benefits; and
- improvements to the existing program.

The total number of containers returned over the life of the program has surpassed 288 million. This amounts to more than \$32 million refunded to NWT residents. Figure 1 illustrates the beverage container return trends over the past 11 years.

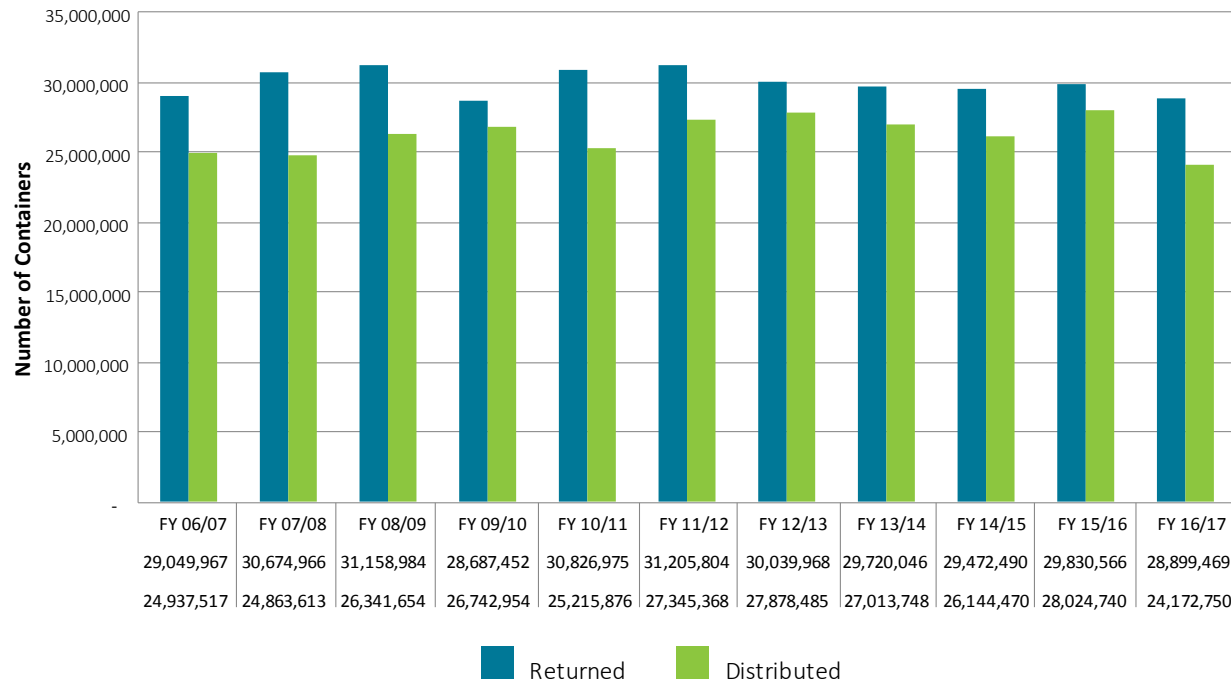


Figure 1 Beverage Container Recovery Rates 2006 - 2017

2.2. Operational Update

2.2.1. MANAGEMENT INFORMATION SYSTEM

Introduced in 2015, the Management Information System (MIS) delivers 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 has also enabled the development and implementation of a quality assurance program, which has resulted in significant improvements to 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. Currently the three PCs and eight depots report through the MIS, with four more depots scheduled to come online in 2017-2018.

2.2.2 DROP AND GO

The Yellowknife and Hay River depots offer “Drop and Go” services that allow 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, and a second email confirming the number and type of containers counted and the cash amount credited to their account (Image 3). The customer can leave the money in their account and watch it grow as they return more containers, or withdraw their funds at any time.



Image 2: Touch screen technology associated with the MIS makes it more efficient and quicker for depot staff to process returns

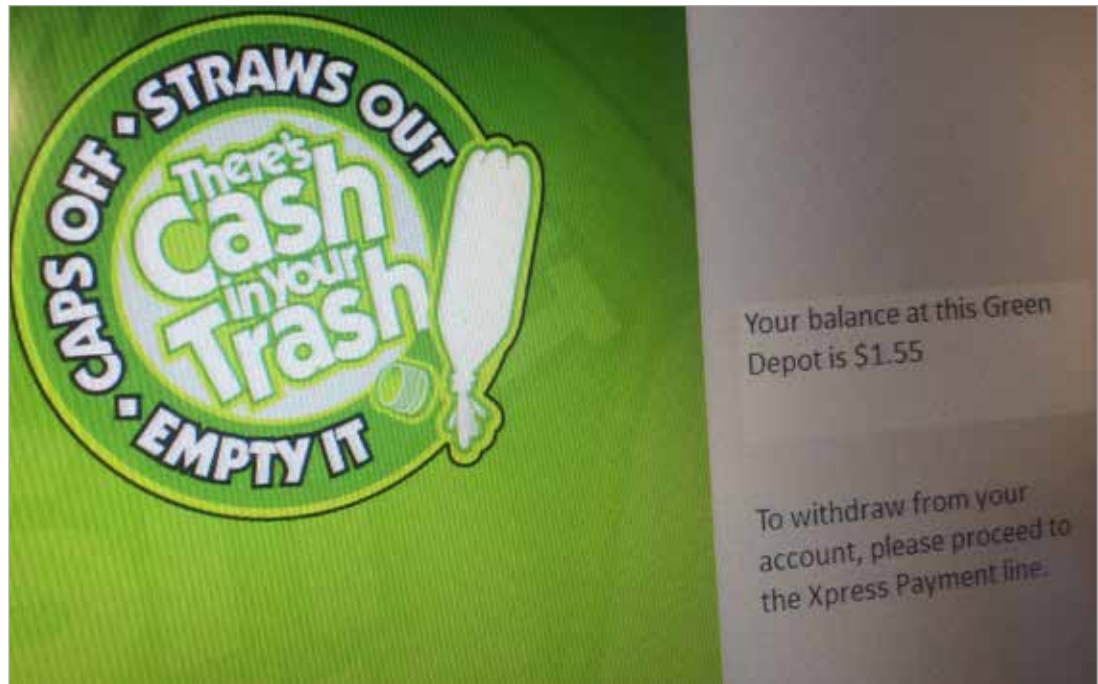


Image 3: Customers are able to view their balances from Drop and Go

2.2.3. QUALITY ASSURANCE PROCEDURES

A Quality Assurance Centre (QAC), established in Hay River, is an integral part of the MIS. Mechanized counting equipment generates automated electronic reports in the MIS, allowing verification of container counts as received from depots. Counting errors are tracked, compared and rectified. Depots are notified when improvements are necessary.

Participating depots label each bag with a tag and barcode (Image 4). 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; 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 issues and improve reporting.



Image 4: Example of a beverage container bag label used at participating depots to verify counts

2.3. Depots and Processing Centres

As of March 31, 2017, there were 24 locally operated beverage container depots, five temporary satellite depots and three processing centres in the NWT. Four communities – Dettah, Kakisa, Kát'odeeche and Tsiigehtchic – use nearby depots in other communities. 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 beverage container depot operators.

In November 2016, new depot and processing centre licences were issued to a new operator in Inuvik after the previous operator surrendered their licences.

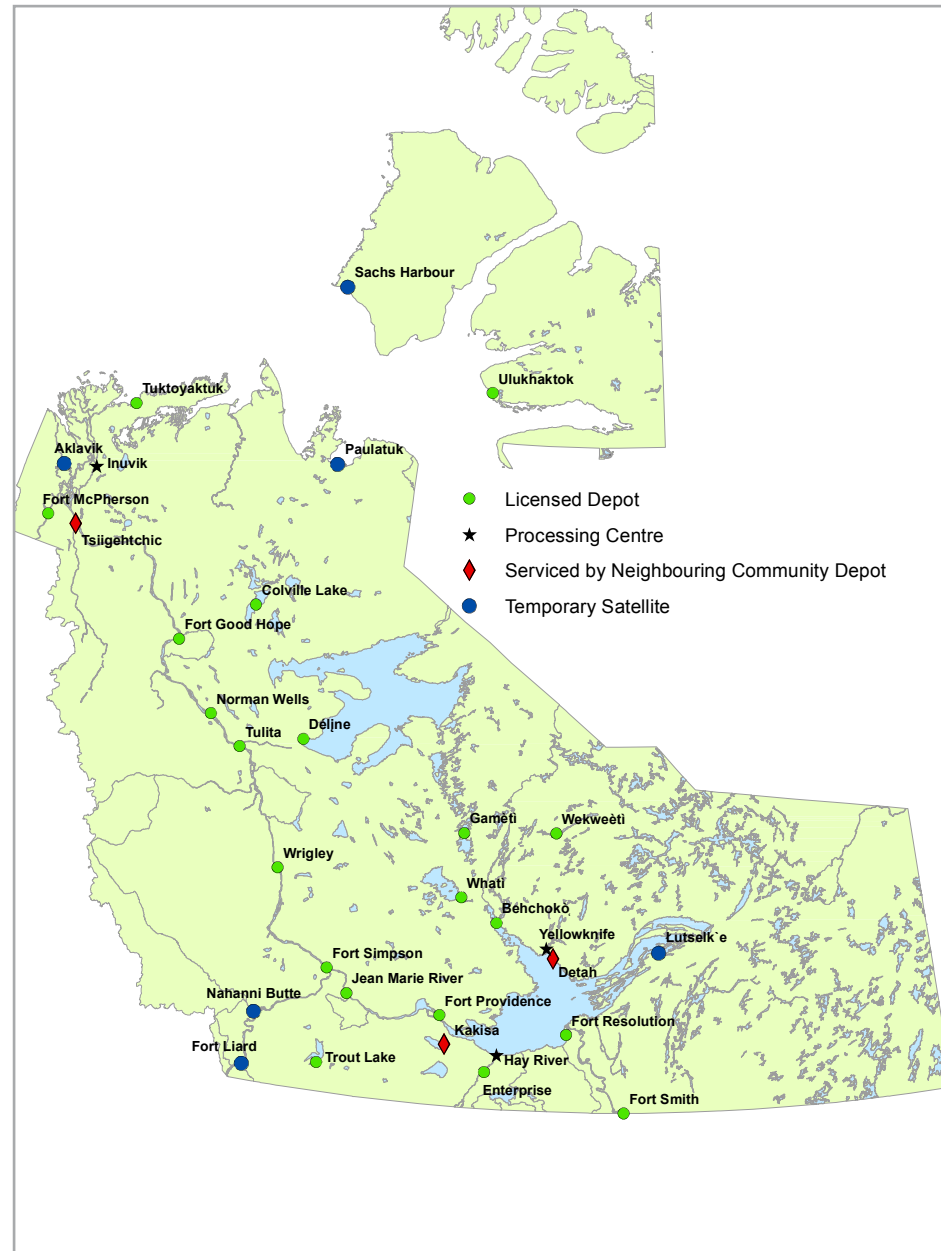


Figure 2: Depots and Processing Centres in the NWT

COMMUNITY	LICENCEE	STATUS
North Slave Region		
Behchokò	FC Services	Local Operator
Detah	-	Use Yellowknife Depot
Gamètì	Gamètì Development Corp	Local Operator
Wekweètì	Tłjchq Community Government	Local Operator
Whati	Alex's Confectionery	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
Kát'odeeche	-	Hay River Depot
Kakisa	-	Hay River Depot
Łutselk'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 Educational Council	Local Operator
Nahanni Butte	-	Temporary Satellite Depot
Trout Lake	Sambaa K'e Development Corp'	Local Operator
Wrigley	Chief Julian Yendo School	Local Operator
Sahtù Region		
Colville Lake	Sheena Snow	Local Operator
Déłtne	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 Gwichin Recycling Depot	Local Operator
Inuvik (Nov.1, 2016)	Caps Off Recycling	Local Operator
Paulatuk	Hamlet of Paulatuk	Local Operator
Sachs Harbour	Hamlet of Sachs Harbour	Local Operator
Tsiigehtchic	-	Inuvik or Fort McPherson Depots
Tuktoyaktuk	Tuktoyaktuk Community Corp	Local Operator
Uluhaktok	Rose Kuptana	Local Operator

Table 1: BCP Depots in the NWT

Depots are operated by individuals, businesses, schools, non-profit groups, and Aboriginal 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.

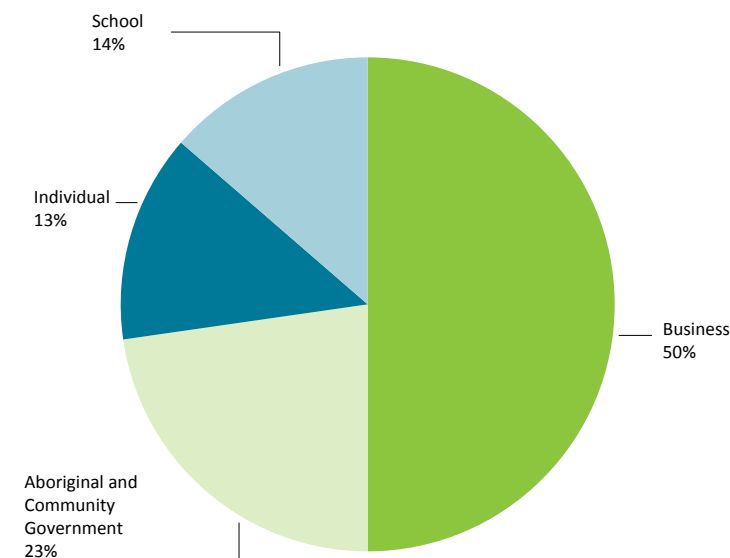


Figure 3: Depot Operators by Organization Type in the NWT

2.4. Depot Profile – Caps Off Recycling

In November 2016, Calvin Elias took over operation of the Inuvik processing centre/depot (PCD) from Wrangling River Supply (WRS) Ltd. Prior to taking over the PCD, Calvin worked for WRS for a few months to learn the ropes before forming his own recycling company, Caps Off Recycling. Having spent many years working in the oil and gas industry, “I knew I wanted to get into a more environmentally friendly line of work,” Calvin told program staff, as he loaded a truck with aluminum destined to be recycled in the U.S.

When the opportunity arose to take over the Inuvik PCD, Calvin submitted an application to the Department of Environment and Natural Resources (ENR).

Born and raised in Inuvik, Calvin completed his education in Calgary and worked as a career and employment counsellor before going into the oil and gas sector. Both of his full-time employees, Rex Teddy and Bobby Ross, were also born and raised in Inuvik.

As with any new business, there were a few challenges and hurdles to overcome at start-up. By working closely with program staff and getting advice and assistance from Adam Pich, who runs the Yellowknife PC, Calvin was soon up and running, providing recycling services to the Inuvik region. Since November 2016, the Inuvik PCD has:

- collected and processed over 1.3 million beverage containers;
- shipped 10,000 lbs of e-waste to be recycled; and
- paid \$107,000 to Inuvik residents in refundable deposits.



Image 5: The crew at the Inuvik Processing Centre, from left to right: Rex Teddy, Calvin Elias and Bobby Ross

Calvin employs two full-time staff and part-time staff as business demands. Calvin's work also includes running a satellite depot in Aklavik. He travels to Aklavik on the 90 km ice road in the winter or by boat in the summer, proving that you have to be willing to improvise, as conditions dictate, to run a successful recycling business in the north.

Calvin recalls feeling a little hesitant about starting a new business back in November 2016. Now, after a few months operating the PC, he feels he made the right decision.



Image 6: Calvin with some of the 25,360 lbs of aluminum collected, processed and baled in Inuvik between November 2016 and March 2017

2.5. Distributors

Thirty-one (31) beverage container distributors were registered with ENR as of March 31, 2017.

There were no new or cancelled distributor registrations during 2016-2017. Distributors are required to report sales and remit container surcharges to ENR on a monthly basis.

2.6. Beverage Containers Distributed and Returned

Nearly 29 million beverage containers were distributed and more than 24 million beverage containers returned in the NWT between April 1, 2016 and March 31, 2017 (see Table 2). Table 3 shows the number of containers returned by region.

Overall, the number of containers distributed in 2016-2017 decreased by 931,000 from the previous year. This is due to regular market fluctuations in purchasing. The number of containers returned decreased by approximately 3.9 million (as illustrated in Figure 1). The recovery rate for 2016-2017 was 83.6 percent. NWT depots refunded \$2.7 million in refundable deposits to NWT residents in 2016-2017. As of March 31, 2017, more than \$32.3 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.

Container Material and/or Type		Total Distributed	Total Returned	Total Rate of Return
100	Glass	1,609,452	1,545,027	96.0%
101	Aluminum	14,645,766	12,321,551	84.1%
102	Plastic	7,146,967	5,870,593	82.1%
103	Tetra Pak and Gable Top	2,297,212	1,345,325	58.6%
104	Bi-Metal	117,294	76,145	64.9%
105	Drink Pouch	137,460	98,152	71.4%
106	Refillable Glass Bottles	1,429,388	1,454,441	101.8%
200	Glass	62,705	138,886	221.5%
201	Aluminum	473	3,685	779.1%
202	Plastic	1,055,196	1,002,597	95.0%
203	Tetra Pak and Gable Top	365,306	303,802	83.2%
204	Bi-Metal	7,452	3,614	48.5%
205	Drink Pouch	6,938	1,522	21.9%
206	Bag-in-a-Box	17,860	7,410	41.5%
Total		28,899,469	24,172,750	83.6%

Table 2: Beverage Container Recovery Rate

Region	North Slave	South Slave	Deh Cho	Sahtu	Inuvik
% of NWT Containers Collected	55%	19%	5%	3%	17%
% of NWT Population	55%	16%	8%	6%	15%

Table 3: Beverage Containers Returned by Region¹

¹ Based on 2016 population estimates from the NWT Bureau of Statistics

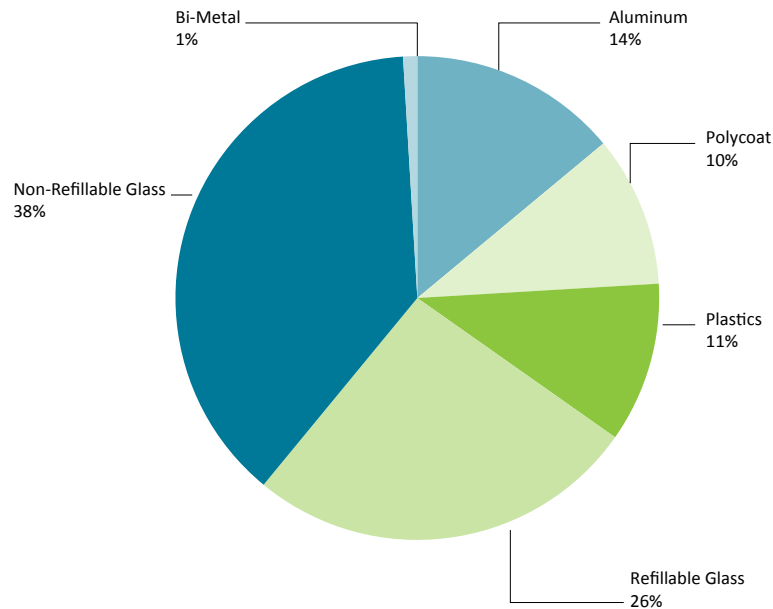


Figure 4: Beverage Containers Returned by Material Type (by weight) in the NWT

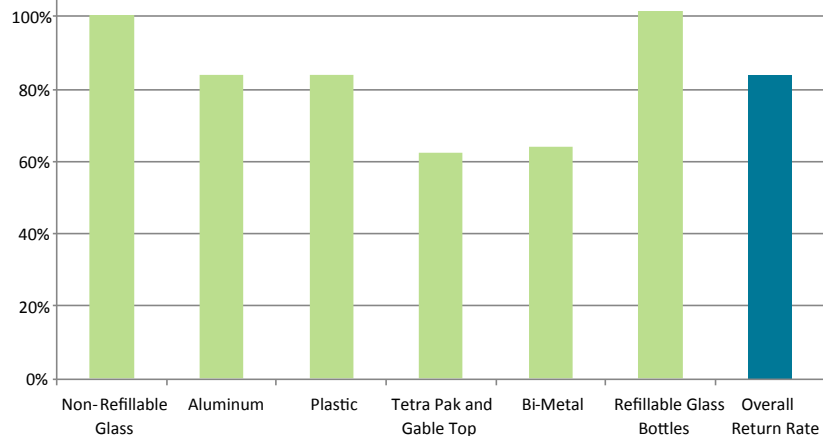


Figure 5: Beverage Container Return Rates by Material Type in the NWT

2.7. 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 (GHG) emissions.

2.7.1. REDUCTION OF GREENHOUSE GAS EMISSIONS

NWT residents diverted 1,233 tonnes of beverage containers from NWT landfills in 2016-2017. The greenhouse gas emissions avoided by recycling these materials are equivalent to 2,467 tonnes of carbon dioxide equivalent, as estimated using the United States Environmental Protection Agency's Waste Reduction Model² (see Table 4). This is equivalent to taking 521 cars off NWT roads in 2016-2017³.

Material	Tonnes of Material Recycled	MTCO ₂ E*
Aluminum	172	-1644
Polycoat	124	-479
Plastics	132	-121
Refillable Glass (ISB)	323	-99.6
Non-Refillable Glass (NRG)	470	-74
Bi-Metal	12	-50
Total	1233	-2467.6

* MTCO₂E: metric tonnes of carbon dioxide equivalent

Table 4: Tonnage Recycled and Greenhouse Gas Emissions Savings for all Materials in the NWT During 2016-2017 Fiscal Year

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 3km 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 captured 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.




2.7.2 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 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 2016-2017, 172 tonnes of aluminum were recycled in the NWT. This is the same amount of aluminum it would take to produce 55⁴ twin otter airplanes. Since 2005, the program has diverted 2,215 tonnes of aluminum (enough for 709 twin otters) from NWT landfills. See Table 5 for information on the common products made from recycled beverage containers.

2.8. Enforcement

There were no convictions for offences under the *Waste Reduction and Recovery Act* in 2016-2017.

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) (#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% 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 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.

⁴ Empty weight of a DHC-6 Series 400 Twin Otter is 3.121 tonnes.

Table 5: Container Material and Recycling Uses



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 in the program and charge customers 25 cents for every SRB sold.

3.2 Distributors and Retailers

There were 30 registered distributors and 112 retailers as of March 31, 2017. During the 2016-2017 fiscal year, no retailers cancelled their registrations.

3.3 Single-use Retail Bags Distributed

In 2016-2017, distributors supplied NWT retail stores with 2,623,568 SRBs. This is equivalent to 59 bags per NWT resident⁵ during the year. There were 179,826 more bags distributed in 2016-2017 as compared to 2015-2016. A total of \$655,892 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)⁶. NWT residents avoided using an estimated 6.6 million bags (approximately 149 bags per person) during 2016-2017.

From January 15, 2010 to March 31, 2017, nearly 43.5 million SRBs have been kept out of NWT landfills and off the land, representing a 73 percent reduction in single-use bag use as a result of the program. Over the same period, ENR estimates the SRBP avoided the emission of approximately 357 metric tonnes of carbon dioxide equivalent emissions⁷. This is equivalent to taking 75 vehicles off the road.

3.4 Enforcement

There were no convictions for offences under the *Waste Reduction and Recovery Act* in 2016-2017.



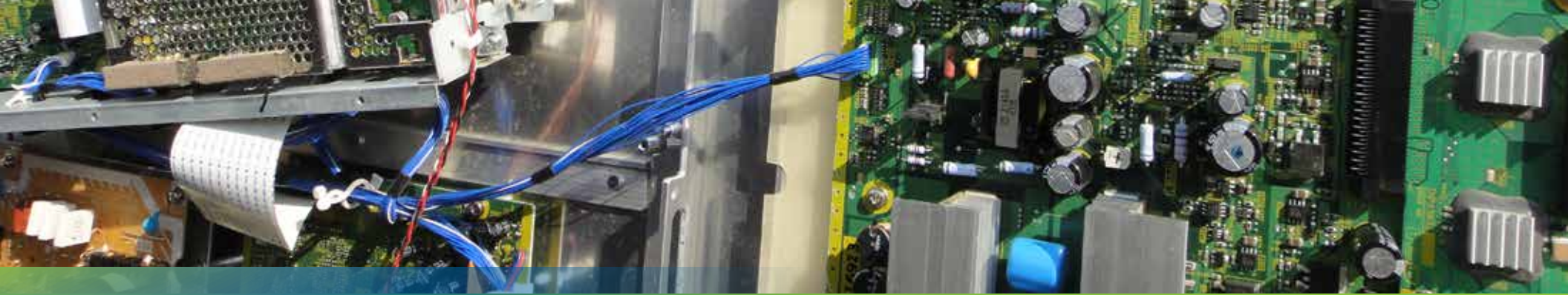
⁵ NWT population estimate for 2016-2017 of 44,412 (based on average of NWT Bureau of Statistics quarterly estimates).

⁶ Based on research completed by Resource Conservation Manitoba.

⁷ Calculations made using United States Environmental Protection Agency Waste Reduction Model: <https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARMToolV14>.

Assumptions:

- 5 g per bag x 43,493,800 bags = 221 tonnes (240 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 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.

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

Table 6: List of Electronics Included in the ERP and Associated Fees Collected at the Time of Purchase in the NWT

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 that are included in the program. These devices are collected at recycling depots and single-day collection events throughout the NWT. When distributed in the NWT, these devices are subject to an environmental handling fee, which is collected through the GNWT's Environment Fund to cover the costs of running the ERP.

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

4.3. Year One Implementation Activities

4.3.1. DEPOTS AND COLLECTION EVENTS

The first step of launching the program was to expand beverage container depots in the 10 largest NWT communities (with a current population of more than 750) to also accept electronics (see blue stars in Figure 6).

In the remaining 21 communities, electronics are collected through electronics collection events coordinated by ENR (see red circles on Figure 6). In year one, collection events were held in the 13 communities listed in Table 7. Residents in these communities were invited to bring their electronics to a central location during a one-day event. During other times of the year, these communities are encouraged bring electronics to recycling depots in neighbouring larger communities.



This map is for illustrative purposes only. Nov 2014, Map ID: 407
Content may not reflect National Geographic's current policy. Sources: National Geographic, Esri, DeLorme, HERE, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, increment P Corp.

Figure 6: Map of Community Electronics Recycling Depots and Collection Events in the NWT

To increase efficiency and reduce transportation and consolidation costs, networks in place for beverage containers are also being used for electronics. Electronics were transported from communities and consolidated at beverage container processing centres in Inuvik, Hay River and Yellowknife. Electronics were prepared for shipping at these facilities and sent to a registered electronics recycling facility in Alberta that meets environmental health and safety standards.

4.3.2. BATTERY RECYCLING

Through an ongoing partnership with Call2Recycle, an industry-run battery recycling program, batteries were 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 were not accepted.

4.3.3. EDUCATION AND OUTREACH ACTIVITIES

Prior to the launch of the program, postcards were mailed to all NWT residents promoting the ERP and encouraging them to recycle their electronics. The ERP was also advertised across the NWT in newspapers, on local radio and online, and posters were put up in communities and at participating retail stores.

4.3.4. ELECTRONICS DISTRIBUTORS REGISTRATIONS

On March 31, 2017 there were 134 electronics distributors registered under the ERP. There are two types of distributors under the ERP (see Figure 7):

- 1) Pay on Purchase Distributors (POPs) – pay the environmental fee to their distributors who must be registered as Remitters. There are 22 registered POPs.
- 2) Remitters – remit fees directly to the GNWT for all electronics they sell, including those to their POP customers. There are 112 registered Remitters.

Both POPs and Remitters collect fees from their customers at the time of purchase. The large majority of the 134 electronics distributors are businesses outside of the NWT that import electronics into the NWT (e.g., through online sales to electronics users and sales to NWT electronics retailers) and only 20 are retail stores in the NWT.

Community	Date
Trout Lake	July 2016, March 2017
Kakisa	September 2016
Jean Marie River	September 2016
Fort Resolution	September 2016
Enterprise	September 2016
Ulukhaktok	November 2016
Paulatuk	December 2016
Lutsel K'e	January 2017
Fort Liard	January, February 2017
Aklavik	February 2017
Nahanni Butte	February 2017, March 2017
Déjline	February 2017
Tulita	February 2017

Table 7: Community Collection Events Held During the 2016/17 Fiscal Year

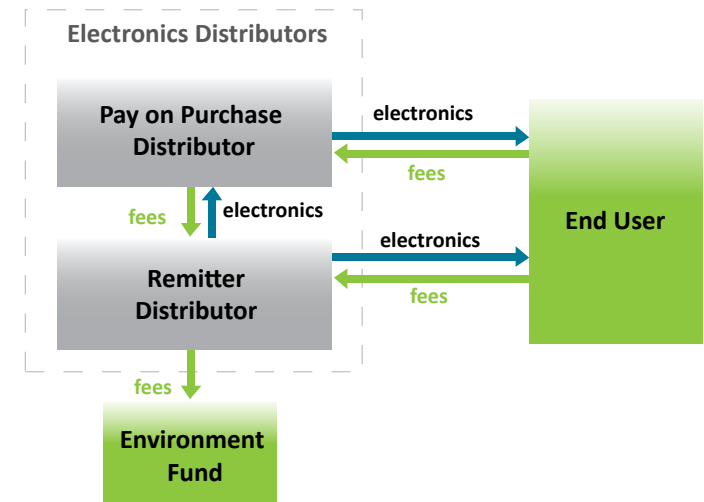


Figure 7: Flow of ERP Environmental Handling Fees and Electronics in the NWT

4.3.5. MEETING WITH NWT ELECTRONICS DISTRIBUTORS/RETAILERS

Staff from ENR hosted two meetings with local electronics retailers to gather their feedback on how implementation of the ERP was going.

The first meeting was on April 26, 2016. Twenty-three (23) retailers were invited and five attended. The majority of the 18 retailers that did not attend reported they had no concerns with the program and/or the program had little effect on their business. Retailer concerns identified at the meeting included:

- Ensuring a level playing field. This included making sure that all distributors are registered under the ERP and collecting fees accordingly. It also included clarifying in GNWT requests for tenders or requests for proposals that quoted costs in responses must include environmental handling fees for applicable electronics.
- Ensuring companies supplying electronics to NWT retailers are participating appropriately.
- One retailer was concerned that the new fee was negatively impacting sales and another retailer was concerned about the possibility of fees increasing in the future if current fees are not sufficient to cover program costs.

The second retailer meeting was held on November 9, 2016, and four retailers participated. ENR reported to the group on how they had addressed each concern raised at the April meeting. Feedback from retailers was generally positive and no further concerns have been raised.

4.4. Electronics Collection Results

The success of electronics recycling programs across Canada is measured through a variety of performance indicators. The most common measurements used in all Canadian programs is total annual weight of electronics collected per capita (i.e., per person), which allows for comparison between jurisdictions and communities of different sizes.

4.4.1. QUANTITY OF ELECTRONICS COLLECTED

A total of 112.8 tonnes of electronics were collected in the 14-month period from the launch of the ERP on February 1, 2016 to March 31, 2017. It is estimated that 96.4 tonnes of this was collected in the 2016-2017 fiscal year. A breakdown is provided in Table 8. On average, 2.2 kilograms of electronics were recycled per person, which is on the high end of year one results when compared to other Canadian programs, which have ranged from 1.3 to 2.4 kilograms per person.⁸

4.5. Program Costs for the ERP

Program costs for 2016-2017 were \$171,142, while revenues were \$153,654 (a deficit of \$17,488). Two costs are not included in this figure: 1) the costs of transporting electronics in mixed loads with beverage containers to NWT processing centres was included in BCP transportation costs; and, 2) program administration costs were grouped with wages for all programs under the Environment Fund.

Processing Centre Region	Electronics Collected (tonnes)	Population of Region	Average Kilograms Collected per Person
Yellowknife (includes recycling depots in Yellowknife, Behchokò and collection events)	62.7	24,951	2.5
Hay River (includes recycling depots in Hay River, Norman Wells, Fort Providence, Fort Simpson, Fort Smith and collection events)	27.2	12,765	2.1
Inuvik (includes recycling depots in Inuvik, Fort McPherson, Tuktoyaktuk and collection events)	6.6	6,684	1.0
TOTAL	96.4	44,400	2.2

Table 8: Electronics Collected in the 2016-2017 Fiscal Year in the NWT⁹

⁸ Known first year results for provincial programs ranged from 1.3 kg per person for the first year of operation of an electronics program in both Québec and Ontario, to 2.4 kg per person for Manitoba's first year of operation.

⁹ Estimates in this table have been made using the following calculations and assumptions:

- The weight of electronics collected was for a 14 month period (February 1, 2016 to March 31, 2017). These weights were divided by 14 and multiplied by 12 to estimate weight collected in the 12 month fiscal year.
- NWT Bureau of Statistics population data were used to estimate electronics collected per capita.



5. WASTE REDUCTION AND RECYCLING INITIATIVE

The Waste Reduction and Recycling Initiative (WRRRI) 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 WRRRI 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 WRRRI 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 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; and
- 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 25, 2016. Advertising for 2017-2018 took place in March and April 2017, and included print, radio and online media, as well as direct e-mails to Aboriginal and community governments throughout the NWT.

In 2016-2017, nine projects across the NWT were selected to receive a cumulative total of \$150,000, however one applicant subsequently withdrew their application. Completed initiatives included:

- a compost facility and demonstration site at Hay River's Northern Farm Training Institute;
- a cardboard recycling and centralized composting program at Range Lake North School in Yellowknife;
- removal of bulky materials by the Yellowknives Dene First Nation and the Hamlet of Tuktoyaktuk;
- collection of paper and food waste by the Hay River Committee for Persons with Disabilities; and
- a waste reduction and compost program at the Yellowknife Farmers Market.

Two projects faced delays and are expected to be completed in 2017-2018:

- the expansion of the Habitat for Humanity ReStore in Yellowknife; and
- the removal of hazardous materials from Paulatuk.

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

The Yellowknife Farmers Market (YKFM) has gone above and beyond in its efforts to reduce waste, continuously aiming higher as it achieves its goals. The YKFM was awarded \$13,000 to reduce waste by 50 percent at its weekly summer market through its Waste Reduction and Compost Program. Not only did it achieve this 50 percent reduction, but exceeded it to deliver an average diversion rate of 75 percent over the course of the summer, achieving a peak of 86 percent diversion by the end of the summer. That translates to more than 1,758 lbs of compostable material diverted from the landfill.

How did they do it?

First and foremost, the program is an amazing community effort that brings together collaboration of food vendors and ongoing support from a host of dedicated volunteers. Some of the actions taken to achieve such results include:

- Creating the mandatory requirement for all vendors to use only compostable packaging;
- Supplying all food vendors with compostable utensils;
- Placing volunteers at each waste station area to help patrons place their items in the right bins to ensure maximum diversion and minimum contamination of the organics waste stream (i.e., to educate people what can and cannot be composted);
- Weighing compost and garbage at the end of each market;
- Examining the contents of garbage and compost bags to see if the public was putting compostable waste in the right place, and to make sure vendors were using compostable packaging;
- Creating incentives for patrons to bring their own containers when buying food; and
- Continuously evaluating and improving their performance.

Not only did the Farmers Market reduce the amount of waste it disposed, saving valuable landfill space and reducing a source of leachate, but the demand it created for compostable packaging products has created a ripple-effect in the community. Compostable packaging options are now more widely available in Yellowknife, and multiple restaurants and food vendors now use them for their take-out items.



Image 7: Volunteers ensure patrons understand what is compostable, and maximize composting while preventing contamination of compost during the YK Farmers Market



Image 8: Vendors are required to provide compostable packaging only



Image 9: Loyalty cards encourage patrons to bring their own containers and get a \$15 credit

ENR applauds the YKFM, its supportive vendors and its tireless volunteers for their ongoing efforts to outperform their own successes and continue to set the bar higher when it comes to promoting a culture of waste reduction and composting in Yellowknife.



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, the public at large, and ENR staff (Table 9). WRRAC met twice in 2016-2017.

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 electronic manufacturers	Electronic Product Stewardship Canada	Toronto
Michael Auge	Municipal	City of Yellowknife	Yellowknife
Peter Houweling	Waste Hauler	Kavanaugh Bros. Ltd.	Yellowknife
Sara Brown	NWT communities	NWT Association of Communities	Yellowknife

Table 9: Waste Reduction and Recovery Advisory Committee Members as of March 31, 2017



7. 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 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 landfills¹⁰ from residential and non-residential sectors. As a comparison, Nova Scotia disposes the least amount of waste in Canada at 386 kg per capita per year¹¹, almost 2.5 times less than the NWT.

An integrated approach to managing waste is needed in the NWT (Figure 8). 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 landfills have stockpiles of hazardous waste that have been generated over many years.

¹⁰Estimated based on data from the Study of NWT Waste Management Systems. Golder Associates. 2016.

¹¹Statistics Canada (2016). Disposal and diversion of waste, by province and territory for 2014. <http://www.statcan.gc.ca/tables-tableaux/sum-som/I01/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 will work collaboratively with other government departments, regulatory agencies, industry, and Indigenous and community governments, to explore ways to improve waste management in all communities. The WRRAC will also provide guidance as the Strategy is being developed.

Public engagement is critical to the development of the Strategy and is expected to take place during the fall of 2017 and early winter of 2018. The resulting Strategy will lay out a clear road map for waste resource management in the NWT.

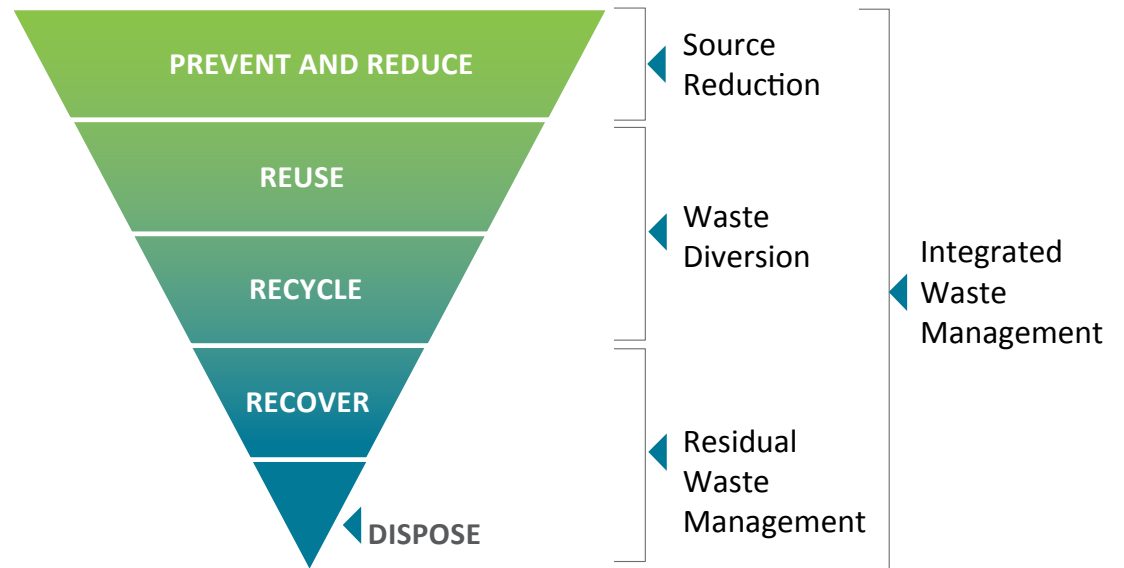


Figure 8: Waste Management Hierarchy



8. 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 Act, the assets may be used to pay for waste reduction and recovery programs and initiatives, including program administration.

In 2016-2017, revenue into the Environment Fund was \$6,635,374 (including interest income) and expenditures were \$6,174,938, which resulted in a surplus for the fiscal year of \$460,436. An audited financial statement is included in Appendix A.



9. 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 ext. 53176

Fax: (867) 873-0221

Email: rethinkitnwt@gov.nt.ca

Website: www.rethinkitnwt.ca

APPENDIX A: AUDITED FINANCIAL STATEMENT

Environment Fund
Financial Statements
March 31, 2017

Environment Fund

Financial Statements

March 31, 2017

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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.

for 
Dr. Joe Dragon, Deputy Minister,
Department of Environment and Natural Resources


Susan Craig, Director, Corporate Services,
Department of Environment and Natural Resources

July 6, 2017



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Independent Auditors' Report

To the Minister of the Environment 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, 2017, 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.

Wages and benefits paid to employees of the Fund 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 wages and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenditures, liabilities and fund balances.

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, 2017 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, 2017

Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2017	2016
Revenues		
Beverage Container Program (schedule 1)	\$ 5,763,589	\$ 5,363,831
Electronics Recycling Program (schedule 2)	153,654	30,000
Other Programs and Initiatives (schedule 3)	680,996	694,312
	6,598,239	6,088,143
Other revenue		
Beverage Container Program (schedule 1)	37,135	32,677
	6,635,374	6,120,820
Expenditures		
Beverage Container Program (schedule 1)	5,027,691	5,337,910
Electronics Recycling Program (schedule 2)	171,142	159,199
Other Programs and Initiatives (schedule 3)	976,105	1,053,634
	6,174,938	6,550,743
Excess (deficiency) of revenues over expenditures	\$ 460,436	\$ (429,923)

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2017

	Unrestricted	Equipment replacement reserve	Total 2017	Total 2016
Balance, beginning of year	\$ 1,590,674	\$ 505,859	\$ 2,096,533	\$ 2,526,456
Excess (deficiency) of revenues over expenditures	460,436	-	460,436	(429,923)
Transfers (Note 2c)	(11,917)	11,917	-	-
Balance, end of year	\$ 2,039,193	\$ 517,776	\$ 2,556,969	\$ 2,096,533

Environment Fund

Statement of Financial Position

March 31, 2017 2016

Assets

Accounts receivable (note 5)	\$ 984,151	\$ 1,143,085
Due from Treasury (note 6)	2,780,577	2,153,279
Loans receivable (note 7)	22,500	472
	\$ 3,787,228	\$ 3,296,836

Liabilities

Accounts payable and accrued liabilities	\$ 389,438	\$ 427,115
Unredeemed container liability (note 8)	840,821	773,188
	1,230,259	1,200,303

Fund balances

Unrestricted	2,039,193	1,590,674
Equipment replacement reserve	517,776	505,859
	2,556,969	2,096,533
	\$ 3,787,228	\$ 3,296,836

Nature of operations (note 1)

Contingent liabilities (note 4)

Approved on behalf of the Fund:

 Deputy Minister

 Director, Corporate Services

Environment Fund

Notes to the Financial Statements

March 31, 2017

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

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 that came into effect was the Single-use Retail Bag Program, established on January 15, 2010. The Electronics Recycling Program became the third program that was established under the Environment Fund 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.

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

Environment Fund

Notes to the Financial Statements

March 31, 2017

2. Significant accounting policies

The Fund follows Canadian public sector accounting standards for not-for-profit organizations in preparing its financial statements. The significant accounting policies used are as follows:

(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 sold by distributors to retailers. 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) 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 2017 transfer is \$11,917 (2016 - \$11,917). 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.

Environment Fund

Notes to the Financial Statements

March 31, 2017

2. Significant accounting policies (continued)

(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.

Environment Fund

Notes to the Financial Statements

March 31, 2017

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.

Environment Fund

Notes to the Financial Statements

March 31, 2017

3. Future changes to significant accounting policies (continued)

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. 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.

5. Accounts receivable

	2017	2016
Accounts receivable	\$ 733,626	\$ 747,498
Due from GNWT - Department of Environment and Natural Resources	76,603	80,505
Due from NWT Liquor Commission	173,922	315,082
	<u>\$ 984,151</u>	<u>\$ 1,143,085</u>

6. 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.

7. Loan 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 a non-interest bearing loan with an amount currently outstanding of \$22,500 and is repayable in monthly installments of \$2,500. The loan is due on December 31, 2017.

As the full amount of the loans receivable is due within one year, it has been classified as current as at March 31, 2017.

Environment Fund

Notes to the Financial Statements

March 31, 2017

8. 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.

9. Expense allocation

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

10. Comparative figures

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

11. 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).

12. 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.

Environment Fund**Notes to the Financial Statements**

March 31, 2017

12. Financial instruments (continued)

(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, and due from Treasury.

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.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$1,008,015 (2016 - \$1,143,557). 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, 2017, receivables from three customers comprised 50% of the total outstanding accounts receivables (2016 - 55%). The Fund reduces this risk by monitoring overdue balances.

Environment Fund**Schedules to the Financial Statements**

For the year ended March 31,

Schedule 1**Schedule of Beverage Container Program**

	2017	2016
Revenue		
Beverage Container Program Fees	\$ 5,491,235	\$ 5,075,248
Recoveries	325	4,694
Salvage	272,029	283,889
	5,763,589	5,363,831
Other revenue		
Interest revenue	37,135	32,677
	5,800,724	5,396,508
Expenditures		
Advertising and promotion	9,879	46,603
Contract service - satellite depot	116,240	110,766
Depot handling fee	886,557	677,034
Equipment, supplies and maintenance	141,536	104,640
Freight	339,640	345,385
Grants and contributions	90,321	44,711
Insurance	12,106	12,314
Memberships	10,486	6,030
Office	2,598	8,963
Processing centre handling fee	575,377	611,731
Professional fees	2,480	10,648
Quality control fees	38,500	-
Refundable deposit fees	2,695,070	3,252,653
Storage	62,001	81,790
Travel and training	44,900	24,642
	5,027,691	5,337,910
Excess of revenues over expenditures	\$ 773,033	\$ 58,598

Environment Fund**Schedules to the Financial Statements**

For the year ended March 31,

Schedule of Electronics Recycling Program

Schedule 2

	2017	2016
Revenue		
Electronics Recycling Program Fees	\$ 130,866	\$ 30,000
Recoveries	22,789	-
	153,654	30,000
Expenditures		
Advertising and promotion	11,841	23,784
Depot, processing centre and recycling fees	85,069	87,070
Equipment, supplies and maintenance	298	-
Freight	14,876	3,152
Office	104	-
Professional fees	53,003	36,224
Storage	4,100	8,660
Travel and training	1,851	309
	171,142	159,199
Deficiency of revenues over expenditures	\$ (17,488)	\$ (129,199)

Environment Fund**Schedules to the Financial Statements**

For the year ended March 31,

Schedule of Other Programs and Initiatives

Schedule 3

	2017	2016
Revenue		
Single-use Retail Bag Program Fees	\$ 655,892	\$ 646,586
Recoveries	25,105	47,725
	680,996	694,312
Expenditures		
Advertising and promotion	11,241	8,603
Grants and contributions	83,130	158,855
Office	1,138	2,321
Professional fees	20,399	54,276
Travel and training	835	11,782
Wages and benefits	859,362	817,797
	976,105	1,053,634
Deficiency of revenues over expenditures	\$ (295,110)	\$ (359,322)

