

Waste Reduction and Recovery Program

Programme de réduction et de récupération des déchets

2019-2020 Annual Report | Rapport annuel 2019-2020

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English

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Français

Kĩspin ki nitawihłĩn ē nĩhĩyawihk ōma ācimōwin, tipwāsĩnān.
nĩhithawĩwin

Tłıchq yatı k'ęę. Dı wegodı newq dè, gots'ó gonede.
Tłıchq

ʔerihł'ı s Dēne Sųłĩnē yatı t'a huts'elkēr xa beyáyatı theʔą ʔat'e, nuwe ts'ēn yółłı.
Dēnēsųłĩnē

Edı gondı dehgháh got'ıę zhatıé k'ęę edat'éh enahddhę nıde naxets'ę edahlı .
Dene Zhatie

K'áhshó got'ıne xadā k'é hederı ʔedıhı tı'é yerıniwę nı' dé dúle.
Sahtúot'ıne Yatı

Jii gwandak izhii ginjik vat'atr'ıjáhch'uu zhit yinothtan jı', diits'at ginohkhiı.
Dınu Zhuh K'yuu

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqłuta.
Inuvialuktun

Ć^bd< ĩĩ^bbΔ^c ʌ<łJΔł^c Δ^błJ<^cłJł^b, ł^cł^cł^c ł^c ł^bcł^cł^cł^c.
Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.
Inuinnaqtun

Indigenous Languages and Education Secretariat: 867-767-9346 ext. 71037
Francophone Affairs Secretariat : 867-767-9343

TABLE OF CONTENTS

1.	INTRODUCTION ET FAITS SAILLANTS	2
1.	INTRODUCTION AND HIGHLIGHTS	3
2.	ENVIRONMENTAL BENEFITS OF GNWT WASTE REDUCTION AND RECOVERY PROGRAMS	4
3.	BEVERAGE CONTAINER PROGRAM	5
	3.1 BEVERAGE CONTAINER RECOVERY RATES	5
	3.2 WHAT HAPPENS TO YOUR CONTAINERS?	7
4.	SINGLE-USE RETAIL BAG PROGRAM	8
5.	ELECTRONICS RECYCLING PROGRAM	9
6.	LICENSED DEPOTS, PROCESSING CENTRES, REGISTRATIONS, LOCAL EMPLOYMENT, AND COMPLIANCE	11
	6.1 RECYCLING DEPOTS AND REGIONAL PROCESSING CENTRES	11
	6.2 LICENCES, REGISTRATIONS, LOCAL EMPLOYMENT, AND COMPLIANCE	13
7.	WASTE REDUCTION AND RECYCLING INITIATIVE	14
8.	WASTE REDUCTION AND RECOVERY ADVISORY COMMITTEE	15
9.	CONTACT INFORMATION	16
10.	APPENDIX A: AUDITED FINANCIAL STATEMENTS	17

FIGURES

Figure 1: Beverage Container Recovery Rates 2010-2020 in the NWT	6
Figure 2: Recycling Depots	12

TABLES

Table 1: Quantity of Materials Reduced, Reused and Recycled, and Corresponding GHG Emissions Reduced for all Programs	4
Table 2: Beverage Container Recovery Rate	5
Table 3: Electronics Collected for Recycling in 2019-2020	10

1. INTRODUCTION ET FAITS SAILLANTS

Le gouvernement des Territoires du Nord-Ouest (GTNO) exploite trois programmes de réduction et de réacheminement des déchets, et une initiative visant à éviter que les déchets se retrouvent dans les sites d'enfouissement des Territoires du Nord-Ouest (TNO) et dans la nature : le Programme de gestion des contenants de boisson, le Programme de gestion des sacs à provisions jetables, le Programme de recyclage des appareils électroniques et l'Initiative de réduction et de recyclage des déchets.

Grâce à la participation des Ténois à ces programmes de réduction et de réacheminement des déchets, et aux efforts des employés des centres de recyclage, des centres de traitement régionaux, des écoles, des administrations communautaires et des différentes entreprises et organisations participantes, nous avons réalisé ce qui suit pendant l'exercice 2019-2020 :



Taux de récupération de **77 %**

22,6 kg/par habitant

21 843 556 contenants récupérés



Environ

6 925 672 sacs de moins
(155 sacs par résident)



36 employés à temps partiel

et **11** employés à temps plein

travaillent dans les centres d'entreposage et les centres de traitement régionaux des TNO



1,8 kg d'appareils
électroniques recyclés par habitant



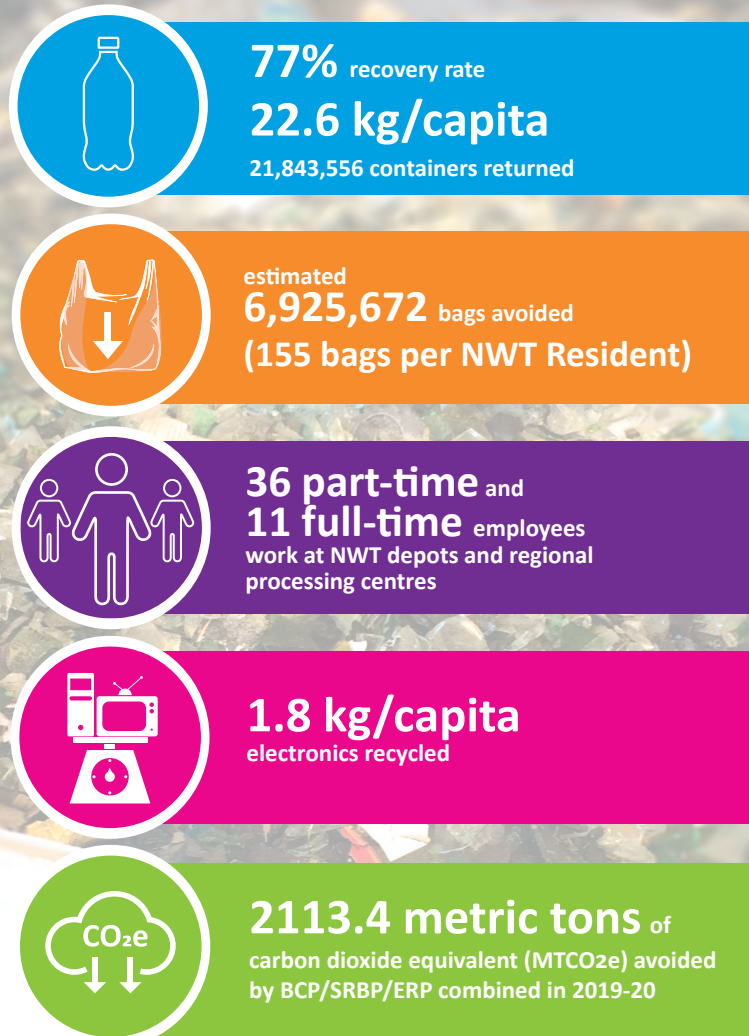
2 113,4 tonnes métriques

d'équivalent CO2 de moins grâce aux programmes de réduction et de réacheminement des déchets en 2019-2020

1. INTRODUCTION AND HIGHLIGHTS

The Government of the Northwest Territories (GNWT) operates three waste reduction and diversion programs, and one initiative to help keep waste out of Northwest Territories (NWT) landfills and off the land: the Beverage Container Program (BCP), the Single-use Retail Bag Program (SRBP), the Electronics Recycling Program (ERP), and the Waste Reduction and Recycling Initiative (WRRRI).





Thanks to the participation of NWT residents in these waste reduction and diversion programs, and the dedication of many people working at recycling depots, regional processing centres, schools, community governments, and other businesses and organizations, the following successes were achieved during the 2019-2020 fiscal year:



2. ENVIRONMENTAL BENEFITS OF GNWT WASTE REDUCTION AND RECOVERY PROGRAMS

The GNWT's waste diversion programs continue to provide environmental benefits to the NWT by reducing, reusing and recycling materials, which also results in reducing greenhouse gas (GHG) emissions. Table 1 shows the amount of waste prevented and diverted, and the estimated GHG emissions reduced as a result.

Table 1
Quantity of Materials Reduced, Reused and Recycled, and Corresponding GHG Emissions Reducedⁱ for all Programs

	 SINGLE-USE RETAIL BAG PROGRAM (SRBP)	 BEVERAGE CONTAINER PROGRAM (BCP)	 ELECTRONICS RECYCLING PROGRAM (ERP)	TOTAL	
2019/2020	Quantity Reduced (t)	 34.1			
	Quantity Reused (t)		 263		
	Quantity Recycled (t)		 748	 80.5	
	Total Reduced, Reused & Recycled (t)	 34.1	 1011	 80.5	 1125.6
	GHG Reduced (MTCO ₂ e) ²	 54	 2001.1	 58.3	 2113.4
	Cars off the road ³	 11.7	 435	 12.7	 459.4
CUMULATIVE TOTAL ¹	Quantity Reduced, Reused & Recycled (t)	 320	 10295	 350.2	 10965.2
	Total GHG Reduced (MTCO ₂ e)	 506.8	 19726.7	 254.2	 20487.7
	Cars off the road	 110.2	 4288.4	 55.2	 4453.8

¹ Cumulative totals start from the following years for each program: BCP = April 2012, SRBP = January 2010, ERP = February 2016. Prior to 2012, not all weight or GHG data was recorded for the BCP.

² GHG calculations are based on United States Environmental Protection Agency Waste Reduction Model: <https://www.epa.gov/warm>

³ Calculation of the numbers of cars off the road is 4.6 metric tonnes CO₂e = 1 passenger vehicle off the road: <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>

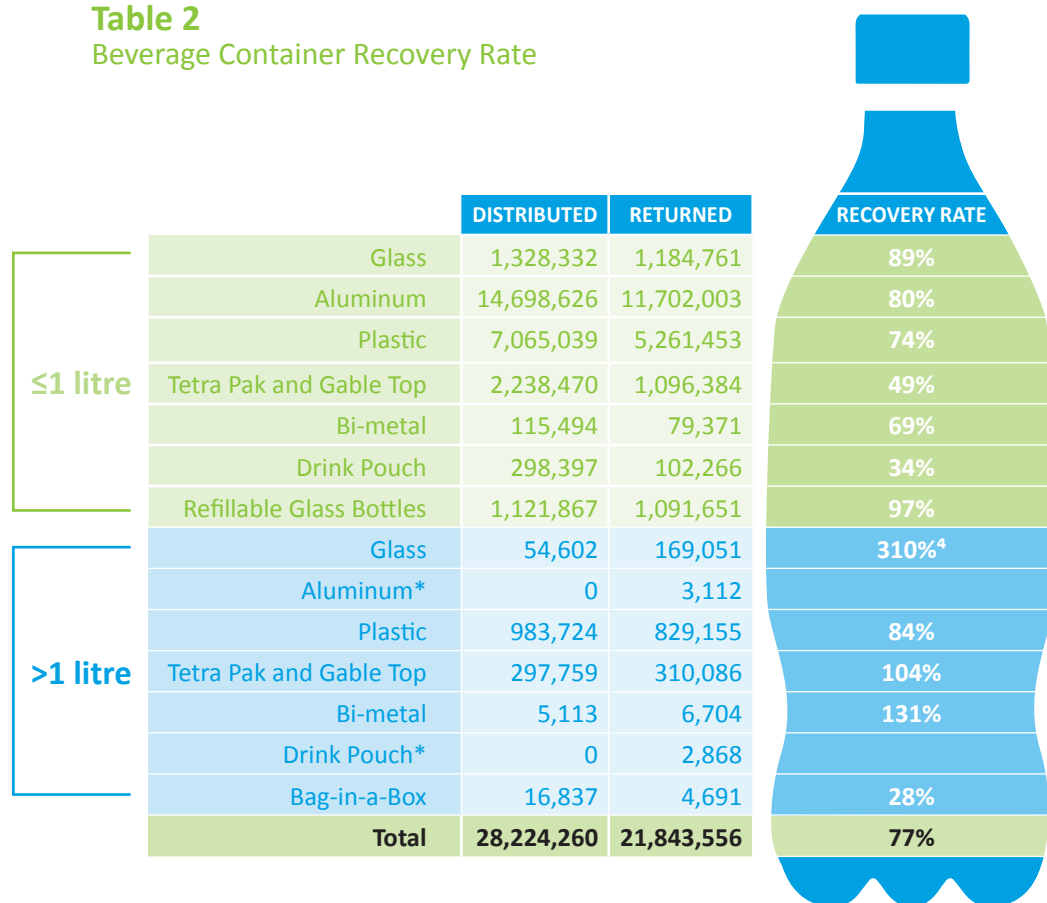
3. BEVERAGE CONTAINER PROGRAM

Permanent recycling depots in 23 NWT communities and temporary satellite depots collect empty beverage containers from customers, pay refundable deposits to NWT residents, and send beverage containers to regional processing centres in Yellowknife, Hay River, and Inuvik. These regional processing centres consolidate and densify materials and send them to various materials markets in North America.

3.1 BEVERAGE CONTAINER RECOVERY RATES

More than 28 million beverage containers were distributed and nearly 22 million were returned in the NWT between April 1, 2019, and March 31, 2020 (Table 2).

Table 2
Beverage Container Recovery Rate

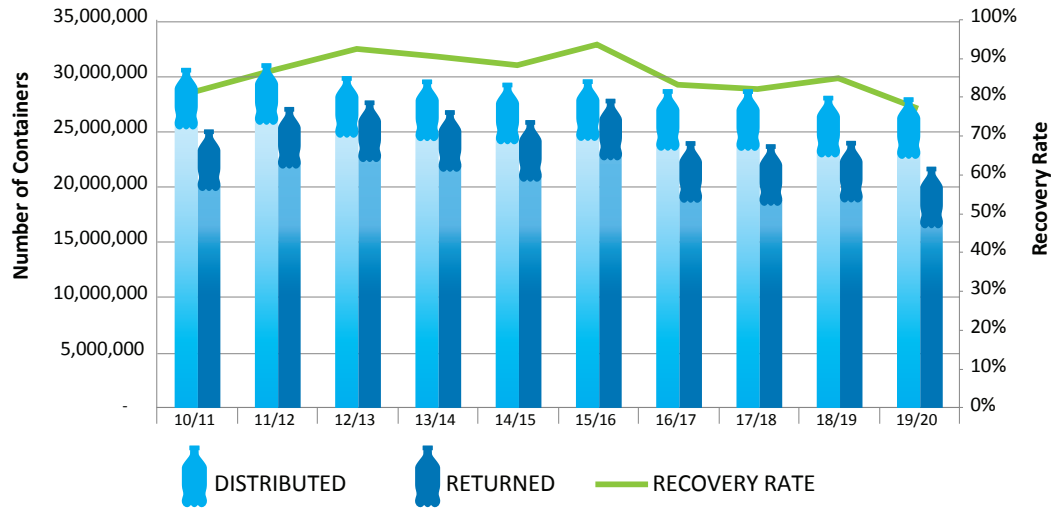


**Containers returned for large aluminum and large drink pouches are due to improper coding of containers received at depots. ENR is working with operators to prevent these miscodes in 2020-21. As these numbers are relatively small compared with the large volume of containers processed by the BCP, this error does not have significant implications.*

⁴ ENR suspects the high return rate for large glass may be the result of containers purchased outside the NWT being returned to the BCP. ENR and the NWT Liquor Commission are looking into options to assess and monitor this hypothesis.

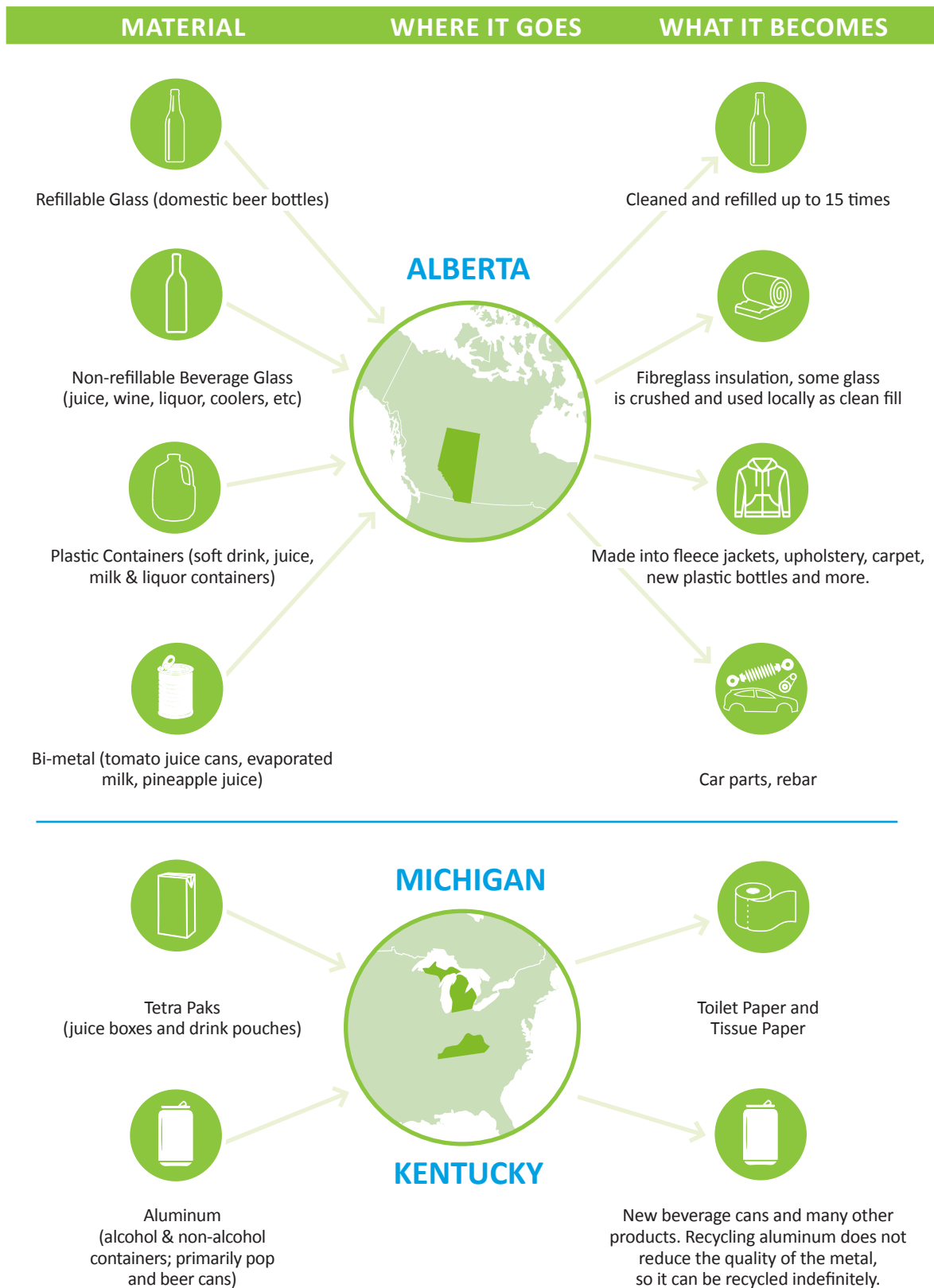
More than 358 million containers have been returned over the life of the program. This amounts to more than \$39 million refunded to NWT residents since 2005. Figure 1 shows the last 10 years of the BCP recovery rates.

Figure 1
Beverage Container Recovery Rates 2010-2020 in the NWT



Compared to last year, there was a substantial decrease in the number of containers returned (2,370,249) with the closure of recycling depots and cancelled satellite depots effective March 19, 2020 due to COVID-19. Spring cleaning means March is a busier month than others for container returns, and a two-week closure at this time of year had an impact on the overall container return rate.

3.2 WHAT HAPPENS TO YOUR CONTAINERS?



4. SINGLE-USE RETAIL BAG PROGRAM

January 2020 marked the 10-year anniversary of the Single-Use Retail Bag Program. This program encourages consumers to bring a reusable bag shopping and avoid paying the 25 cent fee for each Single-use Retail Bag (SRB) requested at NWT retail stores. In 2019-2020, distributors supplied NWT retail stores with 2,398,136 single-use retail bags.



In 2019-20, NWT residents used an estimated **6,925,672** fewer disposable bags.

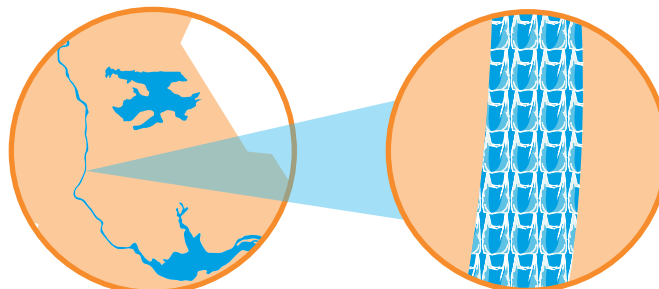


That translates to approximately **155 fewer bags** per NWT resident during 2019-20.



Since 2010, the program has prevented more than **64 million bags** from being used and discarded. (A reduction of 73%)





If stretched end to end, **64 million bags** avoided would extend the length of the Mackenzie River 20 times



5. ELECTRONICS RECYCLING PROGRAM

Since February 2016, residents have been able to recycle eligible electronics at participating recycling depots and collection events.










Eligible program electronics and their environmental handling fees paid on purchase

	TVS AND MONITORS	
	Less than 30 inches	\$12.25
	30-45 inches	\$24.50
Greater than 45 inches	\$40.00	
	COMPUTERS AND SERVERS	
		\$10.50
	LAPTOP, TABLET AND NOTEBOOK COMPUTERS	
		\$3.00
	PRINTERS, COPIER, SCANNERS AND FAX MACHINES	
	Desktop	\$8.00
	Floor Standing	\$40.00

Approximately 80.5 tonnes of eligible electronics were collected in the 2019-2020 fiscal year. A breakdown is provided in Table 3. On average, 1.8 kilograms of electronics were recycled per person in 2019-2020.

A total of 350 tonnes of electronics were collected since the launch of the ERP (February 1, 2016) to March 31, 2020.

Table 3
Electronics Collected for Recycling in 2019-2020

PROCESSING CENTRE REGION	ELECTRONICS COLLECTED (TONNES)	POPULATION OF REGION	AVERAGE KILOGRAMS COLLECTED PER PERSON
YELLOWKNIFE (includes recycling depots in Yellowknife, Behchokò, Whatì and collection events)	 46.4	 26,156	 1.8
HAY RIVER (includes recycling depots in Hay River, Norman Wells, Fort Simpson, Fort Smith and collection events)	 26.1	 11,887	 2.2
INUVIK (includes recycling depots in Inuvik, Fort McPherson, Tuktoyaktuk and collection events)	 7.9	 6,783	 1.2
TOTAL	80.5	44,826	1.8

6. LICENSED DEPOTS, PROCESSING CENTRES, REGISTRATIONS, LOCAL EMPLOYMENT, AND COMPLIANCE

6.1 RECYCLING DEPOTS AND REGIONAL PROCESSING CENTRES

As of March 31, 2020, there were 23 locally operated recycling depots, six temporary satellite depots, 19 communities serviced by collection events, and three regional processing centres in the NWT. The following five communities use nearby depots: Dettah, Enterprise, Ndilo, Kakisa, and Kátł'odeeche.

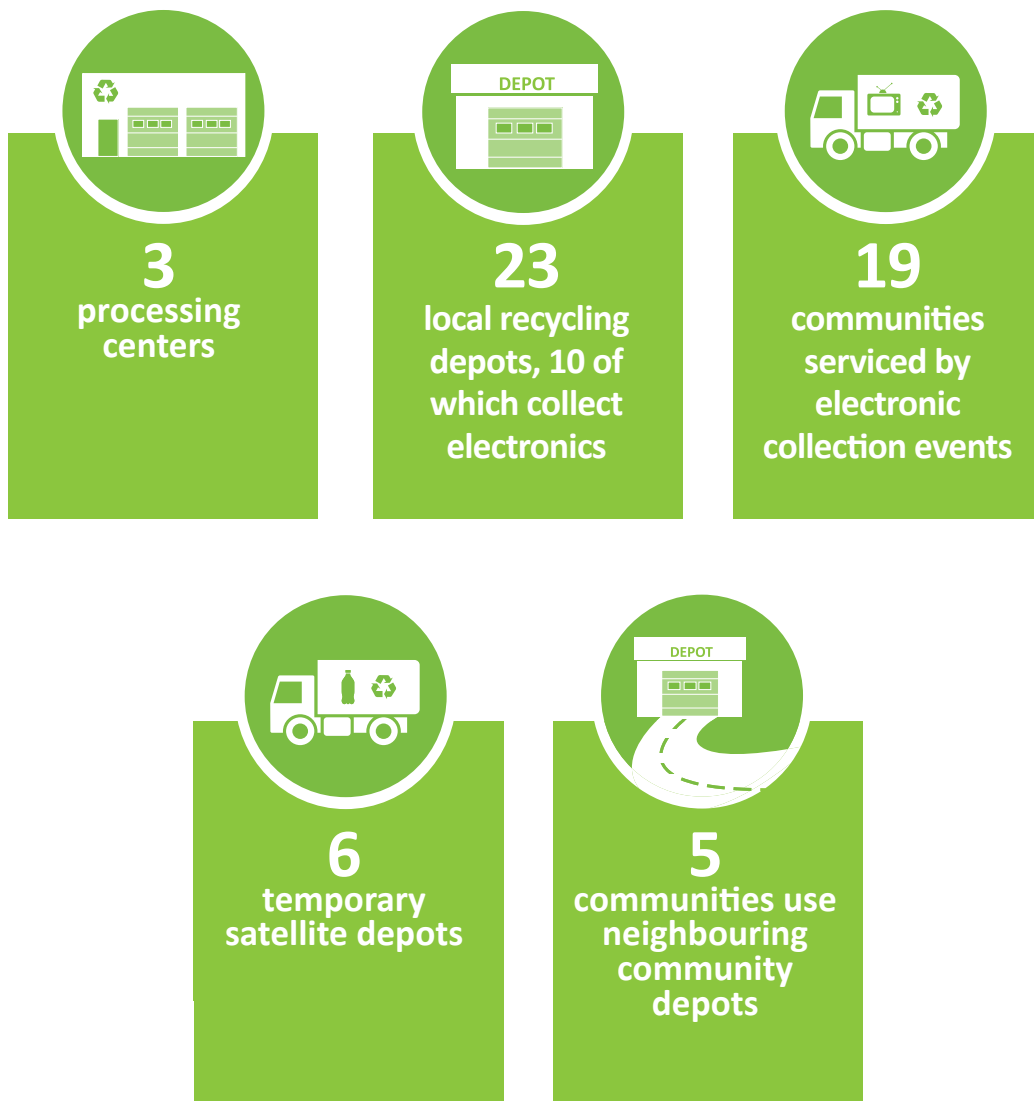














Figure 2
Recycling Depots



6.2 LICENCES, REGISTRATIONS, LOCAL EMPLOYMENT, AND COMPLIANCE

2019-2020 PROGRAM			
	 SINGLE-USE RETAIL BAG PROGRAM (SRBP)	 BEVERAGE CONTAINER PROGRAM (BCP)	 ELECTRONICS RECYCLING PROGRAM (ERP)
REGISTRATIONS & LICENCES	 24 Registered Distributors	 23 Licensed Bottle Depots	 10 Licensed Electronic Depots
	 103 Registered Retailers	 35 Registered Distributors (7 new)	 166 Registered Distributors
EMPLOYMENT ASSOCIATED WITH PROGRAMS		 11 Full Time	
		 36 Part Time	
CONVICTIONS FOR OFFENCES UNDER THE WASTE REDUCTION AND RECOVERY ACT	 0 Convictions		

7. WASTE REDUCTION AND RECYCLING INITIATIVE

The Waste Reduction and Recycling Initiative (WRRI) has provided financial support to reduce and recycle materials not yet included in NWT-wide recycling programs since 2013. The WRRI is designed to be flexible so applicants can prioritize the materials they want diverted from their community landfill through community-based waste reduction and recycling projects.

With the objective of improving diversion results achieved by WRRI projects, ENR suspended the WRRI for 2019-20 to allow for an evaluation and update to the funding guidelines and evaluation rubric. The WRRI will resume in 2020-21.

Do you have an idea for how to **reduce waste?**



8. WASTE REDUCTION AND RECOVERY ADVISORY COMMITTEE

The Waste Reduction and Recovery Advisory Committee (WRRAC) was established under the authority of the *Waste Reduction and Recovery Act*. WRRAC advises the Minister of ENR on the establishment and operation of programs with respect to the reduction and recovery of waste in the NWT. The committee met once in 2019-20.

NAME	SECTOR REPRESENTED	ORGANIZATION
Peter Houweling	Waste Hauler	Kavanaugh Bros. Ltd.
Dawn Tremblay	Environmental Non-Government Organization	Ecology North
Michael Auge	Community Government Representative	Town of Hay River
Henry Kruse	Waste Haulers, Processors and Recyclers	Precision North Recycling Ltd./ Owner-Operator HCH Trucking
Rex Fearn	Public at Large	
Olivia Lee	Department of Municipal and Community Affairs	Infrastructure and Project Management
Mike King	Retailers (Tires)	Tire North Ltd.
Chris Vaughn	Community Government Representative	City of Yellowknife

9. CONTACT INFORMATION

For more information about waste reduction and recovery programs 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



Photo: Pat Kane

10. APPENDIX A: AUDITED FINANCIAL STATEMENTS

Photo: John McKay

Environment Fund

Financial Statements

March 31, 2020

Environment Fund

Financial Statements

March 31, 2020

	Page
Management Responsibility Statement	3
Independent Auditors' Report	4 - 6
Statement of Operations	7
Statement of Changes in Fund Balances	8
Statement of Financial Position	9
Notes to the Financial Statements	10 - 16
Schedule of Beverage Container Program	17
Schedule of Electronic Recycling Program	18
Schedule of Other Programs and Initiatives	19

Management Responsibility Statement

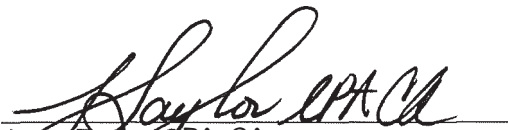
Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of these financial statements. 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.



Erin Kelly, PhD.
Deputy Minister
Department of Environment and Natural Resources



Joyce Taylor, CPA, CA,
Director, Finance and Capital Planning
Department of Environment and Natural Resources

June 30, 2020

Independent Auditors' Report

To the Minister of Environment and Natural Resources - Environment Fund

Qualified Opinion

We have audited the financial statements of Environment Fund, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Environment Fund as at March 31, 2020 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program fee revenues \$5,307,973 (2019 - \$5,374,550), depot handling fees \$860,181 (2019 - \$926,150), processing fees \$471,135 (2019 - \$538,886) and refundable deposits \$2,373,662 (2019 - \$2,691,374). 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 or expenses for the years ended March 31, 2020 and 2019, accounts receivable, accounts payable or fund balances as at March 31, 2020 and 2019.

Wages and benefits of \$815,510 (2019 - \$973,196) were 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 expenses for the years ended March 31, 2020 and 2019, liabilities and fund balances as at March 31, 2020 and 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditors' Report

Other Matter

Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report

- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, Canada
June 30, 2020



Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2020	2019
Revenues		
Beverage Container Program (schedule 1)	\$ 5,688,498	\$ 5,946,373
Electronic Recycling Program (schedule 2)	235,255	226,843
Other Programs and Initiatives (schedule 3)	599,534	770,421
	6,523,287	6,943,637
Expenses		
Beverage Container Program (schedule 1)	5,011,534	5,547,268
Electronic Recycling Program (schedule 2)	283,144	401,250
Other Programs and Initiatives (schedule 3)	332,158	641,323
	5,626,836	6,589,841
Excess of revenues over expenses	\$ 896,451	\$ 353,796

See accompanying notes

7

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2020

	Unrestricted	Equipment replacement reserve	Total 2020	Total 2019
Balance, beginning of year	\$ 3,788,656	\$ 455,180	\$ 4,243,836	\$ 3,890,040
Excess of revenues over expenses	896,451	-	896,451	353,796
Transfer to reserve (Note 2c)	(30,396)	30,396	-	-
Transfer from reserve (Note 2c)	61,897	(61,897)	-	-
Balance, end of year	\$ 4,716,608	\$ 423,679	\$ 5,140,287	\$ 4,243,836

See accompanying notes

8

Environment Fund

Statement of Financial Position

March 31,	2020	2019
Assets		
Accounts receivable	\$ 909,304	\$ 1,070,498
Due from Treasury (note 3)	5,207,662	4,354,156
Loan receivable (note 4)	14,464	19,286
	\$ 6,131,430	\$ 5,443,940
Liabilities		
Accounts payable and accrued liabilities	\$ 194,947	\$ 394,114
Unredeemed container liability (note 5)	796,196	805,990
	991,143	1,200,104
Fund balances		
Unrestricted	4,716,608	3,788,656
Equipment replacement reserve	423,679	455,180
	5,140,287	4,243,836
	\$ 6,131,430	\$ 5,443,940

Approved on behalf of the board:



Deputy Minister



Director, Finance and Capital Planning

See accompanying notes

9

Environment Fund

Notes to the Financial Statements

March 31, 2020

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 Fund.

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

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

Environment Fund Programs

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

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

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

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

Environment Fund

Notes to the Financial Statements

March 31, 2020

2. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for not-for-profit organizations.

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 is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received or receivable.

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.

Interest revenue is recognized as it is earned.

(b) Capital assets

The capital assets are 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.

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

(c) Reserve funds

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

The Equipment replacement reserve is 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 2020 transfer is \$30,396 (2019 - \$24,207). During the year the Department of Environment and Natural Resources purchased equipment of \$61,897 (2019 - \$98,720) on behalf of the Fund. This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement.

Environment Fund

Notes to the Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

(d) Contributed services

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

(e) Start-up funding

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

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result 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) Related party transactions

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Environment Fund

Notes to the Financial Statements

March 31, 2020

2. Significant accounting policies (continued)

(i) Use of estimates

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

3. 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. The monies for these investments flow out of the CRF and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

4. Loan receivable

The Fund loaned one bottle depot operator funds to be used to pay persons returning empty beverage containers to the depots. The loan is non-interest bearing and is repayable in monthly installments of \$536 starting May 1, 2018 with the final payment due on November 1, 2021.

	2020	2019
Loan receivable	\$ 14,464	\$ 19,286
Estimated principal repayments are as follows:		
2021	\$ 6,483	
2022	7,981	
	\$ 14,464	

5. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2019 - 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. This liability has been disclosed in accordance with the *Waste Reduction and Recovery Act*.

6. Comparative figures

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

Environment Fund

Notes to the Financial Statements

March 31, 2020

7. Contingent liabilities

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

8. Related party transactions

The Fund is related in terms of common ownership to all Government of the Northwest Territories departments, agencies and Crown Corporations. 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).

The Fund entered into transactions with the following entities:

NWT Liquor Commission, Common control
Government of the Northwest Territories - Human Resources , Common control
Marine Transportation Services, Common control
Wrigley District Education Authority, Common control

	2020	2019
Revenue		
NWT Liquor Commission - Beverage container program fees	\$ 1,911,742	\$ 2,008,473
Expenses		
K'asho Got'ine District Education Authority - Chief T'Selehye School - Grants and contributions	-	8,528
Jean Marie River District Education Authority - Louie Norwegian School - Grants and contributions	-	1,502
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	4,813	2,063
Marine Transportation Services - Freight	73,458	71,964
Government of the Northwest Territories - Human Resources - Payroll	815,509	973,196
	\$ 893,780	\$ 1,057,253
Accounts receivable		
NWT Liquor Commission	\$ 156,603	\$ 179,474

Environment Fund

Notes to the Financial Statements

March 31, 2020

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

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 government agencies and participating retailers of the Beverage Container 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 \$6,131,430 (2019 - \$5,443,940). All financial assets are considered current except for the loan receivable referenced in Note 4.

(b) Concentration of credit risk

Concentration 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. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties 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, 2020, receivables from 3 (5 - 2019) customers comprised approximately 50% (2019 - 68%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

Environment Fund

Notes to the Financial Statements

March 31, 2020

10. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic global due to an outbreak of a novel coronavirus identified as “COVID-19”. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial, and territorial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Fund and its operations in future periods.

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Beverage Container Program

Schedule 1

	2020	2019
Revenue		
Beverage container program fees	\$ 5,307,973	\$ 5,374,550
Salvage	295,214	470,629
Interest revenue	84,386	84,317
Recoveries	925	16,877
	5,688,498	5,946,373
Expenditures		
Advertising and promotion	2,263	447
Contract service - satellite depot	102,498	132,131
Depot handling fees	860,181	926,150
Equipment, supplies and maintenance	125,999	147,010
Freight	320,763	357,430
Grants and contributions	92,103	85,852
Insurance	14,271	12,347
Office and software	6,109	7,767
Processing centre handling fees	471,135	538,886
Processing centre salvage	54,377	80,292
Quality control fees	42,716	84,247
Refundable deposit fees	2,373,662	2,691,374
Storage	35,335	17,475
Travel and training	4,355	21,839
Wages and benefits	505,767	444,021
	5,011,534	5,547,268
Excess of revenues over expenses	\$ 676,964	\$ 399,105

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Electronic Recycling Program

Schedule 2

	2020	2019
Revenue		
Electronic recycling program fees	\$ 235,255	\$ 226,807
Recoveries	-	36
	235,255	226,843
Expenditures		
Advertising and promotion	13,693	37,923
Contract service - satellite depot	10,950	16,661
Depot, processing centre and recycling fees	87,786	123,184
Equipment, supplies and maintenance	12	13,554
Freight	24,448	32,943
Office	-	17
Professional fees	36,369	36,638
Storage	6,000	4,830
Travel and training	1,947	1,685
Wages and benefits	101,939	133,815
	283,144	401,250
Deficiency of revenues over expenses	\$ (47,889)	\$ (174,407)

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Other Programs and Initiatives

Schedule 3

	2020	2019
Revenue		
Single-use retail bag program fees	\$ 599,534	\$ 766,546
Recoveries	-	3,875
	599,534	770,421
Expenditures		
Advertising and promotion	29,620	6,550
Grants and contributions	5,000	151,279
Contract services - satellite depot	21,945	-
Office	2,662	2,179
Professional fees	48,388	66,505
Travel and training	16,739	19,450
Wages and benefits	74,604	96,103
Wages and benefits – Policy development	115,531	261,546
Wages and benefits - Waste reduction and recycling	17,669	37,711
	332,158	641,323
Excess of revenues over expenses	\$ 267,376	\$ 129,098

Endnote: GHG Calculations Assumptions

ⁱ The United States Environmental Protection Agency Waste Reduction Model (USEPA WARM) model was used to calculate GHG emissions reductions. Assumptions for calculating GHG savings for all programs is as follows:

Beverage Container Program

- NWT population estimate for 2019-2020 of 44,826 (source: NWT Bureau of Statistics estimates).
- 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 Top 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.
- The MTCO_{2e} for refillable glass was calculated with avoided greenhouse gas estimates from Brewers Distributed Ltd. rather than WARM.
- An estimated 213 tonnes of non-refillable glass (NRG) was used locally in Hay River as clean fill at construction sites.
- Distance calculations for material destinations are as follows: Refillable Glass (ISB) – Edmonton, Alberta. Aluminum – Berea, Kentucky, USA. Non-Refillable Glass – Airdrie, Alberta. Plastic Containers – Calgary, Alberta. Tetra Paks – Cheboygan, Michigan, USA. Bi-metal – Edmonton, Alberta.

Single-use Retail Bag Program

- Baseline SRB use prior to 2010 is 208 bags per person based on Resource Conservation Manitoba estimates (2009).
- Assuming 5 grams per bag x 64,007,789 bags = 320.0 tonnes (352.8 US short tons) of high-density polyethylene (HDPE) avoided (source reduction).

Electronics Recycling Program

- Mixed Electronics category used for the WARM calculations.
- Electronics Processor is in Edmonton, Alberta for distance calculations from each PC.

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