



Waste Reduction and Recovery Program

Programme de réduction et de récupération des déchets

2023-2024 Annual Report | Rapport annuel 2023-2024

Government of | Gouvernement des
Northwest Territories
Territoires du Nord-Ouest

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French

Kispin ki nitawihtin ē nihiyawihk oma ācimōwin, tipwāsinān.
Cree

Tljchö yati k'ęę. Dı wegodi newo dę, gots'o gonedę.
Tljchö

ʔeरihtl'is Dëne Sųłiné yati t'a huts'elkér xa beyáyatı theʔa ɔat'e, nuwe ts'ën yólti.
Chipewyan

Edi gondi dehgáh got'je zhatié k'ęę edatl'ęh enahddhé nide naxets'ę edahli.
South Slavey

K'áhshó got'jne xáda k'é hederi ɿedjhtí'é yeriniwé niidé dule.
North Slavey

Jii gwandak izhii ginjik vat'atr'ijahch'uу zhit yinohthan jii', diits'at ginohkhii.
Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta.
Inuvialuktun

Hapkua t̄īqqat p̄ijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.
Inuinnaqtun

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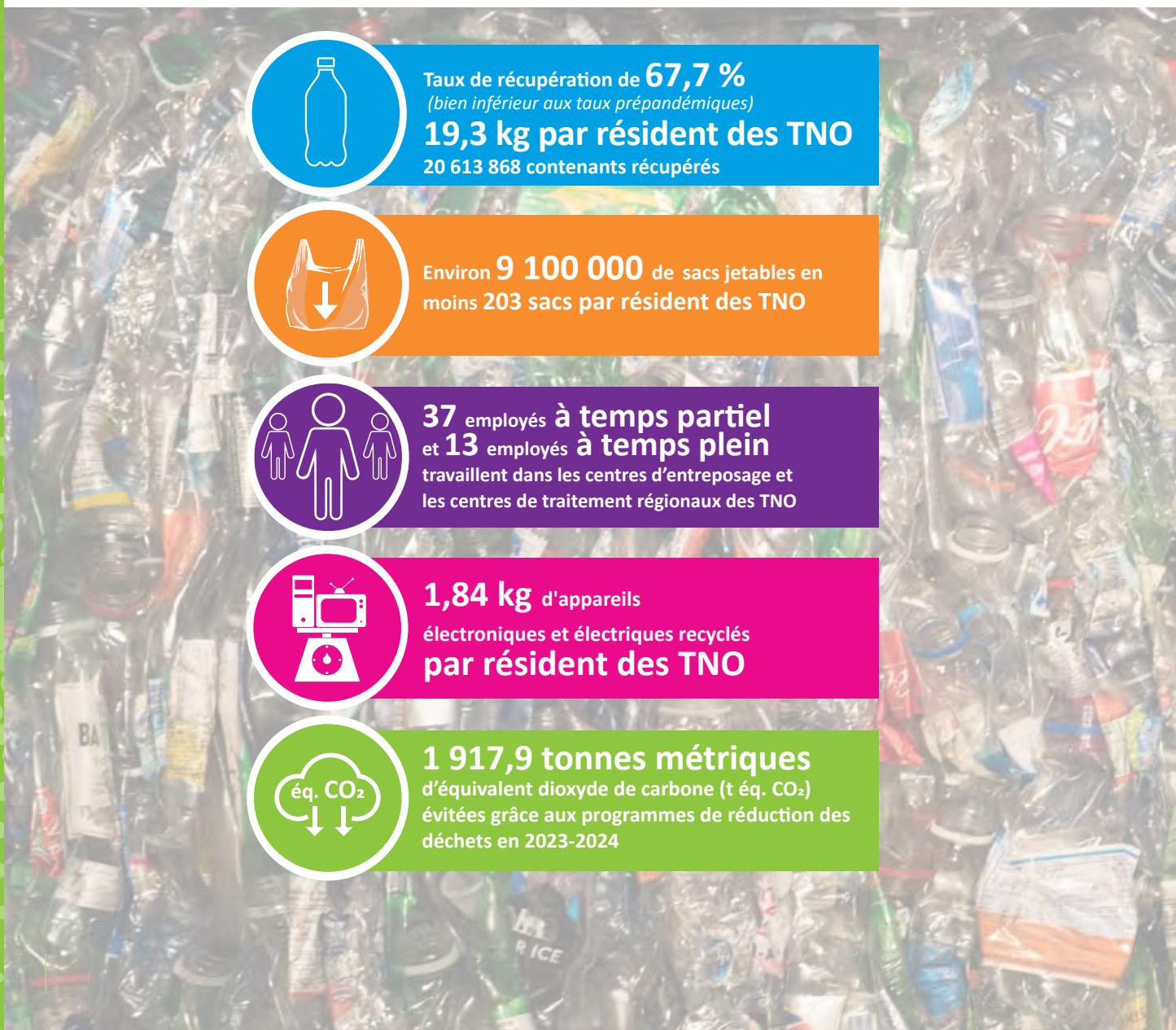
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1. INTRODUCTION ET FAITS SAILLANTS

Le Gouvernement des Territoires du Nord-Ouest (GTNO), par l'intermédiaire du ministère de l'Environnement et du Changement climatique (MECC), 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 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.

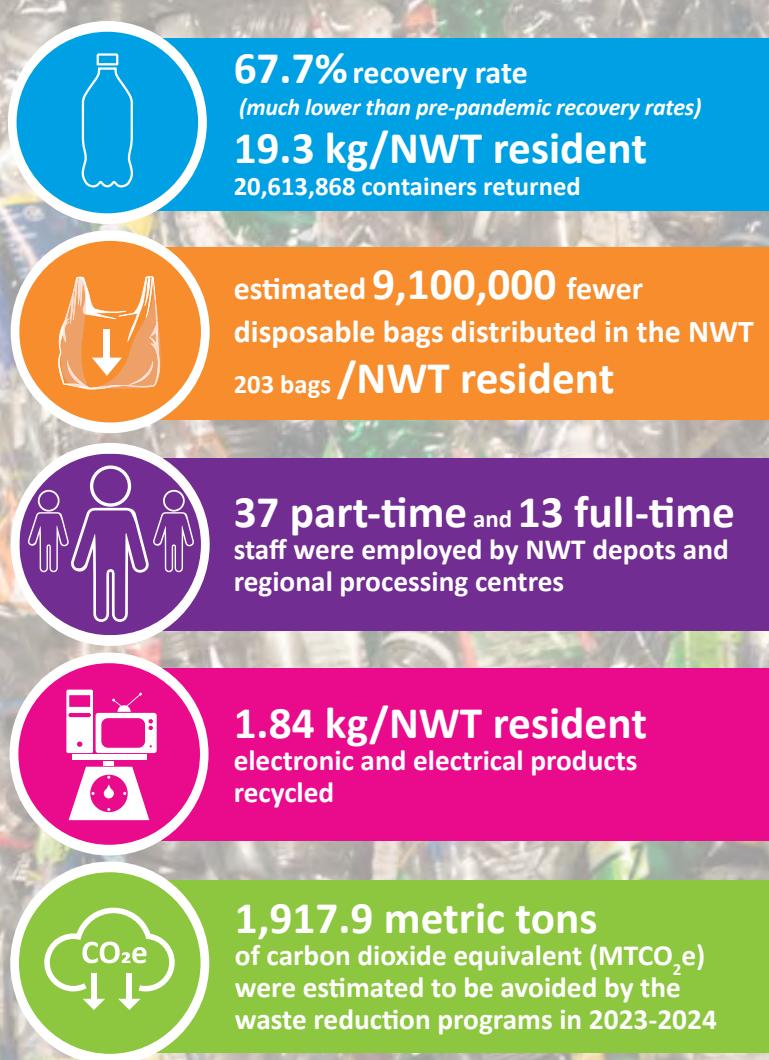
Grâce à la participation des Ténois à ces programmes de réduction et de réacheminement des déchets, et aux efforts des employés des centres de recyclage, des centres de traitement régionaux, des écoles, des gouvernements autochtones, des administrations communautaires et des différentes entreprises et organisations participantes, nous avons réalisé ce qui suit pendant l'exercice 2023-2024 :



1. INTRODUCTION AND HIGHLIGHTS

The Government of the Northwest Territories (GNWT) Department of Environment and Climate Change (ECC) operates three waste reduction and diversion programs and one initiative to help keep waste out of 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 (WRRI).

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, Indigenous governments, community governments and other businesses and organizations, the following successes were achieved during the 2023-2024 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. These programs also result in a reduction of greenhouse gas (GHG) emissions associated with the creation of new products from virgin materials. Table 1 shows the amount of waste prevented and diverted, and the estimated GHG emissions reduced by the Single-use Retail Bag Program, the Beverage Container Program, and the Electronics Recycling Program.

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

METRIC	SINGLE-USE RETAIL BAG PROGRAM (SRBP)		BEVERAGE CONTAINER PROGRAM (BCP)		ELECTRONICS RECYCLING PROGRAM (ERP*)		TOTAL	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Quantity Reduced (t)	 45.5	 38.7					 45.5	 38.7
Quantity Reused (t)			 169.0	 144.0			 169.0	 144.0
Quantity Recycled (t)			 699.3	 677.7	 82.7	 81.8	 782.0	 759.5
Total Reduced, Reused & Recycled	 45.5	 38.7	 868.3	 821.6	 82.7	 81.8	 996.5	 942.2
GHG Reduced (MTCO ₂ e) ¹	 72.1 ↓ _{CO₂e}	 61.4 ↓ _{CO₂e}	 1785.6 ↓ _{CO₂e}	 1829.4 ↓ _{CO₂e}	 60.2 ↓ _{CO₂e}	 59.5 ↓ _{CO₂e}	 1917.9 ↓ _{CO₂e}	 1950.3 ↓ _{CO₂e}
Equivalent Cars off the road ²	 15.7	 13.3	 388.2	 397.7	 13.1	 12.9	 416.9	 424.0

¹ GHG estimations are based on United States Environmental Protection Agency Waste Reduction Model: <https://www.epa.gov/warm>. See endnotes for additional details on how GHG values are calculated.

² Estimation of the numbers of cars off the road assumes that 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

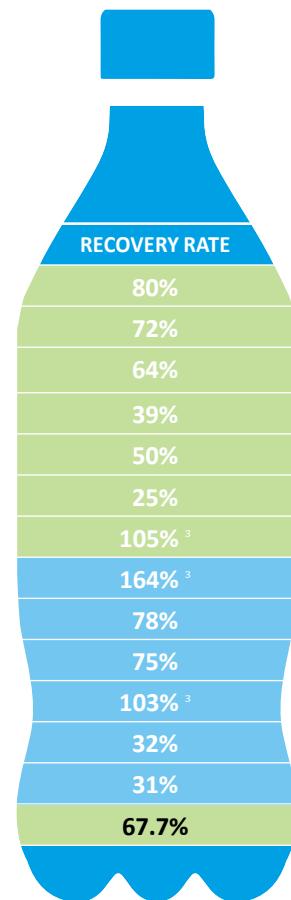
The Beverage Container Program was the first program created under the *Waste Reduction and Recovery Act* in 2005. Permanent recycling depots and temporary satellite depots receive empty beverage containers from customers, pay refundable deposits, and send beverage containers to regional processing centres in Yellowknife, Hay River, and Inuvik. These regional processing centres consolidate and densify materials and send them to various markets in North America.

3.1 BEVERAGE CONTAINER RECOVERY RATES

More than 30 million beverage containers were distributed and over 20 million were returned in the NWT between April 1, 2023, and March 31, 2024 (Table 2).

Table 2:
Beverage Container Recovery Rate
between April 1, 2023 – March 31, 2024

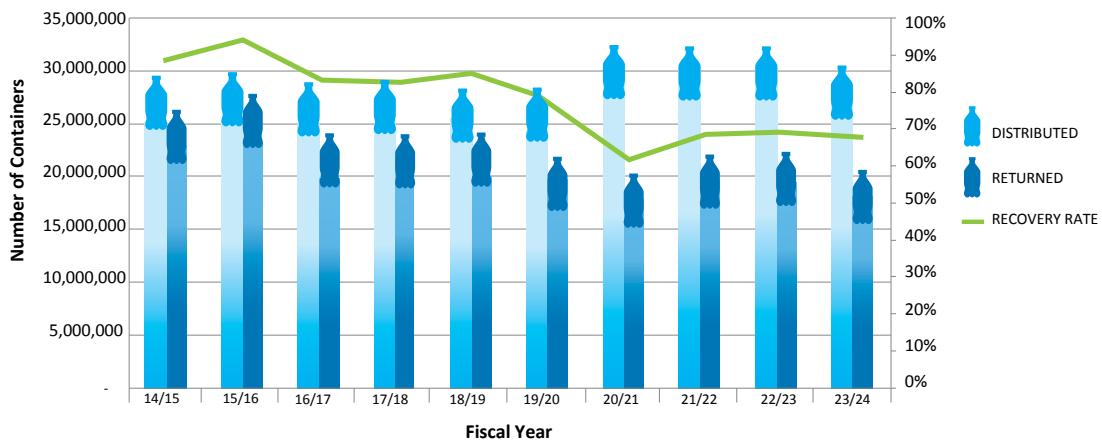
		DISTRIBUTED	RETURNED
≤1 litre	Glass	1,104,149	882,281
	Aluminum	16,122,026	11,624,097
	Plastic	8,535,794	5,421,659
	Tetra Pak and Gable Top	2,450,753	963,267
	Bi-metal	88,272	43,727
	Drink Pouch	297,758	74,097
	Refillable Glass Bottles	535,129	563,796
	Glass	44,065	72,137
>1 litre	Plastic	909,059	711,980
	Tetra Pak and Gable Top	326,302	246,245
	Bi-metal	4,119	4,237
	Drink Pouch	56	18
	Bag-in-a-Box	20,533	6,327
	Total	30,438,015	20,613,868



³ ECC suspects the high return rate of large glass and bi-metal containers, and refillable glass containers may be the result of operator error/mis-categorization when containers come in, and/or that containers purchased outside the NWT were returned to the NWT depots.

More than 443 million containers have been returned over the life of the program. Figure 1 shows the BCP recovery rate for the last 10 years.

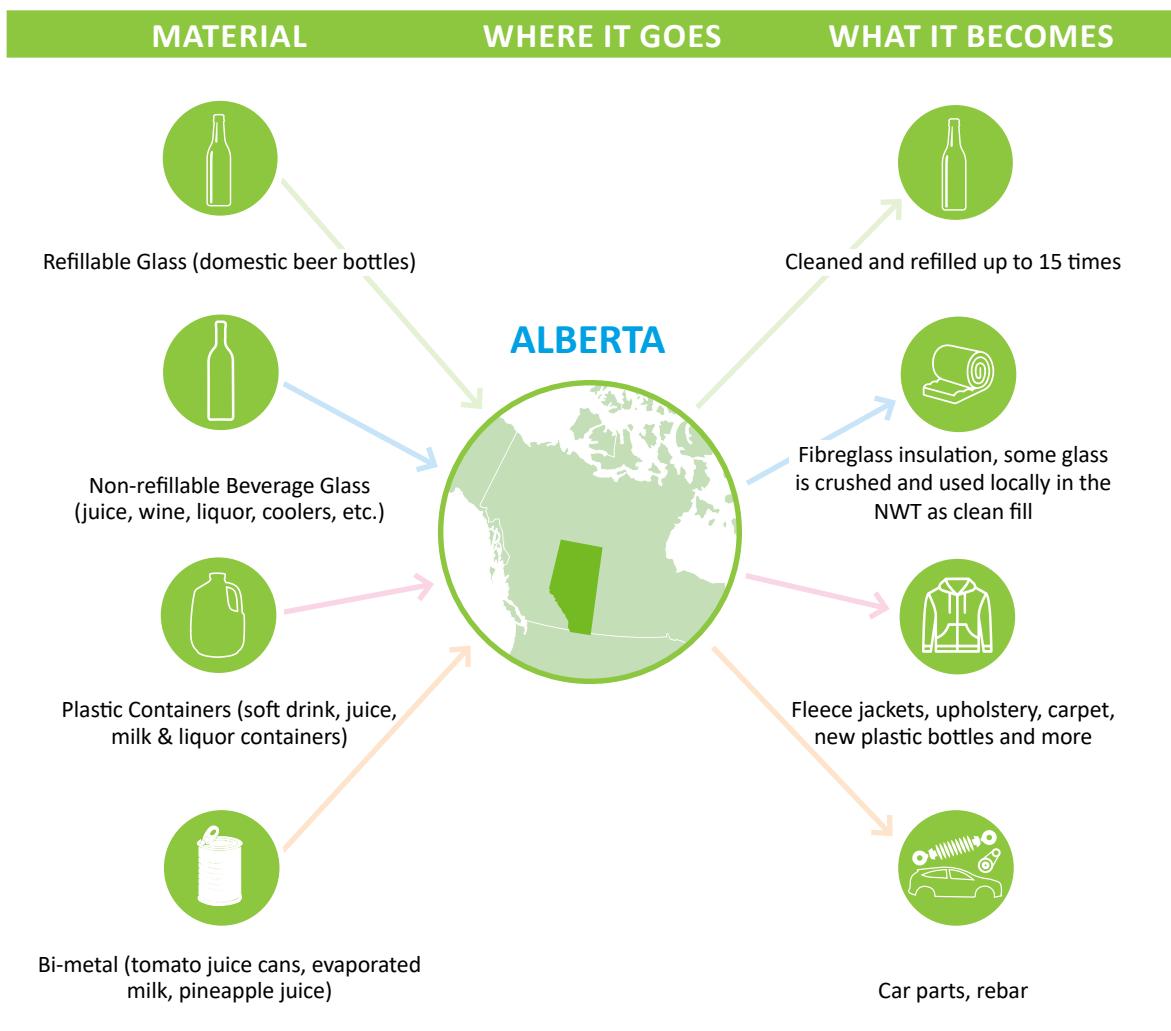
Figure 1
Beverage Container Recovery Rates 2014-2024



The Beverage Container Program recovery rate for the 2023-2024 fiscal year was 67.7%. Figure 1 shows the recovery rate for the last ten fiscal years, which run from April 1 to March 31. As seen in Figure 1, the number of containers distributed in the NWT increased significantly in 2020-2021 and has consistently been more than 30 million containers per year since. At that same time, the number of containers returned dropped, and has remained lower than pre-pandemic rates. The Territorial State of Emergency and numerous community evacuations may also have adversely affected the 2023-2024 rate of recovery.

In tracking metrics of the Beverage Container Program, ECC uses the number of containers entering the NWT as reported by distributors, and the number of containers that are returned to recycling depots to determine the recovery rate. In reporting on the mass of containers collected for reuse or recycling, ECC uses the shipping weight of materials as they are shipped from a Processing Centre (Inuvik, Hay River, or Yellowknife) to downstream processors in Alberta, Michigan, or Kentucky. Since Processing Centres only ship materials once they reach a critical mass, it can mean that containers collected in one fiscal year do not leave the NWT until the following year. In 2023-2024, while there were fewer containers returned compared to the previous year, more glass was shipped for reuse and recycling in 2022-2023, resulting in a higher mass of material reported as reused or recycled.

3.2 WHAT HAPPENS TO YOUR CONTAINERS?



4. SINGLE-USE RETAIL BAG PROGRAM

The Single-Use Retail Bag Program was launched in 2010. 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 2023-2024, distributors supplied NWT retail stores with 246,992 single-use retail bags. This seven-fold decrease in distribution relative to the previous year bumped the estimated reduction rate from 82% to 97%. This is most likely attributable to a federal ban prohibiting the sale of plastic checkout bags that came into force in December 2023.



In 2023-2024, NWT residents used an estimated **9,100,000** fewer disposable bags.

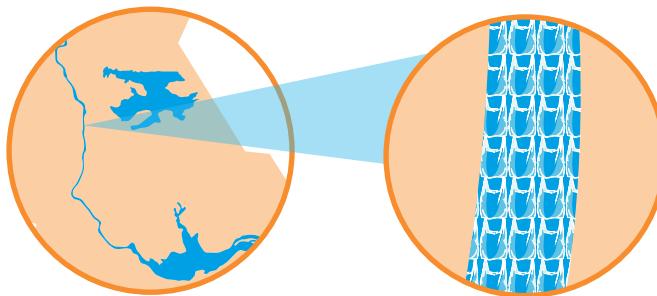


That translates to approximately **203 fewer bags** per person during 2023-2024.



Since 2010, the program has prevented more than **93 million bags** from being used and discarded. (An estimated reduction of 74%).

If stretched end to end, **93 million bags** would extend to the length of the Mackenzie River over 28 times.⁴



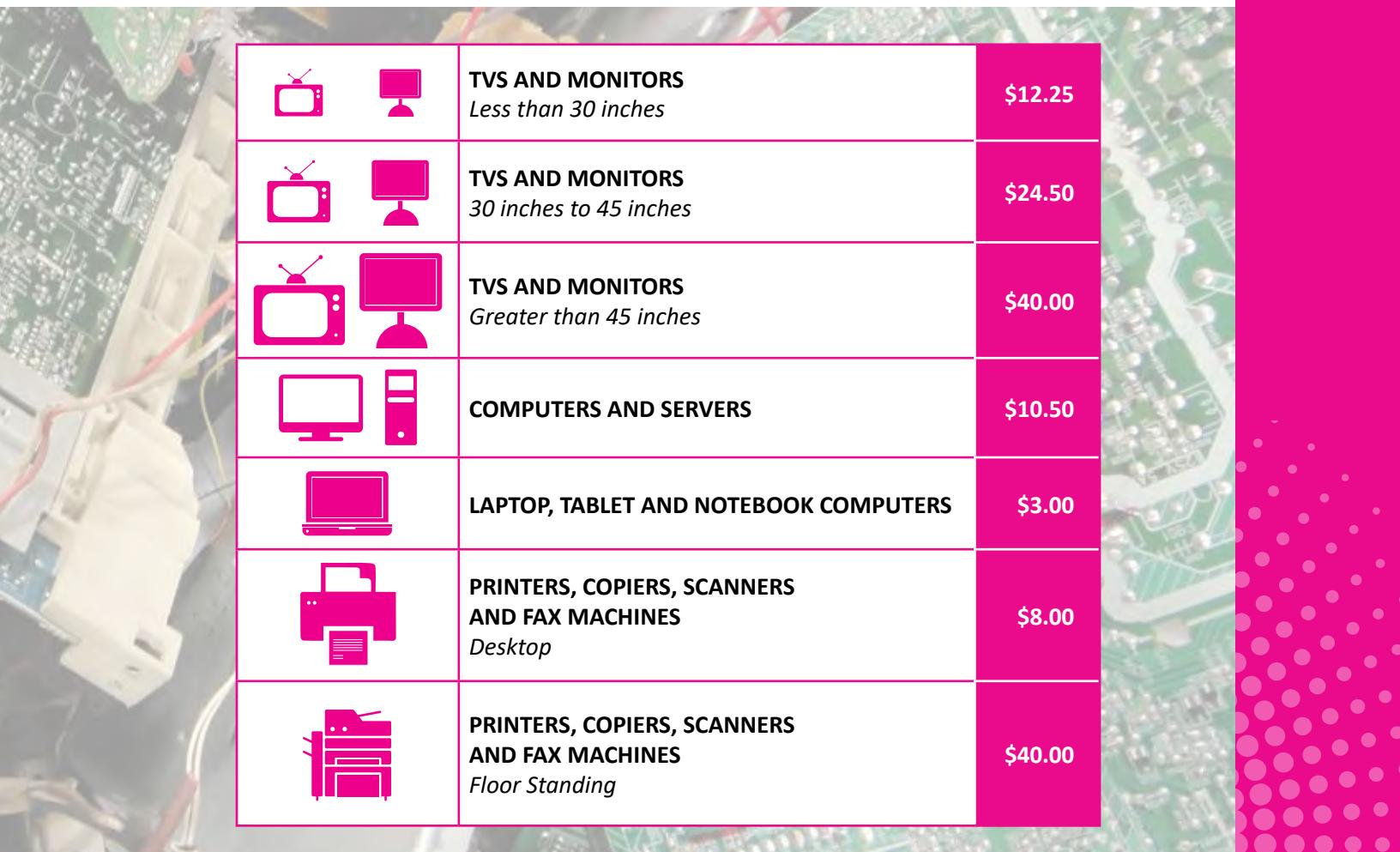
⁴ 21 inch bag height = 0.0005334 km x 93,520,443 bags = 49,883.80 km / 1,738 km length of Mackenzie River = 28.70 times.

5. ELECTRONICS RECYCLING PROGRAM

Since February 2016, participating recycling depots and collection events have accepted electronics for recycling. Figure 2 shows the types of electronics included in the program, and their respective fees (paid by consumers at purchase).

Figure 2:

Eligible program electronics and their environment handling fees paid on purchase



	TVS AND MONITORS <i>Less than 30 inches</i>	\$12.25
	TVS AND MONITORS <i>30 inches to 45 inches</i>	\$24.50
	TVS AND MONITORS <i>Greater than 45 inches</i>	\$40.00
	COMPUTERS AND SERVERS	\$10.50
	LAPTOP, TABLET AND NOTEBOOK COMPUTERS	\$3.00
	PRINTERS, COPIERS, SCANNERS AND FAX MACHINES <i>Desktop</i>	\$8.00
	PRINTERS, COPIERS, SCANNERS AND FAX MACHINES <i>Floor Standing</i>	\$40.00

Approximately 61.4 tonnes of eligible electronics were collected in the 2023-2024 fiscal year. A breakdown is provided in Table 3. On average, 1.37 kilograms of electronics were recycled per person in 2023-2024.

A total of 627 tonnes of program electronics have been collected since the launch of the ERP (February 1, 2016) to March 31, 2024. With items collected through the E-Pilot, a total of 664 tonnes of electronic and electrical products have been diverted.

Table 3
Electronics Collected for Recycling in 2023-2024

PROCESSING CENTRE REGION	PROGRAM ELECTRONICS COLLECTED (TONNES)	PILOT MATERIALS COLLECTED (TONNES)	PROGRAM ELECTRONICS AVERAGE KG COLLECTED / PERSON	PROGRAM AND PILOT MATERIALS AVERAGE KG COLLECTED / PERSON
YELLOWKNIFE (includes recycling depots in Yellowknife, Behchokǫ, Whaì and collection events)	 36.6	 10.9	 1.4	 1.8
HAY RIVER (includes recycling depots in Hay River, Colville Lake, Délı̨ne, Fort Good Hope, Fort Providence, Fort Simpson, Fort Smith, Norman Wells, and collection events)	 19.6	 10.3	 1.7	 2.6
INUVIK (includes recycling depots in Inuvik, Fort McPherson, Tuktoyaktuk and collection events)	 5.2	 0.0	 0.7	 0.7
TOTAL	61.4	21.2	1.37	1.84

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

6.1 RECYCLING DEPOTS AND REGIONAL PROCESSING CENTRES

As of March 31, 2024, there were 23 locally operated recycling depots and three regional processing centres in the NWT. Electronics and beverage containers were also collected at satellite depots and collection events were held in the six communities without permanent depots. Collection events for electronics were also held in two communities with depots that only accept beverage containers. The following five communities use nearby depots: Dettah, Enterprise, Ndilo, Kakisa, and Kát’odeeche First Nation.

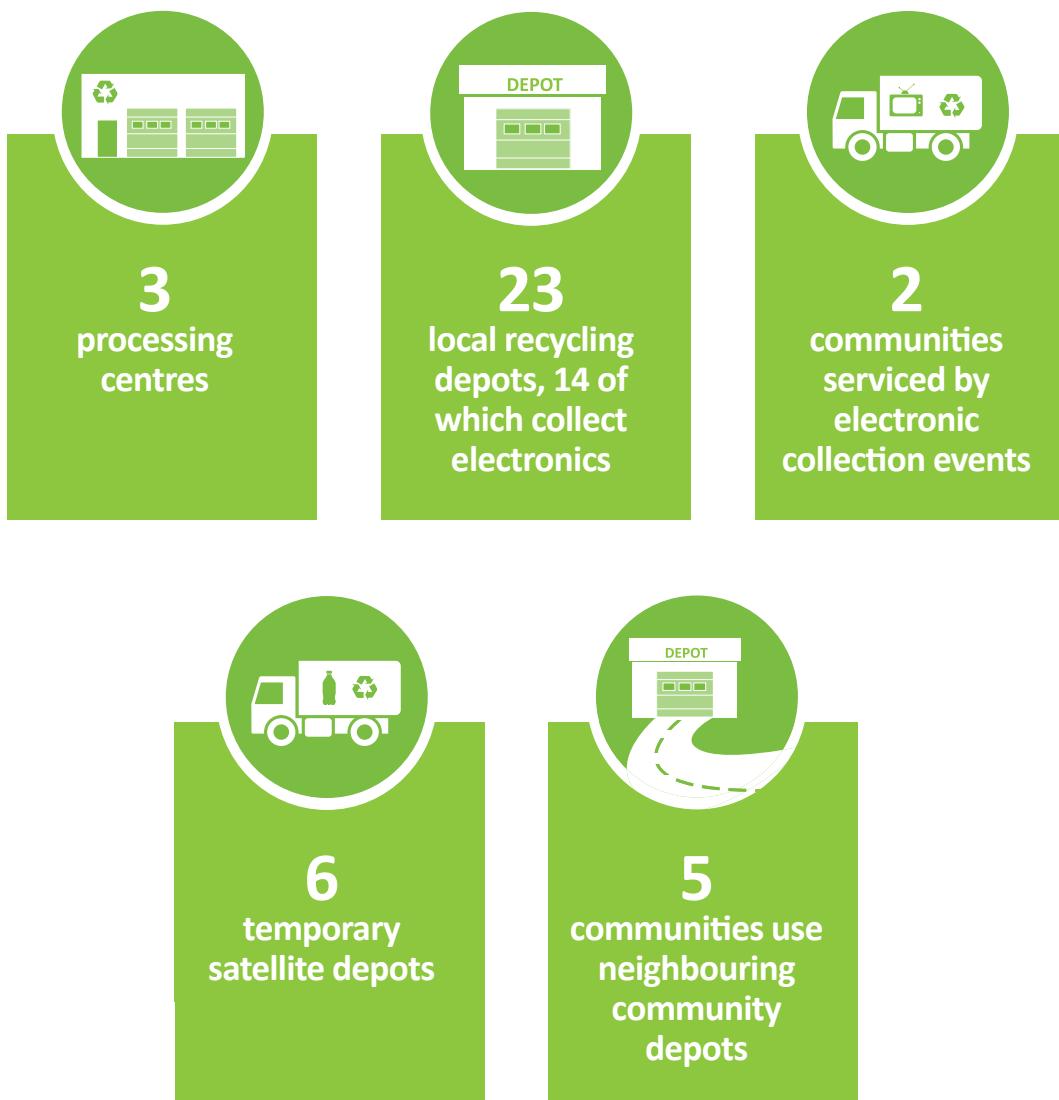


Figure 3
Recycling Depots in the NWT



6.2 LICENCES, REGISTRATIONS, LOCAL EMPLOYMENT, AND COMPLIANCE

2023-2024 PROGRAM			
REGISTRATIONS & LICENCES	 SINGLE-USE RETAIL BAG PROGRAM (SRBP)		
	 83 Registered Retailers	 23 Licensed Bottle Depots	 16 Licensed Electronic Depots
	 19 Registered Distributors	 36 Registered Distributors	 180 Registered Distributors
			13 Full Time
			
			37 Part Time
EMPLOYMENT ASSOCIATED WITH PROGRAMS			
CONVICTIONS FOR OFFENCES UNDER THE WASTE REDUCTION AND RECOVERY ACT		 0 Convictions	

7. WASTE REDUCTION AND RECYCLING INITIATIVE

Since 2013, the Waste Reduction and Recycling Initiative (WRRI) has provided financial support to projects that reduce and recycle materials not yet included in NWT-wide recycling programs. Each year, \$150,000 is available to municipalities, schools, organizations, businesses and individuals in the NWT, with a maximum of \$50,000 per project.

The WRRI allows applicants to focus on reducing waste in their communities through tailored recycling and waste reduction projects. These projects aim to:

- reduce the amount of waste generated in NWT communities,
- reuse materials and products, rather than discard them,
- recycle materials not already collected through an NWT recycling program,
- reduce waste and prevent pollution from recyclable hazardous waste,
- raise awareness about the importance of reducing waste and encourage environmental stewardship of waste resources, and/or
- reclaim (or repurpose) waste.

In 2023-2024, the WRRI received eleven applications. Prior to evaluation, two projects withdrew their applications and one was incomplete and not evaluated. In total, over \$82,000 (approximately 55% of available funding) was distributed to five projects.

There was one project in Aklavik, three projects in Yellowknife and one project spanning multiple communities. The lower disbursement was due to withdrawn applications, smaller funding requests, and challenges in attracting applications during an unusual wildfire season.

Initiatives funded in 2023-2024 resulted in the following achievements:

- **A-List Organizing** hosted three clothing swaps in Yellowknife, including a record-breaking event during Earth Week in collaboration with Ecology North, with over 400 attendees.
- **Yellowknife Farmers Market** implemented a loyalty program for market patrons who bring their own reusable dishware instead of using the compostable containers provided. Patrons were eligible for a \$15 market voucher if they had their reusable dishware loyalty card stamped five times throughout the market season. The project proved to be successful and was a great way to encourage patrons to reduce waste generated, even when compostable containers are available.
- **École Sir John Franklin High School** in Yellowknife purchased a laser cutter/engraver to educate students on waste reduction using advanced technology. The project was successful in diverting wood, metal and plastic from the school waste bins and the landfill. The project is expected to continue for years to come.

- **Food First Foundation** provided reusable dishware for Moose Kerr School in Aklavik to reduce the amount of waste from food services. Food First Foundation also provided lesson plans to the school to further educate students on the importance of waste reduction. This project proved to be successful and the reusable dishware will continue to assist the school in diverting waste.
- **Ecology North** delivered 26 waste reduction workshops to 437 youth in Fort Good Hope, Norman Wells, Délı̨nę, Tulita, and Yellowknife. The workshops combined educational resources, in-person activities, and discussions about local waste reduction and diversion initiatives or possibilities.



"Our goal in this program was to reduce waste in the wood and metal shops by incorporating a laser cutter/engraver for a new design and engineering course. By mastering both the software and the laser cutting process, we can safely repurpose even the smallest scraps, turning them into usable materials and minimizing waste. This project is not only focused on waste reduction but also on community involvement. The 600 students at Sir John Franklin High School, soon to be active members of the community, are encouraged to adopt a mindset of reducing, reusing, and recycling, while embracing technology and seeking solutions to various problems."

8. WASTE RESOURCE MANAGEMENT STRATEGY AND IMPLEMENTATION PLAN

The *Waste Resource Management Strategy and Implementation Plan* (the Strategy) was released in June 2019. The Strategy provides a 10-year road map for improving waste resource management in the territory to 2030-2031. The Strategy is implemented in partnership between ECC and the Department of Municipal and Community Affairs (MACA), and has four overarching goals with supporting priority actions:



1. Prevent and reduce waste at the source,
2. Divert waste from disposal,
3. Improve waste facilities and practices, and
4. Lead by example – greening the GNWT.

This section of the annual report is intended to provide a brief overview of developments related to the Strategy's priority actions as of March 31, 2024.

Priority Action: Implement or expand 3 to 5 waste reduction or diversion programs

A key step in implementing the Strategy is a broadening of the regulatory framework for waste reduction and diversion in the NWT. In October 2023, the NWT Legislative Assembly passed the *Waste Reduction and Resource Recovery Act* (the Act) which will allow ECC to create extended producer responsibility (EPR) regulations that shift responsibility for managing the disposal phase of consumer products and packaging from communities and taxpayers to producers. The new Act also clarifies Environment Fund contributions and administration, expands the Minister's ability to enter into waste management agreements, enables landfill disposal bans, and updates enforcement and inspection authorities. The Act will come into force when current regulations are updated, and/or new regulations are completed. The next materials ECC plans to regulate are used oil, waste tires, and an expanded suite of electronic and electrical items.

In the lead-up to regulating the latter category, ECC has begun collecting more than 500 types of electronic and electrical products under the Electronic and Electrical Products Recycling Pilot Project (E-Pilot). Residents in 11 NWT communities (Yellowknife, Ndilo, Dettah, Hay River, Kátł'odeeche First Nation, Enterprise, Kakisa, Inuvik, Fort Smith, Fort Providence and Norman Wells) can bring E-Pilot materials to their local depot. The expanded list covers seven broad categories of products: small appliances and lighting;

audio visual; telecom devices; power and air tools; games, toys and music; lawn and garden; and solar panels.

As of March 31, 2024, a total of 37.2 tonnes of materials were collected and processed as part of the E-Pilot.



Figure 5: Example E-Pilot materials

Figure 5 shows some examples of the more than 500 types of products that can now be recycled.

Priority Action: Assist 5 to 10 communities to implement the 'Clean Up, Clean Start' program (including removal of hazardous waste)

During the 2023-2024 reporting period, MACA continued its efforts to assist communities in implementing the 'Clean Up, Clean Start' program, focusing on the removal of hazardous waste from solid waste sites. This work was supported by funding through the Investing in Canada Infrastructure Program for waste diversion and improvements at community landfills.

During the 2023 field season, MACA, its contractor, and eight communities depolluted vehicles, appliances, and fuel tanks, and removed hazardous materials such as used oil, flammable liquids, batteries, contaminated debris, refrigerant gases, residue drums, and other waste from landfills.

Following this success, MACA plans to complete similar activities in 12 additional

communities during the 2024 field season. The final phase of this effort is scheduled for the 2025 field season, with plans to assist seven more communities to complete depollution and hazardous waste removal.

During the next phase of the project MACA will focus on removing bulky inert scrap metal from community landfills. To prevent the reaccumulation of hazardous materials, MACA will continue working with communities to improve on-site waste management practices.

These projects will improve operations and maintenance practices in the community landfills, including both household hazardous waste collection and storage needs. Once completed, a total of 27 communities will have benefitted from this initiative by the end of the 2025 field season.

Priority Action: Support compost programs in 3 to 5 communities

Since 2021, through the Waste Reduction and Recycling Initiative, ECC has helped fund three partners with composting projects: Sambaa K'e First Nation, Ka'a'gee Tu First Nation and the Hamlet of Tulita.

ECC is developing an NWT Compost Facility Standard to ensure future compost facilities do not adversely affect the environment and human health. A supporting manual is being created as a step-by-step guide to establish a facility that meets the standard. A series of guidelines to address regulatory gaps associated with waste generated with growth in the NWT's agricultural and fisheries sectors is also in the works.

9. 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 ECC on the establishment and operation of programs with respect to the reduction and recovery of waste in the NWT. A list of members is provided below. The committee meets annually.

NAME	SECTOR REPRESENTED	ORGANIZATION
Peter Houweling	Waste Management Expert (Haulers, Processors, and Recyclers)	Det'on Cho Corporation
Dawn Tremblay	Environmental Non-Government Organization	Ecology North
Sara Brown	Community Government Representative	NWT Association of Communities
Bob Ferguson	Waste Management Expert (Processors and Recyclers)	Canadian Association of Tire Recycling Agencies
Mike King	Retailer (Tires)	Tire North Ltd.
Chris Vaughn	Community Government Representative	City of Yellowknife
Olivia Lee	Infrastructure and Project Management Expert	Department of Municipal and Community Affairs
Caitlyn Thompson	Waste Management Expert (Haulers, Processors, and Recyclers)	KBL Environmental Ltd.
Grant Scott	Community Government Representative	Hamlet of Tsigehtchic
Will Burrows	Waste Management Expert (Processors and Recyclers)	Interchange Recycling
Kanda Kola Gnama	Public at Large	

10. APPENDIX A: AUDITED FINANCIAL STATEMENTS

Environment Fund

Financial Statements

March 31, 2024

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Management Responsibility Statement

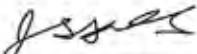
Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of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



Jessica St. Arnaud
Director, Finance and Capital Planning
Department of Environment and Climate Change

June 28, 2024

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Independent Auditors' Report

To the Minister of Environment Fund

Qualified Opinion

We have audited the financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2024, 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 the Environment Fund as at March 31, 2024 and the results of its operations and changes in fund balances for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profits.

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 \$5,682,625 (2023 - \$6,003,039), depot handling fees \$803,284 (2023 - \$846,341), processing fees \$444,061 (2023 - \$479,176) and refundable deposits \$2,153,209 (2023 - \$2,401,953). 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, 2024 and 2023, accounts receivable, accounts payable or fund balances as at March 31, 2024 and 2023.

Wages and benefits of \$1,116,211 (2023 - \$1,047,725) 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, 2024 and 2023, liabilities and fund balances as at March 31, 2024 and 2023.

Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of these limitations in scope.

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 (continued)

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 and Those Charged with Governance 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 government not-for-profits, 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 (continued)

- 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.

Crowe MacKay LLP

Yellowknife, Canada
June 28, 2024

Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2024	2023
Revenues		
Beverage Container Program (schedule 1)	\$ 6,547,505	\$ 6,879,795
Electronic Recycling Program (schedule 2)	208,923	216,655
Other Programs and Initiatives (schedule 3)	61,748	434,391
	6,818,176	7,530,841
Expenses		
Beverage Container Program (schedule 1)	5,034,421	5,191,502
Electronic Recycling Program (schedule 2)	280,348	271,702
Other Programs and Initiatives (schedule 3)	810,357	734,203
	6,125,126	6,197,407
Excess of revenues over expenses	\$ 693,050	\$ 1,333,434

Statement of Changes in Fund Balances

For the year ended March 31, 2024

	Unrestricted	Equipment replacement reserve	Total 2024	Total 2023
Balance, beginning of year	\$ 8,293,486	\$ 514,867	\$ 8,808,353	\$ 7,474,919
Excess of revenues over expenses	693,050	-	693,050	1,333,434
Transfer from reserve (Note 3c)	(17,863)	17,863	-	-
Balance, end of year	\$ 8,968,673	\$ 532,730	\$ 9,501,403	\$ 8,808,353

Statement of Financial Position

March 31, 2024 2023

Assets

Accounts receivable	\$ 670,159	\$ 1,059,129
Due from Treasury (note 4)	10,058,914	9,003,107
	\$ 10,729,073	\$ 10,062,236

Liabilities

Accounts payable and accrued liabilities	\$ 375,289	\$ 355,558
Unredeemed container liability (note 5)	852,381	898,325
	1,227,670	1,253,883

Fund balances

Unrestricted	8,968,673	8,293,486
Equipment replacement reserve	532,730	514,867
	9,501,403	8,808,353
	\$ 10,729,073	\$ 10,062,236

Nature of operations (note 1)

Approved on behalf of the Board:



A/ Deputy Minister



Director, Finance and Capital Planning

Notes to the Financial Statements

March 31, 2024

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 Climate Change advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Fund.

Notes to the Financial Statements

March 31, 2024

2. Change in accounting policy

PS 3400, Revenues, was issued November 2018 by the Public Sector Accounting Standards Board (PSAB or the "Board") and provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The adoption of this new standard had no impact on the financial statements.

3. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for government not-for-profits 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 managed by the Fund are not included in these financial statements as they are not capital assets of the Fund.

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. Asset retirement obligations are the responsibility of the Department of Environment and Climate Change.

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(c) Reserve funds

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

This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement. 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 2024 transfer is \$17,863 (2023 - \$30,396).

(d) Contributed services

The Department of Environment and Climate Change maintains the accounts of the Fund and provides the Fund with administrative support, including rent, bookkeeping, management overview and auditing costs. 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 and the value cannot be determined.

(e) Start-up funding

The Department of Environment and Climate Change 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.

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(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

The transactions with related parties are carried out in the normal course of operations. Expenses and revenues were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Payables and receivables were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

(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. Estimates include allowance for doubtful accounts, accrued liabilities and the unredeemed container liability.

4. 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.

Notes to the Financial Statements

March 31, 2024

5. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2023 - 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. Related party transactions

The Fund is related in terms of common control of 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 Climate Change, as outlined in Note 3 (d).

The Fund entered into transactions with the following entities subject to common control:

NWT Liquor Commission
Government of the Northwest Territories - Human Resources
Marine Transportation Services
École Sir John Franklin High School
Chief T'Seleye School

	2024	2023
Revenue		
NWT Liquor Commission - Beverage container program fees	<u>\$ 1,746,744</u>	<u>\$ 1,928,641</u>
Expenses		
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	\$ 125	\$ -
Government of the Northwest Territories - Human Resources - Payroll	1,116,211	1,047,725
Chief T'Seleye School - Grants and contributions	9,923	10,348
École Sir John Franklin High School - Grants and contributions	36,440	7,072
Marine Transportation Services - Freight	33,010	57,333
Deh Cho District Education Authority - Grants and contributions	1,342	-
Aurora College - Training	7,500	-
	<u>\$ 1,204,551</u>	<u>\$ 1,122,478</u>
Accounts receivable		
NWT Liquor Commission	<u>\$ 146,560</u>	<u>\$ 279,424</u>

Notes to the Financial Statements

March 31, 2024

6. Related party transactions (continued)

Accounts payable and accrued liabilities

	2024	2023
École Sir John Franklin High School	\$ -	\$ 786
Chief T'Seleye School	873	873
	\$ 873	\$ 1,659

7. 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 they become due.

The Fund is exposed to this risk relating to its accounts receivable and due from Treasury. Accounts receivable are amounts 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 as policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable require impairment. Credit risk related to due from Treasury is mitigated by fiscal policy set by the Government of the Northwest Territories which includes a yearly budget.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$10,729,073 (2023 - \$10,062,235). All financial assets are considered current except for the loan receivable. This risk has not changed from prior year.

(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, 2024 receivables from three (2023- three) customers comprised approximately 43% (2023 - 65%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

At March 31, 2024, 100% of the cash stores of the Environment Fund were held in the treasury of the Department of Finance. These funds are subject to extensive internal control and risk management to reduce the credit risk associated with this balance.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial instruments includes the Due from Treasury, with interest rates set by the Government of the Northwest - Department of Finance, Investment pool described in note 5.

Schedules to the Financial Statements**For the year ended March 31,****Schedule of Beverage Container Program****Schedule 1**

	2024	2023
Revenues		
Beverage container program fees	\$ 5,682,625	\$ 6,003,039
Salvage	358,102	574,321
Interest revenue	498,545	288,625
Recoveries	8,233	13,810
	6,547,505	6,879,795
Expenses		
Advertising and promotion	24,640	6,737
Contract service - satellite depot	41,212	57,694
Depot handling fees	803,284	846,341
Equipment, supplies and maintenance	179,350	215,664
Freight	435,315	387,563
Grants and contributions	110,619	117,933
Insurance	20,838	19,382
Office and software	14,645	9,010
Processing centre handling fees	444,061	479,176
Processing centre salvage	53,475	114,199
Professional fees	93,285	-
Quality control fees	40,852	24,750
Refundable deposit fees	2,153,209	2,401,953
Storage	59,042	57,450
Travel and training	32,237	36,352
Wages and benefits	528,357	417,298
	5,034,421	5,191,502
Excess of revenues over expenses	\$ 1,513,084	\$ 1,688,293

Schedules to the Financial Statements**For the year ended March 31,****Schedule of Electronic Recycling Program****Schedule 2**

	2024	2023
Revenues		
Electronic recycling program fees	\$ 208,923	\$ 216,655
Expenses		
Advertising and promotion	8,125	675
Contract service - satellite depot	588	-
Depot, processing centre and recycling fees	100,568	100,052
Equipment, supplies and maintenance	891	85
Freight	16,192	21,318
Professional fees	46,390	36,195
Storage	8,600	5,600
Travel and training	-	1,168
Wages and benefits	98,994	106,609
	280,348	271,702
Deficiency of revenues over expenses	\$ (71,425)	\$ (55,047)

Schedules to the Financial Statements**For the year ended March 31,****Schedule of Other Programs and Initiatives****Schedule 3**

	2024	2023
Revenues		
Single-use retail bag program fees	\$ 61,748	\$ 434,391
Expenses		
Advertising and promotion	25,467	4,052
Bad Debt	25,670	-
Contract services - satellite depot	25,655	28,437
Grants and contributions	117,807	106,713
Office	9,509	5,513
Professional fees	111,100	54,295
Travel and training	6,289	11,377
Wages and benefits - Single-use retail bag program	61,984	119,314
Wages and benefits - Policy development	385,007	370,005
Wages and benefits - Waste reduction and recycling	41,869	34,497
	810,357	734,203
Deficiency of revenues over expenses	\$ (748,609)	\$ (299,812)

ENDNOTES

['GHG Calculations Assumptions](#)

The United States Environmental Protection Agency Waste Reduction Model (USEPA WARM) was used to calculate GHG emissions reductions.

ECC's assumptions for calculating GHG savings for all its waste reduction programs is outlined below:

[Beverage Container Program](#)

- NWT population estimate for 2023-2024 is 44,972 (source: NWT Bureau of Statistics estimates).
- There is no landfill gas recovery at landfills.
- The distance from Hay River to Hay River landfill is 8 km, Inuvik to Inuvik landfill is 3 km, and Yellowknife to Yellowknife landfill is 2 km.
- Tetra Pak and Gable Top containers were estimated as if they were mixed recycling. No category in the WARM model accurately captures the multi-material packaging challenge of these container types.
- The MTCO₂e for refillable glass was calculated with avoided greenhouse gas estimates from Brewers Distributed Ltd. rather than WARM.
- Distance calculations for material destinations are as follows:
 - » Refillable Glass – Edmonton, Alberta
 - » Aluminum – Berea, Kentucky, USA
 - » Non-Refillable Glass – Airdrie, Alberta
 - » Plastic Containers – Calgary, Alberta
 - » Tetra Packs – Cheboygan, Michigan, USA
 - » Bi-metal – Edmonton, Alberta

[Single-use Retail Bag Program](#)

- Baseline SRB use prior to 2010 is estimated at 208 bags per person. This is based on Resource Conservation Manitoba estimates (2009).
- If we assume that each bag weighs 5 grams and multiply by 93,520,443 bags, this equals 467.6 metric tonnes (515.4 US short tons) of high-density polyethylene (HDPE) avoided (source reduction).

[Electronics Recycling Program](#)

- The mixed electronics category was used for the WARM calculations.
- The GNWT's electronics processor is in Edmonton, Alberta for distance calculations from each regional processing centre.



Waste Reduction and Management
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