

Combined financial statements

Resource Recovery Fund Board Inc. and
Resource Recovery Fund (operating as Divert
NS)

March 31, 2019

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Independent auditor's report

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To the Board of Directors of the
Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS)

Opinion

We have audited the accompanying combined financial statements of the Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS) ("Resource Recovery Fund"), which comprise the combined statement of financial position as at March 31, 2019, the combined statements of operations, changes in net resources, changes in net financial resources and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly in all material respects, the financial position of Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS) as at March 31, 2019, and its results of operations, its changes in its net resources, and changes in net financial resources and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the combined 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 opinion.

Other matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule included on Page 15 is presented for purposes of additional information and is not a required part of the combined financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the combined financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 combined 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 combined 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined 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.



Truro, Canada
May 30, 2019

Chartered Professional Accountants
Licensed Public Accountants

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of operations

Year ended March 31	Budget 2019 (Unaudited)	2019	2018
Revenues			
Deposits	\$ 44,878,000	\$ 45,284,263	\$ 44,286,888
Sales of recyclable materials (Note 10)	5,758,000	7,192,599	6,389,824
Tire program	6,631,000	6,474,787	5,694,352
Investment and other income	628,000	729,016	690,414
Rental income	182,000	184,810	182,000
Total revenues	<u>58,077,000</u>	<u>59,865,475</u>	<u>57,243,478</u>
Expenses			
Operating (Page 13)	45,222,000	45,436,706	43,198,017
Administrative (Page 14)	1,981,000	1,839,045	2,019,603
Other expenditures and funding:			
Approved program grants	1,200,000	1,061,835	1,125,000
Education and communication	1,713,000	1,525,621	1,296,992
Household hazardous waste program	112,000	112,000	112,000
Municipal enforcement program funding	700,000	700,000	693,789
Regional chairs and coordinators	335,000	332,453	332,664
Research, development and special projects	250,000	103,272	130,976
Waste audit development	-	-	103,290
	<u>51,513,000</u>	<u>51,110,932</u>	<u>49,012,331</u>
Excess of revenues over expenses before allocations	<u>6,564,000</u>	<u>8,754,543</u>	<u>8,231,147</u>
Municipal solid waste diversion credits	4,594,800	6,128,180	5,761,803
Nova Scotia Environment	1,312,800	1,750,909	1,646,229
Excess of revenue over expenditures	<u>656,400</u>	<u>875,454</u>	<u>823,115</u>
Net resources, beginning of period	8,358,694	8,358,694	7,535,579
Net resources, end of period (Note 11)	<u>\$ 9,015,094</u>	<u>\$ 9,234,148</u>	<u>\$ 8,358,694</u>

See accompanying notes to the combined financial statements

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of financial position

March 31

2019

2018

Financial assets

Cash and cash equivalents	\$ 14,328,816	\$ 12,832,325
Receivables	6,218,970	6,369,954
Accrued receivables	730,582	389,579
Notes receivable (Note 3)	121,486	140,455
Investments (Note 4)	16,001,739	16,003,299
Inventory	82,803	92,183
	<u>37,484,396</u>	<u>35,827,795</u>

Financial liabilities

Payables and accruals	2,098,406	1,995,352
Municipal solid waste diversion credits payable	7,487,251	5,761,805
Payable to Nova Scotia Environment	1,751,291	2,961,412
Unearned revenue	20,888,500	20,686,300
	<u>32,225,448</u>	<u>31,404,869</u>

Net financial resources

5,258,948 4,422,926

Non-financial assets

Prepays	8,591	43,924
Tangible capital assets (Note 5)	3,966,609	3,891,844
	<u>3,975,200</u>	<u>3,935,768</u>

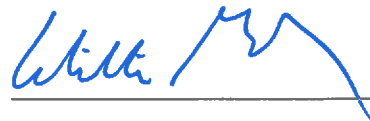
Net resources (Page 3 and Note 9)

\$ 9,234,148 \$ 8,358,694

Commitment (Note 7)

On Behalf of the Board

 Director

 Director

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of changes in
net financial resources

March 31	Budget 2019 (Unaudited)	2019	2018
Excess of revenue over expenditures	\$ 656,400	\$ 875,454	\$ 823,115
Purchase of tangible capital assets	(536,500)	(835,255)	(420,993)
Amortization of tangible capital assets	772,653	757,998	697,921
Proceeds on disposal of tangible capital assets	-	2,492	-
Loss on disposal of tangible capital assets	-	-	21,845
	<u>236,153</u>	<u>(74,765)</u>	<u>298,773</u>
Usage (acquisition) of prepaids	<u>35,333</u>	<u>35,333</u>	<u>(6,567)</u>
Increase in net financial resources	\$ 927,886	\$ 836,022	\$ 1,115,321
Net financial resources, beginning of year		\$ 4,422,926	\$ 3,307,605
Increase in financial resources		<u>836,022</u>	<u>1,115,321</u>
Net financial resources, end of year		\$ 5,258,948	\$ 4,422,926

See accompanying notes to the combined financial statements

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of cash flows

Year ended March 31

2019

2018

Increase (decrease) in cash and cash equivalents:

Operating		
Excess of revenue over expenditures	\$ 875,454	\$ 823,115
Amortization	757,998	697,921
Loss on disposal of tangible capital assets	-	21,845
	<u>1,633,452</u>	<u>1,542,881</u>
Change in non-cash operating working capital		
Receivables	(190,019)	(1,089,241)
Inventory	9,380	182,860
Prepays	35,333	(6,567)
Payables and accruals	618,379	3,361,506
Unearned revenue	202,200	1,094,055
	<u>2,308,725</u>	<u>5,085,494</u>
Capital		
Proceeds on disposal of tangible capital assets	2,492	-
Purchase of tangible capital assets	(835,255)	(420,993)
	<u>(832,763)</u>	<u>(420,993)</u>
Investing		
Proceeds from sale of investments	-	3,800,000
Purchase of investments	-	(4,000,000)
Interest in joint venture	1,560	(3,274)
Issue of notes receivable	(16,720)	-
Repayment of notes receivable	35,689	37,249
	<u>20,529</u>	<u>(166,025)</u>
Net increase in cash and cash equivalents	1,496,491	4,498,476
Cash and cash equivalents, beginning of year	<u>12,832,325</u>	<u>8,333,849</u>
Cash and cash equivalents, end of year	\$ <u>14,328,816</u>	\$ <u>12,832,325</u>

See accompanying notes to the combined financial statements

Resource Recovery Fund Board Inc.

Resource Recovery Fund (operating as Divert NS)

Notes to the combined financial statements

March 31, 2019

1. Nature of operations

The Resource Recovery Fund Board Inc., operating as Divert NS ("Resource Recovery Fund"), is a not-for-profit organization established by the Nova Scotia government to develop and administer industry stewardship programs that increase waste diversion; enable the establishment of new industries based on the processing of materials diverted from the waste stream; and work in partnership with Nova Scotians to improve the province's environment, economy and quality of life by reducing, reusing, recycling and recovering resources.

Under regulation, all revenues earned are deposited to the Resource Recovery Fund, which is the property of the Province of Nova Scotia. All expenditures incurred by the Resource Recovery Fund Board Inc. to operate, administer and fulfil the mandates of the Province of Nova Scotia Solid Waste Management Strategy are expenditures of the Resource Recovery Fund. Accordingly, all assets, liabilities and net resources reported in these financial statements are the property of the Resource Recovery Fund and are held on behalf of the Province of Nova Scotia by the Resource Recovery Fund Board Inc.

2. Summary of significant accounting policies

Basis of presentation

The combined financial statements include the accounts of the Resource Recovery Fund Board Inc. and the Resource Recovery Fund. Significant inter-entity loans and transactions have been eliminated in these combined financial statements. These combined financial statements are the representations of management prepared in accordance with generally accepted accounting principles for provincial governments as established by the Canadian Public Sector Accounting Board (PSA) of Chartered Professional Accountants (CPA) Canada.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Resource Recovery Fund's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective or complex judgements by management that may be uncertain. Some of these items include allowance for doubtful accounts, amortization and unearned revenue. Actual results could differ from those reported.

Revenue recognition

Resource Recovery Fund follows the deferral method of accounting for revenue. Revenue is recognized in the month it is receivable (or received) if the amount can be reasonably estimated and collection is reasonably assured. Interest income is recognized as it is earned.

Tangible capital assets

Tangible capital assets are recorded at cost. Rates and bases of amortization applied to write-off the cost of tangible capital assets over their estimated lives are as follows:

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Notes to the combined financial statements

March 31, 2019

2. Summary of significant accounting policies (continued)

Building	5%, straight-line
Paving	8%, straight-line
Field equipment	20%, straight-line
Processing equipment	12.5%, 20%, 33 1/3%, straight-line
Leasehold improvements	10%, straight-line
Office and warehouse equipment	20%, straight-line
Computer hardware and software	20%, 33 1/3%, straight-line
Containers	
- Bags	33 1/3%, straight-line
- Tubs	10%, straight-line
Vehicles	33 1/3%, straight-line
Trailers	14.2%, straight-line

When conditions indicate that a tangible capital asset no longer contributes to the Resource Recovery Fund's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Write-downs are not reversed.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Forgivable loans

The Resource Recovery Fund accounts for forgivable loans as conditional grants. The forgivable loans are non-interest bearing and are advanced with repayment not to be expected unless certain conditions are not met.

Unearned revenue and measurement uncertainty

Unearned revenue represents deposits received for beverage containers that have not been returned for redemption and fees received for tires which will be returned for disposal at a future date. Unearned beverage revenue is sixty (60) days' worth of revenue calculated on the last twelve (12) months' average daily revenue adjusted by the current year's return rate. Unearned tire revenue is calculated on the last three (3) years of tire revenue adjusted by the past six (6) years' average return rate. The actual revenue the Resource Recovery Fund may collect compared to the unearned revenue calculation is uncertain as the calculation is affected by the above management assumptions. However, in the past, the unearned revenue has remained consistent even with updated inputs for the calculation for each fiscal year. As a result, it is expected that the range of uncertainty for the unearned revenue is not significant.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term investments with maturity dates of 90 days or less. Bank borrowings are considered to be financing activities.

Foreign currency translation

The Resource Recovery Fund does not enter into foreign currency futures and forward contracts to reduce its exposure to foreign currency fluctuations. Monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate. Revenue and expenditures denominated in foreign currencies are translated at the exchange rate prevailing at the time of the transaction. Translation gains or losses are recognized in the period in which they occur.

Financial instruments

The Resource Recovery Fund classifies its financial instruments at amortized cost.

This category includes cash and cash equivalents, receivables, notes receivable, investments, payables and accruals and municipal solid waste diversion credits payable. 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.

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Notes to the combined financial statements

March 31, 2019

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Management assesses each financial instrument to determine whether there is any impairment losses, if any are reported in the statement of operations.

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

There are no unrealized gains or losses therefore, the statement of remeasurement gains and losses has not been presented.

Income taxes

The Resource Recovery Fund is exempt from income taxes under Section 149(l)(d) of the *Canadian Income Tax Act*.

Joint venture

The Resource Recovery Fund is part of a joint venture in the Canadian Association of Tire Recycling Agencies (CATRA). This investment is recognized using the modified equity method.

3. Notes receivable	<u>2019</u>	<u>2018</u>
Non-interest bearing notes with variable payments, maturing between 2020 and 2029	\$ <u>121,486</u>	\$ <u>140,455</u>

4. Investments

Investments consist of the following:

- i) Loans receivable from the Province of Nova Scotia – Department of Finance. These loans are issued at interest rates ranging from 1.37% to 2.3% and mature as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2019</u>	<u>2018</u>
			<u>Total</u>	<u>Total</u>
\$ <u>2,000,000</u>	\$ <u>4,000,000</u>	\$ <u>10,000,025</u>	\$ <u>16,000,025</u>	\$ 16,000,025

- ii) Joint venture with Canadian Association of Tire Recycling Agencies (CATRA)

	<u>1,714</u>	<u>3,274</u>
Total investments	\$ <u>16,001,739</u>	\$ <u>16,003,299</u>

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Notes to the combined financial statements

March 31, 2019

5. Tangible capital assets			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 294,100	\$ -	\$ 294,100	\$ 294,100
Field equipment	94,620	53,511	41,109	56,793
Processing equipment	462,060	311,808	150,252	203,427
Building	3,255,478	1,355,366	1,900,112	1,931,213
Paving	272,945	29,114	243,831	265,667
Office and warehouse equipment	310,068	229,067	81,001	117,546
Containers	1,095,511	889,877	205,634	191,956
Leasehold improvements	9,508	4,183	5,325	6,276
Computer hardware and software	577,508	544,067	33,441	135,984
Vehicles	52,157	44,641	7,516	15,712
Trailers	2,237,738	1,233,450	1,004,288	673,170
	<u>\$ 8,661,693</u>	<u>\$ 4,695,084</u>	<u>\$ 3,966,609</u>	<u>\$ 3,891,844</u>

6. Bank indebtedness

The Resource Recovery Fund has an operating credit facility of \$2,000,000 of which nil is used at March 31, 2019 (2018 – \$ nil). Interest is calculated at prime plus 0.5%.

7. Commitment

The Resource Recovery Fund has entered into agreements with specific organizations and businesses to provide funding for various recycling programs across Nova Scotia. At March 31, 2019, \$399,004 (2018 - \$337,611) of the restricted for approved programs resources has been committed under these agreements.

8. Related party transaction

The Resource Recovery Fund reimburses Nova Scotia Environment for services and expenses incurred on the Resource Recovery Fund's behalf. During the year, a reimbursement expense of \$1,750,909 (2018 - \$1,646,229) was recorded. The total liability at the end of 2019 is \$1,751,291 (2018 - \$2,961,412).

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Notes to the combined financial statements

March 31, 2019

9. Net resources				<u>2019</u>	<u>2018</u>
	Invested in Capital <u>Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 3,891,844	\$ 2,417,684	\$ 2,049,166	\$ 8,358,694	\$ 7,535,579
(Deficiency) excess of revenues over expenditures	(757,998)	(115,108)	1,748,560	875,454	823,115
Transfers	<u>832,763</u>	<u>(523,500)</u>	<u>(309,263)</u>	-	-
Balance, end of year	<u>\$ 3,966,609</u>	<u>\$ 1,779,076</u>	<u>\$ 3,488,463</u>	<u>\$ 9,234,148</u>	<u>\$ 8,358,694</u>
Restricted funds represented by:					
Committed funds (Note 7)		\$ 399,004			
Future projects		<u>1,380,072</u>			
		<u>\$ 1,779,076</u>			

Net resources under the Resource Recovery Fund restricted for future projects, represents funds committed to approved programs and funds internally restricted for funding various future projects as approved and in accordance with the goals and objectives of the Resource Recovery Fund (Divert NS).

10. Financial instruments risk management

Credit risk

Credit risk is the risk of financial loss to the Resource Recovery Fund if a debtor fails to make payments when due. The Fund is exposed to this risk relating to its receivables and notes receivable.

Credit risk is mitigated by management's review of aging and collection of receivables, only 1.5% of receivables are over 60 days. The Fund recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable.

The Resource Recovery Fund is exposed to investment credit risk through its investments. The maximum exposure to investment credit risk is outlined in Note 4.

There have been no significant changes from the previous year in exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Resource Recovery Fund will encounter difficulty in meeting the obligations associated with its financial liabilities. The Resource Recovery Fund is exposed to this risk mainly in respect of its payables and accruals and municipal solid waste diversion credits payable. At balance date, the Resource Recovery Fund has available financial assets to meet these obligations and there was no significant change in exposure from the prior year.

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Notes to the combined financial statements

March 31, 2019

10. Financial instruments risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Resource Recovery Fund is mainly exposed to currency and price risk related to its sales of recyclable materials.

The currency risk is predominately US funds. The average US exchange rate was \$1.312 for the twelve month period. As at March 31, 2019 the receivables denominated in US currency were approximately \$864,377 (2018 - \$894,475).

The price risk is related to fluctuations in commodities. During the year commodity prices for PET and aluminium fluctuated by approximately 11%. This fluctuation could result in an increase or decrease of sales by approximately \$866,000. The Resource Recovery Fund participates in a national buying group on certain of its commodity sales to minimize the risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

11. Excess Net Resources

As stipulated in the agreement with Nova Scotia Environment (NSE), the Board shall endeavour to limit its unrestricted net resources to 5% of gross revenues during any particular fiscal year. In the current year, unrestricted net resources exceeded 5% of gross revenues by \$495,189. In the event that unrestricted net resources exceeds 5% of gross revenues by \$100,000 or more, the Board shall recommend to the Minister a proposed distribution of the excess.

12. Subsequent event

On April 11, 2019, \$4,000,000 was invested in principal protected notes which will mature in fiscal 2025.

13. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of operating expenses

Year ended March 31	Budget 2019 (Unaudited)	2019	2018
Inventory, beginning of year	\$ 92,183	\$ 92,183	\$ 275,043
Amortization	276,300	293,020	230,514
Central processing expenses			
Amortization	124,800	121,987	124,718
Building	66,000	40,455	35,719
Forklift – maintenance and propane	12,500	14,412	12,097
Meetings and travel	25,500	12,379	18,157
Postage, delivery and office	1,300	903	7,025
Professional fees	25,000	-	581
Repairs and maintenance:			
Bulk bags and containers	18,000	940	14,145
Salaries and benefits	453,100	444,560	346,049
Shipping supplies	55,000	46,131	-
Telecommunications	11,000	6,101	9,113
Training	5,000	2,966	2,159
Vehicle	2,500	2,436	2,112
Deposit refunds	19,407,000	19,868,380	19,081,240
Enviro-Depot handling fees	16,567,000	17,004,872	15,953,186
Freight-in	-	-	199,349
Insurance	30,000	36,399	29,765
Local cartage	3,205,000	2,518,535	2,157,291
Non-deposit materials	30,000	48,845	34,778
Other	272,000	145,996	172,288
Regional processing	620,000	623,606	593,248
Used tire management program	4,015,000	4,194,403	3,991,623
	45,314,183	45,519,509	43,290,200
Inventory, end of year	92,183	82,803	92,183
	\$ 45,222,000	\$ 45,436,706	\$ 43,198,017

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Combined statement of administrative expenses

Year ended March 31	Budget 2019 (Unaudited)	2019	2018
Amortization	\$ 264,500	\$ 238,154	\$ 237,853
Bad debt	6,000	2,549	15,778
Bank charges and interest	11,000	13,990	12,005
Board fees and expenses	60,000	56,117	47,015
Building	178,000	157,130	141,656
Dues and fees	6,500	7,968	8,131
Insurance	5,500	11,079	5,290
Meetings and travel	52,000	32,054	54,016
Office	22,000	24,269	18,104
Postage and delivery	7,000	5,254	3,416
Professional development	35,000	31,306	18,207
Professional fees	155,000	136,562	247,030
Public relations	80,000	72,391	72,405
Salaries and benefits	992,500	980,457	1,052,779
Technology support and licensing	64,000	54,895	68,219
Telecommunications	22,000	13,895	17,699
Website development and hosting	20,000	975	-
	<u>\$ 1,981,000</u>	<u>\$ 1,839,045</u>	<u>\$ 2,019,603</u>

Resource Recovery Fund Board Inc.
Resource Recovery Fund (operating as Divert NS)
Supplementary schedule of individual and combined
statements of operation

Year ended March 31, 2019

	Resource Recovery Fund <u>Board Inc.</u>	Resource Recovery <u>Fund</u>	<u>Combined</u>
Revenues			
Administrative ¹	\$ 47,956,446	\$ -	\$ -
Deposits	-	45,284,263	45,284,263
Sales of recyclable materials	-	7,192,599	7,192,599
Tire program	-	6,474,787	6,474,787
Investment and other income	-	729,016	729,016
Rental income	-	184,810	184,810
Total revenues	<u>47,956,446</u>	<u>59,865,475</u>	<u>59,865,475</u>
Expenses			
Operating	44,907,483	529,223	45,436,706
Administrative ¹	1,598,342	48,197,149	1,839,045
Other expenditures and funding			
Approved program grants	-	1,061,835	1,061,835
Education and communication	1,450,621	75,000	1,525,621
Household hazardous waste program	-	112,000	112,000
Municipal enforcement program funding	-	700,000	700,000
Regional chairs and coordinators	-	332,453	332,453
Research, development and special projects	-	103,272	103,272
	<u>47,956,446</u>	<u>51,110,932</u>	<u>51,110,932</u>
Excess of revenues over expenses before allocations	-	<u>8,754,543</u>	<u>8,754,543</u>
Municipal solid waste diversion credits	-	6,128,180	6,128,180
Nova Scotia Environment	-	1,750,909	1,750,909
Excess of revenues over expenditures	\$ -	<u>\$ 875,454</u>	<u>\$ 875,454</u>

¹Administrative revenue and expenses of \$47,956,446 have been eliminated at consolidation.