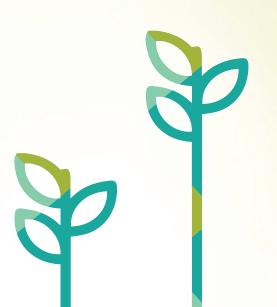
Growing our culture of recycling





Help us keep the green thinking growing!

We hope these seeds brighten your garden, enhance your kitchen, and remind you that even the smallest changes can make a big impact. When we all work together to reduce, reuse, recycle, recover, repair, and rethink, nothing is wasted.



2016 - 2017 Annual Report

A message from our CEO

What a year our 20th was! We celebrated the successes of the last two decades with our partners, and stepped forward to embrace our renewed perspective as champions for recycling.

In reviewing and documenting our collective accomplishments, the significance of our impact was inspiring! Some may ask, "Why celebrate?" I believe it is important to take pause to reflect, to celebrate what matters, to take pride in what has been accomplished. This motivates and emboldens us for the challenges ahead and allows us to ask, "What's next?" It provides the strong basis for the belief that we can continue to move forward, that we will make a difference, and that we will find a way...

We were inspired and invigorated by the support for the principles of recycling, even as we asked each of us to take more personal responsibility for the waste we generate and to make more of an effort to divert. There were some growing pains at the time – change is always difficult – but today our province is a leader in the country, and recycling is second nature to us all.

The numbers bear us out: the average Nova Scotian annually generates 401 kg per person of solid waste compared to the national average of 580 kg. When we look internationally, our disposal ranks us close to the best performing countries in the world, according to the OECD.

A major culture shift like that didn't happen on its own. We're very proud of the role Divert NS played in being a catalyst for that change. Along with our partners, the municipalities, provincial government, Enviro-Depots, academia and industry, we've worked hard to grow the culture of recycling in our province, to ensure nothing is wasted.

We're thrilled with the way it keeps growing. For example, the 2016 Mobius Awards attracted our largest audience ever, and Dr. David Suzuki recognized Divert NS as a unique resource in the country.

We worked to increase our impact and found new allies in industry, such as Walmart Canada. The influential retailer sponsored national Waste Reduction Week, and also helped us educate Nova Scotian shoppers about how something as simple as a reusable shopping bag can make a big difference. Over 1,000 people took the pledge to use reusable bags in that campaign!

We expanded the way we champion recycling by hosting a Circular Economy Summit and Food Waste Summit. Both built connections among businesses, academics, and community groups to explore creative solutions. These summits proved that good things happen when you bring the right people together: when FOUND Forgotten Food mentioned they needed a truck to expand the work they are doing, we were excited to be able to give them one we no longer needed, right on the spot!

We continue to work on raising the bar for waste diversion and supporting innovators through our program funding.

We also recognize the increasing importance of climate change and Divert NS' role in mitigating its impacts. In F2017 we reduced greenhouse gases by 42,574 metric tonnes or equivalent to removing almost 6,300 cars off the road.

Who could have imagined when we first asked Nova Scotians to sort their recyclables in 1996, that waste diversion would become its own economic driver that benefits businesses, municipalities, research, students, and everyone in this province?

We did. And trust us, there is more to come.

This year, as in previous, I received many compliments on the employees that make Divert NS what it is. It is a source of pride for me to have such a great group of individuals to work with, and I thank them. Equally, I hear from employees and partners what a great Board of Directors we have. Balanced, fair and always willing to work together to make our organization achieve its full potential. My sincere thanks to them as well.

On behalf of the Board of Directors and employees of Divert NS, I am pleased to present the annual report for the fiscal year ended March 31, 2017.





Meet

We are a not-for-profit corporation promoting recycling in Nova Scotia.

But we are also much more than that.

If you have ever gone to another province and were conflicted about throwing a bottle in the trash - that feeling is the result of our work.

For over 20 years now, we've helped to grow a culture of recycling in this province. Today, recycling is second nature to Nova Scotians and our province is recognized as a leader in waste diversion. Nova Scotians really do believe that every effort to recycle means nothing is wasted.



Throughout 2016 - 2017, we celebrated that impact, while also looking ahead to

Divert NS

the next 20 years. There is still more work to do, and that's why we continue to support and promote environmental innovation and stewardship. We also see a stronger role for ourselves as a catalyst for change – by setting the example, and by bringing together the right people who can make a difference.

Check out some of the differences we've made by viewing our *Stories of Impact* video on our website, and sign up for our newsletter, ReCap, to keep up with highlights to come.

Who Pays for Divert NS?

Divert NS is self-sustaining through the environmental fees we collect from our two core programs: the Beverage Container Deposit-Refund Program and the Used Tire Management Program, as well as through the sale of recyclable materials and other income. We do not receive any government funding. Over 70 per cent of net revenue goes back to municipalities around the province to support curbside collections and to help Nova Scotians reduce, reuse, and recycle; up to 20 per cent goes to Nova Scotia Environment for services and expenses to further waste diversion goals and objectives.

Funding at a Glance:

\$8.1 million

to Nova Scotia's 50 municipalities for diversion credits and funding for local recycling, composting, and other programs.

\$1.3 million

(includes allocation to regions) to educate Nova Scotians and build ongoing support for environmental action.

\$196 thousand

approved for new research projects that support entrepreneurs and encourage innovation in waste reduction.

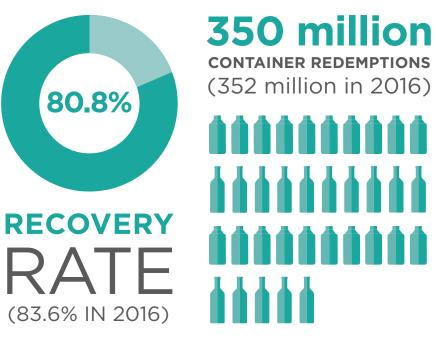


2016-2017 Accomplishments

The programs we funded this year diverted a wide range of materials from disposal:



Beverage Container Deposit-Refund Program





Used Tire Management Program

1.11 million
PASSENGER TIRE
EQUIVALENTS COLLECTED
(1.17 million in 2016)



PASSENGER TIRE EQUIVALENTS RECOVERY RATE (76.0% in 2016)

Who we are. What we do. A new name that says it all: CIVELNS

Last year, in addition to celebrating our 20th anniversary, we rebranded ourselves as Divert NS.

Divert NS is a name that better reflects the full scope of the work we do. Nova Scotia was the only province in Canada to reach the national target of 50 per cent waste diversion by the year 2000 and our waste disposal rate is well below the national average. That didn't happen on its own. It happened through the efforts we, along with our partners, made to create a province where nothing is wasted.

Our new name says it all: we are about changing patterns, changing ways, and changing habits. So how did we decide on Divert NS?

We started by asking our stakeholders, through a series of individual interviews, what they currently knew about us as an organization, and what they felt we should be.

They told us they wanted us to be more proactive than reactive. To be a bold voice for recycling. And to be a catalyst for collaboration among partners.

Before we launched the new name, we checked in again with members of the public, our board of directors, Nova Scotia Environment, and representatives from the seven solid waste management regions across the province. Divert NS was well received by all our partners and stakeholders.

Our team's reaction was equally positive. Both office and warehouse staff told us they felt they were ready to speak to the new name and what it stood for.

The signs of change



A new website - divertns.ca - plus Twitter, Facebook, Instagram, YouTube, and LinkedIn.



Posters and brochures for tire retailers.



Banners, jackets, and signage on our buildings and at events.



Business cards, presentations, etc.



Here's to the next 20 years as Divert NS!

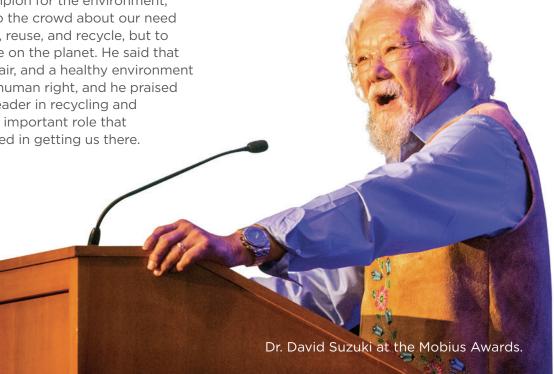
Mobius Awards: My, how we've grown!

November 9, 2016, is a night we (and our almost 300 guests) will never forget. That evening, after Mi'kmaw Elder Jane Abram blessed the event, the legendary Dr. David Suzuki took the podium - to a standing ovation - as the keynote speaker of Divert NS' 18th annual Mobius Awards of Environmental Excellence.

A passionate champion for the environment. Dr. Suzuki spoke to the crowd about our need to not only reduce, reuse, and recycle, but to rethink how we live on the planet. He said that clean water, clean air, and a healthy environment should be a basic human right, and he praised Nova Scotia as a leader in recycling and acknowledged the important role that Divert NS has played in getting us there.

The sold-out event was the biggest, bestattended event in Mobius Awards history.

The real highlight of the event was recognizing the 2016 Mobius Award winners - the companies and individuals we celebrate for taking care of our environment.





SMALL BUSINESS OF THE YEAR:

Oaklawn Farm Zoo, **Aylesford**

LARGE BUSINESS OF THE YEAR: Miller Waste Systems, Inc.

INSTITUTION OF THE YEAR:

Munro Academy, **Balls Creek**

EMERGING ENVIRONMENTAL LEADER: Brian Macintosh, Pubnico

COMMUNITY PROJECT OF THE YEAR:

Eddie's Litterless Road Tour. Clean Foundation

INNOVATOR OF THE YEAR: TRUROBOTICS, Truro

HALL OF FAME: **Rochelle Owen**

Learn more about our winners at divertmobiusawards.ca



Reaching out. Making a difference.

Divert NS provides funding every year to all municipalities through the seven solid waste management regions. This funding supports face-to-face education on recycling and waste diversion in communities across Nova Scotia. It allows municipal waste educators to visit schools, businesses, and community groups at no charge to deliver presentations, perform waste audits, host workshops and special events, give facility tours, and more.

Municipal-Provincial Solid Waste-Resources Priorities Group

This group is made up of representatives from Nova Scotia Environment, the solid waste management regions, Nova Scotia Municipal Affairs, and the Union of Nova Scotia Municipalities. Divert NS provided \$15,000 to support the hiring of a consultant for Phase 1 of a municipal efficiency study.













In 2015-2016* Divert NS funding to municipalities supported:



112,000 tonnes

of organic waste diverted from landfill through residential, commercial and institutional collection at municipal composting facilities.



55,000 tonnes

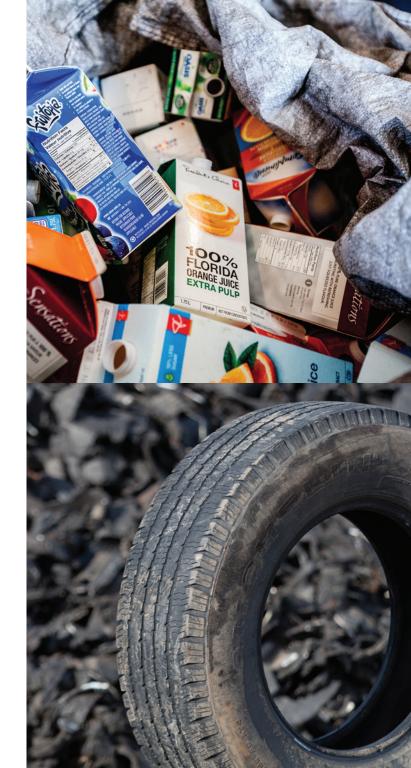
of recyclable material diverted from landfills through municipal curbside programs.



121,100 tonnes

of construction and demolition waste diverted from disposal at landfills.





Stewardship

Megan Beazley, Matt's Bottle Exch

Eastern Passage.

Encouraging others to care for the environment through recycling

Our Core Programs

Beverage Container Deposit-Refund Program: A Good **Habit Keeps Growing**

Nova Scotians have really made a habit of our Beverage Container Deposit-Refund Program, which is one of our main sources of revenue. In fact, revenue from the program was up 4.3 per cent compared to the previous year.

HOW IT WORKS

Certain types of beverages in Nova Scotia carry an environmental handling fee at purchase. Buyers can return those used containers to one of the 78 ENVIRO-DEPOT™ locations around the province for a refund.

Along with the non-refundable portion of the deposit, we also recover some costs by selling the processed containers to various markets to be recycled into new products.

EFFICIENCY AND QUALITY CONTROL

In June 2016, we installed a quality control machine in our Kemptown processing facility that counts one bag of containers in 10 minutes using an electronic eye - compared to 45 minutes per bag when counted manually! This vastly improves the efficiency and accuracy of our quality-control program, in which bags of containers are randomly selected for audit.

FROM POP-UP TO PERMANENT -**MIDDLETON**

Residents of the Annapolis Valley love to recycle. In 2015, when the local ENVIRO-DEPOT™ closed in Middleton, we set up a temporary pop-up location to help. Soon after, thanks to popular demand, we opened the new, permanent Middleton Bottle Depot. In 2016, we extended the hours, adding an extra day to the winter schedule and staying open six days a week during the summer.

This is the first and only ENVIRO-DEPOT™ to be owned and operated by Divert NS, giving us an excellent opportunity to pilot new initiatives.

Check out the depot's Facebook page at facebook.com/MiddletonBottleDepot

DON'T TRASH YOUR CASH!

Our beverage deposit-refund program puts money back in Nova Scotians' pockets when they return their containers for refund. In fact, recycling beverage containers adds over \$30 million to Nova Scotia's economy each year. In March 2017, we wanted to raise awareness and encourage even more beverage container recycling, so we went on Facebook, Twitter, and Instagram with a contest: tell us what you do with your refund, and you could win a prize.

Eleven of our partners also shared the campaign, and every person who clicked through the social ads to our campaign landing page entered the contest - a 100 per cent conversion rate!

Over 700 people entered, and the winners were Dustin Peterson from Dayton (\$500 grand prize), and Melissa Fulton from Fort Ellis and Carol LeBlanc from Arcadia (\$250 each/ runners up).



SURVEY SAYS

In August, Divert NS contracted Corporate Research Associates Inc. to survey Nova Scotians about ENVIRO-DEPOT $^{\text{TM}}$ hours of operation. The information we gained will help depots continue to serve customers while increasing efficiency.

WHAT WE HEARD:



74% of those surveyed return their beverage containers to an ENVIRO-DEPOT™ for a refund and recycling



49% of those who do not return containers to an ENVIRO-DEPOT™ put them in a blue bag for curbside collection



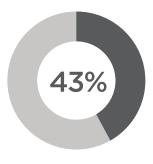
33% usually return their containers on a Saturday



55% prefer to return in the morning



91% said they would continue to return their containers to the depot, even if depot hours were reduced



43% bring their containers back once a month



35% would use a drop-andgo system after business hours, if it were available





Used Tire Management Program: Driving Recycling

Since 1997, Nova Scotians purchasing new tires have paid an environmental handling fee to cover the cost of having their old tires collected and recycled. They can return up to four tires at a time to any of the more than 880 tire retailers around the province.

Nova Scotians continue to embrace this program, which diverts an average of one million tires a year from landfills. Revenues were up 12.4 per cent over the previous year.

GOT TIRED TIRES?

December can be a busy time of year, but we proved that Nova Scotians would make time to think about the environment with our Tire Recycling Campaign that ran in late 2016. The social media campaign on Facebook, Instagram, and Twitter simply reminded people that they could leave their old tires with any tire retailer for recycling in the province. Over the nine days of the campaign, we attracted 667 link clicks to our website.

CHANGING OUR TIRES (THE FEES, ANYWAY)

Last year, we simplified our tire size categories to be consistent with neighbouring provinces and to reduce administration for retailers.

Now Nova Scotia has only two tire categories:

- All passenger tires and light truck tires (including on-road motorcycle, camper, and trailer tires) - \$4.50
- Highway truck, tractor, and trailer tires (not exceeding 24.5-inch rim size) - \$13.50

Spring and fall are peak business times for tire retailers, so we made the change in the summer to allow them time to implement the changes. We also supplied them with cards and posters so they could share the information with their customers.

Environmentally Friendly Reporting

This year, we streamlined our reporting and payment process for beverage and tire retailers. Now, retailers can complete their reports and submit payments all online – no more need for paper reports, envelopes, stamps, or cheques! Over 65 per cent of beverage retailers and 35 per cent of tire retailers have signed up for the system to date, saving time, paper, and the environment.



Sowing the Seeds of a Sustainable Future

Education Programs

We look for opportunities throughout the year to raise awareness about recycling and diversion. We especially like to get our message in front of young people and students - because they are our future champions of recycling.

Waste Reduction Leads to **Higher Education**

For its 16th and final year, in April 2016, the Nova Scotia Recycles Contest rewarded students in grades primary to 12 across the province for sharing their thoughts and dedication to reducing, reusing, and recycling with us. Students entered by colouring pages, designing advertisements, creating videos, and writing essays - many of them on the theme of our 20th anniversary.

The contest was organized in partnership with Nova Scotia's seven solid waste management regions and we received more than 5.800 entries from 403 classrooms across the province.

Over \$55,000 in prizes was given out, including almost \$20,000 in Grade 12 scholarships. The provincial grand-prize winner of a \$5,000 scholarship was Josh MacMillan for his essay *Glass Act - Recycling Programs* and Opportunities in Nova Scotia.

In 2017, the Nova Scotia Recycles Contest gave way for our *Divert NS Champion of* the Environment Scholarship. Plans are also underway for an exciting project to deliver lesson plans and other curriculum-aligned resources to classrooms from Primary to Grade 6 for the start of the 2017 school year. We're thrilled to be helping even more students become environmental champions!



Waste Reduction Week in Canada

Pledging to Use Less Plastic

Walmart Canada chose to use their considerable reach and influence in 2016 to sponsor Waste Reduction Week in Canada (October 17 – 23). Here in Nova Scotia, we partnered with them to help educate shoppers about one easy way to reduce waste: reusable shopping bags.

Regional waste educators visited 24 retail and community locations, including seven Walmarts, to provide information about recycling to customers, along with a reusable bag.

We enhanced the reach of the campaign through Facebook and Twitter by asking people to sign a simple pledge to use reusable bags to help make Nova Scotia a greener place.

Everyone who signed the pledge was entered to win a \$500 Walmart gift card and a \$500 gift certificate to White Point Beach Resort.

Over 1,600 people signed the online pledge, and over 330,000 were reached with the message either in person or online.

Congratulations to our big winner Joan Sinden, from Halifax – and thanks for diverting!

Moby Retires

In June 2016, Moby S. Loop, the recycling robot bid a fond farewell to the waste-resource education world. Moby was an invaluable part of our education approach over the years, and we will work hard to continue spreading his message.



Partner Programs

Reduce, Reuse, REPAIR

In celebration of our 20th anniversary, and as part of Waste Reduction Week, we were pleased to support Clean Foundation as they hosted their first-ever Fix-it Fair in October 2016, at the Halifax Central Library.

Members of the public were invited to attend workshops on upcycling and repurposing, and local repair businesses were also on hand to fix any broken items that were brought onsite.

The event welcomed dozens of guests and was covered by several local news outlets, including Global News and the *Chronicle Herald*.

We were also pleased, once again, to partner with Clean Foundation for the annual Great Nova Scotia Pick-Me-Up. In 2016, over 14,500 people participated in more than 276 clean-



Great Nova Scotia
Pick-Me-Up

ups. Teams picked up almost 10,000 bags of garbage and over 1,500 bags of recyclables. We also continue to support Clean's Shipto-Shore program, which addresses waste disposal at sea. To date, over 2,800 fishers have been directly engaged by the program.



14,500 People



276 Clean-ups



Bags of garbage





1,500
Bags of recyclables

Life is a (Greener) Highway

Divert NS is the sole funder of Nova Scotia's Adopt-A-Highway (AAH) program. In honour of our 20th anniversary, AAH celebrated members who have gone above and beyond with their roadside cleanups with a volunteer awards luncheon. Held in Truro in September 2016, the event welcomed Silver Donald Cameron, renowned author and environmentalist, as guest speaker, and honoured recipients in nine categories including:

Largest Group:
Mount Uniacke Cleanup Party

Smallest Group: Earth Day Friends

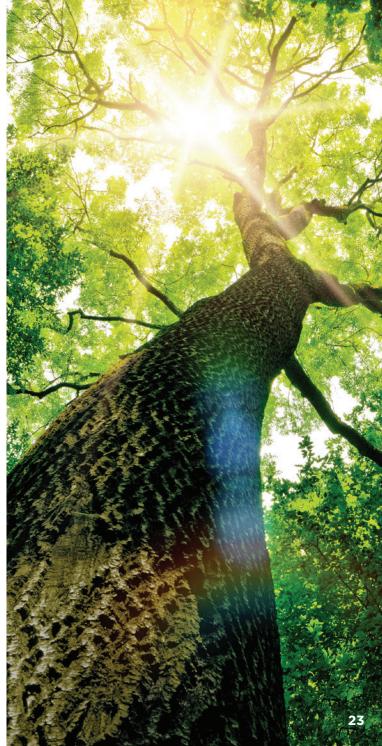
Most Litter Collected: Lake Echo Lions Club

Divert NS was surprised, and honoured, to receive an award – for Longstanding Support of AAH!

Enforcement

Catching Illegal Dumping

We've made great strides over the past two decades in changing the way Nova Scotians deal with their solid waste. One way Divert NS helps improve our province's record is by providing funding for solid waste enforcement and support for investigations into illegal dumping. In 2016 – 2017, Divert NS provided \$90,000 to each of the seven solid waste regions for enforcement. These funds supported the equivalent of 17 full-time officers who completed curbside inspections, landfill and transfer station inspections, and illegal dumping investigations. Over 875 illegal dumpsites were investigated in 2016.







nnovation

Championing new ways of thinking about waste

Funding the Future: In 2016 – 2017, Divert NS approved \$220,252 in support of projects like these.

Research & Development

Optimization of Waste Resources

RESTAURANT ASSOCIATION OF NOVA SCOTIA (RANS)

RANS represents 400 members who work with over 1,560 businesses in all aspects of the restaurant industry. This year, RANS received \$19,980 in funds from Divert NS to engage PHA Consulting & Associates to study current waste management practices in the restaurant sector and identify best practices to divert more waste from the landfill. Find the full report at divertns.ca/resources/research-report.

Production of High Value Protein Feeds and Fertilizer from Pre-consumer Vegetable Waste Utilizing a Soldier Fly Larvae Conversion Process

VERSCHUREN CENTRE FOR SUSTAINABILITY IN ENERGY & ENVIRONMENT, CAPE BRETON UNIVERSITY

Divert NS provided \$33,000 in funds for a pilot project that will convert vegetable waste at the Masstown Market, which produces 1,000 tonnes of vegetable waste annually, into high-value protein meal, oil, and fertilizer products through black soldier fly larvae production. These products have an average potential value of between \$1,000 - \$1,500 per tonne vs. compost value at \$50 - 100/tonne. Find the full report at divertns.ca/resources/research-report.

Creating an Agricultural Market for Nova Scotia Compost

LP CONSULTING LTD.

Compost is an important resource to improve and maintain healthy soils; however, only a small amount of it is being used by Nova Scotia's agricultural community. Part of the challenge is that the composting facilities

do not understand what the agricultural industry requires in terms of nutrient value in the compost. In fiscal 2017, Divert NS provided \$22,845 in funding to LP Consulting to identify and improve compost market potential with the goal of increasing its use on Nova Scotia agricultural land.

ENVIRO-DEPOT™ Infrastructure

Through the ENVIRO-DEPOT™ Infrastructure Funding Program, Divert NS provides interest-free loans to ENVIRO-DEPOT™ owners to make improvements to operations and facilities that are used for Divert NS programs and activities.

In 2016 - 2017, we approved \$17,982 in an interest-free loan to M&R Recycling to make improvements to their parking lot, and \$6,945 in a similar loan to Lady Beth Enterprises for a roof renovation.



Catalyst for Change

Helping great ideas grow

When a group of inspired, passionate people comes together, great things can happen. This year, we hosted two well-attended and relevant summits, bringing together partners, businesses, and organizations to discuss challenges, present ideas, and brainstorm solutions.

The Circular Economy Summit

The linear economy goes from manufacture through to use, and then disposal, which results in waste. The concept of a circular economy, one in which resources are repurposed, repaired and shared as much as possible, is gaining interest worldwide.

In June 2016. Divert NS hosted a summit to raise awareness about the circular economy. learn how it is advancing in other jurisdictions, and to determine what opportunities the concept held for Nova Scotia.

Seventy people attended, representing a variety of organizations including government, university and academic institutions, private business, non-profits and more, who all came together to share information, spark innovation, and carry forward best practices.

The summit highlighted several organizations that demonstrate the circular economy through their existing business models, including:

- Auto Recyclers Association of Atlantic Canada
- Value Village
- Dalhousie University
- Verschuren Centre. Cape Breton University
- Nova Scotia Agriculture
- CarShare Atlantic

Divert NS is already championing the circular economy by supporting research and development in a variety of projects, like opportunities to divert textiles that cannot be reused, ragged, or shredded; diverting coffee grounds into solid surface materials; using industrial waste glass as a concrete additive, and more!

Summit on Food Waste

In March 2017, Divert NS hosted a Food Waste Summit that brought together food retailers, institutional food suppliers, academics, and community groups to discuss the topic and explore ideas.

Through the presentations, the 85 summit attendees learned that food waste in Canada and around the world is a growing threat. One third of food produced worldwide ends up as waste, and 47 per cent of that happens at the consumer level: people bring food home and it goes to waste. That equals \$1.2 trillion/year worth of food wasted or lost. Along with the food, the resources that went into producing it are also lost, such as energy, water, labour, machinery, and more.



Yet, food waste also presents opportunities and can have life-changing impacts for people in need. The group FOUND Forgotten Food highlighted that fact in the work they do gathering foods that farmers consider "imperfect" and leave behind in the fields, collecting ripe produce unsold at farmers' markets, and even picking up food from backyard gardeners who have grown too much. In 2016 alone, they collected over 3,000 pounds of forgotten food to share with those in need.



This small volunteer group is making a big difference, and when they mentioned they could do even more but needed a company truck, we were thrilled to be able to help by donating a surplus vehicle of our own!

The summit, which was sponsored by Nova Scotia Environment and Walmart Canada, wrapped up with a stakeholder engagement session on the National Food Waste Reduction Strategy prepared by the National Zero Waste Council.





Lise LeBlanc, LP Consulting with materials from an innovative cow-bedding project partially funded by Divert NS. 28

Mi'kmaw Conservation Group, The Confederacy of Mainland Mi'kmaq

JANUARY 2017

Divert NS presented at the *What's Up With Waste* workshop, which focused on best practices in helping improve waste management in First Nations communities across Canada.

Dairy Farmers of Nova Scotia Annual General Meeting

JANUARY 2017

Divert NS and LP Consulting shared the story of the highly successful cow-bedding project funded by Divert NS that is turning old gypsum and wood waste into an alternative bedding for cows.

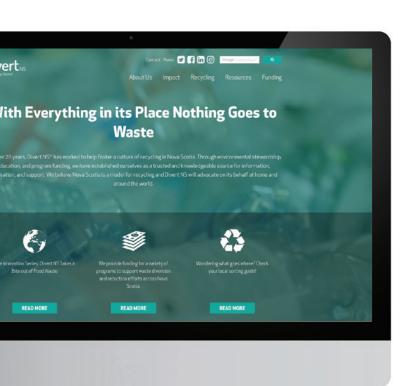
St. FX University Business Administration Class

FEBRUARY 2017

Divert NS spoke about the culture of recycling in Nova Scotia, how it has evolved, and the role we played in this social change.

Growingthe Digital Conversation

A new name. A new brand. A new way of talking with people. Here's what changed in our online world this year.



A Cleaner, Fresher Website

Following our rebrand, we refreshed our website to make it brighter, more contemporary, and easier to navigate.

The new look embodies the Divert NS brand with strong, simple graphics, and short, clear content that quickly guides the user to the sections they seek.

We're already seeing results. Visitors are spending more time on the site and the bounce rate has dropped. Pages that weren't getting viewed on previous iterations are now seeing higher visitation. We built this site to be more engaging and it's working. Check it out at divertns.ca.

TOP FIVE PAGES:

- 1. What Goes Where
- 2. About Divert NS
- 3. Find-a-Depot
- 4. Scholarship Competition
- 5. Pledge Campaign

The Power of Social Media

Creating a culture shift, such as we are doing with recycling, happens one person at a time. Thanks to social media, we are able to reach out, connect, and engage with many more Nova Scotians in a direct way that makes them part of the conversation. Best of all, we can measure the impact.

This year, we used Facebook, Twitter, Instagram, LinkedIn, and YouTube to engage Nova Scotians

on everything from Mobius Awards to Middleton Bottle Depot hours. And the results were fantastic!

ReCap Reboot

In keeping with our commitment to always reduce first, our twice-yearly newsletter is now available only online. You're welcome, trees. Find it now at **divertns.ca**.



Facebook fans grew by



202
Twitter
mentions



1,778
Instagram





Statements



TO THE BOARD OF DIRECTORS OF THE RESOURCE RECOVERY FUND BOARD INC. AND RESOURCE RECOVERY FUND (OPERATING AS DIVERT NS)

We have audited the accompanying combined financial statements of the Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS), which comprise the combined statement of financial position as at March 31, 2017, 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.

MANAGEMENT'S RESPONSIBILITY 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organizations' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Resource Recovery Fund Board Inc. and Resource Recovery Fund (operating as Divert NS) as at March 31, 2017, and the combined results of operations, changes in net resources. changes in net financial resources and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Truro. Canada June 1, 2017 Chartered Professional Accountants Licensed Public Accountants



Combined Statement of Operations

YEAR ENDED MARCH 31, 2017

BUDGET 2	017 (UNAUDITED)	2017	2016
REVENUES	on (onxobiteb)	2017	2010
Deposits	\$41,296,000	\$42,799,456	\$41,020,897
Sales of recyclable materials (Note 10)	4,384,000	4,814,501	4,996,899
	4,279,000	4,658,734	4,145,889
Tire program Investment and other income	4,279,000	552,338	394,997
Rental income	182,000	182,000	182,000
TOTAL REVENUES	50,562,000	53,007,029	50,740,682
EXPENSES	00,002,000		00,710,002
Operating	40,014,500	40,812,182	41,063,248
Administrative	2,088,500	2,009,467	1,897,044
Other expenditures and funding:			
Approved program grants	1,200,000	1,051,330	1,082,171
Education and communication	1,581,500	1,314,271	1,391,774
Household hazardous waste program	112,000	112,000	112,000
Municipal enforcement program funding	630,000	630,000	707,500
Regional committees	335,000	335,780	328,628
Research, development, and special projects	250,000	166,084	96,520
	46,211,500	46,431,114	46,678,885
Excess of revenues over expenditures before allocations	4,350,500	6,575,915	4,061,797
Municipal solid waste diversion credits	3,045,350	4,603,140	2,843,258
Nova Scotia Environment	870,100	1,315,183	812,359
Special municipal allocation	-	700,000	-
(Deficiency) excess of revenue over expenditures	\$435,050	\$(42,408)	\$406,180
Net resources, beginning of period	\$7,577,987	\$7,577,987	\$7,171,807
Net resources, end of period	\$8,013,037	\$7,535,579	\$7,577,987

See accompanying notes to the combined financial statements.

Combined Statement of Financial Position

MARCH 31

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents	\$8,333,849	\$7,383,176
Receivables	5,374,766	4,516,151
Accrued receivables	295,526	583,895
Notes receivable (Note 3)	177,704	163,542
Investments (Note 4)	15,800,025	13,922,503
Inventory	275,043	153,404
	30,256,913	26,722,671
FINANCIAL LIABILITIES		
Payables and accruals	1,438,740	2,183,090
Municipal solid waste diversion credits payable	4,603,140	2,843,260
Payable to Nova Scotia Environment	1,315,183	812,359
Unearned revenue	19,592,245	17,974,000
	26,949,308	23,812,709
NET FINANCIAL RESOURCES		
	3,307,605	2,909,962
NON-FINANCIAL ASSETS		
Prepaids	37,357	48,165
Tangible capital assets (Note 5)	4,190,617	4,619,860
	4,227,974	4,668,025
NET RESOURCES (PAGE 34 AND NOTE 9)		
	\$7,535,579	\$7,577,987

Commitment (Note 7) On Behalf of the Board

See accompanying notes to the combined financial statements.

_ Director _________________

Director

Combined Statement of Changes in Net Financial Resources

MARCH 31

	BUDGET 2017 (UNAUDITED)	2017	2016
(Deficiency) excess of revenue over expenditures	\$435,050	\$(42,408)	\$406,180
Acquisition of tangible capital assets, net	(589,700)	(228,182)	(380,975)
Amortization of tangible capital assets	713,200	657,425	611,343
	123,500	429,243	230,368
Usage of prepaids	10,808	10,808	17,671
Increase in net financial resources	\$569,358	\$397,643	\$654,219
Net financial resources, beginning of year		\$2,909,962	\$2,255,743
Increase in financial resources		397,643	654,219
Net financial resources, end of year		\$3,307,605	\$2,909,962

See accompanying notes to the combined financial statements.

Combined Statement of Cash Flows

YEAR ENDED MARCH 31

	2017	2016
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
OPERATING		
(Deficiency) excess of revenues over expenditures	\$(42,408)	\$406,180
Amortization	657,425	611,343
	615,017	1,017,523
Change in non-cash operating working capital:		
Receivables	(570,246)	(32,897)
Inventory	(121,639)	(39,917)
Prepaids	10,808	17,671
Payables and accruals	1,518,354	(1,452,930)
Unearned revenue	1,618,245	2,587,400
	3,070,539	2,096,850
CAPITAL		
Purchase of tangible capital assets	(228,182)	(380,975)
INVESTING		
Proceeds from sale of investments	4,122,503	4,357,557
Purchase of investments	(6,000,025)	(6,000,000)
Issue of notes receivable	(50,565)	(19,000)
Repayment of notes receivable	36,403	33,729
	(1,891,684)	(1,627,714)
Net increase in cash and cash equivalents	950,673	88,161
Cash and cash equivalents, beginning of year	7,383,176	7,295,015
Cash and cash equivalents, end of year	\$8,333,849	\$7,383,176

See accompanying notes to the combined financial statements.



Notes to the Combined Financial Statements

MARCH 31, 2017

1. Nature of operations

The Resource Recovery Fund Board Inc. 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 provide incentives to the people of Nova Scotia to reduce, reuse, recycle and compost.

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 Organization'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:

Building	5%, 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 Tubs	33 1/3%, straight line 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. Writedowns are not reversed.

INVENTORY

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

FORGIVABLE LOANS

The Resource Recovery 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 Fund may collect compared to

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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 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, unearned revenue, 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.

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 Organization is exempt from income taxes under Section 149(I)(d) of the *Canadian Income Tax Act.*

3. Notes receivable

	2017	2016
Non-interest bearing notes with variable payments, maturing between 2018 and 2028.	\$177,704	\$163,542

4. Investments

Investments consist of loans receivable from the Province of Nova Scotia - Department of Finance. These loans are issued at interest rates ranging from 0.89% to 1.85% and mature as follows:

TOTAL	2022	2021	2020	2018
\$15,800,025	\$6,000,025	\$4,000,000	\$2,000,000	\$3,800,000

5. Tangible capital assets

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$294,100	\$ -	\$294,100	\$294,100
Field equipment	519,796	445,784	74,012	88,800
Processing equipment	462,060	205,458	256,602	309,776
Building	3,129,933	1,042,225	2,087,708	2,158,166
Office and warehouse equipment	309,794	216,960	92,834	110,295
Containers	940,951	750,606	190,345	141,520
Leasehold improvements	9,508	2,281	7,227	8,178
Computer hardware and software	1,344,211	1,084,015	260,196	374,826
Vehicles	52,157	28,249	23,908	-
Trailers	1,613,600	709,915	903,685	1,134,199
TOTAL	\$8,676,110	\$4,485,493	\$4,190,617	\$4,619,860

6. Bank indebtedness

The Resource Recovery Fund has an operating credit facility of \$2,000,000 of which \$Nil is used at March 31, 2017. 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, 2017, \$447,068 (2016 - \$520,564) of the restricted for approved programs resources has been committed under these agreements.

8. Related party transaction

The Fund reimburses the Nova Scotia Environment for services and expenses incurred on the Fund's behalf. During the year, costs of \$1,315,183 (2016 - \$812,359) were incurred, of which \$1,315,183 (2016 - \$812,359) is included in payables and accruals.

9. Net resources

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

				2017	2016
	Invested in Capital Assets	Restricted	Unrestricted	TOTAL	TOTAL
Balance, beginning of year	\$4,619,860	\$1,380,072	\$1,578,055	\$7,577,987	\$7,171,807
(Deficiency) excess of revenue over expenditures	(657,425)	(167,414)	782,431	(42,408)	406,180
Transfers	228,182	614,482	(842,664)	-	-
Balance, end of year	\$4,190,617	\$1,827,140	\$1,517,822	\$ 7,535,579	\$7,577,987

Restricted funds represented by:	\$447,068
Committed funds (Note 7)	1,380,072
Future projects	\$1,827,140

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 4% of receivables are over 60 days. The Fund recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered are 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 organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The organization is exposed to this risk mainly in respect of its bank indebtedness, payables and accruals and municipal solid waste diversion credits payable. At balance date, the organization has available financial

assets to meet these obligations and there was no significant change in exposure from the prior year.

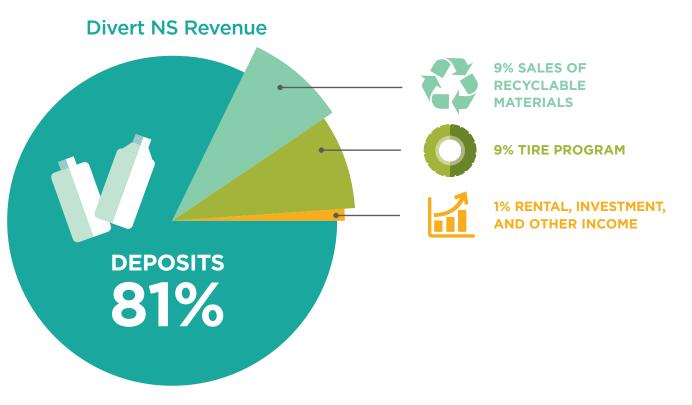
MARKET RISK

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 organization is mainly exposed to currency and price risk related to its sales of recyclable materials.

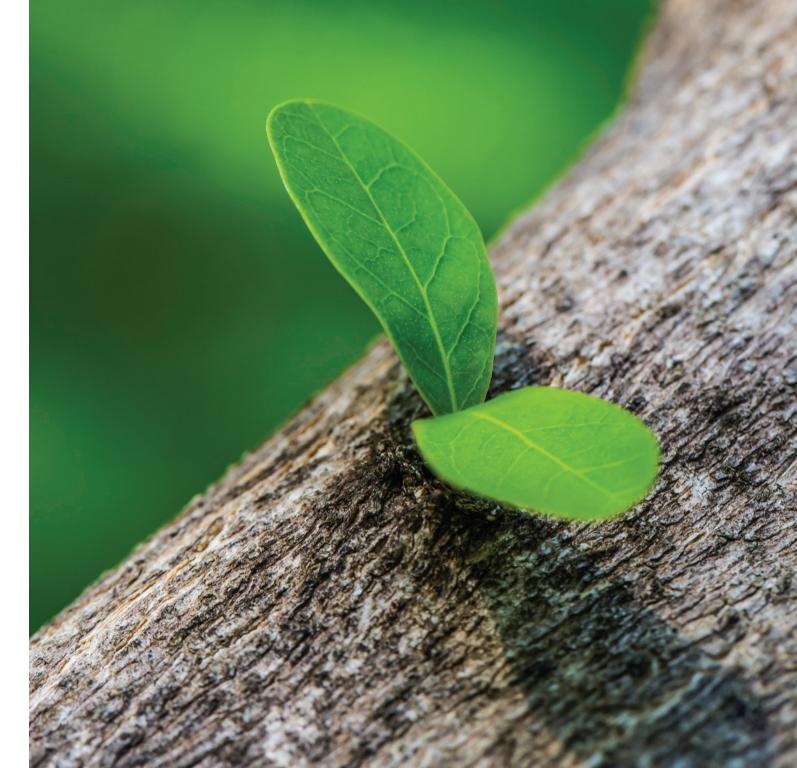
The currency risk is predominately US funds. The average US exchange rate was \$1.313 for the twelve-month period. As at March 31, 2017, the receivables denominated in US currency were approximately \$787,399 (2016 - \$397,444).

The price risk is related to fluctuations in commodities. During the year, commodity prices for PET and aluminium fluctuated by approximately 12%. This fluctuation could result in an increase or decrease of sales by approximately \$609,000. 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.







Board of Directors



Leland Anthony, Interim Chair WARDEN, MUNICIPALITY OF YARMOUTH

Leland Anthony was born in Yarmouth, NS and has lived his entire life in the small rural community of Chebogue. He and his wife have three sons. They are fortunate to have all three boys and their families still working in their area. Before running for municipal council, Leland served on several committees and boards, including Director and Past President of the Western Nova Scotia Exhibition, and Director on the boards of the YRBC, YCEA, Community Futures, and the Yarmouth branch of the Cystic Fibrosis Foundation. Leland was elected councillor for the Municipality of Yarmouth in 1995, and served four years as Warden. He is the Chair of Region 7 Waste Check, and has sat on Regional Chairs for the last eight years, serving as Vice Chair for the last three years.



Marcus Goodick
PRESIDENT, ENVIROCULTURE CONSULTING LTD.

Marcus Goodick is Founder, President, and Solutions Finder at EnviroCulture Consulting, a company that helps businesses improve their management of end-of-life materials and implement comprehensive environmental programs. Prior to this current role he was the Senior Manager, Environment and Sustainability at Bell Aliant for eight years where he worked collaboratively to integrate more sustainable business practices. He also worked for five years with Halifax Regional Municipality's Solid Waste-Resources Department helping businesses implement recycling and organics programs. Marcus holds a Masters in Resource and Environmental Studies (2002) from Dalhousie University and was named a member of Canada's 2013 Clean 50, honouring outstanding contributors to sustainable development and clean capitalism in Canada. Marcus also serves as Chair on the Board of Clean Foundation.



Craig Lake

GEOTECHNICAL ENGINEERING PROFESSOR,
DALHOUSIE UNIVERSITY

Craig Lake is a professor and past Department Head in the Department of Civil and Resource Engineering at Dalhousie University. He has been interested in solid waste management issues for the past 20 years through research and consulting. His research in landfill and geoenvironmental engineering resulted in past awards from Engineers Nova Scotia (2006 Young Engineer Award), Canadian Geotechnical Society (2011 Colloquium Winner) and The Canadian Society of Civil Engineering (Thomas C. Keefer Medal). Prior to joining Dalhousie, he was a geotechnical consultant with Jacques Whitford and Associates. Craig is a member of Engineers Nova Scotia and has a Bachelors of Civil Engineering from Dalhousie (TUNS) and a PhD from the University of Western Ontario.



Pam MacInnis
COUNCILLOR, MUNICIPALITY OF EAST HANTS

Pam MacInnis was first elected to council in 2008 and is the UNSM representative on the Divert NS board. Pam has lived in Shubenacadie for more than 30 years and works at the post office, where she has been employed for 25 years. She has been a community volunteer on boards, running youth activities and coaching, amongst others. When working for National Sea Products in the 1980s, she began the first paper recycling program. Fostering the sustainable use of resources and caring for the environment have always been passions for her. She and her husband enjoy living in rural Nova Scotia.



Board of Directors



Scott MacLean

QUALITY ASSURANCE MANAGER, MICHELIN NORTH AMERICA
(CANADA) INC.

Scott MacLean is the Quality Assurance Manager for the Michelin Tire Manufacturing Facility in Waterville, Nova Scotia. Joining Michelin North America (Canada) Inc. in 1987, Scott has held a broad range of roles across production, maintenance, personnel and quality in four different manufacturing facilities during his career.



Bill Morash
CHIEF FINANCIAL OFFICER, FARNELL PACKAGING LIMITED

Bill Morash is the Chief Financial Officer at Farnell Packaging Limited, an environmentally responsible manufacturer of flexible packaging materials in Dartmouth, NS. His input and commitment to the strategic management team has contributed to Farnell Packaging being recognized as a leader in the flexible packaging industry, as well as having award winning environmental and sustainable manufacturing best practices. Prior to joining Farnell Packaging in 1997, he was a Senior Manager at Grant Thornton LLP. Bill is a member of the Institute of Chartered Accountants of Nova Scotia (1992) and has a Bachelors of Commerce degree from Saint Mary's University (1990).



Andrew Murphy

EXECUTIVE DIRECTOR OF SUSTAINABILITY AND APPLIED SCIENCE DIVISION, NOVA SCOTIA ENVIRONMENT

Andrew Murphy has more than 21 years of experience working on a wide variety of environmental policy issues. He has been with Nova Scotia Environment in various capacities since 1996, first in supporting the implementation of the solid waste resource management strategy and initiatives such as the deposit-refund system and disposal bans. Since that time he has had the opportunity to work on and lead various environmental policy initiatives. Andrew holds a Bachelor of Arts in Economics and a Masters Degree in Development Economics from Dalhousie University.



Nick Moryto
CONSULTANT

Over the past 30 years, Nick Moryto has held senior marketing and sales roles with the world's largest beverage companies, including Pepsi-Cola, Coca-Cola, and ABInbev, the world's largest brewer. His involvement with beverage container recycling dates back to the first beverage container recycling company in Atlantic Canada, EnCorp New Brunswick, where he was a board member. Nick has also served as Chairman of the Canadian Soft Drink Association of Atlantic Canada. He holds a degree in Economics from the University of Toronto and a management development diploma from Penn State University. Nick was appointed to the Divert NS Board of Directors in June 2014.







Divert NS is the registered business name of the Resource Recovery Fund Board, Inc.



