

Tire Stewardship BC: Income & Expense Statement (CONFIDENTIAL)

WIP started Nov 9 2022

Confidential

REVENUE		2019 Actual	2020 Actual	2021 Actual	2022 projected	2023 budget
1.0	Revenue Collection	22,429,037	22,167,127	24,202,422	24,850,956	25,718,910
1.1	ADF-PLT	18,500,716	18,404,340	20,054,034	18,490,862	19,242,412
1.2	ADF-MT	3,211,884	3,088,674	3,618,054	5,770,265	5,885,670
1.3	ADF- AG	254,970	262,485	272,580	277,742	277,742
1.4	ADF- LS	120,680	122,115	136,010	143,086	143,086
	Sub total	22,088,250	21,877,614	24,080,678	24,681,956	25,548,910
1.5	C&E	176,705	123,719	124,279	65,000	50,000
1.6	RIV	205,102	207,242	(3,169)	130,000	150,000
1.7	RIV commission	(41,020)	(41,448)	634	(26,000)	(30,000)
2.0	Interest (bank, investments, IDF)	954,166	650,700	630,076	(490,000)	412,782
2.1	Bank	21,563	10,363	18,576	10,000	10,000
2.2	Investments	932,603	640,337	611,499	(500,000)	402,782
	Total revenue	\$ 23,383,203	\$ 22,817,827	\$ 24,832,498	\$ 24,360,956	26,131,693
EXPENSES		2019 Actual	2020 Actual	2021 actual	2022 projected	2023 budget
3.0	Program Incentives	20,076,582	20,522,530	22,825,147	24,553,395	25,708,751
3.1	Transportation	7,718,002	7,492,483	8,807,163	10,006,463	10,696,155
3.2	Processing	11,128,884	12,003,235	12,983,384	13,500,799	13,966,463
3.3	Manufacturing	1,229,695	1,026,812	1,034,600	1,046,133	1,046,133
4.0	Program Management	1,650,195	1,101,155	1,285,855	1,408,054	1,577,552
4.1	Program Admin	985,922	583,025	647,024	650,000	622,273
4.2	Operational expenses:	133,631	180,372	173,789	150,804	164,133
4.2.1	Mgt Travel	18,664	6,002	7,718	20,000	35,000
4.2.2	Misc Business Exp	23,620	19,167	16,775	20,000	25,000
4.2.3	Staff Education	1,407	1,059	1,905	907	5,000
4.2.4	Phone/Internet	5,379	5,022	3,270	2,952	3,000
4.2.5	Amortization Exp - IT	84,561	149,122	144,122	106,945	96,133
4.3	Compliance Reviews	244,160	40,444	137,038	170,000	200,000
4.4	Bad Debt	941	6,026	9,218	5,000	5,000
4.4.5	Interest & Bank Charges	2,802	3,394	3,403	3,500	3,500
4.5	Communciations & Education	282,739	287,893	315,382	428,750	582,645
5.0	Professional Services	260,549	208,488	193,159	271,200	308,522
5.1	External Audit / Accounting	50,539	47,550	53,684	53,200	56,920
5.2	Legal	15,282	2,697	(3,083)	-	20,000
5.3	Consulting	36,359	5,762	13,696	15,000	20,000
5.4	IT application & environment mgmt	122,169	128,130	113,762	190,000	191,602
5.5	IT Projects	36,200	24,350	15,100	13,000	20,000
6.0	Board Expenses and Travel	181,116	159,831	179,194	192,577	204,717
6.1	Insurance	7,522	9,516	10,701	10,726	12,306
6.2	Travel / Conterences	38,519	3,887	21,772	33,000	40,000
6.3	Director's Remuneration	132,025	146,428	146,721	148,851	152,411
6.4	Payroll expense	3,049	-	-	-	-
7.0	Other Programs	491,484	218,273	230,957	225,825	100,000
7.1	Community Grant Program	470,115	206,692	188,975	185,825	50,000
7.2	Special Projects	21,369	11,581	41,982	40,000	50,000
7.3	R&D project grants	-	-	-	-	-
	Total Expenditures	\$ 22,659,925	\$ 22,210,278	\$ 24,714,311	\$ 26,651,052	27,899,542
	Transfer to (from) Program Reserve	\$723,277	\$607,549	\$118,186	(\$2,290,096)	(\$1,767,849)

ADF		2022 Actual (Oct 31) + Projected	
Per Tire Type		Units	\$
ADF-PLT	\$ 5	3,698,172	\$ 18,490,862
ADF-MT	\$ 14	412,162	\$ 5,770,265
ADF- AG	\$ 15	18,516	\$ 277,742
ADF- LS	\$ 35	4,088	\$ 143,086
		4,132,939	\$ 24,681,956
		C&E	\$ 65,000
		RIV	\$ 130,000
		Total - All Rev	\$ 24,876,956
		RIV Comm @ 20%	\$ (26,000)
		Total	\$ 24,850,956

2023 budget - draft		
Units	\$	
3,848,482	\$ 19,242,412	5 yr average
420,405	\$ 5,885,670	2022 projections plus 2%
18,516	\$ 277,742	same as 2022 projections
4,088	\$ 143,086	same as 2022 projections
4,291,492	\$ 25,548,910	
	C&E	\$ 50,000
	RIV	\$ 150,000
	Total - All Rev	\$ 25,748,910
	RIV Comm @ 20%	\$ (30,000)
	Total	\$ 25,718,910

2023 Assumptions

% or \$ used

Regular Revenue

Tire Type	Variance from 2022	Category	Source
PLTs	4.06%	Replacement (64% of rev)	For 2023, a 5 year average was reviewed for both PLT & MT. A spreadsheet with the various scenarios is filed in SP in the budget folder along with the commentary from both TRAC and NCDABC & Adrian Courtenay. The approach decided upon is as follows: 1. PLTs: use the 5 year average from 2017 to 2021, which gives us a modest increase over 2022 projections
		OEM (33% of rev)	
MTs	2.00%		2. MTs: the 5 year average was not appropriate for this category given the significant growth in unit sales in the last 5 years. Instead the approach is a 2% growth on the 2022 projections.
AG	0.00%		insignificant volumes for forecasting but assuming similar to 2022
LS	0.00%		insignificant volumes for forecasting but assuming similar to 2022

Compliance & Education

\$ 50,000

Registrar of Imported Vehicles

\$ 150,000

2.0 Other Revenue

Investment Income	
Budget 2022	\$ 269,283
2022 actual + projected	\$ (899,861)
2023 budget	\$ 402,782

Interest Revenue	
2022 budget	\$ 10,000
2022 actual + projected	\$ 10,000
2023 budget	\$ 10,000

Assumptions 2023:

Reserves BMO Harris	\$ 12,872,554	Balance at Jan 1 2022
	\$ -	add contributions
	\$ (1,730,032)	less withdrawals in 2022 (YTD Oct 31, 2022)
	\$ (899,861)	add projected investment income (per Nov 25 COB BMO stmt)
	\$ 10,242,661	Estimated 2022 ending/ 2023 starting bal
Projected rate of return	3.65%	per BMO Harris projections - gross return
	\$ 469,848	gross return
	\$ (67,066)	less mgt fees approx (0.521% sliding scale)
	\$ 402,782	net return
	3.13%	net return %

2022 Budget	Volumes (tonnes)	54,203
	\$ per tonne	\$ 179.26
	Total \$	\$ 9,176,430
	less WRP Processor Culls vol	-
	cull rate per tonne	\$ -
	WRP processor cull deduction	\$ -
	Net Total TI	\$ 9,176,430
2022 actual + projected	Volume:56,941.50	\$ 10,006,463

2023 budget	Volumes (tonnes)	56,503
	\$ per tonne	\$ 189.30
	Total \$	\$ 10,696,155
	less WRP Processor Culls vol	-
	cull rate per tonne	\$ -
	WRP processor cull deduction	\$ -
	Net Total TI	\$ 10,696,155

Assumptions for 2023

Volumes

Volume projected by WRP 56,503

Rates

2022 rate \$ 182.90 avg of Sept and Oct 2022 actual TI rate
 Rate increase factor 3.50% 80% non fuel at Jan 1 and 20% fuel every month
 2023 RATE \$ 189.30

2022 BUDGET				\$ 14,348,262
2022 actual + projections		Volumes: 52,442.50	\$ 13,500,799	
2023 budget				\$ 13,966,463
	VOL - tonnes	Rate	Total \$	
Processor Culling (2R)	WRP Culls	-	\$ -	\$ -
Tire Derived Product (3R)				
	Crumb	28,571	\$ 337.19	\$ 9,633,615
	Coloured Crumb	750	\$ 337.19	\$ 252,891
	Steel	8,100	\$ 153.55	\$ 1,243,755
	Fibre		\$ 153.00	\$ -
	Mulch	5,525	\$ 275.98	\$ 1,524,707
	Uncoloured Mulch	-	\$ 207.50	\$ -
3R total		42,945		\$ 12,654,968
Tire Derived Fuel (4R)				
	Shred		\$ 131.76	\$ -
	Whole Tire	4,200	\$ 60.00	\$ 252,000
	Fibre	6,900	\$ 153.55	\$ 1,059,495
	Steel		\$ 148.36	
4R Total		11,100		\$ 1,311,495
Waste (5R)				
	Rubber Waste	840	\$ -	\$ -
	Steel Waste	-	\$ -	\$ -
	Fibre Waste	-	\$ -	\$ -
5R Total		840		-
(2R/ 3R/4R/5R)		54,885		\$ 13,966,463
Total PI		54,885		\$ 13,966,463

Assumptions/ Comments \$ 254.47

- projections for crumb, mulch, steel, whole tire TDF, shred TDF, Fibre TDF from WRP
- WRP will renew agreement with Lehigh in 2022 for 3,600 tonnes

2023 Targets

	Recycling	Energy Recovery	Landfill	
Rubber	34,845	4,200	840	39,885
Steel	8,100	-	-	8,100
Fibre		6,900	-	6,900
	42,945	11,100	840	54,885

	Recycling	Energy Recovery	Landfill	
Rubber	87.4%	10.5%	2.1%	100%
Steel	100%			100%
Fibre		100%	0%	100%

	Recycling	Energy Recovery	Landfill
Rubber	2022 - 23: 88% 2024 - 26: 90%	2022 - 23: 11% 2024 - 26: 9%	1%
Steel	100%		
Fibre		98%	2%

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MANUFACTURER INCENTIVE (3.3)

3.3 Incentives-MI

Budget 2022				
Manufacturer	Volume(lb)	\$	Total	Comments
NWR	20,000,000	\$ 0.050	\$ 1,000,000	NWR request 40 m lb Oct 27 2021 email.
<i>split as MI</i>	20,000,000	\$ 0.030	\$ 600,000	
<i>split as IDF</i>	20,000,000	\$ 0.020	\$ 400,000	
Promat	2,306,666	\$ 0.020	\$ 46,133	Promat request 2.31 m lb Nov 2 2021 email.
<i>split as MI</i>	2,306,666	\$ 0.010	\$ 23,067	
<i>split as IDF</i>	2,306,666	\$ 0.010	\$ 23,067	
Totals	22,306,666		\$ 1,046,133	

2022 projected	\$ 1,046,133
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Budget 2023				
Manufacturer	Volume(lb)	\$	Total	Comments
NWR	20,000,000	\$ 0.050	\$ 1,000,000	NWR commitment to WRP 36M lbs
<i>split as MI</i>	20,000,000	\$ 0.020	\$ 400,000	
<i>split as IDF</i>	20,000,000	\$ 0.030	\$ 600,000	
Promat	2,306,666	\$ 0.020	\$ 46,133	Waiting for request, using 2022 for now
<i>split as MI</i>	2,306,666	\$ 0.010	\$ 23,067	
<i>split as IDF</i>	2,306,666	\$ 0.010	\$ 23,067	
Totals	22,306,666		\$ 1,046,133	

Program Admin (4.1)

Wages, benefits & payroll costs plus rent & associated office space costs

2022 budget

\$ **650,000**

2022 projected

\$ 650,000

2023 budget

\$ **622,273**

OPERATIONAL EXPENSES (4.2)

	2022 budget	2022 projected	2023 budget
MGT TRAVEL & EXPENSES	\$ 35,000	\$ 20,000	\$ 35,000
MISC BUSINESS EXPENSE	\$ 25,000	\$ 20,000	\$ 25,000
STAFF EDUCATION	\$ 5,000	\$ 907	\$ 5,000
TELEPHONE & INTERNET	\$ 2,952	\$ 2,952	\$ 3,000
AMORTIZATION EXPENSE	\$ 120,255	\$ 106,945	\$ 96,133
	\$ 188,207	\$ 150,804	\$ 164,133

all from 5.0 IT projects amortization

COMPLIANCE REVIEWS (4.3)

2022 budget

\$ **200,000**

2022 projected

\$ **170,000**

2023 budget

\$ **200,000**

2023 assumptions

IntegriServ to conduct reviews

Mix of desk and on site

Includes CATRA harmonized compliance reviews

BAD DEBT (4.4)

2022 budget

\$ **7,500**

2022 projected

\$ 5,000

2023 budget

\$ **5,000**

INTEREST & BANK CHARGES (4.45)

2022 budget

\$ **5,000**

2022 projected

\$ 3,500

2023 budget

\$ **3,500**

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4.5 Comm & Ed

Communication & Education (4.5)

Budget 2022	\$	486,261
2022 actual + projected	\$	428,750

Service Provider	Comments	2023
Education & Outreach:		\$ 482,400
Wirtz	Media Buys - bus	\$ 57,000
Wirtz	Media Buys - radio ads	\$ 56,000
Wirtz	Media Buys - digital ads	\$ 38,000
Wirtz	Media Buys - TV	\$ 80,000
Wirtz	Fee	\$ 4,000
Somaworks	Attendance at community events	\$ 73,000
Bianca Bujan	To coordinate plan execute all comms initiatives	\$ 62,400
Kari Kylo	to create media releases etc (shared resource with Oil)	\$ 42,000
Here Be Monsters etc	Creative (Ret educ program, TV ads & web site update)	\$ 70,000
Other:		\$ 30,500
Artist Response Team	Children's Education Program & Video	\$ 7,500
Fuse Interactive	Web hosting, updates, minor changes	\$ 3,000
Leger	Consumer Awareness Survey (requirement)	\$ 10,000
Various	SWAG, SM contest etc, FB boosts	\$ 5,000
Short Creative etc	Design (info graphics, collection event ads etc)	\$ 5,000
Membership:		\$ 42,821
First Nations Coordinator	Joint coordinator with other SABC stewards	\$ 4,200
RCBC	Stewards portion of hotline and Recyclepedia app	\$ 18,076
CATRA	Membership (projects under special projects or compliance)	\$ 10,000
Stewardship Agencies of BC	Membership	\$ 9,200
Coast Waste Mgt Assoc	Membership	\$ 400
WCTDA	Membership	\$ 120
RCBC	Membership	\$ 475
Indigneous Zero Waste TAG	Membership	\$ 350
Sponsorships		\$ 15,500
TRAC	?	\$ 5,000
CWMA	Oct-23	\$ 5,000
Canadian Stewardship Conference	Not in 2023	\$ -
Indigneous Zero Waste TAG	2023 conference	\$ 1,500
UBCM Trade Booth	Fall 2023	\$ 4,000
Total		\$ 571,221
Contingency	2% of total	\$ 11,424
Total for 2023		\$ 582,645

WAITING TO HEAR

5.0 Prof Services

Type	2022 budget	2022 projections	2023 budget			
Accounting / Audit	\$ 53,200	\$ 53,200	\$ 56,920	Reflects BT rising costs (wages, hardware & rent)		
Legal	\$ 20,000	\$ -	\$ 20,000			
Consulting Fees	\$ 18,000	\$ 15,000	\$ 20,000			
IT app & Env mgmt	\$ 206,817	\$ 190,000	\$ 191,602			
IT projects	\$ 22,000	\$ 13,000	\$ 20,000			
	\$ 320,017	\$ 271,200	\$ 308,522			
Accounting and Audit (5.1)						
	2023					
External audit	\$ 37,370					
NFI audit	\$ 17,410					
Misc	\$ 2,140					
	\$ 56,920					
Legal (5.2)						
	2023					
As and when required:	\$ 20,000			Could include: non compliance issues, SABC work, renewal of proc/manu agreements, plan approval appeal		
Consulting (5.3)						
	2023					
Misc	\$ 20,000			Pool for projects identified that require consultants, incl OTR		
IT app & env management (5.4)						
	2023					
Application Mgt (SMART & Pictus)						
Ongoing maintenance - SMART	\$ 1,000			SMART still "alive" until staff comfortable to shutdown		
Monthly Fee - PICTUS revenue	\$ 72,407			assumes 3% COLA adjustment Oct 1 2023		
Monthly Fee - PICTUS claims	\$ 69,203			assumes 3% COLA adjustment Oct 1 2023		
Monthly Fee - PICTUS insights	\$ -			TSBC not pursuing at this time		
Minor Enhancements- PICTUS (rev & claims)	\$ 15,000			a bucket for work not included in monthly fee hours		
Major Enhancements- PICTUS revenue	\$ -			none anticipated for 2023		
Major Enhancements - PICTUS claims	\$ 5,000			Just in case		
Contingency	\$ -			for any business driven changes. Staff may need to ask for \$ if any unusual circumstances		
	\$ 162,610					
Environment Mgt (infrastructure)						
	2023					
Ongoing maintenance & 365	\$ 14,400					
Cloud hosting & maintenance	\$ 10,092					
Hardware	\$ 4,500			1 laptop up for replacement plus any misc		
	\$ 28,992					
IT Projects (5.5)						
	2023					
E-Manifests (amortize 2023)	\$ 35,000			June 1 2023 go-live		
Financial interface upgrade	\$ 10,000					
BA support (ongoing support)	\$ 10,000					
BA support - e-manifest implementation (amortize)	\$ 25,000					
	\$ 80,000					
	Amortization exp in 2021 (with 4.2.5)	Amortization exp in 2022 (with 4.2.5)	Amortization exp in 2023 (with 4.2.5)	Amortization Exp in 2024 (with 4.2.5)	Amortization Exp in 2025 (with 4.2.5)	Amortization Exp in 2025 (with 4.2.5)
Future Amortization	\$ -	\$ 42,233	\$ 84,467	\$ 84,467	\$ 42,233	\$ -
PICTUS Claims						
Insights			\$ 11,667	\$ 20,000	\$ 20,000	\$ 8,333
E-manifests						
	\$ -	\$ 42,233	\$ 96,133	\$ 104,467	\$ 62,233	\$ 8,333

6.0 Board expenses

Type	2022 budget	2022 projected	2023 budget
Insurance	\$ 12,841	\$ 10,726	\$ 12,306
Board Travel & Conferences	\$ 40,000	\$ 33,000	\$ 40,000
Board remuneration	\$ 148,851	\$ 148,851	\$ 152,411
	\$ 201,693	\$ 192,577	\$ 204,717

Reflects an estimated increase of 15% to 2022 rates (per Hub) assumes regular travel / in person meetings / conferences etc

6.0%

Board remuneration breakdown	Jan to June 2023 period	July to Dec 2023 period	Total for 2023
<i>Tim H</i>	\$ 9,298	\$ 9,856	\$ 19,154
<i>Carol H / Glenn M</i>	\$ 10,337	\$ 10,957	\$ 21,294
<i>Glen R</i>	\$ 16,039	\$ 17,002	\$ 33,041
<i>Norm S</i>	\$ 10,845	\$ 11,496	\$ 22,340
<i>Ken R</i>	\$ 8,311	\$ 8,810	\$ 17,121
<i>Mark E</i>	\$ 8,311	\$ 8,810	\$ 17,121
<i>Adrian C</i>	\$ 10,845	\$ 11,496	\$ 22,340
Total	\$ 73,986	\$ 78,425	\$ 152,411

Community Grant Program (7.1)

2022 budget	
\$	350,000
2022 projected	
\$	185,825
2023 budget	
\$	50,000

Special Projects (7.2)

2022 budget		To include projects such as:	
\$	43,200	\$ 20,000	<i>Tire Round Ups covers cost of rims and non program material collected at these events</i>
2022 projected		\$ 10,000	<i>Stipends Local Govts eg RDCariboo, Saltspring, Haida Gwaii, Mt. Waddington, RDEK</i>
\$	40,000	\$ 20,000	<i>Special Collections Examples: additional costs beyond TI, such as FN</i>
2023 budget		\$ 50,000	
\$	50,000		

R&D Program (7.3)- Grants & Contributions

2021 budget		
\$	-	
2022 projected		
\$	-	Any request to be funded from reserve account
2023 budget		
\$	-	