

2007 Financial Datacall Residential Blue Box System

Background

The 2007 Financial Datacall represents the sixth that WDO has implemented.

In addition to costs reported by participating municipalities, the Financial Datacall includes:

- a calculation of administration cost based on the proportion of contracted and non-contracted services:
 - The factors used in the administration cost calculation were 3% of contracted costs and 5% of municipal costs.
- a calculation of interest on municipal capital:
 - For capital expenditures with an amortization period of seven years or more commissioned in or after 2005, the average of the prime interest rate for the year in which the capital was commissioned will be utilized as the factor to calculate interest.
 - For capital expenditures with an amortization period of seven years or more commissioned prior to 2005, the average of the prime interest rate less 1% for the year in which the capital was commissioned will be utilized as the factor to calculate interest reflecting that it was generally funded as an opportunity cost in the past.

Verification of the 2007 Financial Datacall

In order to improve the Financial Datacall process and reduce requirements for post-submission verification, pre-submission support visits were provided to 13 municipal programs.

Verification of the Financial Datacall commenced in May and was completed by the end of July. The verification process includes year over year database variance analyses to identify outliers and follow up with municipal programs to clarify questions regarding the data.

2007 Financial Datacall Summary Report

The financial data, as submitted by municipal programs and including adjustments as a result of WDO's verification process, are provided in a WDO 2007 Blue Box Financial Datacall Summary Report.

The 2007 Financial Datacall Summary Report contains data as reported by 208 recycling programs serving 362 of the 446 municipalities in the Province of Ontario in 2007, and as reviewed and verified by WDO to July 31, 2008, in accordance with Section 6.3.2 of the Blue Box Program Plan.

2007 Financial Datacall Residential Blue Box System

Setting the Industry Funding Contribution for 2009

The Financial Datacall is used to determine the net Blue Box system cost in 2007 in order to calculate the 50% industry funding contribution to municipalities to support programs to manage residential Blue Box Waste in 2009.

The 2007 Blue Box gross system cost:

- Is based on reported Blue Box costs and revenues verified by WDO;
- Includes calculated administration and interest on municipal capital costs;
- Is adjusted for prior year Datacall corrections; and
- Is adjusted for wine and spirits deposit containers remaining in the Blue Box system, as determined through waste audits.

The 2007 Blue Box net system cost is calculated by deducting a three year rolling average revenue, also adjusted for revenue associated with wine and spirits deposit containers remaining in the Blue Box system.

2007 Gross Cost (Reported + Admin + Interest on Capital)	\$252,550,562
Apply Adjustments in Cost for Prior Years	\$3,840,198
Total Gross Cost	\$256,390,760
Less Costs of Wine & Spirit Deposit Containers in 2007 System	\$7,729,914
Total Gross Cost	\$248,660,846
Less Three Year Average Revenue (Net of Wine & Spirits)	\$91,610,410
2007 Net Cost	\$157,050,436
2009 Stewards Obligation	\$78,525,218