multi-materials stewardship board

2019-20 Annual Report

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Message from the Chair

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present the Annual Report for the 2019-20 fiscal period in accordance with the **Transparency and Accountability Act**. This report evaluates MMSB's progress towards goals identified in the Strategic Plan for 2017-20, as well as performance from April 1, 2019 to March 31, 2020.

During this reporting period, MMSB has continued to advance sustainable waste management practices through the development of waste diversion programs and public education. Culturally, we continue to see a shift in attitudes towards waste management, fueled by concern for the environment and a heightened awareness of the impacts of climate change. Residents want to do more and are willing to do more when the proper supports are in place to help them. This is where MMSB comes in.

Our waste diversion and public education programs play a key role in encouraging residents of Newfoundland and Labrador to make changes through simple acts of reduction, reuse and recycling. MMSB and its partners are proud of the continuous work and innovation that has helped shift attitudes and practices in households, businesses and the community. As you read the annual report, you will note the incredible results reported for diversion programs, as well as engagement with public education initiatives.

Of course, the work never ends, and we will always have challenges to overcome. This fiscal year ended on a very uncertain note with the realization of a global pandemic. We know that COVID-19 will impact our organization into the future. However, we will adapt to our new normal and ensure we take all steps necessary to protect the health and well-being of our employees and partners in this new world.

I'd like to thank our dedicated team at MMSB and our Board of Directors for their continual commitment to moving the waste management agenda forward in our province.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2019-20 Annual Report.

Sincerely,

Dermot Flynn**,** Chair

Overview

The Multi-Materials Stewardship Board (MMSB) is a Crown agency of the Government of Newfoundland and Labrador that reports to the Minister of Environment, Climate Change and Municipalities (Minister). Established in 1996, MMSB supports and promotes sustainable waste management on a province-wide basis through the development and implementation of waste diversion programs and public education, in accordance with provincial legislation.

The delivery of this mandate is achieved through collaboration with Environment, Climate Change and Municipalities (ECCM), Digital Government and Service NL and third-party contracted service providers such as Green Depot operators, as well as with stakeholders such as regional waste management authorities, municipalities and environmental industry associations. Information on MMSB's mandate, vision and lines of business can be found online at www.mmsb.nl.ca.

Governance

MMSB is governed by a Board of Directors appointed by the Lieutenant Governor in Council. The Board is comprised of representatives from stakeholder groups, as well as members at-large. The Board composition as of March 31, 2020, is as indicated in Appendix A. The day-to-day work of MMSB is carried out by management and staff employed by the Board under the direction of a Chief Executive Officer (CEO). Its current corporate structure consists of a head office located in St. John's with 17 professional and administrative employees and a field office located in Mount Pearl with two employees.

Operations and Finance

As a self-financed Crown Agency, MMSB does not receive funding from the Government of Newfoundland and Labrador. In accordance with provincial legislation, its revenues are derived from deposits applied on the sale of ready-to-serve beverage containers, environmental fees applied on the sale of new highway tires and from the sale of recyclable materials collected through diversion programs.

MMSB's operating revenue in 2019-20 was approximately $29.5 million. Operating expenditures were approximately $27.5 million, with an additional $0.2 million allocated to the Waste Management Trust Fund. Total committed assets in the Trust Fund as of March 31, 2020 is $0.6 million.

Materials diverted from landfills through lifetime of diversion programs in NL:

Over 3 Billion Beverage Containers

Over 7 Million Tires

Over 1.3 Million Litres of Paint

5,567 Metric Tonnes of Electronics

2019-20 Highlights and Partnerships

Used Beverage Container Recycling Program

- Recovery rate for beverage containers was 68.3 per cent, the highest on record.
- More than 193 million beverage containers were collected, resulting in an increase of 5 million units over 2018-19.
- Through MMSB's partnership with schools (Get Matched Program), approximately 7 million beverage containers were diverted from landfills. Schools raised over $700,000 in recycling refunds and matching grants.
- Nearly 900 charities and community groups collected over 3.5 million beverage containers.

Used Tire Management Program

- The used tire recovery rate has increased to 76%, the highest recovery rate since the inception of the program in 2002.
- Approximately 480,000 used tires were collected and diverted from waste disposal sites in Newfoundland and Labrador in 2019-20.

Extended Producer Responsibility

- On October 1, 2019, the Atlantic Used Oil Management Association launched a regulated program for the management of used oil, glycol, containers and filters in Newfoundland and Labrador
- MMSB approved a new five-year stewardship plan from Bell Aliant for its electronic waste recycling program in Newfoundland and Labrador.

Waste Management Trust Fund

- Provided over $192,000 from the Waste Management Trust Fund to communities and local businesses advancing waste diversion initiatives.

2019-20 Highlights and Partnerships

Public Education

- MMSB delivered over 200 presentations/consultations to business, community, school and youth audiences.
- MMSB continued to strengthen the Rethink Waste NL call to action through the development of the website and public education marketing activities.
- Rethink Waste video ads were seen by more than 1.4 million people on Facebook and Instagram and received 960,000 video views on YouTube.

Research

- MMSB carried out three curbside waste audits of 100 households each, six business waste audits spanning 1,850 employees, two landfill audits of construction, renovation and demolition materials and a curbside recycling participation rate study of 500 households.
- MMSB carried out a province-wide coastline litter audit to quantify and categorize waste that is present on Newfoundland Labrador's coastline.

Policy

- MMSB represented Newfoundland and Labrador on the Canadian Council of the Ministers of the Environment's (CCME) Waste Resource and Recovery Committee to advance the development of Canada's Zero Plastic Waste Phase 1 and Phase 2 Action Plans. CCME's Phase 1 Action Plan on Zero Plastic Waste was approved by Ministers in 2019. The development of the Phase 2 Action Plan will continue in 2020.
- MMSB assisted the Waste Management Strategy Review Office in the review of the Provincial Solid Waste Management Strategy and the associated report titled **Finishing What we Started** which recommended a path forward for waste management services in Newfoundland and Labrador.

Report on Performance

The following section outlines the progress made towards MMSB's three-year goals (2017-20) and yearly objectives (2019-20). This update is presented based on three priority issues, which reflect consideration for government's Provincial Solid Waste Management Strategy.

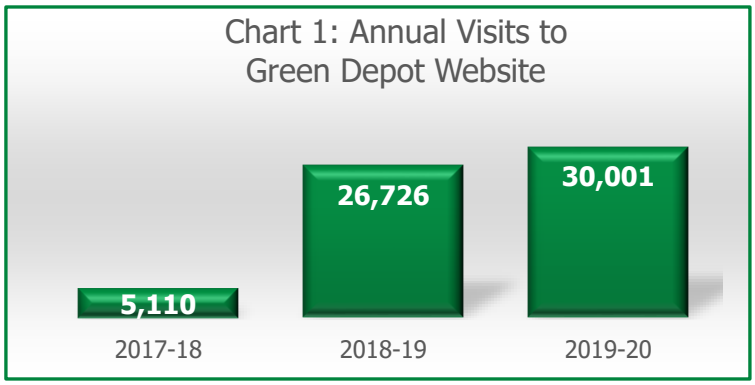
Issue 1 - Waste Diversion Program Performance and Growth

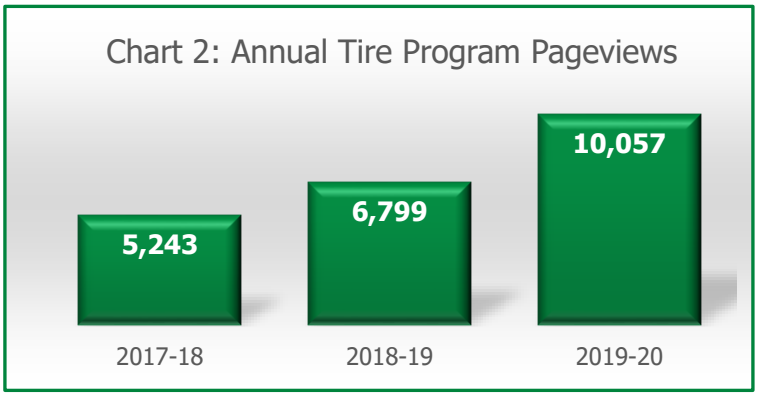
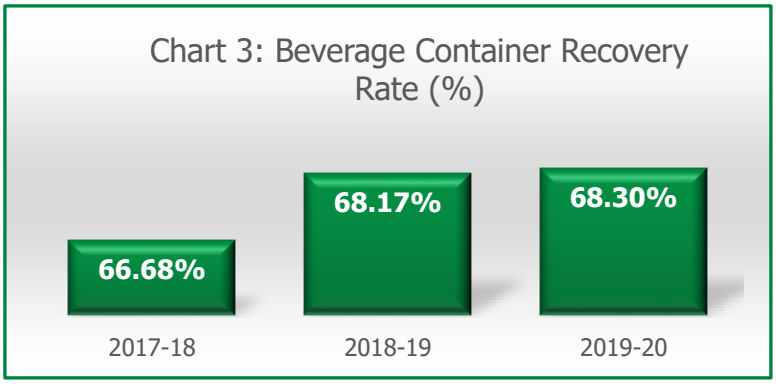
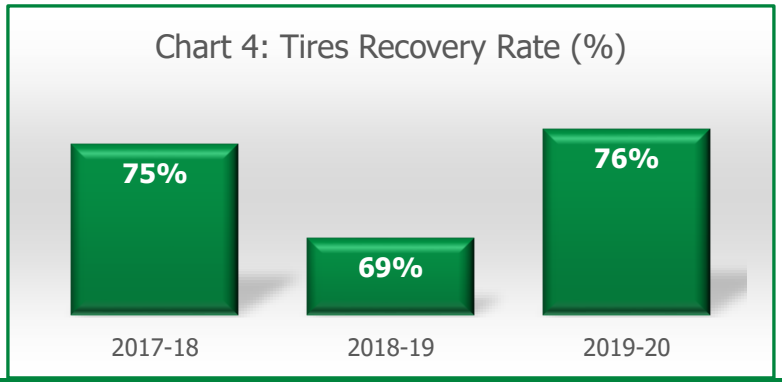
MMSB develops, manages and administers provincial waste diversion programs and services in accordance with government direction as prescribed in the Waste Management Regulations. Existing waste diversion programs delivered by MMSB include the Used Beverage Container Recycling Program and the Used Tire Management Program. MMSB continuously strives to strengthen existing recycling and waste diversion programs by applying operational and administrative efficiencies, expanding customer engagement and communications, and increasing recovery.

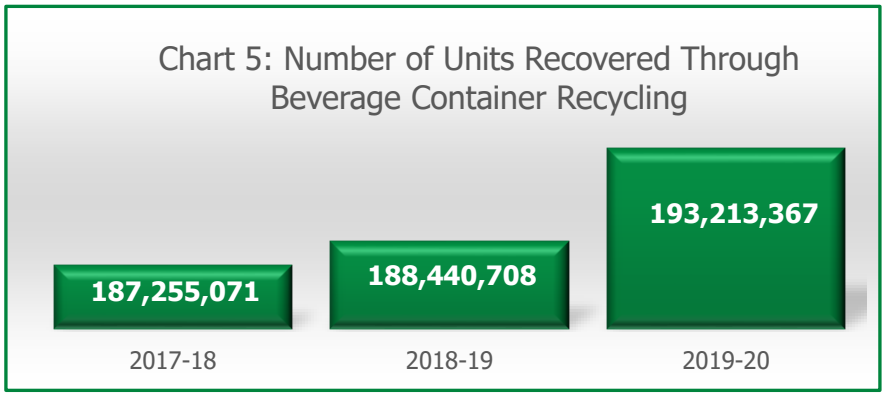
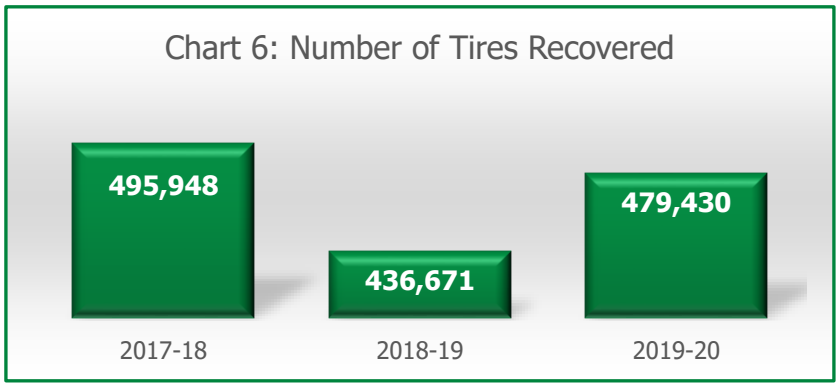
3-Year Goal

By March 31, 2020, MMSB will have improved performance of the Used Beverage Container Recycling Program and the Used Tire Management Program.

Goal Indicators - Waste Diversion Program Performance and Growth (2017-20)	
Key Performance Indicators	**Performance**
1. Increased public awareness and engagement in MMSB waste diversion programs.	♻ The Used Beverage Container Recycling Program was promoted through the Make it Count campaign. This campaign saw an incredible increase in visits to the Green Depot Website as noted in Chart 1 below. Additionally, Make it Count videos were viewed over 700,000 times on social media platforms.



	♻ The Used Tire Management Program saw an increase in customer awareness supported by the new re-tire marketing campaign. The campaign ran during peak tire changeover months. Digital marketing resulted in a steady increase in visitors over the last three years to the tire section of the rethinkwastenl.ca website as noted in Chart 2 below. 
2. Increased the number of people participating in MMSB's Used Beverage Container Recycling Program and used tire management program.	♻ Based on recovery rates for the Used Beverage Container Recycling Program, MMSB realized a steady increase in participation during 2017-20, as noted in Chart 3.  ♻ While the tire program did end the 2017-20 period with the highest recovery rate in the programs history (76%), there was some fluctuation over the three-year period. 

3. Increased the number of beverage containers and used tires recovered.	♻ As noted in chart 3 and 4, MMSB was successful in increasing recovery rates for both beverage containers and tires. ♻ The beverage container recycling program increased the number of units recovered annually during the 2017-20 period (chart 5).  ♻ The number of tires recovered in the last fiscal year is marginally lower than the amount recovered in 2017-18. While the number of tires has reduced, the recovery rate has increased (as noted in chart 4) due to a gradual decline in unit tire sales over the past five years. 
4. Improved compliance by program stewards (manufacturers, distributors and/or retailers) and Green Depot operators.	♻ Over the 2017-20 period, MMSB completed inspections of 56 Green Depots across Newfoundland and Labrador annually. These inspections helped ensure compliance to MMSB's Licensing and Best Practices Standards Manual. ♻ Professional development sessions were held with Green Depot operators across the province in both 2018 and 2019. Agenda topics included operating standards, best practices, Xpress growth, common challenges and opportunities as well as tours of the Quality Assurance facility and Green Depots operated by Ever Green Recycling. Sessions and tours were well received by all in attendance. ♻ During the 2017-20 period, a total of $35,000 in infrastructure improvement loans were granted to three Green Depots for building renovations as well as plumbing and heating upgrades ensuring continued compliance to MMSB's standards.

Issue 1 – Waste Diversion Program Performance and Growth

Year 3 Objective

By March 31, 2020, MMSB will have further advanced implementation of new initiatives to strengthen its Used Beverage Container Recycling Program and Used Tire Management Program.

Objective Indicators: Waste Diversion Program Performance and Growth (2019-20)	
Key Performance Indicators	**Performance**
1. Continue with operational and public education plans and improved administrative processes.	♻ Annual inspections were completed at 56 Green Depots ensuring consistent consumer experiences throughout the province as well as compliance to MMSB's standards and best practices. ♻ Pursuant to a previous third-party independent IT health check and architectural review of the Bluecan management information system (MIS) completed in 2018, MMSB continues to work with the service provider in an effort to modernize and enhance the Bluecan MIS to strengthen future growth opportunities. ♻ Building upon the current strategic platform and goals outlined in the public education and marketing strategy, MMSB continued to produce marketing materials for the used beverage recycling program and used tire management program. Materials were used for advertising and public engagement during key recovery times for both programs with high levels of engagement.
2. Further advance waste diversion opportunities, research, and action items.	♻ MMSB's Used Beverage Container Recycling Program began to trial the combination of non-alcoholic and alcoholic glass sorts. This project is reducing six glass sorts down to three and has been implemented at four Green Depots, reducing the footprint required to house these sorts. Additional depots will be added incrementally, with the goal of converting all by fall 2020. ♻ MMSB's two dedicated quality assurance (QA) staff audited 4.26% of all bulk containers from Green Depots for count accuracy, contamination, mis-sorts and rejects. The variance on these containers compared to the depot count results in a 0.97% average overage. There were only 11 instances where the depots' count was outside the +/- 2% allowable tolerance. ♻ In the 2019-20 COVID-19 shortened year, the QA facility increased throughput of bulk containers by 2.1% over the 2018-19 fiscal year.

	♻ MMSB began a trial for the weighing of glass using average unit weights at QA. This project is still under development and it is predicted to further increase the efficiency of the QA functions going forward. ♻ A tire derived aggregate (TDA) pilot project was designed through MMSB's partnership agreement with Memorial University. The project will seek to use over 2,000 tonnes of TDA in a 100 metre access road in partnership with Central Newfoundland Waste Management (CNWM). The pilot is pending tender results. ♻ MMSB continued to explore diversion opportunities through its Get Matched! School Recycling Program in partnership with the Newfoundland and Labrador English School District (NLESD). From September 1, 2019 to June 30, 2020, approximately 7 million beverage containers were diverted from landfills across Newfoundland and Labrador through the efforts of over 230 schools. Through the program, schools raised over $700,000 in recycling refunds and matching grants. ♻ Two-hundred and seventy-four charities collected over 1.4 million beverage containers resulting in refunds of approximately $74,000. In addition, 618 community groups collected over 2.1 million beverage containers resulting in refunds of approximately $113,000.
3. Further enhance program steward communications and resources.	♻ The final eight Green Depots were added to the Bluecan MIS in 2019-20. MMSB now has complete data of customer transactions, school transactions, inventory and recovered units throughout the province. ♻ A handling fee increase of 0.010 cents was provided to all Green Depots on April 1, 2019. This increase equates to approximately $185,000 annually over the Green Depot network, providing the depots with increased compensation to assist with increased expenses. ♻ A professional development session with Green Depot operators from across the province was held in October 2019. Results of the Xpress program were shared and discussed along with a tour of an Ever Green Recycling. The two-day session also welcomed a guest speaker from Encorp Pacific who shared information on the British Columbia beverage program. Green Depot operators took part in a S.W.O.T. (strengths, weaknesses, opportunities, threats) exercise and also shared individual experiences and perspectives related to cost saving ideas and practices.

4. Continue to increase public awareness and engagement.	♻ MMSB continued to use video and animated digital ads to increase awareness and program engagement. The Make it Count video received over 200,000 views on YouTube and over 160,000 views on Facebook and Instagram. Additionally, over 799,000 impressions were realized through advertisements on social accounts. Using YouTube pre-roll and social media advertising, the video was in market during key recovery times. ♻ MMSB also continued to support the Used Beverage Container Recycling Program through the greendepotnl.ca website. The site is monitored and updated regularly. Marketing campaigns secured regular interaction with the website during this fiscal year, including: ▪ Over 30,000 users (12.5% increase from the previous year) ▪ Over 70,000 pageviews ▪ 23% increase in visits to the Xpress subdomain registration page ▪ 47.5% of the website traffic came via paid sources. ♻ For the Used Tire Management Program, MMSB continued its digital advertising and social media campaign during peak tire changeover seasons. The results were as follows: ▪ Over 94,000 views of the Rethink Waste Tire Video on social media accounts. ▪ 48% increase in tire related pageviews ▪ 11% of the website traffic came via paid advertising on VOCM's website.
5. Pursue program improvements.	♻ More than 193 million beverage containers were collected through the Used Beverage Container Recycling Program, resulting in an increase of 5 million units over 2018-19. Recovery for the 2019-20 year is at 68.3 per cent, indicating a continuous marginal increase in recovery year over year. ♻ Customer usage of the Xpress drop off system at Green Depots in 2019-20 accounted for 45.7 million units, which is a 5 million unit increase over the previous year. ♻ In 2019-20, approximately 480,000 used tires were collected and diverted from landfills. This increase of approximately 43,000 units over 2018-19 is indicative of a 76% recovery rate, which is the highest rate since the inception of the program. MMSB has now collected and managed over 7 million used tires since the program started in 2002.

Discussion of Results

MMSB has successfully achieved both its planned goal for 2017-20 and its objective for 2019-20 for Issue 1, demonstrating strong performance and growth in its waste diversion programs. Through the continous strengthening of adminstrative processes, marketing, public education and partnerships, MMSB has realized the highest recovery rates to date for both beverage containers and tires. In addition to improving recovery rates, MMSB also completed innovative work to enchance quality assurance processes and functionality for diversion programs. This work is essential for monitoring performance and ensuring growth opportunities for diversion programs in the future.

Issue 2 - Shared Responsibilities and Partnerships

The advancement of the Provincial Solid Waste Management Strategy is a shared responsibility between numerous partners. As such, MMSB works collaboratively with stakeholders to effectively manage solid waste and ensure a cleaner and healthier environment.

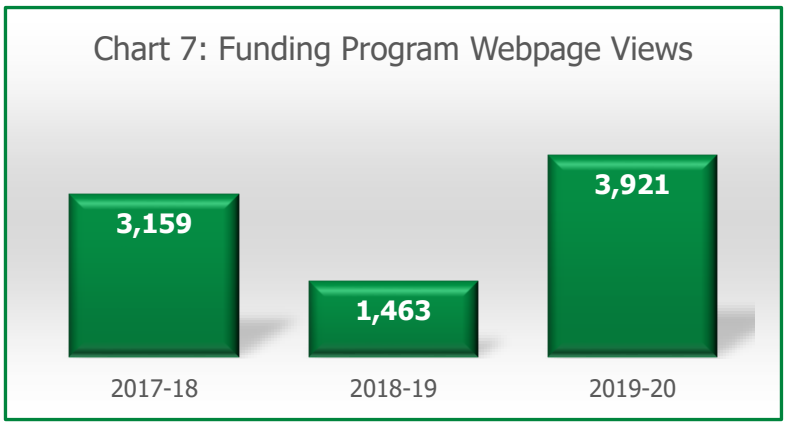
The following section outlines how MMSB has aligned, developed and commenced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities identified in the 2017-20 Strategic Plan.

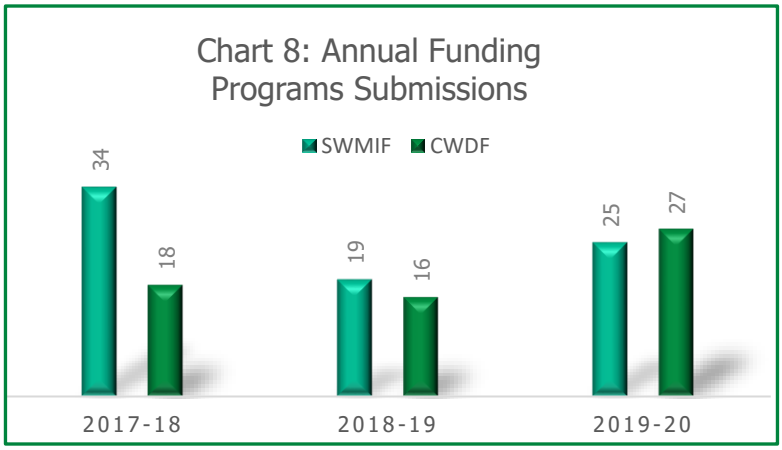
3-Year Goal

By March 31, 2020, MMSB will have further advanced implementation initiatives and advanced a framework to enhance stakeholder participation in sustainable waste management.

Goal Indicators - Shared Responsibilities and Partnerships (2017-20)	
Key Performance Indicators	**Performance**
1. Enhanced support of community and regional waste diversion plans and initiatives.	♻ MMSB renewed a three-year partnership with Crime Stoppers NL in 2018-19 to combat illegal dumping. The partnership is supported by a $45,000 commitment from the Waste Management Trust Fund. From 2017-20, Crime Stoppers received 79 anonymous tips related to indiscriminate dumping offenses in the province due to enhanced public education and awareness, a 58% increase from the 2014-17 reporting period. ♻ MMSB held regional waste management forums in March 2018 and 2019. Representatives from eight waste management regions, as well as government departments and agencies attended. The forums provided attendees an opportunity to share key insights and best practices in advancing modern waste management.

	♻ In 2018-19, MMSB committed $75,000 to Central Regional Service Board to enhance enforcement of indiscriminate dumping through a regional pilot project. ♻ MMSB funded and distributed 3,620 compost bins through MMSB's Backyard Composting program during the 2017-20 period. ♻ From 2017-20, MMSB contributed over $225,000 to communities through the Community Waste Diversion Fund to support waste diversion initiatives. ♻ From 2017-20, over $320,000 was awarded to businesses, industry and organizations through the Solid Waste Management Innovation Fund to support the development of new or improved processes that advance solid waste management.
2. Advanced industry-led waste diversion initiatives.	♻ MMSB advanced a new regulation for used oil, glycol, filters and containers which was approved by Government in November 2018. As a result of this new regulation, MMSB approved a five-year stewardship plan submitted by the Atlantic Used Oil Management Association. The program was launched in October of 2019 and includes over 133 collection locations to date. ♻ MMSB approved new five-year stewardship plans from Product Care Association (PCA) for waste paint, as well as EPRA, the Canadian Wireless Telecommunications Association (CWTA) and Bell Aliant for electronic waste. ♻ Over the past three calendar years (2017, 2018, and 2019), the following approximate amounts of materials were collected through EPR programs: ▪ 2,500 metric tonnes of end-of-life electronics ▪ 23,000 cell phones ▪ 120,000 cable boxes and satellite receivers ▪ 558,000 litres of waste paint ♻ MMSB also participated in discussions with the other Atlantic provinces and stakeholders across Canada on the potential for harmonization of new regulations for industry-led programs.
3. Increased awareness and participation in MMSB funding programs.	♻ Awareness of the Solid Waste Management Innovation Fund and Community Waste Diversion Fund programs was strong at the start of the strategic plan in 2017-18. However, a noticeable dip in awareness and submissions was evident in the 2018-19 fiscal year. As a result, a successful marketing plan was developed and implemented to promote both funding programs and increase submissions for the following fiscal year. As is demonstrated in the following charts, visits to the funding webpages and submissions increased in 2019-20.





- The MMSB-Harris Centre Solid Waste Management Applied Research Fund provided support to three projects over the 2017-2020 period, totaling $45,000 for Memorial University researchers. Research projects involved:
  - the reuse of industrial waste to remove organic content from drinking water;
  - the reuse of waste cooking oil in the construction of asphalt; and
  - enhancing the recyclability of treated labels removed from wine bottles through Ever Green Recycling's wine bottle reuse program.

Issue 2 - Shared Responsibilities and Partnerships

Year 3 Objective

By March 31, 2020, MMSB will have further advanced implementation initiatives and advanced a new framework to enhance stakeholder participation in sustainable waste management activities.

Objective Indicators - Shared Responsibilities and Partnerships (2019-20)	
Key Performance Indicators	**Performance**
1. Continue activities that enhance support of community and regional waste diversion plans.	♻ MMSB consulted with more than 70 businesses, municipalities and organizations to provide information and advice about sustainable waste management practices. ♻ Western Regional Waste Management hired a regional outreach/education officer in 2019-20, using $168,000 in funding from the Waste Management Trust Fund committed in 2018-19. The position will help with transitioning residents and businesses to mandatory recycling programs. MMSB is supporting this position for a three-year term and sits on an advisory committee to develop and guide the workplan of the incumbent. ♻ MMSB assisted the Provincial Solid Waste Management Strategy Review Office in the review of the 2002 Provincial Solid Waste Management Strategy. The review resulted in a final report, Finishing What we Started, which recommended a path forward for waste management services in Newfoundland and Labrador. ♻ MMSB project managed a report commissioned by the Provincial Solid Waste Management Strategy Review Office by AECOM to develop a working model for estimating capital and operational expenses of lined landfills. ♻ MMSB project managed the development of a report assessing alternative technologies to landfilling waste in Newfoundland and Labrador by Wood Consulting. ♻ MMSB delivered presentations at several events and conferences throughout 2019-20, including: ▪ National Waste Benchmarking forum - discussed the status of waste management in Newfoundland and Labrador including diversion performance. ▪ Agriculture and Agri-Food Canada 's Grow Your Food Business event –discussed opportunities surrounding organic waste reduction and management ▪ ACAP-Humber Arm's speaker series event discussed food waste generation in Newfoundland and Labrador.

	♻ MMSB's new partnership with the Western Regional Service Board for the handling and compensation of used beverage containers and fluid milk packaging resulted in an increase of over 1 million containers being collected curbside for a partial year. Thanks to this new partnership, almost 9 million units were collected by regional authorities in 2019, a 18% increase from the previous year. ♻ MMSB continued to support the Crime Stoppers partnership with a two phased campaign for illegal dumping. The first flight of advertising in the spring of 2019 reached over 33,000 people through Facebook promotion. During the fiscal year, the illegal dumping page on rethinkwastenl.ca had over 3,100 pageviews, up 950% over the previous year, resulting in 48 anonymous tips.
2. Continue to work with provincial and territorial jurisdictions advancing sustainable waste management policy in Newfoundland and Labrador consistent with national direction.	♻ MMSB approved a new five-year stewardship plan from Bell Aliant for its electronic waste recycling program in Newfoundland and Labrador. ♻ MMSB provided oversight of existing EPR programs for waste paint and electronic waste to ensure compliance. The following are results for the industry led programs for the 2019 calendar year: ▪ Product Care Recycling: 6% recovery rate with 198,564 litres of waste paint and containers collected from more than 60 drop-off locations and collection events. ▪ Recycle My Electronics: collected 773 metric tonnes of electronics from 60 drop-off locations and collection events. ▪ Recycle My Cell: collected 6,192 cellular phones from 126 collection points. ▪ Bell Aliant: collected 39,589 set-top boxes. ♻ MMSB consulted with stakeholders in New Brunswick on the development and implementation of an EPR program for packaging and printed paper. ♻ MMSB attended conferences and meetings with the Canadian Association of Tire Recycling Agencies and the Recycling Affiliates of Canada to discuss advancements in used beverage container and tire recycling across Canada. ♻ MMSB participated in advisory committee meetings and strategic planning sessions for the paint, electronic waste and used oil and glycol recycling programs. ♻ MMSB represented Newfoundland and Labrador on the Canadian Council of the Ministers of the Environment's (CCME) Waste Resource and Recovery Committee. The committee's goal is to advance the development of Canada's Zero Plastic Waste Phase 1 and Phase 2 Action Plans. CCME's Phase 1 Action Plan on Zero Plastic Waste was approved by Ministers in 2019 and work on

	multiple action items by CCME and member jurisdictions commenced. The development of the Phase 2 Action Plan will continue in 2020. ♻ MMSB attended a sustainable packaging summit held by Divert Nova Scotia and participated in two meetings with the Atlantic Harmonization Group to discuss Atlantic Canada priorities for waste and the development and oversight of related regulations. ♻ MMSB worked with New Brunswick to harmonize both provinces' interpretation of the Used Beverage Container Recycling Program coverage and exclusions. ♻ The four Atlantic provinces worked with PCA to draft a scope of work and select a consultant to complete consumer research on the volume of waste paint available to be collected and recycled in each of the provinces. The results of this research are expected in 2020.
3. Increase awareness and participation in MMSB funding programs.	♻ MMSB partnered with 22 communities to distribute 1,080 backyard compost bins and tumblers to residents at a reduced cost. To raise awareness regarding the program, MMSB also provided train-the trainer workshops and educational support for participating communities. ♻ MMSB's Community Waste Diversion Fund (CWDF) supports municipalities and local service districts in the implementation of community initiatives that identify new or enhance existing opportunities to divert waste from landfills. In 2019-20, MMSB provided $91,222 to 11 communities. ♻ MMSB's Solid Waste Management Innovation Fund (SWMIF) supports businesses, industry associations and non-profit organizations in the development of new or improved technologies, products, services or processes that advance solid waste management in Newfoundland and Labrador. In 2019-20, 10 local innovators received more than $101,000 in financial support. ♻ MMSB increased digital marketing activities for CWDF and SWMIF programs to increase awareness. Social media posts were seen by audiences over 215,000 times and website pageviews were up over 276% from the previous year. ♻ Following marketing efforts, MMSB saw an increase of 48% in proposal submissions for both funding programs compared to the previous year.

4. Continue ongoing support to regional waste management authorities with an emphasis on operations.	♻ MMSB used the findings from waste audits/studies to counsel regions and municipalities on curbside sorting policies and procedures. ♻ MMSB further built on the provincial education resources for rethinkwastenl.ca with free online resources focusing on Household Hazardous Waste (HHW). Resources were added to the dedicated HHW section of the website along with video posts to MMSB's YouTube channel.

Discussion of Results

MMSB has achieved both its Issue 2 planned goal for 2017-20 and objective for 2019-20. Results were achieved through a focus on increased stakeholder engagement, strengthening partnerships and implementing new initiatives that help advance sustainable waste management. From 2017-20, a strong emphasis was put on advancing industry led waste diversion initatives, as well as supporting community and regional waste diversion plans. This support has translated into new diversion projects and initiatives that align with the Provincial Solid Waste Management Strategy.

Issue 3 - Knowledge and Information Enhancement

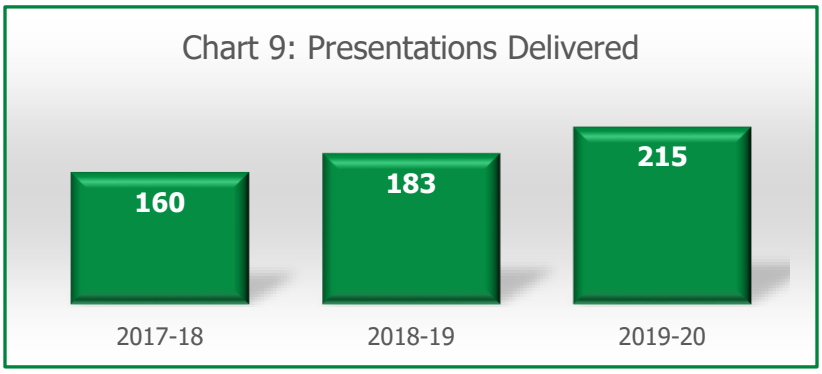
MMSB always strives to advance sustainable waste management with a focus on improving waste reduction and diversion – knowledge and information are essential in achieving this goal. To inform the continued development of programs, services, and resources, MMSB needs to fully understand waste generation, composition, reduction, and diversion as well as associated attitudes and behaviours. Newfoundlanders and Labradorians also need to be knowledgeable about sustainable waste management practices and have access to information to become engaged and take action. Research, data collection and analysis are key components to improving the understanding of sustainable waste management and in helping identify best practices and solutions. Proactive, sustained, and targeted communication and distribution of information are also critical to achieving waste diversion goals.

The following section outlines how MMSB has enhanced its knowledge and information sharing methods for the promotion of waste management practices and programs in public wide education initiatives to support the Provincial Solid Waste Management Strategy of MMSB's 2017-20 Strategic Plan.

3-Year Goal

By March 31, 2020, MMSB will have increased knowledge and awareness of sustainable waste management practices and programs.

Goal Indicators - Knowledge and Information Enhancement (2017-20)	
Key Performance Indicators	**Performance**
1. Enhanced data collection, research and analysis	♻ MMSB carried out a province-wide coastline litter audit to quantify and categorize anthropogenic waste that is present on Newfoundland Labrador's coastline and surrounding areas. The quantity and composition of waste was achieved through auditing a representative sample of accessible coastlines in Newfoundland and Labrador. In addition to quantifying and qualifying coastline waste, this study also endeavored to determine the role of roadside litter as a source of marine waste. ♻ MMSB completed six residential curbside waste audits encompassing 600 households. Audit results were used to: ▪ evaluate the effectiveness of mandatory curbside programs in the City of Mount Pearl and in the central region; ▪ establish baselines for future monitoring of the new mandatory curbside program in Western NL; and ▪ establish a baseline for future performance of the automated garbage collection program in the City of St. John's. ♻ MMSB completed a Recycling Set Out and Participation Rate Study of the St. John's Census Metropolitan Area (CMA). The objective of this monitoring program was to gather data to measure how well the curbside program in the St. John's CMA is performing. The results of the study indicated that to date, the level of use of the blue bag program does not maximize investments in infrastructure. ♻ Ten Industrial, Commercial, Institutional (ICI) waste audits spanning 3,000 employees were completed by MMSB. Audit results from six locations led to the development and implementation of programs like onsite composting and strengthening of onsite recycling programs. Three follow up ICI waste audits were also completed to assess the effectiveness of onsite recycling and composting programs developed by organizations as part of the Greening Government Action Plan. Follow-up audits indicated that onsite recycling programs were effective in increasing waste diversion. ♻ MMSB completed four landfill characterization studies of construction, renovation and demolition (CRD) waste (two at Norris Arm and two at Robin Hood Bay). The studies examined approximately 900 metric tonnes of waste. The CRD audits represent the first multi-year waste study of its kind in the province and will be used to improve understanding of this waste stream, as well as its recovery potential. The study also developed a baseline for future assessments.

2. Increased access to information about sustainable waste management practices and programs.	♻ Throughout the last three years, MMSB continued to develop the Rethink Waste NL, a call to action that supports the need to change how we manage our waste. Through the creation of website and marketing activities, MMSB has increased access to information on sustainable waste management practices and programs, such as household hazardous waste, composting and food waste, illegal dumping, and more. Additionally, the site contains a search function to ensure residents can find the right place for their waste. The information on the site is regularly updated and audited.
3. Increased engagement in public education initiatives over benchmark data.	♻ The continuous development of Rethink Waste NL resources for digital platforms has resulted in regular engagement. Within the last three fiscal years, Rethink Waste videos have been viewed over 1.2 million times on social media accounts. The website has also witnessed a steady increase of visitors, as shown in the following chart. ♻ MMSB also increased the number of presentations delivered to businesses, community groups, schools and youth audiences throughout Newfoundland and Labrador (Chart 9). These presentations include tradeshow events, workshops, education sessions and/or consultations. 

Issue 3 - Knowledge and Information Enhancement

Year 3 Objective

By March 31, 2020, MMSB will have further advanced implementation of research and data collection initiatives as well as province-wide public education initiatives.

Objective Indicators - Knowledge and Information Enhancement (2019-20)	
Key Performance Indicators	**Performance**
1. Improve province-wide and stakeholder-specific data collection, research and analysis.	♻ MMSB carried out life cycle assessments from a greenhouse gas emissions perspective on various waste management options in non-host regions on the island portion of the province. The options included transporting waste to a host region with recycling access, maintaining unlined landfills without recycling access or constructing new lined landfills with landfill gas recovery systems. A report on the research is expected in 2020-2021.
2. Collect and share waste generation, disposal and diversion data.	♻ MMSB extrapolated the data from the 2019 coastline litter audit to estimate the quantity of litter on Newfoundland and Labrador's coastline. MMSB also analyzed the data from this study with the data from the 2016 MMSB Roadside Litter Audit to build on the province's litter profile. The results of both audits are currently being used to inform national and provincial policy related to plastic waste.
3. Continue evaluation on the impact of Rethink Waste NL focusing on household hazardous waste (HHW) and the K-12 school program.	♻ MMSB further built the Rethink Waste NL brand identity with creative assets focused on environmentally friendly alternatives to HHW products. Videos and recipe cards were promoted through social media and posted to rethinkwastenl.ca and YouTube. Thanks to digital ads, the HHW section of rethinkwastenl.ca received almost 10,000 pageviews, a 959% increase from the previous year. ♻ MMSB continued to provide educational support and resources for the Recycle at School-Source Separated Recycling Program. Schools were provided with resources including signs, stickers, instructional videos and posters as required. Planning is also underway for the second expansion of the Recycle at School program with the NLESD western office. The Recycle at School program has the potential to divert 50% of a school's daily generated waste. ♻ MMSB delivered 120 presentations to schools throughout Newfoundland and Labrador. This fiscal year, MMSB increased the number of schools engaged from 18 in the previous year to 25, demonstrating a growing interest in Rethink Waste school education opportunities. Presentations were delivered to primary and elementary students and focused on waste free lunch illustrations and vermicomposting, which is worm composting typically done indoors in a closed bin.

4. Continue province-wide public education initiatives reinforcing the Rethink Waste program.	♻ MMSB continued to strengthen the Rethink Waste NL brand through the development of the website and marketing activities. MMSB created six 15 second Rethink Waste videos highlighting the proper disposal of certain items. The animated videos focused on tires, cooking oil, batteries, medication and disposable coffee cups. Videos were well received, with over 960,000 views on YouTube. Rethink Waste video ads were also seen by more than 1.4 million people on Facebook and Instagram.
5. Implement new public awareness and engagement activities	♻ MMSB continued to provide waste reduction presentations to the business community to help ensure their garbage and recycling programs are successful. ♻ Five backyard composting workshops were delivered to the public/community groups. Training was also provided to 15 out of 22 communities who participated in the 2019 Backyard Compost Bin Distribution Program. ♻ MMSB recognized International Compost Awareness Week from May 5-11, 2019. During the week, composting presentations and workshops were delivered to schools and the public on the west coast. ♻ To further broaden the awareness of backyard composting and how to properly compost at home, MMSB produced new brochures. A social media campaign was also used to highlight the steps to backyard composting along with tips. ♻ MMSB recognized Canadian Waste Reduction Week (WRW) from October 21-27 with a social media campaign. To highlight WRW, profiles and posts were developed utilizing real stories that demonstrated local waste reduction initiatives. The campaign reached over 175,000 people, with video profiles receiving over 1,000 views. ♻ MMSB partnered with Crombie REIT to host a launch event for the Avalon Mall's new composting program. Crombie REIT, the owner of the Avalon Mall, was a recipient of the Solid Waste Management Innovation Fund (SWMIF) for 2018-19 and received $15,000 for installation of an in-vessel composting unit to manage organic waste from the food court. ♻ To promote waste reduction during the holidays, MMSB ran a social media campaign. Social posts were created to bring attention to the amount of waste generated during the holidays and provide suggestions and tips on how to reduce the environmental impact. The campaign directed people to rethinkwastenl.ca where they could read about more holiday waste reduction tips. Traffic to the holiday tips page increased over 1,000% from the previous year and reached over 38,000 people.

Discussion of Results

MMSB has achieved great success in implementing actions to meet both its Issue 3 planned goal for 2017-20 and objective for 2019-20. Audits of materials recovery facilities, businesses,curbsides, roadsides and coastlines will guide future public education initiatives for strengthening and improving modern waste practices and programs.

An increase in marketing and public education activities over the past three years has helped build knowledge and awareness of available waste management practices and programs. MMSB has identified a need for further research to build upon benchmark data for marketing and public education, as well as programs. This research will compliment the Target Market Segmentation Analysis completed in 2017 and will be completed in the 2020-21 fiscal year.

Opportunities and Challenges Ahead

The following factors and trends have been identified as opportunities and challenges in the advancement of MMSB's mandate.

Operational

There are a number of Green Depots in the province that have been in operation for more than 20 years. It is anticipated that some of the operators of these facilities will seek to exit the business in the coming years. This turnover could affect Green Depot presence, particularly in rural areas where infrastructure is limited. We will plan for this occurrence to ensure that our overarching objectives remain intact.

Waste Diversion

A comprehensive review of the 2002 Provincial Solid Waste Management Strategy was carried out in 2019 at the direction of the Minister of Environment, Climate Change and Municipalities. This review addressed seven areas, including waste diversion; regional waste management; standards and technology; economic and employment opportunities; public education; governance; and legislation.

The review identified opportunities to advance the strategy, including the closure of many of the province's landfill sites; the facilitation of modern waste management systems in the remaining regions; enhancements to existing diversion programs and consideration of new diversion programs.

With CCME's adoption of a zero plastic waste strategy and Phase 1 Action Plan, provinces and territories will be considering initiatives to facilitate more consistent EPR programs for plastics and address single-use and disposable plastics.

Attitudes and Behaviours

Recent events suggest that Newfoundlanders and Labradorians are becoming more aware of the issues surrounding single-use and disposable plastics. Government's 2019 survey on a distribution ban on plastic bags resulted in the highest participation rate of any government-issued survey to date. Residents showed overwhelming support for a reduction in single-use plastic bags and as such, the province announced a ban on single-use retail bags to take effect in 2020. MMSB will support the ban through public education and awareness during the next fiscal year.

While awareness and support for a reduction in the use of single-use and disposable plastics is evident in the province, MMSB is monitoring the impact that COVID-19 may have on behaviours and attitudes. The health and safety considerations brought on by the pandemic has resulted in an increased use on single-use and disposable plastics and may require additional analysis to fully understand the implications for provinces and territories adopting waste reduction initiatives.

Appendix A - Board of Directors 2019-20

Established in 1996, the Multi-Materials Stewardship Board (MMSB) is a Crown Agency that operates arms-length from government with an independent Board of Directors appointed by the Lieutenant Governor in Council. The Board is presently comprised of 9 members.

Board Member	Affiliation
Mr. Derm Flynn	Chair Appleton
Mr. Dan Michielsen	Deputy Minister, Environment, Climate Change and Municipalities
Mr. Tony Chubbs	Director Happy Valley-Goose Bay
Ms. Maisie Clark	Consumer Representative Campbellton
Ms. Dale Colbourne	Municipalities Newfoundland and Labrador Representative St. Lunaire Griquet
Mr. John Patten	Distributor Representative President, Browning Harvey
Ms. Michele Peach	Director Mount Pearl
Mr. Sheldon Peddle	Director Corner Brook
Mr. Wayne Power	Director Freshwater

Remuneration of Board Members has been set by the Lieutenant Governor in Council at $145/full day meeting and $70/half-day meeting, plus travel expenses, consistent with MMSB's designation as a Level 1 Board/Commission/Agency.

Appendix B - Financial Statements

Consolidated Financial Statements of

MULTI-MATERIALS STEWARDSHIP BOARD

And Independent Auditors' Report thereon

Year ended March 31, 2020

KPMG LLP
TD Place
140 Water Street, Suite 1001
St. John's Newfoundland A1C 6H6
Canada
Tel (709) 733-5000
Fax (709) 733-5050

INDEPENDENT AUDITORS' REPORT

To the Directors of Multi-Materials Stewardship Board

Opinion

We have audited the consolidated financial statements of Multi-Materials Stewardship Board (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2020 and its consolidated results of operations and its consolidated 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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity
KPMG Canada provides services to KPMG LLP.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 19, 2020

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 3)	$ 16,232,506	$ 12,877,763
Accounts receivable net of allowance for doubtful accounts of $93,600 (2019 - $72,356)	3,350,141	2,952,278
HST receivable	504,715	241,383
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next three years, utilizing an interest rate of prime plus 1%	16,618	18,080
Inventory for resale	30,761	152,593
Investments	385,616	2,427,943
	20,520,357	18,670,040
Liabilities:		
Accounts payable	281,364	443,307
Other payables and accrued liabilities (note 4)	1,629,104	1,623,357
Grants payable	569,967	771,907
Unearned revenue (note 5)	2,564,039	2,360,986
Performance bonds payable	401,817	396,797
	5,446,291	5,596,354
Net financial assets	15,074,066	13,073,686
Non financial assets:		
Tangible capital assets (schedule 3)	1,578,924	1,587,980
Prepaid expenses	87,979	100,604
	1,666,903	1,688,584
Commitments (note 9)		
Subsequent event (note 11)		
Accumulated surplus	$ 16,740,969	$ 14,762,270

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Chairperson

Director

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020 Actual	2020 Budget	2019 Actual
Revenues:			
Used beverage program deposits	$ 23,058,009	$ 23,717,763	$ 22,697,434
Used beverage container by-product revenue	2,823,409	2,479,360	3,013,523
Used tire program deposits	3,045,023	2,986,986	2,935,153
Interest income	272,575	75,000	224,803
Milk packaging program	142,183	45,000	193,292
Miscellaneous income	110,273	7,500	92,302
Handling fees	70,123	89,045	92,269
Provincial Solid Waste Management Strategy	19,000	-	1,750
	29,540,595	29,400,654	29,250,526
Expenses:			
Used beverage container program	22,553,373	22,358,729	21,859,300
Used tire program	2,556,734	2,960,898	2,658,282
Grant disbursements	114,206	440,000	325,611
Program operations	30,173	117,500	76,806
Provincial Solid Waste Management Strategy	19,000	-	1,750
Administrative expenses (Schedule 1)	1,830,486	2,181,965	1,728,958
Public education expenses (Schedule 2)	457,924	550,000	265,065
	27,561,896	28,609,092	26,915,772
Annual surplus	$ 1,978,699	$ 791,562	$ 2,334,754

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

	Actual 2020	Budget 2020	Actual 2019
Accumulated surplus, beginning of year	$ 14,762,270	$ 14,762,270	$ 12,427,516
Annual surplus	1,978,699	791,562	2,334,754
Accumulated surplus, end of year	$ 16,740,969	$ 15,553,832	$ 14,762,270

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

	Actual 2020	Budget 2020	Actual 2019
Annual surplus	$ 1,978,699	$ 791,562	$ 2,334,754
Acquisition of tangible capital assets	(194,771)	(215,000)	(148,297)
Amortization of tangible capital assets	203,827	239,000	196,133
(Increase) decrease in prepaid expenses	12,625	-	(14,545)
Increase in net assets	2,000,380	815,562	2,368,045
Net financial assets, beginning of year	13,073,686	13,073,686	10,705,641
Net financial assets, end of year	$ 15,074,066	$ 13,889,248	$ 13,073,686

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Annual surplus	$ 1,978,699	$ 2,334,754
Item not involving cash:		
Amortization	203,827	196,133
	2,182,526	2,530,887
Changes in non-cash operating working capital:		
Increase in accounts receivable	(397,863)	(111,852)
(Increase) decrease in HST receivable	(263,332)	5,818
Decrease in notes receivable	1,462	11,251
Decrease (increase) in prepaid expenses	12,625	(14,545)
Decrease (increase) in inventory for resale	121,832	(87,957)
(Decrease) increase in accounts payable	(161,943)	143,511
Increase in other payables and accrued liabilities	5,747	124,193
(Decrease) increase in grants payable	(201,940)	79,554
Increase (decrease) in unearned revenue	203,053	(80,678)
Increase (decrease) in performance bonds payable	5,020	(20,826)
	1,507,187	2,579,356
Capital:		
Tangible capital asset purchases	(194,771)	(148,297)
Investing:		
Purchase of investments	(57,592)	(2,007,867)
Redemption of investments	2,099,919	2,010,306
	2,042,327	2,439
Increase in cash and cash equivalents	3,354,743	2,433,498
Cash and cash equivalents, beginning of year	12,877,763	10,444,265
Cash and cash equivalents, end of year	$ 16,232,506	$ 12,877,763

See accompanying notes to consolidated financial statements.

Multi-Materials Stewardship Board (the "Board") is a statutory corporation established pursuant to The Environmental Protection Act. The Board manages the Used Beverage Container Recycling Program, the Used Tire Management Program and the Newfoundland and Labrador Waste Management Trust Fund in the Province of Newfoundland and Labrador and is mandated to support and promote the protection, enhancement and wise use of the environment through waste management programs. The Board is a government organization and reports to the Minister of Municipal Affairs and Environment. The Board is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

1. Financial statements:

These consolidated financial statements include the accounts of the Multi-Materials Stewardship Board and the Newfoundland and Labrador Waste Management Trust Fund.

The Multi-Materials Stewardship Board Newfoundland and Labrador Waste Management Trust Fund is a restricted fund, managed by the Board, and its accounts have been grouped in these consolidated financial statements for consolidation purposes. Separate audited consolidated financial statements have been issued for this Trust Fund, with an audit report date of June 19, 2020.

2. Significant accounting policies:

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the CPA, Canadian Public Sector Accounting Board (PSAB) and reflect the following significant accounting policies.

(a) Use of estimates:

In preparing the Board's consolidated financial statements in conformity with the Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of estimates include the accrual for deposits outstanding at year end, useful life of tangible capital assets, rates of amortization and impairment of long-lived assets, accrued stockpile costs and unearned revenue based on estimated recovery rate and days outstanding.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

2. Significant accounting policies (continued):

(b) Foreign currency translation:

Transactions denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction dates. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at the year end date. Exchange gains and losses arising on the translation of monetary assets and liabilities are included in the determination of income.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Cash and cash equivalents also include a balance of $nil and $245,896 (2019 - $3,154 and $241,380) in restricted cash related to the performance bonds payable and funds received for the Provincial Waste Management Strategy respectively.

(d) Investments:

At March 31, 2020, $385,616 (2019 - $393,644) of these investments are restricted to repay performance bonds at the end of the contracts if all conditions have been met by the parties involved.

(e) Inventories for sale:

Inventories, which are comprised of aluminium beverage containers, are valued at the lower of cost and net realizable value, with net realizable value being current market prices.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations.

2. Significant accounting policies (continued):

(g) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Used beverage equipment	Declining-balance	30%
Office furniture and equipment	Declining-balance	20%
Computer hardware	Declining-balance	30%
Computer software	Declining-balance	30%
CRM software and development	Declining-balance	10%
MIS software	Declining-balance	30%
Bags and tubs	Declining-balance	30%
Infrastructure assets	Straight-line	20 years
Tire yard equipment	Straight-line	10 years

(h) Impairment of long-lived assets:

When a tangible capital asset no longer has any long-term service potential to the Board, the excess of its net carrying amount over any residual is recognized as an expense in the consolidated statement of operations.

(i) Unearned revenue:

Unearned revenue consists of deposits on containers yet to be returned for redemption and recycling. The amount recorded by the Board as unearned revenue consists of sixty days of deposits received from distributors, adjusted by an estimated recovery rate of 68% (2019 - 68%).

Unearned revenue also includes funds received in relation to the Provincial Waste Management Strategy related to expenditures for strategic communications development, the Green Depot Management Information System (MIS) related to customization, installation, training, licences and support for the system, and restricted grant contributions. The funding is recognized as revenue as the expenditures are incurred and repayable if not fully spent on the projects.

2. Significant accounting policies (continued):

(j) Revenue recognition:

Deposit revenue (both beverage and tire) is recognized when remittances are collected plus an estimated accrual based on subsequent receipts, as well as historical data.

By-product revenue is recognized upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

Other income is recognized as earned.

(k) Expenses:

The Board recognizes expenses on an accrual basis. The cost of all goods consumed and services received during the period is expensed. Grant disbursements to third parties are accounted for as government transfers. Grant disbursements that are financing arrangements are recorded as expenses when they are approved by the Minister. Grant disbursements that are reimbursement arrangements are recorded as expenses when the expenditures have been incurred by the recipient and the eligibility criteria have been met.

(l) Financial instruments:

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments: cash and cash equivalents, receivables, notes receivable, investments, payables and accruals, grants payable and performance bonds payable.

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in annual deficit.

Financial assets measured at fair value include cash and cash equivalents and investments; financial assets measured at cost include receivables; and financial assets measured at amortized cost include notes receivable.

2. Significant accounting policies (continued):

(l) Financial instruments (continued):

Financial liabilities measured at cost include payables and accruals, grants payable and performance bonds payable.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

3. Cash and cash equivalents:

	2020	2019
Cash and cash equivalents	$ 15,986,610	$ 12,633,229
Restricted cash deposits	245,896	244,534
	$ 16,232,506	$ 12,877,763

4. Other payables and accrued liabilities:

	2020	2019
Accrued liabilities	$ 1,048,059	$ 841,416
Tire stockpile accrual	343,000	365,000
Wages and benefits	155,202	263,975
MIS deferred handling fee	82,843	152,966
	$ 1,629,104	$ 1,623,357

5. Unearned revenue:

	2020	2019
Provincial Solid Waste Management Strategy	$ 199,759	$ 214,385
Used beverage container deposits	2,343,906	2,126,227
Grant contributions	20,374	20,374
	$ 2,564,039	$ 2,360,986

6. Related party transactions:

The Board is related to the Newfoundland and Labrador Liquor Corporation (NLC) as both organizations are Government Reporting Entities established by the Provincial Government of Newfoundland and Labrador.

The NLC collects and remits Used Beverage Program deposits to the Board. Included in Used Beverage Program deposits for 2020 is $2,721,815 (2019 - $2,792,690) from the NLC. The organizations enter into transactions in the normal course of business and on normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Starting on April 1, 2019 the Board operates in a building owned by the Provincial Government of Newfoundland and Labrador, as such does not incur rental expense.

7. Stockpile costs:

In the 2017 fiscal year, the Board implemented a new contingency plan for the management of used tires. A decision was made to store a portion of collected tires in an efforts to undertake a Tire Derived Aggregate (TDA) Demonstration Project. As at March 31, 2020, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were $343,000 (2018 - $365,000).

8. Employee future benefits:

The Board participates in the Government Money Purchase Pension Plan which is a defined contribution pension plan. The plan is mandatory for all employees, with the exception of the CEO, from date of employment. Employees contribute 5% of regular earnings and the Board matches these contributions. Contributions made prior to January 1, 1997 are fully vested and locked-in after the completion of 10 years of continuous service and the employee has attained the age of 45 or after the completion of 5 years of plan participation. Contributions made on or after January 1, 1997 are fully vested and locked-in after the completion of 2 years of plan participation. Contributions paid and expensed by the Board during the year totaled $53,415 (2019 - $49,418).

9. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next five years as follows: 2021 - $55,683; 2022 - $48,162; 2023 - $48,162; 2024 - $30,774; and 2025 - $22,080.

The Board is also committed to funding the following Waste Management Trust Fund projects next year for $66,197.

The Board has entered into the following agreements:

(i) processing and transportation of beverage containers up to June, 2024;

(ii) collection of used tires in Labrador West area to April, 2021;

(iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2021;

(iv) collection of used tires in Happy Valley-Goose Bay area to February, 2023; and

(v) transportation of used tires collected in Labrador to October, 2022.

10. Financial risks:

(a) Market risk:

Market risk is the risk that the fair value of marketable securities or investments will change as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Board is mainly exposed to currency risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investments are not subject to interest rate risk as they are at fixed interest rates risk.

The Board is exposed to other price risk through its sale of by-products.

(b) Credit risk:

Credit risk is the risk of loss if a customer or counterparty cannot meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The Board's credit risk is attributable to receivables and cash. The accounts receivable represent a large number of small balances owed by its customers, and no one customer or group of customers represents a significant risk. Management reviews receivables on a case by case basis to determine if an allowance is necessary to reflect impairment in collectability.

(c) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables and accruals. The Board reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that is has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Board is low.

There is minimal liquidity risk associated with the bonds payable as they are held in guaranteed investment certificates with a stated interest rate.

11. Subsequent event:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Board has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- closure of administrative buildings based on public health recommendations;
- work from home requirements for those able to do so;
- and closure of recycling depots.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. An estimate of the future financial effect is not practicable at this time.

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 1 - Consolidated Administrative Expenses

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Wages and benefits	$ 1,383,985	$ 1,210,737
Professional fees	97,235	80,467
Software support	93,096	61,634
Staff travel	68,831	48,437
Amortization	44,247	47,347
Board member expenses	34,742	21,149
Vehicle expenses	21,114	22,093
Office supplies	18,328	17,394
Rent	16,825	163,473
Telecommunications	15,961	24,444
Insurance	7,994	7,484
Subscriptions, memberships and conferences	7,814	6,557
Bank charges	7,713	6,385
Training	5,099	4,117
Equipment lease and support	4,089	4,483
Postage and courier	2,086	1,794
Miscellaneous	1,327	963
	$ 1,830,486	$ 1,728,958

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Campaigns:		
Used beverage container program	$ 86,401	$ 166,459
Indiscriminate dumping	50,824	13,000
Used tire program	10,726	13,750
HHW	51,664	26,243
Other	13,384	1,813
Total campaigns	212,999	221,265
Corporate:		
Owned Media	13,096	15,064
Media monitoring	7,114	13,889
Total corporate	20,210	28,953
Public Education Programs	224,715	14,847
Total public education	$ 457,924	$ 265,065

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 3 - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2020, with comparative information for 2019

	Used beverage equipment	Office furniture and equipment	Computer hardware	Computer software	CRM software and development	MIS and development	Bags and tubs	Tire yard equipment	Infrastructure assets	2020	2019
Cost											
Cost beginning of year	$ 195,383	$ 168,266	$ 183,804	$ 313,399	$ 474,598	$ 822,843	$ 324,515	$ 78,699	$ 1,007,624	$ 3,569,131	$ 3,432,947
Additions during the year	80,395	-	3,880	-	14,428	96,068	-	-	-	194,771	152,707
Written-off during the year	-	-	-	-	-	-	-	-	-	-	(12,113)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(4,410)
Cost, end of year	$ 275,778	$ 168,266	$ 187,684	$ 313,399	$ 489,026	$ 918,911	$ 324,515	$ 78,699	$ 1,007,624	$ 3,763,902	$ 3,569,131
Accumulated amortization											
Accumulated amortization, beginning of year	$ 174,179	$ 138,359	$ 150,030	$ 299,318	$ 230,594	$ 552,698	$ 322,416	$ 4,591	$ 108,966	$ 1,981,151	$ 1,797,131
Amortization	16,885	5,861	9,124	3,689	25,572	83,895	550	7,870	50,381	203,827	196,133
Reversal of accumulated amortization relating to written-off	-	-	-	-	-	-	-	-	-	-	(12,113)
Accumulated amortization, end of year	191,064	144,220	159,154	303,007	256,166	636,593	322,966	12,461	159,347	2,184,978	1,981,151
Net book value of tangible capital assets	$ 84,714	$ 24,046	$ 28,530	$ 10,392	$ 232,860	$ 282,318	$ 1,549	$ 66,238	$ 848,277	$ 1,578,924	$ 1,587,980