guiding our province to a greener future.

2009-10
annual report

mmsb

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TRANSMITTAL LETTER TO THE MINISTER

Honourable Charlene Johnson
Minister of Environment and Conservation
Government of Newfoundland and Labrador
4th Floor, West Block, Confederation Building
P. O. Box 8700
St. John's, NL A1B 4J6

Dear Minister Johnson:

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present our Annual Report for the 2009-10 fiscal period in accordance with the Transparency and Accountability Act.

This report outlines MMSB's achievements for 2009-10 in relation to the goals set forth in its 2008-11 Strategic Plan, and includes a comparison of actual performance against intended results for the 2009-10 fiscal year (measures and indicators) as communicated in MMSB's 2008-09 Annual Report.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the preparation of the 2009-10 Annual Report and the accuracy of the results reported herein.

Respectfully submitted,

Leigh Puddester
Chair
Board of Directors
MMSB

September 13, 2010

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

A paradigm shift is taking place around the world. Environmental issues now top the list of concerns for governing bodies, organizations and individuals alike. We are so fortunate to live here in Newfoundland and Labrador. Our province is promoted as 'rich with history, rife with culture and sprawling with natural beauty'. As Newfoundlanders and Labradorians, we are passionate and proud of our province, and we increasingly realize that we have serious responsibilities when it comes to protecting this magnificent place we call home, for ourselves and future generations.

As an organization, MMSB is proud to educate, motivate and enable the people of the province to reduce waste and recycle in an effort to protect our environment. We are working hard to make responsible waste management a priority for every Newfoundlander and Labradorian and we continue to work with a multitude of stakeholder groups towards reaching our provincial 50 per cent waste reduction goal, or 'Get to Half' as we promote. We thank the Green Depots, Schools, regional waste management authorities, municipalities, our processing and transportation partners and the general public for their valuable contributions in helping us achieve our goals.

This year's annual report highlights how MMSB is guiding our province to a greener future for all Newfoundlanders and Labradorians. The successes we have attained this year have been important for the environment, our economy and our communities. Record high results for the number of beverage containers recycled, the number is used tires collected and participation in Household Hazardous Waste (HHW) events let us know we are doing a good job.

As the new Chair and CEO of the MMSB, I'm proud to work with such a passionate team as we strive for even greater results in the coming year. While we have realized successes, we know we still have much more work to do. We are focused on improving our existing programs and launching new waste reduction and recycling programs. Our priorities include launching programs for waste paint, electronic waste (e-waste) and medical sharps and pharmaceuticals. While exploring this annual report, remember the Get to Half message is simple: it's about making small changes to our daily routines, and by doing so, we realize how easy it is to make an environmental impact for us… and for our children.

Leigh Puddester,
Chair and Chief Executive Officer

KEY ACCOMPLISHMENTS AND HIGHLIGHTS

MMSB is committed to educating, enabling and motivating Newfoundlanders and Labradorians to reduce waste and recycle. Successes achieved this year indicate that our efforts are having an impact.

2009-10 Highlights:

- More than 157 million used beverage containers were collected and recycled through MMSB's province-wide network of Green Depots. That's 7.7 million more than the previous year, representing a 5 per cent increase, and a record high since the program began in 1997.

- More than 14.4 million beverage containers were collected and diverted from Newfoundland and Labrador landfills through the efforts of 278 schools province-wide through the Get to Half at School Program.

- Schools raised more than $1.5 million in recycling refunds and matching grants provided by MMSB through beverage container recycling. Schools have reinvested those funds in a wide range of environmental and educational initiatives.

- MMSB delivered 320 presentations in 60 schools throughout Newfoundland and Labrador, impacting more than 10,800 students.

- More than 130,000 litres of Household Hazardous Waste (HHW) was collected and properly disposed during HHW events held in 2009-10, an increase of 8 per cent over 2008-09 levels.

- Approximately 346,000 used tires were collected and diverted from waste disposal sites in Newfoundland and Labrador, bringing the total number of tires diverted from landfills to 2.5 million since the commencement of the program in 2002.

- A total of $360,000 was disbursed under the Waste Management Trust Fund to support the planning and organizational needs of regional waste management authorities to advance the Provincial Solid Waste Management Strategy at the local level.

- A Solid Waste Management Innovation Program was launched in October 2009, to encourage and support research and development of a new or improved technology, product, service or process that supports the ongoing implementation of the Provincial Solid Waste Management Strategy. The annual budget is $100,000 with eligible projects receiving up to a maximum of $10,000. A total of $39,500 was committed since the program launch.

OVERVIEW OF MMSB

Background

Multi-Materials Stewardship Board (MMSB) is focused on promoting and supporting modern waste management practices with a particular concentration on waste reduction and recycling. A Crown agency of the Government of Newfoundland and Labrador, MMSB reports to the Minister of Environment and Conservation. MMSB was established in 1996 to develop, implement and manage waste diversion and recycling programs on a province-wide basis for specific waste streams designated by the government.

Governance

MMSB is governed by a Board of Directors, appointed by the Minister of Environment and Conservation. The Board is responsible and accountable for the overall business affairs of the MMSB.

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). MMSB also works in partnership with stakeholders such as regional waste management authorities, municipalities and third-party contracted service providers such as Green Depots. Its current corporate structure is made up of a headquarters office based in St. John's with 16 professional and administrative employees, and four "field offices" (Mount Pearl, Bishop's Falls, Stephenville and Wabush) with three employees plus two temporary contract positions that support the Used Beverage Container Recycling Program. Of the 19 MMSB employees, six are male and 13 are female.

Operations and Finance

MMSB is a self-financed Crown agency that does not receive any funding from the Government of Newfoundland and Labrador. Its revenues are derived from levies applied on various waste streams as authorized and prescribed under provincial legislation (presently beverage containers and tires), as well as from the sale of recyclable materials it collects under its various programs. MMSB's operating revenue in 2009-10 was approximately $23.0 million and operating expenditures were approximately $22.9 million.

One of the uses of the operating surpluses generated by MMSB is for investment in the Newfoundland and Labrador Waste Management Trust Fund to support the implementation of the Provincial Solid Waste Management Strategy. As of March 31, 2010, there was a total of

$8.6 million in the Trust Fund which has been allocated for projects committed to as well as anticipated programs and projects over the next three years.

Mandate

The mandate of MMSB is derived from the *Environmental Protection Act* and accompanying *Waste Management Regulations*, as well as from the Provincial Solid Waste Management Strategy of 2002 and its associated implementation plan of 2007 and MMSB's strategic plan. MMSB is mandated, through these legislative and policy instruments, to support and promote modern waste management practices in the province, with a particular focus on waste reduction and recycling, as a means of helping to ensure a clean and healthy environment throughout the province.

Through the Provincial Solid Waste Management Strategy, the Government of Newfoundland and Labrador has set a long-term objective of diverting 50 per cent of the solid waste stream from disposal in landfills by the year 2015. It is this goal that is driving the MMSB to work with households, businesses and schools across the province to help reduce their waste and Get to Half.

The need for environmental action is rapidly increasing, and in response, our mandate has also expanded over time. MMSB's mandate now includes:

- Administration of the Newfoundland and Labrador Waste Management Trust Fund (supporting the implementation of the Provincial Solid Waste Management Strategy).

- Development and implementation of province-wide public education initiatives to promote the adoption of more progressive waste management practices in Newfoundland and Labrador.

The delivery of this mandate is achieved in partnership with various departments and agencies of the Government of Newfoundland and Labrador, primarily through an Interdepartmental Waste Management Steering Committee comprised of the Department of Environment and Conservation, the Department of Municipal Affairs and the Department of Government Services. Other key stakeholders include regional waste management authorities, Municipalities Newfoundland and Labrador, and the Newfoundland and Labrador Environmental Industry Association (NEIA). Working together in mutually beneficial partnerships, MMSB is committed to enabling greater environmental change.

Vision

The vision of MMSB is of a clean and healthy environment throughout Newfoundland and Labrador founded in part on a progressive waste management system that incorporates effective waste diversion practices and behaviours on the part of all Newfoundlanders and Labradorians.

Mission

By March 31, 2011, MMSB will have strengthened its promotion of and support for modern waste management practices in the province as embodied in the Provincial Solid Waste Management Strategy.

MMSB is an "agent of change" whose fundamental responsibility is to promote and support modern waste management practices in the province, with a particular focus on waste reduction and recycling, as a means of contributing to a cleaner and healthier environment throughout Newfoundland and Labrador. Our mission is founded on MMSB playing a leadership role in guiding regional waste management authorities and other stakeholders toward this goal in keeping with the principles embodied in the Provincial Solid Waste Management Strategy and the specific target of diverting 50 per cent of the solid waste stream from disposal in landfills by the year 2015.

Complementary to the leadership role to be exercised by MMSB, the 12 regional waste management authorities play a vital role in moving the agenda forward, on-the-ground, at the local level. They are responsible and accountable for designing, implementing and operating comprehensive new waste management systems throughout the province. These new systems will provide communities in each region with modern waste separation and recycling services (at curbside for households); access to centralized composting facilities; specific disposal sites for construction and demolition debris and metals; household hazardous waste management and disposal services; and access to centrally-located end-use solid waste disposal facilities (new environmentally engineered landfills) that will accept waste products that are not diverted from the general waste stream.

LINES OF BUSINESS

1. Waste Diversion – Recycling

MMSB develops, manages and administers the implementation of provincial waste diversion programs and services in accordance with government priorities as prescribed in the Waste Management Regulations or as authorized through policy directives issued by the Minister of Environment and Conservation (arising from recommendations made by the Board of Directors of MMSB or otherwise). Specific waste diversion programs and services provided by MMSB in 2009-10 included the following:

Province-wide Used Beverage Container Recycling Program

- Administered as a deposit-return system in accordance with specific parameters established under the *Waste Management Regulations*.
- Captures all ready-to-drink beverage containers, with the exception of milk, infant formula, medicinal nutritional supplements and beverages sold in refillable containers.
- Financed through a consumer deposit of 8 cents on non-alcoholic beverages (5 cent refund when a consumer returns the container to a Green Depot) and 20 cents on liquor containers (10 cent refund).
- Used beverage containers collected and recycled through the program include products sold in aluminum, glass, plastic, steel and mixed fibre packages.

Province-wide Used Tire Recycling Program

- MMSB has set up a province-wide collection system to retrieve tires from retailers for end-use recycling.
- Close to 600 tire retailers participate and are responsible for taking used tires back from consumers free of charge.
- Administered in accordance with specific parameters established under the *Waste Management Regulations*.
- Financed through retailer-based levies on the sale of new highway tires ($3 on tires with a rim size of 17 inches or less and $9 on tires above that size but under a 24.5 inch rim).

Household Hazardous Waste (HHW) Collection Program

- Delivered in partnership with municipalities and Regional Waste Management Authorities in those areas of the province where meaningful volumes of HHW can be diverted and recycled in a cost-effective manner.

- Financed through the Waste Management Trust Fund and from municipal contributions on a cost-shared basis with MMSB.

- Delivery is set annually by MMSB's Board of Directors based on program criteria approved by the Minister of Environment and Conservation.

- Designed as an interim waste diversion measure pending the establishment of permanent HHW collection infrastructure in the province by regional waste management authorities as outlined in the Provincial Solid Waste Management Strategy.

Community Composting Pilot Project

- Community composting utilizes low-tech composting methods such as an open air windrow to compost leaf, yard and household organic materials (fruit and vegetable peels, egg shells, coffee grinds) – materials that are typically composted in a backyard composter.

- Under the Community Composting Pilot Project, MMSB is providing the initial capital investment from the Waste Management Trust Fund to establish the sites and the required training to operate the programs in participating communities.

2. Capacity Building:
Implementation of the Provincial Solid Waste Management Strategy

MMSB uses financial resources allocated under the Waste Management Trust Fund to provide capacity building support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee to facilitate the implementation of the Provincial Solid Waste Management Strategy. Specific activities to achieve the goal of "Getting to Half" include the following:

- The identification of markets for recyclable waste materials not captured under MMSB's own recycling programs;
- Research into the feasibility and design of new province-wide waste diversion programs;
- Support for and financing of the organizational development needs (including support for regional waste management coordinators)and development of long-term regional waste management plans in each of the 12 designated waste management regions of the province;
- Support for and financing of the formative organizational development needs of the Interdepartmental Waste Management Steering Committee to advance and coordinate the overall implementation plan for the Provincial Solid Waste Management Strategy;
- Research into new policy approaches to achieve the province's waste diversion goals, such as extended producer responsibility (industry stewardship) models;
- The coordination of province-wide research into waste disposal alternatives for isolated communities unable to participate in a regional approach to waste management because of practical considerations;
- Financing the permanent closure of certain existing waste disposal sites that do not meet modern environmental standards or that can be consolidated with other waste disposal sites to achieve a more efficient regional approach to the management of solid waste in the province, identified by regional waste management authorities and municipalities;
- Support for research into opportunities to maximize economic and employment benefits from the implementation of the Provincial Solid Waste Management Strategy; and support for and financing of demonstration/pilot projects for innovative waste diversion initiatives that have potential application throughout the province.

3. Public Education and Awareness

MMSB develops, manages and implements public information and education initiatives to support the goals of the specific waste diversion programs that fall directly under its responsibility. MMSB also develops, manages and implements province-wide public awareness and education campaigns to encourage a fundamental shift in public attitudes and behaviours toward the handling and management of waste, focusing in particular on the need to reduce the amount of waste Newfoundlanders and Labradorians generate in the first place.

Complementary to these province-wide efforts, MMSB also supports the 12 regional waste management authorities in the development of their own public education campaigns and helps to promote waste reduction and waste diversion initiatives of other stakeholders in the province. These collective efforts are financed through the Waste Management Trust Fund.

STRATEGIC PRIORITIES AND OUTPUTS

Three key priorities were identified by MMSB for attention in 2009-10 which reflect consideration for government's Provincial Solid Waste Management Strategy. These strategic priorities are outlined below, along with the progress and accomplishments made towards MMSB's specific goals established for 2009-10.

1. Waste Diversion and Recycling

In order to reach the 50 per cent waste diversion target set for 2015 in the Provincial Solid Waste Management Strategy, existing MMSB recycling and waste diversion programs must be strengthened and new provincial recycling initiatives must be established.

MMSB made important progress during 2009-10 with regard to strengthening its existing waste diversion and recycling programs. The Household Hazardous Waste Collection Program was the most successful to date, with over 130,000 litres of HHW being diverted from provincial landfills and the number of used beverage containers collected and recycled through the network of Green Depots also reached a record high. MMSB advanced plans for the introduction of new waste diversion and recycling programs for the province including waste paint recycling, electronic waste recycling and a medical sharps and waste pharmaceuticals program.

GOAL 1: **By March 31, 2011, MMSB will have continued to strengthen its existing recycling programs, implemented new recycling and waste diversion programs within its mandate and fostered the development and implementation of new waste diversion initiatives through its partners as a means of increasing overall waste diversion in the province toward the 2015 target.**

Waste diversion and recycling are key components of the Provincial Solid Waste Management Strategy, and MMSB, through the various recycling programs it directly administered and in partnership with regional waste management authorities, municipalities and other stakeholders, has played a leadership role in addressing this element.

OBJECTIVE 1: By March 31, 2010, MMSB will have continued to strengthen its existing recycling programs, implemented new recycling and waste diversion programs within its mandate, and fostered the development of new waste diversion initiatives through the regional waste management authorities.

Measure 1.1: Existing recycling programs strengthened.

Indicator
In 2009-10, MMSB will continue to strengthen the network of Green Depots through the ongoing implementation of the Licensing Standards and Best Practices by MMSB's field support staff.

Actual Results
Achieved. MMSB established new Licensing Standards and Best Practices for the provincial network of Green Depots and strengthened the operation and service delivery of Green Depots throughout the province.

Discussion of Results
All Green Deport Operators signed a new licensing agreement in 2009-10. As outlined, operators must be fully compliant under the new standards and practices within 12 months of the date of agreement signing. A series of professional development workshops were held to educate Green Depot Operators on the requirements of the new licensing program as well as the importance of customer service training for depot personnel. MMSB implemented an infrastructure loan program in order for Green Depot Operators to avail of up to $10,000 to assist with the cost of adhering to the new standards. The standards will strengthen the overall operation of facilities and enhance the customer experience with a new brand image, improved operational standards which provide for shorter wait times, and improved hours of operation.

Indicator
In 2009-10, recovery rates for MMSB's Used Tire Recycling Program will be improved and a plan for the recycling of used tires will be advanced.

Actual Results
Partially achieved. The recovery rate of MMSB's Used Tire Recycling Program did improve in 2009-10 with 346,000 used tires being collected and diverted from landfills in the province, increasing from a recovery rate of 62 per cent in 2008-09 to 63 per cent in 2009-10. More than 100,000 used tires were shipped to Quebec as the stock pile of used tires at Bull Arm was cleared. A plan for the recycling of used tires was not finalized.

Discussion of Results
Two options are being focused on as potential long-term solutions for the recycling of used tires in Newfoundland and Labrador. MMSB is in the process of analyzing the commercial, environmental and technical issues around implementation of these two options. The process of analyzing options has taken longer than anticipated. In the interim, tires generated in Labrador

continued to be shipped to Quebec-based end markets and in an effort to manage costs and improve efficiencies for collection and storage of used tires in the province, MMSB advanced a

short-term solution of shipping the ongoing generation of used tires collected to Quebec-based end markets, with implementation scheduled for April 2010.

Indicator

In 2009-10, participation rates in MMSB's Household Hazardous Waste Collection Program will be maintained and an additional location for MMSB's HHW Permanent Depot Pilot Project will be identified.

Actual Results

Achieved. Participation rates increased in 2009-10 with more than 130,000 litres of HHW being collected and diverted from landfills, an increase of 8 per cent over the volume collected in the previous fiscal year and a record high since the program began. The Town of Labrador City agreed to become the third municipality to participate in MMSB's HHW Permanent Depot Pilot Project.

Discussion of Results

MMSB implemented a HHW Permanent Depot Pilot Program in 2008-09 in an effort to improve the effectiveness and convenience of the HHW Program. Select municipalities and regional authorities were offered $20,000 to establish a permanent HHW Depot for the collection of HHW in their area. NorPen Regional Services Board and the Town of Channel-Port aux Basques signed on in 2008-09 and Labrador City agreed to participate in March of 2009-10. Information collected through the Pilot Project will provide municipalities and regional authorities with valuable insight into the types of programs that they can implement to meet the requirements of the Provincial Solid Waste Management Strategy.

Indicator

Recommendations on the go-forward model for the management of used oil and other similar waste products will be put forward by MMSB to the Minister of Environment and Conservation for review and consideration in 2009-10.

Actual Results

Achieved. MMSB prepared recommendations on a go-forward model for the management of used oil and other similar waste products and these recommendations were put forward to the Minister of Environment and Conservation for consideration in March 2010.

Measure 1.2: New recycling and waste diversion programs developed and/or launched.

Indicator
It is anticipated that a waste paint recycling regulation will be put forward to Government in 2009-10 and launch of the program will follow afterwards.

Actual Results
Partially achieved. Upon the appointment of a new CEO midway through the fiscal year, MMSB conducted industry and public consultations regarding a new Extended Producer Responsibility (EPR) based paint stewardship draft regulation to be added to *Waste Management Regulations* under the *Environmental Protection Act.* MMSB is in the process of finalizing the proposal for a waste paint recycling regulation for consideration by Government.

Discussion of Results
It has taken longer than anticipated to finalize a proposal for a waste paint recycling regulation. MMSB is recommending a new approach for the recycling of waste paint which is an Extended Producer Responsibility (EPR) framework. As this will be the first EPR framework for the province, additional research and analysis was undertaken to finalize the proposed regulation.

Indicator
A framework for the management of waste pharmaceuticals and medical sharps will be developed for the consideration of the Minister of Environment and Conservation in 2009-10.

Actual Results
Achieved. A framework for the management of waste pharmaceuticals and medical sharps was developed and put forth to the Minister of Environment and Conservation for consideration. The framework proposed is an industry-managed, consumer-based collection and diversion program for medical sharps (insulin needles) and waste pharmaceutical products (outdated medication) developed in keeping with similar programs within other jurisdictions in Canada.

Indicator
An electronic waste (e-waste) recycling program framework will be developed for the consideration of the Minister of Environment and Conservation in 2009-10.

Actual Results
Achieved. A framework for an e-waste recycling program was developed and put forward for the consideration of the Minister of Environment and Conservation. The framework proposed is an

Extended Producer Responsibility (EPR) approach, similar to the approach recommended for the waste paint recycling program. A similar EPR approach for e-waste has been undertaken by other jurisdictions in Canada, including Nova Scotia and New Brunswick.

Indicator

In 2009-10, MMSB will continue to work with select communities throughout the province to establish community composting sites that will aid in the development of a best practice manual to help other communities around the province develop and implement their own community composting programs.

Actual Results

Achieved. MMSB launched a Community Composting Pilot Program in October 2009 with the Town of Holyrood being the first community to participate in the program. MMSB engaged several communities in discussions on community composting and the Town of Holyrood became the first to secure funding for the establishment of a community composting program.

Discussion of Results

Under the Community Composting Pilot Project, MMSB provides the initial capital investment of up to $10,000 to establish the program and the required training to operate the programs in each of the participating communities. Participating communities in the Pilot Project are strategically selected to represent a variety of geographic, climatic and demographic conditions throughout the province as this will aid in the development of a best practices manual that will be used to help other communities around the province develop and implement their own community composting programs. The goal is to secure a minimum of three participating communities.

2. Capacity Building:
Implementation of the Provincial Solid Waste Management Strategy

Regional waste management authorities and the Interdepartmental Waste Management Steering Committee require dedicated resources and access to specialized expertise in the areas of waste diversion and public education in order to advance the implementation of the Provincial Solid Waste Management Strategy at the local level. MMSB will support these needs over multiple planning cycles through its professional staff complement and the Waste Management Trust Fund.

GOAL 2: By March 31, 2011, MMSB will have strengthened the capacity of active regional waste management authorities and the Interdepartmental Waste Management Steering Committee to advance the implementation of the Provincial Solid Waste Management Strategy.

With a team of environmental experts and their specialized expertise, MMSB uses financial resources allocated under the Waste Management Trust Fund to provide capacity building support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee to facilitate the implementation of the Provincial Solid Waste Management Strategy.

OBJECTIVE 2: By March 31, 2010, MMSB will have advanced the implementation of the capacity building framework for the Provincial Solid Waste Management Strategy, with a particular focus on meeting the formative planning and organizational needs of newly activated regional waste management authorities.

Performance Measure 2.1: ***New capacity building framework implemented for active regional waste management authorities and the Interdepartmental Waste Management Steering Committee.***

Indicator
Throughout 2009-10, MMSB will continue to support the formative planning and organizational needs of active regional waste management authorities through the Regional Waste Management Capacity Building Program under the Waste Management Trust Fund.

Actual Results
Achieved. A total of $360,000 was disbursed from the Waste Management Trust Fund to support the needs of the regional waste management authorities: NorPen, Burin Peninsula and

Green Bay authorities each received $50,000 to support the employment of regional coordinators and Burin Peninsula received $10,000 to support regional education and

awareness initiatives. Eastern Waste Management Committee received $200,000 to help the committee advance their regional waste management plan to the implementation stage. This funding for Eastern Waste was the second installment of a two-year, $400,000 commitment, made in 2008-09.

Indicator

In 2009-10, support for the development or updating of long-term regional waste management plans will be provided to active regional waste management authorities under the Waste Management Trust Fund in those regions of the province where such plans have not yet been completed.

Actual Results

No applications were made to MMSB for funding to support the development or updating of waste management plans during 2009-10, therefore no funding support was necessary.

Discussion of Results

Applications for funding the development or updating of long-term regional waste management plans are considered by MMSB from established regional waste management authorities. Not all the waste management regions in the province are up and running with a committee and/or a coordinator to facilitate this process. As of 2008-09, MMSB had committed over $1.3 million towards regional plans/studies with an additional $600,000 remaining to commit, as committees are established. Although there were no new studies approved during 2009-10, with the establishment of six new regional waste management authorities pending, MMSB anticipates receiving funding applications during 2010-11 as the authorities become operational.

Indicator

In 2009-10, MMSB will continue to work with the Department of Municipal Affairs and the Department of Environment and Conservation on research relating to waste management alternatives for isolated communities in Newfoundland and Labrador.

Actual Results

Achieved. MMSB continued to work with the Department of Municipal Affairs and the Department of Environment and Conservation and broadened its research efforts to include new stakeholders such as Memorial University, Municipalities Newfoundland and Labrador and MITACS Inc. Newfoundland and Labrador. A study to research waste disposal alternatives for isolated communities was initiated and it is anticipated that the study be completed in 2010-11.

Indicator
Throughout 2009-10, MMSB will continue to provide relevant and effective support from its professional staff complement to active regional waste management authorities and the Interdepartmental Waste Management Steering Committee in MMSB's core waste diversion and public education lines of business.

Actual Results
Achieved. MMSB provided support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee by the exchange of information, transfer of knowledge and the facilitating of dialogue between each region and government departments by hosting regional forums in order to provide direction and support for the advancement of the Provincial Solid Waste Management Strategy.

Discussion of Results
MMSB hosted two regional forums during 2009-10, in St. John's and Corner Brook. All regional waste management authorities were represented. On a regional level, MMSB staff is in weekly contact with Regional Waste Management Coordinators providing policy advice, technical support and education and awareness support and guidance.

Indicator
In 2009-10, additional waste management research partnerships will be formed with key stakeholders to identify and pursue strategic research needed to support the successful long-term implementation of the Provincial Solid Waste Management Strategy.

Actual Results
Achieved. MMSB engaged the Harris Centre of Memorial University and MMSB's Board approved a research partnership with the Harris Centre which constitutes a commitment of $300,000 over three years. The partnership was agreed to in 2009-10 with formal contract expected in spring 2010-11. MMSB decided that this overarching research solution, encompassing several different organizations under one three year program, was preferred over the originally planned route of multiple independent research endeavors. This approach allows MMSB to leverage the benefit of multiple organization involvement while minimizing administration cost and effort.

Indicator
A Solid Waste Management Innovation Funding Program will be launched to provide support for research into opportunities to maximize economic and employment benefits from the implementation of the Provincial Solid Waste Management Strategy.

Actual Results
Achieved. A Solid Waste Management Innovation Fund was launched in 2009-10.

Discussion of Results
The program encourages and supports research and development of a new or improved technology, product, service or process that supports waste diversion, waste reduction and the ongoing implementation of the Provincial Solid Waste Management Strategy. The $100,000 annual fund is available to provincially-owned and/or operated businesses, industry associations, post-secondary institutions and non-profit organizations. A maximum of $10,000 is available per project. Although the Innovation Fund was launched with only five months remaining in the fiscal year, four Solid Waste Management Innovation Fund projects were approved during 2009-10 with total fund commitments of $39,500.

3. Public Education and Awareness

In order to achieve modern waste management in the province, a significant change in attitudes and behavior of Newfoundland and Labrador is required. A strong and ongoing public awareness and education program is critical to educate and motivate the people of the province to reduce the amount of waste we generate.

GOAL 3: By March 31, 2011, MMSB will have increased public awareness of modern waste management practices.

MMSB continues to be active on this front and a new three-year strategic marketing, communications and public education plan was developed in 2007-08 with a goal of strengthening overall efforts in this domain. Implementation of this new plan continued throughout 2009-10 with an increased focus on waste reduction.

OBJECTIVE 3: By March 2010, MMSB will have advanced the implementation of its updated strategic marketing, communications and public education plan, including the continued development of new initiatives consistent with the plan.

Performance Measure 3.1*: *Stronger and expanded delivery of public education programs and services.

Indicator

Marketing and communications tactics will be implemented and strengthened to encourage stronger participation in MMSB's existing waste diversion and recycling programs.

Actual Results

Achieved. New marketing and public education tactics were developed and strengthened and participation rates in programs increased.

Discussion of Results

MMSB developed new marketing tactics in 2009-10 and participation in existing programs such as the HHW Collection Program and the Used Beverage Container Recycling Program increased. Examples of strengthened marketing and public education tactics for 2009-10 included increased promotions during Waste Reduction Week with the addition of provincial radio contests; an increase in the number of school presentations made impacting more students; MMSB made strong connections with key stakeholder groups during 2009-10 as

management made an increased number of presentations and media interviews. Participation rates in 2009-10 increased significantly with record high results for both the HHW and Used

Beverage Container Programs: a total of 130,000 litres of HHW was collected and properly disposed representing an 8 per cent increase over the previous year and an all time record high; and 157 million beverage containers were collected and recycled during 2009-10 representing 7.7 million more than the previous year, and an record high since the programs inception.

Indicator
MMSB will continue to provide support and guidance to the active regional waste management authorities to help them develop and implement public education initiatives and activities at the local level.

Actual Results
Achieved. Ongoing guidance and support was provided to the active regional waste management authorities with respect to public education initiatives at the local level.

Discussion of Results
As plans for the authorities continue to be implemented, MMSB continued to work with the authorities to ensure the appropriate activities and messages were conveyed to the public. Guidance and support was provided on the use of promotional materials, community outreach initiatives and other tactics that the regional authorities could use to convey their messages.

Indicator
MMSB will sustain momentum throughout the year for the topic of waste reduction and recycling as a means of protecting Newfoundland and Labrador's environment through the "Get to Half" public education campaign.

Actual Results
Achieved. MMSB continued to promote the Get to Half message using a new television campaign that was developed and launched in 2008-09. The ads raise awareness about the amount of waste generated in the province at the household level. The Get to Half campaign is focused on providing individuals with high-level solutions for managing waste by layering in specific 'how-to' messaging with simple tips that could easily be incorporated into daily lives both in and out of the home. Television is the foundation of MMSB's Get to Half advertising campaign and two-minute Green Reports produced and aired for 20 weeks throughout the year, complemented the television awareness campaign.

Indicator
MMSB, through the "Get to Half at School Program," will continue to promote environmental stewardship within Newfoundland and Labrador's school system, with a particular focus on

waste reduction, by developing new tools and resources to bring the topic of waste reduction into the school system.

Actual Results
Achieved. MMSB continued to support the Get to Half at School Program throughout the province through new presentations with an enhanced focus on waste reduction as a means of protecting our environment.

Discussion of Results
Waste reduction experts deliver dynamic and interactive presentations that teach students about the importance of waste reduction, recycling and reusing for the future of Newfoundland and Labrador's environment. During 2009-10 a total of 320 presentations were made in 60 schools provide-wide, impacting more than 10,800 students. A new "re-think your way to half" presentation was developed and launched for delivery in high schools throughout the province and a new vermi-composting program was developed and trialed for Grade 3 delivery. Formal launch is planned for the 2010-11 school year.

Indicator
Additional resources, materials and information will be added to MMSB's new dynamic corporate and public education website that will help position the site as the "go to" online resource for information on waste reduction, recycling and modern waste practices in Newfoundland and Labrador.

Actual Results
Achieved. In 2009-10 MMSB launched a new online 3R (Reduce, Reuse, Recycle) Guide to help visitors reduce, reuse and recycle. In addition to updating information throughout the site, a new Waste Reduction Community Hero section was added to promote and showcase people of the province who are taking action to reduce waste and recycle.

Indicator
To maintain momentum of the topic of the 3Rs among the youth of Newfoundland and Labrador, new youth-targeted public education and outreach initiatives will be developed and implemented.

Actual Results
MMSB developed a new 3R Hike which was launched during 2009-10 and delivered at MUN Botanical Garden Summer Camps and Fluvarium Summer Camps. MMSB also developed and piloted a Pre-Kindergarten program in 2009-10 with the official launch planned for 2010-11.

Discussion of Results

MMSB selected a launch date to allow for maximized reach of the target group and to provide the opportunity to educate the target group about the program. The Pre-Kindergarten program

will be launched during the 18th Annual Provincial Conference of the Association of Early Childhood Educators of NL (AECENL) in November 2010.

Indicator

MMSB will develop a new “Get to Half at Work” public education and outreach program that will focus on educating organizations and businesses in Newfoundland and Labrador on how to become more “waste smart” by focusing on simple waste reduction practices in the workplace.

Actual Results (Performance)

Partially achieved. MMSB developed and delivered a “Get to Half at Work” presentation; however, in the process MMSB recognized that there is a need to develop a much more substantive program to increase reduction of waste in the workplace. MMSB concluded that in order to raise awareness of, and concern for, the issue of waste and to encourage behavior to reduce waste in the workplace, more time and effort would be required in order to develop an effective program. While this work is proceeding, MMSB was unable to finalize the program in 2009-10 given the time and resources available.

KEY PRIORITIES FOR 2010-11

In consideration of government's strategic direction and the mandate and financial resources of MMSB, the following areas have been identified as the key priorities for MMSB for 2010-11.

OBJECTIVE 1: By March 31, 2011, MMSB will have significantly improved recovery levels in its existing recycling programs and will have implemented a series of new recycling and waste diversion initiatives through its partners and itself.

Performance Measure 1.1: Recovery levels improved in existing recycling programs

Indicators:

- Further strengthen the Used Beverage Container Program through continued implementation of the Licensing Standards and Best Practices by MMSB's field support staff, and increased marketing support for Green Depots and the Used Beverage Container Program.

- Strengthen the Used Tire Recycling Program by focusing on operational efficiencies to improve economies and advancing a plan for the long-term recycling of tires in Newfoundland and Labrador.

- Strengthened Household Hazardous Waste collection in partnership with municipalities and waste management authorities, through continued delivery of mobile collection events and increased educational and promotional support.

Performance Measure 1.2: New recycling and waste diversion initiatives are implemented

Indicators:

- A proposed regulation for the recycling of waste paint, based on an Extended Producer Responsibility (EPR) framework, put forward to Government in 2010-2011.

- A voluntary industry-led program for the diversion of waste pharmaceuticals and medical sharps developed.

- A proposed regulation for the recycling of electronic waste (e-waste), based on an Extended Producer Responsibility (EPR) framework, put forward to Government in 2010-11.

- Secure two additional participating communities under the Community Composting Pilot Program in 2010-11.

OBJECTIVE 2: By March 31, 2011, MMSB will have continued to advance the implementation of the capacity building framework for the Provincial Solid Waste Management Strategy, with a particular focus on meeting the formative planning and organizational needs of newly activated regional waste management authorities.

Performance Measure 2.1 Implementation of the capacity building framework for active regional waste management authorities and the Interdepartmental Waste Management Steering Committee.

Indicators:

- Continue to support the formative planning and organizational needs of active regional waste management authorities through the Regional Waste Management Capacity Building Program under the Waste Management Trust Fund.

- Work with Memorial University to complete a research study relating to waste management alternatives for isolated communities in Newfoundland and Labrador.

- Officially launch the research partnership with the Harris Centre of Memorial University to identify and pursue strategic research needed to support the successful long-term implementation of the Provincial Solid Waste Management Strategy.

- Continue to provide support for research and development of a new or improved technology, product, service or process that supports waste diversion, waste reduction and the ongoing implementation of the Provincial Solid Waste Management Strategy, through the Solid Waste Management Innovation Fund.

OBJECTIVE 3: By March 2011, MMSB will have continued to advance the implementation of its updated strategic marketing, communications and public education plan to achieve an increase in public awareness of modern waste management practices.

Performance Measure 3.1**: **Implementation of the strategic marketing, communications and public education plan advanced.

Indicators:

- Marketing and communications tactics implemented to continue the promotion of and encourage stronger participation in MMSB's existing waste diversion and recycling programs under the Get to Half platforms at home, in school and at work.

- Continue to provide marketing support and guidance to the active regional waste management authorities as well as the provincial network of Green Depots.

- Launch of a Pre-Kindergarten Program to start a foundation for the topic of the 3Rs (Reduce, Reuse, Recycle) among the youngest group in Newfoundland and Labrador.

- Conduct research in order to determine whether public awareness levels and modern waste management practices have increased over the last three years.

OPPORTUNITIES AND CHALLENGES AHEAD

As we move beyond 2009-10, MMSB will face new challenges and opportunities as it continues to advance the goals and objectives of the Provincial Solid Waste Management Strategy, as the province strives to achieve its 50 per cent waste diversion target.

Considerable progress has been made on this front to date, as outlined in this Annual Report, and key priorities have been established by MMSB for the next several years to advance the agenda even further, including the following measures:

- Increasing recovery rates in the used beverage container, HHW, and used tire recycling programs; and examining opportunities for expanding the scope of each of these programs to capture additional recyclable products.

- Identification and implementation of new province-wide recycling and waste diversion programs to address particular waste streams that are significant in terms of their impact on the environment and/or their special handling needs.

- Investing in the regional waste management authorities through the Newfoundland and Labrador Waste Management Trust Fund. Priority and emphasis will be given to strengthening the planning and organizational capacity of regional waste management authorities to enable them to implement modern waste management systems throughout the province, including curbside recycling services for their residents.

- Strengthening and expanding public education and awareness activities, with a particular focus on waste reduction themes. Success in reducing the amount of waste we generate in the first instance will pay enormous dividends for our environment and also generate significant savings for individuals, municipalities and businesses from the avoided cost of otherwise having to dispose of waste through conventional means.

- The maintenance and improvement of service levels and recovery rates of recycling programs in the face of shifting demographics and new regional infrastructure.

- Increased focus on and engagement of the Industrial, Commercial and Institutional (ICI) sector in order to educate this group responsible for producing the majority of waste in the province; and to engage them to participate in waste diversion activities.

- Sustainable market access for materials to be recycled given the global economic situation coupled with the geographic challenges we face in Newfoundland and Labrador.

- Identify ways to improve the carbon footprint associated with the recycling of materials in Newfoundland and Labrador.

BOARD OF DIRECTORS 2009-10

Leigh Puddester	Chair and Chief Executive Officer
Bill Parrott	Department of Environment and Conservation
John Patten	St. John's, Beverage Industry Representative
Edward Delaney	Bay Roberts, Member-at-large
Catherine Barrett	Goulds, Member-at-large
Derm Flynn	Appleton, Member-at-large
Don Hann	Port Aux Basques, Member-at-large
Bassem Eid	St. John’s, NEIA Representative
Hal Cormier	Corner Brook, Member-at-large
Paul Hanlon	St. John’s, Member-at-large
Maisie Clark	Campbellton, Consumer Representative
Graham Letto	Labrador City, Member-at-large, Labrador

Grant Thornton

Consolidated Financial Statements

Multi-Materials Stewardship Board

March 31, 2010

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Grant Thornton

Auditors' report

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To the Directors of the

Multi-Materials Stewardship Board

We have audited the consolidated statement of financial position of the Multi-Materials Stewardship Board as at March 31, 2010, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at March 31, 2010, and the consolidated results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

St. John's, Newfoundland and Labrador

June 9, 2010

Chartered Accountants

Multi-Materials Stewardship Board

Consolidated Statement of Operations

Year Ended March 31

	2010	2009
Revenue		
Gross revenue from deposits	**$ 21,263,547**	$ 20,489,496
By-product revenue	**1,762,755**	2,329,179
Residential Backyard Composting Program	**60**	3,749
Household Hazardous Waste Program	**68,215**	71,526
	23,094,577	22,893,950
Cost of sales (Note 11)	**20,669,866**	18,942,279
Gross margin	**2,424,711**	3,951,671
Miscellaneous income	**45,347**	386,856
Income before expenses	**2,470,058**	4,338,527
Expenses		
Administrative (Page 13)	**2,214,255**	2,156,278
Grant disbursements	**1,309,745**	2,929,149
	3,524,000	5,085,427
Excess of expenses over revenue	**$ (1,053,942)**	$ (746,900)

See accompanying notes to the consolidated financial statements

Multi-Materials Stewardship Board

Consolidated Statement of Changes in Net Assets

Year Ended March 31

	Invested in Capital Assets	Unrestricted Net Assets	**2010 Total**	2009 Total
Net assets, beginning of year	$ 360,973	$ 17,827,368	**$ 18,188,341**	$ 18,935,241
Excess of expenses over revenue	(96,113)	(957,829)	**(1,053,942)**	(746,900)
Investments in capital assets (net of proceeds on disposal of property and equipment)	39,029	(39,029)	-	-
Net assets, end of year	$ 303,889	$ 16,830,510	**$ 17,134,399**	$ 18,188,341

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Financial Position

March 31	2010	2009
Assets		
Current		
Cash and cash equivalents	**$ 17,967,396**	$ 20,635,456
Receivables (Note 6)	**2,886,848**	2,416,004
Inventories (Note 7)	**63,411**	44,998
Prepaids	**47,105**	46,312
Current portion of notes receivable	**13,352**	-
	20,978,112	23,142,770
Notes receivable, non-interest bearing, repayable over the next five years	**53,408**	-
Long term investments	**756,474**	465,121
Property and equipment (Note 8)	**303,889**	360,975
	$ 22,091,883	$ 23,968,866
Liabilities		
Current		
Payables and accruals	**$ 958,345**	$ 819,831
Grants payable	**1,786,083**	2,546,635
Unearned revenue	**1,857,829**	1,694,858
	4,602,257	5,061,324
Performance bonds payable	**355,227**	719,201
	4,957,484	5,780,525
Net Assets		
Net assets invested in capital assets	**303,889**	360,973
Unrestricted net assets	**16,830,510**	17,827,368
	17,134,399	18,188,341
	$ 22,091,883	$ 23,968,866

Commitments (Note 10)

On behalf of the Board

Chairperson

Director

See accompanying notes to the consolidated financial statements

Multi-Materials Stewardship Board
Consolidated Statement of Cash Flows
Year Ended March 31

	2010	2009
(Decrease) increase in cash and cash equivalents		
Operating		
Excess of expenses over revenue	**$ (1,053,942)**	$ (746,900)
Depreciation	**97,587**	114,133
Gain on disposal of equipment	**(1,474)**	-
	(957,829)	(632,767)
Change in non-cash operating working capital (Note 9)	**(949,113)**	2,487,173
	(1,906,942)	1,854,406
Financing		
(Decrease) increase in performance bonds payable	**(363,974)**	262,725
Investing		
Increase in notes receivable	**(66,760)**	-
Increase in long term investments	**(291,353)**	(19,725)
Purchase of property and equipment	**(44,404)**	(65,146)
Proceeds from sale of property and equipment	**5,373**	-
	(397,144)	(84,871)
Net (decrease) increase in cash and cash equivalents	**(2,668,060)**	2,032,260
Cash and cash equivalents		
Beginning of year	**20,635,456**	18,603,196
End of year	**$ 17,967,396**	$ 20,635,456

See accompanying notes to the consolidated financial statements

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

1. Nature of operations

The Multi-Materials Stewardship Board is a statutory corporation established pursuant to The Environmental Protection Act. This Board manages the Used Beverage Container Deposit Refund System, the Used Tire Recycling Program, the Residential Backyard Composting 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 exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

2. Basis of consolidation

These consolidated financial statements include the accounts of the Multi-Materials Stewardship Board, the Residential Backyard Composting Program, 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 financial statements for consolidation purposes. Effective April 1, 2006, the accounts of the Household Hazardous Waste Program were combined with the accounts of the Newfoundland and Labrador Waste Management Trust Fund. Separate audited financial statements have been issued for this Trust Fund, with an audit report date of June 8, 2010.

The accounts of the Residential Backyard Composting Program have also been grouped in these financial statements for consolidation purposes. Separate audited financial statements have also been issued for this Program with an audit report date of June 7, 2010

3. Summary of significant accounting policies

Fund accounting

Fund accounting is generally accepted as the basis of accounting for public sector organizations. A summary of significant accounting policies relating to fund accounting is as follows:

i) property and equipment are recorded at cost, net of proceeds on disposal;
ii) capital additions financed from the unrestricted funds are included in the net assets invested in capital assets account; and
iii) depreciation of property and equipment and gains (losses) on disposal are included in the net assets invested in capital assets account.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

3. Summary of significant accounting policies (cont'd.)

Use of estimates

In preparing the Board's consolidated financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

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 $6,080 (2009 - $254,080) in restricted cash related to the performance bonds payable.

Revenue recognition

Deposit revenue is recognized when remittances are collected plus an estimated accrual based on subsequent receipts

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

Revenue from the sale of compost bins is recognized when the bins are sold by the depots or to municipalities.

Revenue from the Household Hazardous Waste Program is recognized as the municipalities are invoiced and collection is reasonably assured

Grant revenue is recognized in the period in which entitlement arises. Revenue received for a future period is deferred until the future period when related costs have been incurred.

Miscellaneous income (including interest income) is recognized as earned.

Inventories

Inventories, which are comprised of aluminium beverage containers, and PET beverage containers, are valued at the lower of cost and net realizable value. Inventory is costed based on net realizable value using current market prices.

Long term investments

Loan term investments include guaranteed investment certificates with original maturities of greater than one year. At March 31, 2010 $349,147 (2009 - $465,121) 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.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

3. **Summary of significant accounting policies** (cont'd.)

Depreciation

Rates and bases of depreciation applied to write-off the cost of property and equipment over their estimated lives are as follows:

Rocaps equipment	30%, declining balance
Office furniture and equipment	20%, declining balance
Leasehold improvements	5 years, straight line
Computer hardware	30%, declining balance
Computer software	30%, declining balance
Bags and tubs	30%, declining balance
Vehicle	30%, declining balance

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

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% (March 31, 2009 – 68%).

Financial Instruments

The CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement", requires the Board to revalue all of its financial assets and liabilities at fair value

This standard also requires the Board to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired; c) available-for-sale - measured at fair value with changes in fair value recognized in other comprehensive income for the current period until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

3. Summary of significant accounting policies (cont'd.)

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

In accordance with the standard, the Board's financial assets and liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Receivables	Loans and receivable	Amortized cost
Notes receivables	Loans and receivable	Amortized cost
Long term investments and performance bonds payable	Held for trading	Fair value
Payables and accruals	Other financial liabilities	Amortized cost

Other balance sheet accounts, such as inventories, prepaids, property and equipment and unearned revenue, are not within the scope of these accounting standards as they are not financial instruments.

The fair value of a financial instrument is the estimated amount that the Board would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument various market value data were used as appropriate. The fair value of cash and cash equivalents approximated its carrying value.

4. Risk management

The Board's policy for managing significant risks includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Board include liquidity, credit and market risks.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

4. Risk management (cont'd.)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Board's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates.

i) Interest rate risk

Interest rate risk is the risk that the value of a financial asset will fluctuate due to changes in market interest rates. The Board is exposed to interest rate risk through its cash and cash equivalents and long term investments. Interest rate risk is managed through holding low risk cash and cash equivalents and long term investments.

5. Capital management

The capital structure of the Board consists of net assets invested in capital assets and unrestricted net assets. The primary objective of the Board's capital management is to provide adequate funding to ensure efficient delivery of its services

Net assets invested in capital assets represents the amount of net assets that are not available for other purposes because they have been invested.

Unrestricted net assets are funds available for future operations and are preserved so the Board can have financial flexibility should opportunities arise in the future.

6. Receivables	**2010**	2009
Deposits	**$ 2,352,643**	$ 2,308,708
Trade and other	**534,205**	107,296
	$ 2,886,848	$ 2,416,004

7. Inventories	**2010**	2009
Aluminium beverage containers	**$ 52,450**	$ 33,765
PET beverage containers	**10,961**	11,233
	$ 63,411	$ 44,998

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

8. Property and equipment

	Cost	Accumulated Depreciation	2010 Net Book Value	2009 Net Book Value
Rocaps equipment	$ 144,928	$ 80,653	**$ 64,275**	$ 87,086
Office furniture and equipment	134,120	80,607	**53,513**	59,316
Leasehold improvements	35,073	30,146	**4,927**	6,027
Computer hardware	91,791	50,589	**41,202**	31,388
Computer software	212,841	178,779	**34,062**	38,139
Bags and tubs	402,955	300,924	**102,031**	130,993
Vehicle	9,048	5,169	**3,879**	8,026
	$ 1,030,756	$ 726,867	**$ 303,889**	$ 360,975

9. Supplemental cash flow information

Change in non-cash operating working capital	2010	2009
Receivables	**$ (470,844)**	$ 534,947
Inventories	**(18,413)**	73,920
Prepaids	**(789)**	7,395
Payables and accruals	**138,514**	228,989
Grants payable	**(760,552)**	1,562,223
Unearned revenue	**162,971**	79,699
	$ (949,113)	$ 2,487,173

10. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next four years as follows: 2011 - $234,168; 2012 - $233,146; 2013 - $70,143; and 2014 - $13,793.

The Board has entered into the following agreements:

(i) processing and transportation of beverage containers to July, 2014;
(ii) collection of used tires in Labrador West area to April, 2012;
(iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to August, 2010;
(iv) collection of used tires in Happy Valley-Goose Bay area to February, 2013;
(v) transportation of used tires collected in Labrador to May, 2011; and
(vi) transportation and disposal of processed glass to March, 2011.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2010

11. Cost of sales

In June 2004, the Board terminated its contract under the Used Tire Recycling Program with its previous contractor. Subsequent to this termination, the Board assumed responsibility for the Program and implemented a contingency plan for the storage of used tires. Included in the cost of sales is $692,553 (2008 - $787,938) of interim contingencies costs for the storage of used tires. The costs will be incurred until the Board is able to make alternate arrangements under the Used Tire Recycling Program.

Multi-Materials Stewardship Board

Consolidated Schedule of Administrative Expenses

Year Ended March 31	2010	2009
Advertising	$ 92,294	$ 143,859
Doubtful accounts	3,164	42,626
Depreciation	97,587	114,133
Directors' remuneration	16,055	19,653
Dues, licenses and education	11,833	26,865
Equipment rental	22,403	24,809
Insurance	9,705	8,681
Interest and bank charges	5,339	6,448
Marketing and communications	288,216	170,711
Meetings and entertainment	23,189	8,278
Miscellaneous	3,279	1,219
Professional fees	107,418	133,712
Rent	109,819	109,824
Repairs and maintenance	4,680	6,940
Rocaps supplies	54,615	16,568
Stationery and office supplies	50,068	42,820
Telecommunications	39,635	33,130
Travel – board and staff	129,950	85,177
Vehicle operating	15,837	8,960
Wages and benefits	1,129,169	1,151,865
	$ 2,214,255	$ 2,156,278

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guiding our province
to a greener future

mmsb