

**2009-2010
ANNUAL REPORT**



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MINISTER'S LETTER OF TRANSMITTAL



MINISTER OF CONSERVATION

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

**His Honour the Honourable Philip Lee, C.M., O.M.
Lieutenant-Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8**

May It Please Your Honour:

**I have the privilege of presenting the Annual Report of Green Manitoba Eco-Solutions
for the fiscal year ending March 31, 2010.**

Respectfully submitted,

A handwritten signature in blue ink, reading "Bill Blaikie".

**Bill Blaikie
Minister of Conservation**





DEPUTY MINISTER'S LETTER OF TRANSMITTAL



Deputy Minister of
Conservation

Legislative Building
Winnipeg, Manitoba Canada
R3C 0V8

Honourable Bill Blaikie
Minister of Conservation
330 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit for your consideration the Annual Report for Green Manitoba Eco Solutions for the year ending March 31, 2010.

Green Manitoba Eco Solutions established its Advisory Board and continues to advance sustainable practices throughout the Province in the public and private sectors.

This report outlines the activities and achievements of the agency during its fourth year of operation.

Respectfully submitted,

Fred Meier
Deputy Minister of Conservation



Manitoba
spirited energy

MESSAGE FROM THE CHIEF OPERATING OFFICER

On behalf of staff, I am very pleased to report on the achievements of Green Manitoba for the year ending March 31, 2010.

2009-2010 was an exciting and successful year for Green Manitoba Eco Solutions. Led by a new Chief Operating Officer, the Agency established its first Advisory Board comprised of members representing municipal government, provincial government, businesses, Aboriginal groups, communities, schools, universities and colleges to provide advice regarding practices and strategic directions for the Agency. It is a pleasure working with organizations that are engaged in creating a cleaner, greener Manitoba.



In its fourth year of operations, the Agency physically relocated from Osborne to Carlton Street and virtually moved to the Department of Conservation from the Department of Science, Technology, Energy and Mines, continuing to act as a service delivery agent and information hub on sustainability initiatives for government departments and a wide range of public and private sector organizations.

Green Manitoba significantly increased its retained earnings in 2009-2010 by broadening its client base, forging and building stronger partnerships with stakeholders/partners across the province. Key initiatives have been established with municipal governments, community groups, Crown corporations, K-12 and post-secondary education institutions, Aboriginal and First Nations groups, non-profit organizations (local, national, international) and associations, and small and large business and industry, including producer responsibility organizations. Building stakeholder partnerships has resulted in increased visibility of Green Manitoba and its programs and increased awareness of provincial sustainability initiatives.

In 2009-2010, Green Manitoba continued to broaden its scope of activity to support government's sustainability and climate change action goals. The Agency focused its efforts on waste reduction and energy efficiency and consequently launched the province-wide Waste Reduction and Recycling Support (WRARS) program. We doubled our collection and recycling of electronic waste in Manitoba, in partnership with 31 depots of which ten are year-round, and administering the household hazardous waste program, resulting in 650,000 kgs. of waste diverted from landfills. We also implemented the provincial Energy Efficiency Standards for Replacement of Forced Air Gas Furnaces and Small Boilers Regulation, developed criteria for landfill operations to undertake greenhouse gas mitigation measures, supported the implementation of landfill gas projects proposed by the Cities of Winnipeg and Brandon, and coordinated the Lower Income Residential Efficiency Program for energy and water, resulting in over 400 lower income homes being energy and water retrofitted. These significant accomplishments, in addition to others, are reflected in this 2009-2010 Annual Report.

Our clients and partners continue to recognize the excellent services that Green Manitoba provides and report that they are very satisfied with our overall project performance. We will continue to seek opportunities to provide our clients with services that support their sustainability goals.

Our success is attributable to our talented, dedicated, hardworking staff, the support of all of our stakeholders and by the advice and commitment of our new Advisory Board. We achieved much more together than had we each acted alone!

Respectfully submitted,

A handwritten signature in blue ink that reads "C. McDonald".

Christina McDonald, Ph.D.
Chief Operating Officer



EXECUTIVE SUMMARY

Established in 2006, Green Manitoba is an agency of the provincial government that works with a diverse range of public and private sector organizations to help create a cleaner and greener Manitoba. Green Manitoba is the province's information hub on sustainability initiatives. We act as a service delivery agent for government departments and a wide range of public and private sector organizations.

Using an entrepreneurial approach, Green Manitoba delivers programs and projects on a cost-recovery basis to support the government's sustainability initiatives, green economy priorities, and climate change actions. Our focus is on innovative, cost-effective, practical solutions for conserving water, reducing energy, managing and minimizing waste, reducing greenhouse gas emissions and encouraging sustainable transportation practices. The Agency is uniquely positioned through its relationships with clients (internal and external).

Key accomplishments of Green Manitoba in 2009-2010 included:

- developing criteria for landfill operators to undertake greenhouse gas (GHG) mitigation measures and regulatory measures related to landfill gas (LFG) management under *The Climate Change and Emissions Reduction Act*
- supporting implementation of landfill gas projects proposed by the Cities of Winnipeg and Brandon
- implementing the new province-wide Waste Reduction and Recycling Support (WRARS) Program
- implementing the provincial Energy Efficiency Standards for Replacement Forced Air Gas Furnaces and Small Boilers Regulation under *The Energy Act*
- developing and distributing 90,000 eco-calendars across Manitoba
- coordinating and overseeing Manitoba's expanded 2009-2010 Lower Income Residential Efficiency program for energy and water
- administering the Manitoba Climate Change Action Fund
- organizing and managing an expanded year-round province-wide 2009-2010 E-waste Roundup campaign
- designing and supporting "Drive Greener Manitoba" programming with partners
- administering the Household Hazardous Waste (HHW) program

AGENCY PROFILE

Background

On April 1, 2006, Green Manitoba Eco Solutions was designated as a provincial Special Operating Agency (SOA). In its fourth year of operations, the SOA was transferred to the Department of Conservation from the Department of Science, Technology, Energy and Mines. Since its inception, Green Manitoba has served as a service delivery agent for government departments and a wide range of public and private sector organizations to help create a cleaner and greener Manitoba.

Special Operating Agency Status and Human Resources

Green Manitoba is a Special Operating Agency within the Department of Conservation, and is accountable to the Minister of Conservation for operational and financial performance. The Agency operates outside the Consolidated Fund, under the Special Operating Agencies Financing Authority (SOAFA), which holds titles to the Agency's assets, provides financing for its operations, and is responsible for the Agency's liabilities.

Governance and accountability are supported by the Agency's compliance with its Operating Charter, General Manual of Administration Policies (except where exempt as outlined in the Charter) and by *The Special Operating Agencies Financing Authority Act*.

The day-to-day operations of the Agency are the responsibility of the Chief Operating Officer, who reports to the Assistant Deputy Minister and Deputy Minister.

In 2009-2010, Green Manitoba continued to increase its visibility in the community among the private and public sectors and substantiated the Agency's aspiration to high quality program development and delivery to maintain excellent client relationships. Among Green Manitoba's strengths is its highly motivated and dedicated staff with extensive knowledge and expertise in all program areas.

The SOA designation allows the Agency to secure outside contracts and funding partnerships with external stakeholders/clients to develop and deliver cost-effective programs.

In its fourth year of operations, the Agency was restructured twice. The first restructuring moved the Agency within the Energy, Climate Change and Green Strategies Initiatives Division of the Department of Science, Technology, Energy and Mines. This restructuring resulted in expanding its programming, forging more partnerships and hiring a new Chief Operating Officer (May 2009) to further increase the scope and reach of Green Manitoba as a "one window/hub" access point for customers to obtain information about provincial sustainability initiatives across sectors.



The second restructuring took place late in the year as a result of a Cabinet reorganization which transferred Green Manitoba's reporting responsibilities to the Department of Conservation. That latter change resulted in further changes to human resources and programming. Energy efficiency related program delivery and responsibilities associated with those programs were transferred to the Department of Innovation, Energy and Mines (IEM) from Green Manitoba, which resulted in the corresponding transfer of two staff positions from Green Manitoba to IEM, along with funding related to those programs. The Agency's staff complement was reduced to ten from twelve in November 2009.

Marketing

Green Manitoba focused on marketing itself throughout 2009-2010 and undertook a number of initiatives towards increasing its profile. The Agency's marketing activities included:

- being visible in community activities
- developing informational brochures, promotional folders, program information sheets and other materials
- disseminating Green Manitoba's new promotional materials at conferences, events, meetings, workshops and whenever the opportunity presented itself
- participating in forums promoting Manitoba's green initiatives (highlighting program activities)
- securing new partnerships/clients.



Green Manitoba's Vision is...

"a cleaner and greener Manitoba" where natural resources are used wisely, waste is eliminated, adverse climate change impacts are minimized, and sustainable development is increasingly understood as the key to unlocking future economic prosperity and a high quality of life.

Green Manitoba's Mission is...

to promote sustainability practices by bringing together all partners (governments, business and other stakeholder organizations), and in doing so, achieving more than if each had acted alone.

Our Core Values

Green Manitoba operates in accordance with the following fundamental values:

- collaborative relationships with partners will be established and maintained
- innovative solutions will be sought
- results will be demonstrated
- community capacity will be leveraged and strengthened
- sound science will be used responsibly
- services will be delivered professionally

Markets, Clients and Partners

Green Manitoba's principal markets include urban, rural, northern and Aboriginal communities and organizations, other provincial government departments, as well as other levels of government.

The Agency tailors services to the needs of clients while delivering results that support the high-level priorities of government.

Green Manitoba works with a wide range of organizations from the public and private sector including:

- federal, provincial and municipal governments
- Crown corporations and other government agencies
- K-12 and post-secondary education institutions
- regional health authorities
- Aboriginal and First Nations groups
- community groups, non-profit organizations and associations, and small and large business and industry

Green Manitoba derives funding from fee-for-service work performed on behalf of both government and non-government clientele. In general terms, this work can be characterized as:

- program building, program delivery, and performance monitoring
- analysis and reporting
- advisory and consulting services

“Working with Green Manitoba on the Greening Pan Am Project has been an extremely positive experience. They were responsible, provided timely information and even helped secure funding for our project – this partnership enabled our clinic to move towards our sustainability goals with ease.”

**Kim Morrison, CAO
Pan Am Clinic**



Program Areas

Green Manitoba serves as the access point for customers to acquire information about provincial sustainability issues. The SOA delivers programs and services on behalf of government departments and other clients related to energy efficiency, water conservation, waste reduction, climate change action, sustainable transportation and education for sustainable development. Green Manitoba specifically aims to address the following six areas:

- develop and manage waste reduction initiatives
- increase energy efficiency throughout Manitoba
- reduce GHG emissions through positive climate change actions
- conserve and use water wisely
- encourage sustainable transportation practices
- provide Manitobans with knowledge and skills to enable them to learn about, make choices and take action that contribute to living in a sustainable manner



KEY ACHIEVEMENTS FOR 2009-2010

Green Manitoba is uniquely positioned through its relationships with clients (internal and external) to demonstrate new approaches and practices and to implement new programs that support Manitoba's sustainable development objectives.

Through emphasis on the concepts of eco-efficiency, innovation, and partnered approaches, Green Manitoba led the implementation of practices intended to enhance sustainability and promote energy efficiency, water conservation, waste reduction, climate change action, and green and healthy living. Green Manitoba adopts an entrepreneurial approach to accomplishing its mandate, and partners with public agencies, community organizations, businesses and residents to enhance collective knowledge and effort to ensure shared success.

Developed and managed waste reduction initiatives...

- Supported the Pollution Prevention Branch (Manitoba Conservation) towards the implementation of the Packaging and Printed Paper Stewardship Program and transition of the Manitoba Product Stewardship Program to a new industry-operated program, Multi-Material Stewardship Manitoba (MMSM).
- Established criteria for categorizing Manitoba landfills with the objective of reducing landfill gas emissions that included a technical review of Manitoba landfill gas characteristics and technical memorandum and recommendations. The Prescribed Landfill Regulation was registered November 10, 2009.
- Introduced a new Manitoba landfill levy in July 2009, in conjunction with the Waste Reduction and Recycling Support (WRARS) program. Developed and distributed the WRARS Registration Guide to Manitoba municipal offices and commenced landfill and municipal recycling registration processes.
- Developed and implemented a proposal for collecting and reporting waste collection and recycling data associated with tires, electronic waste, household hazardous waste (HHW) and residential solid waste across Manitoba in order to report holistically on waste minimization related outcomes.





- Green Manitoba worked with businesses and municipalities to enhance waste processing and recycling efforts. The WRARS program levy increased interest in and establishment of new initiatives for shingle processing, wood waste processing, commercial composting and increased recycling activities.
- Managed the expanded province-wide 2009 E-waste Roundup program that collected and ensured proper end-of-life recycling of over 1.5 million kilograms of discarded residential and school division electronics. Thirty one depots were established in 24 communities and were year-round collection sites. The Agency developed a plan for the continuation of the e-waste and HHW programs in 2010-2011 through supplemental funding from the WRARS Program.
- Managed the School Division E-waste Recycling Program through which an additional 23,000 kilograms of electronic waste was recovered on a fee-for-service basis.
- Managed the province-wide 2009 HHW Program that ensured proper disposal of 750,098 litres/kg of HHW gathered at 30 collection events across Manitoba.
- Worked with a commercial composting operation to improve organic waste composting programs in Manitoba through the implementation of the Waste Reduction and Recycling Support (WRARS) program.
- Administered the final year of Post-Secondary Recycling Program for seven of Manitoba's post-secondary institutions and transitioned the file to Multi-Material Stewardship Manitoba (MMSM).
- Supported Manitoba Conservation regarding the enactment of new product stewardship regulations for household hazardous waste and waste electronics.
- Administered the Independent and Band-Operated Environmental Funding Program to 37 schools in Manitoba.

Increased energy and water efficiency...

- Led the implementation of community-based Lower Income (energy and water) Residential Efficiency Programs (LIREP) in Brandon and Winnipeg, in collaboration with Manitoba Hydro and the provincial Departments of Competitiveness, Training and Trade, Family Services and Housing, and Water Stewardship.



- Facilitated retrofits for energy and water efficiencies in 105 homes (The Island Lake Energy Efficiency Project) in four First Nations communities: St. Theresa Point, Wasagamak, Red Sucker Lake, and Garden Hill.
- Established Regulations for Provincial Energy Performance Standards for Replacement of Residential Forced-Air Gas Furnaces and Small Gas Boilers under *The Energy Act*.
- Developed a model for a small commercial efficiency program and provided support to Manitoba Hydro's Power Smart Shops program, which promotes energy and water saving tools and practices throughout Manitoba's small commercial sector.
- Administered the eco Energy audit program on behalf of Innovation, Energy and Mines. A total of 11,633 home audits were completed in 2009-2010.
- On behalf of the Department of Water Stewardship, administered funds to install low flush toilets in lower income housing.

Reduced GHG emissions through climate change actions...

- Administered the Manitoba Climate Change Action Fund. Nine projects with a total project value (leveraged funds) in excess of \$550,000 were supported in 2009-2010.
- Coordinated the 2009 Commuter Challenge across government departments and worked with Resource Conservation Manitoba in support of their Green Leap Forward active transportation website; developed a plan to conduct a pilot program to inform a proposed expansion of the current week long initiative to a year-round commuter challenge program.

"The Manitoba Climate Change Action Fund is a worthy program that enables and enhances many projects of benefit to Manitobans. MCCAF played an integral role in the success of the Manitoba Climate Change Conference and Forum."

Mark E. Miller,
Executive Director
Manitoba Ozone Protection
Industry Association

Encouraged sustainable transportation practices...

- Established the Active Transportation Advisory Group and the Electric Vehicle Advisory Committee, and provided secretariat support to both.
- Developed the Drive Greener Manitoba program with partners. Provided support to Resource Conservation Manitoba and the Climate Change Connection (development of ecoDriver website), Manitoba Public Insurance and the Centre for Sustainable Transportation ecoDriver research program, resulting in public education and outreach to thousands of Manitobans.





Promoted Sustainability Practices / Education...

- Developed and managed a provincial environmental poster event for Manitoba schools. Over 900 eco posters were submitted by K-8 students for public display and three outdoor education prizes were awarded.
- Supported The Climate Project - Canada (a sub-group of The Climate Project founded by Al Gore that promotes activities related to climate change and GHG reduction) to conduct climate change workshops in Manitoba communities. Workshop planning was undertaken in 2009 for the delivery of three workshops in 2010 in three northern Manitoba communities.
- Acquired funding to develop and distribute 90,000 Eco-calendars across Manitoba with partners. A total of 160,000 eco-calendars have been made available to Manitobans for their use in the 2009 and 2010 calendar years.
- Provided secretariat, steering committee and membership support to the Manitoba Education for Sustainable Development Working Group and continue to support activities that align with provincial priorities.



LOOKING AHEAD TO 2010 - 2011...

In 2010-2011, Green Manitoba will be tasked with undertaking activities related to supporting the operation of Manitoba's producer responsibility organizations (PROs), established in response to Manitoba's product stewardship regulations that establish an extended producer responsibility (EPR) framework for household hazardous waste, electronic waste (e-waste), packaging and printed paper, tires and used oil.

Functions related to program support may include:

- annual report and business plan review processes
- program monitoring and performance reviews
- public/stakeholder forum participation
- internal government-related updates and communications
- public/stakeholder consultations

Green Manitoba will be working with established agencies, Multi-Material Stewardship Manitoba (MMSM) - packaging and printed paper (blue box), Tire Stewardship Manitoba (TSM) - scrap tires, Manitoba Association of Resource Recovery Corp. (MARRC) - used oil, filters and containers and in 2011-2012, the newly established Producer Responsibility Organizations (PROs) addressing e-waste and HHW.

ACKNOWLEDGEMENTS

Green Manitoba gratefully acknowledges the support and cooperation received in 2009-2010 from all the individuals, entities and partners who shared in our endeavors and contributed to a cleaner, greener and more sustainable Manitoba.



MANAGEMENT REPORT

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Management's Responsibility for Financial Reporting

Green Manitoba Eco Solutions (Green Manitoba) management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of Green Manitoba's financial position and results of operations and its cash flows in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available through June 1, 2010.

Management maintains internal controls to properly safeguard Green Manitoba's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

Green Manitoba's financial statements have been audited by The Exchange chartered accountants LLP, independent external auditors. The auditors' responsibility is to express an independent opinion on whether the financial statements of Green Manitoba are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of their audit examination and provides their audit opinion.

On behalf of Green Manitoba's management,

AUDITOR'S REPORT



THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority of Green Manitoba Eco Solutions

We have audited the balance sheet of Green Manitoba Eco Solutions, An Agency of the Special Operating Agencies Financing Authority Province of Manitoba, as at March 31, 2010 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these 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 financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 1, 2010



FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Balance Sheet

(In Thousands)

March 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 805	\$ 890
Accounts receivable <i>(Note 5)</i>	1,619	579
	2,424	1,469
CAPITAL ASSETS <i>(Notes 3, 6)</i>	4	6
	\$ 2,428	\$ 1,475
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 250	\$ 779
Deferred revenue <i>(Note 3)</i>	1,665	632
	1,915	1,411
SEVERANCE LIABILITY <i>(Note 9)</i>	10	-
	1,925	1,411
EQUITY		
Contributed surplus <i>(Note 10)</i>	9	9
Retained earnings	494	55
	503	64
	\$ 2,428	\$ 1,475

FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31, 2010

	2010	2009
REVENUE		
Province of Manitoba - service grant	\$ 997	\$ 1,881
Province of Manitoba - other	4,109	3,011
Non government funding	1,155	230
	<u>6,261</u>	<u>5,122</u>
EXPENSES		
Advertising and promotion	37	22
Amortization	3	3
Computer expenses	35	29
Contracted services	44	76
Moving	-	9
Office	34	43
Other expenses	1	-
Professional fees	10	7
Program supplies and services	4,938	4,051
Rent	77	115
Salaries and wages	618	637
Training	10	4
Travel	15	21
	<u>5,822</u>	<u>5,017</u>
NET INCOME	439	105
RETAINED EARNINGS (DEFICIT) - BEGINNING OF YEAR	55	(50)
RETAINED EARNINGS - END OF YEAR	\$ 494	\$ 55



FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Statement of Cash Flows

(In Thousands)

Year Ended March 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Net income	\$ 439	\$ 105
Item not affecting cash:		
Amortization of capital assets	3	3
	<u>442</u>	<u>108</u>
Changes in non-cash working capital:		
Accounts receivable	(1,040)	(384)
Accounts payable and accrued liabilities	(530)	676
Deferred revenue	1,033	380
Prepaid expenses	-	1
Severance liability	10	-
	<u>(527)</u>	<u>673</u>
INCREASE (DECREASE) IN CASH FLOW	(85)	781
CASH - BEGINNING OF YEAR	890	109
CASH - END OF YEAR	\$ 805	\$ 890

FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2010

1. NATURE OF ORGANIZATION

Effective April 1, 2006, Green Manitoba Eco Solutions ("Green Manitoba") was designated as a Special Operating Agency pursuant to the Special Operating Agencies Financing Authority act (C.C.S.M. c.S185). Green Manitoba operates under a charter approved by the Lieutenant Governor in Council.

Green Manitoba promotes sustainability practices by bringing together all partners (governments, business and other stakeholder organizations) and in doing so achieves more than if each had acted alone. Green Manitoba serves as the access point for customers to acquire information about provincial sustainability issues. The Special Operating Agency (SOA) delivers programs and services related to increasing energy efficiency, conserving water, reducing waste, reducing GHG emissions through climate change action, encouraging sustainable transportation practices and Education for Sustainability.

Green Manitoba is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Green Manitoba's operations. It finances Green Manitoba through repayable loans and working capital advances. The financial framework enables Green Manitoba to operate in a business-like manner according to public policy expectations. A management agreement between the Financing authority and the Minister of Innovation, Energy and Mines assigns responsibility to Green Manitoba to manage and account for agency-related assets and operations on behalf of the Financing Authority.

Green Manitoba is part of the Department of Conservation and operates under policy direction of the Assistant Deputy Minister, Programs Division. Green Manitoba remains bound by relevant legislation and regulations, as well as by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

Green Manitoba derives its revenue from the province and external sources. The transactions with the Province of Manitoba are recorded at the exchange amount, which is the amount agreed upon by both parties.



FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2010

2. CHANGE IN ACCOUNTING POLICIES

New Accounting Policies

Section 3064, Goodwill and Intangible Assets

Effective April 1, 2009, Green Manitoba adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, Goodwill and Intangible Assets, and the updates to CICA Handbook Section 1000, Financial Statement Concepts.

This guidance establishes updated standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

These changes did not have an impact on Green Manitoba's financial statements for the year ended March 31, 2010.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective April 1, 2009, Green Manitoba adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments – Recognition and Measurement and 3862, Financial Instruments – Disclosures:

- Section 3855 – Effective Interest Method
- Section 3855 – Embedded Derivatives on Reclassification of Financial Assets
- Section 3855 – Impairment of Financial Assets
- Section 3862 – Fair Value and Liquidity Risk Disclosure

Due to the nature of Green Manitoba's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of Green Manitoba.

Future Accounting Changes

Convergence with Public Sector Accounting Standards as issued by the Public Sector Accounting Board

Effective April 1, 2011, Green Manitoba will be adopting Public Sector Accounting Standards issued by the Public Sector Accounting Board. Green Manitoba is currently in the process of quantifying the impact these changes will have on its financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of reporting

The financial statements of Green Manitoba have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Capital disclosure

Green Manitoba's capital consists of retained earnings (deficit) and contributed surplus provided from operations.

Green Manitoba's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings by managing transfers of surplus funds to the Province of Manitoba; meet short-term capital needs with working capital advances from the Province of Manitoba; and meet long-term capital needs through long-term debt with the Province of Manitoba. There were no changes in the Green Manitoba's approach to capital management during the period.

Green Manitoba is not subject to externally imposed capital requirements.

Capital assets

Capital assets transferred to Green Manitoba on April 1, 2006 assumed a cost equal to their net book value at March 31, 2006.

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized straight-line over a period of 5 years. Green Manitoba regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital asset cost.

Deferred revenue

Deferred revenue represents cash received for projects that were started but not completed by year end.

Revenue recognition

Grants are recognized as income in the year in which they are received. Special program funding is taken into income to match the program expenditures. Any remaining program funding is deferred.



FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2010

4. FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of Green Manitoba are classified and measured as follows:

<u>Financial Asset/Liability</u>	<u>Category</u>	<u>Subsequent Measurement</u>
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of earnings and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of earnings and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they are recorded in the statement of earnings and retained earnings.

Fair value of financial instruments

The fair values of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Financial risk management - overview

Green Manitoba has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject Green Manitoba to credit risk consist principally of cash and term deposits and accounts receivable.

FINANCIAL STATEMENTS

GREEN MANITOBA ECO SOLUTIONS

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

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(In Thousands)

Year Ended March 31, 2010

4. FINANCIAL INSTRUMENTS *(continued)*

The maximum exposure of Green Manitoba to credit risk at March 31, 2010 is:

Cash	\$ 805
Accounts receivable	1,619
	<u>\$ 2,424</u>

Cash: Green Manitoba is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: Green Manitoba is not exposed to significant credit risk as the customers are mostly government entities and payment in full is typically collected when it is due. Green Manitoba establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Liquidity risk

Liquidity risk is the risk that Green Manitoba will not be able to meet its financial obligations as they come due.

Green Manitoba manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect Green Manitoba's income or the fair values of its financial instruments. The significant market risks Green Manitoba is exposed to are interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to funds on deposit.

The interest rate risk on funds on deposit is considered to be low because of their short-term nature.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Green Manitoba is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.



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(In Thousands)

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5. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2010	2009
Waste (E-Waste and HHW)	\$ 242	\$ 5
Eco-calendar	2	1
Eco-energy audit	319	-
Expense recoveries	44	-
Drive Greener - Natural Resources Canada	16	-
Low Income Residential Efficiency Program	951	531
PRAC	45	-
Severance	-	42
	<u>\$ 1,619</u>	<u>\$ 579</u>

6. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 4	\$ 2	\$ 4	\$ 2
Furniture and fixtures	9	7	9	5
	<u>\$ 13</u>	<u>\$ 9</u>	<u>\$ 13</u>	<u>\$ 7</u>
Net book value	<u>\$ 4</u>		<u>\$ 6</u>	

7. DEFERRED REVENUE

	2010	2009
Energy / Climate Change	\$ 981	\$ 327
Green Schools	128	197
Low Income Residential Efficiency Program	378	-
Operating	40	40
Transportation	72	-
Water	66	68
	<u>\$ 1,665</u>	<u>\$ 632</u>

8. WORKING CAPITAL ASSETS

Green Manitoba has an authorized line of working capital from the Province of Manitoba of \$500 of which \$Nil was used at March 31, 2010 (2009 - \$Nil).

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(In Thousands)

Year Ended March 31, 2010

9. SEVERANCE LIABILITY

Effective April 1, 2006, Green Manitoba commenced recording accumulated severance pay benefits for its employees. The amount of their severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2008. The report provides a formula to update the liability on an annual basis. Green Manitoba's actuarially determined net liability for accounting purposes as at March 31, 2010 was \$10 (2009 - \$NIL).

Significant long-term actuarial assumptions used in the March 31, 2008 valuation, and in the determination of the March 31, 2010 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.50%
real rate of return	4.00%
	<u>6.50%</u>
Assumed salary increase rates	
annual productivity increase	0.75%
annual general salary increase	3.50%
	<u>4.25%</u>

10. CONTRIBUTED SURPLUS

Green Manitoba and the Department of Innovation, Energy and Mines entered into a Transfer Agreement to transfer existing assets used in Green Manitoba Eco Solutions program of the Innovation, Energy and Mines. They consist primarily of equipment, furniture and other items having an estimated value of \$9. Green Manitoba has capitalized these assets with a corresponding increase in contributed surplus.

11. PENSION BENEFIT

In accordance with the provisions of The Civil Service Superannuation Act, employees of Green Manitoba are eligible for pension benefits under the Civil Service Superannuation Fund. The pension plan is a defined benefit plan, which requires Green Manitoba to contribute an amount equal to the employee's contribution to the Fund for current services. The amount expended by Green Manitoba in the current year is \$27 (2009 - \$29).

Green Manitoba has no further liability associated with the annual cost of pension benefits earned by Green Manitoba's employees.



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(In Thousands)

Year Ended March 31, 2010

12. PUBLIC SECTOR COMPENSATION DISCLOSURE

		2010	2009
Ferguson, James	Planning program analyst 3	\$ 72	\$ 70
Jonasson, John	Planning consultant	86	86
McDonald, Christina	Senior manager 1	86	-
McKenzie, Shane	Planning program analyst 2	-	55
Shymko, Randall	Planning program analyst 3	63	59
Storey, Marie	Planning program analyst 1	54	51

It is a requirement of the Public Sector Compensation Disclosure Act that annual disclosure be made of individual compensation exceeding \$50 annually to any officer or employee of the Province of Manitoba. The above employees received compensation in excess of \$50.

GREEN MANITOBA ADVISORY BOARD

Green Manitoba's Advisory Board was established in 2010 and had its inaugural meeting on March 23, 2010. The Board provides feedback and input to the Special Operating Agency and is comprised of members representing Aboriginal groups, businesses, communities, municipal government, provincial government, schools, universities, and colleges.

The Agency looks forward to working with its new Advisory Board, developing new relationships and potential partnerships and working together to seek out new opportunities that benefit all Manitobans.

Advisory Board Members

Mr. Serge Scrafield
Assistant Deputy Minister
Representing Manitoba Conservation

Mr. Mel Klassen
Mayor of Altona
Representing the Association of Manitoba Municipalities

Ms. Jacqueline Wasney
Executive Member, Consumers Association of
Canada Board
Representing the Consumers Association of Canada

Mr. Carl Pedersen
Secretary-Treasurer, Western School Division
Representing Manitoba Association of School Business
Officials

Mr. Tyler McAfee
Director of Policy and Communications
Representing the Association of Manitoba Municipalities

Mr. Don Stefanchuk
Vice President, Pinchin Environmental
Representing Manitoba Chambers of Commerce

Mr. Jim Crone
Director of Energy Economic Development
Representing Manitoba Innovation, Energy & Mines

Ms. Vanessa Nedd
Manager, Engineering Services
Representing Manitoba Local Government

Mr. Carmine Militano
Leader, Building Engineering
Stantec Consulting
Representing International Facilities Management
Association



AGENCY STAFF

Christina McDonald, Ph.D.

John Jonasson, P.Eng.

Jim Ferguson, B.S.A.

Susanne Parent, P.Eng.

Vacant

Lindsay Irwin, MNRM

Marie Storey, BM Cert.

Rathan Bonam, MNRM

Rosemarie Prokipchuk

Vacant

Annette Vogt

Carla Richmond

Chief Operating Officer

Manager, Community & Aboriginal Programs

Manager, Municipal & Business Programs

Manager, Energy Efficiency Programs

Manager, Government & Schools Programs

Environmental Program Analyst

Environmental Program Analyst

Environmental Program Analyst

Environmental Program Analyst

Energy Efficiency Program Analyst

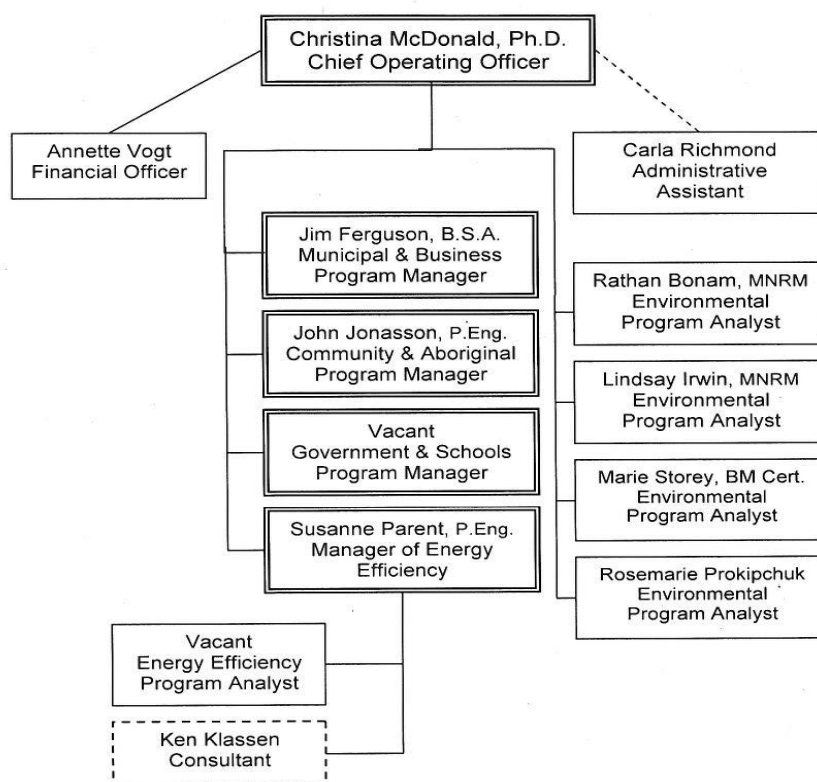
Financial Officer

Administrative Assistant



As at March 31, 2010

GREEN MANITOBA ORGANIZATIONAL CHART



As at March 31, 2010



collaboration

responsibility

accountability

communication

innovation