



Mr. Oil Drop

Manitoba Association for Resource Recovery Corp.

MARRC
2016 ANNUAL REPORT

THE FINE ART OF THE WILDERNESS

A legacy of diverse and pristine wilderness for us and future generations to cherish and protect.

Photo by Mike Karakas



Mr. Oil Drop



Mrs. Oil Drop

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Annual General Meeting

Wednesday, April 26, 2017
10:00 am

Sheraton Cavalier Hotel
612 Spadina Crescent East
Saskatoon, SK
S7K 3G8

Overview of MARRC

The Manitoba Association for Resource Recovery Corp. (MARRC) is a non-profit corporation established in 1997 by manufacturers and marketers of lubricating products in Manitoba. Its mandate is to develop, implement and administer a cost-effective, sustainable, user-financed, province-wide stewardship program for used oil, used oil filters and used oil containers.

MARRC was incorporated under The Corporations Act of Manitoba on April 1, 1997. It operates in accordance with a Letter of Approval issued by Manitoba Environment on February 26, 1998 under Section 7 of the “Used Oil, Oil Filters and Containers Stewardship Regulation” of the Waste Reduction and Prevention Act.

Further to earlier approvals of 5 year terms, MARRC received a letter of approval dated September 25, 2013, from the Minister of Conservation extending the Stewardship Plan term for an additional five years to December 15, 2017.

On May 1, 2011 the Corporation was also approved to operate the Used Antifreeze Stewardship Program by the Minister of Conservation. The Used Antifreeze Stewardship Program commenced operation August 1, 2011. The approval from the Minister of Conservation expires December 31, 2016. On October 22, 2015, the Minister approved an extension to the “Condition of Approval”. This approval shall now expire on December 15, 2017 (See letter on opposite page).

The Corporation derives revenue principally in the form of Environmental Handling Charges (EHCs) applied to the sale or consumption of selected lubricating and antifreeze products in Manitoba. The Corporation’s primary expenses are related to the:

- establishment and operation of a publicly-accessible network of licensed collection facilities for used lubricating and antifreeze products,
- payment of Return Incentives to companies licensed by the province and registered with MARRC to collect used lubricating and antifreeze products and transfer them to approved processors and end-users,
- payment of Processing Incentives to companies licensed by the province and registered with MARRC to recycle used lubricating and antifreeze products, and
- development and distribution of public education materials.

MARRC’s affairs are managed by a six-person Board of Directors drawn from the member companies of MARRC and from other stakeholder organizations, including a Director representing the Antifreeze industry.



MINISTER OF CONSERVATION
AND WATER STEWARDSHIP

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

OCT 22 2015

Mr. Ron Benson
Executive Director
Manitoba Association for Resource Recovery Corp. (MARRC)
35-1313 Border Street
Winnipeg MB R3H 0X4

Dear Mr. Benson:

Thank you for your letter dated September 25, 2015 regarding extension to the approval of the Antifreeze Stewardship Program of the Manitoba Association for Resource Recovery Corp. (MARRC) under *The Waste Reduction and Prevention Act (WRAP Act)*.

I am hereby providing an extension to the "Conditions of Approval" as identified in your Letter of Approval, dated April 14, 2011. All other terms and conditions will remain in force without change. Furthermore, pursuant to Section 7(4) of the *Household Hazardous Material and Prescribed Material Stewardship Regulation*, this approval shall expire on December 15, 2017. In accordance with this extension, please submit a new consolidated plan including used oil, oil filters and containers and antifreeze for your organization on or before August 31, 2017.

Note that any notices to be provided to department officials pursuant to this approval shall be submitted in writing to: Christina McDonald, Chief Operating Officer, Green Manitoba, Manitoba Conservation and Water Stewardship, 160-123 Main Street, Winnipeg MB, R3C 1A5.

As we consult broadly on ways to further reduce waste in Manitoba, we will seek MARRC's advice on how to expand the opportunities for Manitobans to safely dispose of household hazardous wastes including the materials presently being collected by MARRC, particularly in northern and remote communities.

We look forward to our continued discussions and collaboration and I trust that this extension will allow MARRC to plan for further expansion into these communities. Thank you for providing an important environmental service to Manitobans.

Yours sincerely,

Tom Nevakshonoff
Minister

Highlights of 2016

Ambassador Program - Calendar of Events for 2016

MARRC employed 3 full time and some part-time Ambassadors to travel around to various tradeshow and exhibitions in Manitoba for the purpose of enhancing awareness towards improving the recovery of used oil and antifreeze products. Below is a Calendar of over 40 Exhibitions, Tradeshow and Parades that MARRC participated in with the Ambassador Program.

JANUARY

23 St. Vital Mall - Manitoba Eco-Awareness Day
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APRIL

12 Team up to Clean up	29-1 Rodorama
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MAY

29 Teddy Bear's Picnic

JUNE

3-5 Transcona Hi Neighbour Festival & Parade	7 Take Pride - Sustainability Day at the Zoo	8-12 Brandon Exhibition
9 Samuel Burland School	10-11 Lunda Fair & Parade	10-11 Niverville Fair & Parade
16 RM of St. Andrews Open House	17-26 Wpg. Red River Exhibition	17-19 Steinbach Summer in the City
25 MacGregor Summer Fair	30-1 Osborne Village Canada Day	30-2 Dauphin Street Festival

JULY

6 Rivers Ag Fair	7-9 Carman County Fair	9 Minnedosa Fun Fest & Parade
10 Gimli Auto Show	15-17 Selkirk Triple S Fair & Rodeo & Parade	15-17 Winnipeg Beach Boardwalk Days & Parade
19 Strathclair Fair	23 Kids Fringe Festival Downtown Winnipeg	21-24 Morris Stampede & Parade
22-24 Altona Sunflower Festival & Parade	26 Elkhorn Ag Fair	28-31 Austin Thresherman's Reunion & Parade
30-1 Gimli Icelandic Festival & Parade		

AUGUST

5-7 Melita Banana Days	6 Melita Cruisers Show & Shine	6 Portage Potatoe Festival
7 Melita Mud Bog Derby	12-14 Winkler Harvest Festival & Parade	13 Virden Indoor Rodeo & Wild West Daze
13 Gladstone Parade	15 St. Vital Agricultural Fair	16-18 Northern Association Trade Show
19-21 Stonewall Quarry Days	26-28 Morden Corn & Apple Festival & Parade	27-28 China Town Street Festival

SEPTEMBER

1-4 Pine Falls 4P Festival	16 St. Clements Open House
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Transcona Hi Neighbour Festival



Line-ups at Winkler Harvest Festival & Parade

Highlights of 2016

Ambassador Program - Partners in Progress!

The main focus of the Ambassador Program was to engage with the visitors by highlighting the importance of recycling. Visitors received information on recycling used oil and antifreeze products as well as valuable prize giveaways. MARRC also partnered with two other Producer Responsible Organizations (PROs) and distributed their brochures and informational material as well:

Call2Recycle – This program is a free and easy way for people to dispose of old batteries and cell phones, safely and reliably diverting them away from landfills.

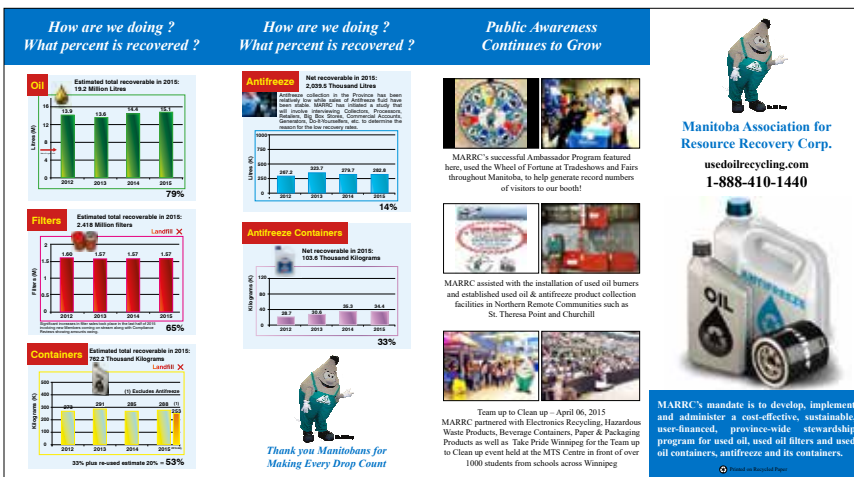


Health Product Stewardship Association (HPSA) – This program is responsible for recovering medications that have expired or no longer needed and handling of them in a safe and responsible manner before they are disposed of as waste or poured down sewers and drains.



Ambassador Program – Brochures Distributed

The Ambassadors distributed brochures which detail important information about the MARRC Stewardship Program such as what happens to the products once they are collected; where people can take the products throughout Manitoba; our collection progress to date as well some of our communication initiatives.



Wrapped Vans



MARRC rented 2 vans for the Ambassador Program which were wrapped with colourful advertising for used oil & antifreeze recycling. The vans were at each of the trade shows, exhibitions and parades and were very well received.

How to recycle?

Your role in our success is simple.

- Collect the used oil from your vehicle, lawnmower, farm equipment, fishing vessels or other machinery and recycle them at a licensed facility.
- Do not contaminate the oil with other liquids. Solvents, paint thinner, bleaches, antifreeze, gasoline, PCBs, household chemicals, insecticides, herbicides, pesticides, grease or water are not accepted. EcoCentre staff have information on where to take contaminated oil.
- Collect your used oil, filters and containers and recycle them at a licensed facility.
- Collect your used antifreeze and containers and recycle them at a licensed facility.

1-888-410-1440
usedoilrecycling.com
Manitoba's Used Oil Recycling Program

What happens to the products that are collected?

Used oil can be re-refined into lube oil and other petroleum products. As well it can be used for energy recovery.

Used oil filters contain 85% recyclable metal that becomes steel rebar used in construction.

Used oil and antifreeze containers can be shredded and used in the manufacture of parking lot curbs, fence posts and landscaping ties.

Used antifreeze is shipped to licensed processors and recycled into new antifreeze.

Where can I take the used oil and antifreeze products?

In the City of Winnipeg the licensed depots are as shown on the map below

Winnipeg's Licensed Used Oil Depots

- Unicity - 3615 Portage Avenue
- St. Boniface - Farmer & Beaverhill
- Garden City - 2203 McPhillips Ave.
- Transcona - 1519 Regent Avenue
- Fort Garry - McGillivray & Kenaston
- Polo Park - 750 St. James Street
- Green for Life - 1090 Kenaston Blvd.
- A-1 Environmental - 1447 Dugald Road
- Miler Environmental - 1503 Vasek Ave.
- Frank Motors - 575 Notre Dame Ave.

1-888-410-1440
usedoilrecycling.com
Manitoba's Used Oil Recycling Program

In Rural Manitoba the licensed depots are as shown on the map below

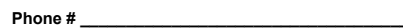
Manitoba's Licensed Used Oil & Antifreeze Depots



Gimli Car Show

Over 13,000 visitors completed the survey!

The participants also entered for a chance to win a \$50 Canadian Tire Gift Card.



Location	Total Entries
Red River Exhibition	2843
Gimli Icelandic	1203
Canada Day Osborne	843
Hi Neighbor	765
Morden Corn and Apple Festival	693
Winkler Harvest Festival	690
Morris Stampede	569
Carman Country Fair	430
Winnipeg Beach Boardwalk Days	428
Selkirk Rodeo	406
Melita Banana Festival	391
Pine Falls 4 P Festival	317
Gimli Auto Show	294
Stonewall Quarry Days	292
Austin Threshermans Reunion	241
Steinbach Summer in the City	226
Dauphin Street Festival	226
Brandon Exhibition	221
Rodarama	217
St. Vital Agricultural Fair	210
Niverville Fair	200
MacGregor	200
Altona Sunflower Festival	180
Portage La Prairie Potato Fest	137
Virdeo Rodeo	132
Lundar Fair	123
NACC	88
St. Vital Mall	83
St. Andrews Open house	80
Chinatown Festival	64
Rivers Agricultural Fair	58
Minnedosa FunFest	54
Strathclair Agricultural Fair	49
Elkhorn Agricultural Fair	48
St. Clements Open House	47
2016	13,048
2015	12,787
2014	9,814

Highlights of 2016

Ambassador Program

MARRC utilized an LED flashing Wheel of Fortune to generate excitement at the Ambassador booth. After visitors completed the used oil recycling survey, they could spin the wheel to determine what prize had been won. Participation at the MARRC booth has never been higher with line-ups at the booth all day long in many cases. All prizes featured used oil recycling branding and were very well received. Bookmarks, wristbands and brochures were distributed at tradeshow, exhibitions and parades as well.



Bookmarks



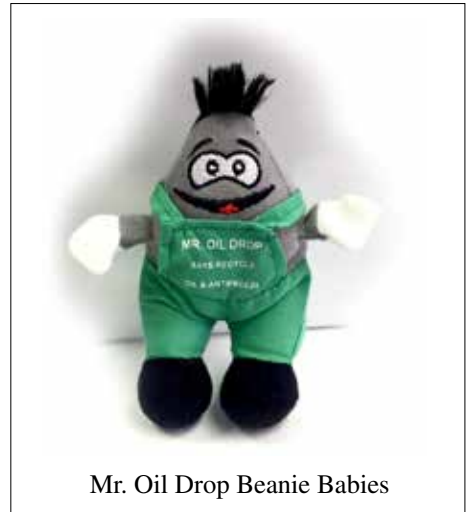
Wristbands



Hats



Wheel of Fortune



Mr. Oil Drop Beanie Babies



Filtered Water Bottles



Hamburger Speakers



Blue Tooth Speakers



Lanyards

Highlights of 2016

MARRC Partnered in various other events



Manitoba Association of Regional Recyclers Forum Oct. 12-13

Manitoba Association of Regional Recyclers Forum



How to set up a low cost **One-Stop-Shop** transfer station for your region.

Tour of Stonewall



Electronics & Hazardous Waste



Used Oil, Filters, Containers & Antifreeze

MARR field trip to Stonewall's Winfield Landfill



Sustainability Day at Assiniboine Park Zoo June 7 Special Guest Speaker - Minister of Sustainable Development, Cathy Cox



Team up to Clean Up at the MTS Centre April 12



Association of Manitoba Municipalities Convention at the Convention Centre November 21-22



Teddy Bear's Picnic at Assiniboine Park May 29

Highlights of 2016

Partnering in the North

MARRC advertised in 4 Northern publications advising that MARRC was very interested in assisting communities in the north with recycling of their used oil products. →

- First Nation's Voice Magazine, readership 100,000+, 4 editions June – September.
- Grassroots News 85,000 readers bi-weekly.

Bursaries awarded for a Thirteenth year

Bursaries were awarded to students (\$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon, the University of Winnipeg and Red River Community College.

MARRC Participated with the Northern Association of Community Councils (NACC)

Their 46th Annual tradeshow was held at the CanadInns Polo Park Hotel in Winnipeg on August 16th through the 18th. The NACC represents the interests of 52 northern and remote communities under the jurisdiction of aboriginal leaders and northern affairs. Over 200 delegates from the northern communities federal and provincial affiliates, private sector and non-profit organizations attended.



NORTHERN ASSOCIATION
of Community Councils

EcoCentre / Collection Depot network maturing at 95

MARRC's rural EcoCentre network stands at 70 exceeding the minimum network objective established by the province's multi stakeholder Used Oil Management Committee in 1996. The network includes the northern locations of Churchill, St. Theresa Point, The Pas, Flin Flon and Thompson, plus Cranberry Portage, Grand Rapids & Hollow Water. In addition there are 25 other facilities licensed by Manitoba Conservation for the collection of used oil and antifreeze products, including 16 locations in Winnipeg (6 of which are Canadian Tire). The Brady Road Landfill was added in the City of Winnipeg along with second location at 1120 Pacific Avenue.

City of Winnipeg

MARRC is targeting to further increase licensed locations in Winnipeg. Great Canadian Oil Change (GCOC) received approved licenses for 4 sites in Winnipeg along with 4 rural locations and is now fully accepting used oil and antifreeze products from the public. The City of Winnipeg has opened 2 One-Stop-Shop locations one at the Brady Road Landfill and the other at 1120 Pacific Avenue.

Training and audits promote safety and compliance

MARRC as part of its contractual arrangements with owners/operators of licensed collection facilities, provides initial and recurrent on-site training for management and staff. The training and follow-up audits are designed to promote a safe operation and compliance with each facility's operating license issued by Manitoba Conservation. During 2016, inspections were conducted at all of the licensed EcoCentres and collection depots in the Province of Manitoba.

Strategic Planning Session (Aug 23-25)

SOGHU hosted the combined Strategic Planning Session of BCUOMA, AUOMA, SARRC, MARRC & Ontario Directors and Staff. The session focused on addressing key strategic issues and team building

Local Initiatives

Several communities in Manitoba had their own localized EcoDay events including: →

- **Steinbach's Oil Recycling Day on June 8**



150 Customers brought in 10,100 litres of used oil!



Steinbach

- **Rosburn's Reconnect to Rosburn event** held on October 19 used a mini tradeshow format where used oil promotional materials were distributed. All school age children from town were also taken to the landfill where Mr. Oil Drop beanie babies and wristbands were distributed and a tour of the EcoCentre also took place.

- **Erickson**, (similar to other rural EcoCentre promotional programs) utilized an exchange of used oil for new oil program which generated much excitement in the community. Those dropping off used oil products could also enter to win a gift card for cash prizes. A draw was held for the main prizes on Sept. 7. →

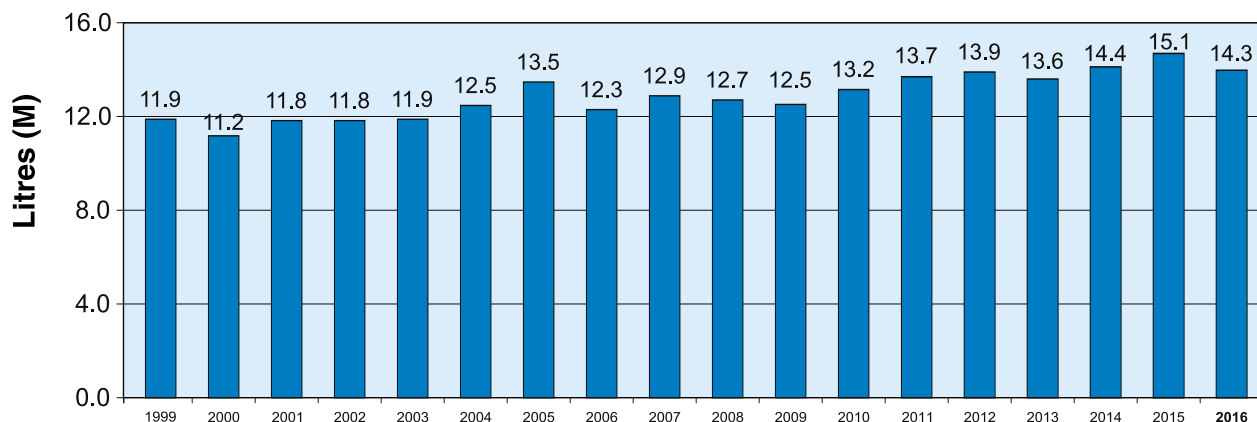


Erickson

Collection Activity by Product 2016

Oil

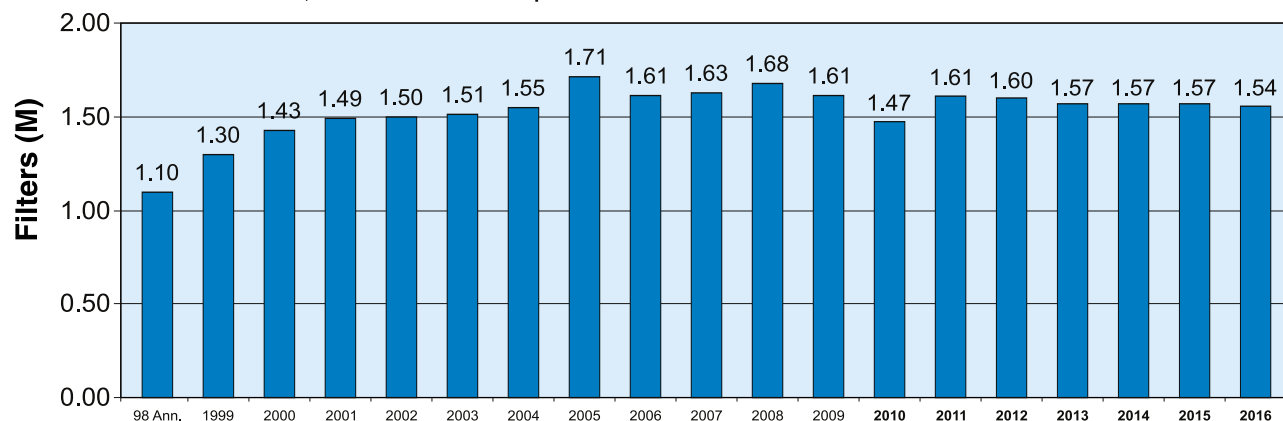
Litres Sold 29.2 M Litres
 Less Lost in Service 35% -10.2
 Net Recoverable 19.0 M Litres



75%

Filters

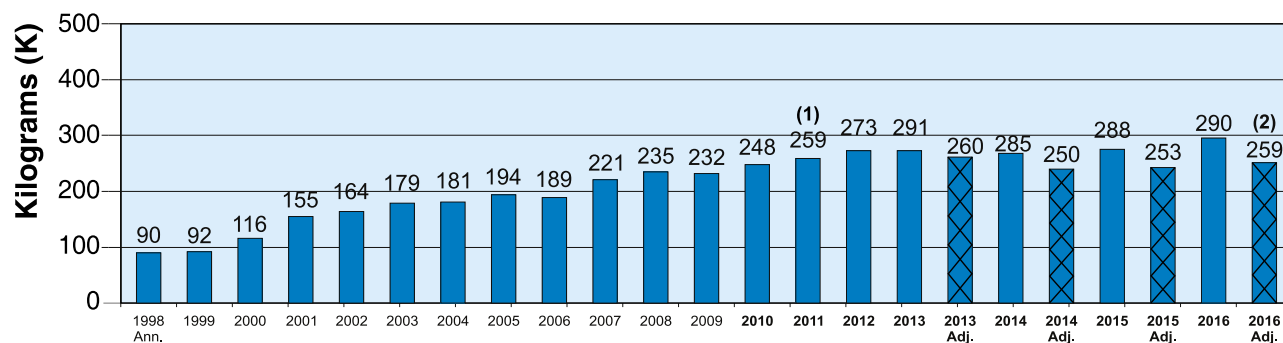
Filters sold 2.34
 Filters recoverable 2.34
 11,371 drums x 135 filters per drum = 1.535 M filters collected



66%

Containers under 50 litres capacity

Units Sold in Litres 11,413.2 K Litres
 Converted to Kgs ÷ 16.786
 Net Recoverable 679.9 K Kgs



38%

Plus re-use estimate 20%

= 58%

(1) Impacted by Fire at Xpotential October 2, 2011

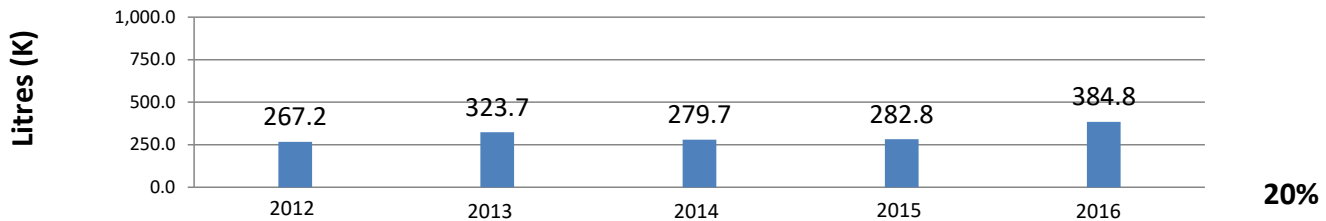
(2) Total K Kgs excluding Antifreeze Containers

Collection Activity by Product 2016

Antifreeze

Fluid

Litres Sold - Concentrate $1,173.6 \times 2 = 2,347.2$
 Pre-Mix $2,006.9$
 TOTAL $4,354.1$
 Less Lost in Service 55% $-2,394.8$
 Net Recoverable $1,959.3$ K Litres

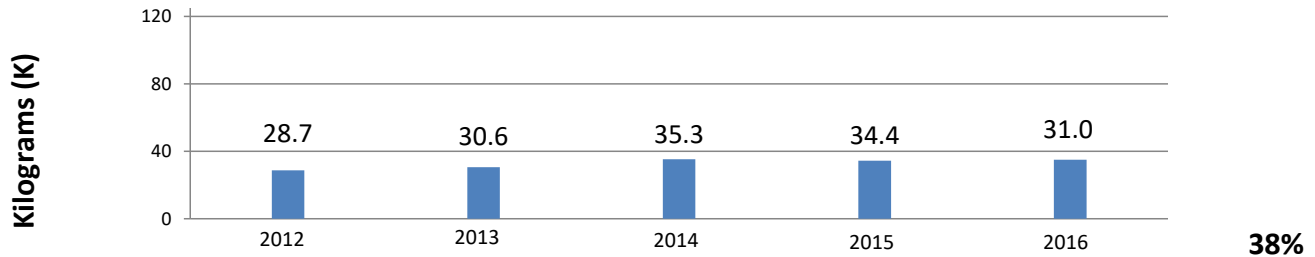


Antifreeze Fluid Recovery Review

Antifreeze collection in the Province and indeed throughout Canada has been relatively low while sales of Antifreeze fluid have been stable as confirmed in the EHC numbers. This brings up the question, where is the used product going? MARRC has initiated a study that will involve interviewing Collectors, Processors, Retailers, Bix Box Stores, Commercial Accounts, Generators, Do-It-Yourselfers, etc. to determine the reason for the low recovery rates. Distinct early signs in the ongoing study is that a significant number of the purchases are for top-up ie. non-recoverable, which will result in a Lost in Service range of 80% rather than 55% leading to a recovery of approximately 60%.

Containers

Units Sold in Litres
 Converted to Kgs
 Net Recoverable $1,886.4$ K Litres
 $\div 23.151$
 81.5 K Kg



Oil & Antifreeze Summary of Percent Collected

	Available	Amount Collected	% Collected
Oil	19.0 M Litres	14.3 M Litres	75%
Filters	2.34 M Filters	1.54 M Filters	66%
Containers (Total)			
Excluding Antifreeze	679.9 K Kgs	259 K Kgs	38%/58%
Antifreeze Fluid	1,959.3 K Litres	384.8 K Litres	20%
A/F Containers	81.5 K Kgs	31.0 K Kgs	38%

- Based on 35% Lost in Service

- Based on 135 filters per drum

38% of Total Recoverable + 20% re-used* = **58%**
 (* Source: Pulse Research Ltd. Container Study)

- Based on 55% Lost in Service



Manitoba's Licensed Used Oil & Antifreeze Depots

Churchill



Thompson

Flin Flon

Cranberry Portage

The Pas

Grand Rapids

Swan River

Hollow Water

St. Theresa Point

Legend



EcoCentres in operation

Red

Other licensed depots

16

Licensed collection facilities in Winnipeg



Roblin

Dauphin

Rorketon

Moosehorn

Fisher Branch

Arborg

Ashern

Chatfield

Gimli X2

Russell

Onanole

Rosburn

Erickson

Eriksdale

Meleb

Traverse Bay

Inwood

Dunnottar

St. Georges

St. Lazare

St. Laurent

Clandeboye

Birtle

Langruth

Teulon

Lac du Bonnet

Hamiota

Neepawa

Gladstone

Stonewall

Beausejour

Brandon x2

Carberry

Mac Gregor

Earl Grey

Selkirk

RM Wallace

Souris

Glenboro

Portage x2

Whittemouth

Minto

Dunrea

Notre Dame

Elm Creek

Headingley

Lorette

Hartney

Baldur

Carman

St. Pierre

Steinbach x2

Melita

Killamey

Pilot Mound

St. Jean

Waskada

Deloraine

Morden

Winkler x2

Altona

Vita

16



EcoCentres - Reflecting Amalgamations in 2015

	Location	Owner/Operator
1	Steinbach	City of Steinbach
2	Carman	Town of Carman
3	Melita	S K L Enterprises Ltd.
4	Altona	Town of Altona / Municipality of Rhineland
5	Neepawa	Town of Neepawa
6	Selkirk	City of Selkirk
7	Russell	Municipality of Russell-Binscarth / Riding Mountain West
8	Glenboro	Municipality of Glenboro South Cypress
9	Minto	Municipality of Grassland
10	Pilot Mound	Louise Integrated Waste Management
11	Baldur	RM of Argyle
12	Swan River	Town of Swan River
13	Hamiota	Hamiota Municipality
14	Inwood	RM of Armstrong
15	Chatfield	RM of Armstrong
16	Meleb	RM of Armstrong
17	Virden	RM of Wallace-Woodworth
18	Arborg	BAR Waste Authority Co-op Inc.
19	Gladstone	Municipality of Westlake-Gladstone
20	Rosburn	Rosburn Municipality
21	Portage la Prairie	Portage & District Recycling Inc.
22	Teulon	Town of Teulon & RM of Rockwood
23	Brandon	City of Brandon
24	Earl Grey	RM of St. Andrews
25	Langruth	Municipality of Westlake-Gladstone
26	Elm Creek	RM of Grey

	Location	Owner/Operator
27	The Pas	Town of The Pas
28	Winkler	City of Winkler
29	Morris	Town of Morris
30	St. Georges	RM of Alexander Town of Powerview-Pinefalls
31	Traverse Bay	RM of Alexander & RM of Victoria Beach
32	Clandeboyne	RM of St. Andrews
33	Dauphin	EcoOil Recycling Centre
34	Lac du Bonnet	RM of Lac du Bonnet
35	Waskada	Municipality of Brenda-Waskada
36	Carberry	RM of North Cypress-Langford
37	Thompson	Thompson Recycling Centre
38	St. Laurent	RM of St. Laurent
39	Erickson	Municipality of Clanwilliam-Erickson
40	Eriksdale	C.E.W.D.G. Board
41	Flin Flon	City of Flin Flon
42	Dunrea	RM of Prairie Lakes
43	MacGregor	Municipality of North Norfolk
44	Roblin	Municipality of Hillsburg-Roblin-Shell River
45	Onanole	Municipality of Harrison Park
46	Whitemouth	Whitemouth-Reynolds-North Whiteshell
47	Gimli	RM of Gimli
48	Arnes	RM of Gimli
49	St. Lazare	RM of Ellice-Archie
50	St. Pierre	RM of De Salaberry
51	Lorette	RM of Taché
52	Souris	Municipality of Souris-Glenwood
53	Birtle	Municipality of Prairie View

Other Licensed Collection Facilities

1	Winnipeg	A-1 Environmental Services, 1447 Dugald Rd.
2	Winnipeg	GFL Green For Life 1090 Kenaston Blvd.
3	Winnipeg	Miller Environmental Corporation, 1803 Hekla
4	Winnipeg	Frank Motors 575 Notre Dame Ave.
5	Winnipeg	Canadian Tire Grant Park 1080 Grant Ave.
6	Winnipeg	Canadian Tire East Kildonan 1519 Regent Ave.
7	Winnipeg	Canadian Tire Polo Park 750 St. James St.
8	Winnipeg	Canadian Tire Fort Garry McGillivray & Kenaston
9	Winnipeg	Canadian Tire St. Boniface Fermoil & Beaverhill
10	Winnipeg	Canadian Tire Unicity 3615 Portage Ave.
11	Winnipeg	Great Canadian Oil Change 1109 St. Mary's Road
12	Winnipeg	Great Canadian Oil Change 2407 Pembina Hwy.
13	Winnipeg	Great Canadian Oil Change 3226 Portage Ave.
14	Winnipeg	Great Canadian Oil Change 622 Archibald St.
15	Winnipeg	Brady Landfill 1777 Brady Road
16	Winnipeg	1120 Pacific Avenue
17	Headingley	Recycle West 6 Sabrina Way
18	Stonewall	RM of Rockwood
19	Notre Dame	Jean Farms Ltd.
20	Morden	Pembina Valley Containers Ltd.

21	Hartney	Southwest Recycling
22	Grand Rapids	ET Development Ltd.
23	Killarney	Town of Killarney
24	St. Jean	Miller Environmental Corporation
25	Dunnottar	Village of Dunnottar
26	Cranberry Portage	LUD of Cranberry Portage
27	Rorketon	RM of Lakeshore
28	Vita	RM of Stuartburn
29	Deloraine	Municipality of Deloraine-Winchester
30	Fisher Branch	RM of Fisher
31	Moosehorn	RM of Grahamdale
32	Ashern	Municipality of West Interlake
33	Hollow Water	Manitoba Aboriginal and Northern Affairs
34	Beausejour	Beausejour Tire
35	Hillside	RM of Springfield
36	Oakwood	RM of Springfield
37	Steinbach	Great Canadian Oil Change 41 Hwy 12 North
38	Winkler	Great Canadian Oil Change 611 Main Street
39	Portage la Prairie	Great Canadian Oil Change 1040 Saskatchewan Ave W
40	Brandon	Great Canadian Oil Change 827 18th St

Northern Remote Communities (See Page 9)

1	St. Theresa Point	St. Theresa Point First Nation
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2	Churchill	The Town of Churchill
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Highlights of 2016

Northern Remote Communities

MARRC initiated participation in the north which resulted in burner installations in both St. Theresa Point and Churchill.



St. Theresa Point

Solomon Mason
Project Manager
← &
Ron Benson



Churchill

MARRC then participated in a tour with Government personnel and other Producer Responsible Organizations (PROs) on October 26 that involved visits to Bloodvein and Berens River. An installation of 2 x 2,500 litre tanks at Bloodvein was completed with funding support provided.



Bloodvein



Berens River

MARRC participated in the organization and presentation at the First Nations Communities Sustainable Waste Management & Recycling Workshop January 17/18, 2017.



Ron Benson of MARRC
with Michael John Harper & Janet Wood of
St. Theresa Point interacting with the participants

After MARRC's presentation, the following communities requested more information on the burning unit:

- Mathias Colomb Cree Nation (Pukatawagan) – Keith Castel
- Rolling River First Nation – Brent Wilson
- Mosakahiken Cree Nation (Moose Lake) – Cyril Ballantyne
- Sayisi Dene First Nation Tadoule Lake – Leonard Sanbury
- Swan Lake First Nation – Greg Soldier

In February, the following communities are looking at placing an order for a burning unit: Brochet, Lac Brochet, Tadoule Lake.



Highlights of 2016

Northern Remote Communities

MARRC also participated as a stakeholder in various meetings with the Island Lake area community personnel.

- October 6 – Attending: Solomon Mason – St. Theresa Point
Green Manitoba personnel
MARRC

The purpose of the meeting was to discuss opportunities for efficient recycling and waste management services for remote communities in Manitoba and the possibility to duplicate the St. Theresa Point experience in other jurisdictions.

- November 17 – Attending: Solomon Mason – St. Theresa Point
Green Manitoba personnel
MARRC

This meeting was held to build upon the initial meeting that was held at Green Manitoba October 6. This was more of a working group level meeting and was set-up as a meet and greet with other Island Lake Representatives and a brainstorming session on how to go forward with their waste issues.

- February 8 – Attending: Solomon Mason – St. Theresa Point along with Island Lake community personnel from Garden Hill, Wasagamach and Red Sucker Lake;
Green Manitoba personnel.
MARRC

The purpose of the meeting was to continue the discussion on Waste Management of the Island Lake communities and to discuss their waste management objectives.

Island Lake Working Group of Communities



Highlights 2016

City of Winnipeg Collection Depot Network Expanding



4 Great Canadian Oil Change locations now accepting used oil and antifreeze products in Winnipeg and 4 more throughout Manitoba!

RECYCLE Your Used Oil & Antifreeze products only here



6 Canadian Tire Locations accepting used oil and antifreeze products in Winnipeg!

City of Winnipeg opens 2 new One-Stop Shop Collection Centres!



Brady Road Landfill



1120 Pacific Ave.



Winnipeg's 16 Licensed Used Oil Depots

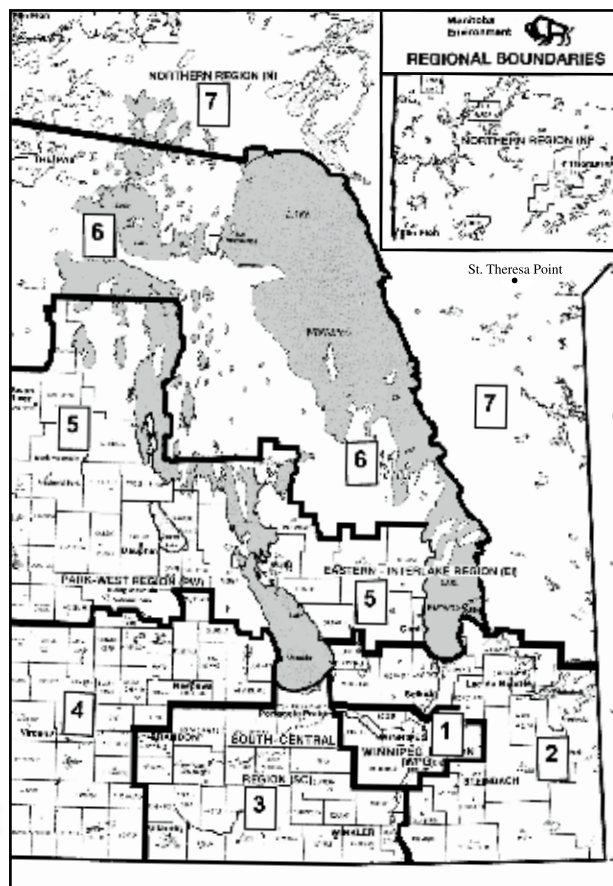
- Unicity - 3615 Portage Avenue
- St. Boniface - Fermor & Beaverhill
- Grant Park - 1080 Grant Avenue
- Transcona - 1519 Regent Avenue
- Fort Garry - McGillivray & Kenaston
- Polo Park - 750 St. James Street
- 2407 Pembina Hwy
- 1109 St. Mary's Road
- 622 Archibald St.
- 3226 Portage Avenue
- Brady Road Landfill
- 1120 Pacific Avenue
- GFL Green for Life - 1090 Kenaston Blvd.
- A-1 Enviromental - 1447 Dugald Road
- ME Miller Enviromental - 1803 Hekla Ave.
- FM Frank Motors - 575 Notre Dame Ave.

MARRC Collection Activity by Zone

Used Oil & Antifreeze Products for Collection



Collection Zones



Collection Percentages by Zone

Zone ►	1		2		3		4		5		6		7	
	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15
Oil	60	61	8	8	16	15	5	5	5	5	1	1	5	5
Filters	48	47	10	11	22	21	8	7	7	8	1	1	4	5
Containers	38	36	14	14	16	12	9	11	10	12	1	1	12	14
Antifreeze Fluid	52	61	12	9	19	19	7	4	5	4	1	1	4	2

Members of MARRC

49 North Forwarding Ltd.
 6232389 Manitoba Ltd.
 6195785 Manitoba Ltd.
 ABB Inc.
 ADP Distributors Inc.
 AGCO Corporation
 AMSOIL Inc.
 ATP-Inc.
 AUTO-CAMPING Ltd.
 Acklands-Grainger Inc.
 Affinia Canada Corporation
 Agricity Crop & Nutrition Ltd.
 Air BP Canada Ltd.
 Airparts Network Ltd.
 Altrom Canada Corporation
 American Grease Stick Co.
 Applied Industrial Technologies Ltd.
 Arctic Cat Sales Inc.
 Atlas Copco Compressors Canada
 Autosupply Acquisition Canada Inc.
 Aviall Canada Ltd.
 BASF Canada Inc.
 BMW Canada Inc.
 BOSS Lubricants
 BP Lubricants USA Inc.
 Baldwin Filters, Inc.
 Beck/Arnley Worldparts, Inc.
 BestBuy Distributors Limited
 Blue Streak - Hygrade Motor Products
 Bombardier Recreational Products Inc.
 Bosch Rexroth Canada Corp.
 Brandt Tractor Ltd.
 Buhler Versatile Inc.
 CG Power Systems Canada Inc.
 CNH Canada Ltd.
 CORE-MARK International Inc.
 CPT Canada Power Technology Limited
 CanAgro Exports Inc.
 Canada Safeway Limited
 Canadian Kawasaki Motors Inc.
 Canadian Pacific Railway
 Canadian Tire Corporation, Limited
 Castrol Industrial North America Inc.
 Cervus Equipment Corporation
 Chalifour Canada
 Champion Laboratories, Inc.
 Chevron Canada Limited
 Churchill Marine Tank Farm Co.
 Cleanair Filter Service
 Comairco Ltd.
 Costco Wholesale Canada Ltd.
 Cummins Western Canada
 D.A.S. Distributors Inc.
 Daimler Trucks Canada Ltd.
 Davanac Inc.
 Echo Power Equipment (Canada)
 Eni USA R&M Co. Inc.
 Eskimo Point Lumber
 FCA Canada Inc.
 FRAM Group Canada Inc.
 Fastenal Canada Ltd.
 Federated Co-operatives Limited
 Ford Motor Company of Canada Ltd.
 Fort Garry Industries Ltd.
 Fuchs Lubricants Canada Ltd.
 Full-Bore Marketing Ltd.
 G.F. Thompson Company Limited
 G.K. Industries Ltd.
 GEA Westfalia Surge Inc.
 GFL Environmental Corp.
 Gamma Sales Inc.
 Gates Canada Inc.
 General Motors of Canada Limited
 Greenland Corporation
 Harley-Davidson Canada L.P.
 Hastings Filters
 Henkel Canada Corporation
 Hino Motors Canada Ltd.
 Home Depot of Canada Inc.
 Home Hardware Stores Limited
 Honda Canada Inc.
 Husky Energy Inc.
 Husqvarna Canada Corp.
 Hyundai Auto Canada Corp.
 ITW Permatex Canada
 Imperial Oil Ltd.
 Importations Thibault Ltée
 Industrial Truck Service Ltd.
 Irving Blending & Packaging
 JKL Enterprises Inc.
 Jaguar Land Rover Group Canada Inc.
 John Deere Canada ULC
 KLONDIKE Lubricants Corporation
 KTM Canada Inc.
 Kadex Aero Supply Ltd.
 Kaeser Compressors Canada Inc.
 Kia Canada Inc.
 Kimpex Inc.
 King-O-Matic Industries Limited
 Kleen-Flo Tumbler Industries Limited
 Kubota Canada Ltd.
 LCT Lubricants Inc.
 Larry Penner Enterprises Inc.
 Laurentide Automotives Products Inc.
 Loblaw Inc.
 Lubricon Industries Canada Limited
 Lucas Oil Products (Canada) Company
 MANN & HUMMEL Canada Inc.
 MFTA Canada Inc.
 Macdon Industries Ltd.
 Machinerie R. Gagnon Inc.
 Mahle Aftermarket Inc.
 Manitoba Hydro
 Maryn international Ltd.
 Maxim Transportation Services Inc.
 Mazda Canada Inc.
 Mercedes-Benz Canada Inc.
 Mid-Canada Filtration Solutions
 Midwest Hydraulics Inc.
 Miller Supply Ltd.
 Mitsubishi Motor Sales of Canada, Inc.
 Modern Sales Co-op
 Mopac Auto Supply (Alberta) Ltd.
 Mopac Auto Supply Ltd.
 Motion Industries (Canada) Inc.
 Motor Coach Industries Limited
 Motovan Corporation
 NCH Canada Inc.
 National Energy Equipment Inc.
 Navistar Canada Inc.
 NemCo Resources Ltd.
 New Flyer Industries Ltd.
 Nissan Canada Inc.
 Noco Lubricants LP
 Nynas Inc.
 Oak Point Oil Distributors
 Oil Depot Limited
 Oil Mart Limited
 Orgill Canada Hardlines ULC
 Outboard Rebores/Alline Supply Inc.
 PACCAR of Canada, Ltd. Parts Division
 PSC-Power Source Canada Ltd.
 Parker Hannifin Canada
 Parkland Industries Ltd. (Bluewave Energy)
 Partner Technologies Inc.
 Parts Canada
 Peavey Industries Limited
 Petro-Canada Lubricants Inc.
 Polaris Industries Inc.
 Porsche Cars Canada Inc.
 Precambrian Wholesale Limited
 Prévost, a Division of Volvo Group Canada Inc.
 RONA Inc.
 RPM Environment Ltée
 Radiator Specialty Company of Canada Ltd.
 Recochem Inc.
 Revolution ORS LP (DBA Terrapure)
 Robco Inc.
 Robert Bosch Inc.
 SC CLS Holding ULC
 SMS Equipment Inc.
 Safety-Kleen Canada Inc.
 Sears Canada Inc.
 7-11 Canada
 Shell Canada Products Ltd.
 Southwestern Petroleum Canada Ltd.
 Spectrum Brands Canada Inc.
 Stihl Limited
 Subaru Canada Inc.
 Suzuki Canada Inc.
 TVH Canada Ltd.
 Texas Refinery Corp. of Canada Limited
 The North West Company Inc.
 Toromont Industries Ltd.
 Total Canada Inc.
 Toyota Canada Inc.
 Tranist Warehouse Distribution
 TruServ Canada Inc.
 UAP Inc.
 United Chemical Services
 Univar Canada Ltd.
 Valvoline Canada Ltd.
 Vermeer Canada Inc.
 Viscosity Oil Company
 Volkswagen Canada Inc.
 Volvo Cars of Canada Corp.
 Volvo Group Canada Inc.
 Wainbee
 Wajax Equipment
 Wajax Industrial Components
 Wajax Power Systems
 Wakefield Canada Inc.
 Wal-Mart Canada Corp.
 Wallace & Carey Ltd.
 Westcon Equipment & Rentals Ltd.
 Western Turbo & Fuel Injection Ltd.
 Westpower Equipment Ltd.
 Worldpac Canada Inc.
 Yamaha Motor Canada Ltd.
 Yetman's Ltd.
 Zellers / Hudson's Bay Co.

Manitoba Association for Resource Recovery Corp.

Financial Statements
December 31, 2016

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

<https://www.government.ca/Winnipeg/60011251-Manitoba-Association/2016/FS061165/Official Documents/MANITOBA ASSOC FOR RESOURCE RECOVERY CORP.docx> March 10, 2017 1:32 PM

DATE

Independent Auditor's Report

To the Members of Manitoba Association for Resource Recovery Corp.

We have audited the accompanying financial statements of Manitoba Association for Resource Recovery Corp. which comprise the balance sheet as at December 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes which include a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Manitoba Association for Resource Recovery Corp. as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Manitoba Association for Resource Recovery Corp.

Balance Sheet

As at December 31, 2016

	2016			2015	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Invested in Capital Assets \$	Total \$	Total \$
Assets					
Current assets					
Cash and cash equivalents (note 4)	1,369,645	779,113	-	2,148,758	1,111,179
Short-term investments (note 5)	202,612	-	-	202,612	1,541,956
Environmental handling charges receivable	923,418	155,790	-	1,079,208	1,238,872
Accrued interest and other receivables	12,220	-	-	12,220	53,068
Prepaid expenses and deposits	905	-	-	905	905
Due from Antifreeze Stewardship Program	430,871	-	-	430,871	362,163
	2,939,671	934,903	-	3,874,574	4,308,143
Long-term investments					
(note 5)	865,786	-	-	865,786	290,529
Capital assets					
Office furnishings, equipment and leasehold improvements	-	-	42,134	42,134	42,134
Less: Accumulated amortization	-	-	37,738	37,738	34,619
	-	-	4,396	4,396	7,515
	3,805,457	934,903	4,396	4,744,756	4,606,187
Liabilities and Net Assets					
Current liabilities					
Return and processing incentives payable	529,315	68,370	-	597,685	353,299
Accounts payable and accrued liabilities (note 7)	240,777	8,208	-	248,985	264,660
Due to Used Lubricating Products Stewardship Program	-	430,871	-	430,871	362,163
	770,092	507,449	-	1,277,541	980,122
Net Assets					
Invested in capital assets					
Unrestricted	3,035,365	427,454	4,396	3,467,215	3,618,550
	3,035,365	427,454	4,396	3,467,215	3,626,065
	3,805,457	934,903	4,396	4,744,756	4,606,187

Commitments (note 8)

Approved by the Board of Directors

Director _____ Director

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The accompanying notes are an integral part of these financial statements.

<https://wpo.pwcinternal.com/Winnipeg/60011251-Manitoba-Association/2016/FS061065/Official Documents/MANITOBA ASSOCIATION FOR RESOURCE RECOVERY CORP.docx> March 10, 2017 1:12 PM

Manitoba Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2016

	2016			2015	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Invested in Capital Assets \$	Total \$	Total \$
Revenue					
Environmental handling charges	3,703,395	478,265	-	4,181,660	4,564,994
Membership fees	416	-	-	416	1,400
	<u>3,703,811</u>	<u>478,265</u>	<u>-</u>	<u>4,182,076</u>	<u>4,566,394</u>
Expenses					
Return and processing incentives	3,085,976	208,924	-	3,294,900	3,234,221
EcoCentre support costs (note 9)	212,495	70,832	-	283,327	260,061
Ambassador program (note 10)	121,636	81,091	-	202,727	166,507
Wages, contract and benefits	145,961	48,652	-	194,613	194,484
Professional fees	86,282	10,943	-	97,225	87,748
Container freight and plastic processing costs	62,111	24,909	-	87,020	133,123
Rent	45,521	5,879	-	51,400	45,320
Public relations and promotion (note 11)	25,762	17,056	-	42,818	74,923
Compliance reviews	29,790	7,427	-	37,217	46,719
Green Manitoba agreement	26,777	3,458	-	30,235	30,234
Office and administration	18,989	2,452	-	21,441	19,444
Director fees and expenses	17,490	2,259	-	19,749	17,953
Meetings	11,250	1,453	-	12,703	5,589
Travel and automobile	9,765	1,261	-	11,026	15,632
Telephone and fax	7,216	932	-	8,148	7,663
Insurance	5,076	655	-	5,731	6,072
Amortization	-	-	3,119	3,119	3,123
Bursaries	1,328	172	-	1,500	4,250
Bank charges and interest	915	491	-	1,406	3,220
	<u>3,914,340</u>	<u>488,846</u>	<u>3,119</u>	<u>4,406,305</u>	<u>4,356,286</u>
Excess (deficiency) of revenue over expenses from operations	(210,529)	(10,581)	(3,119)	(224,229)	210,108
Investment income (note 6)	65,379	-	-	65,379	11,531
Excess (deficiency) of revenue over expenses	<u>(145,150)</u>	<u>(10,581)</u>	<u>(3,119)</u>	<u>(158,850)</u>	<u>221,639</u>

The accompanying notes are an integral part of these financial statements.

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Manitoba Association for Resource Recovery Corp.

Statement of Changes in Net Assets

For the year ended December 31, 2016

	2016			2015	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Invested in Capital Assets \$	Total \$	Total \$
Balance - Beginning of year	3,180,515	438,035	7,515	3,626,065	3,404,426
Excess (deficiency) of revenue over expenses	(145,150)	(10,581)	(3,119)	(158,850)	221,639
Balance - End of year	3,035,365	427,454	4,396	3,467,215	3,626,065

The accompanying notes are an integral part of these financial statements.

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Manitoba Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2016

	2016			2015	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Invested in Capital Assets \$	Total \$	Total \$
Cash and cash equivalents provided by (used in)					
Operating activities					
Excess (deficiency) of revenue over expenses	(145,150)	(10,581)	(3,119)	(158,850)	221,639
Items not affecting cash					
Amortization	-	-	3,119	3,119	3,123
Unrealized (gain) loss on investments	(22,132)	-	-	(22,132)	40,480
Realized gain on sale of investments	-	-	-	-	(3,288)
	(167,282)	(10,581)	-	(177,863)	261,956
Changes in non-cash working capital items	390,327	38,896	-	429,223	(224,173)
Due to (from) programs	(68,708)	68,708	-	-	-
	154,337	97,023	-	251,360	37,783
Investing activities					
Purchase of capital assets	-	-	-	-	(538)
Purchase of investments	(755,737)	-	-	(755,737)	(1,400,351)
Proceeds on redemption and sale of investments	1,541,956	-	-	1,541,956	863,582
	786,219	-	-	786,219	(537,307)
Increase (decrease) in cash and cash equivalents during the year	940,556	97,023	-	1,037,579	(499,524)
Cash and cash equivalents - Beginning of year	429,089	682,090	-	1,111,179	1,610,703
Cash and cash equivalents - End of year	1,369,645	779,113	-	2,148,758	1,111,179

The accompanying notes are an integral part of these financial statements.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT

NOT TO BE FURTHER COMMUNICATED

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

1 Nature of operations

Manitoba Association for Resource Recovery Corp. (the Corporation) was formed by oil and oil filter first sellers in Manitoba to develop, implement and administer a used lubricating products stewardship program in the province and began operation on January 1, 1997. The Corporation was incorporated as a not-for-profit corporation without share capital under The Corporations Act of Manitoba on April 1, 1997. On February 26, 1998, the Corporation received approval to operate its Used Lubricating Products Stewardship Program from the Minister of Environment, Province of Manitoba. On May 1, 2011, the Corporation was also approved to operate its Antifreeze Stewardship Program by the Minister of Conservation, Province of Manitoba. The Antifreeze Stewardship Program began active operations on August 1, 2011.

On September 25, 2013, the Corporation received approval to continue to operate the Used Lubricating Products Stewardship Program until December 15, 2017. On October 22, 2015, the Corporation received approval to continue to operate the current Antifreeze Stewardship Program until December 15, 2017.

As a not-for-profit corporation, no provision for corporate income taxes has been made in these financial statements pursuant to paragraph 149(1)(l) of the Income Tax Act.

2 Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3 Summary of significant accounting policies

Fund accounting

The accounts of the Corporation are maintained in accordance with the principles of fund accounting. Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Corporation.

For financial reporting purposes, the accounts have been classified into several funds. The activities carried out by each fund are as follows:

- Used Lubricating Products Stewardship Program - reports funds for the operations of the Used Lubricating Products Stewardship program.
- Antifreeze Stewardship Program - reports funds for the operations of the Antifreeze Stewardship Program.
- Invested in Capital Assets - reports the funds for the purchase and amortization of capital assets used in the operations of the Corporation.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT

NOT TO BE FURTHER COMMUNICATED

(1)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

Significant accounting policies are as follows:**Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and cash and cash equivalents held at banking institutions.

Investments

Investments consist of guaranteed investment certificates (GICs) and equity instruments. Investments that are intended to be held or that have maturity dates under a year are deemed to be short-term investments, with all others classified as long-term investments. Realized and unrealized gains and losses are included as investment income in the statement of operations. Purchases and sales are recognized using trade date accounting.

Capital assets

Capital assets are carried at acquisition cost less accumulated amortization. Amortization of office furnishings, equipment and leasehold improvements is calculated on a straight-line basis at an annual rate of 20% based on the estimated useful lives of these assets. One-half of the annual rates are charged in the year of acquisition.

Revenue recognition

The Corporation follows the deferral method of accounting for revenues. Revenue from environmental handling charges is recognized in the year for which suppliers and end-users assess it, as regulated by the Used Oil, Oil Filters and Containers Stewardship Regulation and by the Household Hazardous Material and Prescribed Material Stewardship Regulation of The Waste Reduction and Prevention Act. The one-time membership fees are recorded as revenue when the participating companies join the Corporation.

Dividend and interest income from investments and cash equivalents is recognized when earned and is recorded as investment income in the statement of operations. Other income is recognized when earned.

Return and processing incentives

The return and processing incentives are recognized as an expense in the year to which the claim relates.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

(2)

Manitoba Association for Resource Recovery Corp.**Notes to Financial Statements****December 31, 2016****Use of estimates**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the year incurred.

Financial assets measured at amortized cost include cash and cash equivalents, GIC investments, environmental handling charges receivable and accrued interest and other receivables.

Financial liabilities measured at amortized cost include return and processing incentives payable and accounts payable and accrued liabilities.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

4 Cash and cash equivalents

	2016 \$	2015 \$
Cash	1,294,879	1,097,168
Money Market Mutual Fund	853,879	14,011
	<u>2,148,758</u>	<u>1,111,179</u>

The Corporation has available a \$200,000 operating line of credit with TD Canada Trust. Interest is charged at TD Canada Trust's prime lending rate plus .5%. A term deposit of \$200,000 has been provided as collateral for any advances. As at December 31, 2016, no amount has been drawn on the line of credit.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
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(3)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

5 Investments

	Maturity date	Interest rate %	2016 \$	2015 \$
Short-term investments				
TD Mortgage Corporation GIC	April 4, 2017	1.25	202,612	202,234
Canadian Western Bank GIC	January 6, 2016	1.80	-	526,000
Equitable Bank GIC	July 19, 2016	2.27	-	100,000
Home Trust GIC	July 19, 2016	2.27	-	313,722
Equitable Bank GIC	December 15, 2016	2.10	-	400,000
			<u>202,612</u>	<u>1,541,956</u>
Long-term investments				
Canadian Western Bank GIC	January 8, 2018	1.80	548,000	-
Manulife Strategic Income Fund			117,922	113,248
TransAlta Corporation Preference shares			59,315	43,218
Fairfax Financial Holdings Ltd. Preference shares			56,181	52,643
Brookfield Office Properties Inc. Preference shares			54,080	50,700
National Bank of Canada Preference shares			<u>30,288</u>	<u>30,720</u>
			<u>865,786</u>	<u>290,529</u>
			<u>1,068,398</u>	<u>1,832,485</u>

6 Investment income

	2016		2015	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Total \$	Total \$
Interest and dividends	43,247	-	43,247	48,725
Unrealized gain (loss) on investments	22,132	-	22,132	(40,480)
Realized gain on sale of investment	-	-	-	3,286
	<u>65,379</u>	<u>-</u>	<u>65,379</u>	<u>11,531</u>

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED

(4)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

7 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$35,811 (2015 - \$38,292) is included within accounts payable and accrued liabilities.

8 Commitments**Operating lease**

The annual minimum rental for leased premises under a lease to February 28, 2018 is as follows:

	\$
Fiscal year ending December 31, 2017	48,030
2018	8,006

EcoCentres

The Corporation has entered into two-year renewal agreements with 66 EcoCentres and licensed collection facilities that were established to provide no-cost drop-off centres for used oil and antifreeze materials.

As part of its contractual agreement with each EcoCentre owner-operator, the Corporation is committed to provide annual operating support until July 31, 2018. The operating support payments for the EcoCentres currently in operation are estimated to be as follows:

	\$
Fiscal year ending December 31, 2017	268,763
2018	156,778

**FOR DISCUSSION WITH MANAGEMENT ONLY -- SUBJECT TO AMENDMENT
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(5)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

9 EcoCentre support costs

	2016 \$	2015 \$
Used Lubricating Products Stewardship Program		
Operating and capital support	183,553	171,856
Brady Landfill project	18,889	-
Remote Centres support	6,644	-
New signage	-	9,262
Operational audits, training and supplies	3,409	13,928
	<u>212,495</u>	<u>195,046</u>
Antifreeze Stewardship Program		
Operating and capital support	61,184	57,286
Brady Landfill project	6,296	-
Remote Centres support	2,215	-
New signage	-	3,087
Operational audits, training and supplies	1,137	4,642
	<u>70,832</u>	<u>65,015</u>
	<u>283,327</u>	<u>260,061</u>

10 Ambassador program

	2016 \$	2015 \$
Wages	68,151	73,239
Handouts, bookmarks, USB chargers and draw prizes (note 11)	90,730	44,828
Transportation, meals and accommodation	25,044	28,546
Trade show fees, uniforms, supplies and insurance	18,802	19,894
	<u>202,727</u>	<u>166,507</u>

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(6)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2016

11 Public relations and promotion

	2016 \$	2015 \$
Radio	17,566	17,497
Market development	10,000	9,000
Website	6,480	4,362
Marketing, advertising and promotional material (see below)	5,802	24,278
Northern region advertising	2,970	3,219
EcoCentre promotional handouts	-	8,640
Commercial video production	-	7,739
Take Pride Winnipeg	-	170
Mascots	-	18
	<u>42,818</u>	<u>74,923</u>

For 2016, expenses related to handouts have been moved to the Ambassador program (note 10).

12 Financial instruments

The Corporation manages risk and risk exposures by applying policies approved by the Board of Directors.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Corporation is exposed to credit risk through its environmental handling charges receivable. The risk is minimized due to the large registrant base.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to the changes in interest rates. The Corporation's exposure to interest rate risk pertains to interest-bearing, short-term and long-term investments, which are subject to future changes in interest rates.

Other price risk

The Corporation's other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to other price risk pertains to its equity investments which are affected by the changes in market prices.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations associated with financial liabilities in full. A range of alternatives is available to the Corporation including cash flow provided by operations, debt or a combination thereof.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

(7)



*Manitoba Association
for Resource Recovery Corp.*

Board of Directors and Staff



Back Row:

Lutz Ehrentraut (Secretary-Treasurer), Keith Penner, Paul Linchuang
Ron Benson (Executive Director).

Front Row:

Aaron Strub (Administrative Services Manager), Richard Waller,
Manny Micklash, Joe Casciano (Chairman).

Board of Directors

Joe Casciano, Canadian Tire Corporation, Limited
Chairman

Lutz Ehrentraut, Representing the Public
Secretary-Treasurer

Richard Waller, Imperial Oil
Director

Paul Linchuang, Fram Group Canada Inc.
Director

Manny Micklash, Parkland Industries Ltd. (Bluewave Energy)
Director

Keith Penner, Representing the Public
Director

Legal Counsel

Fillmore Riley, Barristers & Solicitors

Auditors

PricewaterhouseCoopers LLP, Chartered Professional Accountants

Staff

Ron Benson – Executive Director
Aaron Strub – Administrative Services Manager

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Mr. Oil Drop



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