



Mr. Oil Drop

Manitoba Association for Resource Recovery Corp.

MARRC 2018 ANNUAL REPORT

THE FINE ART OF THE WILDERNESS

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

Black Lake, Nopiming Provincial Park.

Photo by Mike Karakas

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Annual General Meeting

Tuesday, April 30, 2019
10:00 am

Delta Saskatoon Downtown
405 – 20th Street East
Saskatoon, SK
S7K 6X6

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 expires on December 15, 2017. The Corporation submitted Applications for Renewal for both the Used Lubricating Products Stewardship Program and The Antifreeze Stewardship Program in August of 2017 and has received approval of these Applications from the Minister of Sustainable Development on July 26, 2018 through to June 30, 2023, with Diesel Exhaust Fluid containers included in the approval.

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
SUSTAINABLE DEVELOPMENT**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

JUL 26 2018

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

Dear Mr. Benson:

I am pleased to issue an Approval to the Manitoba Association for Resource Recovery Corp. (MARRC) for the Manitoba Stewardship Program Plan for Used Oil and Antifreeze Products (the Program) effective July 1, 2018. This Approval will expire June 30, 2023, pursuant to Section 7(4) of the both the Used Oil, Oil Filters and Containers Stewardship Regulation and the Household Hazardous Material and Prescribed Material Stewardship Regulation (the Regulations) under the Waste Reduction and Prevention Act (WRAP Act).

This Approval is issued to MARRC under Section 7(2) of the Regulations and is subject to MARRC meeting the conditions as set forth in "Attachment A" of this letter, and which forms part of this Approval.

If I am not assured that MARRC is implementing or operating the Program substantially in accordance with its intent, or where I or my officials have concluded, based on relevant circumstances, that the Program or terms of this Approval, including "Attachment A: Conditions of Approval" should be reviewed, then pursuant to Section 7.1 of the Used Oil, Oil Filters and Containers Stewardship Regulation and Section 8 of the Household Hazardous Material and Prescribed Material Stewardship Regulation, new or additional conditions may be imposed as deemed appropriate so as to ensure that the environmental outcomes and regulatory requirements are fulfilled.

The Department intends to establish guidelines for third party assurance of non-financial information to be reported by all approved stewardship program operators in the Province of Manitoba. My officials in Manitoba Sustainable Development will work with MARRC to establish guidelines to provide the Manitoba government with a reasonable level of assurance that key performance measures of the Program are reported accurately.

It is a priority of this department that the Program provide convenient, province-wide accessibility to all Manitoba communities including Manitoba's northern, remote and First Nations communities. I expect MARRC to work collaboratively with other Producer Responsibility Organizations to maximize synergies and deliver program outcomes in a cost effective and efficient manner.

I will take this opportunity to remind you that under Section 10(1) of the Used Oil, Oil Filters and Containers Stewardship Regulation and Section 11(1) of the Household Hazardous Material and Prescribed Material Stewardship Regulation, as Minister, I have the authority to suspend or cancel the Approval of the Program at any time if there is a breach or contravention by MARRC as the operator of the Program, of either the WRAP Act or the Regulations or the conditions set forth in this Approval and, if applicable, subsequent amendments of this Approval.

Any notices to be provided to department officials pursuant to this Approval shall be submitted in writing to: Senior Manager, Waste Diversion and Recycling Unit, Manitoba Sustainable Development, Box 38, 200 Saulteaux Crescent, Winnipeg, Manitoba, R3J 3W3.

MARRC should submit their next application for renewal of this Approval by January 31, 2023 to allow adequate time for review and public consultations.

I look forward to the continued operation of the Program in the Province of Manitoba.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R. Squires', is positioned above the printed name of the Minister.

Rochelle Squires
Minister

Attachment

c: Joe Casciano, Chair of the Board
Glen Holmes

Highlights of 2018

Ambassador Program - Calendar of Events for 2018

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 Events that MARRC participated in with the Ambassador Program.

MARCH

16-18 World of Wheels

APRIL

4 Team up to Clean up - BellMTS Centre	27-29 Rodorama
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MAY

27 Teddy Bear's Picnic

JUNE

1-3 Transcona Hi Neighbour Festival & Parade	6-10 Brandon Exhibition	8-9 Lunder Fair
14 RM of St. Andrews Open House	8-9 Niverville Fair & Parade	15-24 Wpg. Red River Exhibition
15-17 Steinbach Summer in the City	13 CTR Habanero Fish Fry & Burger Take 2	22 Town of Neepawa Open House
19 RM of St. Clements Open House	22-23 Killarney Summer Fair & Parade	30-1 Osborne Village Canada Day

JULY

4 Rivers Ag Fair	6-7 Falcon Lake Fun Fest	6-8 Minnedosa Fun Fest & Parade
6-8 Portage Exhibition	8 Gimli Car Show	12-14 Carman County Fair
12-14 St. Pierre Frog Follies Parade	13-15 Selkirk Triple S Fair & Rodeo & Parade	19-22 Morris Stampede & Parade
27-29 Winnipeg Beach Boardwalk Days & Parade	27-29 Altona Sunflower Festival & Parade	26-29 Austin Thresherman's Reunion & Parade

AUGUST

1 Dauphin Annual Street Fair Dance	3-6 Gimli Icelandic Festival & Parade	10 Rumble in Roblin
10-12 Winkler Harvest Festival & Parade	11 Portage la Prairie Potatoe Festival	15 Northern Association Trade Show
16-19 Hanover Ag Fair & Parade	17-19 Stonewall Quarry Days Parade	24-26 Morden Corn and Apple Festival

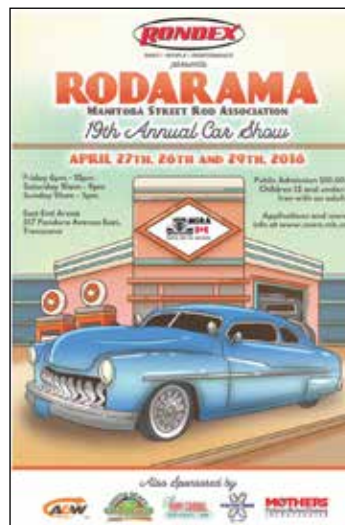
SEPTEMBER

8 Garden City Car Show	8 Sherbrook Street Fest
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Car Shows:



World of Wheels at the RBC Convention Centre March 16-18



Rodorama Car Show April 27 - 29



Garden City Car Show Sept 7-8-9

Highlights of 2018

Ambassador Program - Partners in Progress!

The main focus of the Ambassador Program was to engage with the visitors by highlighting the importance of recycling. MARRC participated in over 40 exhibitions, tradeshow and parades this year. 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:

Health Product Stewardship Association (HPSA) – 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.



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.



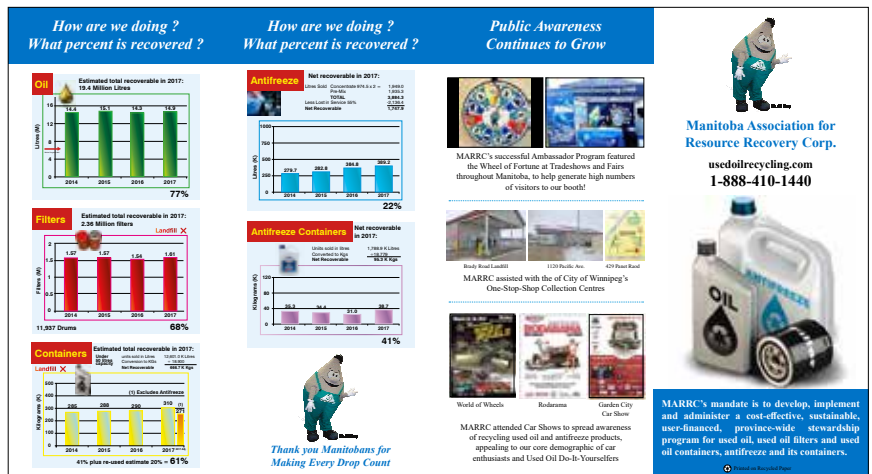
Ambassador Program – Brochures Distributed

The Ambassadors also 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.

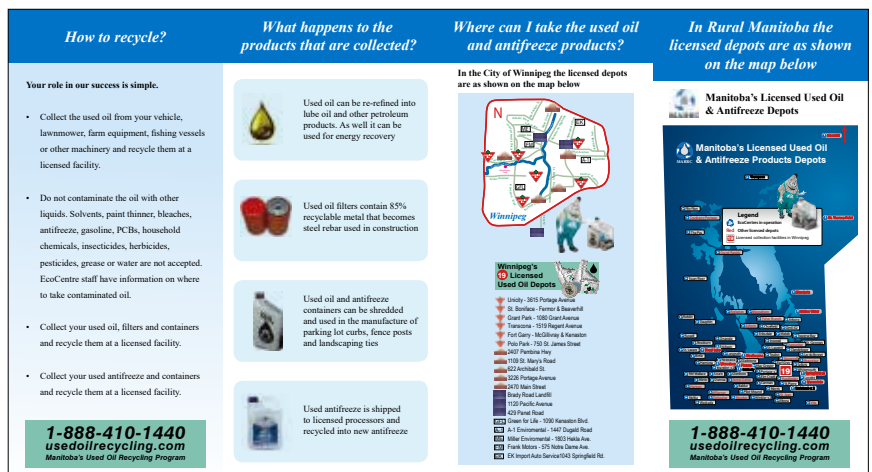
Wrapped Vans



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



MARRC also contracted to have an ambassador drive their own personal van which was also wrapped with advertising, during the course of an entire year.



Highlights of 2018

Ambassador Program – Survey

Over 10,000 visitors completed the survey!

The Ambassadors participated with the visitors by having them respond to the sample survey.



The participants then spun our Wheel of Fortune for a chance to win some great prizes

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



You could win a Canadian Tire Gift Card worth \$50!

Please complete the following: For Steinbach

- Do you change your own oil and antifreeze or do you take your vehicle in for service?
Do it yourself _____ Take In For Service _____
 - If you change your own oil, what oil and antifreeze products do you recycle (ignore if you take your vehicle in)?
Oil _____ Filters _____ Containers _____
Antifreeze _____ None of the above _____
 - Where do you recycle your used oil and antifreeze products:
EcoCentre _____ Canadian Tire _____ Dealer / FastLube / GCOC _____
No Vehicle _____ Other _____
 - Did you know that you can recycle your used oil & antifreeze products at the Hanover Landfill in Steinbach?
YES _____ NO _____
- Name _____
Phone # _____

Ambassador Survey Results Summer 2018

Location	Total Entries
Gimli Icelandic Festival	1650
Red River Ex Winnipeg	1387
Morden Corn & Apple Festival	987
Osborne Village Canada Day	957
World of Wheels	710
Transcona Hi Neighbour Festival Inc.	440
Morris Stampede	406
Stonewall Quarry Days	380
Austin Thresherman's Rodeo	375
Steinback Summer in the City	350
Selkirk Triple S Fair & Rodeo	349
Brandon Exhibition	335
Granden City Car Show	250
Winkler Harvest Festival	231
CTR	214
Altona Sunflower Festival	206
Gimli Car Show	154
Winnipeg Beach Boardwalk Days	152
Rodorama	145
Portage la Prairie Exhibition	138
Hanover Ag Fair	102
Carman Country Fair	79
St. Andrews Open House	70
Rivers Ag Fair	60
Falcon Lake Fun Fest	51
Northern Association of Community Councils	29
Minnedosa Fun Fest	28
Killarney Summer Fair	11
Total	10,246

There were 600 Radio ads on 9 rural radio stations as well as 800 ads on Winnipeg radio stations promoting each specific local event. Both City of Winnipeg as well as Rural Map Fridge Magnets were distributed. They displayed the locations of Licensed collection depots throughout Manitoba.

Sign Board displayed at events

FREE DRAW

FOR A
CANADIAN TIRE
\$50.00
GIFT CARD!

Manitoba Association for Resource Recovery Corp.
Usedoilrecycling.com
1-888-410-1440

Manitoba's Licensed
Used Oil
& Antifreeze Depots

Winnipeg's
18 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 Street
- 3226 Portage Avenue
- 2470 Main Street
- Brady Road Landfill
- 1120 Pacific Avenue
- 429 Panet Road
- Green for Life - 1090 Kenaston Blvd.
- A-1 Environmental - 1447 Dugald Road
- Frank Motors - 575 Notre Dame Ave.
- EK Import Auto Service - 1043 Springfield Rd.

1-888-410-1440 | www.usedoilrecycling.com
Manitoba's Used Oil & Antifreeze Recycling Program

Highlights of 2018

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 was very high with long line-ups at the booth 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.



Lanyards



Bookmarks →



Hats



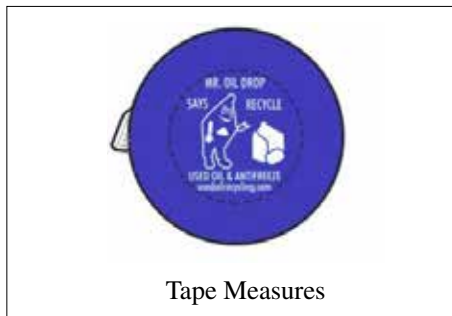
Wheel of Fortune



Mrs. Oil Drop Beanie Babies



Magnetic Fridge Clips



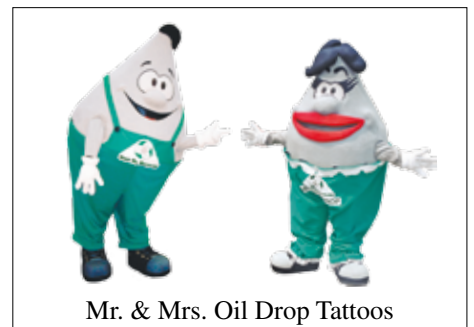
Tape Measures



Sport Sacks



4 Different Colour Wristbands



Mr. & Mrs. Oil Drop Tattoos

Highlights of 2018



Students gathering at the MARRC booth at the Team up to Clean up event at the Bell MTS Place



Mrs. Oil Drop participates in the Icelandic Parade in Gimli



Canada Day Osborne Village Street Festival



Participants at the Red River Exhibition



Rivers Fair Parade



Teddy Bear's Picnic

Highlights of 2018

MARRC Television and Radio Media Partnerships



270 Animated Ads on Global TV during the summer



MARRC produced a 30 second commercial video which depicts the recycling of used oil & antifreeze products and displays the consequences of unsafe disposal practices.



CTV News highlighting the 5,000 derelict cars in St. Theresa Point and Solomon Mason's role in obtaining a crushing unit to help solve the problem.



700 ads on Winnipeg radio stations
CJOB AM and Power 97 FM
promoting each specific local
Ambassador event during the summer



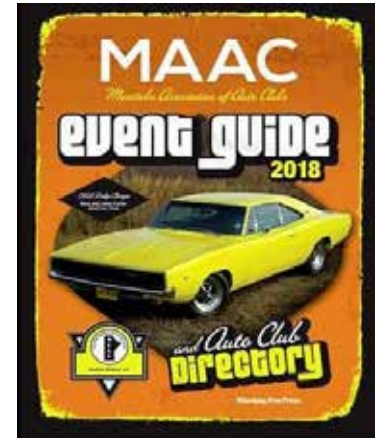
There were 600 Radio ads on 9 Manitoba rural
radio stations promoting each specific local
Ambassador event during the summer as well.



Highlights of 2018

MARRC Advertisies in the Manitoba Association of Auto Clubs (MAAC) Event Guide, First Nations Voice & Manitoba Mining Review.

- MAAC is recognized as the voice of collector car and specialty vehicle enthusiasts across Manitoba. This comprehensive Guide lists all car clubs and events taking place in Manitoba in 2018. Over 50,000 copies are delivered throughout Manitoba to all Winnipeg Free Press Subscribers, car dealerships, doctor's offices, dental offices, uptown racks, MAAC Membership and numerous other retail locations.
- First Nations Voice is a privately owned newspaper with a distribution of 47,000 that provides an educational and information-sharing vehicle for both First Nations / Aboriginal communities and non-Aboriginal communities in Manitoba. The purpose is to educate, inspire and inform the general public from a First Nations / Aboriginal perspective.
- The Manitoba Mining Review is distributed to association members, all pertinent government officials and to all companies with an interest in Manitoba mining.



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

Their 48th Annual tradeshow was held at the CanadInns Polo Park Hotel in Winnipeg on August 15th. 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.



Bursaries awarded for a Fifteenth year

Bursaries were awarded to students (2 x \$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon, the University of Winnipeg and Red River Community College.

EcoCentre / Collection Depot licensed network

MARRC provides support for **94** of the 102 provincially Licensed EcoCentres and exceeds 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, Bloodvein & Hollow Water.

City of Winnipeg

There are also **18** locations in Winnipeg, 6 of which are Canadian Tire, 5 are Great Canadian Oil Change and 3 City of Winnipeg One-Stop-Shops now at the Brady Road Landfill, 1120 Pacific Avenue as well as 429 Panet Road at Mission.

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 2018, inspections were conducted at all of the licensed EcoCentres and collection depots in the Province of Manitoba.

Manitoba Association of Regional Recyclers (MARR) Forum November 8

MARRC presented at 2 breakout sessions on Waste Management Action at the MARR Forum held on November 8 in Winnipeg. A MARRC booth was also in place. There were 172 delegates that included Mayors, Reeves and Councillors from Municipalities all across Manitoba that were in attendance.



Highlights of 2018

Local Initiatives



Mr. Oil Drop participated with grades 2 & 3 students for Earth Day in the *Town of Pilot Mound*.



City of Steinbach's Annual Used Oil EcoDay – June 13

119 Customers delivered 4,450 litres of used oil.
Customers received 1 litre of new oil free for every 5 litres of used oil delivered (max 5 litres per person).



Oil Recycling Day!!

Saturday, July 21, 2018
9 am to 4 pm

For every 5L of used oil brought to the
Poplarfield Disposal Site
(One south & 115m west from Poplarfield)

You will receive 1L of 10W-30 FREE!!!
(Limit of 2- 1L per customer)

Customer name will be entered to win a free case of 10W-30 oil
(Draw will be held at season closing)

Note: oil contaminated with water, pesticides, bleach, wood, preservatives, antifreeze, paint etc. can NOT be accepted

Customers received 1 litre of new oil free for every 5 litres of used oil (max 2 litres per person)

Advertising took place in the North of 68
Paper plus the RM of Fisher Newsletter which circulated to all residents

RM of Fisher Oil Recycling Day on July 21 for all used oil products.

Community Recycling Event

SEPTEMBER 18th
10 AM to 2 PM
OLD SCHOOL PUBLIC WORKS YARD

Come on out on Tuesday, September 18th and recycle everything you can!
We will be set up with participating recycling partners

WE WILL BE ACCEPTING:

— PAINT — AEROSOL CANS — FLAMMABLE MATERIALS — FLUORESCENT LIGHTS (including CFL bulbs) — TOXIC MATERIALS
— USED OIL, ANTIFREEZE, FILTERS & CONTAINERS — ELECTRONIC WASTE — ~~HOUSEHOLD HAZARDOUS WASTE~~
— TESTING EQUIPMENT (both human & animal) — ~~WRITING INSTRUMENTS (pens, mechanical pencils, markers, highlighters)~~
— EYE GLASSES, PRESCRIPTION SUNGLASSES, READERS — ~~EXTERIORS (any and all)~~ — ~~TIRES (must be off the rim)~~ — PLASTIC BAGS
(including shopping bags, garbage bags, package wrapping, bubble wrap, all must be clean)

A great big thank you to our participating sponsors:



RM of Ethelbert's EcoDay on September 18 for all hazardous waste.



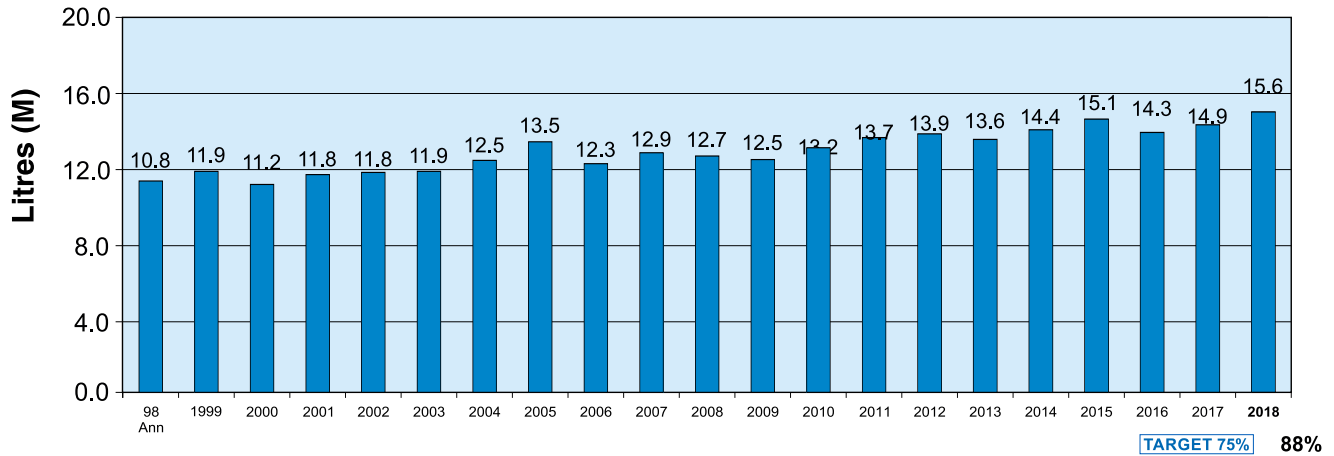
The *City of Dauphin*, EcoOil Recycling held an EcoDay on June 16

CKDM Radio in Dauphin advertised for 2 weeks and was present with their radio remote at the event. Over 100 people participated and delivered 1,800 litres of used oil that day. Free food and drinks were distributed to all who attended and a grand prize of a \$3,000, 65" Smart Screen TV was awarded as well.

Collection Activity by Product 2018

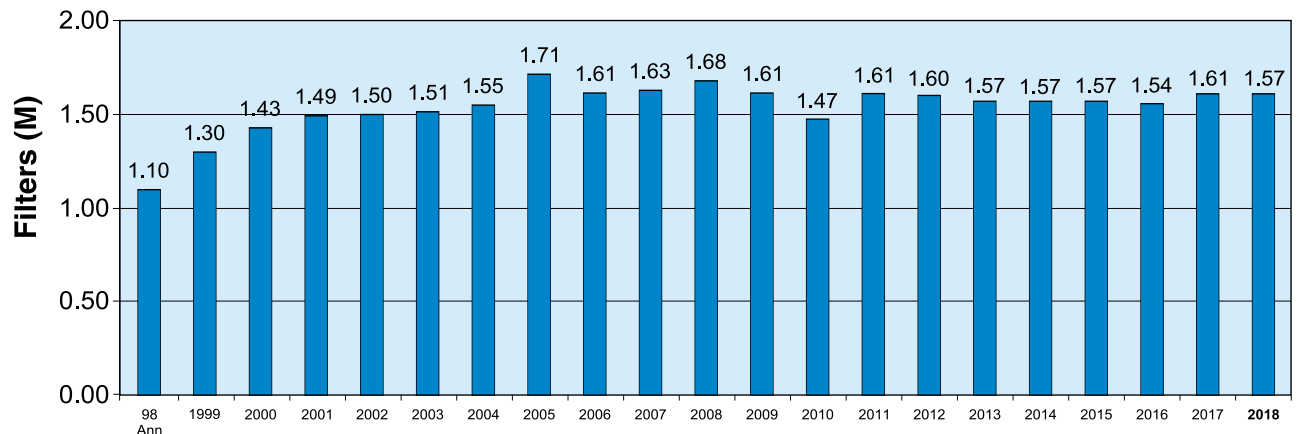
Oil

Litres Sold 27.2 M Litres
Less Lost in Service 35% -9.5
Net Recoverable 17.7 M Litres



Filters

Filters sold 2.28
Filters recoverable 2.28
11,629 drums x 135 filters per drum = 1.57 M filters collected

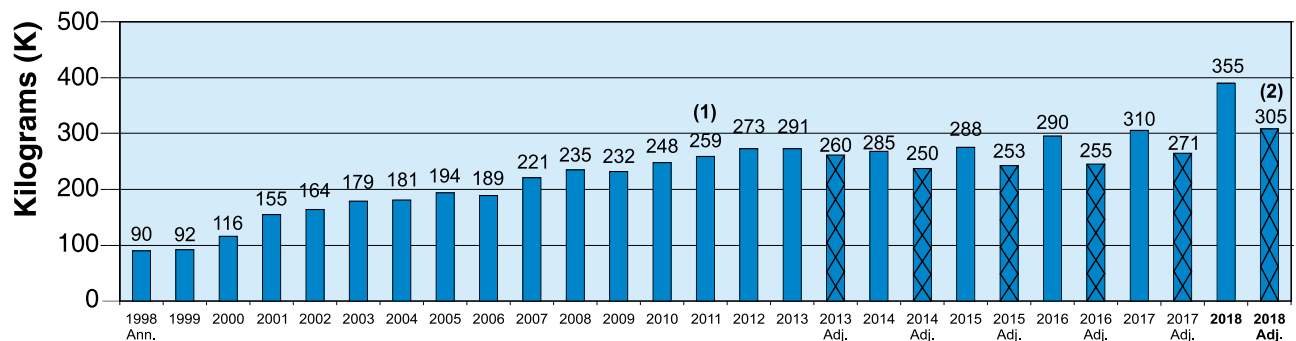


* Historical pick-up volumes from Generators in January are very limited following the year-end push in December. Also, our policy is that weigh scale ticket dates determine the cut-off between December and January. Following year end there was \$185,000 of Collector claims that would normally have been completed before year end but were pushed back to January due to year-end plant closures. Upon extrapolating, the volume of filters collected would have resulted in a collection rate of 73%.

TARGET 75% * 69%

Containers under 50 litres capacity

Units Sold in Litres 10,431 K Litres
Converted to Kgs ÷ 16.86
Net Recoverable 618.7 K Kgs



49%

Plus re-use estimate 20%

= 69%

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

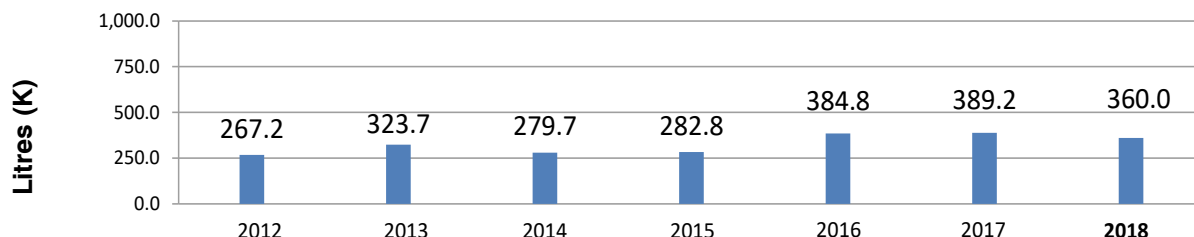
(2) Total K Kgs excluding Antifreeze Containers

Collection Activity by Product 2018

Antifreeze

Fluid

Litres Sold -	Concentrate	1,273.9 x 2 = 2,547.8
	Pre-Mix	<u>+2,101.4</u>
	TOTAL	4,649.2
Less Lost in Service	55%	<u>-2,557.0</u>
Net Recoverable		2,092.2 K Litres



17%

Antifreeze Fluid Recovery Review

The Antifreeze Recovery Rate 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 developed and conducted through a website a detailed Survey that concluded in 10 days with 1251 respondents

The results indicate that top-ups and burst hoses, which are non recoverable (i.e. Lost in Service), are responsible for 86% of generator antifreeze purchases which will result in a Lost in Service number in the range of 80% rather than 55% leading to a recovery of approximately **60%**.

The results are as follows:

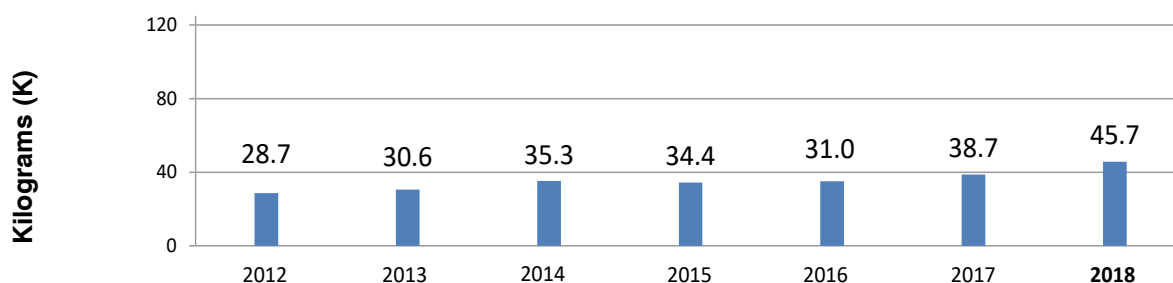
Top-up	920	82%
Burst Hose	44	4%
Other	45	4%
Engine Flush	111	10%
TOTAL	1120	100%

Wpg.	706	Total Respondents	1251
Rural	414	Less Non-Purchasers	-131
Total	1120		1120

Details covering an extensive Antifreeze National Study currently underway are included on page 15.

AF Containers

Units Sold in Litres	2,086.7 K Litres
Converted to Kgs	<u>÷ 22.37</u>
Net Recoverable	93.3 K Kgs



49%

DEF Containers

Effective November 5

Units Sold in Litres	241.9 K Litres
Converted to Kgs	<u>÷ 23.34</u>
Net Recoverable	10.4 K Kgs



49%

Antifreeze recovery rates in the Province and indeed throughout Canada have 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?

The Used Oil Management Programs across Canada initiated a detailed Antifreeze Recoverable Rate Study by using Chamard Environmental Strategies to determine how much antifreeze is actually “lost in service”. (See Sector Approach below)

Methodology recap

Garages and bodyshops

1. List of antifreeze generators
2. Cold calls for 5-10 minutes interview
3. Collect data on annual quantities
 1. Bought
 2. Recovered
4. Calculate % of unrecoverable antifreeze

Recyclers

1. Liste of recyclers
2. Cold calls for 5-10 minutes interviews
3. Collect data on average quantity recovered per vehicle

3 Main Sectors for More Precision



AUTOMOTIVE SECTOR



ROAD TRANSPORTATION SECTOR



OTHER SECTORS (MINING SITES, LOGGING CAMPS, AGRICULTURE, CONSTRUCTION)

Subsectors – Automotive and Road Transport

Mechanical
Garages

Body Shops

Vehicle
recyclers

Subsectors – Other Sectors

Mining
sites

Logging
camps

Farms

Other

Work Tools

- UOMA Members lists
- Green Garages lists (Québec)
- Excel CRM system
- Survey Monkey

Difficulties and solutions

- Multi sectorial body shops and vehicle recyclers
- Very few specialized recyclers
- Lack of precision of the collection dates for some respondents
- Lack of precision of annual quantities bought
- Turnover rate of call agents
- Participation rate

Adjustments and improvements



Precision / clarity of the questions



Quality of the targeted respondents



Hiring of experienced call agents



Difference between collected Qty and claimed Qty

What's next?

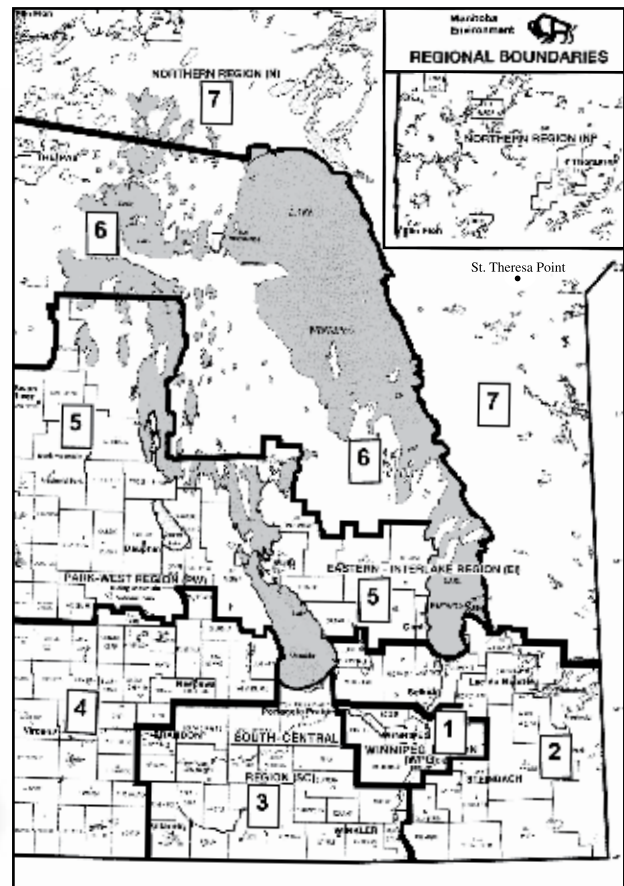
- Complete surveys
- Collect complementary data
- Run a pre-analysis
- Expand number of surveys if required
- Run a complete analysis by province and overall
- Report

MARRC Collection Activity by Zone

Used Oil & Antifreeze Products for Collection



Collection Zones

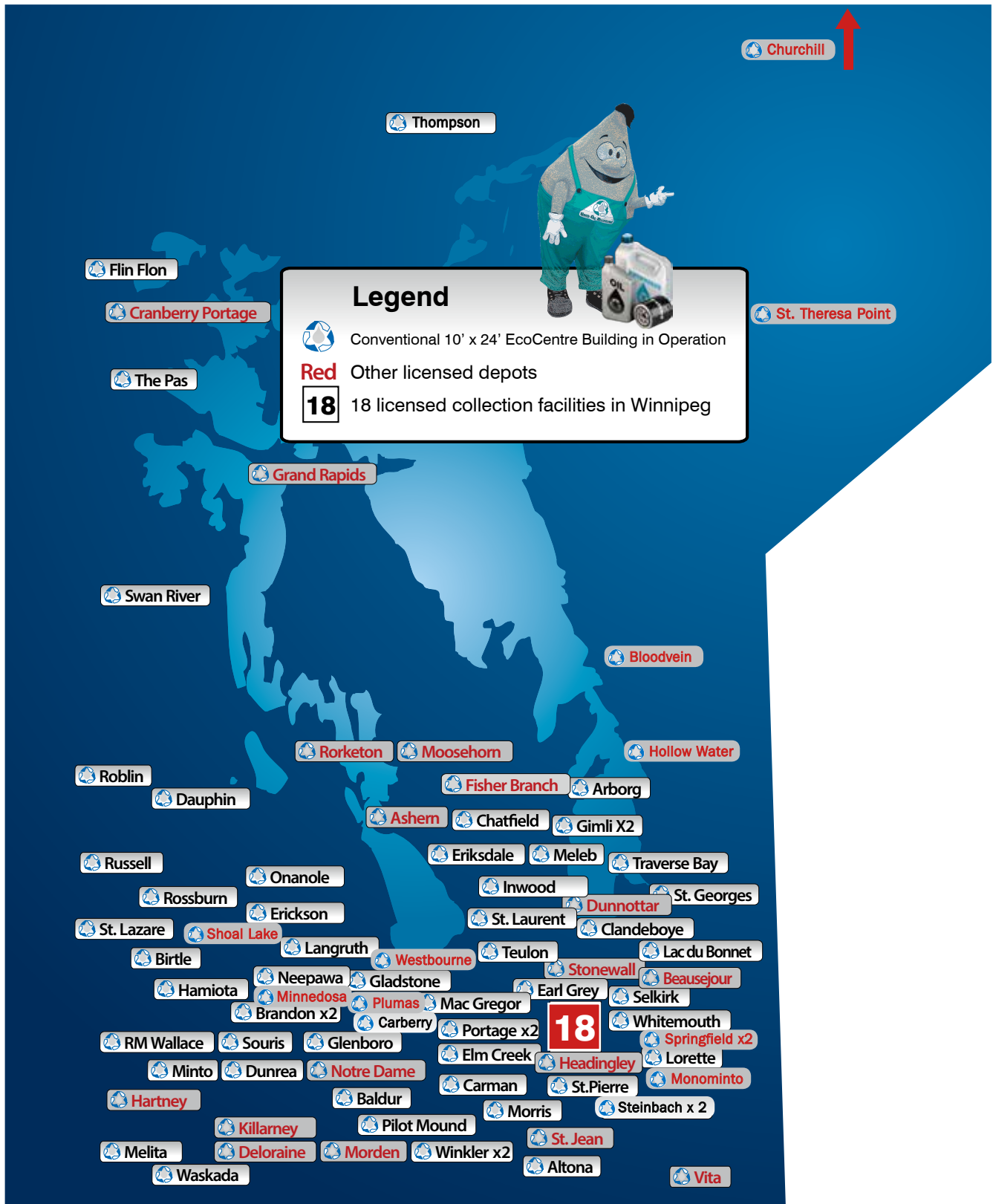


Collection Percentages by Zone

Zone ►	1		2		3		4		5		6		7	
	'18	'17	'18	'17	'18	'17	'18	'17	'18	'17	'18	'17	'18	'17
Oil	65	60	6	8	14	15	4	5	6	5	1	1	4	6
Filters	47	47	12	11	20	21	8	9	7	7	1	1	5	4
Containers	35	38	12	11	17	15	9	11	14	12	2	1	11	12
Antifreeze Fluid	61	64	8	9	17	15	5	3	5	5	1	1	3	3



Manitoba's Licensed Used Oil & Antifreeze Depots





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 Managment
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	Clandeboye	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	Frank Motors 575 Notre Dame Ave.
4	Winnipeg	EK Import Auto Service Ltd., 1043 Springfield Rd.
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 Fernor & 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	Great Canadian Oil Change, 2470 Main Street
16	Winnipeg	4R, Brady Road Landfill
17	Winnipeg	4R, 1120 Pacific Avenue
18	Winnipeg	4R, 429 Panet Road
19	Headingley	Recycle West 6 Sabrina Way
20	Stonewall	RM of Rockwood
21	Notre Dame	Jean Farms Ltd.
22	Morden	Penner Waste Inc., 160 Grant Ave.

23	Hartney	Southwest Recycling
24	Grand Rapids	ET Development Ltd.
25	Killarney	Town of Killarney
26	Dunnottar	Village of Dunnottar
27	Cranberry Portage	LUD of Cranberry Portage
28	Rorketon	RM of Lakeshore
29	Vita	RM of Stuartburn
30	Deloraine	Municipality of Deloraine-Winchester
31	Fisher Branch	RM of Fisher
32	Moosehorn	RM of Grahamdale
33	Ashern	Municipality of West Interlake
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
41	Monominto	RM of Taché
42	Shoal Lake	RM of Yellowhead
43	Minnedosa	Evergreen Environmental Technologies
44	Plumas	Municipality of Westlake-Gladstone
45	Westbourne	Municipality of Westlake-Gladstone

Northern Remote Communities

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

3	Hollow Water	Manitoba Aboriginal and Northern Affairs
4	Bloodvein	Bloodvein First Nation

Highlights of 2018

Northern Remote Communities



Ron Benson, Executive Director of MARRC with Solomon Mason, Project Manager with St. Theresa Point standing in front of the used oil burner installed at the Fire Station.

Used Oil Burner at St. Theresa Point



Churchill Used Oil Burner



Used Oil Tanks at Bloodvein

Island Lake Working Group of Communities



Approvals granted for:

- St. Theresa Point
- Wasagamach
- Garden Hill

Along with

- Bloodvein
- Churchill

Highlights 2018

City of Winnipeg Collection Depot Network Expanding



5 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 3 new One-Stop-Shop Collection Centres!



Brady Road Landfill



1120 Pacific Ave.



429 Panet Road

Winnipeg's 18 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 Street
- 3226 Portage Avenue
- 2470 Main Street
- Brady Road Landfill
- 1120 Pacific Avenue
- 429 Panet Road
- Green for Life - 1090 Kenaston Blvd.
- A-1 Environmental - 1447 Dugald Road
- Frank Motors - 575 Notre Dame Ave.
- EK Import Auto Service - 1043 Springfield Rd.

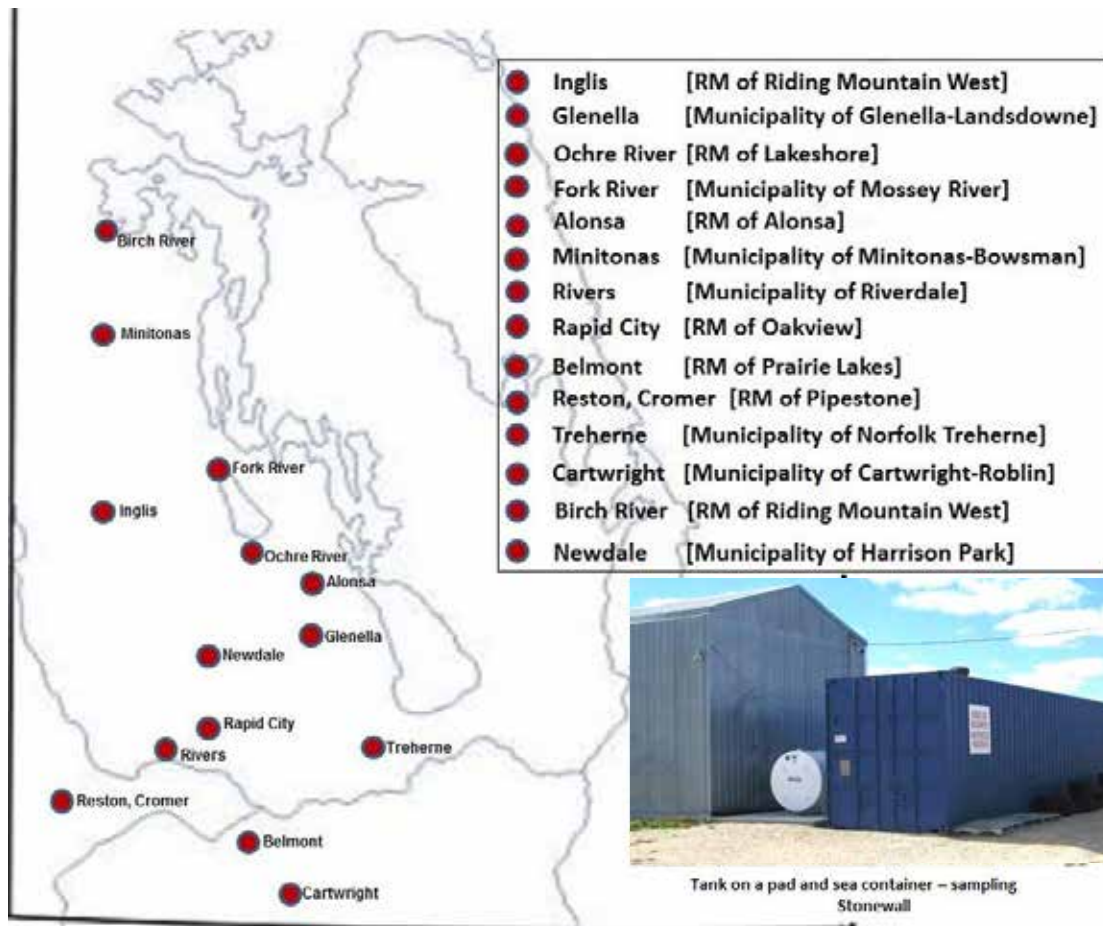
1-888-410-1440 | www.usedoilrecycling.com
Manitoba's Used Oil & Antifreeze Recycling Program

Highlights of 2018

Waste Management Example of Clean-up activities of Used Oil & Antifreeze and other products



*Further to the Licensed EcoCentre locations shown with the map on page 17,
MARRC will be working with the following
communities to assist them with appropriate compliance.*



MARRC's

“Consultation Process”

Included in the consultation process are the following:

- Members
- Collectors
- Processors
- EcoCentres
- The Public
- The Governments

In particular, with the Members, 5 Newsletters were distributed through NUOMAAAC, the National Used Oil Material and Antifreeze Advisory Council.

Volume 1 Issue 3

In keeping with the objective of harmonizing the programs throughout Canada, a National Survey was circulated to the entire Member complement across Canada to determine the Members' satisfaction with the current Used Oil Management Association (UOMA) Program.

Volume 1 Issue 4

UOMA Members of Canada's Used Oil Management Recycling Programs have spoken.

Most stewards are satisfied (or very satisfied) with their experiences with the UOMA Program. Members' comments also strongly encouraged improved national planning and cooperation amongst the UOMAs including:

- A “One-Window” approach to EHC remittances;
- Further harmonization on communications; and
- Much further national harmonization as possible for programs, product lists and definitions, EHCs and EHC compliance auditing

In response, the National Used Oil Material and Antifreeze Advisory Council (NUOMAAAC) is:

- Beginning work immediately to develop a “**One-Window**” approach for EHC remittances.

Since that time and to ensure we meet Member needs, we have directly engaged our Members to be as responsive and inclusive as possible as we move forward with this project. A focus group was established to provide valuable input.

A market scan was performed and with that we moved forward with a product design that would meet the requirements identified by the focus group.

In spring 2019 the focus group will be invited to participate in a demonstration of the One Window system.

Strategic Planning Session (SPS) Aug 21-23

MARRC hosted the combined Strategic Planning Session (SPS) of BCUOMA, AUOMA, SARRC, SOGHU & Ontario Directors and Staff. The session focused on addressing key strategic issues and team building. Below are pictures of the SPS, City of Winnipeg 4R site tour at 429 Panet Road.



Minister of Sustainable Development, Rochelle Squires participated at the SPS along with Ron Benson of MARRC, Dennis Neufeld of EPRA, & Randy Webber of Product Care

Members of MARRC

49 North Lubricants Ltd.
 6195785 Manitoba Ltd.
 6232389 Manitoba Ltd.
 A & I Products Canada Inc.
 ABB Inc.
 ADP Distributors Inc.
 AGCO Corporation
 AMSOIL Inc.
 ATP-Inc.
 Acklands-Grainger Inc.
 Agricity Crop & Nutrition Ltd.
 Air BP Canada Ltd.
 Airparts Network Ltd.
 Altrom Auto Group Ltd.
 Applied Industrial Technologies Lp
 Arctic Cat Sales Inc.
 Atlas Copco Compressors Canada
 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
 Blue Water West Limited
 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
 Canadian Tire Petroleum
 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
 Isuzu Commercial Truck of Canada 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 Filtration Technology Canada ULC
 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 Sales
 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
 Motosel Industrial Group Inc.
 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.
 Oil Depot Limited

Oil Mart Limited
 Orgill Canada Hardlines ULC
 OBR Oil and Marine 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
 PartsSource Inc.
 Peavey Industries Limited
 Petro-Canada Lubricants Inc.
 Phillips 66 Canada Ltd.
 Polaris Industries Inc.
 Porsche Cars Canada Inc.
 Prestone Canada
 Prévost, a Division of Volvo Group Canada Inc.
 RONA Inc.
 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.
 Sherwin Williams Canada Inc.
 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
 United Farmers of Alberta Co-op Ltd.
 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
 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.
 Wurth Canada Limited
 Yamaha Motor Canada Ltd.
 Yetman's Ltd.

Manitoba Association for Resource Recovery Corp.

Financial Statements
December 31, 2018



Independent auditor's report

To the Members of Manitoba Association for Resource Recovery Corp.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Association for Resource Recovery Corp. (the Organization) as at December 31, 2018 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.

What we have audited

The Organization's financial statements comprise:

- the balance sheet as at December 31, 2018;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

PricewaterhouseCoopers LLP
One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T: +1 204 926 2400, F: +1 204 944 1020

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 15, 2019

Manitoba Association for Resource Recovery Corp.

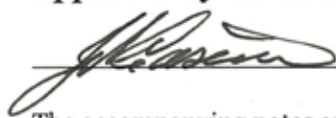
Balance Sheet

As at December 31, 2018

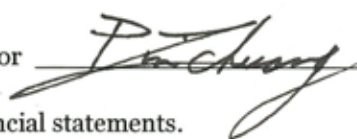
	2018				2017	
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Diesel Exhaust Fluid \$	Invested in Capital Assets \$	Total \$	Total \$
Assets						
Current assets						
Cash and cash equivalents	169,142	439,051	138	-	608,331	913,536
Short-term investments (note 4)	434,667	-	-	-	434,667	753,777
Environmental handling charges receivable	1,044,132	150,087	25,404	-	1,219,623	1,334,609
Accrued interest receivable	26,543	-	-	-	26,543	22,204
Prepaid expenses and deposits	905	-	-	-	905	905
Due from Diesel Exhaust Fluid Program	175	-	-	-	-	-
Due from Antifreeze Stewardship Program	187,452	-	-	-	-	-
	1,863,016	589,138	25,542	-	2,290,069	3,025,031
Long-term investments (note 4)	1,581,933	-	-	-	1,581,933	1,221,051
Capital assets						
Office furnishings, equipment and leasehold improvements	-	-	-	48,682	48,682	44,875
Less: Accumulated amortization	-	-	-	42,683	42,683	40,890
	-	-	-	5,999	5,999	3,985
	3,444,949	589,138	25,542	5,999	3,878,001	4,250,067
Liabilities and Net Assets						
Current liabilities						
Return and processing incentives payable	467,403	45,232	-	-	512,635	497,759
Accounts payable and accrued liabilities (note 6)	267,847	9,280	1,210	-	278,337	340,135
Due to Used Lubricating Products Stewardship Program	-	187,452	175	-	-	-
	735,250	241,964	1,385	-	790,972	837,894
Net Assets						
Invested in capital assets	-	-	-	5,999	5,999	3,985
Unrestricted	2,709,699	347,174	24,157	-	3,081,030	3,408,188
	2,709,699	347,174	24,157	5,999	3,087,029	3,412,173
	3,444,949	589,138	25,542	5,999	3,878,001	4,250,067

Commitments (note 7)

Approved by the Board of Directors



Director



Director

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

Manitoba Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2018

	2018				2017
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Diesel Exhaust Fluid \$	Invested in Capital Assets \$	Total \$
Revenue					
Environmental handling charges	3,905,395	506,747	24,194	-	4,436,336
Membership fees	400	-	-	-	400
	<u>3,905,795</u>	<u>506,747</u>	<u>24,194</u>	<u>-</u>	<u>4,436,736</u>
					<u>4,445,720</u>
Expenses					
Return and processing incentives	3,468,042	209,953	-	-	3,677,995
EcoCentre support costs (note 8)	245,372	81,790	-	-	327,162
Wages, contract and benefits	157,589	52,529	-	-	210,118
Container freight and plastic processing costs	140,491	46,830	-	-	187,321
Ambassador program (note 9)	93,075	62,050	-	-	155,125
Professional fees	83,659	10,788	-	-	94,447
Public relations and promotion (note 10)	32,573	21,715	-	-	54,288
Rent	39,387	5,079	-	-	44,466
Office and administration	19,422	2,505	-	-	21,927
Green Manitoba agreement	(26,782)	(3,453)	-	-	(30,235)
Director fees and expenses	13,607	1,755	-	-	15,362
Antifreeze study	-	12,404	-	-	12,404
Compliance reviews	14,814	3,704	-	-	18,518
Travel and automobile	8,241	1,063	-	-	9,304
Telephone and fax	6,836	882	-	-	7,718
Bursaries	886	114	-	-	1,000
Meetings	35,901	4,630	-	-	40,531
Insurance	5,151	664	-	-	5,815
Amortization	-	-	-	1,793	1,793
Bank charges and interest	882	414	37	-	1,333
	<u>4,339,146</u>	<u>515,416</u>	<u>37</u>	<u>1,793</u>	<u>4,856,392</u>
					<u>4,561,812</u>
Excess (deficiency) of revenue over expenses from operations	(433,351)	(8,669)	24,157	(1,793)	(419,656)
					(116,092)
Investment income (note 5)	87,735	6,777	-	-	94,512
					61,020
Excess (deficiency) of revenue over expenses	(345,616)	(1,892)	24,157	(1,793)	(325,144)
					(55,072)

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

Manitoba Association for Resource Recovery Corp.

Statement of Changes in Net Assets

For the year ended December 31, 2018

	2018				2017
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Diesel Exhaust Fluid \$	Invested in Capital Assets \$	Total \$
Balance - Beginning of year	3,059,122	349,066	-	3,985	3,412,173
Excess (deficiency) of revenue over expenses	(345,616)	(1,892)	24,157	(1,793)	(325,144)
Purchases of capital assets	(3,807)	-	-	3,807	-
Balance - End of year	2,709,699	347,174	24,157	5,999	3,087,029

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

Manitoba Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2018

	2018				2017
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Diesel Exhaust Fluid \$	Invested in Capital Assets \$	Total \$
Cash and cash equivalents provided by (used in)					
Operating activities					
Excess (deficiency) of revenue over expenses	(345,616)	(1,892)	24,157	(1,793)	(325,144)
Items not affecting cash					
Amortization	-	-	-	1,793	1,793
Realized gain on sale of investments	-	-	-	-	(22,955)
	(345,616)	(1,892)	24,157	-	(323,351)
Changes in non-cash working capital items	98,618	(10,699)	(24,194)	-	63,725
Due to (from) programs	216,410	(216,585)	175	-	-
Interfund transfers	(3,807)	-	-	3,807	-
	(34,395)	(229,176)	138	3,807	(259,626)
Investing activities					
Purchase of capital assets	-	-	-	(3,807)	(3,807)
Purchase of investments	(795,549)	-	-	-	(795,549)
Proceeds on redemption and sale of investments	753,777	-	-	-	753,777
	(41,772)	-	-	(3,807)	(45,579)
Increase (decrease) in cash and cash equivalents during the year	(76,167)	(229,176)	138	-	(305,205)
Cash and cash equivalents - Beginning of year	245,309	668,227	-	-	913,536
Cash and cash equivalents - End of year	169,142	439,051	138	-	913,536

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

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

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 April 25, 2018, the Corporation was also approved to operate its Other MARRC Designated Materials Program by the Minister of Sustainable Development, Province of Manitoba. The Other MARRC Designated Materials Program began active operations November 5, 2018 with the collection of an environmental handling charge on diesel exhaust fluids.

On July 26, 2018, the Corporation received approval to continue to operate the Used Lubricating Products Stewardship Program and the Antifreeze Stewardship Program from the Minister of Sustainable Development, Province of Manitoba until June 30, 2023.

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.
- Diesel Exhaust Fluids Program - reports funds for the operations of the Diesel Exhaust Fluid Stewardship Program.

(1)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

- Invested in Capital Assets - reports the funds for the purchase and amortization of capital assets used in the operations of the Corporation.

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). 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 and by the Packaging and Printed Paper Stewardship Regulation all under 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.

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.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

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Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

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

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 Investments

	Maturity date	Interest rate %	2018 \$	2017 \$
Short-term investments				
Crosstown Credit Union GIC	August 22, 2019	2.15	225,804	-
Crosstown Credit Union GIC	July 4, 2019	1.35	100,000	-
Crosstown Credit Union GIC	July 4, 2019	1.35	108,863	-
Canadian Western Bank GIC	January 1, 2018	1.80	-	548,000
TD Mortgage Corporation GIC	July 3, 2018	1.20	-	205,777
			<u>434,667</u>	<u>753,777</u>
Long-term investments				
Crosstown Credit Union GIC	August 22, 2019	2.15	-	221,051
Crosstown Credit Union GIC	July 8, 2020	2.65	557,933	-
Crosstown Credit Union GIC	August 22, 2021	2.40	1,024,000	1,000,000
			<u>1,581,933</u>	<u>1,221,051</u>
			<u>2,016,600</u>	<u>1,974,828</u>

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

5 Investment income

	<u>2018</u>		<u>2017</u>
	Used Lubricating Products Stewardship Program \$	Antifreeze Stewardship Program \$	Total \$
Interest and dividends	87,735	6,777	94,512
Realized gain on sale of investment	-	-	22,955
	<u>87,735</u>	<u>6,777</u>	<u>61,020</u>

6 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, \$27,501 (2017 - \$48,154) is included within accounts payable and accrued liabilities.

7 Commitments

Operating lease

The annual minimum rental for leased premises under a lease to February 28, 2023 is as follows:

	\$
Fiscal year ending December 31, 2019	44,460
2020	45,173
2021	45,315
2022	45,315
2023	7,553

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

EcoCentres

The Corporation has entered into automatic two-year renewal agreements with 81 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, 2019. The operating support payments for the EcoCentres currently in operation are estimated to be as follows:

	\$
Fiscal year ending December 31, 2019	189,146

8 EcoCentre support costs

	2018 \$	2017 \$
Operating and capital support	310,274	303,556
Remote Centres support	-	4,000
New signage	-	865
Operational audits, training and supplies	16,888	30,112
	<u>327,162</u>	<u>338,533</u>

9 Ambassador program

	2018 \$	2017 \$
Wages	73,364	69,319
Handouts, bookmarks, USB chargers and draw prizes	43,610	19,600
Transportation, meals and accommodation	20,486	22,892
Trade show fees, uniforms, supplies and insurance	17,665	13,468
	<u>155,125</u>	<u>125,279</u>

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

10 Public relations and promotion

	2018 \$	2017 \$
Radio	17,945	18,416
Website	3,889	10,245
Marketing, advertising and promotional material (see below)	7,255	6,630
Northern region advertising	2,840	-
Collection Facility advertising	12,000	10,000
Television commercial production	10,019	15,323
Mascots	340	5,733
	<u>54,288</u>	<u>66,347</u>

11 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.

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.



*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, Great Canadian Oil Change, 6232389 Manitoba Ltd.
Chairman

Lutz Ehrentraut, Representing the Public
Secretary-Treasurer

Richard Waller, Imperial Oil
Director

Paul Linchuang, Fram Group Canada Inc.
Director

Manny Micklash, Valvoline Canada Corp.
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

MARRC Office

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Mr. Oil Drop



Manitoba Association for Resource Recovery Corp.

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