

2021 ANNUAL REPORT



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MAKE EVERY DROP COUNT



WHO IS MARRC

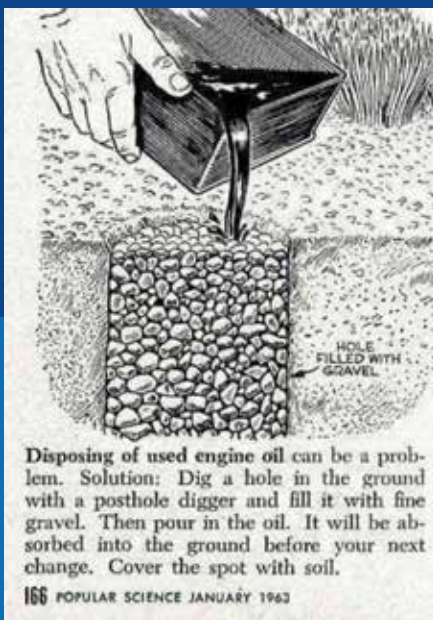
The Manitoba Association for Resource Recovery Corp. (MARRC) is a non-profit corporation established in 1997 by manufacturers and marketers of lubricating products in Manitoba. MARRC's mandate is to develop, implement and administer a cost-effective, sustainable, user-financed stewardship program for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

MARRC was incorporated under The Corporations Act of Manitoba on April 1, 1997. MARRC submitted Applications for renewal for both the Used Oil and Antifreeze Stewardship Programs in August 2017 and has received approval of these Applications from the Minister of Sustainable Development on July 26, 2018 through June 30, 2023 with Diesel Exhaust Fluid containers included in the approval.

MARRC is managed by a five person Board of Directors drawn from MARRC Member companies, other stakeholder organizations and the public at large.

MARRC provides incentives to government licensed collectors of these products to help recycle them throughout the province. These incentives increase incrementally by distance to ensure all areas in Manitoba are serviced. The products are delivered to MARRC registered processors where they are then recycled, reused or converted into energy products.

MARRC also provides the convenience for all Manitobans to recycle these products by supporting a network of 103 EcoCentre and collection facilities across the province through funding, advertising, training, supplies, promotional materials and our new website which conveniently directs users from their current location to the nearest facility.



In the past, there was plenty of misinformation out there on the proper means of disposing of used oil as shown in the photo from Popular Science 1963.

What we know now is that just one litre of used oil can pollute a million litres of water. Used oil can spread over the surface in a thin layer that stops oxygen from getting to the plants and animals that live in the water. It can also block light from reaching photosynthetic aquatic plants.

APPROVAL LETTER FROM THE MINISTER OF SUSTAINABLE DEVELOPMENT



Rochelle Squires – Riel, Minister



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,

Rochelle Squires
Minister

Attachment

c: Joe Casciano, Chair of the Board
Glen Holmes

LETTER FROM THE EXECUTIVE DIRECTOR

On behalf of the Manitoba Association for Resource Recovery Corp (MARRC), I am pleased to present the 2021 Annual Report.

As we all continue to navigate the COVID-19 pandemic and adapt to new realities, MARRC has had to adapt as well. We changed our focus in our marketing and communications from our Ambassador Program, to an increase in our online presence as people continued an overall shift to using their media devices.

To provide enhanced convenience for all Manitobans recycling their used lubricating products, a new MARRC website was created which saw an improved collection drop-off location feature utilizing Google Maps from the users' current location to their nearest drop-off site.

We used Google and Facebook ads to better target those whose needs and interests match our key demographics. These ads can be regularly updated to keep the content looking fresh and interesting.

An electronic OneWindow reporting system was established in 2020 with further enhancements and improvements in 2021 giving all Used Oil Management Association members the ability to streamline payments to each Association.

In a large sample government study conducted in late 2021, results indicated 90% of Manitobans were aware of our used oil recycling program.

While these results are impressive, we will always strive to extend our reach to educate the public on the need to recycle our environmentally hazardous products.

We increased our Environmental Handling Charges on oil, the first increase on this product since inception, as well as containers. This increase will allow us greater flexibility in administering our program in the future whether it's changes to our return incentives or enhancing our marketing and communication strategies.

2021 also marked the end of an era with Ron Benson's retirement after 25 years of service as Executive Director of MARRC.

Ron has been with the company since the Western Canada Task Force established the original 3 Used Oil Management Associations in Alberta, Saskatchewan and Manitoba 25 years ago. We wish him well in his retirement. Through his partnerships with northern communities, government officials, collectors and processors, Ron has been a pioneer for used oil recycling in Manitoba.

I look forward to continuing this important work in his place.

Aaron Strub



Executive Director
MARRC



Ron at Steinbach's inaugural EcoCentre opening ceremony in 1998.



Ron receiving an award for 25 years of service as Executive Director of MARRC.

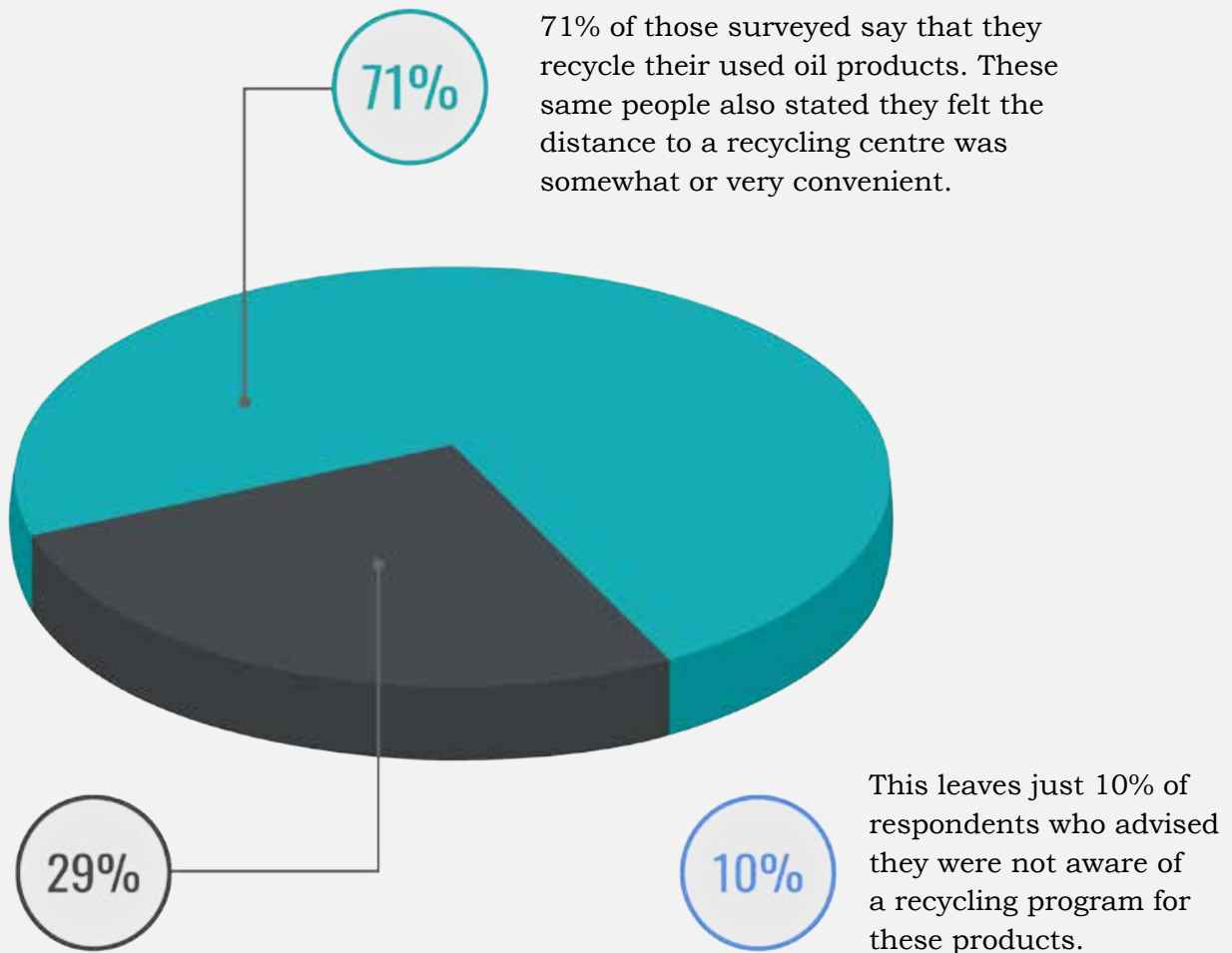
GOVERNMENT OF MANITOBA

LARGE SCALE STUDY

In order to improve waste management practices across the province and to keep pace with evolving waste products, Landmark Planning & Design in collaboration with Dillon Consulting and the province were retained to survey Manitobans as well as various provincial municipalities about their own experiences and views on recycling, composting and waste diversion.

1052 people participated in the online survey. The responses are to be used to help improve recycling in the province.

The results were very encouraging.



of the 29% who don't recycle these products, 2/3 of them advised that they don't have those products to recycle.



CURRENT MARRC PRACTICES

As our used oil recycling program continues to grow, we strive to inform and educate as many Manitobans as possible. We provide funding of over **\$300,000** to our existing network of collection facility drop-off locations which are all conveniently located across the province. This funding helps each owner/operator with costs for things like supplies, insurance and advertising to aid in the smooth operation of the facility.

Often times, prizes such as shop towels, windshield washer fluid or even new oil are distributed for free to those who recycle at these locations in order to encourage and sustain these recycling habits and to also help spread the word about these drop-off locations in the local community.

EHC ONLINE REPORTING SYSTEM

In a Used Oil Management Associations (UOMAs) combined survey conducted within its Membership across Canada, questions regarding greater efficiencies and harmonization were asked including the following:

One potential area of future harmonization that could be considered is the creation of “a one national website window” for stewards to file EHCs. Would you recommend this initiative to the UOMAs?

95% of respondents advised that they would like to see this.

Acting on this, the UOMAs collaborated on constructing an electronic reporting and payment system called “EHC OneWindow” that enables greater ease of reporting for Members, eliminates all paper based processes and also allows remittances to be combined into one payment for all products.

Responses from the UOMA members have been extremely positive and the site continues to evolve in order to meet the needs of our Membership.



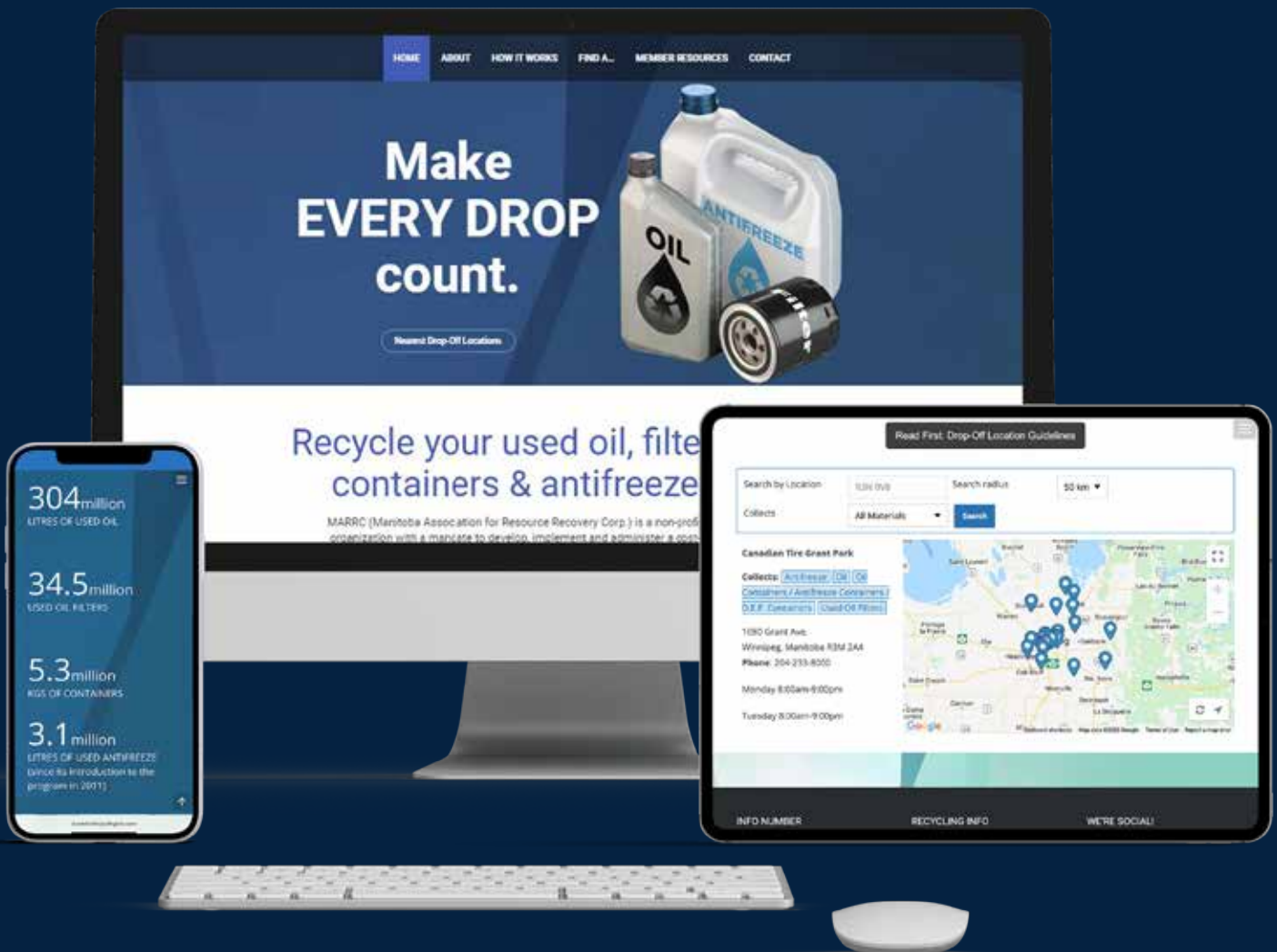
WEBSITE REDESIGN

USED OIL RECYCLING M.B. COM

We completely overhauled our website in late 2021.

Our new website is now mobile-friendly, featuring a responsive design that adapts the website's layout to your device size. As a result, whether you view it on your phone, tablet, or desktop computer, the website is designed for usability and satisfaction.

It's now much easier to navigate from a user's current location to a nearby drop-off location with an improved search function.



MARRC RADIO & NEWSPAPER MEDIA PARTNERSHIPS



MARRC advertising the Manitoba Association of Auto Clubs (MAAC) Event Guide, First Nations Voice, Manitoba Mining Review and The Leaf.



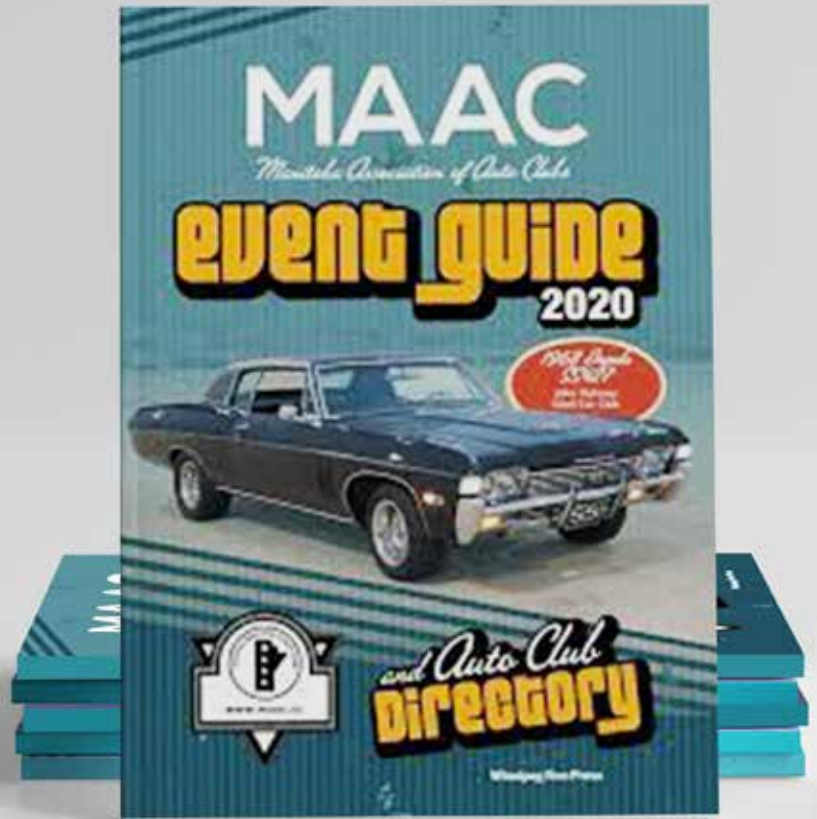
The Manitoba Mining Review is distributed to association members, all pertinent government officials and to all companies with an interest in Manitoba mining.



First Nations Voice is a privately owned newspaper with a distribution of over 100,000 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.

MARRC NEWSPAPER PARTNERSHIPS

MAAC is recognized as the voice of collector car and specialty vehicle enthusiasts across Manitoba. This comprehensive Guide lists all car clubs and events that would have taken place in Manitoba. 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.



The Leaf is distributed to 4,100 people in the Wolseley, Armstrong Point & South Broadway areas.



Herald – Lance – Metro – Times – Sou-Wester – Headliner – have a combined circulation of over 230,000 people in the City of Winnipeg and Headingly. MARRC advertised in the Waste Reduction Week issue in the springtime as well as the Winnipeg Recycles issue in the fall.



Promotion for Earth Day in the Winnipeg Free Press on April 17th 2021 reaching their full circulation. The ad was also available online for a full year and heavily promoted on their home page for a month.



CJOB AM and Power97 FM, Winnipeg radio stations aired over 700 ads promoting the recycling of used oil and antifreeze products during the summer.



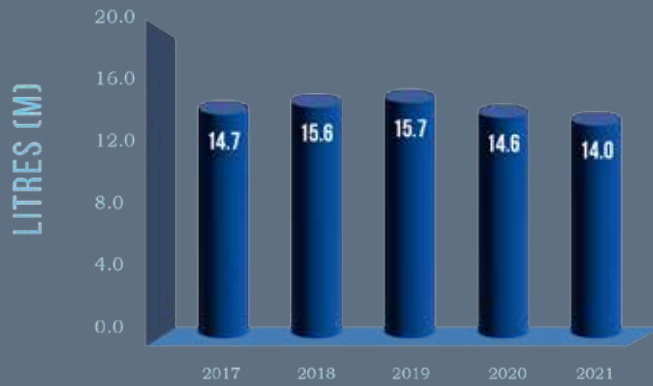


9 Manitoba rural radio stations aired over 600 ads promoting the recycling of used oil and antifreeze products during the summer.



COLLECTION ACTIVITY

OIL

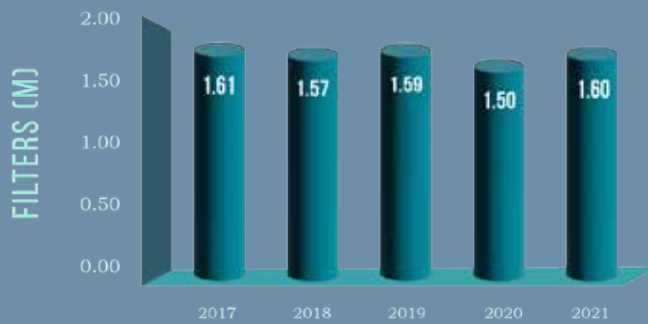


| | |
|--------------------------|---------------|
| Litres Sold | 27.7 M Litres |
| Less Lost in Service 35% | - 9.7 |
| Net Recoverable | 18.0 M Litres |

TARGET 75%

78%

FILTERS



| | |
|---------------------------------------|--------------------------|
| Filters Sold | 2.07 |
| Filters Recoverable | 2.07 |
| 11,840 drums x 135 filters per drum = | 1.60 M filters collected |

TARGET 75%

77%

CONTAINERS

| | | |
|--------------------------|----------------------|--------------------|
| under 50 litres capacity | Units Sold in Litres | 10,908.00 K Litres |
| | Converted to Kgs | ÷ 15.42 |
| | Net Recoverable | 707.40 K Kgs |

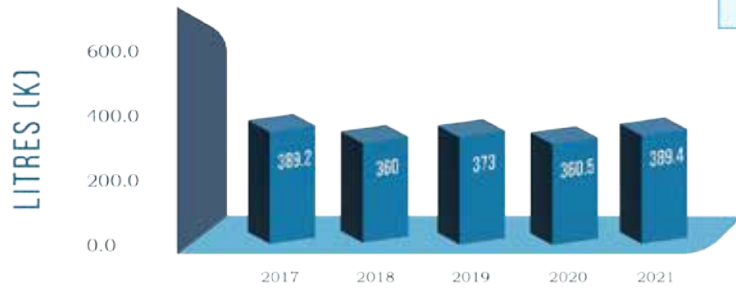


PLUS RE-USE ESTIMATE

37% + 20% = 57%

- Total K Kgs excluding Antifreeze
- Total K Kgs excluding Antifreeze and DEF

ANTIFREEZE FLUID

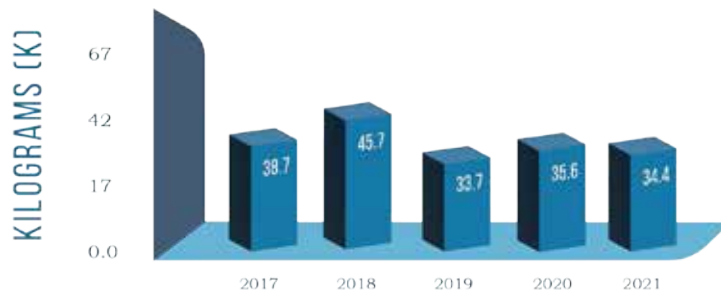


| | | |
|-------------|--------------------------|----------------------------|
| Litres Sold | Concentrate | $659.4 \times 2 = 1,318.8$ |
| | Pre-Mix | + 1,645.3 |
| | TOTAL | 2,964.1 |
| | Less Lost in Service 57% | - 1,689.5 |
| | Net Recoverable | 1,274.6 K Litres |

* Result of National Antifreeze Recoverable Rate Study by Chamard Environmental Strategies

31%

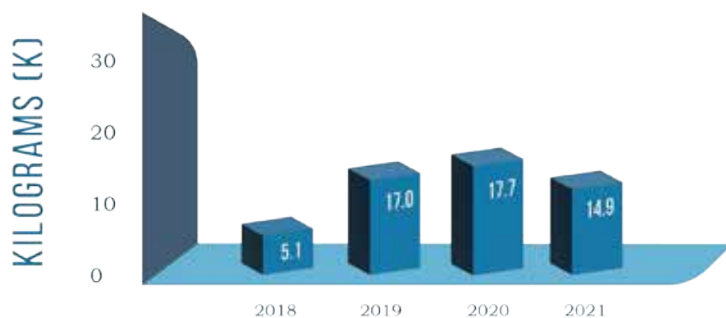
ANTIFREEZE CONTAINERS



| | |
|------------------------|-------------------|
| Units Sold in Litres | 2,232.30 K Litres |
| Converted to Kgs | + 24.13 |
| Net Recoverable | 92.50 K Kg |

37%

DEF CONTAINERS



| | |
|------------------------|-------------------|
| Units Sold in Litres | 1,378.10 K Litres |
| Converted to Kgs | + 34.09 |
| Net Recoverable | 40.43 K Kg |

37%

HIGHLIGHTS 2021

WINNIPEG COLLECTION DEPOT NETWORK



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



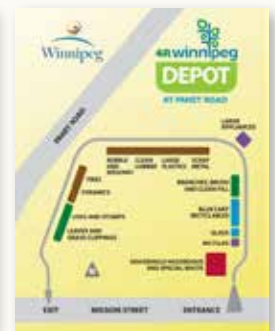
City of Winnipeg's **3** One-Stop-Shop Collection Centres!



Brady Road Landfill

















1120 Pacific Ave.



429 Panet Road



WINNIPEG'S LICENSED USED OIL DEPOTS

- | | | | |
|---|-------------------------------------|---|--|
|  | Uncity - 3615 Portage Avenue |  | Brady Road Landfill |
|  | St. Boniface - Fermor & Beaverhill |  | 1120 Pacific Avenue |
|  | Grant Park - 1080 Grant Avenue |  | 429 Panet Road |
|  | Transcona - 1519 Regent Avenue |  | Green for Life - 1090 Kenaston Blvd. |
|  | Fort Garry - McGillivray & Kenaston |  | A-1 Environmental - 1447 Dugald Road |
|  | Polo Park - 750 St. James Street |  | Frank Motors - 575 Notre Dame Ave. |
|  | 395 Goulet Street |  | EK Import Auto Service 1043 Springfield Rd |



MANITOBA'S LICENSED USED OIL & ANTIFREEZE DEPOTS



LEGEND



CONVENTIONAL 10' X 24' ECOCENTRE BUILDING IN OPERATION

RED

OTHER LICENSED DEPOTS

14

14 LICENSED FACILITIES IN WINNIPEG

MARRC COLLECTION ACTIVITY

| | | 2020 | | | 2021 | | |
|----------------|--------|-----------|-----------------|-----|-----------|-----------------|-----|
| | | Collected | Net Recoverable | % | Collected | Net Recoverable | % |
| Oil | Litres | 14.6M | 19.3M | 76% | 14.0M | 18.0M | 78% |
| Filters | Units | 1.5M | 2.01M | 75% | 1.6M | 2.07M | 77% |
| Oil Containers | Kgs | 270K | 672.4K | 40% | 263K | 707.4K | 37% |
| AF Fluid | Litres | 360.5K | 1,463.9K | 25% | 389.4K | 1,274.6K | 31% |
| AF Containers | Kgs | 35.6K | 89.0K | 40% | 34.4K | 92.5K | 37% |
| DEF Containers | Kgs | 17.7K | 44.4K | 40% | 14.9K | 40.0K | 37% |

ECOCENTRES - REFLECTING AMALGAMATIONS

| | 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 | Viriden | 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 | Vita | RM of Stuartburn |
| 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 Fermor & Beaverhill |
| 10 | Winnipeg | Canadian Tire Unicity 3615 Portage Ave. |
| 11 | Winnipeg | VIP Lube 395 Goulet Street |
| 12 | Winnipeg | 4R, Brady Road Landfill |
| 13 | Winnipeg | 4R, 1120 Pacific Avenue |
| 14 | Winnipeg | 4R, 429 Panet Road |
| 15 | Headingley | Recycle West 6 Sabrina Way |
| 16 | Stonewall | RM of Rockwood |
| 17 | Notre Dame | Jean Farms Ltd. |
| 18 | Hartney | Southwest Recycling |
| 19 | Grand Rapids | ET Development Ltd. |
| 20 | Killarney | Town of Killarney |
| 21 | Dunnottar | Village of Dunnottar |
| 22 | Cranberry Portage | LUD of Cranberry Portage |

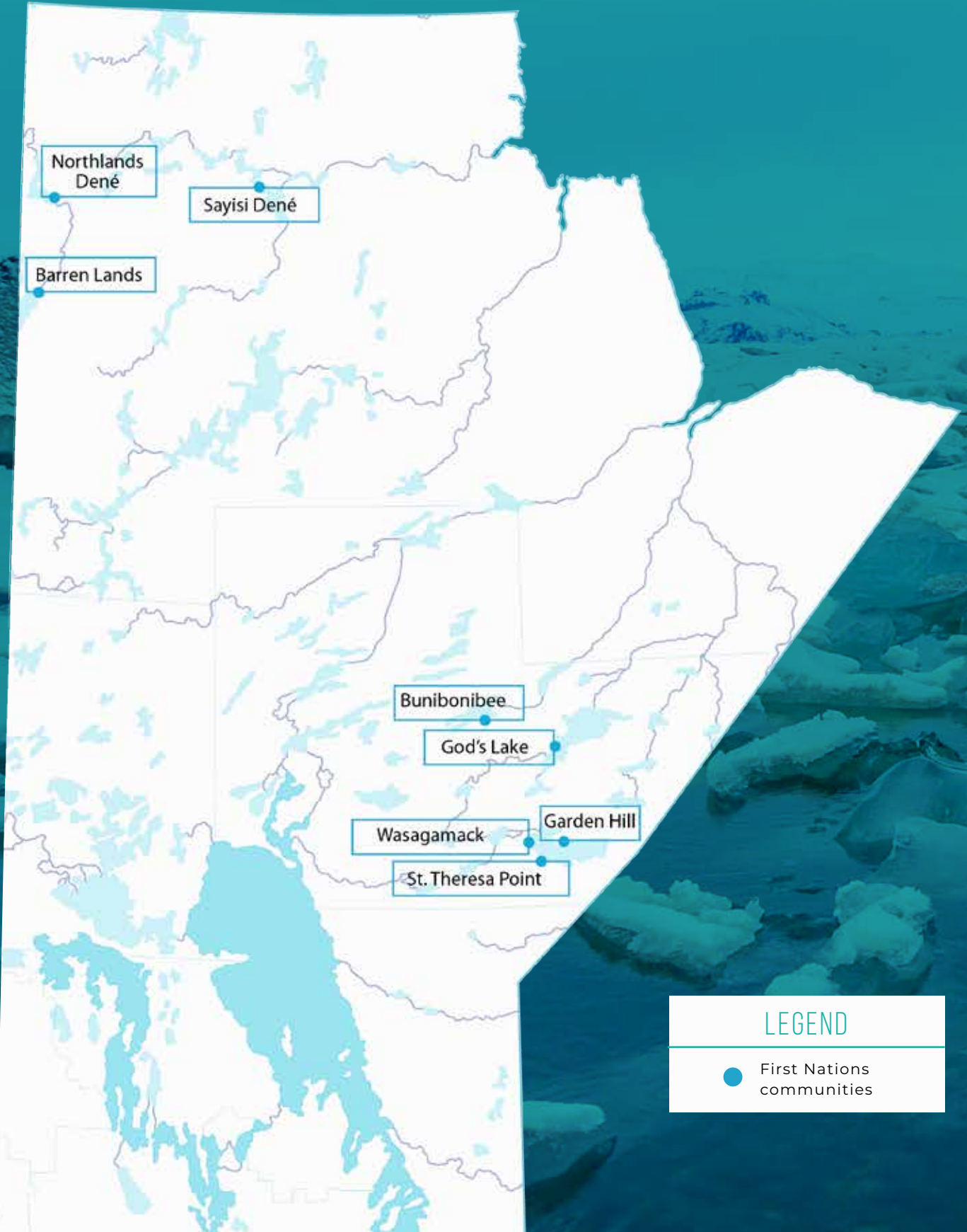
| | | |
|----|--------------------|--|
| 23 | Rorketon | RM of Lakeshore |
| 24 | Deloraine | Municipality of Deloraine-Winchester |
| 25 | Fisher Branch | RM of Fisher |
| 26 | Moosehorn | RM of Grahamdale |
| 27 | Ashern | Municipality of West Interlake |
| 28 | Dauphin | RM of Dauphin |
| 29 | Beausejour | Beausejour Tire |
| 30 | Hillside | RM of Springfield |
| 31 | Oakwood | RM of Springfield |
| 32 | Steinbach | Great Canadian Oil Change, 41 Hwy 12 North |
| 33 | Winkler | Great Canadian Oil Change, 611 Main Street |
| 34 | Portage la Prairie | Great Canadian Oil Change, 1040 Saskatchewan Ave W |
| 35 | Brandon | Great Canadian Oil Change, 827 18th St |
| 36 | Monominto | RM of Taché |
| 37 | Shoal Lake | RM of Yellowhead |
| 38 | Minnedosa | Evergreen Environmental Technologies |
| 39 | Plumas | Municipality of Westlake-Gladstone |
| 40 | Westbourne | Municipality of Westlake-Gladstone |
| 41 | Eden | Municipality of Rosedale |
| 42 | Kelwood | Municipality of Rosedale |
| 43 | Dunning | RM of St. Clements |
| 44 | Clarke | RM of St. Clements |
| 45 | Libau | RM of St. Clements |

NORTHERN REMOTE COMMUNITIES

| | | |
|---|-----------------------|---|
| 1 | St. Theresa Point St. | Theresa Point First Nation - Fire Station |
| 2 | St. Theresa Point | St. Theresa Point First Nation - End of Life Vehicle Garage |
| 3 | Churchill | The Town of Churchill |
| 4 | Hollow Water | Manitoba Aboriginal and Northern Affairs |
| 5 | Bloodvein | Bloodvein First Nation |

NORTHERN MANITOBA

WINTER ROAD ACCESS - 4 TO 6 WEEKS - 5 INITIAL LOCATIONS



LEGEND

- First Nations communities

STEWARDSHIP MATERIAL REMOVED FROM NORTHERN AND REMOTE FIRST NATION COMMUNITIES

FEBRUARY – MARCH 2021

| | Oil (drums) | Oil Filters (drums) | Oil Containers (bags) | Oil Containers (pails) | Electronics (pallets) | Batteries (pallets) | Tires | HHW (paint) |
|----------------------|-------------|---------------------|-----------------------|------------------------|-----------------------|---------------------|-------|-------------|
| St. Theresa Point #1 | - | - | - | - | - | - | 1,298 | - |
| St. Theresa Point #2 | - | - | - | - | - | - | 1,230 | - |
| St. Theresa Point #3 | 79 | 2 | - | 160 | - | - | - | - |
| St. Theresa Point #4 | - | - | 4 | - | 6 | 6 | 320 | - |
| Garden Hill | 4 | - | - | - | - | 1 | 100 | - |
| Wasagamack | 10 | 1 | 8 | 160 | 1 | 1 | 568 | - |
| God's Lake | 13 | - | 2 | - | - | 2 | 114 | - |
| Bunibonibee | - | - | - | - | 1 | - | 285 | 177 |
| Totals | 106 | 3 | 14 | 320 | 8 | 10 | 3915 | 177 |

** Covid prevented significant collection activities for Garden Hill FN in 2020

*** Covid prevented material from being packaged and loaded in God's Lake FN in 2020

**** Used Oil collected in Bunibonibee Cree Nation is being stored for use in Clean Burn Used Oil Burning Unit

Three new communities were added in 2021 for scheduled pick-ups in 2022 as shown in the top left on the map: Barren Lands First Nation (Brochet), North Lands First Nation (Lac Brochet) and Sayisi Dene First Nation (Tadoule Lake).

31 pallets of supplies were delivered to the 8 communities. Supplies included: drums, shrink wrap, strapping tools and supplies, safety gear (e.g., gloves, eye protection goggles, aprons, splash suits, N95 masks, fire extinguisher, & absorbent for spills).

MARRC partnered with several other PROs (Producer Responsible Organizations) with the goal of removing as much Stewardship material from the north as possible while sharing in transport costs at the same time.

GOOGLE WORDS ADVERTISING

Google Ads Cost Per Click (CPC) Advertising:

Text ads in Google search results are triggered when a searcher, within the right geographical area, searches for something related to 15 keywords and/or phrases that we target. Targeted words can include: used oil, collection depots, used filters, antifreeze, used oil containers, ecocentres, recycling etc.



FACEBOOK ADVERTISING

MARRC introduced a Facebook ad campaign that targeted ads to individuals who would most likely find our ads relevant. It can target individuals whose interests match our key demographics such as those with interests in ATVs, Fishing, Mechanics, Hunting, Boating, Automobiles, Camping, Motorcycles, CarGurus and Farming. In the future, promotion of our summertime Ambassador Program will highlight the events our team will attend. Ad campaigns can be updated as needed to keep our content looking fresh and interesting.



MARRC MEMBERS

| | | |
|--|------------------------------------|---------------------------------------|
| 49 North Lubricants Ltd. | Cabela's Retail Canada Inc. | GEA Farm Technologies Canada Inc. |
| 10046880 Manitoba Ltd. (Oil Source) | Carberry Oil & Parts Inc. | GFL Environmental Corp. |
| 12317541 Canada Inc. (Catalys Lubricants West) | CanAgro Exports Inc. | Gamma Sales Inc. |
| A & I Products Canada Inc. | Canadian Kawasaki Motors Inc. | Gates Canada Inc. |
| ABB Inc. Power Grids (Binome-Quebec) | Canadian Pacific Railway | General Motors of Canada Limited |
| ADP Distributors Inc. | Canadian Tire Corporation, Limited | Harley-Davidson Canada L.P. |
| AGCO Corporation | Canadian Tire Petroleum | Hastings Filters |
| AGS Company Automotive Solutions | Cervus Equipment Corporation | Henkel Canada Corporation |
| AMSOIL Inc. | Champion Laboratories, Inc. | Hino Motors Canada Ltd. |
| Acklands-Grainger Inc. | Chevron Canada Limited | Home Depot of Canada Inc. |
| Agricity Crop & Nutrition Ltd. | Cleanair Filter Service | Home Hardware Stores Limited |
| Altrom Auto Group Ltd. | Club Car LLC - Ingersoll Rand | Honda Canada Inc. |
| Applied Industrial Technologies Lp | Comairco Ltd. | Husky Energy Inc. |
| Atlas Copco Compressors Canada | Costco Wholesale Canada Ltd. | Husqvarna Canada Corp. |
| Aviall Canada Ltd. | Cummins Western Canada | Hyundai Auto Canada Corp. |
| BASF Canada Inc. | DAS Distributors Inc. | ITW Permatex Canada |
| BMW Canada Inc. | Daimler Trucks Canada Ltd. | Imperial Oil Ltd. |
| BOSS Lubricants | Daleco Systems Inc. | Importations Thibault Ltée |
| BP Lubricants USA Inc. | Davanac Inc. | Industrial Truck Service Ltd. |
| Baldwin Filters, Inc. | Dubois Chemicals Canada Inc. | Irving Blending & Packaging |
| Beck/Arnley Worldparts, Inc. | Echo Power Equipment (Canada) | Isuzu Commercial Truck of Canada Inc. |
| BestBuy Distributors Limited | Eskimo Point Lumber | Jaguar Land Rover Group Canada Inc. |
| Blue Streak - Hygrade Motor Products | Excel Energy | John Deere Canada ULC |
| Blue Water West Limited | FCA Canada Inc. | KLONDIKE Lubricants Corporation |
| Bombardier Recreational Products Inc. | FRAM Group Canada Inc. | KTM Canada Inc. |
| Bosch Rexroth Canada Corp. | Fastenal Canada Ltd. | Kadex Aero Supply Ltd. |
| Brandt Tractor Ltd. | Federated Co-operatives Limited | Kaeser Compressors Canada Inc. |
| Bridgeview Fluid Solutions Inc. | Ford Motor Company of Canada Ltd. | Kia Canada Inc. |
| Buhler Versatile Inc. | Fort Garry Industries Ltd. | Kimpex Inc. |
| CG Power Systems Canada Inc. | Fuchs Lubricants Canada Ltd. | King-O-Matic Industries Limited |
| CLAAS of America Inc. | Fuelex Energy Ltd. | Kleen-Flo Tumbler Industries Limited |
| CNH Industrial Canada Ltd. | Full-Bore Marketing Ltd. | Kubota Canada Ltd. |
| CORE-MARK International Inc. | G.F. Thompson Company Limited | LCT Lubricants Inc. |
| CPT Canada Power Technology Limited | G.K. Industries Ltd. | Larry Penner Enterprises Inc. |

| | | |
|--|--|--|
| Loblaw Inc. | Oil Depot Limited | Spectrum Brands Canada Inc. |
| Lubricon Industries Canada Limited | Oil Mart Limited | Stihl Limited |
| Lucas Oil Products (Canada) Company | Orgill Canada Hardlines ULC | Subaru Canada Inc. |
| MANN & HUMMEL Filtration Technology US ULC | OBR Oil and Marine Inc. | Suzuki Canada Inc. |
| MANN & HUMMEL Purolator Filters LLC | PACCAR of Canada, Ltd. Parts Division | TVH Canada Ltd. |
| MFTA Canada Inc. | PSC-Power Source Canada Ltd. | Texas Refinery Corp. of Canada Limited |
| Macdon Industries Ltd. | Parker Hannifin Canada | Textron |
| Machinerie R. Gagnon Inc. | Parkland Corporation (Bluewave Energy) | The North West Company Inc. |
| Mahle Aftermarket Inc. | Partner Technologies Inc. | Toromont Industries Ltd. |
| Manitoba Hydro | Parts Canada | Total Energies Marketing Canada Inc. |
| Maryn international Ltd. | PartsSource Inc. | Toyota Canada Inc. |
| Maxim Transportation Services Inc. | Peavey Industries Limited | Transt Warehouse Distribution |
| Mazda Canada Inc. | Peerless Engineering Sales Ltd. | UAP Inc. |
| Mercedes-Benz Canada Inc. | Petro-Canada Lubricants Inc. | United Chemical Services |
| Mid-Canada Filtration Solutions | Phillips 66 Canada Ltd. | United Farmers of Alberta Co-op Ltd. |
| Midwest Sales | Polaris Industries Inc. | Univar Canada Ltd. |
| Miller Supply Ltd. | Porsche Cars Canada Inc. | Vallen Canada Inc. |
| Mitsubishi Motor Sales of Canada, Inc. | Prestone Canada | Valvoline Canada Ltd. |
| Modern Sales Co-op | Prévost, a Division of Volvo Group Canada Inc. | Vermeer Canada Inc. |
| Mopac Auto Supply (Alberta) Ltd. | Princess Auto Ltd. | Viscosity Oil Company |
| Mopac Auto Supply Ltd. | RONA Inc. | Volkswagen Canada Inc. |
| Motion Industries (Canada) Inc. | Radiator Specialty Company of Canada Ltd. | Volvo Cars of Canada Corp. |
| Motor Coach Industries Limited | Recochem Inc. | Volvo Group Canada Inc. |
| Motosel Industrial Group Inc. | Revolution ORS LP (DBA Terrapure) | Wainbee |
| Motovan Corporation | Robco Inc. | Wajax Equipment |
| Motovan Inc. | Robert Bosch Inc. | Wajax Industrial Components |
| NCH Canada Inc. | SC CLS Holding ULC | Wakefield Canada Inc. |
| NLS Products | SMS Equipment Inc. | Wal-Mart Canada Corp. |
| National Energy Equipment Inc. | Safety-Kleen Canada Inc. | Wallace & Carey Ltd. |
| Navistar Canada Inc. | 7-11 Canada | Westcon Equipment & Rentals Ltd. |
| NemCo Resources Ltd. | Shell Canada Products Ltd. | Western Turbo & Fuel Injection Ltd. |
| New Flyer Industries Ltd. | Sherwin Williams Canada Inc. | Westpower Equipment Ltd. |
| Nissan Canada Inc. | Southwestern Petroleum Canada Ltd. | Worldpac Canada Inc. |
| Noco Lubricants LP | Southwestern Petroleum Lubricants LLC | Wurth Canada Limited |
| Norcan Fluid Power Ltd. | | Yamaha Motor Canada Ltd. |
| Nynas Inc. | | Yetman's Ltd. |

MANITOBA ASSOCIATION FOR RESOURCE RECOVERY CORP. (MARRC) BOARD OF DIRECTORS AND STAFF



BACK ROW:

Lutz Ehrentraut (Secretary-Treasurer), Paul Linchuang (Director), Ron Benson (Executive Director) Michael Strub (Administrative Assistant).

FRONT ROW:

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

BOARD OF DIRECTORS

Joe Casciano, Midwest Sales
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

LEGAL COUNSEL

Fillmore Riley, Barristers & Solicitors

AUDITORS

PricewaterhouseCoopers LLP, Chartered Professional Accountants

STAFF

Aaron Strub – Executive Director (as of November 19, 2021)

Ron Benson – Executive Director (Retired on November 18, 2021)

Michael Strub – Administrative Assistant (as of March 2021)

MARRC OFFICE

35-1313 Border Street
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marrc@mts.net



usedoilrecyclingmb.com

Manitoba Association for Resource Recovery Corp.

Financial Statements
December 31, 2021



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 Corporation) as at December 31, 2021 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 Corporation's financial statements comprise:

- the balance sheet as at December 31, 2021;
- 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 significant accounting policies and other explanatory information.

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 Corporation 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

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



control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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 30, 2022



Manitoba Association for Resource Recovery Corp.

Balance Sheet

As at December 31, 2021

| | 2021 \$ | 2020 \$ |
|--|------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 1,332,900 | 540,063 |
| Short-term investments (note 4) | 223,501 | 1,073,811 |
| Environmental handling charges receivable | 1,344,993 | 1,127,549 |
| Accrued interest receivable | 5,745 | 15,214 |
| Prepaid expenses and deposits | 905 | 905 |
| Inventory | 55,000 | 55,000 |
| | <u>2,963,044</u> | <u>2,812,542</u> |
| Long-term investments (note 4) | <u>519,064</u> | <u>730,065</u> |
| Capital assets | | |
| Office furnishings, equipment, leasehold improvements, and computer software | 160,191 | 155,183 |
| Less: Accumulated amortization | 70,110 | 47,807 |
| | <u>90,081</u> | <u>107,376</u> |
| | <u>3,572,189</u> | <u>3,649,983</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Return and processing incentives payable | 411,587 | 488,498 |
| Accounts payable and accrued liabilities (note 5) | 285,042 | 269,731 |
| Current portion of amount due to member (note 6) | 137,763 | 137,763 |
| | <u>834,392</u> | <u>895,992</u> |
| Long-term liabilities | | |
| Amount due to member (note 6) | <u>275,527</u> | <u>413,290</u> |
| Net Assets | | |
| Invested in capital assets | 90,081 | 107,376 |
| Unrestricted | <u>2,372,189</u> | <u>2,233,325</u> |
| | <u>2,462,270</u> | <u>2,340,701</u> |
| | <u>3,572,189</u> | <u>3,649,983</u> |
| 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, 2021

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| Revenue | | |
| Environmental handling charges | 4,424,133 | 4,260,917 |
| Membership fees | 2,000 | 892 |
| | <u>4,426,133</u> | <u>4,261,809</u> |
| Expenses | | |
| Return and processing incentives | 3,294,479 | 3,250,158 |
| EcoCentre support costs (note 8) | 380,888 | 345,876 |
| Wages, contract and benefits | 200,249 | 197,781 |
| Professional fees | 92,955 | 96,066 |
| Container freight and plastic processing costs | 73,517 | 115,161 |
| Computer software support | 58,286 | 46,512 |
| Public relations and promotion (note 10) | 48,517 | 41,963 |
| Rent | 45,651 | 46,056 |
| Compliance reviews | 32,000 | 30,575 |
| Office and administration | 26,709 | 28,350 |
| Amortization | 22,303 | 3,454 |
| Director fees and expenses | 19,885 | 10,665 |
| Telephone and fax | 10,735 | 9,553 |
| Used oil lost in service study | 7,305 | 11,202 |
| Insurance | 6,456 | 6,412 |
| Travel and automobile | 5,634 | 6,785 |
| Bursaries | 5,000 | 3,000 |
| Meetings | 3,007 | 850 |
| Bank charges and interest | 1,647 | 2,276 |
| Ambassador program (note 9) | 815 | 2,375 |
| Antifreeze study | - | 15,292 |
| OEM project | - | 4,958 |
| | <u>4,336,038</u> | <u>4,275,320</u> |
| Excess (deficiency) of revenue over expenses from operations | 90,095 | (13,511) |
| Environmental handling charge overpayment (note 6) | - | (688,816) |
| Investment income | 31,474 | 49,423 |
| Excess (deficiency) of revenue over expenses | <u>121,569</u> | <u>(652,904)</u> |

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, 2021

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Balance – Beginning of year | 2,340,701 | 2,993,605 |
| Excess (deficiency) of revenue over expenses | 121,569 | (652,904) |
| Balance – End of year | <u>2,462,270</u> | <u>2,340,701</u> |

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, 2021

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| Cash and cash equivalents provided by (used in) | | |
| Operating activities | | |
| Excess (deficiency) of revenue over expenses | 121,569 | (652,904) |
| Item not affecting cash | | |
| Amortization | 22,303 | 3,454 |
| | 143,872 | (649,450) |
| Changes in non-cash working capital items | (407,338) | 313,323 |
| | (263,466) | (336,127) |
| Investing activities | | |
| Purchase of capital assets | (5,008) | (25,077) |
| Purchase of investments | (12,500) | (335,904) |
| Proceeds on redemption and sale of investments | 1,073,811 | 595,664 |
| | 1,056,303 | 234,683 |
| Increase (decrease) in cash and cash equivalents during the year | 792,837 | (101,444) |
| Cash and cash equivalents – Beginning of year | 540,063 | 641,507 |
| Cash and cash equivalents – End of year | 1,332,900 | 540,063 |

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

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

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 fluid containers.

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.

The outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption of businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. These circumstances have not resulted in any significant business disruption or significant financial impact to the Corporation to date.

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

Cash and cash equivalents

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Inventory consists of promotional items on hand for the ambassador program.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

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, leasehold improvements, and computer software 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.

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.

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.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

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.

Change in accounting policy

During 2021, the Corporation changed its accounting policy related to the classification of its accounts for financial reporting purposes. In previous periods, the accounts of the Corporation were 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 were previously classified into several funds, including Used Lubrication Products Stewardship Program, Antifreeze Stewardship Program, Diesel Exhaust Fluid Program and Invested in Capital Assets. On October 14, 2021, the Province of Manitoba gave permission to MARRC to consolidate the programs' revenue and expenses in its financial statements going forward. Therefore, the Corporation has decided to not apply fund accounting. Management judges that the new policy is preferable because it simplifies the presentation of the financial statements of the Corporation and provides more relevant information. The change in accounting policy was applied retrospectively and had no impact on the comparative financial information of the Corporation.

4 Investments

| | Maturity date | Interest rate % | 2021 \$ | 2020 \$ |
|-------------------------------|-------------------|--------------------|------------|------------|
| Short-term investments | | | | |
| Crosstown Credit Union GIC | July 4, 2022 | 2.75% | 107,009 | - |
| Crosstown Credit Union GIC | July 4, 2022 | 2.75% | 116,492 | - |
| Crosstown Credit Union GIC | August 22, 2021 | 2.40% | - | 1,073,811 |
| | | | <hr/> | <hr/> |
| | | | 223,501 | 1,073,811 |
| Long-term investments | | | | |
| Crosstown Credit Union GIC | August 22, 2024 | 2.75% | 243,537 | 237,019 |
| Crosstown Credit Union GIC | November 20, 2025 | 1.80% | 275,527 | 275,526 |
| Crosstown Credit Union GIC | July 4, 2022 | 2.75% | - | 104,145 |
| Crosstown Credit Union GIC | July 4, 2022 | 2.75% | - | 113,375 |
| | | | <hr/> | <hr/> |
| | | | 519,064 | 730,065 |
| | | | <hr/> | <hr/> |
| | | | 742,565 | 1,803,876 |

5 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, \$33,288 (2020 – \$37,726) is included within accounts payable and accrued liabilities.

(3)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

6 Payable to member

| | 2021 \$ | 2020 \$ |
|--|------------------|------------------|
| Environmental handling charge overpayment, repayable over five years, non-interest bearing | 413,290 | 551,053 |
| Less: Current portion | <u>(137,763)</u> | <u>(137,763)</u> |
| | <u>275,527</u> | <u>413,290</u> |

Repayments for next three years are as follows:

| | \$ |
|-------------------------------|---------|
| Year ending December 31, 2022 | 137,763 |
| 2023 | 137,763 |
| 2024 | 137,761 |

As a result of the annual compliance review of the members of MARRC, it came to the attention of the consultants that an EHC registrant was remitting EHCs on products sold to another EHC registrant who was remitting EHCs on the same products. A full review performed in the prior year determined that the amount of EHC overpaid to MARRC was \$688,816 during the previous seven years. As a result of negotiations, MARRC and the EHC registrant agreed to a settlement in which the overpayment would be repaid in equal instalments over five years commencing December 31, 2020 and bearing no interest.

The Corporation has a standby letter of credit available in the amount of \$275,526 as security against the payable to member. The letter of credit expires on December 31, 2024 and is secured by long-term investments.

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, 2022 | 45,315 |
| 2023 | 7,553 |

EcoCentres

The Corporation has entered into automatic two-year renewal agreements with 85 EcoCentres and licensed collection facilities that were established to provide no-cost drop-off centres for used oil and antifreeze materials.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

As part of its contractual agreement with each EcoCentre owner-operator, the Corporation is committed to provide annual operating support until July 31, 2022. The operating support payments for the EcoCentres currently in operation are estimated to be as follows:

| | |
|--------------------------------------|---------|
| | \$ |
| Fiscal year ending December 31, 2022 | 192,403 |

8 EcoCentre support costs

| | 2021 \$ | 2020 \$ |
|--|----------------|----------------|
| Operating and capital support | 347,608 | 304,814 |
| Remote Centres support | 1,613 | 6,400 |
| Operational audits, training, and supplies | 10,461 | 14,270 |
| Winter road project | 21,206 | 20,392 |
| | <u>380,888</u> | <u>345,876</u> |

9 Ambassador program

| | 2021 \$ | 2020 \$ |
|---|------------|--------------|
| Wages | 500 | 2,294 |
| Handouts, bookmarks, ball caps and draw prizes | - | 143 |
| Transportation, meals, and accommodation | - | 277 |
| Trade show fees, uniforms, supplies and insurance | 315 | (339) |
| | <u>815</u> | <u>2,375</u> |

Due to the impact of COVID-19, the activities of the Ambassador program could not be carried out during the fiscal year.

10 Public relations and promotion

| | 2021 \$ | 2020 \$ |
|--|---------------|---------------|
| Radio | 17,712 | 17,657 |
| Website | 6,422 | 3,028 |
| Marketing, advertising, and promotional material | 7,809 | 6,555 |
| Northern region advertising | 2,574 | 2,723 |
| Collection Facility advertising | 12,000 | 12,000 |
| Mural | 2,000 | - |
| | <u>48,517</u> | <u>41,963</u> |

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2021

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.



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DROP
COUNT**

MARRC MANITOBA ASSOCIATION
FOR RESOURCE RECOVERY CORP.





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