



**2011** ANNUAL REPORT



**TIRE STEWARDSHIP**  
Manitoba

A photograph of a tire swing hanging from a tree in an autumn landscape. The tire is the letter '0' in the year '2011'. The background shows a field with fallen leaves and a clear sky.

**2011**

**HIGHLIGHTS**



COMMERCIAL SNOW PLOW BLADE

## 2011 HIGHLIGHTS AND KEY ACHIEVEMENT

Every year, 1 million new tires hit the road in Manitoba. That's a lot of tires. Each one of those tires can end up as waste in our landfills, posing a risk to human health and the environment. Fortunately, that doesn't happen because tire consumers, retailers, local government and recyclers are partners with Tire Stewardship Manitoba (TSM) in preventing tire waste and reducing their environmental impact and health risks through proper tire storage and recycling.

TSM operates an industry program responsible for the collection and recycling of all tires and tubes generated annually in the province of Manitoba which amounts to the equivalent of one tire for every Manitoban. When a new tire is purchased the retailer remits an eco-fee to TSM who uses 100% of these funds to operate Manitoba's tire recycling program on behalf of the retailers. Manitoba communities partner with TSM and register their landfill or waste transfer station (WTS) as a collection site. Consumers can drop off their tires at any of the retail outlets that sell tires or any municipal landfill or transfer station that accepts tires, at no charge. Recyclers then collect the tires to make flooring products, artificial turf fields, rubberized asphalt, blast mats and more. They can even be used to create fuel. Markets for recycled products create jobs and economic development in our province.

Recycling is important but reducing use and extending tire life also helps the environment. Driving less and keeping tires properly inflated helps, and tire manufacturers are also always looking for ways to improve tires for safety and longer life.

TSM's key achievement for 2011 was recycling 12,838 tonnes of material from the 12,835 tonnes of discarded tires and tubes

that were collected. As virtually all discarded tires and tubes available for recycling are collected annually in Manitoba, TSM achieved a diversion rate of 100% for 2011. This represents 10.23 kilograms of tires diverted for every Manitoban.

Other notable achievements for 2011 include the approval of the TSM 2012-2016 program plan by the Minister of Conservation extending TSM's mandate until 2016. There were 2 licensed tire recyclers and 1,430 registered retailers, generators, and municipal partners who along with TSM continued to address the challenges for consistent province-wide application of discarded tire management requirements to avoid unnecessary accumulation of discarded tires, particularly in remote and historically under-served areas.

TSM once again sponsored the popular 2012 Eco Calendar that provides helpful tips and information about the environmental benefits of waste minimization, recycling, and resource conservation. Over the summer of 2011 TSM also conducted the Be Tire Smart community relations education and awareness campaign on how proper tire maintenance positively impacts tire life, vehicle safety and the environment. The board of directors approved funding for four Community Demonstration Grant Projects, providing up to \$5,000 in matching grant funding for the use of recycled tire products made from Manitoba tires in projects delivered by local governments, industry, community and youth groups, Aboriginal organizations, and First Nation communities in Manitoba. Under the program's new Tire Recycling Innovations Grant, OTR Recycling of Ashern was awarded \$50,000 to develop and market commercial snow plow blades made from re-purposed cut rubber of mining tires.



# INDUSTRY GETS BEHIND THE WHEEL

## ABOUT US

Tire Stewardship Manitoba (TSM) is a not-for-profit organization formed to manage the tire recycling program on behalf of tire retailers in Manitoba. TSM has had its tire stewardship program approved by Manitoba Conservation in accordance with The Tire Stewardship Regulation, 2006.

TSM is accountable to its stakeholders and the public for the collection, recycling and environmentally sound disposal of all tires designated under the regulation.

TSM collects an eco-fee on the sale of new tires from the retailer. These fees are used to pay for transporting and recycling Manitoba's discarded tires, so that these tires are disposed of in an environmentally responsible manner. All of the eco-fees collected are used in the operation and enhancement of the tire recycling program for Manitoba.

**A volunteer board governs TSM and is comprised of several directors representing the following member organizations:**

- The Rubber Association of Canada
- Retail Council of Canada
- Western Canada Tire Dealers

Collectively, these organizations represent the international tire manufacturers, major suppliers, and tire retailers in Manitoba.

#### **TSM BOARD MEMBERS**

**Glenn Maidment**

THE RUBBER ASSOCIATION OF CANADA

**David Lamb**

THE RUBBER ASSOCIATION OF CANADA

**Joe Casciano**

RETAIL COUNCIL OF CANADA

**Moe Tresoor**

WESTERN CANADA TIRE DEALERS

**Dave Seifert**

WESTERN CANADA TIRE DEALERS

**A multi-stakeholder advisory committee also contributes to good governance of TSM program operations. The committee is composed of representatives of recyclers, municipalities, consumers, industry and the provincial government.**

#### **TSM ADVISORY COMMITTEE MEMBER ORGANIZATIONS**

Manitoba Motor Dealers Association

Association of Manitoba Municipalities

Keystone Agricultural Producers

Manitoba Trucking Association

Canada West Equipment Dealers Association

Reliable Tire Recycling

OTR Recycling

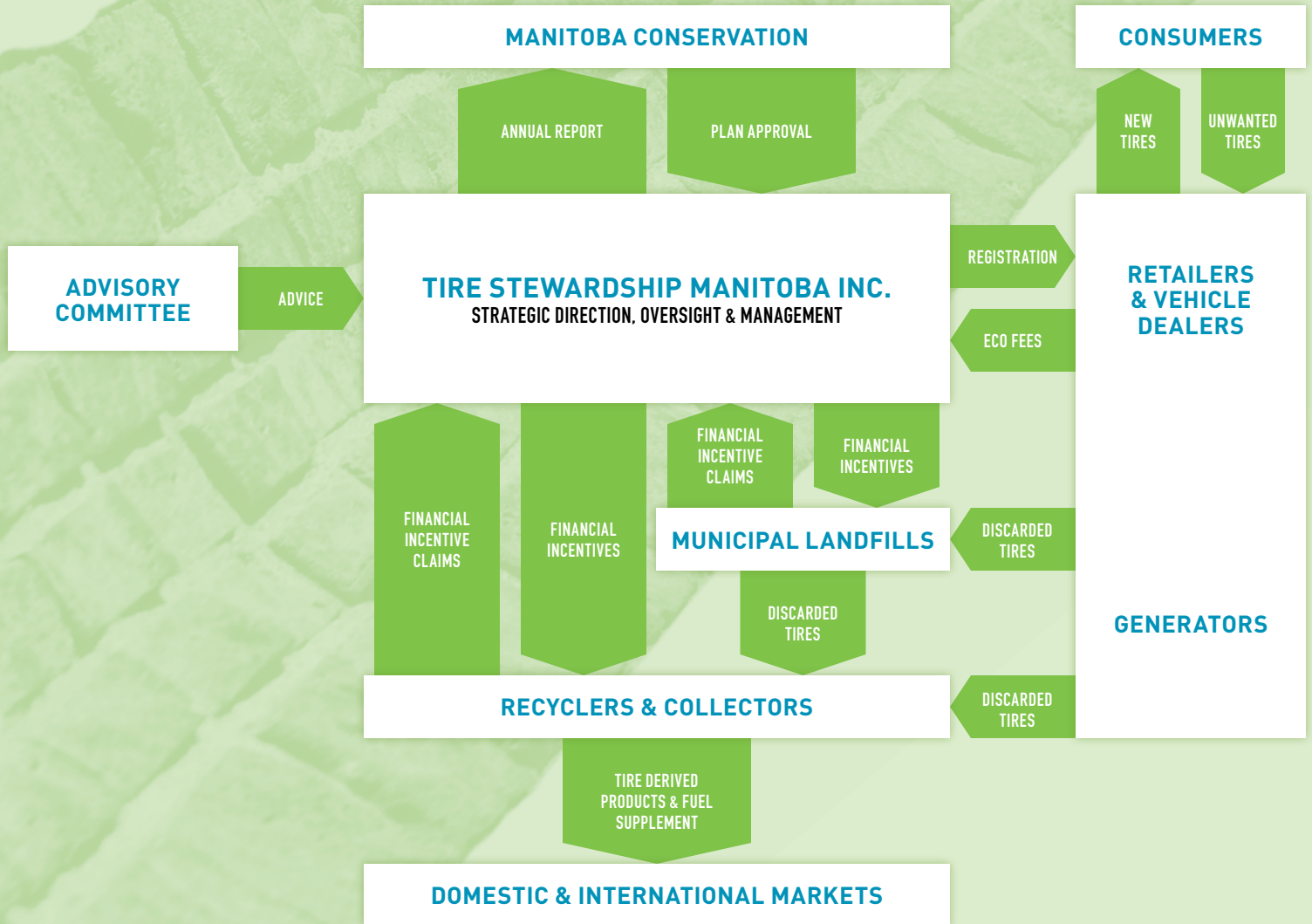
Manitoba Conservation

Green Manitoba

Manitoba Eco-Network

# TIRE STEWARDSHIP MANITOBA

## KEY STAKEHOLDER PROCESS





# TIRE STEWARDSHIP PROGRAM

Manitoba's tire recycling program operated by Tire Stewardship Manitoba includes the following main elements:

- Eco-fee based revenue system to make the program financially viable.
- Varying eco-fees according to tire type to avoid cross-subsidization.
- Tire Stewardship Manitoba collection of eco-fees directly from tire retailers.
- Collecting and recycling of all tires and tubes.
- Board governance representing industry stewards.



# STAKEHOLDERS & RESPONSIBILITIES

## **MANITOBA CONSERVATION/ GREEN MANITOBA**

The provincial government requires industry to have an approved tire stewardship plan according to The Tire Stewardship Regulation, 2006, and monitors TSM's annual performance.

## **TIRE STEWARDSHIP MANITOBA INC.**

TSM is comprised of a board of directors that governs all aspects of the program. The board conducts meetings, makes decisions on program direction, and produces an annual report to demonstrate the program's accountability to all stakeholders.

## **ADVISORY COMMITTEE**

Representatives from generators, collectors, recyclers, consumers, local governments and environmental organizations provide advice on program policy and operations.

## **TSM MANAGEMENT & ADMINISTRATION**

Management and administration carry out the registration of retailers, generators and recyclers as eligible participants in the program. They also collect eco-fees from retailers to pay financial incentives to recyclers for the transportation and recycling of discarded tires. Management and Administration also oversee all other aspects of program delivery and report on performance.

## **NEW TIRE & VEHICLE RETAILERS**

Tire retailers accept unwanted tires from consumers. Tire retailers remit eco-fees for each new tire sold. New vehicle dealers remit eco-fees for each tire included with the new vehicle.

## **GENERATORS**

Examples of generators are transportation companies, auto wreckers and agri-businesses that generate discarded tires as part of their regular business.

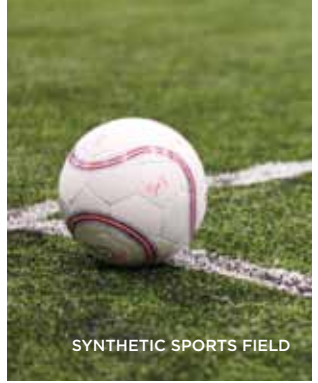
## **LOCAL GOVERNMENT**

Local governments operate municipal landfill storage yards that accept unwanted tires from consumers, new tire and vehicle retailers and generators. Municipalities receive TSM incentive payments to accept and appropriately store Manitoba generated discarded tires. This reduces the risk of fires and environmental hazards.

## **COLLECTORS**

Collectors enter into a business relationship with recyclers to pick up discarded tires from retailers and generators for delivery to recyclers.





### RECYCLERS

Manitoba companies recycle discarded tires for use in tire-derived products or fuel supplements. They also sell tire-derived products to markets in Canada and internationally. They submit claims to TSM for transportation and recycling incentives. In 2011 there were two recyclers: Reliable Tire Recycling and OTR Recycling.

### MARKETS

Various markets purchase tire-derived products from recyclers for sale or resale, or for further manufacturing into new products.

### CONSUMERS

Consumers purchase new tires from retailers. Most consumers leave their old tires with the retailer for disposal. In addition, they purchase and use recycled tire products.

## HOW IT WORKS: ECO-FEE TO END PRODUCTS

For every new tire sold an unwanted tire will eventually be discarded. Rather than taking up space in our landfills and posing a risk to human health and the environment, discarded tires are recycled and used in environmentally responsible ways. To manage discarded tires generated in Manitoba, the retailer remits eco-fees to TSM for new tires sold in the province. 100% of fees collected go towards the operation of the tire recycling program.

Properly managed tires reduce environmental risk and create jobs and economic development in Manitoba. Manitoba's tire-derived products are sold locally and internationally. Tires can be used to make flooring products for agricultural, recreational and industrial use. They are used for artificial turf fields, rubberized asphalt, blast mats, snow plow blades, geo-technical projects, energy recovery and other applications.



SYNTHETIC  
SPORTS FIELD

# GOALS & ACHIEVEMENTS

## PROGRAM GOALS

### GOALS FOR 2011 WERE AS FOLLOWS:

- Operate a program that addresses and ensures the effective environmental management of all tires generated in Manitoba.
- Ensure timely, cost-efficient collection of discarded tires from all parts of the province without user fees at the point of collection.
- Ensure adequate processing capacity to prevent backlogs of whole or partially-processed tires.
- Promote economically viable end uses and market applications for discarded tires.
- Operate a fiscally responsible and transparently accountable producer organization.
- Provide consumers with accessible disposal points for unwanted tires at tire retailers and other generators throughout Manitoba.
- Introduce consumer education materials to extend tire life, thus reducing discarded tires.

# PROGRAM PERFORMANCE

Recycling 12,838 tonnes of discarded tires or the equivalent of one car tire for every Manitoban and the approval of the TSM 2012-2016 program plan were TSM's key accomplishments for 2011.

PERFORMANCE MEASURE	RESULT
<b>Public Awareness</b>	<p>Retailers are TSM's primary ambassadors to the consumer. Several communication vehicles help to educate our stakeholders:</p> <ul style="list-style-type: none"> <li>• 2012-2016 Program Plan (approved in 2011)</li> <li>• Annual Reports</li> <li>• Point of Sale Information</li> <li>• Community Demonstration Grant Program</li> <li>• 2012 Eco Calendar</li> <li>• Be Tire Smart Campaign</li> <li>• website: <a href="http://www.tirestewardshipmb.ca">www.tirestewardshipmb.ca</a></li> <li>• toll free phone number: 1.866.724.5002</li> </ul>
<b>Program Accessibility</b>	<p>By the end of 2011, there were 1,147 retailers (includes motor and equipment dealers), 147 generators and 136 municipal locations registered with TSM. This represents 1430 collection points that accept tires across the province.</p>
<b>Tire Diversion</b>	<p>TSM collected 12,835 tonnes of discarded tires and tubes, and recycled 12,838 tonnes for a diversion rate of 100% for 2011. This represents 10.23 kilograms of tires diverted for every Manitoban.</p>
<b>Recycled Tire Products and Markets</b>	<p>In 2011, Manitoba processors sold the following products made from discarded tires:</p> <ul style="list-style-type: none"> <li>• Moulded Product 337 tonnes (3%)</li> <li>• Crumb Rubber 394 tonnes (3%)</li> <li>• Fabricated 631 tonnes (5%)</li> <li>• Sidewalls 1,290 tonnes (10%)</li> <li>• Aggregate 9,741 tonnes (76%)</li> <li>• Exported Fuel 445 tonnes (3%)</li> </ul>

PERFORMANCE MEASURE	RESULT
<b>Compliance Audits</b>	<p>45 retailers were selected for compliance audits for improving retailer remittance procedures. 5 retailers had payables owing due to non-compliant reporting and non-remittance on new equipment vehicle sales and sales to First Nations. By policy, non-compliant retailers may be deregistered from the TSM program and reported to Manitoba Conservation.</p> <p>Compliance audits for Manitoba's two processors were conducted and no material discrepancies were found.</p>
<b>Dispute Resolution</b>	<p>No disputes were filed in 2011.</p>
<b>Management Performance</b>	<p>In 2011, TSM continued to meet program and accountability requirements; and operated within the board approved budget.</p>

# PROGRAM INITIATIVES

## NOTABLE INITIATIVES DURING 2011 WERE:

### 2012-2016 PROGRAM PLAN APPROVED

Following program stakeholder consultation, TSM's tire recycling program plan was approved by the Minister of Conservation extending TSM's mandate until 2016. The approved plan builds upon the significant accomplishments of the TSM program and focuses on further operational refinement and the assured direction of strong industry leadership.

### TSM COMMUNITY DEMONSTRATION GRANT PROGRAM

TSM's Community Demonstration Grant Program provides up to \$5,000 in individual project matching grant funding for the use of recycled tire products made from Manitoba tires. In 2011 the grant program provided funding for the following four community projects:

Stars of Promise Inc. - This East Kildonan daycare received funding to replace their crumb rubber playground surface installed by the former Tire Stewardship Board with a new pour-in-place surface that uses fine mesh crumb rubber and resin mix to produce a durable and safe landing area for children in playgrounds.

Town of Powerview-Pine Falls - The town located in eastern Manitoba on the Winnipeg River received funding for a sidewalk resurfacing project using recycled rubber pads made from Manitoba tires to ensure their residents have safe durable walkways year round.

Skylight Complex - This East St. Paul community recreation center received funding to use crumb rubber for an indoor artificial turf field that benefits area youth and sports teams.

Campus Daycare Centre Inc. - The campus daycare at the University of Manitoba received funding for a pour-in-place rubber safety surface project to ensure a safer playground for the children under their care.

### TIRE RECYCLING INNOVATIONS GRANT

TSM awarded OTR Recycling of Ashern a \$50,000 grant to develop and market commercial snow plow blades made from re-purposed cut rubber of mining tires. A website has been developed to market the new product: [www.resoluterubber.com](http://www.resoluterubber.com)

The innovations grant introduced in 2011 provides additional program incentives to Manitoba tire recyclers to advance



recycled tire product sales in new markets and to develop new products made from tires for existing markets. It also promotes the development of ongoing, self-sustaining recycled tire markets for Manitoba by assisting with technical improvements, best practices, education, and new product innovation and market development projects. The goal of the new grant program is to advance new product innovation and new market development that typically involve a greater risk through enhancing the resources available beyond those which are presently used for the existing recycled tire product lines and markets.

## **2012 ECO CALENDAR**

TSM sponsored the creation and distribution of the 2012 Eco Calendar by Green Manitoba. The 2012 Eco Calendar includes pictures of Manitoba landscapes and natural environment with useful eco tips that provide guidance to Manitoba families throughout the year. TSM continues to work with government and Manitoba corporations committed to sustainability to promote greater environmental awareness.

## **BE TIRE SMART CAMPAIGN**

TSM continued its partnership with The Rubber Association of Canada (RAC) to conduct a summer 2011 community relations education and awareness program on how proper tire maintenance positively impacts tire life, vehicle safety and the environment. The Be Tire Smart Campaign focused on educating the motoring public on the benefits of proper tire inflation and maintenance. Two post-secondary students were hired by TSM to visit 42 community fairs and festivals throughout Manitoba with the RAC's "Philip the Tire" mascot in a 2011 Volkswagen TDI Clean Diesel Jetta display vehicle promoting Be Tire Smart. The students distributed tire gauges and had members of the public complete a survey about their knowledge of tire maintenance and enter a free draw for \$1,000 worth of tires.

## INDEPENDENT AUDITORS' REPORT

### **To the Board Members of Tire Stewardship Manitoba Inc.**

We have audited the accompanying financial statements of Tire Stewardship Manitoba Inc., which comprise the statement of financial position as at December 31, 2011 and the statement of operations and reserve for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tire Stewardship Manitoba Inc. as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**CERTIFIED GENERAL ACCOUNTANTS**

Winnipeg, Manitoba  
February 27, 2012


TIRE STEWARDSHIP MANITOBA INC.

STATEMENT OF FINANCIAL POSITION


DECEMBER 31, 2011

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 2,880,633	\$ 3,184,207
Accounts receivable	57,867	804,336
Prepaid expenses	5,176	5,754
	2,943,676	3,994,297
INVESTMENTS (note 6)	2,400,000	-
CAPITAL ASSETS (note 3)	14,544	19,426
	\$ 5,358,220	\$ 4,013,723
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 381,734	\$ 206,150
Goods and services tax payable	89,444	90,517
	471,178	296,667
<b>RESERVE</b>		
<b>STABILIZATION RESERVE (note 4)</b>	4,887,042	3,717,056
	\$ 5,358,220	\$ 4,013,723

APPROVED ON BEHALF OF THE BOARD:



Director



Director

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

**TIRE STEWARDSHIP MANITOBA INC.**

**STATEMENT OF OPERATIONS AND RESERVE**

YEAR ENDED DECEMBER 31

	2011	2010
<b>REVENUE</b>		
Eco-fees	\$ 5,366,817	\$ 5,505,174
Interest	62,950	22,219
	5,429,767	5,527,393
<b>RECYCLING COSTS</b>		
Payouts for tire processing	2,132,744	2,091,372
Payouts for tire collection	1,425,802	1,378,804
Payouts to municipalities	91,935	66,242
	3,650,481	3,536,418
<b>GROSS MARGIN</b>	<b>1,779,286</b>	<b>1,990,975</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertising and promotion	33,288	7,728
Amortization	4,882	6,637
Board	57,457	60,672
Communications	27,007	22,392
Computer support	56,425	15,508
Conferences	10,390	7,735
Contract financial management	16,791	17,100
Equipment leasing	425	393
Grants	20,000	17,200
Insurance	9,904	9,912
Interest	1,325	1,227
Marketing development	50,000	-
Office	5,589	7,768
Postage and courier	2,897	1,933
Professional fees	25,088	51,441
Project	2,000	-
Rent and property taxes	19,088	18,416
Salaries and benefits	236,596	229,194
Salaries – special projects	15,450	12,935
Telephone and utilities	7,068	7,663
Travel	7,630	10,335
	609,300	506,189
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,169,986</b>	<b>1,484,786</b>
STABILIZATION RESERVE – Beginning of year	3,717,056	2,232,270
STABILIZATION RESERVE – End of year (note 4)	\$ 4,887,042	\$ 3,717,056

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



TIRE STEWARDSHIP MANITOBA INC.

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31

	2011	2010
<b>CASH PROVIDED (USED) BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Operations		
Excess of revenues over expenditures	\$ 1,169,986	\$ 1,484,786
Item not involving cash		
Amortization	4,882	6,637
	1,174,868	1,491,423
Changes in non-cash working capital balances	921,558	(269,953)
	2,096,426	1,221,470
<b>INVESTING ACTIVITIES</b>	(2,400,000)	-
<b>FINANCING ACTIVITIES</b>	-	-
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	(303,574)	1,221,470
CASH AND EQUIVALENTS – Beginning of year	3,184,207	1,962,737
<b>CASH AND EQUIVALENTS – End of year</b>	<b>\$ 2,880,633</b>	<b>\$ 3,184,207</b>

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

# NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

## NOTE 1 – INCORPORATION AND COMMENCEMENT OF OPERATIONS

Tire Stewardship Manitoba Inc. is incorporated as a Non-Profit Organization and is exempt from income taxes. The purpose of the Corporation is to establish and manage a mandatory scrap tire waste reduction program on behalf of its members as set out in The Waste Reduction and Prevention Act (Manitoba Regulation 222/06).

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Tire Stewardship Manitoba Inc. has elected to use the exemption provided by the CICA permitting not for profit organizations not to apply Sections 3862 and 3863 of the CICA Handbook which would otherwise apply. Tire Stewardship Manitoba Inc. applies the requirements of Section 3861 of the CICA Handbook.

### REVENUE RECOGNITION

Revenue from tire recycling fees is recognized when retailers submit reports for tires sold. Prior to 2011 revenue included the following month reports for the prior month. All other revenue is recognized in the period it is earned. This change in reporting results in reporting eleven months revenue from tire recycling fees as the collections in January 2012 will now be reflected in 2012. As a result, income is reduced for the 2011 year by some \$465,000 that was collected in January 2012 and would formerly have been 2011 revenue. Consequently, the excess of revenues over expenditures is reduced by a similar amount. Expenditures are reflected in the month incurred with payables open until the 5th of the following month to catch major costs of processing and collection for that month in which they were incurred.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include balances with banks and short-term investments with maturities of one year or less. The small amount of US cash on hand is converted to Canadian cash.

### CAPITAL ASSETS

Capital assets are initially recorded at cost. Amortization is provided using methods and rates intended to amortize the cost of assets over their useful lives with half the normal rate taken in the year of acquisition.

	<b>Method</b>	<b>Rate</b>
Computer equipment	declining balance	30%
Office equipment	declining balance	20%
Computer software	declining balance	100%

### MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

## NOTE 3 – CAPITAL ASSETS

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
Computer equipment	\$ 23,935	\$ 16,957	\$ 6,978	\$ 9,969
Office equipment	15,214	7,648	7,566	9,457
Computer software	5,350	5,350	-	-
	\$ 44,499	\$ 29,955	\$ 14,544	\$ 19,426

## NOTE 4 – STABILIZATION RESERVE

As directed by the Board of Directors, the reserve resulting from excess of revenues over expenditures was restricted to ensure that it is dedicated to future liabilities relative to tires currently on the road. The amount of the reserve is subject to change at the discretion of the Board of Directors.

## NOTE 5 – COMMITMENTS

The Corporation has entered into one lease agreement with estimated minimum annual payments as follows:

2012	\$ 13,520
2013	3,400
	<u>\$ 16,920</u>

## NOTE 6 – FINANCIAL INSTRUMENTS

The Corporation as part of its operations carries a number of financial instruments which include cash and cash equivalents, accounts receivable, accounts payable and accruals and Goods and Services Tax payable. The carrying amount of all the remaining Corporation's financial instruments approximates their fair value, due to their relatively short-term maturities of one year or less for cash and equivalents. Investments reflect longer term GIC's with maturities between one and five years with interest rates of 2% - 4%.

## NOTE 7 – CAPITAL DISCLOSURE

The Corporation's objective when managing capital is to maintain, once achieved, a sufficient reserve fund base to ensure they can continue to cover the significant expenditures relating to the Corporation. The Corporation transfers surpluses to the stabilization reserve as disclosed in Note 4.



**TIRE STEWARDSHIP**  
Manitoba

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