



**Tire Stewardship of
Saskatchewan Inc.**

2024 Annual Report

1. MESSAGES

COLIN FRASER | Chair, Board of Directors

As Chair of the Board of Directors, I am pleased to present the 2024 Annual Report on the Tire Stewardship of Saskatchewan Inc. (TSS). 2024 was another challenging year for the board and for management.

TSS continued to manage the program over the course of the year with only one processor, CRM Canada in Moose Jaw. After the Ministry of Environment third party program review in 2023, TSS was given the green light to issue an RFP for another processor, and this was conducted in the spring of 2024 with a top proponent selected. The process was managed by the Ministry of SaskBuilds and Procurement (SaskBuilds). Efforts continued by TSS to complete the contract over the course of the summer and fall, however the contract negotiations remained outstanding at the end of 2024.

An RFP for collections was also issued under the oversight of SaskBuilds and three collectors were contracted beginning in 2025 for collection. The PSP was extended by the Minister at the request of TSS for another 6 months to enable the northern processor contract to be put into place in accordance with the PSP.

I thank management and staff, our collectors and our processor for their efforts to “keep tires flowing” in 2024. I thank the Minister of Environment, the officials in the Ministry, the retailers, the communities, and the consumers we serve.

Sincerely,

A handwritten signature in blue ink, appearing to be 'C. Fraser', with a stylized flourish at the end.

Colin Fraser
Chair, Board of Directors
Tire Stewardship of Saskatchewan Inc.

Colin Fraser | Acting Executive Director

Given only one processing site in the province during 2024, processing capacity was strained and costs increased due to temporary arrangements for processing higher volumes at the Moose Jaw location.

In fall 2024 a temporary marshaling yard at Clavet was set up and operated by TSS to manage surges in volumes of scrap tires collected and to assist with tire flow into Moose Jaw.

The RFP issued at the beginning of the year for a northern processor was concluded in the spring and an agreement was still being discussed at the end of 2024.

An RFP for the collectors was issued in the fall and awarded in December.

In March of 2025, our CEO resigned from the position, and I serve as Acting Executive Director at the time of this report.

Respectfully,

A handwritten signature in blue ink, appearing to be 'CF', with a horizontal line extending from the end.

Colin Fraser
Acting Executive Director
Tire Stewardship of Saskatchewan Inc.

2. GOVERNANCE

Board of Directors

The Tire Stewardship of Saskatchewan Inc. (TSS) is governed by an industry appointed Board of Directors having representation as required in the regulations, plus two independent members at large who bring perspective and additional competencies to the Board. Quarterly Board meetings were held and an annual meeting.

Advisory Committee

The TSS Advisory Committee (the Committee) provides strategic advice and program input to the Board of Directors and the CEO. The Committee has no decision-making authority; however, it serves as a source of information, knowledge and advice for the Board and the CEO related to program development, operational excellence, public awareness and knowledge, and connections to the communities. The Committee meets as requested by the Board or the CEO.

Industry Stakeholder Engagement

TSS is committed to collaborating with key stakeholders in the tire and tire recycling industry within and outside of the province. This includes engagement with retailers, processors, and collectors, and with industry organizations such as the Canadian Association of Tire Recycling Agencies (CATRA). The TSS CEO attends regular CATRA conference calls and is in regular contact with British Columbia, Alberta, and Manitoba tire stewardship representatives, and with other programs in eastern Canada.

Independent Audit

Financial management activities are reviewed on a yearly basis by an independent audit firm. MNP conducted the audit for 2024. This audit ensures that the TSS meets all accounting standards and requirements. The audited financial statements for 2024 are included in this report and provide for a clean, unqualified audit.

PSP Renewal

TSS operates its programs based on the approved Product Stewardship Program (PSP). The PSP is approved by the Minister in three-year periods. The PSP was expiring near the end of 2023 and the Minister of Environment approved a one-year extension to the PSP as per the TSS request, to December 16, 2024, and then a 6-month extension to June 16, 2025, to allow time for the recommendations from the 2023 review to be implemented, and the goals of the PSP to be achieved.

3. Program Review

Retailers:

TSS remains a member of the national organization of tire stewardship programs, CATRA. TSS participated in several harmonized audits of tire retailers that sell across provincial borders, under a CATRA program. This is important because if a retailer operates in the province without registering then the TSS program bears the full costs of dealing with these tires sold into the province without any fees to pay for the costs of collections and processing. In 2024, CATRA harmonized audits resulted in almost \$100,000 in remittance fees to TSS.

TSS has also followed up with out of province retailers selling in the province without remitting the environmental levy. TSS is working with the Ministry and enforcement officials regarding a defunct retailer in Prince Albert for non-remittance, with almost 4000 tires. A wholesaler of tires to an

equipment manufacturer has been collecting and remitting TRF fees and the retailer then was also collecting TFS on the same tires on new farm equipment. This is being resolved by TSS with some potential overpayments to be reimbursed for about \$122,000. TSS continues to work with the Ministry on enforcing out of compliant operating retailers to conform with the program. The Ministry contacts these retailers encouraging them to comply. If these efforts are not effective TSS will formerly remove the retailers from the program and the Ministry will then be able to undertake compliance and enforcement action. Approximately 9% of retailers were out of compliance at the end of the year.

Collections:

The Collector RFP was completed over the course of the fall of 2024 and the process was managed by the Ministry of SaskBuilds and Procurement. Signed contracts were in place on December 16. Two of the 6 zones changed. Zone 1 (NW SK) changed from TW Trucking to Midnight Cowboy Trucking and Zone 4 (SW SK) changed from Paul Tandler Trucking to Midnight Cowboy Trucking.

Midnight Cowboy Trucking is looking to upgrade their trailer units to allow for self-unloading. This will free up the schedule for unloading at CRM Canada's Moose Jaw facilities and reduce their operating costs and address their concerns regarding inefficient unloading of collectors. The estimated cost to upgrade the entire fleet will be over \$550,000 but they gain significant efficiency.

TSS established a marshalling yard at Clavet in October to be a relief yard for tires not being able to be processed at CRM Canada in Moose Jaw. The Marshalling Yard inventory to end of December 2024 is 4,815 MT. This is intended to be in operation only until the northern processor is set up.

Average delivery weights into Moose Jaw increased from 2023 to 2024. With their bailing system, one collector has increased his average weight by nearly 4.5 MT/load while the other 2 collectors have increased their delivered weights by a combined additional 1.9 MT/load. This is further reducing the GHG impact of our program and allows for more volume to be taken to the CRM Canada site.

Compared to total car sales 5 years ago (including new car sales) TSS's retail recovery rate has achieved 79% recovery compliance. TSS's current year retail recovery rate against current year's sales (including spare tires) is 80.5% versus last year which was 72.5%. When legacy collection adjustments are made, TSS's recovery rate increases to 82.0%. Non-counted Large-Scale Legacy tire cleanups represent approximately 1.6% of collections YTD in 2024 calculated by using the weight (metric tonnes) of the legacy tires collected divided by the total weight of 2024 collections. The retailer recovery rate is calculated using the units of tires collected for the year divided by the number of tires sold for the year.

TSS began work in the spring of 2023 on a new transfer station as a "Special Collection Area" in Saskatoon to assist with the very successful return to retailer (R2R) program. The "Special Collection Area" is a place at the Saskatoon landfill that people can use like an R2R retailer. TSS has struggled with adding R2R's in Saskatoon given retail space limitations. In 2024, 12,051 tires were collected from the Saskatoon landfill transfer station, representing 1.1% of the total number of tires collected.

Processing:

In response to CRM Canada complaints regarding the volume of non-program material (such as tubes) that is showing up in retailer collections, TSS continues to remind collectors that CRM Canada can refuse non-program materials and loads of contaminated tires. Communication with retailers encouraged storing tires on clean areas to prevent contamination from stones and dirt and snow. In this reminder it was noted that tubes have never been part of the program and retailers should not include these with their scrap tires as they could potentially contaminate the product(s) of our processor, plus add costs to TSS.

TSS has had preliminary discussions with Recycle in Alberta about their new low carbon fuel facility in Esha, Alberta (near Crossfield). They have the capacity for 30,000 MTs of tires but would require the product to be a smaller TDA type “tire chip” material. CRM Canada has approached TSS about a cost-sharing market development program on freight (given the close distance) to help alleviate their issues with Saskatchewan product inventory at their Crossfield facility.

TSS expressed a willingness to consider this but is seeking some input from Scope 3 on the environmental impact of this process and whether this will also help push CRM Canada to take more product at Moose Jaw to alleviate the pressure on TSS on the marshalling yard. TSS deferred the discussion and the notion of a market development fund to the new PSP to be developed and approved in 2025. Total delivered weight to the Saskatchewan processor was 22,417 MT which is an increase of 33.5% from 2023 volumes.

CRM Canada’s inventory in Moose Jaw at the end of the year was 19,291 MTs with majority of this material as work in process being processed into crumb at other CRM facilities (E.g., 4294 Albany Street Colonie, NY 12205) outside of the province. Nearly 38% of CRM’s final product is value-added material with 54% of material being sold as TDA/shred.

Other Program and Industry Highlights:

The Minister extended the PSP for TSS for an additional 6 months from December 16, 2024, to June 16, 2025, at the request of TSS to give more time to address recommendations from the 2023 review and to conclude the north processor negotiations.

TSS will consider in the coming year in a new PSP many of the same issues other programs are dealing with in other provinces:

- Consider increasing tire remittance fee for PLTs from \$5/unit to \$6/unit
- Consider increasing processing fees
- Consider a market development fund for grants with RM’s to promote use of end-used processor products, particularly TDA for leachate layers in landfills.
- Consider contributing to research trials on Rubber Modified Asphalt (RMA)

Across Canada of note, Ontario tires moving to Quebec has created issues for the Quebec program and Quebec is now shipping tires out of province. Ontario performance targets are to collect 65% of supply on a 3-year average (TSS target in comparison for PSP ending in 2024 was to hit 82%) and to grow to 70%. Ontario is having issues from processors on CPI/inflation. The New Brunswick program is transferring over to E-Tracks (who operate part of Ontario’s program) as they move to an EPR model. New Brunswick has separated collection contracts from the processor contracts like

Saskatchewan. NS echoed concerns privately to TSS that having the processor also involved in collection runs too much risk for fraudulent activities.

In the US the recovery rate for 2023 has increased to 79% (from 71%) which is more in line with where the USTMA was back in pre-pandemic (2017 they were at 81% and 2019 they were at 76%). USTMA cautioned heavily that 79% was not a sustainable number as it came about largely due reduced generation (supply) of tires and not actual improvement in their collection activities. USTMA is looking at grants to promote adoptions of RMA.

Total collected material has increased by 126,708 units, an increase of 13% from 2023 collection efforts. Total collected weight has increased by 5,722 MT which is an increase of 26% from 2023 levels. Scope 3 completed analysis on TSS’s GHG Impact. 2023 represented an improvement of 46% from 2022 efforts as the addition of CRM and their focus on value-added processing resulted in removing the equivalent of nearly 24 million kms of vehicle travel (2022 revised to reflect 16 million of kms of vehicle travel removed). Total of the last 5 years is the equivalent of removing over 98 million kilometers of vehicle travel.

3. Program Results

TIRE SALES AND COLLECTION

The following tables summarize the tire sales and collection volume for the reporting period. Numbers are as followed by the retailers (sold) and collectors (collected). New vehicle sales are a total of new cars sold multiplied by 5 tires. Sold and collected data is reported in the month following the activity (e.g. February sales information is remitted to TSS and recorded in March). The numbers are accurate as of the reporting date.

Units Sold	2024	2023
PLT	1,074,367	1,056,032
MED	225,190	218,357
AG	39,853	38,559
OTR I	5,735	6,287
OTR II	881	958
New Vehicle Tires	239,000	216,535
Total Units	1,585,026	1,536,728

Units Collected	2024	2023
PLT	894,526	793,585
MED	174,324	151,065
AG	13,447	10,876
OTR I	1,403	1,504
OTR II	210	172
Legacy Tires (Counted)	101	7,106
Total Units	1,084,011	964,308
Weight Collected (MT)	2024	2023
Total Weight	28,018	21,607

Category	Metric Tonnes
Total collected and sent to marshaling yard	5,601
Total sent to CRM	22,417
Total collected	28,018

TSS LEGACY PILE CLEANUP & RECOVERY DATA

The following tables summarize the large-scale legacy tire cleanups and the impact to our collection/recovery rate on material delivered to our processor. The adjusted recovery rate is calculated by increasing the macro collection numbers by the % of the weight delivered from large scale legacy tire pickups where an individual tire count was not conducted. Due to the condition of the 2024 legacy tires collected, most of the units were unable to be counted as units. All other legacy pile clean-ups where tire counts are conducted are reflected in the original recovery rate figure. The metric tonnes (MT) of legacy TSS non-counted units increased from 95.45 in 2023 to 451.53 in 2024. TSS received 117 new Legacy requests in 2024 for a total of 238.

Large Scale Legacy Pile Cleanups	2024 (MT)	2023 (MT)
TSS non-count	451.53	95.45
Total Non-TSS Delivered MT	0.000	60.01
Total Legacy Deliveries MT	451.53	155.46
% of Collected Weight	1.6%	0.7%
	2024	2023
Total Retail Units	1,083,910	957,202
Counted Legacy Units	101	5,402
Total Units	1,084,011	962,604
Legacy Pile Adjustment	1,101,480	969,530
TSM Deliveries	1,848	1,704
Total Collected Units	1,103,480	971,234
Retail Recovery Rate	80.5%	72.5%
Legacy Pile Adjusted Recovery Rate	82.0%	73.6%

TIRE PROCESSING

The following tables display the inventory of material at the former Saskatoon processing site and the Moose Jaw site.

Category	Saskatoon 2024
Inventory (lbs)	8,313,544
Weight Received from TSS and other:	0
Shred (lbs)	2,407,372
Crumb	0
Rubber Paving	0
Manufactured Goods	0
Waste S/F	0
Shipped Out	0
Production Total	0
Closing Balance (lbs)	5,906,172
Closing Balance (mt)	2,679

Category	CRM 2024
Opening Inventory (MT)	6,983
Weight Received from TSS and other:	22,417
Shred	5,440
Crumb	3,353
Rubber Modified Asphalt (RMA)	422
Manufactured Goods	22
Tire Wire and Waste Material	166
Other (recycled/repurposed non-program material)	706
Production Total	10,109
Closing Balance (lbs) 42,529,004	<-- <i>Includes all Legacy Cleanup Efforts</i>
Closing Balance (mt) 19,291	

Return to Retailers

The following table shows the current Return to Retailers (R2R) and their location by Zone:

Zone 1	24
Zone 2	48
Zone 3	28
Zone 4	17
Zone 5	7
Zone 6	12
TOTAL	136

COMMUNICATIONS

In 2024, TSS engaged Harvard Media to produce Facebook and Instagram messaging. In addition, TSS engaged Saskatoon Media for radio advertisements to educate and bring awareness to the public regarding the TSS program. Examples of the advertisement posts can be seen below.

facebook


Email or phone

Password

Log In

Forgot Account?





Tire Stewardship of Saskatchewan


101 likes • 111 followers

Log in or sign up for Facebook to connect with friends, family and people you know.

Log In

 or

Create new account

Tire Stewardship of Saskatchewan

GOT QUESTIONS?

#FUNFACT

NO PROBLEM!

TO WORTH WITH R2R!

KNOW?

Keeping Tires Out of Landfills, One Step at a Time.

FAQ

GIVING OLD TIRES A SECOND LIFE.

FROM SCRAP TO SUSTAINABILITY.

R2R PROGRAM IS NOW OPEN!

Tire Recycling Made Easy By Our Trusted Network!

FROM SCRAP TO SMART!

DON'T LET TIRES PILE UP!

#FunFact

DID YOU KNOW?

Log in or sign up for Facebook to connect with friends, family and people you know.



Tire Stewardship of Saskatchewan



sk_tires • Follow



sk_tires 123w

Our Return to Retailer (R2R) Program allows Saskatchewan residents to drop off a maximum of 10 rimless scrap tires, free of charge, at select tire retailers during business hours. ✓

Click for more info! www.tssk.ca/return-to-retailer



No comments yet.

Start the conversation.



1 like

February 17, 2023



Tire Stewardship of Saskatchewan Inc.
Financial Statements
December 31, 2024

To the Members of Tire Stewardship of Saskatchewan Inc.:

Opinion

We have audited the financial statements of Tire Stewardship of Saskatchewan Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, 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.

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 are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

Regina, Saskatchewan

May 1, 2025

MNP LLP

Chartered Professional Accountants

MNP

Tire Stewardship of Saskatchewan Inc.
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Cash (Note 3)	1,117,606	3,778,866
Accounts receivable	5,818	12,134
Restricted cash (Note 4)	481,514	-
Prepaid expenses	50,933	28,276
	1,655,871	3,819,276
Capital assets (Note 5)	134,598	66,269
	1,790,469	3,885,545
Liabilities		
Current		
Accounts payable and accruals	1,170,024	1,443,077
GST payable	38,795	27,615
	1,208,819	1,470,692
Net Assets	581,650	2,414,853
	1,790,469	3,885,545
Approved on behalf of the Board		
e-Signed by Colin Fraser	e-Signed by Ray Geleta	
2025-05-01 10:24:56:56 MDT	2025-05-01 10:18:57:57 MDT	
Director	Director	

The accompanying notes are an integral part of these financial statements

Tire Stewardship of Saskatchewan Inc.
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2024

	2024	2023
Revenue		
Tire recycling fees	11,244,537	10,878,122
Interest	59,745	82,197
Rent	16,800	15,600
	11,321,082	10,975,919
Cost of sales		
Processors	6,646,603	4,464,002
Collectors	5,522,692	5,643,640
Marshalling yard	45,142	-
	12,214,437	10,107,642
Gross (deficit) profit	(893,355)	868,277
Expenses		
Advertising	78,783	84,983
Amortization	35,310	22,090
Bank charges and interest	4,257	4,261
Computer	22,761	21,544
Consulting	236,387	253,661
Directors' remuneration	19,403	24,000
Insurance and licences	12,563	13,346
Membership fees	18,719	9,272
Office rent	53,709	50,098
Office supplies	8,497	5,761
Postage	-	256
Professional fees	135,245	141,843
Salaries and benefits	289,503	291,090
Telephone	4,349	4,142
Training and education	117	-
Travel	20,245	17,921
	939,848	944,268
Deficiency of revenue over expenses	(1,833,203)	(75,991)
Net assets beginning of year	2,414,853	2,490,844
Net assets, end of year	581,650	2,414,853

The accompanying notes are an integral part of these financial statements

Tire Stewardship of Saskatchewan Inc.

Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
Cash used for (provided by) the following activities		
Operating		
Cash received from tire recycling fees	11,262,033	10,850,493
Cash receipts from investment income	59,745	94,228
Cash paid for program service expenses	(13,125,182)	(9,978,557)
Cash paid for salaries and benefits	(289,503)	(291,090)
Cash received from tenants	16,800	15,600
	(2,076,107)	690,674
Financing		
Repayment of long-term debt	-	(40,000)
Investing		
Proceeds on disposal of short term investments	-	500,000
Purchase of capital assets	(103,639)	-
	(103,639)	500,000
(Decrease) increase in cash resources	(2,179,746)	1,150,674
Cash resources, beginning of year	3,778,866	2,628,192
Cash resources, end of year	1,599,120	3,778,866
Cash resources are composed of:		
Cash	1,117,606	3,778,866
Restricted cash	481,514	-
	1,599,120	3,778,866

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Tire Stewardship of Saskatchewan Inc. (the "Organization") was incorporated under the Not-for-profit Corporation's Act and is exempt from income taxes. The purpose of the Corporation is to serve as the scrap tire recycling program operator in Saskatchewan.

The Organization was incorporated on June 28, 2017.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

Revenue from tire recycling fees is recognized as revenue when retailers submit reports for tires sold, or as the fees can be determined and collection is reasonably assured. All other revenue is recognized in the period it is earned.

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Years
Office equipment	5 years
Leasehold improvements	2-5 years

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures all financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Tire Stewardship of Saskatchewan Inc.
Notes to the Financial Statements
For the year ended December 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Line of credit

The organization maintains an authorized line of credit limit of \$150,000 which bears interest at prime plus 0.5% (5.95%) (2023 - 7.70%)

4. Restricted cash

During the year, the Organization entered into two leases for marshalling yards which are used as temporary storage facilities for collected scrap tires. The Ministry of Environment has mandated that the Organization create a contingency fund, setting aside \$100 for each tonne of scrap tires delivered to the storage facilities at year-end to assist with site cleanup.

5. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Office equipment	32,959	19,776	13,183	19,775
Leasehold improvements	181,129	59,714	121,415	46,494
	214,088	79,490	134,598	66,269

6. Commitments

The Organization has entered into various contracts with estimated minimum annual payments as follows:

2025	349,225
2026	33,086
2027	2,202
	384,513

The Organization has also entered into an agreement with its processor whereby the Organization will pay additional processor costs starting July 2023 to accommodate significantly higher volumes. The Organization is committed to paying the processor based on a cap of 50% of its monthly tire recycling fees until the earlier of (1) the date the Processor commences operations at its Northern Facility and (2) April 30, 2025.

7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

8. Contingencies

The Organization has been named as defendant in a lawsuit on behalf of a former processor contracted by the Organization, seeking to recover damages allegedly sustained by them as a result of defamation. The complaint with respect to this action generally alleges the Organization was acting in a defamatory manner, resulting in loss to the Company. This lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. The Organization's insurers have been advised of this claim and are cooperating with the Organization in the defence of this lawsuit subject to policy deductibles, limits, and terms and conditions.