



# Tire Stewardship of Saskatchewan Inc.

2018  
Annual Report

[www.tssk.ca](http://www.tssk.ca)



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## 1. MESSAGES

### COLIN FRASER | Chair, Board of Directors

As Chair of the Tire Stewardship of Saskatchewan Inc. (TSS) Board of Directors, I am pleased to present the 2018 Annual Report.

In late 2017, the TSS established a foundation which allowed the organization to maintain service levels to our retailers with the assistance of our collection and processing partners. In 2018, our first full year in operation, the TSS was able to continue to build upon that foundation while readying ourselves for significant projects to begin in early 2019 including zone collection and the remediation of the former Assiniboia Rubber Recyclers site.

The TSS has developed solid working relationships with retailers over the past year, and have been able to collaborate transparently with our contracted collectors and processor on program improvements that have reduced administrative expenses and streamlined internal processes.

As we moved forward with our Product Stewardship Program (PSP), the TSS Board of Directors has been able to lend its expertise to the organization by providing guidance, support and effective decision making. Taking on a program of this magnitude in such a short time frame means we continually need to be lean and decisive. The projects and program changes implemented to date, and those coming in years two and three of our PSP, are all geared toward making Saskatchewan's tire recycling program the best in Canada. We are all excited to see how the program and organization evolves in the years to come.

I would like to take this opportunity to thank my colleagues on the TSS Board of Directors, the Saskatchewan Ministry of Environment, our stakeholder organizations, our contracted service providers, the tire retailers in Saskatchewan, and the team at TSS.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colin Fraser", with a stylized flourish at the end.

Colin Fraser  
Chair, Tire Stewardship of Saskatchewan Inc.

**BRAD COLIN | Executive Director**

I am pleased to present the annual report for the year 2018.

2018 was a planning year as we prepared for the start of a number of major projects in 2019. There was much work done as we issued two Request for Proposals that would shape our program for years to come. Most notably, we were successful in awarding a contract to Shercom Industries to remediate the former site of Assiniboia Rubber Recyclers starting in 2019. This was made possible by collaboration with the Ministry of Environment. The other project will introduce a significant change to how the program handles scrap tire collection by implementing geographic collection zones. The TSS has awarded each geographic collection zone to one of three contracted collectors. Zones will be implemented in early 2019.

In addition to these two projects, the TSS has continually sought out ways to be more efficient and cost effective, and streamline processes. We have undertaken changes that have not only reduced expenses but have made us better at what we do. This effort will continue as we see process improvement as a way of life at TSS.

I would like to take this opportunity to thank our delivery partners (collectors and processor) in assisting us with implementing our changes. Without their ongoing support, these would not have been possible. I would also like to thank the TSS Board of Directors for their support as we move these initiatives forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Colin", is positioned above the printed name.

Brad Colin  
Executive Director

## 2. GOVERNANCE

### Board of Directors

The Tire Stewardship of Saskatchewan Inc. (TSS) is governed by an industry-led volunteer Board of Directors having strong representation and experience from those that are obligated under the regulations, complemented by independent perspective to bring additional values and competencies to round out the Board composition.

The TSS Board of Directors is comprised of the following four members:

- **Colin Fraser, Chair** – Owner/Operator OK Tire, Prince Albert  
*Retail Council of Canada*
- **Ray Geleta, Vice-Chair** – Executive Director  
*Western Canada Tire Dealers Association*
- **Len Ritchot** – General Manager, Market Tire  
*Retailer-At-Large*
- **Richard (Porky) Porter**  
*Independent Member-at-Large*

### Advisory Committee

The TSS Advisory Committee (the Committee) provides strategic advice and program input to the Board of Directors as required. The Committee has no decision-making authority – rather it is a source of information, knowledge and advice for the Board related to strategic program development, continuous improvement and new opportunities.

The TSS Advisory Committee includes members from the following stakeholder groups:

- SARC/SARCAN Recycling
- Ministry of Environment, *Government of Saskatchewan*
- Tire Retailers
- Saskatchewan Association of Rural Municipalities
- Saskatchewan Urban Municipalities Association.

### Stakeholder Engagement

The TSS is committed to collaboration with key stakeholders in the industry. This includes engagement with retailers, processors and collectors. It also means engagement with industry organizations, such as attending annual events hosted by the Canadian Association of Tire Recycling Agencies and others. The TSS Executive Director attended the annual CATRA conference in Niagara Falls in November 2018, and participated in monthly conference calls with British Columbia, Alberta and Manitoba tire stewardship representatives.

### Independent Audit

Financial management activities are reviewed on a yearly basis by an independent audit firm – MNP LLP. This audit ensures that the TSS is meeting all accounting standards and requirements. The audited financial statements are included in this report.

### 3. 2018 YEAR IN REVIEW

2018 was the TSS' first full year of operations under its Ministry of Environment approved Product Stewardship Program (PSP). It was a year of planning and preparation as the organization readied itself for the start of two significant initiatives (Assiniboia Pile Remediation and Zone Collection), while continuously building relationships, fine-tuning the program and overall operations, and managing costs.

#### Assiniboia Tire Pile

Of primary concern for the TSS is the abandoned tire pile at the former site of the Assiniboia Rubber Recyclers plant in Assiniboia Saskatchewan. This initiative was identified in the Product Stewardship Program (PSP) as a high priority project.

The plant closed in February 2014. Shipment of scrap tires to this location ceased in November 2013. When the plant closed, the volume of scrap tires and processed material remaining on site was estimated to be 45.4 million pounds or 20,593 metric tonnes. A new survey completed in July 2018 revised this estimate to 15 million pounds or 6,804 metric tonnes of tires and material. The actual, total volume will not be known until the project is complete. The Government of Saskatchewan has committed \$3.3M to the project with the TSS acting in the capacity of project manager.

In preparation for the remediation of this site, in 2018 the TSS:

- Commissioned an engineering firm to complete a site survey of the property in order to develop a more accurate and up-to-date estimate of volume of rubber on-site.
- Prepared and released a Request for Proposals (RFP) seeking competitive bids from interested vendors to remediate the site.
- Evaluated all proposals and conditionally awarded the contract with work to commence in Spring 2019.

It is anticipated the work will be completed in late Fall 2019.

#### Zone Collection

Also identified as a high priority project in the TSS' PSP was the need to move to a better, more efficient model for scrap tire collection at the retailer level. The collection model the TSS inherited required far too much intervention and involvement by the TSS. At times there were issues between collectors as to who was to service particular retailers in any given city or town. Over time, the entire system had become highly inefficient and too difficult to manage. With the move to zones, each retailer will have an assigned collector, and collectors will not be able to service retailers outside of their contracted zone unless directed to do so by the TSS.

With the implementation of collection zones in March 2019, the TSS will realize the following benefits:

- Increased service and improved accountability to Registered Retailers.
- Increased transportation efficiencies (including a reduction of greenhouse gas emissions resulting from more efficient transportation routes).
- Development of innovative and cost-saving collection and transportation methods.
- More collaboration between the TSS and its collection partners.
- A fair and competitive system for collectors.

In preparation for the move to zones, in 2018 the TSS:

- Prepared and released a RFP seeking competitive bids from interested vendors to collect scrap tires in one or more zones.
- Evaluated all proposals and awarded contracts to three collectors for the six collection zones.

Start date for the zone model is March 1, 2019.

## Retailers

- Expanded the number of retailers participating in the Return to Retailer program from 42 to 73.
- Worked with 3<sup>rd</sup> party audit firm to audit 60 retailers.
- Simplified eligibility rules for scrap tire collection based on retailer remittances.
- Continued expansion of retailers signing up for online bill payment and EFT for remittances.
- Surveyed retailers regarding zone collection, changes to program, use of online tool for remittances.

## Processor

Ended the practice of sending OTR tires to Western OTR in Manitoba effective March 1 2018. All scrap tires in Saskatchewan are directed to Shercom Industries.

## On Reserve Tire Pile Remediation

Developed an acceptable framework with Indigenous Services Canada (ISC) to collect on-reserve tires using TSS' existing infrastructure (collector/processor). ISC will fund the work while the TSS will manage the projects.

It is anticipated that two on-reserve piles (Onion Lake and Mistawasis) will be remediated in early 2019.

## Legacy Piles

Continued practice of registering public and private stockpiles of scrap tires until such time the TSS has the financial resources in place to start remediating these stockpiles.

## Community Involvement

In 2018, the TSS participated in Household Waste Collection Days in Prince Albert and Regina. This provided citizens with a no-cost opportunity to bring scrap tires to a designated location for recycling. Shercom Industries was our partner on this in Prince Albert, and Crown Shred and Recycling in Regina.

## Auto Recycler Partnership

The TSS continued its partnership with the Saskatchewan Auto Recyclers Association. The agreement allows auto recyclers, who are registered SARA and TSS, to have scrap tires picked up from their location at no cost.

## Bicycle Tires

From registered bike retailers, the TSS collected and processed scrap bike tires, at no cost to the retailer.

## 4. PROGRAM RESULTS

Tire Recycling Fees (TRFs) are paid by the consumer at the point of purchase on all new tires sold. Retailers are responsible for collecting and remitting these fees to the TSS. The TSS uses this single source of revenue to pay for the collection and processing of scrap tires. The fees are reviewed annually.

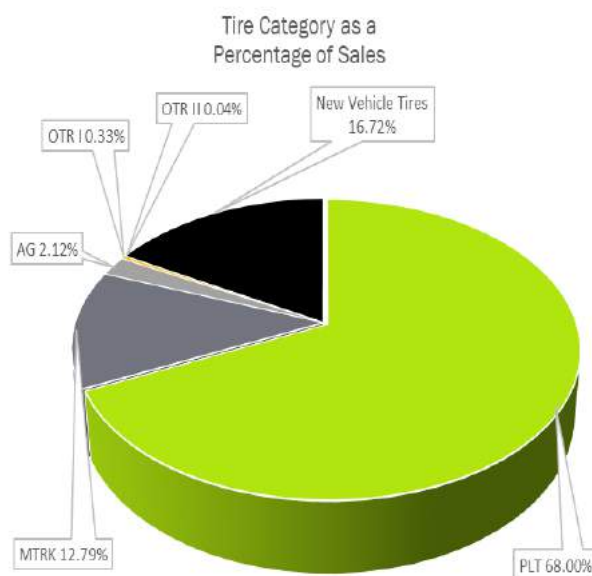
In 2018, the tire recycling fees were:

Tire Category	TRF
Passenger Car/Light Truck (PLT)	\$4.00
Medium/Semi-truck (MTRK)	\$14.00
Agriculture (AG)	\$25.00
Off the Road/Mining (OTR I)	\$57.00
Off the Road/Mining (OTR II)	\$140.00

## Revenue

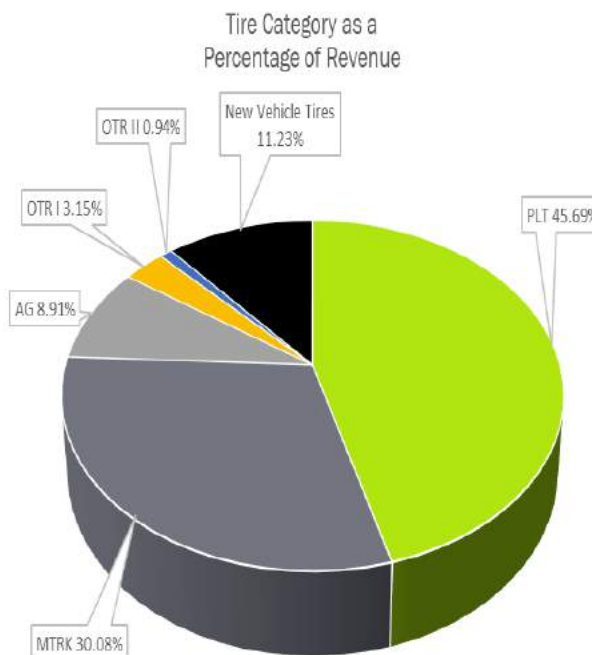
The following table provides a breakdown of the new tire sales for the year.

Tire Category	Tires Sold	% of Sales
PLT	1,019,704	68.00%
MTRK	191,822	12.79%
AG	31,804	2.12%
OTR I	4,925	0.33%
OTR II	601	0.04%
New Vehicle Tires	250,610	16.72%
<b>Total Units</b>	<b>1,499,466</b>	<b>100.00%</b>



The following table provides a breakdown of the revenue generated by new tire sales for the year.

Tire Category	Revenue \$ *	% of Revenue
PLT	\$4,078,816	45.69%
MTRK	\$2,685,508	30.08%
AG	\$795,100	8.91%
OTR I	\$280,725	3.15%
OTR II	\$84,140	0.94%
New Vehicle Tires	\$1,002,440	11.23%
<b>Total Revenue</b>	<b>\$8,926,729</b>	<b>100.00%</b>

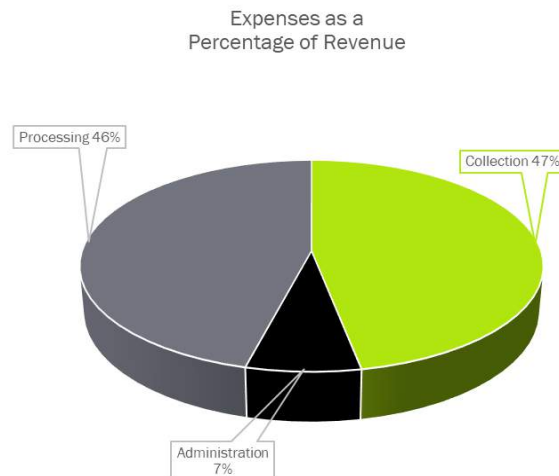


\* Note: numbers differ from audited financial statements due to differences in timing of reporting.

## Expense Management

The following chart provides an overview of the TSS' operating expenses as a percentage of revenue for the year. In 2018, the TSS continued to keep program staffing and administrative costs as low as reasonably possible.

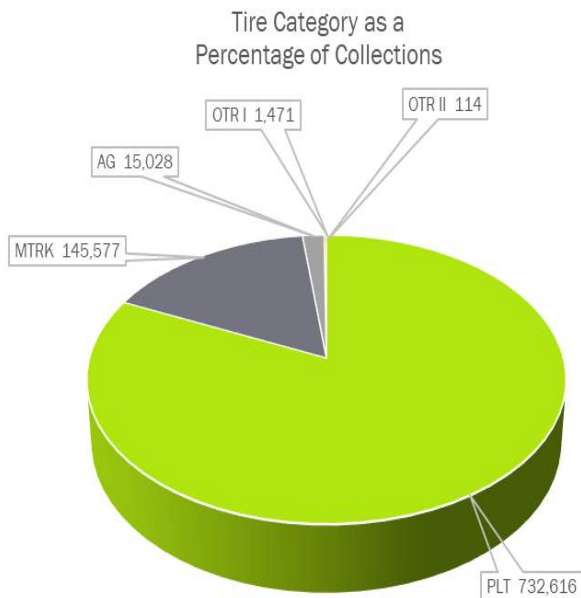
The TSS' 2018 administrative costs were the lowest the scrap tire recycling program in Saskatchewan has seen in the past eight years.



## Collection

The following table summarizes the collection of scrap tires for the year ending December 31, 2018.

Tire Category	Tires Collected	% of Collection
PLT	732,616	81.88%
MTRK	145,577	16.27%
AG	15,028	1.68%
OTR I	1,471	0.16%
OTR II	114	0.01%
Total Units	894,806	100.00%



Collections were handled by the TSS' four contracted collectors. Combined data shows Saskatchewan had a year over year increase in tire collection from 2017 to 2018 of 2.93% and an increase of 11.08% over 2016.

## Recovery Rates

The following table provides the recovery rates for 2018. The recovery rate is defined as the total number of tires collected divided by the number of new tires sold. Included are the recovery rates with and without New Vehicle Sales tires included the calculation. The scrap tire recycling program recovery rates were at their highest level in 2018.

Recovery Rate	Excluding New Vehicle Sales	Including New Vehicle Sales
2016	67.07%	55.19%
2017	69.11%	56.97%
2018	71.65%	59.68%

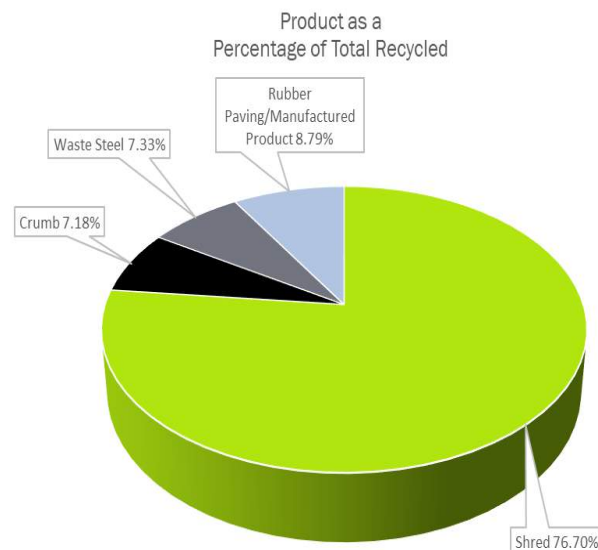
## Processing & Manufacturing

The following table provides the inventory level for the processor. The single processor of scrap tires in Saskatchewan is Shercom Industries. A small volume of tires was shipped to Western OTR Recycling in Manitoba however that practice ended in March of 2018. Shercom creates surfacing, landscaping, agricultural and commercial products, among others, from the processed scrap tires.

Shercom Industries (metric tonnes)	
Opening Inventory	14,295
Weight Rec'd from TSS	21,105
Tire Volume Recycled	17,058
Closing Inventory	18,342

The following table provides the total weight of scrap tires that have been converted into different products.

Shercom Industries		
Recycled Product	Metric Tonnes Processed	% of Processing
Shred	13,083	76.70%
Crumb	1,225	7.18%
Waste Steel	1,251	7.33%
Manufactured Products	1,500	8.79%
<b>Total</b>	<b>17,058</b>	<b>100%</b>



## APPENDIX A: FINANCIAL STATEMENTS

**Tire Stewardship of Saskatchewan Inc.**  
**Financial Statements**  
*December 31, 2018*

## Management's Responsibility

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To the Members of Tire Stewardship of Saskatchewan Inc.:

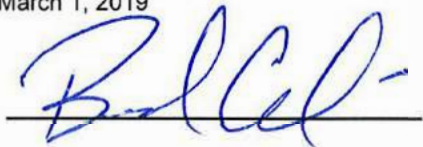
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 1, 2019



## Independent Auditor's Report

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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, 2018, and the statements of operations, 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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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

March 1, 2019

*MNP* LLP

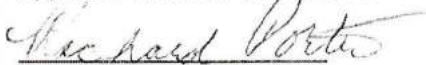
Chartered Professional Accountants

**Tire Stewardship of Saskatchewan Inc.**  
**Statement of Financial Position**

*As at December 31, 2018*

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	795,030	847,952
Accounts receivable	3,256	19,517
Prepaid expenses	7,045	9,968
	805,331	877,437
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	706,348	778,534
GST payable	29,447	27,510
	735,795	806,044
<b>Net Assets</b>	69,536	71,393
	805,331	877,437

Approved on behalf of the Board

  
Director

  
Director

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

# Tire Stewardship of Saskatchewan Inc.

## Statement of Operations

*For the year ended December 31, 2018*

	<i>12 Months Ended December 31 2018</i>	<i>6 Months Ended December 31 2017</i>
<b>Revenue</b>		
Tire recycling fees	8,921,787	2,603,951
Interest	78	
	<b>8,921,865</b>	2,603,951
<b>Cost of sales</b>		
Recycling fee commission	115,715	45,352
Collectors	3,437,038	1,173,509
Marshalling yard	229,468	78,918
Processors	4,104,111	1,404,995
Truckers	422,225	125,019
	<b>8,308,557</b>	2,827,793
<b>Gross profit</b>	<b>613,308</b>	(223,842)
<b>Expenses</b>		
Advertising	430	631
Bank charges and interest	2,773	926
Computer	29,553	6,871
Conferences	2,065	
Consulting	244,975	223,200
Directors' remuneration	9,893	13,792
Insurance and licences	6,184	4,984
Meeting expense	792	112
Membership fees	22,109	
Office equipment	5,754	
Office rent	36,000	12,000
Office supplies	8,909	6,725
Postage	3,821	4,029
Printing and publications		1,926
Professional fees	70,921	37,857
Salaries and benefits	182,944	34,207
Special projects	12,350	
Telephone	1,069	
Travel	7,678	12,526
	<b>648,220</b>	359,786
<b>Deficiency of revenue over expenses</b>	<b>(34,912)</b>	(583,628)

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

**Tire Stewardship of Saskatchewan Inc.**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2018*

	<b>2018</b>	<b>2017</b>
Net assets beginning of year	<b>71,393</b>	-
Deficiency of revenue over expenses	<b>(34,912)</b>	(583,628)
Contributions from SSTC (Note 4)	<b>33,055</b>	655,021
Net assets, end of year	<b>69,536</b>	71,393

*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, 2018*

	<b>12 Months Ended December 31 2018</b>	<b>6 Months Ended December 31 2017</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from retailers	8,938,126	2,594,434
Cash received from SSTC	-	729,388
Cash paid for program service expenses	(8,808,104)	(2,441,663)
Cash paid for salaries and benefits	(182,944)	(34,207)
<b>Increase in cash resources</b>	<b>(52,922)</b>	<b>847,952</b>
<b>Cash resources, beginning of year</b>	<b>847,952</b>	<b>-</b>
<b>Cash resources, end of year</b>	<b>795,030</b>	<b>847,952</b>

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

**Tire Stewardship of Saskatchewan Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

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**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.

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

All financial assets and liabilities are subsequently measured 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.

***Measurement uncertainty***

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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

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# Tire Stewardship of Saskatchewan Inc.

## Notes to the Financial Statements

For the year ended December 31, 2018

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### 3. Line of credit

The Organization maintains an authorized line of credit limit of \$150,000 which bears interest at 4.45%.

As at December 31, 2018, the Organization has drawn \$nil (2017 - \$nil) from the line of credit.

### 4. Contribution from SSTC

In 2017, the Organization received contributions from Saskatchewan Scrap Tire Corporation (SSTC) upon its dissolution. The funds paid to the Organization were unrestricted, with the exception of \$84,367 which was designated to fund a liability of SSTC that had not been resolved by December 31, 2017 relating to a retail compliance review. This compliance review has been completed, and resulted in amounts owing to the retailer of \$51,312 which is included in the current years accounts payable, and the balance of \$33,055 has been recognized as a contribution from SSTC in the current year.

### 5. 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.

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization exposure to liquidity risk is dependent on the receipt of tire recycling fees, collection of accounts receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

#### **Credit risk**

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss.

### 6. Commitments

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

2019	139,650
2020	101,520
2021	11,100
	<hr/>
	252,270

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# Tire Stewardship of Saskatchewan Inc.

3419 Pasqua St  
Regina SK S4S 7K9  
1-833-790-1894  
[contactus@tssk.ca](mailto:contactus@tssk.ca)  
[www.tssk.ca](http://www.tssk.ca)

