



**Used oil can be refined  
again and again.**

## LETTER FROM THE BCUOMA CHAIR

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On behalf of the BC Used Oil Management Association, I am pleased to present the 2015 Annual Report. In 2015, BCUOMA, felt the pressure of the sharp drop in crude oil prices but still produced strong program and financial results.

This last year was my first as Chair and I am grateful for the thoughtful contributions of my Board colleagues and the work of my chair predecessor, and the Executive Director, in creating a strong foundation for BCUOMA. This foundation has allowed us to continue to produce Providence-wide service in the most difficult market conditions that BCUOMA has ever experienced.

In the years ahead BCUOMA will continue to modernize the organization's business practices and ensure that we are providing value for our members. We will look to use more web-based technology and paper-less systems to optimize our administrative services and improve our data management. In 2015, BCUOMA joined the other used oil associations in the three western provinces to develop a web-based system for receiving, tracking and paying Return Incentives. In 2016 we will begin to roll out this program.

I would like to thank everyone involved in the BCUOMA program for helping make 2015 another successful year.

Brian Ahearn



Board Chair  
BCUOMA

## BCUOMA BOARD OF DIRECTORS

**Brian Ahearn, Chair**  
Canadian Fuels Association

**Nuray Elci, Secretary**  
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## ANNUAL REPORT

The British Columbia Used Oil Management Association (BCUOMA) is a not-for-profit Society formed under the British Columbia Society Act in 2003. BCUOMA's role is to ensure the responsible management of oil, filters, antifreeze and containers sold, distributed or imported for commercial use by its members. BCUOMA has a multi-sector Board of Directors that includes representatives from industry, local government and the public.

BCUOMA provides incentives to recyclers to ensure that oil, filters, antifreeze and containers throughout BC are collected and managed. The collectors pick up the used oil and antifreeze materials from generators and Return Collection Facilities across BC and deliver the materials to the BCUOMA registered processors, where they are processed to the point that they can be reused or sold as raw material inputs for manufacturing or energy products.



**BCUOMA COLLECTOR ZONES**

## COLLECTION NETWORK PERFORMANCE

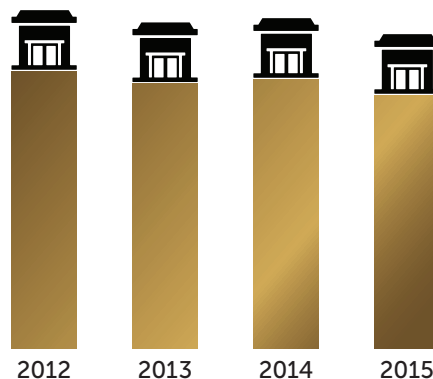
BCUOMA is a mature product stewardship program with a vast collection network. Collection occurs through the over 4000 generators in BC. Many of these generators change oil, filters and antifreeze commercially and then call the collectors in the BCUOMA program for pick-up.

For citizens that choose to change their own oil and antifreeze, BCUOMA has developed a network of Return Collection Facilities that accept consumer returns. BCUOMA provides a volume-based incentive to facilities that agree to accept oil and antifreeze from consumers at no charge. Collection facility locations can be found on the BCUOMA website –

<http://usedoilrecycling.com/en/bc>. BCUOMA also provides support to Regional Districts that operate community Household Hazardous Waste round-ups.

In 2015, 475 Return Collection Facilities collected materials from the public, a decrease from the 505 facilities that provided this service in 2014. The sharp drop in oil prices in late 2015 put significant pressure on the collection system and the facilities. Processors were unable to sell the refined or recycled oil, collectors reduced their pick-up frequency, some collectors initiated pickup charges, some commercial businesses began taking large amounts of oil to consumer drop locations and therefore some collection facilities were unable to continue to receive oil from the public. In short, the market conditions caused system disruptions and forced the collection system to back-up.

In 2016, BCUOMA will be reviewing its Return Collection Facility program. The challenges in 2015 due to the sharp oil price drop highlighted where BCUOMA's market based system may have issues when market conditions are not so favourable. That said, the 475 RCF's are geographically distributed and when assessed against the Stewardship Association of BC's standard for collection facility accessibility, BCUOMA is providing adequate service to 99.5% of the population.



**RETURN COLLECTION FACILITIES**

## PRODUCT COLLECTED





The BCUOMA program has now been operating for 12 years, and is designed to build off and enhance the pre-existing marketplace for oil, and antifreeze materials collection and management. BCUOMA has submitted an updated Product Stewardship Plan to the Ministry of Environment for approval with new proposed product collection and management targets for 2015 – 2020. The Ministry of Environment is currently reviewing the Plan.

Regional District studies have shown that very little oil or antifreeze is showing up in the waste stream. In 2015, BCUOMA and other Stewardship Agencies contributed to Metro Vancouver's Waste Stream Composition Audit. This Audit confirmed that very little (0.1%) of the waste

stream is comprised of BCUOMA products. BCUOMA intends to continue to participate with Regional Districts in completing waste stream composition studies in the future as another means to ensure that the BCUOMA program is working effectively.

In 2015, the collection performance for most products, with the exception of oil, either increased or remained the same. The drop in performance for oil in 2015 is largely due to the poor market conditions for refined and recycled oil. It is expected that since much of this oil is still in the system in storage, and just hasn't made it to a processing facility yet, that the 2016 results will show an increase as market conditions improve.

### PRODUCT COLLECTED

	 <b>Used Oil</b> (million litres)	 <b>Used Antifreeze</b> (million litres)	 <b>Used Oil Filters</b> (% of filters)	 <b>Oil &amp; Antifreeze Containers</b> (million kg's)
2012	49.40	2.33	85.2	1.637
2013	49.95	2.63	82.8	1.626
2014	48.05	2.58	86.2	1.517
2015 target	49.02	2.71	87.2	1.548
2015	47.30	2.63	86.2	1.730
2016 target	48.24	2.76	87.2	1.760

\*Antifreeze Return Incentive program began July 2011.

Only a portion of every litre of oil and antifreeze sold is available for recovery because an estimated 30.1% of the oil and 52.4% of the antifreeze is consumed during use.

## 2015 COLLECTIONS BY REGIONAL DISTRICT

REGIONAL DISTRICT	OIL		FILTERS		CONTAINERS		ANTIFREEZE	
	LITRES	LTR PER CAPITA	UNITS	UNITS PER CAPITA	KG	KG PER CAPITA	LITRES	LTR PER CAPITA
Alberni - Clayoquot	428,010	14.22	57,188	1.90	19,709	0.65	26,249	0.87
Bulkley - Nechako	473,661	11.84	68,364	1.71	29,937	0.75	16,130	0.40
Capital	2,524,279	6.68	345,843	0.92	97,330	0.26	257,669	0.68
Cariboo	944,899	15.18	107,580	1.73	50,308	0.81	37,598	0.60
Central Coast	39,589	12.38	4,642	1.45	1,324	0.41	1,090	0.34
Central Kootenay	1,213,149	20.19	132,196	2.20	34,909	0.58	15,186	0.25
Central Okanagan	2,527,859	12.93	383,183	1.96	104,372	0.53	178,358	0.91
Columbia - Shuswap	744,729	14.47	103,461	2.01	27,981	0.54	39,706	0.77
Comox	918,887	14.22	122,777	1.90	42,313	0.65	56,353	0.87
Cowichan Valley	553,130	6.68	75,782	0.92	21,327	0.26	56,461	0.68
East Kootenay	1,163,533	20.19	126,790	2.20	33,481	0.58	14,565	0.25
Fraser Valley	2,258,779	7.62	280,560	0.95	72,498	0.24	131,811	0.44
Fraser - Fort George	1,503,422	16.47	167,358	1.83	77,712	0.85	57,041	0.62
Greater Vancouver	19,156,571	7.62	2,379,415	0.95	614,854	0.24	1,117,877	0.44
Kitimat - Stikine	524,279	13.57	69,904	1.81	29,707	0.77	15,712	0.41
Kootenay - Boundary	592,425	20.19	64,556	2.20	17,047	0.58	7,416	0.25
Mount Waddington	161,886	14.22	21,630	1.90	7,455	0.65	9,928	0.87
Nanaimo	1,220,587	7.90	166,026	1.07	49,717	0.32	110,153	0.71
North Okanagan	1,093,600	12.93	165,772	1.96	45,153	0.53	77,161	0.91
Northern Rockies	1,242,512	208.58	66,389	11.14	19,801	3.32	18,010	3.02
Okanagan - Similkameen	1,058,098	12.93	160,391	1.96	43,687	0.53	74,656	0.91
Peace River	3,129,399	48.96	286,645	4.48	123,995	1.94	73,717	1.15
Powell River	240,925	12.38	28,248	1.45	8,058	0.41	6,633	0.34
Skeena - Queen Charlotte	177,624	10.13	29,851	1.70	16,903	0.96	6,169	0.35
Squamish - Lillooet	522,035	12.93	79,132	1.96	21,554	0.53	36,833	0.91
Stikine	136,620	208.58	7,300	11.14	2,177	3.32	1,980	3.02
Strathcona	646,124	14.22	86,332	1.90	29,753	0.65	39,625	0.87
Sunshine Coast	377,221	12.93	57,181	1.96	15,575	0.53	26,616	0.91
Thompson - Nicola	1,721,987	12.93	261,026	1.96	71,098	0.53	121,498	0.91
<b>Total</b>	<b>47,295,822</b>		<b>5,905,525</b>		<b>1,729,736</b>		<b>2,632,203</b>	

## PRODUCT MANAGEMENT

Collected products are managed in accordance with the Pollution Prevention Hierarchy as outlined in the BC Recycling Regulation. The 2015 calendar year is the second year that BCUOMA is reporting on how collected products are managed in accordance with the Hierarchy. BCUOMA continues to make changes to its data collection program to ensure that the description of how the product is managed can be independently verified. Oil and Antifreeze collected and managed through the BCUOMA program are re-refined and reused. Filters, containers and oil that can't be re-refined are processed and recycled into new products. An industry trend in oil filters is to sell more non-metal filters. BCUOMA anticipates that these filters that can be paper based will be processed to remove as much oil as possible for recycling and then managed through energy recovery options.

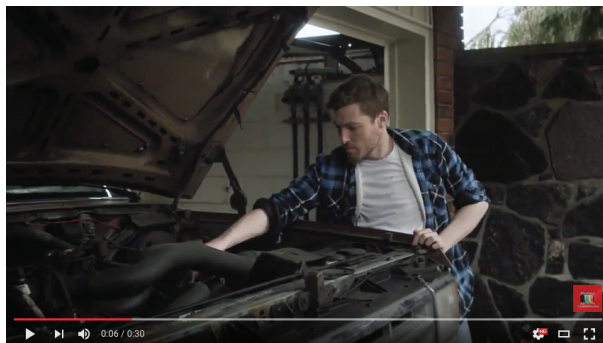
## CONSUMER AWARENESS

The most recent Consumer Awareness Benchmark Study for all Stewardship Programs in BC was completed in 2014. The study indicates that 70% of consumers are aware there is a recycling program in BC for BCUOMA managed products. The study also states that 86% of British Columbians believe that the products collected in the BCUOMA program are being managed in a safe and environmentally responsible manner. The next study is planned for 2016.

## END FATE FOR PRODUCTS COLLECTED

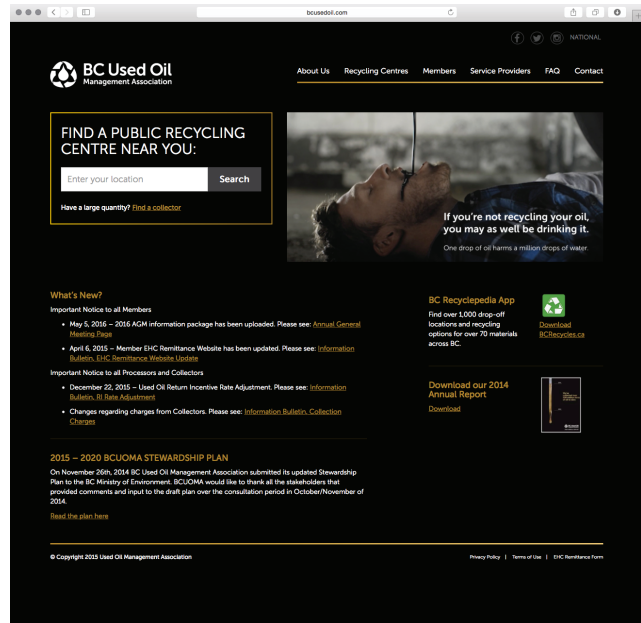


Logo Redesign



Online commercial

Website Redesign



## AMBASSADOR PROGRAM

In 2015, the BCUOMA led Ambassador Program expanded from six to nine product stewardship programs and held the first launch event in Burnaby. The program included two ambassador teams that travelled the Province to provide information to the public on where to recycle and support for businesses on how to participate in the programs. In 2015, the teams visited 130 towns and cities, attended 28 community events and directly shared the recycling message with 1.2 Million people.



## YEARS AHEAD - CONTINUOUS IMPROVEMENT

BCUOMA is a stable and longstanding program in BC and intends to continue to make incremental improvements while maintaining its stability.

BCUOMA will continue to work with other used oil associations across Canada to harmonize its processes

where it makes sense to do so.

BCUOMA will also continue to monitor the marketplace trends for new and recycled oil and make program adjustments as necessary.

		Products Sold (Millions)	YOY	Recoverable %	Recoverable Portion (Millions)	Product Recovered (Millions)	YOY	Recovered %
<b>Oil (L)</b>	2015	97.71	5.02%	69.90%	68.29	47.29	-1.58%	69.25%
	2014	93.04	-2.88%	69.90%	65.03	48.05	-3.89%	73.89%
	2013	95.80	8.00%	69.90%	66.96	50.00	1.21%	74.67%
	2012	88.70	-5.13%	69.90%	62.00	49.40	2.92%	79.68%
	2011	93.50	9.87%	69.90%	65.36	48.00	1.05%	73.44%
	2010	85.10	-	69.90%	59.48	47.50	-	79.85%
<b>Antifreeze (L)</b>	2015	12.20	-9.59%	47.60%	5.81	2.63	2.16%	45.32%
	2014	13.50	0.35%	47.60%	6.42	2.58	-2.03%	40.10%
	2013	13.45	40.69%	47.60%	6.40	2.63	12.88%	41.08%
	2012	9.56	-	45.00%	4.30	2.33	-	54.16%
	2011 (1/2yr.)	5.07	-	45.00%	2.28	0.99	-	43.39%
<b>Filters (units)</b>	2015	6.85	6.06%	100.00%	6.85	5.91	6.02%	86.15%
	2014	6.46	1.78%	100.00%	6.46	5.57	5.90%	86.19%
	2013	6.35	4.79%	100.00%	6.35	5.26	1.94%	82.83%
	2012	6.06	-2.73%	100.00%	6.06	5.16	-4.27%	85.15%
	2011	6.23	2.13%	100.00%	6.23	5.39	3.26%	86.52%
	2010	6.10	-	100.00%	6.10	5.22	-	85.57%
<b>Containers (kg)</b>	2015	2.11	-2.55%	100.00%	2.11	1.73	13.99%	82.04%
	2014	2.16	-0.62%	100.00%	2.16	1.52	-6.68%	70.14%
	2013	2.18	5.37%	100.00%	2.18	1.63	-0.67%	74.69%
	2012	2.07	7.38%	100.00%	2.07	1.64	-2.33%	79.24%
	2011	1.92	10.83%	100.00%	1.92	1.68	9.33%	87.11%
	2010	1.74	-	100.00%	1.74	1.53	-	88.31%



# APPENDIX

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### RETURN COLLECTION FACILITIES

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#### 100 MILE HOUSE

Petro Canada Bulk Sales - 100 Mile House

#### 150 MILE HOUSE

150 M+S Tire & Service Centre

#### 70 MILE HOUSE

70 Mile House Transfer Station

#### ABBOTSFORD

Abbotsford Chrysler Jeep  
Canadian Tire 434 (Abbotsford)  
Chevron Canada Cardlock Facility  
Great Canadian Oil Change (Abbotsford - S Fraser Way)  
Great Canadian Oil Change (Abbotsford - Ware Street)  
Mr. Lube #297 Abbotsford South Fraser Way  
Petro Canada Cardlock - Abbotsford  
Prairie Coast Equipment Abbotsford  
Ralph's Empire

#### AGASSIZ

Modern Tire & Towing Inc.  
OK Tire Store (Agassiz)

#### ALDERGROVE

Jiffy Lube (Aldergrove)

#### ALERT BAY

Village of Alert Bay Transfer Station

#### ALEXIS CREEK

Doug's Repairs

#### ARMSTRONG

Arjun Services Ltd.

#### BARRIERE

Louis Creek Eco Depot

#### BELLA BELLA

Heitsuk Environmental Bella Bella Eco-Depot

#### BELLA COOLA

Belco Service (1978) Ltd.  
Thorsen Creek Recycling Depot

#### BLUE RIVER

Blue River Transfer Station

#### BOWSER

Bowser Automotive Care

#### BRENTWOOD BAY

Midas Auto Service (Brentwood Bay)

#### BRIDESVILLE

Norbert Recycling

#### BURNABY

Botticelli Motors Ltd.  
Boundary Brake & Tune Ltd. (Burnaby)  
Canadian Tire 603 (Burnaby)  
Carter Dodge Chrysler  
Carter GM, Burnaby  
D R Auto Repair Ltd  
Elcam Auto Recyclers Ltd.  
M & R Environmental  
Marc's Import Auto Repair  
Midas Auto & Tire Service  
Midas Auto Service (Burnaby Kingsway)  
Midas Auto Service (Burnaby Willingdon)  
Mr. Lube #141 (Burnaby Eighty-Five)  
Mr. Lube #201 (Kingsway Ninety-Five)  
Still Creek Recycling Depot

#### BURNS LAKE

Polar Park Automotive Industrial Supply

#### CACHE CREEK

Roadhouse Towing and Mechanical

#### CAMPBELL RIVER

Campbell River Waste Management Centre  
Canadian Tire 437 (Campbell River)  
Coastal Mountain Fuels  
Fountain Tire  
Great Canadian Oil Change (Campbell River)  
Ironwood Auto Technicians  
Jiffy Lube (Campbell River)  
Steve Marshall Motors (1996) Ltd.

#### CASTLEGAR

Canadian Tire 492 (Castlegar)  
Ernie's Towing Inc.  
Glacier Honda  
Kalawsky Chevrolet Buick GMC Ltd.  
Kalawsky Hyundai  
OK Tire & Auto Service (Castlegar)

#### CHASE

Chase Big O Tires  
McLean Motors Ltd.

#### CHEMAINUS

Downtown Auto Service

#### CHETWYND

Chetwynd Recycling Depot  
Great Canadian Oil Change (Chetwynd)

#### CHILLIWACK

Canadian Tire 433 (Chilliwack)  
Chilliwack Ford Sales (1981) Ltd.  
Fraser Valley Tireland  
Great Canadian Oil Change (Chilliwack Alexander)  
Great Canadian Oil Change (Chilliwack Vedder)  
Greendale Motors  
Jiffy Lube Chilliwack  
Mertin Pontiac Buick  
Midas Auto Service (Chilliwack)  
Mr. Lube #135 (Chilliwack Van Dongen Ent.)  
O'Connor Chrysler  
OK Tire Store (Chilliwack) Ltd.

#### CHRISTINA LAKE

Christina Lake Mechanical Ltd.  
Laketime Services

#### CLEARWATER

Clearwater Eco Depot  
Fleetwest Enterprises Ltd.

#### CLINTON

Clinton Transfer Station

#### COBBLE HILL

Chapman Motors Ltd.

#### COOMBS

Highway 4 Auto Salvage

#### COQUITLAM

Access Auto Centre  
Canadian Tire 608 (Coquitlam)  
Great Canadian Oil Change (Coquitlam)  
Logan's Auto Service  
Mr. Lube #159 (Coquitlam Seventy-Five)  
Sapperton Motors Auto Service Ltd.

#### COURTENAY

Brian McLean Chevrolet  
Canadian Tire 350 (Courtenay)  
Courtenay Car Centre Ltd.  
Courtenay Kia  
Finneron Hyundai  
Glenn's Small Car Parts & Repairs Ltd.  
Midas Auto Service (Courtenay)  
Mr. Lube #177 (Courtenay/Comox)  
Rice Toyota Courtenay  
Seeco Automotive Enterprises

#### CRANBROOK

Alpine Toyota  
Canadian Tire 395 (Cranbrook)  
Petro Canada  
Denham Ford Ltd.  
Great Canadian Oil Change (Cranbrook)

#### CRESCENT VALLEY

B.J. Organic Mechanix

#### CRESTON

Comfort Welding

#### CROFTON

Crofton Auto Service

#### CUMBERLAND

Comox Valley Waste Management Centre

#### DAWSON CREEK

Great Canadian Oil Change (Dawson Creek)  
Peace Country Automotive Ltd.  
Peace Country Petroleum Sales Ltd. (Dawson Creek)  
Walmart #5776 (Tire, Lube Express)

#### DELTA

MC Auto & Transmissions  
Big O Tires  
Vancouver Landfill

#### DUNCAN

Bings Creek Solid Waste Management Complex  
Canadian Tire 466 (Duncan)  
Great Canadian Oil Change (Duncan)  
Island Hose & Hydraulic (1994) Ltd.  
Island Tractor & Supply  
Jim Pattison Toyota Duncan (Metro Toyota Duncan)  
Midas Auto Service (Duncan)  
Peter Baljet GM  
Prairie Coast Equipment Duncan  
Schnitzer Steel Pacific

#### ELKFORD

District of Elkford

#### ENDERBY

Rod's Repair Shop  
Willamson Automotive

#### FERNIE

Canadian Tire 635 (Fernie)  
Day Auto Electric  
Woz Mechanical Ltd.

#### FORT NELSON

Peace Country Petroleum Sales Ltd.  
(Fort Nelson - Gasoline Alley)  
Wide Sky Disposal

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### **FORT ST. JAMES**

Riverside Repairs

#### **FORT ST. JOHN**

Canadian Tire 363 (Fort St. John)  
Fort City Chrysler  
Fort St. John Co-op Bulk Centre  
Great Canadian Oil Change (Ft. St. John)  
Jiffy Lube (Fort. St. John)  
Peace Country Petroleum Sales Ltd. (Fort St John - 91 Ave)  
Rapid Lube & Wash  
Smith Fuel Services Ltd. (Husky Bulk Sales)

#### **FRASER LAKE**

Fraser Lake Automotive & Recycling

#### **GABRIOLA**

Gabriola Island Recycling Organization

#### **GIBSONS**

Bob's Automotive Repairs Ltd.  
Norris Oil Sales Ltd.

#### **GOLD BRIDGE**

Squamish-Lillooet RD - Gold Bridge Transfer Station

#### **GOLD RIVER**

Coastal Mountain Fuels - GoldRiver  
Gold River Auto Services

#### **GOLDEN**

Petro Canada  
Columbia Diesel Ltd.

#### **GRAND FORKS**

J.D. Towing Inc.  
Tomkat Automotive

#### **GREENWOOD**

Greenwood Auto Centre Ltd.  
Greenwood Saw Two Truck Repairs

#### **HAGENSBORG**

OK Tire Store (Bella Coola)

#### **HEFFLEY CREEK**

Heffley Creek Eco Depot

#### **HOPE**

Gardner Chevrolet Oldsmobile Pontiac Buick

#### **HOUSTON**

Sullivan Motor Products  
Vanderhoof & Districts Co-op (Houston)

#### **INVERMERE**

Petro Canada  
Walker's Repair Centre Ltd.

#### **KAMLOOPS**

Brock Auto Centre  
Canadian Tire 355 (Kamloops)  
Canadian Tire 356 (Kamloops)  
Petro Canada  
Dearborn Motors Ltd.  
Desert Cardlock Fuel Services Ltd  
Hanson's Auto Repair  
Jay's Service  
Kamloops Auto Service  
Kamloops Ford Lincoln Ltd.  
Mr. Lube #147 (Kamloops Summit Lubricants)

Mr. Lube #8 (Kamloops Briar Ave Kendall Lube)  
Thompson Nicola Regional District  
Westsyde Service

#### **KASLO**

Kaslo Automotive  
Kaslo Truck & Saw Shop

#### **KELOWNA**

Auto Place  
Canadian Tire 353 (Kelowna)  
Great Canadian Oil Change (Kelowna)  
Mr. Lube #167 (Kelowna)  
OK Tire & Auto Service (Kelowna)  
Pennzoil 10 Minute Oil Change (Kelowna)

#### **KIMBERLEY**

Equicare Mechanical Services

#### **KITIMAT**

Kal Tire (Kitimat)

#### **LADYSMITH**

Peerless Road Recycling Drop-Off Depot

#### **LAKE COWICHAN**

Meade Creek Recycling Drop-Off Depot

#### **LANGFORD**

Royal Victoria Yacht Club

#### **LANGLEY**

A-1 Langley Import Repair Specialist Ltd.  
AAA Auto Electric  
Canadian Tire 426 (Langley)  
Fort Horseless Carriage Service Ltd.  
Great Canadian Oil Change (Langley)  
Grip Tire  
Jiffy Lube #1086 (Langley)  
Jiffy Lube #1091 (Langley)  
Langley Toyota Town  
Mr. Lube #199 Langley  
Precision Auto Service Ltd.

#### **LILLOOET**

Me Too Contracting  
Revitup  
Squamish Lillooet RD - Lillooet Landfill

#### **LOGAN LAKE**

Logan Lake Transfer Station  
Wolverine Auto Parts & Service

#### **LYTTON**

Lytton Transfer Station

#### **MACKENZIE**

Load 'Em Up Contracting Mackenzie  
Mackenzie Regional Landfill

#### **MADEIRA PARK**

Pender Harbour Diesel Co.

#### **MAPLE RIDGE**

Canadian Tire 481 (Maple Ridge)  
Jiffy Lube (Maple Ridge)  
Mr. Lube #210 (Maple Ridge Majik Investments)  
Ridge Meadows Recycling Society  
Sapperton Motors Auto Service (MR) Ltd.  
Start Automotive

#### **MASSET**

T.L.C Automotive Services Ltd.

#### **MCBRIDE**

JNR Auto Services  
McBride Regional Transfer Station

#### **MERRITT**

Canadian Tire 696 (Merritt)  
Fountain Tire Merritt Ltd.  
Lower Nicola Landfill

#### **MILL BAY**

Hi-Point Autocare Ltd.

#### **MISSION**

Canadian Tire 479 (Mission)  
Pioneer Chrysler Jeep

#### **NANAIMO**

Canadian Tire 362 (Nanaimo)  
Gold Automotive  
Great Canadian Oil Change (Nanaimo)  
Harris Kia  
Harris Mazda  
Midas Auto Service (Nanaimo Hammond)  
Midas Auto Service (Nanaimo Island Hwy)  
Mr. Lube #93 (Nanaimo)  
Nanaimo Recycling Exchange  
Promax Automotive  
Top-Lite Car Service Ltd.

#### **NELSON**

Nelson Ford

#### **NEW WESTMINSTER**

Morgan's Automotive Ltd.  
OK Tire Store (New Westminster)

#### **NORTH VANCOUVER**

Canadian Tire 601 (North Vancouver)  
Central Motor Service  
Crown Tech Automotive Inc.  
Destination Chrysler Dodge Jeep  
Midas Auto Service (North Vancouver)  
Mr. Lube #205 (North Vancouver)  
Pacific Honda  
Short Stop Brake & Muffler

#### **OKANAGAN FALLS**

G & R Auto

#### **OLIVER**

Canadian Tire 698 Oliver  
Curt's Automotive & Cycle  
Oliver Brake & Muffler Ltd.  
Oliver Recycling & Salvage Ltd  
Oliver Sanitary Landfill

#### **OSOYOOS**

OK Truck Centre  
Osoyoos District Landfill

#### **PARKSVILLE**

Canadian Tire 490 (Parksville)  
Kerry's Car & Truck Centre Ltd.  
Sidney Tire Ltd. Parksville  
Surfside Automotive

#### **PEACHLAND**

Lakeside Autocare

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#### PEMBERTON

A C Petroleum Sales  
Squamish-Lillooet RD - Pemberton Transfer Station

#### PENTICTON

Campbell Mountain Landfill  
Canadian Tire 351 (Penticton)  
Great Canadian Oil Change (Penticton)  
Jiffy Lube (Penticton)  
Larsen Bros. Tire Centre Ltd.  
Murray GM Penticton

#### PORT ALBERNI

Ace Automotive  
Alberni Chrysler Ltd.  
Alberni District Co-op Association  
Alberni Valley Landfill  
Canadian Tire 488 (Port Alberni)  
Hetherington Industries Ltd.  
Pacific Chevrolet  
Sherwood's Auto Parts

#### PORT ALICE

Village of Port Alice Recycling Facility

#### PORT COQUITLAM

Canadian Tire 609 (Port Coquitlam)  
Prairie Service  
Southside Automotive

#### PORT HARDY

Dave Landon Motors Ltd.  
E.J. Klassen GM Motorcade  
NAPA Auto Parts  
OK Tire & Auto Service (Port Hardy)

#### PORT MCNEILL

7-Mile Recycling Center, Regional  
Dist of Mount Waddington  
Furney Distributing Limited - Shell Bulk Oil  
Hilts Automotive  
V-Echo Restorations

#### PORT MOODY

Mobil 1 Lube Express  
VAP Brake & Clutch (Port Moody)

#### POWELL RIVER

Canadian Tire 480 (Powell River)

#### PRINCE GEORGE

A-Star Automotive Recycling Ltd.  
Canadian Tire 360 (Prince George)  
Enviro West Inc.  
Foothills Boulevard Regional Landfill  
Great Canadian Oil Change (Prince George - 15 Avenue)  
Great Canadian Oil Change (Prince George - Austin Rd)  
Load Em Up Contracting Ltd. 1020  
Load Em Up Contracting Ltd. 1078  
Load 'Em Up Contracting Prince George  
Mr. Quick Lube & Oil (George St)  
Mr. Quick Lube & Oil (Hart Hwy)  
Northern Toyota  
OK Tire Store (Prince George)  
Prince George Auto Wrecking Ltd.  
Prince George Truck & Equipment  
Quinn Street Transfer Station  
Vanderhoof & Districts Co-op (Prince George)  
Vanway Transfer & Recycle Station  
Wood Wheaton Chevrolet Oldsmobile

#### PRINCE RUPERT

Entire Automotive Services Ltd.  
Frank's Auto Repair  
Kal Tire (Prince Rupert)  
MacCarthy Motors Ltd  
Northwest Fuels Ltd. Prince Rupert (Petro Canada)  
Rainbow Chrysler Dodge Jeep Ltd.

#### PRINCETON

Princeton Landfill

#### PRITCHARD

South Thompson Eco Depot

#### QUALICUM BEACH

Arrowsmith Automotive & Towing

#### QUESNEL

Canadian Tire 487 (Quesnel)  
Load 'Em Up Contracting Quesnel  
Motherlode Quicklube  
Vanderhoof & Districts Co-op (Quesnel)

#### RADIUM HOT SPRINGS

Radium Hot Springs Esso

#### RICHMOND

Audi of Richmond  
Blundell Esso Service  
Canadian Tire 606 (Richmond)  
Canadian Tire 610 (Richmond - South)  
Cowell Motors Ltd. - Volkswagen  
Jaguar Land Rover of Richmond  
Jiffy Lube (Richmond)  
Metron Auto Service Ltd.  
Mr. Lube #264 (Richmond)  
Petro-Canada - Richmond  
Sky Auto Services

#### SAANICHTON

Brentwood Auto & Metal Recyclers

#### SALMO

Scrap King Autowrecking & Towing Ltd

#### SALMON ARM

Canadian Tire 482 (Salmon Arm)  
Great Canadian Oil Change (Salmon Arm)  
Jacobson Ford Sales Ltd.  
Petro Canada - Salmon Arm  
Salmon Arm Chevrolet Buick GMC Ltd.

#### SALT SPRING ISLAND

Beddis Road Garage  
Salt Spring Auto Parts

#### SAVONA

Dawn's Service Ltd.

#### SECHLT

Canadian Tire 636 (Sechelt)  
Ralph Stephanson Agency Ltd.  
Sechelt Shell

#### SICAMOUS

Precision Marine Mobile Service  
Sicamous Auto Repair

#### SIDNEY

Clair Downey Service  
Dave's Automotive

Gurton's Garage Ltd.  
Quality Brake & Muffler 2005 Ltd.  
Sidney Tire Ltd Sidney

#### SLOCAN PARK

Slocan Park Repair

#### SMITHERS

Canadian Tire 631 (Smithers)  
Glacier Toyota  
Northwest Fuels Ltd. Smithers (Petro Canada)

#### SOOKE

Yateman Automotive Repair

#### SORRENTO

Sorrento Parts & Service Ltd.

#### SQUAMISH

Canadian Tire 483 (Squamish)  
Diamond Head Motors Ltd.  
Fred's Automotive  
Newport Auto Inc.

#### STEWART

Petro Canada - Stewart

#### SUMMERLAND

District of Summerland - Landfill

#### SURREY

Barnes Wheaton Chevrolet Buick GMC Ltd  
Binaka Auto Repair  
Caliber Automotive Inc.  
Canadian Tire 443 (Surrey)  
Canadian Tire 489 (Surrey- Whalley)  
Canadian Tire 678 (Surrey)  
Dams Ford Lincoln Sales Ltd.  
Ed Schram Motors Ltd.  
Freeway Mazda  
Gold Key Volkswagen  
Haley's White Rock Dodge  
Hallmark Ford Sales Ltd.  
Jiffy Lube #84 Newton  
Jiffy Lube #85 Guildford  
Midas Auto Service (Surrey)  
Mr. Lube #140 (Surrey)  
Mr. Lube #251 (Surrey Fraser Hwy)  
Mr. Lube #289 (Surrey King George Blvd)  
Newton Auto Care  
North Bluff Shell  
VAP Brake & Clutch (Surrey)  
Visscher's Auto Repair

#### TAHSIS

Tahsis Public Works Yard

#### TERRACE

Canadian Tire 486 (Terrace)  
Co-op Office and Lube Sales  
Northwest Fuels Ltd.Terrace (Petro Canada)  
OK Tire & Auto Service (Terrace)  
Terrace Motors Ltd

#### TOFINO

Method Marine Supply  
Tofino Harbour Authority

#### TRAIL

Canadian Tire 665 (Trail)  
Mota Automotive Ltd.  
OK Tire (Trail)

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### TUMBLER RIDGE

District of Tumbler Ridge

#### VALEMOUNT

K.P. Abernathy Ltd.  
Valemount Regional Transfer Station

#### VANCOUVER

ABC Main Auto Centre  
Arbutus Service Centre Ltd.  
BMC Motor Works  
Canadian Tire 389 (Vancouver)  
Canadian Tire 604 (Vancouver)  
Canadian Tire 605 (Vancouver)  
Carter Honda  
Dueck Chevrolet Oldsmobile Cadillac Ltd.  
Fred's Automotive Ltd.  
Grandview Tire & Auto Centre Ltd.  
Jiffy Lube 3003 (Kingsway Vancouver)  
Mr. Lube #202 (Vancouver Main)  
Mr. Lube #203 (Vancouver Arbutus)  
Mr. Lube #209 (Vancouver East Hastings)  
Mr. Lube #218 (Vancouver 71 Ave)  
Sawridge Automotive Ltd.  
The Garage  
Vancouver West Motors 1992  
VAP Brake & Clutch (Vancouver)

#### VANDERHOOF

P & H Supplies Ltd.  
Vanderhoof & Districts Co-op (Vanderhoof - Hwy 16 W)  
Vanderhoof & Districts Co-op

#### VERNON

Bannister Chevrolet Buick GMC Vernon Inc.  
Canadian Tire 361 (Vernon)  
Great Canadian Oil Change (Vernon 27th St)  
Great Canadian Oil Change (Vernon Anderson Way)  
Interior Freight & Bottle Depot  
Qwik Change Oil & Lube  
Vernon Chrysler Dodge Ltd.

#### VICTORIA

Advance Auto Centre Ltd.  
Auto Services  
Canadian Tire 365 (Victoria)  
Canadian Tire 366 (Victoria)  
Canadian Tire 367 (Victoria)  
Canadian Tire 368 (Victoria)  
Canadian Tire 369 (Victoria)  
Cunningham's Enterprise Ltd.  
Derick's Automotive Services  
DG Auto Care  
EZ Lube Auto Ltd. Victoria (Jacklin)  
Fairfield Petro  
Gartside Marine Engines Ltd.  
Glanford Auto Service  
Great Canadian Oil Change (Victoria)  
Hartland Recycling Depot  
Island Highway Automotive  
Jade Auto Service Ltd.  
Jenner Chevrolet Buick GMC Ltd.  
Jiffy Lube  
Midas Auto Service (Colwood)  
Midas Auto Service (Victoria - Govt. St)  
Mr. Lube #6 Victoria Lubricants Douglas St  
Race Rocks Automotive  
Roberge's Road Ready Services Ltd.  
Searle's Auto Repairs Co. Ltd.  
Wilson & Proctor Ltd.

#### WEST KELOWNA

Canadian Tire 612 (West Kelowna)  
Great Canadian Oil Change (West Kelowna)  
Jiffy Lube (Westbank)  
Mr. Lube #236 West Kelowna

#### WEST VANCOUVER

Dundarave Automotive

#### WESTBANK

Big O Tires

#### WESTWOLD

Westwold Transfer Station

#### WHISTLER

Barney's Automotive  
Local Automotive Co. Ltd.  
S M D Automotive Ltd.

#### WHITE ROCK

Midas Auto Service (White Rock)

#### WHITE ROCK (SURREY)

Canadian Tire 622 (White Rock)

#### WILLIAMS LAKE

Canadian Tire 438 (Williams Lake)  
Chap's Auto Body (Brent Graham Ltd.)  
Chuck's Auto Supply  
Gary Young Agencies  
Lake City Ford Sales Ltd.  
Likely Refuse Site  
Petro Canada Bulk Plant - Williams Lake

#### WINFIELD

Great Canadian Oil Change (Winfield)  
Taylor's Auto Repairs

# **FINANCIAL STATEMENTS**

DECEMBER 31, 2015

## INDEPENDENT AUDITOR'S REPORT

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April 22, 2016

### **To the Members of British Columbia Used Oil Management Association**

We have audited the accompanying financial statements of British Columbia Used Oil Management Association, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 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.

### **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 British Columbia Used Oil Management Association as at December 31, 2015 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants  
Edmonton, Alberta

**STATEMENT OF FINANCIAL POSITION**  
AS AT DEC 31, 2015

	2015 \$	2014 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	4,857,907	6,447,788
Short-term investments (note 4)	1,444,622	939,380
Accounts receivable	4,030,963	4,273,294
Prepaid expenses	5,855	7,429
	10,339,347	11,667,891
Property and equipment (note 3)	8,230	1,816
Long-term investments (note 4)	5,065,680	2,187,306
	15,413,257	13,857,013
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Return incentives and return collection facilities incentives payable	1,493,759	1,924,049
Accounts payable and accrued liabilities	123,184	505,093
	1,616,943	2,429,142
<b>Net Assets</b>		
<b>Unrestricted</b>	7,277,782	8,299,368
<b>Invested in property and equipment – internally restricted</b>	8,230	1,816
<b>Internally restricted</b>	6,510,302	3,126,687
	13,796,314	11,427,871
	15,413,257	13,857,013
<b>Commitments (note 5)</b>		

Approved by the Board of Directors



Director



Director

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

**STATEMENTS OF CHANGES IN NET ASSETS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Invested in property and equipment	Internally restricted	Total
	\$	\$	\$	\$
Balance – December 31, 2013	6,049,633	730	3,594,653	9,645,016
Excess of revenue over expenditures for the year	1,699,881	–	82,974	1,782,855
Purchase of property and equipment	(1,856)	1,856	–	–
Transfer of investments	550,940	–	(550,940)	–
Amortization	770	(770)	–	–
Balance – December 31, 2014	8,299,368	1,816	3,126,687	11,427,871
Excess of revenue over expenditures for the year	2,272,922	–	95,521	2,368,443
Purchase of property and equipment	(8,239)	8,239	–	–
Transfer of investments	(3,288,094)	–	3,288,094	–
Amortization	1,825	(1,825)	–	–
Balance – December 31, 2015	7,277,782	8,230	6,510,302	13,796,314

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



**STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 \$	2014 \$
<b>Revenue</b>		
Environmental handling charges	14,832,026	14,424,028
Investment income	95,521	82,974
Interest and other income	53,874	137,326
Registration fees	2,190	2,000
	14,983,611	14,646,328
<b>Expenditures</b>		
Program costs		
Return incentives and return collection facilities incentives (note 6)	10,944,248	11,077,915
Communications and public relations	538,555	441,657
Legal fees (note 7)	134,171	303,783
Consulting	83,687	61,512
Compliance reviews	73,295	54,430
Management and administration contracts (note 7)	55,881	68,833
Bad debt – net of recoveries	40,754	–
Depot infrastructure	34,847	52,858
RI field reviews	3,819	–
	11,909,257	12,060,988
Administrative costs		
Management and administration contracts (note 7)	429,538	489,171
Office and general expenses	82,360	94,805
Legal fees (note 7)	70,872	51,193
Financial audit fees	60,277	37,174
Rent	35,645	41,760
Board expenses	25,394	87,612
Amortization	1,825	770
	705,911	802,485
	12,615,168	12,863,473
<b>Excess of revenue over expenditures</b>	2,368,443	1,782,855

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

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Environmental handling charges	15,108,176	14,856,750
Investment and other income	56,064	139,326
	15,164,240	14,996,076
<b>Program activities</b>		
Return incentives and return collection facilities incentives	(11,374,540)	(10,794,061)
Other program activities	(1,305,500)	(737,831)
Administration	(777,748)	(785,611)
	(13,457,788)	(12,317,503)
<b>Investing activities</b>		
Proceeds on maturity of investments	–	550,940
Purchase of investments	(3,383,615)	(82,974)
Investment income	95,521	82,974
Acquisition of property and equipment	(8,239)	(1,856)
	(3,296,333)	549,084
<b>(Decrease) increase in cash during the year</b>	(1,589,881)	3,227,657
<b>Cash – Beginning of year</b>	6,447,788	3,220,131
<b>Cash – End of year</b>	4,857,907	6,447,788

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

## **1. Authority and Purpose**

The British Columbia Used Oil Management Association (the Association) was incorporated under the Society Act of the Province of British Columbia on March 18, 2003 and commenced active operations effective July 1, 2003. It was formed to establish and administer a waste minimization and recycling program under the Post-Consumer Residual Stewardship Program Regulation, B.C. Reg. 111/97. In 2004, the Post-Consumer Residual Stewardship Program Regulation, B.C. Reg. 111/97 was repealed and replaced by the Recycling Regulation, B.C. Reg. 449/2004. As a not-for-profit organization, no provision for corporate income taxes has been provided in these financial statements, pursuant to Section 149(1)(l) of the Income Tax Act (Canada).

## **2. Summary of Significant Accounting Policies**

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO). The preparation of financial statements for a period necessarily includes the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant estimates include the determination of the return incentives paid for ineligible containers (note 6) and environmental handling charge revenue. These financial statements have been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### **Revenue recognition**

These financial statements have been prepared using the deferral method, the key elements of which are:

#### **Environmental handling charge (EHC) revenue**

EHC is collected when the lubricating oil, oil filters, oil containers, antifreeze and antifreeze containers are first sold by a registrant. EHC revenue is recognized when there is reasonable assurance of collection and the related services have been performed.

#### **Investment income**

Investment income is unrestricted and recognized as revenue in the year it is earned.

### **Return incentives (RI) and return collection facilities (RCF) incentives**

RI and RCF incentives are recognized in the year when the lubricating oil and antifreeze materials are delivered to a registered processor facility by a registered collector and completed claim forms are received and accepted by the Association.

### **Property and equipment**

Property and equipment are recorded at cost, less accumulated amortization. Amortization is provided on a straight-line basis at the following annual rates:

Furniture and fixtures	5 years
Computer equipment	3 years

### **Internally restricted funds**

In addition to the operating fund, which is unrestricted, the Association maintains two reserve funds that may be used to fund operating or capital costs as follows:

#### **Internally restricted**

The purpose of this reserve is to ensure there are sufficient cash resources to meet operational needs.

#### **Invested in property and equipment**

The purpose of this reserve is to separately account for property and equipment.

### **Financial instruments**

The Association's financial assets include cash, accounts receivable and investments. Cash and accounts receivable are initially recorded at fair value and subsequently accounted for at amortized cost using the effective interest rate method. Investments are held in a high interest savings account and guaranteed investment certificates with a fixed term and fixed interest rate. Interest income from investments is recorded in investment income and other in the statement of operations.

The Association's financial liabilities include RI and RCFs incentives payable and accounts payable and accrued liabilities. All financial liabilities are accounted for at amortized cost using the effective interest rate method. Financial liabilities are initially measured at fair value.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2015**

**Measurement uncertainty**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts for operations during the reporting period. By their nature, these estimates are subject to change in future periods and could be significant. Accounts significantly affected by estimates in these financial statements are RI and

RCFs incentives payable and EHC accruals where the fees paid by customers in the current year would not be submitted by the registrant until the next year.

**Allocated expenses**

Expenses relating to management and administration contracts and legal fees are allocated between program costs and administrative costs as noted below. The Association allocates these expenses by identifying the appropriate basis of allocation, and applies that basis consistently each year.

	2015%	2014%
<b>Management and administration contracts</b>		
<b>Executive director contract</b>		
Program costs	20	20
Administrative costs	80	80
<b>Other contract staff</b>		
Program costs	10	10
Administrative costs	90	90
<b>Legal fees</b>		
Program costs	20	20
Administrative costs	80	80
(Unless legal services relate exclusively to a function)		

	2015		2014	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture and fixtures	10,237	6,792	3,445	-
Computer equipment	38,191	33,406	4,785	1,816
	48,428	40,198	8,230	1,816

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
 DECEMBER 31, 2015

**4. Investments - Guaranteed Investment Certificates**

The Association has funds invested in cash accounts and guaranteed short-term investment certificates maturing as follows:

<b>Type/Maturity date</b>	<b>Interest Rate</b>	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>
Cash	–	11	–
High interest savings account	1.90	–	211,906
GIC – December 11, 2015	2.15	–	727,474
GIC – April 20, 2016	1.60	700,000	–
GIC – December 11, 2016	2.25	744,611	–
		<u>1,444,306</u>	<u>939,380</u>

The Association also has funds invested in guaranteed long-term investment certificates maturing as follows:

<b>Maturity date</b>	<b>Interest Rate</b>	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>
December 11, 2016	2.25	–	728,225
April 21, 2017	1.70	708,260	–
December 11, 2017	2.35	746,107	728,977
April 23, 2018	1.80	700,000	–
December 11, 2018	2.50	748,356	730,104
April 22, 2019	1.92	709,326	–
April 21, 2020	2.10	710,197	–
December 23, 2020	2.35	743,434	–
		<u>5,065,680</u>	<u>2,187,306</u>

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
DECEMBER 31, 2015

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**5. Commitments**

Under the terms of financial services and use agreements, the Association is charged a fee for provision of financial administration services of various staff to August 2016. In addition, under the terms of a service agreement expiring December 2016, the Association is charged a monthly rate for provision of professional and technical services. The Association has a lease for office space until June 2020 for the current location. The estimated minimum annual payments required under these agreements are as follows:

	Contract services	Facilities	Total
	\$	\$	\$
2016	343,011	19,221	362,232
2017	–	19,221	19,221
2018	–	19,755	19,755
2019	–	20,289	20,289
2020	–	10,145	10,145
	<u>343,011</u>	<u>88,631</u>	<u>431,642</u>

**6. Ineligible Containers**

The RI paid for used oil containers may include payments for ineligible containers from related products such as windshield washer fluid and fuel or oil additives. Containers for these products are currently excluded from the Association's program.

Since the containers are generally made of the same plastic as used oil containers, there is limited economic or environmental benefit in separating these containers from the used oil containers waste stream. There are also additional costs related to segregating these materials. On account of these factors, the Association has elected not to strictly enforce the removal of these containers in RI payments.

Based on studies performed by independent consultants in 2011, the Association has determined that the amount of ineligible containers for 2015 is approximately 12% (2014 –12%) by weight. This percentage is used to estimate the amount spent on ineligible plastics. The estimated amount is \$359,000 for the year ended December 31, 2015 (2014 – \$321,000).

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
DECEMBER 31, 2015

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**7. Allocated Expenses**

For the years ended December 31, 2015 and 2014, total expenses allocated between program costs and administrative costs were as follows:

	2015 \$	2014 \$
<b>Management and administrative contracts</b>	485,419	558,004
<b>Legal fees</b>	205,043	354,976

**8. Financial Risk Management**

**Credit risk**

The Association is subject to credit risk with respect to accounts receivable. However, the Association is not exposed to any significant concentration of credit risk due to its large registrant base. Management monitors these accounts regularly and does not believe that the Association is exposed to significant credit risk.

**Interest rate risk**

The Association manages interest rate risk by investing in guaranteed investment certificates with varying maturity dates and fixed interest rates.

**Liquidity risk**

Liquidity risk is the risk an entity will encounter difficulty in meeting its obligations. The Association manages its liquidity to finance its expenses, working capital and overall capital expenditures. The Association primarily finances its liquidity through environmental handling charges, income from its investments and registration fees. The Association expects to continue to meet future requirements through this source.

