



**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 2017 Annual Report. In the past year, BCUOMA has maintained a stable stewardship program while making some significant changes to the Consumer Recycling Program and to our administration.

The Consumer Recycling Program is going through a major transition. BCUOMA is working with retailers, depots and local governments to improve the experience for consumers at recycling facilities. BCUOMA is in the process of establishing new targets for consumer accessibility, new infrastructure and new consumer information at sites. In addition to improving the consumer experience, these changes will also lead to higher quality material being collected with less contamination and thus more likely to be re-used as the same product versus recycled or used as an energy product substitution.

BCUOMA has also made a significant administrative change. After 14 years working with AUOMA and sharing administration in the Edmonton office, BCUOMA and AUOMA have hired Get Smart, a Victoria-based company, that is now providing most administrative services from their Victoria office. I want to thank Grant Thornton for their years of service to the BCUOMA program. I would also like to thank everyone involved in making the transition go as smoothly as possible.

In 2018, BCUOMA is expecting some changes being made by the Ministry of Environment on how performance of EPR programs is measured, reported and monitored. In anticipation of these changes BCUOMA will continue to modernize its data management systems, continue to set new targets and work closely with the Ministry to ensure we are meeting the performance expectations.

I would like to thank everyone involved in the BCUOMA program for helping make 2017 another successful year.

Brian Ahearn



Board Chair  
BCUOMA

## BCUOMA BOARD OF DIRECTORS

**Brian Ahearn, Chair**  
Canadian Fuels Association

**Lonnie Cole, Secretary**  
Baldwin Filters

**Natalie Zigarlick, Treasurer**  
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**Don Heatherington**  
Mr. Lube Canada

**Dan Higgins**  
Canadian Tire

**Sam DeGuillio**  
Recochem

**Vincent Gauthier**  
Petro-Canada Lubricants Inc.

**Gord Klassen**  
City of Fort St. John

## 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.

An estimated 96% of the oil and antifreeze collected through the BCUOMA program was from commercial generators that service vehicles. The remaining 4% is from consumers who choose to change their own oil and antifreeze or small commercial generators who choose to bring their oil and antifreeze to a consumer collection site.

For the small number of citizens that choose to change their own oil and antifreeze, BCUOMA has developed a network of Return Collection Facilities that accept consumer returns at no charge. In 2017, BCUOMA initiated some major changes to the consumer facilities. BCUOMA is establishing new consumer accessibility targets, new infrastructure and new consumer signs. Collection facility locations can be found on the BCUOMA website – [bcusedoil.com](http://bcusedoil.com).

In 2017, 314 Return Collection Facilities (RCFs) collected materials from the public, a decrease from the 433 facilities that provided this service in 2016. Appendix 'A' lists the 314 RCFs by Community.

Year	Number of Facilities
2017	314
2016	433
2015	475
2014	505
2013	497

BCUOMA is expecting to continue to see a decrease in the total number of facilities across BC as the program changes are rolled out, but also see an increase in both the quality of each facility and volume collected from each facility. These changes to the RCF program are intended to improve the consumer experience, ensure that there are adequate recycling options for consumers province-wide and lessen the environmental risk of spills or contamination.





BCUOMA also provides support to Regional Districts that operate community Household Hazardous Waste round-ups. In 2017, support was provided for events in:

- Kaslo
- Nelson
- Creston
- Castlegar
- Silverton
- Nakusp
- Grand Forks

## PRODUCT COLLECTED

In 2017, absolute collection for oil, oil filters and for oil and antifreeze containers increased while collection of antifreeze decreased slightly. Product sales in 2017 increased for all four product streams, by 1.07% to 10.55%

### 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)
<b>2017 target</b>	47.28	2.74	86.2	1.77
<b>2017</b>	47.76	2.59	87.0	1.76
<b>2016</b>	46.35	2.61	85.2	1.737
<b>2015</b>	47.3	2.63	86.8	1.806
<b>2014</b>	48.05	2.58	86.2	1.517

\*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.

The collection results by Regional District are provided in page 4.

## PRODUCT MANAGEMENT

Collected products are managed in accordance with the Pollution Prevention Hierarchy as outlined in the BC Recycling Regulation. 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.

## 2017 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	408,596	13.42	52,620	1.73	19,631	0.64	25,458	0.84
Bulkley – Nechako	603,752	13.45	86,911	1.94	33,173	0.74	24,432	0.54
Capital	2,677,793	6.83	351,836	0.90	109,190	0.28	285,212	0.73
Cariboo	1,033,854	16.32	120,730	1.91	44,410	0.70	49,897	0.79
Central Coast	23,831	7.41	3,638	1.13	1,266	0.39	1,570	0.49
Central Kootenay	1,351,327	22.22	160,570	2.64	29,334	0.48	15,374	0.25
Central Okanagan	2,374,465	11.93	329,879	1.66	111,745	0.56	120,587	0.61
Columbia – Shuswap	745,947	14.07	98,707	1.86	28,893	0.54	28,227	0.53
Comox	887,679	13.42	114,318	1.73	42,648	0.64	55,309	0.84
Cowichan Valley	583,711	6.83	76,694	0.90	23,802	0.28	62,171	0.73
East Kootenay	1,292,454	22.22	153,574	2.64	28,056	0.48	14,704	0.25
Fraser Valley	2,280,491	7.51	276,304	0.91	76,527	0.25	130,359	0.43
Fraser – Fort George	1,603,665	17.79	184,797	2.05	66,061	0.73	74,172	0.82
Greater Vancouver	19,465,031	7.51	2,358,383	0.91	653,194	0.25	1,112,670	0.43
Kitimat – Stikine	528,221	14.56	73,796	2.03	27,908	0.77	20,793	0.57
Kootenay – Boundary	649,072	22.22	77,125	2.64	14,090	0.48	7,384	0.25
Mount Waddington	149,279	13.42	19,225	1.73	7,172	0.64	9,301	0.84
Nanaimo	1,265,188	7.86	165,352	1.03	54,046	0.34	119,816	0.74
North Okanagan	1,030,999	11.93	143,234	1.66	48,520	0.56	52,359	0.61
Northern Rockies	773,734	131.61	57,580	9.79	17,096	2.91	30,362	5.16
Okanagan – Similkameen	1,039,466	11.93	144,411	1.66	48,918	0.56	52,789	0.61
Peace River	3,423,655	55.02	355,099	5.71	95,990	1.54	106,933	1.72
Powell River	148,351	7.41	22,645	1.13	7,878	0.39	9,771	0.49
Skeena – Queen Charlotte	192,470	11.43	36,291	2.15	16,621	0.99	7,579	0.45
Squamish – Lillooet	516,078	11.93	71,698	1.66	24,287	0.56	26,209	0.61
Stikine	84,494	131.61	6,288	9.79	1,867	2.91	3,316	5.16
Strathcona	624,807	13.42	80,465	1.73	30,019	0.64	38,930	0.84
Sunshine Coast	350,500	11.93	48,694	1.66	16,495	0.56	17,800	0.61
Thompson – Nicola	1,650,807	11.93	229,343	1.66	77,689	0.56	83,836	0.61
<b>Total</b>	<b>47,759,715</b>		<b>5,900,207</b>		<b>1,756,524</b>		<b>2,587,317</b>	

\* Totals may not add up due to rounding

## SUMMARY OF 2017 COLLECTION & CONSUMER RETURNS

REGIONAL DISTRICT	OIL (L)		ANTIFREEZE (L)	
	TOTAL COLLECTED	CONSUMER RETURNS	TOTAL COLLECTED	CONSUMER RETURNS
Alberni – Clayoquot	408,596	45,546	25,458	700
Bulkley – Nechako	603,752	43,420	24,432	–
Capital	2,677,793	137,601	285,212	19,418
Cariboo	1,033,854	198,245	49,897	4,797
Central Coast	23,831	–	1,570	–
Central Kootenay	1,351,327	17,865	15,374	1,054
Central Okanagan	2,374,465	159,464	120,587	9,931
Columbia – Shuswap	745,947	64,814	28,227	2,677
Comox	887,679	15,026	55,309	2,068
Cowichan Valley	583,711	100,022	62,171	10,880
East Kootenay	1,292,454	33,744	14,704	515
Fraser Valley	2,280,491	80,345	130,359	4,133
Fraser – Fort George	1,603,665	110,788	74,172	5,330
Greater Vancouver	19,465,031	488,237	1,112,670	25,605
Kitimat – Stikine	528,221	28,920	20,793	1,025
Kootenay – Boundary	649,072	10,592	7,384	1,547
Mount Waddington	149,279	6,400	9,301	–
Nanaimo	1,265,188	52,010	119,816	6,315
North Okanagan	1,030,999	78,620	52,359	3,466
Northern Rockies	773,734	–	30,362	–
Okanagan – Similkameen	1,039,466	28,292	52,789	1,419
Peace River	3,423,655	38,213	106,933	779
Powell River	148,351	–	9,771	–
Skeena – Queen Charlotte	192,470	66,000	7,579	–
Squamish – Lillooet	516,078	10,990	26,209	–
Stikine	84,494	–	3,316	–
Strathcona	624,807	30,668	38,930	2,351
Sunshine Coast	350,500	21,395	17,800	–
Thompson – Nicola	1,650,807	136,738	83,836	2,960
<b>Total</b>	<b>47,759,715</b>	<b>2,003,953 (4%)</b>	<b>2,587,317</b>	<b>106,969 (4%)</b>

\* Totals may not add up due to rounding

## CONSUMER AWARENESS

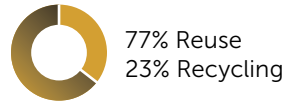
The most recent Consumer Awareness Benchmark Study for all Stewardship Programs in BC was completed in 2016. The study indicates that 78% of consumers are aware there is a recycling program in BC for BCUOMA managed products. The study also states that 84% of British Columbians believe that the products collected in the BCUOMA program are being managed in a safe and environmentally responsible manner. The next study is planned for 2018.

## HOTLINE AND RECYCLING SEARCH LOCATOR

Consumers looking to have their recycling questions answered can call the hotline at 1-800-667-4321 or search for a location to recycle at [www.bcusedoil.com](http://www.bcusedoil.com). BCUOMA participates with other stewardship programs to fund the Recycling Council of BC's hotline and Recyclopedia database.

## END FATE FOR PRODUCTS COLLECTED

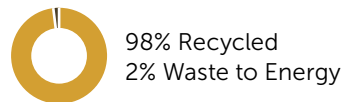
Used Oil



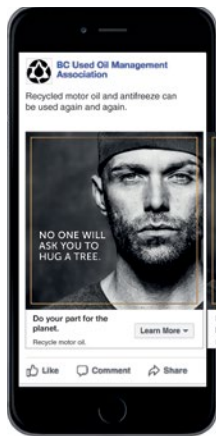
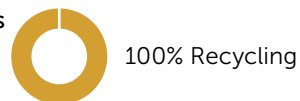
Antifreeze



Oil Filters



Containers

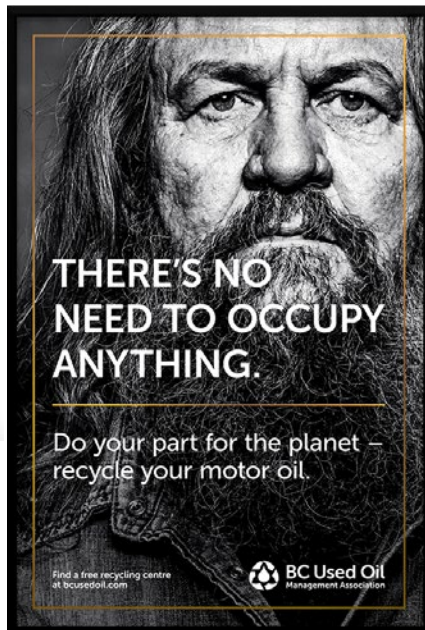


Facebook Carousel Ad

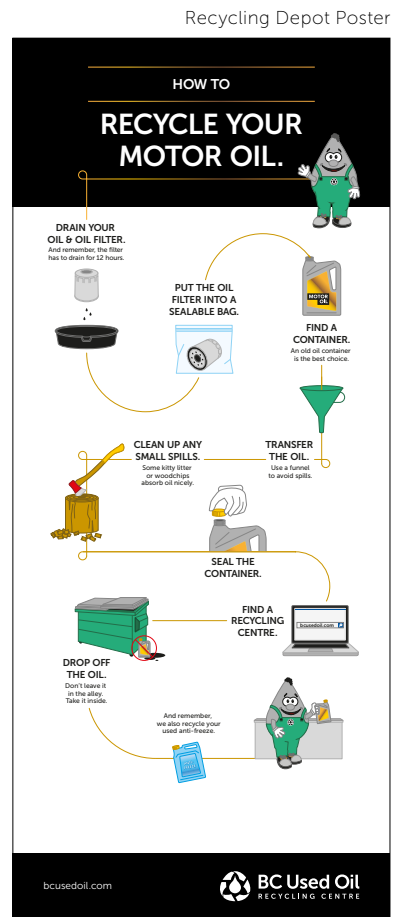


Facebook Post

Oil can be refined again and again.



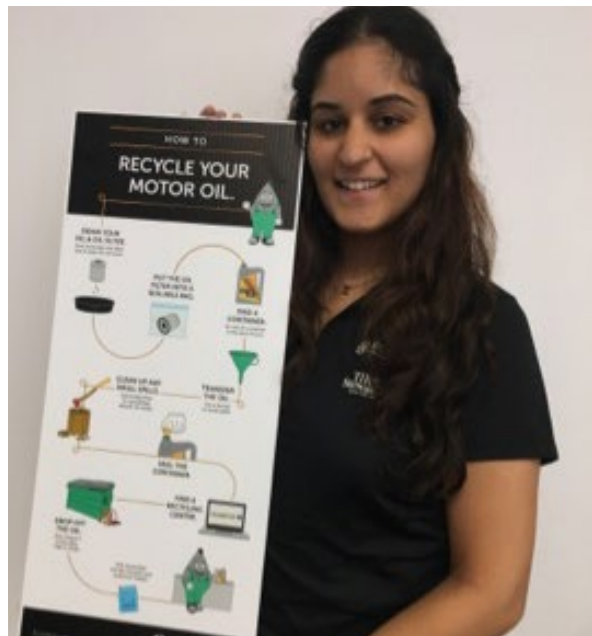
Poster



Recycling Depot Poster

## AMBASSADOR PROGRAM

In 2017, the BCUOMA led Ambassador Program partnered with Tire Stewardship BC. The program sent a two-person team of ambassadors to travel the province to gather feedback from affiliated facilities. It was imperative for the team to maintain a positive relationship with the stewardship's existing facilities and to communicate with each facility that BCUOMA is there to continue to support them. The team drove 17,000 kilometers and visited 418 facilities in 106 communities across the province. In doing so, they gathered valuable data and feedback on the restructuring of the program.





## 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>	2017	99.7	7.58%	69.90%	69.7	47.8	3.04%	68.56%
	2016	92.6	-5.19%	69.90%	64.8	46.3	-2.00%	71.58%
	2015	97.7	5.02%	69.90%	68.3	47.3	-1.58%	69.25%
	2014	93.0	-2.88%	69.90%	65.0	48.1	-3.89%	73.89%
	2013	95.8	8.00%	69.90%	67.0	50.0	1.21%	74.67%
<b>Antifreeze (L)</b>	2017	12.6	10.55%	47.60%	6.0	2.6	-1.04%	42.98%
	2016	11.4	-6.26%	47.60%	5.4	2.6	-0.67%	48.02%
	2015	12.2	-9.59%	47.60%	5.8	2.6	2.16%	45.32%
	2014	13.5	0.35%	47.60%	6.4	2.6	-2.03%	40.10%
	2013	13.5	40.69%	47.60%	6.4	2.6	12.88%	41.08%
<b>Filters (units)</b>	2017	6.8	3.55%	100.00%	6.8	5.9	5.73%	87.00%
	2016	6.5	-4.46%	100.00%	6.5	5.6	-6.25%	85.21%
	2015	6.9	6.06%	100.00%	6.9	6.0	6.86%	86.84%
	2014	6.5	1.78%	100.00%	6.5	5.6	5.90%	86.19%
	2013	6.4	4.79%	100.00%	6.4	5.3	1.94%	82.83%
<b>Containers (kg)</b>	2017	2.1	1.07%	100.00%	2.1	1.8	1.14%	82.53%
	2016	2.1	-0.12%	100.00%	2.1	1.7	-3.82%	82.47%
	2015	2.1	-2.55%	100.00%	2.1	1.8	18.99%	85.65%
	2014	2.2	-0.62%	100.00%	2.2	1.5	-6.68%	70.14%
	2013	2.2	5.37%	100.00%	2.2	1.6	-0.67%	74.69%

# APPENDIX A

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### 100 MILE HOUSE

Castle Fuels (2008) Inc. (100 Mile House)  
Gold Trail Recycling Ltd  
Petro Canada Bulk Sales – 100 Mile House

#### 150 MILE HOUSE

150 M+S Tire & Service Centre

#### 70 MILE HOUSE

70 Mile House Eco-Depot (TNRD)

#### ABBOTSFORD

Abbotsford Chrysler Jeep  
C M Klassen Holdings Inc.  
Regional Recycling Abbotsford

#### AGASSIZ

Modern Tire & Towing Inc.

#### ALERT BAY

Village of Alert Bay Transfer Station

#### ALEXIS CREEK

Doug's Repairs

#### ARMSTRONG

Arjun Esso

#### BELLA BELLA

Helitsuk Environmental Services

#### BELLA COOLA

Belco Service (1978) Ltd.  
OK Tire Store (Bella Coola-Hagensborg)  
Thorsen Creek Recycling Center  
Thorsen Creek Recycling Depot

#### BLUE RIVER

Blue River Eco-Depot (TNRD)

#### BOWSER

Bowser Automotive Care

#### BURNABY

Carter Dodge Chrysler  
Carter GM, Burnaby  
City of Burnaby Eco-Depot  
Elcam Auto Recyclers Ltd.  
Marc's Import Auto Repair  
Mr. Lube #141 (Hasting Burnaby)  
Mr. Lube #201 (Kingsway)

#### BURNS LAKE

Burns Lake Automotive Supply Ltd. (Burns Lake)  
Polar Park Automotive Industrial Supply

#### CAMPBELL RIVER

Campbell River Waste Management Centre (CVRD)  
Fountain Tire  
Great Canadian Oil Change (Campbell River)  
Ironwood Auto Technicians  
North Island Lube Ltd.

#### CASTLEGAR

Canadian Tire #492 (Castlegar)  
Ernie's Used Auto Parts

#### CHASE

Integra Tire Auto Center

#### CHETWYND

Chetwynd Recycling Depot  
Great Canadian Oil Change (Chetwynd)

#### CHILLIWACK

Chilliwack Bottle Depot  
Chilliwack Ford Sales (1981) Ltd.  
Fraser Valley Tireland  
Greendale Motors Ltd  
Jiffy Lube Chilliwack  
Kirkpatrick Auto & Fleet Repair Ltd.  
Mertin Pontiac Buick  
Midas Auto Service (Chilliwack)  
O'Connor Chrysler  
OK Tire Store (Chilliwack) Ltd.

#### CHRISTINA LAKE

Christina Lake Mechanical Ltd.  
Laketime Services

#### CLEARWATER

Clearwater Eco-Depot (TNRD)  
Fleetwest Enterprises Ltd.

#### CLINTON

Clinton Eco-Depot (TNRD)

#### COBBLE HILL

Chapman Motors Ltd.

#### COOMBS

Highway 4 Auto Salvage

#### COQUITLAM

Mr. Lube #159 (Coquitlam)

#### COURTENAY

Courtenay Car Centre Ltd.  
Courtenay Kia  
Finneron Hyundai  
Glenn's Import & Domestic Auto Service  
Mr. Lube #177 (Courtenay/Comox)  
Rice Toyota Courtenay  
Seeco Automotive

#### CRANBROOK

Castle Fuels (2008) Inc. (Cranbrook)  
Denham Ford Ltd.  
Great Canadian Oil Change (Cranbrook)

#### CRESTON

Comfort Welding

#### CROFTON

Crofton Auto Service

#### CUMBERLAND

Comox Valley Waste Management Centre (Cumberland)

#### DAWSON CREEK

Great Canadian Oil Change (Dawson Creek)  
Peace Country Automotive Ltd.  
Peace Country Petroleum Sales Ltd. (Dawson Creek)

#### DELTA

Shortstop Auto Service / Big O Tire  
Vancouver Landfill

#### DUNCAN

Bings Creek Recycling Centre  
Canadian Tire #466 (Duncan)  
Great Canadian Oil Change (Duncan)  
Island Chevrolet Buick GMC  
Island Hose & Hydraulic (1994) Ltd.  
Island Tractor & Supply

#### ELKFORD

District of Elkford

#### ENDERBY

Rod's Repair Shop  
Williamson Automotive

#### FERNIE

Day Auto Electric  
Woz Mechanical Ltd.

#### FORT NELSON

Wide Sky Disposal

#### FORT ST. JAMES

Riverside Repairs

#### FORT ST. JOHN

Canadian Tire #363 (Fort St. John)  
Fort City Chrysler  
Fort St John Co-op Association – 100 Ave  
Fort St John Co-op Association – 91 Ave  
GFL Environmental Liquids West  
Great Canadian Oil Change (Ft. St. John)  
Peace Country Petroleum Sales  
Ltd. (Fort St John – 91 Ave)  
Rapid Lube & Wash  
Smith Fuel Services Ltd.

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### **FORT STEELE**

Regional District of East Kootenay (Cranbrook)

#### **FRASER LAKE**

Fraser Lake AutoSense

#### **GIBSONS**

Norris Oil Sales Ltd.

#### **GOLD BRIDGE**

Gold Bridge Transfer Station (Squamish-Lillooet Regional District)

#### **GOLD RIVER**

Gold River Auto Services

#### **GOLDEN**

Castle Fuels (2008) Inc. (Golden)  
Columbia Diesel Ltd.

#### **GREENWOOD**

Greenwood Race Trac Gas  
Greenwood Saw To Truck Repairs

#### **HEFFLEY CREEK**

Heffley Creek Eco-Depot (TNRD)

#### **HOPE**

Gardner Chevrolet Oldsmobile Pontiac Buick  
Mobil 1 Lube Express – Hope

#### **HORSEFLY**

Caron Horsefly Service Ltd

#### **HOUSTON**

Four Rivers Co-op (Houston Cardlock)  
Sullivan Motor Products

#### **INVERMERE**

Canadian Tire #658 (Invermere)  
Castle Fuels (2008) Inc. (Invermere)  
Walker's Repair Centre Ltd.

#### **KAMLOOPS**

Castle Fuels (2008) Inc. (Kamloops)  
Dearborn Motors Ltd.  
Desert Cardlock Fuel Services Ltd (Kamloops)  
Jay's Service  
Mr. Lube #147 (Kamloops Summit Lubricants)  
Mr. Lube #8 (Kamloops Briar Ave Kendall Lube)

#### **KELOWNA**

Desert Cardlock Fuel Services Ltd (Kelowna)  
Great Canadian Oil Change (Kelowna)

#### **KITIMAT**

Kal Tire (Kitimat)

#### **LADYSMITH**

Peerless Road Recycling Centre

#### **LAKE COUNTRY**

Great Canadian Oil Change (Lake Country)

#### **LAKE COWICHAN**

Meade Creek Recycling Centre

#### **LANGFORD**

Alpine Recycling (Victoria)  
Race Rocks Automotive  
Royal Victoria Yacht Club

#### **LANGLEY**

Fort Horseless Carriage Service Ltd.  
Great Canadian Oil Change (Langley)  
Jiffy Lube #1086 (Langley)  
Mobil 1 Lube Express – Langley 56 Ave  
Mobil 1 Lube Express – Langley 64 Ave

#### **LIKELY**

Likely Landfill

#### **LILLOOET**

Lillooet Landfill (Squamish-Lillooet Regional District)  
Me Too Contracting  
Revitup

#### **LOGAN LAKE**

Logan Lake Eco-Depot (TNRD)  
Wolverine Auto Parts & Service  
Wolverine Auto Parts & Service  
Louis Creek Eco-Depot (TNRD)

#### **LOWER NICOLA**

Lower Nicola Eco-Depot (TNRD)

#### **LYTTON**

Lytton Eco-Depot (TNRD)

#### **MACKENZIE**

Jepson Petroleum Ltd. (Mackenzie)  
Mackenzie Regional Landfill

#### **MADEIRA PARK**

Pender Harbour Diesel Co.

#### **MAPLE RIDGE**

Jiffy Lube (Maple Ridge)  
Mr. Lube #210 (Maple Ridge)  
Ridge Meadows Recycling Society  
Start Automotive

#### **MASSET**

TLC Automotive Services Ltd.

#### **MCBRIDE**

JNR Auto Services  
McBride Regional Transfer Station

#### **MILL BAY**

Hi-Point Autocare Ltd.

#### **MISSION**

Mission Recycling Depot

#### **NANAIMO**

Canadian Tire #362 (Nanaimo)  
Gold Automotive Ltd.  
Great Canadian Oil Change (Nanaimo)  
Harris Kia  
Harris Mazda  
Mr. Lube #93 (Nanaimo)  
Regional Recycling Nanaimo – Hayes Rd  
Regional Recycling Nanaimo – Old Victoria Road  
Top-Lite Car Service Ltd.

#### **NELSON**

Nelson Ford

#### **NORTH SAANICH**

Gurton's Garage Ltd.

#### **OAK BAY**

Gartside Marine Engines Ltd

#### **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**

Parksville Petro Canada  
Parksville PetroCanada  
Surfside Automotive

#### **PEACHLAND**

Lakeside Autocare

#### **PEMBERTON**

Squamish-Lillooet RD – Pemberton Transfer Station

#### **PENTICTON**

Campbell Mountain Landfill  
Jiffy Lube #1015 (Penticton)

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### PORT ALBERNI

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

#### PORT ALICE

Village of Port Alice Recycling Facility

#### PORT HARDY

Dave Landon Motors Ltd.  
E.J. Klassen GM Motorcade  
NAPA Auto Parts

#### PORT MCNEILL

7-Mile Recycling Center (Regional  
Dist of Mount Waddington)  
Furney Distributing Limited  
Hilts Automotive  
V-Echo Restorations

#### POWELL RIVER

Sunshine Disposal and Recycling

#### PRESPATOU

Fort St John Co-op Association – Prespatou

#### PRINCE GEORGE

A-Star Automotive Recycling Ltd.  
Canadian Tire 360 (Prince George)  
Enviro West Inc.  
Foothills Boulevard Regional Landfill  
Four Rivers Co-op (Prince George BCR Cardlock)  
Great Canadian Oil Change (Prince George – 15 Avenue)  
Great Canadian Oil Change (Prince George – Austin Rd)  
Jepson Petroleum Ltd. (Prince George)  
Mr. Quick Lube & Oil – George Street PG  
Mr. Quick Lube & Oil – Hart Hwy PG  
OK Tire Store (Prince George)  
Prince George Auto Wrecking Ltd.  
Prince George Truck & Equipment  
Quinn Street Regional Recycle Depot  
Vanway Regional Transfer Station

#### PRINCE RUPERT

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

#### PRINCETON

Princeton Landfill

#### PRITCHARD

South Thompson Eco-Depot (TNRD)

#### QUESNEL

Four Rivers Co-op (Quesnel Cardlock)  
Jepson Petroleum Ltd. (Quesnel)  
Motherlode Quicklube

#### RADIUM HOT SPRINGS

Radium Hot Springs Esso

#### REVELSTOKE

Revelstoke Refuse Disposal Facility

#### RICHMOND

Canadian Tire 606 (Richmond)  
Jiffy Lube #1088 (Richmond)  
Mobil 1 Lube Express – Richmond  
Petro-Canada – Richmond  
Regional Recycling Richmond

#### SAANICHTON

Brentwood Auto & Metal Recyclers

#### SALMON ARM

Castle Fuels (2008) Inc (Salmon Arm)  
Great Canadian Oil Change (Salmon Arm)  
Jacobson Ford Sales Ltd.  
Petro Canada – Salmon Arm  
Salmon Arm Landfill (CSRD)

#### SALT SPRING ISLAND

Beddis Road Garage  
Salt Spring Auto Parts

#### SAVONA

Dawn's Service  
Savona Eco-Depot (TNRD)

#### SECHELT

Columbia Fuels (Sechelt)

#### SICAMOUS

Precision Marine Mobile Service

#### SIDNEY

Clair Downey Service  
Quality Brake & Muffler 2005 Ltd.

#### SLOCAN PARK

Slocan Park Repair

#### SMITHERS

Canadian Tire 631 (Smithers)  
Glacier Toyota  
Petro Canada (Smithers)

#### SPENCES BRIDGE

Spences Bridge Eco-Depot (TNRD)

#### SQUAMISH

Triton Automotive and Industrial Ltd

#### STEWART

Petro Canada – Stewart

#### SUMMERLAND

District of Summerland Landfill

#### SURREY

Canadian Tire #622 (White Rock)  
Gold Key Volkswagen  
Haley's White Rock Dodge  
Hallmark Ford Sales Ltd.  
Mr. Lube #140 (Surrey)  
North Bluff Shell  
Regional Recycling Cloverdale

#### TAHSIS

Tahsis Public Works Yard  
Tahsis Waste Management Center (CVRD)

#### TERRACE

Four Rivers Co-op (Terrace Cardlock)  
OK Tire & Auto Service (Terrace)  
Petro Canada (Terrace)  
Terrace Motors Ltd

#### TOFINO

Method Marine Supply Co. Ltd  
Tofino Harbour Authority

#### TRAIL

OK Tire – Trail

#### UCLUELET

Columbia Fuels (Ucluelet) / Eagle Marine

#### VALEMOUNT

K.P. Abernathy Ltd.  
Valemount Regional Transfer Station

#### VANCOUVER

Regional Recycling Vancouver  
Vancouver West Motors 1992

#### VANDERHOOF

Four Rivers Co-op (Vanderhoof Gas Bar)  
Four Rivers Co-op (Vanderhoof)  
P & H Supplies Ltd.

## APPENDIX

### RETURN COLLECTION FACILITIES

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#### VERNON

Great Canadian Oil Change (Vernon Anderson Way)  
Great Canadian Oil Change (Vernon) 27th Street  
Interior Freight & Bottle Depot Ltd.  
Vernon Chrysler Dodge Ltd.

#### VICTORIA

Advance Auto Centre Ltd.  
Auto Services  
Big O Tires (formerly Island Highway Automotive)  
Canadian Tire 369 (Victoria)  
Cunningham's Enterprise Ltd.  
Derick's Automotive Services  
EZ Lube Auto Ltd. Victoria (Jacklin)  
Great Canadian Oil Change (Victoria) Douglas St  
Great Canadian Oil Change (Victoria) Langford Pky  
Hartland Landfill  
Jade Auto Service Ltd.  
Jenner Chevrolet Buick GMC Ltd.  
Jiffy Lube #1075 (Victoria)  
Mr. Lube #6 Victoria Lubricants Douglas St  
Race Rocks Automotive

#### WEST KELOWNA

Great Canadian Oil Change (West Kelowna)  
Jiffy Lube #1043 (West Kelowna)  
Mr. Lube #236 (West Kelowna)

#### WESTWOLD

Westwold Eco-Depot (TNRD)

#### WHISTLER

Local Automotive Co. Ltd.  
S M D Automotive Ltd.

#### WILLIAMS LAKE

Canadian Tire #438 (Williams Lake)  
Chap's Auto Body (Brent Graham Ltd.)  
Chuck's Auto Supply  
Desert Cardlock Fuel Services Ltd (Williams Lake)  
Gary Young Agencies  
Jepson Petroleum Ltd. (Williams Lake)  
Lake City Ford Sales Ltd.  
Petro Canada Bulk Plant – Williams Lake

# **FINANCIAL STATEMENTS**

DECEMBER 31, 2017

### **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, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### **Auditors' 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 our 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, we consider 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, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

April 20, 2018  
Edmonton, Canada



**STATEMENT OF FINANCIAL POSITION**  
AS AT DEC 31, 2017

	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	3,046,209	6,106,912
Accounts receivable (note 3)	4,128,521	3,789,714
Short-term investments (note 4)	6,799,395	1,484,024
Prepaid expenses	5,989	5,978
	13,980,114	11,386,628
Property and equipment (note 5)	2,849	5,385
Long-term investments (note 4)	2,991,061	4,400,221
	16,974,024	16,974,024
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Return incentives payable	1,674,008	1,226,805
Accounts payable and accrued liabilities (note 6)	171,203	97,040
	1,845,211	1,323,845
<b>Net Assets</b>		
<b>Unrestricted</b>	5,334,459	7,818,266
<b>Internally restricted</b> (note 7)	9,791,505	6,644,738
<b>Invested in property and equipment</b>	2,849	5,385
	15,128,813	14,468,389
	16,974,024	15,792,234
<b>Commitments</b> (note 8)		

Approved by the Board of Directors

*S. Khan*

Director

*T. Bizarlick*

Director

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

**STATEMENTS OF CHANGES IN NET ASSETS**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Internally restricted	Invested in property and equipment	Total
	\$	\$	\$	\$
Balance – December 31, 2015	7,277,782	6,510,302	8,230	13,796,314
Excess (deficiency) of revenue over expenditures for the year	674,920	–	(2,845)	672,075
Purchase of property and equipment	–	–	–	–
Fund transfer (note 7)	(134,436)	134,436	–	–
Balance – December 31, 2016	7,818,266	6,644,738	5,385	14,468,389
Excess (deficiency) of revenue over expenditures for the year	662,960	–	(2,536)	660,424
Fund transfer (note 7)	(3,146,767)	3,146,767	–	–
Balance – December 31, 2017	5,334,459	9,791,505	2,849	15,128,813

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

**STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
<b>Revenue</b>		
Environmental handling charges	15,123,056	14,603,063
Investment income (note 4)	146,767	134,436
Interest and other income	60,214	48,673
Registration fees	1,610	1,200
	15,331,647	14,787,372
<b>Expenditures</b>		
Program costs		
Return incentives (note 9)	12,709,907	12,577,873
Communications and public relations	501,811	524,560
Depot infrastructure	176,088	95,271
Legal fees (note 10)	161,273	93,224
Management and administration contracts (note 10)	113,779	93,525
Consulting	88,060	94,470
Compliance reviews	28,709	47,152
Bad debt expense (recovery)	300	(37,119)
Return incentive field reviews	-	2,297
	13,779,927	13,491,253
Administrative costs		
Management and administration contracts (note 10)	455,115	349,308
Legal fees (note 10)	148,669	82,737
Office and general expenses	90,991	84,481
Board expenses	89,983	22,240
Financial audit fees	58,969	46,448
Rent	45,033	35,985
Amortization	2,536	2,845
	891,296	624,044
	14,671,223	14,115,297
<b>Excess of revenue over expenditures</b>	660,424	672,075

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

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
<b>Cash provided by (used in) operating activities</b>		
Excess of revenues over expenditures	660,424	672,075
Items not involving cash		
Amortization of tangible assets	2,536	2,845
Unrealized loss on investments	13,476	-
Accrued interest on investments	(40,041)	-
	<u>636,395</u>	<u>674,920</u>
<b>Changes in non-cash operating working capital</b>		
(Increase) decrease in accounts receivable	(338,807)	241,249
(Increase) decrease in prepaid expenses	(11)	(123)
Increase (decrease) in accounts payable and accrued liabilities	74,163	(26,144)
Increase (decrease) in return incentives payable	447,203	(266,954)
	<u>818,943</u>	<u>622,948</u>
<b>Cash provided by (used in) investing activities</b>		
Proceeds on maturity of investments	2,171,263	1,350,073
Purchases of investments	(6,050,909)	(724,016)
	<u>(3,979,646)</u>	<u>626,057</u>
<b>Increase (decrease) in cash during the year</b>	(3,060,703)	1,249,005
<b>Cash – Beginning of year</b>	6,106,912	4,857,907
<b>Cash – End of year</b>	<u>3,046,209</u>	<u>6,106,912</u>

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).<sup>2</sup>

Summary of significant accounting policies

## **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 in Part III of the CPA Handbook. The Association's significant accounting policies are as follows:

### **a) Revenue recognition**

The Association recognizes environmental handling charges ("EHC") in its unrestricted fund. EHC revenue is due when the lubricating oil, oil filters and oil containers are first sold by a registrant. EHC revenue is recognized when there is reasonable assurance of collection. Included in EHC revenue are amounts owed to the Association for unremitted EHC fees identified by the Association's compliance review process. Amounts identified by the compliance review are recognized as revenue in the year in which the compliance review is conducted.

The Association has internally restricted funds in investments to maintain sufficient cash resources for operational needs (note 7). Investment income earned on these funds is recognized as revenue in the year it is earned.

### **b) Return incentives and return collection facilities incentives**

Return incentives ("RI") and return collection facilities incentives ("RCF") are recognized in the year when the lubricating oil and antifreeze materials are delivered to a registered processor's facility by a registered collector and completed claim forms are received and accepted by the Association.

### **c) 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

### **d) 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 in guaranteed investment certificates are recorded at amortized cost and other investments are recorded at fair value. Unrealized gains and losses, dividends and interest income are included as investment income in the statement of operations.

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

The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets. Transaction costs on financial instruments are expensed when incurred.

All derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Association has determined that it does not have any derivatives and has not entered into any hedge transactions.

### **e) Use of Estimates**

The preparation of financial statements 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 of revenues and expenditures during the year. Significant items subject to estimates and assumptions include the estimated useful lives of property and equipment, collectability of accounts receivable, return incentives and return collection facilities incentives paid for ineligible containers (note 9), and accruals for EHC fees not submitted to the Association by the registrant until the following year. Actual results could differ from these estimates.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2017**

**f) Allocated expenses**

Expenses relating to management and administration contracts and legal fees are allocated between program costs and administrative costs as noted below unless specifically related to a program or administrative activity. The Association allocates these expenses by determining management's best estimate of resources spent on program activities and administration activities each year.

	2017 %	2016 %
<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	20	20
Administrative costs	80	80
<b>Legal fees</b>		
Program costs	20	20
Administrative costs	80	80
<b>3. Accounts Receivable</b>		
	2017 \$	2016 \$
Other accounts receivable	89,660	65,309
GST receivable	195,856	110,007
EHC accruals	3,844,341	3,618,034
Allowance for doubtful accounts	(1,336)	(3,636)
<b>Total</b>	<b>4,128,521</b>	<b>3,789,714</b>

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
DECEMBER 31, 2017

**4. Investments – Short-Term Investments**

The Association has funds invested in guaranteed short-term investment certificates (GIC) with fixed interest rates maturing and investments in Canadian and International equities as follows:

<b>Maturity date</b>	<b>Interest Rate</b>	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>
February 28, 2018	1.10	767,513	–
April 23, 2018	1.81	708,748	720,334
October 20, 2018	2.25	3,013,315	–
December 11, 2018	2.5	786,295	763,690
		<u>5,275,871</u>	<u>1,484,024</u>
Fidelity Canadian Large Cap Fund (Cost – \$737,000)		730,656	–
Fidelity Global Intrinsic Value Fund (Cost – \$550,000)		547,678	–
Fidelity Insights Fund (Cost – \$250,000)		245,190	–
		<u>1,523,524</u>	<u>–</u>
		<u>6,799,395</u>	<u>1,484,024</u>

**Long-Term Investments**

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

<b>Maturity date</b>	<b>Interest rate</b>	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>
April 23, 2018	1.81	–	700,000
December 11, 2018	2.50	–	767,117
April 22, 2019	1.92	736,863	722,983
April 21, 2020	2.10	740,381	725,152
December 23, 2020	2.35	778,836	760,953
April 26, 2021	2.22	734,981	724,016
		<u>2,991,061</u>	<u>4,400,221</u>

Investment income is comprised of the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Interest income	160,243	134,436
Unrealized loss on equity investments	(13,476)	–
	<u>146,767</u>	<u>134,436</u>

**5. Property and equipment**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
	\$	\$	\$	\$
Furniture and fixtures	10,238	8,353	1,885	2,665
Computer equipment	38,191	37,227	964	2,720
	48,429	45,580	2,849	5,385

**6. Accounts payable**

Included in accounts payable are government payroll remittances payable of \$74 (2016 – \$320) related to goods and services tax and payroll remittances on Director's fees.

**7. Internally restricted net assets**

The Board of Directors has established a reserve fund. The purpose of the reserve fund is to cover the costs of the following: winding up the Association's programs; ensuring there are sufficient cash resources to meet operational needs; ensuring there are sufficient cash resources to fund any unanticipated changes to the Association's programs and mandate; and to cover the cost of any unforeseen claims or events.

Excess revenue over expenditures not required to cover the cost of ongoing programs may be allocated to the reserve fund as determined by the Board of Directors. In addition, the Board of Directors has stipulated that the reserve fund be maintained at an amount equivalent to 12 months of the Association's expenses and contractual commitments.

**8. Commitments**

Under the terms of a financial services and use agreement expiring August 2020, the Association is charged a fee for provision of financial administration services of various staff. Under the terms of a service agreement expiring December 2019, the Association is charged a monthly rate for provision of professional and technical services. The Association has a lease agreement for its current office location until June 2020. The estimated minimum annual payments required under these agreements are as follows:

	Contract services	Facilities	Total
	\$	\$	\$
2018	440,600	19,755	460,355
2019	440,600	20,289	460,889
2020	200,400	10,189	210,589
	1,081,600	50,233	1,131,833

**9. 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.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2017**

Based on studies performed by independent consultants, the Association has determined that the percentage of ineligible containers is approximately 10% (2016 – 10%) by weight. This percentage is used to estimate the amount spent on ineligible plastics. The estimated amount is \$293,000 for the year ended December 31, 2017 (2016 – \$296,000).

**10. Allocated expenses**

For the years ended December 31, 2017 and 2016, total expenses allocated between program costs and administrative costs were as follows:

	2017	2016
	\$	\$
Management and administrative contracts	568,894	442,833
Legal fees	309,942	175,961

**11. Financial risk management**

**Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Association is exposed to credit risk with respect to accounts receivable and investments. However, the Association is not exposed to any significant concentration of credit risk due to its large registrant base. Management monitors its accounts receivable regularly and provides for any amounts that are not collectible in the allowance for doubtful accounts (note 3). The Association manages credit risk for its investments by maintaining them with Chartered Schedule I banking institutions.

There has been no change to the risk exposure from the prior year.

**Liquidity risk**

Liquidity risk is the risk an entity will encounter difficulty in meeting its obligations. The Association manages its liquidity by monitoring its expenses, working capital and overall capital expenditures. The Association primarily meets its liquidity requirements through the environmental handling charges and registration fees it earns. Investments and investment income are internally restricted to cover the cost of unforeseen claims and events. The Association expects to continue to meet future requirements through these sources.

There has been no change to the risk exposure from the prior year.

**Market risk**

Market risk refers to the risk that the fair value or future cash flow of the Association's financial instruments will fluctuate because of changes in market prices. The Association is exposed to market risk with respect to its investments. Accordingly, the value of these financial instruments will fluctuate as a result of changes in market prices, market conditions, or factors affecting the net asset values of the underlying investments. Should the value of the financial instruments decrease significantly, the Association could incur material losses upon disposal of the instruments. This risk is mitigated by diversification of portfolio holdings amongst different asset classes and by holding investments with varying maturity dates and a variety of issuers.

The risk exposure has increased from the prior year with the addition of equity investments to the investment portfolio.

**12. Comparative information**

Certain comparative information has been reclassified, where applicable, to conform to the financial statement presentation adopted for the current year.



**INDEPENDENT  
REASONABLE  
ASSURANCE  
REPORT**

**BRITISH COLUMBIA USED OIL MANAGEMENT ASSOCIATION**

INDEPENDENT REASONABLE ASSURANCE REPORT ON SELECTED NON-FINANCIAL INFORMATION  
INCLUDED IN THE BRITISH COLUMBIA USED OIL MANAGEMENT ASSOCIATION 2017 ANNUAL REPORT

**To the Directors of  
British Columbia Used Oil Management Association**

We have been engaged by the management of British Columbia Used Oil Management Association (“BCUOMA”) to undertake a reasonable assurance engagement in respect of the following disclosures within BCUOMA’s Annual Report for the year ended December 31, 2017 (together the “Subject Matter”):

- Location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of BC Regulation 449/2004 (the Recycling Regulation);
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation; and,
- The total amount of the producer’s product sold and collected and, if applicable, the producer’s recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation.

**RESPONSIBILITIES**

The Subject Matter is the responsibility of BCUOMA’s management, who have prepared the Subject Matter in accordance with the evaluation criteria, which are an integral part of the Subject Matter. Our responsibility in relation to the Subject Matter is to perform a reasonable assurance engagement and to express a conclusion based on the work performed. Our audit does not constitute a legal determination on BCUOMA’s compliance with the Recycling Regulation.

**EVALUATION CRITERIA**

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Appendix A are an integral part of the Subject Matter and address the relevance, completeness, reliability, neutrality and understandability of the Subject Matter.

## **SCOPE OF THE AUDIT**

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants (“IFAC”). This Standard requires, amongst other things, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Subject Matter, and that they comply with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Subject Matter. The main elements of our work were:

- Understanding and evaluating the design of the key processes and controls for managing and reporting the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Assessing the risks that the Subject Matter may be materially misstated;
- Responding to assessed risks through testing, on a test basis, the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Procedures such as inquiring, inspecting, observing, vouching to independent sources, recalculating and re-performing procedures were performed to obtain corroborating evidence to address assessed risks linked to the Annual Report Subject Matter; and
- Evaluating the sufficiency and appropriateness of the evidence obtained.

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

## **INHERENT LIMITATIONS**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Subject Matter and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of evaluation criteria.

## **OPINION**

In our opinion, the Subject Matter for the year ended December 31, 2017 presents fairly, in all material respects, based on the evaluation criteria listed in Appendix A:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation;
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation; and,
- The total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation.

## **EMPHASIS OF MATTER**

Without qualifying our opinion, we draw your attention to Appendix B which describes why certain items required by the Assurance Requirements to be included in Appendix A have been excluded.

## **OTHER MATTERS**

Our report has been prepared solely for the purposes of BCUOMA's compliance with the reporting requirements relating to Sections 8(2)(b), (d), (e) and (g) of the Recycling Regulation and is not intended to be and should not be used for any other purpose. Our duties in relation to this report are owed solely to BCUOMA, and accordingly, we do not accept any responsibility for loss incurred to any other party acting or refraining from acting based on this report.

*Green Horwood & Co LLP*

GREEN HORWOOD & CO LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria BC, Canada  
June 1, 2018

## Appendix A to the Independent Reasonable Assurance Report

### COLLECTION FACILITIES

Section 8(2)(b) the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report, including the contents of the Appendix - Return Collection Facilities.

Specific Disclosures in the 2017 annual report for which evaluation criteria were developed	
Claim in the Report	Reference
In 2017, 314 Return Collection Facilities (RCFs) collected materials from the public, a decrease from the 433 facilities that provided this service in 2016. Appendix 'A' of the 2017 annual report lists the 314 RCFs by Community.	<i>Collection Network Performance</i> on page 2

The following definitions were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report:

**Collection Facility** refers to locations that are owned by Program Participants (“Members”), registered collectors, local governments and not-for-profit organizations where:

- The collection facility operator(s) have a signed contract or registration form or verbal agreement with BCUOMA for the collection and redemption of Program Products.
- The location(s) is recorded by BCUOMA in a website database.

**Collection Facilities** include the following types of centres:

- Registered collection facilities (“RCF”) collect used oil and antifreeze materials from the do-it-yourself customer at no charge. These facilities may make a semi-annual claim to BCUOMA for payment for collecting used oil and/or antifreeze materials.
- Facilities that have entered into verbal agreement with BCUOMA and collect used oil and antifreeze materials. These facilities do not submit a RCF registration form.

### Evaluation Criteria

- Reporting Period: January 1st to December 31st.
- The number of Collection Facilities and the location of each facility are documented in a data base maintained by BCUOMA. Collection Facilities are entered into the database as of the date of registration.
- The total number of Collection Facilities is obtained by adding the total number of registered collection facilities and facilities with verbal agreements listed in the website database as of December 31st of the reporting year.

- The changes in number and location of Collection Facilities are determined by adding the total number of Collection Facilities added in the reporting year less the total number of Collection Facilities removed during the reporting year. Locations that have moved during the reporting year (i.e., an operator that closed a location to move it to a new location) are captured in the total number of collection facilities added and removed throughout the year.
- The Ambassador Program verifies the existence of the collection facilities on a yearly basis. The results of the Ambassador Program are compared to the database of the collection facilities and the final list of facilities is posted on the website. A description of the Ambassador Program is described on page 7 of the 2017 Annual Report.
- A summary reconciliation is completed at year-end identifying the Collection Facilities at the beginning of the year, changes during the year and the number of facilities at the end of the year.

**PRODUCT MANAGEMENT**

**Section 8(2)(d) the description of how the recovered product was managed in accordance with the pollution prevention hierarchy.**

<b>Specific Disclosures in the 2017 annual report for which evaluation criteria were developed</b>	
<b>Claim in the Report</b>	<b>Reference</b>
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.	<i>Product Management on page 3</i>

Note: The percentage allocation between products collected that were reused and recycled on page 6 has not been reported on as the process to determine the allocation was not verifiable.

The following definitions were applied to the assessment of how the recovered product was managed:

**Oil** – The amount of uncontaminated used oil recovered, less the water content, that is received at a used oil processing facility is reported as either reused or recycled.

**Antifreeze** – The amount of used antifreeze that is received at a used antifreeze processing facility is reported as reuse.

**Filters** – The amount of metal filters processed and received at a steel recycler will be reported as recycled.

**Containers** – The amount of containers received at a facility that manufactures plastic resin (pellets) or a steel recycler will be reported as recycled.

**Evaluation Criteria**

- Products collected are shipped to registered processors that are waste management companies or recyclers

## PRODUCT SOLD AND COLLECTED

Section 8(2)(e) the total amount of the producers' product sold and collected and the producer's recovery rate.

Claim in the Report						Reference
Material	Products Sold	Recoverable %	Recoverable Portion	Product Recovered	Recovered %	<i>Product Collected on page 3, 2017 Collections by Regional District on page 4, Summary of 2017 Collection &amp; Consumer Returns on page 5, and Years Ahead – Continuous Improvement on page 8</i>
Oil (L)	99,662,575	69.90%	69,664,140	47,759,715	68.56%	
Antifreeze (L)	12,645,430	47.60%	6,019,225	2,587,317	42.98%	
Filters (#)	6,781,761	100.00%	6,781,761	5,900,207	87.00%	
Containers (kg)	2,128,327	100.00%	2,128,327	1,756,524	82.53%	

### Evaluation Criteria

#### Products sold

- Total products sold volumes are based on EHC remittance forms submitted by registrants on either a monthly, quarterly, or annual basis in unit sales.
- The reported sold volumes are subject to compliance reviews which are completed for all registrants on a three to four year rotational basis.
- The product sold is reconciled to the numbers published in the Annual Report.

#### Product recovered

- Total product recovered volumes are based on return incentive claims (RI claims) submitted by registrants.
- The reported recovered volumes are subject to Desk Review to ensure that RI claims contain required supporting documentation as per the Manual for Registered Processors and Collectors.
- The Recoverable Portion of oil is calculated by multiplying Products Sold by the Recoverable % obtained from a 2005 independent report commissioned by BCUOMA.
- The Recoverable Portion of antifreeze is calculated by multiplying Products Sold by the Recoverable % obtained from a 2012 independent report commissioned by BCUOMA and other used oil associations.
- The Recovered % is calculated by dividing the Product Recovered by the Recoverable Portion.
- The product recovered is reconciled to the numbers published in the Annual Report.

## **Appendix B to the Independent Reasonable Assurance Report**

BCUOMA has not reported the performance for the year in relation to approved targets under 8(2)(g) of the Recycling Regulation for the year ended December 31, 2017 as the Stewardship Plan is currently under review by the Ministry of Environment.

Consequently, we have not been engaged for the year ended December 31, 2017 to issue an assurance report on the above.



