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ANNUAL REPORT OVERVIEW

Who are we?

The British Columbia Used Oil Management Association (BCUOMA) is a not-for-profit society that operates a province-wide collection and recycling program dedicated to collecting and recycling lubricating oil, oil filters, oil containers, antifreeze and antifreeze containers from both the do-it-yourself market as well as the commercial and industrial markets.

Formed under the British Columbia Society Act in 2003, BCUOMA has worked hard to continually improve collection and recycling performance in all regions of the province and across all product categories.

BCUOMA is managed by a multi-stakeholder Board of Directors with representatives from various sectors, including manufacturing, retail, local government and the public at large. BCUOMA provides incentives to recyclers to ensure that oil, filters, antifreeze, and containers throughout BC are collected and managed. The collectors pick up the materials from generators and publicly-accessible Return Collection Facilities (RCFs) across the province 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.

What do we do?

Our goal is to provide British Columbians with an eco-friendly and cost-effective way to dispose of our program materials and keep everyone safe. Each year, approximately 50 million litres of oil and 3 million litres of antifreeze are collected and responsibly managed through our program.

Why do we need BCUOMA?

There was a time when people didn't think twice about simply throwing away or dumping oil products. Today, we are more aware that irresponsible disposal methods not only harm the environment, but also waste a valuable non-renewable resource.

Each year, about 215 million litres of new oil are sold across western Canada. Most of that oil is not consumed during use and is available to be recycled.

And it's not just used oil that presents a hazard to the environment if it is improperly discarded. After you pour the oil into your car, boat, lawn mower, tractor or other motors, there is residual oil in the plastic containers that can be recovered. Used oil filters and plastic oil containers can also be recycled into other useful products. Used antifreeze can be recycled into new antifreeze.

Through the BC Used Oil Management Association program, British Columbians can now:

1. Recover more used oil, filters and containers
2. Extend the life of a non-renewable natural resource
3. Provide the recycling industry with oil, plastic and steel
4. Decrease pollution caused by improper disposal
5. Reduce the amount of non-biodegradable materials in our landfills

What happens to the products collected?

BCUOMA's mandate is to ensure the responsible collection and management of the used oil, antifreeze, filters and containers required under the BC Recycling Regulation as well as provide British Columbians with an eco-friendly and cost-effective way to dispose of these materials.

See page 24 for details on product management.

LETTER FROM THE CHAIR

On behalf of the BC Used Oil Management Association, I am pleased to present the 2020 Annual Report.

This was a year like no other. The world as we knew it changed dramatically as the COVID-19 pandemic spread around the globe bringing a time of challenge and uncertainty that affected all industries including ours. BCUOMA worked hard to respond and adapt to the new challenges, while also continuing to deliver on our key mandate of ensuring oil and antifreeze products were responsibly managed in all corners of our province.

Throughout this challenging year, we worked closely with our collectors and processors to keep business moving while also supporting our network of public return collection facilities. During government mandated lockdowns we pivoted our messaging to focus on safe storage tips to help consumers safely store products until they could be returned to a registered facility. We also launched a Top Collector Award program to recognize the hard work of our RCF partners.

We launched two important digital upgrades in 2020; a revamped website with upgraded search capabilities and the EHC OneWindow program. This Canada-wide electronic reporting system was developed in collaboration with the other provincial used oil management programs and has allowed BCUOMA to move away from paper-based processes to an electronic system that allows us to file environmental handling charges more efficiently.

Coming off record high collection results last year, we felt confident that trend would continue into 2020. While that wasn't the case, we remain proud of our accomplishments and see this year's results as a reflection of the continued support we've received from members, collectors & processors, regional districts and municipalities and First Nations communities across the province. We also want to acknowledge the efforts of British Columbians who remained committed to ensuring BCUOMA program materials were responsibly recycled, even during a worldwide pandemic.

As we look ahead to the world returning to some semblance of normal, we do so with the knowledge that the challenges we faced in the past year have made us stronger and more committed to our goals.

Brian Ahearn



Board Chair
BCUOMA

2020 BCUOMA BOARD OF DIRECTORS

Brian Ahearn, Chair

Canadian Fuels Association

Lonnie Cole, Secretary

Filter Industry

Natalie Zigarlick, Treasurer

Public Member

Don Hetherington

Mr. Lube Canada

Dan Higgins

Canadian Tire

Sam DeGuillio

Antifreeze Industry

Vincent Gauthier

Petro-Canada Lubricants Inc.

Gord Klassen

City of Fort St. John

Wayne Marees

Chevron Canada Ltd.

The key to our success is our ability to change.

Over the course of our nearly two decades of work, the BC Used Oil Management Association has evolved in order to keep up with an ever changing world. That need to adjust was never so evident as it was in 2020 when the COVID-19 pandemic swept around the globe.

Adaptability is paramount as we work to ensure the needs and expectations of British Columbians and our key stakeholders are not only met, but exceeded. We see ourselves as leaders of innovation in the area of environmental stewardship, and here are just a few of the ways we have raised the bar:

Modified Sea Containers

BCUOMA knows that used oil collection is a messy business and one of our most important jobs is to help make it easier and safer for the owners and employees at our network of public recycling centres to accept and manage program materials.

Recently, we introduced a grant program to help facilities add or upgrade their infrastructure. Since the launch of this grant program, 84 locations have benefited from it, with most choosing to install one of our custom-built, modified sea containers as a place to hold all program materials.

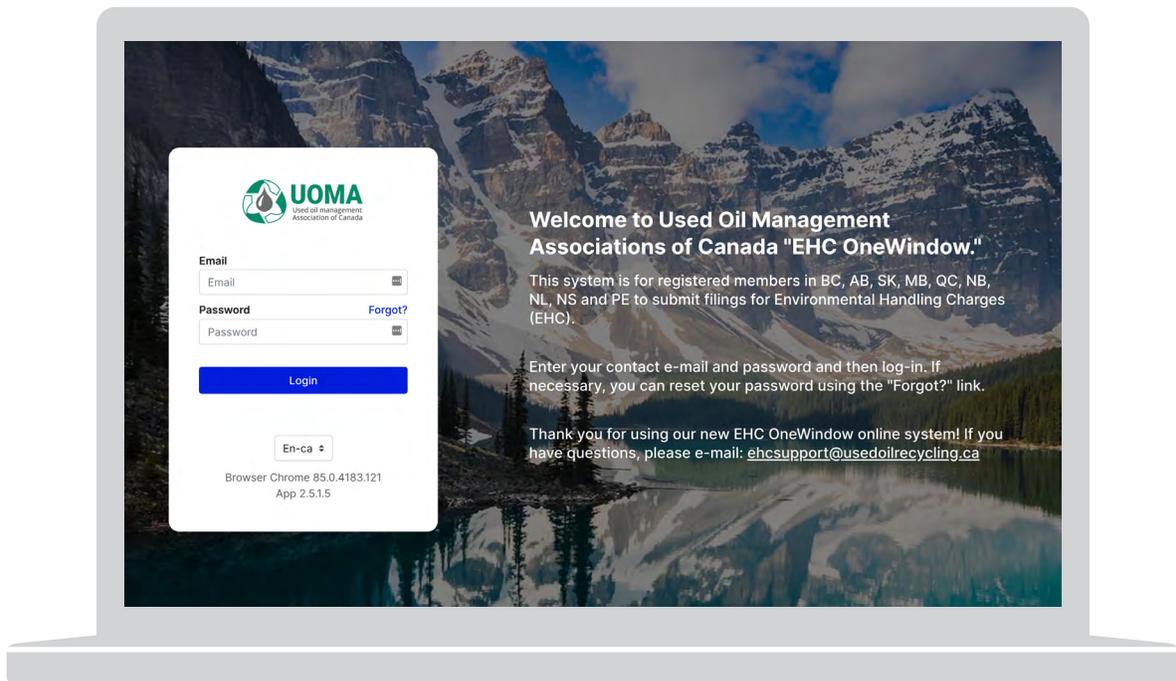
These 'seacans' (as we affectionately call them) are self-contained units available in three sizes (20', 10' or 8') that come equipped with built in spill containment, collection tanks of varying sizes, and space to store drums of antifreeze and filters. They are fully branded and feature signage to help staff and the public ensure materials are responsibly collected.



Online EHC Reporting System

After years of using heavily paper-based processes for environmental handling charge (EHC) management, BCUOMA, in collaboration with other provincial used oil management associations, began work on a contemporary electronic system that would allow these important operational requirements to be handled online.

This new, Canada-wide EHC reporting system, called OneWindow, launched in January 2020 and feedback from members to date has been very positive with many users have specifically mentioned their appreciation of the fact that all remittances have been combined. The software will continue to evolve to meet the needs of BCUOMA and our members in the years to come.



Top Collector Awards

In an effort to recognize the hard work and dedication of our network of public recycling centres, BCUOMA launched an award program in 2019, honouring the top 30 locations around the province.

Top Collectors were selected based on a number of criteria including:

- the total amount of used oil, oil filters, oil containers, antifreeze and antifreeze containers collected at the location.
- the total number of years participating in the BCUOMA Program.
- a demonstration of continued support of BCUOMA and other recycling stewardship related programs.

Several media outlets around the province shared the results of our Top Collector Awards, gaining recognition for the individual locations as well as BCUOMA. In 2020, we added new awards for the Most Improved location as well as Long Time Service to the facilities that have been with us since our inception.



COMMUNICATIONS & PUBLIC OUTREACH

In 2020, the pandemic made it necessary for BCUOMA to implement major changes to our communication strategy and outreach. Over the course of the year, we made several key adjustments to ensure our message remained relevant and accessible, including:

- Shifting advertising dollars into digital as people spent more time on devices.
- Sharing messaging on how to store materials when RCFs were closed due to public health orders.
- Transitioning our in-school program to virtual programming when schools were closed.

Brand Awareness Campaign

- Length: 8 months, April to December
- Channels included: Outdoor, digital, social and search
- Estimated Reach: 98,239,723



Out of home



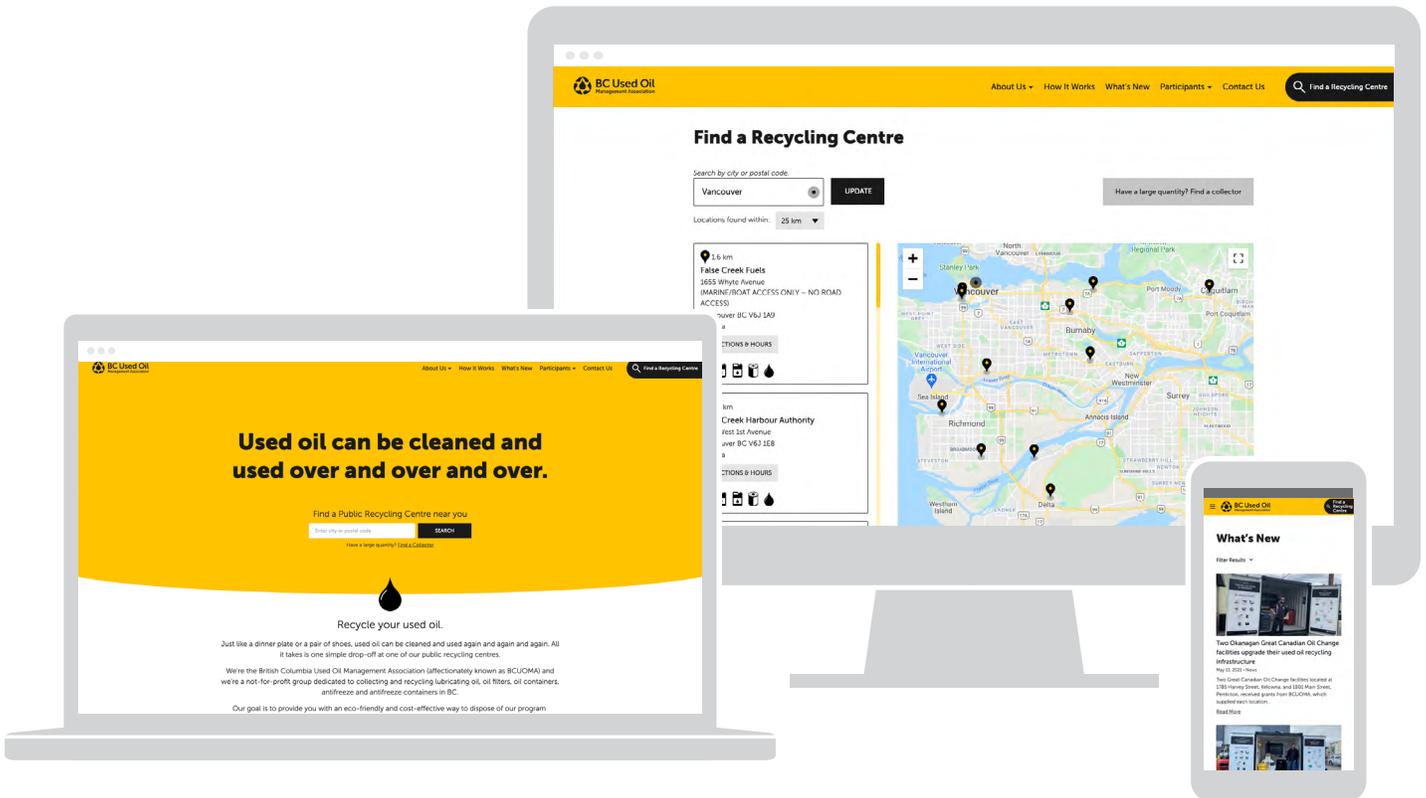
"Dirty Bikes" :15 Pre-roll Video



Digital Display Ads

BCUsedOil.com Redesign

A full overhaul of the website was completed in late 2020. Updates included easier navigation with an improved public recycling centre search function.



Non-Traditional Campaign - How to Clean Everything with Ken

In 2020, COVID hit B.C. just as BCUOMA was in the final planning stages for our annual awareness campaign and we had to explore new and innovative ways of connecting with an audience that would be spending more time at home and online.

One of our key messages is that since used oil can be recycled and reused, it doesn't need to be thrown away when it gets 'dirty'. The "How to Clean Everything" video series gave us a chance to share the heart of our message in a fun and lighthearted way.

Inspired by YouTube cleaning life hack videos, "How to Clean Everything" is hosted by Ken, an affable auto mechanic who leads viewers through a series of jokey (but informative) instructional videos about how to clean things one would not typically turn to a mechanic for, such as makeup brushes, airpods and kitchens. Every video contains a reminder about how used motor oil can also be cleaned and reused.

The five videos connected deeply with a home-bound public and resulted in more than 3.4 million impressions. Ken will be back with more videos in 2021 and we look forward to seeing what he will clean next.



How to Clean Everything series trailer

69%
of British Columbians

80%
of British Columbians
who currently had
BCUOMA materials

Consumer awareness
of recycling programs for
BCUOMA managed products.

(2020 SABC survey conducted by Insights West)

CONSUMER AWARENESS

Every two years, BCUOMA participates in a Consumer Awareness Benchmark Study for all Stewardship Programs in the province. Consumers from all around BC were surveyed and the 2020 survey indicated that 69% of British Columbians who regularly change their oil/antifreeze are aware there is a recycling program for BCUOMA-managed products.

In this same survey, a small group of participants (74) who said they currently had BCUOMA products in their household in need of recycling were asked the same question and 80% of them claimed awareness of the program.

Given the significant percentage of BC residents that already ensure their oil is recycled by having it changed by a professional, we have started shifting a more significant amount of our communications effort toward reaching those that change their own oil and need to take it to a public recycling centre.

In 2021, BCUOMA will gather information to help establish a baseline for three new performance measures for both general public and people that have program materials to return to a public recycling centre:

Program Awareness

- Do you know about the BCUOMA program?

Location Awareness

- Do you know where your closest recycling centre is?

Information Source Awareness

- Do you know where to search for recycling centre locations?

Breaking out the awareness numbers for each group will help us identify the areas where we need to focus our messaging to make sure that everyone who changes their own oil, knows where and how to do it safely and responsibly. The baselines established in 2021 will be used to set new awareness targets as of the 2022 Annual Report.

COLLECTION EVENT SUMMARY

The COVID-19 pandemic had a significant impact in the number of community collection events held by Regional Districts, municipalities and other groups. BCUOMA continued to offer grants for these important events, and six were awarded in 2020.

- September 12, 2020 - Kaslo
- September 19, 2020 - Creston
- September 20, 2020 - Castlegar
- September 26, 2020 - Silverton
- September 27, 2020 - Nakusp
- October 3, 2020 - Chilliwack

We will continue to focus on working with our community partners to hold more of these events in 2021.

KEY COLLABORATIONS



Recycling Council of BC

As part of BCUOMA's commitment to ensuring access to key program information at all times, BCUOMA participates with other stewardship programs to fund the Recycling Council of BC's hotline and Recyclopeda database. Consumers looking to have their recycling questions answered can call the hotline at 1-800-667-4321 or download the Recyclopeda app.



Provincial Programs (UOMAs)

BCUOMA works closely in partnership with all of the other provincial programs through the national working group, the National Used Oil Material and Antifreeze Advisory Council (NUOMAAC) which coordinates the Canada-wide used oil and antifreeze materials recycling effort and encourages national standards. The UOMA industry-led stewardship program model works in close collaboration to achieve environmental, economic and socio-economic successes across Canada.



IZWTAG
INDIGENOUS ZERO WASTE
TECHNICAL ADVISORY GROUP

Indigenous Zero Waste Technical Advisory Group (IZWTAG)

BCUOMA became the first Associate Member of the Indigenous Zero Waste Technical Advisory Group (IZWTAG), a non-profit society dedicated to supporting zero waste systems in all First Nation communities in BC, last year. In 2020, BCUOMA continued to work with IZWTAG to ensure used oil and other BCUOMA program products were safely managed in First Nation communities and responsibly recycled.



BC Stewardships (SABC)

BCUOMA is an active member of the Stewardship Agencies of British Columbia (SABC), an informal alliance of industry product stewardship organizations. SABC works with government, service providers and other stakeholders to ensure B.C.'s extended producer responsibility model is successful and cost effective.

45,633,272
LITRES

TOTAL AMOUNT OF USED OIL COLLECTED IN 2020

COLLECTION NETWORK PERFORMANCE

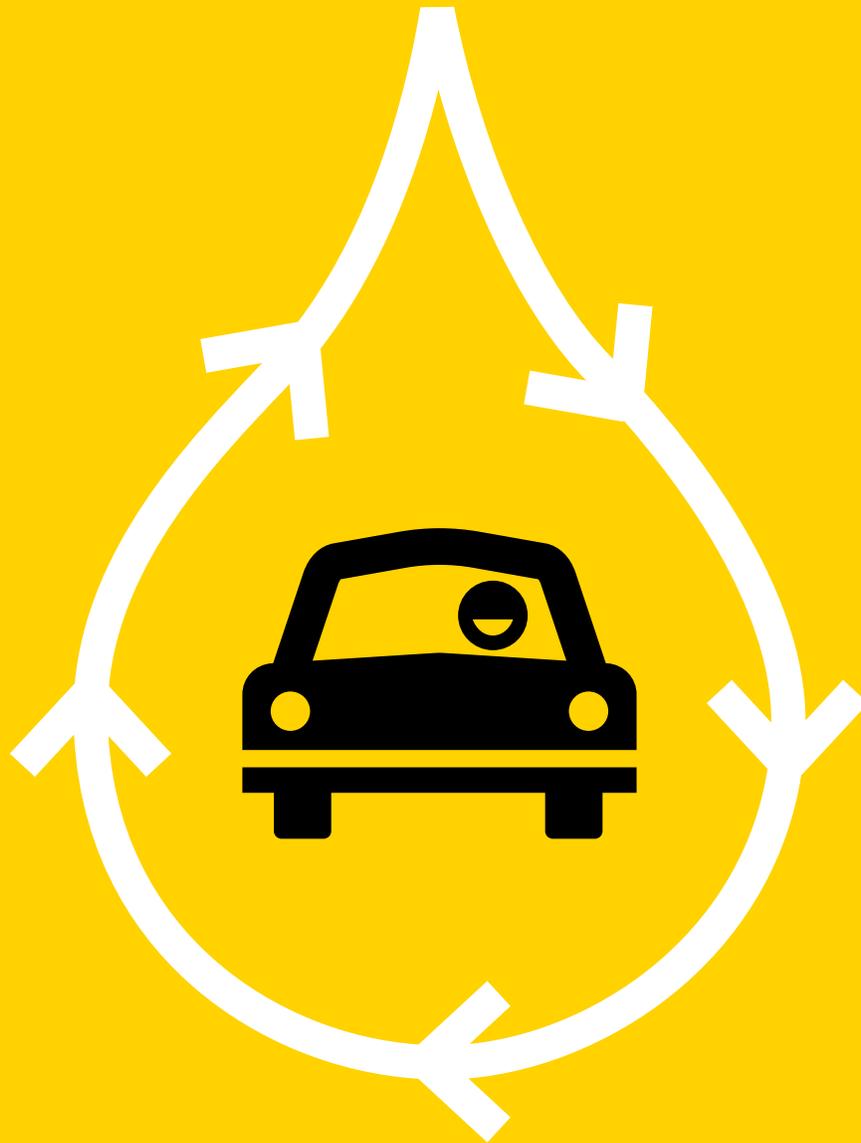
BCUOMA is a mature product stewardship program with material collection spread across a large network of generators across 11 designated zones in BC. Many of these generators change oil, filters, and antifreeze commercially and then call the collectors in the BCUOMA program for pick-up. Any approved end use must be environmentally sound and be in compliance with environmental requirements.

Of all the used oil and antifreeze collected in BC, most (95%) is collected from commercial facilities such as service stations, lube shops and large commercial operations (e.g., mining, forestry and agriculture). These commercial facilities are typically serviced by a registered BCUOMA collector that has a service agreement with that facility.



95%

OF MATERIALS
COLLECTED COME FROM
COMMERCIAL FACILITIES



Most British Columbians recycle their oil without even knowing it.

COLLECTION NETWORK PERFORMANCE

If you get your oil changed at a lube shop or by a mechanic, you are already doing your part to make sure your used oil stays out of the ecosystem, because all lube shop oil gets collected and responsibly recycled by our registered processors.

For "do it yourselfers", BCUOMA has a province-wide network of registered public recycling centres that provide consumers with free access for recycling of program materials.

Only a small amount —approximately 5% of the total used oil and antifreeze collected in BC— comes from consumers that change their own oil/ antifreeze or small commercial operators that choose to use the free consumer drop-off system.

In 2020, there were 273 publicly accessible recycling centres located in high traffic retail locations, industrial sites, multi-material private depots (bottle depots) and local government recycling/landfill sites.

Year	Number of Facilities
2020	273
2019	274
2018	291

(Note: Appendix 'A' lists the RCFs by community.)

94 per cent of British Columbians currently have reasonable access to recycling location. BCUOMA continues to work with recycling centre operators to ensure all public facilities are safe and secure by providing grants for new infrastructure such as modified sea containers with spill containment, collection tanks and consumer friendly signs. A total of 32 Infrastructure Grants were awarded in 2020.

Given the low product volumes represented by consumer collection, accessibility to recycling (see Page 19) is considered a more meaningful BCUOMA performance measure for this stream than the level of product recovery.



ACCESSIBILITY



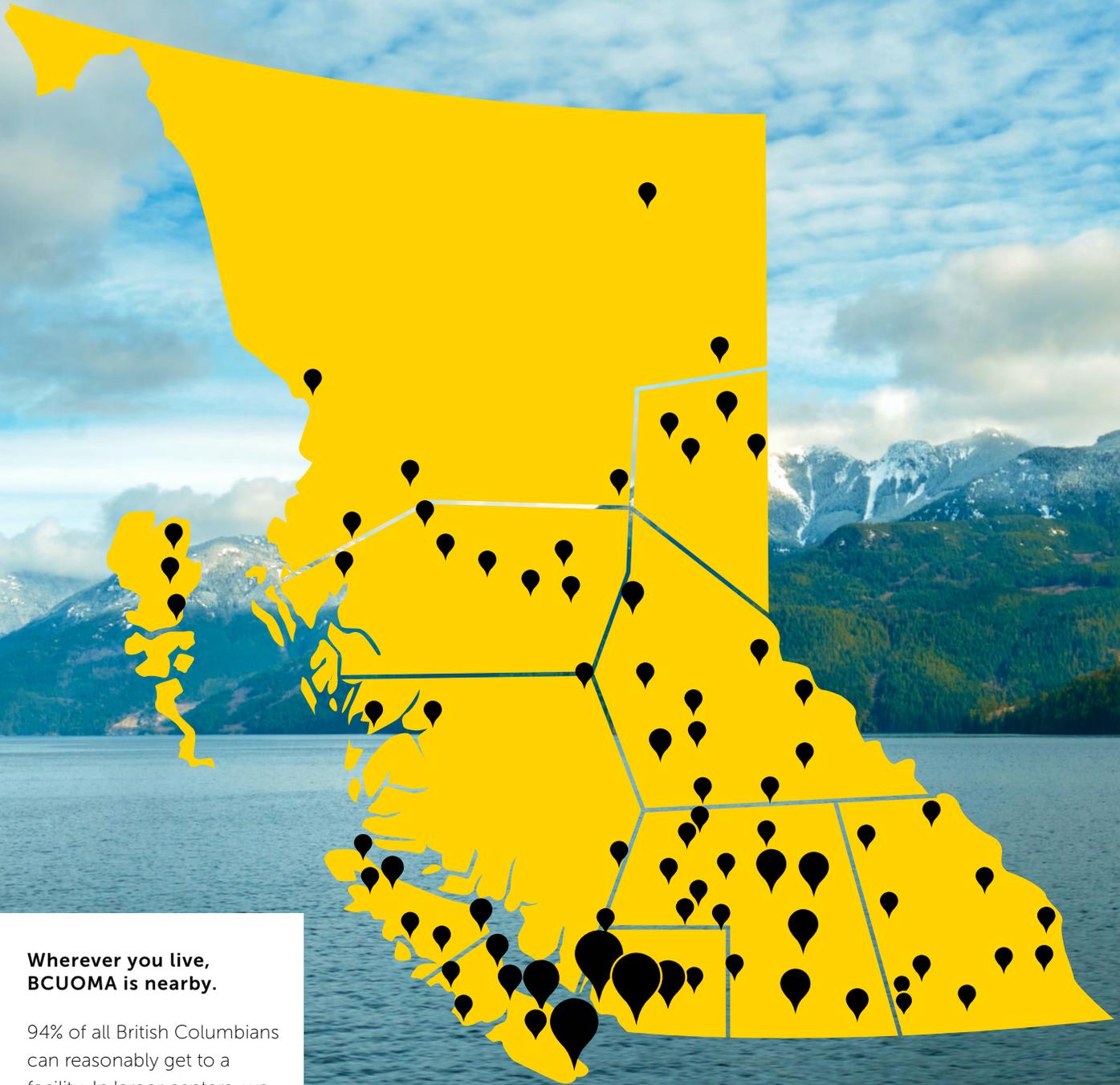
94%
of British Columbians have reasonable access to a registered BCUOMA facility.

6%
of British Columbians do not.

BCUOMA is working to continuously improve access in more remote locations, and refine the methodology and data set used to measure accessibility in these areas. In 2020, BCUOMA has distinguished Regional District Electoral Areas, the unincorporated areas outside of

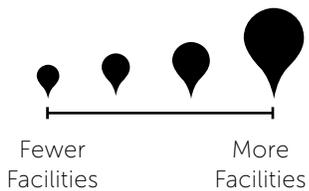
municipal boundaries, from the adjacent communities and measured their access to BCUOMA facilities separately. As a result, BCUOMA now reports that 94% of British Columbians have access to BCUOMA registered facilities, down from the 99% reported under the previous methodology.

ACCESSIBILITY

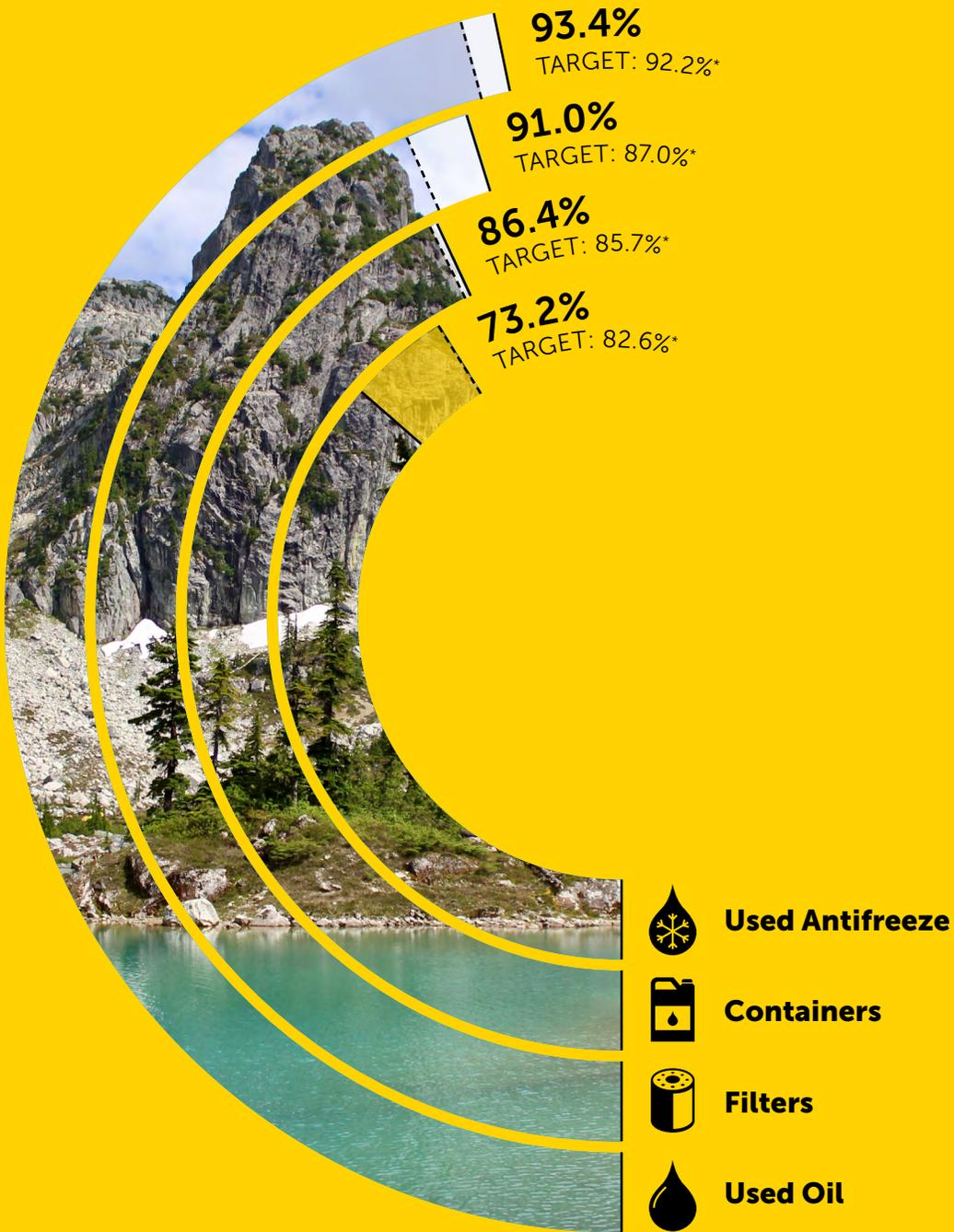


**Wherever you live,
BCUOMA is nearby.**

94% of all British Columbians can reasonably get to a facility. In larger centers, we have many locations.



CAPTURE RATES IN 2020



*Results related to targets in EPR Plan.

PRODUCT COLLECTION

BCUOMA is a mature stewardship program and our product collection numbers have always been stable and consistent. As such we have identified collection targets that are much higher than the 75% outlined in the Recycling Regulation. In 2020, despite the pandemic we were able to exceed those targets for two program materials while just falling short on two others.

The pandemic had an impact on both sales and collection results in 2020 with absolute collection and product sales decreasing for all products.

PRODUCT COLLECTION				
				
	Used Oil (millions of litres)	Filters (millions of units)	Containers (million kg's)	Used Antifreeze (millions of litres)
Sold (2020)	91.7	6.3	1.9	12.1
Consumed in use	26.9	n/a	n/a	9.1
Repurposed	15.9	n/a	n/a	n/a
Available for collection	48.9	6.3	1.9	3.0
Collected	45.6	5.7	1.6	2.2
Capture rate	93.4%	91.0%	86.4%	73.2%

Only a portion of every litre of oil and antifreeze sold is available for recovery because an estimated 29.3% of the oil and 75% of the antifreeze is consumed during use and an estimated 15.9 million litres of oil not consumed in use, is re-purposed each year and is not available for collection.

The collection results by Regional District is provided on Page 26.

END FATE FOR PRODUCTS COLLECTED

32%
Recycled

68%
Reused



Used Oil

2%
Waste
to Energy

98%
Recycled



Oil Filters

100%
Recycled



Containers

100%
Reused



Antifreeze

PRODUCT MANAGEMENT

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



Used Oil

In 2020, most of the used lubricating oil that was collected was refined and reused as new lubricating oil. The remaining portion of used oil that was collected was processed and sold as new product. The portion of used lubricating oil that is not collected by BCUOMA Registered Collectors was largely re-purposed by the owner for other uses as identified in the 2020 Un-accounted Used Lubricating Oil Study, including use in shop heaters which are supported and regulated by the Ministry of Environment.



Used Oil & Antifreeze Containers

Plastic and metal containers are recycled into new plastic and metal products. BCUOMA are proud of the fact that both used antifreeze and empty containers are processed and recycled at facilities right here in British Columbia. Managing these products locally provides significant environmental, economic and social benefits that support our transition to a more sustainable and Circular Economy.



Used Oil Filters

Metal filters are collected and recycled into other metal products. Paper filters that cannot feasibly be recycled are managed so a portion of the inherent energy can be recovered.



Used Antifreeze

Antifreeze previously sold as an antifreeze product is refined and reused as an antifreeze product. Antifreeze processors are already actively involved in processing used antifreeze to the point where an additive package can be included and the recycled antifreeze can again be sold as automotive.

2020 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	361,112	10.84	49,950	1.50	17,283	0.52	19,024	0.57
Bulkley-Nechako	509,521	12.86	81,118	2.05	31,433	0.79	15,631	0.39
Capital	2,434,924	5.82	341,253	0.82	108,132	0.26	202,827	0.48
Cariboo	844,946	12.91	113,121	1.73	51,168	0.78	33,887	0.52
Central Coast	22,309	6.26	3,282	0.92	1,212	0.34	510	0.14
Central Kootenay	1,191,738	18.82	137,468	2.17	26,652	0.42	28,294	0.45
Central Okanagan	2,320,759	10.68	294,472	1.36	110,427	0.51	129,044	0.59
Columbia-Shuswap	698,754	12.52	85,893	1.54	27,194	0.49	31,204	0.56
Comox	785,036	10.81	108,589	1.50	37,571	0.52	41,357	0.57
Cowichan Valley	519,462	5.74	72,802	0.80	23,069	0.26	43,271	0.48
East Kootenay	1,226,626	18.96	141,492	2.19	27,432	0.42	29,122	0.45
Fraser Valley	2,290,482	6.91	293,380	0.88	71,622	0.22	118,851	0.36
Fraser-Fort George	1,491,048	14.42	191,250	1.85	83,089	0.80	55,970	0.54
Kitimat-Stikine	589,227	15.05	89,776	2.29	31,891	0.81	17,854	0.46
Kootenay Boundary	623,364	18.65	71,905	2.15	13,941	0.42	14,800	0.44
Metro Vancouver	18,705,447	6.95	2,395,917	0.89	584,905	0.22	970,611	0.36
Mount Waddington	125,433	10.75	17,350	1.49	6,003	0.51	6,608	0.57
Nanaimo	1,116,125	6.57	155,904	0.92	50,549	0.30	84,249	0.50
North Coast	223,385	11.57	36,320	1.88	13,815	0.72	6,571	0.34
North Okanagan	960,443	10.57	121,867	1.34	45,700	0.50	53,405	0.59
Northern Rockies	973,097	196.35	87,363	17.63	6,704	1.35	34,750	7.01
Okanagan-Similkameen	938,283	10.53	119,055	1.34	44,646	0.50	52,173	0.59
Peace River	3,525,141	52.71	324,892	4.86	86,892	1.30	74,090	1.11
qathet	132,813	6.29	19,539	0.93	7,216	0.34	3,037	0.14
Squamish-Lillooet	493,464	10.64	62,614	1.35	23,480	0.51	27,439	0.59
Stikine	138,290	194.78	12,415	17.49	953	1.34	4,938	6.96
Strathcona	525,474	10.71	72,686	1.48	25,149	0.51	27,683	0.56
Sunshine Coast	330,514	10.39	41,938	1.32	15,727	0.49	18,378	0.58
Thompson-Nicola	1,536,059	10.51	194,905	1.33	73,089	0.50	85,412	0.58
British Columbia	45,633,272		5,738,517		1,646,942		2,230,990	

* Totals may not add up due to rounding

SUMMARY OF 2020 COLLECTION & CONSUMER RETURNS

REGIONAL DISTRICT	OIL (L)			ANTIFREEZE (L)		
	TOTAL COLLECTED	CONSUMER RETURNS	DROP-OFF	TOTAL COLLECTED	CONSUMER RETURNS	DROP-OFF
Alberni-Clayoquot	361,112	53,487	15%	19,024	2,794	15%
Bulkley-Nechako	509,521	30,587	6%	15,631	610	4%
Capital	2,434,924	129,980	5%	202,827	12,611	6%
Cariboo	844,946	233,985	28%	33,887	8,527	25%
Central Coast	22,309	-	0%	510	-	0%
Central Kootenay	1,191,738	41,690	3%	28,294	2,665	9%
Central Okanagan	2,320,759	88,826	4%	129,044	4,519	4%
Columbia-Shuswap	698,754	63,173	9%	31,204	1,603	5%
Comox	785,036	34,057	4%	41,357	4,520	11%
Cowichan Valley	519,462	83,524	16%	43,271	9,082	21%
East Kootenay	1,226,626	40,525	3%	29,122	200	1%
Fraser Valley	2,290,482	217,944	10%	118,851	11,212	9%
Fraser-Fort George	1,491,048	113,490	8%	55,970	9,228	16%
Kitimat-Stikine	589,227	44,935	8%	17,854	1,845	10%
Kootenay Boundary	623,364	14,248	2%	14,800	894	6%
Metro Vancouver	18,705,447	533,272	3%	970,611	11,452	1%
Mount Waddington	125,433	3,250	3%	6,608	-	0%
Nanaimo	1,116,125	80,283	7%	84,249	5,975	7%
North Coast	223,385	59,170	26%	6,571	-	0%
North Okanagan	960,443	58,774	6%	53,405	480	1%
Northern Rockies	973,097	-	0%	34,750	-	0%
Okanagan-Similkameen	938,283	53,015	6%	52,173	3,269	6%
Peace River	3,525,141	68,796	2%	74,090	4,071	5%
qathet	132,813	8,755	7%	3,037	410	14%
Squamish-Lillooet	493,464	19,790	4%	27,439	200	1%
Stikine	138,290	-	0%	4,938	-	0%
Strathcona	525,474	45,777	9%	27,683	3,852	14%
Sunshine Coast	330,514	32,375	10%	18,378	618	3%
Thompson-Nicola	1,536,059	150,722	10%	85,412	3,880	5%
Total	45,633,272	2,304,427	5%	2,230,990	104,516	5%



Appendix A:

Return Collection Facilities

APPENDIX A

RETURN COLLECTION FACILITIES

100 MILE HOUSE

Castle Fuels (2008) Inc. (100 Mile House)
Gold Trail Recycling Ltd

150 MILE HOUSE

150 M+S Tire & Service Centre

70 MILE HOUSE

70 Mile House Eco-Depot (TNRD)

ABBOTSFORD

C M Klassen Holdings Inc.
GFL Environmental Depot (Abbotsford)

ALDERGROVE

Aldergrove Return-It Depot

ALERT BAY

Village of Alert Bay Transfer Station

ANACONDA

Greenwood Saw To Truck Repairs

ARMSTRONG

Arjun Esso

BELLA BELLA

Heiltsuk Environmental Services

BELLA COOLA

Belco Service (1978) Ltd.

BLUE RIVER

Blue River Eco-Depot (TNRD)

BOWSER

Bowser Automotive Care

BURNABY

City of Burnaby Eco-Depot
Mr. Lube #141 (Hastings Burnaby)
Mr. Lube #201 (Kingsway)

BURNS LAKE

Burns Lake Automotive Supply Ltd.
Polar Park Auto (Napa 8740)

CAMPBELL RIVER

Campbell River Waste Management Centre (CVRD)
Discovery Harbour Authority
Ironwood Auto Technicians
North Island Lube Ltd

CASTLEGAR

Ernie's Used Auto Parts

CHASE

Integra Tire Auto Center

CHEMAINUS

GFL Environmental Depot (Chemainus)

CHETWYND

Chetwynd Recycling & Bottle Depot Ltd.

CHILLIWACK

Chilliwack Bottle Depot
Chilliwack Ford Sales (1981) Ltd.
Fraser Valley Tireland
Great Canadian Oil Change - Alexander Ave.
Great Canadian Oil Change - Vedder Rd
Greendale Motors Ltd.
Jiffy Lube #1090 (Chilliwack)
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.
Fisher Road Recycling

COMOX

Comox Valley Harbour Authority

COOMBS

Highway 4 Auto Salvage

COQUITLAM

Mr. Lube #159 (Coquitlam)

CORTES ISLAND

Cortes Island Waste Management Center

COURTENAY

Courtenay Kia
Glenn's Import & Domestic Auto Service
Great Canadian Oil Change (Courtenay)
Mr. Lube #177 (Courtenay/Comox)
Rice Toyota Courtenay
Seeco Automotive

CRANBROOK

Castle Fuels (2008) Inc. (Cranbrook)
Cranbrook Depot (RDEK)
Denham Ford BC 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 Petroleum Sales Ltd. (Dawson Creek)

DELTA

Shortstop Auto Service / Big O Tire
Vancouver Landfill

DENMAN ISLAND

Denman Island Recycling Depot (CVRD)

DUNCAN

Bings Creek Recycling Centre
Canadian Tire #466 (Duncan)
GFL Environmental Depot (Duncan)
Great Canadian Oil Change (Duncan)
Island Hose & Hydraulic (1994) Ltd.
Island Tractor & Supply

ELKFORD

Elkford Transfer Station (RDEK)

ENDERBY

Rod's Repair Shop
Williamson Automotive

FERNIE

Day Auto Electric
Woz Mechanical Ltd.

FORT NELSON

Dalex Auto Services
Wide Sky Disposal

FORT ST. JAMES

Riverside Repairs

FORT ST. JOHN

Canadian Tire #363 (Fort St. John)
Fort St John Co-op Association - 100 Ave
Fort St John Co-op Association - 91 Ave
GFL Environmental Liquids West
Peace Country Petroleum Sales Ltd. (Fort St John - 91 Ave)
Smith Fuel Services Ltd.

FRASER LAKE

Fraser Lake Automotive & Recycling
Fraser Lake AutoSense

GABRIOLA ISLAND

Gabriola Island Recycling Organization (GIRO)

GIBSONS

Kenmac Parts
Norris Oil Sales Ltd.

GOLD BRIDGE

Gold Bridge Transfer Station (SLRD)

GOLD RIVER

Gold River Waste Management Center (CVRD)

GOLDEN

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

GRAND FORKS

Alpine Recycling (Grand Forks)

GREENWOOD

Greenwood Auto Centre Ltd.

APPENDIX A

RETURN COLLECTION FACILITIES

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)
Sullivan Motor Products

HUDSON'S HOPE

Hudson's Hope Transfer Station (PRRD)

INVERMERE

Castle Fuels (2008) Inc. (Invermere)
Walker's Repair Centre Ltd.

KAMLOOPS

Castle Fuels (2008) Inc. (Kamloops)
Dearborn Motors Ltd.
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)
Jiffy Lube #1064 (Kelowna - Sexsmith Rd)
Jiffy Lube #1080 (Kelowna - Harvey Ave)

KEREMEOS

Keremeos Transfer Station (RDOS)

KITIMAT

Kal Tire (Kitimat)

KLEMTU

Kitasoo Band Council

LADYSMITH

Peerless Road Recycling Centre

LAKE COUNTRY

Great Canadian Oil Change (Winfield - Lake Country)

LAKE COWICHAN

Meade Creek Recycling Centre

LANGFORD

EZ Lube Auto Ltd. (Langford - Jacklin Rd.)
GFL Environmental Depot (Victoria)
Great Canadian Oil Change (Langford Pkwy)
Great Canadian Oil Change (Millstream)
Race Rocks Automotive

LIKELY

Likely Landfill (CBRD)

LILLOOET

Lillooet Landfill (SLRD)

LOGAN LAKE

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

LOUIS CREEK

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 (FFGRD)

MADEIRA PARK

Pender Harbour Diesel Co.

MAPLE RIDGE

Ridge Meadows Recycling Society

MASSET

TLC Automotive Services Ltd.

MCBRIDE

JNR Auto Services
McBride Regional Transfer Station (FFGRD)

MISSION

Mission Recycling Depot

MOUNT CURRIE

Lil'wat Nation Public Works Yard

NAKUSP

NAPA Auto Parts (Nakusp)

NANAIMO

GFL Environmental Depot (Nanaimo)
Gold Automotive Ltd.
Great Canadian Oil Change (Island Hwy)
Great Canadian Oil Change (Metral Dr)
Harris Mazda
Mr. Lube #93 (Nanaimo)
Top-Lite Car Service

NAZKO

Nazko Landfill (CBRD)

NELSON

Nelson Leafs Recycling Center

NEW HAZELTON

Geraco Industrial Supplies

NIMPO LAKE

West Chilcotin Landfill (CBRD)

NORTH SAANICH

Gurton's Garage Ltd.

OAK BAY

Gartside Marine Engines Ltd.

OKANAGAN FALLS

G & R Auto

OLIVER

Oliver Landfill (RDOS)

OSOYOOS

Town of Osoyoos Sanitary Landfill

PARKSVILLE

Great Canada Oil Change (Parksville)
Parksville Bottle and Recycling Depot
Parksville Petro Canada (2016)
Surfside Automotive

PEMBERTON

NAPA Auto Parts (Pemberton)

PENTICTON

Campbell Mountain Landfill (RDOS)
Jiffy Lube #1015 (Penticton)

PORT ALBERNI

Ace Automotive
Alberni Chrysler Ltd.
Alberni District Co-operative Association
Alberni Valley Landfill (ACRD)
Canadian Tire #488 (Port Alberni)
Pacific Chevrolet
Port Alberni Marine Fuels and Services
Port Alberni Port Authority
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 Hardy)

PORT MCNEILL

7 Mile Landfill and Recycling Center (RDMW)
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)
Foothills Boulevard Regional Landfill (FFGRD)
Four Rivers Co-op (Prince George)
Great Canadian Oil Change (15 Avenue)
Great Canadian Oil Change (Austin Rd)
Jepson Petroleum Ltd. (Prince George)
Mr. Quick Lube & Oil - George Street
Mr. Quick Lube & Oil - Hart Highway
OK Tire - Prince George
Prince George Truck & Equipment
Quinn Street Regional Recycle Depot (FFGRD)
Vanway Regional Transfer Station (FFGRD)

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.

APPENDIX

RETURN COLLECTION FACILITIES

PRINCETON

Princeton Landfill

PRITCHARD

South Thompson Eco-Depot (TNRD)

QUESNEL

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

RADIUM HOT SPRINGS

Radium Hot Springs Esso

REVELSTOKE

Revelstoke Refuse Disposal Facility (CSRD)

RICHMOND

Jiffy Lube #1088 (Richmond)
Richmond Recycling Depot

SAANICHTON

Brentwood Auto & Metal Recyclers
D.L. Recycling

SALMON ARM

Castle Fuels (2008) Inc. (Salmon Arm)
Salmon Arm Landfill (CSRD)

SALT SPRING ISLAND

Beddis Road Garage
Salt Spring Auto Parts

SAVONA

Dawn's Service
Savona Eco-Depot (TNRD)

SAYWARD

Sayward Public Works (CVRD)

SECHELT

Columbia Fuels (Sechelt)

SIDNEY

Clair Downey Service
Quality Brake & Muffler 2005 Ltd.
Tsehum Harbour Authority – Tenants Only

SMITHERS

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

SPENCES BRIDGE

Spences Bridge Eco-Depot (TNRD)

SQUAMISH

Triton Automotive and Industrial Ltd (NAPA)

STEWART

Petro Canada (Stewart)

SUMMERLAND

District of Summerland Landfill

SURREY

Hallmark Ford Sales Ltd.
Semiahmoo Bottle Depot

TAHSIS

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

Valemount Regional Transfer Station (FFGRD)

VANCOUVER

False Creek Fuels
False Creek Harbour Authority
South Van Bottle Depot

VANDERHOOF

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

VERNON

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

VICTORIA

Cunningham's Enterprise Ltd.
Derick's Automotive Services
Great Canadian Oil Change (Douglas St)
Hartland Landfill (CRD)
Jade Auto Service Ltd.
Jiffy Lube #1075 (Victoria)
Mr. Lube #6 (Victoria - Douglas St)

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
Chuck's Auto Supply
Desert Cardlock Fuel Services Ltd. (Williams Lake)
Gary Young Agencies
Jepson Petroleum Ltd. (Williams Lake)
Lake City Ford Sales Ltd.



Appendix B:

Financial Report
& Independent
Auditors Report



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Used Oil Management Association

Opinion

We have audited the financial statements of British Columbia Used Oil Management Association (the Association), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of changes in net assets for the year then ended
- the statement of operations for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Association as at December 31, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 3, 2021

British Columbia Used Oil Management Association

Statement of Financial Position

As at December 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash	1,757,628	2,022,298
Accounts receivable (note 3)	4,143,403	3,741,116
Short-term investments (note 4)	10,069,773	9,717,413
Prepaid expenses	27,437	10,207
	<u>15,998,241</u>	<u>15,491,034</u>
Property and equipment (note 5)	175,870	53,678
Long-term investments (note 4)	-	767,693
	<u>16,174,111</u>	<u>16,312,405</u>
Liabilities		
Current liabilities		
Return incentives and return collection facilities incentives payable	1,553,043	1,562,055
Accounts payable and accrued liabilities (note 6)	232,464	322,758
	<u>1,785,507</u>	<u>1,884,813</u>
Net Assets		
Unrestricted	3,411,273	3,770,597
Internally restricted (note 7)	10,801,461	10,603,317
Invested in property and equipment	175,870	53,678
	<u>14,388,604</u>	<u>14,427,592</u>
	<u>16,174,111</u>	<u>16,312,405</u>

Commitments (note 8)

Approved by the Board of Directors



Director



Director

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

British Columbia Used Oil Management Association

Statement of Changes in Net Assets

For the year ended December 31, 2020

	Unrestricted \$	Internally restricted \$	Invested in property and equipment \$	Total \$
Balance – December 31, 2018	5,237,575	9,857,514	1,105	15,096,194
Deficiency of revenue over expenditures for the year	(667,497)	-	(1,105)	(668,602)
Purchase of property and equipment	(53,678)	-	53,678	-
Fund transfer (note 7)	(745,803)	745,803	-	-
Balance – December 31, 2019	3,770,597	10,603,317	53,678	14,427,592
Deficiency of revenue over expenditures for the year	(17,108)	-	(21,880)	(38,988)
Purchase of property and equipment	(144,072)	-	144,072	-
Fund transfer (note 7)	(198,144)	198,144	-	-
Balance – December 31, 2020	3,411,273	10,801,461	175,870	14,388,604

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

British Columbia Used Oil Management Association

Statement of Operations

For the year ended December 31, 2020

	2020 \$	2019 \$
Revenue		
Environmental handling charges	14,247,929	14,965,354
Investment income (note 4)	698,143	745,803
Interest and other income	38,720	69,700
Registration fees	1,400	1,600
	<u>14,986,192</u>	<u>15,782,457</u>
Expenditures		
Program costs		
Return Incentives	12,455,449	13,778,930
Communications and public relations	508,093	518,966
Depot infrastructure	417,757	480,633
Return collection facility operations	184,752	114,919
Consulting	164,138	154,980
Legal fees (note 10)	105,840	240,320
Management and administration contracts (note 10)	93,684	107,398
Technology support and investment	168,913	134,437
Compliance reviews	70,229	57,615
Bad debt expense	-	15,351
	<u>14,168,855</u>	<u>15,603,549</u>
Administrative costs		
Management and administration contracts (note 10)	442,031	377,163
Legal fees (note 10)	189,685	175,455
Office and general expenses	60,070	92,925
Rent	68,236	73,619
Financial audit fees	45,134	51,740
Board expenses	29,289	75,503
Amortization	21,880	1,105
	<u>856,325</u>	<u>847,510</u>
	<u>15,025,180</u>	<u>16,451,059</u>
Deficiency of revenue over expenditures for the year	<u>(38,988)</u>	<u>(668,602)</u>

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

British Columbia Used Oil Management Association

Statement of Cash Flows

For the year ended December 31, 2020

	2020 \$	2019 \$
Cash from (used in) operating activities		
Deficiency of revenue over expenditures	(38,988)	(668,602)
Items not involving cash		
Amortization of tangible assets	21,880	1,105
Unrealized (gain) loss on investments	(632,302)	(482,060)
Accrued interest on investments	(23,520)	(18,890)
	<u>(672,930)</u>	<u>(1,168,447)</u>
Changes in non-cash operating working capital		
(Increase) Decrease in accounts receivable	(402,287)	352,526
(Increase) Decrease in prepaid expenses	(17,230)	(2,826)
(Decrease) Increase in accounts payable and accrued liabilities	(90,294)	88,464
(Decrease) Increase in return incentives payable	(9,012)	(16,585)
	<u>(1,191,753)</u>	<u>(746,868)</u>
Cash used in investing activities		
Proceeds on maturity of investments	3,035,001	2,070,901
Purchases of investments	(1,963,846)	(2,237,496)
Purchase of property and equipment	(144,072)	(53,678)
	<u>927,083</u>	<u>(220,273)</u>
Change in cash	(264,670)	(967,141)
Cash – beginning of year	<u>2,022,298</u>	<u>2,989,439</u>
Cash – end of year	<u><u>1,757,628</u></u>	<u><u>2,022,298</u></u>

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

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

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, the Association is exempt from income taxes, provided the requirements of Section 149(1)(l) of the Income Tax Act (Canada) continue to be met.

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 Canada Handbook. The Association’s significant accounting policies are as follows:

a) Revenue recognition

The Association follows the deferral method of accounting for contributions. The Association recognizes environmental handling charges (“EHC”). 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. 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 as incurred 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) Cash

Cash includes cash on deposit with its financial institutions.

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

d) 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
Computer software	5 years

Assets are not amortized until available for use. When a capital asset no longer has any long-term service potential to the Association or the value of future economic benefits is less than net carrying amount, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

e) Financial instruments

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 recognized at fair value when incurred.

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.

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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

f) 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. Items subject to estimates and assumptions include the estimated useful lives of property and equipment, collectability of accounts receivable, estimates of return incentives and return collection facilities incentives paid for ineligible containers, and accruals for EHC fees not submitted to the Association by the registrant until the following year. Actual results could differ from these estimates.

g) 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.

	2020	2019
	%	%
Management and administration contracts		
Executive director contract		
Program costs	20	20
Administrative costs	80	80
Other contract staff		
Program costs	20	20
Administrative costs	80	80
Legal fees		
Program costs	20	20
Administrative costs	80	80

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

4. Investments (continued)

Investments at fair value

Fidelity Canadian Large Cap Fund (Cost - \$1,194,131)	1,185,453	1,279,458
PH&N High Yield Bond (Cost - \$105,676)	110,306	50,649
Fidelity Global Asset Allocation Fund (Cost - \$1,874,892)	2,117,251	1,736,265
Dynamic Preferred Yield Class Sr Fund (Cost - \$971,323)	937,794	772,301
RBC Core Plus Bond Pool Fund (Cost - \$1,022,435)	1,083,913	1,098,407
Fidelity Asset Allocation Private Pool (Cost - \$1,222,914)	1,457,087	1,319,736
Fidelity Global Growth & Value Fund (Cost - \$715,875)	944,939	1,079,395
Harvest Healthcare (Cost - \$75,792)	77,600	-
Fidelity Market Neutral Alternative Fund (Cost - \$700,000)	679,247	-
Fidelity Global Innovators (Cost - \$200,000)	201,086	-
Dynamic Energy Income Fund	-	253,410
Corning	-	37,867
	<u>8,794,676</u>	<u>7,627,488</u>
	<u>10,069,773</u>	<u>9,717,413</u>

Long-term investments

The Association also has funds invested in long-term GICs maturing as follows:

Maturity date	Interest rate %	2020 \$	2019 \$
April 26, 2021	2.22	-	767,693
		<u>-</u>	<u>767,693</u>

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

4 Investments (continued)

Investment income is comprised of the following:

	2020	2019
	\$	\$
Interest income	57,524	83,547
Gain on equity investments	8,317	180,196
Unrealized gain on equity investments	632,302	482,060
	<u>698,143</u>	<u>745,803</u>

5 Property and equipment

		2020	2019
	Cost	Net book value	Net book value
	\$	\$	\$
Computer software	197,750	175,870	53,678

6 Accounts payable and accrued liabilities

Included in accounts payable are government payroll remittances payable of \$3,538 (2019 – \$383) related to payroll remittances on Directors' fees and CEO salary.

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

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 targeted that the reserve fund be maintained at an amount equivalent to 12 months of the Association's expenses and contractual commitments. As of December 31, 2020, that target had not been reached.

8 Commitments

Under the terms of a financial services and use agreements expiring August 2023 and additional agreement expiring August 31, 2021, the Association is charged a fee for provision of financial administration services of various staff. Under the terms of an employment service agreement expiring December 2022, the Association is charged a monthly rate for provision of professional and technical services. The Association has entered into a lease agreement for a new office location in Victoria commencing May 1, 2021 until April 30, 2026. The estimated minimum annual payments required under these agreements over the next five years are as follows:

	Contract services	Facilities	Total
	\$	\$	\$
2021	675,875	95,863	771,739
2022	507,016	143,795	650,811
2023	227,344	143,795	371,139
2024		147,564	147,564
2025		147,564	147,564
	1,410,235	678,581	2,088,817

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

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.

Based on studies performed by independent consultants, the Association has determined that the percentage of ineligible containers is approximately 10% (2019 – 10%) by weight. This percentage is used to estimate the amount spent on ineligible plastics. The estimated amount is \$307,000 for the year ended December 31, 2020 (2019– \$327,000).

10 Allocated expenses

For the years ended December 31, 2020 and 2019, total expenses allocated between program costs and administrative costs were as follows:

	2020	2019
	\$	\$
Management and administration contracts	535,715	484,561
Legal fees	295,525	415,775

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

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 and ensuring they are invested in accordance with the Association's Statement of Investment Policies and Procedures.

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 prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. 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.

There is no change in risk exposure from the prior year.

British Columbia Used Oil Management Association

Notes to Financial Statements

December 31, 2020

11. Financial risk management (continued)

Impacts of COVID-19

Beginning March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. Many governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in operational activities. While these effects are expected to be temporary, the duration of the disruption and related financial impact cannot be reasonably estimated at this time. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty as compared to prior periods.



Appendix C:

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 2020 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, 2020 (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 qualified audit opinion.

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.

BASIS FOR QUALIFIED OPINION

As described under Product Sold and Collected in Appendix A, the Consumed in Use amount for antifreeze is calculated by multiplying products sold by 75%, and impacts the reported antifreeze recovery rate (or capture rate). This rate was determined using the Manitoba Association for Resource Recovery Corp.’s 2018 survey result of 80%, adjusted down to 75% based on input from industry expert estimates.

Quebec lead a national study into antifreeze recovery rates in Canada in 2019 that indicated that large quantities of antifreeze were being recovered in the used oil recycling streams across the country. BCUOMA management believes that there is no information or evidence to support that conclusion for BC, as has been concluded in some other Canadian jurisdictions. BC has had a long-standing separate system for antifreeze recycling relative to the new programs in other Canadian jurisdictions and BCUOMA management have asserted that large quantities of antifreeze have not been detected in the used oil recycling stream in the province. BCUOMA believes it is using the best available rate estimate and that the 2019 national study and the previous 2012 independent report for BC are not accurate or representative of the current Consumed in Use rate for antifreeze.

A comprehensive study, specific to British Columbia, is currently being conducted but sufficient appropriate audit evidence was not available at the time of audit to confirm the antifreeze Consumed in Use rate. Consequently, we cannot provide a reasonable assurance opinion on the antifreeze recovery rate.

QUALIFIED OPINION

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Subject Matter for the year ended December 31, 2020 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 25, 2021

Appendix A to the Independent Reasonable Assurance Report

COLLECTION FACILITIES

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

Specific Disclosures in the 2020 annual report for which evaluation criteria were developed							
Claim in the Report	Reference						
In 2020, there were 273 publicly accessible recycling centres located in high traffic retail locations, industrial sites, multi-material private depots (bottle depots) and local government recycling/landfill sites.	<i>Collection Network Performance</i> on page 8						
<table border="0"> <tr> <td>Year</td> <td>Number of Facilities</td> </tr> <tr> <td>2020</td> <td>273</td> </tr> <tr> <td>2019</td> <td>274</td> </tr> </table>	Year	Number of Facilities	2020	273	2019	274	Appendix 'A' on page 27-30 lists the 273 RCFs by Community.
Year	Number of Facilities						
2020	273						
2019	274						

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.
- 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.

Specific Disclosures in the 2020 annual report for which evaluation criteria were developed	
Claim in the Report	Reference
Collected products are managed in accordance with the Pollution Prevention Hierarchy as outlined in the BC Recycling Regulation.	<i>Product Management</i> on page 24 outlines how BCUOMA products are reused and/or recycled.

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.

Specific Disclosures in the 2020 annual report for which evaluation criteria were developed					
Claim in the Report					Reference
	Used Oil (millions of litres)	Filters (millions of units)	Containers (million kg's)	Used Antifreeze (millions of litres)	<i>Capture Rates in 2020 on page 21, Product Collection on page 22, 2020 Collections by Regional District on page 25, and Summary of 2020 Collection & Consumer Returns on page 26.</i>
Sold (2020)	91.7	6.3	1.9	12.2	
Consumed in use	(26.9)	n/a	n/a	(9.1)	
Repurposed	(15.9)	n/a	n/a	n/a	
Available for collection	48.9	6.3	1.9	3.0	
Collection	45.6	5.7	1.6	2.2	
Capture rate	93.4%	91.0%	86.4%	73.2%	

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 Consumed in Use amount for oil is calculated by multiplying products sold by the rate obtained from a 2021 independent report commissioned by BCUOMA using data from 2019. The Repurposed amount was calculated by multiplying products collected by the rate obtained from a 2018 independent report commissioned by BCUOMA.

- The Consumed in Use amount for antifreeze is calculated by multiplying products sold by 75%. This rate was determined using the Manitoba Association for Resource Recovery Corp.'s 2018 survey result of 80%, adjusted down to 75% based on input from industry expert estimates. This estimate was not subject to sufficient audit verification.
- The Available for Collection amount is calculated by subtracting the Consumed in Use and Repurposed amounts, if applicable, from products sold.
- The recovery rate is presented as Capture Rate and is calculated by dividing actual collections by the amount determined to be available for collection.
- 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, 2020 as the Stewardship Plan was still under review by the Ministry of Environment as of December 31, 2020.

Consequently, we have not been engaged for the year ended December 31, 2020 to issue an assurance report on the above.



3rd Floor – 536 Broughton Street
Victoria, British Columbia V8W 1C6
T 1.778.817.0721 F 236.237.1732

Recycling Hotline: 604.RECYCLE (in the Lower Mainland)
1.800.667.4321 (across British Columbia)

www.bcusedoil.com