



**BCUOMA**  
British Columbia Used Oil  
Management Association

## **2013 ANNUAL REPORT**

**ONE DROP CAN CHANGE EVERYTHING**



*Dave Schick, Natalie Zigarlick, David Lawes, Don Hertherington, Dave Russell, Lonnie Cole*

**Letter From the BCUOMA Chair**

On behalf of the BC Used Oil Management Association, I am pleased to present the 2013 Annual Report. This report demonstrates that BCUOMA is managing our program efficiently while continuing to improve environmental outcomes.

In 2013, BCUOMA continued to improve the program's fiscal position which will ensure program stability. We appreciate the patience of collectors and processors as we amend the incentive program to ensure that environmental results can be independently verified in accordance with regulations and public policy goals.

This last year also saw the retirement of BCUOMAs Executive Director, Ron Driedger. Ron had been the Executive Director since the inception of the program in 2003. Ron led the program through the start-up stages to the robust program we have today. His contributions to product stewardship programs have been profound. Thank you Ron.

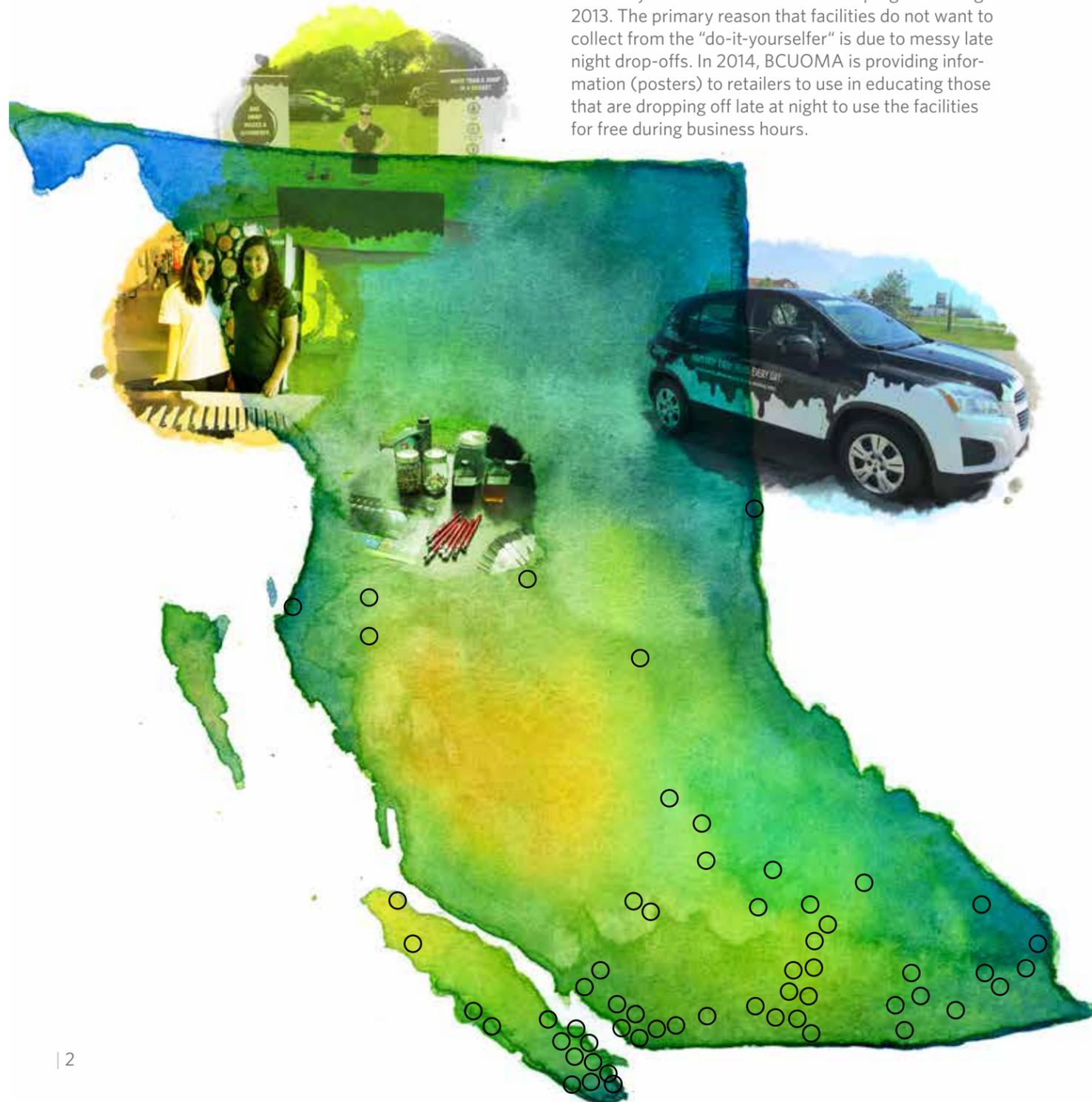
Looking ahead, BCUOMA will continue to focus on strong program governance and fiscal responsibility while achieving the desired environmental results.

Dave Schick  
Board Chair  
BCUOMA

### Collection Facilities

Collection primarily 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.

In 2013, 497 of these facilities collected materials from the public, down from the 520 facilities that provided this service in 2012. Thirteen new facilities were opened and thirty-six were removed from the program during 2013. The primary reason that facilities do not want to collect from the “do-it-yourselfer” is due to messy late night drop-offs. In 2014, BCUOMA is providing information (posters) to retailers to use in educating those that are dropping off late at night to use the facilities for free during business hours.



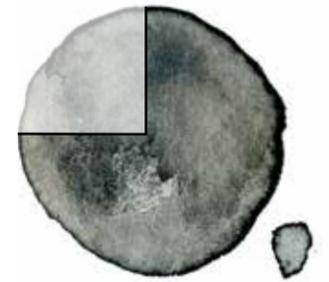
### Ambassador Program

The BCUOMA Ambassador program continues to grow and produce fantastic results. In 2013, the BCUOMA-led program partnered up with stewardship agencies of other products to tour the province to provide information about the programs to 495 collection facilities, 18 local governments and 15 community events. The Ambassadors also conducted 53 media interviews resulting in 971,000 impressions.

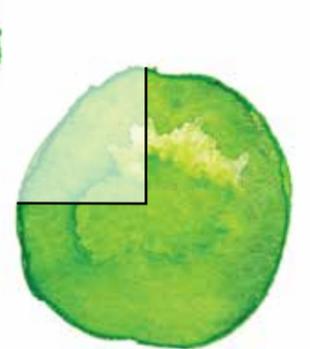
In 2014, the Ambassador program will again partner with other BC stewardship agencies to tour the province, visit collection facilities and attend community events. A key priority of the Ambassadors will be to provide collection facilities with information and collateral to be used to raise awareness with the public regarding the free use of drop off facilities.



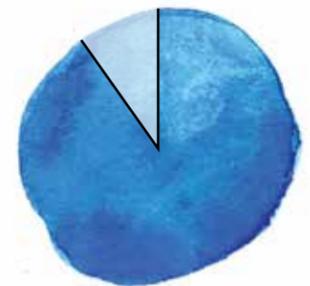
**74.6%**  
used oil  
recovery



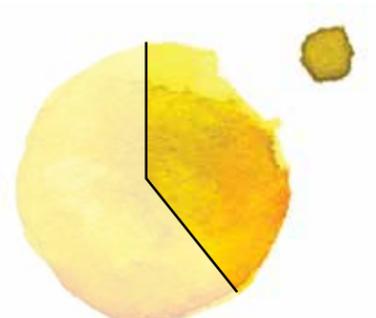
**74.7%**  
used oil &  
antifreeze  
containers  
recovery



**82.8%**  
used oil  
filters  
recovery



**41.1%**  
used  
antifreeze  
recovery



## About BCUOMA

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 or distributed 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 collectors and 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 more than 4,000 generators across BC and deliver the materials to the BCUOMA registered processors, where they are processed to the point that they can be sold as raw materials for remanufacturing, or used in other applications such as re-refining.

## Performance

The performance of the BCUOMA stewardship program has steadily improved over the years. In 2013, the amount of oil collected reached 50 million litres, the highest amount collected in a year. Recovery rates have fluctuated somewhat over the past few years, primarily due to fluctuating sales. These fluctuations will continue since some of the oil, antifreeze and filters sold in one year are not necessarily collected and recycled that same year. The antifreeze program began in 2011 and continues to see increases in the volume collected and sales as the program matures.

Only a portion of every litre of oil and antifreeze sold is available for recovery because approximately 30.1% of the oil and 55% of the antifreeze is consumed during use. A recent study of unaccounted used oil showed that of the oil not collected about 10.1 million litres of that oil is used by businesses as a fuel or for other industrial uses.

## Prudent Fiscal Management

The target for each used oil and antifreeze material is to have approximately 80% of revenue pay for the return incentive payments to the registered BCUOMA collectors and the oil container processors; 10% to pay for other program and administrative costs; and the remaining 10% used to build up a twelve month operating reserve. The operating reserve is important to ensure that the program can sustain itself and ensure the public receives continuous service. BCUOMA anticipates that the operating reserve target will be met within the next two years. Once the operating reserve is in place, BCUOMA will have the option to either reduce the EHC, increase the payments to companies who collect and process the materials, or a combination of the two options.

BCUOMA has been using strategic partnerships to maximize economies of scale and seek value. BCUOMA and the Alberta Used Oil Management Association share the same program administration staff. BCUOMA and the other Used Oil Management Associations across Canada work to develop a common interface for our members, many of which operate in all Canadian provinces. BCUOMA is also working with the 20+ stewardship programs in BC to launch the Stewardship Associations of BC's Action Plan that outlines strategic areas where collaboration will produce value for all programs and the public.

## New Ministry of Environment Requirements for Results Assurance

In 2013, in response to the Ministry of Environment's new requirements for reporting, BCUOMA amended its process for collecting data from program participants. The Ministry is now requiring that all stewardship programs engage a third-party, qualified professional to annually undertake assurance level auditing on both the financial performance and the return collection facilities (RCFs), products sold, collected, and the end-uses of the recycled materials, in accordance with the pollution prevention hierarchy. The intention of these changes is to provide a greater level of assurance to BCUOMA members, stakeholders and the Ministry that results reported in the Annual Report are accurate and complete. BCUOMA's 2013 report includes an unqualified opinion on the amount of material sold and number of collection facilities. In 2014, BCUOMA will seek an unqualified opinion that also includes product collected, how the material was managed (i.e. end fate) and approved stewardship plan targets.

## Years Ahead – Continuous Improvement

BCUOMA intends to continue to improve its collection and recovery performance in the years ahead by advancing some strategic initiatives. BCUOMA will work in partnership with the other programs in BC to increase overall public awareness on how to use the programs. BCUOMA will continue to review and amend its incentive levels as necessary to increase collection performance in all regions of the province. In 2014, BCUOMA will release a new Product Stewardship Plan for consultation and submission to the Ministry of Environment. The plan will outline the new targets and specific actions that BCUOMA will be committed to for the next 5 years.

### Recovery Rates for Used Oil and Antifreeze Materials

	Year	Sales in Millions	Available for Collection in Millions	Quantity Recovered in Millions	Recovery Rate %	Target Recovery Rate %
<b>Oil</b>	2010	85.10 Litres	59.50 Litres	47.50 Litres	79.8	74
	2011	93.50 Litres	65.40 Litres	48.00 Litres	73.4	74
	2012	88.70 Litres	62.00 Litres	49.40 Litres	79.7	74
	2013	95.80 Litres	67.00 Litres	50.00 Litres	74.6	78
<b>Antifreeze</b>	2011 (1/2 Yr)	5.07 Litres	2.28 Litres	0.99 Litres	43.4	—
	2012	9.56 Litres	4.30 Litres	2.33 Litres	54.1	46
	2013	13.45 Litres	6.40 Litres	2.63 Litres	41.1	56
<b>Filters</b>	2010	6.10	6.10	5.22	85.6	92
	2011	6.23	6.23	5.39	86.5	92
	2012	6.06	6.06	5.16	85.2	92
	2013	6.35	6.35	5.26	82.8	87
<b>Containers</b>	2010	1.736 kg	1.736 kg	1.533 kg	88.3	83
	2011	1.924 kg	1.924 kg	1.676 kg	87.1	83
	2012	2.066 kg	2.066 kg	1.637 kg	79.2	83
	2013	2.177 kg	2.177 kg	1.626 kg	74.7	78

Collectors pick up used oil and antifreeze materials from more than 4,000 generators across BC and deliver the materials to the BCUOMA registered processors, where they are processed to the point that they can be sold as raw materials for remanufacturing, or used in other applications such as re-refining.



FINANCIAL STATEMENTS - DECEMBER 31, 2013

**April 25, 2014  
Independent Auditor's Report**

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, 2013 and the statement of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

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

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit 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, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*  
Chartered Accountants

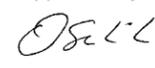
**Statement of Financial Position  
As at December 31, 2013**

	2013 \$	2012 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash	3,220,131	3,868,502
Short-term investments		
guaranteed investment certificates (note 4)	745,715	1,025,193
Accounts receivable	4,699,971	3,516,419
Prepaid expenses	19,188	10,484
	8,685,005	8,420,598
<b>Property and equipment</b> (note 3)	730	1,191
<b>Long-term investments</b>		
guaranteed investment certificates (note 4)	2,848,937	523,069
	11,534,672	8,944,858
<b>Liabilities</b>		
<b>Current liabilities</b>		
Return incentives and infrastructure development incentives payable	1,640,195	1,570,110
Accounts payable and accrued liabilities	249,461	176,411
	1,889,656	1,746,521
<b>Net Assets</b>		
<b>Unrestricted</b>	6,049,633	5,648,884
<b>Invested in property and equipment</b> - internally restricted	730	1,191
<b>Internally restricted</b>	3,594,653	1,548,262
	9,645,016	7,198,337
	11,534,672	8,944,858

**Commitments** (note 5)

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

Approved by the Board of Directors


  
 Director                      Director

**Statements of Changes in Net Assets**

For the year ended December 31, 2013

	Unrestricted \$	Invested in property and equipment \$	Internally restricted \$	Total \$
Balance - December 31, 2011	4,091,343	406	1,518,230	5,609,979
Excess of revenue over expenditures	1,558,923	(597)	30,032	1,588,358
Transfer of investments	(1,382)	1,382	-	-
Balance - December 31, 2012	5,648,884	1,191	1,548,262	7,198,337
Excess of revenue over expenditures	2,400,749	(461)	46,391	2,446,679
Transfer of investments	(2,000,000)	-	2,000,000	-
Balance - December 31, 2013	6,049,633	730	3,594,653	9,645,016

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

**Statement of Operations  
For the year ended December 31, 2013**

	2013 \$	2012 \$
<b>Revenue</b>		
Environmental handling charges	14,656,955	13,455,029
Investment income and other	103,277	74,745
Registration fees	4,000	2,194
	14,764,232	13,531,968
<b>Expenditures</b>		
Program costs		
Return incentives, infrastructure development incentives and return collection facility incentives	11,031,890	10,877,786
Communications and public relations	356,132	333,158
Legal fees (note 7)	131,921	35,188
Compliance reviews	70,758	53,108
Management and administration contracts (note 7)	53,677	49,657
Consulting	34,482	44,771
Depot infrastructure	32,190	9,146
Bad debt (note 8)	-	13,680
	11,711,050	11,416,494
Administrative costs		
Management and administration contracts (note 7)	365,661	336,316
Office and general expenses	72,989	61,522
Financial audit fees	72,621	51,200
Rent	41,309	40,340
Legal fees (note 7)	31,889	16,412
Board expenses	21,573	20,729
Amortization	461	597
	606,503	527,116
	12,317,553	11,943,610
<b>Excess of revenue over expenditures</b>	2,446,679	1,588,358

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

**Statement of Cash Flows  
For the year ended December 31, 2013**

	2013	2012
<b>Cash provided by (used in)</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Environmental handling charges	13,403,713	13,321,173
Investment and other income	107,277	76,939
	<u>13,510,990</u>	<u>13,398,112</u>
<b>Program activities</b>		
Return incentives and infrastructure development incentives	(10,299,693)	(10,160,428)
Other program activities	(1,291,930)	(1,112,716)
Administration	(521,348)	(537,497)
	<u>(12,112,971)</u>	<u>(11,810,641)</u>
<b>Investing activities</b>		
Proceeds from sale of guaranteed investment certificates - net	(2,046,390)	(30,032)
Acquisition of property and equipment	-	(1,382)
	<u>(2,046,390)</u>	<u>(31,414)</u>
<b>Increase in cash</b>	<b>(648,371)</b>	<b>1,556,057</b>
<b>Cash - Beginning of year</b>	<b>3,868,502</b>	<b>2,312,445</b>
<b>Cash - End of year</b>	<b><u>3,220,131</u></b>	<b><u>3,868,502</u></b>

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

**Notes to Financial Statements  
December 31, 2013**

**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) (I) of the Income Tax Act.

**2 Significant accounting policies**

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

**a) Revenue recognition**

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

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

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

**ii) Investment income**

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

**b) Return incentives and infrastructure development incentives**

Return incentive expenditures (RI) are recognized in the year when the lubricating oil and antifreeze materials are collected by a registered collector and completed claim forms are received and accepted by the Association.

Infrastructure development incentives are recognized when the used oil and antifreeze containers are received at a processor 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) Internally restricted funds**

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

**i) Internally restricted**

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

**ii) Invested in property and equipment**

The purpose of this reserve is to separately account for capital assets.

**e) Financial instruments**

The Association's financial assets include cash, accounts receivable and investments. Cash and investments are recorded at fair value with realized and unrealized gains and losses reported in the statement of operations for the period in which they arise. Accounts receivable is classified as loans and receivables and is accounted for at amortized cost using the effective interest rate method. Accounts receivable is initially recorded at fair value. Investments are held in Guaranteed Investment Certificates with a fixed term and fixed interest rate. Interest income from investments is recorded in investment income and other in the statement of operations.

**Notes to Financial Statements  
December 31, 2013**

The Association's financial liabilities include return incentives and infrastructure development incentives payable and accounts payable and accrued liabilities. All financial liabilities are classified as other liabilities and are accounted for at amortized cost using the effective interest rate method. Financial liabilities are initially measured at fair value.

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.

**f) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts for operations during the reporting period. By their nature, these estimates are subject to future periods could be significant. Accounts significantly affected by estimates in these financial statements are return incentives and infrastructure development incentives payable and EHC accruals where the fees paid by customers in the current year would not be submitted by registrant until the next year.

**g) Allocated expenses**

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

	2013 %	2012 %
<b>Management and administration contracts</b>		
Executive director contract		
Program costs	20	20
Administrative costs	80	80
<b>Other contract staff</b>		
Program costs	10	10
Administrative costs	90	90
<b>Legal fees</b>		
Program costs	20	20
Administrative costs	80	80
(Unless legal services relate exclusively to a function)		

**Notes to Financial Statements  
December 31, 2013**

**3 Property and equipment**

	2013		2012	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	6,337	6,337	-	-
Computer equipment	31,997	31,267	730	1,191
	38,334	37,604	730	1,191

**4 Investments - guaranteed investment certificates**

The Association has \$537,755 and \$207,957 (2012 - \$1,025,193) invested in short-term guaranteed investment certificates maturing on November 17, 2014 and December 11, 2014 with an interest rate of 2.8% and 1.9%, respectively.

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

Maturity date	Interest Rate %	2013 \$	2012 \$
December 11, 2015	2.15	712,171	-
December 11, 2016	2.25	712,210	-
December 11, 2017	2.35	712,249	-
December 11, 2018	2.50	712,307	-
		2,848,937	

**5 Commitments**

Under the terms of financial services and use agreements, the Association is charged a fee for provision of financial administration services of various staff to March 2015. In addition, under the terms of a service agreement expiring December 2017, the Association is charged a monthly rate for provision of professional and technical services. The Association has a lease for office space until June 2015 for the current location. The estimated minimum annual payments required under these agreements are as follows:

	Contract services	Facilities	Total
	\$	\$	\$
2014	488,198	23,853	512,051
2015	506,558	12,060	518,618
2016	390,890	-	390,890
	<u>1,385,646</u>	<u>35,913</u>	<u>1,421,559</u>

**6 Ineligible containers**

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

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

Based on studies performed by independent consultants in 2011, the Association has determined that the amount of ineligible containers for 2013 is approximately 12% by weight. This percentage is used to estimate the amount spent on ineligible plastics. The estimated amount is \$264,000 for the year ended December 31, 2013 (2012 - \$343,500).

**7 Allocated expenses**

For the years ended December 31, 2013 and 2012, total expenses allocated between program costs and administrative costs were as follows:

	2013	2012
	\$	\$
<b>Management and administration contracts</b>		
Executive director contract	117,430	114,009
Other contract staff	301,908	271,964
	<u>419,338</u>	<u>385,973</u>
<b>Legal fees</b>	<u>163,810</u>	<u>51,600</u>

**8 Financial risk management**

The Association's financial instruments comprise of cash, guaranteed investment certificates, accounts receivable, return incentives and infrastructure development incentives payable and accounts payable and accrued liabilities.

**Credit risk**

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

**Liquidity risk**

The Association manages its liquidity to finance its expenses, working capital and overall capital expenditures. The Association primarily finances its liquidity through environmental handling charges, income from its investments and registration fees. The Association expects to continue to meet future requirements through this source.



## INDEPENDENT REASONABLE ASSURANCE REPORT

### May 23, 2014 Independent Reasonable Assurance Report

To the Directors of  
British Columbia Used Oil Management Association  
(BCUOMA) on selected non-financial information  
included in the BCUOMA 2013 Annual report.

We have been engaged by British Columbia Used Oil  
Management Association (the "Association" or  
"BCUOMA") to perform a reasonable assurance  
engagement in respect of following information,  
referred to as the "Selected Information"; detailed in  
the Appendix A, and also included within BCUOMA's  
Annual Report for the year ended December 31, 2013:

- the number of collection facilities, and any changes  
in the number of collection facilities from the prior  
year; and
- the total amount of the producers' product  
distributed for the year ended December 31, 2013.

Our opinion does not constitute a legal determination  
on BCUOMA's compliance with the British Columbia  
Regulation 449/2004 Recycling Regulation  
("Recycling Regulation").

#### Responsibilities

Preparation and fair presentation of the selected  
information in accordance with the evaluation criteria  
as listed in Appendix A is the responsibility of the  
Association's management. Management is also  
responsible for such internal control as management  
determines is necessary to enable the preparation of  
the Selected Information such that it is free from  
material misstatement. Furthermore management is  
responsible for preparation of suitable evaluation  
criteria in accordance with the *Third party assurance  
requirements for non-financial information in annual  
reports, version 2.0*, dated February 25, 2014  
("Assurance Requirements") as specified by the  
Director under section 8(2)(h) of the Recycling  
Regulation of the Province of British Columbia.

Our responsibility is to express an opinion on the  
selected information based on the procedures we  
have performed and the evidence we have obtained.

#### Methodology & Assurance Procedures

We conducted our reasonable assurance engagement  
in accordance with the International Standard on  
Assurance Engagements 3000 (ISAE 3000), "Assurance  
Engagements other than Audits or Reviews of Historical  
Financial Information" published by the International  
Federation of Accountants. This standard requires  
that we comply with independence requirements and  
plan and perform the engagement to obtain reasonable  
assurance about whether the Selected Information is  
free of material misstatement.

A reasonable assurance engagement includes  
examining, on a test basis, evidence supporting the  
amounts and disclosures within the Selected  
Information. The procedures selected depend on our  
judgment, including the assessment of the risks of  
material misstatement in the Selected Information due  
to omissions, misrepresentation and errors. In making  
those risk assessments, we consider internal control  
relevant to the entity's preparation and fair presentation  
of the Selected Information in order to design assurance  
procedures that are appropriate in the circumstances,  
but not for the purpose of expressing a conclusion on  
the effectiveness of the entity's internal control.  
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 Selected Information.

The main elements of our work were:

- Obtaining an understanding of the management  
systems, processes, and controls used to generate,  
aggregate and report the data;
- Testing relevant controls, documents and records on  
a sample basis;
- Testing and re-calculating quantitative information  
related to the Selected Information on a sample basis;
- Reviewing the consistency of the Selected Information  
with the related disclosures in the Annual Report of  
the Association.

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 Selected Information 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.

### Conclusion

In our opinion, the Selected Information for the year ended December 31, 2013 presents fairly in accordance with the evaluation criteria, in all material respects:

- the number of collection facilities, and any changes in the number of collection facilities from the prior year; and
- the total amount of the producers' product distributed for the year ended December 31, 2013.

### 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) and (e) 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 occasioned to any other party acting or refraining from acting based on this report.

*PricewaterhouseCoopers LLP*  
Chartered Accountants

### Appendix A to the Assurance Report

1. 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.

### Proposed wording for the number of collection facilities in 2013 Annual Report:

In 2013, 497 of these facilities collected materials from the public, down from the 520 facilities that provided this service in 2012. Thirteen new facilities were opened and thirty-six were removed from the program during 2013.

### Definitions:

- **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) collected materials at any point in time during the reporting year; and
  - 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 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:

- 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 closed 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 closed 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 detailed description of the Ambassador program is described in the 2013 annual Report to Director, Environmental Quality Branch, MOE and 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 depots at the end of the year.

**Section 8 (2) (e) the total amount of the producer's product distributed.**

**Proposed wording for the product distributed:**

In 2013, total program products distributed in British Columbia were 95.8 million litres of oil, 13.45 million litres of antifreeze, 6.35 million filters and 2.18 million kilograms of containers.

**Definitions:**

- **Product Distributed** is the amount, by volume, of all program products distributed into BC by the Members to specific retail stores, third party retailers, corporate retailers, industrial operations, and distribution centres. Quantification of product distributed is based on values as reported by Members through Environmental Handling Charge (EHC) remittance forms.
- **Program Products** are all products included in the program as listed in the currently BCUOMA approved Stewardship Plan for used oil, antifreeze, oil filters and oil and antifreeze containers. A copy of the List of EHC Applicable Products and Containers is attached to the Incentive Program for Collectors and Processors manual and shows the products which are EHC applicable and those which are not EHC applicable.

**Evaluation criteria:**

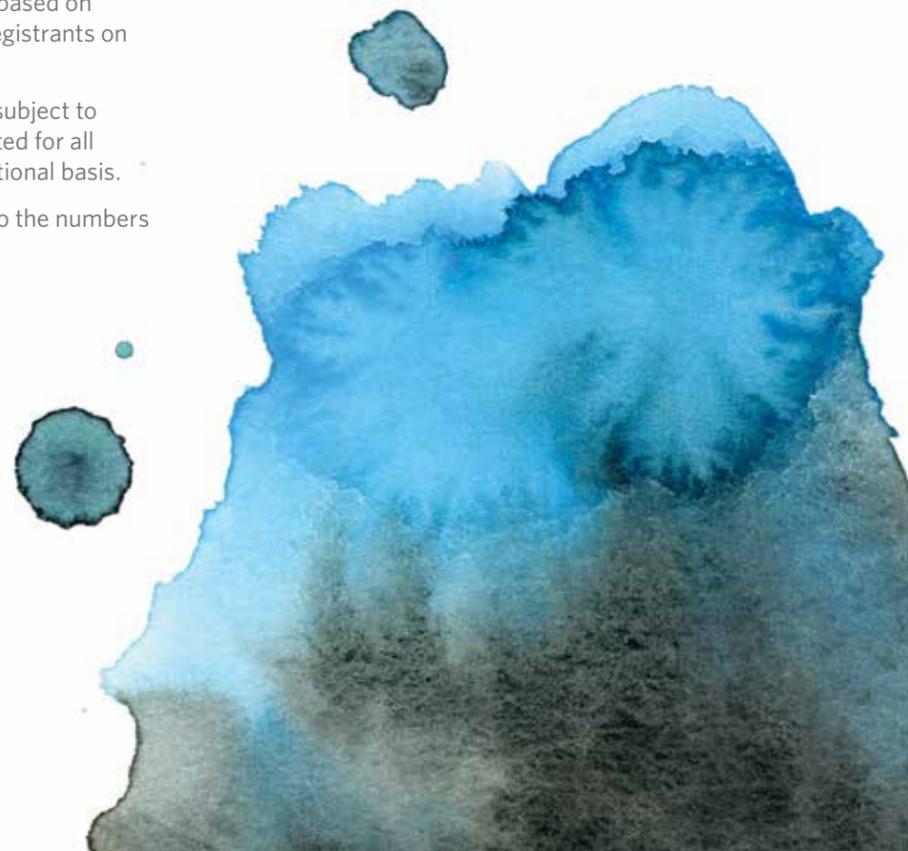
- Total product distributed volumes are based on EHC remittance forms submitted by registrants on a monthly basis in unit sales.
- The reported distributed volumes are subject to compliance reviews which are completed for all registrants on a three to four year rotational basis.
- The product distributed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

**Appendix B to the Assurance Report**

In 2012 Association has performed an assessment of its processes for monitoring products collected by the program. As a result, management has launched the new process starting January 1, 2014 and hence has not engaged us for the year ended December 31, 2013 to provide reasonable assurance on product collected and the recovery rates as reported in the Association's 2013 Annual Report. Management has further advised that we will be engaged for the year ended December 31, 2014 to provide reasonable assurance on product collected and the recovery rates to be reported in the Association's 2014 Annual Report as required by the Assurance Requirements based upon revised processes for reporting total product collected and the calculation of recovery rates for the year ended December 31, 2014.

BCUOMA has chosen not to include product management in accordance with the pollution prevention hierarchy in their 2013 Annual Report as it is optional in accordance with Implementation Schedule provided by the Ministry of Environment (MOE).

BCUOMA has chosen not to present performance targets in its approved stewardship plan relating to fiscal year ended December 31, 2013 under Sections 8(2) (b), (d) and (e) of the Recycling Regulation as this disclosure is optional in accordance with the Implementation Schedule provided by the MOE.





**BCUOMA**

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