



Saskatchewan Association for  
Resource Recovery Corp.



# TWENTY YEARS OF STEWARDSHIP

2015 ANNUAL REPORT

**“One litre of used oil can contaminate, beyond repair, One Million Litres of Water.”**

**Since its inception in 1996, the Saskatchewan Association for Resource Recovery Corp. (SARRC) has facilitated the recovery and reuse of over 300 million litres of used oil, enough to fill 120 Olympic-sized swimming pools.**

**This annual report highlights twenty years of successful stewardship in Saskatchewan.**

## 20<sup>th</sup> ANNUAL GENERAL MEETING

Wednesday, April 20, 2016

Time: 10 am CST

The Fort Garry Hotel, 222 Broadway  
Winnipeg, Manitoba  
R3C 0R3

*"We had no idea that when we first started on this amazing adventure, 20 years later we'd be this successful."*

Phil Wrubleski,  
Executive Director  
Started - January 1<sup>st</sup>, 1997  
Still active.

SARRC incorporated

Feb. 12, 1996

57 Members



Jerry Coben, Federated Co-operatives Ltd., & Rod Rosenfelt, Baldwin Filters, two of three founding Directors remain involved with SARRC today.

1<sup>st</sup> AGM

April 29, 1997



Premier  
Ray Romanow  
1991-2001



Beginning with the first EcoCentre installation in Outlook in December 1997, Saskatchewan now has nearly 200 year-round collection points including 35 EcoCentres in major communities.

Plus over 30 collectors registered to pick-up large volumes of used oil and antifreeze materials from farms and businesses across the province.



First EHCs remitted

First RI paid out

1<sup>st</sup> EcoCentre Outlook, SK

2<sup>nd</sup> EcoCentre Weyburn, SK

5 more EcoCentres 135 drop off locations

October 1, 1997

December, 1997

February, 1998

1998

Communications launch

AUOMA launched in Alberta



MARRC launched in Manitoba





# HOW THE West & East WERE ONE



## Twenty Years of Stewardship

SARRC has enthusiastically promoted the program province-wide since program inception in 1997. Descriptive call-to-action print materials and a website led to EcoSummer promotions, TV ads, radio commercials, website advertising, interviews, YouTube videos and other social media. In 2014 and 2015, to further strengthen the call-to-action message to recycle used oil and antifreeze materials, six caricatures projecting air, land and water were developed to speak for Mother Nature. However, nothing is more appreciated than the personal touch. SARRC mascots Mr. Oil Drop and Auntie Freeze accompany four Recycling Ambassadors provided by the Saskatchewan Waste Reduction Council to annually visit communities large and small. We are proud of our partnership with five other provincial stewardship agencies, founding Recycle Saskatchewan to standardize recycling policies and provide one-stop messaging for consumers. We are very appreciative of our association with six other Used Oil Management Associations (UOMAs) in Prince Edward Island, New Brunswick, Quebec, Manitoba, Alberta and British Columbia, working together through the National Used Material and Antifreeze Advisory Council (NUOMAAC) to continuously improve our programs today, and for tomorrow.

What's in the future? Regulations continue to mature to protect our environment. Consumers will always need effective, efficient and timely collections of their used oil and antifreeze materials. Recyclers of used oil and antifreeze materials will likely continue to be challenged by roller coaster commodity prices. On and off-road transportation is experiencing exciting technological developments. Engines and equipment requiring new lubricating products that reduce service intervals are rapidly evolving. However, we are confident that our 201 Members, SARRC Board and staff, private sector collectors and processors, municipal, non-profit and private EcoCentre partners, environmental groups and all Saskatchewanians will continue to Make Every Drop Count. And Mother Nature Thanks You!

Between 1997 & 2016  
sixteen National  
Strategic Planning  
Sessions held



*Spreading the word  
through every truck,  
tractor and combine  
in the province.*

*Our latest Air Fresheners.*



250 Drop-off locations  
in 150 communities

Mr. Oil Drop is officially the friendly  
face of used oil recycling

1999

1999



## The Beginning (*Pre-1996*)

In the late 1980's, Canada consumed one billion litres of lubricating oil annually. With this consumption came high levels of waste which was potentially hazardous if not properly managed. In 1988, the Canadian Council of Ministers of Environment addressed this waste management issue.

And so the process began which eventually led to the industry-led stewardship program model operating in Saskatchewan, and across most of Canada, today. For a more detailed and entertaining history of this development, visit [www.usedoilrecycling.com](http://www.usedoilrecycling.com) and click on the icon for the 15 minute video, "*How the West and East were One*".

The essence of this Extended Producer Responsibility (EPR) stewardship model is its user pay concept. An Environmental Handling Charge (EHC) is levied by first sellers of lubricating products, antifreeze, plastic oil/antifreeze/Diesel Exhaust Fluid (DEF) containers. The EHC is remitted by 201 members to SARRC who in turn pays a Return Incentive (RI) to the private sector recycling industry for the province-wide recovery, recycling and reuse of all used oil and antifreeze materials collected.

## The Early Years (*1996 - 2002*)

Incorporated on February 12, 1996, SARRC started with 57 members. Then 1997 was a year of firsts for SARRC – the hiring of its first Executive Director January 1<sup>st</sup>; holding its first Annual General Meeting April 29<sup>th</sup>; launching its first province-wide communications campaign in September; first EHCs remitted early Fall; pay out of first RI in October; grow membership to 89; open first EcoCentre, Outlook SK, in December.

The years from 1998 to 2002 saw substantial growth. By 2002, SARRC registered 50 collectors, 40 processors, 325 drop-off locations including 35 EcoCentres and had 113 members. In 1999, **Mr. Oil Drop**, the friendly face of used oil recycling, made his debut.

Similar programs were launched in Alberta in 1997 and Manitoba in 1998.

Y 2 K

Remember the  
Y2K panic?





# Into the New Millennium



SARRC Office 2015

Adds 16 more EcoCentres for a total of 21



Promotion "Dirty Oil, Clean Conscience" launched in cooperation with Alberta and Manitoba

This decade is filled with success: a growing used oil materials recycling program and collection network; two Grey Cup Championships for the Saskatchewan Roughriders (2007, 2013); the celebration of the 100th anniversaries of the province (2005) and the Legislative building (2011). Additional provincial associations launched in British Columbia (2003) and Quebec (2005), and the National Used Oil Material Advisory Council (NUOMAC) incorporating all five provincial associations was founded September 2004.

And there were also downsides: the economic meltdown of 2008 and the drop in oil prices in 2009.

Through the decade's ups and downs, SARRC weathered the economic storm growing its membership to 180 (2013). Volumes continued their upward climb. The 2013 annual report highlights the collection rates since October 1997 as: 268.47 million litres of used oil; 29.78 million oil filters; 4.37 million kilograms of plastic oil containers recovered, recycled and reused.

In 2004, Bearing Point conducted an exhaustive study of our "made-in-Canada" industry-led stewardship program. The results exceeded expectations. The report declared that our program model is "**a global leader in program design, collection and compensation scheme.**"



2016 EcoCentre

# The Recent Past (2014 - 2015)

The past two years have challenged Saskatchewan's robust economy. Oil prices declined drastically in 2015. However, the economic model incorporated in our stewardship program provides some shelter from dark economic clouds. And potentially hazardous waste still needs to be properly managed.

Antifreeze, plastic antifreeze and DEF containers were added to the collection stream April 1, 2014. And arriving on the scene to help **Mr. Oil Drop**, was **Auntie Freeze**.

Nationally, New Brunswick in 2014 and Prince Edward Island in 2015 become the sixth and seventh provinces to launch similar programs.

The RI was increased in 2015 with collection rates remaining strong. And membership hit 201 for SARRC's 20th year.

# The Future (2016 & Beyond)

If we were like Marty McFly who takes a DeLorean time machine **Back to the Future** this would be an interesting paragraph outlining how things actually work out.

However going back to December 2002, we take comfort from an independent Environment Canada study for the Organization for Economic Cooperation and Development (OECD). Presented in Tokyo, the report concluded our program model works **environmentally, economically and socio-economically**.

2000

First Joint SARRC/MARRC AGM, Winnipeg, March 29

2001

35 EcoCentres now open for business

Premier Lorne Calvert 2001-2007

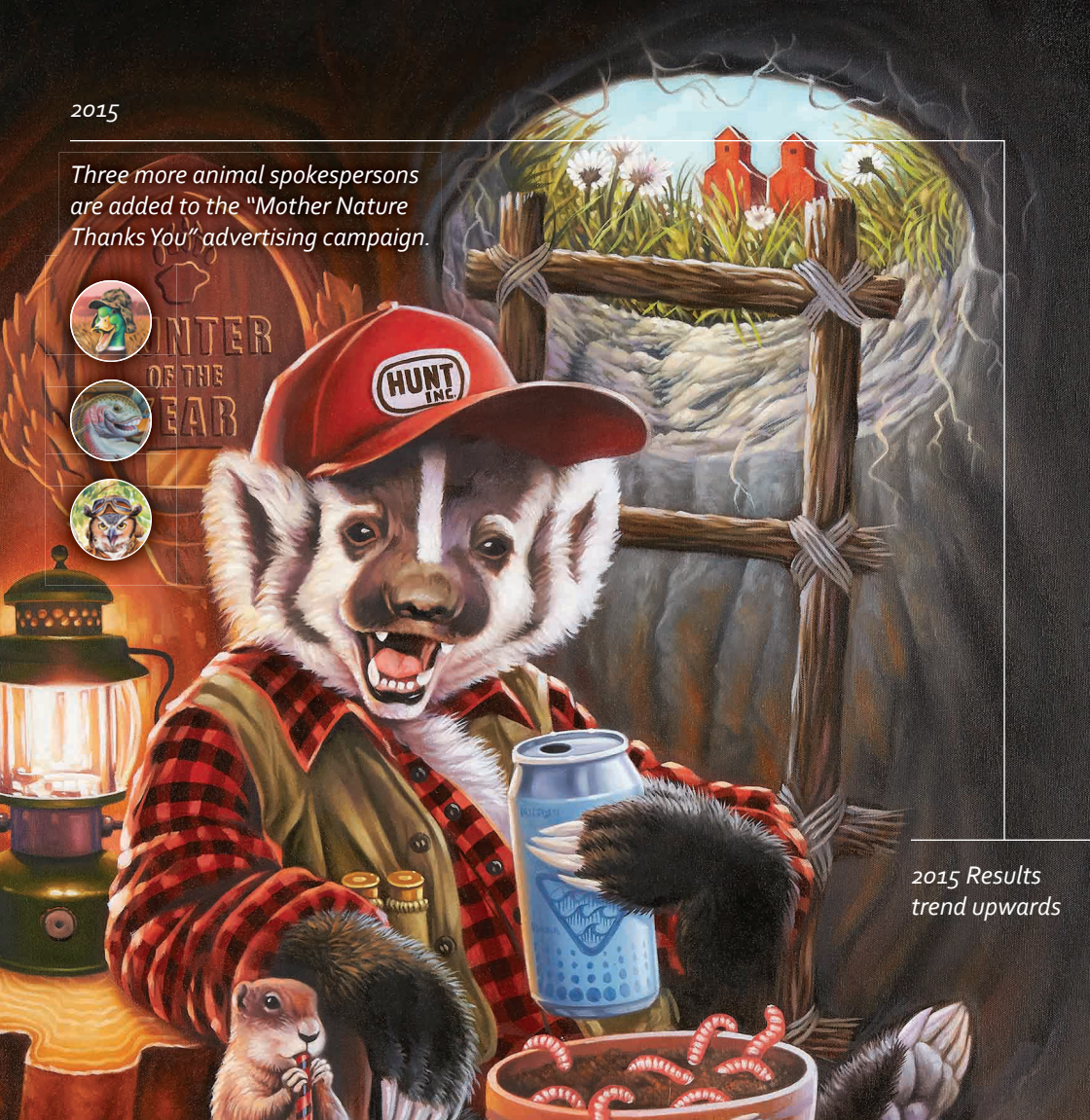
2002

35 EcoCentres  
40 Registered Processors  
50 Registered Collectors  
325 Drop-off locations serving 175 Communities



2015

Three more animal spokespersons are added to the "Mother Nature Thanks You" advertising campaign.



2015 Results trend upwards

113 Members

Bearing Point Study – our "made-in-Canada industry-led stewardship program" is a (global) leader in program design, collection and compensation scheme"

2003

79% Used Oil Recovery

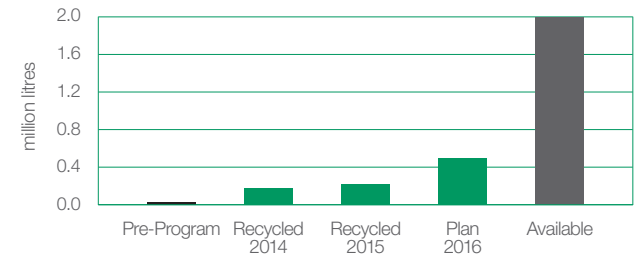
84% Used Oil Filters

23% Used Oil Containers

2004

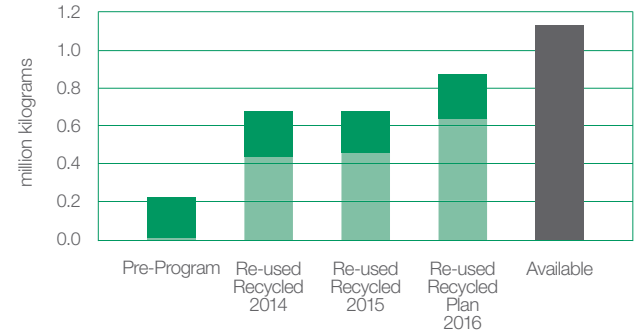
NUOMAC founded in September National Used Oil Material Advisory Council

### ANTIFREEZE

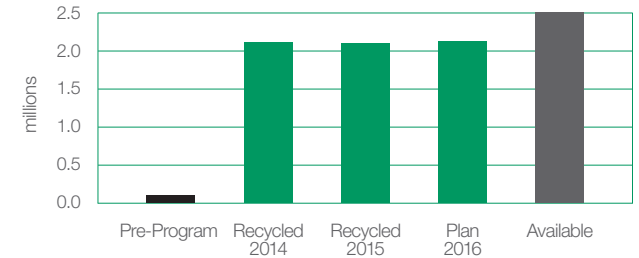


### CONTAINERS

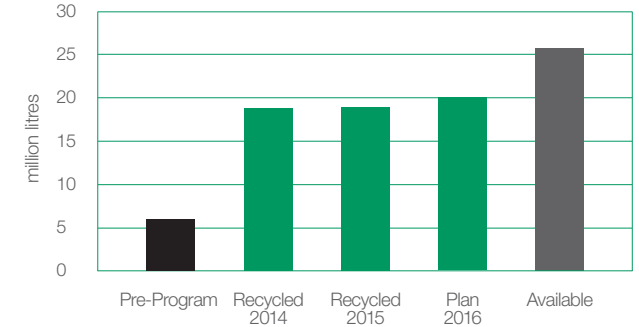
Recycled  
Re-used



### FILTERS



### OIL



2005



Saskatchewan celebrates 100 years as a Province in Canada

SOGHU Quebec program launches

127 million litres used oil recycled  
14 million used oil filters recovered  
1.5 million kgs of plastic oil containers recycled



# Chairman and Executive Director 20<sup>th</sup> Anniversary Message

On the twentieth anniversary of the Saskatchewan Used Oil, Filter, Antifreeze and Container Recycling Program we are honored to present SARRC's 20th Annual Report. The early forward looking days of the development and implementation of used oil material recycling in Saskatchewan and western Canada built a strong foundation for SARRC's current results and future program challenges.

During the first ten years, in the late 80's and early 90's, marketers and retailers of petroleum products in western Canada grabbed the torch from governments and environmental groups pressing for action on the management of used oil materials. In anticipation of SARRC hosting Canada's six other Used Oil Management Associations (UOMAs) at the National Used Oil Material and Antifreeze Advisory Council (NUOMAAC) Strategic Planning Session in Saskatoon in August 2015, SARRC produced a video and booklet "How the West and East Were One". Visit [www.usedoilrecyclingsk.com](http://www.usedoilrecyclingsk.com) to hear and see and read about the excellent story of Canada's unique and successful industry-led stewardship program that facilitates the recovery, recycling and reuse of used oil and antifreeze materials.



2015 Board

Norm Nordgulen  
Stephanie Walton  
S. Brian Ahearn  
Tiffany Paulsen  
Phil Wrubleski  
Megan Currie  
Jerry Coben  
Bert Weichel  
Rod Rosenfelt

The 20<sup>th</sup> Anniversary Annual Report also highlights the many achievements of the last 20 years. Saskatchewan residents and businesses since 1997 have recycled and reused 220,541 litres of used antifreeze, 5.27 million kilograms of oil/antifreeze/DEF containers, 33.96 million oil filters and 306.48 million litres of used oil. In 2015, during a

very difficult year with used oil material and antifreeze commodity prices at some of lowest levels for years, the private sector recycling industry responded to increased Return Incentives from SARRC and recycled record amounts of used oil, filters, antifreeze and containers.

The amount of used oil available for collection in 2015 was 27.64 million litres. With 19.05 million litres of used oil recycled, used oil recycling in 2015 increased 3% over 2014. The collection rate increased from 67% in 2014 to 69% in 2015.

Oil filter recycling in 2015 was on par with 2014 with 2.09 million filters recycled. However, the amount of oil filters sold and available for recycling

in 2015 increased to 2.67 million from 2.50 million in 2014, resulting in the filter recycling rate decreasing from 84% in 2014 to 78% in 2015.

Antifreeze was added to the SARRC program April 1, 2014 with 168,724 litres of used antifreeze collected in the last three quarters of 2014. In 2015 220,541 litres of used antifreeze were collected, resulting in a recycling rate of 9% in 2015.

The total weight of used oil, antifreeze and DEF containers sold decreased 2% from 1.09 million kilograms in 2014 to 1.07 million kilograms in 2015. Container recycling increased from 0.44 million kilograms in 2014 to 0.46 million kilograms in 2015, up 5% from 2014, resulting in an increase in the container recycling rate from 41% in 2014 to 43% in 2015. In previous years SARRC commissioned Pulse Research Ltd. to conduct an extensive plastic oil container study, finding that Saskatchewan farmers annually re-use about 80% of their 20-litre oil pails, resulting in a 24% province-wide container re-use rate. With annual recycling rates for used oil/antifreeze/DEF containers at 43%, the annual re-use/recycling rate was 67% in 2015.

For farmers and small business operators and Do-it-Yourselfers (DIYs) who change their own oil and antifreeze and wish to safely dispose of their used oil, oil & diesel fuel filters, antifreeze and oil/antifreeze/DEF containers, SARRC supports a province-wide network of Used Oil, Filter, Antifreeze and Container EcoCentres. Following substantial operating fund increases in 2014 to non-profits, municipalities and independent businesses who own and operate EcoCentres, in 2015 SARRC introduced a Capital Improvement Project to clean, update and re-image the thirty-five EcoCentres.

We are confident that our 201 Members, SARRC Board and staff, private sector collectors and processors, municipal, non-profit and private EcoCentre partners, environmental groups and all Saskatchewanians will continue to Make Every Drop Count. And Mother Nature Thanks You!

Rod Rosenfelt  
Chairman

Phil Wrubleski  
Executive Director

2006  
138 Members

2007



Saskatchewan  
Roughriders Win  
Grey Cup

Premier  
Brad Wall  
2007-Present

2008

150 Members

RECESSION  
HITS HARD



2009

Oil Prices Drop

- EHC on containers increases to \$0.10 per litre
- Container RI increased 34%
- Container re-use/recycle rate equals a new high of 61%



Brand Ambassadors spread the word

# Spreading the Recycling Word

"**Make Every Drop Count!**" has been the simple, underlying philosophy of all SARRC's communications since 1997. Every drop of used oil and antifreeze, every oil filter, every plastic oil/antifreeze/DEF container recovered and recycled since the beginning have been reused.

SARRC has used billboards, branded canopy tents, merchandise, and of course our friendly faces of recycling, **Mr. Oil Drop & Auntie Freeze** who join with our summer Ambassadors to meet folks where they live and play throughout the province.

Raising awareness of the program required memorable creative delivered through traditional and non-traditional media.

On-line SARRC keeps current. The provincial website, [www.usedoilrecyclingsk.com](http://www.usedoilrecyclingsk.com), launched in 2011 along with a mobile version. It is linked to the new national site, [www.usedoilrecycling.com](http://www.usedoilrecycling.com) which went live in late 2015.

Direct mail pieces targeted retailers and Saskatchewan's farming sector. Thirty and fifteen second TV commercials heightened awareness on CBC TV's Hockey Night in Canada, in programming for the 2010 Vancouver Winter Games, and on TSN's coverage of Roughriders' regular CFL away games over three seasons.

SARRC's first Pay-per-Click advertising campaign in 2015 delivered outstanding results as we all become accustomed to accessing information through our computers and mobile devices. Look for more in 2016 and beyond.

Radio as the call-to-action medium blankets the province each Spring and early Summer with SARRC's current creative. The latest, **Mother Nature Thanks You!**, features six different animals promoting the fact that recycling benefits everyone. Debuting in 2014, the combination of 60 and 30 second commercials continues into 2016.

To see and hear communications from the past, visit [www.usedoilrecyclingsk.com](http://www.usedoilrecyclingsk.com). Go to News and click on Latest News of Events and Programs.

Print advertising in weekly, monthly and quarterly newspapers and magazines provides space for more information to readers about the recycling program.

No matter how the message is framed or what medium used, the bottom line is to get viewers, listeners, readers and visitors to recycle their used oil and antifreeze materials. In other words, **Make Every Drop Count!**

168 Members

Saskatchewan is blanketed with new Radio spots running on 22 stations.



The Sheepdogs get the cover of Rolling Stone

2010

Mr. Oil Drop begins his Province wide tour with the help of official Recycling Ambassadors

2011

100<sup>th</sup> Anniversary of the Saskatchewan Legislature Building

Canada Hosts the Winter Olympics in Vancouver



2012

[usedoilrecyclingsk.com](http://usedoilrecyclingsk.com) is launched, along with its Mobile counterpart

171 Members

RECYCLE SASKATCHEWAN is formed by five Provincial Stewardship Groups.



# Our success relies heavily on our ability to keep focused during the economic ups and downs.



The development of a used antifreeze, used antifreeze & Diesel Exhaust Fluid (DEF) Container Recycling program begins



Members take away a printed and video history of the Associations.

August 19<sup>th</sup>, 2015  
Saskatoon hosts the National Strategic Planning Session (SPS)



From a small sketch Auntie Freeze comes to life and joins Mr. Oil Drop for Province wide tours.

Memberships hits 201



Oil Prices drop to decade lows

Collection continues to remain strong



2013



Saskatchewan Roughriders Win Grey Cup at home in Regina

2014

"Mother Nature Thanks You" communications program launched

New Brunswick & Prince Edward Island become 6<sup>th</sup> and 7<sup>th</sup> provinces to launch programs

2015

Return Incentives increase

UOMA launches new website



2016





## Financial Statements

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# Independent Auditor's Report

## To the Members of Saskatchewan Association for Resource Recovery Corp.

We have audited the accompanying financial statements of Saskatchewan Association for Resource Recovery Corp., which comprise the statement of financial position as at December 31, 2015 and the statements of operations and changes in net assets and cash flows for the year then ended and related notes including a summary of significant accounting policies.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Association for Resource Recovery Corp. as at December 31, 2015 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

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## Statement of Financial Position

As at December 31, 2015

	2015	2014
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,700,198	1,916,775
Accrued interest receivable	34,130	36,663
Accounts receivable	1,627,439	1,737,678
Prepays and deposits	343	10,864
	<b>4,362,110</b>	3,701,980
<b>Investments</b> (note 3)	<b>4,538,814</b>	4,450,000
<b>Capital assets</b> (note 4)	<b>49,101</b>	43,441
	<b>8,950,025</b>	8,195,421
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	939,863	647,981
<b>Net assets</b>		
Invested in capital assets	49,101	43,441
Unrestricted (note 6)	7,961,061	7,503,999
	<b>8,010,162</b>	7,547,440
	<b>8,950,025</b>	8,195,421

Approved by the Board of Directors



 Directors

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

## Statement of Changes in Net Assets

For the year ended December 31, 2015

			2015	2014
	Invested in capital assets	Unrestricted	Total	Total
	\$	\$	\$	\$
<b>Net assets</b>				
Balance – Beginning of year	43,441	7,503,999	7,547,440	6,447,215
Excess (deficiency) of revenue over expenses for the year	(14,453)	477,175	462,722	1,100,225
Invested in capital assets	20,113	(20,113)	–	–
Balance – End of year	49,101	7,961,061	8,010,162	7,547,440

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

## Statement of Operations

For the year ended December 31, 2015

	2015	2014
	\$	\$
<b>Revenue</b>		
Environmental handling charges	6,368,936	6,288,633
Membership fees	2,400	3,400
Investment income	138,937	138,538
Other income	9,556	48,104
	<b>6,519,829</b>	<b>6,478,675</b>
<b>Expenses</b>		
Return incentives (note 6)	4,314,518	3,938,924
Public relations and promotions	559,255	459,666
EcoCentre support costs (note 6)	519,934	386,426
Wages and benefits	340,249	302,886
Professional fees	146,995	106,313
Rent (note 5)	56,200	56,200
Office and administration	33,905	31,457
Insurance	23,248	23,237
Travel and meals	21,872	24,322
Amortization	13,511	13,934
Utilities	13,325	12,541
Director fees and costs	11,356	20,259
Bank charges	1,797	1,764
Loss on disposal of capital assets	942	521
	<b>6,057,107</b>	<b>5,378,450</b>
<b>Excess of revenue over expenses for the year</b>	<b>462,722</b>	<b>1,100,225</b>

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

## Statement of Cash Flows

For the year ended December 31, 2015

	2015	2014
	\$	\$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	462,722	1,100,225
Items not affecting cash		
Amortization	13,511	13,934
Loss on disposal of capital assets	942	521
	477,175	1,114,680
Net change in non-cash working capital items (note 7)	415,175	(488,481)
	892,350	626,199
<b>Investing activities</b>		
Purchase of capital assets	(20,113)	(2,002)
Purchases of investments, net	(88,814)	(105,000)
<b>Net change in cash and cash equivalents</b>	<b>783,423</b>	519,197
<b>Cash and cash equivalents – Beginning of year</b>	<b>1,916,775</b>	1,397,578
<b>Cash and cash equivalents – End of year</b>	<b>2,700,198</b>	1,916,775

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

# Notes to Financial Statements

December 31, 2015

## 1 Nature of operations

The Saskatchewan Association for Resource Recovery Corp. (SARRC) was incorporated under the Non-profit Corporations Act of Saskatchewan. It was formed by oil and oil filters first sellers in Saskatchewan in 1996 to develop, implement and maintain a used oil, filter and container product management program in the province. In January 1997, SARRC received the required approval to operate a product management program from the Saskatchewan Environment, issued pursuant to The Used Oil Collection Regulations. In September 2013 the Saskatchewan government replaced these regulations with The Used Petroleum and Antifreeze Products Regulations. SARRC then submitted an amended plan to expand the product management program to include antifreeze and antifreeze/diesel exhaust fluid (DEF) containers, which plan was subsequently approved by Saskatchewan Environment December 2013. As a non-profit organization, no provision for corporate income taxes has been made in these financial statements, pursuant to Paragraph 149(1)(l) of the Income Tax Act.

## 2 Significant accounting policies

### Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments which mature within three months of the date of acquisition.

### Classification of financial instruments

The association classifies its financial instruments as follows:

- Cash and cash equivalents are recorded at fair value, with realized and unrealized gains and losses reported in income.
- Accounts receivable are classified as loans and receivables, are initially recorded at fair value, subsequently measured at amortized cost using the effective interest rate method, and adjusted for any allowance for doubtful accounts, with realized gains and losses reported in income.
- Term deposits and guaranteed investment certificates are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. Interest income is recorded in investment income in the statement of operations.
- Accounts payable and accrued liabilities are classified as other financial liabilities, are initially recorded at fair value and subsequently recorded at amortized cost using the effective interest method, with realized gains and losses reported in income.

### Transactions costs

The association recognizes all transaction costs related to financial assets and liabilities as a reduction to net earnings in the period in which the costs are incurred.

## Capital assets

Capital assets are carried at acquisition cost less accumulated amortization. Amortization is calculated on the declining balance basis at the following annual rates:

Furniture, fixtures and equipment	20%
Computer hardware	30%

One-half the above annual rates are charged in the year of acquisition.

## Revenue recognition

Environmental handling charge (EHC) revenue is recognized in the period in which the charge is assessed by first seller members on qualifying lubricants, oils, filters, antifreeze and oil/antifreeze/DEF containers in accordance with the membership agreements with the association.

EHC revenue is recognized once it has been claimed by the registrant and there is reasonable assurance of collection.

## Return incentives

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

## Use of estimates

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods. Accounts significantly impacted by estimates in these financial statements are EHC accruals and revenue where the fees paid by customers in the current year may not be submitted by a registrant until a future year.

## 3 Investments

Investments consist of term deposits and guaranteed investment certificates with maturities in excess of three months from their acquisition date.

## 4 Capital assets

	2015			2014
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture, fixtures and equipment	67,726	47,120	20,606	25,075
Computer hardware	64,575	36,080	28,495	18,366
	132,301	83,200	49,101	43,441

## 5 Operating lease commitments

The association entered into a five year operating property lease agreement, expiring March 15, 2017 that requires monthly payments of \$4,000 for a total of \$48,000 per annum. The operating lease also requires monthly payments of occupancy costs which are estimated at \$8,200 per annum.

Operating lease payments over the next two years are expected to be as follows:

	\$
2016	56,200
2017	14,050

## 6 Return incentive and EcoCentre support cost commitments

SARRC is obligated to utilize its unrestricted net assets, in future years, to fund the Return Incentives and for the establishment of EcoCentres for the used oil, filter, antifreeze and oil/antifreeze/DEF container management program.

In 2014, SARRC entered into three-year agreements with operators of 34 EcoCentres that were established to provide no-cost, drop-off centres for used oil and antifreeze materials. These agreements require the association to pay a tiered minimum, specified in each individual agreement, per year to each of the EcoCentre operators and provide for additional payments based on used oil and antifreeze material collection volumes.

The remaining minimum operating fee commitment to the 34 EcoCentre operators over the period of the agreements is \$331,200 payable in 2016.

## 7 Net change in non-cash working capital items

	2015	2014
	\$	\$
Accrued interest receivable	2,533	2,124
Accounts receivable	110,239	(552,607)
Prepaid and deposits	10,521	(3,172)
Accounts payable and accrued liabilities	291,882	65,174
	415,175	(488,481)



## 8 Financial risk management

The association's financial assets and liabilities consist of cash and cash equivalents, accrued interest receivable, accounts receivable, and accounts payable and accrued liabilities.

Credit risk - The association, in the normal course of business, is exposed to credit risk through its accounts receivable which is primarily made up of environmental handling charges receivable. There is no significant concentration risk due to the 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 date.

Interest rate risk – Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The association's exposure to interest rate risk pertains to cash and cash equivalents, which are subject to future changes in interest rates.

Liquidity risk - Liquidity risk is the risk that the association cannot meet its financial obligations associated with financial liabilities in full. The association has reduced this risk by maintaining significant net assets that can be used to fund future liabilities. The association expects to be able to meet its financial obligations for the foreseeable future.

# SARRC Members

1196172 AB Ltd. (CBO Earthworks)  
49 North Forwarding Ltd.  
ABB Inc. (Binome - Quebec)  
Acklands-Grainger Inc.  
ADP Distributors Inc.  
AFD Petroleum Ltd.  
Affinia Canada ULC  
AGCO Corporation  
Altrom Canada Corp.  
American Grease Stick Co.  
AMSOIL Inc.  
Applied Industrial Technologies Ltd.  
Arctic Cat Sales Inc.  
Atlas Copco Compressors Canada  
ATP-Inc  
Auto-Camping Ltd.  
Aviall Canada Ltd.  
Baldwin Filters Inc.  
Baldwin Filters Inc. (DBA Hastings Filters)  
Beck/Arnley Worldparts, Inc.  
Bestbuy Distributors Ltd.  
Blue Streak-Hygrade Motor Products  
BMW Canada Inc.  
Bosch Rexroth Canada Corp.  
BOSS Lubricants  
BP Lubricants USA, Inc.  
Brandt Tractor Ltd.  
Brenntag Canada Inc.  
Bridgeview Manufacturing Inc.  
BRP  
Buhler Versatile Inc.  
Burkolly Distributors Ltd.  
Canada Safeway Limited  
Canada West Harvest Centre  
Canadian Kawasaki Motors Inc.  
Canadian Pacific Railway  
Canadian Tire Corporation, Limited  
Castrol Industrial North America Inc.  
Cervus Equipment Corporation  
CFS Cleanair Filter Service  
CG Power Systems Canada Inc.  
Chalifour Canada  
Champion Laboratories, Inc.  
Chevron Canada Limited  
Chris Page & Associates Ltd.  
CNH Industrial Canada, Ltd.

COMAIRCO LTD  
CORE-MARK International Inc.  
Costco Wholesale Canada Ltd.  
CPT Canada Power Technology Limited  
Cummins Western Canada  
Daimler Trucks Canada Ltd.  
DAS Companies, Inc.  
Davanac Inc.  
Doepker Industrial Equipment Service  
Echo Power Equipment (Canada)  
Elliott Petroleum 2014, Ltd.  
Eni USA R&M Co. Inc.  
Equipment Sales & Service (1968) Limited  
Eskimo Refrigeration Ltd.  
Failure Prevention Services  
Fastenal Canada, Ltd.  
FCA Canada Inc.  
Federated Co-operatives Limited  
Finning International Inc.  
First Filter Service Ltd  
Ford Motor Company of Canada Ltd.  
Fort Garry Industries Ltd.  
FRAM Group (Canada) Inc.  
Fuchs Lubricants Canada Ltd.  
Full-Bore Marketing Ltd.  
G.F. Thompson Co. Ltd.  
G.K. Industries Ltd.  
Gamma Sales Inc.  
Gas Drive Global LP  
Gates Canada Inc.  
GEA WestfaliaSurge, Inc.  
General Motors of Canada Company  
Gregg Distributors Co. Ltd.  
Harley-Davidson Canada LP  
Henkel Canada Corporation  
Home Depot of Canada Inc.  
Home Hardware Stores Limited  
Honda Canada Inc.  
Husky Energy Inc.  
Husqvarna Canada Corp.  
Hyundai Auto Canada Corp.  
Imperial Oil Ltd.  
Importations Thibault Ltée.  
Industrial Truck Service Ltd.  
Ironline Compression Limited Partnership  
Irving Blending & Packaging  
ITW Permatex Canada  
Jaguar Land Rover Group Canada Inc.  
John Deere Canada ULC  
Kaeser Compressors Canada Inc.  
Keystone Automotive Operations of Canada, Inc.  
Kia Canada Inc.

Kimpex Inc.  
King-O-Matic Industries Limited  
Kleen-Flo Tumbler Industries Limited  
Klondike Lubricants Corporation  
Kramer Ltd  
KTM Canada, Inc.  
Kubota Canada Ltd.  
Larry Penner Enterprises Inc.  
Larry's Transmissions Ltd.  
Laurentide Automotives Products Inc.  
Leavitt Machinery General Partnership  
Les Hall Filter Service (2013) Ltd.  
Loblaw Inc.  
Lucas Oil Products (Canada) Company  
MAHLE Aftermarket Inc. ULC  
Maxim Transportation Services Inc.  
Mazda Canada Inc.  
Mercedes-Benz Canada Inc.  
MFTA Canada Inc.  
Mid-Canada Filtration Solutions  
Midwest Sales (6195785 Manitoba Ltd.)  
Miller Supply Ltd.  
Mitsubishi Motor Sales of Canada, Inc.  
Modern Sales Co-op  
Moody's Equipment  
Mopac Auto Supply (Alberta) Ltd.  
Mopac Auto Supply Ltd.  
Motion Industries (Canada) Inc.  
Motor Coach Industries Limited  
Motovan Corporation  
National Energy Equipment Inc.  
Navistar Canada, Inc.  
NCH Canada Inc.  
NemCo Resources Ltd.  
New Flyer Industries Ltd.  
Nissan Canada Inc.  
NOCO Lubricants LP  
NORCAN Fluid Power Ltd.  
Nynas, Inc.  
Oil Mart Ltd.  
Orgill Canada Hardlines ULC  
Paccar Parts, A Division of Paccar of Canada, Ltd  
Parker Hannifin Canada  
Parkland Industries Ltd.  
Partner Technologies Inc.  
Parts Canada  
Peavey Industries Limited  
Peerless Engineering Sales Ltd.  
Pennzoil-Quaker State Canada Inc.  
Petro-Canada Lubricants Inc.  
Polaris Industries Ltd. - Canada  
Porsche Cars Canada, Ltd.

Prévost, a Division of Volvo Group Canada Inc.  
Provincial Hydraulics Inc.  
PSC-Power Source Canada Ltd.  
Radiator Specialty Company of Canada Ltd.  
Recochem Inc.  
Redhead Equipment Ltd  
Revolution ORS LP  
Robco Inc.  
Robert Bosch Inc.  
RONA Inc.  
S.W. Industrial Filter Tec Service  
Safety-Kleen Canada Inc.  
SC CLS Holdings ULC  
Sears Canada Inc.  
Shell Canada Products Ltd.  
SMS Equipment Inc., CFU West  
Southwestern Petroleum Canada Ltd.  
Spectrum Brands Canada, Inc.  
Stihl Limited  
Subaru Canada Inc.  
Suzuki Canada Inc.  
TCS Crestwood Engineering Co. Ltd.  
Texas Refinery Corp. of Canada Limited  
The North West Company Inc.  
Toyota Canada Inc.  
TruServ Canada Inc.  
TVH Canada Ltd.  
UAP Inc.  
Unique Holdings Ltd. o/a Versel  
United Chemical Services Inc.  
United Farmers of Alberta Co-operative Limited  
Univar Canada Ltd.  
Universe Satellite Sales Ltd.  
Valvoline Canada Ltd.  
Vermeer Canada Inc.  
Viscosity Oil Company  
Volkswagen Canada Inc.  
Volvo Cars of Canada Corp.  
Volvo Group Canada Inc.  
Wainbee Ltd.  
Wajax Industrial Components  
Wajax Industries Limited  
Wajax Power Systems  
Wakefield Canada Inc.  
Wallace & Carey Inc.  
Wal-Mart Canada Corp.  
Westcon Equipment & Rentals Ltd.  
Westpower Equipment Ltd.  
Worldpac Canada Inc.  
Yamaha Motor Canada Ltd.  
Yetman's Ltd.

# SARRC

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*2015 Board  
(left to right)*

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Ministry of Environment

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(left to right)

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