

2022 Annual Report



SARRRC

Saskatchewan Association
for Resource Recovery Corp.

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Background

The Saskatchewan Association for Resource Recovery Corp. (SARRC) is a non-profit corporation formed by the oil, filter, antifreeze and diesel exhaust fluid (DEF) industry in Saskatchewan to develop, implement and maintain a single, cost-effective, province-wide Used Oil, Filter, Antifreeze and Container Recycling Program. SARRC was incorporated February 12, 1996. The program, approved by the Ministry of Environment, has been widely accepted and supported by consumers, industry, environmental groups, governments and other stakeholders.

SARRC Members

Membership in SARRC is open to all first sellers of oil, oil filters, diesel exhaust fluid, diesel fuel filters or antifreeze in Saskatchewan, as defined in the Used Petroleum and Antifreeze Products Collection Regulations. As of December 31, 2022, there were 217 partner Members. Please refer to the website for the most recent Member List: <http://usedoilrecyclingsk.com/members/>.

Used Oil and Antifreeze Collection

Collection facilities serve small-volume users (do-it-yourself, farm and small-business operators) who generate 15 – 20% of the used oil and antifreeze materials in Saskatchewan. Many individuals and businesses operate used oil, filter, antifreeze and oil/antifreeze/DEF container collection facilities or collect these materials from businesses and the public. There are 128 locations, including 37 EcoCentres and 91 volunteer drop-off points, across Saskatchewan where you can drop off used oil, oil filters, antifreeze and used oil, antifreeze and DEF containers for recycling.

Used Oil, Filter, Antifreeze and Container EcoCentres

EcoCentres are additional purpose-built facilities that have opened for do-it-yourselfers, farmers and small business operators who change their own oil and antifreeze. Thirty-seven EcoCentres located province-wide are listed under collection facilities; please contact SARRC or visit our website at www.usedoilrecyclingsk.com for their locations and hours of operation.

The Needs for and Benefits of SARRC's Program

Saskatchewan businesses and residents purchase between 35 and 40 million litres of oil every year. Before the program was introduced, less than one quarter of that amount was collected and recycled. Much of the balance was being improperly discarded in fields, in ditches, down drains and on roads.

Another two to four million litres of used antifreeze are generated annually in Saskatchewan. Used antifreeze is toxic and has to be handled with care to protect the environment and ensure that humans and animals do not inadvertently ingest it.

In addition to the used oil and antifreeze generated, Saskatchewan businesses and residents generate about 2.5 million oil filters and nearly 1 million kilograms of oil/antifreeze/DEF containers annually. Before the program was introduced, most were discarded.

Dumping used oil or antifreeze materials can damage earth and water, hurting wildlife, humans and their pets.

2022 Program Results Summary

The Used Oil, Filter, Antifreeze and Container Recycling Program has achieved great success since inception in 1996.

Collected January 1 to December 31, 2022

- 0.342 million kilograms of used oil, antifreeze and diesel exhaust fluid (DEF) containers;
- 1.5 million used oil filters;
- 15.2 million litres of used oil; and
- 0.289 million litres of used antifreeze were recycled.

Collected since Program Start - Oct 1997 to Dec 2022

- 8.2 million kilograms of used oil, antifreeze and diesel exhaust fluid (DEF) containers;
- 44 million used oil filters;
- 426.8 million litres of used oil; and
- 2.3 million litres of used antifreeze since April 1, 2014 (program addition)

2022 Program Results

	Sold	Available for Collection	Amount Available	Collected	Processed	Collection Rate	Target
Oil (l)	37,437,234	67.9%	25,419,882	15,224,128		60%	80%
Antifreeze (l)	4,467,359	43.3%	1,934,366	289,926		15%	50%
Filters (kg)	886,645	100%	886,645	1,026,987	821,384	93%	80%
Filters (units)	2,214,805	100%	2,214,805	1,553,370		70%	80%
Containers (l)	19,499,898	100%	19,499,898				
Containers (kg)	911,141	100%	911,141	342,825		62%*	75%

*Note: includes 24% reuse rate

- SARRC's Used Oil, Filter, Antifreeze and Container Recycling Program promotes and facilitates the recovery of valuable, non-renewable resources.
- It protects the environment by diverting materials from landfills and inappropriate areas such as fields, ditches and water courses.
- It creates new business opportunities and new job opportunities for Saskatchewan people.
- It provides a single, comprehensive, cost-effective, sustainable and province-wide program in harmony with similar programs in British Columbia, Alberta, Manitoba, Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Nova Scotia.

Greenhouse Gas Estimates

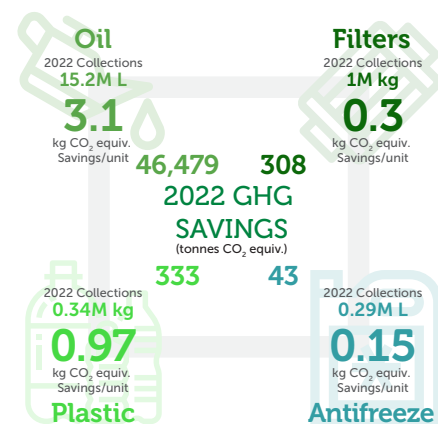
In 2022 it is estimated that SARRC's program saved 47,163 tonnes CO₂ equivalent, that's like taking about 14,449 passenger vehicles off the road or the energy used by 11,045 homes in one year.

*Based on Natural Resources Canada's greenhouse gas equivalencies calculator.

GHG Emissions Tracking

Since 2017, when SARRC started tracking greenhouse gas emissions, the program has saved over 223,900 tonnes CO₂ equivalent - that's something we can all be proud of!

Greenhouse Gas Estimates



Recycled Products

Used oil is reprocessed into re-refined lubricating oil, industrial burner fuel and other products. Used oil filters are processed into structural metal shapes for the manufacturing of industrial and agricultural products. Plastic oil/antifreeze/DEF containers are recycled into industrial posts, railroad crossings, plastic pipe and new containers. Plastic 20-litre pails are refilled with bulk lubricants or cleaned and re-used for a wide number of applications. Used antifreeze is highly recyclable, with most used antifreeze being processed into new commercial antifreeze.

Minister's message

Hon. Dana Skoropad
Minister of Environment

I would like to applaud the Saskatchewan Association for Resource Recovery Corporation (SARRC) for its efforts to ensure that used oil, oil filters, antifreeze and containers are collected and recycled in an environmentally sound and sustainable manner. This has made a significant impact on protecting the environment and the health and well-being of the people of Saskatchewan.

SARRC and its industry members are valued contributors to the success of this province's extended producer responsibility (EPR) programs – designed to provide accessible recycling services, divert large amounts of material from landfills and support the economy through innovative solutions.

Through your 25 years of program management, you have demonstrated leadership in waste reduction and resource conservation, handling over 425 million litres of oil since 1997. Congratulations on another year of successful numbers, handling over 12,000 drums of oil filters, 340,000 kg of containers and 280,000 liters of antifreeze, not to mention 15,000,000 litres of oil.

All of this work sustains the province's valuable non-renewable resources and reduces the amount of solid waste disposed of in our landfills.

Again, on behalf of its residents, the Government of Saskatchewan thanks the SARRC organization for its dedication to minimizing waste and keeping our environment healthy and safe.

I wish SARRC continued success in your recycling efforts in our province.



Message from the Chair

Rod Rosenfelt
Chairperson & Director

As the Chairperson of the Saskatchewan Association for Resource Recovery Corporation (SARRC), it is my pleasure to present to you the annual report for the last year. I am proud to report another successful year. SARRC continues to serve all our industry Members by ensuring there are opportunities to recycle and re-use used oil, antifreeze and oil filters, as well as oil, antifreeze and diesel exhaust fluid containers across our great Province.

The market for used oil and recycled high density polyethylene plastic was particularly volatile in 2022 as world events, supply chain disruptions, and changes in primary production all impacted prices. The drastic rise in fuel costs negatively impacted many of SARRC's members, prompting SARRC's Board to approve a temporary return incentive supplement to help ensure that collection continued to occur across the province. As always, the independent businesses registered as collectors with SARRC were able to adapt to market conditions and continued to collect.

SARRC exists to meet our Member's obligation to responsibly manage their products end of life. We could not be successful without our Member's support and I am truly grateful for their confidence. Moreover, I would like to extend special thanks to SARRC's staff, who keep SARRC's day to day operations running smoothly despite the turbulent times.

As I look forward to 2023 and beyond, SARRC is committed to maintaining our efforts to serve our Members, cooperating nationally with other Used Oil Management Associations to achieve common goals and continuing to make a positive impact on Saskatchewan's environment.



Executive Director's Report

Ethan Richardson

SARRC's mission is to ensure that first sellers (our Members) of oil, filters, antifreeze and oil, antifreeze and DEF containers comply with the Used Petroleum and Antifreeze Product Stewardship Regulations, and provide responsible end of life management of these products, keeping them out of our environment and landfills. To accomplish this mission, SARRC employs a free market approach, where incentives are offered so that our regulated products have a positive market value, thus encouraging private businesses to collect, process and recycle these materials.

Volatility continued to impact SARRC's operations, generators, collectors and processors of used oil, used oil filters, used antifreeze, and plastic oil, antifreeze and diesel exhaust fluid (DEF) containers in 2022. Used oil prices improved over the year; however the used HDPE plastic market that began the year strongly declined rapidly as the year progressed.

Incentives

SARRC's incentives are intended to create a stable business case for collection and processing of our materials. When market conditions change rapidly, as we have seen over the last three years, it is important to maintain a long-term view rather than react to short term variability. SARRC increased return incentives and the container processing incentive for the first time since 2017 to account for cost escalation over that period. Throughout 2022, inflation across all aspects of the economy impacted many businesses.

To assist with escalating collection costs, SARRC temporarily provided a 10% increase on return incentives for collections in August, September, and October.

Used oil, antifreeze, oil filters and containers

Though increased incentives should directly lead to increased collections in a stable market, we see from the results below (Tables 1, 2, and 3) that collections in 2022 did not keep pace with sales. Therefore, other market factors (commodity prices, labour availability, individual collector business expectations, etc) had a greater impact on collections than the incentives. Oil sales were up in 2022 compared to 2021 (4.8%) while oil collection declined 8.8%. Both antifreeze sales and collection were up slightly, while filter sales and collections remained steady.

As in previous years, the amount of oil and antifreeze available for collection is based on two reports:

- Chamard Environmental Strategies, March 2021 - An Update of the Recoverable Used Oil Rate: Reference Period 2019 Final Report; and
- Chamard Environmental Strategies, November 2019 - An Update of Antifreeze Recovery Rates: Final Report.



Proper management of antifreeze at the generator level has the potential to greatly increase recovery of antifreeze as Chamard suggested that up to 1% of oil collections may be antifreeze.

Container sales remained at about 2021 levels, but collections declined 16.4%. Collection targets were met for filters, but not for oil, antifreeze or containers. Container sales by type are summarized in Table 4.

Environmental Handling Charge

In 2022, SARRC's Members collected \$5.7 million from environmental handling fees (EHCs) on our designated products to fund our recycling efforts. Of this, about \$4.1 million was paid out as collection and processing incentives and \$0.56 million was used to fund and improve the network of 37 free public drop-off EcoCentres. Additional EcoCentre upgrades and installations are planned in 2023.

Administration and Promotion

In 2022, SARRC spent \$420,000 on program promotion. Administrative costs were 11% of the 2022 full year expenses, with \$650,000 spent on wages, office space, governance and other administrative requirements. Overall program administration costs were in line with budget.

Greenhouse Gases

SARRC's Greenhouse Gas Monitoring and Measurement Plan estimated net greenhouse gas (GHG) savings for each managed product based on existing data. GHG saving per litre or kilogram of product recycled remained the same for antifreeze, plastics and used filters, however the net saving per litre of used oil was updated to reflect the actual end use of used oil collected in 2022. As in 2021, approximately 42% of oil collected in Saskatchewan was re-used or re-processed to non-combusted products. As such, GHG savings per litre of oil was 3.1 kg of CO2 equivalent (Table 5), and materials collected by SARRC's program can be estimated to save 47,163 tonnes of CO2 equivalent. GHG estimates will continue to be refined and recalculated as data sources improve.

It continues to be a privilege to serve you, our Members, to meet the expectations of the Province of Saskatchewan government and the public, to make sure that used oil, filters, antifreeze and their plastic containers are properly managed, returned to a useful state, and kept out of landfills and the environment.



Table 1. 2022 Program Results

*Note: includes 24% reuse rate

	Sold	Available for Collection	Amount Available	Collected	Processed	Collection Rate	Target
Oil (l)	37,437,234	67.9%	25,419,882	15,224,128		60%	80%
Antifreeze (l)	4,467,359	43.3%	1,934,366	289,926		15%	50%
Filters (kg)	886,645	100%	886,645	1,026,987	821,384	93%	80%
Filters (units)	2,214,805	100%	2,214,805	1,553,370		70%	80%
Containers (l)	19,499,898	100%	19,499,898				
Containers (kg)	911,141	100%	911,141	342,825		62%*	75%

Table 2. 2021 Program Results

*Note: includes 24% reuse rate

	Sold	Available for Collection	Amount Available	Collected	Processed	Collection Rate	Target
Oil (l)	35,747,260	67.9%	24,272,390	16,697,171		69%	80%
Antifreeze (l)	3,428,513	43.3%	1,484,546	271,236		18%	50%
Filters (kg)	876,344	100%	876,344	1,026,398	820,913	94%	80%
Filters (units)	2,136,861	100%	2,136,861	1,558,570		73%	80%
Containers (l)	19,758,830	100%	19,758,830				
Containers (kg)	902,145	100%	902,145	409,863		69%*	75%

Table 3. Percent Change in Sales and Collections between 2021 and 2022

	Sales	Collection
Oil (l)	4.7%	-8.8%
Antifreeze (l)	30.3%	6.9%
Filters (kg)	1.2%	0.1%
Filters (units)	3.6%	-0.3%
Containers (l)	-1.3%	N/A
Containers (kg)	1.0%	-16.4%

Table 4. Volume and Mass of Plastic Containers Sold in 2022 by Type

	Volume (l)	Mass (kg)
Oil	15,054,381	700,548
Antifreeze	3,154,768	154,667
DEF (less than 50l containers)	1,044,977	31,349
Non-HDPE	245,771	24,577
Total	19,499,898	911,141

Table 5. Greenhouse Gas Estimates 2022

	Kg CO ₂ equiv. Savings/unit*	2021 Collections	Units	2022 GHG Savings (tonnes CO ₂ equiv.)
Oil	3.1	15,224,128	l	46,479
Filters	0.3	1,026,987	kg	308
Antifreeze	0.15	289,926	l	43
Plastic	0.97	342,825	kg	333
Total				47,163

*Net GHG savings per litre for oil is a weighted program average considering end use and collection location

Communications Highlights

Recovering. Recycling. Reusing.

In its 27 years in existence, SARRC's mandate hasn't changed and its objectives and activities continue to serve the people of Saskatchewan well by providing a single, cost-effective, province-wide used oil, filter, antifreeze, and oil, antifreeze and Diesel Exhaust Fluid (DEF) containers recovery, recycling and reuse program. SARRC's program is only as strong as the people of Saskatchewan and the awareness of local agricultural and industrial organizations to make good use of it. SARRC's awareness, promotional and communication efforts described in the following pages support its mission.

Audience

SARRC is present and serves everyone across Saskatchewan. However, some segments of the population are heavier users of its services than others. This is why SARRC's communications and promotional programs target primarily farmers, medium and small business owners/operators, do-it-yourself mechanics and all sizes of generators of used oil, antifreeze, oil filters, their containers and DEF containers.

Key Message

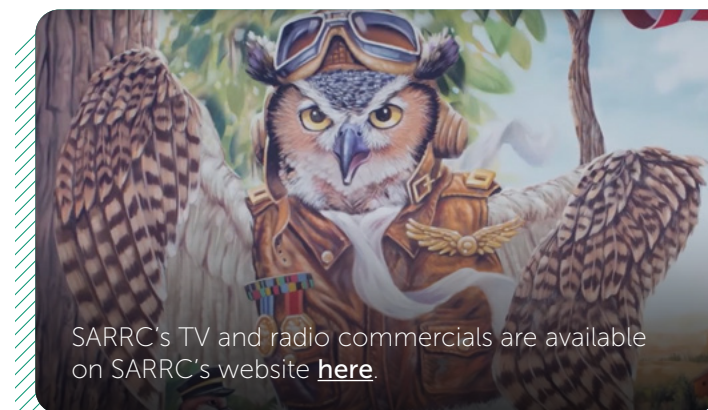
Making every drop count and ensuring that used materials can be reused continue to be SARRC's primary messages. Increasing awareness of SARRC and its members by describing the importance of the program and its services in helping protect Saskatchewan's environment remains the main objective.

Making every drop count

Paid Awareness Campaigns

SARRC published 22 ads (19 in 2021) in nine publications (seven in 2021) with a combined circulation of over 200,000.

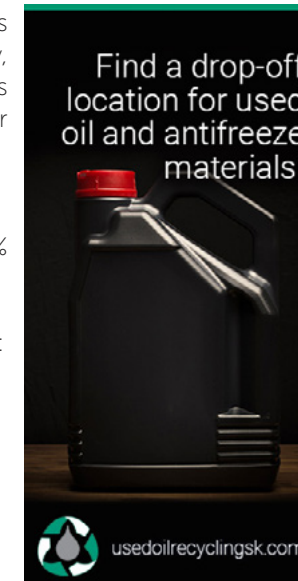
SARRC's ads rotated on TV (Saskatoon and Regina's CTV and Global channels, including public service announcements on Shaw TV) and 17 radio stations during spring and fall campaigns.



To capitalize on today's constant connectedness, SARRC made good use of Google and Facebook ads and intensified its presence on Facebook by sharing information on the program, drop-off locations, recycling process and re-use of the product. It also featured organizations with similar mandates for other products. The digital media messaging continued to be focused on the usefulness of SARRC's program in Saskatchewan people's everyday life – from spring cleaning to recreational and farming equipment readiness – and the protection of the environment and wildlife.

SARRC's paid digital campaigns continued to progress positively, increasing the number clicks compared to 2021 with a similar budget.

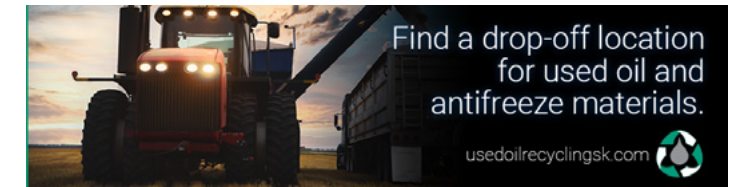
- Google search ads: 27,021 impressions – 7,372 clicks (30% clicks increase)
- Google awareness display ads: 6,423,762 impressions - 2,202 clicks
- Facebook awareness display ads: 6,287,284 impressions – 4,062 link clicks (51% clicks increase)



Organic Awareness

Using its Facebook page, website and telephone line, SARRC was able to reach a wide range of people to promote the program and assist those with questions.

SARRC's Facebook page reached 195,961 people by featuring an array of messages on the topic of used oil and antifreeze recycling education, tips, facts, Household Hazardous Waste Days reminders, safe products storage and drop-off, and celebrating the many organizations contributing to the success of this program and other recycling programs in Saskatchewan.



In 2022 SARRC's website recorded a slight decrease in visits at 28,216 compared to the all-time record 30,351 visits in 2021. However, in December 2022 the website traffic increased by 49% compared to 2021. This may be attributed to the Regina EcoCentre specific advertising campaign that ran the last month of the year and beginning of 2023 on radio, TV, Google and Facebook to promote the new location. The new Regina EcoCentre commercial on YouTube resulted in 9,707 views..

Knowledge Sharing

SARRC's executive director continued the tradition to give interviews in celebration of Earth Day and Recycling Week on CTV and Global TV, and throughout the year on radio stations shows such as CJWW's On The Air and 650 CKOM/980 CJME's Talk to the Expert. You can listen on SARRC's website [here](#).

Summer students community ambassadors made their return in 2022 and attended 13 events on behalf of SARRC such as Ag in Motion near Langham and Canada's Farm Show. However, they were not able to visit as many EcoCentres, volunteer drop-off locations and events as pre-pandemic as many communities hadn't yet brought back their summer events. In addition to the summer program, SARRC staff also participated in six events such as the SARM and SUMA conventions and the SWRC Waste ReForum to stay up to date on trends and promote its programs.

The results of SARRC's communications efforts and promotional programs demonstrates that Saskatchewan people continue to be interested and determined to recycle to protect our beautiful province.



Our Recycling Partners

217 Registered with SARRC in 2022

12317541 Canada Inc. (DBA Catalys Lubricants West)
1439174 Ontario Ltd. (DBA NLS Products)
49 North Lubricants Ltd.
A & I Products Canada Inc.
Acklands-Grainger Inc.
Advanced Coolant Tech. Inc.
Aevitas Inc.
AFD Petroleum Ltd.
AGCO Corporation
AgraCity Crop & Nutrition Ltd.
AGS Company Automotive Solutions
AMSOIL Inc.
Applied Industrial Technologies Ltd.
April Super Flo Inc.
Atlas Copco Compressors Canada
Automobile Solutions Americas Inc.
Baldwin Filters Inc.
Baldwin Filters Inc. (DBA Hastings Filters)
Beck/Arnley Worldparts, Inc.
Bestbuy Distributors Ltd.
Blue Streak-Hygrade Motor Products
BMW Canada Inc.
Boeing Distribution Canada Ltd.
Bosch Rexroth Canada Corp.
BOSS Lubricants
BP Lubricants USA, Inc.
Brandt Tractor Ltd.
Brenntag Canada Inc.
Bridgeview Fluid Solutions Inc.
BRP
Buhler Versatile Inc.
Burkolly Distributors Ltd.
Cabela's Retail Canada Inc.
Canada West Harvest Centre

Canadian Kawasaki Motors Inc.
Canadian Pacific Railway
Canadian Tire Corporation, Limited
Canadian Tire Petroleum
CFS Cleanair Filter Service
Champion Laboratories, Inc.
Chevron Canada Limited
Chris Page & Associates Ltd.
CLAAS of America Inc.
Club Car, LLC - Ingersoll Rand Industrial Technologies
CNH Industrial Canada, Ltd.
ColdFront Ltd.
COMAIRCO LTD
CORE-MARK International Inc.
Costco Wholesale Canada Ltd.
CPT Canada Power Technology Limited
Crestline Coach Ltd.
Cummins Canada ULC
Cummins Filtration
Daimler Trucks North America LLC
DAS Companies, Inc.
Davanac Inc.
Demers Ambulance Manufacturers Inc.
Dubois Chemicals Canada Inc. dba CIMCOOL Canada
Ducati Canada Inc.
Echo Power Equipment (Canada)
Elliott Petroleum 2014, Ltd.
Equipment Sales & Service (1968) Limited
Failure Prevention Services
Fastenal Canada, Ltd.
FCA Canada Inc.
Federated Co-operatives Limited
FHC Enterprises Ltd.

Finning International Inc.
First Filter Service Ltd.
Ford Motor Company of Canada Ltd.
Forest River, Inc.
Fort Garry Industries Ltd.
FRAM Group (Canada) Inc.
Fuchs Lubricants Canada Ltd.
Fuelex Energy Ltd.
G.F. Thompson Co. Ltd.
G.K. Industries Ltd.
Gamma Sales Inc.
GEA Farm Technologies Canada Inc.
General Motors of Canada Company
GFL Environmental Inc.
Gregg Distributors Co. Ltd.
Harley-Davidson Canada LP
Henkel Canada Corporation
Hino Motors Canada, Ltd.
Hitachi Energy Canada Inc.
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.
Irving Blending & Packaging
Isuzu Commercial Truck of Canada Inc.
ITW Permatex Canada
Jaguar Land Rover Group Canada Inc.
John Deere Limited
KADEX Aero Supply Ltd.
Kaeser Compressors Canada Inc.

Kalmar USA, 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
KTM Canada, Inc.
Kubota Canada Ltd.
Larry Penner Enterprises Inc.
Larry's Transmissions Ltd.
LCT Lubricants Inc.
Leavitt Machinery Canada
Les Hall Filter Service (2013) Ltd.
Loblaw Inc.
Lucas Oil Products (Canada) Company
MacDon Industries Ltd.
Mack Trucks Canada and Volvo Trucks Canada, a division of Volvo Group Canada Inc.
MANN+HUMMEL Filtration Technology US LLC
MANN+HUMMEL Purolator Filters LLC
Marsollier Petroleum Ltd.
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
Mopac Auto Supply (Alberta) Ltd.
Mopac Auto Supply Ltd.
Motion Industries (Canada) Inc.
Motor Coach Industries Limited
Motosel Industrial Group Inc.
Motovan Inc.
National Energy Equipment Inc.

Navistar Canada, Inc.
NCH Canada Inc.
NemCo Resources Ltd.
New Flyer Industries Ltd.
Nissan Canada Inc.
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 Fuel Corporation
Part Source Inc.
Parts Canada
Peavey Industries LP
Peerless Engineering Sales Ltd.
Petro-Canada Lubricants Inc.
Phillips 66 Canada Ltd.
Pièces d'Auto Transit Inc., (Les)
Polaris Industries Ltd. - Canada
Porsche Cars Canada, Ltd.
Prestone Canada
Prévost, a Division of Volvo Group Canada Inc.
Princess Auto Ltd.
Provincial Hydraulics Inc.
PSC-Power Source Canada Ltd.
PTI Transformers Inc.
Recochem Inc.
Redhead Equipment Ltd
Reesink Canada Wholesale
Robco Inc.
Robert Bosch Inc.
RONA Inc.
S.W. Industrial Filter Tec Service
Safety-Kleen Canada Inc.
SC CLS Holdings ULC (o/a Complete Lube Supply)
Shell Canada Products Ltd.
Sherwin-Williams Canada Inc.

SMS Equipment Inc., CFU West
Southwestern Petroleum Lubricants LLC
Star West Petroleum Ltd.
Startec Refrigeration Services
Stihl Limited
Subaru Canada Inc.
Suzuki Canada Inc.
TCS Crestwood Engineering Co. Ltd.
Texas Refinery Corp. of Canada Limited
Textron Off Road
The North West Company Inc.
TotalEnergies Marketing Canada Inc.
Toyota Canada Inc.
Triumph Motorcycles America
TVH Canada Ltd.
UAP Inc.
Ultra Clear Engine Fluids 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.
Vallen Canada Inc.
Valvoline Canada Ltd.
Vermeer Canada Inc.
Viscosity Oil Company
Volkswagen Canada Inc.
Volvo Cars of Canada Corp.
Wainbee Ltd.
Wajax Equipment
Wajax Industrial Components
Wakefield Canada Inc.
Wal-Mart Canada Corp.
Wallace & Carey Inc.
Westcon Equipment & Rentals Ltd.
Westpower Equipment Ltd.
Worldpac Canada Inc.
Wurth Canada Ltd.
Yamaha Motor Canada Ltd.
Yetman's Ltd.

Please refer to the website for the most recent Member List: usedoilrecyclingsk.com/members/.

Financials

2022

**Saskatchewan Association
for Resource Recovery
Corp.**

Financial Statements
December 31, 2022



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Independent Auditor's Report

To the Board of Directors of Saskatchewan Association for Resource Recovery Corp.,

Opinion

We have audited the financial statements of Saskatchewan Association for Resource Recovery Corp. (the Association), which comprise the statement of financial position as at December 31, 2022, and the statement of operations, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with ASNPO.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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.

Other Matter

The financial statements of the Association for the year ended December 31, 2021 were audited by another auditor, who expressed an unmodified opinion on those financial statements on April 4, 2022.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, 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.



Auditor's 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 auditor's 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 these 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 auditor's 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 auditor's 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.

We 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.

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
April 6, 2023

Saskatchewan Association for Resource Recovery Corp.

Statement of Financial Position

As at December 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	2,064,726	1,936,298
Investments (note 3)	2,095,614	3,294,033
Accounts receivable	1,328,424	1,352,456
Prepaid expenses	1,000	5,401
	<u>5,489,764</u>	<u>6,588,188</u>
Investments (note 3)	4,875,640	3,696,540
Capital assets (note 4)	<u>36,891</u>	<u>58,992</u>
	<u>10,402,295</u>	<u>10,343,720</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>803,758</u>	<u>747,945</u>
Net Assets		
Invested in capital assets	36,891	58,992
Internally restricted (note 5)	6,890,054	6,890,054
Unrestricted	<u>2,671,592</u>	<u>2,646,729</u>
	<u>9,598,537</u>	<u>9,595,775</u>
	<u>10,402,295</u>	<u>10,343,720</u>

Return incentive and EcoCentre support costs (note 6)

Commitments (note 7)

Approved by the Board of Directors

Bert Weichel

Director

R. H. ...

Director

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

Saskatchewan Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2022

	2022 \$	2021 \$
Revenue		
Environmental handling charges	5,726,784	5,725,244
Investment income (note 3)	40,660	200,553
Membership fees	2,397	2,000
	<u>5,769,841</u>	<u>5,927,797</u>
Expenses		
Return incentives (note 6)	4,110,731	3,955,640
EcoCentre support costs (note 6)	534,585	425,331
Wages and benefits	403,821	485,717
Public relations and promotions	363,024	331,759
Rent	86,931	92,421
Office and administration	86,206	73,337
Professional fees	64,830	68,770
Insurance	33,090	30,700
Amortization	22,101	41,461
Travel and meals	21,486	6,730
Director fees and costs	19,908	10,523
Utilities	17,417	16,340
Bank charges	2,949	2,736
	<u>5,767,079</u>	<u>5,541,465</u>
Excess of revenue over expenses for the year	<u>2,762</u>	<u>386,332</u>

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

Saskatchewan Association for Resource Recovery Corp.

Statement of Changes in Net Assets

For the year ended December 31, 2022

	2022			2021	
	Invested in capital assets \$	Internally restricted \$ (note 5)	Unrestricted \$	Total \$	Total \$
Balance – Beginning of year	58,992	6,890,054	2,646,729	9,595,775	9,209,443
Excess (deficiency) of revenue over expenses for the year	(22,101)	-	24,863	2,762	386,332
Purchase of capital assets	-	-	-	-	-
Transfers	-	-	-	-	-
Balance – End of year	36,891	6,890,054	2,671,592	9,598,537	9,595,775

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

Saskatchewan Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2022

	2022 \$	2021 \$
Cash and cash equivalents provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	2,762	386,332
Items not affecting cash		
Change in fair value of investments	108,109	(55,556)
Amortization	22,101	41,461
	132,972	372,237
Change in non-cash working capital items (note 8)	84,246	147,441
	217,218	519,678
Investing activities		
Purchase of capital assets	-	(1,359)
Purchases of investments – net	(88,790)	(154,114)
	(88,790)	(155,473)
Change in cash and cash equivalents during the year	128,428	364,205
Cash and cash equivalents – Beginning of year	1,936,298	1,572,093
Cash and cash equivalents – End of year	2,064,726	1,936,298

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

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

1 Nature of operations

The Saskatchewan Association for Resource Recovery Corp. (SARRC or the Association) 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 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 Collection Regulations. SARRC then submitted an amended plan to expand the product management program to include antifreeze and antifreeze/diesel exhaust fluid (DEF) containers, which was subsequently approved by Saskatchewan Environment in 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 (Canada).

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 cash balances with banks and term deposits that mature within three months of the date of acquisition, which are held for the purpose of meeting short-term cash commitments.

Classification of financial instruments

The Association classifies its financial instruments as follows:

- cash and cash equivalents are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method;
- 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;
- 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. Term deposits and guaranteed investment certificates are classified as current assets only when they have terms to maturity of less than 12 months;

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

- debt and equity securities and fixed income that are quoted in an active market are initially recorded and subsequently measured at fair value with realized and unrealized gains and losses recorded in investment income in the statement of operations. Debt and equity securities are classified as current assets, and fixed income is classified as a current asset only when it has a term of less than 12 months; and
- 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.

Transaction 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 a declining balance basis at the following annual rates:

Furniture, fixtures and equipment	20%
Computer hardware	30%
Software	55%

Revenue recognition

The Association follows the deferral method of accounting for revenue.

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 only recognized if 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. Completed claim forms are subject to review and approval by the Association.

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

Internal restrictions

- Contingency reserve

In 2016, the Board of Directors adopted a resolution to establish an internally restricted contingency reserve, the balance of which is to be used to fund any future operating deficits or EcoCentre support costs.

- EcoCentre reserve

In 2021, the Board of Directors adopted a resolution to establish an internally restricted EcoCentre reserve, the balance of which is to be used to reimburse any future required decommissioning reports for EcoCentres and for future EcoCentre cleanouts.

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 revenue 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

	2022 \$	2021 \$
Guaranteed investment certificates (GICs) – at amortized cost	6,300,000	6,200,000
Accrued interest receivable on GICs	42,584	25,037
Fixed income – at fair value	186,336	271,712
Debt and equity securities – at fair value	442,334	493,824
	<u>6,971,254</u>	<u>6,990,573</u>
Less: Current portion	2,095,614	3,294,033
	<u>4,875,640</u>	<u>3,696,540</u>

Investment income consists of the following:

	2022 \$	2021 \$
Interest income	136,111	133,612
Dividend income	20,116	19,075
Change in fair value of investments	(108,109)	55,556
Fees	(7,458)	(7,690)
	<u>40,660</u>	<u>200,553</u>

GICs earn interest ranging from 0.9% – 4.7% and mature in the following fiscal years:

	\$
2023	1,600,000
2024	2,600,000
2025	2,100,000

4 Capital assets

	2022		2021	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture, fixtures, and equipment	108,877	94,539	14,338	17,922
Software	75,967	64,814	11,153	24,784
Computer hardware	86,146	74,746	11,400	16,286
	<u>270,990</u>	<u>234,099</u>	<u>36,891</u>	<u>58,992</u>

5 Internally restricted

	December 31, 2021 \$	Transfer in \$	December 31, 2022 \$
Contingency reserve	6,150,054	-	6,150,054
EcoCentre reserve	740,000	-	740,000
	<u>6,890,054</u>	<u>-</u>	<u>6,890,054</u>

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

6 Return incentive and EcoCentre support costs

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

The Association entered into five-year agreements, expiring January 1, 2027, with operators of 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 should used oil and antifreeze material collection volumes exceed certain base levels.

The minimum annual operating fee commitment to the 36 EcoCentre operators over the period of the agreements is estimated to be \$402,900 per annum over the next four years.

7 Commitments

On January 7, 2022, the Association entered into a five-year operating property lease agreement that commences March 1, 2022, expiring February 28, 2027, that requires monthly payments of \$6,029 for a total of \$72,348 per annum. The operating lease also requires monthly payments of occupancy costs, which are estimated to be \$13,485 per annum.

The Association has entered into other agreements related to software maintenance, support, and consulting.

The aggregate minimum annual commitments under these agreements are estimated to be as follows:

	\$
2023	148,033
2024	112,757
2025	89,706
2026	89,706
2027	18,171
Thereafter	1,610

Saskatchewan Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2022

8 Net change in non-cash working capital items

	2022 \$	2021 \$
Prepaid expenses	4,401	599
Accounts receivable	24,032	56,994
Accounts payable and accrued liabilities	55,813	89,848
	<u>84,246</u>	<u>147,441</u>

9 Financial risk management

Credit risk

The Association, in the normal course of business, is exposed to credit risk through its cash and cash equivalents and accounts receivable. The Association's cash and cash equivalents are maintained at major financial institutions; therefore, the Association considers the risk of non-performance of these instruments to be remote. There is no significant concentration risk on accounts receivable 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 statement of financial position date.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fixed interest instruments subject the Association to fair value risk, while floating rate instruments subject it to cash flow risk. The Association's exposure to interest rate risk pertains to cash and cash equivalents and guaranteed investment certificates.

Market risk

The Association has exposure to credit risk, price risk, currency risk and interest rate risk on its investments in debt and equity securities, since the fair value of future cash flows may fluctuate because of changes in market price, currency exchange rates and interest rates whether these changes are caused by factors specific to the investments or factors affecting all similar financial instruments traded in the market.

Liquidity risk

Liquidity risk is the risk the Association cannot meet its financial obligations associated with financial liabilities in full. The Association has addressed this risk by maintaining a sufficient working capital position that can be used to settle accounts payable and accrued liabilities and future commitments. The Association expects to be able to meet its financial obligations for the foreseeable future.

Staff



BRAD KALMAN
PROGRAM OPERATIONS
MANAGER



ETHAN RICHARDSON
EXECUTIVE
DIRECTOR



JOLENE ISAAC
ADMINISTRATIVE
SERVICES
MANAGER



MICHELLE SNIDER
ADMINISTRATIVE
ASSISTANT

Board of Directors



S. BRIAN AHEARN
DIRECTOR
CANADIAN FUELS
ASSOCIATION



KYLA CLINCKE
ADVISOR
SASKATCHEWAN
MINISTRY OF
ENVIRONMENT



JERRY COBEN
DIRECTOR
FEDERATED
CO-OPERATIVES LTD.
(RETIRED)



RANDY DONAUER
DIRECTOR
SASKATCHEWAN
URBAN MUNICIPALITIES
ASSOCIATION



JARET MCMILLAN
DIRECTOR
FEDERATED
CO-OPERATIVES LTD.



NORM NORDGULEN
DIRECTOR
SASKATCHEWAN
ASSOC. OF RURAL
MUNICIPALITIES

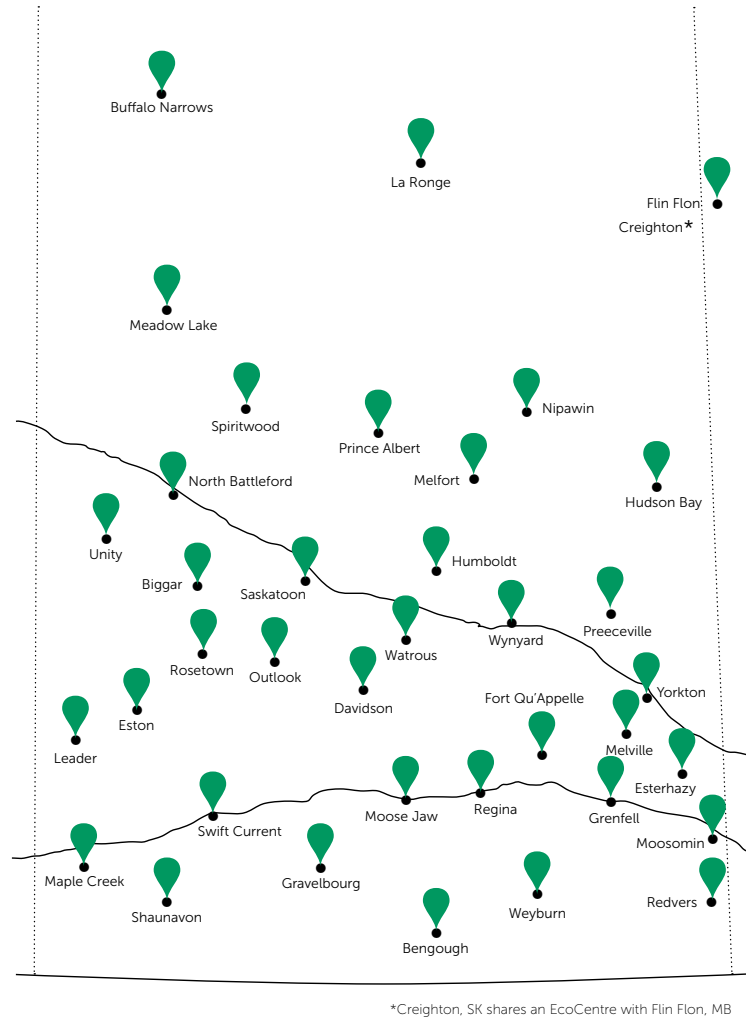


ROD ROSENFELT
CHAIR AND DIRECTOR
BALDWIN FILTERS
(RETIRED)



BERT WEICHEL
SECRETARY/TREASURER
& DIRECTOR
JOHNSON AND
WEICHEL
CONSULTANTS

Eco Centres



*Creighton, SK shares an EcoCentre with Flin Flon, MB

Volunteer Drop-Off Points



*Creighton, SK shares an EcoCentre with Flin Flon, MB

37 Year-Round EcoCentres

Canada continues to pay more and more attention to the proper end-of-life management of products we use on a daily basis. The Federal government developed a Canada-wide Strategy for Zero Plastic Waste, and society continues to want to know how, where and when products collected for recycling are remade into useful items as part of the circular economy. The 37 EcoCentres are here to help all of us do our part.



91 Year-Round Volunteer Drop-Off Points

Protecting and caring for the environment is not a fad. It is what is expected by everyone. SARRC's programs and activities contribute to making this expectation a reality across the province.





SARRC
Saskatchewan Association
for Resource Recovery Corp.

SARRC Office

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