



OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA

Ministry of Environment  
Attention: Director, Extended Producer Responsibility Programs  
PO Box 9341, STN PROV GOVT  
Victoria, BC V8W 9M1

Via Email: [ExtendedProducerResponsibility@gov.bc.ca](mailto:ExtendedProducerResponsibility@gov.bc.ca)

June 30, 2017

Dear Director:

**Re: 2016 OPEIC Annual Report**

Pursuant to the British Columbia Recycling Regulation, 449/2004, issued under the Environmental Management Act (O.C. 995/2004), please find attached the Outdoor Power Equipment Institute of Canada's 2016 annual report for the OPEIC program for electric outdoor power equipment for the period January 1, 2016 through December 31, 2016.

Please provide confirmation of receipt. We will also be posting the report on OPEIC's website as per the Regulation.

If you have any questions regarding this report, please contact me at (778) 331-6968 or [mannie@productcare.org](mailto:mannie@productcare.org).

Yours truly,

**Mannie Cheung**  
Vice-President, Operations  
Product Care Association

On behalf of  
Michael Ross, Director of Standards  
Outdoor Power Equipment Institute of Canada

cc. [Bob.McDonald@gov.bc.ca](mailto:Bob.McDonald@gov.bc.ca)  
[Meegan.Armstrong@gov.bc.ca](mailto:Meegan.Armstrong@gov.bc.ca)

# **Outdoor Power Equipment Institute of Canada (OPEIC)**

## **Annual Report to the Director 2016**

**Submitted to: Director, Extended Producer Responsibility Programs  
PO Box 9341, STN PROV GOVT  
Victoria, BC V8W 9M1**

**Submitted by: Michael Ross, Director of Standards  
Outdoor Power Equipment Institute of Canada (OPEIC)  
130 Adelaide Street West, Suite 701  
Toronto, ON, M5H 2K4  
(703) 549-7600  
(778) 331-6968  
[mross@opei.org](mailto:mross@opei.org)  
[www.opeic.ca](http://www.opeic.ca)**

**June 30, 2017**

## Table of Contents

1. Executive Summary.....	3
2. Program Outline.....	5
3. Public Education Strategies.....	5
4. Collection System and Facilities.....	8
5. Product Environmental Impact Reduction, Reusability and Recyclability .....	9
6. Pollution Prevention Hierarchy and Product / Component Management.....	10
7. Products Sold and Collected .....	11
8. Revenues and Expenditures.....	13
9. Plan Performance.....	15
APPENDIX A. Educational Materials.....	16
APPENDIX B. OPEIC 2016 Collection Sites.....	17
APPENDIX C. Breakdown of OPEIC Collection Sites by Regional District.....	21
APPENDIX D. OPEIC 2016 Financial Statements .....	22
APPENDIX E. Third Party Assurance Statement for Non-Financial Information.....	36

# 1. Executive Summary

The product stewardship program (“Program”) for electric outdoor power equipment (EOPE) is managed by the Outdoor Power Equipment Institute of Canada (OPEIC). The Program launched on July 1, 2012 and this report covers the period of January 1 to December 31, 2016.

<b>Products within Plan</b>	Electric outdoor power equipment, categorized into four groups: hand-held, walk-behind, free-standing and lawn tractors.
<b>Program Website</b>	<a href="http://www.opeic.ca">www.opeic.ca</a>

Recycling Regulation Reference	Topic	Summary
Part 2, section 8(2)(a)	Public Education Materials and Strategies	<ul style="list-style-type: none"> <li>• Maintained easy-to-use website <a href="http://www.opeic.ca">www.opeic.ca</a> with an up-to-date Collection Site locator tool.</li> <li>• Renewed contract with Recycling Council of BC (RCBC) for hotline, website and Recyclepedia services.</li> <li>• Continued membership with the Stewardship Agencies of BC (SABC).</li> <li>• Ran a 11 week radio campaign through country radio station JR-FM, featuring 141 30-second radio spots, 15-second online audio pre-rolls, JR-FM homepage featuring, and digital display ads.</li> <li>• Distributed OPEIC promotional materials (rack cards) on request.</li> <li>• Participated in 60 community events.</li> </ul>
Part 2, section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> <li>• OPEIC collection sites are located at metal recycling facilities, depots, local government sites and retailers of electric outdoor power equipment.</li> <li>• The number of contracted collection sites increased from 119 in 2015, to 122 in 2016. The Program established contracts with five additional collection sites. (Note: One collection site closed and the Program identified a site that had been recorded twice, resulting in one entry being deleted.<sup>1</sup>)</li> <li>• Consumers can drop-off their broken or old electric outdoor power equipment at OPEIC sites at no charge.</li> </ul>

<sup>1</sup> One collection site switched owners in 2016, but a new contract has not been finalized and therefore the site was not included in the total count of collection sites.

Recycling Regulation Reference	Topic	Summary
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> <li>• Producers maximize the use of materials that can be recycled and reused.</li> <li>• Producers optimize product design to reduce the materials used, reducing product weight, material content and product volume.</li> <li>• Product designs eliminate, wherever possible, the use of hazardous substances, replacing them with non-hazardous materials that can be reprocessed and reused.</li> <li>• Supply chain initiatives include the use of returnable-reusable packaging for components from suppliers.</li> </ul>
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> <li>• At OPEIC collection sites, EOPE is combined with other metal accumulated on-site, which is then eventually sold to a larger metal recycler.</li> <li>• Metals are the primary commodities recovered from EOPE</li> <li>• The metals in EOPE are primarily steel, aluminum and copper</li> <li>• The shredders successfully extract approximately 99% of the metal. This material is then shipped to smelters and formed into ingots for reuse.</li> </ul>
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> <li>• Program participants reported 162,230 units of EOPE were sold between January 1 and December 31, 2016.</li> <li>• In 2016, 10 metal recycling facilities were sampled for EOPE. These sampling studies were conducted to estimate the quantity of EOPE that is managed through the scrap metal system as part of the program’s collection system, as per the approved Program.</li> <li>• 2016 sampling studies showed that approximately 0.15% of the sampled material was EOPE.</li> </ul>
Part 2, section 8(2)(e.1)		<ul style="list-style-type: none"> <li>• Given the structure of the collection system, the approved Program committed to providing collection volumes Province-wide, and not by regional district.</li> </ul>
Part 2, section 8(2)(f)	Summary of Deposits, Refunds, Revenues and Expenses	<ul style="list-style-type: none"> <li>• The Program management costs are funded by environmental handling fees (EHF) applied at the sale of EOPE in BC.</li> <li>• Retailers may choose to build the EHF into the product’s price or display it as a separate charge to consumers, at point of sale.</li> <li>• See Appendix D for the independent financial audit for the reporting year.</li> </ul>

## 2. Program Outline

The Outdoor Power Equipment Institute of Canada (OPEIC) has developed and implemented a stewardship program (“Program”) for electric outdoor power equipment (EOPE) in BC pursuant to the OPEIC Program Plan (“Program Plan”). It was approved by the BC Ministry of Environment under the *BC Recycling Regulation* (BC Reg. 449/2004) (“Regulation”) on April 20, 2012 and covers the period July 1, 2012 to December 31, 2017. EOPE is included in Article 2(1) of Schedule 3 of the Regulation (“Electronic and Electrical Product Category”) and includes items such as electric snow blowers, electric lawn mowers and other electric gardening tools. Under the Program, these products have been categorized into four groups of EOPE: hand-held, walk-behind, free-standing and lawn tractors.

OPEIC is a Canadian federal non-profit organization under Part 2 of the *Canada Corporations Act* that was formed as the legal entity to govern the OPE stewardship program. As of December, 2016, the Program had 48 participants who represented the majority of the electric outdoor power equipment EOPE market in British Columbia. Participants included manufacturers, distributors and dealers. Product Care Association (PCA) continues to be engaged as Program Manager by OPEIC.

OPEIC’s collection network spans the Province, providing convenient drop-off locations, including: retailers, local government facilities, private metal recycling facilities and recycling depots. Consumers can drop-off their electric outdoor power equipment at any of the 122 contracted collection sites, without charge. OPEIC has taken an environmentally-conscious, non-conventional approach to EOPE collection. Unlike traditional stewardship programs where a new and separate collection system is developed to divert products from the waste stream, the Program utilizes the existing collection and transportation network operated by the metal recycling industry

The OPEIC’s website ([www.opeic.ca](http://www.opeic.ca)) offers an up-to-date collection site locator that provides listings of the current collection facilities. The website also outlines the OPEIC’s policies for participants and program information for consumers and retailers.

## 3. Public Education Strategies

Consumer awareness of the Program was pursued through an ongoing engagement strategy with key stakeholder groups, such as consumers, collection sites, municipalities and retailers. The following is a summary of the public education and promotion strategies employed in 2016.

### **Consumer Communications**

Collection site information and updates were regularly posted to OPEIC’s easy-to-use, dedicated Program website ([www.opeic.ca](http://www.opeic.ca)). Through this portal, consumers and other stakeholders were able to ask questions and submit comments to the Program, while learning about accepted products and finding the nearest collection site via a custom, geography-based collection site locator tool. The OPEIC website includes a general information email address ([info@opeic.ca](mailto:info@opeic.ca)), a consumer inquiry toll-free phone number

(1-877-592-2972 ext. 364), and a list of frequently asked questions. Staff of OPEIC's program manager (Product Care Association) responded to consumer phone calls and email inquiries throughout the year.

OPEIC.ca saw 4,995 unique visitors and 13,242 page views in 2016; an increase in pages views of 72.06% over 2015. The largest category of OPEIC website users in 2016 were new visitors to the site (72.8%), suggesting that new consumers are learning about the Program and exploring recycling options for EOPE.

In addition, OPEIC continued to contract with RCBC to provide consumer support through its Hotline and Recyclepedia applications. RCBC is a trusted public information resource used by consumers to learn about the recycling options available in their community. RCBC hotline staff were trained on key messaging about the Program and were provided with an OPEIC-specific script. Recyclepedia is a free downloadable application for Android and iOS that directs consumers to recycling solutions based on geography and product type. Between January 1, 2016 and December 31, 2016, Product Care and RCBC collectively answered 1,618 phone, email, and app consumer inquiries on products included in the OPEIC Program.

OPEIC also continued its participation in the Stewardship Agencies of British Columbia (SABC), a consortium of stewardship programs in the Province connected by a mandate to simplify the consumer experience of recycling. SABC's consumer-oriented information platform "BCRecycles.ca" is a one-stop resource for detailed information on all materials that can be recycled in British Columbia. BCRecycles.ca includes a comprehensive collection site locator tool, a downloadable recycling handbook and contact information for the OPEIC Program.

### **Advertising**

The Program ran an 11 week radio campaign through country radio station JR-FM. This campaign featured 141 thirty second radio spots featuring a "Product of the Week" for recycling, fifteen second online audio pre-rolls, JR-FM homepage featuring, and digital display ads that (alone) grossed 40,000 impressions. The radio station has 422,000 loyal weekly listeners and 56,000 e-news subscribers. See Appendix 1 for advertising examples.

### **Marketing Materials**

OPEIC promotional materials were distributed, on request, to Program stakeholders. All stakeholders were able to re-order promotional materials free of charge by emailing or by phoning in an order. Digital files of the Program rack cards and FAQ sheets were also made available online to download free of charge.

### **Event Presence**

OPEIC pursued a comprehensive program of event marketing in order to facilitate face-to-face consumer engagement and target key communities. In the spring and summer of 2016, OPEIC participated in 60 third party events (see Table 1), exceeding Program's 2016 goal of 15 events by 75%. Events included the Abbotsford Air Show, Cloverdale Rodeo, several Vancouver Farmer's markets and the Vancouver Pride

Parade, exposing the Program to approximately 2.2 million potential recyclers through promotional exposure, advertising, and direct engagement.

New branded event materials were created to support direct engagement program events, including giveaway items like frisbees and tape measures.

**Table 1: OPEIC 2016 Event Schedule**

EVENT	DATE(S)
Kamloops Green Living Expo	April 30
Pauline Johnson Kids Club Presentation	May 5
Port Coquitlam May Days	May 7
LINC Presentation	May 11
LINC Presentation	May 12
Burnaby Farmers Market	May 14
Ambleside Farmers Market	May 15
LINC Presentation	May 18
Cloverdale Rodeo	May 19-23
Swiftsure Market	May 27-29
Blueridge Elementary Presentations	June 1
LINC Presentation	June 2
Vancouver Landfill Open House	June 3 - 4
LINC Presentation	June 7
LINC Presentation	June 8
LINC Presentation	June 9
Regional Recycling Open House	June 11
Southpointe Academy Presentation	June 14
Maple Ridge RONA	June 15
South Park Elementary Presentation	June 16
Lougheed Town Centre London Drugs	June 17
Family Fishing Day	June 18
Main St Car Free Days	June 19
Nanaimo London Drugs	June 22
Sidney Street Market	June 23
Downtown Victoria Bottle Depot	June 23
Victoria London Drugs	June 24
Kelowna RONA	June 30
Kelowna Canada Day	July 1
West Kelowna Westside Daze	July 2
Vernon Home Building Centre	July 3
Vernon Farmers Market	July 4

Kelowna London Drugs	July 6
Khatsalano Street Party	July 9
Surrey Farmers Market	July 13
Hillcrest Kids Camp	July 14
Burns Bog Kids Camp	July 14
Trout Lake Summer Camp	July 15
Pauline Johnson Kids Camp	July 15
Canadian Tire Grandview	July 19
RONA Coquitlam	July 21
Freezie Friday	July 22
Pear Tree Summer Camp	July 22
New Westminster Uptown Live	July 23
Jog for the Bog	July 24
Sunset Community Centre	July 27
Burns Bog Kids Camp	July 28
Davie St Block Party	July 29
Vancouver Pride	July 31
Tsawwassen Sun Fest	August 1
Lonsdale Quay Market	August 6
Hillcrest Kids Camp	August 9
Abbotsford Airshow	August 12-14
Kwantlen Market Richmond	August 16
Marpole Community Camp	August 16
Granville Day Camp	August 17
Tsawwassen Farmers Market	August 19
Vancouver Mural Festival	August 20
North Delta Farmers Market	August 21
PNE at Playland	August 25

#### 4. Collection System and Facilities

OPEIC contracts with existing collection sites to create a network that provides year-round recycling options for consumers wishing to return their broken or unwanted EOPE at no charge. OPEIC has taken a market-driven approach in establishing the network by partnering with the national association for metal recyclers, Canadian Association of Recycling Industries (CARI), and contracting directly with CARI's members. CARI members are ideal return collection sites for EOPE because they have an established system in BC, have long collected and processed these types of materials, apply environmentally-appropriate processes for managing these materials, in accordance with a set of Guiding Principles that include a commitment to comply with all legal requirements that affect their operations and products.<sup>2</sup>

---

<sup>2</sup> CARI's Guiding Principles available at <https://cari-acir.org/privacy-regulations/> (Accessed April 4, 2017).

To further expand access, OPEIC contracted with other collection sites, including other metal recycling facilities, local government facilities, recycling depots and return-to-retail locations.

By December 31, 2016, the OPEIC collection network consisted of 122 contracted collection sites (see Appendix B for a list of all of the OPEIC collection sites contracted in 2016 and Appendix C for a breakdown of collection sites by regional district.) OPEIC continues to work towards establishing collection sites in underserved areas. Table 2 provides a breakdown of the different types of collection sites across the Province.

**Table 2: OPEIC Collection Sites by Type 2015 & 2016**

Type of Collection Site	# in 2015	# in 2016
Metal Recycling Facility	58	60
Local Government Facility	31	32
Recycling Depot	23	23
Retailer	7	7
<b>Total</b>	<b>119</b>	<b>122</b>

In 2016, OPEIC expanded its collection efforts by participating in collection events organized in collaboration with local governments. OPEIC participated in three collection events in 2016 (see list in Table 3).

**Table 3: OPEIC 2016 Event Schedule**

Event	Date
Golden	May 15
Sicamous	September 10
Nakusp	September 10

## 5. Product Environmental Impact Reduction, Reusability and Recyclability

The following is a summary of the efforts by producers to reduce the environmental impact associated with the production, and end-of-life processing of EOPE. Recycling efforts save energy, as materials recovered can be used to create new useful products, ultimately reducing the energy demands associated with the extraction and processing of new raw material.

### Product Design

Product design influences the durability and reliability of products, which has a direct impact on the life of a product and end-of-life management options. Producers optimize product design to reduce the materials used, which in turn reduces product weight, material content and product volume. Specifically, producers conduct analyses on the use of plastics and other materials in the design and manufacture of EOPE; maximizing the use of materials that can be recycled and reused.

Product design eliminates, wherever possible, the use of hazardous substances, replacing them with non-hazardous materials that can be reprocessed and reused.

Producers also work to reduce the environmental impact associated with product packaging waste. Trends include the reduction in packaging weight and volume, more efficient use of packaging materials, the use of recycled content and recyclable materials.

### **Manufacturing Processes**

Producers have ongoing initiatives to reduce waste associated with the manufacturing of products. These include the collection, recycling, and reuse of remnant ferrous and non-ferrous metals that result from the manufacture of components. Other waste materials that can be recovered and recycled during the manufacturing process for productive uses, including plastic, corrugated and paper materials, are collected for re-processing and alternate uses.

Supply chain initiatives include the use of returnable-reusable packaging for components from suppliers. Suppliers are encouraged to locate support operations in close proximity to manufacturing operations, thereby reducing transportation-related energy use in the delivery of components.

Producers seek to reduce water use in water-dependent manufacturing processes through improved process efficiencies. Initiatives include the treatment and reuse of process water to reduce total needs.

### **Greenhouse Gas Emissions**

The estimated greenhouse gas (GHG) impact of the recycling of outdoor power equipment was calculated using a GHG emission inventory tool developed specifically for OPEIC by a third party based on national and internationally recognized reference protocols and standards. Based on the limited available information from downstream processors and the numerous assumptions that had to be made to determine the GHG impact, the final GHG emission numbers are accurate to only one significant digit. The GHG emissions for 2016 were estimated based on these calculations, to be 1000 tonnes of equivalent carbon dioxide (CO<sub>2</sub>e). This value is estimated based on 2 tonnes of CO<sub>2</sub>e generated per tonne of material managed.

## **6. Pollution Prevention Hierarchy and Product / Component Management**

The following information is based on the understanding of the free market system obtained from conversations with industry representatives and downstream processors. No further due diligence was performed on the information in terms of site visits or other investigations and therefore there is some degree of uncertainty surrounding the end fate of the products.

## Recycling Processes

EOPE includes, amongst others, electric lawn mowers, electric snow blowers and electric garden equipment. They can be battery powered (primarily lithium ion and some lead-acid), or plugged-in electric-powered. Metals and plastics are the primary commodities recovered from EOPE. Metals are divided into two primary classifications: ferrous metals (constituting about 90% of the metal waste stream) that can be sorted through electromagnetic separation, and non-ferrous metals (representing approximately 10% of total metals). Ferrous metals include mainly steel and cast iron; non-ferrous metals include aluminum, lead, copper, nickel and zinc. The metals in EOPE are primarily steel, aluminum and copper.

A description of the recycling stream of these OPEIC products provided by a Canadian Association of Recycling Industries (CARI) spokesman explains that individuals and commercial entities typically deliver EOPE to a contracted collection site either loose or in a bin. The collected EOPE is combined with other metal accumulated on-site, which is then sold to a larger metal recycler, usually a member of CARI, who processes the majority of metal-bearing products collected in BC for recycling. All CARI facilities follow a set of Guiding Principles<sup>3</sup> that include a commitment to comply with all legal requirements that affect their operations and products to ensure proper recycling methods are employed.

Once sold to a larger metal recycler, the EOPE products are sorted by commodity and loaded into bins or baled on-site. EOPE material is sent to a shredder due to the high cost of dismantling by hand or with other tools. Most EOPE is usually shredded here in BC, but can also be barged or trucked to a nearby facility in Tacoma, Washington State. After shredding, the resulting material is sorted into ferrous metal, non-ferrous metal and waste material (plastics, fabrics, etc.). According to information provided by metal processors, the shredders successfully pull out approximately 99% of the metal. The metals are then loaded onto a ship for a destination market (i.e. Southeast Asia), or domestic market (i.e. a steel mill in Oregon) where the processed material is melted into other steel products. Shredder residue left over from the shredding operation contains plastic mixed with other non-metallic materials. This left over shredder material has traditionally been securely landfilled, as it is deemed contaminated and not recyclable.

## 7. Products Sold and Collected

Table 4 displays the number of units of EOPE sold in BC in 2016, as reported by OPEIC participants. EOPE products are broken down into four categories: hand-held (e.g. chain saws, hedge trimmers), walk-behind (e.g. lawn mowers, snow throwers), free-standing (e.g. mulchers, pressure washers) and lawn tractors.

---

<sup>3</sup> CARI's Guiding Principles available at <https://cari-acir.org/privacy-regulations/> (Accessed April 4, 2017).

**Table 4: Total Units of Electric Outdoor Power Equipment Sold in BC in 2016**

OPE Category	Total Amount of Sales in Units
Hand-Held OPE	107,547
Walk-Behind OPE	25,975
Free-Standing OPE	28,476
Lawn Tractors	232
<b>Total</b>	<b>162,230</b>

It is not economically feasible to segregate EOPE from the mixed-stream of recycled metal products and provide discrete collection volumes. EOPE is recycled through the CARI network of existing private metal recycling facilities. These facilities manage various types of scrap metal obtained from a range of products.

To estimate the quantity of EOPE managed through the scrap metal system, OPEIC's Program Plan commits to conduct sampling studies. It is OPEIC's experience and understanding that the vast majority of scrap metal recycled in BC moves through seven CARI member companies. These seven companies represent nineteen collection sites, of which ten were selected as sampling sites for four sampling events in 2016 (May, August, September, and November/December). Initial selection of these locations was based on the specific amenities of each site, the ability to safely complete sampling and geographic location. Table 5 lists the metal recycling facilities where the four sampling events were conducted in 2016.

**Table 5: 2016 Sampling Locations**

OPEIC Sampling Site	Site Address	City
ABC Metals Recycling	8081 Meadow Ave	Burnaby
ABC Metals Recycling	4318 Terminal Place	Campbell River
Davis Trading & Supply Ltd.	1100 Grant Street	Vancouver
Richmond Steel Recycling	11760 Mitchell Road	Richmond
Rypac Aluminum Recycling Ltd.	11849 Tannery Road	Surrey
Schnitzer Steel Pacific Recycling	5551 Duncan Bay Road	Campbell River
Schnitzer Steel Pacific Recycling	13271 Trans Canada Hwy	Cassidy
Schnitzer Steel Pacific Recycling (became Coast Environmental as of July 2016)	3015 Boys Road	Duncan
Schnitzer Steel Pacific Recycling	307 David Street	Victoria
Schnitzer Steel Pacific Recycling	12301 Musqueam Dr.	Surrey

While all sampling locations were within the Lower Mainland and Vancouver Island, these locations also received materials from smaller scrap metal collectors located in other jurisdictions.

Sampling focused on recycling streams identified by CARI to most likely contain EOPE products: tin<sup>4</sup>, electric motors (ELMO)<sup>5</sup>, aluminum<sup>6</sup> and breakage<sup>7</sup>, heavy steel<sup>8</sup> and stainless steel<sup>9</sup>. The results of the sampling events found approximately 0.15% of the sampled material was derived from EOPE. This result was based on the inclusion of weights for all sampled material (i.e., in some instances, OPEIC was not able to get an actual weight on a sample pile and had to estimate the weight)<sup>10</sup>.

The percentage of sampled material identified as EOPE product has remained relatively constant over the past two years. Table 6 provides a comparison of the percentages of sampled material identified as EOPE in 2015 and 2016.

**Table 6: Percentage of Sampled Material that was Electric Outdoor Power Equipment**

Year	Percentage (%)
2012	0.20% <sup>11</sup>
2013	0.12%
2014	0.17%
2015	0.18
2016	0.15

## 8. Revenues and Expenditures

A summary of Program revenues and expenditures is provided in OPEIC’s audited financial statements found in Appendix D.

The Program is funded through environmental handling fees (EHFs), which are remitted to OPEIC by Program participants based on their volume of sales of new EOPE in British Columbia. The EHF rates were set by OPEIC in consultation with industry and retailers. In some cases, retailers recover the EHFs from consumers as a separate fee. Program revenues are applied to the management cost of the program, including education, outreach and administration.

Following an in-depth review of both product sales patterns and Program expenses in 2016, OPEIC concluded that a fee reduction was warranted. Table 7 provides the EHF rates for Program Products

<sup>4</sup> Tin: lower grade ferrous metal, typically steel with various non-ferrous metals or other contaminants, to be shredded for magnetic and eddy current sorting.

<sup>5</sup> ELMO: mixed electric motors, whole or dismantled with primarily copper windings but may contain aluminum windings.

<sup>6</sup> Aluminum: cast, clean, light dirty and heavy dirty grades; dirty implies a greater percentage of iron and other metal contaminants.

<sup>7</sup> Breakage: aluminum and copper with miscellaneous contaminants like iron, dirt and plastic.

<sup>8</sup> Heavy steel: recyclable steel and wrought iron.

<sup>9</sup> Stainless steel: steel alloy that contains chromium and sometimes another element (such as nickel or molybdenum) that makes the steel practically immune to rusting and ordinary corrosion.

<sup>10</sup> Sampled piles with an estimated weight of more than 100,000lbs were excluded from the total material sampled on the basis that the pile was too large to estimate with any degree of confidence.

<sup>11</sup> Note that for 2012, only one sampling event was conducted in November 2012, as the Program started in July 2012.

before and after the EHF adjustment on October 1, 2016. This was the first EHF adjustment since the beginning of the Program in July 2012.

**Table 7: Environmental Handling Fees for Electric Outdoor Power Equipment**

<b>Product Category</b>	<b>EHF Per Unit up to September 30, 2016</b>	<b>New EHF as of October 1, 2016</b>
Hand-Held EOPE	\$ 2.50	\$2.00
Walk-Behind EOPE	\$ 10.00	\$8.00
Free-Standing EOPE	\$ 7.70	\$4.50
Lawn Tractors	\$40.00	\$16.00

## 9. Plan Performance

Table 8 is a comparison of the Program’s performance to the targets stated in the approved Program Plan.

**Table 8: Comparison of Key Performance Targets**

<b>Comparison of Key Performance Targets Part 2 section 8(2)(g)</b>		
<b>Program Plan Targets</b>	<b>2016 Performance</b>	<b>Strategies for Improvement</b>
<b>Consumer Awareness</b>		
Consumer awareness level of 35% in 2015.	<b>Target Exceeded:</b> 49% of British Columbians stated they were aware of a recycling program in BC for electric outdoor power equipment in 2015.	n/a
<b>Collection System</b>		
Contract with 120 return collection sites across BC by the end of 2015.	<b>Target Exceeded:</b> OPEIC had 122 contracted collection sites by the end of 2016.	OPEIC will continue to expand the network and fill collection site gaps where applicable.
Accessibility level of 90% of the population with access to a collection site by the end of 2015.	<b>Target Exceeded:</b> 97% of the BC population had access to a collection site in 2015.	n/a

## APPENDIX A. Educational Materials

OPEIC Rack Card – Front (left) and Back (right):



The front of the rack card features a dark green background with various illustrations of outdoor power equipment including a lawnmower, chainsaw, trimmer, and pressure washer. The text is in a light green, sans-serif font.

**It's easy to  
recycle your  
outdoor  
power  
equipment!**

  
OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA

Find your nearest drop-off location!  
1-800-667-4321 | [www.opec.ca](http://www.opec.ca)



The back of the rack card has a light yellow background. It includes illustrations of a chainsaw and a lawnmower. The text is in a dark green, sans-serif font.

The Outdoor Power Institute of Canada (OPEIC) proudly offers a non-profit, easy to use recycling solution for outdoor power equipment such as lawn mowers, grass trimmers and pressure washers.

OPEIC has a wide network of recycling drop-off locations across B.C. where you can recycle your old or broken electronic outdoor power equipment. OPEIC drop-off locations are accessible and convenient.

To find a drop off location nearest to you, enter your address at [OPEIC.ca](http://OPEIC.ca)

  
OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA

[www.opec.ca](http://www.opec.ca) | 1-800-667-4321 (Toll Free)  
604-732-9253 (Lower Mainland)

## APPENDIX B. OPEIC 2016 Collection Sites

Collection Site Name	City	Regional District
Ahousaht Transfer Station	Ahousaht	Alberni-Clayoquot
Sherwood Auto Recyclers	Port Alberni	Alberni-Clayoquot
Sun Coast Waste	Port Alberni	Alberni-Clayoquot
Alpine Recycling	Langford	Capital
Brentwood Auto and Metal Recyclers	Saanichton	Capital
District of Oak Bay Public Works Yard (Oak Bay Residents Only)	Oak Bay	Capital
Hartland Landfill & Recycling Depot	Victoria	Capital
Island Return-It Recycling Centre Sidney	Sidney	Capital
Salt Spring Recycling Depot	Saltspring Island	Capital
Sandy's Auto Wreckers	Langford	Capital
Schnitzer Steel Pacific Recycling	Victoria	Capital
Williams Scrap Metal Recycling	Victoria	Capital
150 Mile House Transfer Station	150 Mile House	Cariboo
Alexis Creek Transfer Station	Alexis Creek	Cariboo
Baker Creek Transfer Station	Baker Creek	Cariboo
Big Lake Landfill	Big Lake	Cariboo
Cariboo Metal Recycling	Quesnel	Cariboo
Chimney Lake Transfer Station	Chimney Lake	Cariboo
Cochin Lake Landfill	Cochin Lake	Cariboo
Forest Grove Transfer Station	Forest Grove	Cariboo
Gold Trail Recycling	100 Mile House	Cariboo
Horsefly Transfer Station	Horsefly	Cariboo
Inter-Lakes Landfill	Lone Butte	Cariboo
Kleena Kleene Landfill	Kleena Kleene	Cariboo
Lac La Hache Transfer Station	Lac La Hache	Cariboo
Likely Landfill	Likely	Cariboo
Mahood Lake Landfill	Mahood Lake	Cariboo
McLeese Lake Transfer Station	McLeese Lake	Cariboo
Nazko Landfill	Nazko	Cariboo
Nemaiah Valley Landfill	Nemaiah Valley	Cariboo
Puntzi Lake Landfill	Puntzi Lake	Cariboo
Riske Creek Transfer Station	Riske Creek	Cariboo
South Cariboo Central Landfill	100 Mile House	Cariboo
Tatla Lake Landfill	Tatla Lake	Cariboo
Watch Lake Landfill	70 Mile House	Cariboo
Wells Landfill	Wells	Cariboo
West Chilcotin Landfill	West Chilcotin	Cariboo
Wildwood Transfer Station	Wildwood	Cariboo

<b>Collection Site Name</b>	<b>City</b>	<b>Regional District</b>
Williams Lake Scrap Metal Recycling	Williams Lake	Cariboo
Balfour Towing and Salvage	Balfour (31 km from Nelson)	Central Kootenay
Ernie's Towing Inc.	Castlegar	Central Kootenay
Scrap King Auto Wrecking & Towing Ltd	Salmo	Central Kootenay
Smokey Creek Salvage Ltd.	Nelson (20 Km outside - South Slocan)	Central Kootenay
Starlight Tool Services Ltd	Nelson	Central Kootenay
Western Auto Wreckers Ltd	Nelson	Central Kootenay
ABC Metals Recycling	Kelowna	Central Okanagan
Knox Mountain Metals	Kelowna	Central Okanagan
Planet Earth Recycling	West Kelowna	Central Okanagan
Westside Sales & Rentals	Kelowna	Central Okanagan
Comox Valley Auto & Metal Recyclers	Courtenay	Comox Valley
Comox Valley Waste Management Centre	Cumberland	Comox Valley
Powerhouse Auto Recycler	Cumberland	Comox Valley
Bings Creek Recycling Depot	Duncan	Cowichan Valley
Island Return-It Recycling Centre Duncan	Duncan	Cowichan Valley
Meade Creek Recycling Drop-off Depot	Lake Cowichan	Cowichan Valley
Peerless Road Recycling Drop-off Depot	Ladysmith	Cowichan Valley
Columbia Recycle Ltd	Kimberly	East Kootenay
Kool Country Auto Parts	Invermere	East Kootenay
Abbotsford Mission Recycling Program	Abbotsford	Fraser Valley
Aldergrove Auto Wrecking	Aldergrove	Fraser Valley
CCON Steel Inc	Abbotsford (Matsqui)	Fraser Valley
Mission Recycling Depot	Mission	Fraser Valley
Regional Recycling Abbotsford	Abbotsford	Fraser Valley
Stave Falls Auto Recyclers	Mission	Fraser Valley
ABC Metals Recycling	Prince George	Fraser-Fort George
Allen's Scrap & Salvage Ltd.	Prince George	Fraser-Fort George
PG Recycling & Return-It Centre	Prince George	Fraser-Fort George
Richmond Steel Recycling	Prince George	Fraser-Fort George
The Salvation Army	Prince George	Fraser-Fort George
Western Equipment Ltd.	Prince George	Fraser-Fort George
ABC Metals Recycling	Terrace	Kitimat-Stikine
Allen's Scrap & Salvage Ltd.	Terrace	Kitimat-Stikine
Alpine Recycling	Trail	Kootenay-Boundary
Big Y Auto	Grand Forks	Kootenay-Boundary
ABC Metals Recycling	Burnaby	Metro Vancouver
ABC Metals Recycling	Surrey	Metro Vancouver
Allied Salvage & Metals	Richmond	Metro Vancouver

<b>Collection Site Name</b>	<b>City</b>	<b>Regional District</b>
Capital Salvage	Vancouver	Metro Vancouver
Coquitlam Transfer Station	Coquitlam	Metro Vancouver
Davis Trading & Supply	Vancouver	Metro Vancouver
Foreshore Equipment & Supply	Burnaby	Metro Vancouver
Happy Stan's Recycling Services Ltd.	Port Coquitlam	Metro Vancouver
Ladner Bottle Depot	Ladner	Metro Vancouver
Newton Bottle Depot	Surrey	Metro Vancouver
Queensborough Landing Return-It	New Westminster	Metro Vancouver
Regional Recycling Burnaby	Burnaby	Metro Vancouver
Regional Recycling Richmond	Richmond	Metro Vancouver
Regional Recycling Vancouver	Vancouver	Metro Vancouver
Richmond Steel Recycling	Richmond	Metro Vancouver
Rypac Aluminum Recycling Ltd.	Surrey	Metro Vancouver
Schnitzer Steel Pacific Recycling (Amix)	Surrey	Metro Vancouver
Scott Rd. Trading Ltd.	Surrey	Metro Vancouver
Semiahmoo Bottle Depot	White Rock	Metro Vancouver
Westcoast Metal Recycling	Langley	Metro Vancouver
Alpine Recycling	Nanaimo	Nanaimo
Highway 4 Auto Recyclers	Coombs	Nanaimo
Nanaimo Recycling Exchange	Nanaimo	Nanaimo
Regional Recycling Nanaimo	Nanaimo	Nanaimo
Schnitzer Steel Pacific Recycling	Cassidy	Nanaimo
Enderby Rentals	Enderby	North Okanagan
Venture Training	Vernon	North Okanagan
Wide Sky Disposal	Fort Nelson	Northern Rockies
Action Steel Sales	Penticton	Okanagan-Similkameen
J&C Bottle Depot	Penticton	Okanagan-Similkameen
ABC Metals Recycling	Fort St. John	Peace River
Richmond Steel Recycling	Fort St. John	Peace River
Augusta Recyclers Inc.	Powell River	Powell River
Blackpoint Auto Recyclers	Powell River	Powell River
Seasport Outboard Marina Ltd.	Prince Rupert	Skeena-Queen Charlotte
ASM Squamish Scrap Metals Ltd.	Squamish	Squamish-Lillooet
Pemberton Recycling Centre	Pemberton	Squamish-Lillooet
Regional Recycling Whistler	Whistler	Squamish-Lillooet
ABC Metals Recycling	Campbell River	Strathcona
Campbell River Waste Management Centre	Campbell River	Strathcona
Island Return-It, Campbell River	Campbell River	Strathcona
Schnitzer Steel Pacific Recycling	Campbell River	Strathcona
Sechelt Radiators	Sechelt	Sunshine Coast

<b>Collection Site Name</b>	<b>City</b>	<b>Regional District</b>
W. T. M. Recycling Services Ltd.	Gibsons	Sunshine Coast
Adrenaline Auto Recycling Ltd.	Chase	Thompson-Nicola
Central Salvage Ltd.	Kamloops	Thompson-Nicola
Clearwater Towing Ltd.	Clearwater	Thompson-Nicola
Kamloops Scrap Iron Ltd.	Kamloops	Thompson-Nicola

## APPENDIX C. Breakdown of OPEIC Collection Sites by Regional District

Regional District	# of Collection Sites
Alberni-Clayoquot	3
Bulkley-Nechako*	0
Capital	9
Cariboo	27
Central Coast*	0
Central Kootenay	6
Central Okanagan	4
Columbia Shuswap*	0
Comox Valley	3
Cowichan Valley	4
East Kootenay	2
Fraser-Fort George	6
Fraser Valley	6
Kitimat-Stikine	2
Kootenay Boundary	2
Metro Vancouver	20
Mount Waddington*	0
Nanaimo	5
North Okanagan	2
Northern Rockies	1
Okanagan-Similkameen	2
Peace River	2
Powell River	2
Skeena-Queen Charlotte	1
Squamish Lillooet	3
Strathcona	4
Sunshine Coast	2
Thompson Nicola	4
<b>TOTAL</b>	<b>122</b>

\* Ongoing recruitment is being conducted to find appropriate collection sites in these regional districts.

## **APPENDIX D. OPEIC 2016 Financial Statements**

**OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

# **OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**

## **Financial Statements**

For the year ended 31 December 2016

### **Contents**

---

Independent Auditors' Report	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12



**ROLFE, BENSON LLP**

CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1090 West Georgia Street  
Vancouver, B.C. V6E 3V7  
Tel: 604-684-1101 Fax: 604-684-7937  
E-mail: admin@rolfebenson.com

---

## INDEPENDENT AUDITORS' REPORT

---

To the Members,  
Outdoor Power Equipment Institute of Canada

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Outdoor Power Equipment Institute of Canada, which comprise the statement of financial position as at 31 December 2016, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the organization'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 organization'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.



---

**INDEPENDENT AUDITORS' REPORT - Continued**

---

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 Outdoor Power Equipment Institute of Canada as at 31 December 2016, 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.

*Rolfe, Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
23 June 2017

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Statement of Financial Position**  
31 December 2016

	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 953,164	\$ 606,845
Accounts receivable	62,812	22,866
GST receivable	8,795	8,539
Prepaid expenses	1,030	1,194
	1,025,801	639,444
<b>Reserve (Note 4)</b>	<b>403,730</b>	400,000
	<b>\$ 1,429,531</b>	\$ 1,039,444
<b>Liability</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 57,048	\$ 62,094
<b>Net Assets</b>		
<b>Unrestricted</b>	968,753	577,350
<b>Reserve - internally restricted (Note 4)</b>	403,730	400,000
	1,372,483	977,350
	<b>\$ 1,429,531</b>	\$ 1,039,444

APPROVED BY THE DIRECTORS:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Statement of Changes in Net Assets**  
For the year ended 31 December 2016

	<b>Unrestricted</b>	<b>Internally Restricted Reserve</b>	<b>Total 2016</b>	Total 2015
<b>Balance - beginning of year</b>	\$ 577,350	\$ 400,000	\$ 977,350	\$ 596,797
Excess of revenues over expenses for the year	395,133	-	<b>395,133</b>	380,553
Transfer to reserve (Note 4)	(3,730)	3,730	-	-
<b>Balance - end of year</b>	<b>\$ 968,753</b>	<b>\$ 403,730</b>	<b>\$ 1,372,483</b>	<b>\$ 977,350</b>

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

---

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Statement of Operations**  
For the year ended 31 December 2016

---

	2016	2015
<b>Revenues</b>	<b>\$ 762,777</b>	<b>\$ 760,457</b>
<b>Expenses</b>		
Program administration (Note 5)	331,501	350,957
Communications and events	36,143	28,947
	<b>367,644</b>	<b>379,904</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 395,133</b>	<b>\$ 380,553</b>

---

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

---

# OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA

## Statement of Cash Flows For the year ended 31 December 2016

---

	2016	2015
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 395,133	\$ 380,553
Changes in non-cash working capital balances		
Accounts receivable	(39,946)	9,413
GST	(256)	(39,472)
Prepaid expenses	164	(200)
Accounts payable and accrued liabilities	(5,046)	16,940
	<u>350,049</u>	<u>367,234</u>
<b>Investing activity</b>		
Transfer to reserve	<u>(3,730)</u>	<u>(400,000)</u>
<b>Financing activity</b>		
Repayment of amounts due to OPEI	<u>-</u>	<u>(4,922)</u>
<b>Net increase (decrease) in cash</b>	<b>346,319</b>	<b>(37,688)</b>
<b>Cash - beginning of year</b>	<u>606,845</u>	<u>644,533</u>
<b>Cash - end of year</b>	<u>\$ 953,164</u>	<u>\$ 606,845</u>

---

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

---

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**1. Incorporation and nature of operations**

Outdoor Power Equipment Institute of Canada ("OPEIC") was incorporated under the Canada Not-for-profit Corporations Act on 15 February 2012 and commenced operations on 1 July 2012. OPEIC is a not-for-profit organization and it is not subject to income taxes. OPEIC currently operates a stewardship program in the Province of British Columbia to assist the outdoor power equipment industry in discharging its obligation to establish end of life product collection and recycling programs under the British Columbia Recycling Regulations.

**2. Summary of significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue recognition

Revenue from environmental handling fees ("EHF") is recognized at the time a EHF applicable product is sold by a member of OPEIC, and the EHF becomes due and payable. EHF are received from registered members which participate in OPEIC's program. OPEIC recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. EHF revenues are recognized as members report and remit them as required by applicable provincial environmental legislation.

(b) Cash and cash equivalents

OPEIC's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

(c) Financial instruments

(i) Measurement of financial instruments

OPEIC initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and the reserve.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

---

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**2. Summary of significant accounting policies - Continued**

(c) Financial instruments - Continued

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(iii) Transaction costs

OPEIC recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Accounts subject to significant estimates include accrued liabilities and revenue recognized for EHF's receivable. Actual results could differ from these estimates.

(e) Foreign exchange

Transactions denominated in foreign currencies are recorded in Canadian dollars at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted to Canadian dollars at the exchange rate prevailing at year end. Exchange gains and losses are recorded in the statement of operations for the year.

---

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**3. Financial instruments**

OPEIC is exposed to various risks through its financial instruments. The following analysis provides a measure of OPEIC's risk exposure and concentrations at the statement of financial position date, 31 December 2016.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. OPEIC's main credit risks relate to its cash and cash equivalents and accounts receivable. Cash is in place with major financial institutions. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of members. OPEIC has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. OPEIC is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. OPEIC maintains adequate cash to meet obligations as they become due.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. OPEIC does not utilize any derivative instruments to mitigate this currency risk.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. OPEIC is exposed to interest rate risk.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. OPEIC is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject OPEIC to fair value risk.

---

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**4. Reserve**

In the prior year, the Board of Directors passed a resolution to establish the reserve fund. The purpose of the reserve fund is to ensure financial stability in case of unforeseen events such as:

- Fluctuations in costs;
- The risk that OPEIC will be wound-up by the decision of the participants or as a consequence of regulatory change;
- Claims against OPEIC, its Board of Directors, or staff in excess of OPEIC's insurance coverage; and
- To cover the cost of unanticipated or extraordinary items.

Transfers to the reserve fund are made upon resolutions passed by the Board of Directors. Total contributions to the reserve fund are not to exceed two years' worth of expenses.

The reserve fund consists of an investment in a term deposit and is independently managed. All income earned on the investment is initially reported in the unrestricted fund and then transferred to the reserve fund. During the year, \$3,730 (2015 - \$400,000) was transferred from unrestricted net assets to the reserve fund, representing the investment income earned on the term deposit.

**5. Related party transactions**

OPEIC is related to Outdoor Power Equipment Institute ("OPEI"), an organization incorporated in the United States, through a common Board of Directors.

During the year, program administration services of \$53,303 (2015 - \$78,363) were provided by OPEI to OPEIC.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities is \$7,132 (2015 - \$Nil) due to OPEI for program administration services. This amount is unsecured, non-interest bearing and is subject to normal trade payable payment terms.

**OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA**  
**Notes to the Financial Statements**  
For the year ended 31 December 2016

**6. Common control**

By virtue of a common Board of Directors, OPEIC and OPEI are under common control.

OPEI has not been consolidated in OPEIC's financial statements. OPEI's year end is 31 August and its financial statements are prepared in accordance with US generally accepted accounting principles FASB ASC 958, not-for-profit entities. The financial summary as at 31 August 2016 and for the year then ended are based on the audited financial statements. All amounts are presented in US dollars.

OPEI

	<u>31 August 2016</u>	<u>31 August 2015</u>
<b>Financial Position</b>		
Total assets	<u>\$ 14,016,273</u>	<u>\$ 12,980,291</u>
Total liabilities	<u>7,332,076</u>	<u>6,405,336</u>
Total net assets	<u>6,684,197</u>	<u>6,574,955</u>
	<u>\$ 14,016,273</u>	<u>\$ 12,980,291</u>
	<u>31 August 2016</u>	<u>31 August 2015</u>
<b>Results of Operations</b>		
Total revenues	<u>\$ 5,276,530</u>	<u>\$ 4,441,594</u>
Total expenses	<u>5,167,288</u>	<u>4,404,327</u>
Excess of revenue over expenses	<u>\$ 109,242</u>	<u>\$ 37,267</u>
	<u>31 August 2016</u>	<u>31 August 2015</u>
<b>Cash Flows</b>		
Cash from operations	<u>\$ 558,821</u>	<u>\$ 1,008,495</u>
Cash used in investing activities	<u>(1,006,611)</u>	<u>(616,949)</u>
Increase (decrease) in cash	<u>\$ (447,790)</u>	<u>\$ 391,546</u>

**APPENDIX E. Third Party Assurance Statement for Non-Financial Information**

**OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA**

**INDEPENDENT REASONABLE ASSURANCE  
REPORT**

**31 DECEMBER 2016**





1500 – 1090 West Georgia Street  
Vancouver, B.C. V6E 3V7  
Tel: 604-684-1101 Fax: 604-684-7937  
E-mail: admin@rolfebenson.com

---

## INDEPENDENT REASONABLE ASSURANCE REPORT

---

To the Directors of  
Outdoor Power Equipment Institute of Canada,

We have been engaged by Outdoor Power Equipment Institute of Canada (“OPEIC”) to perform a reasonable assurance engagement in respect of the following information (the “Selected Information”), detailed in Appendix 1, and also included within OPEIC’s Annual Report for the Outdoor Power Equipment Recycling Program to the British Columbia Ministry of Environment for the year ended 31 December 2016:

- Section 4 Collection System and Facilities and Appendix A - the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of BC Regulation 449/2004 (the “Recycling Regulation”);
- Section 6 Pollution Prevention Hierarchy and Product/Component Management - the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation;
- Section 7 Product Collected - the description of how total amounts of the producer’s product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation; and
- Section 9 Plan Performance – the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation.

Our reasonable assurance engagement does not constitute a legal determination on OPEIC's compliance with Sections 8(2)(b), (d) and (e) of the Recycling Regulation.

### Responsibilities

Preparation and fair presentation of the Selected Information in accordance with the evaluation criteria as listed in Appendix 1 is the responsibility of OPEIC’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 Guide to Third Party Assurance Requirements for Non-Financial Information in Annual Reports – 2016 Reporting Year dated March 2017 as specified by the Director under section 8(2)(h) of the Recycling Regulation of the Province of British Columbia. The Ministry of Environment has granted OPEIC certain exemptions from these guidelines.



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

### **Evaluation Criteria**

The evaluation criteria presented in Appendix 1 are an integral part of the Selected Information and address the relevance, completeness, reliability, neutrality and understandability of the Selected Information.

### **Scope of the Assurance Procedures**

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants. 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 judgement, including the assessment of the risks of material misstatement in the Selected Information due to omissions, misrepresentations 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:

- Gain an understanding of the data collection, monitoring and reporting processes through inquiries of management;
- Testing the processes, documents and records on a sample basis;
- Re-calculating quantitative data on a sample basis as it pertains to the Selected Information;
- Ensuring the Selected Information is presented consistently in the Annual Report.

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 judgments. 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 within OPEIC's Annual Report for the Outdoor Power Equipment Recycling Program for the year ended 31 December 2016 presents fairly, in all material respects, in accordance with the evaluation criteria listed in Appendix 1:

- the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation;
- the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation;
- the description of how total amounts of the producer's product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Program; and
- the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation.

### Emphasis of Matter

Without qualifying our opinion, the following should be noted regarding the information in the Annual Report:

1. The Selected Information included in Section 6 Pollution Prevention Hierarchy and Product/Component Management is based on a general understanding of the free market scrap metal collection system and management's discussions with industry representatives. This information has not been subject to further verification and as such, the information presented is subject to uncertainty.
2. The Selected Information included in Section 7 relating to Product Collected is based on estimates as described in Appendix 1, and as such the data presented is subject to uncertainty.
3. OPEIC does not present a recovery rate in the Annual Report. As such, the total amount of producer's product sold as presented on Table 4 – Total Units of Electric Outdoor Power Equipment Sold in BC in 2016 on page 12 of the Annual Report has not been included in the Selected Information.
4. As noted in the Responsibilities section of the audit report, OPEIC is required to prepare suitable evaluation criteria in accordance with the Guide to Third Party Assurance Requirements for Non-Financial Information in Annual Reports – 2016 Reporting Year dated March 2017. For the 2016 reporting year, the Ministry of Environment has granted OPEIC an exemption from adopting the definition of Reuse, recycling, material and energy recovery, landfill, final disposition and primary service provider as defined in SPE-890-15 - A Guideline for Accountable Management of End-of-life Materials.

### Other Matter

Our report has been prepared solely for the purposes of management's stewardship under 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 OPEIC, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

*Rolfe, Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
23 June 2017

Appendix 1

**Evaluation Criteria**

**Collection facilities**

<b>Specific disclosures in the annual stewardship report for which evaluation criteria were developed</b>	
<b>Disclosure per Annual Report</b>	<b>Reference</b>
Total number of collection facilities – 122	Section 4 Collection System and Facilities - Table 2: OPEIC Collection Sites by Type 2015 & 2016 on page 9;  Appendix B – OPEIC 2016 Collection Sites on pages 17-20
Increase in the number of collection facilities in 2016 – 3 collection facilities	Section 4 Collection System and Facilities - Table 2: OPEIC Collection Sites by Type 2015 & 2016 on page 9

The following evaluation criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- “Collection facilities” are depots that have a signed contract with OPEIC for the collection of program materials during the reporting period 1 January – 31 December 2016, a physical location that is available to collect program material, and the staff of the facility has an adequate understanding of the program.
- OPEIC maintains a listing of all collection facilities for the program, including the location of the collection facility, the total of which agrees to the number of collection facilities as disclosed in the Annual Report.
- The change in number of collection facilities is calculated by comparing the current number of collection facilities, a sum of all the collection facilities that have a signed contract within a given reporting year and those that closed within the same reporting year, to the number of collection facilities reported in the prior reporting year.

**Pollution prevention hierarchy**

<b>Specific disclosures in the annual stewardship report for which evaluation criteria were developed</b>	
<b>Disclosure per Annual Report</b>	<b>Reference</b>
“The following information is based on the understanding of the free market system obtained from conversations with industry representatives. No further due diligence was performed on the information in terms of site visits or other investigations and therefore there is some degree of uncertainty surrounding the end fate of the products.”	Section 6 Pollution Prevention Hierarchy and Product/Component Management - on page 10
“Metals and plastics are the primary commodities recovered from EOPE. Metals are divided into two primary classifications: ferrous metals (constituting about 90% of the metal waste stream) that can be sorted through electromagnetic separation, and non-ferrous metals (representing approximately 10% of total metals). Ferrous	Section 6 Pollution Prevention Hierarchy and Product/Component Management - on page 11

metals include mainly steel and cast iron; non-ferrous metals include aluminum, lead, copper, nickel and zinc. The metals in EOPE are primarily steel, aluminum and copper.”	
“The collected EOPE is combined with other metal accumulated on-site, which is then sold to a larger metal recycler, usually a member of CARI, who processes the majority of metal-bearing products collected in BC for recycling.”	Section 6 Pollution Prevention Hierarchy and Product/Component Management - on page 11
<p>“Once sold to a larger metal recycler, the OPE products are sorted by commodity and loaded into bins or baled on-site. All EOPE material is sent to a shredder due to the high cost of dismantling by hand or with other tools.”</p> <p>“After shredding, the resulting material is sorted into ferrous metal, non-ferrous metal and waste material (plastics, fabrics, etc). According to information provided by metal processors, the shredders successfully pull out approximately 99% of the metal. The metals are then loaded onto a ship for a destination market (i.e. Southeast Asia), or domestic market (i.e. a steel mill in Oregon) where the processed material is melted into other steel products.”</p> <p>“Shredder residue left over from the shredding operation contains plastic mixed with other non-metallic materials. This left over shredder material has traditionally been landfilled, as it is deemed contaminated and not recyclable.”</p>	Section 6 Pollution Prevention Hierarchy and Product/Component Management - on page 11

The following evaluation criteria were applied to the assessment of how the recovered product is managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation:

- The information on product management has been determined based on a general understanding of the free market collection system and management’s representations regarding conversations with industry representatives.

**Product collected**

<b>Specific disclosures in the annual stewardship report for which evaluation criteria were developed</b>	
<b>Disclosure per Annual Report</b>	<b>Reference</b>
<b>Product collected</b> Total sampled material that was OPE – 0.15%	Section 7 Product Sold and Collected – Table 6: Percentage of Sampled Material that was Electric Outdoor Power Equipment on page 13
It is not economically feasible to segregate EOPE from the mixed-stream of recycled metal products and provide discrete collection volumes. “EOPE is recycled through the CARI network of private metal recycling facilities. These facilities manage various types of scrap metal obtained from a range of products.	Section 7 Product Sold and Collected – on page 12
“It is OPEIC’s experience and understanding that the vast majority of scrap metal recycled in BC	Section 7 Product Sold and Collected – on page 12

<p>moves through seven CARI member companies. These seven companies represent nineteen collection sites, of which ten were selected as sampling sites for four sampling events in 2016 (May, August, September, and November/December).”</p>	
<p>“Sampling focused on recycling streams identified by CARI to most likely contain EOPE products: tin, electric motors (ELMO), aluminum and breakage , heavy steel and stainless steel.”</p> <p>“The results of the sampling events found approximately 0.15% of the sampled material was derived from EOPE. This result was based on the inclusion of weights for all sampled material (i.e., in some instances, OPEIC was not able to get an actual weight on a sample pile and had to estimate the weight) .”</p> <p>“Sampled piles with an estimated weight of more than 100,000lbs were excluded from the total material sampled on the basis that the pile was too large to estimate with any degree of confidence.”</p>	<p>Section 7 Product Sold and Collected – and footnote 10 on page13</p>

The following evaluation criteria were applied to the assessment of the description of how total amounts of the producer’s product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

**Product Collected:**

- OPEIC has performed sampling procedures to identify program material collected at the various collection facilities as described in the Annual Report.
- At the sampling locations, common areas where program materials could be located are determined by requesting a tour from the collection facility operator.
- Items identified as program materials during the sampling procedures have been weighed by OPEIC. If it is not possible to weigh the program materials identified during the sampling, OPEIC staff will estimate the item’s weight.
- The weights of the total areas where sampling has been performed are estimated by OPEIC staff.
- The calculation of the estimated collection volume as included in the Annual Report is based on the sampling data described above and has been calculated accurately.

**Performance targets**

<p><b>Specific disclosures in the annual stewardship report for which evaluation criteria were developed</b></p>	
<p><b>Disclosure per Annual Report</b></p>	<p><b>Reference</b></p>
<p>Assertion – Target exceeded: OPEIC had 122 contracted collection sites by the end of 2016</p>	<p>Section 9 Plan Performance Table 8: Comparison of Key Performance Targets on page 15</p>

The following evaluation criteria were applied to the assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), and (e) of the Recycling Regulation:

- All stewardship plan targets relating to Section 8(2)(b), (d) and (e) of the Recycling Regulation have been identified and disclosed in the Annual Report.
- The description of progress against targets to date is supported by records of progress maintained by OPEIC.