

**PRODUCT CARE ASSOCIATION
MANITOBA HOUSEHOLD
HAZARDOUS WASTE PROGRAM**

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 2014

**PRODUCT CARE ASSOCIATION
MANITOBA HOUSEHOLD HAZARDOUS WASTE PROGRAM
Statement of Revenues and Expenses**
For the year ended 31 December 2014

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1500 – 1090 West Georgia Street
Vancouver, B.C. V6E 3V7

Telephone: 604-684-1101

Fax: 604-684-7937

E-mail: admin@rolfebenson.com

INDEPENDENT AUDITORS' REPORT

To: Minister of Conservation and Water Stewardship

As required by the Manitoba Waste Reduction and Prevention Act (C.C.S.m.c W40 (16(1))) we have audited the Statement of Revenues and Expenses of the Manitoba Hazardous Waste Program (the "Statement") as reported by Product Care Association for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement 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 the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement 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 Statement is free from material misstatement.

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

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





INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the Statement presents fairly, in all material respects, the revenues and expenses of the Manitoba Household Hazardous Waste Program as reported by Product Care Association for the year ended 31 December 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Restriction on Distribution

This report is prepared on the direction of Product Care Association's management and The Minister of Conservation and Water Stewardship. As a result, the report may not be suitable for another purpose. Our report is intended solely for Product Care Association's management and The Minister of Conservation and Water Stewardship, and should not be distributed to other parties.

Rolfe, Benson LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada
15 April 2015



PRODUCT CARE ASSOCIATION
MANITOBA HOUSEHOLD HAZARDOUS WASTE PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2014

2014

Revenues	<u>\$ 1,781,896</u>
Program expenses	
Collection	213,635
Processing	358,403
Transportation	135,764
Depreciation	41,112
	<u>748,914</u>
General and administrative expenses	
Administration	46,107
Communications	60,609
Overhead allocation (Note 2(d))	119,959
	<u>226,675</u>
Total expenses	<u>975,589</u>
Excess of revenues over expenses for the year	<u>\$ 806,307</u>

Commitments (Note 3)

The accompanying notes are an integral part of this statement of revenues and expenses.

PRODUCT CARE ASSOCIATION
MANITOBA HOUSEHOLD HAZARDOUS WASTE PROGRAM
Notes to the Statement of Revenues and Expenses
For the year ended 31 December 2014

1. Basis of Presentation

The Statement of Revenues and Expenses (the “Statement”) only includes the revenues and expenses related to the Manitoba Household Hazardous Waste Program, a segment of the operations of Product Care Association (the “Association”).

2. Summary of Significant Accounting Policies

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

(a) Revenue Recognition

Eco-fees are received from members of the Association who operate within the province of Manitoba. The Association recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Eco-fee revenues are recognized as individual members report and remit them as required by applicable provincial environmental legislation.

(b) Capital Assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates is as follows:

Depot Equipment	3 years
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(c) 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 and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(d) General and Administrative Expenses - Overhead Allocation

A portion of the total general and administrative expenses of the Association, net of expense recoveries, has been allocated to this program. The allocation of general and administrative expenses to this program is determined using the percentage of program specific operating expenses as compared to total operating expenses for all the Association’s programs.

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3. Commitments

During the 2013 fiscal year, the Association committed funds of up to \$800,000 to be used for the development of collection facilities for the Manitoba Household Hazardous Waste Program. These funds are to be disbursed at the discretion of the Association based on an application process from qualifying organizations. As of 31 December 2014, \$37,000 in funds have been disbursed in the form of loans which may be forgiven providing certain performance conditions are met by the borrower.