

**PRODUCT CARE ASSOCIATION
NEWFOUNDLAND AND LABRADOR
PAINT RECYCLING PROGRAM**

**STATEMENT OF REVENUES AND EXPENSES
AND ACCUMULATED SURPLUS**

31 DECEMBER 2013

**PRODUCT CARE ASSOCIATION
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses and Accumulated Surplus**
For the year ended 31 December 2013

Contents

Independent Auditors' Report	
Statement of Revenues and Expenses and Accumulated Surplus	4
Notes to the Statement of Revenues and Expenses and Accumulated Surplus	5



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: The Multi-Materials Stewardship Board

As required by the Newfoundland and Labrador Waste Management Regulations (100/10 (31.12(1(i)))) we have audited the Statement of Revenues and Expenses and Accumulated Surplus of the Newfoundland and Labrador Paint Recycling Program (the "Statement") as reported by Product Care Association for the year ended 31 December 2013 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 and accumulated surplus of the Newfoundland and Labrador Paint Recycling Program as reported by Product Care Association for the year ended 31 December 2013 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 Multi-Materials Stewardship Board. 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 Multi-Materials Stewardship Board, and should not be distributed to other parties.

Rolfe, Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
28 April 2014



PRODUCT CARE ASSOCIATION
NEWFOUNDLAND PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2013

2013

Revenues	<u>\$ 1,513,921</u>
Program expenses	
Processing (Note 3)	199,548
Transportation	84,962
Collection	70,658
Depreciation	41,675
Warehouse Storage	18,975
	<u>415,818</u>
General and administrative expenses	
Administration	54,666
Communications	31,011
Overhead allocation (Note 2(d))	40,656
	<u>126,333</u>
Total expenses	<u>542,151</u>
Excess of revenues over expenses for the year	971,770
Accumulated surplus - beginning of the year	<u>527,970</u>
Accumulated surplus - end of year	<u>\$ 1,499,740</u>

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

**PRODUCT CARE ASSOCIATION
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM
Notes to the Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2013**

1. Basis of Presentation

The Statement of Revenues and Expenses and Accumulated Surplus (the "Statement") only includes the revenues and expenses of the Newfoundland and Labrador Paint 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 accounting policies are detailed as follows:

(a) Revenue Recognition

Revenue from eco-fees is recognized at the time an eco-fee applicable product is sold by a member of the Association, and the eco-fee becomes due and payable.

(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
-----------------	---------

(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.

3. Processing Commitment

At year end, the Association had unprocessed program material on hand with an estimated cost to process, transport and recycle of \$38,075 which will be incurred in 2014.