

**PRODUCT CARE ASSOCIATION -  
BC SMOKE AND CARBON MONOXIDE  
(CO) ALARMS PROGRAM**

**STATEMENT OF REVENUES AND EXPENSES**

**31 DECEMBER 2011**

**PRODUCT CARE ASSOCIATION -  
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM  
Statement of Revenues and Expenses  
For the year ended 31 December 2011**

Contents

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



1400 – 900 West Hastings Street

Vancouver, B.C. V6C 1E3

Telephone: 604-684-1101

Fax: 604-684-7937

E-mail: [admin@rolfebenson.com](mailto:admin@rolfebenson.com)

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## **INDEPENDENT AUDITORS' REPORT**

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To: BC Ministry of Environment,

As required the British Columbia Environmental Management Act, Recycling Regulation 8(2)(f)(ii), we have audited the statement of revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program (the "statement") as reported by Product Care Association for the year ended 31 December 2011 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 generally accepted accounting principles, 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.





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INDEPENDENT AUDITORS' REPORT - continued

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**Opinion**

In our opinion, the statement presents fairly, in all material respects, the revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program as reported by Product Care Association for the year ended 31 December 2011 in accordance with Canadian generally accepted accounting principles.

**Other Matter**

Product Care Association has prepared a separate set of financial statements for the year ended 31 December 2011 in accordance with Canadian generally accepted accounting principles on which we issued our independent auditors' report to the members of Product Care Association dated 17 May 2012.

**Restriction on Distribution**

This report is prepared on the direction of Product Care Association's management and the requirements of British Columbia Environmental Management Act, Recycling Regulation 8(2)(f)(ii). 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 BC Ministry of Environment and should not be distributed to other parties.

*Rolfe, Benson LLP*  
CHARTERED ACCOUNTANTS

Vancouver, Canada  
29 November 2012



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	2011 (3 months)
<b>Revenues</b>	<u>\$ 104,973</u>
<b>Program expenses</b>	
Start-up	7,533
Transportation	1,057
Communications	979
Collection	500
Depot supplies	328
Insurance - property and liability	1,061
	<u>11,458</u>
<b>General and administrative expenses</b>	<u>2,500</u>
<b>Excess of revenues over expenses for the year</b>	<u>\$ 91,015</u>

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The accompanying notes are an integral part of this statement.

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**PRODUCT CARE ASSOCIATION -  
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM**  
**Notes to the Statement of Revenues and Expenses**  
**For the period ended 31 December 2011**

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**1. Basis of Presentation**

This statement includes the revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program, a segment of the operations of Product Care Association. The program commenced operations on 1 October 2011 and as such, three months of revenues and expenses are represented.

**2. Summary of Significant Accounting Policies**

This statement of revenues and expenses is prepared in accordance with Canadian generally accepted accounting principles. The significant 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) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

(c) General and Administrative Expenses

A portion of the total general and administrative expenses of Product Care 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 Product Care Association programs.