

Connecticut Paint Stewardship Program Annual Report July 1, 2017 – June 30, 2018



SUBMITTED BY Laura Honis Connecticut Program Manager Ihonis@paint.org (203) 747-4494 SUBMITTED TO Robert Klee Commissioner Department of Energy and Environmental Protection 79 Elm Street, Hartford, CT 06106

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CONNECTICUT'S PAINT STEWARDSHIP LAW

PaintCare is the representative stewardship organization of the Connecticut Architectural Paint Stewardship Program, codified in Sections 22a-904 and 22a-904a of the Connecticut General Statutes. The Connecticut paint stewardship law provides for the establishment of a permanent statewide paint stewardship program, managed by a stewardship organization, to accomplish the following:

- Minimize public sector involvement in the management of postconsumer paint through the program's efforts to reduce the generation of postconsumer paint, promote using up leftover paint, and recycling and proper management of collected postconsumer paint.
- Negotiate and execute agreements to collect, transport, and properly manage postconsumer paint through environmentally sound management practices.
- Offer a convenient, statewide collection infrastructure, which at a minimum, provides for collection rates and user convenience equal to or greater than the collection programs available to consumers prior to the implementation of the program.
- Establish a sustainable funding mechanism through a paint stewardship assessment ("PaintCare fee") on architectural coatings sold in the state of Connecticut. The fee must be paid by manufacturers to PaintCare to fund implementation of the program.

The following provides the highlights of this reporting year, fiscal year 2018 (FY2018).

PROGRAM HIGHLIGHTS

Sites and Services. PaintCare brought on five new year-round paint drop-off sites – three paint retailers and two transfer stations – ending FY2018 with 146 year-round sites. Of the 146 year-round drop-off sites, 103 are paint retailers, representing approximately 36.4% of likely retail participants. The other sites are 41 transfer stations and two reuse stores. The year-round drop-off sites provided a site within 15 miles of all Connecticut residents.

PaintCare also managed paint from the state's four seasonal household hazardous waste (HHW) drop-off facilities, 51 HHW drop-off events (including one employee event), two seasonal transfer stations, and two retailers that accepted paint for part of the year. In addition, PaintCare provided 32 direct large volume pick-ups (LVP) from business and institutions that had accumulated more than 200 gallons of paint at their facilities and set one site up as a recurring large volume pick-up (RLVP) site.

Paint Collection Volume. The program processed 342,350 gallons of postconsumer paint, a 6% increase over FY2017. Latex paint made up 80% of total paint, of which 81% was made into recycled-content paint, 15% was unrecyclable and sent to landfill, 4% was used as fuel, and less than 1% was reused locally. Oil-based paint

made up 20% of the paint, less than 1% was reused locally and the rest was used for fuel. In addition to paint, 200 tons of metal and plastic paint containers were recycled.

Expenses and Revenue. The program's financing mechanism remained the same, through a fee on new paint sales: 35 cents on pints and quarts; 75 cents on 1-gallon containers; and \$1.60 on 5-gallon containers. Approximately 5.8 million gallons of architectural paints were sold in Connecticut and the program collected \$3,589,443 in revenue from these sales, a decrease of 1% from last year.

Expenses, including paint transportation and processing, outreach, staffing, and administrative costs were \$3,271,227. The program had accumulated \$3,391,903 in reserves at the end of FY2018, the equivalent of 104% of total operating expenses.

Total program cost per gallon (of processed paint) was \$9.56, a slight decrease from FY2017.

Paint Recovery Rate. The recovery rate – the volume of postconsumer paint collected divided by the volume of new paint sales in the same year – was 5.9%, an increase from FY2017.

Outreach. Outreach efforts included a variety of in-store print materials and signage, television, radio, digital/social, newspaper, and outdoor (billboard) activities.

PROGRAM PLAN AND ANNUAL REPORT

The Connecticut paint stewardship law required the submission and approval of a program plan by PaintCare prior to the program's launch. The Connecticut Department of Energy and Environmental Protection (DEEP) approved PaintCare's program plan in the spring 2013 and the Connecticut program began on July 1, 2013.

The Connecticut paint stewardship law also requires the submission of an annual report to the Commissioner of DEEP each year, covering the period of July 1 – June 30.

The annual report shall include, but not be limited to:

- (1) A description of the methods used to collect, transport and process postconsumer paint in the state;
- (2) The volume and type of postconsumer paint collected in the state and method of disposition, including reuse, recycling and other methods of processing;
- (3) The total cost of implementing the program, as determined by an independent financial audit and an evaluation of the operation of the program's funding mechanism; and
- (4) Samples of educational materials provided to consumers of architectural paint and an evaluation of the methods used to disseminate such materials.

PaintCare's Connecticut program plan and previous annual reports are available on PaintCare's website.

Section 1. Paint Collection, Transportation, and Processing

Annual Report Statutory Citation

Sec. 22a-904a(h) The representative organization shall submit a report to the Commissioner of Environmental Protection that details the paint stewardship program. Such report shall include, but not be limited to:

(1) A description of the methods used to collect, transport and process postconsumer paint in this state.

A. DROP-OFF SITES AND SERVICES

The Connecticut paint stewardship law requires a program that provides convenient statewide collection of postconsumer paint that, at a minimum, provides for collection rates and convenience equal to or greater than the collection programs that were available to consumers prior to the PaintCare program. The program achieved both the volume and convenience requirements of the law in its first year and continues to grow and mature.

The Connecticut law also calls for collaboration with existing HHW programs and allows for paint retailers to voluntarily participate as paint collection points. Since the start of the program, PaintCare has partnered with nearly every HHW program in the state. In addition, all retailers and transfer stations that have requested to join the program have been welcomed as a partner.

Prior to the PaintCare program, Connecticut households were only able to utilize the state's HHW programs for their oil-based paint products. The public was encouraged to dry and dispose of latex paint. The HHW programs did not offer any services for business. All businesses, regardless of their size, had to contract with private hazardous waste haulers for paint disposal, which was generally cost-prohibitive for painting contractors and other small businesses.

To increase recycling opportunities for Connecticut households, businesses, and others with leftover paint, all suitable locations can participate as PaintCare drop-off sites, provided they meet PaintCare's operational requirements, including adequate space for storage of paint collection bins and willingness to accept all program products (latex and oil-based products). PaintCare continually reaches out to paint retailers, material reuse stores, household hazardous waste programs, and public and private waste transfer stations to invite them to become paint drop-off sites.

At the end of FY2018, the Connecticut program had grown to 146 year-round drop-off sites located throughout the state. These sites include 103 retail stores, 41 transfer stations, and two reuse stores. One retail store closed, and one retailer decided to stop participating in the program during FY2018. These sites are listed as "Paint Retailer (partial year)" in the table on the next page.

PaintCare also managed paint from the state's four seasonal HHW drop-off facilities, 51 HHW drop-off events and two seasonal transfer stations. In addition, PaintCare conducted 32 direct LVP from businesses and other sites that had accumulated more than 200 gallons of paint and set one site up as an RLVP site.

All PaintCare drop-off sites and the LVP/RLVP service accept both latex and oil-based paints. All retailers accept paint from both residents and qualifying businesses, as does the LVP/RLVP service. HHW programs and transfer stations generally do not serve businesses.

PaintCare drop-off sites and services are summarized in the following table and mapped in subsection B.

YEAR-ROUND DROP-OFF SITES	YEAR 1 FY2014	YEAR 2 FY2015	YEAR 3 FY2016	YEAR 4 FY2017	YEAR 5 FY2018
Paint Retailers	100	104	102	102	103
Transfer Stations	25	32	37	39	41
Reuse Stores	2	2	1	2	2
Total	127	138	140	143	146

SUMMARY OF PAINTCARE DROP-OFF SITES AND SERVICES

SUPPLEMENTAL SITES AND SERVICES

HHW Events	54	46	52	48	50
PaintCare Paint-Only Events	11	5	0	0	0
Seasonal HHW Facilities	3	3	3	4	4
Seasonal Transfer Stations	2	2	2	2	2
Retailers and Reuse Stores (partial year)	0	4	7	5	2
Direct Large Volume Pick-Ups	34	25	28	32	32
Recurring Large Volume Pick-Up Sites	0	0	0	0	1
Employee HHW Event	0	0	0	1	1

The following subsections discuss the various paint drop-off sites and services provided by the Connecticut PaintCare program. Section 2 of this report details the volumes of paint collected by each site type and service.

A1. Paint Retailers

PaintCare added three new retail drop-off sites in FY2018 and lost two (one store closed, and one left the program). Paint retailers are ideal locations to serve as paint drop-off sites because they are located throughout the state, are often centrally located in cities and towns, are open five or more days per week, and have staff familiar with paint products and their safe handling. In addition, their customers are likely to have some leftover paint and often ask store staff for advice on what to do with it.

As of June 2018, PaintCare had identified 398 paint retailers – including paint, hardware, and home improvement stores – and 283 were considered potential drop-off sites. PaintCare has been informed by the corporate headquarters of big box stores and "variety stores" that they are not interested in serving as drop-off sites, so they are not included in the count of potential drop-off sites.

Of the 283 paint retailers, 103 (36.4%) were participating as drop-off sites at the end of FY2018. Paint retailers participate in the program to increase foot traffic through their stores and to provide a service for their customers. The names and addresses of the participating paint retailers are included in the appendix.



PaintCare Signage at the Sherwin Williams Store in Wallingford

A2. Household Hazardous Waste Programs

Partnerships with household hazardous waste programs – seasonal facilities and events – continued in FY2018, with almost all HHW programs participating. The southwest communities and a few municipalities with single events have chosen not to partner with PaintCare to reduce costs but are welcome to join the program at any time.

The program managed paint from the four seasonal HHW facilities in the state, as well as from 51 HHW dropoff events (from 50 locations). One of the HHW events was an employer-sponsored for its employees. The names and addresses of the participating facilities and events are included in the appendix.



Regional Water Authority HHW Facility in New Haven

A3. Transfer Stations

PaintCare continued to meet with interested municipalities during FY2018 to discuss the PaintCare program and benefits to transfer stations. Two more transfer stations were added to the program. Transfer stations participate as drop-offs sites to expand the recycling services provided to their customers and to help keep paint out of the waste stream. The names and addresses of the participating transfer stations are included in the appendix.



PaintCare Signage at the West Hartford Transfer Station

A4. Reuse Stores

PaintCare has identified six paint reuse stores in the state. Along with participating as drop-off sites, these types of stores can operate paint reuse programs by donating or selling good quality leftover paint back to the local community to use, rather than sending it through PaintCare for processing. PaintCare provides compensation for this service. Two reuse stores participated as drop-off sites and operated reuse programs during FY2018. The names and addresses of the participating reuse stores are included in the appendix.

A6. Large Volume Pick-Up Service

PaintCare's LVP service provides a pick-up option for those who have accumulated large volumes of paint. The minimum amount to receive a pick-up is 200 gallons. Typically, LVP sites have accumulated paint over many years due to the institutional, logistical, and financial barriers to disposal or internal reuse of leftover paint. PaintCare has removed these barriers by providing a free and convenient pickup service.

LVP Sites. For LVP sites that request a single or infrequent pick-up, the customer sends a pick-up request form to PaintCare in advance, including an inventory of paint. PaintCare's hauler brings bins to the site on a scheduled pick-up date, the hauler and site staff fill the bins together, and the hauler takes the bins away the same day. These sites do not keep collection bins on site or have a contract with PaintCare. In FY2018, PaintCare arranged 32 LVPs (from 30 locations). The primary users of the service were painting contractors and property management companies. Others included schools, retailers, a construction company, a museum, and a church.



LVP in Danbury from a Property Management Company

RLVP Sites. Some sites receive pick-ups on an on-going basis. These recurring large volume pick-up (RLVP) sites sign a contract with PaintCare to allow them to keep PaintCare bins on site and fill them as they

accumulate paint. PaintCare provides training to staff at these locations on how to segregate and stack paint in the boxes, then arrange to have them picked up by the hauler. PaintCare set up its first RLVP in Connecticut in FY2018.

B. CONVENIENCE CRITERIA

PaintCare used Geographic Information System (GIS) modeling to determine the appropriate minimum number and distribution of drop-off sites based on the following baseline criteria:

Distribution: At least 95% of Connecticut residents shall have a permanent site within a 15-mile radius.

Density: One additional year-round (permanent) site will be added for every 50,000 people in a population center. Areas not meeting this criterion are considered "underserviced."

Application of these criteria resulted in the need for approximately 93 optimally located year-round drop-off sites, which PaintCare considers its baseline service level goal.

The 143 year-round drop-off sites in place at the end of FY2018 provided all Connecticut residents a drop-off site within 15 miles of their home, and all areas of the state with 50,000 residents or more had the additional sites needed to provide sufficient service.

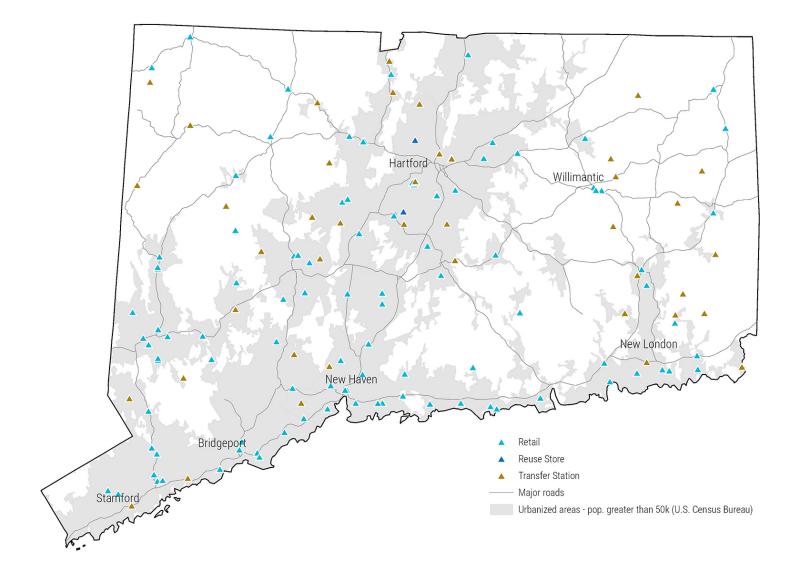
GIS Methodology. In 2016, PaintCare made an adjustment to how population center is defined for the density criterion, based on findings related to the initial program planning model. Population center, which is meant to represent densely populated areas, is measured using the U.S. Census Bureau's Urbanized Area designations. At the time of program planning, PaintCare was not aware of any authoritative sources to identify densely populated areas and instead relied on its GIS firm to make this determination.

PaintCare has found that an authoritative defined source, such as that developed and published by the U.S. Census Bureau, is an important improvement to the convenience analysis methodology due to its consistency and replicability and has incorporated this change across all its programs. Urbanized Areas are provided by the Census Bureau to delineate areas of concentrated population to distinguish between urban and rural areas. An Urbanized Area has a minimum of 50,000 residents.

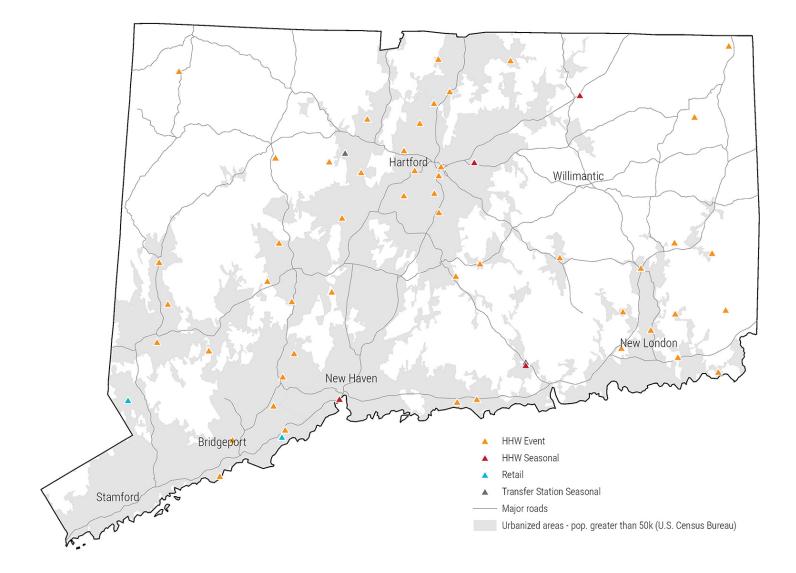
GIS analysis was conducted by PaintCare with assistance from Dewberry, an engineering firm with expertise in geographic analysis and mapping.

Maps. The following maps show the locations of (1) year-round sites, (2) supplemental sites, (3) year-round and supplemental sites, and (4) LVP/RVLP sites and employee event. LVP/RLVP and the employee HHW event sites were not included in any measure of convenience but are mapped for illustrative purposes.

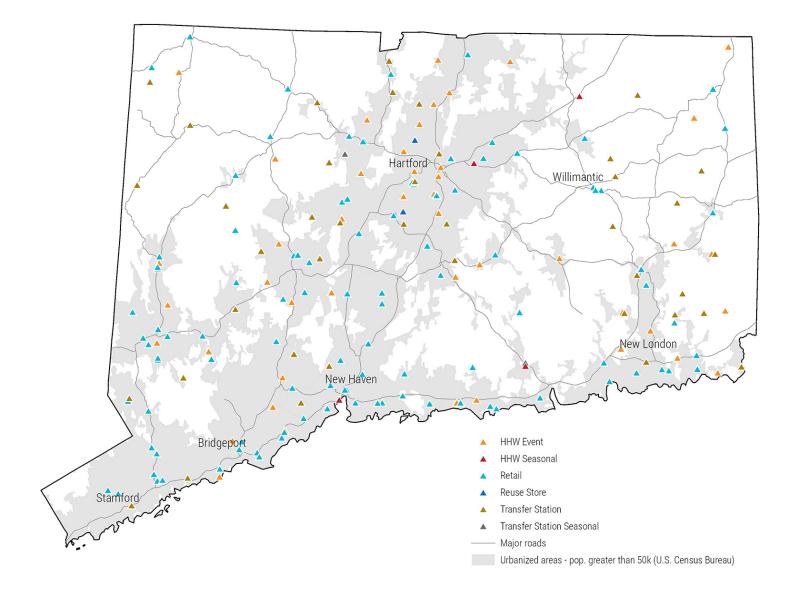
YEAR-ROUND SITES



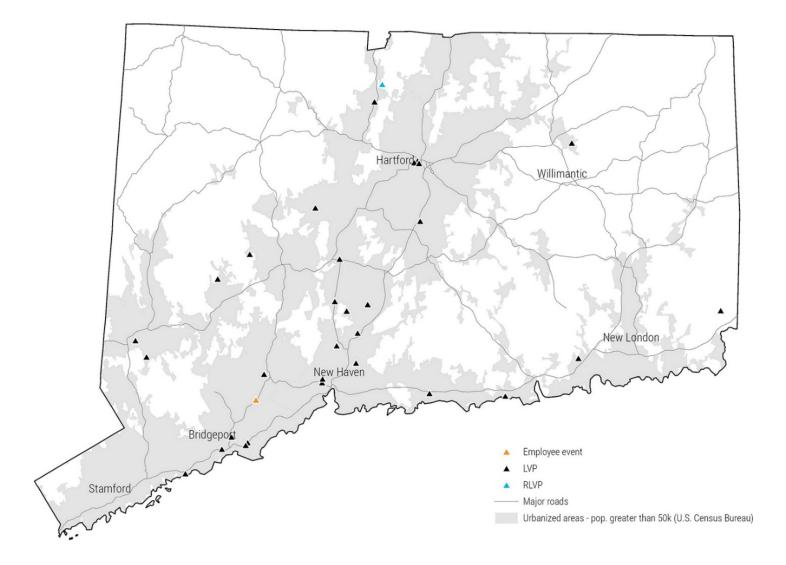
SUPPLEMENTAL SITES



YEAR ROUND AND SUPPLEMENTAL SITES



LARGE VOLUME PICK-UP SITES AND EMPLOYEE EVENT



C. PAINT COLLECTION PROCEDURES

PaintCare entered into contract agreements with sponsors or operators of all year-round and supplemental sites, and the RLVP location. PaintCare contracts require that drop-off and RLVP sites meet requirements of local, state, and federal law, regulations and policies.

Except for the HHW programs whose staff and contractors were already familiar with managing waste paint, PaintCare provided all other sites with an on-site, in-person training and a program procedures manual. The training and program manual covered:

- Identification of program and non-program products
- Acceptable containers
- Whom to accept paint from and how much
- Screening procedure for Conditionally Exempt Small Quantity Generators (CESQGs) and the required log form
- Proper storage
- Spill response procedures and reporting requirements
- Employee training
- How to schedule a pick-up
- Required paperwork and record retention schedules

Site personnel are required to visually inspect containers of postconsumer paint – but not open them – to confirm that they are acceptable program products and then place them in the spill proof collection bins provided by the program. Unlabeled and leaking cans are not accepted at retail or transfer station sites but trained staff at HHW sites and events are allowed to accept and prepare them for management under the program.

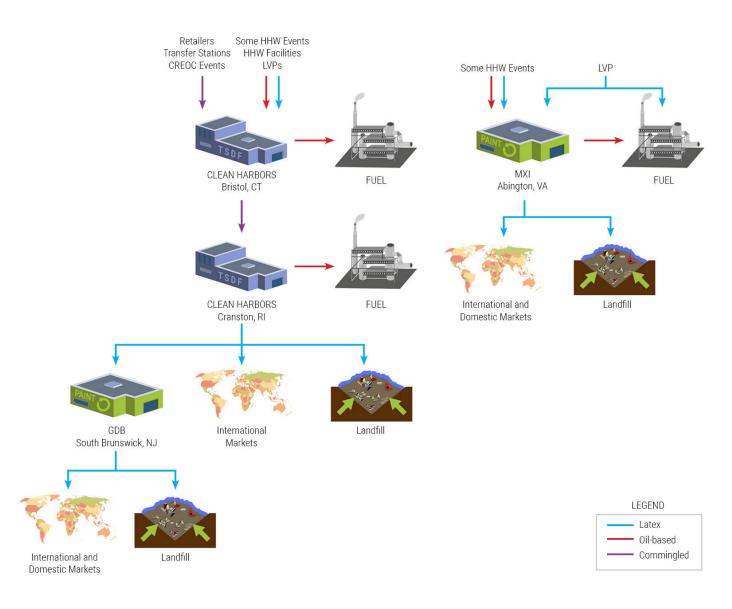
Retail and transfer station drop-off sites (as well as RLVP locations) are visited by PaintCare staff on a regular basis to check on their operations and provide additional training and consumer outreach materials as needed.

In addition to PaintCare's training and documentation requirements, the DEEP requires a permit for retailers participating as drop-off sites in the program. Retailers are required to sign the completed permit registration form and be approved by DEEP prior to accepting paint from the public. PaintCare files the registration form on behalf of sites.

Transfer stations and HHW facilities had permits prior to PaintCare, and the haulers that operate the HHW events hold the required state permits for these events.

D. PAINT TRANSPORTATION AND PROCESSING

The following flow diagram shows an overview of the PaintCare program in Connecticut. A detailed description is provided in the next section.



FLOW DIAGRAM OF PAINTCARE PROGRAM IN CONNECTICUT

D1. Paint Transportation

PaintCare contracted with four transporters in FY2018: Clean Harbors Environmental Services, MXI Environmental Services, Tradebe, and Care Environmental. All four companies are permitted by the State of Connecticut as hazardous waste transporters. PaintCare requires that transportation service providers have the ability and knowledge to respond to incidents involving hazardous materials and comply with all applicable US Department of Transportation (DOT) and state transportation rules.

Clean Harbors was contracted to service all retail drop-off sites, transfer stations, and a portion of the HHW facilities and events. Clean Harbors transported paint from all their assigned sites to their permitted facility in Bristol, CT for screening, separation and consolidation.

MXI was contracted to service a portion of the HHW facilities and events. MXI transported all paint from their assigned sites to their facility in Abingdon, VA for screening, further separation, and consolidation. MXI handled one large LVP customer in FY2018 and transported the recyclable paint from this customer to their facility in Abington; the non-recyclable paint from the LVP was transported to Covanta in Rahway, NJ.

Tradebe and Care Environmental transported paint from two separate HHW programs to the Clean Harbors facility in Bristol, CT.

D2. Latex Paint Processing

The condition in which postconsumer latex paint is received by the program determines the available management options. If containers are not properly sealed during storage, latex paint can harden due to evaporation and may no longer be useable or recyclable. Similarly, if latex paint freezes numerous times, it may not be suitable for reuse or recycling. Ultimately, the method of storage and the timing of the decision to bring leftover paint to a drop-off site are determined by the consumer.

The program's outreach messages encourage the timely return of unwanted postconsumer paint to reduce the age and improve the condition of the paint for end-of-life management.

PaintCare managed latex paint by the following waste management hierarchy:

Reuse. Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. A small amount of latex paint was managed via reuse.

Recycled Paint. Clean Harbors and MXI utilized paint-to-paint recycling as their primary method for managing latex paint. Clean Harbors transported most of the latex paint to GDB International's facility in South Brunswick, NJ and a small amount to their Clean Harbors facility in Cranston, RI. GDB processed postconsumer latex paint by manufacturing a variety of colors of recycled-content paint, which were either distributed and sold domestically in 1 and 5-gallon containers or sold in bulk totes to international markets. Clean Harbors processed postconsumer latex paint by manufacturing recycled-content paint which was sold in bulk totes to international markets.

MXI transported latex paint to their facility in Abingdon, VA. MXI processed postconsumer latex paint by manufacturing a variety of colors of recycled-content paint, which were either distributed and sold domestically in 1 and 5-gallon containers or sold in bulk totes to international markets.

Fuel. MXI sent some latex paint to Covanta in Rahway, NJ to be used as fuel.

Disposal. Dry and unusable latex paint sorted out by processors was sent to authorized landfills.

D3. Oil-Based Paint Processing

Reuse. Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. A small amount of oil-based paint was managed via reuse.

Energy Recovery. Clean Harbors transported a small amount of paint to their Safety Kleen facility in Smithfield, KY, where the paint was separated from the cans, bulked into tankers, then transported to three different cement kilns – Lone Star Cement in Greencastle, IN; ESSROC in Logansport, IN; and Buzzi Unichem in Cape Girardeau, MO, to be used as a fuel. MXI transported oil-based to their Virginia facility where it was bulked into tankers and shipped to GeoCycle in Holly Hill, SC and subsequently to Holcim, a cement kiln, also located in Holly Hill, SC, to be used as a fuel.

Incineration. Clean Harbors transported oil-based paint to their own incinerators in El Dorado, AR, and Deer Park, TX, where it served as a fuel in the incineration process.

Section 2. Paint Collection Volume and Disposition Methods

Annual Report Statutory Citation

Sec. 22a-904a(h) The representative organization shall submit a report to the Commissioner of Environmental Protection that details the paint stewardship program. Such report shall include, but not be limited to:

(2) The volume of postconsumer paint collected in this state.

(3) The volume and type of postconsumer paint collected in this state by method of disposition, including reuse, recycling and other methods of processing.

A. PAINT SALES

Paint sales were 5,849,154 gallons in FY2018, a 1% decrease over last year's sales.

B. PAINT COLLECTION AND MANAGEMENT

B1. Collection Volume and Recovery Rate

The program processed 342,350 gallons of paint in FY2018. The recovery rate was 5.9% (5.9% of 5,849,154 gallons sold).

In the Connecticut program plan, PaintCare estimated an annual recovery rate of 6%, or approximately 360,000 gallons of leftover paint (6% of the originally projected 6 million gallons in sales). The program is nearing the 6% mark and while it looked to be reaching a plateau at the end of FY2017, due to the addition of more retail, transfer station, and HHW sites, the program had another bump in paint collection in FY2018.

GALLONS SOLD AND PROCESSED

	YEAR 1 FY2014	YEAR 2 FY2015	YEAR 3 FY2016	YEAR 4 FY2017	YEAR 5 FY2018
Gallons Sold	5,755,458	5,950,874	6,251,274	5,907,044	5,849,154
Gallons Processed	241,300	275,940	320,414	322,568	342,350
Increase in Gallons Processed	N/A	14.4%	16.1%	0.7%	6.1%
Recovery Rate	4.2%	4.6%	5.1%	5.5%	5.9%

B2. Latex vs. Oil-Based Paint

Of the 342,350 gallons of paint processed in FY2018, 80% (275,089 gallons) was latex paint and 20% (67,261 gallons) was oil-based paint.

B3. Paint Management Methods

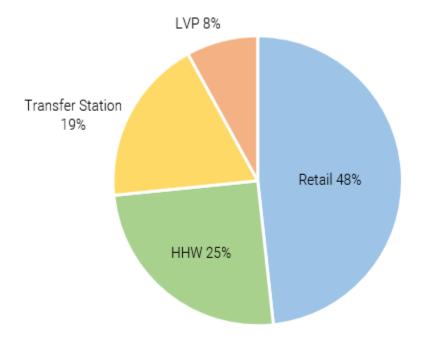
The following table shows the paint management methods and volumes in the first five program years.

	YEAR FY201		YEAR FY201		YEAR FY201	-	YEAR FY201		YEAR FY201	-
LATEX PAINT DISPOSITION	(GAL)	%								
Reuse	~ 500	< 1	244	< 1	245	<1	435	<1	182	<1
Recycled Paint	136,959	81	178,753	82	198,702	80	212,239	84	223,317	81
Alternative Daily Landfill Cover	6,949	4	13,200	б	12,183	5	0	0	0	0
Fuel	10,206	6	0	0	0	0	0	0	10,909	4
Disposal	15,263	9	25,125	12	36,506	15	40,500	16	40,681	15
Subtotal Latex Paint	169,877	100	217,322	100	247,636	100	253,174	100	275,089	100
OIL-BASED PAINT DISPOSITION										
Reuse	0	0	0	0	0	0	0	0	21	<1
Fuel	71,423	100	58,618	100	72,778	100	69,394	100	67,240	100
Subtotal Oil-Based Paint	71,423	100	58,618	100	72,778	100	69,394	100	67,261	100
GRAND TOTAL	241,300		275,940		320,414		322,568		342,350	

SUMMARY OF PAINT MANAGEMENT

B4. Collection by Site Type

The following pie chart shows the relative volume of paint collected by site type.



C. CONTAINER RECYCLING

Metal and plastic paint containers were recycled whenever possible.

In FY2018, the program recycled an estimated 200 tons of paint containers. All latex paint containers managed by the downstream processors, GDB and Clean Harbors, and the metal cans in the portion of oil-based paint managed at the Smithfield, KY facility and by MXI were recycled.

The total tonnage of paint containers recycled since the start of the program is now 872 tons.

Section 3. Independent Audit and Financial Summary

Annual Report Statutory Citation

Sec. 22a-904a(h) The representative organization shall submit a report to the Commissioner of Environmental Protection that details the paint stewardship program. Such report shall include, but not be limited to:

(4) the total cost of implementing the program, as determined by an independent financial audit; (5) an evaluation of the operation of the program's funding mechanism.

A. INDEPENDENT FINANCIAL AUDIT

An independent financial audit of the national PaintCare program was conducted by Rogers & Company PLLC. This independent CPA firm conducted the audit in accordance with auditing standards generally accepted in the United States. Those standards require that the firm plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In Rogers & Company's opinion, the financial statements of PaintCare present fairly, in all material respects, the financial position as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. The independent financial audit of the PaintCare program is included in the appendix.

B. FINANCIAL SUMMARY AND DISCUSSION

B1. Expense Categories

Expenses categories for the Connecticut program are discussed below. As noted previously, revenue is derived from fees on new paint sales.

Paint Processing. Paint processing is the largest expense in all PaintCare programs. In Connecticut, paint processing costs were billed based on weight or by the box and included the cost of sorting mixed boxes of latex and oil-based paint.

Paint Transportation. Paint transportation is another significant expense in PaintCare programs. In Connecticut, transportation costs were billed per cubic yard collection bin picked up.

Collection Supplies and Support. Collection support expenses included paint collection bins (single use and reusable), spill kits, training materials, and miscellaneous supplies for drop-off site operations.

Communications. Communications expenses included advertising and promotional materials to increase awareness of the program and use of the drop-off sites.

Personnel, Professional Fees, and Other. Personnel, professional fees and other included the proportional cost of one full-time employee managing both the Connecticut and Rhode Island programs, GIS analysis, legal costs, travel, office supplies, and other logistical and professional support.

State Administrative Fees. PaintCare pays an administrative fee in the amount to \$20,000 to the DEEP annually.

Corporate Activity. Corporate activity costs are those that are shared across all PaintCare programs and allocated relative to the population of the state or jurisdiction. In FY2018, Connecticut's allocation for corporate activity was 6.1%. These costs include but are not limited to corporate staffing, insurance, maintenance of data management systems, auditing fees, software licenses, legal fees, occupancy, and general communications. (Note: Corporate activity was referred to as administrative costs in the Connecticut program plan.)

B2. Financial Summary

The following table shows program revenue and expenses during the first five program years. The following are notable changes from FY2017:

- Collectively, paint transportation, processing and collection support costs were 7.6% higher in FY2018 due to the addition of the Capital Region East Operating Committee HHW program (one seasonal facility and one event), and a very large LVP.
- Net assets increased by 10% but continued the trend of increasing by a decreasing amount (e.g., the increase in FY2017 was 20%, the increase in FY2016 was 43%).

REVENUE AND EXPENSES

REVENUE	YEAR 1 FY2014	YEAR 2 FY2015	YEAR 3 FY2016	YEAR 4 FY2017	YEAR 5 FY2018
Larger than half pint to smaller than 1 gallon	\$ 408,243	\$ 470,065	\$ 473,053	\$ 471,923	\$ 444,863
1 gallon	2,403,101	2,463,209	2,600,642	2,381,951	2,397,442
Larger than 1 gallon up to 5 gallons	722,126	744,882	781,827	765,896	747,138
Total revenue	3,533,470	3,678,156	3,855,522	3,619,770	3,589,443
EXPENSES					
Paint processing	935,657	1,173,310	1,378,563	1,380,383	1,476,997
Paint transportation	390,260	438,863	505,722	481,333	508,186
Collection supplies and support	315,780	393,719	347,619	373,436	419,471
Communications	256,452	346,529	460,292	474,641	448,418
Personnel, professional fees, and other	144,280	134,813	133,560	136,799	141,129
State administrative fees	40,000	20,000	20,000	20,000	20,000
Allocation of corporate activity	142,482	188,442	252,858	244,164	257,027
Total expenses	2,224,911	2,695,676	3,098,614	3,110,756	3,271,227
Allocation of investment activity *	0	1,643	10,956	0	0
Change in net assets (revenue minus expenses)	1,308,559	984,123	767,864	509,014	318,215
Net assets, beginning of reporting period	(495,872)	812,687	1,796,810	2,564,674	3,073,688
Net assets, end of reporting period	\$ 812,687	\$ 1,796,810	\$ 2,564,674	\$ 3,073,688	\$ 3,391,903

* As of January 2016, reserves are being held in a checking account, and no longer in an investment portfolio.

C. RESERVES POLICY

Reserves represent the accumulated surplus (cash and investments) of PaintCare's programs. The reserves provide each program with a balance that is sufficient to pay its bills in times of either higher than expected paint collection (higher expenses), lower than expected paint sales (lower revenue), or a combination of the two.

PaintCare's Reserves Policy establishes a target reserve as a percentage of annual expenses. It also sets a range with minimum and maximum thresholds. If the reserves fall below the minimum threshold or rise beyond the maximum threshold, an evaluation of the program's expenses and revenue will be performed to determine if changes are needed in operations, outreach, and/or the fee structure to bring the reserve balance within range.

Previously, the PaintCare Board of Directors had established a target reserve of 50% of annual expenses with a minimum threshold of 16% (i.e., two months) of expenses and a maximum of 75% (i.e., nine months).

In April 2018, the Board of Directors increased the target to 100% of annual expenses. The minimum threshold was changed to 75% (i.e., nine months) of expenses and the maximum was changed to 125% (i.e., 15 months).

This decision was made after an examination of how reserve levels have fluctuated for existing programs, particularly those with sustained growth and costs. The analysis showed that if a fee reduction were to be implemented when a 50% reserve level is reached, programs would likely need to reverse course and implement a fee increase within a few years. Therefore, a higher reserve level provides better stability for the programs and for those affected by a fee change. A larger reserve also mitigates the risk of an extensive timeframe for receiving approval of fee changes. Finally, a larger reserve provides better financial security for individual state programs as they move from utilizing an organization-wide bank account to individual limited liability companies with separate banks accounts, whereby borrowing of funds during times of deficit may be costlier.

PaintCare has also confirmed that a 12 months reserve target is not uncommon for non-profit organizations, including other stewardship organizations.

At the end of FY2018, the Connecticut program had built a surplus of \$3,391,903 or 104% of annual expenses.

D. EVALUATION OF THE PROGRAM'S FUNDING MECHANISM

The Connecticut PaintCare fees on the sale of new paints are based on container sizes as follows:

CONTAINER SIZE	FEE
Half pint or smaller	\$ 0.00
Larger than half pint to smaller than 1 gallon	\$ 0.35
1 gallon	\$ 0.75
Larger than 1 gallon up to 5 gallons	\$ 1.60

PAINTCARE FEE SCHEDULE

The funding mechanism, fee structure, and system to receive sales reports and payments from manufacturers continued to perform well in FY2018.

E. FIVE-YEAR PROJECTIONS

The long-term financial position of the program is presented below using a five-year projection of expected revenues and expenses, based on the following assumptions:

- Paint sales and revenue will remain constant based on FY2018 values.
- Paint collection volume will continue rising through FY12019 from the addition of new sites and growing awareness, leading to a 7% increase in expenses. In addition, the program is implementing a research and development project in FY2019 that will award up to \$100,000 for developing alternative uses for recycled paint. (See Section 5 for description of the project.)
- Beginning in FY2020, expenses will grow by a modest 2.5% each year resulting from increased paint collection volume, increased vendor costs, or a combination of the two.

As shown in the following table, reserves are projected to begin decreasing in FY2019, therefore PaintCare is not planning to change the current fee structure.

	ACTUAL	PROJECTED						
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		
Revenue	\$ 3,589,443	\$ 3,589,443	\$ 3,589,443	\$ 3,589,443	\$ 3,589,443	\$ 3,589,443		
Expenses	3,271,227	3,585,326	3,572,459	3,661,771	3,753,315	3,847,148		
Net Change	318,216	4,117	16,984	(72,328)	(163,872)	(257,705)		
Reserve	\$ 3,391,903	\$ 3,396,021	\$ 3,413,005	\$ 3,340,677	\$ 3,176,805	\$ 2,919,100		
Reserve Percent	104%	95%	96%	91%	85%	76%		

FIVE-YEAR PROJECTIONS

Section 4. Outreach

Annual Report Statutory Citation

Sec. 22a-904a(h) The representative organization shall submit a report to the Commissioner of Environmental Protection that details the paint stewardship program. Such report shall include, but not be limited to:

(6) samples of educational materials provided to consumers of architectural paint and an evaluation of the methods used to disseminate such materials.

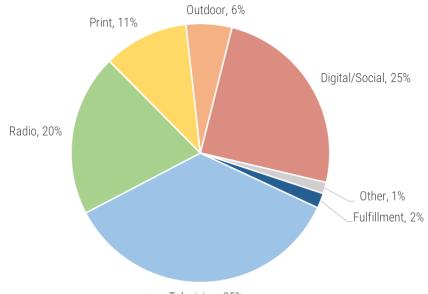
A. OUTREACH ACTIVITIES

A1. Introduction

PaintCare's outreach strategy includes a variety of activities targeted to retailers, painting contractors, municipal agencies, and the general public through direct contact and advertising. Outreach efforts in FY2018 focused on encouraging the public to recycle their unwanted paint and included messages related to source reduction and reuse.

Outreach was conducted by distributing brochures and other print-based materials to retailers and others (fulfillment) and using a variety of media, including print (newspapers and direct mail), television, outdoor (billboards and sports sponsorship), radio, digital, and social media.

The main objective of outreach was to drive the public to PaintCare's website to find a drop-off site using PaintCare's site locator search tool. The relative amounts of spending dedicated to outreach activities about the Connecticut program are summarized in the following pie chart:



Television, 35%

A2. Press Release

A press release about promoting the previous year's annual report and the program's current milestones was distributed statewide in November of 2017. Updates about the program were covered in the *Westport News* in December of 2017.

A3. Print Materials for Consumers

PaintCare continued to distribute program brochures and other printed materials to retailers for them to make available to consumers in their stores. These materials include program brochures, mini cards, fact sheets (for painting contractors and the LVP service), and program posters.

In FY2018, PaintCare fulfilled 46 requests for materials by mail and the Connecticut program manager delivered materials in person during site visits. PaintCare distributed a total of 5,611 brochures, mini cards, fact sheets, and posters in FY2018.

PaintCare also provided counter mats to retailers to use in the paint department to reference when customers had questions. The counter mat is popular with retailers and more likely than the poster to be seen by customers while they wait for their paint to be mixed.

Larger versions of the materials shown below are included in the appendix and available on PaintCare's website.



Brochure, Mini Card, Program Poster, Counter Mat, and Fact Sheets

A4. Fact Sheets for Stakeholders

Several fact sheets were distributed in the months before the start of the program or introduced in previous years are still used. Minor updates are made throughout the year. Current versions of the following fact sheets are available on PaintCare's website:

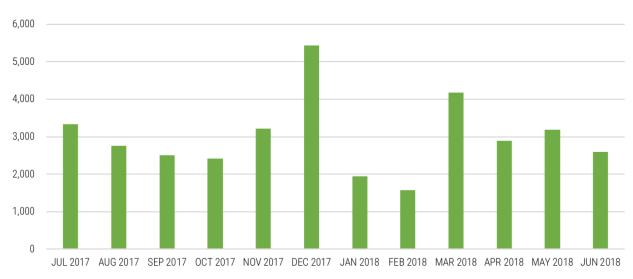
- How Does the Connecticut Paint Stewardship Program Affect Paint Retailers?
- How to Become a Retail Drop-Off Site
- About PaintCare Fees
- Information for HHW Programs
- Information for Solid Waste Transfer Stations, Recycling Facilities and Landfills
- Reuse Programs Compensation and Reporting

A5. Website

Nearly all PaintCare advertising and outreach efforts direct the public to PaintCare's website for more information and to find a local PaintCare site. The most frequently visited part of the website is the PaintCare site locator tool on the page titled Drop-Off Locations. PaintCare's website is updated throughout the year.

The website is easy to navigate and features topics on buying the right amount of paint, storage and reuse tips, and recycling. It has special pages for manufacturers and a general section for retailers, explains what products are covered by the program, and has a Connecticut page with tabs for different audiences (Everyone, Contractors, Retailers, Waste Facilities, and Official Docs).

A chart showing monthly website traffic in FY2018 follows.



MONTHLY WEBSITE TRAFFIC FROM CONNECTICUT

A6. Translations

PaintCare translates consumer brochures and fact sheets into languages of known ethnic groups in the state, especially those in the painting business, and upon request from paint retailers or other stakeholders. In the last year, PaintCare streamlined its translated brochures into universal versions (no longer state-specific) in

order to make all them available to all states/jurisdictions. These include Amharic, Arabic, Armenian, Chinese, Farsi, French, Hmong, Khmer, Korean, Lao, Polish, Portuguese, Russian, Somali, Spanish, Thai, Turkish, and Vietnamese. Additionally, some widely used fact sheets have been translated and are available to all states. These include the LVP Fact Sheet, which is available in Spanish, and the Painting Contractors Fact Sheet, which is available in 11 languages other than English.

A7. Radio

Public Radio. PaintCare ran the following message in 10 spots per week in three-week time blocks during most months of the year: "...PaintCare's Connecticut Recycling Program, now with more than 140 drop off locations in Connecticut where residents and businesses can recycle their leftover paint. Online at PaintCare dot org. Buy Right, Use It Up, Recycle the Rest--with PaintCare."

Commercial Radio. PaintCare ran a series of radio spots featuring a narrator cleaning out his garage. The following spot ran in two week blocks each month from August to October and in March on talk radio stations statewide in English. A Spanish version was used on Spanish language stations in Hartford, New Haven and Bridgeport.

"Is your garage full of old paint that you'll never use? I know mine is. Avocado Green, Hot Pink, Antique White? (That is a nice shade of white, though.) You know, it's easy to recycle paint all over Connecticut. Keep what you need and recycle the rest. Find a drop off site near you at PaintCare dot org."

A8. Television

In FY2018, PaintCare ran 15-16 broadcast television spots per week for two weeks per month August-December and April-June throughout most of the state. Cable television was used in Fairfield County to avoid broadcasting into New York. The "Touch-ups" spot continued to be used and shows a woman repainting her walls after her child has drawn on them. While looking for the touch up paint in her garage, she realizes that she has more paint that she would ever use and takes it to be recycled.



Still Frames from "Touch-ups" Television Commercial

During the second half of FY2018, PaintCare developed and produced a new television commercial to be used in Connecticut starting in FY2019. The new commercial shows a single room painted and decorated several times in changing decades by contractors and a homeowner. While the styles and fashions of décor evolve with time, the leftover paint stacks up in the closet. The audience learns that, finally, in the present era there is a new solution for an ongoing problem; now you can recycle leftover paint with PaintCare.

A9. Print Advertising

PaintCare ran print ads in the fall 2017 and spring 2018 throughout the state to advertise retail drop-off sites; each site was promoted several times during this period. This year PaintCare used a combination of Red Plum circulars and newspapers. Red Plum circulars (sometimes called shared mail or direct mail) arrive in the mail to homes within a group of zip codes, so each ad was customized to advertise the drop off sites in those zip codes. Red Plum is not available in all parts of Connecticut, so newspaper ads were used in areas where Red Plum was not available.



Examples of Print Advertising: Red Plum (left) and Newspaper (right)

A10. Digital Advertising

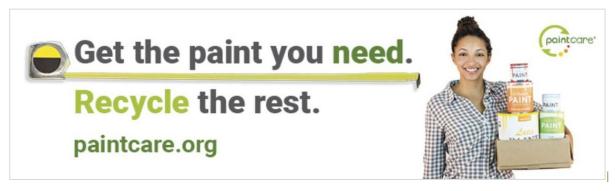
PaintCare ran digital banner ads on Pandora radio and a variety of news related websites in two-week campaigns July-December and March-June.



Digital Ads Used on Pandora Radio

A11. Outdoor

PaintCare ran billboards on I-91 in Hartford and New Haven in April 2018 as well as Fairfield in May 2018.



Digital Billboard Used in Hartford, New Haven, and Fairfield

A12. Sports Sponsorships

PaintCare participated in a sponsorship program for a network of high school football programs called Home Team Marketing in Litchfield, New London, and Fairfield Counties from August to October 2017. The program included display of two large field signs at football games, two public announcement reads of a PSA for PaintCare at games, and inclusion on a calendar magnet distributed to attendees.

 PA announcement: "With PaintCare, households and business have 145 locations all over Connecticut where they can recycle leftover house paint, stain, and varnish for free all year round. Find a drop-off location near you. Visit PaintCare dot org."



High School Football Game Field Sign (above) and Schedule Magnet Ad (below)

A13. Face-to-Face

The Connecticut program manager continued to visit with retail drop-off sites regularly to make sure there were no problems or concerns, to help coach them on how to answer questions they receive from customers, provide brochures and other point-of-sale materials, and order signs. The manager also talked to customers in the stores when they were dropping off paint or buying paint and had questions.

She also visited PaintCare's HHW facility and transfer station partners to check on operational issues and answer questions.

In addition to regular contact with drop-off sites, the Connecticut program manager was active with the following face-to-face events in FY2018:

- Connecticut Recyclers Coalition Conference (Southington) to network with recycling coordinators and answer questions about PaintCare
- Affiliate member of the second largest Board of Realtors (New Haven/Middlesex); attended their fall show, to answer program questions, distributed informational brochures
- National Organization of Professional Organizers (Stamford) annual trade show
- Northeast Resource Recovery Association (New Hampshire) annual recycling conference

Finally, the Connecticut program manager spoke with individuals interested in PaintCare's LVP service, explained how to request a pick-up, what was required to take advantage of the service, and which types of products are covered by the program and eligible for the service. If necessary, she visited the location to address logistical site issues to accommodate pick-ups either before the pick-up, at the same time as the pick-up, or both.

A14. Signage

PaintCare has developed several signs for drop-off sites to help them let the public know about the program, screen program products, and address concerns about illegal dumping. Drop-off sites may order the following signs: Program Products Sign (English/Spanish), Program Partner Sign, Combination (program partner with simplified products list), No Dumping, and Please Wait for Assistance. Larger versions of these signs have been included in previous annual reports. These signs can now be found online at www.paintcare.org/signs.



A15. Joint Outreach Projects

PaintCare offers creative and financial support to HHW and transfer station programs that are PaintCare partners. PaintCare provided support to the Housatonic Resource Recovery Association in FY2018 by providing partial funding for two newspaper ads to promote HHW events and for their recycling newsletter. More information about joint outreach is available from PaintCare's website.

B. AWARENESS SURVEY

PaintCare conducted a baseline awareness survey in Connecticut prior to the start of the program using Survey Monkey, an online survey instrument. The survey is used to evaluate awareness of paint recycling options over time and it is repeated each year.

PaintCare is especially interested in the questions related to how much paint people store in their homes and whether they know where to recycle unwanted paint. A summary of responses for the last four rounds of surveys is included in the appendix.

Here are some highlights of the surveys from all years:

- There is a trend showing that respondents store less paint. In general, fewer respondents said that they had 5 or more gallons of paint, and more respondents said they had 0-5 gallons.
- Another trend is that fewer respondents reported that the paint in their home came from either (1) someone they hired to paint left it behind, or (2) it was there when they moved in. With many easy-to-find year-round drop-off sites open several days a week, it may be that painting contractors are more likely to take away leftover paint when the job is done, and home sellers are more likely to clean out their old paint storage areas throughout the year or when then get ready to sell.
- The percentage of respondents who said they had (or would) take unwanted paint to an HHW
 program decreased each year and the percentage who said they had (or would) take it to a paint
 store increased each year. Prior to PaintCare, very few paint stores took back paint, so this is an
 indicator of awareness of the options provided by PaintCare's retail partners.
- The percentage of respondents who said they know that paint can be recycled increased each year. This year it was 48%.
- The percentage of respondents who said they know where to take paint for recycling or disposal has varied each year with a general upward trend. This year 44% of respondents said they know where to take old paint.

C. RECOMMENDATIONS

- PaintCare should continue to conduct outreach through a variety of media activities, including television, radio, digital, and print advertising to increase awareness across the state. PaintCare endeavors to reach the general public all households, businesses, and institutions that generate or accumulate leftover paint. Because the various segments of the general population are reached by different media, a media mix that includes a variety of strategies is necessary to reach the general population.
- The number or visitors using mobile devices to access PaintCare's website has shifted and is now 80%, compared to 20% two years ago. In response, PaintCare has made the website, and especially the site locator, much more mobile device friendly and should continue optimizing its message and delivery for mobile device users.
- PaintCare should experiment with new ways of promoting drop-off sites to ensure a broad population is aware of them. PaintCare drop-off sites appreciate promotion in print newspapers, but it's worthwhile to consider augmenting those ads with other media options.
- PaintCare should continue to offer its joint outreach program to local governments to leverage their messaging and outreach for recycling and solid waste programs.
- The program manager should identify new events and other face-to-face outreach opportunities to raise awareness of the program.

Section 5. FY2019 and Future

This new section to the annual report describes activities or plans for the program that have happened since July 1, 2018 or are being planned.

A. Change in Representative Organization

As of January 1, 2019, PaintCare Connecticut LLC will replace PaintCare Inc. as the Representative Organization of the Connecticut Architectural Paint Stewardship Program. PaintCare Inc. formed PaintCare Connecticut LLC as a sole-member "disregarded" limited liability company to be dedicated specifically to the management of the Connecticut Architectural Paint Stewardship Program.

PaintCare Inc. intends to form individual LLCs for each of its programs to improve financial independence and separation between the PaintCare® programs in different jurisdictions. By shifting program operations and responsibilities to a disregarded LLC in each jurisdiction, and by segregating program funds accordingly, each jurisdiction's PaintCare program (and its associated funds) is better sheltered from any liability that might arise from the operation of a PaintCare® program in a different jurisdiction.

The LLC transition will not prompt any change in staffing and is not expected to prompt any change in vendors. PaintCare Connecticut LLC is considered to be a 501(c)(3) non-profit company under IRS rules and meets the statutory eligibility requirements for the Representative Organization set forth in Connecticut General Statute Section 22a-904(13).

B. Recycled Paint Grant Program

In December 2018, PaintCare is launching a research and development (R&D) grant competition in three states, including Connecticut. The purpose of the R&D grant is to identify and help develop the top idea which has the most potential for scale-up and commercialization of a product which uses the fraction of latex paint not recycled today. Paint-to-paint recycling options are available for only a subset of the paint collected by PaintCare. Additional recycling options could increase recycling rates and potentially lower processing costs which comprise a significant portion of PaintCare's overall operating costs.

C. Change of Outreach Firm

Beginning in fall 2018, PaintCare will be working with a new media agency, Chief, to support public outreach and education efforts in Connecticut, Maine, Vermont, Rhode Island, Minnesota, and the District of Columbia. Chief is headquartered in Washington, DC, and manages statewide campaigns for clients in Connecticut and throughout the United States.

D. NERC Award

In October 2018, PaintCare received the 2018 Environmental Sustainability Leadership Award from the Northeast Recycling Council's (NERC) for its programs in Connecticut, Maine, Rhode Island, and Vermont. Each year, NERC gives the award to an individual or organization that has made a significant impact on sustainable materials management within NERC's 11-state region.

E. Retail Permit Renewal

All retailers that participate as PaintCare drop-off sites are required to have a special permit from DEEP developed for the PaintCare program. The original 5-year permits expired in 2018. PaintCare is in the process of assisting more than 100 retail sites file for their new permits. The new permits will be valid for ten years.

Appendix Section A



Year-Round Sites

PAINTCARE SITES

FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 1 OF 7

146 Sites

City/Town

Site Name

Address

Туре

real-Rouliu Sites	140 Siles		
Avon	Carr Hardware	320 W Main St	Retail
Avon	Mahers Paint & Wallpaper	369 W Main St	Retail
Avon	Sherwin-Williams	353 W Main St	Retail
Barkhamsted	Regional Refuse Disposal Dist 1	31 New Hartford Rd	Transfer Station
Berlin	New Britain Recycling Center	642 Christian Ln	Transfer Station
Bethel	Rings End	9 Taylor Ave	Retail
Bethel	Stony Hill Hardware	34 Stony Hill Rd	Retail
Bethel	True Value of Bethel	211 Greenwood Ave	Retail
Bethlehem	True Value of Bethlehem	101 Main St S	Retail
Bloomfield	Habitat for Humanity Restore	500 Cottage Grove Rd	Reuse Store
Bolton	England True Value Hardware	661 Boston Tpke Rte 44	Retail
Branford	Branford Building Supplies	1145 Main St	Retail
Branford	Rings End	25 E Industrial Rd	Retail
Branford	Sherwin-Williams	2 Liesl Ln	Retail
Bridgeport	PPG Paints	1739 Main St	Retail
Bridgeport	Sherwin-Williams	46 Glenwood Ave	Retail
Bristol	Bristol Transfer Station	685 Lake Ave	Transfer Station
Bristol	City Hardware	750 Farmington Ave	Retail
Bristol	Sherwin-Williams	1197 Farmington Ave	Retail
Brookfield	Sherwin-Williams	2 Federal Rd	Retail
Brooklyn	Brooklyn Transfer Station	95 Ruckstella Rd (off Beecher Rd)	Transfer Station
Burlington	Burlington Transfer Station	66 Belden Rd	Transfer Station
Canaan	C A Lindell True Value	59 Church St	Retail
Canterbury	Canterbury Transfer Station	111 Kinne Rd	Transfer Station
Canton	Larsen Ace Hardware	220 Albany Turnpike	Retail
Cheshire	R W Hine Hardware	231 Maple Ave	Retail
Clinton	Clinton Paint & Decorating	252 E Main St Rte 1	Retail
Clinton	Stewards Ace Hardware	114 E Main St	Retail
Cornwall	Cornwall Transfer Station	24 Furnace Brook Rd	Transfer Station
Cromwell	Sherwin-Williams	50 Berlin Rd	Retail
Danbury	PPG Paints	211 White St	Retail
Danbury	Sherwin-Williams	1 Padanaram Rd	Retail
Darien	Darien Transfer Station	126 Ledge Rd	Transfer Station
Derby	Sherwin-Williams	656 New Haven Ave	Retail
East Haddam	Shagbark True Value Hardware	1 Mt Parnassus Rd	Retail
East Hampton	East Hampton Ace Hardware	25 E High St #3-4-5	Retail



FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 2 OF 7

City/Town

Site Name

East Hartford East Hartford Transfer Station East Hartford Sherwin-Williams **Goodys Hardware** East Haven East Lyme Cash True Value Home Center Eastford Transfer Station Eastford Enfield Sherwin-Williams Sherwin-Williams Fairfield Glastonbury Katz Hardware Beman True Value Hardware Granby **Granby Transfer Station** Granby **Griswold Transfer Station** Griswold Johnson True Value Hardware Groton Sherwin-Williams Groton Guilford Page Hardware and Appliances Hamden Hamden Transfer Station Sherwin-Williams Hamden Hartford Hartford Transfer Station Kent Kent Transfer Station Sherwin-Williams Killingly Killingworth Killingworth True Value Hardware Lakeville Ed Herringtons Inc Lebanon Transfer Station Lebanon Ledyard Holdridge Home & Garden Ledvard Ledyard Transfer Station Litchfield True Value Hardware of Litchfield **Rings End** Madison Manchester Sherwin-Williams Manchester Sherwin-Williams Mansfield Center Mansfield Transfer Station Middletown Ace Home Center Milford **Colony Paint Morris Transfer Station** Morris Mystic Cash True Value Home Center Mystic Mystic Paint and Decorating H J Bushka Sons Naugatuck Sherwin-Williams Naugatuck New Britain John Boyle Company New Fairfield Village Hardware

Address

Туре

61 Ecology Dr 275 Park Ave 540 Main St 300 Flanders Rd 264 Westford Rd 85 Freshwater Blvd 695 Post Rd 2687 Main St 20 Hartford Ave 103 Old Stagecoach Rd 1148 Voluntown Rd Rte 138 40 Fort Hill Rd 750 Long Hill Rd 9 Boston St 231 Wintergreen Ave 2100 Dixwell Ave 180 Leibert Rd 46 Maple St 1062 N Main St 228 Route 81 11 Farnum Rd 175 Exeter Rd 749 Colonel Ledyard Hwy 881 Colonel Ledyard Hwy 348 Bantam Rd 85 Bradley Rd 257 Broad St 100 Tolland Tpke 221 Warrenville Rd 480 S Main St 282 Boston Post Rd 254 Lakeside Rd 9 Hendel Dr 50 Williams Ave 25 Great Hill Rd 727 Rubber Ave 152 S Main St 3 Durham Dr

Transfer Station Retail Retail Retail **Transfer Station** Retail Retail Retail Retail **Transfer Station Transfer Station** Retail Retail Retail **Transfer Station** Retail **Transfer Station Transfer Station** Retail Retail Retail **Transfer Station** Retail **Transfer Station** Retail Retail Retail Retail **Transfer Station** Retail Retail **Transfer Station** Retail Retail Retail Retail Retail Retail



FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 3 OF 7

City/Town

Site Name

Address

Туре

Grand Paint & Carpet Center New Haven New Haven **PPG Paints** New Haven Sherwin-Williams New London New London Transfer Station New Milford H H Taylor & Sons True Value New Milford **Rings End** New Milford Sherwin-Williams Newington **ReCONNnstruction Center** Newtown Hardware Newtown Sherwin-Williams Newtown Niantic **Rings End** North Branford **Country Paint and Hardware** North Haven Paint and Hardware North Haven **PPG** Paints North Haven North Stonington North Stonington Transfer Station Windham Transfer Station North Windham Norwalk **PPG Paints** Norwalk **Rings End** Norwalk Sherwin-Williams Norwich Ace Home Center Norwich Norwich Transfer Station Sherwin-Williams Norwich Oakdale Montville Transfer Station Old Saybrook Sherwin-Williams Orange **Orange Transfer Station** Sherwin-Williams Orange Oxford **Oxford Lumber & Building Materials** Pawcatuck Stonington Transfer Station Plainfield Plainfield Hardware Portland Portland Transfer Station Preston Transfer Station Preston Sherwin-Williams Putnam **Redding Center Redding Transfer Station** Ridgefield **Keoghs Paint & Hardware** Ridgefield **Ridgefield Transfer Station** Rocky Hill **Rocky Hill Transfer Station** Salisbury Salisbury Transfer Station Simsbury Simbury Transfer Station

451 Grand Ave 390 East St 454 Whalley Ave 63 Lewis St 85 Railroad St 140 Danbury Rd Rte 7 116 Danbury Rd 731 New Britain Ave 61 Church Hill Rd 255 S Main St 28 Hope St 2410 Foxon Rd 87 Quinnipiac Ave 310 Washington Ave 191 Wintechog Hill Rd 8 Industrial Park Dr 106 Main St 149 Westport Ave 304 Main Ave 146 W Town St 73 Rogers Rd 411 W Main St 669 Rt 163 783 Boston Post Rd 100 S Orange Center Rd 575 Boston Post Rd 113 Oxford Rd 151 Greenhaven Rd 20 Excalibur Blvd 33 Sand Hill Rd 108 Ross Rd 239 Kennedy Dr 84 Hopewell Woods Rd 1 Ethan Allen Hwy 55 South St 2 Old Forge Rd 309 Sharon Rd 74 Wolcott Rd

Retail Retail Retail **Transfer Station** Retail Retail Retail **Reuse Store** Retail Retail Retail Retail Retail Retail **Transfer Station Transfer Station** Retail Retail Retail Retail **Transfer Station** Retail **Transfer Station** Retail **Transfer Station** Retail Retail **Transfer Station** Retail **Transfer Station Transfer Station** Retail **Transfer Station** Retail **Transfer Station Transfer Station Transfer Station Transfer Station**



FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 4 OF 7

	1
('it\	/Town
City	,

Site Name

Address

Туре

Southbury	Southbury Transfer Station	231 Kettletown Rd	Transfer Station
Southington	PPG Paints	320 Queen St	Retail
Southington	Sherwin-Williams	405 Queen St	Retail
Stamford	Keoughs Paint & Hardware	907 High Ridge Rd	Retail
Stamford	Sherwin-Williams	1100 Hope St	Retail
Storrs	Mansfield Supply Inc	1527 Storrs Rd	Retail
Stratford	Rings End	160 Avon St	Retail
Stratford	Sherwin-Williams	425 Benton St	Retail
Terryville	Plymouth Transfer Station	175 Old Waterbury Rd	Transfer Station
Torrington	Sherwin-Williams	368 Winsted Rd	Retail
Wallingford	Sherwin-Williams	927 N Colony Rd	Retail
Wallingford	South Broad Paint Center	1267 S Broad St	Retail
Waterbury	PPG Paints	1225 Thomaston Ave	Retail
Waterbury	Schmidts & Serafines True Value	464 Chase Ave	Retail
Waterbury	Sherwin-Williams	997 Wolcott St	Retail
Waterford	Sherwin-Williams	99 Boston Post Rd	Retail
Watertown	Watertown Transfer Station	Old Baird Rd (off Hamilton)	Transfer Station
West Hartford	PPG Paints	80 South St	Retail
West Hartford	Sherwin-Williams	1077 New Britain Ave	Retail
West Hartford	West Hartford Transfer Station	25 Brixton St	Transfer Station
West Haven	Rings End	460 Elm St	Retail
Westport	Westport Transfer Station	300 Sherwood Island Connector	Transfer Station
Wethersfield	Rings End	669 Silas Deane Hwy	Retail
Wethersfield	Sherwin-Williams	725 Silas Deane Hwy	Retail
Willimantic	Cash True Value Home Center	1561 Main St	Retail
Willimantic	O L Willard Co	196 Valley St	Retail
Willimantic	Sherwin-Williams	1320 Main St	Retail
Wilton	Rings End	129 Danbury Rd	Retail
Wilton	Wilton Hardware	21 River Rd	Retail
Windsor	Windsor Transfer Station	500 Huckleberry Rd	Transfer Station
Winsted	True Value of Winchester	276 Main St	Retail
Wolcott	Wolcott Transfer Station	48 Todd Rd	Transfer Station
Woodbridge	Woodbridge Transfer Station	85 Acorn Hill Rd Ext	Transfer Station
Woodbury	Ace Hardware of Woodbury	690 Main St S	Retail

Supplemental Sites and Events

57 Sites

Ansonia Avon Ansonia Public Works (NVCOG) Avon Transfer Station 1 N Division St 281 Huckleberry Hill Rd HHW Event Transfer Station Seasonal



Site Name

City/Town

PAINTCARE SITES

FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 5 OF 7

,,	
Bloomfield	Bloomfield Public Works Bldg (MDC)
Bridgeport	City of Bridgeport
Bristol	Bristol Public Works Garage (TROC)
Brookfield	Brookfield High School (HRRA)
Burlington	Burlington Recycling Center (TROC)
Clinton	DPW Garage (RiverCOG)
Colchester	Colchester Town Hall (SCRRRA)
Danbury	Danbury Public Works (HRRA)
East Hampton	Colchester-East Hampton WPCA (River
East Hartford	East Hartford WPCF (MDC)
Essex	Essex Transfer Station
Essex	RiverCOG HHW Facility
Fairfield	Veterans Park (RWA)
Falls Village	Public Works Garage (NHCOG)
Farmington	Farmington High School (HHW)
Gales Ferry	Former Gales Ferry School (SCRRRA)
Griswold	Griswold Highway Garage (SCRRRA)
Groton	Groton Transfer Station (SCRRRA)
Hartford	MDC Operations Facility (MDC)
Harwinton	Torrington WPCF (NHCOG)
Ledyard	Ledyard (2017) (SCRRRA)
Lisbon	Lisbon Government Office (City)
Madison	Madison Town Garage (RWA)
Manchester	Manchester Public Works (CREOC)
Middlebury	Middlebury (NHCOG)
Middletown	Middlesex College (RiverCOG)
Milford	DPW Garage (RWA)
Milford	PPG Paints
Naugatuck	Former Gen Datacomm Bldg (NVCOG)
New Haven	Regional Water Authority (RWA)
New Milford	John Pettibone School (HRRA)
Newington	Newington Town Garage (MDC)

Newtown

Norwich

Oakdale

Pomfret

Prospect

North Stonington

Newtown Public Works (HRRA)

N Stonington Public Schools (SCRRRA)

Tyl Middle School Montville (SCRRRA)

Pomfret Community School (Town)

Prospect Town Garage (TROC)

Norwich Public Works Garage (SCRRRA)

Address

Type

21 Southwood Rd HHW Event 425 Thormes St HHW Event 95 Vincent P Kelly Dr HHW Event 45 Long Meadow Hill Rd HHW Event 66 Belden Rd HHW Event 117 Nod Rd HHW Event 127 Norwich Ave HHW Event 53A Newtown Rd HHW Event Hampton WPCA (RiverCOG) 20 Gildersleeve Dr HHW Event 65 Pitkin St HHW Event 5 Dump Rd **Transfer Station Seasonal** Dump Road (no street number) HHW Seasonal 909 Reef Rd HHW Event Railroad St (no street number) HHW Event 10 Monteith Dr HHW Event 7 Hurlbutt Rd HHW Event 1148 Voluntown Rd Rte 138 HHW Event 685 Flanders Rd HHW Event 125 Maxium Rd HHW Event 252 Bogue Rd HHW Event 889 Colonel Ledyard Hwy HHW Event HHW Event 1 Newent Rd 16 Fort Path Rd HHW Event 311 Olcott St HHW Seasonal 1172 Whittmore Rd HHW Event 100 Training Hill Rd HHW Event HHW Event 83 Ford St 773 Bridgeport Ave Retail 6 Rubber Ave HHW Event 90 Sargant Dr HHW Seasonal 2 Pickett District Rd HHW Event 281 Milk Ln (off of Fenn Rd) HHW Event 4 Turkey Hill Rd HHW Event 297 Rte 2 HHW Event 50 Clinton Ave HHW Event 166 Chesterfield Rd (off Rt 163) HHW Event 20 Pomfret St HHW Event 221 Cheshire Rd HHW Event



PAINTCARE SITES FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 6 OF 7

~	/	
City	y/Town	
	,,	

Site Name

Address

Туре

Ridgefield	Ridgefield Supply	29 Prospect St	Retail
Rocky Hill	Stevens School (MDC)	322 Orchard St	HHW Event
Shelton	Shelton Highway & Bridges Dept (City)	41 Myrtle St	HHW Event
Simsbury	Simsbury DPW (HHW Event)	66 Town Forest Rd	HHW Event
Somers	Somers High School (CREOC)	1 Vision Blvd	HHW Event
Stonington	Stonington Highway Dept (SCRRRA)	86 Alpha Ave	HHW Event
Suffield	Suffield Garage (Town)	42 Ffyler Pl	HHW Event
Thompson	Thompson Highway Dept (HHW Event)	225 Buckley Hill Rd	HHW Event
Waterford	Waterford (SCRRRA)	1000 Hartford Rd	HHW Event
Watertown	Watertown (NHCOG)	779 Buckingham St	HHW Event
West Hartford	Hall High School (MDC)	975 N Main St	HHW Event
West Hartford	West Hartford Public Works (MDC)	17 Brixton St	HHW Event
Wethersfield	Wethersfield High School (MDC)	411 Wolcott Hill Rd	HHW Event
Willington	MidNEROC HHW Facility	57 Hancock Rd	HHW Seasonal
Windsor	Poquonock WPCF (MDC)	1222 Poquonock Ave	HHW Event
Windsor Locks	Windsor Locks Public Works (MDC)	6 Stanton Rd	HHW Event
Woodbridge	Woodbridge Transfer Station (RWA)	89 Acorn Hill Rd	HHW Event

Large Volume Pic	k-Up Sites	32 Sites
Bethel	[Property Manager/Owner]	
Bridgeport	[Painting Contractor]	
Bridgeport	[Unknown Type of Business]	
Bristol	[Household]	
Cheshire	[Property Manager/Owner]	
Danbury	[Painting Contractor]	
Derby	[Antique Store]	
Granby	[Leasing Company]	
Hamden	[Painting Contractor]	
Hartford	[Museum]	
Hartford	[Stadium]	
Hartford	[State Government]	
Madison	[Property Manager/Owner]	
Milldale	[Equipment Supply]	
New Haven	[Church]	
New Haven	[Property Manager/Owner]	
North Haven	[Painting Contractor]	
North Haven	[Painting Contractor]	
North Stonington	[Unknown Type of Business]	



FY2018 PAINTCARE SITES IN CONNECTICUT - PAGE 7 OF 7

City/Town	Site Name	Address	Туре
Old Lyme	[Construction]		LVP
Rocky Hill	[Property Manager/Owner]		LVP
Shelton	[Research Facility]		Employee Event
Simsbury	[School or University]		LVP
Storrs	[School or University]		LVP
Stratford	[Painting Contractor]		LVP
Stratford	[Reuse Store]		LVP
Wallingford	[Painting Contractor]		LVP
Wallingford	[Painting Contractor]		LVP
Watertown	[Painting Contractor]		LVP
Westbrook	[Resort]		LVP
Westport	[School or University]		LVP
Woodbury	[Property Manager/Owner]		LVP

Appendix Section B

Financial Statements and Independent Auditors' Report

June 30, 2018 and 2017

Financial Statements June 30, 2018 and 2017

Contents

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Schedule of Activities, Organized by Program	14-15



Rogers & Company PLLC Certified Public Accountants

8300 Boone Boulevard Suite 600 Vienna, Virginia 22182

703.893.0300 voice 703.893.4070 facsimile www.rogersplic.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of PaintCare Inc.

We have audited the accompanying financial statements of PaintCare Inc. ("PaintCare"), which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 referred to above present fairly, in all material respects, the financial position of PaintCare as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 14-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rovers + Company PLIC

Vienna, Virginia September 20, 2018

Statements of Financial Position June 30, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 9,136,849	\$ 9,838,281
Accounts receivable, net	7,215,463	7,085,090
Investments	45,209,880	38,769,008
Prepaid expenses	 216,383	 292,908
Total current assets	61,778,575	55,985,287
Property and equipment, net	 172,736	 252,362
Total assets	\$ 61,951,311	\$ 56,237,649
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 8,435,083	\$ 7,607,589
Due to affiliate	 761,712	716,410
Total liabilities	 9,196,795	 8,323,999
Net Assets		
Unrestricted	 52,754,516	 47,913,650
Total net assets	 52,754,516	 47,913,650
Total liabilities and net assets	\$ 61,951,311	\$ 56,237,649

Statements of Activities For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenue and Support	¢ (0 (04 01 1	¢ 50.200.725
Paint recovery fees Other income	\$ 60,694,911 99,424	\$ 59,300,725 184,944
Other meome	99,424	104,944
Total operating revenue and support	60,794,335	59,485,669
Expenses		
Program and delivery services:		
Oregon	5,060,746	4,722,572
California	31,979,769	29,860,700
Connecticut	3,014,201	2,866,592
Rhode Island	699,650	684,354
Minnesota	4,929,453	5,031,911
Vermont	743,554	702,993
Maine	1,110,093	1,072,543
Colorado	5,299,726	5,107,754
District of Columbia	342,957	238,308
Total program and delivery services	53,180,149	50,287,727
General and administrative	4,352,374	4,071,368
Total expenses	57,532,523	54,359,095
Change in Net Assets from Operations	3,261,812	5,126,574
Non-Operating Activities		
Interest and dividend income	945,029	695,508
Loss on disposal of property and equipment	-	(46,549)
Net realized and unrealized gain on investments	634,025	1,128,128
Total non-operating activities	1,579,054	1,777,087
Change in Net Assets	4,840,866	6,903,661
Net Assets, beginning of year	47,913,650	41,009,989
Net Assets, end of year	\$ 52,754,516	\$ 47,913,650

Statements of Cash Flows For the Years Ended June 30, 2018 and 2017

		2018		2017
Cash Flows from Operating Activities				
Change in net assets	\$	4,840,866	\$	6,903,661
Adjustments to reconcile change in net assets to				
net cash provided by operating activities:				
Depreciation and amortization		79,626		99,334
Loss on disposal of property and equipment		-		46,549
Net realized and unrealized gain on investments		(634,025)		(1, 128, 128)
Change in allowance for doubtful accounts				
receivable		17,055		12,726
Change in operating assets and liabilities:		,		,
(Increase) decrease in:				
Accounts receivable		(147,428)		446,566
Prepaid expenses		76,525		(28,488)
Increase in:)		
Accounts payable and accrued expenses		827,494		120,050
Due to affiliate		45,302		23,356
		,		20,000
Net cash provided by operating activities		5,105,415		6,495,626
		· · ·		· · ·
Cash Flows from Investing Activities				
Purchases of investments		(5,945,029)		(13,405,223)
Proceeds from sale of investments		138,182		7,824,340
Purchases of property and equipment		-		(5,736)
				· · · · ·
Net cash used in investing activities		(5,806,847)		(5,586,619)
-		<u> </u>		· · ·
Net (Decrease) Increase in Cash		(701,432)		909,007
Cash, beginning of year		9,838,281		8,929,274
Cash, end of year	\$	9,136,849	\$	9,838,281
· · · · ·	*	- , ,	*	-,,

Notes to Financial Statements June 30, 2018 and 2017

1. Nature of Operations

PaintCare Inc. ("PaintCare"), a not-for-profit 501(c)(3) organization, was created in October 2009 by the American Coatings Association (ACA), who, working with state and local government stakeholders, passed the first ever paint product stewardship law in the United States in the state of Oregon in 2009 with implementation of the Oregon Program beginning July 1, 2010. Similar legislation has subsequently been passed in other jurisdictions. The legislation pilots an industry-led, end-of-life management program for post-consumer paint, which PaintCare operates. The PaintCare Board is made up of architectural paint manufacturers and participation in PaintCare is not limited to ACA members, but open to all architectural paint manufacturers. There are no dues or registration fees associated with PaintCare. During 2015, PaintCare organized single-member limited liability companies (LLC) for the Oregon, Connecticut, and Rhode Island programs in an effort to shield the assets of each state program from liability stemming from acts and obligations of other PaintCare state programs.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

PaintCare's financial statements are prepared on the accrual basis of accounting. Unrestricted net assets represent funds that are not subject to donor-imposed stipulations and are available for support of PaintCare's operations. At June 30, 2018 and 2017, all net assets were unrestricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are recorded at net realizable value and represent amounts due from post-consumer paint recovery fees. PaintCare provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2018 and 2017, an allowance of \$42,903 and \$25,848, respectively, was recognized.

Notes to Financial Statements June 30, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are stated at fair value, based on quoted market prices. All realized and unrealized gains and losses are included in the accompanying statements of activities.

Property and Equipment

Property and equipment with a projected useful life ranging from three to ten years and in excess of \$1,000 are capitalized and recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the individual assets, ranging from three to ten years.

Revenue Recognition

PaintCare recognizes revenue from post-consumer paint recovery fees at the time architectural paint product is sold by a manufacturer participant of the paint product stewardship program. Manufacturer participants in the program pay the PaintCare recovery fee to PaintCare based on the amount of program products they sell on a monthly basis.

Program participants report their monthly unit sales of paint through a secure, HTTPS online system using their unique user ID and password. The participant must pay a paint recovery fee per unit sold, based on container size, according to the established fee schedule for each state program. As the PaintCare recovery fee is added to the wholesale price of paint and passed through uniformly to the retail purchase price of paint—so that the manufacturer, distributor, and/or retailer is made whole—in some cases, distributors or retailers have elected to undertake the obligation of the manufacturer for these fees. Thus, PaintCare has allowed remitter agreements in the program, whereby a distributor or retailer reports and remits directly to PaintCare on behalf of a participant manufacturer's brand or brands. Reports and payments are due by the end of the month following the reporting period.

Revenue from all other sources is recognized when earned.

Communications Costs

PaintCare holds communication-related contracts for advertising, marketing, and consumer awareness. Communications costs are charged to operations when incurred. Communications expenses were \$5,004,753 and \$5,203,245 for the years ended June 30, 2018 and 2017, respectively.

Notes to Financial Statements June 30, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various program and supporting activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Programs are categorized by the states where services are conducted.

Measure of Operations

PaintCare includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes realized and unrealized gains and losses on investments, interest and dividends, and loss on disposal of property and equipment.

Recently Issued Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented in financial statements and notes about nonprofit organization liquidity, financial performance, and cash flows. The guidance is effective beginning in 2018.

Subsequent Events

In preparing these financial statements, PaintCare has evaluated events and transactions for potential recognition or disclosure through September 20, 2018, the date the financial statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject PaintCare to significant concentrations of credit risk consist of cash and investments. PaintCare maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). PaintCare has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Notes to Financial Statements June 30, 2018 and 2017

4. Accounts Receivable

Accounts receivable related to the following programs were due as follows at June 30:

	 2018	2017		
California	\$ 4,192,629	\$	3,983,969	
Colorado	787,597		813,388	
Minnesota	719,043		791,527	
Oregon	621,643		616,727	
Connecticut	418,627		409,833	
Maine	211,907		191,243	
Rhode Island	123,092		116,765	
District of Columbia	65,794		68,507	
Vermont	 118,034		118,979	
Total accounts receivable	7,258,366		7,110,938	
Less: allowance for doubtful accounts	 (42,903)		(25,848)	
Accounts receivable, net	\$ 7,215,463	\$	7,085,090	

5. Investments and Fair Value Measurements

PaintCare invests a portion of its accumulated surplus in a portfolio with Bank of America/Merrill Lynch. The sole objective of the portfolio is to earn a return equal to the rate of inflation and thus preserve the purchasing power of its capital. Interest, dividends, changes in market value, and other investment activities are allocated to each state program based on the relative net asset balances of each state program. Oversight of the investments is provided by the PaintCare Budget and Finance Committee and by the PaintCare Board of Directors.

PaintCare follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

Notes to Financial Statements June 30, 2018 and 2017

5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, PaintCare uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Level 2 inputs include government securities as well as some mutual funds consisting mainly of fixed income instruments, which are valued based on quoted prices in less active markets.

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2018:

		Level 1	Level 2	Level 3	Total
Equities:					
Energy	\$	840,666 \$	- \$	- \$	840,666
Materials		585,373	-	-	585,373
Industrials		1,588,432	-	-	1,588,432
Consumer discretionary	7	1,725,904	-	-	1,725,904
Consumer staples		918,613	-	-	918,613
Health care		1,691,862	-	-	1,691,862
Financials		2,159,797	-	-	2,159,797
Information technology		2,786,203	-	-	2,786,203
Telecommunication					
service		264,307	-	-	264,307
Utilities		416,149	-	-	416,149
Real estate		531,755	-	-	531,755
Bend		59,749	-	-	59,749
Mutual funds:					
Fixed income		5,471,994	3,456,299	-	8,928,293
Corporate bonds		11,781,845	-	-	11,781,845
Cash equivalents		1,214,776	-	-	1,214,776
Government securities:					
U.S. Treasury		-	9,716,156	-	9,716,156
Total investments	\$	32,037,425 \$	13,172,455 \$	- \$	45,209,880

Notes to Financial Statements June 30, 2018 and 2017

5. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Equities:				
1	\$ 641,681 \$	- \$	- \$	641,681
Materials	474,488	-	-	474,488
Industrials	1,281,153	-	-	1,281,153
Consumer discretionary	1,366,919	-	-	1,366,919
Consumer staples	983,393	-	-	983,393
Health care	1,413,638	-	-	1,413,638
Financials	1,790,670	-	-	1,790,670
Information technology	2,064,283	-	-	2,064,283
Telecommunication				
service	278,341	-	-	278,341
Utilities	378,635	-	-	378,635
Real estate	467,823	-	-	467,823
Bend	710,039	-	-	710,039
Mutual funds:				
Fixed income	2,756,939	3,017,872	-	5,774,811
Corporate bonds	12,637,449	-	-	12,637,449
Cash equivalents	1,198,040	-	-	1,198,040
Government securities:				
U.S. Treasury	-	7,307,645	-	7,307,645
Total investments	\$ 28,443,491 \$	10,325,517 \$	- \$	38,769,008

Investment income consisted of the following for the years ended June 30:

	 2018	2017			
Interest and dividend income Net realized and unrealized gain	\$ 945,029 634,025	\$	695,508 1,128,128		
Total investment income	\$ 1,579,054	\$	1,823,636		

Notes to Financial Statements June 30, 2018 and 2017

6. **Property and Equipment**

PaintCare held the following property and equipment at June 30:

	 2018	2017		
Software Less: accumulated depreciation	\$ 421,822	\$	421,822	
and amortization	 (249,086)		(169,460)	
Property and equipment, net	\$ 172,736	\$	252,362	

7. Related Party

ACA, a related party, is a separate, 501(c)(6) nonprofit organization working to advance the needs of the paint and coatings industry and the professionals who work in it. ACA serves its members as an advocate on legislative, regulatory, and judicial issues at the federal, state, and local levels. ACA also provides members with such services as research and technical information, statistical management information, legal guidance, and community service project support and acts as a forum for the exchange of information and ideas among the industry and its business partners. ACA incorporated PaintCare for the sole purpose of implementing programs for post-consumer architectural paint. ACA maintains a controlling interest in PaintCare through the ability to appoint its Board of Directors.

In February 2011, ACA and PaintCare entered into an affiliation agreement whereby ACA charges PaintCare an administrative fee, annually, to cover the following expense categories: allocation of time incurred by PaintCare officers, allocation of other direct labor, and allocation of occupancy and infrastructure costs. The term of the agreement is for one year and automatically renews for one-year terms unless canceled by either party.

For the years ended June 30, 2018 and 2017, the total administrative fees charged by ACA to PaintCare were \$2,146,079 and \$1,956,462, respectively. At June 30, 2018 and 2017, PaintCare owed ACA \$761,712 and \$716,410, respectively, which is recorded as due to affiliate in the accompanying statements of financial position.

8. Income Taxes

PaintCare is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3) and is exempt from income taxes except for taxes on unrelated business activities.

Notes to Financial Statements June 30, 2018 and 2017

8. Income Taxes (continued)

No tax expense is recorded in the accompanying financial statements for PaintCare, as there was no unrelated business taxable income. Contributions to PaintCare are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Management evaluated PaintCare's tax positions and concluded that PaintCare's financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

Schedule of Activities, Organized by Program For the Year Ended June 30, 2018

	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	General and Administrative	Total
Operating Revenue and Support Paint recovery fees Other income	\$ 4,816,828 \$ 99,424	35,369,235 \$	3,589,443 \$	921,847 \$	6,192,108 \$	870,581 \$ -	1,455,662 \$	6,865,320 \$	613,887 \$	- \$	60,694,911 99,424
Total operating revenue and support	4,916,252	35,369,235	3,589,443	921,847	6,192,108	870,581	1,455,662	6,865,320	613,887	-	60,794,335
Expenses Program and delivery services:											
Collection support	14,150	3,088,155	419,471	102,140	427,619	77,744	131,874	494,744	35,886	-	4,791,783
Transportation and processing	4,746,057	23,089,573	1,985,183	471,128	4,095,774	599,131	800,695	3,746,160	195,501	-	39,729,202
Communications	58,998	3,449,964	448,418	89,429	204,464	7,865	23,714	669,864	52,037	-	5,004,753
Legal fees	871	1,231,975	1,594	-	-	-	4,305	8,499	-	-	1,247,244
State agency administrative fees	50,000	167,633	20,000	-	35,160	15,000	53,146	120,000	26,000	-	486,939
Other program expenses	190,670	952,469	139,535	36,953	166,436	43,814	96,359	260,459	33,533	-	1,920,228
Total program and delivery services	5,060,746	31,979,769	3,014,201	699,650	4,929,453	743,554	1,110,093	5,299,726	342,957	-	53,180,149
General and administrative:											
Legal fees	-	-	-	-	-	-	-	-	-	24,165	24,165
Management fees	-	-	-	-	-	-	-	-	-	2,146,079	2,146,079
Insurance	-	-	-	-	-	-	-	-	-	163,709	163,709
Other expense	-	-	-	-	-	-	-	-	-	2,018,421	2,018,421
Total general and administrative	-	_	-	-	-	-	-	-	-	4,352,374	4,352,374
Total expenses	5,060,746	31,979,769	3,014,201	699,650	4,929,453	743,554	1,110,093	5,299,726	342,957	4,352,374	57,532,523
Change in Net Assets from Operations	(144,494)	3,389,466	575,242	222,197	1,262,655	127,027	345,569	1,565,594	270,930	(4,352,374)	3,261,812
Non-Operating Activities Investment income	_	_	-	-	-	-	-	-		1,579,054	1,579,054
Change in Net Assets Before Allocation of General and Administrative Activities	(144,494)	3,389,466	575,242	222,197	1,262,655	127,027	345,569	1,565,594	270,930	(2,773,320)	4,840,866
General and administrative allocation Investment allocation	(275,506)	(2,679,071) 1,380,251	(257,027)	(75,694)	(381,425) (39,090)	(45,000) (16,396)	(95,528) 4,394	(361,668) 108,040	(43,273) 3,673	4,214,192 (1,440,872)	-
Total Change in Net Assets	(420,000)	2,090,646	318,215	146,503	842,140	65,631	254,435	1,311,966	231,330	-	4,840,866
Net Assets (Deficit), beginning of year	(489,292)	43,762,360	3,073,688	556,235	(1,561,045)	(588,831)	16,281	3,110,428	33,826	_	47,913,650
Net Assets (Deficit), end of year	\$ (909,292) \$	45,853,006 \$	3,391,903 \$	702,738 \$	(718,905) \$	(523,200) \$	270,716 \$	4,422,394 \$	265,156 \$	- \$	52,754,516
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Schedule of Activities, Organized by Program For the Year Ended June 30, 2017

	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	General and Administrative	Total
Operating Revenue and Support											
Paint recovery fees \$	4,625,604 \$	34,996,367 \$	3,619,770 \$	933,217 \$	5,405,122 \$	849,926 \$	1,473,308 \$	6,956,690 \$	440,721 \$	- \$	59,300,725
Other income	103,648	-	-	-	-	-	81,296	-	-	-	184,944
Total operating revenue and support	4,729,252	34,996,367	3,619,770	933,217	5,405,122	849,926	1,554,604	6,956,690	440,721		59,485,669
Expenses											
Program and delivery services:											
Collection support	17,287	3,025,711	373,436	99,116	210,544	72,887	142,640	525,763	34,675	-	4,502,059
Transportation and processing	4,405,460	21,726,877	1,861,716	456,393	4,523,534	560,497	735,789	3,683,548	83,421	-	38,037,235
Communications	98,254	3,753,494	474,641	88,715	113,166	8,583	18,210	606,972	41,210	-	5,203,245
Legal fees	7,507	141,732	4,886	3,131	-	283	-	-	-	-	157,539
State agency administrative fees	40,000	154,935	20,000	-	35,131	15,000	82,000	120,000	50,000	-	517,066
Other program expenses	154,064	1,057,951	131,913	36,999	149,536	45,743	93,904	171,471	29,002	-	1,870,583
Total program and delivery services	4,722,572	29,860,700	2,866,592	684,354	5,031,911	702,993	1,072,543	5,107,754	238,308	_	50,287,727
General and administrative:											
Legal fees	-	-	-	-	-	-	-	-	-	33,210	33,210
Management fees	-	-	-	-	-	-	-	-	-	1,956,462	1,956,462
Insurance	-	-	-	-	-	-	-	-	-	174,213	174,213
Other expense	-	-	-	-	-	-	-	-	-	1,907,483	1,907,483
Total general and administrative	-	-	-	-	-	-	-	-	-	4,071,368	4,071,368
Total expenses	4,722,572	29,860,700	2,866,592	684,354	5,031,911	702,993	1,072,543	5,107,754	238,308	4,071,368	54,359,095
Change in Net Assets from Operations	6,680	5,135,667	753,178	248,863	373,211	146,933	482,061	1,848,936	202,413	(4,071,368)	5,126,574
Non-Operating Activities											
Investment income	-	-	-	-	-	-	-	-	-	1,823,636	1,823,636
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-	(46,549)	(46,549)
Change in Net Assets Before Allocation of General and Administrative Activities	6,680	5,135,667	753,178	248,863	373,211	146,933	482,061	1,848,936	202,413	(2,294,281)	6,903,661
General and administrative allocation Investment allocation	(261,719)	(2,544,998) 1,728,879	(244,164)	(71,906)	(362,337) (75,844)	(42,747) (27,358)	(90,747) (6,545)	(343,569) 94,947	(41,107) (5,066)	4,003,294 (1,709,013)	-
Total Change in Net Assets	(255,039)	4,319,548	509,014	176,957	(64,970)	76,828	384,769	1,600,314	156,240	-	6,903,661
Net Assets (Deficit), beginning of year	(234,253)	39,442,812	2,564,674	379,278	(1,496,075)	(665,659)	(368,488)	1,510,114	(122,414)	_	41,009,989
Net Assets (Deficit), end of year	(489,292) \$	43,762,360 \$	3,073,688 \$	556,235 \$	(1,561,045) \$	(588,831) \$	16,281 \$	3,110,428 \$	33,826 \$	- \$	47,913,650
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Appendix Section C



Connecticut Paint Stewardship Program

Each year about 780 million gallons of architectural paint is sold in the United States. Did you know that about 10 percent goes unused and is available for recycling?

Connecticut's Paint Stewardship Law requires the paint manufacturing industry to develop a financially sustainable and environmentally responsible program to manage postconsumer architectural paint.

The program includes education about buying the right amount of paint, tips for using up remaining paint and setting up convenient recycling locations throughout the state.

Paint manufacturers established PaintCare, a nonprofit organization, to run paint stewardship programs in states with applicable laws.

PaintCare Products

These products have fees when you buy them and are accepted for free at drop-off sites:

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- · Field and lawn paints

Leaking, unlabeled and empty containers are not accepted at drop-off sites.

♦ Non-PaintCare Products

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- · Caulk, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

For information about recycling and proper disposal of non-PaintCare products, please contact your garbage hauler, local environmental health agency, household hazardous waste program or public works department.







CONNECTICUT

Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Connecticut. To find your nearest drop-off site, use PaintCare's search tool at www.paintcare.org or call our hotline at (855) 724-6809.

How to Recycle

PaintCare sites accept all brands of old house paint, stain and varnish — even if they are 20 years old! Containers must be five gallons or smaller, and a few types of paint are not accepted. See back panel for a list of what you can recycle.

All PaintCare drop-off sites accept up to five gallons of paint per visit. Some sites accept more. Please call the site in advance to make sure they can accept the amount of paint you would like to recycle.

Make sure all containers of paint have lids and original labels, and load them securely in your vehicle. Take them to a drop-off site during their regular business hours. We'll take it from there.

What Happens to the Paint?

PaintCare will make sure that your leftover paint is remixed into recycled paint, used as a fuel, made into other products or properly disposed.

Who Can Use the Program?

People bringing paint from their homes can bring as much latex or oil-based paint as the site is willing to accept.

Businesses (painting contractors and others) can use this program with one restriction: If your business produces more than 220 pounds (about 20-30 gallons) of hazardous waste per month, you may use the drop-off sites for your latex paint only but not for your oil-based paint. Contact PaintCare to learn more about this restriction.

Large Volume Pick-Up

If you have at least 200 gallons of paint to recycle at your business or home, ask about our free pick-up service. Please call for more details or to request an appointment.



PaintCare is funded by a fee paid by paint manufacturers for each can of paint they sell in the state. Manufacturers pass the fee to retailers, who then apply it to the price of paint. Stores can choose whether or not to show the fee on their receipts. Fees are based on the size of the container as follows:

- \$0.00 Half pint or smaller
- \$0.35 Larger than half pint and smaller than 1 gallon
- \$0.75 1 Gallon
- \$1.60 Larger than 1 gallon up to 5 gallons

Not a Deposit

The fee is not a deposit — it is part of the purchase price. The fees are used to pay the costs of running the program: recycling, public education, staffing and other expenses.



Contact Us

To learn more or find a drop-off site, please visit www.paintcare.org or call (855) 724-6809.

Mini Card



Find a drop-off site near you: (855) 724-6809 • www.paintcare.org

Buy right. Use it up. Recycle the rest.

Manufacturers of paint created PaintCare, a nonprofit organization, to set up convenient places for you to recycle leftover paint. We're working to provide environmentally sound and cost-effective recycling programs in your state and others with paint stewardship laws.

LEARN MORE

Visit www.paintcare.org or follow us on Facebook for tips on how to buy the right amount of paint, store paint properly, use up leftover paint, and find a drop-off site. We also have a free pick-up service for businesses or households with at least 300 gallons of paint to recycle.



Paint Recycling Program

About the PaintCare Program

PAINTCARE

Paint manufacturers created PaintCare, a non-profit organization, to set up convenient places for households and businesses to recycle leftover paint. PaintCare sets up paint drop-off sites throughout states that adopt paint stewardship laws.

PAINTCARE PRODUCTS

These products have fees when purchased and will be accepted for free at PaintCare drop-off sites:

- Latex house paints (acrylic, water-based)
- Oil-based house paints (alkyd)
- Stains
- Primers and undercoaters
- Shellacs, lacquers, varnishes, urethanes
- Deck and floor paints
- Sealers and waterproofing coatings for wood, concrete and masonry

𝔅 NON-PAINTCARE PRODUCTS

- Paint thinners and solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- · Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Coatings used for Original Equipment Manufacturing or shop application
- Any non-coatings (caulk, spackle, cleaners, etc.)

FEES

PaintCare fees are applied to the purchase price of architectural paint sold in the state as required by state law. Fees are applied to each container and vary by the size of the container as follows:

Half pint or smaller	\$ 0.00
Larger than half pint and smaller than 1 gallon	\$ 0.35
1 gallon	\$ 0.75
More than 1 gallon up to 5 gallons	\$ 1.60

For more information or to find a place to take your unwanted paint for recycling, please ask for the PaintCare brochure, visit **www.paintcare.org** or call **(855) 724-6809**.



Recycle with PaintCare

Recucle YOUR PAINT www.paintcare.org

Paint Recycling Made Easy

Paint manufacturers formed PaintCare, a nonprofit organization, to make paint recycling more convenient, cost effective, and environmentally sound. Paint doesn't belong in the trash or down the drain. If you can't use it up, recycle it with PaintCare.

We're setting up locations in your state where you can bring old paint for free all year-round.



What types of paint products can be recycled with PaintCare?

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NON-PAINTCARE PRODUCTS

Leaking, unlabeled, and empty containers are not accepted.

· Paint thinners and solvents · Aerosol paints (spray cans)

Auto and marine paints

· Paint additives, colorants,

(containing pesticides)

bitumen-based products

Coatings used for Original

Equipment Manufacturing

(caulk, spackle, cleaner, etc.)

• 2-component coatings

or shop application

Any non-coatings

tints, resins

Wood preservatives

Asphalt, tar, and

PAINTCARE PRODUCTS (YOU CAN RECYCLE THESE)

These products have fees when you buy them and are accepted for free when you drop them off for recycling:

- Water-based paints
- (latex, acrylic)
- · Oil-based paints (alkyd) Stains
- Primers
- Varnishes
- Shellacs
- Lacquers Urethanes
- Deck paints
- Floor paints
- Sealers
- Waterproofing coatings

PROGRAM FUNDING

The PaintCare Fee is applied to the purchase price of architectural paint sold in your state as required by law. Fees are based on container size:

Half pint or smaller	\$0.00
Larger than half pint and smaller than 1 gallon	\$0.35
1 gallon	\$0.75
More than 1 gallon up to 5 gallons	\$1.60

LEARN MORE: Please ask for a PaintCare program brochure, visit www.paintcare.org, or call (855) 724-6809.

CONNECTICUT PAINT STEWARDSHIP PROGRAM



Information for Painting Contractors

UPDATED — APRIL 2017

Connecticut's Paint Stewardship Program began in July 2013.

The Connecticut Paint Stewardship law requires paint manufacturers to set up and operate a paint stewardship program in Connecticut. The program is funded by a fee on each container of architectural paint sold in the state. The program sets up drop-off sites at retail stores and other sites throughout the state where households and businesses are able to take most types of leftover paint for recycling, free of charge.

Paint Stewardship

The American Coatings Association (ACA) worked with various stakeholders interested in the management of postconsumer paint to develop a Paint Stewardship Program in the United States. PaintCare Inc. is a nonprofit organization established by ACA to implement the program on behalf of paint manufacturers in states that adopt paint stewardship laws. PaintCare operates programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, and Vermont.

The main goals of the program are to decrease paint waste and recycle more postconsumer paint by setting up convenient drop-off sites in each PaintCare state.



Fees and Funding

As required by state law, a paint stewardship assessment (PaintCare Fee) must be added by manufacturers to the wholesale price of all architectural paint sold in the state. This fee is paid by manufacturers to PaintCare to fund setting up drop-off sites for leftover, postconsumer paint, and for the transportation, recycling, and proper disposal of that paint. The fees also pay for consumer education and program administrative costs.

Fee may vary from state to state. The Connecticut fees per container are as follows:

The fees are based on container size as follows:

\$ 0.00 — Half pint or smaller
\$ 0.35 — Larger than half pint and smaller than 1 gallon
\$ 0.75 — 1 Gallon
\$ 1.60 — Larger than 1 gallon to 5 gallons

The law also requires that each distributor and retailer include the PaintCare Fee with their sale price of architectural paint sold in the state. Displaying the fee on invoices and receipts is not mandatory for distributors or retailers; however, PaintCare encourages them to show the fee and list it as PaintCare Fee to aid in customer and dealer education and to ensure transparency.

Notice for Painting Contractors

It is expected that contractors will pass the fees on to their customers in order to recoup the fees they pay on the product.

When estimating jobs, contractors should take these fees into account by checking with your suppliers to make sure the quotes for paint products include the fees. You should also let your customers know that you will be including these fees in your quotes.

Paint Drop-Off Sites

PaintCare has established 140 paint drop-off sites across Connecticut. Most drop-off sites are paint stores. Other sites include certain solid waste transfer stations, recycling centers, and government-sponsored household hazardous waste programs. Participation as a drop-off site is voluntary.

Use of Retail Drop-Off Sites by Businesses

Retail drop-off sites provide a convenient and no cost recycling option for painting contractors and other businesses. Businesses that generate less than 220 pounds of hazardous waste* per month will be able to use these sites to recycle all PaintCare products (both water and oil-based) with some restrictions on quantities per month.

Larger businesses (those that generate more than 220 pounds of hazardous waste per month) may use the dropoff sites for their water-based PaintCare products only; they are not able to use the sites for oil-based paint or other solvent-based products.

*220 pounds is about 20-30 gallons of paint. When counting how much hazardous waste you generate in a month, oil-based paint counts (because by law it is a hazardous waste), but latex and other water-based paint does not count toward the 220 pound monthly total.



Pick-Up Service for Large Volumes

Businesses with at least 200 gallons of postconsumer paint to recycle may qualify to have their paint picked up by PaintCare at no additional cost. To learn more about this service or to request an appointment, please visit www.paintcare.org/pickup or call (855) 724-6809.

Contact

Laura Honis Program Manager (Connecticut and Rhode Island) (203) 747-4494 Ihonis@paint.org

WHAT PRODUCTS ARE COVERED?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of five gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PaintCare Products

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

Non-Paintcare Products

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes



Large Volume Pick-Up (LVP) Service

PaintCare offers a free pick-up service to painting contractors, property managers, and others with large amounts of leftover architectural paint.

Who is PaintCare?

PaintCare Inc. is a non-profit organization established by the American Coatings Association to operate paint stewardship programs on behalf of paint manufacturers in states that pass paint stewardship laws.

Paint Drop-Off Sites

In states with a paint stewardship program, PaintCare's primary effort is to set up conveniently located drop-off sites—places where residents and businesses may take their unwanted paint for no charge. Sites set their own limits on the volume of paint they accept from customers per visit (usually from 5 to 20 gallons). To find a drop-off site near you, please use PaintCare's site locator at www.paintcare.org or call (855) 724-6809.

Large Volume Pick-Ups

For those who have accumulated a large volume or stockpile of paint, PaintCare also offers a pick-up service. Large volume means at least 200 gallons, measured by container size (not content). On a caseby-case basis, PaintCare may approve a pick-up for

less than 200 gallons if there are no drop-off sites in your area. After two or three pick-ups, you may be switched to a regular service (see next page).

Drums and Bulked Paint Are Not Accepted

PaintCare only accepts paint in containers that are 5 gallons or smaller in size. Leave paint in original cans with original labels; do not combine or bulk paint from small cans into larger ones. If you have unwanted paint in drums or containers larger than 5 gallons, please contact a licensed paint recycling company or a hazardous waste transportation company to assist you.

HOW TO REQUEST A LARGE VOLUME PICK-UP

1. Sort and count your paint

We need to know the number of each container size and the type of products you have, sorted into two categories: (1) water-based paints and stains and (2) oil-based paint and stains and any other program products (sealers and clear top-coat products, such as varnish and shellac).

2. Fill out the LVP Request Form and send it in Fill out a paper or electronic version of the "Large Volume Pick-Up Request Form" and return it to PaintCare by email, fax, or regular mail. (Visit www.paintcare.org or call PaintCare for the form.)

Scheduling

After reviewing your form, PaintCare staff will either approve your site for a pick-up or inform you of the best place to take your paint if you do not meet the volume requirement. If approved, you will be put in contact with our licensed hauler to schedule a pick-up. It may be several weeks before your pick-up occurs.

On the Day of Your Pick-Up

Sort your products into the two categories noted above and store them in an area that has easy access. If the paint is a far distance from where the hauler parks, the path between should be at least four feet wide to accommodate movement of the boxes.



Please plan to have staff available to pack the paint cans into the boxes. The hauler may be able to provide some assistance, but we require your staff to be present and provide labor to pack boxes. Once your paint is properly packed and loaded onto the hauler's truck, you will sign a shipping document and receive a copy for your records. Your paint will then be taken to an authorized processing facility for recycling.

Note: Paint must be in original containers and not leaking.

Repeat Service for Large Volume Users

For businesses that generate large volumes of unwanted paint on a regular basis, a service for recurring direct pick-ups is available. With this service, you will be provided with empty bins, then request a pick-up when at least three bins are filled. PaintCare will provide onsite training on how to properly pack the paint, and you will be required to sign a contract with PaintCare.

Limits on Businesses

To use the program for oil-based products, your waste must qualify as exempt under federal (40 CFR § 262.14) and state/local hazardous waste generator rules. Most notably, these rules require that your business (a) generates no more than 220 pounds (about 20-30 gallons, depending on type) of hazardous waste per month, and (b) accumulates no more than 2,200 pounds (approximately 220 gallons) of hazardous waste at any given time. If your business fails to qualify as an exempt generator, it will not be able to use the program for oilbased products. For more information on the federal hazardous generator rules, please go to www.paintcare.org/limits.

Note: When calculating how much hazardous waste you generate in a month, do not count latex paint.

If You Have Products We Don't Accept

The program does not accept all paints (such as aerosols and automotive finishes) or other hazardous waste. If you have solvents, thinners, pesticides, or any non-PaintCare products (see list to right for examples), we recommend that residents contact their local household hazardous waste (HHW) program. Some HHW programs allow businesses to use their program for a modest fee. Otherwise, businesses should contact a licensed hazardous waste transportation company.

What Products Are Covered?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of 5 gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PAINTCARE PRODUCTS

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

NON-PAINTCARE PRODUCTS

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

Connecticut Paint Use & Disposal Surveys

Notes:

Take it to a paint store

Online surveys conducted using SurveyMonkey. Blue numbers indicate the number of people who responded. 0 indicates the question was asked, but there were no responses with that answer.

Surveys were conducted in June or July each year.

Data from only the most recent 4 years are shown.

Two questions that have been previously reported were removed this year:

"How far is the closest paint store?" and "How far would you drive to recycle or dispose of paint?"

	20	2015 2016 2017		20	18			
	%	Count	%	Count	%	Count	%	Count
1. How much leftover paint is in your home?		222		230		232		227
None	23.0	51	33.9	78	28.4	66	27.3	6
Less than 1 gallon	7.7	17	20.0	46	21.6	50	25.6	5
1-5 gallons (would fit in a cardboard box)	40.5	90	26.1	60	31.5	73	28.6	6
5-15 gallons (would fit in a shopping cart)	21.6	48	10.0	23	7.3	17	7.9	1
15-30 gallons (would fit in two shopping carts)	0.9	2	0.4	1	1.7	4	1.3	•
More than 30 gallons	0.5	1	0.4	1	0.0	0	0.4	
Yes, but I don't know how much	5.9	13	9.1	21	9.5	22	8.8	2
2. Where did the point come from?		222		190		167		16
2. Where did the paint come from?	59.9	133	70.0	120	73.1	122	60.1	11
I did some painting myself and had some leftover		75	78.9				69.1	
I hired someone to paint and they left it behind I found it in my home/business when I moved in	33.8	75 25	16.4 7.2	25	12.6 7.8	21 13	14.5 8.5	2 1
				11				
I am a painting contractor and it is from one of my jobs	0.5	1	5.9	9	0.6	1	0.0	
I don't remember where the paint came from Other	9.0 14.0	20 31	3.3 3.3	5 5	1.2 4.8	2 8	3.0 4.8	
Spouse or family member purchased the paint (4) Had leftovers for a DIY project (1)								
3. What did you do with leftover paint?		222		230		230		22
Poured it down the drain	0.5	1	1.3	3	0.4	1	0.9	
Put can(s) of liquid paint in the trash	3.6	8	3.0	7	2.6	6	5.7	1
Dried out the paint and put it in the trash	15.8	35	10.9	25	16.1	37	16.7	3
Stored it in the basement or garage intend to use	30.6	68	36.1	83	36.5	84	37.0	8
Took it to a paint store	5.0	11	4.3	10	7.0	16	4.4	1
Took it to a household hazardous waste event or facility	25.2	56	11.3	26	16.5	38	12.8	2
Gave it away to a family, friend or community organization	3.2	7	5.2	12	4.3	10	5.3	1
Left it behind when I moved	1.4	3	3.5	8	1.7	4	0.0	
don't know	4.1	9	4.8	11	3.5	8	4.4	1
have never stored or disposed of leftover/unwanted paint	6.8	15	17.8	41	8.7	20	10.1	2
Other	4.1	9	1.7	4	2.6	6	2.6	
Other responses for June 2018 Survey: Dried out paint and took it to waste management facility (1) Dropped off paint at hardware store (1) Took paint to landfill for recycling (1)								
4. If you had unwanted paint, what would you do with it?		222		230		229		22
Pour it down the drain	0.5	1	1.3	3	1.3	3	0.0	22
Put can(s) of liquid paint in the trash	0.5	1	3.9	9	2.6	6	4.4	1
Dry out the paint and put it in the trash	18.0	40	15.2	35	14.4	33	10.6	2
	10.0	-00	10.2	00	17.7	00	00.0	2

13.1

29

16.1

16.2

37

37

23.8

54

Take it to a household hazardous waste event or facility	43.2	96	24.8	57	32.8	75	31.7	72
Give it away to a family, friend or organization	43.2 5.4	90 12	18.3	42	32.8 15.7	36	12.3	28
I don't know	13.5	30	19.1	42	14.4	33	12.3	20
Other	5.9	13	1.3	3	2.6	6	4.4	10
Other responses for June 2018 Survey:	5.9	15	1.5	5	2.0	0	4.4	10
Take it to hardware store for recycling (1)			Leave it a	at house	for next	occupa	nts (1)	
Take it to a store and if they don't accept it, take it to a HH'	W facility or						1113 (1)	
Take it to local trash / recycling facility (1)	in ruonity of		Store it (.,		
Take it to a dump (1)			Response		determin	ate (1)		
Recycle it (1)						()		
5. Did you know that paint can be recycled?		222		152		232		227
Yes	31.1	69	43.4	66	44.4	103	48.0	109
No	68.9	153	56.6	86	55.6	129	52.0	118
6. Have you ever taken paint to be recycled/disposed? If yes,	when?	153		176		226		227
Yes, at some point during the past year	12.6	28	7.0	16	9.3	220	11.0	25
Yes, more than one year ago	18.5	41	16.5	38	20.8	47	18.1	41
No	68.9	153	76.5	176	69.9	158	70.9	161
7. Do you know where to take unwanted paint?		222		230		229		227
No	66.7	148	74.8	172	41.5	95	56.4	128
Yes	33.3	74	25.2	58	58.5	134	43.6	99
If yes, where?	-	38	-	28	38.4	88	-	99
Responses to "Where?" for June 2018 Survey:								
Paint retailer (37)								
HHW facility or program (7)								
Public Works (1)								
Transfer station or dump / landfill (26)								
Recycling facility or company (14)								
HHW event (1)								
Capital Redemption Center 1)								
Habitat for Humanity (1)								
Family member's home (1)								
8. What county do you live in?	04.4	222	110	230	10.0	233	00.0	227
Fairfield	26.6	59	14.3	33	18.0	42	20.3	46
Hartford Litchfield	25.2 7.2	56 16	27.4 6.5	63 15	25.3 8.2	59 19	24.7 5.3	56 12
Middlesex	6.8	15	4.8	11	5.6	13	3.1	7
New Haven	18.9	42	26.1	60	27.0	63	24.7	, 56
New London	9.9	22	7.8	18	8.6	20	11.0	25
Tolland	3.6	8	8.3	19	3.4	8	4.0	9
Windham	1.8	4	4.8	11	3.9	9	7.0	16
9. How would you describe the place where you live?		222		230		225		227
Urban / Major City	6.8	15	13.9	32	13.3	30	14.1	32
Suburban	48.6	108	38.3	88	40.9	92	49.3	112
Small City or Town	27.9	62	33.5	77	32.4	73	20.7	47
Rural / Countryside	14.9	33	14.3	33	13.3	30	15.4	35 1
Other (please specify)	1.8	4	0.0	0	0.0	0	0.4	
10. What type of dwelling do you live in?		222		230		225		227
Single-family house	78.8	175	60.4	139	62.7	141	55.9	127
Two- or Three-family house	6.3	14	12.6	29	13.3	30	11.5	26

Condominium or apartment building with many units	14.4	32	23.5	54	22.2	50	28.6	65
Manufactured or Mobile Home	0.0	0	2.6	6	0.9	2	1.3	3
Other (please specify)	0.5	1	0.9	2	0.9	2	2.6	6
11. Do you paint professionally?		222		230		229		227
Yes	2.3	5	12.2	28	3.5	8	4.0	9
No	97.7	217	87.8	202	96.5	221	96.0	218
12. What is your age?		222		230		225		227
Under 21	1.4	3	3.5	230	0.0	0	1.3	3
21-40	12.2	27	42.6	98	49.3	111	40.5	92
41-60	40.5	90	36.5	84	32.0	72	37.4	85
Over 60	42.8	95	17.4	40	18.7	42	20.7	47
Prefer not to say	3.2	7	-	-	0.0	0	0.0	0
·								
13. Gender		222		230		225		227
Male	45.0	100	36.5	84	46.7	105	50.2	114
Female	51.8	115	63.5	146	53.3	120	49.8	113
Prefer not to say	3.2	7	-	-	0.0	0	0.0	0
14. Educational Level		222		230		225		227
Some High School	0.0	0	3.5	8	0.9	2	2.6	6
High School Graduate	6.3	14	23.9	55	16.4	37	18.1	41
Some College, Vocational, Trade, or Technical	26.1	58	38.3	88	45.3	102	34.8	79
4 year degree or higher	64.9	144	34.3	79	37.3	84	43.6	99
Prefer not to say	2.7	6	0.0	0	0.0	0	0.9	2
15. What is your household income?		222		230		225		227
Less than \$50K	7.2	16	50.0	115	46.7	105	40.1	91
\$50 - 100K	32.9	73	30.0	69	35.6	80	31.3	71
\$100 - 150K	23.0	51	9.1	21	12.0	27	21.1	48
Over \$150K	20.7	46	4.8	11	3.6	8	5.3	12
Prefer not to say	16.2	36	6.1	14	2.2	5	2.2	5