



Rhode Island Paint Stewardship Program

Annual Report July 1, 2017 – June 30, 2018



SUBMITTED BY

Laura Honis
Rhode Island Program Manager
lhonis@paint.org
(202) 724-6809

SUBMITTED TO

Janet Coit, Director
Rhode Island Department of Environmental Management
235 Promenade Street
Providence, RI 02908

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Executive Summary

RHODE ISLAND PAINT STEWARDSHIP LAW

PaintCare is the representative stewardship organization of the Rhode Island Architectural Paint Stewardship Program, codified in Chapter 24.12 of Title 23 (Health and Safety) of the Rhode Island General Law. The Rhode Island paint stewardship law requires manufacturers of architectural paint to:

- ◆ Establish a cost-effective, convenient, statewide system for the collection, recycling and reuse of postconsumer paint;
- ◆ Develop a comprehensive strategy, with the cooperation of state entities, producers, and retailers, for the proper management of postconsumer paint in a safe and environmentally sound manner;
- ◆ Provide fiscal and regulatory consistency for all producers of paint that participate in the collection system; and
- ◆ Establish effective collection, recycling, management and education programs resulting in collection of amounts of unused paint consistent with the goals and targets of the statute and program.

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

PROGRAM HIGHLIGHTS

Sites, Events, and Service. The Rhode Island program added one new retail drop-off site and lost two retail drop-off site that closed, ending FY2018 with 32 year-round sites. These sites included 27 were retailers, representing approximately 36% of likely retail participants, four waste transfer stations, and one household hazardous waste facility operated by the Rhode Island Resource Recovery Corporation (RIRRC).

Unique to Rhode Island, a single entity, RIRRC provides all the state's household hazardous waste (HHW) collection services through their "Eco-Depots." In addition to their year-round Eco-Depot facility open on 15 dates, PaintCare managed paint from 33 Eco-Depot HHW drop-off events.

With PaintCare's 32 year-round drop-offs sites there was at least one site within 15-miles of 99.9% of Rhode Island residents. In addition, PaintCare provided 22 direct large volume pick-ups from business and institutions that had accumulated more than 200 gallons of paint at their facilities.

Paint Collection Volume. The program collected an estimated 84,184 gallons and processed 84,210 gallons of postconsumer paint. Latex paint made up 77% of the paint processed; 82% was made into recycled-content paint, and 18% was unrecyclable and sent to landfill. Oil-based paint made up 23% of the paint processed, all of which was used as a fuel. In addition, 61 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 1.5 million gallons of architectural paints were sold in Rhode Island the program collected \$921,847 in fees from these sales, a slight decrease from FY2017 due to lower paint sales.

Expenses, including paint transportation and processing, outreach, staffing, and administrative costs, were \$775,344. The program ended FY2018 with a net asset balance of \$702,739, or 91% of annual expenses.

Total program cost per gallon of processed paint was \$9.21.

Paint Recovery Rate. The recovery rate - the volume of postconsumer paint collected divided by the volume of new paint sales in the same period - was 5.6%.

Outreach. PaintCare's outreach efforts included print (newspaper and direct mail advertising), television, radio, fulfillment (distribution of brochures and other print-based materials), and digital/social media.

PROGRAM PLAN AND ANNUAL REPORT

The Rhode Island paint stewardship law required the submission and approval of a program plan prior to the program's launch. The Rhode Island Department of Environmental Management (DEM) approved PaintCare's program plan in the spring 2014, and the Rhode Island program began on June 1, 2014.

The Rhode Island paint stewardship law requires the submission of an annual report to the Director of the DEM October 15 each year.

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

- 1) A detailed description of the methods used to collect, transport and process postconsumer paint in this state;
- 2) The overall 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 or disposal;
- 4) The total cost of implementing the program, as determined by an independent financial audit, as performed by an independent auditor (and a copy of the independent audit);
- 5) An evaluation of the adequacy of the program's funding mechanism;
- 6) Samples of all educational materials provided to consumers of architectural paint and participating retailers; and
- 7) A detailed list of the efforts undertaken and an evaluation of the methods used to disseminate such materials including recommendations, if any, for how the educational component of the program can be improved.

PaintCare's Rhode Island program plan and annual reports are available on PaintCare's website. With the exception of the first report which covered 13 months because the program started June 1, 2014, annual reports cover the 12-month fiscal year of July-June.

Section 1. Paint Collection, Transportation and Processing

Annual Report Statutory Citation

Title 23, Chapter 24.12. Proper Management of Unused Paint

23-24.12-3(m). On or before October 15, 2015, and annually thereafter, the representative organization shall submit a report to the director of the department of environmental management that details the paint stewardship program.

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

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

A. COLLECTION SITES, EVENTS AND SERVICES

The Rhode Island paint stewardship law requires a program that increases opportunities for consumers to properly manage leftover paint and reduces costs to local governments. Prior to the PaintCare program, Rhode Island households were only able to utilize RIRRC's Eco-Depots for their oil-based paint products, and the public was encouraged to dry and dispose of latex paint. RIRRC 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 Rhode Island 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 paint retailers waste transfer stations to partner as paint drop-off sites.

At the end of FY2018, the Rhode Island program had 32 year-round drop-off sites located throughout the state. They included 27 paint retail stores, four transfer stations and RIRRC's HHW facility. One retail drop-off site closed during FY2018 and is listed as "Paint Retailer (partial year)" in the table below. The other closed in the last month of FY2017. It was counted as a year-round site in the FY2017 report, and not included in any count in FY2018.

PaintCare also managed paint from RIRRC's 33 HHW drop-off events and conducted 22 direct large volume pick-ups (LVP) from businesses and other sites that had accumulated more than 200 gallons of paint.

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

PaintCare drop-off sites and services are summarized in the following tables:

SUMMARY OF PAINTCARE DROP-OFF SITES SERVICES

| YEAR-ROUND DROP-OFF SITES | YEAR 1 FY2015 | YEAR 2 FY2016 | YEAR 3 FY2017 | YEAR 4 FY2018 |
|---------------------------|------------------|------------------|------------------|------------------|
| Paint Retailers | 27 | 29 | 28 | 27 |
| Transfer Stations | 2 | 4 | 4 | 4 |
| RIRRC HHW Facility | 1 | 1 | 1 | 1 |
| Total | 30 | 34 | 33 | 32 |

SUPPLEMENTAL SITES AND SERVICES

| | | | | |
|-------------------------------|----|----|----|----|
| RIRRC HHW Events | 29 | 31 | 31 | 33 |
| Paint Retailer (partial year) | 0 | 0 | 2 | 1 |
| Direct Large Volume Pick-Ups | 15 | 8 | 4 | 22 |

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

A1. Paint Retailers

Paint retailers are ideal locations to serve as for 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 identified 108 paint retailers – including paint, hardware, and home improvement stores – and 78 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 78 paint retailers, 36% (27 stores) were participating as drop-off sites at the end of FY2018. One retail drop-off site closed during FY2018 and is listed as “Paint Retailer (partial year)” in the table below. The other closed in the last month of FY2017. It was counted as a year-round site in the FY2017 report, and not included in any count in 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 paint retailers that participated during FY2018 are included in the appendix.



PaintCare Partner Sign at Douglas Lumber in Smithfield

A2. Household Hazardous Waste Programs

PaintCare's partnership with the Rhode Island Resource Recovery Corporation – to cover its costs for paint collection bins, transportation, and processing (end of life management) – continued in FY2018. RIRRC has one year-round HHW facility in Johnston, which was open 15 days in FY2018. It also operated 33 HHW drop-off events in FY2018. The addresses of the facility and events are included in the appendix.



RIRRC's HHW Drop-Off Event in Smithfield (photo courtesy of RIRRC)

A3. Transfer Stations

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. PaintCare maintained its four existing transfer station drop-off sites in FY2018. The names and addresses of the transfer stations that participated in FY2018 are included in the appendix.

A4. Reuse Stores

Reuse stores can be excellent partners in the PaintCare program. Along with participating as collection sites, reuse 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 downstream through PaintCare for processing. PaintCare provides compensation for this service. PaintCare has identified one reuse store in Rhode Island and invited them to participate in the program; however, they have decided not to join the program at this time.

A5. Paint-Only Drop-Off Events

Due to high level of service between PaintCare's retail and transfer station drop-off sites, along with RIRRC's Eco-Depot HHW drop-off events, there has not been a need for PaintCare to hold any paint-only drop off events in Rhode Island.

A6. Large Volume Pick-Up Service

PaintCare's LVP service provides a convenient option for painting contractors and other businesses who have accumulated large volumes of paint. The minimum amount to receive a pick-up is 200 gallons. PaintCare arranged 22 LVPs from 21 locations during FY2018. The users of the service included 12 painting contractors, schools, universities, other businesses, and one household.

Painting contractors and construction companies often store paint for future use or because it is expensive to dispose of. Schools/universities also have accumulated paint from painting the buildings they manage. Typically, LVP customers 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 service. Feedback from these users indicates high satisfaction.

The types of customers (business type or household) and cities for each LVP site in 2018 are provided in the appendix.



Before (left) and After (right) Cleanout for a Painting Contractor in North Kingstown

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 Rhode Island residents shall have a permanent site within a 15-mile radius.

Density: One additional permanent site will be added for every 50,000 people in a population center.

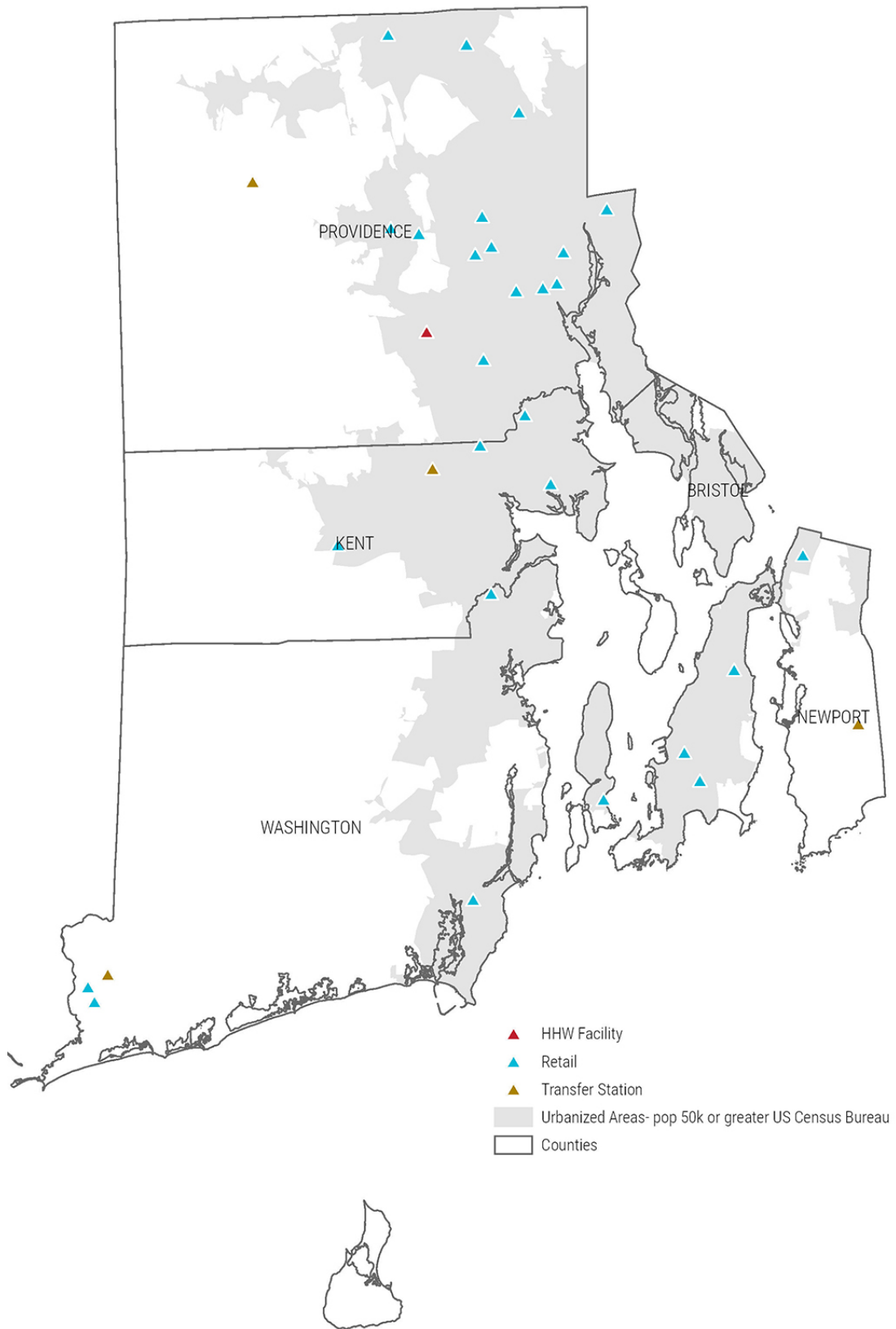
Urbanized Areas are provided by the Census Bureau to delineate areas of concentrated population, i.e., an “urban footprint,” to distinguish between urban and rural areas. An Urbanized Area has a minimum of 50,000 residents. The Census Bureau uses documented and repeatable methodology and rules to identify and delineate Urbanized Areas and they are defined consistently nationwide.

Application of these criteria resulted in the need for approximately 22 optimally located, year-round drop-off sites, which PaintCare considers its baseline service level goal. The 32 year-round drop-off sites in place at the end of the FY2018 provided 99.9% of Rhode Island 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.

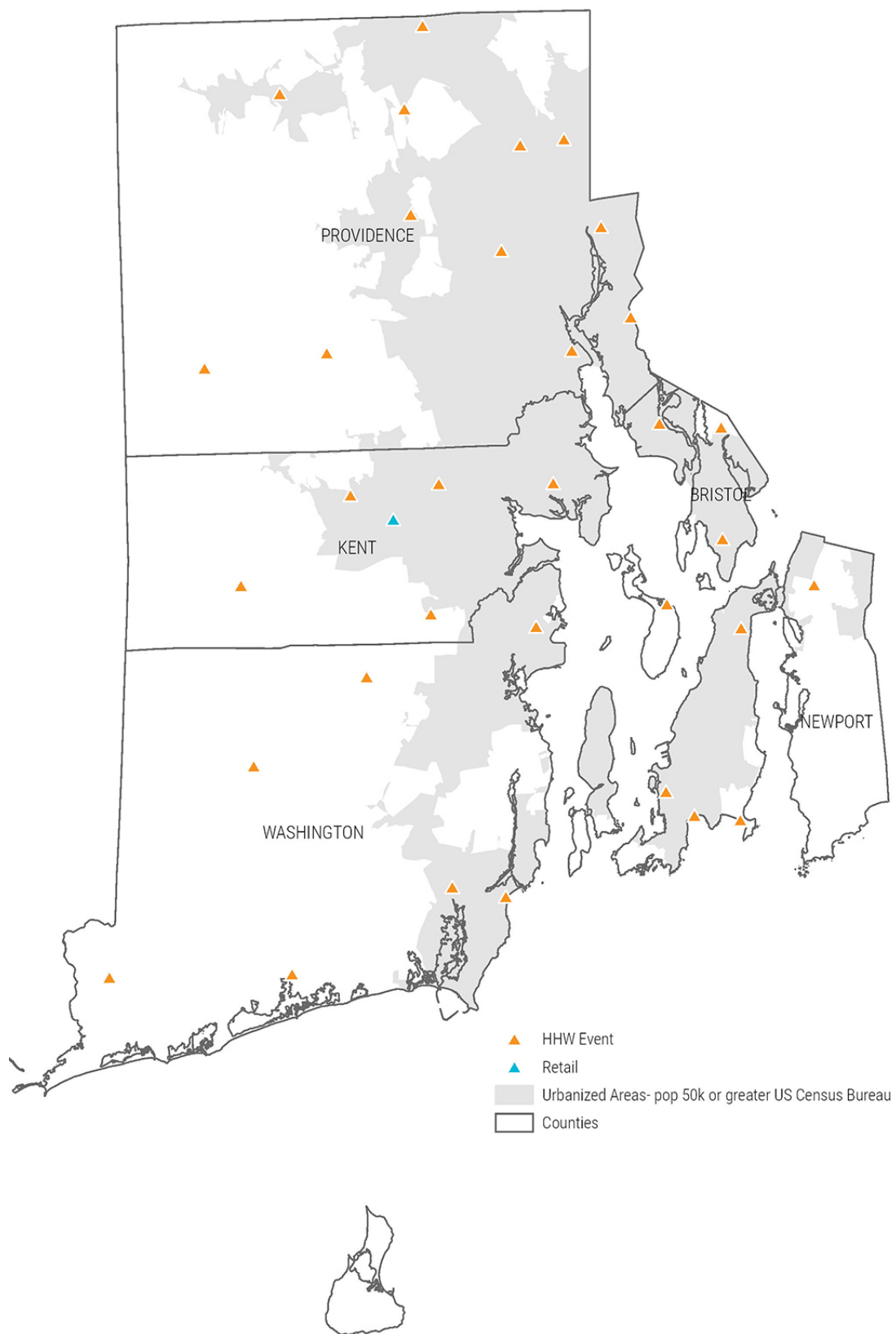
GIS analysis is conducted by PaintCare with assistance from Dewberry, an engineering firm with expertise in geographic analysis and mapping.

The following maps show the locations of (1) year-round sites, (2) supplemental sites, (3) year-round and supplemental sites, and (4) LVP sites. LVP sites were not included when calculating the values needed to measure convenience for the distribution or density criteria but are mapped for illustrative purposes.

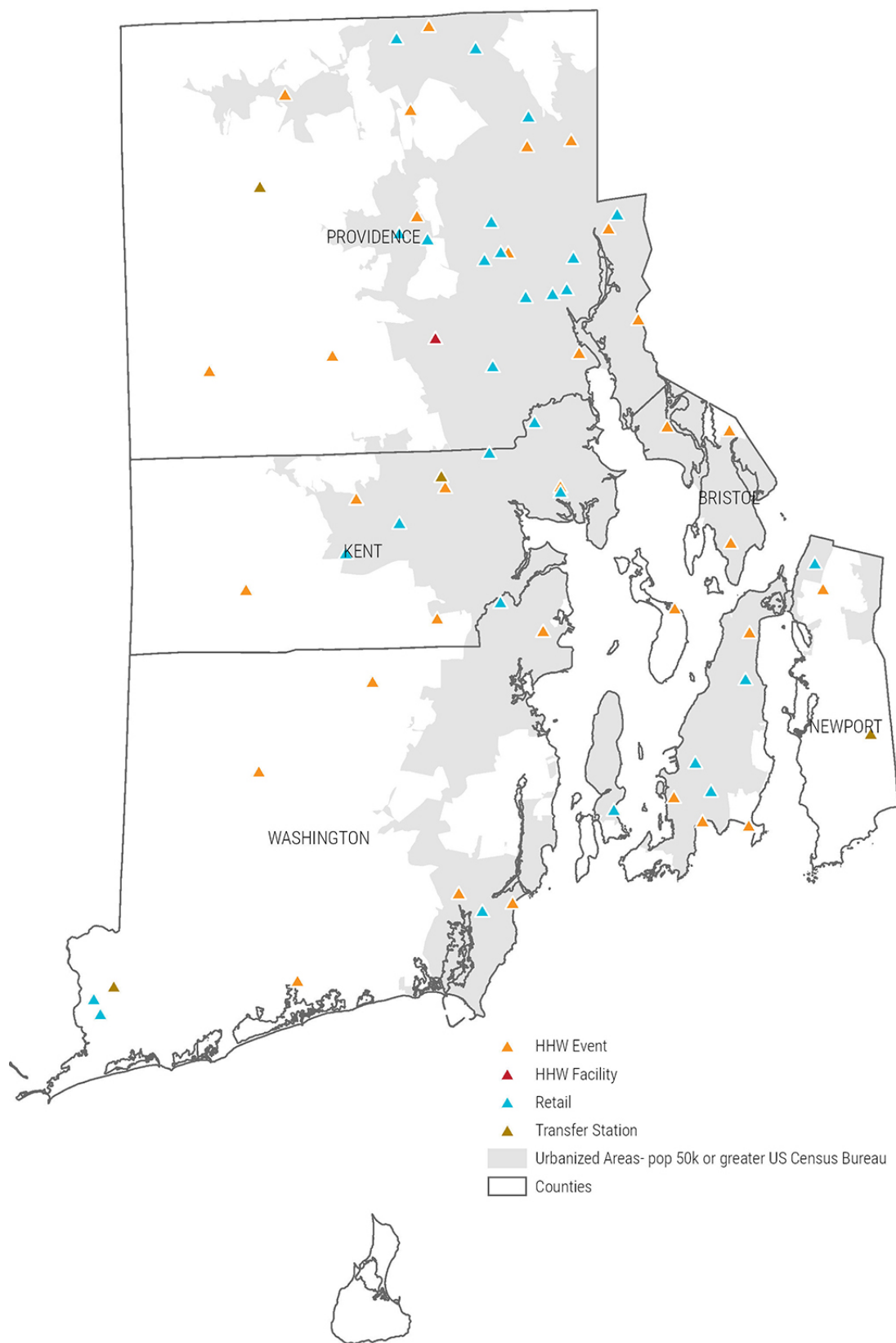
YEAR-ROUND DROP-OFF SITES



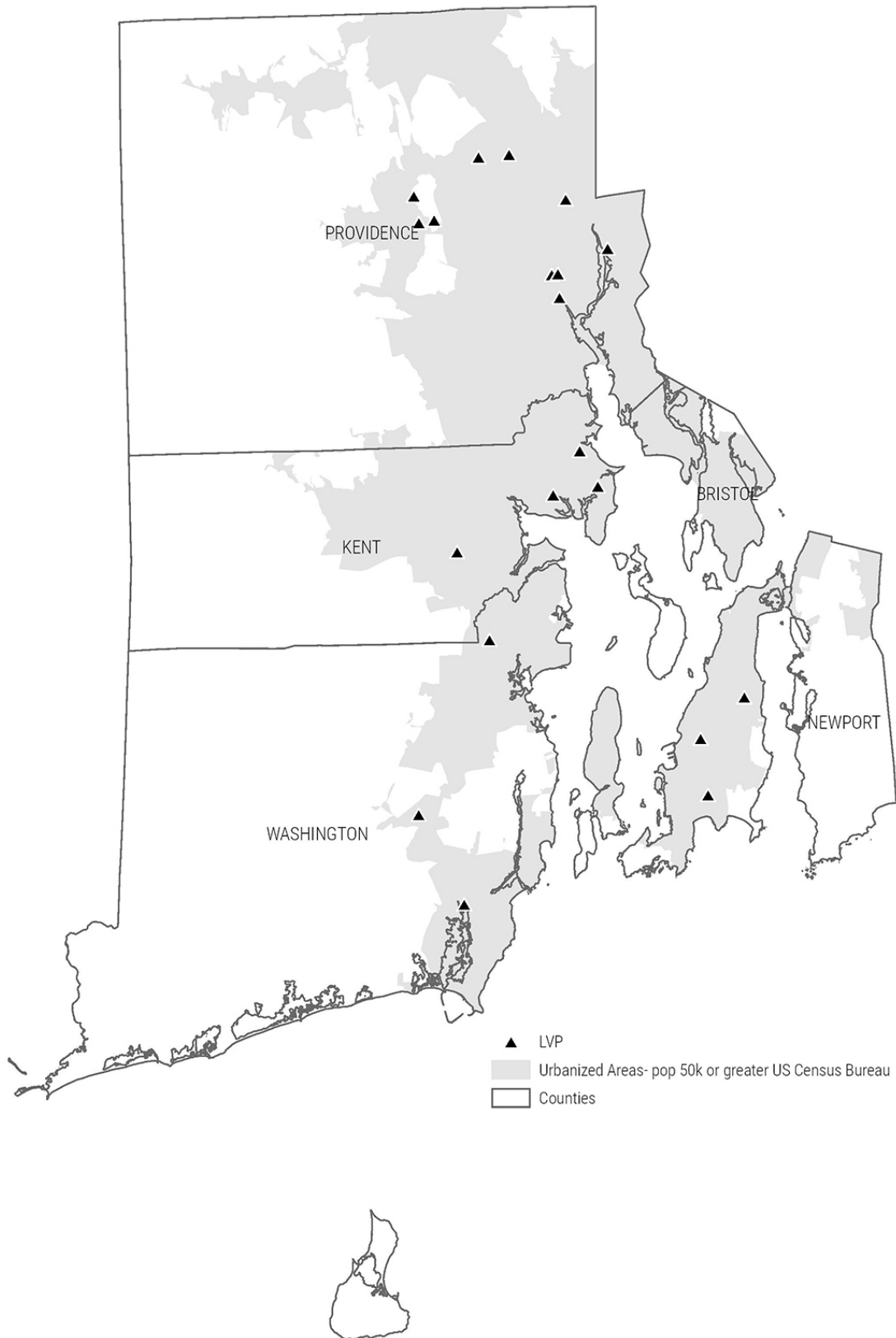
SUPPLEMENTAL DROP-OFF SITES



YEAR-ROUND AND SUPPLMENTAL DROP-OFF SITES



LARGE VOLUME PICK-UP SITES



C. PAINT COLLECTION PROCEDURES

PaintCare entered into contract agreements with sponsors or operators of all sites (and events). PaintCare contracts require that drop-off sites meet requirements of local, state, and federal law, regulations and policies.

Except for RIRRC, whose HHW 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 RIRRC's Eco-Depots are able to accept and prepare them for management under the program.

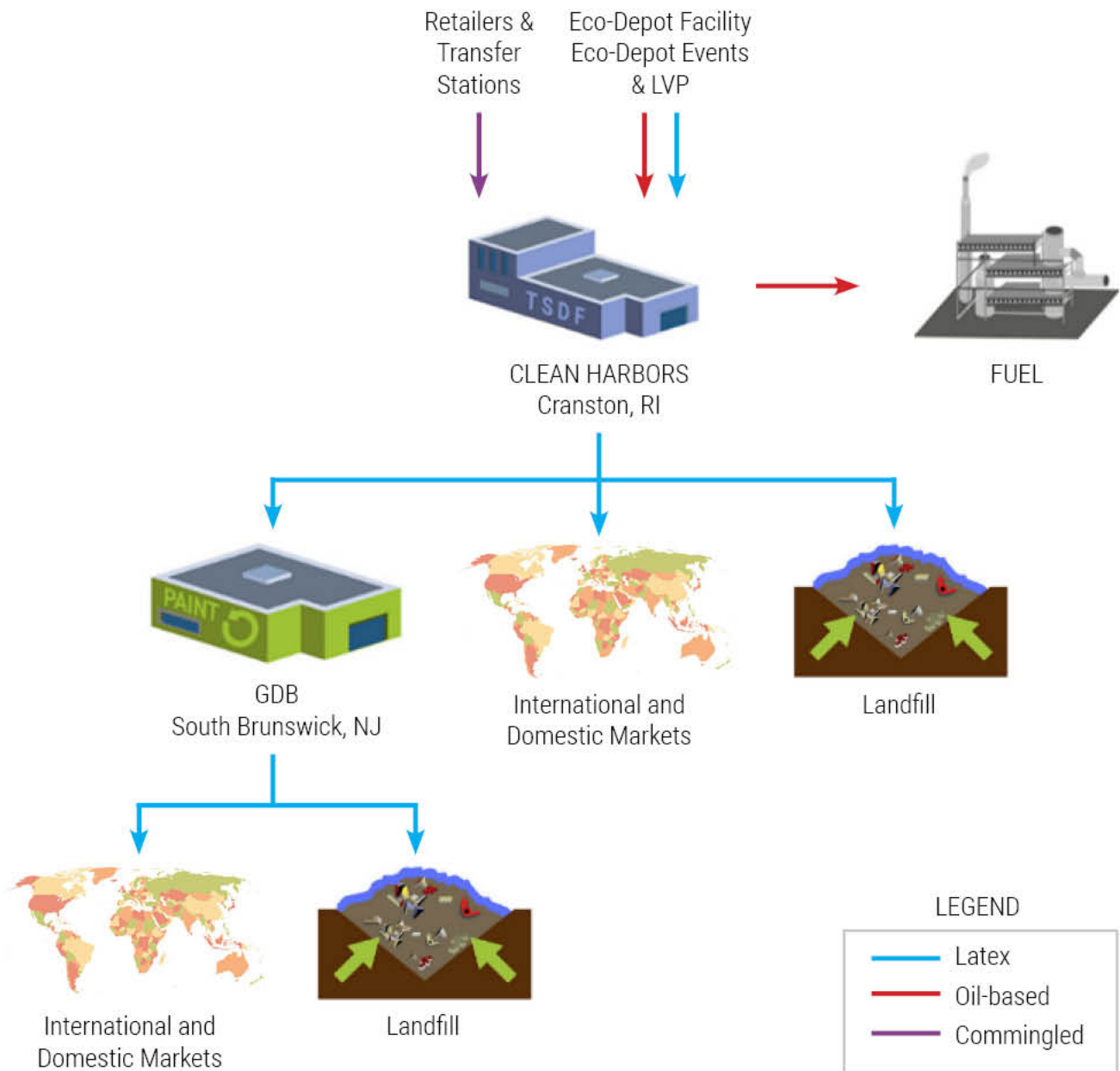
Retail and transfer station drop-off sites are visited by PaintCare staff on a regular basis to check on their operations and provide additional training and consumer outreach materials as needed.

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

D. PAINT TRANSPORTATION AND PROCESSING

The following diagram provides an overview of the flow of paint from Rhode Island drop-off sites. A detailed description is provided in the next section.

PAINTCARE RHODE ISLAND FLOW DIAGRAM FY2018



D1. Paint Transportation

PaintCare contracted with Clean Harbors Environmental Services, a registered hazardous waste transporter, in FY2018. PaintCare requires that transportation service providers have the ability and knowledge to respond to incidents involving hazardous materials and comply with all applicable U.S. Department of Transportation (DOT) and state transportation rules.

Clean Harbors transported all paint from all retail drop-off sites, transfer stations, LVPs, and the RIRRC Eco-Depots to their permitted facility in Cranston, RI for screening, separation and consolidation.

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 under the following waste management hierarchy:

Recycled Paint. Clean Harbors transported the majority of the latex paint to the GDB International facility in South Brunswick, NJ. GDB processed postconsumer latex paint by manufacturing a variety of colors of recycled-content paint, which were either sold domestically and internationally in 1-gallon and 5-gallon containers or sold in bulk totes in international markets. Clean Harbors also processed some of the latex paint at its Clean Harbors facility in Cranston, RI. Clean Harbors utilized paint-to-paint recycling as its primary method for managing the latex paint. While some of the recycled-content paint produced was used to paint one of the Clean Harbors facilities, most of the recycled-content paint produced by Clean Harbors was sold to international markets in bulk totes.

Disposal. Dry and unusable latex paint sorted out by GDB and Clean Harbors was sent to authorized landfills.

D3. Oil-Based Paint Processing

Energy Recovery. Clean Harbors shipped some volume of oil-based paint to their Safety-Kleen facility in Smithfield, KY, where the paint was bulked and subsequently transported to three cement kilns – Lone Star Cement in Greencastle, IN; Buzzi Unichem in Cape Girardeau, MO; ESSROC in Logansport, IN to be used as fuel.

Incineration. Clean Harbors transported some volume of oil-based paint to their own incinerator in El Dorado, AR, where it served as a fuel in the incineration process.

Section 2. Paint Collection Volume and Disposition Methods

Annual Report Statutory Citation

Title 23, Chapter 24.12. Proper Management of Unused Paint

23-24.12-3(m). On or before October 15, 2015, and annually thereafter, the representative organization shall submit a report to the director of the department of environmental management that details the paint stewardship program.

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

(2) The overall volume of post-consumer paint collected in this state.

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

A. PAINT SALES

Paint sales were 1,513,485 gallons in FY2018, less than a 1% increase from FY2017.

B. PAINT COLLECTION AND MANAGEMENT

B1. Collection Volume and Recovery Rate

In FY2018, the Rhode Island program processed 84,210 gallons of paint, an increase of 11% from FY2017. PaintCare uses gallons of paint processed to calculate recovery rates (gallons of paint processed divided by gallons of paint sold in the same time period) rather than gallons collected. The difference in these numbers is explained here:

Collected gallons: Haulers report the weight (pounds) and number of bins (or other containers) of paint collected to PaintCare. PaintCare or the hauler can calculate the gallons of paint collected by applying a formula that removes packaging weight and converts pounds to gallons.

Processed gallons: The gallons of paint processed is reported to PaintCare by haulers after processing takes place.

A difference exists between the number of gallons collected and number of gallons processed each year because (1) gallons collected is a derived estimate, as described above, and (2) there is a lag in time between when paint is collected and when paint is processed. The lag is created because haulers build full truckloads of collected paint at their facilities before transporting the paint to processors. In addition, once the paint is received by a processor, it may sit in inventory until it is processed. Therefore, in any program year, some paint volume that is reported as processed may come from paint that was collected in the previous program year, and some paint that is collected in a program year may not be processed until the next program year.

The recovery rate in FY2018 was 5.6% (5.6% of 1,513,485 gallons sold).

In the Rhode Island program plan, PaintCare estimated an annual recovery rate of 6.5%, but did not establish a recovery rate goal. In addition to fluctuations in paint sales, the timing of paint processing and several other factors make recovery rate goals problematic. Paint is designed to be fully consumed through application to walls, buildings, and other surfaces. Although the amount of postconsumer paint received through the program is measurable, it is very difficult to determine the precise quantity of postconsumer paint that is leftover and available for collection at any given time. The time between the purchase of paint and the decision that the leftover paint is unwanted, and the additional time before it is taken to a drop-off site can vary greatly. In addition, architectural paint products have a long shelf life, so consumers purchasing paint in one year may not decide that the unused paint is unwanted for several years. For these reasons, PaintCare did not establish volume-based collection goals in its program plan but did commit to providing and examining recovery rate data for planning and budgeting purposes, and for comparison to previous years, as presented in the following table:

GALLONS SOLD AND PROCESSED, AND RECOVERY RATES

| | YEAR 1 FY2015 (13 MONTHS) | YEAR 2 FY2016 | YEAR 3 FY2017 | YEAR 4 FY2018 |
|-----------------------------|---------------------------------|------------------|------------------|------------------|
| Gallons Sold | 1,558,820 | 1,527,962 | 1,513,273 | 1,513,485 |
| Gallons Processed | 64,525* | 80,643* | 75,853* | 84,210 |
| Change in Gallons Processed | N/A | 25% | (6%) | 11% |
| Recovery Rate | 4.1% | 5.3% | 5.0% | 5.6% |

* FY2015-FY2017 gallons of paint processed are estimated due a procedural error discovered in 2016. The error occurred at the Clean Harbors facility in Cranston, RI, where bins of paint from the Maine, Rhode Island, and Vermont PaintCare programs were received, weighed, unpacked, sorted by type, and paint was repacked for shipment to downstream processors. From the start of the Rhode Island program in June 2014 through October 2016, Clean Harbors repacked paint from the Rhode Island and Vermont programs together before shipping it to processors. When the Maine program started in October 2015, paint from all three states was repacked together before shipping to processors. As a result, the processors receiving paint from Clean Harbors during this time period could not provide the gallons of paint processed for each state separately.

Instead, to estimate gallons of processed paint for each state during this time period, Clean Harbors applied a formula to the weight of bins from each state (bins from each state were weighed before their contents were repacked) that removed packaging weight and converted the data from pounds of paint to gallons of paint. These values are used in place of actual gallons processed in the table above.

Starting November 2016, paint from Rhode Island was no longer commingled with paint from the other two states.

B2. Latex vs. Oil-Based Paint

Of the 84,210 gallons of paint processed in FY2018, 77% (64,559 gallons) was latex paint and 23% (19,651 gallons) was oil-based paint.

B3. Paint Management Methods

The following table shows the paint management methods and volumes since the program began:

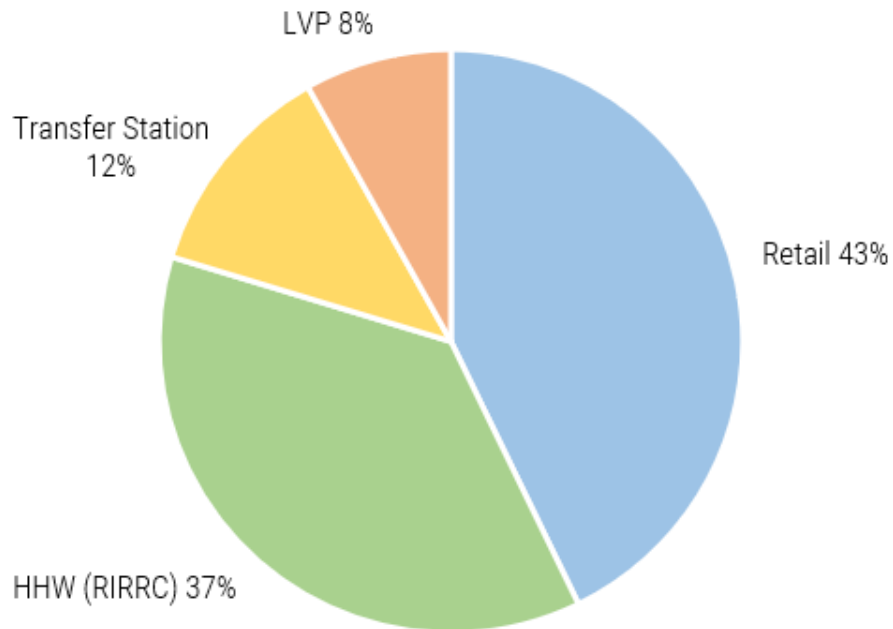
SUMMARY OF PAINT MANAGEMENT

| | YEAR 1* FY2015 | | YEAR 2* FY2016 | | YEAR 3* FY2017 | | YEAR 4 FY2018 | |
|--------------------------------|-------------------|-----|-------------------|-----|-------------------|-----|------------------|-----|
| LATEX PAINT DISPOSITION | (GAL) | % | (GAL) | % | (GAL) | % | (GAL) | % |
| Recycled Paint | 40,776 | 82 | 50,962 | 82 | 47,935 | 82 | 53,216 | 82 |
| Landfill | 8,692 | 18 | 10,862 | 18 | 10,217 | 18 | 11,343 | 18 |
| Subtotal Latex Paint | 49,468 | 100 | 61,824 | 100 | 58,152 | 100 | 64,559 | 100 |
| OIL-BASED PAINT DISPOSITION | | | | | | | | |
| Fuel | 15,057 | 100 | 18,819 | 100 | 17,701 | 100 | 19,651 | 100 |
| Subtotal Oil-Based Paint | 15,057 | 100 | 18,819 | 100 | 17,701 | 100 | 19,651 | 100 |
| GRAND TOTAL | 64,525 | | 80,643 | | 75,853 | | 84,210 | |

* FY2015-FY2017 disposition volumes are estimated. In the first three years of the program, PaintCare did not report the latex to oil-based paint ratio or the disposition methods due to the procedural error discussed in Sections B2 which affected Clean Harbors data. This year, in order to simplify the presentation of data and because there was a full year of accurate data from Clean Harbors, PaintCare estimated the disposition breakdown for the previous years by (1) applying the FY2018 ratio of latex paint to oil-based paint in Rhode Island to the total estimated paint volume reported by Clean Harbors in the previous years, and (2) applying the disposition percentages to each paint type (latex and oil-based) of Clean Harbors' processors to the estimated volume of each paint type in the previous three years.

B4. Collection by Program Type

The following pie chart shows the breakdown of collection volume by site/service type.



C. CONTAINER RECYCLING

Metal and plastic paint containers were recycled whenever possible.

The program recycled an estimated 61 tons of paint containers in FY2018. All latex paint containers were recycled 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 were recycled as well.

Section 3. Independent Audit and Financial Summary

Annual Report Statutory Citation

Title 23, Chapter 24.12. Proper Management of Unused Paint

23-24.12-3(m). On or before October 15, 2015, and annually thereafter, the representative organization shall submit a report to the director of the department of environmental management that details the paint stewardship program.

Said report shall include a copy of the independent audit detailed in subdivision (4) below.

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

(4) The total cost of implementing the program, as determined by an independent financial audit, as performed by an independent auditor.

(5) An evaluation of the adequacy 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 available in the appendix.

B. FINANCIAL SUMMARY AND DISCUSSION

B1. Expense Categories

Revenue is derived from fees on new paint sales. Expense categories for the Rhode Island program are discussed below.

Paint Processing. Paint processing is the largest expense in all PaintCare programs. In Rhode Island, paint processing costs were billed based on the weight of 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 Rhode Island, transportation costs were billed per cubic yard collection bin picked up at drop-off sites, events, and LVP locations.

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.

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, Rhode Island's allocation for corporate activity was 1.8%. 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.

B2. Financial Summary

The following table shows program revenue and expenses during the first four reporting periods of the program. The only notable change between FY2018 and FY2017 is in the net assets at the end of the reporting period. This issue is discussed further in the next section.

REVENUE AND EXPENSES

| REVENUE | YEAR 1 FY2015 | YEAR 2 FY2016 | YEAR 3 FY2017 | YEAR 4 FY2018 |
|--|------------------|------------------|------------------|------------------|
| Larger than half pint to smaller than 1 gallon | \$ 126,821 | \$ 119,736 | \$ 114,107 | \$ 108,469 |
| 1 gallon | 689,748 | 652,835 | 629,888 | 617,495 |
| Larger than 1 gallon up to 5 gallons | 175,272 | 182,728 | 189,222 | 195,883 |
| Total revenue | 991,841 | 955,299 | 933,217 | 921,847 |

EXPENSES

| | | | | |
|---|---------|---------|---------|---------|
| Paint processing | 289,833 | 346,989 | 349,123 | 361,083 |
| Paint transportation | 95,815 | 112,220 | 107,270 | 110,046 |
| Collection supplies and support | 109,655 | 101,448 | 99,116 | 102,140 |
| Communications | 85,286 | 94,980 | 88,715 | 89,429 |
| Personnel, professional fees, and other | 38,329 | 38,193 | 40,130 | 36,953 |
| Allocation of corporate activity | 59,645 | 74,467 | 71,906 | 75,694 |
| Total expenses | 678,563 | 768,297 | 756,260 | 775,345 |

| | | | | |
|-------------------------------------|-----|-------|---|---|
| Allocation of investment activity * | 100 | 2,164 | 0 | 0 |
|-------------------------------------|-----|-------|---|---|

| | | | | |
|--|---------|---------|---------|---------|
| Change in net assets (revenue minus expenses) | 313,378 | 189,166 | 176,957 | 146,502 |
|--|---------|---------|---------|---------|

| | | | | |
|---|-----------|---------|---------|---------|
| Net assets, beginning of reporting period | (123,266) | 190,112 | 379,278 | 556,235 |
|---|-----------|---------|---------|---------|

| | | | | |
|-------------------------------------|------------|------------|------------|---------|
| Net assets, end of reporting period | \$ 190,112 | \$ 379,278 | \$ 556,235 | 702,737 |
|-------------------------------------|------------|------------|------------|---------|

* As of January 2016, Rhode Island 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 Rhode Island program had built a reserve of \$702,737, 91% of FY2018 operating expenses. The program is on track to reach the reserve target.

D. EVALUATION OF THE PROGRAM'S FUNDING MECHANISM

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

PAINTCARE FEE SCHEDULE

| 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 |

The funding mechanism, fee structure, and system to receive sales reports and payments from manufacturers continued to perform well in FY2018. The revenue generated was sufficient to cover expenses. No adjustment to the fee structure or payment system is proposed at this time.

Section 4. Outreach

Annual Report Statutory Citation

Title 23, Chapter 24.12. Proper Management of Unused Paint

23-24.12-3(m). On or before October 15, 2015, and annually thereafter, the representative organization shall submit a report to the director of the department of environmental management that details the paint stewardship program.

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

(6) Samples of all educational materials provided to consumers of architectural paint and participating retailers.

(7) A detailed list of efforts undertaken and an evaluation of the methods used to disseminate such materials including recommendations, if any, for how the educational component of the program can be improved.

A. OUTREACH ACTIVITIES

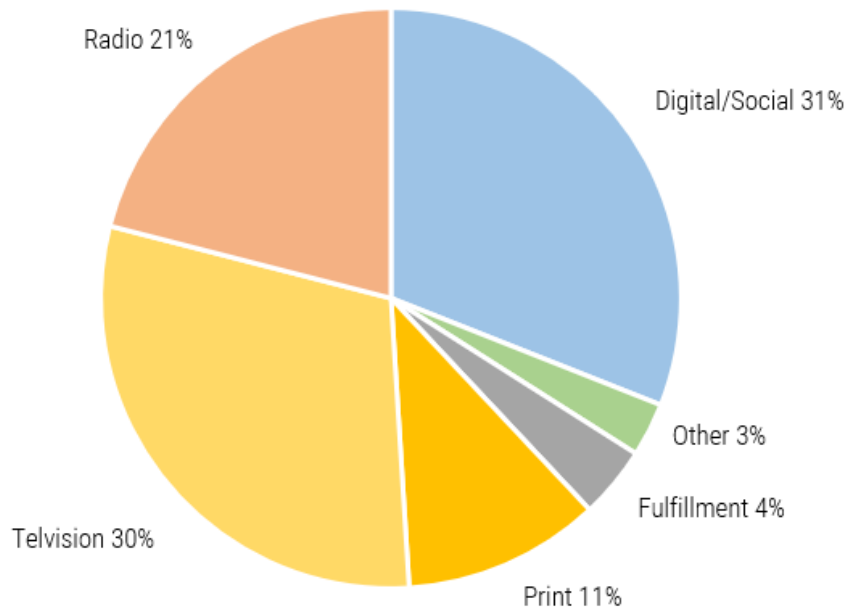
A1. Introduction

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, 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 Rhode Island program are summarized in the following pie chart:

MEDIA MIX FOR PROMOTION OF PAINTCARE IN RHODE ISLAND



A2. Press Releases

A press release about promoting the previous year's annual report and current milestones was distributed statewide in November of 2017.

A3. Print Materials for Consumers

PaintCare continued to distribute program brochures and other printed materials to retailers 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.

During FY2018, PaintCare fulfilled 16 requests for materials by mail and the Rhode Island program manager delivered materials in-person during site visits. PaintCare distributed a total of 776 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 reporting periods and 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 Rhode Island Paint Stewardship Program Affect Paint Retailers?
- ◆ How to Become a Retail Drop-Off Site
- ◆ About PaintCare Fees
- ◆ Information for Solid Waste Transfer Stations, Recycling Facilities, and Landfills
- ◆ Reuse Program – Compensation and Reporting

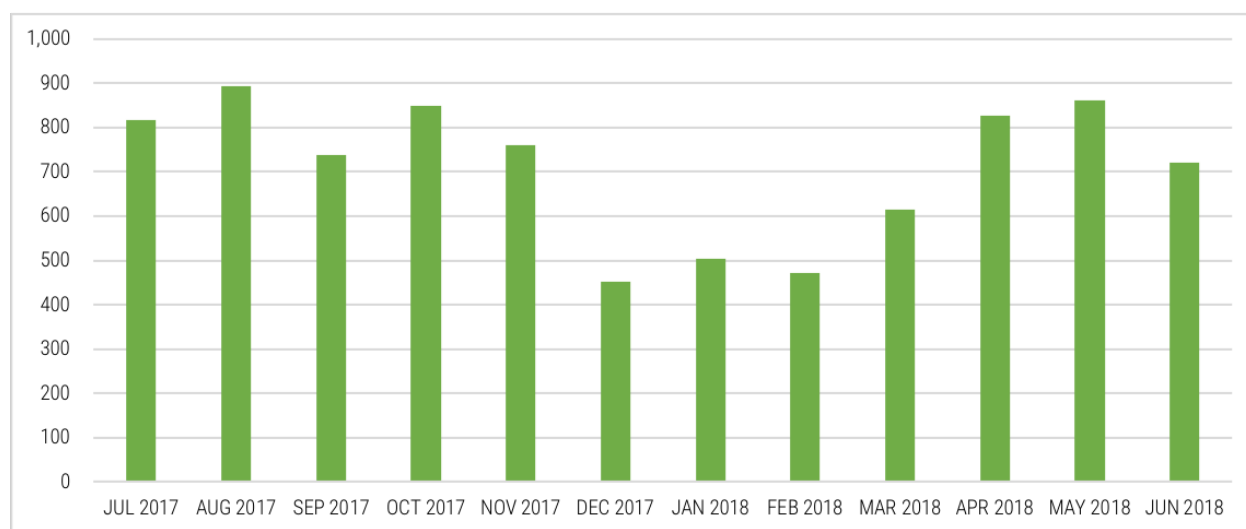
A5. Website

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 Rhode Island page with tabs for different audiences (Everyone, Contractors, Retailers, Waste Facilities, and Official Docs).

Web traffic from Rhode Island peaked in August but was relatively consistent throughout the year, demonstrating slightly lower traffic in the winter and higher traffic in the seasons when people are working on spring and fall cleaning projects.

MONTHLY WEBSITE TRAFFIC FROM RHODE ISLAND



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. During FY2018, 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. Television

PaintCare ran an average of 75 cable television commercials per week for two-week blocks in July-August 2017, November-December 2017 and March-June 2018. The “Touch-ups” spot 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 will 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 Rhode Island starting in FY19.

Broadcast television is not used in Rhode Island because the signal reaches Massachusetts.

A8. Public Radio

PaintCare ran sponsorships on Rhode Island Public Radio in July-October 2017 and March-June 2018. The sponsorship used the following message and ran 10 spots per week in 2-4 week time blocks: *"...PaintCare, with more than 25 drop-off locations in Rhode Island where residents and businesses can recycle leftover paint. Online at PaintCare dot org."*

PaintCare does not use commercial radio advertising in Rhode Island because radio signals reach into Massachusetts.

A9. Print Advertising

PaintCare ran print ads in fall 2017 and spring 2018 throughout the state to advertise retail drop-off sites; each site was promoted several times during this period. 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 Rhode Island, so newspaper ads were used in areas where Red Plum is not available.

PAINT RECYCLING MADE *easy*



Do you know where to recycle or dispose of your paint?
There are more than 30 PaintCare sites in Rhode Island where households and businesses can recycle or dispose of unwanted paint, stain and varnish for free all year round, including these sites in your area:

| | |
|---|---|
| MIDDLETOWN Humphreys Beach Paint 750 Aquidneck Avenue (401) 841-9730 Sherwin-Williams 884 W Main Road (401) 846-2921 | TIVERTON Humphreys Building Supply Center 590 Main Road (401) 624-8800 |
|---|---|

TO FIND OTHER DROP-OFF LOCATIONS:
www.paintcare.org • (855) 724-6809

All PaintCare sites accept up to 5 gallons per visit (some take more). Please call ahead to confirm business hours and ask if they can accept the type and amount of paint you would like to recycle. Sites do not accept: aerosols (spray paint) or leaking, unlabeled and empty containers.



PAINT RECYCLING MADE *easy*



It's Free!

Do you know where to recycle or dispose of your paint?
There are more than 30 PaintCare sites in Rhode Island where households and businesses can recycle or dispose of unwanted paint, stain, and varnish all year round, including these sites in your area:

| | |
|--|---|
| PROVIDENCE Mt Pleasant True Value 249 Academy Avenue (401) 351-7200 Sherwin-Williams 509 N Main Street (401) 331-1790 The Paint Shoppes 275 Smith Street (401) 421-7256 | PAWTUCKET PPG Paints 50 Ann Mary Street (401) 751-7300 WARWICK Salk's Ace Hardware & Marine 2524 W Shore Road (401) 739-1027 Sherwin-Williams 80 Lambert Lind Highway (401) 738-9113 |
|--|---|

TO FIND OTHER DROP-OFF LOCATIONS:
www.paintcare.org
(855) 724-6809

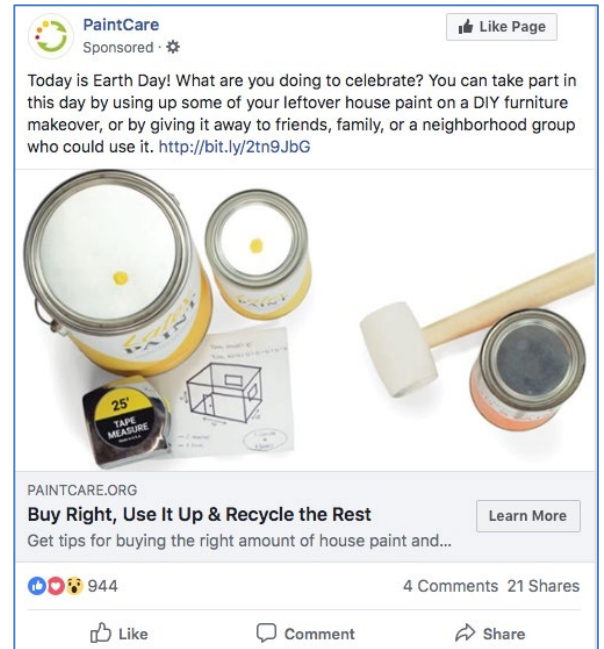
All PaintCare sites accept up to 5 gallons per visit (some take more). Please call ahead to confirm business hours and ask if they can accept the type and amount of paint you would like to recycle. Sites do not accept: aerosols (spray paint) or leaking, unlabeled, and empty containers.



Examples of Print Advertising: Newspaper (Left) and Red Plum (Right)

A10. Digital Advertising

PaintCare ran digital pre-roll video ads on WPRI.com and WJAR.com in June, July, and October 2017 using the “Touch-ups” video mentioned above in Television. PaintCare also ran digital ads on the Pandora streaming audio service and Facebook from March to June 2018.



Examples of Digital Advertising: Accompanying Banner for Pandora Audio (Left) and Facebook (Right)

A11. Face-to-Face

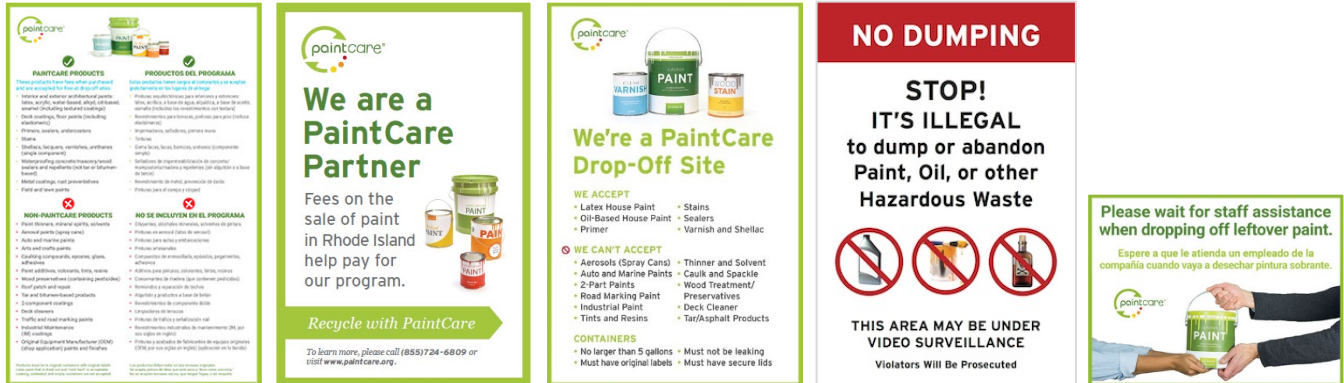
The Rhode Island program manager continued to visit with retail drop-off sites regularly to make sure there were no problems or concerns, to help coach them on how to answer questions they receive from customers, provide brochures and other point-of-sale materials, and order signs. The manager also talked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

In addition to regular contact with drop-off sites, the Rhode Island program manager tabled at the Northeast Resource Recovery Association annual conference in New Hampshire to answer questions about the program, hand out informational brochures, and promote the program.

Finally, the Rhode Island 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.

A12. 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 they have 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.



B. AWARENESS SURVEY

PaintCare conducted a baseline Awareness Survey in Rhode Island 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:

- ◆ 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) dry out unwanted paint and dispose of it in the trash has shown an overall decrease. Prior to PaintCare, drying and disposing of latex paint was recommended by the state and local government programs as the way to get rid of unwanted latex paint.
- ◆ The percentage of respondents who said they had (or would) take unwanted paint to an HHW program has fluctuated, but the percentage who said they had (or would) take it to a paint store has

shown an overall increase. 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 46.3%.

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 of 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's outreach should continue to look at a full range of media options to reach all parts of the state, and also continue to be sure that media does not cross borders into Massachusetts.
- ◆ The program manager should identify new events and other face-to-face outreach opportunities to raise awareness of the program.

Appendix Section A



PAINTCARE SITES

FY2018 PAINTCARE SITES IN RHODE ISLAND - PAGE 1

| City/Town | Site Name | Address | Type |
|------------------|----------------------------------|-------------------------|------------------|
| Year-Round Sites | | 32 Sites | |
| Chepachet | Glocester Transfer Station | 121 Chestnut Hill Rd | Transfer Station |
| Coventry | S & T Hardware | 2300 Nooseneck Hill Rd | Retail |
| Cranston | Cranston Paint & Wallcovering | 386 Atwood Ave | Retail |
| Cumberland | Depault Hardware | 2000 Mendon Rd Ste 9 | Retail |
| Greenville | Rockys Ace Hardware | 633 Putnam Pike | Retail |
| Jamestown | Jamestown True Value Hardware | 5 Narragansett Ave | Retail |
| Johnston | Johnston Eco Depot | 65 Shun Pike | HHW Facility |
| Little Compton | Little Compton Transfer Station | 122 Amy Hart Path | Transfer Station |
| Middletown | Beach Paint By Humphreys | 750 Aquidneck Ave | Retail |
| Middletown | Sherwin-Williams | 884 W Main Rd | Retail |
| Narragansett | Sherwin-Williams | 14 Woodruff Ave | Retail |
| North Kingstown | Salks Ace Hardware & Marine | 5939 Post Rd | Retail |
| North Providence | Eastern Paint Center | 1926 Smith St | Retail |
| North Providence | Sherwin-Williams | 1873 Mineral Spring Ave | Retail |
| North Smithfield | Leeway True Value | 790 Great Rd | Retail |
| Pawtucket | Hannas Color Cente | 470 Central Ave | Retail |
| Pawtucket | PPG Paints | 50 Ann Mary St | Retail |
| Portsmouth | The Healthy Home Shop | 1844 E Main Rd | Retail |
| Providence | Mt Pleasant True Value | 249 Academy Ave | Retail |
| Providence | Sherwin-Williams | 509 N Main St | Retail |
| Providence | The Paint Shoppes | 275 Smith St | Retail |
| Smithfield | Douglas Lumber Kitchen & Home | 125 Douglas Pike | Retail |
| Smithfield | Sherwin-Williams | 400 Putnam Pike | Retail |
| Tiverton | Humphreys Building Supply Center | 590 Main Rd | Retail |
| Warwick | Salks Hardware and Marine | 2524 W Shore Rd | Retail |
| Warwick | Sherwin-Williams | 77 Walnut St | Retail |
| Warwick | Sherwin-Williams | 80 Lambert Lind Hwy | Retail |
| West Warwick | West Warwick Transfer Station | 10 Junior St | Transfer Station |
| Westerly | Sherwin-Williams | 116 Granite St | Retail |
| Westerly | Westerly Paints | 85 Franklin St | Retail |
| Westerly | Westerly Transfer Station | 39 Larry Hirsch Ln | Transfer Station |
| Woonsocket | Vose True Value Hardware | 849 Cumberland Hill Rd | Retail |



PAINTCARE SITES

FY2018 PAINTCARE SITES IN RHODE ISLAND - PAGE 2

| City/Town | Site Name | Address | Type |
|-------------------------------|---------------------------------------|-------------------------|-----------|
| Supplemental Sites and Events | | 34 Sites | |
| Barrington | Barrington High School (RIRRC) | 220 Lincoln Ave | HHW Event |
| Bristol | Bristol DPW (RIRRC) | 111 Mt Hope Ave | HHW Event |
| Burrillville | Burrillville Recycling Center (RIRRC) | 350 Whipple Ave | HHW Event |
| Charlestown | RI Dept of Transportation (RIRRC) | 4782 Post Rd | HHW Event |
| Coventry | Coventry Paint (Closed Apr 2018) | 600 Tiogue Ave | Retail |
| Coventry | Coventry Town Hall Annex (RIRRC) | 1675 Flat River Rd | HHW Event |
| Cumberland | Cumberland Monastery (RIRRC) | 1464 Diamond Hill Rd | HHW Event |
| East Greenwich | East Greenwich Hwy Garage (RIRRC) | 2 Bear Swamp Rd | HHW Event |
| East Providence | East Providence DPW (RIRRC) | 60 Commercial Way | HHW Event |
| Exeter | Exeter Town Hall (RIRRC) | 675 Ten Rod Rd | HHW Event |
| Foster | Foster DPW (RIRRC) | 181 Howard Hill Rd | HHW Event |
| Jamestown | Jamestown Melrose School (RIRRC) | 76 Melrose Ave | HHW Event |
| Lincoln | Lincoln Town Hall (RIRRC) | 100 Old River Rd | HHW Event |
| Middletown | Middletown Second Beach (RIRRC) | 474 Sachuest Point Rd | HHW Event |
| Narragansett | Narragansett Beach Pavilion (RIRRC) | 77 Boston Neck Rd | HHW Event |
| Newport | Newport Eastons Beach (RIRRC) | 175 Memorial Blvd | HHW Event |
| North Kingstown | North Kingstown DPW (RIRRC) | 2050 Davisville Rd | HHW Event |
| North Providence | North Providence H S (RIRRC) | 1828 Mineral Spring Ave | HHW Event |
| North Smithfield | North Smithfield High School (RIRRC) | 412 Greenville Rd | HHW Event |
| Pawtucket | Agnes Little School (RIRRC) | 60 S Bend St | HHW Event |
| Portsmouth | Portsmouth High School (RIRRC) | 120 Education Way | HHW Event |
| Providence | Providence DPW (RIRRC) | 700 Allens Ave | HHW Event |
| Prudence Island | Prudence Island (RIRRC) | 1351 Narragansett Ave | HHW Event |
| Richmond | Richmond Transfer Station (RIRRC) | 51 Buttonwoods Rd | HHW Event |
| Scituate | Scituate DPW (RIRRC) | 1 Lincoln Cir | HHW Event |
| Smithfield | Smithfield DPW (RIRRC) | 3 Spragueville Rd | HHW Event |
| South Kingstown | South Kingston Town Hall (RIRRC) | 180 High St | HHW Event |
| Tiverton | Tiverton DPW (RIRRC) | 50 Industrial Way | HHW Event |
| Warren | Warren DPW (RIRRC) | 21 Birch Swamp Rd | HHW Event |
| Warwick | Warwick DPW (RIRRC) | 925 Sandy Ln | HHW Event |
| West Greenwich | West Greenwich Town Hall (RIRRC) | 280 Victory Hwy | HHW Event |
| West Warwick | West Warwick Civic Center (RIRRC) | 100 Factory St | HHW Event |
| Westerly | Westerly DPW (RIRRC) | 35 Larry Hirsch Ln | HHW Event |
| Woonsocket | Woonsocket Parks & Rec (RIRRC) | 1117 River St | HHW Event |



PAINTCARE SITES

FY2018 PAINTCARE SITES IN RHODE ISLAND - PAGE 3

| City/Town | Site Name | Address | Type |
|-----------|-----------|---------|------|
|-----------|-----------|---------|------|

Large Volume Pick-Up Sites

21 Sites

| | | | |
|-----------------|------------------------|--|-----|
| East Greenwich | [School or University] | | LVP |
| Kingston | [School or University] | | LVP |
| Lincoln | [Painting Contractor] | | LVP |
| Lincoln | [Painting Contractor] | | LVP |
| Lincoln | [Painting Contractor] | | LVP |
| Middletown | [Painting Contractor] | | LVP |
| Middletown | [Painting Contractor] | | LVP |
| North Kingstown | [Painting Contractor] | | LVP |
| Pawtucket | [Painting Contractor] | | LVP |
| Portsmouth | [Painting Contractor] | | LVP |
| Providence | [Construction] | | LVP |
| Providence | [Health Insurance] | | LVP |
| Providence | [Restoration] | | LVP |
| Smithfield | [Household] | | LVP |
| Smithfield | [Painting Contractor] | | LVP |
| Smithfield | [Painting Contractor] | | LVP |
| South Kingstown | [Hospital] | | LVP |
| Warwick | [Painting Contractor] | | LVP |
| Warwick | [Painting Contractor] | | LVP |
| Warwick | [School or University] | | LVP |
| Woonsocket | [Construction] | | LVP |

Appendix Section B

PaintCare Inc.

Financial Statements
and Independent Auditors' Report

June 30, 2018 and 2017

PaintCare Inc.

Financial Statements
June 30, 2018 and 2017

Contents

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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.

Handwritten signature of Rogers & Company LLC in black ink.

Vienna, Virginia
September 20, 2018

PaintCare Inc.

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 | <u>\$ 61,951,311</u> | <u>\$ 56,237,649</u> |
| 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 | <u>9,196,795</u> | <u>8,323,999</u> |
| | | |
| Net Assets | | |
| Unrestricted | <u>52,754,516</u> | <u>47,913,650</u> |
| | | |
| Total net assets | <u>52,754,516</u> | <u>47,913,650</u> |
| | | |
| Total liabilities and net assets | <u>\$ 61,951,311</u> | <u>\$ 56,237,649</u> |

PaintCare Inc.

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

| | 2018 | 2017 |
|---|-----------------------------|-----------------------------|
| Operating Revenue and Support | | |
| Paint recovery fees | \$ 60,694,911 | \$ 59,300,725 |
| Other income | 99,424 | 184,944 |
| Total operating revenue and support | <u>60,794,335</u> | <u>59,485,669</u> |
| 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 | <u>53,180,149</u> | <u>50,287,727</u> |
| General and administrative | <u>4,352,374</u> | <u>4,071,368</u> |
| Total expenses | <u>57,532,523</u> | <u>54,359,095</u> |
| 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 | <u>1,579,054</u> | <u>1,777,087</u> |
| Change in Net Assets | 4,840,866 | 6,903,661 |
| Net Assets, beginning of year | <u>47,913,650</u> | <u>41,009,989</u> |
| Net Assets, end of year | <u><u>\$ 52,754,516</u></u> | <u><u>\$ 47,913,650</u></u> |

See accompanying notes.

PaintCare Inc.

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 |
| Net cash provided by operating activities | <u>5,105,415</u> | <u>6,495,626</u> |
| 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 | <u>-</u> | <u>(5,736)</u> |
| Net cash used in investing activities | <u>(5,806,847)</u> | <u>(5,586,619)</u> |
| Net (Decrease) Increase in Cash | (701,432) | 909,007 |
| Cash, beginning of year | <u>9,838,281</u> | <u>8,929,274</u> |
| Cash, end of year | <u><u>\$ 9,136,849</u></u> | <u><u>\$ 9,838,281</u></u> |

See accompanying notes.

PaintCare Inc.

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.

PaintCare Inc.

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.

PaintCare Inc.

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.

PaintCare Inc.

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 | <u>\$ 7,215,463</u> | <u>\$ 7,085,090</u> |

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.

PaintCare Inc.

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 | 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 |
| Bond | 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 |

PaintCare Inc.

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 |
|---------------------------|---------------|---------------|---------|---------------|
| <hr/> | | | | |
| Equities: | | | | |
| Energy | \$ 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 |
| Bond | 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 |
| <hr/> | | | | |
| Total investments | \$ 28,443,491 | \$ 10,325,517 | \$ - | \$ 38,769,008 |
| <hr/> | | | | |

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

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

PaintCare Inc.

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 | \$ 421,822 | \$ 421,822 |
| Less: accumulated depreciation and amortization | <u>(249,086)</u> | <u>(169,460)</u> |
| Property and equipment, net | <u><u>\$ 172,736</u></u> | <u><u>\$ 252,362</u></u> |

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.

PaintCare Inc.

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

PaintCare Inc.

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 | \$ 4,816,828 | \$ 35,369,235 | \$ 3,589,443 | \$ 921,847 | \$ 6,192,108 | \$ 870,581 | \$ 1,455,662 | \$ 6,865,320 | \$ 613,887 | \$ - | \$ 60,694,911 |
| Other income | 99,424 | - | - | - | - | - | - | - | - | - | 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 | (275,506) | (2,679,071) | (257,027) | (75,694) | (381,425) | (45,000) | (95,528) | (361,668) | (43,273) | 4,214,192 | - |
| Investment allocation | - | 1,380,251 | - | - | (39,090) | (16,396) | 4,394 | 108,040 | 3,673 | (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 |

PaintCare Inc.

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 | (261,719) | (2,544,998) | (244,164) | (71,906) | (362,337) | (42,747) | (90,747) | (343,569) | (41,107) | 4,003,294 | - |
| Investment allocation | - | 1,728,879 | - | - | (75,844) | (27,358) | (6,545) | 94,947 | (5,066) | (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 |

Appendix Section C



Rhode Island 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?

Rhode Island'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.



Recycle

with PaintCare



RHODE ISLAND

Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Rhode Island. 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 Fee

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



**It's easy to recycle
your leftover paint,
stain and varnish.**

Recycle with PaintCare

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

✗ 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

XX-PIEN-0717

WE CAN HELP Recycle 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?



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



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, 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, cleaner, etc.)

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.



Information for Painting Contractors

UPDATED — APRIL 2017

Rhode Island's Paint Stewardship Program began in June 2014.

The Rhode Island Paint Stewardship law required paint manufacturers to set up and operate a paint stewardship program in Rhode Island. 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 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 Rhode Island fees per container are 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

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.

New Paint Drop-Off Sites

PaintCare has established 30 paint drop-off sites across Rhode Island. Most drop-off sites are at paint stores. Other sites may include 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 PaintCare 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.

Note: 220 pounds is about 20-30 gallons of paint. When counting how much hazardous waste you generate in a month, oil-based paint does count (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)
lhonis@paint.org
(203) 747-4494

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 case-by-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 oil-based 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

MORE INFORMATION

(855) 724-6809 or (855) PAINT09
www.paintcare.org or info@paintcare.org

PAINTCARE INC.
901 NEW YORK AVENUE NW, SUITE 300W
WASHINGTON, DC 20001

Rhode Island Paint Usage & Disposal Surveys

Notes:

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 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?"

| | 2015 | | 2016 | | 2017 | | 2018 | |
|--|------|-------|------|-------|------|-------|------|-------|
| | % | Count | % | Count | % | Count | % | Count |
| 1. How much leftover paint is in your home? | | 111 | | 130 | | 137 | | 218 |
| None | 39.6 | 44 | 29.2 | 38 | 43.1 | 59 | 31.2 | 68 |
| Less than 1 gallon | 15.3 | 17 | 20.8 | 27 | 21.2 | 29 | 27.1 | 59 |
| 1-5 gallons (would fit in a cardboard box) | 25.2 | 28 | 37.7 | 49 | 21.2 | 29 | 26.6 | 58 |
| 5-15 gallons (would fit in a shopping cart) | 13.5 | 15 | 4.6 | 6 | 7.3 | 10 | 7.3 | 16 |
| 15-30 gallons (would fit in two shopping carts) | 0.0 | 0 | 1.5 | 2 | 0.0 | 0 | 0.5 | 1 |
| More than 30 gallons | 0.0 | 0 | 0.8 | 1 | 0.0 | 0 | 0.0 | 0 |
| Yes, but I don't know how much | 6.3 | 7 | 5.4 | 7 | 7.3 | 10 | 7.3 | 16 |

| | | | | | | | | |
|--|------|-----|------|----|------|----|------|-----|
| 2. Where did the paint come from? | | 111 | | 92 | | 78 | | 150 |
| I did some painting myself and had some leftover | 50.5 | 56 | 77.2 | 71 | 78.2 | 61 | 72.0 | 108 |
| I hired someone to paint and they left it behind | 19.8 | 22 | 14.1 | 13 | 9.0 | 7 | 12.7 | 19 |
| I found it in my home/business when I moved in | 16.2 | 18 | 12.0 | 11 | 6.4 | 5 | 6.0 | 9 |
| I am a painting contractor and it is from one of my jobs | 0.9 | 1 | 6.5 | 6 | 1.3 | 1 | 1.3 | 2 |
| I don't remember where the paint came from | 9.9 | 11 | 5.4 | 5 | 1.3 | 1 | 4.0 | 6 |
| Other | 27.0 | 30 | 4.3 | 4 | 3.8 | 3 | 4.0 | 6 |

Other responses for June 2018 Survey:

Bought paint and did not do the project (1)

Left behind by previous home owner (1)

Left behind by previous owner and recent personal projects (1)

| | | | | | | | | |
|--|----|-----|------|-----|------|-----|------|-----|
| 3. What did you do with leftover paint? | | 111 | | 130 | | 137 | | 218 |
| Poured it down the drain | 0 | 0 | 1.5 | 2 | 0.0 | 0 | 1.8 | 4 |
| Put can(s) of liquid paint in the trash | 1 | 1 | 2.3 | 3 | 5.1 | 7 | 1.4 | 3 |
| Dried out the paint and put it in the trash | 18 | 20 | 15.4 | 20 | 15.3 | 21 | 13.8 | 30 |
| Stored it in the basement or garage intend to use | 23 | 25 | 37.7 | 49 | 37.2 | 51 | 43.1 | 94 |
| Took it to a paint store | 5 | 5 | 6.2 | 8 | 2.2 | 3 | 6.4 | 14 |
| Took it to a household hazardous waste event or facility | 18 | 20 | 8.5 | 11 | 5.8 | 8 | 8.3 | 18 |
| Gave it away to a family, friend or community organization | 9 | 10 | 3.8 | 5 | 3.6 | 5 | 3.2 | 7 |
| Left it behind when I moved | 3 | 3 | 0.0 | 0 | 3.6 | 5 | 1.8 | 4 |
| I don't know | 9 | 10 | 5.4 | 7 | 3.6 | 5 | 6.4 | 14 |
| I have never stored or disposed of leftover/unwanted paint | 15 | 17 | 15.4 | 20 | 20.4 | 28 | 11.5 | 25 |
| Other | 0 | 0 | 3.8 | 5 | 2.9 | 4 | 2.3 | 5 |

Other responses for June 2018 Survey:

Used leftover paint on another project (1)

Used paint hardner and threw it in the trash (1)

Threw it in the trash (1)

| | | | | | | | | |
|---|------|-----|------|-----|------|-----|------|-----|
| 4. If you had unwanted paint, what would you do with it? | | 111 | | 130 | | 137 | | 218 |
| Pour it down the drain | 0.0 | 0 | 0.8 | 1 | 0.0 | 0 | 1.8 | 4 |
| Put can(s) of liquid paint in the trash | 2.7 | 3 | 4.6 | 6 | 1.5 | 2 | 2.8 | 6 |
| Dry out the paint and put it in the trash | 18.0 | 20 | 16.2 | 21 | 20.4 | 28 | 16.1 | 35 |

| | | | | | | | | |
|--|------|----|------|----|------|----|------|----|
| Take it to a paint store | 10.8 | 12 | 14.6 | 19 | 19.7 | 27 | 18.8 | 41 |
| Take it to a household hazardous waste event or facility | 37.8 | 42 | 23.8 | 31 | 24.8 | 34 | 23.9 | 52 |
| Give it away to a family, friend or organization | 10.8 | 12 | 16.9 | 22 | 19.0 | 26 | 11.9 | 26 |
| I don't know | 18.0 | 20 | 20.0 | 26 | 11.7 | 16 | 20.2 | 44 |
| Other | 1.8 | 2 | 3.1 | 4 | 2.9 | 4 | 4.6 | 10 |

Other responses for June 2018 Survey:

Give it to landlord (1)

Take it to transfer station that accepts paint (1)

Use paint hardener and dispose (1)

Find a store that accepts paint for recycling (3)

5. Did you know that paint can be recycled?

111

92

137

218

| | | | | | | | | |
|-----|------|----|------|----|------|----|------|-----|
| Yes | 28.8 | 32 | 38.0 | 35 | 43.1 | 59 | 46.3 | 101 |
| No | 71.2 | 79 | 62.0 | 57 | 56.9 | 78 | 53.7 | 117 |

6. Have you ever taken paint to be recycled/disposed?

27

22

137

218

| | | | | | | | | |
|---|------|----|------|-----|------|-----|------|-----|
| Yes, at some point during the past year | 9.9 | 11 | 8.5 | 11 | 3.6 | 5 | 7.8 | 17 |
| Yes, more than one year ago | 14.4 | 16 | 8.5 | 11 | 11.7 | 16 | 15.6 | 34 |
| No | 75.7 | 84 | 83.1 | 108 | 84.7 | 116 | 76.6 | 167 |

7. Do you know where to take unwanted paint?

111

130

137

218

| | | | | | | | | |
|----------------|------|----|------|----|------|----|------|-----|
| No | 68.5 | 76 | 76.2 | 99 | 36.5 | 50 | 67.0 | 146 |
| Yes | 31.5 | 35 | 23.8 | 31 | 63.5 | 87 | 33.0 | 72 |
| If yes, where? | - | 14 | - | 11 | - | 47 | - | 72 |

Responses to "Where?" for June 2018 Survey:

Paint or hardware store (29)

Transfer station or town dump (14)

Recycling facility (9)

Rhode Island Resource Recovery facility (6)

HHW facility (4)

8. What county do you live in?

111

130

137

218

| | | | | | | | | |
|------------|------|----|------|----|------|----|------|-----|
| Bristol | 2.7 | 3 | 3.8 | 5 | 5.1 | 7 | 4.1 | 9 |
| Kent | 21.6 | 24 | 23.1 | 30 | 24.8 | 34 | 17.9 | 39 |
| Newport | 9.9 | 11 | 10.8 | 14 | 6.6 | 9 | 6.0 | 13 |
| Providence | 52.3 | 58 | 55.4 | 72 | 56.9 | 78 | 61.9 | 135 |
| Washington | 13.5 | 15 | 6.9 | 9 | 6.6 | 9 | 10.1 | 22 |

9. How would you describe the place where you live?

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| | | | | | | | | |
|------------------------|------|----|------|----|------|----|------|----|
| Urban / Major City | 16.2 | 18 | 14.6 | 19 | 16.1 | 22 | 21.6 | 47 |
| Suburban | 42.3 | 47 | 40.0 | 52 | 47.4 | 65 | 38.5 | 84 |
| Small City or Town | 29.7 | 33 | 37.7 | 49 | 31.4 | 43 | 29.8 | 65 |
| Rural / Countryside | 10.8 | 12 | 6.2 | 8 | 4.4 | 6 | 10.1 | 22 |
| Other (please specify) | 0.9 | 1 | 1.5 | 2 | 0.7 | 1 | 0.0 | 0 |

10. What type of dwelling do you live in?

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| | | | | | | | | |
|---|------|----|------|----|------|----|------|-----|
| Single-family house | 69.4 | 77 | 57.7 | 75 | 49.6 | 68 | 57.3 | 125 |
| Two or Three-family house | 14.4 | 16 | 20.0 | 26 | 17.5 | 24 | 17.4 | 38 |
| Condominium or apartment building with many units | 11.7 | 13 | 21.5 | 28 | 32.1 | 44 | 22.5 | 49 |
| Manufactured or Mobile Home | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.9 | 2 |
| Other (please specify) | 4.5 | 5 | 0.8 | 1 | 0.7 | 1 | 1.8 | 4 |

11. Do you paint professionally?

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| | | | | | | | | |
|-----|------|-----|------|-----|------|-----|------|-----|
| Yes | 1.8 | 2 | 10.8 | 14 | 2.9 | 4 | 4.6 | 10 |
| No | 98.2 | 109 | 89.2 | 116 | 97.1 | 133 | 95.4 | 208 |

12. What is your age?

| | | 111 | | 130 | | 137 | | 218 |
|-------------------|------|-----|------|-----|------|-----|------|-----|
| Under 21 | 6.3 | 7 | 9.2 | 12 | 0.7 | 1 | 0.5 | 1 |
| 21-40 | 25.2 | 28 | 40.8 | 53 | 46.0 | 63 | 51.8 | 113 |
| 41-60 | 33.3 | 37 | 37.7 | 49 | 35.0 | 48 | 33.9 | 74 |
| Over 60 | 30.6 | 34 | 12.3 | 16 | 18.2 | 25 | 13.8 | 30 |
| Prefer not to say | 4.5 | 5 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |

13. Gender

| | | 111 | | 130 | | 137 | | 218 |
|-------------------|------|-----|------|-----|------|-----|------|-----|
| Male | 37.8 | 42 | 42.3 | 55 | 38.0 | 52 | 47.7 | 104 |
| Female | 59.5 | 66 | 57.7 | 75 | 62.0 | 85 | 52.3 | 114 |
| Prefer not to say | 2.7 | 3 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |

14. Educational Level

| | | 111 | | 130 | | 137 | | 218 |
|---|------|-----|------|-----|------|-----|------|-----|
| Some High School | 2.7 | 3 | 6.2 | 8 | 3.6 | 5 | 4.1 | 9 |
| High School Graduate | 16.2 | 18 | 28.5 | 37 | 19.0 | 26 | 16.1 | 35 |
| Some College, Vocational, Trade, or Technical | 18.0 | 20 | 37.7 | 49 | 43.8 | 60 | 45.4 | 99 |
| 4 year degree or higher | 61.3 | 68 | 27.7 | 36 | 33.6 | 46 | 33.5 | 73 |
| Prefer not to say | 1.8 | 2 | 0.0 | 0 | 0.0 | 0 | 0.9 | 2 |

15. What is your household income?

| | | 111 | | 130 | | 137 | | 218 |
|-------------------|------|-----|------|-----|------|-----|------|-----|
| Less than \$50K | 27.9 | 31 | 20.0 | 26 | 49.6 | 68 | 45.9 | 100 |
| \$50 – 100K | 29.7 | 33 | 60.0 | 78 | 37.2 | 51 | 32.6 | 71 |
| \$100 – 150K | 9.9 | 11 | 10.0 | 13 | 9.5 | 13 | 16.5 | 36 |
| Over \$150K | 6.3 | 7 | 2.3 | 3 | 1.5 | 2 | 2.8 | 6 |
| Prefer not to say | 26.1 | 29 | 7.7 | 10 | 2.2 | 3 | 2.3 | 5 |