



Vermont Paint Stewardship Program

Annual Report July 1, 2017 – June 30, 2018



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Executive Summary

VERMONT PAINT STEWARDSHIP LAW

PaintCare is the representative stewardship organization of the Vermont Architectural Paint Stewardship Program, codified in Sub-Chapter 4, Chapter 159 of Vermont Statute Title 10: Conservation and Development. The Vermont paint stewardship law requires manufacturers of architectural paint to:

- ◆ Establish a program to reduce the generation of postconsumer paint;
- ◆ Promote the using up of leftover paint;
- ◆ Facilitate the recycling and proper disposal of unwanted postconsumer paint;
- ◆ Increase opportunities for consumers to properly manage leftover paint;
- ◆ Reduce costs to local governments managing postconsumer paint;
- ◆ Work to keep paint out of the waste stream; and
- ◆ Conserve natural resources.

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

PROGRAM HIGHLIGHTS

Sites, Events, and Service. The Vermont program had 75 year-round paint drop-off sites. Of the 75 year-round sites, 65 were retailers, representing 42% of likely retail participants. The remaining sites included five transfer stations, four household hazardous waste (HHW) facilities, and one recycling facility. The 75 year-round drop-off sites provided a site within 15-miles to 99.5% of Vermont's residents.

PaintCare also managed paint from two seasonal facilities (one HHW facility and one transfer station), 72 HHW drop-off events, six solid waste district-staffed paint-only events, one retailer that accepted paint for part of the year, and provided direct large volume pick-ups from one entity that had accumulated more than 200 gallons of paint at their facility and two paint-only events for employees of a Vermont company. It should also be highlighted that all HHW facilities and events in Vermont during this time period took part in the PaintCare program.

Paint Collection Volume. The program processed 110,567 gallons of postconsumer paint. Latex paint made up 76% of the paint processed; 80% was made into recycled-content paint, 19% was unrecyclable and sent to landfill, and 1% was reused as paint. Oil-based paint made up 24% of the paint processed; 1% was reused as paint, 1% was made into recycled-content paint, and 98% was used as a fuel. In addition, 69 tons of metal and plastic containers were recycled.

Expenses and Revenue. The program was funded through fees on new paint sales: 49 cents on pints and quarts, 99 cents on 1-gallon containers, and \$1.99 on 5-gallon containers. Approximately 999,776 gallons of architectural paints were sold in Vermont and the program collected \$870,581 in fees from these sales.

Expenses, including paint transportation and processing, outreach, staffing, and administrative costs were \$788,552. The program ended FY18 with a change in net assets of \$65,633.

Total program cost per gallon of processed paint was \$7.13.

Paint Recovery Rate. The paint recovery rate – the volume of postconsumer paint collected divided by the volume of new paint sales in the same period – was 11.1%.

Outreach. Outreach continued to be minimal in response to the high participation rate and financial situation. Outreach activities included the distribution of informational brochures to retailers and transfer stations and others who requested them, as well as a modest joint outreach campaign with other product stewardship programs in the state. Additionally, PaintCare maintained its website and Facebook account, and ran Facebook ads.

PROGRAM PLAN AND ANNUAL REPORT

The Vermont paint stewardship law required the submission and approval of a program plan prior to the program's launch. The Secretary of the Vermont Agency of Natural Resources (ANR) approved PaintCare's initial program plan in March 2014 and the Vermont program began on May 1, 2014. A new five-year program plan was approved on October 5, 2017.

The Vermont law requires the submission of an annual report to the ANR by October 15 each year.

At a minimum, annual reports must include:

- 1) A description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont;
- 2) The volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont;
- 3) The volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;
- 4) An independent financial audit of the paint stewardship program implemented by the producer or the stewardship program;
- 5) The prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program; and
- 6) Samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

PaintCare's Vermont program plan and annual reports are available on PaintCare's website. With the exception of the first report which covered 14 months because the program started May 1, 2014, annual reports cover the 12-month fiscal year of July-June.

Section 1. Paint Collection, Transportation, and Processing

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirements

(1) A description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont

A. COLLECTION SITES, EVENTS AND SERVICES

The Vermont 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, most waste paint was handled either through HHW programs, though many did not take latex paint, or by drying and disposing of it. The HHW programs in Chittenden and Addison counties accepted latex paint for recycling into Chittenden's Local Color paint.

Qualifying businesses (Conditionally Exempt Generators or CEGs) could use the HHW programs for oil-based paints (and latex paint in Chittenden County) for a fee, or any business, regardless of generator size, could contract with a private hazardous waste hauler for paint recycling services – though the cost was generally cost-prohibitive for painting contractors and other small businesses.

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

At the end of FY2018, the Vermont program had 65 year-round retail drop-off sites located throughout the state. One retail site closed during FY2018 and is listed as "Retailer (partial year)" in the table below. In addition to retail sites, PaintCare managed paint from all five of the state's HHW facilities (four year-round and one seasonal), six municipal transfer stations (five year-round and one seasonal), one recycling facility, 72 HHW drop-off events, and six paint-only events hosted by solid waste districts – providing significant cost savings to local governments. PaintCare also conducted a large volume pick-up (LVP) from one business that had accumulated more than 200 gallons of paint, and two paint-only events for the employees of a private company.

All PaintCare drop-off sites and the LVP service accept both latex and oil-based paint. All retailers accept paint from both residents and qualifying businesses, as does the LVP program.

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

SUMMARY OF PAINTCARE DROP-OFF SITES AND SERVICES

YEAR-ROUND DROP-OFF SITES	YEAR 1 FY2015	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018
Paint Retailers	63	64	63	65
Transfer Stations and Recycling Facilities	6	6	6	6
HHW Facilities	4	4	4	4
Total	73	74	73	75

SUPPLEMENTAL SITES AND SERVICES

HHW Events	74	54	57	72
Paint-Only Events (Waste District)	0	2	4	6
Paint-Only Events (PaintCare)	5	0	0	0
Seasonal HHW Facility	1	1	1	1
Seasonal Transfer Station	1	1	1	1
Paint Retailer (partial year)	0	0	1	1
Direct Large Volume Pick-Ups	7	2	3	1
Employee Events	0	0	0	2

The large difference between the number of HHW events in the first reporting period and the following two is because the first reporting period covered 14 months and therefore included two rounds of springtime HHW events. In addition, the formation of the Bennington County Solid Waste Alliance in the second reporting period consolidated several events from previously independent towns. The increase in HHW events in FY2018 is due to the mandated increase in HHW events by the State of Vermont. Starting in 2018, all planning entities need to provide three events or access to a permanent facility to their residents.

The following subsections discuss the various paint drop-off sites, and services provided by the Vermont PaintCare program. Section 2 of the report provides details about volume and disposition.

A1. Paint Retailers

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

As of June 2018, PaintCare had identified 167 paint retailers – including paint, hardware, and home improvement stores – and 151 are considered potential drop-off sites. PaintCare has been informed by the corporate headquarters of big box 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 151 potential paint retailers, 42% (65 stores) were participating as drop-off sites at the end of FY2018. Paint retailers participate in the program to increase foot traffic through their stores and to provide a service for their customers. The names and addresses of the paint retailers that participated during FY2018 are included in the appendix.



PaintCare Sign at rk Miles in Stowe

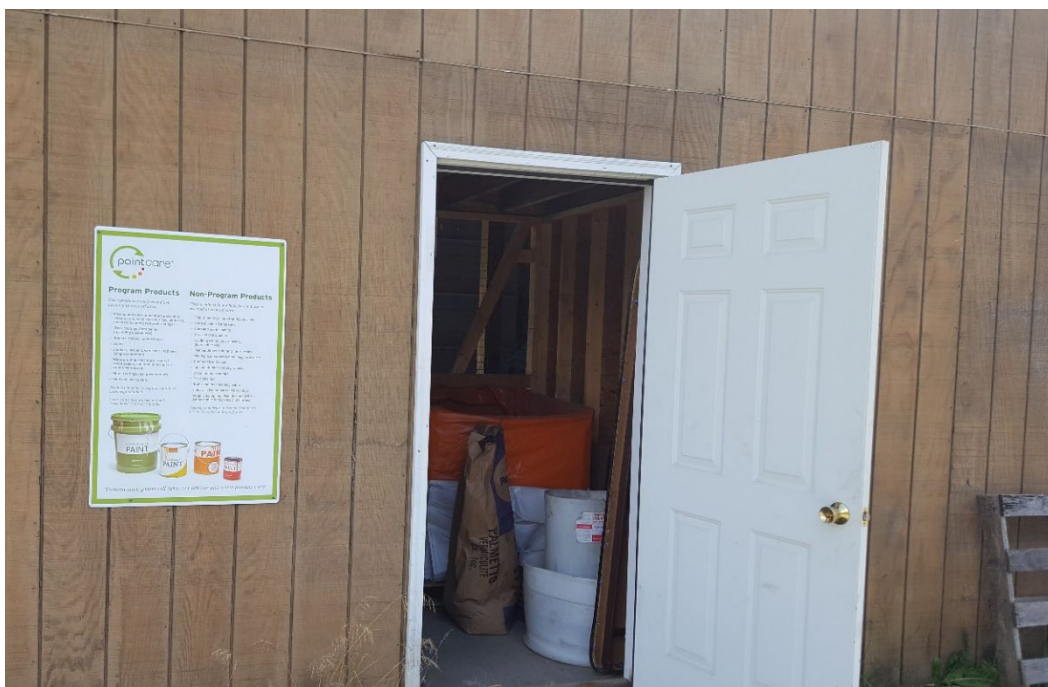


PaintCare Brochures at the Aubuchon Hardware in St. Johnsbury

A2. Household Hazardous Waste Programs

Prior to program launch, PaintCare met in person with all HHW programs in the state. Print materials about the benefits to HHW programs of participating in the PaintCare program were made available to the HHW community (current versions of the fact sheets are available at paintcare.org). All HHW programs in Vermont participated in the PaintCare in FY2018, consisting of four year-round facilities, one seasonal facility, 72 HHW drop-off events (at 59 locations), and six paint-only events hosted by solid waste districts. The names and locations of these facilities and events are included in the appendix.

HHW programs in Vermont helped promote the program to their area residents by distributing brochures and mentioning PaintCare on their websites and in newsletters. In addition, the Chittenden Solid Waste District served as a paint recycler for the program, receiving paint from some other counties and from some retail drop-off sites.



PaintCare Signage and Bin for Storing Postconsumer Paint at the Canaan Transfer Station

A3. Transfer Stations and Recycling Facilities

Prior to the launch of the program, PaintCare reached out to solid waste districts, alliances, and independent towns. In addition, many of their sites received an in-person visit from PaintCare staff. A fact sheet was developed and distributed to explain the PaintCare program and benefits to transfer stations and recycling facilities (current versions of the fact sheets are available at paintcare.org). Transfer stations and recycling facilities participate as drop-offs sites to expand the recycling services provided to their customers and to help keep paint out of the waste stream.

Three year-round regional transfer stations and one regional recycling facility participated in the PaintCare program, as well as three single-town transfer stations (two year-round, one seasonal). The names and locations of these facilities are included in the appendix.

A4. Reuse Stores

Six material reuse stores – four Vermont ReSource stores, one Habitat for Humanity ReStores, and another site – were identified prior to program launch and invited to join the program. Along with participating as drop-off sites, these types of stores can operate paint reuse programs by donating or selling good quality leftover paint back to the local community to use, rather than sending it through PaintCare for processing. PaintCare provides compensation for this service.

PaintCare has found in Vermont, as in other PaintCare programs, that when reuse stores sell remanufactured/recycled-content paint (as all the ReSource stores and the Habitat for Humanity ReStore in

Vermont do), they often are not interested in becoming a PaintCare reuse site because it is more profitable and simpler to sell only recycled-content paint, rather than putting used paint on their shelves as well.

PaintCare has not been able to recruit any reuse stores to serve as drop-off sites or to offer a reuse program.

A5. Paint-Only Drop-Off Events

In an effort to clean out large volumes of stored-up paint that could overwhelm PaintCare drop-off sites at the start of the program and to provide additional services in areas that did not historically have latex paint collection opportunities, PaintCare held several one-day paint drop-off events in the first year of the program. As a result of the extensive network of year-round drop-off sites, coupled with a budget deficit, PaintCare has not held any more paint drop-off events since the first year and is unlikely to offer them in the future.

However, the Central Vermont Solid Waste District held six special waste drop-off events, which included paint, staffed by their employees in FY2018. These events are listed as “Paint-Only Events (Waste District)” in the previous table and in the appendix to distinguish them from HHW events, but they also collected bulbs, oil, and electronics, in addition to paint.

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 one LVP in FY2018. The user of the service was a paint store that was changing ownership and clearing out mistints. Two employee-only events were also held in FY2018 and are listed in the appendix with LVPs since they were not open to the general public.

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 required by the Vermont paint stewardship law:

Distribution: At least 90% of Vermont residents shall have a permanent (year-round) site within a 15-mile radius of their residence.

Density: One additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary of the Vermont Agency of Natural Resources.

Application of these criteria resulted in the need for approximately 45 optimally located, year-round drop-off sites. PaintCare considers this its baseline service level goal. The 75 year-round drop-off sites in place at the end of FY2018 provided 99.5% of Vermont residents a drop-off site within 15 miles of their residence. GIS

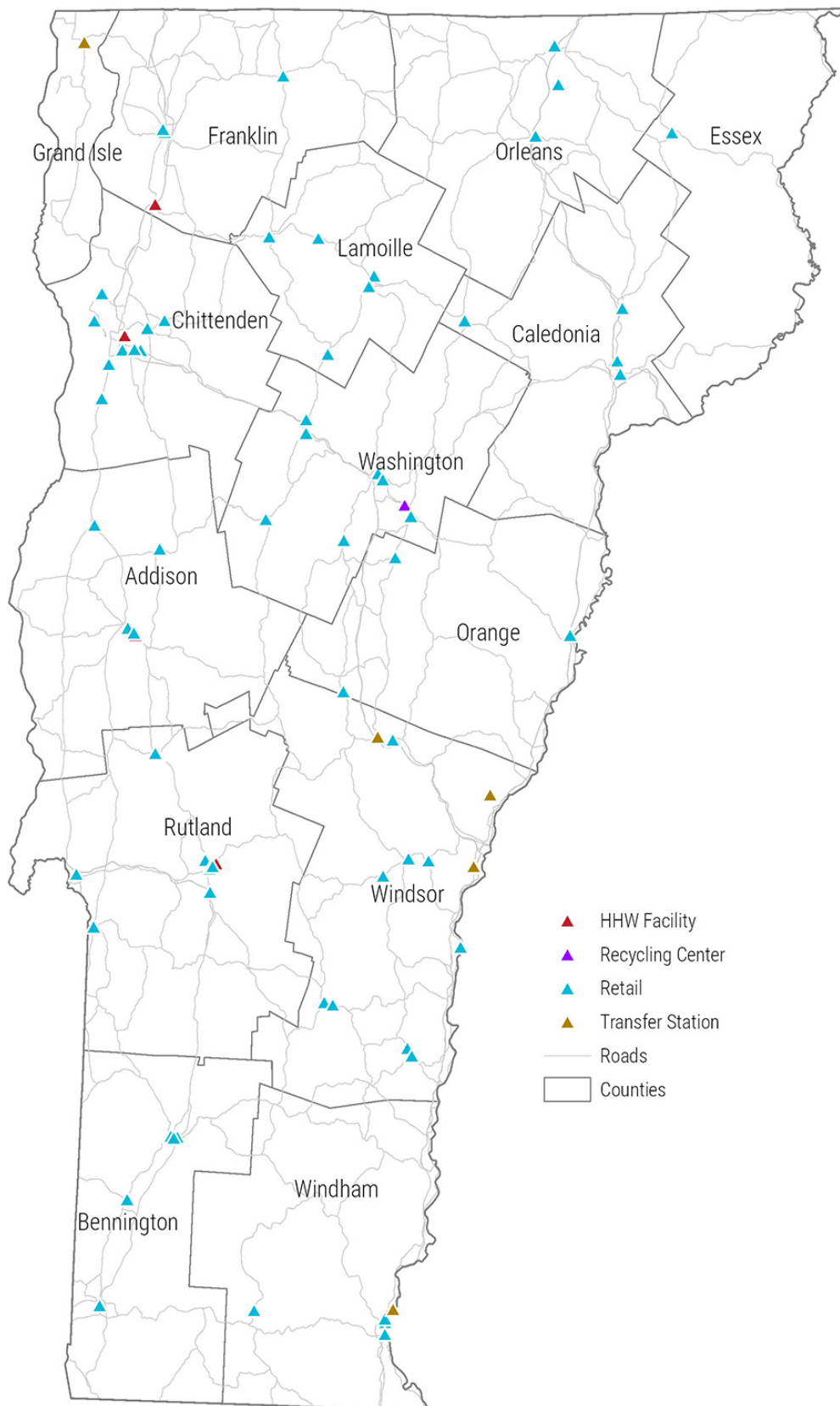
analysis was conducted by PaintCare with assistance from Dewberry, an engineering firm with expertise in geographic analysis and mapping.

The only two areas of the state that were not fully covered by year-round sites, as determined by the density criterion of one additional permanent site for every 10,000 residents of a municipality, were Burlington and Milton. However, both areas had HHW drop-off events supported by PaintCare, and residents of both had access to many other sites in the surrounding towns. PaintCare has been granted an exemption to the density requirements for Burlington based on sites available in the surrounding areas and has set up a site in Milton shortly after FY2018 ended to meet the requirement there.

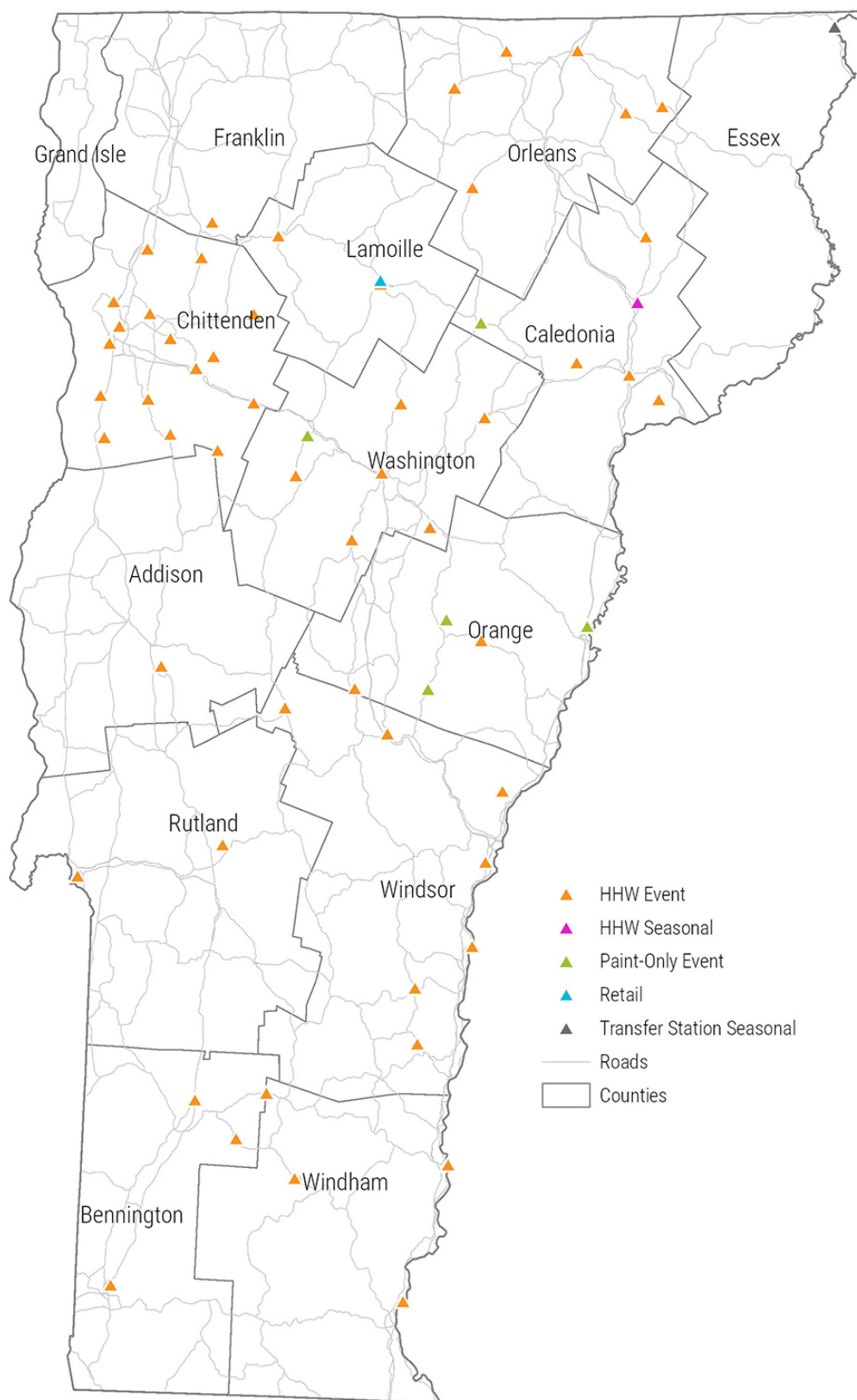
As described previously, Vermont had robust HHW and CEG services prior to the PaintCare program. However, the level of service and types of paint products that were accepted varied across the state. Only four HHW facilities were open year-round, and only two of them accepted latex paint. The remainder of the state was served by access to two HHW/CEG events per year, with a few areas having access to fewer events. Despite the extensive HHW/CEG programs in the state prior to the PaintCare program, the paint recycling convenience has increased substantially as a result of the additional sites and services offered by the PaintCare program.

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

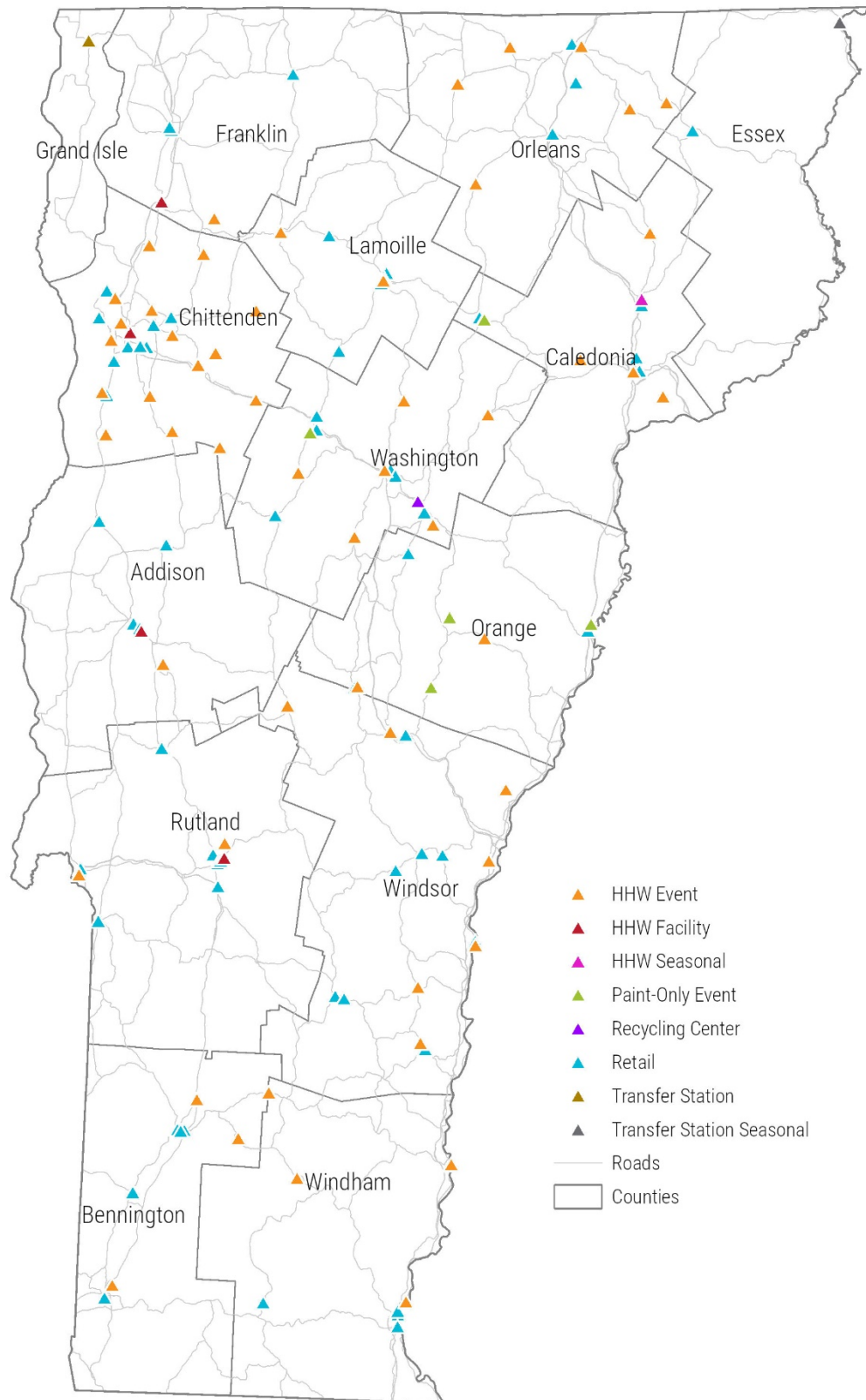
YEAR-ROUND DROP-OFF SITES



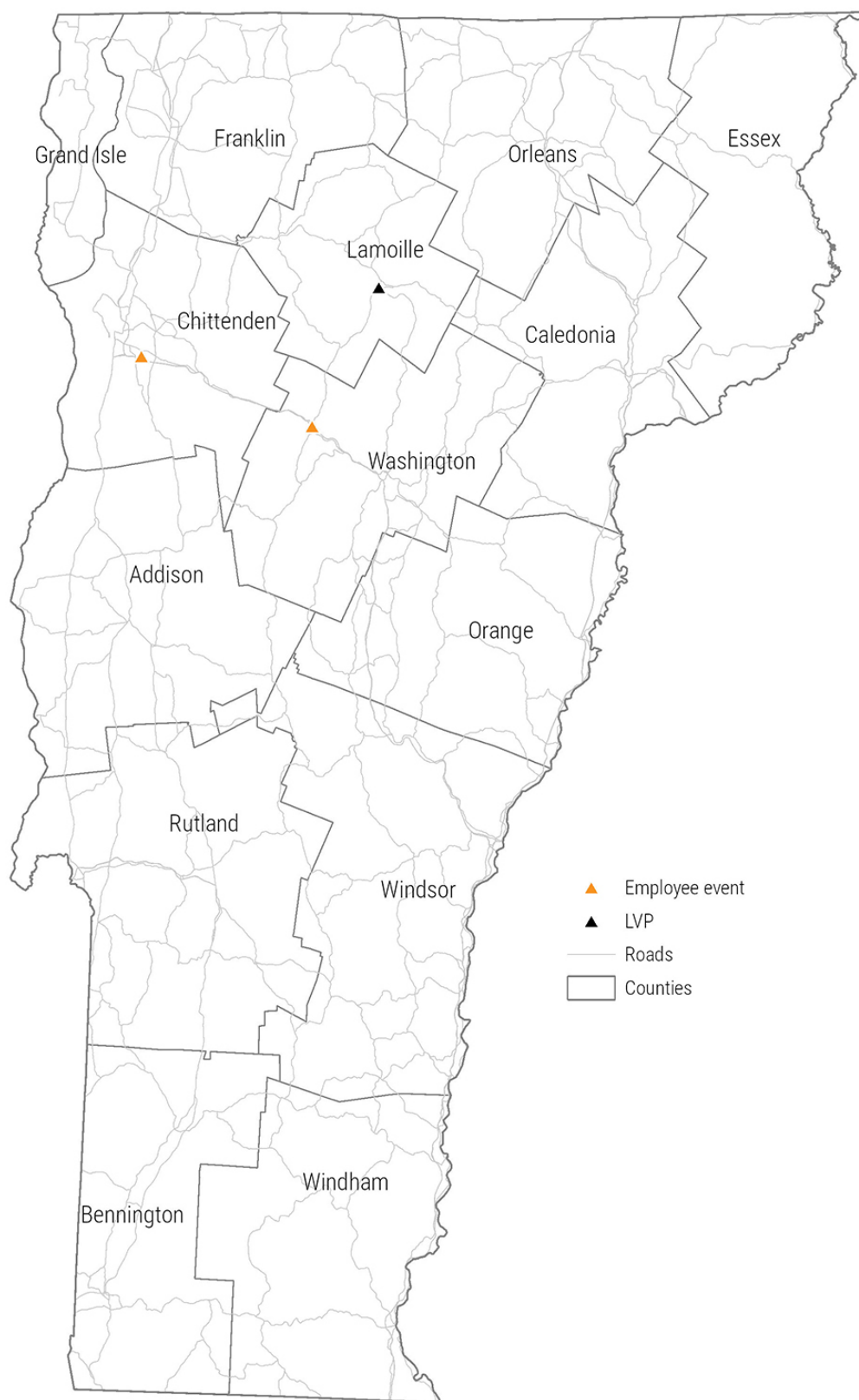
SUPPLEMENTAL DROP-OFF SITES



YEAR-ROUND AND SUPPLMENTAL DROP-OFF SITES



LARGE VOLUME PICK-UP AND EMPLOYEE EVENT 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.

Staff at all year-round and seasonal drop-off sites received 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 businesses with oil- based paint 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

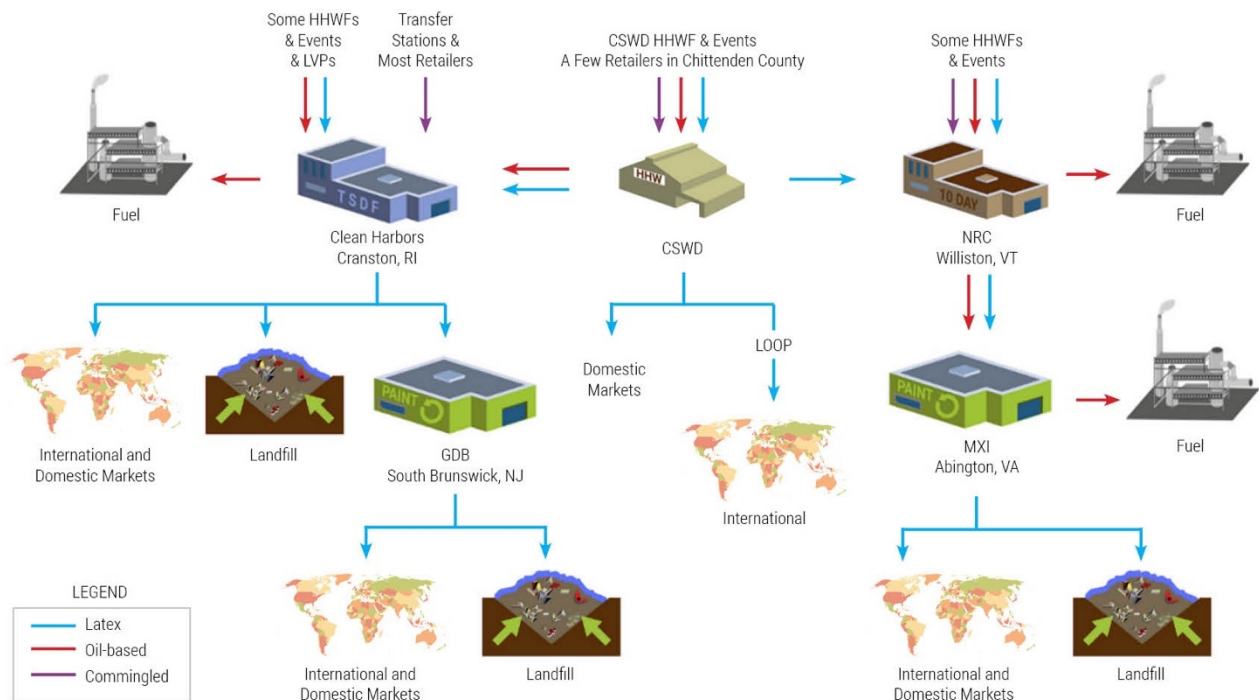
Site personnel are required to visually inspect containers of postconsumer paint – but not open them – to confirm that they are acceptable program products and then place them in the spill proof collection bins provided by the program. Unlabeled and leaking cans are not accepted at retail, transfer station,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

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

D. PAINT TRANSPORTATION AND PROCESSING

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

FLOW DIAGRAM OF PAINTCARE PROGRAM IN VERMONT



D1. Paint Transportation

PaintCare contracted with five entities for transportation services in FY2018 – Clean Harbors Environmental Services, NRC (formerly Enpro Services of Vermont), Central Vermont Solid Waste District (CVSWD), Chittenden Solid Waste District (CSWD), and Northeast Kingdom Waste Management District (NEKWMD).

Clean Harbors and NRC are both registered hazardous waste haulers. 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 provided transportation services to retail, transfer station, and recycling facility drop-off sites; some HHW facilities and events; and employee events and LVP sites. Clean Harbors transported the majority of the collected paint to their permitted facility in Cranston, RI for further screening, separation, and consolidation. Clean Harbors also delivered some paint from retail sites in Chittenden County to CSWD's HHW facility for processing.

NRC provided transportation services to some HHW facilities and events. NRC transported the bins of collected paint to their permitted facility in Williston, VT.

CVSWD, CSWD, and NEKWMD transported paint collected from their own HHW events back to their own HHW facilities.

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 as 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:

Reuse. Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. CSWD and CVSWD managed a small amount of paint via reuse in FY2018.

Recycled Paint. Clean Harbors worked with CSWD, GDB International in South Brunswick, NJ and Clean Harbors in Cranston, RI. NRC worked with MXI in Abingdon, VA. All of these latex processors utilized paint-to-paint recycling as their primary method for managing latex paint.

All the processors blended postconsumer latex paint into a variety of colors of recycled-content paint. GDB International and MXI sold a domestic line of recycled-content paint and also sold paint in bulk totes in international markets. CSWD recycled the latex paint in-house, selling the paint directly in domestic markets. CSWD also packaged recycled-content paint in 55-gallons drums which were sold in international markets. Clean Harbors processed some of the latex paint at its Clean Harbors facility in Cranston, RI. 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 in bulk totes in international markets.

Disposal. Dry and unusable latex paint sorted out by GDB International, Clean Harbors, and MXI was sent to authorized landfills. Dry and unusable latex paint sorted out by CSWD was sent to either NRC or Clean Harbors which then sent the material to authorized landfills.

D3. Oil-Based Paint Processing

Reuse. Reuse programs generally screen for paint containers that are 50% or more full and in good condition and give them away free or sell them to the local community. CSWD and CVSWD sites managed a small amount of oil-based paint via reuse in FY2018.

Energy Recovery. NRC transported the majority of the oil-based paint collected from HHW facilities and events to MXI in Abingdon, VA, where it was bulked into tankers and transported to GeoCycle in Holly Hill, SC and subsequently to Holcim, a cement kiln, also located in Holly Hill, SC, to be used as a fuel. NRC bulked a small amount of oil-based paint and transported to Terrapure Environmental in Chateaugay, QC, Canada to be used as a fuel.

Similarly, Clean Harbors shipped some oil-based paint to their Safety-Kleen facility in Smithfield, KY where the paint was bulked into tankers and transported to four facilities to be used for fuel – Giant Cement in Harleyville, SC; Lone Star Cement in Greencastle, IN; ESSROC in Logansport, IN; and Buzzi Unichem in Cape Girardeau, MO.

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

Section 2. Paint Collection Volume and Disposition Methods

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirements

(2) *The volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont.*

(3) *The volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal.*

A. PAINT SALES

Paint sales were 999,776 gallons in FY2018, less than a 1% increase from FY2017.

B. PAINT COLLECTION AND MANAGEMENT

B1. Collection Volume and Recovery Rate

In FY2018, the Vermont program processed 110,567 gallons of paint, an increase of 15% 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 11.1% (11.1% of 999,776 gallons sold). The Vermont program continues to have one of the highest recovery rates among the nine PaintCare programs.

(Note: The Vermont Agency of Natural Resources uses the term Recovery Rate for other waste management programs to mean the percentage of a material collected that is recycled. PaintCare uses the term to mean the amount of paint that is collected over the amount of paint that is sold, in the same time period.)

The following table provides the gallons sold, gallons processed, and recovery rates for each reporting period.

GALLONS SOLD AND PROCESSED, AND RECOVERY RATES

	YEAR 1 FY2015 (14 MONTHS)	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018
Gallons Sold	1,209,990	1,070,534	995,193	999,776
Gallons Processed	116,691*	108,466*	96,108*	110,567
Change in Gallons Processed	NA	-7.0%	-11.4%	15%
Recovery Rate	9.6%	10.1%	9.7%	11.1

* 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 Vermont was no longer commingled with paint from the other two states.

B2. Latex vs. Oil-Based Paint

Of the 110,567 gallons of paint processed in FY2018, 76% (83,517 gallons) was latex paint and 24% (27,050 gallons) was oil-based paint.

B3. Paint Management Methods

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

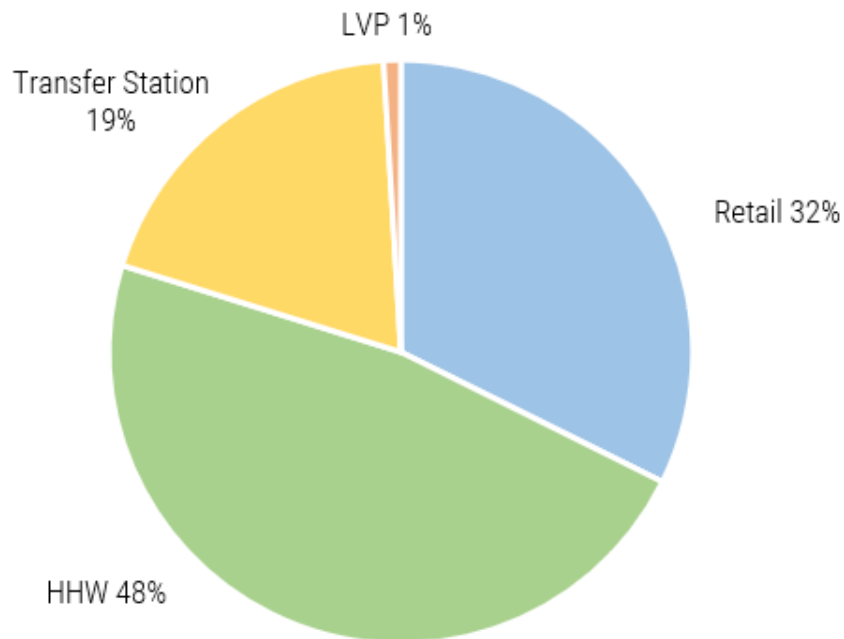
SUMMARY OF PAINT MANAGEMENT

	YEAR 1* FY2015		YEAR 2* FY2016		YEAR 3* FY2017		YEAR 4 FY2018	
LATEX PAINT DISPOSITION	(GAL)	%	(GAL)	%	(GAL)	%	(GAL)	%
Reuse	12	-	130	<1	304	<1	396	<1
Recycled Paint	64,938	76	61,121	76	57,993	80	67,207	81
Landfill	15,898	19	15,319	19	14,028	20	15,914	19
Alternative Daily Cover	4,427	5	4,352	5	-	-	-	-
Subtotal Latex Paint	85,275	100	80,922	100	72,325	100	83,517	100
OIL-BASED PAINT DISPOSITION								
Reuse	-	-	-	-	67	<1	122	<1
Recycled Paint	-	-	-	-	-	-	208	1
Fuel	31,416	100	27,544	100	23,717	100	26,720	99
Subtotal Oil-Based Paint	31,416	100	27,544	100	23,784	100	27,050	100
GRAND TOTAL	116,691		108,466		96,109		110,567	

* 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' portion of the 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 Clean Harbors FY2018 ratio of latex paint to oil-based paint in Vermont to the total estimated paint volume reported by Clean Harbors in the previous years, (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, and (3) combining this data with the data reported by the other vendors in the first three years.

B4. Collection by Site Type

The following pie chart shows the breakdown of collection volume by program type.



C. CONTAINER RECYCLING

Metal and plastic paint containers were recycled whenever possible. The program recycled an estimated 69 tons of paint containers in FY2018. All latex paint containers managed by the downstream processors, GDB and Clean Harbors, the metal cans in the portion of oil-based paint managed at the Smithfield, KY facility and MXI, and a portion of the containers managed by CSWD were recycled.

Section 3. Independent Audit and Financial Summary

Annual Report Statutory Citation

10 V.S.A. § 6677. Reporting Requirements

(4) An independent financial audit of the paint stewardship program implemented by the producer or the stewardship program.

(5) The prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program.

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. A copy of the independent financial audit is available in the appendix.

B. FINANCIAL SUMMARY AND DISCUSSION

B1. Revenue and Expense Categories

Revenue. Revenue was derived from fees on new paint sales. Expense categories for the Vermont program are discussed below.

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

Paint Transportation. Paint transportation is another significant expense in all PaintCare programs. In Vermont, 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 sites operations.

Communications. Communications costs were primarily for printing and distributing materials to stores, social media advertising, and the awareness surveys.

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

State Administrative Fee. PaintCare pays an administrative fee in the amount to \$15,000 annually to ANR.

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, Vermont's corporate allocation was 1.1%. These costs include but are not limited to corporate staffing, insurance, maintenance of data management systems, auditing fees, software licenses, legal fees, occupancy, and general communications.

Allocation of Investment Activity. PaintCare invests a portion of its accumulated surplus (from most PaintCare programs) in a financial portfolio. PaintCare maintains its investments for all participating programs in a single portfolio. Claim of ownership in the investment portfolio are shared by all participants and allocated among the participating programs based on relative net asset balances. Programs that have positive net asset balances have a claim on the assets invested in the portfolio; programs with negative net asset balances carry a liability representing an amount due to the portfolio.

B2. Financial Summary

The following tables shows program revenue and expenses during the program's first four reporting periods. A discussion of any significant differences follows the table.

REVENUE AND EXPENSES

	YEAR 1 FY2015 (14 MONTHS)	YEAR 2 FY2016	YEAR 3 FY2017	YEAR 4 FY2018
REVENUE				
Larger than half pint to smaller than 1 gallon	\$ 94,771	\$ 93,098	\$ 117,519	\$ 116,040
1 gallon	589,692	516,238	617,702	635,794
Larger than 1 gallon up to 5 gallons	113,554	100,819	114,704	118,747
Total revenue	798,017	710,155	849,925	870,581
EXPENSES				
Paint processing	600,215	493,600	452,628	490,604
Paint transportation	137,015	116,218	107,869	108,527
Collection supplies and support	178,590	87,478	72,887	77,744
Communications	122,062	23,884	8,583	7,865
Personnel, professional fees, and other	132,845	44,240	46,026	43,813
State administrative fees	30,000	15,000	15,000	15,000
Allocation of corporate activity	37,600	44,270	42,747	44,999
Total expenses	1,238,327	824,690	745,740	788,552
Allocation of investment activity	(1,671)	(15,556)	(27,358)	(16,396)
Change in net assets (revenue minus expenses)	(441,979)	(130,090)	76,827	65,633
Net assets, beginning of reporting period	(93,587)	(535,568)	(665,658)	(588,831)
Net assets, end of reporting period	\$ (535,568)	\$ (665,658)	\$ (588,831)	\$ (523,198)

- ◆ Paint transportation, processing, and collection support costs were higher in FY2018 due to increased collection volume.

- ◆ The reporting period ended with a positive change in net assets, keeping the program on track to eliminate its deficit over the next several years.

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 bank 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.

The Vermont program increased its fees in 2016 to address a growing deficit. It will be several years before the program goes from having a deficit to beginning to build reserves.

D. EVALUATION OF THE PROGRAM'S FUNDING MECHANISM

The Vermont 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	\$ 0.49
1 gallon	\$ 0.99
Larger than 1 gallon up to 5 gallons	\$ 1.99

The funding mechanism, fee structure, and system to receive sales reports and payments from manufacturers performed well during FY2018. The revenue generated was sufficient to cover expenses and modestly reduce the program's deficit.

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; and

(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

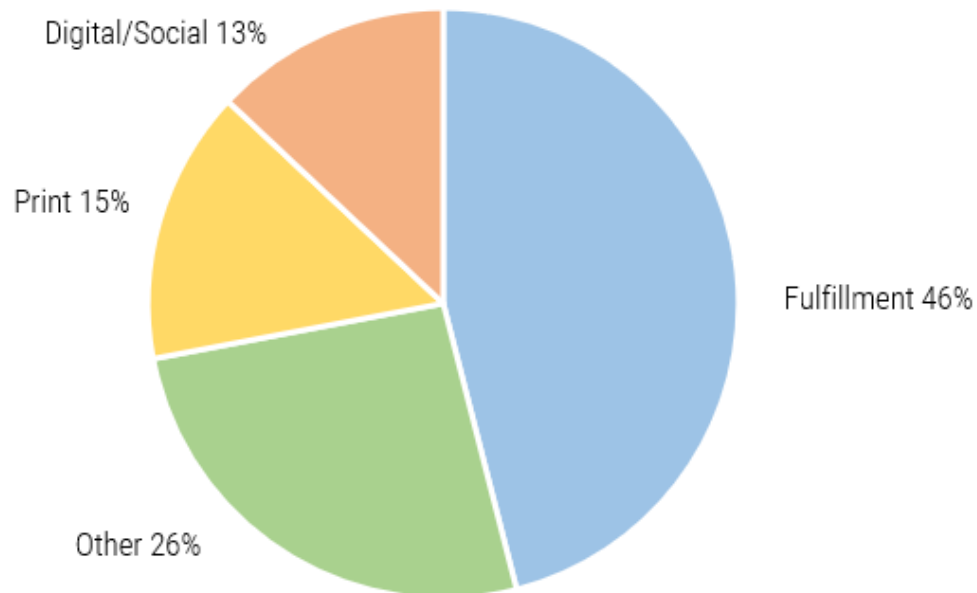
A1. Introduction

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.

In January 2016, outreach in Vermont was scaled back due to the financial status of the program. Outreach activities since then and through FY2018 were mostly limited to in-house communications costs for fulfilling print material orders. PaintCare's additional outreach activities included maintaining website and social media activities and a joint print advertising campaign with other product stewardship organizations coordinated by the Vermont E-Cycles program.

The relative amounts of spending dedicated to Vermont outreach activities are summarized in the following pie chart.

RELATIVE SPENDING ON OUTREACH ACTIVITIES



A2. 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 78 requests for materials by mail, and the Vermont program manager delivered materials in-person during site visits. PaintCare distributed a total of 3,501 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 on the next page are included in the appendix and available on PaintCare's website.



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

A3. 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 Vermont Paint Stewardship Program Affect Paint Retailers?
- ◆ How to Become a Retail Drop-Off Site
- ◆ About PaintCare Fees
- ◆ Fact sheet for HHW Programs
- ◆ Fact sheet for Transfer Stations, Recycling Facilities and Landfills
- ◆ Reuse Programs – Compensation and Reporting

A4. 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 Vermont page with tabs for different audiences (Everyone, Contractors, Retailers, Waste Facilities, and Official Docs).

Web traffic from Vermont was the highest in September, April, and May of FY2018, and was lowest December-March.

MONTHLY WEBSITE TRAFFIC FROM VERMONT



A5. 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 the reporting year, PaintCare streamlined its translated brochures into universal versions (no longer state-specific) in order to make all them available to all states/jurisdictions. These include Amharic, Arabic, Armenian, Chinese, Farsi, French, Hmong, Khmer, Korean, Lao, Polish, Portuguese, Russian, Somali, Spanish, Thai, Turkish, and Vietnamese. Additionally, some widely used fact sheets have been translated and are available to all states. These include the LVP Fact Sheet, which is available in Spanish, and the Painting Contractors Fact Sheet, which is available in 11 languages other than English.

A6. Print Advertising

PaintCare did not run statewide print ads in FY2018 in order to maintain reduced expenses, but it did provide artwork for a joint ad with vtrecycles.com that appeared in several local newspapers and was placed on the side of Green Mountain Express buses in Bennington County. Besides promoting PaintCare, the ad promoted the recycling of electronics, thermostats, mercury bulbs, and batteries as shown below.

vtrecycles.com 1-855-63-CYCLE
Go to the "What Do I Do With This...?" page

FREE Recycling



Electronics	Thermostats	Paint	Mercury Bulbs	Batteries
<ul style="list-style-type: none"> • Computers • Monitors • Printers • Televisions • Computer Peripherals (e.g. mouse, keyboard) 	<p>Don't trash it, CASH it!</p> <p>GET \$5 when you recycle mercury thermostats</p>	<p>Quarts, Gallons and 5 gallons</p> <ul style="list-style-type: none"> • Oil Based • Acrylic • Latex • Enamel • Stains • Shellac • Lacquer • Varnish 	<p>Compact (CFL)</p> <p>Limit of 10:</p> <ul style="list-style-type: none"> • Fluorescent Tubes • Circulines • HID • Mercury Vapor • U-Tube 	<p>Single-use Alkaline</p> <ul style="list-style-type: none"> • AAA & AA • 9-volt • Button Cells • D-Cells <p>Rechargeables Cell Phones</p>







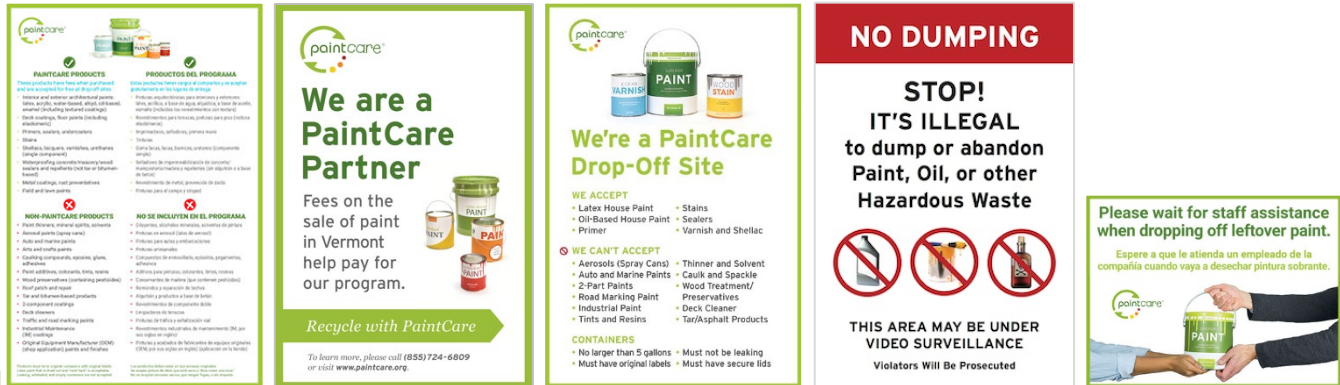
Print Newspaper Advertisement



Green Mountain Express Bus

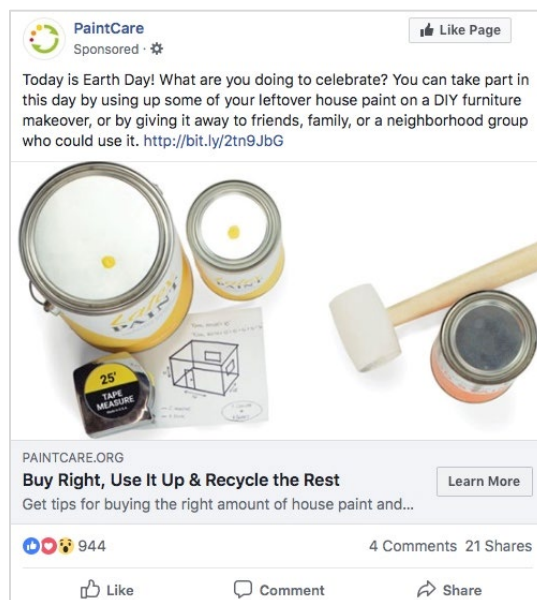
A7. Signs for Drop-Off Sites

PaintCare developed several signs for drop-off sites to help them educate the public about the program, screen program products, and address any concerns about illegal dumping. Drop-off sites may order the following signs: Program Products (English/Spanish), Program Partner, 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.



A8. Facebook Advertising

PaintCare used Facebook to promote all three of its messages: Buy Right, Use Up Leftover Paint, and Recycle with PaintCare. Following is an example of a Buy Right and Use It up Facebook ad from the spring advertising campaign:



A9. Face-to-Face

The Vermont program manager made at least two visits to each drop-off site in FY2018 to talk to staff and answer any questions or provide additional training as needed. These visits usually include an informal inspection of the paint collection bins, delivery of additional brochures or counter mats, and ordering any signs or other outreach material that the sites may need. The manager also talked to customers in the stores when they were dropping off paint or buying paint and had questions.

In addition, the manager attended the following events in FY2018:

EVENT	LOCATION	DESCRIPTION
Vermont Product Stewardship Council meetings	Statewide and by telephone	Maintain contact and answer questions about the program from the people who helped make it happen
Household Hazardous Waste Coordinators meetings	Statewide	Maintain contact with the programs that are doing the work

B. AWARENESS SURVEY

PaintCare conducted a baseline awareness survey in Vermont prior to the start of the program online. 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 from the most recent surveys:

- ◆ Respondents report storing smaller amounts of paint. In general, over time, fewer respondents said that they had 5 or more gallons of paint, and more respondents said they had 0-5 gallons.
- ◆ The number of respondents who 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, has trended downward. 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 they 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 decreased. Prior to PaintCare, drying and disposing of latex paint was often recommended 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 decreased and the percentage who said they had (or would) take it to a paint store increased each

year. Prior to PaintCare, very few paint stores took back paint, so this is an indicator of awareness of the options provided by PaintCare's retail partners.

- ◆ The percentage of respondents who said they know that paint can be recycled increased most years. This year it was 54%.
- ◆ The percentage of respondents who said they know where to take paint for recycling or disposal increased most years. This year it was 54%.

C. RECOMMENDATIONS

- ◆ When the financial position of the program improves further, PaintCare should continue to consider a variety of media activities, including television, radio, digital, and newspaper advertising to increase program awareness across the state.
- ◆ PaintCare's outreach activities should continue to reach all parts of the state, and also continue to be sure that media does not cross borders into nearby states or Canada.
- ◆ The use and effectiveness of digital and social media strategies should be increased. Digital advertising is likely to increase as people spend more time online each year. Digital and social media strategies can target relevant messages to specific geographic areas.
- ◆ PaintCare should continue to offer its joint outreach program to local governments to leverage their messaging and outreach for recycling and solid waste programs.
- ◆ The program manager should identify new events and other face-to-face outreach opportunities to raise awareness of the program.

Appendix Section A



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 1 OF 6

City/Town	Site Name	Address	Type
Year-Round Sites		75 Sites	
Alburgh	Alburgh Transfer Station	15 Dump Rd	Transfer Station
Arlington	Miles True Value Lumber	178 Chittenden Dr	Retail
Barre	Central Vermont SWMD	540 N Main St	Recycling Center
Barre	Sherwin-Williams	131 S Main St	Retail
Bennington	Sherwin-Williams	214 Northside Dr	Retail
Bradford	Aubuchon Hardware	204 Main St	Retail
Brandon	Aubuchon Hardware	10 Center St Rte 7	Retail
Brandon	Brandon Lumber and Mill Work	11 Grove St	Retail
Brattleboro	Brown and Roberts Ace Hardware	182 Main St	Retail
Brattleboro	Martins Fireside True Value	895 Putney Rd	Retail
Brattleboro	Sherwin-Williams	659 Putney Rd	Retail
Brattleboro	Windham SWMD Depot	327 Old Ferry Rd	Transfer Station
Bristol	Martins Hardware & Building Supply	68 West St	Retail
Burlington	Bibens Ace Hardware	1127 North Ave	Retail
Colchester	Bibens Ace Hardware	713 W Lakeshore Dr	Retail
Derby	Poulin Lumber	3639 Route 5	Retail
Derby	Sticks & Stuff	400 Quarry Rd	Retail
Enosburg Falls	Greens Ace Hardware	6 Railroad St	Retail
Essex Junction	Bibens Ace Hardware	15 Essex Way	Retail
Essex Junction	Sherwin-Williams	83B Pearl St	Retail
Fair Haven	Aubuchon Hardware	654 Rt 22A N	Retail
Fairfax	NW Vermont SWMD (HHW Facility)	158 Morse Dr	HHW Facility
Hardwick	Poulin Lumber	439 Wolcott St	Retail
Island Pond	Gervais Ace Hardware	62 Cross St	Retail
Jeffersonville	Aubuchon Hardware	4879 Route 15	Retail



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 2 OF 6

City/Town	Site Name	Address	Type
Johnson	Johnson Hardware and Rental	1442 Route 15 W	Retail
Ludlow	Aubuchon Hardware	142 Main St	Retail
Ludlow	LaValley Building Supply	182 Pleasant St	Retail
Lyndonville	Lyndonville Hardware	583 Broad St	Retail
Manchester	Aubuchon Hardware	1131 Depot St	Retail
Manchester Center	R K Miles	689 Depot St	Retail
Manchester Center	Sherwin-Williams	263 Depot St	Retail
Middlebury	Addison County SWMD Depot (HHW Facility)	1223 Route 7 S	HHW Facility
Middlebury	Countryside Carpet and Paint	16 Creek Rd	Retail
Middlebury	Martins Hardware	859 Route 7 S	Retail
Montpelier	Aubuchon Hardware	40 Main St	Retail
Montpelier	Sherwin-Williams	62 River St	Retail
Moretown	Aubuchon Hardware	16 Mason Dr	Retail
Morrisville	Country Home Center	85 Center Rd	Retail
Morrisville	R K Miles	207 Portland St	Retail
North Springfield	Bibens Ace Hardware	362 River St	Retail
Northfield	Kenyons True Value	93 N Main St	Retail
Norwich	Norwich Transfer Station	24 New Boston Rd	Transfer Station
Orleans	JB Colton	66 Main St	Retail
Poultney	Williams Hardware Inc	51 Main St	Retail
Randolph	Central Supplies Bethel Mills	839 VT Route 12	Retail
Rutland	LaValley Building Supply	48 Windcrest Rd	Retail
Rutland	Noble Ace Hardware	261 N Main St	Retail
Rutland	Rutland Transfer Station (HHW Facility)	14 Gleason Rd (at City Dump Rd)	HHW Facility
Rutland	Sherwin-Williams	76 Woodstock	Retail
Rutland	Yankee Paint	164 Rte 4 E	Retail
Saint Albans	Sherwin-Williams	133 N Main St	Retail



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 3 OF 6

City/Town	Site Name	Address	Type
Saint Albans	Sticks & Stuff	44 Lower Newton St	Retail
Saint Johnsbury	Aubuchon Hardware	222 Hastings Hill Rd	Retail
Saint Johnsbury	Sherwin-Williams	422 Portland St	Retail
Shelburne	Aubuchon Hardware	50 Shelburne Shopping Park	Retail
South Burlington	Bibens Ace Hardware	1961 Williston Rd	Retail
South Burlington	CSWD Environmental Depot	1011 Airport Pkwy	HHW Facility
South Burlington	PPG Paints	60 San Remo Dr	Retail
South Burlington	Sherwin-Williams	1242 Shelburne Rd	Retail
South Royalton	Bethel Road Transfer Station	122 Waterman Rd	Transfer Station
South Royalton	Welchs True Value	3626 Route 14	Retail
Springfield	Sherwin-Williams	246 River St Rte 106	Retail
Stowe	Morrisville Lumber Company	785 Sylvan Park Rd	Retail
Taftsville	Brittons Lumber and Hardware	56 Route 4	Retail
Vergennes	Aubuchon Hardware	113 Monkton Rd unit F	Retail
Waitsfield	Bisbees Ace Hardware	109 Mad River Green Shopping Center	Retail
Waterbury	Waterbury True Value	838 Waterbury Stowe Rd	Retail
White River Junction	Hartford Community Center for Recycling	2590 N Hartland Rd	Transfer Station
Williamstown	Poulin Lumber	258 Meadow St	Retail
Williston	Vermont Paint Company	17 Adams Dr	Retail
Wilmington	W W Building Supply	434 Route 100 N	Retail
Windsor	Aubuchon Hardware	2745 US Route 5 N	Retail
Woodstock	Welchs Woodstock True Value	2517 W Woodstock Rd	Retail
Woodstock	Woodstock Ace Hardware	452 Woodstock Rd	Retail

Supplemental Sites

67 Sites

Albany	Albany Recycling Center (NEK)	130 Main St	HHW Event
Bennington	Bennington Transfer Station (BCRC)	904 Houghton Ln	HHW Event



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 4 OF 6

City/Town	Site Name	Address	Type
Bolton	Bolton Fire Station (CSWD)	3045 Theo Roosevelt Hwy	HHW Event
Bradford	Bradford Town Garage (CV)	359 Fairground Rd	HHW Event
Bradford	Casella Waste (Paint Event)	348 Fairground Rd	Paint-Only Event
Brattleboro	Windham SWMD Depot (Windham)	327 Old Ferry Rd	HHW Event
Burlington	Burlington Drop off Center (CSWD)	339 Pine St	HHW Event
Canaan	Canaan Transfer Station	186 Treatment Plant Rd	Transfer Station Seasonal
Charleston	Charleston Town Garage (NEK)	5063 VT-105	HHW Event
Charlotte	Charlotte Central School (CSWD)	408 Hinesburg Rd	HHW Event
Chelsea	Chelsea Transfer Station (CV)	71 Washington Turnpike	Paint-Only Event
Colchester	Malletts Bay School (CSWD)	609 Blakely Rd	HHW Event
Danville	Danville Stump Dump (NEK)	1182 Bruce Badger Memorial Hwy	HHW Event
Derby	Derby Recycling Center (NEK)	3427 US Route 5	HHW Event
Dorset	Dorset School (BSWA)	130 School Dr	HHW Event
Duxbury	Harwood Union High School (MR)	458 VT Route 100	HHW Event
Essex	CSWD Essex Drop-Off Center (CSWD)	218 Colchester Rd	HHW Event
Fair Haven	Fair Haven Transfer Station (SWAC)	Fair Haven Ave	HHW Event
Fairfax	Fletcher Highway Garage (Town)	317 Fletcher Rd	HHW Event
Hardwick	Hardwick Town Garage (CV)	155 Creamery Rd	HHW Event
Hardwick	Hardwick Town Garage (CV)	Creamery Rd	Paint-Only Event
Hardwick	Hardwick Town Garage (CV)	155 Creamery Rd	Paint-Only Event
Hinesburg	Hinesburg Drop Off Center (CSWD)	907 Beecher Hill Rd	HHW Event
Huntington	Huntington Center Fire Station (CSWD)	4960 Main Rd	HHW Event
Jamaica	Jamaica Transfer Station (Windham)	141 Castle Hill Rd	HHW Event
Jeffersonville	GW Tatro Parking lot (Lamoille)	5195 VT Route 15	HHW Event



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 5 OF 6

City/Town	Site Name	Address	Type
Jericho	Jericho Highway Garage (CSWD)	510 Browns Trace Rd	HHW Event
Londonderry	Flood Brook School (Londonderry)	100 Old School St (91 VT Route 11)	HHW Event
Lyndonville	Lyndon Recycling Center (NEK)	224 Church St	HHW Seasonal
Marshfield	Marshfield Town Clerk (NEK)	122 School St	HHW Event
Milton	CSWD Milton Drop-Off Center (CSWD)	36 Landfill Rd	HHW Event
Montpelier	VT Department of Labor (CV)	5 Green Mountain Dr	HHW Event
Morgan	Morgan Transfer Station (NEK)	2186 VT-111	HHW Event
Morrisville	Aubuchon Hardware (Dropped July 2017)	925 A Brooklyn St	Retail
Morrisville	CCV Parking Lot (Lamoille)	197 Harrel St	HHW Event
Newport Center	Newport Center Town Garage (NEK)	272 Vance Hill Rd	HHW Event
Northfield	Fire Station Parking Lot (MA)	128 Wall St	HHW Event
Norwich	Norwich Transfer Station (GUV)	24 New Boston Rd	HHW Event
Norwich	Norwich Transfer Station (GUV)	24 New Boston Rd	HHW Event
Perkinsville	Weathersfield Transfer Station (SWW)	5024 Route 106	HHW Event
Randolph	Randolph Transfer Station (MA)	250 Landfill Rd	HHW Event
Richmond	Richmond Drop Off Center (CSWD)	80 Rogers Ln	HHW Event
Rochester	Rochester City Government Office (WRA)	67 School St	HHW Event
Royalton	Bethel Royalton Solid Waste (WRA)	122 Waterman Rd	HHW Event
Rutland	Rutland Town Transfer Station (SWAC)	Northwood Park	HHW Event
Saint George	Saint George Town Center (CSWD)	21 Barber Rd	HHW Event
Saint Johnsbury	Municipal Parking Lot (Town)	1187 Main St	HHW Event
Salisbury	Salisbury Landfill (Town)	1301 Upper Plains Rd	HHW Event
Shelburne	Shelburne Highway Garage (CSWD)	114 Turtle Ln	HHW Event
Springfield	Springfield Transfer Station (SWW)	135 Fairground Rd	HHW Event
Tunbridge	Tunbridge Transfer Station (CV)	64 Recreation Rd	HHW Event



PAINTCARE SITES

FY2018 PAINTCARE SITES IN VERMONT - PAGE 6 OF 6

City/Town	Site Name	Address	Type
Tunbridge	Tunbridge Transfer Station (CV)	64 Recreation Rd	Paint-Only Event
Underhill	Underhill Town Garage (CSWD)	75 New Rd	HHW Event
Vershire	Vershire Fire Department (GUV)	9111 Route 113	HHW Event
Waterbury	Duxbury Town Garage (CV)	5421 VT 100	Paint-Only Event
Waterford	Waterford Transfer Station (NEK)	2727 Duck Pond Rd	HHW Event
Websterville	Barre Public Works Dept (CV)	129 Websterville Rd	HHW Event
West Burke	Burke Town Garage (Town)	51 Town Garage Rd	HHW Event
Westfield	Westfield Recycling Center (NEK)	757 VT Route 100	HHW Event
Westford	Westford Town Garage (CSWD)	35 Cambridge Rd	HHW Event
Westminster	Bellows Falls Union High School (SWW)	406 High School Rd	HHW Event
White River Junction	Hartford Transfer Station (GUV)	2590 N Hartland Rd	HHW Event
Williston	Williston Drop Off Center (CSWD)	1495 Redmond Rd	HHW Event
Windsor	Goodyear Building (SWW)	28 River St	HHW Event
Winhall	Winhall Transfer Station (Town)	66 Old Town Rd	HHW Event
Winooski	Landry Park (CSWD)	53 Pine St	HHW Event
Worcester	Worcester Transfer Station (Lamoille)	43 Calais Rd	HHW Event

Large Volume Pick-Up Sites

3 Sites

Morrisville	[Lumber Yard]		LVP
Waterbury	Keurig Green Mountain (Employee Event)	150 Pilgrim Park Rd	Employee Event
Williston	Keurig Green Mountain (Employee Event)	30 Community Dr	Employee Event

Abbreviations for Event Organizations

BCRC: Bennington County Regional Commission
BSWA: Bennington Solid Waste Alliance
CV: Central Vermont Solid Waste Management District
CSWD: Chittenden Solid Waste District
GUV: Greater Upper Valley Solid Waste Management District
Lamoille: Lamoille Regional Solid Waste Management

MR: Mad River Solid Waste Alliance
MA: Mountain Alliance
NEK: Northeast Kingdom Waste Management District
SWAC: Solid Waste Alliance Communities
SWW: Southern Windsor/Windham Solid Waste Management District
Windham: Windham Solid Waste Management District

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

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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	\$ 7,215,463	\$ 7,085,090

5. Investments and Fair Value Measurements

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

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

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
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
Total investments	\$ 28,443,491	\$ 10,325,517	\$ -	\$ 38,769,008

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

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

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



Vermont 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?

Vermont'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



VERMONT

Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Vermont. 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
- \$ 0.49 Larger than half pint and smaller than 1 gallon
- \$ 0.99 1 Gallon
- \$ 1.99 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 Vermont 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 paints (acrylic, water-based)
- Oil-based 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	\$ 0.49
1 gallon	\$ 0.99
More than 1 gallon up to 5 gallons	\$ 1.99

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

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 in Vermont?

✓ 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	\$0.49
1 gallon	\$0.99
Larger than 1 gallon up to 5 gallons	\$1.99

VT-CMWI-1018

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

Vermont's Paint Stewardship Program began in May 2014.

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

Paint Stewardship

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

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



Fees and Funding

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

Fees vary from state to state. Vermont fees, effective August 1, 2016, are based on container size as follows:

\$ 0.00 — Half pint or smaller

\$ 0.49 — Larger than half pint and smaller than 1 gallon

\$ 0.99 — 1 Gallon

\$ 1.99 — 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 suppliers to make sure the quotes for paint products include the fees. You should also let your customers know that you will be including these fees in your quotes.

Paint Drop-Off Sites

PaintCare has more than 70 paint drop-off sites across Vermont. Most drop-off sites are at paint stores. Other sites include certain solid waste transfer stations, recycling centers, and government-sponsored household hazardous waste programs. Participation as a drop-off site is voluntary.

Use of Retail Drop-Off Sites by Businesses

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

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

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



Pick-Up Service for Large Volumes

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

Contact

John Hurd
Program Manager (Maine and Vermont)
(802) 245-4821
jhurd@paint.org

WHAT PRODUCTS ARE COVERED?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold.

PaintCare Products include interior and exterior architectural coatings sold in containers of five gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PaintCare Products

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

Non-Paintcare Products

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



Large Volume Pick-Up (LVP) Service

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

Who is PaintCare?

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

Paint Drop-Off Sites

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

Large Volume Pick-Ups

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

Vermont 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?		113		116		106		218
None	20.4	23	28.4	33	38.7	41	33.5	73
Less than 1 gallon	23.0	26	20.7	24	22.6	24	24.3	53
1-5 gallons (would fit in a cardboard box)	38.1	43	37.9	44	26.4	28	33.9	74
5-15 gallons (would fit in a shopping cart)	13.3	15	4.3	5	6.6	7	4.1	9
15-30 gallons (would fit in two shopping carts)	0.0	0	0.9	1	1.9	2	0.5	1
More than 30 gallons	0.0	0	0.0	0	0.0	0	0.0	0
Yes, but I don't know how much	5.3	6	7.8	9	3.8	4	3.7	8

2. Where did the paint come from?		113		83		65		145
I did some painting myself and had some leftover	66.4	75	84.3	70	78.5	51	76.6	111
I hired someone to paint and they left it behind	18.6	21	6.0	5	4.6	3	7.6	11
I found it in my home/business when I moved in	12.4	14	19.3	16	9.2	6	6.9	10
I am a painting contractor and it is from one of my jobs	0.9	1	2.4	2	0.0	0	1.4	2
I don't remember where the paint came from	6.2	7	3.6	3	3.1	2	2.8	4
Other	19.5	22	0.0	0	4.6	3	4.8	7

Responses to "Other" in June 2018 Survey:

Bought paint but have not used it, yet (1)

Family member started painting project, but is not finished (1)

3. What did you do with leftover paint?		113		116		104		218
Poured it down the drain	0.0	0	0.0	0	1.0	1	0.0	0
Put can(s) of liquid paint in the trash	0.9	1	3.4	4	1.9	2	3.7	8
Dried out the paint and put it in the trash	13.3	15	10.3	12	11.5	12	10.6	23
Stored it in the basement or garage intend to use	42.5	48	36.2	42	32.7	34	36.7	80
Took it to a paint store	1.8	2	3.4	4	4.8	5	6.0	13
Took it to a household hazardous waste event or facility	26.5	30	20.7	24	21.2	22	20.2	44
Gave it away to a family, friend or community organization	0.9	1	5.2	6	6.7	7	6.9	15
Left it behind when I moved	1.8	2	0.0	0	3.8	4	2.3	5
I don't know	4.4	5	2.6	3	3.8	4	5.5	12
I have never stored or disposed of leftover/unwanted paint	5.3	6	16.4	19	10.6	11	7.8	17
Other	2.7	3	1.7	2	1.9	2	0.5	1

"Other" responses for June 2018 Survey:

Dropped paint off at HHW event at local high school (1)

4. If you had unwanted paint, what would you do with it?		113		116		104		218
Pour it down the drain	0.0	0	0.0	0	0.0	0	0.9	2
Put can(s) of liquid paint in the trash	0.9	1	2.6	3	1.0	1	2.8	6
Dry out the paint and put it in the trash	14.2	16	9.5	11	7.7	8	8.7	19
Take it to a paint store	15.0	17	9.5	11	13.5	14	14.2	31
Take it to a household hazardous waste event or facility	46.0	52	46.6	54	43.3	45	41.7	91
Give it away to a family, friend or organization	8.0	9	18.1	21	22.1	23	21.6	47
I don't know	11.5	13	11.2	13	10.6	11	8.7	19

Other	4.4	5	2.6	3	1.9	2	1.4	3
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"Other" responses for June 2018 Survey:

Take paint to HHW event at local high school (1)

Take paint to local "dump" (1)

5. Did you know that paint can be recycled?

5. Did you know that paint can be recycled?		113		83		106		218	
Yes		42.5	48	44.6	37	66.0	70	53.7	117
No		57.5	65	55.4	46	34.0	36	46.3	101

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

6. Have you ever taken paint to be recycled/disposed?			44	37	104	218		
Yes, at some point during the past year	8.0	9	10.3	12	16.3	17	11.9	26
Yes, more than one year ago	31.0	35	21.6	25	20.2	21	23.9	52
No	61.1	69	68.1	79	63.5	66	64.2	140

7. Do you know where to take unwanted paint?

7. Do you know where to take unwanted paint?			113	116	104	218		
No	59.3	67	37.1	73	43.3	45	45.9	100
Yes	40.7	46	62.9	43	56.7	59	54.1	118
If yes, where? (please specify)	-	28	-	25	-	54	-	118

Responses to "Where?" for June 2018 Survey:

Recycling center (28)

Transfer station, dump / landfill, or private waste company (24)

Paint or hardware store (22)

Chittendon Solid Waste District (11)

HHW or recycling event (10)

HHW facility (8)

Casella Waste or Casella transfer station (7)

8. What county do you live in?

8. What county do you live in?	113		116		106		218	
Addison	7.1	8	2.6	3	2.8	3	4.6	10
Bennington	0.9	1	6.0	7	6.6	7	4.6	10
Caledonia	2.7	3	6.0	7	3.8	4	5.0	11
Chittenden	37.2	42	22.4	26	28.3	30	21.6	47
Essex	0.9	1	1.7	2	1.9	2	2.3	5
Franklin	7.1	8	12.9	15	9.4	10	8.3	18
Grand Isle	0.0	0	2.6	3	0.9	1	0.9	2
Lamoille	1.8	2	6.9	8	5.7	6	4.1	9
Orange	7.1	8	4.3	5	5.7	6	5.5	12
Orleans	3.5	4	4.3	5	3.8	4	6.0	13
Rutland	6.2	7	9.5	11	4.7	5	10.6	23
Washington	10.6	12	10.3	12	11.3	12	10.1	22
Windham	4.4	5	6.0	7	7.5	8	7.3	16
Windsor	10.6	12	4.3	5	7.5	8	9.2	20

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

9. How would you describe the place where you live?	113		116		102		218	
Urban / Major City	7.1	8	1.7	2	4.9	5	3.2	7
Suburban	15.0	17	14.7	17	9.8	10	10.6	23
Small City or Town	35.4	40	38.8	45	46.1	47	44.0	96
Rural / Countryside	39.8	45	44.8	52	39.2	40	41.7	91
Other (please specify)	2.7	3	0.0	0	0.0	0	0.5	1

10. What type of dwelling do you live in?

10. What type of dwelling do you live in?	113		116		102		218	
Single-family house	69.0	78	61.2	71	56.9	58	53.2	116
Two or Three-family house	8.0	9	6.0	7	11.8	12	9.6	21
Condominium or apartment building with many units	17.7	20	23.3	27	22.5	23	27.1	59
Manufactured or Mobile Home	2.7	3	8.6	10	8.8	9	7.8	17

Other (please specify)	2.7	3	0.9	1	0.0	0	2.3	5
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11. Do you paint professionally?

113

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Yes	0.9	1	6.0	7	1.0	1	2.8	6
No	99.1	112	94.0	109	99.0	103	97.2	212

12. What is your age?

113

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102

218

Under 21	4.4	5	5.2	6	0.0	0	0.9	2
21-40	25.7	29	53.4	62	56.9	58	52.3	114
41-60	37.2	42	25.9	30	25.5	26	31.7	69
Over 60	30.1	34	15.5	18	17.6	18	15.1	33
Prefer not to say	2.7	3	0.0	0	0.0	0	0.0	0

13. Gender

113

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102

218

Male	24.8	28	37.1	43	33.3	34	35.8	78
Female	73.5	83	62.9	73	66.7	68	64.2	140
Prefer not to say	1.8	2	0.0	0	0.0	0	0.0	0

14. Educational Level

113

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Some High School	1.8	2	5.2	6	2.9	3	5.0	11
High School Graduate	5.3	6	16.4	19	20.6	21	26.6	58
Some College, Vocational, Trade, or Technical	27.4	31	47.4	55	39.2	40	33.5	73
4 year degree or higher	63.7	72	31.0	36	37.3	38	34.9	76
Prefer not to say	1.8	2	0.0	0	0.0	0	0.0	0

15. What is your household income?

113

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102

218

Less than \$50K	31.0	35	56.0	65	62.7	64	53.7	117
\$50 – 100K	27.4	31	25.9	30	27.5	28	32.1	70
\$100 – 150K	12.4	14	9.5	11	5.9	6	8.7	19
Over \$150K	1.8	2	5.2	6	1.0	1	2.8	6
Prefer not to say	27.4	31	3.4	4	2.9	3	2.8	6