



2014

Nova Scotia

Paint Stewardship Program

Annual Report

Submitted to: **Nova Scotia Environment**

Submitted by: **Product Care Association**

Date: **May 31, 2015**

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1.0 About Product Care Association

Product Care Association (PCA) is a federally incorporated, not-for-profit product stewardship association formed in response to stewardship regulations and is governed by a multi-sector industry board of directors. Product Care Association has managed paint and other household hazardous waste industry stewardship programs since 1994.

PCA's members are the "brand owners" (manufacturers, distributors and retailers) of "consumer paint products" as defined under the *Nova Scotia Solid Waste-Resource Management Regulations* under section 102 of the *Environment Act*.

Product Care, on behalf of its members, oversees the administration, handling, transportation and recycling of all collected post-consumer paints and aerosols and is also responsible for fostering consumer awareness of the program.

1.1 Program Summary

The Nova Scotia Paint Recycling Program was established in 2002, with PCA and Resource Recovery Fund Board of Nova Scotia (RRFB) both having separate approved stewardship plans. In July 2012, with Ministerial approval, the two existing program plans were replaced with a single plan submitted by Product Care on behalf of its brand owner members. PCA contracted with RRFB to manage the collection and transportation system, as well as additional program elements.

The program includes all latex, oil and solvent-based paints and stains, but does not apply to specifically formulated industrial, marine and automotive coatings. The program also includes all paint aerosols (industrial, commercial, automotive etc.), and marine paint (except those which are registered as a pesticide).

Environmental handling fees (EHFs) applied to each regulated container of paint and aerosols that is sold in or into the province provide funding to manage the program. The program allows residents of Nova Scotia to return leftover paint to any of the Enviro-Depots located throughout the province and a number of municipal waste management facilities, free of charge.

1.2 Report Period

This report covers the 2014 calendar year (January 1 to December 31, 2014). All content has been prepared in accordance with section 18F(1) of the *Nova Scotia Solid Waste-Resource Management Regulations* under section 102 of the *Environment Act*.

2.0 Brand Owner Sales Information

Program members reported the sale of 1,954,764 containers of program product in Nova Scotia from January 1 to December 31, 2014, for an estimated liquid volume sold of 5,766,905 litres.

3.0 Collection

The following section provides the total amount of waste paint collected in Nova Scotia, as well as the location of the return depots.

3.1 Total Amount of Waste Paint Collected

Table 1 below shows the total amount of waste paint collected by the program for the reporting period.

Table 1: Total Amount of Waste Paint Collected in 2014

Item	Number of Tubskids ¹	Residual Paint Volume (L) ²	Number of Aerosol Tubskids ¹	Residual Aerosol Paint Volume (L) ³	Total Residual Paint Volume (L) ⁴
Volume Collected	2,868	387,180	25	1,555	388,735

(1) Tubskid dimensions (42" x 34" x 48") with a nominal capacity of 126 one gallon containers. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

(2) Based on a conversion rate of 135L per collection bin derived from on the number of tubskids processed and the total residual volume of material generated.

(3) Based on a conversion rate of 62.2L per tubskid derived from the number of tubskids processed.

(4) Total residual paint volumes include Paint Exchange. Paint Exchange volume is based on the assumption that Paint Exchange cans are 75% full.

Table 2 provides the program’s recovery rate in 2014 based on the volume of paint collected as a function of volume of paint sold.

Table 2: 2014 Paint Sales, Residual Recovery Volume and Recovery Rate

	Total
Sales (litres)	5,766,905
Residual Recovery Volume (litres)	388,735
Recovery Rate	6.74 %

3.2 Collection Sites

As of December 31, 2014, 98 collection sites were participating in the program. Appendix 1 provides details on the collection sites.

3.3 Process of Internal Accountability

The program provides collection site guidelines to all collection sites that sets out the operational procedures and various requirements for proper collection and handling of the paint. In addition, the program provides emergency spill kits and procedures to the collection sites.

To ensure the environmental effectiveness of the program, regular inspections of collection sites are conducted by RRFB staff to ensure the collection sites are fulfilling their role as a service provider and are adhering to all applicable program guidelines and requirements.

4.0 Processing

This section of the report sets out:

- a) The total amount of waste paint processed or in storage,
- b) The percentage of waste paint collected that was reused, recycled, disposed of in an engineered landfill, recovered for energy, contained, or otherwise treated or disposed of;
- c) A description of the types of processes utilized to reuse, recycle, dispose of, recover energy from, contain, or otherwise treat or dispose of waste paint;

- d) A description of the efforts to redesign paint products to improve reusability and recyclability; and
- e) The location of processing or containment facilities for waste paint.

4.1 Waste Paint Processed

All paint collected through the Program is transported first from Enviro-Depots and municipal sites to one of the four Regional Processing Centres RPCs. The municipally operated or contracted RPCs in Lunenburg, Sydney and Kemptown ship the paint to the RRFB Nova Scotia operated RPC in Kemptown. Accumulated loads are then transported from RRFB Nova Scotia's facility to Laurentide Re-source's processing facility in Springhill.

All products are unloaded and removed from the storage tubs, inspected and classified as latex, alkyd or non-program. Program material that is recyclable is further separated by colour, screened and consolidated in 205 litre drums. Drums of program recyclable material are then transported to the paint manufacturing facility in Victoriaville, Quebec for final processing.

In 2014, a total of 2,831 tubskids of leftover paint were delivered to Laurentide Re-source for processing, which includes residual tubskids collected in 2013 and held at Kemptown consolidation facility.

During the reporting period, Laurentide Re-source processed (i.e., opened, sorted and bulked into shipping containers) 2,824 tubskids, including additional tubskids that were in their inventory from 2013. As of December 31, 2014 a total of 431 tubskids remained unprocessed in storage.

Table 3 shows the volume of waste paint shipped to processors and the volume processed by collection container (tubskids and drums) and by residual volume (litres). Volumes collected but not shipped, or shipped but not processed, were managed in the following program year.

Table 3: Total Amount Waste Paint Processed in 2014

Item	Number of Tubskids ¹	Residual Paint Volume (L) ²	Number of Aerosol Tubskids ¹	Residual Aerosol Paint Volume (L) ³	Total Residual Paint Volume (L) ⁴
Volume Shipped to Processor	2,811	379,485	20	1,244	380,729
Volume Processed	2,824	377,754	39.5	2,457	380,211

- (1) Tubskid dimensions (42" x 34" x 48") with a nominal capacity of 126 one gallon containers. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.
- (2) Based on a conversion rate of 135. L per collection bin derived from on the number of tubskids processed and the total residual volume of material generated. Reuse volume is not included in calculation.
- (3) Based on a conversion rate of 62.2L per tubskid derived from on the number of tubskids processed.
- (4) Total residual paint volumes include Paint Exchange. Paint Exchange volume is based on the assumption that Paint Exchange cans are 75% full.

Information on the number of paint containers processed in 2014 at Laurentide Re-resources and the percentage of non-program materials collected is found in Table 4.

Table 4: Number of Paint Containers Processed in 2014 at Laurentide Re-resources Atlantic Facility

	Total Containers (paint/non-program)	Total Containers (program paint)	Non-program Containers	% of Non-program Containers per Collection Bin
Program Totals	357,515	340,331	17,184	4.81%

The amount of metal and plastic containers that were recycled in 2014 and their respective processors is found in Table 5.

Table 5: Metal and Plastic Containers Collected and Recycled in 2014

Container Type	Collected and Recycled (tonnes)	Processor	Management Process
Metal	100.1	Tri-Province Recycling, NB	Mixed with other scrap metal and sold as a commodity that is eventually sent for smelting
Plastic pails (HDPE 2)	9.4	Little Forks Landfill, NS	Combined and baled with other plastics and sold as a commodity for plastics recycling
Plastic paint cans (polypropylene)	17.9	RPM Environmental (QC), Laurentid(NB)	Processed and sold as a commodity for plastics recycling Laurentide – temporary storage

4.2 Disposal Method Descriptions

The following sections describe each method the Program used to recycle or otherwise treat or dispose of waste paint.

Reuse (Paint Exchange Program)

Through the Paint Exchange Program, better quality paint returned to collections sites was made available for the public to take, free of charge, and use. Paint Exchange was offered at three collection sites in 2014. An estimated 3519 litres of paint was given away at no charge through the Paint Exchange program to consumers, a 218% increase over last year (1108 litres). Reuse volumes are estimated by assuming that each container is 75% full on average.

Recycling

At the Laurentide Re-sources facility, paint containers are removed from the collection bins, inspected, opened, sorted by type, colour and quality, and poured into shipping containers. The bulked paint of recyclable quality is then transferred to an affiliated processor, Peintures Recuperees du Quebec (PRQ) in Victoriaville, QC. Table 6 provides the quantity of latex paint and alkyd paint that was recycled. Due to a diminishing market for alkyd paint, it has become an increasing challenge to recycle. Consequently, limited amounts of alkyd paints continue to be recycled with the majority being sent for energy recovery.

Table 6: Quantity and Type of Paint Recycled

Type	Litres	Percentage
Latex paint	263,059	86%
Alkyd paint	42,832	14%
Total	305,891	100%

Energy Recovery

Not all oil based paint collected is of suitable quality for recycling. In some cases the paint may be contaminated, not in liquid form, wrong colour or of the wrong chemistry for recycling. In addition, regulations such as the Federal VOC Regulations require tighter limits on certain chemical constituents, which tend to be higher in older paints, making it difficult to recycle oil based paint. The market for the recycled oil based paint is significantly smaller than that for the water based products and continues to diminish as water-based technology replaces oil based technology.

Due to the high solvent content of oil based paints, oil based paints are suitable for energy recovery. Through the process of fuel blending, some of the oil based paint collected by the program that is not suitable for paint recycling, is used as an alternative energy source in applications such as permitted incinerators. During the reporting period, 28,196 litres of alkyd paint and paint from paint aerosols were blended with other fuels and utilized for energy value at licensed facilities.

Landfill

The sorting and bulking of the latex paint by Laurentide Re-sources generated 46,125 litres of non-recyclable latex sludge/solid which were solidified and disposed of at a synthetic-lined landfill cell with leachate collection.

Incineration

During the reporting period, no material went for incineration.

4.3 Percentage of Waste Paint by Disposal Method

Table 7 shows the breakdown of waste paint collected that was reused, recycled, recovered for energy, disposed of in an engineered landfill, contained, or otherwise treated or disposed of. Each amount is shown in litres and in a percentage.

Table 7: Waste Paint by Disposal Method

Method	Volume (litres)	Percentage
Reuse	3,519	0.9%
Recycle	305,891	79.7%
Energy Recovery	28,196	12.0%
Landfill	46,125	7.4%
Total	383,731	100%

4.4 Design for Environment

The paint and coating industry is continually pursuing innovations in product formulations that strike a balance between sustainability, health & safety and performance. This is done working in concert with key agencies such as Health Canada, Environment Canada and numerous standard-setting organizations. An example of industry’s sustainability initiatives is the industry’s involvement with the federal Chemicals Management Plan, assessing chemicals in commerce for all industry sectors including paint and coatings, to assess risks associated with product use. This is done with a view to banning the highly toxic substances or managing them in some way, when they are considered harmful for the environment, either from a human health or ecological perspective.

Where toxicity in chemicals is considered potentially harmful to human health, a risk management approach is required to permit continued use of the substances contained in products like paint and coatings. This may result in regulations, pollution prevention plans, codes of practice or compliance agreements and ultimately reformulation or re-design of products for the marketplace, which reduces or eliminates negative impacts to human health and the environment.

The manufacturing of paint continues to shift from oil-based paints to water-based paints due to a number of factors, including:

- Consumer preference for more environmentally friendly products.
- Advanced water based coating technology providing similar product performance as oil based technology.
- Regulatory influences such as Environment Canada’s Volatile Organic Compound (VOC) Concentration Limits for Architectural Coatings Regulations (P.C. 2009-1535) which sets

limits for VOC for a number of coatings including architectural coatings. These new regulations require coatings manufacturers to switch to low-VOC formulations.

Waterborne paints now make-up more than 90 percent of paint products on the market. In addition, the Program utilizes the following tools to increase the amount of reuse of leftover paint and minimize the environmental impact of residual paint where possible:

- Recovery and recycling of 10 percent of the paint that is available for recovery.
- Variable eco fees aligned with container size in some jurisdictions.
- Operation of a paint exchange program whereby leftover paint is made available to the public free of charge.

4.5 Location of RPC and Processing Facilities

The following is a list of facilities contracted by the Program to handle and process program product.

Green Island Recycling 345 Gulf Crescent North Sydney, NS B2A 4V2	Containment Facility
Municipality of the County of Colchester 185 Mingo Road Kemptown, NS B0N 2P0	Containment Facility
Lunenburg Regional Recycling & Composting Facility 908 Mullock Road Kemptown, NS B4V 3J5	Containment Facility
RRFB Kemptown Facility 119 Mingo Road Kemptown, NS B6L 2K4	Containment Facility
Laurentide Resources Atlantic Inc. 100 Main Street Springhill, NS B0M 1X0	Processing Facility
Société Laurentide Inc. 345 Bulstrode Street Victoriaville, QC G6T 1P7	Processing Facility

5.0 Communication and Education

Product Care Association implemented a communication and education program to educate consumers in accordance with the Regulation. The following sections provide details regarding the communication and education program for 2014.

5.1 Website

A new website was developed with a view to improving consumer engagement efforts and making Product Care more accessible, friendlier and intuitive for all audiences, with the ultimate goal of increasing program awareness and collection volumes. The site includes the following bilingual content:

- Depot finder (a map displaying locations of the collection sites – see Appendix 2)
- Depot hours and operations
- Information for trade painters (list of collection sites that can accept large volumes);
- Program product lists

An estimated 68,090 unique visitors utilized the website during the 2014 calendar year. The collection site finder page specifically had an estimated 28,160 unique page views.

5.2 Purchased Media

PCA launched an Atlantic Canada targeted digital campaign via YP Group, including syndicated Facebook posts, targeted digital display ads, and smart digital display (re-serving impressions to pre-qualified audiences). Digital ads were specifically targeted to internet users who performed online searches related to the purchase, use and disposal of paint products in Nova Scotia. Additionally, our Facebook advertising campaign pursued a “gated” strategy, which is to say, relevant content was viewable by residents of Nova Scotia only and not seen by audiences in other provinces.

5.3 Point of Sale (PoS) and Point of Return (PoR) Material

In 2014, Product Care distributed both PoS and PoR materials as requested by retailers and collection sites. The following materials were available for reorder through our online order form (see Appendix 3 for PoS and PoR examples):

- Rack cards identifying accepted/not accepted products
- “Recycle Your Paint” can stickers
- Posters



6.0 Financial Information

Product Care Association's audited financial statements are attached in Appendix 4.

Appendix 1 – NS PaintRecycle Collection Site Details as of December 31, 2014

Region	Collection Site	City
Cape Breton Region	Admiral Recycling Ltd.	Port Hood
	Birds Eye View Recycling Ltd.	Sydney Mines
	Burke's Recycling Depot Ltd	Louisbourg
	Cheticamp Recycling	Cheticamp
	Glace Bay Recycling Ltd.	Glace Bay
	Green Island Recycling	North Sydney
	Inverness Recycling	Inverness
	Isle Madame Bottle Exchange	Arichat
	Keltic Recycling Inc	Sydney River
	Municipality of C. of Victoria-Baddeck Landfill	Baddeck
	New Waterford Recyclers	River Ryan
	Neils Harbour New Haven Recycling Depot	Neils Harbour
	North Sydney Recycling	North Sydney
	St. Peter's Bottle Exchange	St. Peter's
	Strait Bottle Exchange	Port Hawkesbury
	Total Recycling Ltd.	Sydney
Total Recycling Ltd. (Sub-Depot)	Sydney	
Triple B Recycling Depot	Sydney	
Eastern Region	Beech Hill Waste Management Site (County of Antigonish)	Antigonish
	Bill Stewart Metal & Bottle Ltd.	New Glasgow
	Golden Penny Ent. Ltd	Stellarton
	John's Bottle & Recycling Depot	Pictou
	MacMillian's Service Center Ltd	Lower South River
	St. Mary's Transfer Station	Sherbrooke
	Mason's Recycling Centre	Canso
	Mount William Waste Management Site (Pictou County SWM)	Mount William
	Municipality of the District of Guysborough	Guysborough
	Floss Bottle Exchange	Monastery
	Floss Bottle Exchange - Boylston	Boylston
Halifax Region	3K Enviro Depot (3006877 NS Ltd)	Sheet Harbour
	Beaver Redemption & Recycling	Halifax
	Bluenose Bottle Exchange	Dartmouth
	Bluewater Recycling Corp. (Bedford)	Bedford
	Bluewater Recycling Corp. (Goodwood)	Goodwood
	Burnside Recycling	Dartmouth
	Canadian Recycling Limited	Dartmouth
	Clifton Recycling Centre	Halifax
	E.T. Bottle Exchange	Dartmouth
	Faders Bottle Exchange Ltd.	Lower Sackville
	Friends Depot (Lady Beth Enterprises Ltd)	Ingram Port
	Green Tree Recycling Depot	Lower Sackville
	Greenleaf Recycling Limited	Porter's Lake
	Halifax Regional Municipality	Lakeside
	John Ross & Sons Ltd. (Halifax)	Halifax
	Karen's Recycling Ltd.	Halifax
	Matt's Bottle Exchange	Eastern Passage
Preston Recycling	East Preston	
Sackville Bottle Exchange	Lower Sackville	

	Tanner's Transfer	Halifax
	The Recycle Market	Lake Charlotte
	Timberlea Bottle Exchange	Timberlea
	Youth L.I.V.E. Recycling	Halifax
Northern Region	A & J Superette	Joggins
	Cumberland Joint Services Management	Little Forks
	Durant's Enviro Depot	Parrsboro
	East Hants Waste Management Centre	Georgefield
	Elmsdale Recycling Ltd	Elmsdale
	John Ross & Sons Ltd (Truro)	Truro
	Keep Garbage Beneficial	Pugwash
	M&R Recycling	Springhill
	Meehan's Recycling	Upper Rawdon
	Moore Nickels & Dimes for You Recycling	Oxford
	Atlantic Industrial Services (Municipality of the County of Colchester)	Debert
	Nova 4 Enviro Ltd.	Amherst
	Subway Bottle Exchange	Truro
	Tatamagouche Recycling Depot	Tatamagouche
	T'N'T Recycling	Shubenacadie East
Two Capes Recycling (Advocate Country Store Inc.)	Advocate Harbour	
South Shore/West Hants Region	Adam's Bottle Exchange Limited	Gold River
	Clyde's Trucking & Recycling	Liverpool
	Cogmagun Landfill Site (Municipality of West Hants)	Cogmagun
	Corkum Recycling Limited	Lunenburg
	Harlow Construction Limited (King St Depot)	Shelburne
	Municipality of Barrington	Barrington
	Municipality of Shelburne	Shelburne
	Municipality of the District of Chester - Kaizer Meadow Landfill	Sherwood
	Municipality of the District of Lunenburg	Whynotts Settlement
	Municipality of the Region of Queens	Milton
	O'Leary's Bottle Depot	Windsor
	Ridge Road Recycling-Depot Ltd	Barrington
	Victor & Douglas Oickle's Bottle Exchange	Bridgewater
	Wentzell's Bottle Recycling Ltd	New Germany
Windsor Recycling Depot	Windsor	
Valley Region	Beehive Adult Service Center	Alyesford
	C.N. Orde & Sons (aka Lequille Enviro Depot)	Annapolis Royal
	Greenwood Recycling Centre	Greenwood
	Hankinson Salvage & Recycling Ltd	Middleton
	L.W. Layton Salvage	Canning
	New Minas Recycling	New Minas
	Valley Recycling	Greenwich
	Valley Waste - Eastern Waste Management Centre	Kentville
	Valley Waste - Western Waste Management Centre	Lawrencetown
Western Region	Comeau's Bottle Exchange	Meteghan Centre
	Digby Salvage & Disposal	Digby
	Municipality of Clare	Meteghan
	Paperchase Bottle Exchange Ltd.	Yarmouth
	Town of Yarmouth	Ohio
	Webber's Bottle Exchange	Digby

Appendix 2 – Product Care Association’s Collection Site Map

Below is a snap shot of what the new collection site locator tool found on the PCA website looks like.

Collection Site Locator

Whether you are a consumer or a business, our collection sites are here to help you recycle your unwanted, leftover and broken products. Make sure to select the category and collection option that best suits your needs.

Select product

Paint ▼

Enter a city or postal code

Nova Scotia, Canada 🔍

Refine distance

0km 50km 100km

There are 94 paint location(s) near you

1 Timberlea Bottle Exchange 2.81 km

2352 St. Margaret's Bay Road
Timberlea, NS, B3Y 1M6
Mon - Fri 8:00am - 5:00pm
Sat 8:00am - 4:00pm
902-876-2500

[Get directions](#)

2 Bluewater Recycling Inc. 5.68 km

23 Bluewater Road
Bedford, NS, B4B 1G8
Mon - Sat 9:00am - 5:00pm

Map data ©2015 Google Terms of Use Report a map error

Appendix 3 – PoS & PoR Materials

Nova Scotia Poster



**NOVA SCOTIA PAINT
RECYCLING PROGRAM**

**GOT LEFTOVER PAINT?
RECYCLE IT! >>**

Getting rid of leftover paint is easy - and it's free! Just take it to a paint collection site for recycling and do your part to protect the environment. Recycling paint helps preserve our valuable resources and benefits the economy by creating green jobs.

 **FIND A PAINT COLLECTION SITE NEAR YOU!**
www.productcare.org/NS | 1-888-772-9772

Nova Scotia Rack Card

NOVA SCOTIA PAINT RECYCLING PROGRAM

Getting rid of leftover paint is easy - and it's free! Just take it to a paint collection site for recycling and do your part to protect the environment. Recycling paint helps preserve our valuable resources and benefits the economy by creating green jobs.









ACCEPTED PAINT PRODUCTS

There is no charge to drop off any of the following household paints for recycling:

- Interior and exterior paints
- Latex, acrylic, water-based paints
- Alkyd, enamel, oil-based paints
- Deck coatings, floor paints
- Single component varnishes and urethanes
- Concrete, masonry, drywall and stucco paints
- Metal and wood primers
- Undercoats
- Marine paint*
- Melamine, metal and anti-rust paint, stains, shellac
- Single component swimming pool paint
- Stain blocking paint
- Block fillers
- Wood, masonry, driveway sealers and water repellants

* Unless registered under Pest Control Product Act
Maximum container size is 25 litres

All types of paint aerosols are accepted:

- Consumer, industrial and automotive

Maximum container size is 650 grams or 24 ounces

**FIND A PAINT
COLLECTION SITE
NEAR YOU!**

www.productcare.org/NS | 1-888-772-9772

REDUCE - REUSE - RECYCLE

What products are accepted by the program?
Most types of household paints and architectural coatings are accepted. See list of acceptable products on the reverse side of this card. For a full list of acceptable and unacceptable products, please visit www.productcare.org/NS or call 1-888-772-9772.

How do I store my products for later use?

- Store in original, securely-sealed, labelled containers.
- Store paint away from extreme heat or cold.
- Avoid freezing paint.
- Clean the rim for a good seal, pour 3mm (1/8") of paint thinner on top of oil-based paint, or 3mm (1/8") of water on latex paint, or store with container upside down.

How is this program funded?
Like other recycling programs in Nova Scotia, this program is funded by a recycling fee applied to the sale of new products to cover the cost of collection, transportation and recycling. Some retailers show the recycling fee separately at point of purchase and some may include it in the product price. The recycling fee is subject to sales tax because it is considered to be a part of the product price. The recycling fee is not a tax.


Nova Scotia Paint Fees

100 ml to 250 ml	\$0.20
251 ml to 1 litre	\$0.35
1.01 litre to 5 litres	\$0.70
5.01 litres to 23 litres	\$1.50
Aerosol paint (all sizes)	\$0.20

About Product Care
The Nova Scotia Paint Recycling Program is managed by Product Care Association on behalf of the manufacturers, distributors and retailers of paint products. Product Care is a not-for-profit industry association that manages product stewardship programs for leftover paint and other household hazardous and special waste across Canada.

REMEMBER THE B.U.D. RULE!

- B** Buy only the amount you need
- U** Use what you buy
- D** Dispose of leftovers safely and responsibly



Product Stewardship Solutions
www.productcare.org/NS | 1-888-772-9772



Appendix 4 – Financial Statements

**PRODUCT CARE ASSOCIATION
NOVA SCOTIA PAINT RECYCLING PROGRAM
STATEMENT OF REVENUES AND EXPENSES
31 DECEMBER 2014**

**PRODUCT CARE ASSOCIATION
NOVA SCOTIA PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses**
For the year ended 31 December 2014

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INDEPENDENT AUDITORS' REPORT

To: Nova Scotia Environment

As required by the Nova Scotia Solid Waste-Resource Management Regulation - Environment Act Section 102 (18(F(I))), we have audited the Statement of Revenues and Expenses of the Nova Scotia Paint Recycling Program (the "Statement") as reported by Product Care Association for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the Statement presents fairly, in all material respects, the revenues and expenses of the Nova Scotia Paint Recycling Program as reported by Product Care Association for the year ended 31 December 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Restriction on Distribution

This report is prepared on the direction of Product Care Association's management and Nova Scotia Environment. As a result, the report may not be suitable for another purpose. Our report is intended solely for Product Care Association's management and Nova Scotia Environment, and should not be distributed to other parties.

Rolfe Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
15 April 2015

PRODUCT CARE ASSOCIATION
NOVA SCOTIA PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2014

2014

Revenues	<u>\$ 1,099,970</u>
Program expenses	
Processing (Note 3)	702,245
Collection	167,347
Transportation	58,716
Depreciation	<u>22,147</u>
	<u>950,455</u>
General and administrative expenses	
Administration	72,990
Communications	325
Overhead allocation (Note 2(d))	<u>143,532</u>
	<u>216,847</u>
Total expenses	<u>1,167,302</u>
Deficiency of revenues over expenses for the year	<u>(67,332)</u>

Commitment (Note 3)

**PRODUCT CARE ASSOCIATION
NOVA SCOTIA PAINT RECYCLING PROGRAM**
Notes to the Statement of Revenues and Expenses
For the year ended 31 December 2014

1. Basis of Presentation

The Statement of Revenues and Expenses (the "Statement") only includes the revenues and expenses related to the Nova Scotia Paint Recycling Program, a segment of the operations of Product Care Association.

2. Summary of Significant Accounting Policies

The Statement is prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue Recognition

Eco-fees are received from members of the Association within the province of Nova Scotia. The Association recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Eco-fee revenues are recognized as individual members report and remit them as required by applicable provincial environmental legislation.

(b) Capital Assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rate is as follows:

Depot Equipment	3 years
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(c) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(d) General and Administrative Expenses - Overhead Allocation

A portion of the total general and administrative expenses of the Association, net of expense recoveries, has been allocated to this program. The allocation of general and administrative expenses to this program is determined using the percentage of program specific operating expenses as compared to total operating expenses for all the Association's programs.

**PRODUCT CARE ASSOCIATION
NOVA SCOTIA PAINT RECYCLING PROGRAM
Notes to the Statement of Revenues and Expenses
For the year ended 31 December 2014**

3. Processing Commitment

At year end, the Association had unprocessed program materials on hand with an estimated cost to process, transport and recycle of \$92,204 which will be incurred in 2015.