



ANNUAL REPORT | 2018



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# 10 YEARS OF RECYCLING

Keeping New Brunswick Clean and Green  
for Generations to come



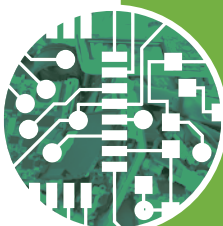
**23 MILLION TIRES RECYCLED** since 1996



**2.1 MILLION LITRES COLLECTED** since 2009



**17.6 MILLION LITRES COLLECTED** since 2014



**1,674 METRIC TONNES COLLECTED** since March, 2017

# TRANSMITTAL LETTER

Hon. Jeff Carr  
Minister of Environment and Local Government  
Legislative Assembly of New Brunswick  
Fredericton, New Brunswick

Dear Minister:

On behalf of the Board and staff, I am pleased to present the annual report of Recycle NB for the calendar year 2018. The report is presented in accordance with Section 11 of the *Designated Materials Regulation 2008-54* enacted under the *Clean Environment Act*.



**Beth McDermott**  
Chair, Recycle NB

# MOVING BEYOND WASTE

## VISION

All waste materials in New Brunswick are managed in a sustainable and environmentally responsible way

## MISSION

To manage waste reduction programs for designated materials and provide environmental stewardship for New Brunswick.

## ROLE

To ensure that materials designated by the Minister of the Environment are managed in a manner that assures a clean and healthy environment.

**“WE CELEBRATE THE NEW BRUNSWICK CITIZENS WHO RECYCLED  
OVER THE LAST TEN YEARS. TOGETHER WE ARE PROTECTING  
OUR ENVIRONMENT FOR FUTURE GENERATIONS.  
TOGETHER WE MAKE A DIFFERENCE! THANKS.”**

The Board & Staff, Recycle NB





## MESSAGE FROM THE CHAIR

In 2018 we celebrated Recycle NB's 10<sup>th</sup> Anniversary and marked important milestones.

From a Board perspective, 2018 was a year of fond farewells and warm welcomes. We said goodbye and celebrated the contributions of two long-serving members Rod Borden and Grant Mitton. We welcomed two new members.

Over the last 10 years, Recycle NB has evolved from the management of a single program to the oversight agency for four province-wide recycling programs.

The first big milestone for Recycle NB came in 2008. Government took a new direction in waste management and created Recycle NB as a multi-materials organization to manage designated materials in New Brunswick. The Tire Stewardship program was our first program. We take great pride in it and the achievements of our partner TRACC (Tire Recycling Atlantic Canada Corporation).

Milestone number two came in 2009 when Recycle NB launched the Paint Program in partnership with Product Care Recycling Association. As the province's first Extended Producer Responsibility (EPR) program, it set the model for future programs.

Further progress toward a waste free New Brunswick came with the oil and glycol program in partnership with UOMA. The most recent milestone came in 2017 when Recycle NB approved EPRA's electronics program for New Brunswick.

As we look back, we are reminded that none of our achievements would be possible without great people. Special thanks to the small Recycle NB team, whose knowledge, expertise, experience, and commitment ensures our programs meet the needs of New Brunswickers. Our partners with whom we work to deliver great programs. We are pleased they are part of our team. The citizens of New Brunswick. Their support for our programs and their recycling efforts are our special ingredient for success.

We are proud of our past. We celebrate all that has been accomplished. We are anxious to build on our success by managing any new materials government may designate.

As the new Chair of the Board, I am honoured to write this message and extend best wishes for another ten years of success to Recycle NB, its partners and stakeholders.



A handwritten signature in black ink that reads "Beth McDermott". The signature is fluid and cursive, written over a white background.

**Beth McDermott**, Chair, Recycle NB

# PARTNERSHIPS

Recycle NB manages its recycling programs through multiple partnerships. The tire program is a partnership with TRACC (Tire Recycling Atlantic Canada Corporation). The partner for the Paint Program is Product Care Recycling Association. The Oil and Glycol Program partner is UOMA (Used Oil Management Association Atlantic). The electronics program is a partnership with EPRA (Electronic Products Recycling Association).

Each of the EPR Program partners has a representative based in New Brunswick who ensures the effective and efficient operation of these programs and responds to citizen and client concerns and suggestions.



## Creating a shared vision

The Paint Stewardship Program is administered and operated by Product Care Association, which oversees the administration, collection, transportation and recycling of all regulated post-consumer paints and aerosols.

Currently in New Brunswick there are over 60 collection sites where consumers can bring leftover household paint. Collection sites are offered through designated redemption centres, retail locations, Regional Service Commission waste facilities and collection events.

The program contracts with a hauler who is responsible for picking up collection containers from the various depots and consolidating the same at a central warehouse for subsequent delivery to a processor for processing.



*Don Shea, Product Care Recycling and Mary Timberlake, manager Quispamsis Valley Redemption Centre*

Working closely with the Vancouver office, Recycle NB, the depot sites, as well as, the hauler, the role of the New Brunswick representative is one of ensuring all the "spokes of the wheel" participate in a shared vision with the goal of achieving excellent business outcomes and enhanced consumer

experience. Through regular site visits and on-going dialogue with stakeholders, I continuously strive to shape a collaborative culture by building relationships among program stakeholders - such is the role of Product Care's representative in the Province.

### **Don Shea**

*New Brunswick Paint Program Representative*



## Embracing change and technology

This year brought many changes at UOMA Atlantic that resulted in more awareness of our mission and our results. Our oil collection rate in NB increased 5 percent. Our NB collection facilities grew from 162 to 186 sites.

You may ask what has provided these results?

The answer is a dedicated team, which includes collection facilities, collectors, Board of Directors, a new Executive Director and partners such as Recycle NB, Department of Fisheries and high schools.

Last year, as UOMA's New Brunswick representative, I attended trade shows and expositions. In addition, I made presentations to several organizations and schools. These face-to-face opportunities provided 4,500 booth visitors with answers and information about UOMA Atlantic's program. Midyear we added a second life kit to the booth. This kit showed visitors the actual second life products made from the materials they recycled. The kit emphasizes the importance of bringing the products to our collection facilities.

UOMA Atlantic's team is proud of the improvements made to our management framework over the last year. It shows it embraces change and uses technology to face challenges and to communicate with the people of New Brunswick.



*Albert Girard, UOMA-Atlantic presents the ECO 360 "Champion of the Environment Award" to winner Omer Chouinard, Ph.D.*

The Executive Director, Jean Duchesneau modernized procedures and our service and made improvements to the UOMA Website including a geolocation system using your mobile device. Just click on my current location icon and the system gives you all the collection facilities nearest your location.

Members of the Communication Committee wanted a clearer, easier to remember name for the organization to capture the attention of the population. SOGHUOMA became UOMA

Atlantic. The new brand includes new logos, promotional banners, updated documents and new Facebook and LinkedIn pages.

Our new TV and Web advertising campaign informs New Brunswickers about the many collection facilities for oils, used filters, oily containers and coolant and offers viewers a moment of calm. Our aim was to inspire the public to help "Keep this nature ... beautiful, clean and pure".

### **Albert Girard**

*New Brunswick Oil and Glycol Program Representative*



## The Difference 2 Years Makes

March 2019 welcomes 2 full years of the Electronic Products Recycling Association (EPRA) recycling program operating in New Brunswick. It's been two exciting years since EPRA, launched the program in New Brunswick.

The public response and rapid growth of the program has been really quite amazing. New Brunswickers have embraced recycling their end-of-life electronics safely and securely while helping contribute to the province's green economy. We are happy with the strong start to the program.

### Diversion

Raising awareness includes getting the message of "why to recycle" out to the public. End-of-life electronics are filled with natural resources including a variety of precious metals such as gold, silver, copper and palladium as well as less valuable but equally re-useable materials. By recycling these electronics, resources can be recovered and put back into the manufacturing supply chain for new products.

EPRA only works with recyclers who meet the criteria of the national Electronics Recycling



*Lindsay Isenor, Valley Redemption Centre, Collishaw, Moncton with Karen Ulmanis, Director EPRA New Brunswick*

Standard (ERS), a standard which is designed by the electronics industry to ensure that end-of-life-electronics are managed in a safe and environmentally sound manner.

### Data Security and Privacy Protection

A common question people have is regarding data security and personal privacy. Many electronic devices store data and people need to be confident in how to recycle end of life products. The first step is always for the person to delete or erase their own data and information. Help with this can be found at [recycleMYelectronics.ca/nb](http://recycleMYelectronics.ca/nb). For further data security, EPRA takes steps all along the process to ensure all electronics dropped off for recycling are securely handled until fully processed.

### Collection Site Coverage and Convenience

EPRA New Brunswick has opened more than 64 drop off centres throughout the province within the first two years of operation. In fact, 97% of the NB population is within 45 minutes (rural) or 30 minutes (urban) of an EPRA New Brunswick Drop-Off Centre. Finding a collection site has never been easier: New Brunswickers can find their nearest drop-off centre by visiting [recycleMYelectronics.ca/NB](http://recycleMYelectronics.ca/NB) and simply entering their address or postal code.

### Karen Ulmanis

*New Brunswick Electronics  
Program Representative*

# CHALLENGES AND OPPORTUNITIES

## The Plastic Challenge and Opportunity

Plastics are part of our everyday life. In many ways, they make our lives easier. They protect our food from spoiling, make the transport of products easier and less costly, and add value to construction materials and textiles. However, even with their benefits, plastics are a global environmental concern. Globally, about 8 million tonnes of plastic waste enter the oceans each year.

The production of plastic is growing faster than any other material and much of that plastic we throw away after use. According to Environment Canada, less than 11% of plastics are recycled in Canada. Yet recycling 1 tonne of plastics puts an end to up to 2 tonnes of carbon pollution. The plastics so useful to our lives and our economy pollute our environment and fill our landfills. They threaten our health and the health of oceans and marine life.

Finding solutions to deal with plastics is a big challenge. Governments, industry and citizens must work together to find innovative ways to cut the amount of plastic we use and throw away. Considering plastic waste valuable could lead to conservation of resources and reuse and recycling of materials we are throwing away.

By showing leadership on plastics, we have the opportunity to move to a more circular, low carbon economy. Canada put forward the Ocean Plastics Charter at the 2018 G7 Summit. It outlines a lifecycle approach to plastics stewardship on land and at sea. In November 2018, the Canadian Council of Ministers of the

Environment (CCME) approved a Strategy on Zero Plastic Waste. Government has to create

action plans to address priorities and meet the needs of their jurisdiction.

### Packaging and Printed Paper (PPP)



Canadian Ministers of the Environment point to the Canada-wide Action Plan on Extended Producer Responsibility (CCME OCT 2009) as the base for changing how we manage plastics.

The Action Plan identifies Packaging and Printed Paper (PPP) as priority products for an Extended Producer Responsibility (EPR) program.

Extended Producer Responsibility (EPR) is an environmental policy that gives industry the opportunity to manage their products at the end of their life. Industry may operate programs or partner with local authorities to recycle their materials. In either case, funding for the programs belongs to industry instead of taxpayers.

Five Canadian Provinces have PPP (Packaging and Printed Paper Stewardship Plans ) for household waste including British Columbia, Saskatchewan, Manitoba, Ontario and Quebec.

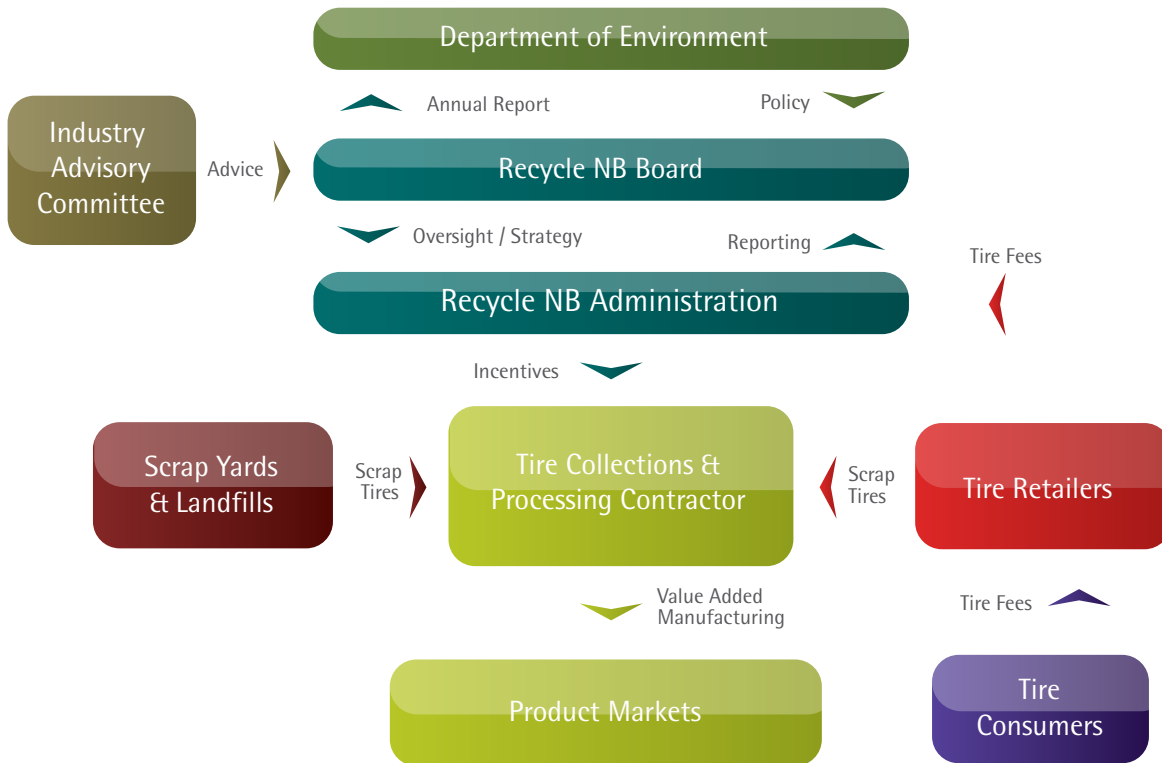
Recycle NB continues its dialogue with stakeholders regarding a PPP program for New Brunswick. It provides opportunities to learn from stakeholders and to expand knowledge and understanding about the challenges, and benefits of such a program.

A jurisdictional review and report outlining a proposed framework and implementation plan provide governments with the tools to examine the future of recycling waste packaging and paper in Atlantic Canada. The document is available on the Recycle NB website, [www.recyclenb.com](http://www.recyclenb.com).

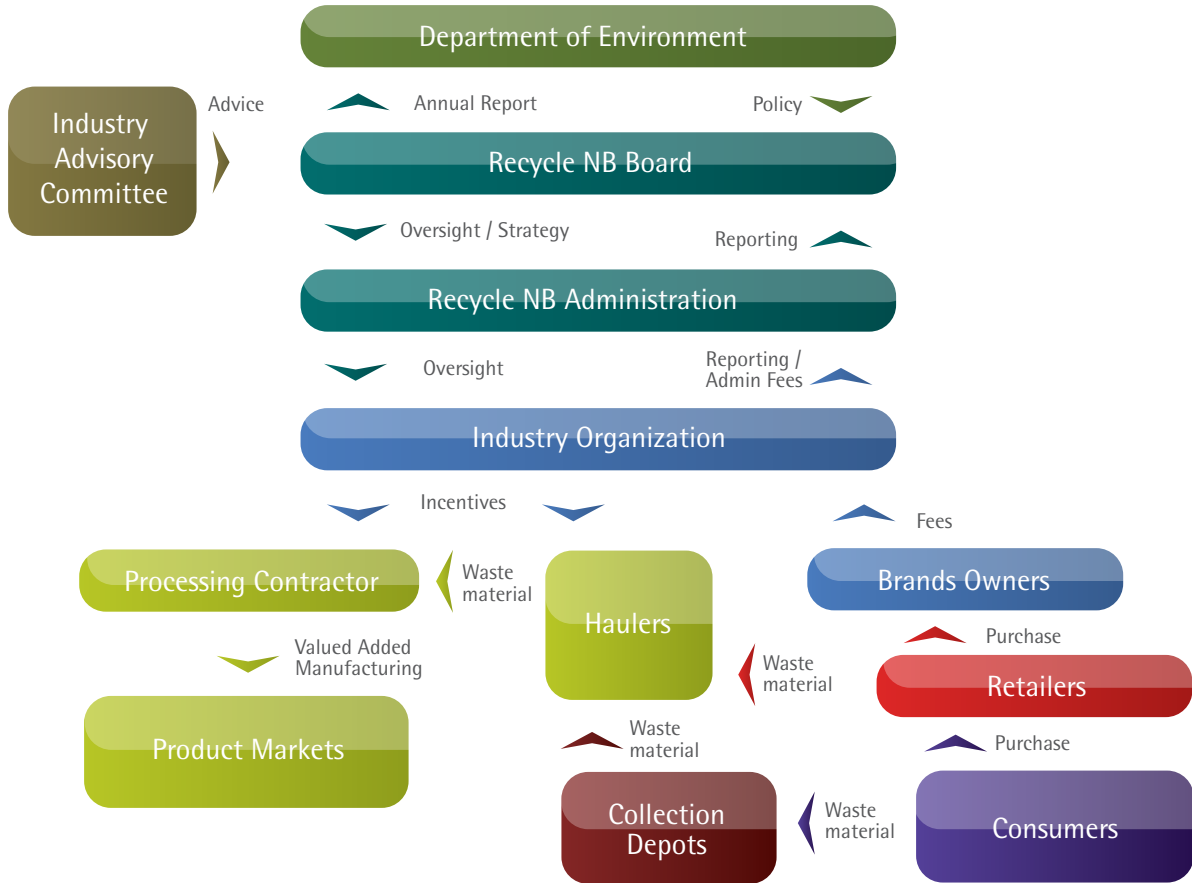
# STEWARDSHIP MODELS

Recycle NB ensures its programs provide an ever-present and accessible recycling solution. The Tire Program is a stewardship program. The Paint, Oil and Glycol, and Electronics Programs are Extended Producer (EPR) Programs.

## TSP Stakeholder Model



## Stakeholder Model for EPR





# TIRE STEWARDSHIP PROGRAM (TSP)

## Historic perspective

The *Designated Materials Regulation* (New Brunswick Regulation 2008-54) under the *Clean Environment Act* came into effect on May 1, 2008. The Regulation created Recycle NB and transferred the rights and obligations of the existing New Brunswick Tire Stewardship Board to the new corporate body.

Through the Tire Stewardship Program, Recycle NB provides a system that allows tire retailers in New Brunswick to comply with the *Designated Materials Regulation*. The regulation applies to anyone selling new tires within the province.

A vital component of the continued success of the program is the ability of the Tire Recycling Atlantic Canada Corporation (TRACC) to find and develop new key markets for recycled products, thus requiring additional quantities of rubber to satisfy increasing customer demand. As TRACC uses more rubber for markets each year, there may come a time when rubber from scrap tires in New Brunswick will not be sufficient to meet its needs.

The Tire Stewardship Program is working for New Brunswickers both to reduce waste and to generate meaningful long-term environmental and economic benefits in the province.

## Achievements

This year, TRACC implemented an online tire tracking system to improve pickup times and track one-time pickups. In addition, the company is refitting its mat production process and working with partners on the development of new products.





## Tire Sales in 2018

There are more than 700 registered tire retailers in New Brunswick. Each retailer is responsible for collecting tire recycling fees at the point-of-sale for each new tire sold. Retailers remit the fees to Recycle NB, which in turn funds the scrap tire collection, transportation and recycling operations. The program is self-supporting, receiving its funding from new tire sales in New Brunswick.

**Tires Sold (Passenger Tire Equivalent):  
1,487,366 PTEs 2018 (1,434,000 in 2017)**

## Tire Collections in 2018

Every scrap tire collected by any tire retail location throughout New Brunswick must be collected and sent to the TRACC recycling plant in Minto. Recycle NB carefully monitors the collection rates to ensure a level playing field for all tire retailers across the province.

**Tires collected (Passenger Tire Equivalent):  
1,221,754 PTEs in 2018 (1,078,000 in 2017)**

**Tire recovery rate: 82.1% (75.1% in 2017)**

## Tire Processing in 2018

Under the tipping fee-based system developed between TRACC and the Province of New Brunswick, the processing costs for the tires are paid once the collected scrap tires enter the TRACC inventory. The advantages of this system include a reduction in administrative costs and an end to frequent inventory audits. In addition, the agreement is a positive first step towards establishing an Extended Producer Responsibility (EPR) program for the Tire Stewardship Program.

Year	2014	2015	2016	2017	2018
Tires Sold *	1,266,000	1,336,000	1,347,000	1,434,000	1,487,366
Tires Collected *	1,093,000	1,097,000	1,140,000	1,078,000	1,221,754
Recovery Rate	86.3%	82.1%	84.7%	75.1%	82.1%

*\* Refers to passenger tire equivalents \*(PTEs) where one PTE is equal to approximately 10 KGs*

## Quality Assurance

Recycle NB ensures that the quality of services provided by the program is at a level, which meets the needs of New Brunswickers.

Recycle NB uses the following processes to implement quality assurance for the TSP:

- Analyzing feedback and taking action to improve programs.
- Analyzing the management plan to improve program delivery.
- Analyzing trends and patterns.
- Benchmarking with similar programs in other jurisdictions.



Recycle NB continues to focus its efforts and resources more effectively by collaborating with other provinces on the delivery of tire retailer audits through its membership in the

Canadian Association of Tire Recycling Agencies (CATRA).

During the year, Recycle NB completed audits on 17 randomly selected retailers.

# PAINT STEWARDSHIP PROGRAM (PSP)

## Historical Perspective

The *Designated Materials Regulation* (New Brunswick Regulation 2008-54 under the Clean Environment Act) came into effect on May 1, 2008. The Regulation created Recycle NB. It gave Recycle NB responsibility for the Paint Stewardship Program, the first Extended Producer Responsibility (EPR) program in New Brunswick.

In June 2008, Recycle NB accepted Product Care Association as the paint agent for brand owners registered under the program. Product Care Association developed the New Brunswick Paint Recycling Program Plan on behalf of the paint industry in response to the New Brunswick *Designated Materials Regulation*. Recycle NB approved the first program plan April 1, 2009 for a three-year period. Based on its performance, the Board approved a five-year plan in 2015 for the period 2016-2021.

The paint stewardship plan provides industry stakeholders the framework necessary to operate a recycling system that is both accountable and transparent to all stakeholders.

Based on the Extended Producer Responsibility (EPR) model, any expenses incurred by the Paint Stewardship Program for oversight, communications, auditing, general administration or any other cost related to the program are reimbursed on a cost-recovery basis by Product Care.

## Achievements

During 2018, the Product Care representative visited 48 collection depots to provide in-person support and deliver informational brochures and training.

Regional Service Commissions held 88 household hazardous waste (HHW) collection events and the Product Care recycling program managed all post-consumer paint collected from these events.

While purchasers use most of the paint they buy, there are times when they must dispose of leftover product. To fund the recycling activities of the Paint Stewardship Program, the price of each container of paint includes an environmental handling fee.



As of December 31, 2018, there were 60 brand owners registered with the Paint Stewardship Program. The brand owners remit the funds collected for recycling to Product Care based on their product sales volumes. Product Care then uses those funds for the operation of the paint recycling program according to its approved business plan.

Program members reported the sale of an estimated liquid volume of 4,533,254 litres of program product in 2018. The corresponding sales in the 2017 reporting period were 4,799,118 litres.



## Paint Sales

Year	Estimated Liquid Volume (Litres)
2018	4,533,254
2017	4,799,118
2016	4,654,046
2015	4,674,947
2014	4,593,235

## Paint Collections

The Paint Stewardship Program allows homeowners and businesses to bring their leftover paint and many types of stains, varnishes, and aerosols to collection depots across the province. As of December 31, 2018, there were 62 collection depots in the province. The collection depots include retailers, Solid Waste Commissions (including events) and Redemption Centres (bottle return depots).



The program supplies collection sites standard reusable collection bins and other containers such as drums. A hauler contracted to the program collects the filled bins from the collection sites and replaces them with empty bins. The hauler consolidates the filled bins at the warehouse and ships full loads to processors for recycling.

New Brunswick collection depots and program participants can continue to take pride in maintaining one of the lowest rates of non-

program material for any paint recycling program in Canada. Non-program materials, which typically consist of Household Hazardous Waste (HHW) products, can add significant operational costs that industry passes on to paint consumers.

The program collected 311,743 litres of paint during the year. The volume of leftover paint processed during the year and the method of disposal follows:

## Percentage of Leftover Paint by Disposal Method

Method	Volume (litres)	Percentage
Reuse (through paint exchange program)	196	0.1%
Recycle	224,399	71.9%
Energy Recovery	25,844	8.3%
Landfill	61,500	19.7%
<b>Total</b>	<b>311,939</b>	<b>100%</b>

\*Total volume includes only paint materials processed during the year.

## Metal and plastic containers collected

The following table shows the amount of metal and plastic containers Product Care recycled during the year.

Containers Collected and Recycled (tonnes)			
Year	Metal	Plastic pails (HDPE 2)	Plastic paint cans (polypropylene)
2018	62.7	4.3	16.1
2017	67.5	4.7	19.5
2016	72.3	4.2	13.6

# OIL AND GLYCOL STEWARDSHIP PROGRAM

## Historical perspective

Used oil and glycol are major sources of liquid waste in New Brunswick.

One litre of oil could pollute one million litres of drinking water. However, when recycled, these products become a resource. By properly recycling and reusing these products, we help protect our environment.

The provincial government introduced a recycling program for used oil and glycol on October 24, 2012. REGULATION 2012-92 under the *Clean Environment Act* designates oil, oil filters, oil containers, glycol and glycol containers as materials to be managed.

The Recycle NB Board approved the New Brunswick Oil and Glycol Product Stewardship Plan for 2014-2017 on November 6, 2013.

An industry led and financed oil and glycol-recycling program began on January 1, 2014. The Board approved a new plan on December 8, 2017 that covers the period 2018-2022.

Like the Paint Program, the Oil and Glycol Program is an Extended Producer Responsibility (EPR) program. Therefore, producers manage and pay directly for the end-of-life waste management of their products.

Instead of every brand owner setting up a recycling program, industry formed UOMA (Used Oil Management Association Atlantic). UOMA operates one oil and glycol program for the province on behalf of its members who are brand owners and first importers of the designated oil and glycol materials.

Having one program and agent has many benefits. It delivers cost savings, ensures a level playing field for industry, and provides province-wide access to recycling depots for consumers.



## Achievements

In 2018, three new collection depots registered with UOMA. As of December 2018, a total of 189 collection depots were operating in New Brunswick.

To thank collection depots for their participation in the program and to encourage them to increase their filter collections, UOMA implemented an ANNUAL PROMOTION targeted at collection depots. In addition, UOMA lists collection depots on its Website.

## Sales and Collections

UOMA in accordance with the Designated Materials Regulation under the Clean Environment Act provides the oil and glycol sales and recovery summary for the calendar year.

## Oil Sales

UOMA has 172 members who sell their products in New Brunswick.

In 2018, UOMA reported total sales of oil products of 14,524,956 litres.



## Oil Collections

UOMA has 189 oil and glycol collection depots across the Province and seven companies collect the used oil products in the province.

In 2018, the program collected 3,612, 077 litres of used oil. This represents 35.5% of oil available for collection. The goal set for the program is a 50% recovery rate.

YEAR	OIL COLLECTED (LITRES)*
2018	3,612, 077
2017	3,728,890
2016	3,690,751
2015	3,309,612
2014	3,319,285

\*55% of the used oil available for collection in New Brunswick is burned in small, approved furnaces.

## Oil Filter Sales and Collection

The number of units of oil filters sold in New Brunswick in 2018 was 1,307,614 units. UOMA collected a total of 1,184,059 units, the equivalent of 339,699 kilograms. The recuperation rate of 90.6% exceeds the goal of 25% recuperation.

YEAR	OIL FILTERS COLLECTED (KILOGRAMS)
2018	339,699
2017	317,694
2016	296,820
2015	285,839
2014	272,138

## Oil Containers Collected

In 2018 450,003 kilograms of oil containers were sold in New Brunswick. Of that total 427,503 kilograms were available for recovery. UOMA collected 258,354 kilograms of containers, which produced a recovery rate of 60.4 % exceeding the 25% goal.

YEAR	OIL CONTAINERS COLLECTED (KILOGRAMS)
2018	258,354
2017	261,149
2016	244,722
2015	246,419
2014	131,646

## Glycol (antifreeze) Sales and Collections

Sales of glycol in the Province amounted to 2,024,064 litres in 2018. Of the amount sold, 910,829 litres were recoverable. Recovery of this product at 114,682 litres amounts to 12.6% of product. This falls short of the 50% goal for recovery. Collection of glycol is low across the country. Therefore, UOMA is conducting a national study on the recycling of glycol. We will be able to report the results of the study in our next Annual Report.

YEAR	GLYCOL COLLECTED (LITRES)
2018	114,682
2017	107,482
2016	120,860
2015	120,063
2014	96,165

## Glycol (antifreeze) Containers Collected

There were 43,017 kilograms of recoverable containers sold in 2018. Of those containers, UOMA collected 15,099 kilograms, 35.1% of the goal of 50% recovery.

YEAR	GLYCOL CONTAINERS COLLECTED (KILOGRAMS)
2017	11,770
2016	7,729
2015	8,010
2014	4,691





# ELECTRONIC PRODUCTS STEWARDSHIP PROGRAM

## Historical perspective

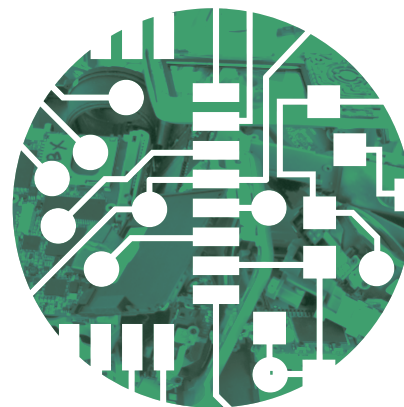
Every year thousands of tonnes of electronic devices end up in landfills. Items such as televisions, computers, digital cameras and audio visual systems contain hazardous materials like cadmium that we need to keep out of our landfills. They also contain materials like gold and copper that can be recycled and used to make new products.

The provincial government established the electronics waste management program under the Clean Environment Act. REGULATION 2015-247 amends the Designated Materials Regulation and sets out the requirements for the program.

The program began operation on March 30, 2017.

EPRA manages and operates the electronics recycling program in New Brunswick.

EPRA is an industry-led, not-for-profit organization that operates recycling programs in nine provinces across Canada. EPRA works



on behalf of brand owners to operate recycling programs for end-of-life electronics that are designated under provincial EPR legislation.

Like the paint and oil and glycol programs, the electronics program is an extended producer responsibility program, which means that industry brand owners cover the costs associated with the recycling program.

## Achievements

By the end of 2018, EPRA increased the number of collection depots to 72 from 64 in 2017. This increased the program's accessibility rate to 99.3% for New Brunswickers.

## Materials collected

The total weight of end-of-life electronics collected in 2018 was 875 metric tonnes.

Year	Metric Tonnes
2018	875
2017	799





## Materials management by method

The program encourages reuse of electronics but provides for the safe and secure recycling of all materials at the end-of-life. The following describes the management of products collected in 2018.

<b>Material Recovery</b>	<b>92.98%</b>
<b>Energy Recovery</b>	<b>3.33%</b>
<b>Disposed</b>	<b>4.70%</b>

## Materials Processed

Electronic devices and equipment contain many valuable materials that can be reused and EPRA ensures that as much material as possible is recovered and sent for use in new manufacturing processes.

Material / Component	% of Material Stream	Process
Leaded Glass	28.87%	Tubes are manually and mechanically separated and either cleaned and processed into cullet for use in glass production, or smelted for reclaim of lead from the glass.
Plastic	18.12%	Plastics are manually and/or mechanically separated. Identifiable plastics are cleaned, sorted and pelletized for reuse; used as a fuel substitute in the process of metal smelting, or managed through an energy-from-waste recovery process.
Ferrous Metals	24.29%	Metals are manually and/or mechanically separated and smelted for reclaim.
Mixed Metals	0.83%	Metals are manually and/or mechanically separated and smelted for reclaim.
Wood	1.31%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled.
Circuit Boards	9.50%	Boards are manually and/or mechanically separated and smelted for reclaim of precious metals, while the plastics are used as a fuel substitute in the smelting process.
Wires/Cables	2.66%	Manually and/or mechanically separated and smelted for metal recovery, while the plastics are either used as a fuel substitute in the smelting process.
Copper	1.68%	Metals are manually and/or mechanically separated and smelted for reclaim.
Aluminum	2.05%	Metals are manually and/or mechanically separated and smelted for reclaim.
Copper Yokes	1.61%	Metals are manually and/or mechanically separated and smelted for reclaim.
Other	4.70%	

# PUBLIC EDUCATION & AWARENESS

Recycle NB focus on educating New Brunswickers about the environment by promoting an understanding of waste as a valuable resource, while emphasizing that recycling presents a viable option for disposal.



## Community Outreach

In October, Recycle NB and its partners participated in the Green Fair organized by the Greater Miramichi Regional Service Commission. In November, we had the honour to present the Town of Shediac its award as the winner of the ECO 360 Environmental Award in the Municipality category.

Recycle NB continued to attend trade shows across the province. The Harbour Authority Partnering Forum was an excellent opportunity to meet with representatives from New Brunswick's small craft harbours. In addition, we provided information on recycling for events such as the Upsalquitch River Days and other community events.

## Achievements

This year with the support of the Environmental Trust Fund, Recycle NB was able to begin Phase IV of its PPP Dialogue. We continued the dialogue with stakeholders and undertook studies on program funding.



## Website

This year we added an interactive component to our Website so we can ask questions and receive feedback from users.



# VALUE-ADDED RECYCLING



## TRACC a recognized industry leader across North America

Tire Recycling Atlantic Canada Corporation (TRACC) is an industry leading tire recycling operation that collects and recycles tires from every corner of the Province of New Brunswick.

Established in 1997 in Minto, New Brunswick, TRACC has grown to be an award-winning tire and rubber recycling operation known throughout North America. Innovation, social responsibility, and community involvement helped TRACC become Minto's largest employer, with over 50 people at our facility.

Our innovative operation makes TRACC a powerful economic asset for New Brunswick as well as a leader in the province's environmental industry sector. In the past 20 years TRACC has diverted over 20 million tires destined for landfills into premium, value added products that reached places as far away as Europe and Asia.

At the local level, our impact goes beyond job creation. We believe that giving back to the community is important, which is why TRACC is known as an active and dedicated member

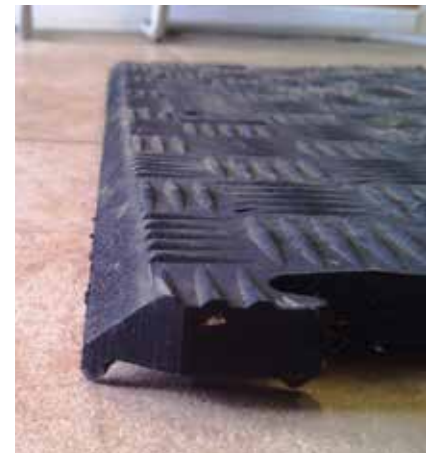


of our community. It supports local sports teams, businesses, charities, and events. Some of our most notable charity work has been with Habitat for Humanity, helping provide new homes for families in need. Our collaborations with 'HFH' helped us make a difference for families and communities in New Brunswick and Central America.

In addition to supporting our community through sponsorships and charitable work, we pride ourselves on collaborating on new, innovative products that benefit communities and municipalities throughout New Brunswick. Our unique ability to manufacture custom products allows TRACC to help communities and municipalities address their needs with a sustainable, eco-friendly solution. Through the Grand Lake Machine Shop, a heavy equipment and custom metal- work service located within

our Minto facility, we work with municipalities to make high quality, value-added products that exceed industry standards.

Over the years, TRACC has developed an impressive catalogue of recycled rubber products, even when compared to larger operations throughout North America. This wide range of products covers landscaping supplies, playground surfacing, gym flooring, horse arena supplies, and several construction and traffic safety products.



TRACC is committed to exploring new and creative ways to increase efficiency while keeping used tires out of our landfills, lakes, and oceans. We are dedicated to our community, innovation, and customer satisfaction.

**Stephen Richardson**  
*President*

# BOARD GOVERNANCE

## Board Membership and Structure

The Minister of Environment and Local Government appoints the members of the Board of Directors of Recycle NB in accordance with Section 4 of the Designated Materials Regulation (New Brunswick Regulation 2008-54) under the Clean Environment Act. The directors are representative of all regions of the province and of both official linguistic communities. The varied backgrounds and experiences of the

directors enable them to bring their individual perspective to addressing environmental issues confronting New Brunswick.

The powers of the Board are set out in Section 5 of the Designated Materials Regulation. The Board is responsible for determining the strategy and policies of the organization, setting objectives for management, approving budgets as well as discharging its fiduciary obligations in areas where the provincial

government has assigned it stewardship responsibility. The Board exercises its oversight role of the operations of Recycle NB through regular Board and sub-committee meetings. The Board has established two sub-committees: Executive Committee and Finance and Audit Committee. Stakeholders are involved in the operation of Recycle NB through Industry Advisory Committees established by the Board.



Front Row: Bill Sargent, Alain Guitard, Tom McCauley, Back Row: Beth McDermott, Anne Lévesque, Erica Barnett, Suzane Arsenault

## MEMBERS OF THE BOARD AND TERMS OF OFFICE AS OF DECEMBER 31, 2018



**Elizabeth McDermott, Chair**

Fredericton, NB

Ms. McDermott is a retired civil servant. She is Managing Director of Beth McDermott Solutions and an active community volunteer.

**Term of office:**

*October 27, 2018 - October 26, 2021*



**William (Bill) Sargent, Vice-Chair**

Miramichi, NB

Mr. Sargent is the former President of the NB Redemption Center Association. He also held a New Brunswick license to handle scrap metals.

**Term of office:**

*October 12, 2016 - October 11, 2019*



**Erica Barnett, Minto, NB**

Ms. Barnett is Mayor of Minto and is a Registered Respiratory Therapist by profession. She is an active community volunteer and she has served on the ALS Board of New Brunswick and Nova Scotia.

**Term of office:**

*June 16, 2018 - June 15, 2021*



**Anne Lévesque, MBA, Moncton, NB**

Ms. Lévesque is experienced in initiating, leading, and supporting small and medium-sized organizations. She supports various organizations across the province as a consultant.

**Term of office:**

*October 12, 2016 - October 11, 2019*



**Suzane Arsenault, Shippagan, NB**

In November 2018, Ms. Arsenault became the Executive Director of Réseau d'inclusion communautaire de la Péninsule acadienne -RIC-PA. Her job is to work in partnership with the community to find tools to stop poverty.

**Term of office:**

*October 12, 2016 - October 11, 2019*



**Tom McCauley, Saint John, NB**

Mr. McCauley has devoted 30 years to public service with the federal Canada Revenue Agency and the provincial Department of Health's Psychiatric Patient Advocate Services Review Board and Tribunal. He has served 32 years as an Elder in the Presbyterian Church in Canada.

**Term of office:**

*July 12, 2018 - July 11, 2021*



**Alain Guitard, Nigadoo, NB**

Alain Guitard has 32 years of experience as a Technician in Industrial Chemistry. He worked 25 years for NB Power. In 1998, he created his environmental business in Northeast New Brunswick. Mr. Guitard is a Village of Nigadoo Councillor.

**Term of office:**

*October 28, 2018 - October 27, 2021*



## BOARD MEETINGS

The Board of directors met 6 times during 2018. Meetings were held on the following dates

Date	Place
February 9	Fredericton
May 11	Caraquet
June 15	St. Andrews
September 21 (Regular and AGM)	Moncton
December 7	Fredericton

## BOARD ATTENDANCE

The level of attendance of directors at Board meetings was 90.57%

Director	Meetings
Elizabeth McDermott	6/6
Erica Barnett	4/6
Anne Lévesque	6/6
Bill Sargent	6/6
Suzane Arseneault	4/6
Tom McCauley	3/3
Alain Guitard	1/1





## COMMITTEES

### Executive Committee

The committee is comprised of four Board members (Board chair, Board vice-chair, and two other Board members). The Board appoints the committee by resolution. The chief executive officer is an ex-officio member of the committee.

#### The terms of reference of the committee are:

- To deal with issues that emerge between regular Board meetings.
- To provide broad strategic direction and advice to the Board.
- To provide advice to the Board Chair and/or Chief Executive Officer.
- To set performance evaluation criteria for the Chief Executive Officer.
- To assess the performance of the Chief Executive Officer.
- To recommend to the Board compensation and benefits levels for staff.
- To coordinate and oversee the evaluation of the Board performance.
- To ensure proper orientation of new Board members.

#### Members

- Beth McDermott, Chair
- Suzane Arsenaault
- Anne Lévesque
- Tom McCauley

### Industry Advisory Committees

We encourage industry stakeholders to participate in the management of recycling programs through the tire, paint, electronics, oil and glycol Industry Advisory Committees (IACs) chaired by a Recycle NB Board member. This system of governance allows the Board the opportunity to benefit from the expertise and advice of stakeholders on various program issues and initiatives in an efficient and equitable manner. Members of the IAC committees meet on a regular basis to assist the Board on

### Finance and Audit Committee

The committee is comprised of four Board members appointed by Board resolution and the chief financial officer is ex-officio.

#### The terms of reference for the finance function of the committee are:

- Be the “eyes” of the Board in meeting its fiduciary responsibilities.
- Provide broadly based advice to management on the annual budget.
- Review the quarterly financial statements.
- Review the effectiveness of the company's internal control systems.
- Monitor compliance with appropriate laws and regulations.
- Recommend investment policy guidelines, whenever required.
- Review the completeness and accuracy of public financial reports.
- Consider any financial issues reasonably within the Board's jurisdiction.

#### The terms of reference for the audit function of the committee are:

- Review and determine the structure and scope of the internal audit function.
- Review the external auditor's audit scope and approach.
- Review the performance of the external auditor and recommend appointment or discharge.
- Consider any audit issues reasonably within the Committee's jurisdiction.

#### Members

- Erica Barnett • Chair, Bill Sargent • Tom McCauley • Alain Guitard

programs that Recycle NB oversees. These committees offer the Board a unique opportunity to communicate bilaterally and directly with the respective industries and their stakeholders. The meetings provide a venue where comments, concerns and suggestions are discussed openly and innovative solutions are developed. This cooperative partnership with stakeholders ensures that a variety of perspectives are heard regularly, evaluated and used by the Board and staff of Recycle NB.

## Tire Stewardship Program

### Industry Advisory Committee Members

- **Recycle NB**, Bill Sargent, *Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*,
- **Tire Dealers**, Atlantic Tire Dealers Association, Frank Connor, *Executive Director*,
- **Auto Dealers**, New Brunswick Automobile Dealers Association, Jane Young, *Executive Director*,
- **Regional Service Commissions**, Restigouche Regional Service Commission, Ian Comeau, *Executive Director*,
- **Transportation Provider / Processor**, Tire Recycling Atlantic Canada Corporation, Stephen Richardson, *Plant Manager*.



## Paint Stewardship Program

### Industry Advisory Committee Members

- **Recycle NB**, Erica Barnett, *Chair*,
- **Recycle NB**, Pat McCarthy, *Chief Executive Officer*,
- **Brand Owners**, Home Hardware Stores Limited, Tim Dietrich (Steven Morneau, *Manager Dealer Operations*),
- **Paint Agent**, Product Care Association,\* Mark Kurschner, *President*, Don Shea, *Product Care Coordinator(NB)*,
- **Regional Service Commissions**, Commission de services régionaux Nord-Ouest, Paul Albert, *Operations Manager*,
- **Paint Retailers**, Atlantic Canada, Retail Council of Canada, Jim Cormier, *Director*,
- **Processor**, Société Laurentide, Recycling Division, Mario Clermont, *General Manager*, Brian Tanner, *Operations Manager*,
- **Transportation Provider**, Hebert's Recycling Inc,\*\* Kevin Sargent, *President*.
- **Beverage Container Redemption Centres**, Eastern Recyclers Association, Bruce Rogers, *Executive Director*

\* Mannie Cheung assigned as alternate

\*\* Fred Hamilton assigned as alternate



## Oil and Glycol Stewardship Program

### Industry Advisory Committee Members

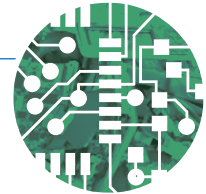
- **Recycle NB**, Beth McDermott, *Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*,
- **Brand Owners**, Ashland, Valvoline, Bruce Trethewey, *Atlantic District Manager*,
- **Oil and Glycol Agent**, UOMA, Jean Duchesneau, *General Manager*, Albert Girard, *Consultant*,
- **Regional Service Commissions**, Acadian Peninsula Regional Service Commission, Gary Leblanc, *Director Solid Waste Management Division*,
- **Retailers, Atlantic Canada**, Retail Council of Canada, Jim Cormier, *Director*; David Bois, Home Hardware Stores Limited,
- **Processor**, Atlantic Industrial Services, Glen Anderson, *Business Development Manager*, Envirosystems, Stan Rich, *Account Representative*,
- **Transportation Provider**, Terrapure Environmental, Adam Hayes, *Branch Manager*; RPM Environmental Systems Inc.; Bianca Cormier, *Branch Coordinator Maritime*.



## Electronic Products Stewardship Program

### Industry Advisory Committee Members

- **Recycle NB**, Anne Lévesque, *Co-Chair*; Bill Sargent, *Co-Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*
- **Brand Owners**, Ricoh Canada Inc. Angie Tinto-Hamood, *Manager, Environment & Sustainability*,
- **Brand Owners' Service Provider**, EPRA, Cliff Hacking, *President*; Gerard MacLellan, *Executive Director*; Karen Ulmanis, *Program Director / New Brunswick*,
- **Retailers Atlantic Canada**, Retail Council of Canada, Jim Cormier, *Director*,
- **Regional Service Commissions**, Kent Regional Service Commission, Eric Dermers, *Solid Waste Director*
- **New Brunswick Stakeholder**, RESNET, Julie Lavoie, *Executive Director*,
- **Transportation Provider**, GM Rioux, Mélanie Desjardins, *Vice-President, Operations and Administration*
- **Reuse Agent**, Computers for Schools, Roy Crawford, *Coordinator*.
- **Beverage Container Redemption Centres**, Eastern Recyclers Association, Bruce Rogers, *Executive Director*



# INDEPENDENT AUDITORS' REPORT



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## TO THE BOARD OF DIRECTORS OF RECYCLE NEW BRUNSWICK

### Qualified Opinion

We have audited the financial statements of Recycle New Brunswick (the Company), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, except for the possible effects of the matter described in the “*Basis for Qualified Opinion*” paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Company derives a portion of its revenue from the collection of tire recycling fees pursuant to the provisions of the Clean Environment Act, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these fee and levy revenues was limited to the amount recorded in the records of the Company and we were not able to determine whether any adjustments might be necessary to

- the current assets reported in the statements of financial position as at December 31, 2018 and 2017.
- the Tire Program revenues and excess of revenues over expenses reported in the statements of operations for the years ended 2018 and 2017.
- net assets, at beginning and end of the year, reported in the statements of changes in net assets for the years ended 2018 and 2017
- the excess of revenues over expenses reported in the statements of cash flows for the years ended 2018 and 2017

Our opinion on the financial statements for the year ended December 31, 2017 was qualified accordingly because of the possible effect of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## **Other Information**

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditors' report thereon, included in the Annual Report

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that extends across the width of the signature.

Chartered Professional Accountants  
Fredericton, Canada  
June 7, 2019

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

## RECYCLE NEW BRUNSWICK

### Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 3,550,986	\$ 2,661,720
Accounts receivable (note 2)	1,092,072	942,667
EPR recoverable (note 3)	-	115,968
	<b>4,643,058</b>	<b>3,720,355</b>
Investments (note 4)	669,305	660,828
Capital assets (note 5)	20,406	7,111
	<b>\$ 5,332,769</b>	<b>\$ 4,388,294</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 545,939	\$ 573,753
EPR payable (note 3)	387,658	-
Employee future benefits (note 6)	64,915	60,837
	<b>998,512</b>	<b>634,590</b>
Net assets:		
Invested in capital assets	20,406	7,111
Unrestricted	4,313,851	3,746,593
	<b>4,334,257</b>	<b>3,753,704</b>
Contractual obligations (note 8)		
Contingencies (note 9)		
	<b>\$ 5,332,769</b>	<b>\$ 4,388,294</b>

See accompanying notes to financial statements.

On behalf of the Board:

  
Director

  
Director



## RECYCLE NEW BRUNSWICK

### Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues:</b>		
Tire Program	\$ 5,844,114	\$ 5,514,515
Oil Program	172,468	173,888
Paint Program	69,773	68,705
E-waste Program	347,321	369,348
Other	96,863	171,556
	<b>6,530,539</b>	<b>6,298,012</b>
<b>Expenses:</b>		
Tire Program (schedule 1)	5,307,812	4,739,774
Oil Program (schedule 2)	172,468	173,888
Paint Program (schedule 3)	69,773	68,705
E-waste Program (schedule 4)	347,321	369,348
Other	97,693	138,843
	<b>5,995,067</b>	<b>5,490,558</b>
<b>Excess of revenues over expenses before the undernoted item</b>	<b>535,472</b>	<b>807,454</b>
<b>Investment income</b>	<b>45,081</b>	<b>26,356</b>
<b>Excess of revenues over expenses</b>	<b>\$ 580,553</b>	<b>\$ 833,810</b>

See accompanying notes to financial statements.

## RECYCLE NEW BRUNSWICK

### Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	Invested in capital assets	Unrestricted	Total 2018	Total 2017
<b>Balance, beginning of year</b>	\$ 7,111	\$ 3,746,593	\$ 3,753,704	\$ 2,919,894
<b>Excess (deficiency) of revenues over expenses</b>	(8,354)	588,907	580,553	833,810
<b>Net change in investment in capital assets</b>	21,649	(21,649)	-	-
<b>Balance, end of year</b>	<b>\$ 20,406</b>	<b>\$ 4,313,851</b>	<b>\$ 4,334,257</b>	<b>\$ 3,753,704</b>

See accompanying notes to financial statements.

## RECYCLE NEW BRUNSWICK

### Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Cash provided by (used in):</b>		
Operating activities:		
Excess of revenues over expenses	\$ 580,553	\$ 833,810
Items not involving cash:		
Amortization of capital assets	8,354	5,596
Employee future benefits	4,078	7,969
	<b>592,985</b>	<b>847,375</b>
Change in non-cash operating working capital:		
Increase in accounts receivable	(149,405)	(32,296)
Decrease in EPR recoverable	115,968	195,233
Increase (decrease) in accounts payable and accrued liabilities	(27,814)	43,278
Increase in EPR payable	387,658	-
	<b>919,392</b>	<b>1,053,590</b>
Investing activities:		
Net change in investments	(8,477)	(5,611)
Capital activities:		
Purchase of capital assets	(21,649)	(4,995)
Increase in cash	889,266	1,042,984
Cash, beginning of year	2,661,720	1,618,736
<b>Cash, end of year</b>	<b>\$ 3,550,986</b>	<b>\$ 2,661,720</b>

See accompanying notes to financial statements.

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements  
Year ended December 31, 2018

Recycle New Brunswick (the "Company") is an agent of the crown, incorporated under *New Brunswick Regulation 2008-54* under the *Clean Environment Act* ("Act"). The principal business activities are overseeing the collection and recycling of used tires, architectural paint, used oil and glycol, and E-waste ("designated materials") on behalf of the Minister of Environment for the Province of New Brunswick. Under the Act, any fees collected by the Company, in each of its designated material programs, are to be used solely to meet its purposes, as established under the Act, in its oversight responsibilities.

### 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The Company has elected to apply the Section 4200 series for government not-for-profit organizations and the deferred method of accounting for contributions.

#### Significant accounting policies are as follows:

##### (a) Financial assets and liabilities:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value.

All financial instruments measured at amortized costs, including investments, approximate fair value.

##### (b) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method at the following annual rates:

Asset	Rate
Building - leasehold improvements	5 years
Furniture and fixtures	5 years
Computer equipment	3 years
Operational equipment	3 years

##### (c) Employee future benefits:

Employees of the Company are entitled to sick pay benefits which accumulate to a maximum of 240 days, but do not vest. The Company recognizes the liability in the period in which the employee renders the service.

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### 1. Significant accounting policies (continued):

#### (d) Revenue recognition:

Revenues from the Tire Program, which includes fees and levies for scrap tires, are recognized in revenues when cash is received or receivable from the tire retailers. The Company uses a closing date of January 31 of the following year to recognize fee transfers from tire retailers related to the current year as a receivable.

Revenues from the Oil, Paint, and E-Waste programs are recognized in revenues as services are performed and collection is reasonably assured.

Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenues in the period in which the related expenses are incurred.

Investment income is recognized in the year it is earned.

#### (e) Use of estimates:

The preparation of the financial statements 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 dates of the financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include the allowance for doubtful accounts, amortization of capital assets, accrued liabilities, employee future benefits and the allocation of expenses by program. Actual results could differ from those estimates.

### 2. Accounts receivable:

	2018	2017
<b>Tire fees</b>	\$ 532,037	\$ 564,028
<b>Sales taxes</b>	538,035	299,976
<b>Environmental Trust Fund</b>	22,000	78,663
	<b>\$ 1,092,072</b>	<b>\$ 942,667</b>



## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### 3. EPR receivable/payable:

The Oil, Paint, and E-Waste programs are Extended Producer Responsibility (EPR) programs which are operated on a cost recovery basis. Each producer is assessed a fee which will be used to cover the educational and administrative costs of the program.

Under the terms of the EPR agreements, costs incurred by the Company while administering the Oil, Paint, and E-Waste programs will be charged to the producers annually. Any excess of monies received from the producer over costs incurred is recorded as a liability at year end, as the excess amount will be credited toward future producer payments in the next fiscal year. Any excess costs over monies received is recorded as a recoverable at year end.

EPR recoverable (payable)	2018	2017
Oil Program	\$ (124,898)	\$ (92,367)
Paint Program	(61,456)	(90,229)
E-Waste Program	(201,304)	298,564
	<b>\$ (387,658)</b>	<b>\$ 115,968</b>

### 4. Investments:

	2018	2017
Cash held in broker's account	\$ 6	\$ 6
Renaissance High Interest Savings Account	127,984	126,464
Manulife Bank Investment Savings Account	110,127	108,819
RBC Investment Savings Account Series A	108,735	107,589
BNS Investment Savings Account	322,453	317,950
	<b>\$ 669,305</b>	<b>\$ 660,828</b>

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### 5. Capital assets:

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Building - leasehold improvements	\$ 70,935	\$ 70,935	\$ -	\$ -
Furniture and fixtures	74,650	73,292	1,358	210
Computer equipment	152,123	135,057	17,066	6,765
Operational equipment	2,994	1,012	1,982	136
	<b>\$ 300,702</b>	<b>\$ 280,296</b>	<b>\$ 20,406</b>	<b>\$ 7,111</b>

Amortization expense for the year is \$8,354 (2017 - \$5,596).

### 6. Employee future benefits:

The Company employees receive sick leave that accumulates. Unused hours can be carried forward for future paid leave. An estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements.

The liability, at December 31 is as follows:

	2018	2017
Accrued sick pay obligation, beginning of year	\$ 60,837	\$ 52,868
Current service cost	15,311	15,467
Benefit payments	(11,233)	(7,498)
Accrued sick pay obligation, end of year	<b>\$ 64,915</b>	<b>\$ 60,837</b>

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### 7. Allocation of expenses:

All expenses which can be directly attributed to one of the Company's designated materials programs have been allocated based on the expected revenues generated by the programs. General expenses relating to human resources, finance, communications, office and facilities expenditures have been allocated as follows:

	PERCENTAGE		ALLOCATION	
	2018	2017	2018	2017
<b>Tire Program</b>	39%	39%	\$ 375,510	\$ 375,488
<b>Oil Program</b>	18%	18%	170,565	171,024
<b>Paint Program</b>	7%	7%	67,901	67,836
<b>E-Waste Program</b>	36%	36%	341,034	341,092
			<b>\$ 955,010</b>	<b>\$ 955,440</b>

### 8. Contractual obligation:

The Company has entered into a lease for their office premises, expiring in 2025. Annual repayments are as follows:

<b>2019</b>	34,809
<b>2020</b>	34,809
<b>2021</b>	34,809
<b>2022</b>	34,809
<b>2023</b>	34,809
<b>Thereafter</b>	86,611
	<b>\$ 260,656</b>

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### 9. Contingencies:

The Company has signed a contract, which terminates in February 2021, with Tire Recycling Atlantic Canada Corporation (TRACC), where payments are made based on a weight-based tipping fee model. Payments are made monthly for \$360 per ton for scrap tires received at their processing facility. Annually, a comparison between the weight of scrap tires calculated using weigh scale confirmation slips versus collection receipt slips is completed. If the difference is less than 4.5%, no adjustments to TRACC payments are made. If the difference exceeds 4.5% an additional payment is made or refund received from TRACC. The Company administers remuneration for this contract on behalf of the Province of New Brunswick and will pay or receive any adjustments accordingly.

### 10. Related party transactions:

The Company is an agent of the Province of New Brunswick. During the year, the Company received tire fees and levies from scrap tires, in the approximate amount of \$944,127 (2017 - \$852,926), which was collected through Service New Brunswick.

The Company has recognized \$74,862 (2017 - \$170,591) in funding from the Environmental Trust Fund for specific projects. The Company has recorded the funding in other revenues. At December 31, 2018, accounts receivable includes \$22,000 (2017 - \$78,663) related to such funding.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 11. Financial risks:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board of Directors has identified its major risks and concerns, and has approved investment policy guidelines. Management monitors the risk and adherence to the policy guidelines.

#### (a) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Company consisting of cash, accounts receivable and investments.

The Company manages its credit risk surrounding its cash and investments by investing in well established financial institutions and governments. Management has assessed credit risk as low with respect to accounts receivable given the demonstrated collection after year end.

The maximum exposure to credit risk of the Company at December 31, 2018 is the carrying value of these assets.

## RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2018

### **(b) Market risk:**

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings in the financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

### **(c) Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

## RECYCLE NEW BRUNSWICK

Schedule 1 - Tire Program

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues</b>	<b>\$ 5,844,114</b>	<b>\$ 5,514,515</b>
<b>Expenses:</b>		
Scrap tire processing	4,888,891	4,314,422
Salaries and employee benefits	182,690	185,565
General and administrative	135,521	114,949
Communication and translation	97,425	122,638
Amortization of capital assets	3,285	2,200
	<b>5,307,812</b>	<b>4,739,774</b>
	<b>\$ 536,302</b>	<b>\$ 774,741</b>

## RECYCLE NEW BRUNSWICK

Schedule 2 - Oil Program

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues</b>	<b>\$ 172,468</b>	<b>\$ 173,888</b>
<b>Expenses:</b>		
Salaries and employee benefits	82,982	84,520
Communication and translation	44,253	44,759
General and administrative	43,741	43,608
Amortization of capital assets	1,492	1,001
	<b>172,468</b>	<b>173,888</b>
	<b>\$ -</b>	<b>\$ -</b>



## RECYCLE NEW BRUNSWICK

Schedule 3 - Paint Program

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues</b>	<b>\$ 69,773</b>	<b>\$ 68,705</b>
<b>Expenses:</b>		
Salaries and employee benefits	33,034	33,525
General and administrative	18,528	16,977
Communication and translation	17,617	17,806
Amortization of capital assets	594	397
	<b>69,773</b>	<b>68,705</b>
	<b>\$ -</b>	<b>\$ -</b>

## RECYCLE NEW BRUNSWICK

Schedule 4 - E-Waste Program

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues</b>	<b>\$ 347,321</b>	<b>\$ 369,348</b>
<b>Expenses:</b>		
Salaries and employee benefits	165,917	168,567
General and administrative	89,451	94,233
Communication and translation	88,970	104,550
Amortization of capital assets	2,983	1,998
	<b>347,321</b>	<b>369,348</b>
	<b>\$ -</b>	<b>\$ -</b>

# ACRONYMS AND GLOSSARY

The following list of acronyms and the glossary are designed to facilitate the understanding of the annual report of Recycle NB

## ACRONYMS

**ATDA** - Atlantic Tire Dealers Association

**CATRA** - Canadian Association of Tire Recycling Agencies

**CCME** - Canadian Council of Ministers of the Environment

**EPR** - Extended Producer Responsibility

**FSC** - Forest Stewardship Council

**GAAP** - Generally Accepted Accounting Principles

**HHW** - Household Hazardous Waste

**IAC** - Industry Advisory Committee

**KPI** - Key Performance Indicator

**LEED** - Leadership in Energy & Environmental Design

**MBW** - Moving Beyond Waste (Recycle NB Education Campaign)

**NBADA** - New Brunswick Auto Dealers Association

**OTR** - Off-the-road tires

**PSP** - Paint Stewardship Program

**PTE** - Passenger Tire Equivalent (IPTE =10kg)

**TRACC** - Tire Recycling Atlantic Canada Corporation

**TSP** - Tire Stewardship Program

**VOC** - Volatile Organic Compounds



## GLOSSARY

**Designated Materials** are waste streams identified by the New Brunswick government under the provisions of the *Clean Environment Act*. The management of a waste stream is entrusted to a Stewardship Board by the government. A Board may be responsible for one or more Designated Materials. The Stewardship Board for tires, paint, oil and glycol in New Brunswick is Recycle NB.

**Extended Producer Responsibility (EPR)** is a strategy designed to promote the integration of environmental costs associated with goods throughout their life cycles into the market price of the products. EPR encourages manufacturers to design environmentally-friendly products by holding producers liable for the costs of managing their products at end of life. This approach persuades manufacturers to internalize the cost of recycling within the product price. The rationale of EPR is that producers (usually brand owners) have the greatest control over product design and marketing and therefore have the greatest ability and responsibility to reduce toxicity and waste.

**Household Hazardous Waste (HHW)** is the term for common household chemicals and substances for which the owner no longer has a use. These substances exhibit many of the same dangerous characteristics as fully-regulated hazardous wastes due to their potential for reactivity, ignitability, corrosivity, toxicity, and persistence. Paints, pesticides, propane tanks, batteries, syringes, used motor oil and many cleaning products are just some examples of household hazardous wastes, that are used daily by residents. These items should be used and disposed of responsibly.

**Moving Beyond Waste** is an approach in managing hazardous and solid waste that has a clear and simple goal: reducing wastes and toxic by-products whenever possible while using the remaining materials as a resource, thus contributing to economic, social, and environmental health.

**OTR (Off-the-Road)** tires are generally used by the agriculture, forestry, construction and mining sectors. These tires are difficult to manage due to their size, weight and durability.

**PTE (Passenger Tire Equivalent)** is an industry accepted method for allowing comparison between tires which are sold and tires which are collected under the program. By transforming tire counts into weights, the program can efficiently track KPI statistics over time. **PTE=10Kg.**

**Product Stewardship** is a concept whereby environmental protection centers around the product itself, and everyone involved in the lifespan of the product is called upon to take responsibility to reduce its environmental impact. For manufacturers, this includes planning for and, if necessary, paying for the recycling or disposal of the product at the end of its useful life. This may be achieved, in part, by redesigning products to use fewer harmful substances, to be more durable, reuseable and recyclable, and to make products from recycled materials. For retailers and consumers, this means taking an active role in ensuring the proper disposal or recycling of an end-of-life product.

**Volatile Organic Compounds (VOCs)** refer to organic chemical compounds which are emitted as gases from certain solids or liquids. VOCs include a variety of chemicals, some of which may have short or long-term effects on the the environment and human health.



**TOGETHER WE MAKE A DIFFERENCE!  
THANKS FOR 10 GREAT YEARS**



*Jamie Seamans, program manager; Patricia Hyland, communications officer;  
Melanie Arbeau, administrative assistant; Tina Hohmann, office manager; Pat McCarthy, Chief Executive Officer.*



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