

MOVING **BEYOND** WASTE



PACKAGING AND PRINTED PAPER



Recycle NB



ANNUAL REPORT | **2019**





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2019

Keeping New Brunswick Clean and Green
for Generations to come



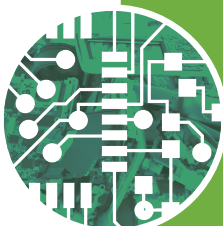
1.24 MILLION TIRES COLLECTED



299,708 LITRES OF PAINT COLLECTED



3,057,400 LITRES OF OIL COLLECTED



1,056 METRIC TONNES OF ELECTRONICS COLLECTED

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 2019. 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.

MESSAGE FROM THE CHAIR

As we develop the annual report each year, we take the opportunity to go through the past twelve months and celebrate our accomplishments, identify areas for improvement, and focus on our mission.

2019 was a year of celebration and adversity.

The Minister of Environment and Local Government announced that New Brunswick will once again lead in solid waste management as it becomes the first Atlantic Province to develop an Extended Producer Responsibility (EPR) program for packaging and printed paper (PPP). With the development of the program by the provincial government in collaboration with Recycle NB and stakeholders we will take the next step toward a waste-free New Brunswick. The proposed program is an EPR program - an environmental policy that creates partnerships among government, industry, and consumers for the benefit of the environment.

Tragedy struck in December when a tire fire at Tire Recycling Atlantic Canada Corporation (TRACC) in Minto left the family-owned business, its employees and its community at a loss. Recycle NB has and will continue to provide support and reassurance to tire retailers and the public that tire collection and scrap tire management services will carry on as usual.

The paint program, operated by Product Care Recycling, commemorated ten years in New Brunswick. This was a milestone for the province's first Extended Producer Responsibility program. The program, which began in 2009, has recovered 2.3 million litres of paint throughout New Brunswick.

This year, Recycle NB said goodbye to three members - Bill Sargent, Anne Lévesque and Suzane Arsenault. Three new Board members Gildard Chiasson, Emil Olsen and Erik Matchett joined the Board. The Board was pleased to announce Frank LeBlanc as its new CEO. Mr. LeBlanc succeeds Pat McCarthy who provided valuable leadership for over 10 years. The Board of directors reluctantly accepted his notification of retirement.

I would like to thank our Board members, our partners, stakeholders, and RNB's dedicated staff for their support and engagement in the past year. We look forward to working together in 2020 and beyond to continue delivering recycling programs that help to promote a clean, healthy, and sustainable environment for New Brunswick.



A handwritten signature in black ink, reading "Beth McDermott".

Beth McDermott, Chair, Recycle NB

CHALLENGES AND OPPORTUNITIES

The PPP Challenge and Opportunity

Once the Minister of Environment and Local Government designates a material under the *Designated Materials Regulation* - Clean Environment Act, Recycle NB works with product stakeholders to bring about the recycling program. The New Brunswick Packaging and Printed Paper (PPP) Extended Producer Responsibility (EPR) program, will be the first of its kind in Atlantic Canada. In addition, it will be the province's largest EPR program. We are excited about the challenges and opportunities it presents.

However, our excitement is tempered by the fact that PPP will not be our only program. As a small organization, one of our challenges is to focus on the development of this program, oversee/manage the existing ones, and to be ready for any other materials the Minister may designate.

We will work with government as it develops the regulation for the PPP program. Once the

regulation is passed, Recycle NB will work with industry, business, our waste management partners, and local governments to ensure that the Management Plan for the program meets the needs of all New Brunswickers. At the same time, we will work with industry to register every brand owner and producer of the products identified in the regulation.

Aside from the PPP program, the Canadian Council of Ministers of the Environment has identified many materials/products that could be managed under an EPR policy. Provinces then decide which materials/products are most important to manage within their jurisdiction. The challenge for Recycle NB is to be ready when the Minister designates a new material/product. We monitor EPR programs in other provinces, look at best management practices within national and international programs, and work with partners and stakeholders to assess the impacts of such programs on New Brunswick.

Government could add new programs or make changes to existing programs. For example, it could extend the electronics program to include additional electronic products like microwave ovens, game consoles, GPS and modems. Nine other provinces and territories have either voluntary or regulated safe return programs for medications and sharps, so at some point New Brunswick may look at regulating a program for these materials.

Whatever direction government takes, Recycle NB will be ready to respond. As the oversight body for Extended Producer Responsibility programs, our role is to approve management plans, monitor program operations, assist industry in meeting its obligations under the Designated Materials Regulation, ensure the programs meet the needs of New Brunswickers, and encourage residents to recycle by participating in the EPR programs being operated in this province.



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.

Achievements

This year, TRACC invested in new shredding equipment which greatly increased efficiency in their shredding operations. In addition, the company has expanded into several markets, most notably in providing rubber footing for equestrian arenas. TRACC continues to work with partners on the development of new products.

Tire Sales in 2019

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):
1,353,788 PTEs 2019 (1,487,366 in 2018)

Tire Collections in 2019

Every scrap tire collected from tire retail locations throughout New Brunswick is 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):
1,248,461 PTEs in 2019 (1,221,754 in 2018)

Tire recovery rate: 92.2% (82.1% in 2018)



Tire Processing System

Under the tipping fee-based system developed between TRACC and the Province of New Brunswick, the processing costs for scrap 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	2015	2016	2017	2018	2019
Tires Sold *	1,336,000	1,347,000	1,434,000	1,487,366	1,353,788
Tires Collected *	1,097,000	1,140,000	1,078,000	1,221,754	1,248,461
Recovery Rate	82.1%	84.7%	75.1%	82.1%	92.2%

* 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.

During the year Recycle NB completed 19 audits on randomly selected retailers. Of those 17 were compliant and two required follow up. 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).

TRACC Update

Message from TRACC President, Stephen Richardson

On Friday, December 20, we suffered a fire at our facility in Minto. With over 50 staff, TRACC is the largest employer in Minto. We operate one of the most successful closed-loop tire recycling facilities in North America. We recycle more than a million tires each year and create value-added products that are shipped worldwide. For two decades, innovation, hard-working staff, and a commitment to a clean environment have been the driving factors for our operation. For these reasons we were dedicated to doing whatever we could to take care of our staff and ensure our community was safe during the fire.

With the quick and overwhelming support of our staff, our community, and our partners in business and government we were able to establish a temporary location to continue operating. We did not lay off staff and we were able to avoid any major interruptions in our business and tire pickups. Because our staff were dedicated to our efforts to get back on our feet, we were able to focus on getting fully up-and -running in a new location.

The new home of TRACC will be just down the street from where we set up in 1996. The company is using this move to streamline our operations by optimizing our shredding line and manufacturing



processes. In addition, it will be an opportunity for the Grand Lake Machine Shop, located within the TRACC facility, to become more efficient and to expand its services. We will be able to process material faster, more efficiently and have more options for new product development.

TRACC looks forward to the opportunities ahead and will always strive to be the most innovative tire recycling operation in North America.



PAINT STEWARDSHIP PROGRAM (PSP)

Historical Perspective

The *Designated Materials Regulation - Clean Environment Act* came into effect on May 1, 2008. The Regulation 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. Product Care Association, currently known as Product Care Recycling, continues to provide waste diversion solutions for its brand owners products in New Brunswick.

Based on the Extended Producer Responsibility (EPR) model, any expenses incurred by Recycle NB in relation to 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 Recycling.

Achievements

This was an exciting year for Laurentide Resource Atlantic and the Village of Richibucto. The paint recycling company created 13 full-time jobs when it moved its paint operations to its facility in the Village. By moving to the Richibucto facility, which Laurentide built in 1962, the company tripled the size of its production and distribution space. The facility sorts post-consumer paint products collected from New Brunswick, Newfoundland, and Prince Edward Island. It will add paint products collected from Nova Scotia in the coming year.

The Richibucto facility is the Atlantic distribution center for International sales. Also, when fully operational, it will be the distributor for the Boomerang recycled paint line for the domestic market.

The New Brunswick Paint Program continues to achieve a high level of success. In 2019 Product Care Recycling managed 81% of material collected through reuse, recycling and energy recovery. This exceeded the target of 70 per cent. It is important to note that during the year no waste paint was incinerated.



Paint Sales

Program members reported the sale of an estimated liquid volume of 4,660,038 litres of program product in 2019. The corresponding sales in the 2018 reporting period were 4,533,254 litres.



ESTIMATED VOLUME SOLD (LITRES)

2019	4,660,038
2018	4,533,254
2017	4,799,118
2016	4,654,046
2015	4,674,947

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, 2019, there were 64 collection depots in the province. The collection depots include retailers, Solid

Waste Commissions (including events) and Redemption Centres (bottle return depots).

The program collected 299,708 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 2019

METHOD	VOLUME (LITRES)	PERCENTAGE
Reuse (through paint exchange program)	700	0.3%
Recycle	194,038	78%
Energy Recovery	5,802	2.0%
Landfill	47,970	19%
Total	307,886	100%

*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)	Total (tonnes)
2019	45.2	4.8	18.8	68.8
2018	62.7	4.3	16.1	83.1
2017	67.5	4.7	19.5	91.7
2016	72.3	4.2	13.6	90.1

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 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. The *Designated Materials Regulation-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. UOMA (Used Oil Management Association Atlantic) operates the program.

Achievements

UOMA welcomed the Polyvalente Louis-J.-Robichaud High School to the Oil Program as a private collection facility. This offers the 670 students the opportunity to recycle their used oil products and contribute to protecting the environment.

With the help of Recycle NB and the Prince Edward Island Department of Environment, UOMA hosted the National Used Oil Management Association of Canada Conference in the Maritime Provinces. The conference exceeded the attendance of all earlier national conferences.



UOMA-Atlantic took advantage of this national gathering to thank Recycle NB for the instrumental role it played in advancing the development of oil recycling programs in Atlantic Canada.

Oil Sales

In 2019, UOMA reported that a total of 14,993,541 litres of oil was sold in New Brunswick.

Oil Collections

UOMA has 196 oil and glycol collection depots across the Province and contracts with seven companies to collect the used oil products in the province.

In 2019, 10,495,479 litres of used oil was available for recovery and the program collected 3,057,400 litres. This is 29.1% of the oil available for collection. A study revealed that 55% of used oil that is available for recovery in New Brunswick is burned in small approved used oil furnaces. In 2019 that amounted to 5,714,788 litres of the oil available for collection. Therefore, the total recovery rate for 2019 was 83.6%. The goal set for the program in 2019 was a 75% recovery rate.



YEAR	OIL COLLECTED (LITRES)*
2019	3,057,400
2018	3,612,077
2017	3,728,890
2016	3,690,751
2015	3,309,612

*55% of the used oil generated 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 2019 was 1,366,199 units (409,838 kg). UOMA collected a total of 985,177 units, the equivalent of 295,537 kilograms. The recuperation rate of 72.1 % is close to meeting the program goal of 75% recovery.

YEAR	OIL FILTERS COLLECTED (KILOGRAMS)
2019	295,537
2018	339,699
2017	317,694
2016	296,820
2015	285,839

Oil Containers Collected

In 2019, 440,672 kilograms of oil containers was sold in New Brunswick. Of that total 418,639 kilograms were available for recovery. UOMA collected 240,374 kilograms of containers. This is a recovery rate of 57.4%, which falls short of the program goal of 75%. As part of its continuous improvement program, Recycle NB will work with UOMA, as it did with the collection of oil, to increase the recovery rate for containers.

YEAR	OIL CONTAINERS COLLECTED (KILOGRAMS)
2019	240,374
2018	258,354
2017	261,149
2016	244,722
2015	246,419

* Oil Containers: 95% of collectable rate for oil containers is based on a 2008 study made by Recyc-Québec and SOGHU stating that 5% of containers are reused and are, therefore, not available for collection.



Glycol (antifreeze) Sales and Collections

Sales of glycol in the Province amounted to 2,189,917 litres in 2019. Of the amount sold, 940,569 litres was available for recovery. Recovery of this product at 116,217 litres amounts to 38.6% of product. This falls short of the 65% goal for recovery.

Glycol collection is low across the country. UOMA completed a national study on the recycling of glycol. Initial results show that more work is required to fully understand the situation. Even with the study, it is not clear what happens to the uncollected amount. This does not mean that the product is

being mismanaged just that it needs further investigation to determine what happens to it post sale. Therefore, as the next step in finding an evidence-based solution RNB has asked UOMA to conduct a New Brunswick study on the recycling of glycol in the province.

YEAR	GLYCOL COLLECTED (LITRES)
2019	116,217
2018	114,682
2017	107,482
2016	120,860
2015	120,063

Glycol (antifreeze) Containers Collected

In 2019 52,125 kilograms of recoverable glycol containers were sold in New Brunswick. Of those containers, UOMA collected 14,561 kilograms. This is a recovery rate of 27.9% which is below the 65% target set by the program. Understanding the situation with recycling glycol itself in New Brunswick may provide some understanding about the after-sale use and practices regarding containers but Recycle NB will continue to emphasize the need for improvement in this area.

YEAR	GLYCOL CONTAINERS COLLECTED (KILOGRAMS)
2019	14,561
2018	15,099
2017	11,770
2016	7,729
2015	8,010

ELECTRONIC PRODUCTS STEWARDSHIP PROGRAM

Historical perspective

Every year thousands of tonnes of electronic devices used to end up in landfills. Items such as televisions, computers, digital cameras, and audiovisual systems, which contain hazardous materials like lead and cadmium that are not good for the environment. 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 *Designated Materials Regulation-Clean Environment Act* to ensure the safe recycling of these products.

The program began operation on March 30, 2017.

Electronic Products Recycling Association (EPRA) manages and operates the electronics recycling program in New Brunswick.

Achievements

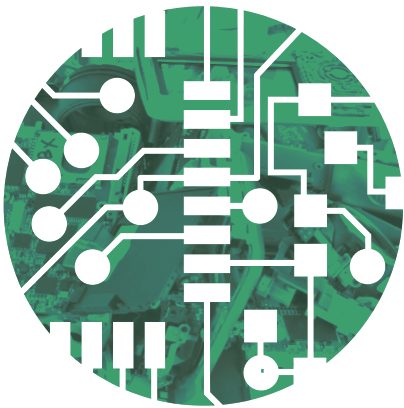
With the collection of 1,056 metric tonnes of end-of-life electronics, the New Brunswick E-waste program grew by 21 percent in 2019.

This year EPRA expanded its network of collection depots to 75. The Fundy Regional Service Commission's landfill and the Fredericton Regional Service Commission's landfill joined the program, bringing the number of provincial landfill's participating in the EPRA program to four, making it even easier for residents to participate in the program.

Materials collected

The total weight of end-of-life electronics collected from March 31, 2019 to December 31, 2019 was 1,056 metric tonnes.

YEAR	METRIC TONNES
2019	1,056
2018	875
2017	799



Materials management by method

The program provides for the safe and secure recycling of all materials at the end-of-life and also encourages reuse of electronics. The following describes the management of products collected in 2019.

Material Recovery	92.97%
Energy Recovery	0.49%
Disposed	6.54%

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	26.33%	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.
Glass	5.25%	Uncontaminated glass is mechanically processed into cullet for use in glass production.
Plastic	14.85%	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	9.09%	Metals are manually and/or mechanically separated and smelted for reclaim.
Mixed Metals	26.95%	Metals are manually and/or mechanically separated and smelted for reclaim.
Wood	2.46%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled.
Circuit Boards	3.70%	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	3.60%	Manually and/or mechanically separated and smelted for metal recovery, while the plastics are used as a fuel substitute in the smelting process.
Copper	0.91%	Metals are manually and/or mechanically separated and smelted for reclaim.
Aluminum	1.51%	Metals are manually and/or mechanically separated and smelted for reclaim.
Copper Yokes	0.36%	Metals are manually and/or mechanically separated and smelted for reclaim.
Other	4.08%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled. (Speaker carpeting, foams, magnetic tapes, shredder fluff, CD's, shrink wrap, paper & cardboard, floor sweepings and other small volume miscellaneous materials).
Batteries	0.36%	Mechanically separated for recovery of metals.
Ink/Toner Cartridges	0.49%	Cartridges are cleaned and reconditioned for reuse or processed through an energy-from-waste recovery process.
Dusts	0.00%	Mechanically separated and smelted for reclaim.
Mercury Lamps	0.01%	Lamps are mechanically processed and separated into glass, metal and phosphor powder material streams. Phosphor powder is further distilled for mercury recovery. Metal and glass are also reclaimed for further use.
Ethylene Glycol	0.05%	The glycol is manually drained from the light tubes and refined for further use.

PUBLIC EDUCATION & AWARENESS

This year, with the support of the Environmental Trust Fund, we continued our dialogue on packaging and printed paper (PPP) with New Brunswickers.

In October, Recycle NB held a PPP workshop. It was an opportunity to learn about Canadian and International trends in PPP, how recycling contributes to the circular economy, and the environmental, social and economic benefits of PPP programs. New Brunswick stakeholders gave their perspectives on building a successful New Brunswick program. The day after the workshop, the Minister of Environment and Local Government announced government will develop an extended producer responsibility program for packaging and printed paper in collaboration with Recycle NB and stakeholders.

Recycle NB began its awareness efforts on PPP in 2014. That year, it led an Atlantic Canada study on PPP. The project produced a Jurisdictional Review and an Atlantic Proposed Framework and Implementation Plan. However, realizing the implementation of a PPP program was complex and would affect many stakeholders, we began a dialogue with municipal, provincial, and community leaders. We wanted to expand their knowledge of Extended Producer Responsibility Programs, outline the challenges and opportunities offered by a PPP program and provide an understanding of the impacts such a program would have on them. In 2015 we held a PPP forum. Following that event, we formed a committee of stakeholders to guide our work during the next phases of our dialogue. We met with PPP experts, undertook study tours to Canadian jurisdictions that had PPP programs, most importantly, we met with leaders in communities across New Brunswick. The next year, we held another workshop with participation by local government representatives, waste managers, industry, New Brunswick citizens and representatives from other provinces.

The 2019 workshop capped the dialogue. Thanks to the support and involvement of so many stakeholders and the Environmental Trust Fund, we can build a made-in-New Brunswick PPP program.



"Recycle NB is to be commended for bringing together all of the stakeholders to help shape the development of NB's PPP program... This approach augers well for the future of PPP."

Don Fitzgerald,
Executive Director, Regional Service Commission 11

"Yes, we talked about the success and difficulties of the PPP EPR Programs in other jurisdictions, the need for equality among communities, and consistency in a future program, but above all we felt government was ready to lead the initiative..."

Danielle Charron, *Executive Director Association of Municipal Administrators of New Brunswick (AMANB)*

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 both official linguistic communities. The varied backgrounds and experiences of the

directors enable them to bring their 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: Tom McCauley, Beth McDermott, Gildard Chiasson, Back Row: Emil Olsen, Erica Barnett, Erik Matchett, Alain Guitard

MEMBERS OF THE BOARD AND TERMS OF OFFICE AS OF DECEMBER 31, 2019

Board Member	Term of Office
Elizabeth McDermott, Chair, Fredericton, NB	October 27, 2018 - October 26, 2021
Gildard Chiasson, Vice-Chair, Bertrand, NB	October 12, 2019 - October 11, 2022
Erica Barnett, Minto, NB	June 16, 2018 - June 15, 2021
Tom McCauley, Saint John, NB	July 12, 2018 - July 11, 2021
Alain Guitard, Nigadoo, NB	October 28, 2018 - October 27, 2021
Emil Olsen, Quispamsis, NB	September 12, 2019 - September 11, 2022
Erik Matchett, Fredericton, NB	October 12, 2019 - October 11, 2022

BOARD MEETINGS

The Board of Directors met 6 times during 2019.
Meetings were held on the following dates:

Date	Place
February 1	Fredericton
April 12	Shediac
June 7	Bas-Caraquet
September 20 (Regular & AGM)	Saint John
December 6	Fredericton

BOARD ATTENDANCE

The level of attendance of directors at Board meetings was 92.5%

Director	Meetings
Elizabeth McDermott	5/6
Erica Barnett	5/6
Anne Lévesque	3/3
Bill Sargent	3/3
Gildard Chiasson	3/3
Suzane Arseneault	5/5
Tom McCauley	5/6
Alain Guitard	6/6
Emil Olsen	1/1
Erik Matchett	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
- Gildard Chiasson, Vice-Chair
- Alain Guitard
- Tom McCauley

Finance and Audit Committee

The committee is comprised of four Board members appointed by Board resolution and the chief executive 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 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 • Emil Olsen • Tom McCauley • Alain Guitard

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 regularly to assist the Board on 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**, Emil Olsen, *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**, ECO 360, Roland LeBlanc, *Director of Solid Waste*
- **Transportation Provider / Processor**, TRACC, Stephen Richardson, *President*.



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,
- **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*.



Paint Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Erica Barnett, *Chair*,
- **Recycle NB**, Frank LeBlanc, *Chief Executive Officer*,
- **Brand Owners**, Home Hardware Stores Limited, *Tim Dietrich *Manager Dealer Operations*,
- **Paint Agent**, Product Care Recycling Association,* Mark Kurschner, *President*, Don Shea, *Product Care Coordinator* (NB),
- **Regional Service Commissions**, Northwest Regional Service Commission, Paul Albert, *Operations Manager*,
- **Paint Retailers**, Atlantic Canada, Retail Council of Canada, Jim Cormier, *Director*,
- **Processor**, Société Laurentide, Recycling Division, Brian Tanner, *Operations Manager*,
- **Transportation Provider**, Hebert's Recycling Inc, Carole Sargent,
- **Beverage Container Redemption Centres**, Eastern Recyclers Association, Bruce Rogers, *Executive Director*

* Steven Morneau assigned as Home Hardware Stores Limited alternate.

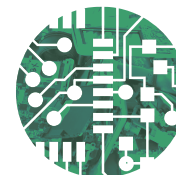
* Mannie Cheung assigned as Product Care Recycling Association alternate.



Electronic Products Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Erik Matchett, *Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*, Frank LeBlanc, *Chief Executive Officer*,
- **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 Derrmers, *Solid Waste Director*
- **New Brunswick Stakeholder**, Carrefour Environnement Saguenay, Réjean Pilote, *Business Manager*,
- **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, 2019
- 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, 2019 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, 2019 and 2018.
- the Tire Program revenues and excess of revenues over expenses reported in the statements of operations for the years ended 2019 and 2018
- net assets, at beginning and end of the year, reported in the statements of changes in net assets for the years ended 2019 and 2018
- the excess of revenues over expenses reported in the statements of cash flows for the years ended 2019 and 2018

Our opinion on the financial statements for the years ended December 31, 2018 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.

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.

The logo for KPMG LLP is written in a stylized, handwritten-style font. The letters 'KPMG' are larger and more prominent, with 'LLP' following in a smaller, similar font. A long, thin horizontal line extends from the bottom of the 'KPMG' text to the right.

Chartered Professional Accountants
Fredericton, Canada

June 12, 2020

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

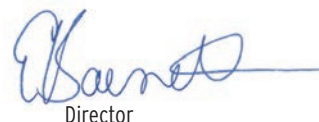
December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 3,818,393	\$ 3,550,986
Accounts receivable (note 2)	1,086,543	1,092,072
	4,904,936	4,643,058
Investments (note 3)	680,177	669,305
Capital assets (note 4)	28,863	20,406
	\$ 5,613,976	\$ 5,332,769
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 676,706	\$ 545,939
EPR payable (note 5)	131,234	387,658
Employee future benefits (note 6)	59,914	64,915
	867,854	998,512
Net assets:		
Invested in capital assets	28,863	20,406
Unrestricted	4,717,259	4,313,851
	4,746,122	4,334,257
Contractual obligations (note 8)		
Contingencies (note 9)		
Subsequent event (note 12)		
	\$ 5,613,976	\$ 5,332,769

See accompanying notes to financial statements.

On behalf of the Board:


Director


Director

RECYCLE NEW BRUNSWICK

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues:		
Tire Program	\$ 5,760,432	\$ 5,844,114
Oil Program	177,767	172,468
Paint Program	72,536	69,773
E waste Program	354,621	347,321
Other	189,091	96,863
	6,554,447	6,530,539
Expenses:		
Tire Program (schedule 1)	5,415,197	5,307,812
Oil Program (schedule 2)	177,767	172,468
Paint Program (schedule 3)	72,536	69,773
E waste Program (schedule 4)	354,621	347,321
Other	195,280	97,693
	6,215,401	5,995,067
Excess of revenues over expenses before the undernoted item	339,046	535,472
Investment income	72,819	45,081
Excess of revenues over expenses	\$ 411,865	\$ 580,553

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Changes In Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Invested in capital assets	Unrestricted	Total 2019	Total 2018
Balance, beginning of year	\$ 20,406	\$ 4,313,851	\$ 4,334,257	\$ 3,753,704
Excess (deficiency) of revenues over expenses	(13,858)	425,723	411,865	580,553
Net change in investment in capital assets	22,315	(22,315)	-	-
Balance, end of year	\$ 28,863	\$ 4,717,259	\$ 4,746,122	\$ 4,334,257

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 411,865	\$ 580,553
Items not involving cash:		
Amortization of capital assets	13,858	8,354
Employee future benefits	(5,001)	4,078
	420,722	592,985
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	5,529	(149,405)
Decrease in EPR recoverable	-	115,968
Increase (decrease) in accounts payable and accrued liabilities	130,767	(27,814)
Increase (decrease) in EPR payable	(256,424)	387,658
	300,594	919,392
Investing activities:		
Net change in investments	(10,872)	(8,477)
Capital activities:		
Purchase of capital assets	(22,315)	(21,649)
Increase in cash	267,407	889,266
Cash, beginning of year	3,550,986	2,661,720
Cash, end of year	\$ 3,818,393	\$ 3,550,986

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements

Year ended December 31, 2019

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, 2019

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:

	2019	2018
Tire fees	\$ 551,890	\$ 532,037
Sales taxes	422,227	538,035
Environmental Trust Fund	112,426	22,000
	\$ 1,086,543	\$ 1,092,072

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Investments:

	2019	2018
Cash held in broker's account	\$ 6	\$ 6
Renaissance High Interest Savings Account	130,040	127,984
Manulife Bank Investment Savings Account	111,848	110,127
RBC Investment Savings Account Series A	110,318	108,735
BNS Investment Savings Account	327,965	322,453
	\$ 680,177	\$ 669,305

4. Capital assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Building - leasehold improvements	\$ 70,935	\$ 70,935	\$ -	\$ -
Furniture and fixtures	78,419	74,300	4,119	1,358
Computer equipment	170,669	147,264	23,405	17,066
Operational equipment	2,994	1,655	1,339	1,982
	\$ 323,017	\$ 294,154	\$ 28,863	\$ 20,406

Amortization expense for the year is \$13,858 (2018 – \$8,354).

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2019

5. EPR 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)	2019	2018
Oil Program	\$ 49,632	\$ 124,898
Paint Program	29,920	61,456
E-Waste Program	51,682	201,304
	\$ 131,234	\$ 387,658

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:

	2019	2018
Accrued sick pay obligation, beginning of year	\$ 64,915	\$ 60,837
Current service cost	13,469	15,311
Benefit payments	(18,470)	(11,233)
Accrued sick pay obligation, end of year	\$ 59,914	\$ 64,915

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2019

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:

	2019	PERCENTAGE 2018	2019 ALLOCATION	2018
Tire Program	39%	39%	\$ 385,484	\$ 375,510
Oil Program	18%	18%	175,095	170,565
Paint Program	7%	7%	69,705	67,901
E-Waste Program	36%	36%	350,092	341,034
			\$ 980,376	\$ 955,010

8. Contractual obligation:

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

2020	34,809
2021	34,809
2022	34,809
2023	34,809
2024	34,809
Thereafter	51,802
	\$ 225,847

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2019

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 \$937,959 (2018 – \$944,127), which was collected through Service New Brunswick.

The Company has recognized \$189,091 (2018 – \$96,863) in funding from the Environmental Trust Fund for specific projects. The Company has recorded the funding in other revenues. At December 31, 2019, accounts receivable includes \$112,426 (2018 - \$22,000) 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, 2019 is the carrying value of these assets.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2019

(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.

12. Subsequent event:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company's business is not known at this time. These impacts could include the Company's ability to collect accounts receivables or potential future decreases in revenues.

RECYCLE NEW BRUNSWICK

Schedule 1 - Tire Program

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues	\$ 5,760,432	\$ 5,844,114
Expenses:		
Scrap tire processing	4,985,953	4,888,891
Salaries and employee benefits	190,178	182,690
General and administrative	128,310	135,521
Communication and translation	105,307	97,425
Amortization of capital assets	5,449	3,285
	5,415,197	5,307,812
	\$ 345,235	\$ 536,302

RECYCLE NEW BRUNSWICK

Schedule 2 - Oil Program

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues	\$ 177,767	\$ 172,468
Expenses:		
Salaries and employee benefits	86,384	82,982
Communication and translation	47,881	44,253
General and administrative	41,027	43,741
Amortization of capital assets	2,475	1,492
	177,767	172,468
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 3 - Paint Program

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues	\$ 72,536	\$ 69,773
Expenses:		
Salaries and employee benefits	34,389	33,034
Communication and translation	19,292	17,617
General and administrative	17,870	18,528
Amortization of capital assets	985	594
	72,536	69,773
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 4 - E-Waste Program

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues	\$ 354,621	\$ 347,321
Expenses:		
Salaries and employee benefits	172,719	165,917
Communication and translation	96,376	88,970
General and administrative	80,577	89,451
Amortization of capital assets	4,949	2,983
	354,621	347,321
	\$ -	\$ -

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 RECYCLING.

Follow us on Facebook and share what you recycle and why.

We recycle, reuse, and reduce as many items as possible. Saving resources, reducing landfill, and protecting the environment are a few reasons why.

- Trudy

We buy used items and do not over shop. We use the food we have and really try not to waste much. Our world is important to us.

- Catherine

I recycle almost everything as it helps us conserve resources, save energy, protect environment and reduces landfills.

- Mohit

We've been working really hard on reducing our waste so on top of recycling, we also compost and reuse whatever we can. We're down to a small kitchen garbage bag a week.

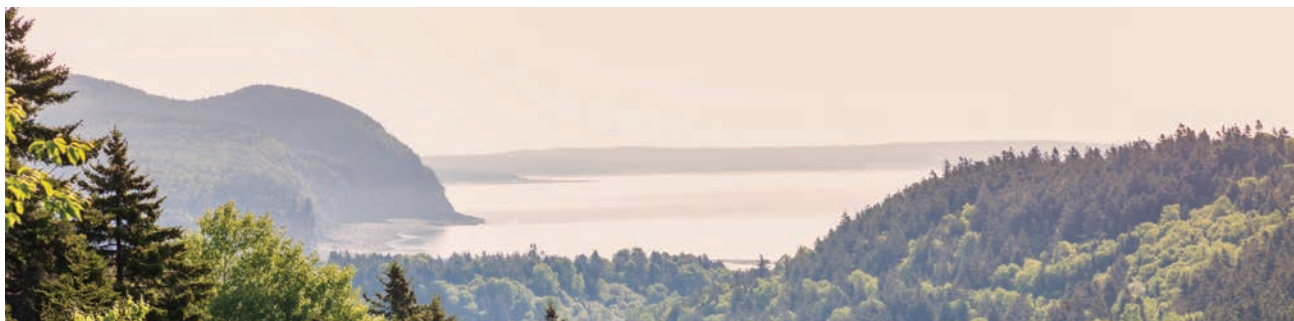
- Helen-Louise

At our house we recycle everything that we can. From pop cans to cardboard. Recycling is so important for our environment that is why I do it.

- Chrissy

We try to minimize the amount of items we buy in non-recyclable packaging, a challenge for sure. Very little goes to landfill. We only have one planet; we try to treat her with respect.

- Betty





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