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INTRODUCTION

We’re focused on a singular goal – a **75 per cent recovery rate** of all beverage containers sold in Manitoba. From our partnerships to our programs, everything we do works collaboratively to reach this number. And this year, we kicked things into high gear.
2014 showed us that beverage container recycling in Manitoba is driving towards the 75 per cent recovery rate. The single-minded commitment Canadian Beverage Recycling Association (CBCRA) and its Recycle Everywhere program have to achieving this goal is the cornerstone to this success.

CBCRA is a not-for-profit industry-funded association that was founded in 2010 to work towards meeting Manitoba’s government mandated recovery rate of 75 per cent of beverage containers sold in the province. The program is growing, achieving increased recovery rates and helping to change consumer recycling behaviour across the province. The Recycle Everywhere program, the world’s first province-wide away-from-home beverage container recycling program, was created and is operated by CBCRA. The infrastructure continuously grows as tens of thousands of bins are distributed in away-from-home spaces throughout the province, making beverage container recycling easy and efficient for consumers.

There has been a steady increase in our beverage container recovery rate to date, up from 42 per cent in 2010 to 64 per cent today. That means that we were able to divert 4,929 tonnes of empty bottles, cans, cartons and juice boxes from landfills in one year, enough to fill 857 rail cars.

None of this could happen without the support of our funders, the brand owners and first importers of non-alcoholic, non-dairy beverages sold in the province. The Container Recycling Fee (CRF) provided to CBCRA by these brand-owners and first importers for every beverage container supplied into Manitoba funds the organization and its tremendously successful Recycle Everywhere program. As a result, Manitobans have a convenient opportunity to recycle their empty beverage containers no matter where they are – from provincial parks, office buildings, stadiums and arenas to schools: Nearly everywhere you go, you’ll see a Recycle Everywhere opportunity.

While the Recycle Everywhere message is delivered to the general public through extensive media campaigns and public space bins, a unique and innovative solution is being provided to multi-family dwellings through the Mini Bin program. This at-home program’s aim is to assist a targeted group who are often hampered by various issues, including convenient access and lack of space in the dwelling unit. Working with property management companies to provide these handy small-space mini bins to tenants, the Recycle Everywhere program is increasing awareness and enhancing recycling options for multi-family dwellings. So far, there has been an increase in beverage container recycling in all the pilot locations where the Mini Bin program was implemented and almost all multi-family dwellings in the province will receive these free bins in 2015 and 2016.

The success of the Recycle Everywhere message is also measured through waste audits. This data gives a clear picture of what is working and what we may need to adjust to ensure continued success. Additionally, annual Litter Audits are conducted to measure the decrease in litter resulting from the Promotion and Education and public space bins. This year, we are proud to report that thanks in part to the Recycle Everywhere program, Winnipeg has seen a 34 per cent reduction in beverage container litter and Brandon 50 per cent, over a four year period.

The targeted goal of CBCRA and its Recycle Everywhere program is in reach and we will continue to move boldly forward in 2015 and beyond to ensure we reach and perhaps exceed our goal to see a 75 per cent return on recycled beverage containers.
2014 – GROWTH IN ACTION

CBCRA celebrated a wealth of successes in 2014. Moving forward from our Inception in 2010, we are seeing more Manitobans recycling their beverage containers today than ever before. This is an exciting time as we know the Recycle Everywhere program message is being heard, loud and clear. The resulting positive attitude towards recycling expressed by Manitobans and verified by third party research owes much to the relentless promotion and expansion of recycling access.

Many combined factors have led us closer to reaching our goal of a 75 per cent recovery rate. And all of it starts with careful planning. In 2014 we created a Strategic Plan, “Plan 75”, that maps out the road to 75 per cent recovery. This included making the best assessment possible of which areas (municipal public spaces, schools, office buildings, etc.) generate how many empty beverage containers. Using the best possible data we were able to access we mapped out the bin coverage in each of those major sectors and the number and type of bins needed to effectively saturate the province so that all consumers everywhere would have reasonably convenient access to a beverage container recycling bin.

The strategic placement of bins is coordinated with Promotion, Education and Awareness campaigns. We realized, based on an examination of current data, that to achieve 75 per cent recovery we need to recover more from the residential sector, which led to the special focus on multi-family dwellings and the creation of the Mini Bin program. Dedicated hard work from the Board and staff has been present from the very start. This tenacious pursuit of the 75 per cent recovery goal is now combined with a strategic road map that leads us to the ultimate goal.

The Annual Report has many statistics and descriptions of the efforts and activities that are moving us closer to our goal, helping to change behavioural norms and creating a positive attitude towards recycling which spills over into the recycling of non-beverage materials as well. The Promotion and Education campaign, which won more awards than any other campaign at the Manitoba 2014 Signature Awards, was highly successful and generates a recall rate that is off the charts compared to every other major campaign.

Our Street Team was tremendously busy spreading our message at festivals and events around Manitoba, totalling 224 event days. The team uses interactive games and contests along with our mascot Binjamin to get the word out to thousands of Manitobans. Their popularity and reach have grown year over year since the inception of the program and is one of the most effective ways in which we communicate to many community leaders and citizens.

Along with working with schools, universities and hospitals, municipal sites, provincial parks and First Nations, our outreach activities included our sponsorship of and partnership with local sports teams and organizations. Third party research shows a strong correlation between the association with these sports teams and the recall of Recycle Everywhere messaging. Through the assertive efforts of our dedicated staff and the instantly recognizable Recycle Everywhere bins, the Recycle Everywhere program is gaining more recognition and reaching further across Manitoba than ever before. All with the purpose of making it easier to recycle beverage containers wherever you are.

Our RE101 schools program has been particularly successful this year with more than half the province’s primary and secondary schools signed up for our program. Besides the in-school benefits, students ultimately take that message home and encourage all family members to do their part to recycle.

We lead with strategy, dedication and a relentless pursuit of making Manitoba a recycling model for all. And we gratefully acknowledge that the increased and increasing participation of all Manitobans has been the key to our success. Whether we are talking about the beverage industry, retailers, our partners or consumers we know we could not achieve this goal without their support for CBCRA and its Recycle Everywhere program.
WE’RE BUILT FOR SUCCESS

Beverage containers are the only product group in Manitoba that have a recycling rate target. This measurable goal, set by the provincial government, focuses our activities and fuels our progress.
DRIVEN BY PURPOSE

In 2010, beverage producers and distributors supplying into the province formed a not-for-profit organization set on meeting the Manitoba government’s mandate to reach a 75 per cent recovery rate of all beverage containers supplied into the province. This organization is the Canadian Beverage Container Recycling Association (CBCRA).

The Manitoba Government Regulation requires that all beverage producers supplying beverages into the province either subscribe to an established program, or implement their own province-wide recycling system that can achieve the mandated recovery rate target. We’ve worked closely with all stakeholders, ensuring that the provincial government, beverage producers, retailers, our community partners and consumers are all considered in the operation of our programs. In 2011, the provincial government signed off on our first Program Plan, and in 2013 a second, five-year plan was approved.

The first program CBCRA created was Recycle Everywhere, a province-wide away-from-home beverage container recycling program that distributes free recycling bins to public spaces. You can now find Recycle Everywhere bins in municipalities, First Nations and northern communities, Industrial, Commercial, and Institutional (I&I) facilities, government offices, public parks, schools, festivals and events throughout Manitoba. The establishment of this recycling infrastructure helps consumers to recycle their empty beverage containers whether at home, work or play. An extensive province-wide Promotion and Education (P&E) campaign informs consumers and raises the profile of recycling throughout the province.

Funded by Producers

Beverage producers supplying into the Manitoba market are charged a Container Recycling Fee (CRF) for every non-alcoholic, non-dairy beverage container they bring into the province. This fee funds the entire program - including infrastructure, signage, technical support and P&E. In addition, the funds pay for up to 80 per cent of the cost to collect and process beverage containers in residential recycling programs. Through the CRF, industry producers pay CBCRA to recover their materials in all channels, both in residential and away-from-home sectors. The fee ensures that each beverage sold supports the recycling process.

Our program provides many tiers of benefits. Using recycled beverage containers to manufacture new ones conserves resources, reduces greenhouse gas emissions and saves the energy required to process new raw materials. Our programs also keep thousands of tonnes of beverage containers out of the garbage and reduce litter, extending the life of Manitoba’s landfills and increasing sustainability. Finally, Recycle Everywhere generates local jobs, both in recycling collection and processing, and bin manufacturing – with the majority of our bins made here in Manitoba.
HOW CBCRA WORKS

CBCRA ON BEHALF OF THE BEVERAGE PRODUCERS PAYS MMSM THE COST OF MANAGING THE RECOVERY OF BEVERAGE CONTAINERS IN THE RESIDENTIAL STREAM

BRAND OWNER/PARTICIPANT

CONtributes CRF ON EACH CONTAINER SOLD INTO MB

MMSM

REIMBURSES 80% OF NET MUNICIPAL COST AFTER COMMODITY REVENUE

MUNICIPALITY

COLLECTOR (PUBLIC OR PRIVATE) COLLECTS FROM RESIDENTS AND DELIVERS TO A MRF

MATERIALS RECOVERY FACILITY (MRF)

REBATE MAY ACCRUE FROM MATERIAL REVENUE

MATERIALS SOLD TO COMMODITY MARKETS

COMMODITY MARKETS

REVENUE MATERIAL FLOWS BACK TO MRFs

REBATE MAY ACCRUE FROM MATERIAL REVENUE

COLLECTOR (PUBLIC OR PRIVATE) COLLECTS FROM RECYCLE EVERYWHERE PARTNERS AND DELIVERS TO MRF

USES CRF TO FUND AWAY-FROM-HOME RECYCLING INFRASTRUCTURE

CBCRA

FLOW OF CBCRA FUNDS

FLOW OF MMSM FUNDS

COLLECTED MATERIALS

FLOW OF MATERIAL REVENUE
RECOVERY RATE METHODOLOGY
The total recovery figure is calculated by collecting data from a number of sources, including at home collection in single and multi-family dwellings, as well as away from home collection data such as IC&I, public events and private sector collections.

Total sales are defined as the quantity of beverage container packaging supplied for use in Manitoba as reported by CBCRA members. CBCRA members report the number of units they sell into the province monthly through CBCRA’s online reporting system.

WHERE THEY’RE COLLECTED
- **Public Spaces:** Municipal and provincial buildings, city parks, streetscapes and more
- **Private Establishments:** Industrial, Commercial and institutional (IC&I) locations, including office buildings
- **Public Facilities:** Arenas, pools and recreation facilities, schools, colleges and universities
- **At home:** In single family and multi-family dwellings throughout the province

WHAT IS ACCEPTED
- Aluminum cans and steel beverage containers
- Plastic bottles
- Glass bottles
- Gable top (carton) containers
- Aseptic (drink box) containers
- Drink pouches

“We’re extremely proud to be working with Recycle Everywhere. Together, we’re ensuring that record numbers of beverage containers are being diverted away from landfills.”

Mike Huston
Plant Manager, Cascades Recovery Inc.
## Working in Tandem

### Material Categories

<table>
<thead>
<tr>
<th>Material Categories</th>
<th>Number of Units Reported Sold in Manitoba 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>189,941,305</td>
</tr>
<tr>
<td>PET</td>
<td>188,294,951</td>
</tr>
<tr>
<td>HDPE</td>
<td>1,743,269</td>
</tr>
<tr>
<td>Other Plastics</td>
<td>422,714</td>
</tr>
<tr>
<td>Poly Cup</td>
<td>2,348,629</td>
</tr>
<tr>
<td>Glass</td>
<td>3,635,529</td>
</tr>
<tr>
<td>Bi-Metal</td>
<td>972,648</td>
</tr>
<tr>
<td>Drink Box</td>
<td>38,419,713</td>
</tr>
<tr>
<td>Gable Top</td>
<td>4,929,282</td>
</tr>
<tr>
<td>Drink Pouch</td>
<td>13,667,072</td>
</tr>
<tr>
<td>Bag-in-a-Box</td>
<td>2,838</td>
</tr>
<tr>
<td>Total</td>
<td>444,377,950</td>
</tr>
</tbody>
</table>
PARTICIPATING PRODUCERS

CBCRA participants are the producers and distributors of single-use, sealed, ready-to-serve beverage containers sold in Manitoba. These companies are committed to increasing beverage container recycling rates in Manitoba. Their funding supports everything from recycling infrastructure to consumer education. The Volunteer Board of Directors guides the organization. Though all obligated beverage producers are already registered with CBCRA, we will continue to engage new companies to join our organization as they emerge.

2014 CBCRA PARTICIPANTS

A. Lassonde Inc.  
Amway Canada Corporation  
6898662 Beverages LP DBA Arctic Beverages  
Arctic Connection  
Calkins & Burke Ltd.  
Campbell Company Of Canada  
Canada Dry Mott’s Inc.  
Canada Safeway Limited  
Canadian Tire  
CanAqua Inc.  
Coca-Cola Refreshments Canada Company  
Costco Wholesale Canada Ltd.  
Cott Beverage  
Dewpoint Bottling Company Ltd.  
Distribution Miium Inc.  
Dollarama LP  
Edoko Food Importers Ltd.  
Eico Fine Foods Inc.  
Federated Co-Operatives Limited  
Gordon Food Service  
H. J. Heinz Company of Canada LP  
ID Foods Corporation  
IKEA Canada Limited Partnership  
Inform Brokerage Inc.  
JFC International, Inc.  
Keewatin Air LP  
Kohl & Frisch Limited  
Kraft Canada Inc.  
Leading Brands of Canada, Inc.  
Loblaws Companies Ltd.  
London Drugs Limited  
Malinda Distributors Inc.  
Manitoba Harvest  
Maverick Brands, LLC  
McKesson Canada  
Mixology Canada Inc.  
Nestle Waters Canada  
P.A. Bottlers Ltd.  
P.A. Fine Foods & Distributors  
Pepsi Bottling Group Canada  
 Philippine Fruit Corporation  
Prism Distributions Inc.  
Renees Gourmet Foods Inc.  
RW Packaging Ltd.  
Saputo Dairy Products Canada G.P.  
Shoppers Drug Mart Inc.  
Sky Blue Water Inc.  
Sobeys Capital Incorporated  
Star Marketing Ltd.  
Starbucks Coffee Canada  
Sunrise Markets Inc. dba Sunrise Soya Foods  
Sun-Rype Products Ltd.  
Sysco Food Service, Winnipeg  
Target Canada Company  
The Minute Maid Company of Canada Inc.  
The North West Company LP  
The TDL Group Corp  
Tree of Life Canada ULC  
Turtle Mountain, LLC  
Unisource Canada Inc.  
Wal-mart Canada Corp.  
Whistler Water Inc.  
Wm.Bolthouse Farms Inc.

PARTICIPATING RETAILERS

We also rely on beverage retailers throughout the province to support the program. They are key to educating customers on the link between the CRF and the cost of recycling each beverage container, and act as a major point of interaction between beverage-buying consumers and the recycling program. The beverage companies typically pass on the fee to retailers who pass it on to consumers – this fee is shown on most store receipts. Retailers in Manitoba continue to play an important and effective role in the success of beverage container recycling by assisting in spreading our message.
A WELL-OILED MACHINE

Thanks to the work we’re doing, there are now thousands of Recycle Everywhere bins across the province. Each one gives Manitobans the opportunity to recycle their empty beverage containers and divert them from a landfill. Year over year, we’re adding more sites and improving our recovery rates. The results speak for themselves.
## RECOVERY RATES & RESULTS

### UNIQUE 2014 BIN SITES

We're working to increase public access to recycling by distributing free beverage container recycling bins across the province. Each new unique bin site we add is associated directly with a specific partner and represents another stride towards improved recovery rates across Manitoba. The following chart is a breakdown of the new locations that Recycle Everywhere added in 2014.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Municipal Sites</td>
<td>129</td>
</tr>
<tr>
<td>(streetscapes, libraries, City-run golf courses, pools, arenas, community/recreation centres, etc.)</td>
<td></td>
</tr>
<tr>
<td>Number of IC&amp;I Sites</td>
<td>300</td>
</tr>
<tr>
<td>(private community centres and golf courses, businesses, restaurants, hotels, private campgrounds, post secondary schools, day cares, etc.)</td>
<td></td>
</tr>
<tr>
<td>Number of Park Sites</td>
<td>3</td>
</tr>
<tr>
<td>(National and Provincial)</td>
<td></td>
</tr>
<tr>
<td>Number of Recycle Everywhere 101 Schools</td>
<td>214</td>
</tr>
<tr>
<td>(primary and secondary only)</td>
<td></td>
</tr>
<tr>
<td>Number of Government Buildings</td>
<td>32</td>
</tr>
<tr>
<td>(Manitoba Government and Crown Corporations only)</td>
<td></td>
</tr>
<tr>
<td>Number of First Nations and Northern Partners</td>
<td>58</td>
</tr>
<tr>
<td>(includes: northern and southern First Nations, northern IC&amp;I, northern municipalities)</td>
<td></td>
</tr>
</tbody>
</table>

### Number of Bins Placed in 2014

13,470

### Recovery Rate Growth

We continue to move relentlessly towards our goal of 75% recovery. Over the last five years the recovery rate has increased by 22 percentage points which means that 52 per cent more containers were recycled in 2014 than in 2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>42%</td>
</tr>
<tr>
<td>2011</td>
<td>49%</td>
</tr>
<tr>
<td>2012</td>
<td>53%</td>
</tr>
<tr>
<td>2013</td>
<td>61%</td>
</tr>
<tr>
<td>2014</td>
<td>64%</td>
</tr>
</tbody>
</table>

### Number of New Bin Sites for 2014

736

4,929 tonnes of beverage containers were recycled last year in Manitoba. That's enough containers to fill 857 rail cars.
OUR PERFORMANCE IS ONLY GETTING STRONGER

Year over year, our programs are becoming more efficient and our delivery more targeted. Every partnership and initiative is focused on our 75 per cent recovery rate goal. And, as we move into our sixth year, we continue to refocus and update our approach. In 2014, a Plan 75 internal strategy document was developed that outlines how to reach that number.

<table>
<thead>
<tr>
<th>NUMBER OF UNIQUE BIN SITES ADDED PER YEAR</th>
<th>CUMULATIVE NUMBERS FOR ALL BIN SITES 2010–2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010 UNIQUE BIN SITES</strong> 69</td>
<td><strong>NUMBER OF MUNICIPAL SITES</strong> 385</td>
</tr>
<tr>
<td>(streetscapes, libraries, City-run golf courses, pools, arenas, community/recreation centres, etc.)</td>
<td></td>
</tr>
<tr>
<td><strong>2011 UNIQUE BIN SITES</strong> 127</td>
<td><strong>NUMBER OF IC&amp;I SITES</strong> 586</td>
</tr>
<tr>
<td>(private community centres and golf courses, businesses, restaurants, hotels, private campgrounds, post secondary schools, day cares, etc.)</td>
<td></td>
</tr>
<tr>
<td><strong>2012 UNIQUE BIN SITES</strong> 172</td>
<td><strong>NUMBER OF PARK SITES</strong> 21</td>
</tr>
<tr>
<td>(National and Provincial)</td>
<td></td>
</tr>
<tr>
<td><strong>2013 UNIQUE BIN SITES</strong> 543</td>
<td><strong>NUMBER OF RECYLE EVERYWHERE 101 SCHOOLS</strong> 487</td>
</tr>
<tr>
<td>(primary and secondary only)</td>
<td></td>
</tr>
<tr>
<td><strong>2014 UNIQUE BIN SITES</strong> 736</td>
<td><strong>NUMBER OF GOVERNMENT BUILDINGS</strong> 55</td>
</tr>
<tr>
<td>(Manitoba Government and Crown Corporations only)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NUMBER OF BIN SITES 2010–2014</strong> 1,647</td>
<td><strong>NUMBER OF FIRST NATIONS</strong> 30</td>
</tr>
<tr>
<td>(includes northern and southern First Nations)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>NUMBER OF NORTHERN PARTNERS</strong> 83</td>
</tr>
<tr>
<td>(includes northern IC&amp;I, northern municipalities)</td>
<td></td>
</tr>
</tbody>
</table>
WASTE AUDITS & MATERIAL RECOVERY FACILITY (MRF) AUDITS
CBCRA routinely conducts MRF audits to help measure the performance of the beverage container recycling system. This is accomplished by taking samples of materials from specific locations, sorting these materials into categories and measuring changes over a set period of time. In 2014, six MRF audits were conducted.

In addition, CBCRA uses Waste Audits to evaluate the effectiveness of waste management systems in various public spaces. This helps us to understand the challenges and to provide recycling solutions. In 2014, nine waste audits were conducted: one educational, one northern municipal and seven industrial, commercial and institutional. The education audit in particular showed a marked improvement in recovery rates and lower contamination levels largely due to the Recycle Everywhere 101 program.

LITTER AUDITS
Since 2010 four litter audits have been conducted in the cities of Winnipeg and Brandon, two in Steinbach and one each in Flin Flon and Thompson providing litter data in large and smaller Manitoban communities. These litter audits measure the impact of both the ubiquitous Recycle Everywhere beverage bins as well as the targeted Promotion and Education. Since 2010 Winnipeg has seen a 34 per cent reduction in beverage container litter and Brandon a 50 per cent reduction. The impact goes further, however, and the overall litter has decreased in Winnipeg by 39 per cent and in Brandon by 41 per cent. Steinbach continues to exhibit the lowest overall litter numbers the audit company has seen anywhere across North America.

MINI BIN
Approximately 70 per cent of beverages are consumed at home, and dwellings such as apartments, condos and townhouses offer the biggest opportunity to improve recovery rates. That’s why CBCRA and its Recycle Everywhere program introduced the Mini Bin: a space-saving recycling container that is being distributed free of charge to multi-family residences across Manitoba. In 2014, CBCRA completed a pilot program to test its effectiveness, which saw 20,000 pilot bins distributed to multi-family dwellings across the province.

Several buildings were audited and results of this pilot program revealed the increase in beverage container recycling ranged from 8–25%, with an average of 17%.
THE MECHANISMS OF CHANGE

Our research findings demonstrate that by promoting the benefits of recycling and by providing the means to do so, more people are encouraged to recycle more often. It also means that to reach a 75 per cent recovery rate, CBCRA must remain proactive with its programming and aggressive in its delivery of campaigns targeted towards under-performing market segments.
“When we polled people about their awareness of beverage container recycling ads, unaided recall for this campaign was extremely high. More than double the typical score.”

Curtis Brown
Vice President, Probe Research

GENERAL AWARENESS CAMPAIGN

2014 saw the development of new creative for the general awareness campaign. The idea was rooted in research insights that found that there is a:
- Lack of clarity that all empty beverage containers can be recycled
- Continued perception that recycled empty beverage containers end up in landfills
- Perceived lack of ease and access to recycling infrastructure

The campaign featured executions that referenced iconic beverage container marketing. Visuals and messaging referenced genre ads related to soft drinks, bottled water, fruit juices and sports and energy drinks. Each execution was anchored with a consistent call to action, asking the audience to “Enjoy it. Recycle it.” Media for the general awareness campaign included print, radio, out-of-home, online and television.

In the fall, a research survey to measure campaign awareness and behavioral shifts towards beverage container recycling was conducted.

The results demonstrated that the knowledge of what can be recycled is extremely high and the likelihood of recycling things at home is increasing. Of the Manitobans polled:
- 67 per cent of telephone respondents and 71 per cent of online respondents exhibited unaided recall of advertising about recycling, generally.
- 59 per cent of telephone respondents and 72 per cent of online respondents demonstrated unaided recall of advertising about beverage container recycling, specifically.
TARGETED INITIATIVES

The year started off with a continuation of the Container Recycling Fee creative developed in 2013. Online ads and traditional support in retail and convenience stores presented the fee and reinforced that it funds empty beverage container recycling in the province of Manitoba.

In the summer, in order to reach 18-24 year-old males, convenience stores, university campuses and targeted websites were given additional media support and featured sports and energy drink creative from the general awareness campaign. In addition, a micro-campaign dubbed “Hard way / Easy way.” was developed specifically for this audience. The creative features males completing an impressive physical maneuver, such as parkour and skateboarding, and recycling an empty beverage container after their feat. This was contrasted with them simply placing the empty beverage container in a blue bin. Messaging related to the fact that no matter how you choose to do it, you should recycle your empty beverage containers after you’re done.

Finally, the year ended with a dedicated holiday campaign to congratulate Manitobans on another successful year of recycling. Media included out-of-home, 10-second closed captioning, sponsorship messages and radio.

FOLLOW THE CONTAINER

CBCRA produced an animated video to educate viewers on the journey an empty beverage container takes after it’s placed in a blue bin. The education tool is viewable as either a full video or an interactive game, where the audience decides which path they want to follow. It’s available on the Recycle Everywhere YouTube channel and website, and will be promoted in schools as part of the Recycle Everywhere 101 program. www.recycleeverywhere.ca/videos/

DIRECT MAIL

A direct mail piece was developed to encourage beverage container recycling at home. The creative emulated a fridge door that, once opened, revealed a fridge magnet and information on what post-recycled materials can become. 17,000 pieces were distributed across Winnipeg and Brandon.

DIGITAL MEDIA, SOCIAL MEDIA & PUBLIC RELATIONS

In 2014, Recycle Everywhere continued to focus its communication efforts on digital engagement and media relations. We added 20 new videos to our YouTube channel and moved our social media management to a third party, which saw an eight per cent growth in Twitter followers and 82 per cent growth in Facebook fans. Our website, which saw a 189 per cent traffic increase, also integrated a bin ordering system to create internal efficiencies. Finally, media relations focusing on the launch of our dual stream street bins in the city of Winnipeg and promotion of our impressive recovery rates as well as our participation on the Winnipeg Chamber of Commerce BOLD radio show, helped to promote CBCRA’s presence to a larger audience.
SPONSORSHIPS
Sponsorships and community engagement continue to play an important role in our activities. We want to reach Manitobans where they live, work and play, and in 2014, we connected with the community like never before.

SPORTS SPONSORSHIPS
Hockey: Former Winnipeg Jets Defenseman Zach Bogosian continued to have Recycle Everywhere presence inside and outside the arena in 2014, participating in fun and exciting school contesting. Our Winnipeg Jets partnership also saw the distribution of co-branded merchandise through our Street Team and at events. In addition, our sponsorship with the Brandon Wheat Kings and Manitoba Junior Hockey League reached tens of thousands more hockey fans across the province.

Football: Our partnership with the Winnipeg Blue Bombers saw their interactive event vehicle travelling to over 50 community gatherings throughout the province with our Recycle Everywhere inflatible 3-point kick. This was in addition to our presence in the stadium and on radio broadcasts.

Baseball: We continue to see great exposure from our partnership with the Winnipeg Goldeyes and in 2014, we extended our baseball presence as a title sponsor of the American Association All-Star Skills Competition.

Other: We continued to reach Manitobans by supporting Curl Manitoba and the Red River Co-op Speedway.

CULTURAL AND COMMUNITY SPONSORSHIPS
Cultural: Our partnership with Folklorama saw Recycle Everywhere bins at all pavilions and gave one lucky festival attendee a grand prize of two cruiser bikes.

Community: Along with Take Pride Winnipeg!, an organization committed to inspiring civic pride, we ran an exciting litter pickup contest geared at students. Our co-sponsorship of two grand prize trips for two to Disney World saw one winner from Winnipeg and one from outside Winnipeg take home the top prizes. Education was also a focus as the Green Kids took the Recycle THIS! Tour on the road for the second year, travelling to 50 schools. Finally, our sponsorship of the Northern Manitoba Trappers Festival extended our reach to people living in the North.
STREET TEAM

The Recycle Everywhere Street Team had a presence at over 150 different events, with 81 mascot appearances spread over 224 event days. 2014 kicked off with the addition of rebranded tents, clothing and on-site collateral, and a series of engagement tools including a “bin pong” skill toss, educational flip book and competitive board game.

Our four Street Teams, which consisted of a total of nine members and a team lead, attended events in Winnipeg and 33 other communities across the province, including:

Sports: Winnipeg Goldeyes, Winnipeg Blue Bombers, Red River Co-op Speedway, Curl Manitoba, Brandon Wheat Kings, Hockey Night in Canada’s Play On!

Arts and Culture: Folklorama, Osborne Canada Day Street Festival, Transcona Hi Festival, Flin Flon Trout Festival, Dauphin Street Fair, Icelandic Festival.

Education: Lord Nelson Sustainable Symposium, Robert Browning School Picnic, Minnetonka Community BBQ.

Environmental: Earth Day Celebration at Fort Whyte Alive, Take Pride’s Team up to Clean up, West End Biz Clean up.
a presence at over 150 different events spread over 224 event days
WORKING TOGETHER TOWARDS A COMMON GOAL

Our success, in part, is due to the hundreds of dedicated partners we work with across Manitoba. They make it possible to implement outreach programs and to make our free Recycle Everywhere bins as accessible as possible to the public.
INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL (IC&I)

Our IC&I partners have been a huge focus in 2014. We’ve broadened our scope across the board, from management companies, commercial properties and manufacturing plants to hospitals and parks. We’re working closely with these groups to ensure that the thousands of Manitobans who go to their workplaces every day have the opportunity to Recycle Everywhere. Some examples of our targeted outreach and partnerships include:

- New partnerships with the Canadian Manufacturers and Exporters (CME), Building Owners and Managers Association (BOMA) and Sport Manitoba and Recreation Connections.
- Continued partnerships with Manitoba Food and Restaurant Association (MFRA), Manitoba Hotel Association (MHA) and the Golf Association.

KEY SUCCESSES

Commercial: Morguard Investments received dual recycling and garbage bins for three of their shopping centres and three of their business complexes.

Residential: Lions Housing Centre received single bins, dual bins and Mini Bins for their senior and student residences.

Retail: Palliser Furniture received 200 bins for their three retail locations.

Health: Riverview Health Centre received over 200 bins for their manufacturing and warehouse locations.

Institutions: The University of Winnipeg received 48 new quad stream bins, which were fabricated locally.

GOVERNMENT

While many government office buildings have recycling, other provincially-run locations such as parks, beaches and campgrounds have limited access. Our focus has been to increase those opportunities across the province. In 2014, Recycle Everywhere bins were added to crown and federal buildings, provincial green spaces, ferries and northern airports. In addition, our partnership with Birds Hill Park saw the enhancement of their waste and recycling infrastructure to better align with their three-phase management plan. This included the installation of bear-proof bins and underground receptacles throughout the park.

“As an organization our mission is to nurture lives, one person, one family at a time. Our vision is legacy based, future focused with the aim of enriching lives. I couldn’t think of a better way to support this vision than our partnership with Recycle Everywhere.”

Lucie Schlichter
Support Services Manager, Riverview Health Centre
MUNICIPAL AND COMMUNITY

Recycle Everywhere is partnered with municipalities and communities across the province and continues to work closely with them to ensure that our programs are delivered to their full potential.

In some cases, this means launching new programs, reinforcing best practices, repairing damaged bins or delivering new bins altogether.

KEY SUCCESSES

**Towns of Gimli and Winnipeg Beach:** Replaced or repaired all bins in both communities.

**City of Portage la Prairie:** 16 dual bins added along Island Park.

**RM of Siglunes:** New bins added to streets, parks and community centres.

**Village of Somerset:** Bins placed in every business and mini bins given to every multi-family dwelling.

**Kildonan Park:** The entire infrastructure was replaced with 100 new dual large bins. Each one was made from 97 per cent post-consumer recycled plastic.

**City of Winnipeg:** 200 new dual stream waste and recycling bins were added to streetscapes East of the Red River. The bins were produced locally and the partnership was the first of its kind between both groups.

**Exchange District BIZ:** Thanks to an ongoing recycling partnership with The Exchange District, 36,444 pounds (16,530 kilograms) of recyclables were diverted from the landfill between June 2013 and December 2014.

“You can find a Recycle Everywhere bin almost anywhere you look now: streets, parks, businesses and homes. Our entire community has recycling at their fingertips.”

Linda Talbot
CAO, Village of Somerset
RECYCLE EVERYWHERE 101

Over half of the primary and secondary schools in Manitoba have now partnered with our Recycle Everywhere 101 program, our free, province-wide program that encourages schools to boost their beverage container recycling rates. Teachers, staff and students have all embraced the initiative and our partnerships and contesting have only helped to further promote the benefits of waste management. New this year is our classroom outreach program, which outlines the importance youth play in the “recycle cycle.”

To date, we’ve delivered 27 presentations in eight schools. In addition, our continued partnership with Global Television allows us to leverage news anchor Eva Kovacs as spokesperson to promote the RE101 program to Manitoba’s youth and schools. This year, one promotion invited schools to share their recycling videos for an opportunity to win 100 tickets to a Goldeyes game.

“We signed up online and not only did we get recycling bins, we also got incentives and promotional ideas to get our kids involved. It’s a great program.”

Stephen Trachtenberg
Teacher, Wellington School
NORTHERN AND FIRST NATIONS

We continue to strengthen our relationships with Aboriginal Affairs and Northern Development Canada, the Southern Chiefs’ Organization, tribal councils and other stewardship agencies to help tackle the challenges that come with recycling in remote areas.

KEY SUCCESSES

- Pine Dock Community Council: Expanded our program across schools, streets and beaches.
- Town of Gillam: Added over 100 bins to the northern community.
- Keeyask Generating Station: Launched a recycling program in a camp of 2,000, where none existed previously.
- The Pas and Flin Flon: Launched recycling in airports to extend presence in the North.

“Thanks to Recycle Everywhere, we have been able to provide recycling bins throughout our community.”

Troy Gil
Recreation Foreman, Town of Gillam
“Winning the clean-up was great, but the best part is that now everybody in town has a blue bin to keep our momentum going.”

Edie Turner
Teacher/Clean-up Coordinator, Cormorant

NORTHERN COMMUNITY CLEAN-UP
The fourth annual Northern Community Clean-up, an initiative facilitated by CBCRA and MMSM, took place in 17 communities across the northern half of the province. Participants were given shirts, gloves, bags and bins, and collected 1.3 tonnes of recyclable material. This year, a friendly competition saw Cormorant, Manitoba, winning the top place prize, which included blue boxes for every resident and a celebratory barbecue to congratulate them on their efforts. The clean-up initiatives and resulting winners were heavily promoted throughout Northern Manitoba, which greatly increased awareness of the initiative and yielded positive results.

participation from
17 communities across Northern Manitoba
STAFF

ARIELLE GUREVICH
COMMUNICATIONS MANAGER

CHRISTA RUST
PROGRAM MANAGER

BRIENNE SANTOS
ADMINISTRATIVE COORDINATOR

MICHAEL HANCHARYK
PROMOTIONS & EDUCATION COORDINATOR

JASON E. MANAGRE
OPERATIONS MANAGER

MELISSA DOROTA
SENIOR OUTREACH COORDINATOR

TYLER NELSON
FIELD OPERATIONS REPRESENTATIVE

JACLYN DIDUCK
FIELD OPERATIONS REPRESENTATIVE

KEN FRIESEN
EXECUTIVE DIRECTOR
INDEPENDENT AUDITOR’S REPORT

MARCH 19, 2015

TO THE MEMBERS OF CANADIAN BEVERAGE CONTAINER RECYCLING ASSOCIATION

We have audited the accompanying financial statements of Canadian Beverage Container Recycling Association which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Beverage Container Recycling Association as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP
Chartered Accountants
### STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$705,729</td>
<td>$1,995,101</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td>1,116,231</td>
<td>1,235,976</td>
</tr>
<tr>
<td><strong>Prepaid expenses</strong></td>
<td>24,500</td>
<td>10,474</td>
</tr>
<tr>
<td><strong>Inventory</strong></td>
<td>687,835</td>
<td>1,173,996</td>
</tr>
<tr>
<td><strong>Capital assets</strong> - net of accumulated amortization of $38,136 (2013 – $19,244)</td>
<td>45,939</td>
<td>61,690</td>
</tr>
<tr>
<td></td>
<td><strong>2,534,295</strong></td>
<td><strong>4,415,547</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND FUND BALANCES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (note 4)</td>
<td>1,262,826</td>
<td>998,591</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally restricted (note 3)</td>
<td>-</td>
<td>1,894,898</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>45,939</td>
<td>61,690</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,271,469</td>
<td>1,522,058</td>
</tr>
<tr>
<td></td>
<td><strong>1,317,408</strong></td>
<td><strong>3,478,646</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commitments (note 6)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>2,580,234</strong></td>
<td><strong>4,477,237</strong></td>
</tr>
</tbody>
</table>

APPROVED BY THE BOARD OF DIRECTORS

John B. Challinor II
Chairman

Neil Antymis
Director
### STATEMENT OF OPERATIONS

For the year ended December 31, 2014

#### REVENUE

<table>
<thead>
<tr>
<th>Source</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container recycling fees</td>
<td>$8,887,559</td>
<td>$8,059,606</td>
</tr>
<tr>
<td>Interest</td>
<td>9,576</td>
<td>43,393</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>8,897,135</strong></td>
<td><strong>8,102,999</strong></td>
</tr>
</tbody>
</table>

#### PROGRAM EXPENSES

<table>
<thead>
<tr>
<th>Program</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi Material Stewardship Manitoba</td>
<td>1,207,408</td>
<td>1,705,191</td>
</tr>
<tr>
<td>Awareness campaign</td>
<td>2,924,817</td>
<td>4,547,016</td>
</tr>
<tr>
<td>Program management services</td>
<td>1,016,616</td>
<td>1,015,285</td>
</tr>
<tr>
<td>Municipal Public Spaces Program</td>
<td>3,253,369</td>
<td>1,806,521</td>
</tr>
<tr>
<td>Events Recycling Program</td>
<td>250,228</td>
<td>344,975</td>
</tr>
<tr>
<td>Northern and First Nations Program</td>
<td>199,019</td>
<td>152,409</td>
</tr>
<tr>
<td>Industrial, Commercial and Institutional Program</td>
<td>1,278,862</td>
<td>1,813,626</td>
</tr>
<tr>
<td>Post-secondary Program</td>
<td>73,738</td>
<td>74,275</td>
</tr>
<tr>
<td>Government Buildings Program</td>
<td>127,837</td>
<td>81,578</td>
</tr>
<tr>
<td>Waste Audit</td>
<td>134,230</td>
<td>183,238</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td><strong>10,466,124</strong></td>
<td><strong>11,724,114</strong></td>
</tr>
</tbody>
</table>

#### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses (Schedule 1)</td>
<td>238,035</td>
<td>221,290</td>
</tr>
<tr>
<td>Steward services</td>
<td>58,860</td>
<td>58,860</td>
</tr>
<tr>
<td>Bad debts</td>
<td>295,354</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>592,249</strong></td>
<td><strong>280,150</strong></td>
</tr>
<tr>
<td><strong>Total for Program and Operating</strong></td>
<td><strong>11,058,373</strong></td>
<td><strong>12,004,264</strong></td>
</tr>
</tbody>
</table>

**Excess expenses over revenue**

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(2,161,238)</strong></td>
<td><strong>(3,901,265)</strong></td>
</tr>
</tbody>
</table>
# Statement of Changes in Net Assets

For the year ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internally restricted (note 3)</td>
<td>Invested in capital assets</td>
</tr>
<tr>
<td><strong>Balance - Beginning of year</strong></td>
<td>$1,894,898</td>
<td>$61,690</td>
</tr>
<tr>
<td>Excess of expenses over revenue</td>
<td>(1,479,035)</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>-</td>
<td>(18,893)</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>-</td>
<td>3,142</td>
</tr>
<tr>
<td>Interfund transfer</td>
<td>(415,863)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance - End of year</strong></td>
<td>-</td>
<td>45,939</td>
</tr>
</tbody>
</table>
**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2014

<table>
<thead>
<tr>
<th>CASH PROVIDED BY (USED IN)</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of expenses over revenue</td>
<td>$ (2,161,238)</td>
<td>$ (3,901,265)</td>
</tr>
<tr>
<td>Item not affecting cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>18,893</td>
<td>9,965</td>
</tr>
<tr>
<td><strong>Total operating activities</strong></td>
<td>$ (2,142,345)</td>
<td>$ (3,891,300)</td>
</tr>
<tr>
<td><strong>Changes in non-cash working capital items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>119,745</td>
<td>(234,352)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(14,026)</td>
<td>(7,468)</td>
</tr>
<tr>
<td>Inventory</td>
<td>486,161</td>
<td>(1,051,202)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>264,235</td>
<td>323,084</td>
</tr>
<tr>
<td><strong>Total changes in non-cash working capital items</strong></td>
<td>(1,286,230)</td>
<td>(4,861,238)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(3,142)</td>
<td>(57,691)</td>
</tr>
<tr>
<td><strong>Total investing activities</strong></td>
<td>(3,142)</td>
<td>(57,691)</td>
</tr>
<tr>
<td><strong>Decrease in cash during the year</strong></td>
<td>(1,289,372)</td>
<td>(4,918,929)</td>
</tr>
<tr>
<td><strong>Cash - Beginning of year</strong></td>
<td>1,995,101</td>
<td>6,914,030</td>
</tr>
<tr>
<td><strong>Cash - End of year</strong></td>
<td>705,729</td>
<td>1,995,101</td>
</tr>
</tbody>
</table>
1. INCORPORATION AND PURPOSE OF THE ORGANIZATION

The Canadian Beverage Container Recycling Association (CBCRA) is a not-for-profit organization that was established by beverage companies to improve beverage container recycling rates in Manitoba. CBCRA’s purpose is to promote and facilitate the recycling of end-of-life beverage containers through the design and funding of recycling programs and public promotion and education.

CBCRA was incorporated without share capital on March 26, 2010 under Part II of the Canada Corporations Act and commenced operations on April 1, 2010. CBCRA’s objective is to carry on its operations without pecuniary gain to its members and any profits or other accretions to CBCRA are to be used in promoting its objects.

For income tax purposes, CBCRA qualifies as a not-for-profit organization which is exempt from income tax under Section 149(1)(e) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

CBCRA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Container recycling fees are recognized as unrestricted income in the month in which they are earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash

Cash consists of cash on hand and cash held at banking institutions.

Inventory

Inventory is recorded at landed cost and consists of recycling bins and carts being held for use in future CBCRA programs.

Capital assets and amortization

Capital assets are recorded at original cost less accumulated amortization.

Amortization of furniture and equipment is recorded on a declining-balance basis of 20 per cent over the assets’ useful lives.

Use of estimates

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

Contributed services

Volunteer directors contribute a significant number of hours annually to oversee the activities of CBCRA. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

a) Measurement of financial instruments

CBCRA initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

CBCRA subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

b) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. When events occurring after the impairment confirmation that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

3. INTERNALLY RESTRICTED NET ASSETS

In 2012, the Board of Directors internally restricted $2,000,000 to fund future beverage container recycling infrastructure costs in the City of Winnipeg. The purpose for which the funds were restricted were largely satisfied by the CBCRA. During the current year, the Board of Directors approved the transfer of the remaining funds of $45,863 in the internally restricted net assets to the unrestricted net assets.

4. GOVERNMENT REMITTANCES

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, $nil (2013 – $nil) is included within accounts payable and accrued liabilities.

5. FINANCIAL INSTRUMENTS

CBCRA manages risk and risk exposures by applying policies approved by the Board of Directors. The significant financial risks to which CBCRA is exposed are credit risk and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

CBCRA’s financial instruments that are exposed to concentration of credit risk consist primarily of cash and accounts receivables. Cash, at times, may exceed amounts insured by the Canadian Deposit Insurance Corporation or the Credit Union Deposit Guarantee Corporation. CBCRA has a large number of members which minimizes the concentration of credit risk on accounts receivables.

b) Liquidity risk

Liquidity risk is the risk that CBCRA will encounter difficulty in meeting obligations associated with financial liabilities.

CBCRA has established budgetary and cash forecasts to ensure it has the funds necessary for fulfilling its obligations.

6. COMMITMENTS

CBCRA has an operating lease for premises requiring approximate annual rental payments as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>69,811</td>
</tr>
<tr>
<td>2016</td>
<td>70,929</td>
</tr>
<tr>
<td>2017</td>
<td>71,728</td>
</tr>
<tr>
<td>2018</td>
<td>42,494</td>
</tr>
<tr>
<td>Total</td>
<td>254,956</td>
</tr>
</tbody>
</table>

b) A program management services agreement was in place with Reclay StewardEdge Inc. to provide various administrative and communication tasks to CBCRA until December 2014 at a monthly amount of $8,676. Subsequent to year end, the agreement was renewed to December 2017 at the same amount.

During 2014, payments under this commitment totalled $1,079,476 (2013 – $1,065,745) and are included in program management services and steward services.

7. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year’s financial statement presentation.
## SCHEDULE OF ADMINISTRATIVE EXPENSES

For the year ended December 31, 2014

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>18,893</td>
<td>9,965</td>
</tr>
<tr>
<td>Audit, legal and professional fees</td>
<td>49,413</td>
<td>44,597</td>
</tr>
<tr>
<td>Board expenses</td>
<td>13,075</td>
<td>10,913</td>
</tr>
<tr>
<td>Bank charges</td>
<td>1,777</td>
<td>6,642</td>
</tr>
<tr>
<td>Consulting</td>
<td>19,250</td>
<td>-</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>6,360</td>
<td>1,461</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,166</td>
<td>4,750</td>
</tr>
<tr>
<td>Office supplies</td>
<td>13,441</td>
<td>34,765</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>9,281</td>
<td>14,398</td>
</tr>
<tr>
<td>Rent</td>
<td>86,245</td>
<td>68,094</td>
</tr>
<tr>
<td>Telephone</td>
<td>14,134</td>
<td>25,705</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>238,035</strong></td>
<td><strong>221,290</strong></td>
</tr>
</tbody>
</table>