Whatever is needed, we’re there.

As the chairman of the Board of Directors, I am proud of the progress that has been made over the last 10 years. While our 10th anniversary celebration didn’t go as planned due to the pandemic, 2020 was still a very productive and innovative year for the Canadian Beverage Container Recycling Association (CBCRA).

Ten years ago the brand owners and distributors decided to create a long-term sustainable way to recover empty beverage containers, including the 25-30% that are consumed away from home. That is why they formed CBCRA, a not-for-profit organization.

CBCRA members include the brand owners and distributors of the beverages consumed everyday. They all share a commitment to being responsible and increasing recycling rates in Manitoba.

The key factors in Manitoba for increasing the recovery of beverage containers include accessibility and awareness, but ultimately the actions of each Manitoban make the difference.

We thank Manitobans for responding to our challenge and for making the right choice when it comes to placing their beverage containers in the recycling bin. In 2020 the overall recovery rate reached 71%, a very significant growth from 42% during CBCRA’s first year.

Furthermore, the plastic PET beverage containers were recovered at a rate of 79%! We are proud of the recovery rate of this safe, durable, 100% recyclable plastic material. Specifically, recycled PET or rPET is in great demand and high collection rates keep this material in the circular economy.

CBCRA and its Board of Directors are committed to the 75% goal. The staff has done an excellent job despite provincial restrictions, switching gears and adapting to the needs of citizens with online training, activities and education.

With the renewed strategic plan, the Board believes CBCRA is positioned to reach the government-mandated target of a 75 percent recovery rate, which is on par with other jurisdictions in Canada. But we don’t have to stop there. The goal is to get every beverage container back into the circular economy where they belong!

If you have any questions or would like to have recycling bins in your community, please email us at info@cbcra-acrcb.org. Our website is www.cbcra-acrcb.org.

Sincerely,
Jim Goetz
Chairman, CBCRA

MESSAGE FROM
Jim Goetz
Chairman of the Board
It’s been ten years since the Canadian Beverage Container Recycling Association (CBCRA) was launched. Manitoba had a good at-home recycling program, but at the time, away-from-home beverage container recycling programs were non-existent. Our strategy was two-fold: to increase accessibility and awareness at the same time. Over the years this strategy has proven solid as awareness levels increased, more bins were placed each year and the recovery rate steadily rose.

During our first year of operation, the overall recovery rate was 42%. There were no public space bins to speak of, but we had a plan supported by a motivated management team and committed Board. Over the past ten years, we have distributed over 70,000 recycling bins in public spaces, private businesses, government buildings and more. In addition, we have participated in thousands of events and reached our highest recovery rate of 71% and an astounding 79% for PET plastics.

While plans to celebrate our 10th anniversary were put on hold due to the COVID-19 pandemic, CBCRA staff adapted exceptionally well. A large part of the team worked primarily from home throughout the year and during that time demonstrated true resiliency and creativity. CBCRA has a social purpose related to beverage container recycling, clean communities and a clean environment. Using the expertise and assets we possessed in technology and digital communications, we came up with a creative way to keep staff engaged and employed during the early months of the pandemic. As a result, we launched the Recycle Everywhere Food Drive for Harvest Manitoba, the central food bank in the province. After six weeks of community engagement, our team collected and donated over 3,200 pounds of food.

Our promotion and education efforts adapted as well. When the pandemic hit, we were just weeks away from the launch of our new “Litter & Contamination” and “Believe in the Bin” campaigns. Rather than stop production, our team shifted gears and hired four Canadian illustrators to create 2D animated commercials. We were in market as scheduled with a fantastic series of spots to educate Manitobans on the types of materials accepted in recycling bins.

Research was conducted in fall which further confirmed that residents have grown to expect that a recycling bin will be nearby when they are out-and-about. One in eight Manitobans recognize the Recycle Everywhere brand and most understand that beverage containers are accepted in away-from-home recycling bins. Most Manitobans continue to recycle even when not at home, and 84% of respondents said that they are recycling more because of COVID-19.

As we look forward, our focus remains on reaching the government-mandated target of a 75% recovery rate. In the fall of 2020, our team launched an aggressive strategic plan that was approved by the Board of Directors. Two of the five key pillars include a re-envisioned Recycle Everywhere brand with a more deliberate and determined approach, as well as the implementation and launch of a new incentive program.

While we did not get to celebrate our 10th anniversary the way we expected, the restrictions did not stop us from making great strides in Manitoba. We’re proud of the incredible progress we’ve made throughout the last ten years – no other jurisdiction in North America has moved from 42% to 71% recovery including a 79% PET recovery – and look forward to reaching our targets.

Sincerely,
Ken Friesen
Executive Director, CBCRA

MESSAGE FROM

Ken Friesen
Executive Director
Celebrating 10 Years in Manitoba.

Manitoba’s first away-from-home recycling initiative to collect recyclable beverage containers was launched on April 1, 2010 with humble beginnings at fairs and festivals. The iconic, colourful logo featuring an animated blue bird and the words Recycle Everywhere was first used to introduce the new program. It became a province-wide symbol for doing the right thing for your community. And from that first day on, Recycle Everywhere has contributed well over $55 million to the Manitoba economy by investing in infrastructure, events, sponsorships, jobs and programs.

OVER

$16,000,000 contributed towards the funding of the Blue Box curbside recycling program.

SINCE 2010

230 jobs were created, either directly, or indirectly.

OVER

41,072 tonnes of beverage containers were recovered and recycled.
Consistent progress toward a more sustainable province.

What’s accepted

- Aluminum cans and steel beverage containers
- PET plastic bottles
- Glass bottles
- Gable top (carton) containers
- Aseptic (drink boxes) containers
- Drink pouches

OVER 79%

Of all PET plastic beverage containers sold in Manitoba were recovered and recycled, thanks to the commitment of Manitoban recyclers.

PET, known as #1 plastic, is 100% recyclable and one of the most easily recyclable materials. PET beverage containers, once recycled, can be turned into everything from polyester fabric, bicycle parts to PET beverage bottles.
Our mission is to make recycling beverage containers easy and economical both at home and away-from-home. Throughout the last ten years, CBCRA has focused on the government-mandated target of a 75% recovery rate for all beverage containers sold in Manitoba.

Programs, promotion and infrastructure. Our impact is everywhere.

The Container Recycling Fee (CRF) is the amount that beverage producers are charged to cover the cost of recycling the containers they produce. The rates vary according to the container size and material type and range from one to three cents. The fee ensures the cost to recycle beverage containers is properly accounted for and provides CBCRA with long-term sustainability in order to improve recovery rates and recycling efforts.

How it works

The Container Recycling Fee (CRF) is the amount that beverage producers are charged to cover the cost of recycling the containers they produce. The rates vary according to the container size and material type and range from one to three cents. The fee ensures the cost to recycle beverage containers is properly accounted for and provides CBCRA with long-term sustainability in order to improve recovery rates and recycling efforts.
CBCRA works closely with beverage producers and distributors supplying into Manitoba, they are charged the Container Recycling Fee for every non-alcoholic, non-dairy beverage container sold in the province. The fee funds the Recycle Everywhere program and pays for up to 80 per cent of the cost to collect and process beverage containers in the residential recycling programs.

CBCRA Participants as of December 2020

A. Lassonde Inc.
Acklands Grainger Inc.
Amazon.com.ca, Inc.
Amway Canada Corporation
Arctic Beverages LP
Arctic Connection
Arctic Co-operatives Limited
Arthur Roger & Associates Inc.
Bulk Barn Foods Limited
Cabela’s Retail Canada Inc.
Campbell Company Of Canada
Canada Dry Mott’s Inc.
Canadian Tire
CanAqua Inc
Casseroles Cora Inc.
Coca-Cola Refreshments Canada Company
Costco Wholesale CANADA Ltd.
Curved Distribution Inc.
Danone Canada
Dewpoint Bottling Company Ltd.
Dollar Tree Stores Canada
Dollarama LP
Edoko Food Importers Ltd.
Federated Co-operatives Limited
Fortune Foods Winnipeg ULC
Ice River Springs Water Co.
ID Foods Corporation
IKEA Canada Limited Partnership
Inform Brokerage Inc.
Kohl & Frisch Limited
Kraft Heinz Canada ULC
Labatt Brewing Company Ltd.
Loblaw Companies Ltd.
London Drugs Limited
Malinda Distributors Inc.
Martin-Brower of Canada Co
McKesson Canada
National Dry Company Ltd.
Nestle Canada Inc.
Nestle Waters Canada
One For The Road Brewing
P.A. Fine Foods & Distributors
Pepsico Bottling Group Canada
Red Bull Canada Ltd.
Refresco Canada Inc.
RW Consumer Products Ltd.
Saputo Dairy Products Canada G.P.
Save On Foods Limited Partnership
Shoppers Drug Mart Inc.
Sky Blue Water Inc.
Sobeys
Star Marketing Ltd.
Sunrise Markets Inc. dba Sunrise Soya Foods
Sun-Rype Products Ltd.
Sysco Food Service, Winnipeg
Temple Lifestyle Inc.
The Minute Maid Canada of Company Inc.
The North West Company LP
Tie’ Nax T’Awei Limited Partnership
Tree of Life Canada ULC
United Natural Foods Canada Inc.
Uno Foods Inc. 2
Veritiv Canada, Inc.
Wal-mart Canada Corp.
Well Juicery Canada Ltd.
Wild Sparkling Tea Ltd.
Wm. Bolthouse Farms Inc.

Beverage Container Sales

<table>
<thead>
<tr>
<th>Material</th>
<th>Units</th>
</tr>
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<tbody>
<tr>
<td>Aluminum</td>
<td>209,017,794</td>
</tr>
<tr>
<td>PET</td>
<td>232,043,477</td>
</tr>
<tr>
<td>HDPE</td>
<td>3,512,628</td>
</tr>
<tr>
<td>Other Plastics</td>
<td>2,511,727</td>
</tr>
<tr>
<td>Glass</td>
<td>3,667,319</td>
</tr>
<tr>
<td>Metal</td>
<td>948,589</td>
</tr>
<tr>
<td>Aseptics</td>
<td>34,324,246</td>
</tr>
<tr>
<td>Gable Tops</td>
<td>5,389,386</td>
</tr>
<tr>
<td>Drink Pouch</td>
<td>11,908,785</td>
</tr>
<tr>
<td>Bag-in-a-box</td>
<td>3,545</td>
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</tbody>
</table>
Believe in the Bin

Expanding on the stories of our super hero characters from 2019’s The Right Stuff campaign, we reminded Manitobans about the importance of recycling beverage containers and that the only place they truly belong is in a blue bin.

Cool. Never Cool.

Despite the increase in the recycling rate, our research showed that there was still some confusion on what is acceptable in public space bins. Together with McKim Communications Group, we created a fun, lighthearted series of ads to help combat the continued issue of contamination and litter. The intent behind the Cool. Never Cool. campaign was to remind Manitobans that if your empty beverage container isn’t in a recycling bin, it’s in the wrong place. The message spoke specifically to all contaminants and the action of littering.

Stay Home

Due to the COVID-19 pandemic, our 10th anniversary plans were put aside in favour of a campaign featuring heartfelt community-driven messages. The Stay Home campaign encouraged togetherness in doing our part to get through the crisis. The message also highlighted the importance of recycling while spending more time at home to make our community a better place to live.
Continuously Supporting Manitobans

Harvest Manitoba Food Drive

The stay-home provincial restrictions impacted Manitobans in 2020. At the start of the orders, we wanted to ensure our team kept working. We shifted from delivering single-family dwelling recycling bins to coordinating and picking up food donations from doorsteps in Winnipeg.

On May 5th we launched the Recycle Everywhere Food Drive. Together with the support of many suppliers and partners, the drive collected over 1448 kg/3,200 lbs of food for Harvest Manitoba.

Northern Community Shed Project

Recycling in many communities can be challenging due to lack of storage. To support and encourage improved recovery of empty beverage containers, CBCRA continued to help a number of schools build storage sheds. New sheds were built in Cross Lake and Split Lake in Northern Manitoba.
Making the right moves so more Manitobans can do the right thing.

For National Waste Reduction Week and the Province of Manitoba’s newly-announced Recycling Week, CBCRA announced additional recycling bins in six City of Winnipeg parks.

The number one request CBCRA receives from City of Winnipeg councillors, and the public, is for more permanent recycling infrastructure at city parks.

More Recycle Everywhere bins give the people who use parks a convenient place to recycle their empty beverage containers, which significantly cuts down on litter, and keeps our parks beautiful. This year’s six-park pilot project included Kings Park, La Vérendrye Park, Parc Joseph Royal, Provencher Park, Whittier Park and Vimy Ridge Park.

Bins Distributed in 2020

121,997 Single-family dwelling bins
4,904 Multi-family dwelling bins
18,835 Bin Bags
In the Whiteshell, our team took action

Initiatives included bin refurbishment, installing additional recycling signage, providing recycling blue bins for sheds and four in-ground bins.

In response to increased park use, a total of 18 in-ground bins were provided to St. Malo, Old Pinawa Dam, Pinawa Wayside, North Whiteshell and South Whiteshell.

Provincial restrictions meant that many office buildings were relatively empty as employees worked from home, or staggered shifts, resulting in limited workplace recycling needs. However, with travel outside of Manitoba restrictions in place, it meant provincial parks, campgrounds and cottage areas saw an increase in local visitors.
Board of Directors

Jim Goetz  
CHAIRMAN  
Canadian Beverage Association

Neil Antymis  
TREASURER  
Canadian Beverage Association

Cheryl McLaughlin  
VICE-CHAIR  
Refresco Canada

Sylvain Mayrand  
A. Lassonde Inc.

George Groumoutis  
Sky Blue Water, Inc.  
On behalf of Canadian Bottled Water Association

Victor Vrnik  
7-Eleven  
On behalf of Retail Council of Canada
Staff

Ken Friesen
Executive Director

Christa Rust
Senior Program Director

Joel Boroditsky
Controller

Paul Flegg
Steward Services Manager

Melissa Dorota
Senior Outreach Coordinator

Mike Hall
Logistics Coordinator

Justine Spearman
Data and Outreach Coordinator

Adam Wilton
Administrative and Accounting Coordinator

Savini Jayasinghe
Audit and Schools Coordinator

Judy Slaney
Northern Coordinator

Nick Witoski
Outreach Coordinator

Lora Meseman
Communications Manager

Riley Martin
Communications Coordinator
Opinion
We have audited the financial statements of Canadian Beverage Container Recycling Association (the “Entity”), which comprise the statement of financial position as at December 31, 2020, the statements of operations, changes in net assets and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion
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 Entity 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 accounting standards for not-for-profit organizations, 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 Entity’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 Entity’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 Entity 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.

Chartered Professional Accountants
Winnipeg, Canada
April 7, 2021

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.
Statement of Financial Position

December 31, 2020, with comparative information for 2019

Assets

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
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<td>$4,418,205</td>
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<tr>
<td>Short-term investment (note 1[c])</td>
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<td>—</td>
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<tr>
<td>Accounts receivable</td>
<td>1,142,951</td>
<td>533,641</td>
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<tr>
<td>Inventory</td>
<td>333,559</td>
<td>526,245</td>
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<tr>
<td>Prepaid expenses and deposits</td>
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<td>18,543</td>
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<tr>
<td>Total current assets</td>
<td>5,630,815</td>
<td>5,496,634</td>
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<tr>
<td>Capital assets, net of accumulated amortization of $145,109 (2019 - $142,056)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,538</td>
<td>7,213</td>
</tr>
<tr>
<td>Total assets</td>
<td>$5,639,353</td>
<td>$5,503,847</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (note 2)</td>
<td>$271,018</td>
<td>$703,107</td>
</tr>
<tr>
<td>Total current liabilities</td>
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<td></td>
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<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>8,538</td>
<td>7,213</td>
</tr>
<tr>
<td>Internally restricted (note 1[a])</td>
<td>1,000,000</td>
<td>1,000,000</td>
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<tr>
<td>Unrestricted</td>
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<td>3,793,527</td>
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<tr>
<td>Total net assets</td>
<td>5,368,335</td>
<td>4,800,740</td>
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<td>Commitments (note 4)</td>
<td></td>
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<tr>
<td>Total liabilities and net assets</td>
<td>$5,639,353</td>
<td>$5,503,847</td>
</tr>
</tbody>
</table>

ON BEHALF OF THE BOARD:

Jim Goetz, Chairman          Neil Anytymis, Director

See accompanying notes to financial statements.
## Statement of Operations

**Year ended December 31, 2020, with comparative information for 2019**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Container recycling fees</td>
<td>$9,604,373</td>
<td>$8,881,268</td>
</tr>
<tr>
<td>Interest income</td>
<td>29,214</td>
<td>28,073</td>
</tr>
<tr>
<td>Other income</td>
<td>5,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$9,638,587</td>
<td>$8,909,341</td>
</tr>
<tr>
<td><strong>Program expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awareness campaign</td>
<td>2,677,428</td>
<td>2,690,504</td>
</tr>
<tr>
<td>Multi Material Stewardship Manitoba</td>
<td>2,464,505</td>
<td>1,205,478</td>
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<tr>
<td>Municipal Public Spaces Program</td>
<td>1,546,063</td>
<td>757,984</td>
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<td>Program management services (note 4)</td>
<td>1,149,266</td>
<td>1,149,266</td>
</tr>
<tr>
<td>Industrial, Commercial and Institutional Program</td>
<td>461,617</td>
<td>959,152</td>
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<tr>
<td>Government Buildings Program</td>
<td>252,941</td>
<td>281,721</td>
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<tr>
<td>Waste Audit</td>
<td>138,668</td>
<td>247,016</td>
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<tr>
<td>RE101 Schools</td>
<td>61,720</td>
<td>187,170</td>
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<tr>
<td>Events Recycling Program</td>
<td>19,797</td>
<td>392,476</td>
</tr>
<tr>
<td>Post-secondary Program</td>
<td>16</td>
<td>8,173</td>
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<tr>
<td><strong>Total Program Expenses</strong></td>
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<td>$7,878,940</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expenses (schedule)</td>
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<td>225,895</td>
</tr>
<tr>
<td>Steward services (note 4)</td>
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<td>70,077</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
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<td>$295,972</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>$567,595</td>
<td>$734,429</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

<table>
<thead>
<tr>
<th></th>
<th>Invested in capital assets</th>
<th>Internally restricted</th>
<th>Unrestricted</th>
<th>2020 TOTAL</th>
<th>2019 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 7,213</td>
<td>$ 1,000,000</td>
<td>$ 3,793,527</td>
<td>$ 4,800,740</td>
<td>$ 4,066,311</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenses</td>
<td>(3,053)</td>
<td>—</td>
<td>570,648</td>
<td>567,595</td>
<td>734,429</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>4,378</td>
<td>—</td>
<td>(4,378)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td><strong>$ 8,538</strong></td>
<td><strong>$ 1,000,000</strong></td>
<td><strong>$ 4,359,797</strong></td>
<td><strong>$ 5,368,335</strong></td>
<td><strong>$ 4,800,740</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

<table>
<thead>
<tr>
<th>Cash provided by (used in):</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>$567,595</td>
<td>$734,429</td>
</tr>
<tr>
<td>Items not involving cash: Amortization of capital assets</td>
<td>3,053</td>
<td>15,669</td>
</tr>
<tr>
<td><strong>Change in non-cash operating working capital:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(609,310)</td>
<td>1,598,377</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>(150,482)</td>
<td>19,118</td>
</tr>
<tr>
<td>Inventory</td>
<td>192,686</td>
<td>(43,732)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(452,089)</td>
<td>(34,116)</td>
</tr>
<tr>
<td><strong>Total Change in Non-Cash Operating Working Capital</strong></td>
<td>(428,547)</td>
<td>2,289,745</td>
</tr>
<tr>
<td><strong>Investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(4,378)</td>
<td>(4,118)</td>
</tr>
<tr>
<td>Purchase of short-term investment</td>
<td>(1,000,000)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Change in Investing Activities</strong></td>
<td>(1,004,378)</td>
<td>(4,118)</td>
</tr>
<tr>
<td><strong>Increase (decrease) in cash</strong></td>
<td>(1,432,925)</td>
<td>2,285,627</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>4,418,205</td>
<td>2,132,578</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>$2,985,280</td>
<td>$4,418,205</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Notes to Financial Statements

Year ended December 31, 2020

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. CBCRA's objective is to carry on its operations without pecuniary gain to its members and any profits or other accruals to CBCRA are to be used in promoting its objects.

CBCRA is exempt from income taxes under Section 149(1) of the Income Tax Act.

1. Significant accounting policies:
These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) 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.

Internally restricted net assets represent funds restricted for use by CBCRA that reflect approximately six months' worth of program management costs, and other one-time project costs. The use of internally restricted net assets requires the approval of the Board of Directors.

(b) Cash:
Cash consists of cash on hand and cash held at banking institutions.

(c) Short-term investment:
Short-term investment represents a guaranteed investment certificate with an original maturity of greater than three months. The guaranteed investment certificate matures on December 31, 2021 and earns interest at a rate of 0.50 percent per annum.

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

(e) Capital assets and amortization:
Capital assets are recorded at original cost less accumulated amortization. Amortization of furniture and equipment is recorded on a straight-line basis over the assets’ useful lives of 5 years. Amortization of computers and computer software is recorded on a straight-line basis over the assets’ useful lives of 3 years.

(f) Financial instruments:
(i) 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, short-term investment and accounts receivable.

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

(ii) 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 confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

(iii) 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.

2. 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, $9,464 (2019 - $35,383) is included within accounts payable and accrued liabilities.

3. 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.

(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.

4. Commitments:
(a) CBCRA has operating leases for premises and a vehicle requiring approximate annual rental payments to the end of the leases as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$97,259</td>
</tr>
<tr>
<td>2022</td>
<td>90,563</td>
</tr>
<tr>
<td>2023</td>
<td>51,265</td>
</tr>
<tr>
<td>2024</td>
<td>11,008</td>
</tr>
<tr>
<td>2025</td>
<td>10,091</td>
</tr>
</tbody>
</table>

During 2020, payments under this commitment totaled $1,219,343 (2019 - $1,219,343) and are included in program management services and steward services.

(b) A program management services agreement is in place with Reclay StewartEdge Inc. to provide various management, administrative and communication tasks to CBCRA until December 2022 at a monthly amount of $111,295 (2019 - $101,672).

5. COVID-19 implications:
In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Manitoba governments, enacting emergency measures to combat the spread of the virus. These measures, which include implementation of travel bans, self-imposed quarantine periods, and social distancing, have caused material disruption to businesses globally and in Manitoba resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effects on CBCRA is not known at this time.
## Schedule of Administrative Expenses

Year ended December 31, 2020, with comparative information for 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>$3,053</td>
<td>$15,669</td>
</tr>
<tr>
<td>Audit, legal and professional fees</td>
<td>57,990</td>
<td>36,321</td>
</tr>
<tr>
<td>Bad debts recovery</td>
<td>(10,010)</td>
<td>—</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,197</td>
<td>2,597</td>
</tr>
<tr>
<td>Board expenses</td>
<td>5,115</td>
<td>17,691</td>
</tr>
<tr>
<td>Consulting</td>
<td>11,000</td>
<td>1,800</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>2,961</td>
<td>6,218</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,368</td>
<td>10,257</td>
</tr>
<tr>
<td>Interest and other charges</td>
<td>—</td>
<td>220</td>
</tr>
<tr>
<td>Office supplies</td>
<td>16,705</td>
<td>11,312</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>2,118</td>
<td>10,214</td>
</tr>
<tr>
<td>Rent</td>
<td>109,144</td>
<td>92,860</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>21,253</td>
<td>20,736</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$228,894</td>
<td>$225,895</td>
</tr>
</tbody>
</table>

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