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The Canadian Beverage Container Recycling Association (CBCRA) continued momentum towards our goal of a 75 per cent recovery rate of all beverage containers sold in Manitoba.

We have improved recovery across the province and increased accessibility for Manitobans to recycle. To do this, we raised awareness, collaborated with our partners and educated the public. Everything we do is to reach our target, and we’re proud of this year’s accomplishments.
Full of Determination

As I look back on nearly a decade of steadfast dedication from the CBCRA board and staff, I find it remarkable that a relatively small group of people has had such an impact on beverage container recycling in Manitoba. Their ingenuity, resourcefulness and devotion has cultivated a reliable foundation for beverage container recovery in Manitoba and beyond. With every new challenge, the board and staff have proven there is nothing we cannot overcome together.

Across the province, Manitobans are asking for better access to recycling programs and every year we develop opportunities in partnership with communities and business partners. In 2018, CBCRA achieved breakthrough expansion into northern communities providing new bin infrastructure, educational materials and collection systems. With every initiative we spearhead, we strengthen our impact and move one step closer to our target.

For nearly 23 years, every recyclable beverage container in Manitoba had the same, uniform two-cent Container Recycling Fee (CRF) applied. Much has changed since then, including new types and sizes of containers, and the number sold has steadily increased. To reflect the cost of collection and recycling for specific beverage container types more fairly, the board of CBCRA reviewed and approved an adjustment to the CRF for 2019. Although it may only be pennies on a receipt, CBCRA and Recycle Everywhere are completely funded by the CRF and it’s our responsibility to ensure a little goes a long way.

When presented with the choice, Manitobans will recycle their empty beverage container rather than trashing it. That’s why it’s so important to build a dependable bin infrastructure in public areas. To accomplish our goal, we partner with communities, municipalities, schools, businesses, institutions, parks, event centres, festivals and others to put our bins within reach of every empty beverage container.

Take a glimpse into any Recycle Everywhere bin anywhere – from street corners to festival fields; from cottage decks to cafeterias – and you’ll see that bin filled with the commitment of Manitobans. To the countless individuals in the province who have made the choice, over and over again, to recycle their empty beverage containers: thank you!

Jim Goetz
CBCRA and its Recycle Everywhere program have completed another year of unwavering commitment and well-executed initiatives. We have built a foundation of accessibility unprecedented anywhere else in the world so Manitobans across the province will always be within reach of a blue bin. We accomplished this through new partnerships, community engagement and expansion into northern Manitoba. Throughout the years, we have made substantial and steady progress towards a recovery rate of 75 per cent and in 2018 we remained focused on our goal.

Last year, we refined our annual research to better understand the knowledge and motivations of recyclers and non-recyclers. These results enable us to effectively change how we engage and encourage Manitobans to make the right recycling decisions. In order to assess the impact of our Recycle Everywhere bins, we have also continued the important litter audits in the province’s five largest cities.

One of the many successes in our efforts to improve our accessibility infrastructure has been our Bin Bag initiative. At major events throughout Manitoba, our Street Team has distributed our portable, reusable Bin Bags to the general public for free. Highly practical, our lightweight, collapsible Bin Bags are popular with Manitobans, and make it easy for them to recycle wherever they go.

After eight years of single-minded determination, we have increased our recovery rate from 42 to 69 per cent. This demonstrates that our efforts have created committed recyclers; however, this enthusiasm has led to a new challenge that is plateauing our progress. In their effort to do the right thing, many Manitobans are recycling the wrong things and thus contaminating the entire bin. All across Canada, recycling programs are dealing with this same issue. To counteract this, we’re implementing new Promotion & Education campaigns to better inform people about how to recycle correctly. Moving forward, we’ll continue to explore new methods to overcome this challenge and reach our 75 per cent recovery rate goal.

Thanks to the ongoing commitment and support of our Board and the dedicated efforts of CBCRA staff and partners, we have laid a strong foundation for long-term achievement. I’m grateful for their commitment and they have my sincerest gratitude. I’d also like to thank Manitobans across the province who have made an effort to recycle more of their empty beverage containers – our success is your success.

A message from the Executive Director Ken Friesen
The success of CBCRA grows naturally
because when it comes down to it, Manitobans want to recycle their beverage containers, they just need the opportunity to do so. As long as we continue to educate, inform, and increase accessibility, we will reach our goal.
How Does It Work?

CBCRA works closely with all stakeholders to ensure that the provincial government, beverage producers, retailers, community partners, and consumers are all considered in the operation of our program.

Who Pays For It?

All beverage producers supplying into Manitoba are charged a CONTAINER RECYCLING FEE (CRF) for every non-alcoholic, non-dairy beverage container they supply into the province.

The cost usually passes from:

- PRODUCERS to RETAILERS to CONSUMERS

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Container Recycling Fees undergo a small change

For the last 23 years, every beverage container sold in the province included a flat, two-cent Container Recycling Fee (CRF). In the fall of 2018, the board of the CBCRA reviewed and approved a change to the CRF, to take effect in 2019. The new fee will vary to better reflect the cost of managing different container sizes and types.

“As a not-for-profit agency, CBCRA must always be efficient and fair above all. We have a responsibility to serve Manitobans to the best of our ability, while keeping costs down.”

— Ken Friesen, Executive Director, CBCRA and Recycle Everywhere

Long-Lasting Partnerships

We were formed as a not-for-profit by beverage producers and distributors who supply non-alcoholic, non-dairy beverages into the province in order to meet the Manitoba government’s mandate of reaching a 75 per cent recovery rate for all beverage containers sold.

A Container Recycling Fee (CRF) is charged to every beverage producer and distributor to fairly support the cost of recycling every beverage container supplied into the province.

CBCRA and our Recycle Everywhere program is entirely funded by the CRF. To reach our target, we work closely with the government, beverage producers, stakeholders, retailers, and community partners to ensure Manitobans are informed and know what this fee is used for.

To make sure consumers are getting the most out of this fee, we make sure we do a lot with a little. We create new bin infrastructure and distribute bins, educate the public, offer technical support, and promote awareness. The CRF also funds up to 80 per cent of the cost to collect and process beverage containers through residential recycling programs. Because of the CRF, every beverage container sold in Manitoba supports the recycling process.

The Recycle Everywhere program created by CBCRA is funded by the CRF. Recycle Everywhere was created to educate the public on proper beverage container recycling habits, and to provide accessibility to recycling where people work, live and play. Recycle Everywhere is Canada’s first province-wide, away-from-home beverage container recycling program, which is something we’re really proud of!

Recycle Everywhere partners with communities, municipalities, schools, businesses, institutions, parks, event centres, and festivals to provide free bins across the province. We also run educational campaigns to keep people informed on the best recycling practices. Our partners allow us to reach consumers all over the province in order to achieve our long-term goals.
Planning for the future and beyond

Our focus continues to be to increase the number of beverage containers recycled in Manitoba. When we do our job well, all Manitobans benefit. The return on our investment and the positive impact we have on the environment and economy is significant. By recovering empty beverage containers and turning them into new containers and other products, we are able to:

- Conserve resources by repurposing what’s already been made
- Reduce greenhouse gas emissions
- Save the energy required to process new materials
- Fuel a circular economy
- Keep thousands of tonnes of beverage containers out of landfills
- Extend the life of Manitoba’s landfills – further increasing sustainability
- Generate local jobs in beverage container recycling collection and processing, bin manufacturing, program operation, marketing and outreach.

One of the most recognizable benefits Manitobans can see is the decrease in litter across the province. Since we were formed, our litter audits have shown there has been a very significant overall reduction in beverage container litter as measured in our five largest cities.

Reference Table 1

<table>
<thead>
<tr>
<th>City</th>
<th>Litter Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winnipeg</td>
<td>-63%</td>
</tr>
<tr>
<td>Brandon</td>
<td>-85%</td>
</tr>
<tr>
<td>Steinbach</td>
<td>-69%</td>
</tr>
<tr>
<td>Flin Flon</td>
<td>-32%</td>
</tr>
<tr>
<td>Thompson</td>
<td>-35%</td>
</tr>
</tbody>
</table>
Where are containers collected?

**Public spaces**
Municipal and provincial buildings, city parks, streetscapes and more.

**Private establishments**
Industrial, Commercial and Institutional (IC&I) locations, including office buildings, manufacturing facilities and businesses.

**Public facilities**
Arenas, pools and recreation facilities, schools, colleges and universities.

**At home**
Single-family and multi-family dwellings throughout Manitoba.

What does the program accept?
Non-alcoholic, non-dairy, sealed beverage containers, including:

- Aluminum cans and steel beverage containers
- Plastic bottles
- Glass bottles
- Cartons (gable top containers)
- Drink boxes (aseptic containers)
## 2018 Beverage Container Sales

### Material Categories

<table>
<thead>
<tr>
<th>Material Categories</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>183,880,008</td>
</tr>
<tr>
<td>PET</td>
<td>227,485,817</td>
</tr>
<tr>
<td>HDPE</td>
<td>2,560,667</td>
</tr>
<tr>
<td>Other Plastic</td>
<td>430,551</td>
</tr>
<tr>
<td>Polycup</td>
<td>2,103,304</td>
</tr>
<tr>
<td>Glass</td>
<td>3,856,975</td>
</tr>
<tr>
<td>Bi-Metal</td>
<td>691,693</td>
</tr>
<tr>
<td>Aseptic Container</td>
<td>38,009,487</td>
</tr>
<tr>
<td>Gabletops</td>
<td>3,871,656</td>
</tr>
<tr>
<td>Drink Pouches</td>
<td>8,324,132</td>
</tr>
<tr>
<td>Bag-in-a-box</td>
<td>2,150</td>
</tr>
</tbody>
</table>

**TOTAL** 471,216,440
2018 CBCRA Participants

A. Lassonde Inc.
Amway Canada Corporation
Arctic Beverages LP
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
Dewpoint Bottling Company Ltd.
Distribution Missum Inc.
Dollarama LP
EDOKO FOOD IMPORTERS LTD
Elite International Foods Inc.
Federated Co-Operatives Limited
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
Leading Brands of Canada, Inc.
Loblaw Companies Ltd
London Drugs Limited
McKesson Canada
National Dry Company Ltd
Nestle Canada Inc.
Nestle Waters Canada
No.22 Foods Inc.
Nothing But Nature Inc.
Overwaitea Food Group
P.A. Fine Foods & Distributors
Pepsi Bottling Group Canada
Red Bull Canada Ltd
Refresco Canada 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
TFI FOODS
The Minute Maid Canada of Company Inc.
The North West Company LP
The TDL Group Corp
Tle’ Nax T’Awei Limited Partnership
Tree of Life Canada ULC
United Natural Foods Canada Inc.
Veritiv Canada, Inc.
Wal-mart Canada Corp.
Whistler Water Inc.
Wild Sparkling Tea Ltd.
Wm.Bolthouse Farms Inc.
At CBCRA, we are continually innovating to reach our target 75 per cent beverage container recovery rate. Each year, we look back to see what worked and to find new opportunities for growth.

Our ongoing research and audits show us how effective our strategy is and helps inform our decisions. No matter where a beverage container is consumed in our province, we need to ensure the public knows what to do with it, and where to access a recycling bin. Our research from this year will guide us and help us be more effective.
Total Cumulative Number of Recycle Everywhere Bins Distributed (by year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Bins Distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10,000</td>
</tr>
<tr>
<td>2013</td>
<td>22,500</td>
</tr>
<tr>
<td>2014</td>
<td>30,000</td>
</tr>
<tr>
<td>2015</td>
<td>45,000</td>
</tr>
<tr>
<td>2016</td>
<td>52,000</td>
</tr>
<tr>
<td>2017</td>
<td>57,409</td>
</tr>
<tr>
<td>2018</td>
<td>63,190</td>
</tr>
</tbody>
</table>

Beverage Container Recovery Rate

We determine our recovery rate by dividing the amount of beverage containers recovered by the amount of beverage containers supplied into Manitoba. We first determine the number of beverage containers sold in Manitoba, based on monthly online reports by beverage producers. These numbers are verified by the beverage companies’ auditors. At the end of the year, we have the exact total annual sales for Manitoba.

We then calculate our recovery rate by collecting data from many different sources, including multiple annual waste audits at recycling processors, at-home collection in single and multi-family dwellings, and waste audits of away-from-home bins that come from Industrial, Commercial, and Institutional (IC&I) locations, public events and private sector collections. This gives us the amount of beverage containers that were recovered, known as our total recovery. This number is divided by the total sales to calculate the recovery rate.

We have worked for and enjoyed success since our program’s inception in 2010, increasing the overall recovery rate from 42 to 69 per cent to the end of 2018. This includes a recovery rate of 77% for PET (polyethylene).

CBCRA is committed to reaching its target of recovering 75 per cent of beverage containers sold into the province.

\[ \text{TOTAL RECOVERY/TOTAL SALES} = \text{RECOVERY RATE} \]
The beverage containers recycled in Manitoba last year:

Would fill 1,079 rail cars

Saving 26,705 tonnes of CO₂

And is equal to removing 6,041 passenger cars from the road each year
Checking In – Waste Audits

In order to understand disposal practices and waste makeup, CBCRA uses waste audits to evaluate the effectiveness of waste management systems and consumer behaviour in various public spaces. By measuring the number of beverage containers placed in the recycling and waste streams over a set period of time, we are able to evaluate behaviours and identify opportunities for improvement.

In 2018, we conducted 16 waste audits: ten in Industrial, Commercial and Institutional (IC&I) locations, five in city of Winnipeg municipal spaces, and one in a residential area.

Overall, the results of each audit showed that there is a need for additional education on what can and can’t go in our Recycle Everywhere bins to help increase the recovery rate and reduce contamination.

Material Recovery Facility Audits (MRF Audits)

CBCRA regularly conducts MRF audits to help measure the performance of the beverage container recycling system. This involves auditing materials on the tip floor when they arrive comingled at material recovery facilities, as well as measuring the MRF performance by auditing material from the specific material bunkers after sorting has taken place. These two types of audits are an integral step in helping us determine our recovery rate.

We conducted two sets of audits in 2018, the first set of seven facilities in the spring, and the second set of eight facilities in the fall. Each year we continue these audits to identify areas in need of attention and move us closer to our goal.

Litter Audits

Since we were formed in 2010, we have partnered with third-party environmental firms to conduct litter audits on our behalf.

At first the audits were only done in Winnipeg and Brandon, but over the years we’ve expanded the audits to include Portage la Prairie, Steinbach, Flin Flon and Thompson, the largest communities in Manitoba.

These audits help measure the impact of both Recycle Everywhere beverage container recycling bins as well as the program’s promotion and education efforts.

In 2018, litter audits were conducted during the last two weeks of June. Since the initial baseline years, there has been a very significant reduction in beverage container litter in all five cities where litter audits were conducted. Additionally, without any other province-wide litter reduction initiatives the overall litter rate has greatly improved.

Figure 1 illustrates the trends in CBCRA beverage container litter since 2010 and shows that CBCRA beverage container litter has steadily and drastically declined in each city.
Contamination

Throwing a single-use coffee cup or a pizza box with some leftover pizza into a Recycle Everywhere bin may not seem like a big deal, but items like these can contaminate the rest of the items in the bin. This makes them difficult to recycle, and where the contamination is too great all of it, including the beverage containers, may be sent by the haulers to landfill.

Contamination may be unintended and may be due to the public’s overall eagerness to recycle. However, knowing what can and can’t go into our beverage recycling bins is key to eliminating the problem.

The top contaminates in Recycle Everywhere bins are: disposable coffee cups, leftover liquids, food waste, Styrofoam, #6 plastic, soiled food containers, and fountain drink cups. In the province of Manitoba the whole coffee cup, including the lid, is not currently recyclable and they are not accepted in Recycle Everywhere bins.

Leftover liquid in beverage containers can spill and cause contamination of paper products before or at the recycling facilities, reducing their value or sending them to the landfill. CBCRA is responsible for the recovery of used, sealed beverage containers. Our Recycle Everywhere bins are meant for aluminum cans, glass and plastic bottles, cartons and juice boxes. These items don’t need to be rinsed, simply emptied.
Energized in the Community

When we educate and engage with Manitobans, we empower them to make proper recycling decisions. We must remain engaged with our audience so we can reach our objective. After all, people and communities across the province helped us achieve so much, so quickly.
Talking to Manitobans

We use surveys and analysis to help create our promotion and education (P&E) campaigns and initiatives. In order to motivate Manitobans to recycle their empty beverage containers, we leverage creative and entertaining ways to educate them.

Our third-party research shows that Recycle Everywhere campaigns are an effective method of educating our audience on the importance of recycling.

This year, we used an online survey to better gauge the awareness Manitobans have about proper recycling and current recycling issues. The initial results were very positive, and showed us that we’re on the right track in teaching Manitobans proper recycling habits. Our advertising campaigns have had a positive impact, with 68 per cent of all respondents recalling advertisements about beverage containers.

In the fall we conducted an online survey with 1,000 Manitobans; in Winnipeg and in the communities of Steinbach, Thompson, Brandon and Portage la Prairie.

Some of the key learnings were as follows:

- A lack of understanding of what goes in the beverage recycle bins
- Logo recognition is high, however, some people don’t connect the logo as specifically beverage container recycling.
- Bins are recognizable but the public is unsure of who places them.
- In the under 25 year old demographic we saw an improvement in ‘would recycle more/same’ and ‘personal responsibility to do so’ categories.

In 2018, we conducted a focus group in the city of Brandon, which was a first for us outside of Winnipeg. We learned the unique sensitivities of the region, which gave us a better understanding of Manitoban’s perception of recycling efforts in our province.

All of this research helps us do a better job identifying beverage container recycling behaviours and barriers across the province, and are essential to helping us reach our goal.

Our online survey has shown two major improvements in our ‘Under 25 Years Old’ demographic. This includes a stronger belief that recycling is a ‘personal responsibility’ as well as a commitment to recycle more or continuing their current habits.
Promotions & Education
An integral part of our strategy is promotions and education. We invest in advertising, public relations, Street Team events, research and sponsorships with the intent of changing behaviour, reducing litter and sustaining positive attitudes towards recycling.

Advertising
In 2018, we expanded the success of our province-wide “Whatever It Takes” advertising campaign with the “You Can Do This” campaign. These general awareness campaigns appeared across our province in print, outdoor and online ads, targeting a wide range of demographics. These campaigns have proven to increase the number of Manitobans who choose to recycle their beverage containers.

The key message in both campaigns was that no matter where you are or what you’re doing, do whatever it takes to recycle empty beverage containers.

In addition to our “You Can Do this” campaign, we launched our first contamination awareness campaign. Informed by the results of our waste audit, this campaign was designed to inform the public of the consequence that wrong materials have on recycling. Focusing on the top three Recycle Everywhere bin contaminants (disposable coffee cups, leftover liquid, and food waste) we showed Manitobans that when these types of materials make their way into blue bins, they “Turn Blue Bins into Garbage Bins,” and ruin our collective recycling efforts.

Targeted Campaigns
We continued to develop individual targeted campaigns for use in online, social media and television. These campaigns segmented Manitobans into three age groups: 18–24, 25–54, and 55+.

Based on our research we realized each of these demographics needed specific messages to properly motivate and encourage them to recycle. Taking into consideration their age, media consumption, and psychographic factors like what type of advertising resonates with them, we developed effective strategies for each group.

Reaching the 18–24 Demographic
Our research showed we needed to convince 18–24 year olds to recycle beverage containers and that we needed to help them form good recycling habits. For our youngest demographic, using humour and featuring people their own age in our ads was key to show that empty beverage containers belong in the blue bin.

Another approach we took to best reach this audience was to place our “Terrifying Fall” ads where they would see them, including for the first time, on Snapchat. These 6-second videos showed a can and a bottle being accidentally knocked down from up high and eventually landing safely and happily in a blue bin.

We brought back our talking robotic Recycle Everywhere bin at Assiniboine Park Zoo, Kildonan Place and Super-Spike (a new sponsorship partner). This tactic not only engaged our youngest demographic, but also our 25-54 year olds group by enabling them to have a direct conversation with our brand. These Robo-Bin stunts helped us highlight the accessibility of our Recycle Everywhere bins.

In addition to these efforts, we leveraged unique media placements and techniques by releasing a series of 8-second “Doing Whatever it Takes” ads. We targeted this specific demographic with the first of three ads, showing a man doing what it takes to get to a blue bin, even if it means running over mouse traps or through an onslaught of snowballs.
Reaching the 25–54 year old Demographic

This demographic has embraced recycling empty beverage containers, and we continued to encourage them to keep up the good work and to recycle even more.

Last year we introduced Bernie and Gracie the recycling expert raccoons. Bernie and Gracie appeared in several commercials, and we decided to bring them back for 2018 with all new commercials for television and additional content for social media. While rummaging through trash cans and answering people’s questions, Bernie and Gracie encouraged our audience to recycle even more beverage containers.

Reaching the 55+ Demographic

These folks tend to be the most avid beverage container recyclers, so we wanted to reinforce their already high recycling effort rates.

We needed to resonate with them on an emotional level, so we told them a story we called “Heart Strings”.

This television commercial contained very few words and featured older family members as role models, by setting examples of responsible behaviour, to the younger members of the families. This ad was meant to be more emotional to help reinforce this demographics’ high rate of recycling empty beverage containers, but also a reminder to teach the younger generations the proper way to recycle.

Social Media

Our social media accounts saw strong growth throughout 2018. We offered up great contests, like “win one of five bikes” and other engaging and educational content for our audience. As a result, our engagement scores on each account showed strong numbers, with nearly 10,000 engagements on Facebook, more than 5,400 on Instagram and nearly 1,500 on Twitter. Twitter saw the strongest engagement growth in 2018 with 790 more than the previous year. Both Facebook and Instagram saw impressive follower growth with 739 likes added to our Facebook page and 234 followers added to our Instagram account.

These numbers show that our content was appealing to our followers and that we’re on the right path, and we plan to continue utilizing our social media accounts to engage with and answer our followers’ questions in 2019.
The Recycle Everywhere Street Team is dedicated to spreading the word about our programs and best recycling practices through engagement with as many Manitobans as possible and partnering with event organizers to improve their beverage recycling efforts. In 2018, we attended Festival du Voyageur, NHL Jets Playoff Street Parties, Folklorama, Winnipeg Pride, Thompson Nickel Days, Gimli Film Festival, Super-Spike, Winnipeg Folk Festival, and the MEC Race Series, among many other events.

The Street Team attended events in Thompson, The Pas, and Dauphin to emphasize the importance of beverage container recycling in Northern Manitoba.

The Street Team also plays a crucial role in engaging with the public in an immediate manner. They’re able to ask questions at events, and through this we’re able to learn what Manitobans want and think about recycling. For example, when asked, “In what type of public spaces would you like to see more Recycle Everywhere bins?” the public has again chosen parks as their number one answer, followed by streetscapes and office buildings/workplaces.

Street Team

Throughout 2018, our Street Team attended a total of 262 event days and BINjamin, our mascot, appeared 158 times.
It’s inspiring that northern Manitoba schools are taking a leadership role in expanding recycling with Recycle Everywhere’s Northern Backhaul Schools Project.

— Honourable Rochelle Squires, Minister of Sustainable Development

Public Relations

Our projects continued to earn valuable media attention throughout 2018.

The Minister of Sustainable Development, Hon. Rochelle Squires, as well as representatives from both schools who took part in our Northern Schools Backhaul Project, and Arctic Beverages joined us in Norway House for a congratulatory presentation for all those involved.

During the presentation, Hon. Rochelle Squires issued a friendly challenge to other northern schools to join the initiative. This challenge resulted in three additional schools joining the project and more recyclables being diverted from the landfill.

We were also proud to again partner with MMSM to host the 2018 Northern & First Nations Community Clean-up. We issued a joint news release congratulating the winning community and hosted a celebratory barbecue where we presented Bloodvein First Nation with their first place prize.
Website

The majority of the traffic to the Recycle Everywhere website in 2018 came from direct and organic search methods. We attribute the search activity to our engaging campaigns, and that Manitobans want to learn more about recycling.

The website was utilized as a hub and landing page for high priority projects throughout the year. One of those projects was our Contamination campaign that aimed to inform Manitobans on the seriousness of the issue.

We launched the campaign in the fall and it ran on digital and print and directed people to our website to learn more. The ‘What Goes in the Bin’ web page featured an informative chart of what belongs in our bins and what doesn’t, as well as an extensive list of FAQs around the topic of contamination.

We also utilized the website for the very successful Bin Bag initiative. We overhauled the Campgrounds and Cottages webpage and optimized it for top tier visibility. This page was used as the hub for Bin Bag distribution in 2018 and featured a regularly updated list of pick-up locations along with the dates and times of events where the Bin Bags would be available.

Sponsorships

Our community sponsorships play a vital role in helping us ensure our message reaches Manitobans. While supporting many great organizations throughout the province, we increase our brand awareness and the opportunities to engage with our audience. We were proud to sponsor these organizations in 2018.

In the community:
- Brandon Wheat Kings
- Gimli Film Festival (new sponsorship)
- Manitoba Junior Hockey League
- Manitoba Moose
- Super-Spike (new sponsorship)
- Winnipeg Blue Bombers
- Winnipeg Goldeyes

Conferences:
- Association of Manitoba Municipalities (AMM) - 2018 Annual Conference
- Manitoba Association of Regional Recyclers (MARR) – 2018 Forum

88% OF WEBSITE TRAFFIC WAS NEW VISITORS
To help us reach our target, we partnered with municipalities, communities and businesses across the province. These collaborations helped us get our message to as many Manitobans as possible.
Industrial, Commercial and Institutional (IC&I)

We continue to work closely with IC&I organizations who are some of our largest key partners. Through our work with these organizations and sectors, we attend events, conferences and trade shows, and have extended our free bin program to the following sectors:

- Health Care/Medical-Private
- Manufacturing
- Agribusiness Manufacturing, Technology & Food Processing
- Information & Communications Technology
- Transportation, Logistics and Distribution
- Biotechnology and Life Sciences
- Building, Construction, Planning
- Hospitality, Recreation, Entertainment & Service
- Cultural and Heritage
- Cleaning Companies

Outside of attending events, we send out email communication including best practices, tips for recycling and free bin offers to help these sectors efficiently recycle their empty beverage containers.

Gas Stations

We have bins at 144 gas stations in Manitoba, which is a significant step towards having Recycle Everywhere bins at every gas bar in the province. We currently implement the program through collaboration with several gas station franchises and independently owned sites, endeavouring to find solutions for limited spaces.

This partnership could divert approximately 10 million beverage containers from our landfills on an annual basis. An audit conducted by CBCRA showed that between 45 and 72 per cent of gas station waste can be diverted from landfills, with beverage containers making up 7 per cent of that waste.

Commercial & Multi-Tenant Office Buildings-ICI

Through our consultation service, we continue to work with Property Managers, building tenants, building cleaning staff, and collection service providers to identify how recycling can be added or enhanced in commercial and office buildings. Each site presents unique challenges to recycling, and we are working together to come up with innovative solutions.
Bin Bags

This year we expanded the Bin Bag initiative to include more than just campgrounds and cottage areas, so that more Manitobans had the ability to recycle while on the go. During various events we handed bin bags directly to people, plus we had distribution sites at stores and municipal offices to increase accessibility.

As in the past, we continued to distribute clear recycling bags through campground offices, but our goal in 2018 was to encourage more people to take and use the re-usable Bin Bags. As a result, we handed out fewer clear recycling bags and we expect to continue that trend as more people take and use a Bin Bag.

Events Distributing Bin Bags:

- Mid-Canada Boat Show/ Hook & Bullet Show
- Manitoba RV Show
- Cottage Country’s Lake and Cabin Show
- Provincial Park Seasonal Lot Draws

48,500 CLEAR BAGS provided to campgrounds

24,900 BIN BAGS distributed to campgrounds, cottage areas, RV parks, municipalities, and events
City of Winnipeg (Splash Pad/Wading Pool project)

For a second year, Recycle Everywhere, with the support of the General Council of Winnipeg Community Centres (GCWCC), approached Winnipeg community centres with adjacent city splash pads or wading pools to gain interest in participating in a recycling project that would help advance recycling in the city of Winnipeg’s public spaces.

The centres enthusiastically agreed to help with this project. We recognize, appreciate and thank our volunteers and staff for their spirit and generous nature in the call to action. Recycle Everywhere is proud to be a partner with all the Winnipeg community centres and happy to have provided hundreds of free recycling bins to the centres over the years. The program has been a positive influence not only in the centres, but also for the entire community.

Provincial Park Pilot

With the success of CBCRA programming in provincial parks, and the drastic increase in recovered recyclable materials, we recognized a need for additional storage for materials and enhanced signage. As part of a pilot project, CBCRA proposed enhancements in certain provincial park regions for two summer seasons. A review of the findings will allow us to better support the provincial park waste management system, logistics, and operations to increase efficiencies and diversion from landfills.

CBCRA continued to work with the park regions to bridge the knowledge gaps and provide feedback to assist with creating an efficient recycling program. We continued to distribute free reusable recycling Bin Bags and single-use recycling bags to cottagers and seasonal campers throughout the year.

Universities

We were pleased to continue our partnership with universities and colleges throughout the province. We continue our outreach to post-secondary schools and conduct follow-ups to ensure best practices are being used. We provided a total of 58 bins to post-secondary schools in 2018 and we also participated in a number of on-campus events to encourage good recycling behaviours among students and staff.

Single Family Dwellings

Last year we conducted a pilot study that showed there was an increase in the recovery of beverage containers and other recyclable materials in households that were provided with the free bins.

To foster growth in this area, more than 16,000 Recycle Everywhere bins were delivered to every single-family dwelling (SFD) household in Brandon, Manitoba. We distributed bins to downtown Winnipeg SFD’s, as well over 35,000 SFD bins were delivered to 20 communities outside of Winnipeg. This effort was to help make in-home beverage container recycling more convenient.
Mini Bins

In 2018, we continued our Mini Bin program to increase beverage container recycling in Manitoba’s Multi-Family Dwellings (MFDs), such as apartment buildings and condos.

We delivered 7,919 Mini Bins to MFD residences across Manitoba. Of that number, 1,915 were distributed outside of Winnipeg. Providing bins to MFDs has proven to be an effective and cost-efficient method of increasing our collection rates, and we will continue to improve on this program so we reach as many MFDs as possible.

Approximately 70 per cent of beverages are consumed at home, and dwellings like apartments, condos, and townhouses make up one of our biggest opportunities to improve recovery rates.

The Mini Bin program consistently receives positive feedback on how convenient tenants find the bin, especially for senior citizens and tenants with mobility issues.

With over 100,000 Mini Bins placed throughout the province since the program began, we continue to work with existing partners to assess the need for more bins, accounting for tenant turnover or new acquisitions. We also did follow-up to ensure that damaged bins were repaired or replaced. To help support our efforts, we began our Mini Bin Maintenance Program in 2018.

The Mini Bin Maintenance Program is key to ensuring the longevity of our program and sustaining high-level function to collect as many empty beverage containers as we can.
Solid Waste Action Team (SWAT)

In 2018, we continued our efforts to work with the provincial government to increase efficiency and collect as many empty beverage containers as possible.

SWAT is a regular meeting between producer responsibility organizations (PROs) and government, where we update each other about our products, new projects, and discuss potential collaborations in the North. It was through these meetings that we were able to develop the SWAT Toolkit.

The SWAT Toolkit was developed to help northern and First Nations communities begin their own waste management programs. Starting or expanding one of these programs can be a difficult task, and this toolkit helps these groups assess their needs, guides them through planning, and provides an overview of how to implement a beverage container recycling program to meet their communities’ unique needs.

Northern Schools Backhaul Project

After the success of our pilot project last year, we continued our partnership with Arctic Beverages, Indigenous and Northern Affairs Canada (INAC), Cascades, and the Frontier School Division to ensure schools in the North are able to have their recyclable material sent to a MRF.

D.R Hamilton School in Cross Lake and the Helen Betty Osborne Ininiw Education Resource Centre in Norway House continued their involvement and ensured their collected materials were back-hauled through regularly scheduled pick-ups with Arctic Beverages directly.

In the fall we sent out applications to other schools in communities along the Arctic Beverages route. Three new schools were accepted into the project:

• Nelson House: Nisichawayasihk Neyo Ohtinwak Collegiate (NNOC)
• Split Lake: Chief Sam Cook Mahmuwee Education Centre
• South Indian Lake: Oscar Blackburn School

NNOC used their investment fund to purchase materials to build a storage shed for recyclables. We worked with them to plan and send the proper number of bins they require for optimal collection.

Chief Sam Cook Mahmuwee Education Centre and Oscar Blackburn School are assessing their needs, and we will continue to work with them.
Northern First Nations Community Clean-Up

Congratulations were in order for Bloodvein First Nation, as they were the winner of this year’s competition. We partnered with Multi-Material Stewardship Manitoba (MMSM) to provide them with informational signs outlining the do’s and don’ts for bins at their Recycling and Waste pick up locations.

A celebratory BBQ was held with over 200 volunteers, students, and community council members present, and CBCRA and MMSM staff were there to commend and celebrate the community and their accomplishment.

Bunibonibee First Nation Partnership

CBCRA and MMSM, along with the Keewatin Tribal Council (KTC) and Indigenous Services Canada (ISC) have formed a three-year joint partnership to improve waste management for northern communities.

Bunibonibee First Nation (BCN) was identified as the first community to focus on. BCN developed plans and sought funding from ISC to build a new landfill and a recycling centre in the community. KTC and ISC are working with CBCRA and MMSM to implement a recycling program in the community which includes household recyclables and beverage containers.

Recycle Everywhere 101 (RE101)

To keep the Recycle Everywhere program relevant to the large number of schools who have implemented our RE101 program, we continued to follow up through multiple programs, including contests, presentations, and outreach.

Over the course of 2018, we completed a total of 54 presentations in Winnipeg, Brandon, Thompson, Portage la Prairie, Steinbach, and more.

RE101 Ambassador Program

Continuing with the success of the RE101 Ambassador Program piloted in 2015, this year the program was offered to grade four classrooms in Thompson, Manitoba. In total, 143 students from Burntwood School, Deerwood School, Westwood School, and Juniper School participated, and were rewarded with pizza parties when they completed their educational activity booklets, which they received along with Mini Bins to track their beverage container recycling over the course of a month.

Free Throw Challenge

The Free Throw Challenge was designed to engage students in a fun way to learn about recycling; we reached over 700 students in the fall of 2018.

The Street Team visited high schools in Winnipeg and surrounding area with a unique Recycle Everywhere bin. Students learned about the importance of beverage container recycling and were given the chance to ‘shoot to win’ by successfully landing a beverage container in the bin. They were given a ballot to enter to win a grand prize of $1,000 with Woodcock Cycle Works, as well as be eligible for instant prizes of a Polo Park Mall gift card. The goal in all of these events and activities is to engage and educate students about the importance of recycling and what new products can be made from these materials, and how this all contributes to a circular economy.
Board of Directors

Jim Goetz  
Chairman  
Canadian Beverage Association

Neil Antymis  
Treasurer  
Canadian Beverage Association

Cheryl McLaughlin  
Cott Beverages

Sylvain Mayrand  
A. Lassonde Inc.

George Groumoutis  
Sky Blue Water, Inc.

Victor Vrsnik  
7-Eleven

Staff

Ken Friesen  
Executive Director

Arielle Curevich  
Communications Manager

Christa Rust  
Program Manager

Jaclyn Diduck  
Senior Logistics and Schools Coordinator

Melissa Dorota  
Senior Outreach Coordinator

Georgia Exell  
Street Team Lead

Riley Martin  
Communications Coordinator

Kayla Orten-Lederhouse  
Outreach Coordinator

Justine Spearman  
Data and Outreach Coordinator

Five additional Reclay StewardEdge staff in the Toronto office provide analytical and accounting expertise and additional support as required.
Independent Auditor’s Report

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, 2018 and 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.

To the Members of Canadian Beverage Container Recycling Association

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.
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.

Other Matter — Comparative Information

The financial statements for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 4, 2018.

Chartered Professional Accountants
Winnipeg, Canada
April 4, 2019
## Statement of Financial Position

December 31, 2018, with comparative information for 2017

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$2,132,578</td>
<td>$3,674,864</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,132,018</td>
<td>703,006</td>
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<tr>
<td>Prepaid expenses</td>
<td>37,661</td>
<td>24,579</td>
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<td>Inventory</td>
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<td></td>
<td>4,784,770</td>
<td>4,701,116</td>
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<tr>
<td>Capital assets, net of accumulated amortization of</td>
<td>18,764</td>
<td>41,877</td>
</tr>
<tr>
<td>$126,387 (2017 - $103,812)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>$4,803,534</td>
<td>$4,742,993</td>
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</table>

### LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
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<td></td>
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<tr>
<td>Accounts payable and accrued liabilities (note 2)</td>
<td>$737,223</td>
<td>$1,764,975</td>
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<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>18,764</td>
<td>41,877</td>
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<tr>
<td>Internally restricted (note 1[a])</td>
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<td>–</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,047,547</td>
<td>2,936,141</td>
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<tr>
<td></td>
<td>4,066,311</td>
<td>2,978,018</td>
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<tr>
<td>Commitments (note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,803,534</td>
<td>$4,742,993</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

On behalf of the Board:

Jim Goetz  
Chairman

Neil Antymis  
Director
**Statement of Operations**

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
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<tr>
<td>Container recycling fees</td>
<td>$9,424,329</td>
<td>$9,280,635</td>
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<tr>
<td>Interest income</td>
<td>21,727</td>
<td>5,629</td>
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<tr>
<td></td>
<td><strong>9,446,056</strong></td>
<td><strong>9,286,264</strong></td>
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<tr>
<td><strong>PROGRAM EXPENSES</strong></td>
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<td></td>
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<tr>
<td>Awareness campaign</td>
<td>2,604,810</td>
<td>2,680,042</td>
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<tr>
<td>Multi Material Stewardship Manitoba</td>
<td>1,697,169</td>
<td>1,391,281</td>
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<tr>
<td>Program management services (note 4)</td>
<td>1,149,266</td>
<td>1,016,616</td>
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<tr>
<td>Municipal Public Spaces Program</td>
<td>889,501</td>
<td>685,469</td>
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<tr>
<td>Industrial, Commercial and Institutional Program</td>
<td>694,735</td>
<td>794,920</td>
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<tr>
<td>Waste Audit</td>
<td>274,018</td>
<td>159,843</td>
</tr>
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<td>Government Buildings Program</td>
<td>264,440</td>
<td>292,539</td>
</tr>
<tr>
<td>Events Recycling Program</td>
<td>262,374</td>
<td>272,973</td>
</tr>
<tr>
<td>RE101 Schools</td>
<td>97,123</td>
<td>127,633</td>
</tr>
<tr>
<td>Post-secondary Program</td>
<td>46,751</td>
<td>113,719</td>
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<tr>
<td></td>
<td><strong>7,980,187</strong></td>
<td><strong>7,535,035</strong></td>
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<tr>
<td><strong>OPERATING EXPENSES</strong></td>
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<tr>
<td>Administrative expenses (schedule)</td>
<td>307,499</td>
<td>288,474</td>
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<tr>
<td>Steward services (note 4)</td>
<td>70,077</td>
<td>58,860</td>
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<td></td>
<td>377,576</td>
<td>347,334</td>
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<tr>
<td></td>
<td><strong>8,357,763</strong></td>
<td><strong>7,882,369</strong></td>
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<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENSES</strong></td>
<td><strong>$1,088,293</strong></td>
<td><strong>$1,403,895</strong></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>Invested in capital assets</th>
<th>Internally restricted</th>
<th>Unrestricted</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 41,877</td>
<td>$</td>
<td>$ 2,936,141</td>
<td>$ 2,978,018</td>
<td>$ 1,574,123</td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>(23,113)</td>
<td>-</td>
<td>1,111,406</td>
<td>1,088,293</td>
<td>1,403,895</td>
</tr>
<tr>
<td>Transfer to internally restricted net assets (note 1[a])</td>
<td>-</td>
<td>1,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 18,764</td>
<td>$ 1,000,000</td>
<td>$ 3,047,547</td>
<td>$ 4,066,311</td>
<td>$ 2,978,018</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

Statement of Cash Flows

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>$ 1,088,293</td>
<td>$ 1,403,895</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>23,113</td>
<td>29,203</td>
</tr>
<tr>
<td>Change in non-cash operating working capital:</td>
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<tr>
<td>Accounts receivable</td>
<td>(1,429,012)</td>
<td>322,706</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(13,082)</td>
<td>9,280</td>
</tr>
<tr>
<td>Inventory</td>
<td>(183,846)</td>
<td>174,517</td>
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<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(1,027,752)</td>
<td>(46,596)</td>
</tr>
<tr>
<td></td>
<td>(1,542,286)</td>
<td>1,893,005</td>
</tr>
<tr>
<td>Investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>-</td>
<td>(1,269)</td>
</tr>
<tr>
<td>Increase (decrease) in cash</td>
<td>(1,542,286)</td>
<td>1,891,736</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>3,674,864</td>
<td>1,783,128</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>$ 2,132,578</td>
<td>$ 3,674,864</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Notes to Financial Statements
Year ended December 31, 2018

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.

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 require the approval of the Board of Directors.

(b) Cash:

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

(c) Inventory:

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

(d) 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 percent over the assets’ useful lives. Amortization of computers and computer software is recorded on a declining balance basis of 33 percent over the assets’ useful lives.

(e) 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 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 writedown 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.

(f) 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, $20,652 (2017 - $1,196,282) 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.

CBCRA’s financial instruments that are exposed to concentration of credit risk consist primarily of cash and accounts receivable. 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 receivable.
3. Financial instruments (continued):

(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 requiring approximate annual rental payments to the end of the leases as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rental Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 91,029</td>
</tr>
<tr>
<td>2020</td>
<td>92,946</td>
</tr>
<tr>
<td>2021</td>
<td>86,251</td>
</tr>
<tr>
<td>2022</td>
<td>79,556</td>
</tr>
<tr>
<td>2023</td>
<td>40,257</td>
</tr>
</tbody>
</table>

(b) A program management services agreement is in place with Reclay StewardEdge Inc. to provide various management, administrative and communication tasks to CBCRA until December 2020 at a monthly amount of $101,612 (2017 - $89,623).
During 2018, payments under this commitment totaled $1,219,343 (2017 - $1,075,476) and are included in program management services and steward services.
## Schedule of Administrative Expenses

**Year ended December 31, 2018**

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>$23,113</td>
<td>$29,203</td>
</tr>
<tr>
<td>Audit, legal and professional fees</td>
<td>31,237</td>
<td>22,160</td>
</tr>
<tr>
<td>Bad debts</td>
<td>10,010</td>
<td>–</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,500</td>
<td>1,844</td>
</tr>
<tr>
<td>Board expenses</td>
<td>15,883</td>
<td>11,291</td>
</tr>
<tr>
<td>Consulting</td>
<td>63,802</td>
<td>9,893</td>
</tr>
<tr>
<td>Dues and memberships</td>
<td>9,948</td>
<td>5,046</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,569</td>
<td>8,321</td>
</tr>
<tr>
<td>Interest and other charges</td>
<td>1,112</td>
<td>62,243</td>
</tr>
<tr>
<td>Office supplies</td>
<td>16,631</td>
<td>13,780</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>5,925</td>
<td>9,367</td>
</tr>
<tr>
<td>Rent</td>
<td>98,450</td>
<td>100,839</td>
</tr>
<tr>
<td>Telephone</td>
<td>17,319</td>
<td>14,487</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$307,499</strong></td>
<td><strong>$288,474</strong></td>
</tr>
</tbody>
</table>