2023 ANNUAL REPORT

Making Manitoba a better place one bin at a time.

cbcra Canadian Beverage Container Recycling Association

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CBCRA OVERVIEW

Founded in 2010, CBCRA is a not-for-profit, industry-funded organization whose membership includes beverage brand owners and distributors. CBCRA's Recycle Everywhere program promotes beverage container recycling wherever beverages are consumed, both at home and away from home. This is done using a two-pronged approach which provides widespread recycling access through away from home beverage container recycling programs, paired with extensive Promotion and Education (P&E). In 2023, Manitoba was the only province in Canada with a province-wide public space beverage container recycling program. Notably, it is also the least expensive beverage container recovery system in Canada when viewed on a container per capita or per unit basis, directly benefiting consumers and producers.

CBCRA has worked tirelessly to grow the Recycle Everywhere program and increase beverage container recovery rates. From one corner of the province to another, Recycle Everywhere has partnered with communities, municipalities, schools, businesses, institutions, parks, and events to provide them with the best Recycle Everywhere bin for their space, free of charge.

In addition to recycling accessibility, Recycle Everywhere's province-wide P&E campaigns have helped consumers make the right decision by recycling their empty beverage containers rather than throwing them in the garbage. The innovative awareness campaigns that CBCRA runs each year engages the public, educating them about the circular-economy, why recycling is important, and how to do it.

CBCRA's approach, dedication and strong partnerships has resulted in a beverage container recycling program that has achieved significant results.

CBCRA BOARD CHAIR

Cheryl McLaughlin

In 2023, CBCRA worked tirelessly to ensure that Manitobans were able to recycle millions of empty beverage containers across the province, no matter where they reside, what they were doing or whether they were at home or on the go. As we look back on the year's highlights and achievements, CBCRA acknowledges and sincerely values the commitment and support of participating beverage producers – which without their support the Recycle Everywhere program would not be possible.

We are motivated every day to accomplish our mission of recovering every single empty beverage container in the province -- diverting beverage containers from landfills and integrating them into a circular economy. By prioritizing sustainability and making the recycling of empty beverage containers accessible for all Manitobans, we know present and future generations will benefit from a cleaner and greener province.

In 2023, CBCRA strived to make recycling empty beverage containers within reach; those efforts are highlighted in this annual report:

Thousands of Bin Bags were distributed to make on-the-go recycling easier, there is now one bag for every ten Manitobans.

Increased access of single-family dwelling (SFD) bins to 74% of all eligible Manitobans.

Increased access of multi-family dwelling (MFD) bins designed to increase beverage container recycling in apartment buildings and condos to nearly all eligible buildings/units.

Partnered with IC&I spaces to install over 1,595 new bins with signage, best practices and education.

Through an innovative Promotion & Education campaign in partnership with advertising agency Wunderman Thompson, Recycle Everywhere emphasized that recycling empty beverage containers is accessible to Manitobans, which coincided with placing the 80,000th public space recycling bin in the province (one bin for every 17 Manitobans).

Participated in 250 events through the Recycle Everywhere Brand Ambassador program which attracted approximately 600,000 Manitobans. These events took place across the province and included sporting events, festivals, cultural celebrations and more.

Provided 1,800 temporary Event Bins enabling all events in the province (no matter their size, location or time of year) to include recycling in their event plan.

Collection area expanded at Hecla Provincial Park and Beaver Creek Provincial Park through Recycle Everywhere trailers.

Expanded northern school backhaul initiative, providing 10 schools with access to beverage container recycling that otherwise would not be available.

As CBCRA continues to work towards the province's 75% beverage container recovery rate, there are now more than 80,000 away-from-home recycling bins in parks, streetscapes, schools, businesses, and other places.

I also acknowledge the dedication and hard work of our board of directors, staff, partners and other stakeholders for their time and effort. Together, we are steadfast in our mission to create a lasting impact and continue to ensure that recycling empty beverage containers is within reach for every Manitoban.

CBCRA EXECUTIVE DIRECTOR

Ken Friesen

2023 has been a year of remarkable progress and collaboration, and I am filled with enthusiasm as I reflect on our achievements. My gratitude goes out to our board of directors, employees, partners, and stakeholders. Without their collective effort and tireless commitment to our mandate, none of our success would be possible.

Over my many years in the industry, I have seen public sentiment for recycling and sustainable issues become more prominent, and with that attention, more scrutable, complex and reported on. Research shows that younger generations are increasingly more environmentally conscious. Where there used to be several news stories a month, there are now many more.

In this complex and ever-changing, always-on reality we live in, where ideas are discussed passionately and often urgently, there is one that has always been a good idea (and plainly true): the more beverage containers that are recycled properly, (without liquids and in Recycle Everywhere bins free of contamination), the bigger the difference it makes.

And that difference is not small or inconsequential. Depending on the material composition, certain types of plastic will take many, many years to break down in a landfill. The good news is that unlike some of the questions and discussions currently taking place around many important environmental issues around the world, in the beverage container space, we already have a solution that is not only convenient, but also readily accessible to all Manitobans.

In 2023, the Recycle Everywhere team placed its 80,000th recycling bin in the province, which, on a per capita basis, is about one bin for every 17 Manitobans. This achievement was celebrated not just as a milestone and testament to CBCRA's long-term vision and execution but as a leading example for Canada's only province-wide away-from-home recycling program.

The Recycle Everywhere program continues to deliver Canada's lowest-cost beverage container recovery program with impressive results for Manitobans, including a very high average PET recovery rate (amongst the highest in Canada).

Our collective efforts have had a significant impact that can be noticed today by a significant reduction in litter across the province and are also be appreciated for generations to come as more material ends up in the circular economy, avoiding landfills while reducing the need for new materials in future beverage container production.

Thank you for your ongoing support and partnership. Together, we are making a difference.

Warm regards,

PERFORMANCE HIGHLIGHTS

At CBCRA, we are continually innovating to reach our 75% beverage container recovery rate target. Part of our success is looking back each year to see what worked and to find new opportunities for growth.

Ongoing research and audits show the effectiveness of our strategy and helps inform decisions to improve the system, as well as keep up with the latest consumer sentiments. 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.

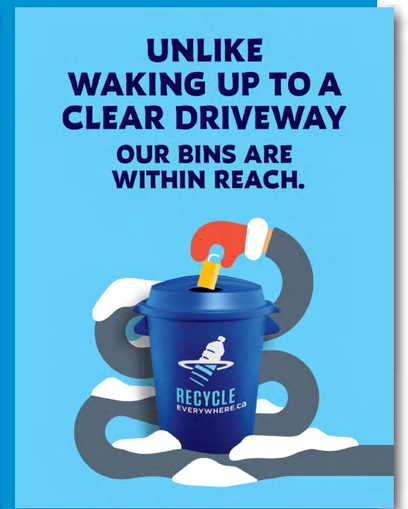
WITHIN REACH P&E CAMPAIGN

Almost 18M impressions on linear and connected TV.

Nearly 10M social media impressions.

17.3M impressions out of home advertising.

4.85M radio impressions, primarily in rural Manitoba.



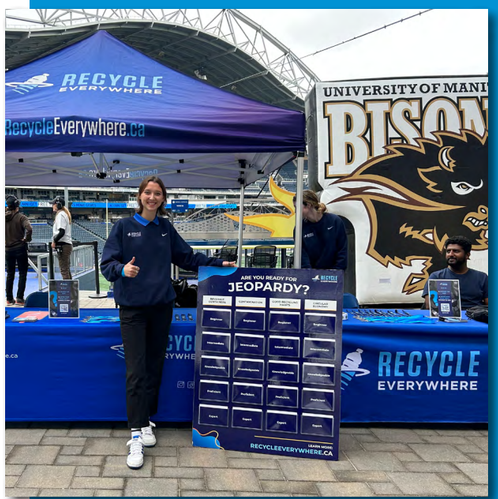
Population of Manitoba is 1.368M - StatCan 2019

EVENTS/ SPONSORSHIP

Brand Ambassadors attended 250+ event days.

Event Bins used at 130+ events with over 1,800 delivered throughout the year.

Sponsored 49 events/initiatives to educate Manitobans and increase access to recycling infrastructure.



PERFORMANCE HIGHLIGHTS

Industrial, Commercial and Institutional (IC&I)

Bins distributed:

1,595

Industry events attended: 12

Over 300+ site visits completed (includes bin bag distribution sites)

Workplace presentations: 3

Comprehensive partnership with CF Polo Park

Post Secondary: 55 bins distributed

Retrofits of 77 bins already in place in post-secondary institutions

Single-Family Dwellings (SFD)

SFD Bins distributed:

2,200

Achieved saturation for SFD bins, new builds continue to receive bins

PERFORMANCE HIGHLIGHTS

Multi-Family Dwellings (MFD)

MFD Bins distributed:

3,147

Our Mini Bin program is designed to increase beverage container recycling in Multi-Family Dwellings (MFDs), such as apartment buildings and condos.

Bin Bags

Bin Bags distributed:

37,675

Designed for recreational use, the Bin Bag is a lightweight, collapsible recycling bag designed with handles making it easy to carry. This 100-litre bag has the capacity to store more recyclables and is convenient for picnics, camping, going to the cottage and more! The Bin Bag design is proprietary to CBCRA and is one of many examples of CBCRA's innovative culture.

Distributed 1,750 bin bags at events (June – December 2023)

3,500 distributed to provincial parks

28,000 bin bags distributed through 28 distribution partners across the province

PERFORMANCE HIGHLIGHTS

RE101

Bins distributed:

498

Good recycling behaviour starts at a young age. Children are future recycling champions who will lead the way for generations to come. With this in mind, CBCRA launched the Recycle Everywhere 101 (RE101) program in 2013, a free program open to all Manitoba schools to increase beverage container recycling rates.

In addition, we focus on regional-specific programming in Northern Manitoba.

304 community clean-up kits distributed

14 northern school presentations held within eight schools

Updated & translated RE101 educational resources (all materials available in English and French)

Northern Schools Backhaul Program

10 community schools now have access to beverage container recycling that otherwise would not be available

10 backhaul storage sheds

10 participating schools

3,900 students reached

Partner Communities

Cross Lake, Gillam, Leaf Rapids, Lynn Lake, Nelson House, Norway House, South Indian Lake, Split Lake.

Municipal Public Spaces

Bins distributed:

384

Achieved saturation for bins, new request continue to be fulfilled.

Municipal Contamination Reduction Initiative in Stonewall, RM of Alexander and Selkirk representing a population of 19,178 (census of population, StatCan 2021).

284 community clean-up kits distributed to municipal groups and organizations.

Clean-up kits to support litter reduction, increase beverage container recovery, and increase beautification in communities across the province.

Recycling collection trailers:

Town of Stonewall

RM of Alexander

City of Selkirk

Benefits include reducing collection time, fuel consumption, and labor, allowing for expansion of collection and increasing recovery.

PERFORMANCE HIGHLIGHTS

Waste Audits

Waste audits evaluate the composition of waste and recycling streams, allowing for performance indicators such as capture and contamination rates to be calculated. The results help guide current sustainability initiatives and inform future decisions or changes.

Waste audits completed at IC&I locations: 17

Material Recovery Facility (MRF) audits completed: 18

Litter Audits

Litter audits evaluate the amount of litter in communities to better understand where litter is found, the types of material discarded, and how to prevent it from recurring.

Litter audits completed (June 2023, 5 cities). Post-pandemic the litter results improved in most communities. Percentage change since baseline:

- *–76% Brandon*
- *–62% Steinbach*
- *–62% Winnipeg*
- *–49% Thompson*
- *53% Flin Flon*

Provincial Parks

Bins distributed:

33

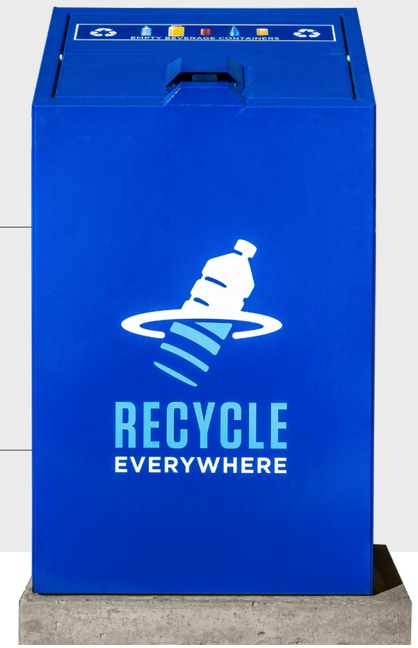
124 educational and directional signs (Whiteshell Provincial Park)

3,500 bin bags

Collection areas expanded through recycling collection trailers:

Hecla Provincial Park

Beaver Creek Provincial Park



RECOVERY RATES

79%

The PET recovery rate in 2023.

In 2023, 71% of non-alcoholic, non-dairy beverage containers sold in Manitoba were recovered.

MANITOBA BEVERAGE CONTAINER SALES

Material	Units
Aluminum	221,385,445
PET	268,168,706
HDPE	5,158,902
Plastics	1,996,939
Glass	4,580,749
Bi-Metal	701,975
Drink Boxes	41,808,283
Gabletop	4,749,669
Drink Pouches	10,155,581
Bag-in-a-box	17,380
	558,723,629

PARTICIPANTS

CBCRA Manitoba Participants

CBCRA works closely with beverage producers and distributors supplying into Manitoba. Participants are charged the Container Recycling Fee (CRF) 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 residential recycling programs. It also pays for away from home bins supplied to municipalities, events and the IC&I sector, as well as the extensive P&E campaigns.

CBCRA Participants as of December 2023:

A. Lassonde Inc
Acklands Grainger Inc
Amazon.com.ca ULC
Amway Canada Corporation
Arctic Beverages LP
Arthur Roger & Associetes Inc
Athletic Brewing Co. Canada ULC
Bulk Barn Foods Limited
C.B. Powell 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
Coldhaus Direct Inc.
Complete Distribution Services LTD.
Corpell's Water A
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
Imperial Dade
Inform Brokerage Inc.
Kraft Heinz Canada ULC
Labatt Brewing Company Ltd
Loblaw Companies Ltd
London Drugs Limited
Malinda Distributors Inc
McKesson Canada
Nestle Canada Inc.
Pattison Food Group
Pepsi Bottling Group Canada
Red Bull Canada Ltd
Refresco Canada Inc
RW Consumer Products Ltd.
Shoppers Drug Mart Inc.
Sky Blue Water Inc.
Sobeys Capital Inc.
Star Marketing Ltd.
Sunrise Markets Inc. dba Sunrise Soya Foods
SYSCO FOOD SERVICE, WINNIPEG
Temple Lifestyle Inc
The Minute Maid Canada of Company Inc.
The North West Company LP
Tle' Nax T'Awei Limited Partnership
Tree of Life Canada ULC
Triton Water Canada Holdings Inc.
United Natural Foods Canada Inc
UNO FOODS INC. 2
Wallace & Carey Inc
Wal-mart Canada Corp.
Well Juicery Canada Ltd
Wellness Natural Inc
Whistler Water Inc.
Wm Bolthouse Farms Inc.

CBCRA BOARD OF DIRECTORS

Cheryl McLaughlin
Chair –
Refresco Canada

George Groumoutis
Vice-Chair – Sky Blue Water, Inc.
on behalf of Canadian Bottled
Water Association

Neil Antymis
Treasurer – PepsiCo,
on behalf of the Canadian
Beverage Association

Callei Bellamy
Coca-Cola Bottling Limited

Carl Botha
Tim Hortons at Restaurant
Brands Canada on behalf
of Retail Council of Canada

Sylvain Mayrand
A Lassonde Inc.

Scott McIntyre
Canada BlueTriton Brands
on behalf of Canadian
Beverage Association

Victor Vrsnik
7-Eleven on behalf
of Retail Council of Canada

CBCRA TEAM

Ken Friesen
Executive Director

Sheri Moerkerk
Director, Marketing
and Communications

Rhea Prathipati
Controller

Christa Rust
Senior Program
Director

Adrian Vannahme
Director, Public Affairs

Mike Cuma
Manager, Marketing
and Communications

Alexis Davy
Executive Assistant

Paul Flegg
Manager, Stewardship
Reporting

Mike Hall
Consultant

Craig Harrison
Senior Outreach Coordinator

Aneesa Hooseinny
Waste Audit
Coordinator

Claudia Humaire
Digital Marketing
Specialist

Candace Kunkel
Events Coordinator

Karen Schwarz
Consultant

Noah Shams
Logistics and Schools
Coordinator

Eduardo Sousa
Assistant Controller

Justine Spearman
Senior Data Outreach
Coordinator

Nina Vaks
Waste Audit
Coordinator

Adam Wilton
Admin and Accounting
Coordinator

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Beverage Container Recycling Association

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, 2023, 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for nor-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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada
April 4, 2024

Statement of Financial Position

December 31, 2023, with comparative information for 2022

Assets	2023	2022
Current assets:		
Cash	$ 2,652,358	$ 2,895,009
Short-term investment (note 1[c])	1,000,000	1,000,000
Accounts receivable	2,027,600	1,767,667
Inventory	603,856	398,419
Prepaid expenses and deposits	62,487	89,927
	6,346,301	6,151,022
Capital assets, net of accumulated amortization of $ 156,657 (2022 - $153,281)	8,872	5,640
	$ 6,355,173	$ 6,156,662

Liabilities and Net Assets	2023	2022
Current liabilities:		
Demand revolving loan (note 3)	$ 1,995,000	$ -
Accounts payable and accrued liabilities (note 2)	2,146,574	1,224,554
	4,141,574	1,224,554
Net assets:		
Invested in capital assets	8,872	5,640
Internally restricted (note 1[g])	1,000,000	1,000,000
Unrestricted	1,204,727	3,926,468
	2,213,599	4,932,108
Commitments (note 5)		
	$ 6,355,173	$ 6,156,662

On behalf of the Board:

Cheryl McLaughlin, Chair

Neil Antymis, Treasurer

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Container recycling fees	$ 10,533,244	$ 10,274,299
Interest income	71,533	25,582
Other income	146,511	23,893
	10,751,288	10,323,774
Program expenses:		
Awareness campaign	3,211,046	3,483,323
Multi material stewardship Manitoba	2,342,651	3,122,779
Municipal public spaces program	1,141,677	938,601
Program management services (note 5)	1,737,468	1,565,162
Industrial, commercial and institutional program	629,537	536,306
Government buildings program	205,393	166,242
Waste audit	481,361	271,036
RE101 schools	122,476	77,979
Events recycling program	249,889	121,406
Post-secondary program	54,449	2,957
Ontario program expenses (schedule)	2,732,191	509,685
	12,908,138	10,795,476
Operating expenses:		
Administrative expenses (schedule)	240,562	254,538
Ontario operating expenses (schedule)	321,097	84,919
	13,469,797	11,134,933
Deficiency of revenue over expenses	$ (2,718,509)	$ (811,159)

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

Current liabilities:	Invested in capital assets	Internally restricted	Unrestricted	2023 Total	2022 Total
Balance, beginning of year	$ 5,640	$ 1,000,000	$ 3,926,468	$ 4,932,108	$ 5,743,267
Deficiency of revenue over expenses	(3,377)	-	(2,715,132)	(2,718,509)	(811,159)
Purchase of capital assets	6,609	-	(6,609)	-	-
Balance, end of year	$ 8,872	$ 1,000,000	$ 1,204,727	$ 2,213,599	$ 4,932,108

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (2,718,509)	$ (811,159)
Items not involving cash:		
Amortization of capital assets	3,377	4,274
Change in non-cash operating working capital:		
Accounts receivable	(259,933)	(461,240)
Prepaid expenses and deposits	27,440	55,792
Inventory	(205,437)	4,675
Accounts payable and accrued liabilities	922,020	410,358
	(2,231,042)	(797,300)
Investing activities:		
Purchase of capital assets	(6,609)	-
Financing activities:		
Advances under demand revolving loan, net of repayments	1,995,000	-
Decrease in cash	(242,651)	(797,300)
Cash, beginning of year	2,895,009	3,692,309
Cash, end of year	$ 2,652,358	$ 2,895,009

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2023

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 accretions to CBCRA are to be used in promoting its objects.

During the year ended December 31, 2021, CBCRA commenced expanding its operations into Ontario (CBCRA Ontario) with initial planning occurring during fiscal 2021 and 2022 with anticipation of operations to commence in fiscal 2023. In July 2023, the Board of Directors of CBCRA approved ceasing operations CBCRA Ontario as a result of changes implemented by the Ontario Provincial Government.

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 notforprofit 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.

(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 January 3, 2024 and earns interest at a rate of 4.55 percent per annum (2022 - 0.95 percent).

(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:

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.

(g) Internally restricted net assets:

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.

(h) 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. There are no government remittances payable at December 31, 2023 (2022 - $23,288).

3. Credit facility:

CBCRA entered into a credit facility agreement during the year ended December 31, 2023 that includes a revolving demand loan up to a maximum of $3,000,000. The revolving demand loan bears interest at prime plus 1 percent (2023 - 8.20 percent) and is due on demand, collateralized by a general security agreement over CBCRA's assets. As at December 31, 2023, CBCRA had utilized $1,955,000 of the demand revolving loan. During the year ended December 31, 2023, CBCRA had incurred $83,899 in interest expense included in Ontario operating expenses on the statement of operations.

4. 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, liquidity risk and interest rate 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, short-term investment 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.

(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.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CBCRA is exposed to interest rate risk on its revolving demand loan.

5. Commitments:

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

2024	$	129,501
2025		123,957
2026		118,747
2027		122,000
2028		81,333

(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 2024 at a monthly amount of $144,789.

During the year ended December 31, 2023, payments under this commitment aggregated $1,737,468 for CBCRA and an additional $1,426,766 for CBCRA Ontario (2022 - $1,334,815 for CBCRA and $230,347 for CBCRA Ontario) and are included in program management services and steward services.

6. Comparative information:

Certain comparative figures for the prior period have been reclassified to confirm to the current year presentation.

Schedule – Administrative Expenses

Year ended December 31, 2023, with comparative information for 2022

		2023		2022
Amortization	$	3,377	$	4,274
Audit, legal and professional fees		50,716		76,076
Bank charges and interest expense		5,199		5,232
Board expenses		20,686		8,616
Dues and memberships		4,228		5,506
Insurance		9,663		9,254
Office supplies		8,787		8,723
Postage and courier		2,188		3,600
Rent		116,554		113,945
Telephone and internet		19,164		19,312
Total expenses	$	240,562	$	254,538

See accompanying notes to financial statements.

Schedule – Ontario Expenses

Year ended December 31, 2023, with comparative information for 2022

		2023		2022
Program expenses:				
Awareness campaign promotion and education	$	1,057,457	$	279,338
Events recycling program		89,674		–
Government buildings program		3,406		–
Industrial, commercial and institutional program		26,288		–
Municipal locations		16,774		–
Program management services (note 4)		1,455,529		230,347
Waste audit		83,063		–
		2,732,191		509,685
Operating expenses:				
Consulting fees		51,579		–
Dues and membership		–		658
Interest and bank charges		85,688		177
Office supplies		18,670		87
Other administrative		41,238		–
Professional fees		123,922		83,997
Total expenses	$	3,053,288	$	594,604

See accompanying notes to financial statements.

cbcra Canadian Beverage Container Recycling Association

Making Manitoba a better place one bin at a time.