ANNUAL REPORT 2021

re·de·fine

verb

Define again, or differently.

In 2021, CBCRA was able to **redefine** how empty beverage containers are recycled in our province.

cbcra

Canadian Beverage Container Recycling Association

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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. Our approach is two pronged. We pair the recycling accessibility of our provincial away from home beverage container recycling program with the knowledge of our extensive Promotion and Education (P&E) outreach program. The result helps more people not only understand recycling, but be compelled to do it. Manitoba is the only province in Canada that has a province-wide public space beverage container recycling program. Notably, it is also the least expensive beverage recovery system in Canada when viewed on a per capita, per unit or per tonne basis, directly benefiting consumers.

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 Promotion and Education campaigns, have helped Manitobans make the right decision by recycling their empty beverage containers rather than throwing them in the garbage. The innovative awareness campaigns that CBCRA runs in Manitoba each year engages Manitobans, educating them about what beverage containers can become when recycled, 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 in a short time.

re•flect

verb
Think about something in the past.

MESSAGE FROM

Jim Goetz

CHAIRMAN OF THE BOARD

As we reflect on the past year, a lot has changed due to the global pandemic. It affected all people, businesses, the economy and our environment. One common theme through this unprecedented change is resilience.

The CBCRA team, including our board, staff and external stakeholders, was resilient in terms of not letting anything get in the way of achieving our goals. Although we needed to redefine how we would meet our objectives.

In 2021, CBCRA redefined itself in the following ways, which will be highlighted in this annual report:

- Introduced new Recycle Everywhere and CBCRA brand identities.
- Designed a program to incentivize Manitobans to recycle.
- Developed and launched a mobile app to reward Manitobans for their good recycling habits.
- Leveraged our knowledge and expertise in developing innovative programs and initiatives to increase overall recovery rates throughout Manitoba.
- Designed a comprehensive recycling program for the recovery of beverage containers in blue bins and public space across Ontario.

The collective efforts of our Recycle Everywhere program, strategic partnerships and the community have continued to result in increased recovery rates. As well, there are more than 70,000 beverage container recycling bins in parks, streetscapes, schools and businesses. In addition, CBCRA continues to place promotion and education at the forefront to encourage and reinforce good recycling behaviour.

CBCRA credits our success to the commitment and support of our beverage producer and retailer partners, along with our dedicated team and board members. Together we will continue to recover as many empty beverage containers as possible.

Jim Goetz
Chairman, CBCRA

> Each year we **reflect** on what we've accomplished so we can set new goals and look forward to the future.

MESSAGE FROM

Ken Friesen

EXECUTIVE DIRECTOR

While we continued to realize results in Manitoba through increased recycling rates of beverage containers and reduced waste in public spaces and landfills, we seized the opportunity to reinvent CBCRA by designing a comprehensive recycling program for the recovery of beverage containers in blue bins and public space in Ontario.

In July 2021, the Ontario government passed a new Blue Box Regulation which defines beverage containers as its own category and sets a target of 75% recovery by 2026 and 80% by 2030. All beverage producers are financially and operationally responsible for the collection and management of Blue Box materials supplied to consumers as of July 1, 2023. To reach these targets, beverage containers consumed both at home and away from home (approximately 30% of the total beverage container generation) will need to be recovered.

While residential collection programs exist to recover beverage containers consumed at home, there is need for public space recovery infrastructure and collection. Beverage producers need away from home collection because the curbside system only accounts for approximately 70% of generation. To meet this need, the Canadian Beverage Container Recycling Association (CBCRA) will establish a recovery system in Ontario similar to what was established in Manitoba in 2010. With the addition of this system, producers will be able to comply with the new regulation and targets.

The CBCRA system in Manitoba, which started with virtually no away from home bin infrastructure, is one of Manitoba's most recognized brands and has achieved the greatest recovery growth of any beverage container recovery system in North America. CBCRA intends to leverage its demonstrated knowledge and expertise in implementing an expansive away from home recovery system in Ontario, supported by a proven Promotion and Education strategy.

As a registered PRO (Producer Responsibility Organization) in Ontario, CBCRA is set to launch a supplemental collection system for the public space sector, which is integral to meeting recovery targets.

While producers will be unable to achieve recovery targets through the Blue Box program alone, CBCRA will ensure that they not only meet their obligations by collecting beverage containers at home, but also away from home in the most cost-efficient way. This plan outlines the steps CBCRA will undertake to ensure that beverage container diversion in Ontario meets the legislated target of 75% through a cohesive and incremental strategy that focuses on the following three elements: Promotion and Education, expanding recycling infrastructure in away-from-home environments, and business intelligence to compile baseline information on recycling behaviour.

As demonstrated in the following pages of the 2021 annual report, and despite many challenges along the way, CBCRA has continued to succeed and grow. Together with our dedicated team of staff and board members, I'm proud of what we have accomplished together and all that is yet to come.

Ken Friesen
Executive Director, CBCRA

re•brand

verb

To change or update the brand of something.

As the world around us evolved, we felt the need to make a change in how the public sees us. Our **rebrand** ushered in a new generation for our organization and what recycling means and looks like in this province.

Our New Brand

After 10 incredibly successful years of CBCRA building the iconic Recycle Everywhere brand in Manitoba, it was time for a change. Our goals were to establish a more serious tone. Not just in advertising, but in our messaging, our relationships with stakeholders and how we present ourselves.

Our new strategy is now entirely focused on compelling our audience to take action and recycle their empty beverage containers. Nothing more, nothing less. We want to be as clear as possible to all our audiences when we say: recycle, and be consistent, because it's the right thing to do.

We are the voice of recycling empty beverage containers in Manitoba. We speak in a tone that is urgent, respected, directive, accountable and optimistic. We inspire and inform our audience and we motivate our internal partners, employees and collaborators.

Visual Identities

Alongside a shift in our voice, we needed a shift in appearance. We took the equity of our identities and elevated them to match our new authoritative, action-driven approach.

The result is a look and feel that clearly communicates that we are the forward-facing voice of beverage container recycling in this country and province.

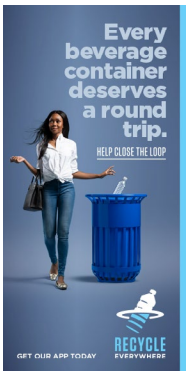
RECYCLE
EVERYWHERE

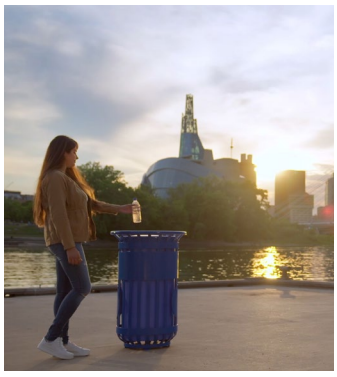
cbcra
Canadian Beverage Container Recycling Association

Help Close the Loop

The messaging in our marketing campaigns shifted from a brand awareness perspective to a new focus on behaviour-based calls to action.

This helped directly encourage recycling within our many audience groups and led to the development of the Help Close The Loop campaign, a clear rally call to Manitobans to fulfil their part of the recycling equation.





re•cover

verb

Regain possession of something.

We are committed to achieving the government-mandated target to **recover** 75% of beverage containers sold in Manitoba.

Recovery Rate

The recovery rate is determined by dividing the number of beverage containers recovered by the number of beverage containers sold in Manitoba.

TOTAL RECOVERY / TOTAL SALES = RECOVERY RATE

The recovery rate for PET plastic beverage containers in Manitoba has been consistently high over the past few years and ranks among Canada's best.

72%

of all beverage containers were recovered

What's Accepted

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

80%

of all PET plastic beverage containers were recovered

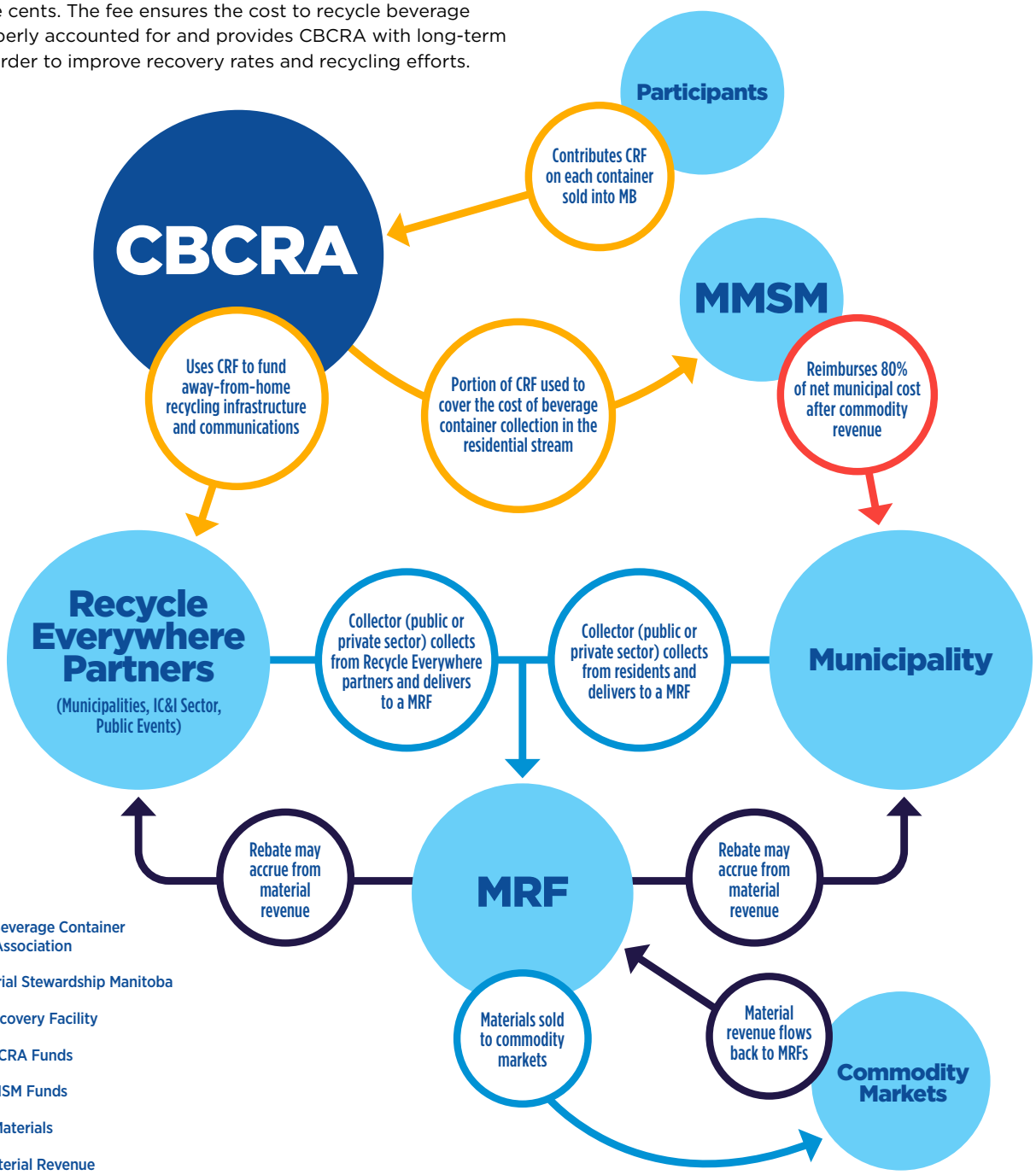
re•cy•cle

verb

Collect materials that will be used to make new products.

How It Works

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



CBCRA Canadian Beverage Container Recycling Association

MMSM Multi-Material Stewardship Manitoba

MRF Material Recovery Facility

Flow of CBCRA Funds

Flow of MMSM Funds

Collected Materials

Flow of Material Revenue

Our mission remains the same, to make it easy for Manitobans to **recycle** empty beverage containers wherever they're consumed—at work, school, play or home.

CBCRA Participants

AS OF DECEMBER 2021

A. Lassonde Inc
Acklands Grainger Inc
Amazon.com.ca, Inc
Amway Canada Corp
Arctic Beverages LP
Arctic Connection
Arctic Co-operatives Ltd
Arthur Roger & Associates Inc
Athletic Brewing Co. Canada ULC
Bolthouse Farms Inc
Bulk Barn Foods Ltd
Cabela's Retail Canada Inc
Campbell Company of Canada
Canada Dry Mott's Inc
Canadian Tire
CanAqua Inc
Casseroles Cora Inc
Coca-Cola Bottling Ltd
Complete Distribution Services Ltd
Corpell's Water
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 Ltd
Fortune Foods Winnipeg ULC
Ice River Springs Water Co
ID Foods Corp
IKEA Canada Limited Partnership
Inform Brokerage Inc
Kohl & Frisch Ltd
Kraft Heinz Canada ULC
Labatt Brewing Company Ltd
Loblaw Companies Ltd
London Drugs Ltd
Malinda Distributors Inc
McKesson Canada
National Dry Company Ltd
Nestle Canada Inc
Nestle Waters Canada
Pepsi Bottling Group Canada
Red Bull Canada Ltd
Refresco Canada Inc
RW Consumer Products Ltd
Saputo Dairy Products Canada G.P.
Save On Foods Limited Partnership
Shoppers Drug Mart Inc
Sky Blue Water Inc
Sobeys
Star Marketing Ltd
Sunrise Markets Inc. dba Sunrise Soya Foods
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
Veritiv Canada, Inc
Wal-mart Canada Corp
Well Juicery Canada Ltd
Wild Sparkling Tea Ltd

CBCRA works closely with beverage producers and distributors supplying into Manitoba, they are charged the Container Recycling Fee (CRF) for every non-alcoholic, non-dairy beverage container sold in the province. The CRF funds the Recycle Everywhere program and pays for up to 80 per cent of the cost to collect and process beverage containers in the residential recycling programs.

Beverage Container Sales

(measured in units)

ALUMINUM
218,723,238

PET
255,999,918

HDPE
5,187,415

OTHER PLASTICS
2,357,771

GLASS
3,841,661

METAL
888,540

ASEPTICS
38,446,196

GABLE TOPS
5,389,743

DRINK POUCH
14,113,904

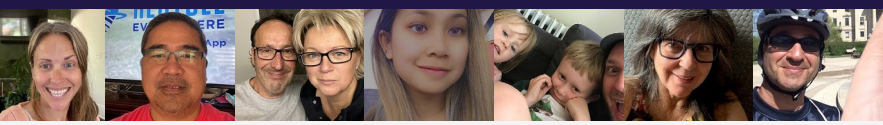
BAG-IN-A-BOX
14,360

re•ward

verb
Something given in exchange for good work.

In March 2021, Recycle Everywhere launched an incentive program and mobile app that gives back to Manitobans. The **Recycle Everywhere Mobile App** allows people to track their recycling habits and the positive impact they can make while providing the incentive of a chance to win cash and prizes.

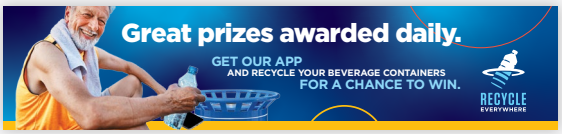
MORE THAN 25,000 MANITOBANS
downloaded the app in 2021.



Incentive Campaign

A large part of our 2021 advertising focus was directed towards a multi-phased campaign to promote the incentive program and mobile app.

We rewarded Manitobans with daily, weekly, and monthly prizes won by downloading and recycling with the app.



Launch Event

Recycle Everywhere was joined by the Honourable Sarah Guillemard, Minister of Conservation and Climate at Whittier Park in Winnipeg on April 15 to officially launch the incentive program and mobile app. The program's first monthly winner, Colin Bazin, was presented with a $5,000 cheque at the event.

Grand Prize Winner

The first of two $25,000 grand prizes were drawn on July 1. We partnered with the Winnipeg Blue Bombers' head coach Mike O'Shea to congratulate Cynthia Beck on a job well done.

With innovation and a new strategy on our side, this year we were able to **reward** more Manitobans for recycling. And the outcome was a win for everyone.

The incentive program awarded

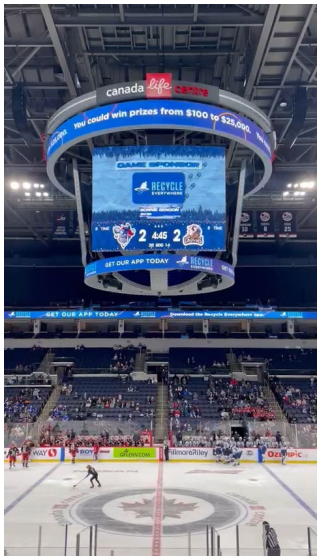
ALMOST $180,000 IN CASH AND PRIZES TO NEARLY 400 MANITOBANS

who used the app to recycle their empty beverage containers.

Partnerships

Strategic partnerships with the Winnipeg Jets, Manitoba Moose, Winnipeg Blue Bombers, Fort Whyte Alive and Assiniboine Park Conservancy increased participation in the incentive program and mobile app.

This included our first geofenced event with 22,000 people at a Winnipeg Blue Bombers game, where attendants were entered to win a $2,500 prize if they downloaded and used the app during the game.



Winners Campaign

Towards the end of the year we reminded Manitobans that people across the province were winning cash prizes for recycling their beverage containers with the development of a campaign that featured 13 of our app winners.

Season of Giving Back Campaign

In December, we rolled out a campaign with a charitable incentive attached to using our app. For every download and use of the app, $5 went to Harvest Manitoba, up to a total of $15,000. Community response was overwhelming, and after only three weeks in operation, the total was reached. The campaign brought on 3,500 new registered users. Plus, each weekly $1,000 app winner in December got to choose a local charity to also receive $1,000 from Recycle Everywhere.

$19,000
DONATED TO CHARITY

3,500
NEW APP USERS

re•sults

noun
A consequence, effect, or outcome of something.

Municipal Public Spaces

608 bins placed in public spaces

Over 70,000 Recycle Everywhere bins can now be found in public spaces across the province. From neighbourhood parks to city-wide events and everywhere in between, CBCRA makes it easy for Manitobans to recycle, diverting millions of beverage containers from ending up in landfills.

Launched the
Municipal Contamination Reduction Initiative

18 applications received

$200,000 will be invested in eligible communities in 2022

Single Family Dwellings (SFD)

33,616 SFD bins shipped

Events

32 event days attended (six in Northern Manitoba)

The CBCRA Street Team educates, entertains and promotes at festivals, sporting events and community activities across the province to help keep Manitoba green and clean.

EVENT FOCUS

New Recycle Everywhere brand

Recycling best practices

New incentive program and mobile app

Provincial Parks

152 bins implemented in provincial parks

300
decals and replacement instructions for bear proof and designer bins for 15 park locations to update faded infrastructure

With the help of our partners and Manitobans, we made this another successful year. We faced obstacles, adapted to every change and delivered impressive **results**.

Industrial, Commercial and Institutional (IC&I)

1,772 **bins placed through IC&I partnerships**

Focusing on the top five sectors that employ the most Manitobans – **manufacturing, finance & insurance, retail, health care/social assistance, accommodation/food services** –

CBCRA has extensively conducted recycling recovery audits. We have worked with IC&I partners to build education and awareness for beverage container recovery.

Multi-Family Dwellings (MFD)

5,294 **MFD bins distributed**

Our Mini Bin program is designed to increase beverage container recycling in Manitoba's MFDs, such as apartment buildings and condos.

517
MFD yard bin needs assessments conducted

RE101

260 **bins shipped to schools**

Good recycling behaviour starts at a young age. 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.

25
RE101 presentations (19 in Northern Manitoba)

Partnership with the Dairy Farmers of Canada (Manitoba Chapter)
to pilot pour stations starting in the 2022-23 school year

NORTHERN SCHOOL BACKHAUL PROJECT

312 **bags of recyclable material**

100 **empty 5-gallon water jugs**

were back-hauled from partnered schools

Bin Bags

11,065 **bin bags distributed**

The Bin Bag is a lightweight, structured yet collapsible recycling bag. It has extra capacity to store more recyclables and is reusable for those who spend longer periods of time at the lake over the summer months.

Designed by CBCRA staff, the Bin Bag is an example of the innovative culture that permeates CBCRA.

14 **distribution sites across the province**

re•sults

Clean Manitoba

The Clean Manitoba initiative leverages our relationships with communities, partners and individuals to accomplish several objectives dedicated to increasing recycling and decreasing litter.

The Recycle Everywhere program provides participants with the necessary supplies to safely conduct community clean-up initiatives.

1,050 individual and group community clean-ups

CLEAN UP KITS

504 to Winnipeg households

100 to schools in Thompson

215 to schools across Manitoba

400 bags to organizations doing clean-ups

12 MJHL teams participated in clean-ups

Northern Manitoba

In the spring of 2021, CBCRA partnered with the Thompson Recycling Centre and MMSM to launch an educational campaign on recycling stream contamination. The Thompson Recycling Centre, a hub for recycling in Northern Manitoba, experiences significant issues with items that don't belong in the recycling stream. This causes contamination at-home and away-from-home.

GOALS

- Decrease contamination in residential recycling bins (carts)
- Encourage proper recycling habits, and for those to carry over to public space recycling bins
- Track and report improvements to see whether a similar campaign could be implemented in other communities

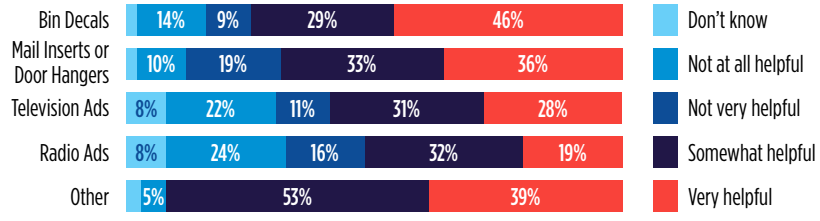
INITIATIVES

- SFD carts were decaled with an infographic outlining the Thompson Recycling Centre's accepted and unaccepted recycle-stream items
- Door hangers provided information about the collection bin decal
- A four-week radio campaign ran and featured 20 commercials per week

The Thompson Recycle Centre reported an improvement, further supported by post-campaign research conducted by CBCRA.

Based on the project findings and feedback from the Thompson Recycling Centre, similar campaigns will be implemented in other communities experiencing issues with contamination in residential recycling bins.

Helpful communications to help awareness of eligibility of items



Board of Directors

Jim Goetz
CHAIRMAN
Canadian Beverage Association

Neil Antymis
TREASURER
Canadian Beverage Association

Cheryl McLaughlin
VICE-CHAIR
Refresco Canada

Sylvain Mayrand
A. Lassonde Inc.

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

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

Callei Bellamy
Coca-Cola Bottling Limited

Carl Botha
Tim Hortons at Restaurant Brand International

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Ken Friesen
Executive Director

Adrian Vannahme
Public Affairs Advisor

Paul Flegg
Manager, Stewardship Reporting

Christa Rust
Senior Program Director

Joel Boroditsky
Financial Controller

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Marketing & Communications Manager

Karen Schwarz
Logistics Coordinator

Mike Hall
Logistics Coordinator

Justine Spearman
Senior Data & Outreach Coordinator

Melissa Dorota
Senior Outreach Coordinator

Jaclyn Diduck
Senior Logistics Coordinator

Adam Wilton
Administrative & Accounting Coordinator

Riley Martin
Communications Content Coordinator

Nick Witoski
Marketing & Events Coordinator

Judy Slaney
Northern Coordinator

Claire Harvey
Outreach Coordinator

Independent Auditors Report

To the Members of Canadian Beverage Container Recycling Association

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, 2021, 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, 2021, 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Winnipeg, Canada
April 6, 2022

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Statement of Financial Position

Year ended December 31, 2021, with comparative information for 2020

Assets		2021		2020
Current assets:				
Cash	$	3,692,309	$	2,985,280
Short-term investment (note 1 [c])		1,000,000		1,000,000
Accounts receivable		1,132,559		1,142,951
Inventory		403,094		333,559
Prepaid expenses and deposits		145,719		169,025
		6,373,681		**5,630,815**
Capital assets, net of accumulated amortization of $149,007 (2020 - $145,109)		9,914		8,538
	$	**6,383,595**	**$**	**5,639,353**

Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (note 2)	$	640,328	$	271,018
Net assets:				
Invested in capital assets		9,914		8,538
Internally restricted (note 1[g])		1,000,000		1,000,000
Unrestricted		4,733,353		4,359,797
		5,743,267		**5,368,335**
Commitments (note 4)				
	$	**6,383,595**	**$**	**5,639,353**

See accompanying notes to financial statements.

On behalf of the Board:

Jim Goetz, Chairman

Neil Anytymis, Director

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

		2021		2020
Revenue:				
Container recycling fees	$	10,244,522	$	9,604,373
Interest income		11,583		29,214
Other income		801		5,000
		10,256,906		**9,638,587**
Program expenses:				
Awareness campaign		3,271,182		2,677,428
Multi Material Stewardship Manitoba		2,909,189		2,464,505
Municipal Public Spaces Program		1,012,510		1,546,063
Program management services (note 4)		1,371,893		1,149,266
Industrial, Commercial and Institutional Program		448,368		461,617
Government Buildings Program		288,014		252,941
Waste Audit		194,797		138,668
RE101 Schools		70,301		61,720
Events Recycling Program		43,460		19,797
Post-secondary Program		4,607		16
		9,614,321		**8,772,021**
Operating expenses:				
Administrative expenses (schedule)		267,653		228,894
Steward services (note 4)		–		70,077
		267,653		**298,971**
		9,881,974		**9,070,992**
Excess of revenue over expenses	**$**	**374,932**	**$**	**567,595**

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Invested in capital assets	Internally restricted	Unrestricted	2021 TOTAL	2020 TOTAL
Balance, beginning of year	$ 8,538	$ 1,000,000	$ 4,359,797	$ 5,368,335	$ 4,800,740
Excess (deficiency) of revenue over expenses	(3,898)	—	378,830	374,932	567,595
Purchase of capital assets	5,274	—	(5,274)	—	—
Balance, end of year	**$ 9,914**	**$ 1,000,000**	**$ 4,733,353**	**$ 5,743,267**	**$ 5,368,335**

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

Cash provided by (used in):		2021		2020
Operating activities:				
Excess of revenue over expenses	$	374,932	$	567,595
Items not involving cash: Amortization of capital assets		3,898		3,053
Change in non-cash operating working capital:				
Accounts receivable		10,392		(609,310)
Prepaid expenses and deposits		23,306		(150,482)
Inventory		(69,535)		192,686
Accounts payable and accrued liabilities		369,310		(432,089)
		712,303		**(428,547)**
Investing activities:				
Purchase of capital assets		(5,274)		(4,378)
Purchase of short-term investment		–		(1,000,000)
		(5,274)		**(1,004,378)**
Increase (decrease) in cash		**707,029**		**(1,432,925)**
Cash, beginning of year		**2,985,280**		**4,418,205**
Cash, end of year	**$**	**3,692,309**	**$**	**2,985,280**

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2021

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. During the year ended December 31, 2021, CBCRA commenced expanding its operations into Ontario with initial planning occurring during fiscal 2021 and full operations expected during fiscal 2022. 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.

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.

(b) Cash:

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

(c) Short-term investment:

Short-term investment represents a guaranteed investment certificate with an original maturity of greater than three months. The guaranteed investment certificate matures on December 31, 2022 (2020 – December 31, 2021) and earns interest at a rate of 0.95 percent per annum (2020 - 0.50 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. In respect of government remittances, nil (2020 - $9,464) 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, 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.

4. Commitments:

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

2022	$ 108,944
2023	69,645
2024	20,198
2025	10,091

(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 2022 at a monthly amount of $111,235 during fiscal 2022 (2020 - $111,235 during fiscal 2021).

During 2021, payments under this commitment totaled $1,334,820 (2020 - $1,219,343) and are included in program management services and steward services.

Schedule of Administrative Expenses

Year ended December 31, 2021, with comparative information for 2020

		2021		2020
Amortization	$	3,898	$	3,053
Audit, legal and professional fees		100,938		57,990
Bad debts recovery		–		(10,010)
Bank charges		4,365		2,197
Board expenses		–		5,115
Consulting		–		11,000
Dues and memberships		2,649		2,961
Insurance		9,164		7,368
Office supplies		7,411		16,705
Postage and courier		4,570		2,118
Rent		111,676		109,144
Telephone and internet		22,982		21,253
	$	**267,653**	**$**	**228,894**

See accompanying notes to financial statements.

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Canadian Beverage Container
Recycling Association

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