

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Financial Statements
Year Ended December 31, 2020

GALIANO ISLAND RECYCLING RESOURCES SOCIETY

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Year Ended December 31, 2020

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PATERSON HENN CPA
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Galiano Island Recycling Resources Society

We have reviewed the accompanying financial statements of Galiano Island Recycling Resources Society (the Society) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Galiano Island Recycling Resources Society as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Sidney, British Columbia
June 2, 2021

Paterson Henn CPA

Chartered Professional Accountants

GALIANO ISLAND RECYCLING RESOURCES SOCIETY

Statement of Financial Position

December 31, 2020

	Operating Fund 2020	Gaming Fund 2020	Total 2020	Total 2019
ASSETS				
CURRENT				
Cash	\$ 99,540	\$ 380	\$ 99,920	\$ 116,716
Term deposits	67,008	-	67,008	66,678
Accounts receivable	33,531	-	33,531	5,454
Prepaid insurance	4,743	-	4,743	4,357
GST receivable	421	-	421	443
	205,243	380	205,623	193,648
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 3)	247,796	-	247,796	253,296
	\$ 453,039	\$ 380	\$ 453,419	\$ 446,944
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	\$ 3,973	\$ -	\$ 3,973	\$ 4,570
NET ASSETS	449,066	380	449,446	442,374
LIABILITIES AND NET ASSETS	\$ 453,039	\$ 380	\$ 453,419	\$ 446,944

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2020

	Budget 2020	Operating Fund 2020	Gaming Fund 2020	Total 2020	Total 2019
REVENUES					
CRD operating grant	\$ 99,797	\$ 99,796	\$ -	\$ 99,796	\$ 98,484
Donations	8,000	5,620	-	5,620	8,563
Interest and miscellaneous	750	1,366	-	1,366	607
Membership fees	6,000	3,930	-	3,930	6,037
Multi Materials BC revenue	22,000	16,475	-	16,475	25,345
Non-stewardship revenue	-	1,609	-	1,609	-
Redirectory donations	13,000	2,042	-	2,042	13,672
Refundable donations	28,000	27,311	-	27,311	31,009
Stewardship revenue	5,000	2,330	-	2,330	5,067
	182,547	160,479	-	160,479	188,784
SITE EXPENDITURES					
Repairs and maintenance	5,000	1,186	-	1,186	6,451
Site and truck insurance	5,300	5,528	-	5,528	5,189
Site repairs and maintenance	21,460	5,729	-	5,729	2,203
Site supplies	8,000	7,786	-	7,786	7,336
Travel	5,750	2,856	-	2,856	4,304
Utilities	4,400	3,967	-	3,967	4,159
Wages and benefits	118,159	110,868	-	110,868	101,977
	168,069	137,920	-	137,920	131,619
	14,478	22,559	-	22,559	57,165
GENERAL EXPENDITURES					
Accounting	6,300	5,709	-	5,709	5,906
Amortization of capital assets	-	5,500	-	5,500	6,622
Education and advertising	2,500	1,091	-	1,091	3,511
Licence and registration	500	388	-	388	289
Meetings and volunteer expense	1,500	818	-	818	1,477
Mortgage interest	-	-	-	-	70
Office expenses	2,100	1,980	-	1,980	2,083
Training/Workshops	1,500	-	-	-	-
	14,400	15,486	-	15,486	19,958

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See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets (continued)
Year Ended December 31, 2020

	Budget 2020	Operating Fund 2020	Gaming Fund 2020	Total 2020	Total 2019
NET EXCESS OF REVENUES OVER EXPENDITURES	78	7,073	-	7,073	37,207
NET ASSETS - BEGINNING OF YEAR	-	441,993	380	442,373	405,167
NET ASSETS - END OF YEAR	\$ 78	\$ 449,066	\$ 380	\$ 449,446	\$ 442,374

See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY**Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over general expenditures	\$ 7,073	\$ 37,207
Item not affecting cash:		
Amortization of tangible capital assets	5,500	6,622
	<u>12,573</u>	<u>43,829</u>
Changes in non-cash working capital:		
Accounts receivable	(28,077)	(174)
Accounts payable and accrued liabilities	(599)	938
Prepaid insurance	(386)	(3,262)
GST receivable	22	247
	<u>(29,040)</u>	<u>(2,251)</u>
Cash flow from (used by) operating activities	<u>(16,467)</u>	<u>41,578</u>
FINANCING ACTIVITY		
Repayment of long term debt	-	(7,079)
Cash flow from (used by) financing activity	<u>-</u>	<u>(7,079)</u>
INCREASE (DECREASE) IN CASH FLOW	(16,467)	34,499
Cash - beginning of year	<u>183,395</u>	<u>148,896</u>
CASH - END OF YEAR	\$ 166,928	\$ 183,395
CASH CONSISTS OF:		
Cash	\$ 99,920	\$ 116,717
Term deposits	<u>67,008</u>	<u>66,678</u>
	\$ 166,928	\$ 183,395

See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

1. NATURE OF OPERATIONS

Galiano Island Recycling Resources Society (the "society") is a not-for-profit society, incorporated on July 22, 1992 under the Society Act of Canada in the province of British Columbia. The society's principal activity is the operating of a recycling facility. The society is a registered Charity with the Canada Revenue Agency and is exempt under the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

Galiano Island Recycling Resources Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Gaming Fund reports the capital, revenues and expenditures relating to the gaming account activities. At year end, a transfer between the operating and gaming fund is recorded to reflect the capital assets purchased with gaming funds but maintained in the operating fund.

Tangible Capital Assets

Tangible Capital Assets are stated at cost or deemed cost less accumulated amortization. Tangible Capital Assets are amortized over their estimated useful lives on a declining balance basis at the following rates, with one-half of amortization recorded in the year of acquisition:

Building and improvements	4%
Computer equipment	30%-55%
Equipment	20%
Vehicles	30%

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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GALIANO ISLAND RECYCLING RESOURCES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Galiano Island Recycling Resources Society follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 184,000	\$ -	\$ 184,000	\$ 184,000
Building and improvements	92,948	40,516	52,432	54,617
Computer equipment	2,332	2,324	8	16
Equipment	50,673	41,939	8,734	10,918
Vehicles	37,450	34,829	2,621	3,745
	<u>\$ 367,403</u>	<u>\$ 119,608</u>	<u>\$ 247,795</u>	<u>\$ 253,296</u>

4. RECYCLING SERVICE AGREEMENT

The society and the CRD Parks & Environmental Services entered into a service agreement effective May 1, 2019 for the provision of depot collection services for blue box type recyclables on Galiano Island.

The society has also entered into agreements with various agencies for material collection under the ordinary operations of the society.
