

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Financial Statements
Year Ended December 31, 2021

GALIANO ISLAND RECYCLING RESOURCES SOCIETY

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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, 2021, 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Paterson Henn CPA

Chartered Professional Accountants

Sidney, British Columbia
May 17, 2022

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Statement of Financial Position
December 31, 2021

	Operating Fund 2021	Gaming Fund 2021	Total 2021	Total 2020
ASSETS				
CURRENT				
Cash	\$ 228,741	\$ 380	\$ 229,121	\$ 99,920
Term deposits	67,291	-	67,291	67,008
Accounts receivable	19,894	-	19,894	33,531
Prepaid insurance	3,974	-	3,974	4,743
GST receivable	926	-	926	421
	<hr/> 320,826	<hr/> 380	<hr/> 321,206	<hr/> 205,623
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 3)	<hr/> 279,573	<hr/> -	<hr/> 279,573	<hr/> 247,796
	<hr/> \$ 600,399	<hr/> \$ 380	<hr/> \$ 600,779	<hr/> \$ 453,419
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	\$ 5,999	\$ -	\$ 5,999	\$ 3,972
CEBA loan	40,000	-	40,000	-
	<hr/> 45,999	<hr/> -	<hr/> 45,999	<hr/> 3,972
NET ASSETS	<hr/> 554,400	<hr/> 380	<hr/> 554,780	<hr/> 449,447
	<hr/> \$ 600,399	<hr/> \$ 380	<hr/> \$ 600,779	<hr/> \$ 453,419

See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2021

	Budget 2021	Operating Fund 2021	Gaming Fund 2021	Total 2021	Total 2020
REVENUES					
Building grants <i>(Note 3)</i>	\$ -	\$ 33,253	\$ -	\$ 33,253	\$ -
CRD operating grant	101,294	113,293	-	113,293	99,796
Donations	5,475	14,398	-	14,398	5,620
Interest and miscellaneous	1,915	1,787	-	1,787	1,366
Membership fees	5,915	6,685	-	6,685	3,930
Multi Materials BC revenue	19,506	21,011	-	21,011	16,475
Non-stewardship revenue	7,600	4,069	-	4,069	1,609
Redirectory donations	4,500	5,176	-	5,176	2,042
Refundable donations	32,211	43,600	-	43,600	27,311
Stewardship revenue	2,541	4,113	-	4,113	2,330
	<u>180,957</u>	<u>247,385</u>	<u>-</u>	<u>247,385</u>	<u>160,479</u>
SITE EXPENDITURES					
Repairs and maintenance	3,000	2,458	-	2,458	1,186
Site and truck insurance	5,528	5,365	-	5,365	5,528
Site repairs and maintenance	5,175	3,624	-	3,624	5,729
Site supplies	7,513	5,124	-	5,124	7,786
Travel	4,060	4,040	-	4,040	2,856
Utilities	4,356	3,964	-	3,964	3,967
Wages and benefits	120,078	121,156	-	121,156	110,868
	<u>149,710</u>	<u>145,731</u>	<u>-</u>	<u>145,731</u>	<u>137,920</u>
	<u>31,247</u>	<u>101,654</u>	<u>-</u>	<u>101,654</u>	<u>22,559</u>
GENERAL EXPENDITURES					
Accounting	6,100	6,069	-	6,069	5,709
Amortization of capital assets	-	4,633	-	4,633	5,500
Education and advertising	2,000	1,691	-	1,691	1,091
Licence and registration	350	478	-	478	388
Meetings and volunteer expense	784	771	-	771	818
Office expenses	1,480	2,678	-	2,678	1,980
	<u>10,714</u>	<u>16,320</u>	<u>-</u>	<u>16,320</u>	<u>15,486</u>

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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, 2021

	Budget 2021	Operating Fund 2021	Gaming Fund 2021	Total 2021	Total 2020
EXCESS OF REVENUES OVER GENERAL EXPENDITURES FROM OPERATIONS	20,533	85,334	-	85,334	7,073
OTHER INCOME	-	20,000	-	20,000	-
NET EXCESS OF REVENUES OVER EXPENDITURES	20,533	105,334	-	105,334	7,073
NET ASSETS - BEGINNING OF YEAR	-	449,066	380	449,446	442,374
NET ASSETS - END OF YEAR	\$ 20,533	\$ 554,400	\$ 380	\$ 554,780	\$ 449,447

See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY**Statement of Cash Flows****Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over general expenditures	\$ 105,334	\$ 7,073
Item not affecting cash:		
Amortization of tangible capital assets	4,633	5,500
	<u>109,967</u>	<u>12,573</u>
Changes in non-cash working capital:		
Accounts receivable	13,637	(28,077)
Accounts payable and accrued liabilities	2,026	(599)
Prepaid insurance	769	(386)
GST receivable	(505)	22
CEBA loan	40,000	-
	<u>55,927</u>	<u>(29,040)</u>
Cash flow from (used by) operating activities	<u>165,894</u>	<u>(16,467)</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(36,410)</u>	-
Cash flow from (used by) investing activity	<u>(36,410)</u>	-
INCREASE (DECREASE) IN CASH FLOW	129,484	(16,467)
Cash - beginning of year	<u>166,928</u>	<u>183,395</u>
CASH - END OF YEAR	\$ 296,412	\$ 166,928
CASH CONSISTS OF:		
Cash	\$ 229,121	\$ 99,920
Term deposits	<u>67,291</u>	<u>67,008</u>
	\$ 296,412	\$ 166,928

See notes to financial statements

GALIANO ISLAND RECYCLING RESOURCES SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

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, 2021

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	2021 Net book value	2020 Net book value
Land	\$ 184,000	\$ -	\$ 184,000	\$ 184,000
Building and improvements	129,358	42,613	86,745	52,432
Computer equipment	2,332	2,327	5	8
Equipment	50,673	43,686	6,987	8,735
Vehicles	37,450	35,615	1,835	2,621
	<u>\$ 403,813</u>	<u>\$ 124,241</u>	<u>\$ 279,572</u>	<u>\$ 247,796</u>

During the current year the organization entered into a contract to construct a new building and solar installation. The projected cost is \$383,352 and the estimated completion date is May 2023. To date \$35,253 has been received in provincial grants to aid in the costs of this project.

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.
