

Mayne Island Recycling Society 2023 AGM, 8 June 2023

Treasurer's Report for 2022/23

Most of us prefer to pay as little attention as possible to our finances, so long as everything is ok. We generally find the details necessary for transparent and comprehensive accounting to be not terribly interesting, even though we acknowledge they are important. I am happy to report that “everything is ok” concerning the finances of the Mayne Island Recycling Society, so I will keep my report brief, and direct you to the 2022 Financial Statements and our 2023 budget, both appended to this report, for the details.

I took over as your Treasurer at last year’s AGM, and I would like to begin by thanking our previous Treasurer of many years, Deb Foote, for leaving me with a well-organized system of finances. Two significant changes, which Deb reported on last year, have made it relatively easy for me to take on this role, despite having very little background in accounting and finance. First, we engaged the services of Tomkins Wozny to review our finances, and 2022 was the second year for which they have provided this service. Second, we contracted with a bookkeeper, Kirsty Legge, who understands the ins and outs of accounting and Quickbooks, our accounting software, in a way I will never do. We are very fortunate to have Kirsty tracking our day-to-day finances, including payroll.

As of the end of 2022, our assets totaled nearly \$568,000, an increase of \$13,000 over the previous year. These assets include just over \$200,000 in current assets, with the remainder in either term deposits maturing after the end of this year, or in our investment fund at the Victoria Foundation. Last fall we converted some of our current assets into term deposits that earned substantially higher interest rates than were available previously. The present value of our capital assets is down to \$6,500, having been nearly fully depreciated from the initial cost basis of \$210,000.

Our operating revenues for 2022 were very similar to the previous year (\$119,000 versus \$114,000), as were revenues from freight and other sources. Likewise, our 2022 expenses were quite similar to the previous year. The largest difference between 2022 and 2021 was in the return on our investments in the Victoria Foundation fund. As anyone who has investments knows, 2022 was not a great year for investing, and we suffered a \$27,000 reduction on market value for this fund in 2022, in contrast to a \$40,000 increase in value in 2021. I am happy to report that at the end of May the fund was up 7% from the 2022 year-end value.

Our 2023 budget was approved by the Board at our March meeting. The budget is very similar to the 2022 budget with modest increases in some expense categories to reflect higher inflation rates and anticipated wage increases for staff. Our 2022 revenue matched the budget closely and our expenses totaled roughly 85% of the budget. The Finance and HR committee will also be discussing a capital budget for the society going forward and proposing an allocation of some of our unrestricted assets to increase the value of our capital fund, current at \$30,000. We may also consider establishing a contingency fund for the society.

In summary, the finances of the Recycling Society are in good shape, and I expect another good year in 2023.

We require a motion to appoint our auditor for 2023 and a motion to accept the treasurer’s report.

FINANCIAL INFORMATION

MAYNE ISLAND RECYCLING SOCIETY

December 31, 2022



COMPILATION ENGAGEMENT REPORT

To Management of Mayne Island Recycling Society

On the basis of information provided by management, we have compiled the statement of financial position of Mayne Island Recycling Society as at December 31, 2022, the statement of operations and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (“financial information”).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Tompkins Wozny LLP

Vancouver, Canada
May 29, 2023

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at December 31

	2022	2021
	\$	\$
ASSETS		
Current		
Cash	122,212	103,793
Term deposits	80,000	39,378
Accounts receivable	6,880	5,839
GST receivable	121	—
Prepaid expenses	121	—
Total current assets	209,334	149,010
Investment - Mayne Island Recycling Society Retractable Fund, at market	288,702	315,924
Term deposits	62,989	80,578
Capital assets <i>[note 2]</i>	6,511	9,321
	567,536	554,833
LIABILITIES		
Current liabilities		
Accounts payable and accruals	11,842	6,244
GST payable	—	1,474
Total current liabilities	11,842	7,718
NET ASSETS		
Capital reserve fund	30,000	30,000
Unrestricted	525,694	517,115
Total net assets	555,694	547,115
	567,536	554,833

See accompanying notes to the financial information

**STATEMENT OF OPERATIONS AND
CHANGES IN NET ASSETS**

Year ended December 31

	2022 \$	2021 \$
REVENUE		
Revenue - operating	119,075	113,747
- freight	31,695	35,675
- other	11,889	8,987
Net investment return - Mayne Island Recycling Society Retractable Fund - change in market value	(27,221)	40,430
Donations	1,759	2,337
	137,197	201,176
EXPENSES		
Wages	93,923	96,557
Insurance	6,659	4,407
Freight	5,767	5,059
Professional fees	5,726	5,657
General and administration	5,544	6,826
Depot operating	3,690	3,467
Amortization	2,810	2,810
Repairs and maintenance	2,399	8,291
Rent	2,100	2,025
	128,618	135,099
Revenue over expenditures for the year	8,579	66,077
Net assets beginning of year	547,115	472,745
Adjustment to net assets - record retractable fund on market value basis	—	25,493
- to write off slope remediation	—	(17,200)
Net assets, end of year	555,694	547,115

See accompanying notes to the financial information

NOTES TO FINANCIAL INFORMATION

December 31, 2022

1. BASIS OF ACCOUNTING

The basis of accounting to be applied in the preparation of the financial statements is on the historical cost basis, reflecting cash transactions with the addition of:

- Accounts receivable, less an allowance for doubtful accounts;
- Prepaid expenses;
- Investment in the Mayne Island Recycling Society Retractable Fund is recorded at market;
- Capital assets recorded at historical cost and amortized on a straight-line balance basis at the rates in Note 2; and
- Accounts payable and accruals;
- GST payable/receivable.

2. CAPITAL ASSETS

	Rates	Cost \$	Accumulated Amortization \$	Net Book Value \$
2022				
Building	5 - 10 years	79,267	74,425	4,842
Office furniture and equipment	3 years	980	980	—
Vehicle	10 years	41,169	41,169	—
Warehouse equipment	5 years	88,463	86,794	1,669
		209,879	203,368	6,511
2021				
Building	5 - 10 years	79,267	72,464	6,803
Office furniture and equipment	3 years	980	980	—
Vehicle	10 years	41,169	41,169	—
Warehouse equipment	5 years	88,463	85,945	2,518
		209,879	200,558	9,321

Mayne Island Recycling Society
2023 Budget

INCOME	2023 approved	2022 Approved
4100 Revenue - Encorp Handling	\$ 1,500.00	\$ 1,500.00
4110 Revenue - Product Care	\$ 2,500.00	\$ 2,000.00
4135 - Revenue Other	\$ 250.00	\$ 150.00
4140 Revenue - Bottle Deposits	\$ 33,000.00	\$ 33,000.00
4200 CRD Operating Grant	\$ 78,186.35	\$ 77,126.32
4424 Freight Revenue Backhaul	\$ 3,000.00	\$ 3,800.00
4425 Freight Revenue - PPP	\$ 32,000.00	\$ 33,990.00
4440 Interest Revenue	\$ 2,500.00	\$ 2,500.00
4450 Memberships	\$ 5,000.00	\$ 5,000.00
4455 Business Membership	\$ 5,000.00	\$ 2,050.00
4460 Donations - Unreceipted	\$ 1,000.00	\$ 1,000.00
4465 Donations Received	\$ 500.00	\$ 500.00
Total Income	\$ 164,436.35	\$ 162,616.32

EXPENSES		
5314 Freight Expense Other	\$ 500.00	\$ 900.00
5315 Freight Expenses - PPP	\$ 4,500.00	\$ 4,500.00
5320 Freight Expense - ICI	\$ 600.00	\$ 600.00
5410 Wages & Salaries	\$ 96,800.00	\$ 94,000.00
5420 EI Expense	\$ 2,208.98	\$ 2,058.00
5430 CPP Expense	\$ 5,134.85	\$ 4,305.00
5440 WCB Expense	\$ 2,013.44	\$ 2,320.00
5610 Accounting & Legal	\$ 2,500.00	\$ 1,900.00
5612 Communications Coordinator	\$ 2,000.00	\$ 5,000.00
5615 Advertising & Promotions	\$ 1,000.00	\$ 1,000.00
5622 Work Place Safety	\$ 1,500.00	\$ 1,500.00
community education/events	\$ 1,000.00	\$ 1,000.00
5625 Conferences and Fees	\$ 2,500.00	\$ 2,500.00
depreciation	\$ 1,500.00	\$ 1,500.00
5630 Financial Administration	\$ 5,000.00	\$ 5,000.00
5632 Social Media & Website	\$ 1,000.00	\$ 1,000.00
5685 Insurance	\$ 7,000.00	\$ 6,000.00
5690 Bank charges	\$ 250.00	\$ 150.00
5700 Office Expense	\$ 300.00	\$ 300.00
5710 Bookkeeping Software	\$ 564.00	\$ 300.00
5720 Depot Operating Expenses	\$ 3,000.00	\$ 2,500.00
5731 Disposal ICI	\$ 300.00	\$ 300.00
5732 Disposal OTHER	\$ 600.00	\$ 600.00
5760 Rent	\$ 2,025.00	\$ 2,025.00
5765 Repair and maintenance	\$ 4,000.00	\$ 4,000.00
5780 Telephone	\$ 900.00	\$ 900.00
5784 Depot Non Operating Expenses	\$ 1,200.00	\$ 1,200.00
5789 Volunteer Appreciation	\$ 1,500.00	\$ 1,500.00
5790 Hydro	\$ 350.00	\$ 500.00
5795 Travel	\$ 500.00	\$ 500.00
Total Expenses	\$ 152,246.27	\$ 149,858.00
Net Surplus	\$ 12,190.08	\$ 12,758.32