

CIC Branch Association of British Columbia
Treasurer's Report – AGM 2018

3 November 2018

Background

Fiscal year 2018 ran from 1 October 2017 to 30 September, 2018. Both the Association's Balance Sheet at 30 September and an Income Statement covering the full year are presented. For trend analysis, comparative Balance Sheets for 30 September 2014 to 2018 are included, as well as 5 years of income statements from FY 2014 to FY 2018 inclusive.

Significant Accounting & Financial Practices

The Association maintains two financial deposit accounts: A Royal Bank chequing and a PayPal account. With the small exception of some hospitality revenue used as an expense offset, funds are received into either of the two accounts. Other than automatic fees such as service charges and inter-account transfers, funds are normally withdrawn from the account(s) upon concurrence by a minimum of two Directors.

All accounting is conducted by the Treasurer and the Association's books are recorded using the Canadian Armed Forces Non Public Property standard of Sage 50. Transactions are individually recorded in Sage and the 30 September Balance Sheet reconciles for cash balances as reported from both the Royal Bank and PayPal. Both 30 September 2018 Bank & PayPal statements are presented for comparison to published Balance Sheet figures.

The Association follows an accrual accounting process where revenues and costs are assigned to the period to which they relate. As-of 30 September 2018 there were significant advance payments received for events occurring in FY 2019 (\$9975 for Govt House Dinner and \$130 for Trevor Welsh DWD). Prepaid expenses include the deposit for the AGM meeting (\$350), 1/2 of the 2-year ISP contract (\$127.96), OTC Badges pre-purchased (\$351) but to be used in FY 2019, and the PayPal fees associated with the Government House 3 November Dinner (\$299.25).

The Association's Kitshop is largely a commission arrangement, where approximately 35% of sold products is taken as gross profit. Held inventory is the balance of CASC Wings.

It has been the Association's past policy to record transaction costs (primarily PayPal) and bank fees as general administrative expenses each month, versus applying those costs against specific revenue sources. The administrative overhead in recording PayPal fees for the small transactions encountered throughout the year was not justified for the value in managerial accounting. For large events, such as the 3 November 2018 Govt House Dinner, the PayPal fees were recorded as a pre-paid expense, and for transparency will be applied as a component of that dinner's expense.

The Association is currently neither a registrant for the federal Goods and Services Tax, nor British Columbia Provincial Sales Tax. As such, all sales taxes have been paid to vendors for supplies and services. As the Association is a not-for-profit registered Society (Province of British Columbia), no accrual for business income taxes have been made.

Year Ending 30 September 2018 and Trend Analysis

Fiscal year 2018 saw the continuing trend of Retained Earnings growth, with the Association reporting a \$859.45 surplus for the period. Significant revenue sources were the fees collected for the AGM/Dinner (November 2017 - \$2110), as well as membership fees (\$1980) and Kitshop Sales (\$8684.50).

Net income for FY 2018 was significantly lower than the previous 2 years. By design, the Association was very conservative in past years in-order to create a solid surplus base for future programmes. During the just-completed year, Branch Presentations (Hospitality Events) were 6-times the previous year, the success of which led to an increase in \$800 in membership revenue (40 new/renewed members). Two new programmes were rolled-out in FY 2018: OTC Badging and Depart With Dignity support. OTC Badging is a programme where a Branch Association member attends a Pacific Region Occupation Training Course and as a component of the graduation ceremony both welcomes the newly-qualified member to the Branch, and presents him/her with our distinctive Branch Cap Badge. The Association's DWD programme is an adjunct to the Canadian Armed Forces one, where our members are presented with a departure gift in-addition to the certificates normally supplied by the Canadian Armed Forces.

Captain James Hollis
Treasurer