

CIC Branch Association of British Columbia
Treasurer's Report – AGM Fiscal 2020

Held Virtually 12 December 2020

Background

Fiscal year 2020 ran from 1 October 2019 to 30 September, 2020. 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 2016 to 2020 are included, as well as 5 years of income statements from FY 2016 to FY 2020 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 Other than automatic fees such as service charges and inter-account transfers, funds are normally withdrawn from the account(s) upon concurrence by a minimum of two Directors.

Up-to and including Fiscal 2020, the relatively small funds on-deposit by the Association have been held in non-interest-bearing business accounts. With the now-(more) significant deposit balance as a result of the Benevolent Fund, the Association's Executive are exploring investment opportunities to help grow the Fund.

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. Local accounts are held on the Treasurer's computer and all Association data files are backed-up with a Cloud-based server. 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 2020 Bank & PayPal statements are available 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. In the previous fiscal year ending 30 September 2019, there were minimal advance deposits taken for a Comox Cadet Flying Training Centre summer dinner (\$140) as-well-as a small advanced collection (\$310) for a Depart With Dignity & Gift Fund that the Association was organizing for Major Linda Hildebrandt. As-of 30 September 2020, with no major events planned, there were no advance payments received. The web hosting contract was renewed for 2 years during this fiscal year; as-such, ½ of the expenses were recognized this period and ½ were set-up as a prepaid expense for FY 2021.

Revenue sources for the Association consist (mainly) of membership fees and kitshop operations. The 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 and CIC Tri-Service Badges used for the Association's OTC Badging Programme.

During this fiscal year, a new CIC Benevolent Fund was established and funds deposited therein are discussed later in this report.

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, PayPal fees are recorded as an expense directly against the function.

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 2020 and Trend Analysis

Fiscal year 2020 saw the continuing trend of positive Retained Earnings, with the Association reporting a \$1976 surplus for the period. The COVID pandemic started near the beginning of the Association's annual membership drive and dramatically suppressed both renewals and led to the postponement of the annual Vancouver CIC Mess Dinner. Although membership revenue was only \$300 for the year, pre-COVID Kitshop Operations (net \$2,975) still allowed for a respectable end-year surplus.

During the just-completed year, there were no Branch Presentations (Hospitality Events), although the Association staged a well-attended Depart With Dignity social function for Major Hildebrandt, and had one OTC Badging presentation.

Although not directly represented on the financial statements, the Major Hildebrandt DWD enjoyed a \$159 surplus, as well as collected \$280 for a Gift Fund for the retiring member. Major Hildebrandt decided to donate the entirety of the surplus and the Gift Fund, as well as a further \$61 to found the CIC Benevolent Fund with an initial \$500 endowment. Also not directly apparent on the Income Statement was an extraordinary funds transfer from the previous Regional Cadet Instructor School CIC Bursary Fund of \$30,744. Added to Major Hildebrandt's donation, the Association started Fiscal 2021 with \$31,244 in the Benevolent Fund.

Captain James Hollis
Treasurer