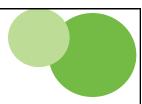


OBJECTIVES

- Increase your confidence in reading your financial statements
 - o Your responsibilities
 - o Reports that make up financial statements
 - o Review and understand
 - Statement of Financial Position
 - Statement of Operations

YOUR FIDUCIARY DUTY



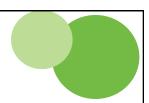
- Financial responsibilities do not have to be overwhelming if you:
 - · understand that the board has the ultimate responsibility for governance
 - · understand the legislative requirements
 - · have good financial policies in place
 - know the roles and responsibilities within the organization
 - · seek professional help when needed
 - · have board members who take their financial responsibilities seriously
 - · have an approved budget in place and monitor it, and
 - take the time to read and understand the financial statements

WHAT'S INCLUDED IN FINANCIAL STATEMENTS?



- Auditor Letter Stating an Opinion
- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Assets
- Statement of Cash Flow
- Notes to Financial Statements

STATEMENT OF FINANCIAL POSITION

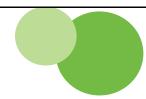


- Also known as a "balance sheet"
- Snapshot of the financial health of the organization

ASSETS	LIABILITIES	NET ASSETS	
What a Group	What a Group	OWN - OWES	
OWNS	OWES		

ASSETS = LIABILITIES + NET ASSETS

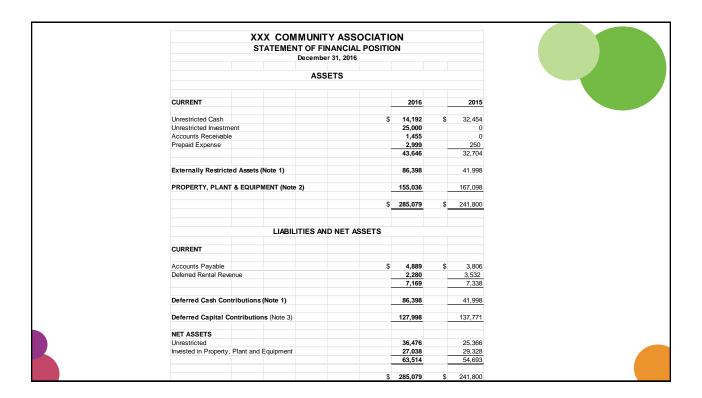
KEY FEATURES



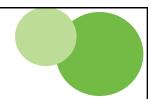
- · Balance sheet must balance
- Must compare to a prior period to be useful
- Always listed in the order of:
 - · Assets in order of liquidity
 - Liabilities in the order of how quickly the claim matures

EXAMPLES

ASSETS =	LIABILITIES +	NET ASSETS
Cash	Accounts Payable	Retained Earnings
Investments	Wages Payable	
Accounts Receivable	Prepaid Rentals	
Prepaid Expenses	Damage Deposit	
Inventory	Deferred Cash	
Equipment	Deferred Capital	
Buildings and Land		
(ordered in liquidity)	(ordered in maturity)	



STATEMENT OF OPERATIONS



- Also known as an "Income Statement"
- Reports ONLY the operations for the fiscal year

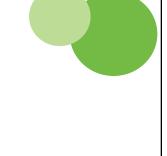
REVENUES	EXPENSES		
Funds earned and/or	Non-capital items that		
funds earned when	funds are spent on		
related expenses occur			

• Has one of three outcomes: profit, loss or breakeven

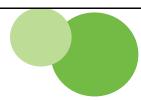
EXAMPLES

REVENUE	EXPENSES
Casino Contributions	Contracts
Hall Revenue	Staff
Grant Contributions	Repairs and Maintenance
Memberships	Events
Interest	Insurance
Program Fess	Office Expenses
Fundraising	Utilities
Advertising Revenue	Cleaning and Janitorial
Donations	Telephone
	Memberships

	STATEMENT O	F OPERATION	S				
Year ended December 31, 2016							
Revenue			2016		201		
	casino Contributions (Note 6)	\$	32,962	\$	35,53		
	Onations		0		322		
	Grant Revenue (Note 4)		0		9,540		
H	lall Income		24,333		26,610		
Interest Income			201		(
N	Memberships		1,260		3,745		
N	fiscellaneous		110		(
١	lewsletter		1,986		857		
Program Revenue - Social			970		4,599		
Program Revenue - Sports			19,123		15,043		
			80,944		96,250		
Expenditu	res						
C	Consulting Fees		0		10,600		
Gifts/Donations			0		567		
H	Iall Operations (Schedule 1)		50,228		47,639		
L	icences and Dues		158		159		
Newsletter			1,610		1,050		
Office and Administration			1,711		682		
Professional Fees			1,650		1,590		
F	rograms - Social		6,335		6,110		
	rograms - Sports		8,141		11,149		
			69,833		79,546		
Excess of R	evenue (Expenditures) before Amortiz	zation	11,110		16,70		
Plus: Amort	zed Deferred Capital Contributions		9,773		9,773		
	ization Expense		-12,063		-12,06		
EXCESS OF	REVENUE (EXPENSES)	\$	8,821	\$	14,414		

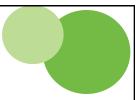


WRAP UP



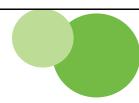
- Financial decisions should be documented in the minutes and reflected in the financials
- Look at variances under and over ask why in terms of "What are we not doing?" or "Why are we over budget?" or "Are we achieving our goals?"
- When you approve the financials you are saying you understand them and then are legally liable for them

RESOURCES



- Financial Responsibilities of Not-for-Profit Boards, The Muttart Foundation and Alberta Culture and Community Spirit http://culture.alberta.ca/bdp/workbooks/Financial Responsibilities09.pdf
- Board Development, Understanding Financial Statements, Board Development Program
 http://www.culture.alberta.ca/bdp/bulletins/UnderstandingFinancialStatements-print 09.pdf

QUESTIONS?



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