

What is a Financial Statement?

Qu'est-ce qu'un état financier ?

If you've asked yourself this question, this webinar is for you.

Si vous vous posez cette question, ce webinaire est pour vous.

Guest Speaker | Présentatrice: Lyn Stienstra, CPA, CMA

Oct. 1 1:00pm EDT | 1 Oct 13h00 HAE





Spur Change Program



What is the Spur Change Program?

The Spur Change Program is a 5 year initiative, funded by Global Affairs Canada, aiming to increase the effectiveness of Canadian small and medium organizations (SMOs). The Spur program offers learning and knowledge sharing opportunities.




The main outcomes of the program are to increase the engagement of Canadian SMOs in international development and to increase the engagement of Canadians, particularly youth, as global citizens.





Housekeeping



-  This workshop will be recorded
-  Personalize your name, add location and pronoun in Zoom
- Please ensure you are “**muted**” at all times - except during break out sessions, Q&A, or if you are invited to unmute and share
- Use ‘**raise hand**’ function to signal your wish to speak
-  Use **chat function** to share your questions/comments

If possible, **turn on your video** to make it more human-centered.





GUEST SPEAKER

LYN STIENSTRA, CPA, CMA



AGENDA

- Purpose of Financial statements
- Main components
- Examples
- Submission – financial statement common errors

MANITOBA COUNCIL FOR INTERNATIONAL COOPERATION INC. AUDITED FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS for the year ended March 31, 2020

	2020	2019
REVENUE		
Manitoba Government		\$1,200,000
Matching Grant Program	\$1,200,000	\$1,200,000
Azadi Alliance Canada – INC/FHE	\$404,381	\$344,316
Azadi Alliance Canada – FIT	\$1,798,046	\$32,690
Employment and Social Development Canada – SDGs	\$88,941	\$8,009
Manitoba Education	\$13,000	\$13,000
Membership and Levies	\$143,241	\$143,814
Other income	\$113,880	\$76,100
Total Revenue	\$3,761,289	\$1,815,979

EXPENDITURES		
Manitoba Government		\$1,200,000
Matching Grant Program	\$1,200,000	\$1,200,000
IT – Flow through fund to SMOs	\$1,000,500	-
programming	\$456,397	\$231,776
miscellaneous	\$885,029	\$378,491
Specialist Costs	\$178,959	\$40,972
Total Expenditures	\$3,720,925	\$1,891,239

**EXCESS (DEFICIENCY) OF
REVENUE OVER EXPENDITURES** **\$40,364** **(\$75,260)**

STATEMENT OF FINANCIAL POSITION March 31, 2020

	2020	2019
ASSETS		
Current Assets	\$2,786,661	\$1,641,367
Total Assets	\$2,786,661	\$1,641,367
LIABILITIES AND NET ASSETS		
Liabilities	\$2,613,185	\$908,255
Net Assets	\$173,476	\$133,112
Total Liabilities and Net Assets	\$2,786,661	\$1,641,367



Photo by World Vision Canada through the EMRCH program.



PURPOSE FINANCIAL STATEMENTS


- Key component to understand organization
- Communication tool
- Measurable
- Objective
- Comparable
- Indication of organizational health
- Risk & financial integrity

FINANCIAL STATEMENTS & EXTERNAL REPORTING

- All stakeholders have interest in:
 - Protection of assets
 - Efficient and effective use of resources to further mission
- **Funders** – grants used as per funding agreement
- **Donors** – assurances that contributions are used as they wish
- **Members** – how fees are being used
- **CRA** – require annual filing



FINANCIAL STATEMENT MAIN COMPONENTS

- Auditor's report
 - Statement of Financial Position (Balance Sheet)
 - Statement of Operations (Income Statement)
 - Statement of Changes in Net Assets
 - Statement of Cash Flows
 - Notes to the financial statements
- 



STATEMENT OF FINANCIAL POSITION

Balance sheet

At Dec 31, 2020

Assets = Liabilities + Net Assets (Reserves, Accumulated surplus, Net surplus/deficit)

Income statement

Year ended Dec 31, 2020

Revenues – Expenses = Net Income



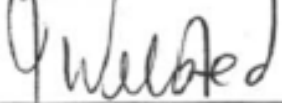
STATEMENT OF FINANCIAL POSITION

(Unaudited)

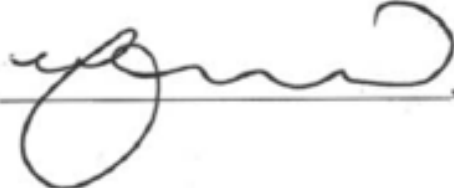
March 31, 2017

	ASSETS	
	<u>2017</u>	<u>2016</u>
CURRENT		
Cash and cash equivalents	\$ 16,879	\$ 27,293
Accounts receivable	797	297
Prepaid expenses	770	941
Goods and Services Tax recoverable	<u>186</u>	<u>398</u>
TOTAL CURRENT ASSETS	18,632	28,929
INVESTMENTS (Note 4)	<u>12,223</u>	<u>12,223</u>
TOTAL ASSETS	<u>\$ 30,855</u>	<u>\$ 41,152</u>
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 1	\$ 17,652
Wages payable	277	277
Unexpended grants (Note 7)	<u>13,530</u>	<u>6,266</u>
TOTAL LIABILITIES	<u>13,808</u>	<u>24,195</u>
	NET ASSETS	
Unrestricted net assets	<u>17,047</u>	<u>16,957</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 30,855</u>	<u>\$ 41,152</u>

Approved by the Directors:



 _____, Director



 _____, Director



STATEMENT OF OPERATIONS

- Predicting amount, timing and uncertainty of org's future income and cash flow
- Links beginning and ending balance sheets for a given accounting period
- Required:
 - Revenues recognized (fees, donations, grants)
 - Investment income
 - Operating expenses (rent, salaries, supplies)
 - Amortization expense
 - R&D expense
 - Interest expense
- Comparative to previous period

Financials 2018 - 2019

SUMMARIZED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2019

	2018/19	2017/18
REVENUES		
Project Grants	544,367	459,753
Private Donations and Other Income	1,018,358	1,221,010
Gain on sale of assets	682,635	
Total Revenues	2,245,360	1,680,763
EXPENSES		
Development Projects	1,230,254	1,175,453
Fundraising, Communication & Dev Education	375,222	440,910
Administration	218,211	181,677
Total Expenses	1,823,687	1,798,040
EXCESS OF REVENUE OVER EXPENSES	621,673	-117,277

SUMMARIZED STATEMENT OF FINANCIAL POSITION
As at March 31, 2019

ASSETS		
Current Assets	1,532,815	488,823
Long-term investments	0	0
Restricted Cash	15,594	342,258
Capital and Intangible Assets	48,163	503,821
Total Assets	1,596,572	1,334,902
LIABILITIES AND FUND BALANCE		
Current Liabilities	361,289	521,292
Net Assets	1,235,283	813,610
Total Liabilities and Fund Balance	1,596,572	1,334,902



SUBMISSION: FINANCIAL REVIEW ISSUES

- Non-audited statements are not signed by board treasurer or SFO
- Statements with very little info
- Only balance sheet provided
- Bank statements, no financial statements
- Project budget provided without financial statements
- Only 1 year provided when 2 years are required
- Not most recent fiscal year

REVENUE	2020	2019
Manitoba Government		
Matching Grant Program	\$1,200,000	\$1,200,000
Global Affairs Canada – INSPIRE	\$404,181	\$344,316
Global Affairs Canada – FIT	\$1,798,046	\$32,690
Employment and Social		
Development Canada -SDGs	\$88,941	\$8,059
Manitoba Education	\$13,000	\$13,000
Membership and Levies	\$143,241	\$141,814
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EXPENDITURES

Manitoba Government		
Matching Grant Program	\$1,200,000	\$1,200,000
FIT – Flow-through fund to SMOs	\$1,000,500	-
Programming	\$456,397	\$231,776
Personnel	\$885,029	\$378,491
Operating Costs	\$178,999	\$80,972
Total Expenditures	\$3,720,925	\$1,891,239

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$40,364	(\$75,260)
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STATEMENT OF FINANCIAL POSITION

March 31, 2020

ASSETS	2020	2019
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QUESTIONS