



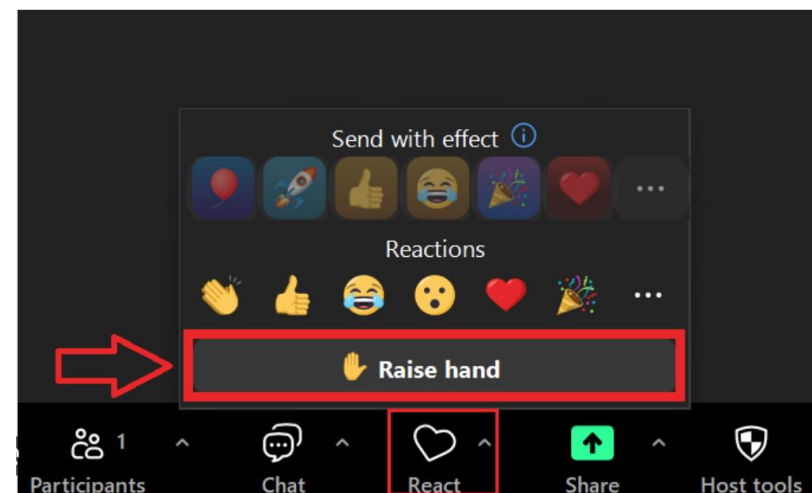
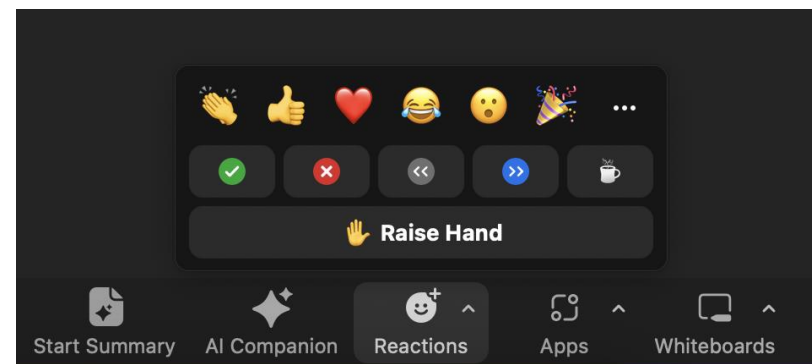
## Questions your board should be asking about the finances

**Kate James**, Institute of Community Directors Australia

Thursday 24 September 2026

# Housekeeping

- When you'd like to share with the group, please use the raise hand function.
- Chat function is for everyone to use. Feel free to share your experience and advice, respond to prompts and answer any questions that arise if possible.
- You will receive the slides and the recording via the email you registered with.
- Please don't use AI to summarise or record this session.
- Please mute yourself unless you are speaking to the group.



# Kate James

- Bachelor of Arts, Master of Laws (Juris Doctor), Dip Gov
- Trained mediator and private investigator
- Experience working with community organisations as a solicitor, consultant and PI



## **What we'll cover today:**

- The board's role in financial governance
- Your individual financial obligations as a NFP/community board member
- What to look out for in financial reports
- Questions to ask to ensure effective financial oversight
- Participating in financial decision-making

## The board's role in financial governance

- Read and analyse regular financial reports
- Consider future financial implications when making decisions
- Clarify your organisation's financial risk appetite and tolerance
- Make decisions that protect the organisation's financial sustainability

## Sound financial governance aims to ensure that your organisation:



Can meet all of its financial obligations



Is prudent and has processes to protect against fraud



Complies with all relevant legislation



Is professionally managed and directed

## Legal duties (from the *Corporations Act 2001*)

- Duty to act bona fide in the best interests of the company
- **Duty to exercise powers for proper purposes**
- Duty to retain discretion
- Duty to avoid conflict of interest
- Improper use of position in the company
- Use of confidential information
- **Related-party transactions**
- **Payments to directors**
- **Duty of care, skill and diligence**
- **Duty to prevent insolvent trading**

**What about my individual responsibilities?**

**Does it make a difference if I'm on a not-for-profit board?**

Individually and collectively, you are responsible for the decisions you make.

**The board acts as one legal entity.**

Ask questions... and be satisfied with the response.

**Trust but validate**



*“The accounting information being passed on [to the board] wasn’t accurate, and so the board didn’t have the opportunity to pick up and fix it up”*

Peter Carew, Former Club President

*“Since being advised in September 2023 of the extent of the financial loss, the Kooyong Lawn Tennis Club Board has had to confront the fact that not all the necessary checks and balances were in place to promptly identify inadequate financial management practices”*

Darren O’Loughlin, President

Accounting giant Grant Thornton found that **poor financial management and reporting** were to blame for the multimillion-dollar loss



# You don't know what you don't know

- Understand your organisation's funding context
- Understand your organisation's operations
- Clarify your organisation's risk tolerance and risk appetite
- Know what the numbers in your financial reports actually mean in terms of operations, wellbeing and impact

# Key financial documents

- **Budget**
- **Balance sheet** (*aka statement of financial position*)
- **Profit and loss statement** (*aka income statement, statement of financial performance; when compared to the budget, 'budget vs actuals'*)
- **Statement of cash flow**



# Budget

**Definition:** An estimate of future income and planned expenses for a period of time (usually a year)

Budgeting is the process of planning your organisation's finances. A budget reflects all the activities you plan to undertake in over the next 12 months, expressed in terms of money.

The board must approve the budget annually, before the new financial year begins. Approval / adoption of the budget must be minuted.

The board must have a good understanding of the organisation's operations to properly review and/or prepare the budget and ensure it is fit for purpose.

|                                 | Core               | Maintenance       | Advocacy          | Special projects   | Total               |
|---------------------------------|--------------------|-------------------|-------------------|--------------------|---------------------|
| 400 INCOME                      |                    |                   |                   |                    |                     |
| 4-1000 GRANTS                   | \$ 300,000         | \$ 600,000        | \$ -              | \$ -               | \$ 900,000          |
| 4-1100 DONATIONS                | \$ -               | \$ 175,000        | \$ 250,000        | \$ 75,000          | \$ 500,000          |
| 4-1200 RENT                     | \$ 120,000         | \$ -              | \$ -              | \$ -               | \$ 120,000          |
| 4-1300 INTEREST ON TERM DEPOSIT | \$ 53,000          | \$ -              | \$ -              | \$ -               | \$ 53,000           |
| 4-1400 MISC                     | \$ 14,400          | \$ -              | \$ -              | \$ -               | \$ 14,400           |
| <b>TOTAL INCOME</b>             | <b>\$ 487,400</b>  | <b>\$ 775,000</b> | <b>\$ 250,000</b> | <b>\$ 75,000</b>   | <b>\$ 1,587,400</b> |
| 600 EXPENSES                    |                    |                   |                   |                    |                     |
| 6-1000 ADMINISTRATION           | \$ 15,000          | \$ 15,000         | \$ 5,000          | \$ 10,000          | \$ 45,000           |
| 6-1100 INSURANCE                | \$ 20,000          | \$ 10,000         | \$ -              | \$ -               | \$ 30,000           |
| 6-2000 REPAIRS AND MAINTENANCE  | \$ -               | \$ 35,000         | \$ -              | \$ -               | \$ 35,000           |
| 6-3000 STAFF                    | \$ 800,000         | \$ 250,000        | \$ 150,000        | \$ 150,000         | \$ 1,350,000        |
| 6-4000 STAFF LEAVE              | \$ 34,000          | \$ 18,000         | \$ 4,000          | \$ 12,000          | \$ 68,000           |
| 6-5000 DEPRECIATION             | \$ 20,560          | \$ 12,008         | \$ -              | \$ -               | \$ 32,568           |
| 6-6000 MISC                     | \$ -               | \$ 5,000          | \$ 5,000          | \$ 5,000           | \$ 15,000           |
| <b>TOTAL EXPENSES</b>           | <b>\$ 889,560</b>  | <b>\$ 345,008</b> | <b>\$ 164,000</b> | <b>\$ 177,000</b>  | <b>\$ 1,575,568</b> |
| <b>NET PROFIT/DEFICIT</b>       | <b>-\$ 402,160</b> | <b>\$ 429,992</b> | <b>\$ 86,000</b>  | <b>-\$ 102,000</b> | <b>\$ 11,832</b>    |

## How are we going?

- Are we generating enough income to cover the work we need to do?
- If we're losing money, do we have the reserves to cover it?
- How much does it cost to progress our purpose?
- Is our budget sustainable? Are we including enough costs for administration, evaluation, planning?
- Can we pay our debts? Now and in the future?
- How sustainable is our income?

# Balance sheet

A snapshot of a point in time, also known as a statement of financial position

| Assets<br>(what we own) | Liabilities<br>(what we owe) |
|-------------------------|------------------------------|
| Current                 | Current                      |
| Non-current             | Non-current                  |
| TOTAL                   | TOTAL                        |

= Net position

| Balance sheet with prior period and prior year |              |              |              |
|------------------------------------------------|--------------|--------------|--------------|
|                                                | May-25       | Apr-25       | May-24       |
| <b>ASSETS</b>                                  |              |              |              |
| CASH                                           |              |              |              |
| OPERATING ACCOUNTS                             | \$ 69,651    | \$ 20,655    | \$ 78,998    |
| SAVINGS MAXIMISER ACCOUNT                      | \$ 567,008   | \$ 567,008   | \$ 500,000   |
| TERM DEPOSITS                                  | \$ 830,000   | \$ 830,000   | \$ 800,000   |
| PETTY CASH                                     | \$ 360       | \$ 400       | \$ 500       |
| <b>CURRENT ASSETS</b>                          |              |              |              |
| ACCOUNTS RECEIVABLE                            | \$ 2,345     | \$ 38,000    | \$ 7,689     |
| <b>NON CURRENT ASSETS</b>                      |              |              |              |
| NON CURRENT ASSETS                             | \$ 2,459,283 | \$ 2,611,691 | \$ 2,317,893 |
| <b>TOTAL ASSETS</b>                            | \$ 3,928,647 | \$ 4,067,754 | \$ 3,705,080 |
| <b>LIABILITIES</b>                             |              |              |              |
| <b>CURRENT LIABILITIES</b>                     |              |              |              |
| ACCOUNTS PAYABLE                               | \$ 20,737    | \$ 40,540    | \$ 12,988    |
| CREDIT CARDS                                   | \$ 9,108     | \$ 2,088     | \$ 5,662     |
| GST                                            | \$ 18,023    | \$ 21,230    | \$ 17,665    |
| FUNDS RECEIVED IN ADVANCE                      | \$ 75,000    | \$ 150,000   | \$ 70,833    |
| STAFF LEAVE PROVISIONS                         | \$ 156,888   | \$ 162,766   | \$ 69,000    |
| STAFF PAYROLL                                  | \$ 19,066    | \$ 21,098    | \$ 4,233     |
| <b>NON CURRENT LIABILITIES</b>                 |              |              |              |
| LOAN                                           | \$ 57,000    | \$ 58,567    | \$ 75,800    |
| <b>TOTAL LIABILITIES</b>                       | \$ 355,822   | \$ 456,289   | \$ 256,181   |
| <b>NET ASSETS</b>                              | \$ 3,572,825 | \$ 3,611,465 | \$ 3,448,899 |
| <b>300 EQUITY</b>                              |              |              |              |
| 3-800 RETAINED EARNINGS                        | \$ 3,448,899 | \$ 3,448,899 | \$ 3,303,221 |
| 3-900 CURRENT YEAR EARNINGS                    | \$ 123,926   | \$ 162,566   | \$ 145,678   |
| <b>TOTAL EQUITY</b>                            | \$ 3,572,825 | \$ 3,611,465 | \$ 3,448,899 |

How do you validate this?

'Retained earnings' are profits rolled over from previous years

'Current year earnings' reflect the profit/loss for the current year at this point in time

| ASSETS                    | Everything the organisation owns: cash, inventory and vehicles                                                                                                                   |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>CURRENT ASSETS</u>     | What the organisation <u>owns</u> that is expected to be turned into cash <u>within a year</u>                                                                                   |
| Cash at Bank              | Cash held in bank accounts                                                                                                                                                       |
| Funds on Hand             | Cash held in petty cash and non-bank sources                                                                                                                                     |
| Debtors                   | Invoices issued for amounts owing to your organisation (aka Accounts Receivable)                                                                                                 |
| Stock                     | Goods held by your organisation, awaiting sale (aka Inventory)                                                                                                                   |
| Prepaid expenses          | Items the organisation has paid for but not yet gained the full use of (although they will do so within the next 12 months). Includes items such as rent and insurance.          |
|                           |                                                                                                                                                                                  |
| <u>NON-CURRENT ASSETS</u> | What the organisation <u>owns</u> that is not a current asset e.g. assets that cannot be easily converted into cash                                                              |
| Investment Funds          | All investments held with a maturity greater than one year (eg: term deposits)                                                                                                   |
| Land & Buildings          | All land and buildings that are owned in the organisation's name                                                                                                                 |
| Office Equipment          | All office equipment, such as furniture and computers (valued at original purchase cost)                                                                                         |
| Depreciation              | All non-current assets decline in usefulness as they age. Depreciation is a non-cash item that systematically spreads the cost of each asset (except land) over its useful life. |

| LIABILITIES                           | Everything the organisation owes: loans and creditor invoices.                                                                                                          |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>CURRENT LIABILITIES</u></b>     | What the organisation <u>owes</u> that is expected to be paid back <u>within a year</u>                                                                                 |
| Short-Term Debt                       | The amounts owing on overdrafts and credit cards.                                                                                                                       |
| Current portion of Long-Term Debt     | The amount owing within the next 12 months on any long-term loans held in the organisation's name.                                                                      |
| Creditors                             | Amounts owed that the organisation has been invoiced for but has yet to pay (aka Accounts Payable).                                                                     |
| Employee entitlements                 | Items the organisation has gained full use of but not yet paid for (although they will need to do so within the next 12 months). eg: salaries, leave loading and taxes. |
| Unearned revenue                      | Payment for a good/service that hasn't been delivered yet                                                                                                               |
| <b><u>NON-CURRENT LIABILITIES</u></b> | What the organisation <u>owes</u> that is not a current liability, that is due to be repaid in <u>more than a year</u> .                                                |
| Long-Term Debt                        | Total of all loans owed by the organisation with a maturity of greater than one year.                                                                                   |
| Employee entitlements                 | With a longer than 12month timeframe eg. Provision for long service leave                                                                                               |

# Cash vs accrual accounting

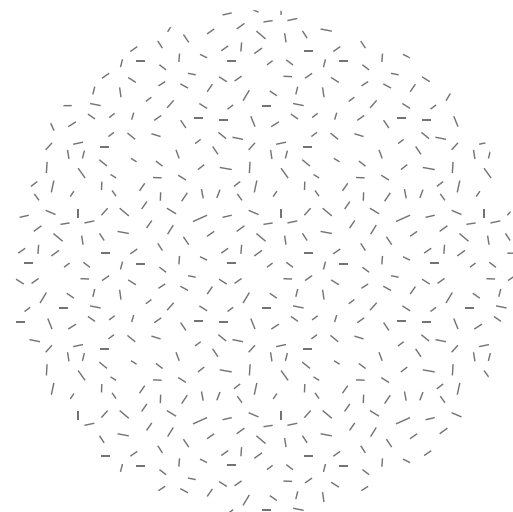
**Accrual accounting:** Income and expenses are recognised and recorded when a transaction occurs rather than when payment is received or made.

**Cash accounting:** Income and expenses are recognised and recorded at the time the cash is received or paid out.

| Type of accrual  | What it means                        | Example                                                                                                                                      |
|------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Accrued expense  | Expense incurred, but not yet paid   | Receiving a bill in April for the electricity you consumed between January and March                                                         |
| Prepaid expense  | Already paid for, will be used later | Purchasing an annual gym membership and paying the fee upfront at the start of the year                                                      |
| Accrued revenue  | Earned but not yet received          | Servicing a car and issuing an invoice to the customer. Payment is due a month after the service was performed                               |
| Deferred revenue | Received but not yet earned          | Ordering customised tea towels. The seller receive payment from the customer before making the tea towels and providing them to the customer |

# Questions to ask when looking at the balance sheet

- Are our liabilities higher than we expected them to be?  
If so, why?
- Is the organisation's overall financial position getting better or worse?
- Do we have enough cash on hand to pay our short-term bills and expenses?
- Do we owe more than we own?
- Are we falling behind on paying our bills and/or building up large unpaid debts? If so, do we have a plan to manage this?
- When was the last time we valued our assets or had them independently reviewed?
- What are the trends we are seeing over time?
- Do our retained earnings and/or equity align with our reserves policy?



# Profit and loss statement

A retrospective look at where cash has come from and gone to over a set period  
(when compared with the budget, it is called *budget vs actuals*)

| Profit and loss statement compared to budget | May-25            |                   |                  |             |  | YTD (Jul 24 - May 25) |                     |                   |             | 24-25 FY            |  |
|----------------------------------------------|-------------------|-------------------|------------------|-------------|--|-----------------------|---------------------|-------------------|-------------|---------------------|--|
|                                              | Actuals           | Budget            | Variance \$      | Variance %  |  | YTD Actuals           | Budget              | Variance \$       | Variance %  | Annual budget       |  |
| 400 INCOME                                   |                   |                   |                  |             |  |                       |                     |                   |             |                     |  |
| 4-1000 GRANTS                                | \$ 75,000         | \$ 75,000         | \$ -             | 0%          |  | \$ 825,000            | \$ 825,000          | \$ -              | 0%          | \$ 900,000          |  |
| 4-1100 DONATIONS                             | \$ 500            | \$ 20,833         | -\$ 20,333       | -98%        |  | \$ 221,667            | \$ 250,000          | -\$ 28,333        | -11%        | \$ 250,000          |  |
| 4-1200 RENT                                  | \$ 6,000          | \$ 8,000          | -\$ 2,000        | -25%        |  | \$ 90,566             | \$ 95,333           | -\$ 4,767         | -5%         | \$ 104,000          |  |
| 4-1300 INTEREST ON TERM DEPOSIT              | \$ -              | \$ -              | \$ -             | 0%          |  | \$ -                  | \$ 36,000           | -\$ 36,000        | -100%       | \$ 36,000           |  |
| 4-1400 MISC                                  | \$ 30,000         | \$ -              | \$ 30,000        | 30000%      |  | \$ 35,000             | \$ -                | \$ 35,000         | 35000%      | \$ -                |  |
| <b>TOTAL INCOME</b>                          | <b>\$ 111,500</b> | <b>\$ 103,833</b> | <b>\$ 7,667</b>  | <b>7%</b>   |  | <b>\$ 1,172,233</b>   | <b>\$ 1,206,333</b> | <b>-\$ 34,100</b> | <b>-3%</b>  | <b>\$ 1,290,000</b> |  |
| <b>GROSS PROFIT</b>                          | <b>\$ 111,500</b> | <b>\$ 103,833</b> | <b>\$ 7,667</b>  | <b>7%</b>   |  | <b>\$ 1,172,233</b>   | <b>\$ 1,206,333</b> | <b>-\$ 34,100</b> | <b>-3%</b>  | <b>\$ 1,290,000</b> |  |
| 600 EXPENSES                                 |                   |                   |                  |             |  |                       |                     |                   |             |                     |  |
| 6-1000 ADMINISTRATION                        | \$ 3,467          | \$ 3,750          | -\$ 283          | -8%         |  | \$ 42,777             | \$ 41,250           | \$ 1,527          | 4%          | \$ 45,000           |  |
| 6-1100 INSURANCE                             | \$ 2,545          | \$ 2,090          | \$ 455           | 22%         |  | \$ 28,000             | \$ 22,920           | \$ 5,080          | 22%         | \$ 25,000           |  |
| 6-2000 REPAIRS AND MAINTENANCE               | \$ 6,500          | \$ 2,917          | \$ 3,583         | 123%        |  | \$ 28,556             | \$ 32,083           | -\$ 3,527         | -11%        | \$ 35,000           |  |
| 6-3000 STAFF                                 | \$ 66,667         | \$ 75,000         | -\$ 8,333        | -11%        |  | \$ 850,000            | \$ 825,000          | \$ 25,000         | 3%          | \$ 900,000          |  |
| 6-4000 STAFF LEAVE                           | \$ 358            | \$ 5,667          | -\$ 5,309        | -94%        |  | \$ 60,554             | \$ 62,333           | -\$ 1,779         | -3%         | \$ 68,000           |  |
| 6-5000 DEPRECIATION                          | \$ 2,714          | \$ 2,714          | \$ -             | 0%          |  | \$ 29,854             | \$ 29,854           | \$ -              | 0%          | \$ 32,568           |  |
| 6-6000 MISC                                  | \$ 5,000          | \$ 1,250          | \$ 3,750         | 300%        |  | \$ 8,566              | \$ 13,750           | -\$ 5,184         | -38%        | \$ 15,000           |  |
| <b>TOTAL EXPENSES</b>                        | <b>\$ 87,251</b>  | <b>\$ 93,388</b>  | <b>-\$ 6,137</b> | <b>332%</b> |  | <b>\$ 1,048,307</b>   | <b>\$ 1,027,190</b> | <b>\$ 21,117</b>  | <b>2%</b>   | <b>\$ 1,120,568</b> |  |
| <b>NET PROFIT/DEFICIT</b>                    | <b>\$ 24,249</b>  | <b>\$ 10,445</b>  | <b>\$ 13,804</b> | <b>132%</b> |  | <b>\$ 123,926</b>     | <b>\$ 179,143</b>   | <b>-\$ 55,217</b> | <b>-31%</b> | <b>\$ 169,432</b>   |  |

# Questions to ask when looking at the profit and loss statement

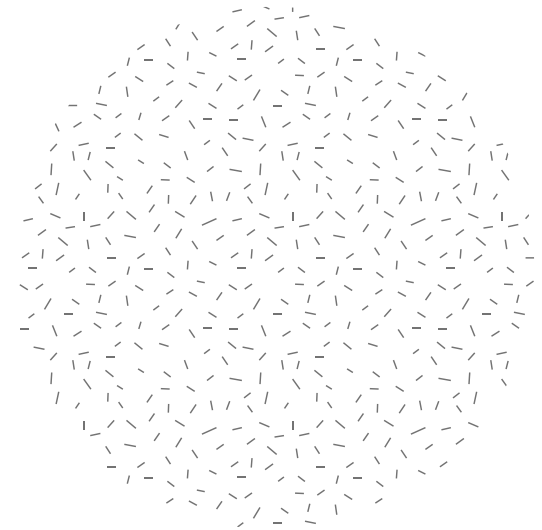
## Income / revenue

- Do we know where our income has come from, and is it in line with what we expected?
- Has our revenue dropped compared to previous years?
- Are there unusual one-off amounts in our income that haven't been explained?

## Expenses / costs

- Has our spending gone up without a matching rise in income?
- Are our costs higher than previous years without a clear reason?
- Are there any unusual or unexpectedly large expenses?

**Overall:** are there trends or significant variations that should be taken into account for the next budget review or development?



**STATEMENT OF CASH FLOWS****APRIL 2025-MAY 2025****OPERATING ACTIVITIES**

|                         |    |        |
|-------------------------|----|--------|
| RECEIPTS FROM CUSTOMERS | \$ | 35,655 |
| PAYMENTS TO SUPPLIERS   | \$ | 19,803 |

**INVESTING ACTIVITIES**

|                                                |    |        |
|------------------------------------------------|----|--------|
| INTEREST RECEIVED                              | \$ | -      |
| PROCEEDS FROM SALE OF PROPERTY OR<br>EQUIPMENT | \$ | 30,000 |
| PROCEEDS FROM SALE OF INVESTMENTS              | \$ | -      |

**FINANCING ACTIVITIES**

|                                             |    |           |
|---------------------------------------------|----|-----------|
| <b>NET INCREASE/DECREASE FOR THE PERIOD</b> | \$ | 48,956    |
| CASH AT THE BEGINNING OF THE PERIOD         | \$ | 1,418,063 |
| CASH AT THE END OF THE PERIOD               | \$ | 1,467,019 |

**CASH AT BANK**

|                                   |    |           |
|-----------------------------------|----|-----------|
| OPERATING ACCOUNTS AND PETTY CASH | \$ | 70,011    |
| SAVINGS MAXIMISER                 | \$ | 567,008   |
| TERM DEPOSIT                      | \$ | 830,000   |
| <b>TOTAL CASH AT BANK</b>         | \$ | 1,467,019 |

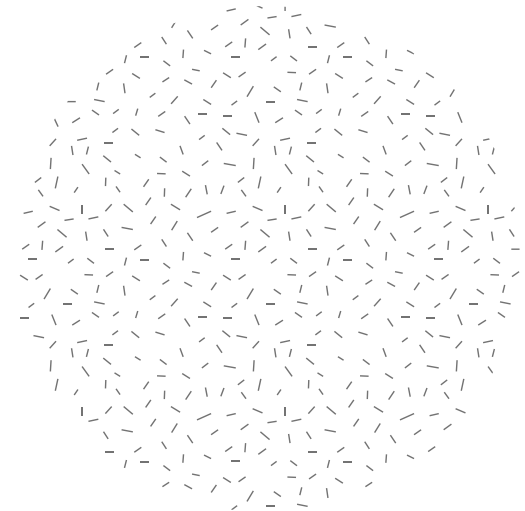
## Cash flow statement

**Definition:**

**A retrospective look at where cash has come from and gone to over a set period**

# Questions to ask when looking at the cash flow statement

- Do we have enough cash to cover our current and future debts?
- Is our cash flow stable and predictable over time?
- Are there big swings in our cash flow that haven't been explained?



| P&L Monthly, YTD and annual budget | May-25            |                   |                  |             | YTD (Jul 24 - May 25) |                     |                   |             | 24-25 FY            |  |
|------------------------------------|-------------------|-------------------|------------------|-------------|-----------------------|---------------------|-------------------|-------------|---------------------|--|
|                                    | Actuals           | Budget            | Variance \$      | Variance %  | YTD Actuals           | Budget              | Variance \$       | Variance %  | Annual budget       |  |
| 400 INCOME                         |                   |                   |                  |             |                       |                     |                   |             |                     |  |
| 4-1000 GRANTS                      | \$ 75,000         | \$ 75,000         | \$ -             | 0%          | \$ 825,000            | \$ 825,000          | \$ -              | 0%          | \$ 900,000          |  |
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| 4-1400 MISC                        | \$ 30,000         | \$ -              | \$ 30,000        | 30000%      | \$ 35,000             | \$ -                | \$ 35,000         | 35000%      | \$ -                |  |
| <b>TOTAL INCOME</b>                | <b>\$ 111,500</b> | <b>\$ 103,833</b> | <b>\$ 7,667</b>  | <b>7%</b>   | <b>\$ 1,172,233</b>   | <b>\$ 1,206,333</b> | <b>\$ -34,100</b> | <b>-3%</b>  | <b>\$ 1,290,000</b> |  |
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| Balance sheet with prior period and prior year |                     |                     |                     |
|------------------------------------------------|---------------------|---------------------|---------------------|
|                                                | May-25              | Apr-25              | May-24              |
| ASSETS                                         |                     |                     |                     |
| CASH                                           |                     |                     |                     |
| OPERATING ACCOUNTS                             | \$ 69,651           | \$ 20,655           | \$ 78,998           |
| SAVINGS MAXIMISER ACCOUNT                      | \$ 567,008          | \$ 567,008          | \$ 500,000          |
| TERM DEPOSITS                                  | \$ 830,000          | \$ 830,000          | \$ 800,000          |
| PETTY CASH                                     | \$ 360              | \$ 400              | \$ 500              |
| CURRENT ASSETS                                 |                     |                     |                     |
| ACCOUNTS RECEIVABLE                            | \$ 2,345            | \$ 36,200           | \$ 7,689            |
| NON CURRENT ASSETS                             |                     |                     |                     |
| NON CURRENT ASSETS                             | \$ 2,151,200        | \$ 2,151,200        | \$ 2,150,000        |
| <b>TOTAL ASSET</b>                             | <b>\$ 3,620,564</b> | <b>\$ 3,607,263</b> | <b>\$ 3,537,687</b> |
| LIABILITIES                                    |                     |                     |                     |
| CURRENT LIABILITIES                            |                     |                     |                     |
| ACCOUNTS PAYABLE                               | \$ 20,737           | \$ 40,540           | \$ 12,988           |
| CREDIT CARDS                                   | \$ 9,108            | \$ 2,088            | \$ 5,662            |
| GST                                            | \$ 18,023           | \$ 21,230           | \$ 17,665           |
| FUNDS RECEIVED IN ADVANCE                      | \$ 75,000           | \$ 150,000          | \$ 70,833           |
| STAFF LEAVE PROVISIONS                         | \$ 156,888          | \$ 162,766          | \$ 69,000           |
| STAFF PAYROLL                                  | \$ 19,066           | \$ 21,098           | \$ 4,233            |
| NON CURRENT LIABILITIES                        |                     |                     |                     |
| LOAN                                           | \$ 57,000           | \$ 58,567           | \$ 75,800           |
| <b>TOTAL LIABILITY</b>                         | <b>\$ 77,737</b>    | <b>\$ 99,107</b>    | <b>\$ 177,788</b>   |
| <b>NET ASSETS</b>                              |                     |                     |                     |
| 300 EQUITY                                     |                     |                     |                     |
| 3-800 RETAINED EARNINGS                        | \$ 1,446,789        | \$ 1,446,789        | \$ 1,245,508        |
| 3-900 CURRENT YEAR EARNINGS                    | \$ 123,926          | \$ 162,566          | \$ 145,678          |
| <b>TOTAL EQUITY</b>                            | <b>\$ 1,570,715</b> | <b>\$ 1,609,355</b> | <b>\$ 1,391,186</b> |

| STATEMENT OF CASH FLOWS                     |                     |
|---------------------------------------------|---------------------|
| APRIL 2025-MAY 2025                         |                     |
| <b>OPERATING ACTIVITIES</b>                 |                     |
| RECEIPTS FROM CUSTOMERS                     | \$ 35,655           |
| PAYMENTS TO SUPPLIERS                       | \$ 19,803           |
| <b>INVESTING ACTIVITIES</b>                 |                     |
| INTEREST RECEIVED                           | \$ -                |
| PROCEEDS FROM SALE OF PROPERTY OR EQUIPMENT | \$ 30,000           |
| PROCEEDS FROM SALE OF INVESTMENTS           | \$ -                |
| <b>FINANCING ACTIVITIES</b>                 |                     |
| <b>NET INCREASE/DECREASE FOR THE PERIOD</b> | <b>\$ 48,956</b>    |
| CASH AT THE BEGINNING OF THE PERIOD         | \$ 1,418,063        |
| CASH AT THE END OF THE PERIOD               | \$ 1,467,019        |
| <b>CASH AT BANK</b>                         |                     |
| OPERATING ACCOUNTS AND PETTY CASH           | \$ 70,011           |
| SAVINGS MAXIMISER                           | \$ 567,008          |
| TERM DEPOSIT                                | \$ 830,000          |
| <b>TOTAL CASH AT BANK</b>                   | <b>\$ 1,467,019</b> |

1. Do we know enough about our operations to understand what changes will impact our financial position and annual budget?
2. Do recent bank statements match the information provided in finance reports?
3. Are there appropriate delegations of authority in place and appropriate approval processes?
4. Are we getting the appropriate information (amount, presentation, relevance)?
5. Does everyone feel satisfied they can make an informed decision?

# Establish a financial governance system:



- Who does what, when and why?
- Policies and procedures
- Authorities and delegations
- Check and balances and compliance
- Controls
- Reporting
- Monitoring and evaluating

# How do I keep track?

At every meeting you should get:

- A statement of financial position, or balance sheet
- A statement of financial performance, or profit and loss
- A comparison of budget versus actual
- A forecast to the end of the financial year
- Some commentary on variances and other assumptions
- A cash flow statement
- An up-to-date download of the current bank account balances

You should also ensure that someone apart from the treasurer has verified that the bank accounts accurately reflect the reported figures

# Next steps with Community Directors:

[Damn good advice for board members](#)

[Finance tools and resources](#)

[Certified Community Directors online course, Unit 4: Managing your funds](#)

[Financial Management for Community Boards online course](#)

[Community Sector Treasurer's course](#)

# Feedback



<https://www.surveymonkey.com/r/2026FOCD>

# Community Directors membership

Now free! Join today.

[communitydirectors.com.au/membership](https://communitydirectors.com.au/membership)

