

# FCSS Financial Information Session

August 10, 2011



## AGENDA

- Introductions
- FCSS Budgeting
- FCSS Reporting Requirements
- Audited Financial Statements
- Questions

## FCSS Budgeting



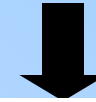
## Column #4



	1	2	3	4
Item	2012 Program Budget	*2012 FCSS Request Breakdown	*2011 Approved Program Budget	2010 Year-End Program "Actual"

- January – December results for all columns
- Column 4 = actual results for 2010
- Taken from 2010 audited statement for FCSS program
- If you have a non-December year end, a January to December schedule is still required

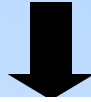
## Column #3



	1	2	3	4
Item	2012 Program Budget	*2012 FCSS Request Breakdown	*2011 Approved Program Budget	2010 Year-End Program "Actual"

- Column 3 = 2011 Program Budget
- For example: Refer to the 2011 FCSS Funding letter for the 2011 Approved Funding

## Column #1



	1	2	3	4
Item	2012 Program Budget	*2012 FCSS Request Breakdown	*2011 Approved Program Budget	2010 Year-End Program "Actual"

- Column 1 = 2012 program budget
  - Includes FCSS amounts entered into Column 2 plus all other program revenues and expenditures
  - No increase in funding from the Province for 2012 = no increase to base funding in 2012
- \*\*\* One Time Emergency Funding available in 2011 with a deadline of August 15, 2011\*\*\*

## Column #2



	1	2	3	4
Item	2012 Program Budget	*2012 FCSS Request Breakdown	*2011 Approved Program Budget	2010 Year-End Program "Actual"

- Column 2 = 2012 FCSS budget
- How you intend to spend the FCSS funds next year
- Two ways to allocate funds:
  - Allocate to one expense
  - Prorate and apply against all eligible program expenses

## 2012 Program Budget

Revenue Section



## Section 1 Revenue

- Special project funding
  - One-time grant
  - Do not include in FCSS request
- Other City funding
  - Show separately from FCSS funding
- No acronyms please
- Exclude revenue that is not specific to the FCSS program (i.e. general fundraising)

## Section 1 Revenue

### Deferred Revenue

- Deferral of FCSS funding is not allowed
- FCSS money must be spent in the year granted
- Certain other funds may qualify for deferral
- Deferred revenue is reflected on your balance sheet and should make sense in relation to the year's revenues and expenditures

## Section 1 Revenue

- Bingos and casinos
    - Ensure you comply with all rules
    - Casino funds generally earned every two years and are meant to be spent over two years
    - do not budget full amount every year
- i.e. \$50,000 expected revenue from casino in 2012
- 2012 budgeted fundraising revenue \$25,000
- 2013 budgeted fundraising revenue \$25,000

## 2012 Program Budget

### Expense Section



## Section 2 Expenses

- Personnel costs
  - Ensure that the benefits are reasonable in relation to wages
  - Report program and admin personnel costs separately
- Occupancy costs
- Travel & training
- Volunteer expenses
- Materials & supplies
  - Do not include capital expenditures here

## Section 2 Expenses

- Capital expenditures
  - Not allowed under the FCSS program
  - FCSS funds may not be used to purchase:
    - land
    - buildings or building renovations
    - vehicles
  - Depreciation expense is not allowed under FCSS guidelines

## Section 2 Expenses

- Administrative expenses
  - Consider allocating a portion of the FCSS funds to audit fees
- External program services
  - Program partnerships and/or contracting out services
- Other expenses

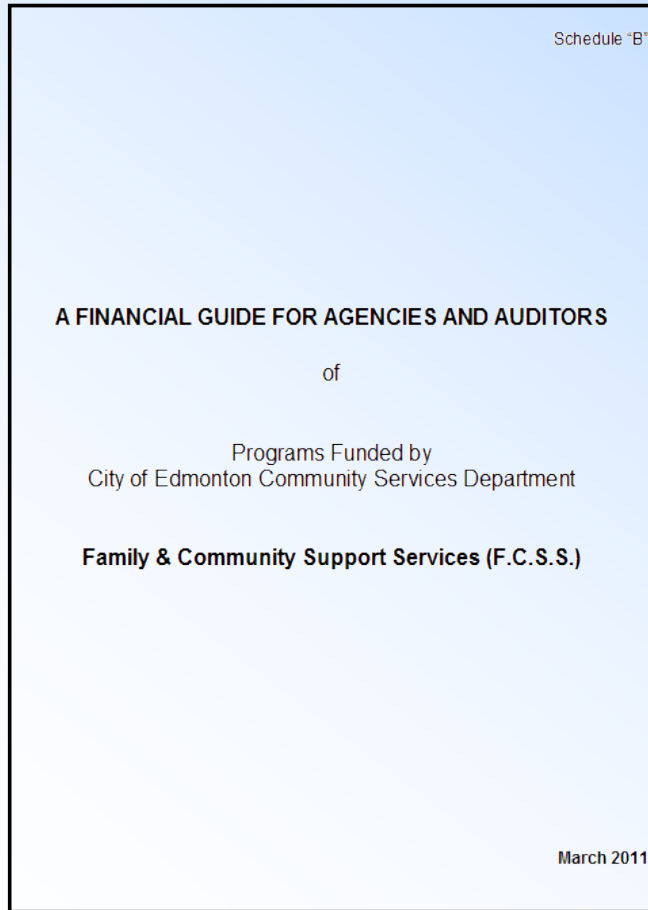
## Section 2 Expenses

- Summary of ineligible expenses:
  - Purchase of land or buildings
  - Construction or renovation of buildings
  - Purchase of motor vehicles
  - Property taxes or levies
  - Honoraria paid to FCSS board members or volunteers
  - Costs not related to direct service delivery under the FCSS program
  - Depreciation expense
  - Interest or debt repayment costs
  - Expenses relating to income from sales (i.e. food sales)

## General Budgeting Comments

- List budgeted capital purchases in the capital section of the budget
- Review for reasonability
- Round to the nearest hundred dollars
- All financial information to be based on calendar year (January to December)

## FCSS Reporting - Resources



Updated Financial Guide available  
online at

[www.edmonton.ca/grants](http://www.edmonton.ca/grants)

Please provide a copy to your auditor

## FCSS Reporting Requirements

### Checklist

Before submitting FCSS documents please use this checklist to ensure that all required items are being submitted:

If Agency has a December 31<sup>st</sup> year end:

- ☐ 1 “Draft” audited financial statement for Agency’s year end. Must contain a separate schedule of the F.C.S.S. Program and include all the revenues and expenses of the Program. (Deadline of March 1)
- ☐ 2 Audited financial statement for Agency’s year end (Deadline of March 31)  
(Auditors’ report **MUST** be signed by auditor and the Statement of Financial Position by two Board Members)
- ☐ 3 Management Letter prepared by the auditor detailing the observations and recommendations. (Deadline of March 31)

## FCSS Reporting Requirements cont'd

If Agency has another year end:

- ☐ 1 Audited financial statement for Agency's preceding year end (Deadline of March 1)
- ☐ 2 Management Letter for preceding year end, prepared by the auditor detailing the observations and recommendations. (Deadline of March 1)
- ☐ 3 F.C.S.S. Program Schedule, must include all the revenues and expenses of the Program, signed by two members of the Board. (Deadline of March 1)
- ☐ 4 Audited financial statements for the Agency's current year end. (Deadline of 90 days after Agency's year end)

Please note: If your Agency is assessed with a surplus you will be sent a letter from Community Services in early April with a response required by mid April.

## Deadlines for Submission of Audited Financial Statements:

Agency Year-End	Submission Deadline
March 31	June 30
June 30	September 30
July 31	October 31
August 31	November 30
December 31	March 31 * (draft due March 1)



Regardless of year-end, agencies are required to submit their most recent audited financial statements by March 1 each year.

## Sample Surplus Calculation

	\$	% of Total
Revenue:		
FCSS	50,000	25%
Provincial Grants	150,000	75%
Total Revenue	200,000	100%
Total Expenses	205,000	
<b>Surplus (Deficit)</b>	<b>(5,000)</b>	100%
<b>FCSS Surplus (Deficit)</b>	<b>(1,250)</b>	25%

## Sample Surplus Assessment

	\$	% of Total
Revenue:		
FCSS	50,000	25%
Provincial Grants	150,000	75%
Total Revenue	200,000	100%
Total Expenses	205,000	
<b>Less Ineligible Expenses:</b>		
Amortization	10,000	
Unapproved Capital	5,000	
Total Adjusted Expenses	190,000	
<b>Adjusted Surplus (Deficit)</b>	<b>10,000</b>	100%
<b>FCSS Portion (25%)</b>	<b>2,500</b>	25%



## Sample Surplus Letter

Please check the box below that applies to your agency and return this letter along with the applicable attachments to:



**FCSS Liaison Team c/o Tara Zerr**  
**Community Services Department, City of Edmonton**  
**14<sup>th</sup> Floor, CN Tower**  
**P.O. Box 2359**  
**Edmonton, AB T5J 2R7**

☐

**1** We choose to repay to the City of Edmonton the assessed FCSS surplus as disclosed in the surplus letter. A cheque in the amount of \_\_\_\_\_ is attached.

☐

**2** We choose to submit a proposal to the City of Edmonton in order to request retention of the excess funds.

If selecting this option, please attach your proposal and mail along with this form to the FCSS Liaison Team.

## Surplus Calculation – Key Points

- Surplus assessment based on financial statements submitted March 1<sup>st</sup>
- Surpluses assessed on a program-by-program basis
- Agencies assessed with a surplus will be contacted in early April - a prompt response will be required from agencies with surpluses in excess of \$2,000

## FCSS Financial Reporting

- Audited financial statements should contain the following:
  - Audit report
  - Statement of financial position (or balance sheet)
  - Statement of operations (or income statement)
  - Notes to the financial statements (deferred revenue should be split by funding source)
  - Schedule of revenue & expenditure for each FCSS program
    - Should include ALL source of revenue and ALL expenses for each program

## FCSS Program Schedule of Revenue & Expenses

- Used to assess surplus
- Schedule is required as part of audited financial statements
- Additional schedule required for agencies with a non-December year-end
  - Can be internally prepared but must be signed by two directors
  - For the calendar year January – December
- Note any significant operations outside the Edmonton area (can provide a separate un-audited schedule)