

Australian Institute of Company Directors

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Did you review the 'Finance for NFP directors' recorded presentation and or live session pre-reading?

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Australian Institute of Company Directors

Covered in the pre-recorded presentation and pre-reading

PRE-RECORDED PRESENTATION

Finance for the NFP Directors

A foundational understanding of a not-for-profit's financial reporting requirements, financial statements and how to assess financial performance. Including

- the major elements of the financial statements;
- assessing financial performance; and
- evaluating solvency

PRE-READING

Northside Community Service case study

- Background of organisation
- · Financial statements
- · Calculating ratios

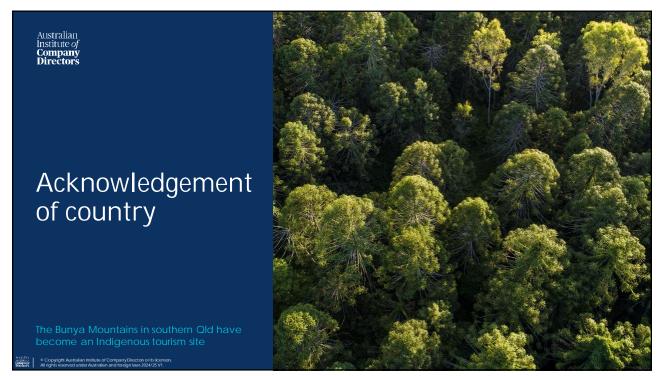
Director Tool

What directors should consider before approving financial statements

Observership program: Finance for the NFP director

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MODERATOR



Phil Butler
GAICD
Sector Lead – Not For Profit

Phil Butler is the Not For Profit Sector Leader, for the Australian Institute of Company Directors (AICD).

Phil joined the AICD in 2003 as ACT Manager and has had the opportunity to work closely with boards, CEO's and directors of organisations in the Public and Not for Profit sectors.

Since 2011, he has led AICD's NFP Sector focus. This role is designed to support organisations in the NFP sector to achieve their respective missions through ongoing improvements in governance and to build greater awareness of the contribution of NFP directors and support their ongoing professional development. Examples of this work include the NFP Governance Principles, and the annual NFP Governance and Performance Study research project.

Phil is a Graduate of the Company Directors Course[™] and a member of CPA Australia and has completed the AICD's Mastering the Boardroom Program. He has been on a range of boards of NFP and Government organisations and most recently was a director of Alzheimer's Australia ACT (now Dementia Australia ACT).

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Observership program: Finance for the NFP director

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PRESENTER



Roslyn Jackson FAICD Governance Advisor

Roslyn Jackson is a Fellow Chartered Accountant and a Fellow of the Governance Institute of Australia. She has worked in public practice providing taxation advice, as a corporate accountant in the Australian Government, as a CFO for a large NFP and COO for an Australian Government Company and has held numerous director positions.

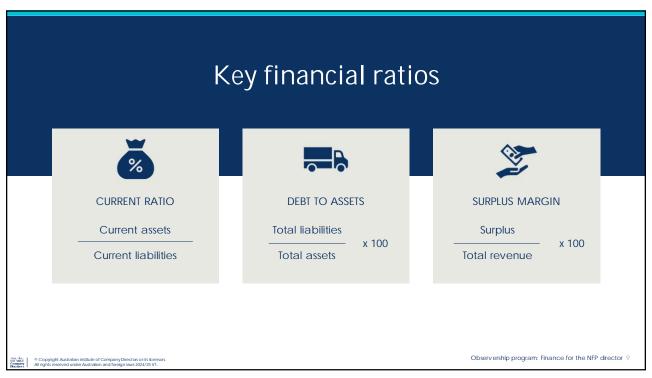
Roslyn has owned and operated a training and consulting company, based in Canberra, for over 25 years. She has developed and facilitated training packages for many businesses; both for profit and not-for-profit, and for the government sector; Australian, state and local government. She has facilitated, written and reviewed courses on behalf of the Australian Institute of Company Directors since 1995, in the areas of finance, governance, risk and strategy.

Roslyn is an experienced non-executive director, having held numerous positions predominantly in the NFP health sector. She has held the chair of several boards and also chaired audit, finance and risk subcommittees. Roslyn is currently a Director of the Canberra Institute of Technology and Aspire4Life Ltd. She is also Chair of the Audit and Risk Committee (ARC) for the National Blood Authority and a member of the ARC for Cancer Australia.

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	Assets	2018	2019	2020	2021	2022
NORTHSIDE COMMUNITY SERVICES	Current assets	\$	\$	\$	\$	\$
	Cash and cash equivalents	904,823	875,153	1,181,485	2,423,368	2,331,50
Analysis of balance sheet	Trade receivables	175,719	231,585	41,368	135,138	98,44
Analysis of balance sheet	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,433
	Other receivables	87,031	97,339	728,107	361,520	300,28
	Prepayments	42,524	48,508	14,617	54,233	
 Review totals of assets and liabilities 	Total current assets_	1,191,040	1,235,678	1,945,766	2,941,253	2,706,79
a) Current assets > Current liabilities	Non-current assets					
	Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,47
b) Total assets > Total liabilities	Intangible assets	14,004	12,505	24,395	65,874	80,53
	Right of use assets	-	-	138,330	147,712	54,27
	Total non-current assets_	6,356,332	6,391,698	6,225,310	10,765,275	10,597,28
	Total assets_	7,547,372	7,627,376	8,171,076	13,706,528	13,304,08
	Liabilities					
	Current liabilities					
	Trade creditors	206,141	94,729	46,529	43,789	303,51
	Other payables & accrued exp.	666,799	748,011	575,882	1,220,086	587,24
	Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,54
	Provisions	469,367	486,335	526,126	584,512	473,26
	Borrowings	63,741	36,973	44,530	32,044	
	Lease liabilities	-	43,582	60,601	81,752	86,35
	Total current liabilities_	1,890,896	<mark>2,090,258</mark>	2,412,259	3,913,409	2,706,92
	Non-current liabilities					
	Borrowings	359,484	312,739	240,422	-	
	Lease Liabilities	-	111,354	94,089	98,758	
	Total non-current liabilities_	359,484	424,093	334,511	98,758	
	Total liabilities_	2,250,380	2,514,351	2,746,770	4,012,167	2,706,92
	Net assets_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,15
	Equity					
	Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,79
	Revaluation reserve	3,290,815	3,290,815	3,290,815	7,839,360	7,839,36
	Total Equity	5.296.992	5.113.025	5.424.306	9.694.361	10.597.15

	Assets	2018	2019	2020	2021	2022
NORTHSIDE COMMUNITY SERVICES	Current assets	\$	\$	s	\$	s
NORTHSIDE COMMUNITY SERVICES	Cash and cash equivalents	904.823	875.153	1.181.485	2.423.368	2.331.501
A real vala after lave as also at	Trade receivables	175,719	231,585	41.368	135,138	98,442
Analysis of balance sheet	Less: allowance for impairment	(19.057)	(16.907)	(19.811)	(33.006)	(23.433)
9	Other receivables	87,031	97,339	728,107	361,520	300,284
	Prepayments	42,524	48,508	14,617	54,233	_
 Review totals of assets and liabilities 	Total current assets_	1,191,040	1,235,678	1,945,766	2,941,253	2,706,794
a) Current assets > Current liabilities	Non-current assets					
	Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,478
b) Total assets > Total liabilities	Intangible assets	14,004	12,505	24,395	65,874	80,535
2. Identify changes in account balances	Right of use assets	-	-	138,330	147,712	54,274
, 5	Total non-current assets_	6,356,332	6,391,698	6,225,310	10,765,275	10,597,287
a) Were you expecting these?	Total assets_	7,547,372	7,627,376	8,171,076	13,706,528	13,304,081
b) Trending over time	Liabilities Current liabilities					
	Trade creditors	206,141	94,729	46,529	43,789	303,518
	Other payables & accrued exp.	666,799	748,011	575,882	1,220,086	587,246
	Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,546
	Provisions	469,367	486,335	526,126	584,512	473,267
	Borrowings	63,741	36,973	44,530	32,044	
	Lease liabilities	-	43,582	60,601	81,752	86,352
	Total current liabilities_ Non-current liabilities	1,890,896	2,090,258	2,412,259	3,913,409	2,706,929
		250 404	312.739	0.40.400		
	Borrowings Lease Liabilities	359,484	111,354	240,422 94.089	98.758	-
	Total non-current liabilities	359,484	424,093	334,511	98,758	
	Total liabilities	2.250.380	2.514.351	2.746.770	4.012.167	2.706.929
	Net assets	5,296,992	5.113.025	5,424,306	9.694.361	10.597.152
	Equity Equity	.,,	.,,	.,,	.,,	5,5,702
	Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,792
	Revaluation reserve	3,290,815	3,290,815	3,290,815	7,839,360	7,839,360
Copyright Australian Institute of Company Directors or its licensors All rights reserved under Australian and foreign laws 2024/25 V1.	Total Equity_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,152

		Assets	2018	2019	2020	2021	2022
NO	RTHSIDE COMMUNITY SERVICES	Current assets	\$	\$	\$	\$	\$
	KINGIDE COMMONITI CERTICES	Cash and cash equivalents	904,823	875,153	1,181,485	2,423,368	2,331,50
Λμ	salveic of balance cheet	Trade receivables	175,719	231,585	41,368	135,138	98,44
ΑI	nalysis of balance sheet	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,43
		Other receivables	87,031	97,339	728,107	361,520	300,28
		Prepayments	42,524	48,508	14,617	54,233	
1.	Review totals of assets and liabilities	Total current assets_	1,191,040	1,235,678	1,945,766	2,941,253	2,706,79
	a) Current assets > Current liabilities	Non-current assets					
		Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,47
	b) Total assets > Total liabilities	Intangible assets	14,004	12,505	24,395	65,874	80,53
2.	Identify changes in account balances	Right of use assets	-	-	138,330	147,712	54,2
	, ,	Total non-current assets_	6,356,332	6,391,698	6,225,310	10,765,275	10,597,2
	a) Were you expecting these?	Total assets_	7,547,372	7,627,376	8,171,076	13,706,528	13,304,0
	b) Trending over time	Liabilities Current liabilities					
3.	Has total equity grown across the year?	Trade creditors	206.141	94.729	46.529	43.789	303.51
J.	1 3 3	Other payables & accrued exp.	666,799	748.011	575.882	1.220.086	587.24
	a) Is the level of equity enough?	Unearned revenue	484.848	680.628	1.158.591	1,951,226	1,256,54
	b) Are there any assets that can't be sold	Provisions	469,367	486,335	526,126	584,512	473,26
		Borrowings	63,741	36,973	44,530	32,044	
	to help pay the liabilities?	Lease liabilities	-	43,582	60,601	81,752	86,35
	c) What happens to the coverage if the	Total current liabilities	1,890,896	2,090,258	2,412,259	3,913,409	2,706,9
	property, plant and equipment can't	Non-current liabilities					
		Borrowings	359,484	312,739	240,422	-	
	be sold?	Lease Liabilities	-	111,354	94,089	98,758	
		Total non-current liabilities_	359,484	424,093	334,511	98,758	
		Total liabilities_	2,250,380	2,514,351	2,746,770	4,012,167	2,706,92
		Net assets_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,15
		Equity					
		Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,79
		Revaluation reserve Total Equity	3,290,815 5,296,992	3,290,815 5.113.025	3,290,815 5,424,306	7,839,360 9,694,361	7,839,36

		Assets	2018	2019	2020	2021	2022
NO	ORTHSIDE COMMUNITY SERVICES	Current assets	\$	\$	\$	\$	\$
	SKITIGIBE COMMISSION CERTIFICE	Cash and cash equivalents	904,823	875,153	1,181,485	2,423,368	2,331,50
Λ	nalysis of balance sheet	Trade receivables	175,719	231,585	41,368	135,138	98,44
$\overline{}$	riarysis or barafice street	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,43
		Other receivables	87,031	97,339	728,107	361,520	300,2
1	Review totals of assets and liabilities	Prepayments	42,524	48,508	14,617	54,233	
1.		Total current assets_	<mark>1,191,040</mark>	1,235,678	1,945,766	2,941,253	<mark>2,706,7</mark>
	a) Current assets > Current liabilities	Non-current assets		/ 270 400		10 551 (00	10.1/0.1
	b) Total assets > Total liabilities	Property, plant & equipment Intangible assets	6,342,328 14.004	6,379,193 12.505	6,062,585 24.395	10,551,689 65.874	10,462,4° 80.5
		Right of use assets	14,004	12,505	138,330	147,712	80,5 54,2
2.	Identify changes in account balances	Total non-current assets	6,356,332	6,391,698	6,225,310	10,765,275	10,597,2
	a) Were you expecting these?	Total assets	7,547,372	7,627,376	8,171,076	13,706,528	13,304,0
	, , , ,	Liabilities					
	b) Trending over time	Current liabilities					
3.	Has total equity grown across the year?	Trade creditors	206,141	94,729	46,529	43,789	303,5
	a) Is the level of equity enough?	Other payables & accrued exp.	666,799	748,011	575,882	1,220,086	587,2
		Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,5
	b) Are there any assets that can't be sold	Provisions	469,367	486,335	526,126	584,512	473,2
	to help pay the liabilities?	Borrowings	63,741	36,973	44,530	32,044	0/0
		Lease liabilities Total current liabilities	1.890.896	43,582 2.090,258	60,601 2,412,259	81,752 3,913,409	86,3 2,706,9
	c) What happens to the coverage if the	Non-current liabilities	1,090,090	2,090,236	2,412,239	3,913,409	2,700,9
	property, plant and equipment can't	Borrowings	359,484	312.739	240,422		
	be sold?	Lease Liabilities	337,404	111.354	94.089	98.758	
4.	Were there any changes to the accounting	Total non-current liabilities	359.484	424.093	334,511	98.758	
4.	, ,	Total liabilities	2,250,380	2,514,351	2,746,770	4,012,167	2,706,9
	standards that will impact the financial	Net assets	5,296,992	5,113,025	5,424,306	9,694,361	10,597,1
	statements?	Equity					
		Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,7
		Revaluation reserve	3,290,815	3,290,815	3,290,815	7,839,360	7,839,3
0.00	pylight Australian Institute of Company Directors or its licensors. hts reserved under Australian and foreign laws 2024/25 V1.	Total Equity_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,1

NORTHSI	DE CON	MUNIT	Y SERVI	ICES	5	Assets Current assets Cash and cash equivalents	2018 \$ 904,823	2019 \$ 875,153	2020 \$ 1,181,485	2021 \$ 2,423,368	2022 \$ 2,331,501
Analys	sis of		ice sł	hee	et	Trade receivables Less: allowance for impairment Other receivables Prepayments	175,719 (19,057) 87,031 42,524	231,585 (16,907) 97,339 48,508	41,368 (19,811) 728,107 14,617	135,138 (33,006) 361,520 54,233	98,442 (23,433) 300,284
	orking cap pilities	ital = currei	nt assets -	– curr	ent	Total current assets_ Non-current assets Property, plant & equipment	1,191,040 6.342.328	1,235,678 6.379.193	1,945,766 6.062,585	2,941,253 10.551,689	2,706,794 10.462.478
2018	2019	2020	2021		2022	Intangible assets	14,004	12,505	24,395	65,874	80,535
1,191,040 - 1,890,896 (699,856)	1,235,678 2,090,258 (854,580)	1,945,766 - 2,412,259 (466,493)	- 3,913,4	109	2,706,794 -2,706,929 (135)	Right of use assets Total non-current assets Total assets Liabilities	6,356,332 7,547,372	6,391,698 7,627,376	138,330 6,225,310 8,171,076	147,712 10,765,275 13,706,528	54,274 10,597,287 13,304,081
	b) Current ratio = current assets / current liabilities					Current liabilities Trade creditors Other payables & accrued exp.	206,141 666,799	94,729 748,011	46,529 575,882	43,789 1,220,086	303,518 587,246
Ratio	2018	2019	2020 2	2021	2022	Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,546
Current	0.632	0.59	0.81 (0.75	1.00	Provisions Borrowings Lease liabilities	469,367 63,741	486,335 36,973 43,582	526,126 44,530 60,601	584,512 32,044 81,752	473,26° 86,35
						Total current liabilities_ Non-current liabilities	1,890,896	2,090,258	2,412,259	3,913,409	2,706,929
						Borrowings Lease Liabilities	359,484	312,739 111,354	240,422 94,089	98,758	
						Total non-current liabilities_ Total liabilities_ Net assets	359,484 2,250,380 5,296,992	424,093 2,514,351 5.113.025	334,511 2,746,770 5,424,306	98,758 4,012,167 9,694,361	2,706,929 10,597,152
						Equity Ret assets_	-,2,0,,,2	3,110,023	3,121,000	7,071,001	. 0,0 / / / 10.
						Retained earnings Revaluation reserve	2,006,177 3,290,815	1,822,210 3,290,815	2,133,491 3,290,815	1,855,001 7,839,360	2,757,792 7,839,360
© Copyright Australian Ir All rights reserved under	stitute of Company [Directors or its licensors.				Total Equity_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,15

						Assets	2018	2019	2020	2021	2022
NORTHSII	DE CON	MUNIT	Y SER	VICE	ES	Current assets	\$	\$	\$	\$	\$
						Cash and cash equivalents	904,823	875,153	1,181,485	2,423,368	2,331,50
Analys	ic of	halar	nca -	cha	Δt	Trade receivables	175,719	231,585	41,368	135,138	98,44
Allalys	olo Ol	Dalai		31 IC	Cl	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,43
						Other receivables	87,031	97,339	728,107	361,520	300,28
 Short ter 	m covera	age				Prepayments _	42,524	48,508	14,617	54,233	
a) Woi	rking capi	ital = curre	nt asse	ets – cu	ırrent	Total current assets_	1,191,040	1,235,678	1,945,766	<mark>2,941,253</mark>	2,706,79
liabilities						Non-current assets					
						Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,47
2018	2019	2020	20	21	2022	Intangible assets	14,004	12,505	24,395	65,874	80,53
1.191.040	1.235.678	1.945.766	2.04	1.253	2.706.794	Right of use assets	-	-	138,330	147,712	54,27
	2.090.258	- 2.412.259		3.409	-2.706.929	Total non-current assets_	6,356,332	6,391,698	6,225,310	10,765,275	10,597,2
(699,856)	(854,580)	(466,493)		2,156)	(135)	Total assets_	7,547,372	7,627,376	8,171,076	13,706,528	13,304,0
(077,030)	(004,000)	(400,475)	(772	2,100)	(199)	Liabilities					
b) Cur	rent ratio	= current a	assets /	' currei	nt	Current liabilities					
liab	ilities					Trade creditors	206,141	94,729	46,529	43,789	303,51
						Other payables & accrued exp.	666,799	748,011	575,882	1,220,086	587,24
Ratio	2018	2019	2020	2021	2022	Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,54
Current	0.632	0.59	0.81	0.75	1.00	Provisions	469,367	486,335	526,126	584,512	473,26
						Borrowings	63,741	36,973	44,530	32,044	
Current & qu	ick ratios					Lease liabilities	-	43,582	60,601	81,752	86,35
 Standard 	benchm	ark is > 1.5	0.1			Total current liabilities_	<mark>1,890,896</mark>	2,090,258	2,412,259	3,913,409	2,706,92
		ber the hid		o riek o	æ	Non-current liabilities					
		per me nić	gnei in	e iisk c	'1	Borrowings	359,484	312,739	240,422	-	
insolvenc						Lease Liabilities	-	111,354	94,089	98,758	
Issues with th	ne ratio:					Total non-current liabilities_	359,484	424,093	334,511	98,758	
1. Calculat	ted at a p	oint in tim	e, so ui	ndersta	and	Total liabilities_	2,250,380	2,514,351	2,746,770	4,012,167	2,706,92
pattern	of change	e across th	ne year			Net assets_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,15
2. Does no	t look at b	now liquid	the ass	ets are	·	Equity					
						Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,79
3. Does no	t look at v	when the c	aebts n	ave to	be paid	Revaluation reserve	3,290,815	3,290,815	3,290,815	7,839,360	7,839,36
						Total Equity	5.296.992	5.113.025	5,424,306	9.694.361	10.597.15

						Assets	2018	2019	2020	2021	2022
NORTHSIDI	E C ON	IMUNI	TY SER	VICES		Current assets	\$	\$	\$	\$	\$
						Cash and cash equivalents	904,823	875,153	1,181,485	2,423,368	2,331,50
Analysi	s of	hala	nca	chaa	t	Trade receivables	175,719	231,585	41,368	135,138	98,44
Ailaiysi	o Oi	vara		31 100	i.	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,43
						Other receivables	87,031	97,339	728,107	361,520	300,28
2. Total cov	erage					Prepayments	42,524	48,508	14,617	54,233	
-\ D-1-4		. /	-10-69	/4 _ 4 _		Total current assets_	1,191,040	1,235,678	1,945,766	2,941,253	2,706,79
		ts = (tot	al liabili	iles/tota	!!	Non-current assets					
asset	s) x 100					Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,47
						Intangible assets	14,004	12,505	24,395	65,874	80,5
Ratio	2018	2019	2020	2021	2022	Right of use assets			138,330	147,712	54,2
			1 1	-		Total non-current assets_	6,356,332	6,391,698	6,225,310	10,765,275	10,597,2
Debt to assets	29.8%	33.0%	33.6%	29.3%	20.3%	Total assets_	<mark>7,547,372</mark>	7,627,376	<mark>8,171,076</mark>	13,706,528	13,304,0
						Liabilities Current liabilities					
Debt to assets	s ratio					Trade creditors	206.141	94.729	46.529	43,789	303.5
						Other payables & accrued exp.	666,799	748,011	575.882	1,220,086	587.2
 The lower 	the nun	nber the	e lower t	he risk c)†	Unearned revenue	484.848	680,628	1.158.591	1,951,226	1.256.5
insolvency	y .					Provisions	469,367	486.335	526,126	584.512	473.2
						Borrowings	63,741	36,973	44.530	32,044	,-
 It has all th 	ne same	issues a	as the c	urrent ra	itio.	Lease liabilities	-	43,582	60,601	81,752	86,3
						Total current liabilities	1,890,896	2,090,258	2,412,259	3,913,409	2,706,9
						Non-current liabilities					
						Borrowings	359,484	312,739	240,422	=	
						Lease Liabilities	-	111,354	94,089	98,758	
						Total non-current liabilities	359,484	424,093	334,511	98,758	
						Total liabilities	2,250,380	2,514,351	2,746,770	4,012,167	2,706,9
						Net assets	5,296,992	5,113,025	5,424,306	9,694,361	10,597,1
						Equity					
						Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,79
						Revaluation reserve	3,290,815	3.290.815	3,290,815	7.839.360	7.839.36
						Revaluationneserve					

						Assets	2018	2019	2020	2021	2022
NORTHSIDE	COM	ПЛПТ	V SED	VICES		Current assets	\$	\$	s	\$	\$
NORTISIDE	COIVII	VIOIVII	I JLK	VICLS		Cash and cash equivalents	904.823	875.153	1.181.485	2.423.368	2.331.5
A malvala	of L	، مام،	•	ه م ما	⊥	Trade receivables	175,719	231,585	41,368	135,138	98,4
Analysis	SOLL	Jaiai	nce s	snee	ι	Less: allowance for impairment	(19,057)	(16,907)	(19,811)	(33,006)	(23,4
,						Other receivables	87,031	97,339	728,107	361,520	300,2
3. Level of de	sht/ae	aring				Prepayments	42,524	48,508	14,617	54,233	
J. Levelol at	bir gc	anng				Total current assets	1,191,040	1,235,678	1,945,766	2,941,253	2,706,7
a) Cost c	of borrov	winas				Non-current assets					
<i>a)</i> 0031 0	n bonot	virigs				Property, plant & equipment	6,342,328	6,379,193	6,062,585	10,551,689	10,462,4
b) Debt t	o equit	v ratio -	- total li:	ahilities	/	Intangible assets	14,004	12,505	24,395	65,874	80,
		y ratio -	- totai ii	abilities	′	Right of use assets	-	-	138,330	147,712	54,2
total e	equity					Total non-current assets	6,356,332	6,391,698	6,225,310	10,765,275	10,597,
						Total assets	7,547,372	7,627,376	8,171,076	13,706,528	13,304,0
Ratio	2018	2019	2020	2021	2022	Liabilities					
Debt to equity	0.42	0.49	0.51	0.41	0.26	Current liabilities					
						Trade creditors	206,141	94,729	46,529	43,789	303,
						Other payables & accrued exp.	666,799	748,011	575,882	1,220,086	587,2
Debt to Equity						Unearned revenue	484,848	680,628	1,158,591	1,951,226	1,256,
>1 = using mor	o liabilit	ios to fu	ind tho	husinos	c	Provisions	469,367	486,335	526,126	584,512	473,2
			iliu ilie	Dusiries	3	Borrowings	63,741	36,973	44,530	32,044	
- (hig	jhly gea	ired)				Lease liabilities	=	43,582	60,601	81,752	86,3
						Total current liabilities_	1,890,896	2,090,258	2,412,259	3,913,409	2,706,9
<1 = using mor	e equity	y to fun	d the bu	usiness		Non-current liabilities					
						Borrowings	359,484	312,739	240,422	-	
- (lov	vly gear	ed)				Lease Liabilities	-	111,354	94,089	98,758	
	, ,					Total non-current liabilities_	359,484	424,093	334,511	98,758	
						Total liabilities_	2,250,380	2,514,351	2,746,770	4,012,167	2,706,9
						Net assets_	5,296,992	5,113,025	5,424,306	9,694,361	10,597,1
						Equity					
						Retained earnings	2,006,177	1,822,210	2,133,491	1,855,001	2,757,
						Revaluation reserve	3,290,815	3,290,815	3,290,815	7,839,360	7,839,3
						Total Equity	5,296,992	5.113.025	5.424.306	9.694.361	10,597,1
© Copyright Australian Institute of All rights reserved under Australia	Compony Pine	tom orite lino				Total Equity_	3,290,992	3,113,023	3,424,300	9,094,301	10,397,

Managing cash

Days' receivables and days' payables

	Not Overdue	30+ days	60+ days	90+ days	120+ days	TOTAL
Days' receivables						
Amount owing	20,988	23,670	31,680	0	58,500	135,138
Spread	69	93	69	0	128	665
Days' payables						
Amount owing	30,989	0	0	12,800	0	43,789
Spread	23	0	0	1	0	24

Note: Spread is not a percentage, it is the number of customers or suppliers that fall into that category

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Northside Community Services Ltd NORTHSIDE COMMUNITY SERVICES Statement of Comprehensive Income for the year ended 30 June Analysis of income 2018 2019 2022 \$ statement Revenue 3,824,072 5,337,563 Government grants 3,648,763 3,932,409 4,569,806 Other operational revenue 6,411,138 7,194,000 5,874,191 7,642,783 8,442,287 2,079,292 Total revenue _10,250,668_10,847,745_ Compliance: 1. Revenue recognition **Expenses** Employee expenses 8,303,901 9,020,705 9.584.575 10.951.675 9.551.776 Accrual accounting adjustments 395.078 576.116 Service delivery expenses 361.627 378.591 493.341 Donations and volunteers Consultants / contractors 438.318 277.030 270.497 425.227 611.512 Occupancy expenses 604.884 717.377 673.390 798.631 1,318,164 Depreciation and amortisation 175.278 185.624 214.665 226.332 288,414 21,234 20,290 13,712 14,181 3,604 Performance: 541,944 Other expenses 406,411 432,095 422,694 529,955 Total expenses 10,311,653 11,031,712 11,574,611 13,451,331 12,879,541 1. Increasing revenue over time Surplus/ (Deficit) before (60,985)(183,967)(278,490)2. Maximising size - economies of income tax Other Comprehensive Income Revaluation of land and 3. Increasing surpluses over time 2,317,949 4,548,545 buildings 4. Achieving outcomes efficiently Total comprehensive income 311,281 2,256,964 (183,967) 4,270,055 902,791 for the year | Copyright Australian Institute of Company Directors or its licer | All rights reserved under Australian and foreign laws 2024/25 V1

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Northside Community Services Ltd NORTHSIDE COMMUNITY SERVICES Statement of Comprehensive Income for the year ended 30 June Analysis of income 2018 2019 2020 2021 2022 statement <u>Revenue</u> 4.569.806 5.337.563 Government grants 3.824.072 3.648.763 3.932.409 Other operational revenue 6,411,138 7,194,000 5 874 191 7.642.783 8,442,287 Other income 15,458 4,982 2,079,292 960,252 2,482 4. Surplus or Deficit margin = (surplus Total revenue 10,250,668 10,847,745 11,885,892 or deficit / total income) x 100 **Expenses** Employee expenses 8,303,901 9,020,705 9.584.575 10.951.675 9.551.776 Ratio 2018 2019 2020 2021 2022 Service delivery expenses 361,627 378,591 395,078 493,341 576,116 Consultants / contractors 438,318 Surplus or Occupancy expenses 604.884 717.377 798.631 1.318.164 (0.59%) 6.55% (1.70%)2 62% (2.11%)Deficit Depreciation and amortisation 175,278 185,624 214,665 226,332 288,414 margin 21.234 20,290 13.712 14,181 3.604 Finance expenses Other expenses 406.411 432.095 422.694 541.944 529,955 Total expenses _10,311,653 _11,031,712 11,574,611 13,451,331 12,879,541 Surplus/ (Deficit) before (60,985)(183,967)311,281 (278,490)902,791 income tax Other Comprehensive Income Revaluation of land and 4.548.545 buildings Total comprehensive income 2,256,964 (183,967) 311,281 4,270,055 902,791 for the year Discourse | © Copyright A

NORTHSIDE COMMUNITY SERVICES	Northside Community Services	2018	2019	2020	2021	2022
NORTHSIDE COMMUNITY SERVICES	Cash flows from operating activities	\$	\$	\$	\$	\$
Analysis of cash flow	Grant, fees & other receipts from customers	10,578,947	11,383,300	12,397,462	14,764,151	14,519,492
statement	Payments to supplies & employees	(10,349,529)	(11,256,779)	(11,964,922)	(13,094,527)	(14,395,632)
	Interest received	5.824	3.736	787	598	2.462
Insolvency tests:	Finance costs	(21,234)	(20,290)	(13,712)	(14,181)	(3,604)
	Net cash from operating activities	214,008	109,967	419,615	1,656,041	122,718
 Is there a positive net cash flow from normal operating activities? 	Cash flows from investing activities					
2. Are receipts from customers >	Proceeds from sale of plant & equipment	-	592	-	30,682	-
payments to suppliers and employees?	Purchase of property, plant & equipment	(55,862)	(51,478)	(48,276)	(217,752)	(87,727)
3. Are cash profits > accounting	Purchase of intangibles	-	-	-	-	(32,700)
profits?	Net cash from investing activities	(55,862)	(50,886)	(48,276)	(187,070)	(120,427)
Was there enough cash generated from normal operating	Cash flows from financing activities Repayment of borrowings	(144,759)	(88,751)	(118,042)	(331,195)	(32,044)
activities to cover:	Increase in lease commitments	-	=	53,035	104,107	-
a) Payments for assets (PP&E)	Repayment of lease liability	-	-	-	-	(62,114)
plus	Net cash from financing activities	(144,759)	(88,751)	(65,007)	(227,088)	(94,158)
b) Payments for leases?	Net cash flow for the year	13,387	(29,670)	306,332	1,241,883	(91,867)
	Cash at beginning of year	891,435	904,823	875,153	1,181,485	2,423,368
	Cash at end of year	904,823	875,153	1,181,485	2,423,368	2,331,501
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Can anyone suggest other ratios that may be relevant for not-for-profit organisations?

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Key performance indicators

FINANCIAL MEASURES THAT MAY BE USEFUL FOR NFPS TO INCLUDE

- · income received, by category
- achievement of desired surplus
- variances above an absolute or per cent amount
- timeliness and accuracy of management accounts

CONSIDER HOW FINANCIAL MEASURES
INTERACT WITH OTHER KPIS
TO BUILD A FULL PICTURE

- operations
- brand recognition, as a driver of donations received
- membership numbers as a driver of subscription income

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Observership program: Finance for the NFP director 23

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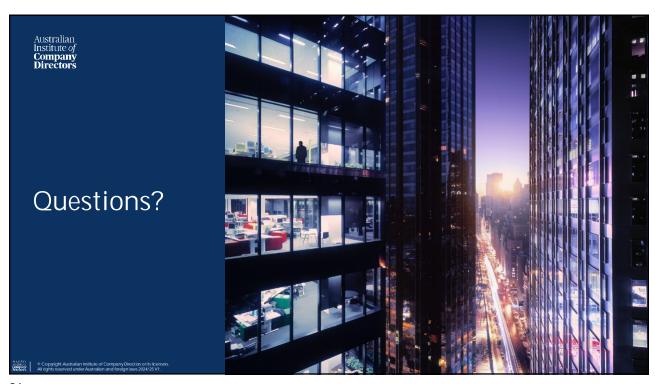
What three things will you take away from our discussions today?

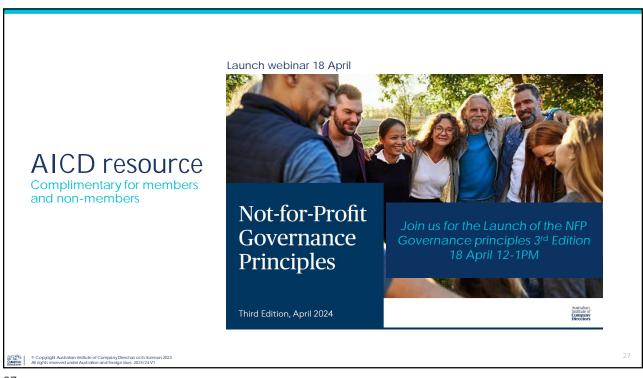
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The Observership Program FINANCE FOR THE NFP DIRECTOR

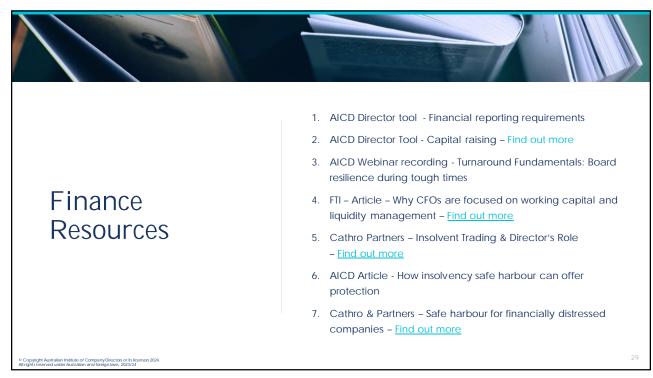


- Financial literacy is critical for directors to fulfil their duties
- The financial statements are a narrative of the organisation's performance
- Be aware of insolvency warning signs
- Ask questions and seek advice if still unsure









WEBINAR RESOURCES EVALUATING BOARD FINANCES PART 1 - ANALYSE AND EVALUATING BOARD FINANCES PART 2 - FINANCIAL RATIOS. QUESTION FINANCIAL STATEMENTS TRENDS AND WARNING SIGNS **Evaluating Board Finances** Evaluating Board Finances Part 1 - Analyse and question Part 2 - Financial ratios, trends and warning signs financial statements Financial literacy is a skill that few of us are taught, yet when Not every board member finds it easy to read and interpret a page joining a board, we are expected to be able to understand full of numbers, including financial ratios, KPIs and spreadsheets, financial concepts, ask probing questions when presented even with the help of financial dashboards that often make it with financial information at board meetings, draw easier to identify trends, warning signs. conclusions and make decisions. FIND OUT MORE FIND OUT MORE



