

SEPTEMBER 2006

# TREASURER'S UPDATE

BY: HEIDI BRAUER, CMA

## 2006 WINTER WORKSHOPS

November 16th

**TREASURER'S**  
7:00 pm  
@ FCC Office

December 7th

**GRANTS**  
7:00 pm  
@ FCC Office

Mark your calendars and  
watch for our Registration  
Forms in the upcoming  
**FCCNews**

## Why does audited data differ from our treasurer's information?

- In **PART 1**—July Treasurer's Update we discussed the cash and the accrual method of accounting.
- In **PART 2**—August Treasurer's Update we discussed Unrestricted/Externally Restricted Cash and Deferred Capital Contributions.

### Part 3

#### Error and Omissions

We are human and humans make mistakes. The more people look at the same data from different points of view, the better the chance of detecting error or omissions. When we audit the financial data, it gets recorded by you, checked by one of my assistants and then reviewed by myself. In most cases these errors or omissions are unintentional, but there are chances of detecting fraudulent entries. As this is another subject, I will not discuss detection of fraud in this article. It is the responsibility of the board of directors to have internal controls in place to prevent fraud.

You may say, how can we rely on our treasurer's financial data, if there are so many possibilities of variance? As a small not for profit group you will have to minimize your chances of making wrongful decisions from inaccurate data.

Many of the presentation principles are mainly for outsiders. You know the skills of your treasurer and as long as you have a diligent person recording the data, ask whether he/she records according to the cash or accrual method and use the data to compare with a budget. The budget gives you a tool for planning and control purposes.

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Federation of Calgary Communities.

#301, 1609—14 Street SW, Calgary, AB T3C 1E4  
Ph: 244-4111, ext 209 Fax: 244-4129  
Email: heidi.brauer@calgarycommunities.com  
Website: www.calgarycommunities.com

The budget will show variances if you recorded grant or gaming funds used for capital expenditures in operations by showing a healthy profit. Ask for separate reports as to what your grant funding and your gaming funds were used for. This will also show, how much of the grant funding is still left to be spent. Then separate the grant revenue and expenses and gaming funds from your income statement. This will show you the operating revenue and general operating expenses. It will show how important gaming funds are for your general operations.

You may want to ask your treasurer for the bank account balances and a listing of the investments.

As the bank balance only shows the cheques written from the account and the deposits made to the account, you should ask, whether there were any major payments to be made or whether you are expecting a large deposit to be made in the next following month.

Comparing data from one year to the next, will also be a good check, as you will have to answer why certain revenues have increased/decreased or expenses increased/decreased.

As audited financial statements give you historical data, keeping track of your finances on a monthly basis, will give you an opportunity to change your way of action in a timely manner, and if the board takes an active role, instead of leaving this task exclusively to the treasurer, fraud and error can be detected sooner.

*Heidi Brauer, CMA*

Phone: (403) 244-4111, ext 209

Email: [heidi.brauer@calgarycommunities.com](mailto:heidi.brauer@calgarycommunities.com)

## **2006 Winter Workshops**

### **Treasurers Workshop**

**Thursday, November 16, 2006  
7:00 PM at the FCC Office**

We will discuss the FCC Treasurer's Manual (basic information) and questions you have for fulfilling your role as a treasurer.

### **Grant Workshop**

**Thursday, December 7, 2006  
7:00 PM at the FCC Office**

Helen Wilson, the Community Liaison Officer for Southern Alberta from Alberta Gaming and Liquor Commission, will be discussing CFEP and CIP grants. She will answer your questions regarding applying, recording and reporting of these grants.

➤ **We will have two GST Workshops in February of 2007**

**If you are interested in any other workshops, please let us know.**