Yearend financial update for YE21

Prepared by Ayesha Barmania, October 19, 2021 for presentation to the PIP Board of Directors

Hello board!

I have prepared a financial update for the fiscal year that ended on August 31, 2021.

Below there are two sections:

1. The YE21 financial reports: the profit and loss statement plus commentary as well as the balance sheet plus commentary
2. A copy of the backgrounder on how our finances work which was originally presented in June 2021 and I think it continues to be helpful context

The PDF version of this report includes the PDF versions of the financial reports as generated by Wave. The DOCX version has a plain text version of the same reports.

Happy to field questions,

Ayesha Barmania

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# **YE21 financial reports**

## **Profit and Loss statement, generated by Wave**

Profit and Loss

Peterborough Independent Podcasters

Date Range: 2020-09-01 to 2021-08-31

Income accounts

Grants (entailed funds): $1,500.00

Program Income – Membership Dues: $450.00

Program Income – Program Service Fees: $325.00

Volunteer Discount, -$150

Total Income: $2,125.00

Total Cost of Goods Sold: $0.00

Gross Profit: $2,125.00

Operating Expenses accounts

Bank Fees: $37.15

Contract Services: $2,125.00

Licences: $113.00

Marketing: $160.00

Merchant Account Fees: $6.90

Office Supplies: $177.51

Postage & Delivery: $20.79

Software: $405.67

Website Hosting: $165.14

Total Operating Expenses: $3,211.16

Net Profit: -$936.16

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## **Profit and Loss commentary**

The profit and loss report shows money in vs. money out. Here is a breakdown of the accounts and some notes on the figures.

Income

* Grants (entailed funds): this account is for grant money that is directed towards a specific use. This year we received $1,500 from the RisingYouth Community grants program for the Audiocraft Festival
* Program Income – Membership Dues: this account is for membership dues payments. We received $450 in membership dues this year
* Program Income – Program Service Fees: this account is for programming like workshops and podcast hosting fees. We received $325 in podcast hosting fees.
* Volunteer discount: discounts on membership and program service fees to members that volunteer time in lieu of cash payments. We forgoed $150 in income due to volunteer discounts.

Expenses

* Bank fees: this account is for charges from TD Bank (monthly fee, service charges). We paid $37.15 in bank fees.
* Contract services: this account is primarily for honoraria to workshop leaders and other fees for service provided by people. We paid $2,125 in teaching honoraria
* Licenses: this account is for operating licences that we pay for. We paid $113 to SOCAN for music licensing.
* Marketing: this account is for digital or other marketing expenses. We paid $160 for Facebook ads for the Audiocraft festival
* Merchant Account Fees: these are Wave’s transaction processing fees. We paid $6.90 in payment processing fees to Wave.
* Postage & Delivery: We paid $20.79 for stamps
* Software: these are software purchases. This year we paid $405.67 for Zoom Meetings and Zoom Webinar.
* Website hosting: payments to keep our website operations. We paid $165.14 to GreenGeeks for our website.

**Balance Sheet**

Peterborough Independent Podcasters

As of 2021-08-31

Assets

Cash and Bank

Cash on Hand: $297.60

TD Bank: $1,819.31

Total Cash and Bank: $2,116.91

Other Current Assets

Total Other Current Assets: $0.00

Long-term Assets

Total Long-term Assets: $0.00

Total Assets: $2,116.91

Liabilities

Current Liabilities

Reimbursements - Ayesha: $165.14

Total Current Liabilities: $165.14

Long-term Liabilities

Total Long-term Liabilities: $0.00

Total Liabilities: $165.14

Equity

Retained Earnings

Profit for all prior years: $263.57

Profit between Sep 1, 2020 and Aug 31, 2021: -$1,086.16

Retained Earnings/Deficit: $2,774.36

Total Retained Earnings: $1,951.77

Total Equity: $1,951.77

## **Balance Sheet commentary**

The balance sheet shows a snapshot of where our money is as of August 31, 2021. Here are a couple of notes to help understand it.

Assets

* Cash on hand: we currently have $297.60 in cash and coins as a float.
* TD Bank: as of August 31 we had $1,819.31 in our bank account

Liabilities

* Reimbursements – Ayesha: this is a reimbursement account for any expense that I pay for out of pocket that gets reimbursed by cheque later. The sum in there is for a webhosting invoice that I had forgotten to have signed. As of August 31, PIP owed $165.14 in reimbursements to Ayesha.

Equity

* Profit for all prior years: this equity account keeps track of the profit we’ve earned since we’ve used Wave, which was since September 2019
* Profit between Sep 1, 2020 and May 31, 2021: income less expenses
* Retained Earnings/Deficit: I’m not sure this figure shows anything accurate. Any suggestions on what needs to be fixed for this to show an accurate number are welcome!

Other notes

The 2017 City of Peterborough grant was spent this year. In previous balance sheets that $700 was reflected as Unearned Revenue. Since that has now been spent, the Unearned Revenue account is gone.

As of August 31, we had no accounts payable or receivable.

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# **Background**

By way of background, I wanted to summarize our financial operations as they currently stand.

## **Bank account**

The first thing to note is that PIP is incorporated as an enterprise without share capital – which means we are incorporated as a not-for-profit organization in the province of Ontario.

Our not-for-profit status makes us eligible for a very affordable Community Chequing Account at TD Bank, which we have had since 2016.

The account type is “Business Chequing Account – CAD Community Plan” and includes 5 transactions per month, 15 deposit items, $2,500 in cash deposits and a fee rebate at $5,000 minimum monthly balance. Our monthly fee is $1.95. On busy months we pay transaction fees which are $1.25 each and are noted as ‘Service Fees’ on the monthly account statements.

Account statements are made available online through TD Easy Web. We could have paper statements mailed to us for an additional fee.

Our bank account has the rule “Any two to sign” for any withdrawals or cheque payments. Money can be deposited by an card holder or through a deposit slip, but two signing authorities must authorize any withdrawal. Currently we have three signing authorities: myself, Rob and Stephen.

## **Wave Accounting**

Between 2016 and 2019, I kept track of PIP’s finances in a big spreadsheet general ledger. In 2019, we moved over to an online tool called Wave Invoicing, now called Wave Financial. Initially Wave was just an invoicing tool and over the years they have added features, making it more of a robust accounting software.

We use Wave as an online financial recordkeeping tool, in addition to paper recordkeeping and records kept in Google Drive, and are available for the board to view.

Wave is connected to our bank account and automatically loads transactions a few days after they are posted to the bank account.

Day-to-day I upload any receipts, invoices, honoraria, or other bills to Wave. As payments are deposited, I match the bill to the transaction.

We use Wave to generate reports like the Profit and Loss and Balance Statements. It is capable of generating many other types of statements, like a Cash Flow statement, a general ledger, etc.

Since 2019, we have also been sending membership invoices to our members. These are automatically generated on a set schedule, which is annually. Wave deducts a processing fee from credit card or bank transactions that use their tool.

When members pay by e-transfer, cash or cheque I update their invoice as paid in Wave.

This year we have been trying a feature called ‘Wave Checkouts’ which allows patrons to click a link and pay us money. These are being used on our new Shop page on the website, which lists hobbyist memberships, workshop tickets, and a donation link.

## **DonorBox**

DonorBox is a tool that we set up several years ago to facilitate donations online. It is very very very rarely used. But the donation link on the website is nice to have, though we don’t promote it much.

Donators are able to select whether they want to give one-time or on a schedule.

The funds are later deposited into our account less a processing fee.

## **Stripe**

We have a Stripe account. It was set up a few years ago to experiment with whether it was a viable option for us. It wasn’t at the time but it may be good to re-explore now.

## **Paper record keeping**

I keep paper copies of bank statements, expense documentation, invoices and Wave checkouts and other documents in a binder.

I have templates for making paper records of workshop ticket sales and honoraria.

Cash and cheque transactions are noted in a small blue account book that is kept with the binder.

These paper copies are used for quarterly account reconciliation in Wave as well as to fulfill our legal obligations.