



FAC Committee Report

January 2014

Scope FAC

- Review Annual Budget 2013/2014 for approval
- Ensure Financial statements prepared timely
- Monitor the annual audit process
- Develop Investment policy to guide Canto's investment
- Provide Financial advice when needed

Scope FAC

- Review Annual Budget 2013/2014 for approval
 - Budget 2014 is realistic and accurate
 - Small profit projected of approx US 71k in 2014
 - Budget ensures Canto can cover its operational expenses from its annual revenues
 - Budget indicates a financially healthy non-profit organization

Scope FAC

- Ensure Financial statements prepared timely
- Monitor the annual audit process
 - December 2013 internal unaudited statements submitted within 1 month
 - Audited Financial statements 2013 (Oct 2012- Sept 2013) completed timely dated Jan 15, 2014
 - Unqualified auditors opinion over the past years which means that Canto's administration and books are in good order and meeting auditing standards
 - Financials 2013 show that the organization is financially healthy (liquidity and solvability are good) and a minor profit of US 3,664 is reported.

Scope FAC



- Develop Investment policy to guide Canto's investments
 - Investment policy has been completed
 - Asset Allocation very conservative (focus mostly on Cash and fixed income classes)
 - Limits per transactions (US\$50,000) and strict reporting to the Board
 - Investments not exceeding 2 years
 - Sufficient diversification
 - Credit ratings of countries are taken into account



Scope FAC



- Provide Financial advice when needed
 - Canto's existence depends mainly on Membership fees and Annual Conference
 - Staff cost close to 50% of operational costs
 - Diversification of revenues is needed
 - Fixed costs to be monitored
 - Close to break even profits confirms non profit status but also makes the existence on the long run vulnerable
 - Members support and ideas needed to add value to the organization and assist with revenue generating ideas

Conclusion FAC



- Canto is a financially healthy NON-PROFIT organization
- Financial Management of Canto is excellent
- Costs are properly Managed and at its minimum
- Diversification of income is needed to make the organization financially less vulnerable.