

**A GUIDE TO
FRIENDSHIP CENTRE
ANNUAL REPORTS**

2006/07

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A. WHAT IS AN ANNUAL REPORT?

An “Annual Report” is a document that outlines the activities of your organization over the past year and provides an outlook for the future. It is one important vehicle by which your organization can be proactive in demonstrating its accountability to members, stakeholders and the community.

A growing number of non-profit organizations use annual reports to inform the community about their contributions, activities, policies, and guidelines.

The front part of an annual report often contains marketing material such as impressive graphics and narrative highlights about the successes over the past year. The remainder of the report focuses on analyzing the actual programs and services provided throughout the year.

If you see your annual report as simply an obligatory requirement for funders, you are missing an opportunity. An annual report is a singular piece that can serve marketing needs year round by filling gaps left by other vehicles and delivering an organizational portrait crafted for key audiences. Some key goals that an annual report can achieve:

- Communicating with external and internal audiences to share information about programs and services, opportunities to volunteer or become involved, etc.
- Demonstrating strength and individuality - with its ample use of profiles and testimonials, the report also sends a clear message that the company has talented employees and a growing following of dedicated supporters, volunteers and clientele.
- Creating a comprehensive picture - gaining support—not just from donors but also from policy makers, partners, and others—and demonstrating results are almost always top goals for nonprofits’ annual reports. It allows an organization to put a human face on the organization.

Here are a few tips that will be valuable in producing and distributing an annual report:

- Make your annual report an “annual” undertaking – part of the strategic planning process rather than a reaction to an external request.
- An annual report is not the same as your independent auditor’s report (the annual financial report) or your treasurer’s financial report although key financial information may be included in it.
- An annual report can be prepared in advance of your Annual General Meeting (AGM) or can be prepared shortly thereafter and drawn from the reports approved at the AGM (President and Executive Director report).
- Before you start work on your annual report be clear about who will receive the report. It ought to be written for members, important stakeholders (e.g. other organizations) and your external community.
- Highlight your organization’s mission and vision statement, objectives and, if you have one, a statement of your organization’s core values.
- Including clear, clean images will add value to the annual report and make it more reader friendly to a larger audience.
- The annual report is a logical place to report on high (organizational) level results accomplished as well as challenges.
- Insure that your annual report is posted on your organization’s website if you have one.

How does the Annual Report fit into the Strategic/Business Planning Process?

The Annual Report is the component of the strategic planning process whereby the Friendship Centre can evaluate the programs and services identified in the Business Plan, share accomplishments and address challenges on an annual basis.

Strategic planning is a continual process which includes the planning of annual activities and the reporting of these activities on an annual basis. Planning should not be an isolated event but should include ongoing discussions about challenges, successes, changes in direction, new initiatives, etc. The business plan and the annual reports themselves become marketing and promotional tools.



The strategic/business planning process can be a significant tool for the friendship centres; if used to its full potential, the process provides ongoing assessment of opportunities and challenges for strategic planning, facilitates partnership building, assists in prioritizing activities and identifying limitations and facilitates communication between the board members, the executive and management, staff and membership and the community as a whole. The process creates opportunities for reflection on what the friendship centre's role is within the community; what client needs are addressed; and how the centre would like to see itself evolve.

B. ELEMENTS OF THE ANNUAL REPORT

This Annual Report will consist of the following elements:

- 1) Executive Summary
 - i) President's Message;
 - ii) Executive Director Report; and,
 - iii) Operational Overview.
- 2) Program and Services Review
 - i) Core Business; and
 - ii) New Initiatives.
- 3) Organization Capacity
 - i) Annual Statistics – Program and Operations/Administration; and,
 - ii) Influences for 2007-08.

1) EXECUTIVE SUMMARY

The “Executive Summary” is a synopsis of the key points of the entire report. Its purpose is to explain the fundamentals of the report in a way that both informs and excites the reader. If, after reading the executive summary, the reader understands what the Friendship Centre is about and he/she is eager to know more, the executive summary has done its job.

The Executive Summary will consist of the following three components:

- i) President’s Message (*½ - 1 page in length*);
- ii) Executive Director Report (*1 - 2 pages in length*); and,
- iii) Operational Overview (*1 - 2 pages in length*).

The [President’s Message](#) and [Executive Director Report](#) are produced to share with the membership at the Annual General Assembly. They both entail a significant amount of information regarding the annual activities undertaken, the accomplishments and challenges as well as some initial thoughts about the next year.

This information will become integral for the annual report. It is, however important that both reports are reformatted with the same font and structure as the remaining components of the Annual Report to create a clean consistent look.

The [Operational Overview](#) will be a narrative consisting of the following elements:

1. A paragraph identifying the Friendship Centre – what it is or does, its’ mission, vision, core business and goals.
2. A general overview of the Friendship Centres’ activities in 2006/07. This should be a couple of paragraphs summarizing the programs and services offered.
3. Identify any new community initiatives that the friendship centre became involved in that were not in the originally submitted “2006-2009 Business Plan”, but required significant resources.
4. Discuss the friendship centres’ relationship in the community with other service programs and agencies? Is it active on interagency committees – if yes, how does this benefit the Friendship centre?

You can attach copies of any news articles, positive letters of acknowledgement of programs or services, awards or recognition that the friendship centre or staff has received.

2) PROGRAMS & SERVICES REVIEW

The “Programs & Services Review” focuses on evaluating the programs and services provided. Core Business and goals will be identified and will be followed by a discussion of each activity that was identified in the business plan.

An overall evaluation of the success of the activities as it supported the goal and core business is important to incorporate into this section.

The “Programs & Services Review” section will consist of two components:

- i) Core Business; and,
- ii) New Initiatives.

The [Core Business](#) Section will have a separate page for each core business identified in the business plan.

This section will be a narrative analysis of all the core business, goals and activities that were included in the 2006-2009 Business Plan.

This section will have the following questions to be answered:

Identify:

Core Business #1 _____

Goal #1 _____

1. Provide a narrative of what Core Business #1 entailed. Why does the Friendship Centre have this as a core business, what is the intent/ purpose of the core business?
2. Discuss the community partnerships that assisted in achieving the goal and undertaking the activities. You can discuss the major partners or funders in the context of their support for each program or service.
3. List all the activities that fell under this goal. Briefly explain how the activities assisted in achieving the goal. If it was evaluated, discuss what was noted.
4. If an activity did not assist towards achieving the goal, explain this.
5. Explain the goal – and its relevance to the Friendship Centre’s programming, vision and mission? Was the goal achieved? If not, why? Provide details.

The [New Initiatives](#) Section will have a separate page for each new initiative identified in the business plan.

This section will be a narrative analysis of the progress of each new initiative that was included in the 2006-2009 Business Plan.

This section will be completed by answering the following questions:

Identify:

Core Business #__

Goal #__

New Initiative (Title)

1. Explain the new initiative. How does this new initiative fit into the mandate, core business and goal? Explain why this initiative was chosen – what it will accomplish for the centre.
2. Provide narrative on what was undertaken in 2006/07 in the development of this new initiative – what steps and activities were undertaken to build this initiative? Include information about confirmed partners and funding. What are the timelines for introducing the initiative into the centre's programming?
3. Is this new initiative still viable? If no, explain. If the new initiative is still viable: did you achieve your target outcomes and outputs for 2006/07? Are you on target for 2007/08 or have your activities, outcomes and outputs changed due to changes in timelines, funding, or value of new initiative. Explain.

3) ORGANIZATION CAPACITY

The “Organization Capacity” focuses on the internal components of the friendship centre, including the governance and capacity building. This section will consist of a number of questions that pertain to the successes and challenges that the friendship centre has addressed. It also consists of the annual statistics - two tables will focus on program and operations.

The “Organization Capacity” section will consist of three components:

- i) Annual Statistics – Program Information;
- ii) Annual Statistics – Operations/Administration; and,
- iii) Influences for 2007-08.

The first table is labeled the [Annual Statistics → Program Information](#) and will focus on statistical information as it pertains to the programs and services offered by the Centre. The second table focuses on the [Annual Statistics → Operations/ Administration](#) which is the capacity building and internal development of the Friendship Centre.

It is important that funders understand the efforts being undertaken by a Friendship Centre to increase its capacity, governance and accountability. The Operations/Administration statistics focuses on this.

TABLE 1: ANNUAL STATISTICS → [PROGRAM INFORMATION](#):

Clients			
	Male	Female	Total
Elders / Seniors			
Adults (25 and up)			
Youth (14 to 24)			
Children (0 - 13)			
Annual Totals			

If you differentiate between Aboriginal and Non-Aboriginal clients, please indicate the % breakdown:

Aboriginal clients _____%

Non-Aboriginal clients _____%

Was a Community Needs Assessment completed this year?	Yes / No
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How many programs/services were offered in 2006-07?	
How many new programs/initiatives were developed in 2006-07?	

What was the total amount of funding for Programming?	
What was the total number of community partners?	

How many new partnerships were initiated in 2006/07?	
Were program evaluations undertaken for each program?	Yes / No

TABLE 2: ANNUAL STATISTICS → OPERATIONS / ADMINISTRATION:

How many Staff were employed by the Friendship Centre in 2006-07?	
How many new staff were hired in 2006-07?	
How many staff members left the friendship centre in 2006-07?	
Is staff training provided annually?	Yes / No
If yes, provide list of training:	
How many Summer students were employed in 2006-07?	

What are the weekly Hours of Operation?	
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What was the Total Annual Revenue for 2006-07 (Program funding and Operations/Administrative funding)?	
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How many members does the centre currently have?	
Has the membership increased in 2006-07?	Yes / No
Does the Friendship Centre have an active membership drive?	Yes / No

How many active volunteers does the Friendship Centre have?	
How many Volunteer hours were provided in 2006-07?	
Has the number of volunteer hours increased in 2006-07?	Yes / No

Was a review of Policies & Procedures and/or Bylaws completed this year?	Yes / No
Are all staff job descriptions and evaluations up-to-date?	Yes / No

How many Board Members are required, according to the Bylaws?	
How many Board Members does the friendship centre currently have?	
How many Board Development Workshops were held in 2006-07?	
Are all board members familiar with the policies & procedures and by-laws?	Yes / No

The [Influences for 2007-08](#) Section will focus on the successes and accomplishments and challenges of 2006/07 and their impact on planning for 2007-08.

This section will be completed by answering the following questions:

1. Is the business plan used as a tool in the planning process? Yes / No
Describe the process for developing the business plan. Consider: timelines for developing business plan, annual report, etc; what is done; who is involved; is the board/membership/staff involved and in what capacity; etc.)

2. List the Friendship Centres' successes and achievements in 2006/07? How do you plan on building on these successes?
3. Identify the Friendship Centres' greatest challenges in 2006/07? Identify at least two challenges the Friendship Centre had to overcome this year (explain the challenges in detail) – talk about how you overcame it, what you did, what was the success. If you were unable to overcome the challenge, explain how you dealt with it or plan to deal with it. Challenges could be financial, staffing, other resources, membership issues, public perception/media challenges, etc. They could also be program specific or an overall centre challenge.
4. What is the Friendship Centre's focus for 2007-2008?

C. PRESENTATION AND PROFESSIONALISM

Presentation, professionalism and quality are everything. The centre's business plan and annual reports are their business card, their public image. How they are presented will influence peoples' perspective of the friendship centre and may influence potential partners or funding organizations.

The Annual Report must look clean, professional, and well structured. Annual Reports should be written in "plain language," avoiding jargon and complex terminology. Annual Reports should be succinct, easy to read and easily understood.

Do not use acronyms, if at all possible. If acronyms must be used, spell out the full name followed by the acronym in brackets for first reference. Do not use short forms when referring to proper names/titles - use the full name or common-noun form.

Proof read the Annual Report before finalizing. Proofreading is a 'final check' to correct clear and indisputable errors such as:

- General grammar and punctuation
- Usage (such as the use of imminent for eminent)
- Typos and Spelling
- Incorrect Numbering or Mislabeling

The final product should have no errors, and should be printed on high quality paper. If possible, provide the cover page with logo in colour print.