

# HOW TO READ YOUR NONPROFIT'S FINANCIAL REPORT

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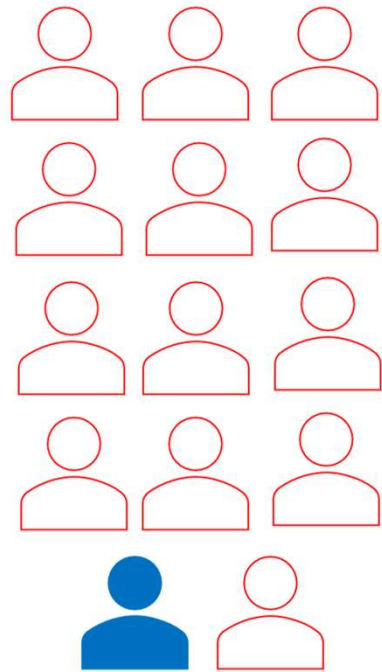




93%



13 out of 14











## THE BALANCE SHEET



## THE BALANCE SHEET

Assets – Jones Household	
Bank Accounts & Cash	\$20,000
Debts owed to us	\$10,000
House & Car	\$200,000
TOTAL ASSETS	\$230,000
Liabilities & Net Assets	
Unpaid Bills	\$2,000
Mortgage, college loans, other debt	\$100,000
Prepaid July 4 <sup>th</sup> Brisket	\$3,000
How much we own free and clear	\$125,000
TOTAL	\$230,000



## THE BALANCE SHEET

Assets – Jones Household		Assets – TLC Daycare	
Bank Accounts & Cash	\$20,000	Bank Accounts & Cash	\$130,000
Debts owed to me	\$10,000	Accounts Receivable	\$20,000
House & Car	\$200,000	Facility & Vehicle	\$350,000
TOTAL ASSETS	\$230,000	TOTAL ASSETS	\$500,000
Liabilities & Net Assets		Liabilities and Net Assets	
Unpaid Bills	\$2,000	Accounts Payable	\$10,000
Mortgage, college loans, other debt	\$100,000	Mortgage and other debt	\$100,000
Prepaid July 4 <sup>th</sup> Brisket	\$3,000	Prepaid Tuition & Grants	\$40,000
How much I own free and clear	\$125,000	Net Assets	\$350,000
TOTAL	\$230,000	TOTAL	\$500,000

## USING THE BALANCE SHEET REPORT





## VOCABULARY REVIEW

- Balance Sheet = Snapshot of total worth
- Liabilities = Money you owe
- Accounts Receivable = Money owed to you
- Accounts Payable = Bills you need to pay soon
- Net Assets = Free and clear





## QUICK POLL

- |   |       |
|---|-------|
| A balance sheet is like a snapshot in time                    | True  |
| Liabilities are money you owe                                 | True  |
| Accounts receivable is money owed to you                      | True  |
| Accounts payable is money that other people must pay you soon | False |
| Net assets is how much money you have free and clear          | True  |

# PROFIT & LOSS REPORT



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# YESTERDAY PAT.....

Earned                      \$ \$ \$ \$ \$

Spent                        \$ \$ \$

Left Over                  \$ \$



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# TODAY PAT.....

Earns                      \$ \$ \$

Spends                    \$ \$ \$ \$

Loses                     \$

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# PAT'S P&L FOR 2 DAYS

Revenue	\$ \$ \$ \$ \$ \$ \$ \$
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Expenses	\$ \$ \$ \$ \$ \$ \$
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Profit	\$
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## PROFIT & LOSS REPORT

Revenue – Last Year	
Infant Tuition	\$500,000
Toddler Tuition	\$450,000
Grants	\$250,000
Late Fees	\$50,000
TOTAL REVENUE	\$1,250,000
Expenses – Last Year	
Payroll	\$500,000
Rent	\$300,000
Utilities	\$200,000
Food & Services	\$150,000
TOTAL EXPENSES	\$1,150,000
NET INCOME/LOSS	\$100,000

## USING THE PROFIT & LOSS REPORT







## VOCABULARY REVIEW

- Revenue = Money earned
- Expense = Money spent
- Net Income = Money left after all bills paid
- Profit = Positive (you made money)
- Loss = Negative (you lost money)

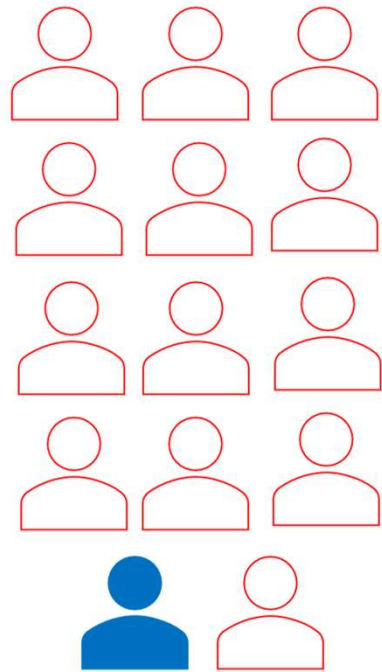


## QUICK POLL

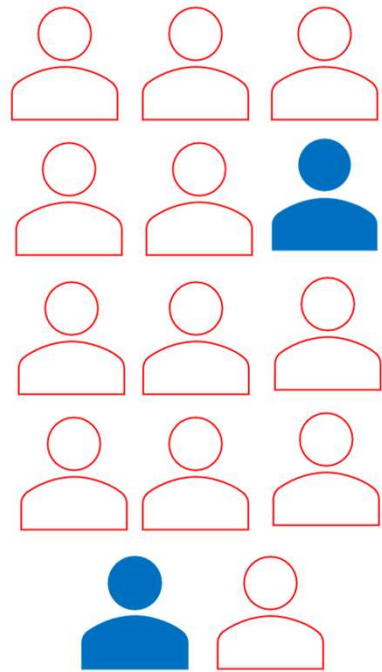
A Profit and Loss Report covers financial activity during a time period like a month or year	True
Revenue is money you spent	False
Expenses are money you earned	False
A profit means you made money	True
A loss means you lost money	True

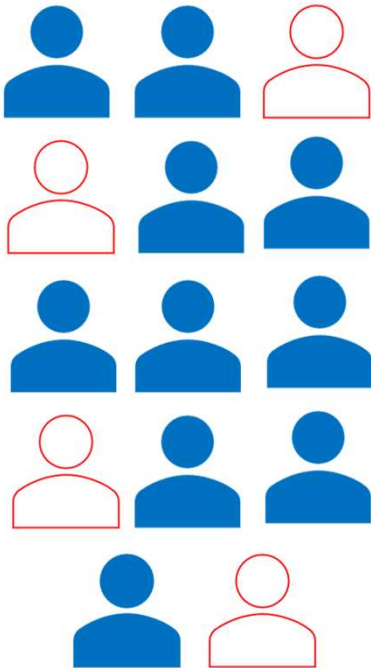
EXTRA CREDIT:  
DASHBOARDS +  
GRAPHS







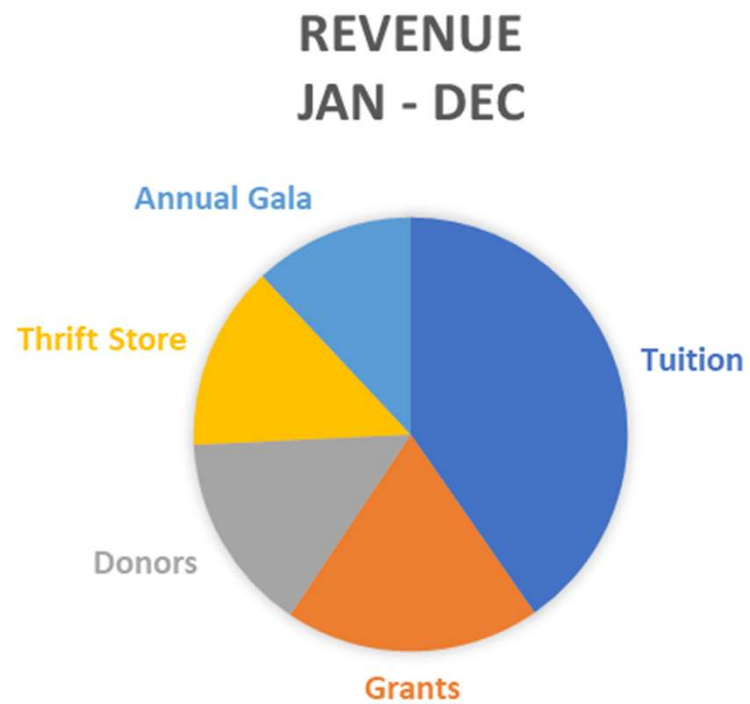




## STANDARD FINANCIAL REPORTS

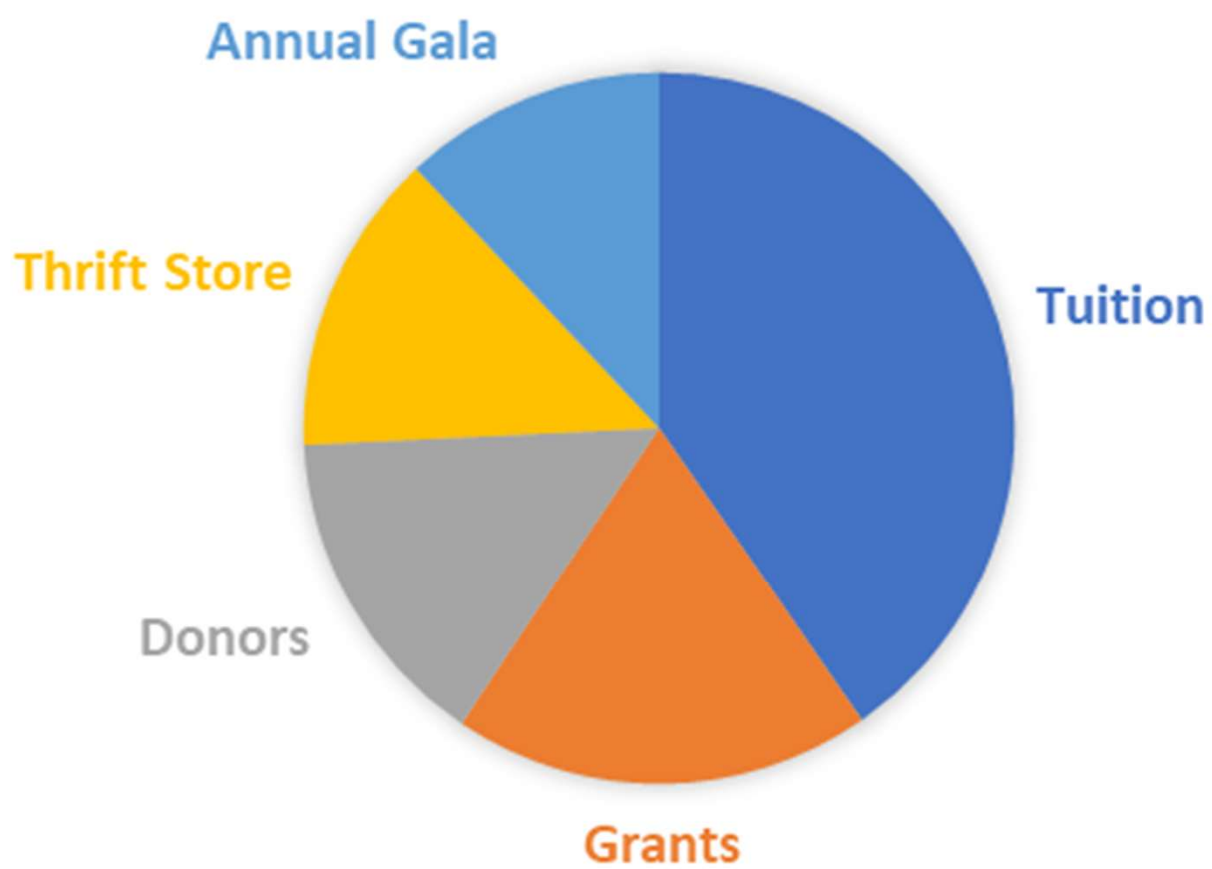
	A	B
1	<b>Revenue</b>	
2	Government Grants	\$249,182.22
3	Foundations	\$117,642.55
4	Donors	\$91,753.40
5	Thrift Store	\$85,126.17
6	Annual Gala	\$73,981.28
7		\$617,685.62
8		

GRAPHICS ENGAGE  
THE OTHER 93%

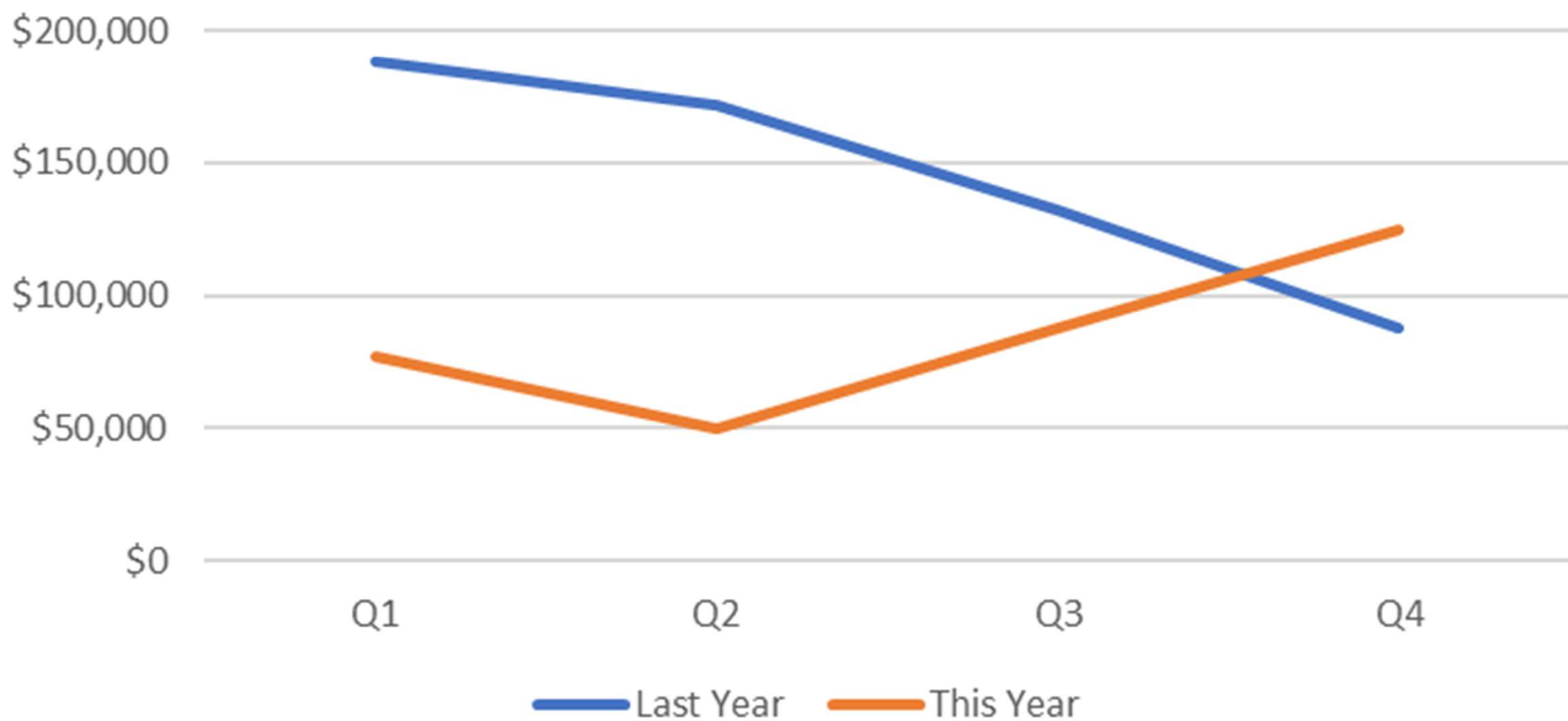




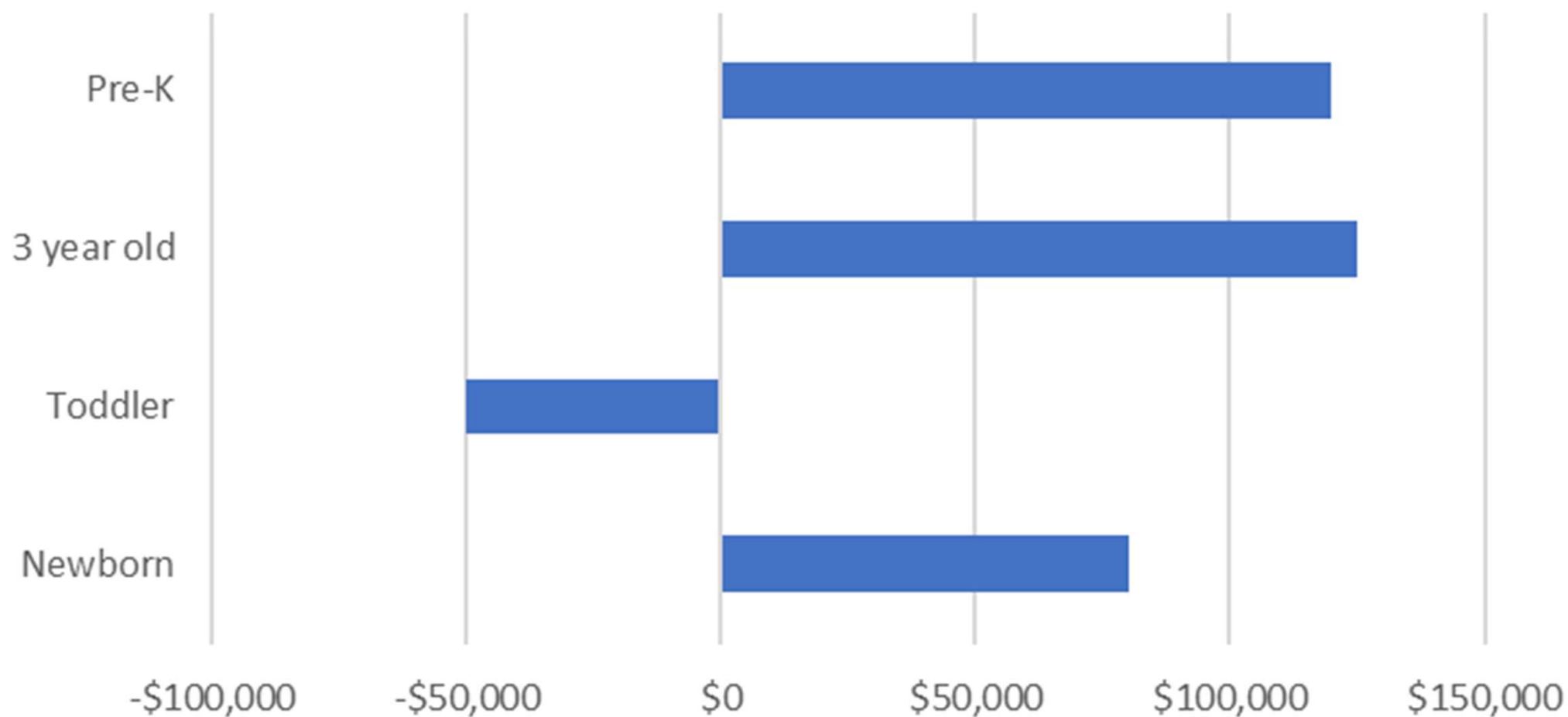
# REVENUE JAN - DEC



# CASH PROJECTION



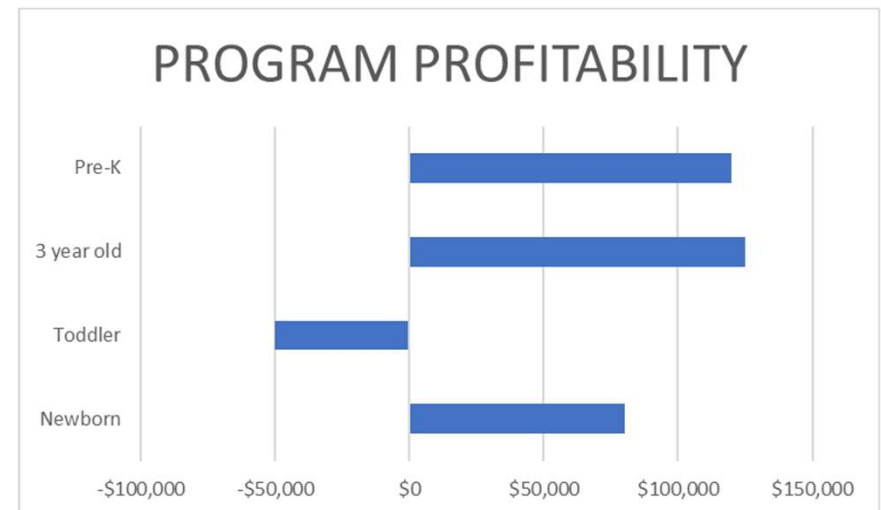
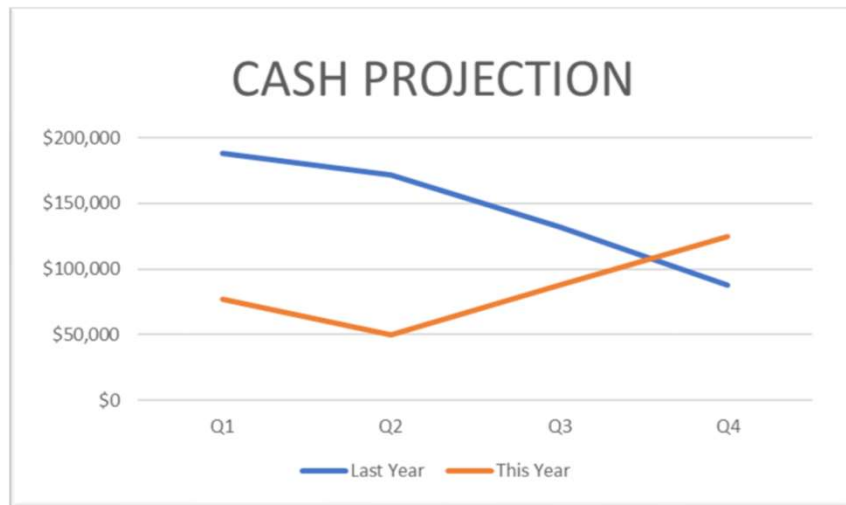
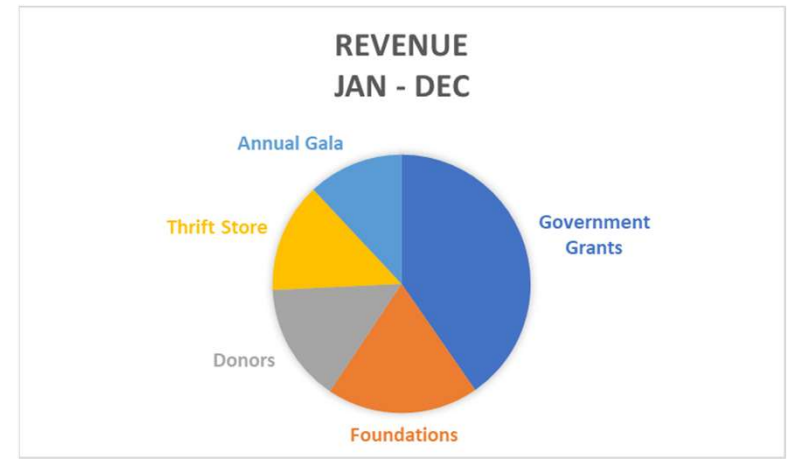
# PROGRAM PROFITABILITY



Revenue	\$617,000
Expenses	\$555,000

Net income/loss \$62,000

Cash balance Dec 31 \$84,000







## CAN WE HELP YOU?

We help nonprofits build stronger back offices including administrative assessments, fractional CFO placements, dashboards, and more!

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