

## What is a...



### Annual Operating Budget

A statement of *projected* revenues and expenses over a twelve-month period. This is the entire picture of an organization versus the specific project budget.

### Income or Profit & Loss Statement:

Reflects *actual* revenues and expenses during a particular period.

### Balance Sheet or Statement of Financial Position:

A statement of the assets, liabilities, and capital of a business or other organization at a particular point in time. What you "own" versus what you "owe".

### Cash Flow Statement

Provides aggregate data regarding all cash inflows and all cash outflows that pay for business activities and investments during a given period. The purpose of a cash flow statement is to provide a detailed picture of what happened to a business's cash during a specific period, and demonstrates an organization's ability to operate in the short and long term.

### Financial Statement Audit

The examination of an entity's financial statements and accompanying disclosures by an independent auditor. Typically asked for by a grantor when applying organization meets a certain budget size or when government funding is involved.

<b>Annual Operating Budget</b>		
<b>Organization:</b>		
<b>Dates of Fiscal Year:</b>		
<b>*Add rows and columns to show different budget plans or revenue and expenses, as needed</b>		
	<b>"Fiscal Year"</b>	
	<b>Budget/Projections</b>	<b>Notes/Assumptions</b>
<b>Revenues</b>		
Non-governmental grants		
Government Grants		
Contributions/Sponsorships/Memberships		
Admission/Performance Income		
Tuition		
Sales to Public		
Investment/Endowment Income		
Special Events Income, net		
Other Revenue/Support		
<b>Total Operating Revenues</b>	\$ -	
<b>Expenses</b>		
Artistic		
Programming		
Marketing/Promotion		
Development		
Merchandising/Concessions		
Facilities		
Administrative		
<b>Total Operating Expenses</b>	\$ -	
<b>SURPLUS (DEFICIT)</b>	\$ -	
<b>Transfers &amp; Financing</b>		
Federal Relief programs, such as Paycheck Protection Program, and 2/ERC Credits/CARES Act Funding, SVOG (anticipated)		
Transfers From/(To) Board Designated Funds		
Capital Improvements/Purchases with Operating Funds		
<b>Total Transfers &amp; Financing</b>	\$ -	
<b>TOTAL SURPLUS/(DEFICIT)</b>	\$ -	
Current Unrestricted Assets	\$ -	
Current Unrestricted Liabilities	\$ -	
CURRENT RATIO (unrestricted)	#DIV/0!	

*Profit and Loss Statement Template*

**[Company Name]**

[Street Address], [City, ST ZIP Code]

[Phone: 555-555-5555] [Fax: 123-123-123456]

[abc@example.com]

**Profit & Loss Statement**

For the Period Ended \_\_\_\_\_

Income	\$	\$
Sales	0000000	
Services	00000000	
Other Income	00000	
<b>Total Income</b>		<b>0000000</b>
Expenses		
Accounting	0000000	
Advertising	000000	
Assets Small	000000	
Bank Charges	000000	
Cost of Goods Sold	00000	
<b>Total Expenses</b>		<b>00000000</b>
<b>Profit/Loss</b>		<b>00000000</b>

# Statement of Financial Position (AKA Balance Sheet)

Example Non Profit

Current

2/1/2023

## Assets

### Current Assets

Cash and cash equivalents	\$	10,000
Accounts receivable	\$	-
Inventory	\$	5,000
Grants Receivable	\$	50,000
Contributions Receivable	\$	25,000
<b>Total Current Assets</b>	<b>\$</b>	<b>90,000</b>

### Long Term Assets

Machinery & equipment	\$	-
Furniture & fixtures	\$	-
Leasehold improvements	\$	-
Land & buildings	\$	-
Investments	\$	-
(LESS accumulated depreciation on all fixed assets)	\$	-
<b>Total Fixed Assets (net of depreciation)</b>	<b>\$</b>	<b>-</b>

### Other Assets

Intangibles	\$	-
Deposits	\$	-
Other	\$	-
<b>Total Other Assets</b>	<b>\$</b>	<b>-</b>

## TOTAL Assets

\$	90,000
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## Liabilities and Equity

### Current Liabilities

Accounts payable	\$	10,000
Grants Payable	\$	-
Notes, short-term (due within 12 months)	\$	-
Current part, long-term debt	\$	-
Other current liabilities	\$	-
<b>Total Current Liabilities</b>	<b>\$</b>	<b>10,000</b>

### Long-term Debt

Bank loans payable	\$	10,000
LESS: Short-term portion		-
Other long term debt		-
<b>Total Long-term Debt</b>	<b>\$</b>	<b>10,000</b>

<b>Total Liabilities</b>	<b>\$</b>	<b>20,000</b>
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### Net Assets

Net Assets with Donor Restrictions	\$	30,000
Net Assets without Donor Restrictions	\$	40,000
<b>Total Net Assets</b>	<b>\$</b>	<b>70,000</b>

<b>Total Liabilities &amp; Equity</b>	<b>\$</b>	<b>90,000</b>
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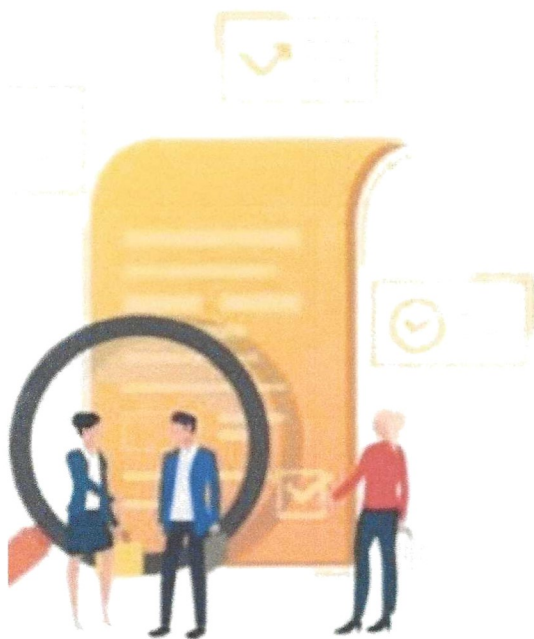


**Example Corporation**  
**Statement of Cash Flows**  
**For the year ended December 31, 2022**

<b>Cash flows from operating activities</b>	<b>\$230,000</b>
Net income	
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>	
Depreciation and amortization	63,000
Loss on sale of equipment	15,000
<i>Changes in current assets and liabilities:</i>	
Increase in accounts receivable	(21,000)
Decrease in prepaid expenses	3,000
Decrease in accounts payable	(28,000)
Net cash provided by operating activities	<u>262,000</u>
 <b>Cash flows from investing activities</b>	
Capital expenditures	(300,000)
Proceeds from sale of equipment	40,000
Net cash used for investing activities	<u>(260,000)</u>
 <b>Cash flows from financing activities</b>	
Proceeds from issuing debt	200,000
Dividends paid	(110,000)
Net cash provided by financing activities	<u>90,000</u>
 <b>Net increase in cash during the year</b>	<b>92,000</b>
Cash at the beginning of the year	101,000
Cash at the end of the year	<u><u>\$193,000</u></u>

Notes to the financial statements.

# Financial Statement Audit



## Basic Principles

#1 – Integrity, Objectivity, and Independence

#2 – Confidentiality

#3 – Skill and Competence

#4 – Work Performed by Others

#5 – Documentation

#6 – Planning

#7 – Audit Evidence

#8 – Accounting System and Internal Control

#9 – Audit Conclusions and Reporting