

Financial Statements: Review Checklist

Statement of Financial Position

- Are there unusual trends?
- Is the current ratio greater than 1.0?
- Can we access capital in an emergency?
- Are we prepared for a significant economic crisis?

Statement of Activities

- How are we addressing large variances between budget and actual?
- Are we overly dependent on a single funding source?
- Is revenue increasing at least as fast as expenses?
- Did our bottom line meet expectations?

Statement of Cash Flow

- Are we using more cash than we are generating?
- How does the overall cash activity compare to prior year?
- Do we have positive cash flow from operations?
- Do we have at least 60 days of operating cash on hand?

Audited Financial Statements

- Did we receive a clean audit opinion?
- Do any of the footnotes cause us concern?
- Are we complying with loan covenants?
- What impression would a donor or lender have after reading our statements?

A REALLY GREAT NONPROFIT ORGANIZATION
(SAMPLE) STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND 2016

<u>ASSETS</u>		✓	<u>2017</u>	✓	<u>2016</u>
Current assets					
Cash and cash equivalents		\$	25,843	\$	29,843
Investments			17,855		17,440
Accounts receivable			4,833		5,750
Grants receivable			3,467		2,588
Promises to give			18,751		12,144
Prepays and deposits			1,284		1,743
Total Current Assets			<u>72,033</u>		<u>69,508</u>
Land			84,839		84,839
Building and Equipment, net			190,745		189,176
Promises to Give, long-term			6,600		12,550
Endowment Investments			23,203		21,959
			<u>✓ \$ 377,420</u>		<u>✓ \$ 378,032</u>
<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities					
Accounts Payable		\$	7,320	\$	5,530
Accrued Liabilities			3,220		2,421
Line of credit			15,000		0
Current portion of long-term debt			2,662		2,758
Total Current Liabilities			<u>28,202</u>		<u>10,709</u>
Long-term Debt, less current portion above			47,731		50,489
Total Liabilities			<u>✓ 75,933</u>		<u>✓ 61,198</u>
Net Assets					
Without donor restrictions			258,115		265,710
With donor restrictions			43,372		51,124
Total Net Assets			<u>301,487</u>		<u>316,834</u>
			<u>✓ \$ 377,420</u>		<u>✓ \$ 378,032</u>
Current Ratio			3		6