

EXAMPLE NONPROFIT ORGANIZATION

INCOME STATEMENT

	BUDGET			
	YTD THROUGH	THROUGH		
Category	12/31/23	12/31/23	% Change	\$ Change
Revenue				
Contributions & grants				
Fundraising Events	\$ 183,606	\$ 174,650	5%	\$ 8,956
Government grants	\$ 664,048	\$ 725,000	-8%	\$ (60,952)
All other contributions	\$ 313,064	\$ 367,800	-15%	\$ (54,736)
Total Contributions, Gifts, & Grants	\$ 1,160,718	\$ 1,267,450	-8%	\$ (106,732)
Investment income	\$ 1,423	\$ 1,000	42%	\$ 423
Total other revenue	\$ 363	\$ 250	45%	\$ 113
Total revenue	\$ 1,162,504	\$ 1,268,700	-8%	\$ (106,196)
Expense				
Compensation officers and directors	\$ 229,422	\$ 205,000	12%	\$ 24,422
Other salaries and wages	\$ 458,821	\$ 600,000	-24%	\$ (141,179)
Employee benefits	\$ 14,779	\$ 17,000	-13%	\$ (2,221)
Payroll taxes	\$ 36,883	\$ 40,000	-8%	\$ (3,117)
Accounting	\$ 38,168	\$ 37,500	2%	\$ 668
Advertising and promotions	\$ 172,716	\$ 127,500	35%	\$ 45,216
Office expenses	\$ 912	\$ 1,000	-9%	\$ (88)
Information technology	\$ 16,744	\$ 20,000	-16%	\$ (3,256)
Occupancy	\$ 75,317	\$ 75,000	0%	\$ 317
Conferences, conventions, meetings	\$ 17,421	\$ 21,000	-17%	\$ (3,579)
Insurance	\$ 3,413	\$ 3,250	5%	\$ 163
Fundraising	\$ 9,662	\$ 10,000	-3%	\$ (338)
Supplies	\$ 4,801	\$ 5,500	-13%	\$ (699)
Total functional expenses	\$ 1,079,059	\$ 1,162,750	-7%	\$ (83,691)
Net surplus (deficit)	\$ 83,445	\$ 105,950	-21%	\$ (22,505)

EXAMPLE NONPROFIT ORGANIZATION

BALANCE SHEET

Category	YTD THROUGH 12/31/23	YTD THROUGH 12/31/22	% Change	\$ Change
Cash - non-interest bearing	\$ 342,610	\$ 345,684	-1%	\$ (3,074)
Savings and temporary cash investments	\$ 280,161	\$ 178,739	57%	\$ 101,422
Pledges & grants receivable, net	\$ 125,100	\$ 338,711	-63%	\$ (213,611)
Accounts receivable, net	\$ 79,861	\$ 17,642	353%	\$ 62,219
Prepaid expenses and deferred charges	\$ 7,139	\$ 17,363	-59%	\$ (10,224)
Investments	\$ 4,400	\$ 9,200	-52%	\$ (4,800)
Other assets	\$ 1,960	\$ 1,960	0%	\$ -
Total assets	\$ 841,231	\$ 909,299	-7%	\$ (68,068)
Accounts payable	\$ 31,203	\$ 22,971	36%	\$ 8,232
Other liabilities	\$ 7,650	\$ 149,250	-95%	\$ (141,600)
Total liabilities	\$ 38,853	\$ 172,221	-77%	\$ (133,368)
Unrestricted net assets	\$ 623,126	\$ 369,651	69%	\$ 253,475
Restricted net assets	\$ 179,252	\$ 367,427	-51%	\$ (188,175)
Total net assets	\$ 802,378	\$ 737,078	9%	\$ 65,300
Total liabilities and net assets	\$ 841,231	\$ 909,299	-7%	\$ (68,068)



EXECUTIVE SUMMARY

At Year-End 2023 the Organization performed well from a financial perspective, achieving a 6% net margin or \$83K as compared to budget projection of 8% or \$106K. 57% of revenue is derived from government grants, nearly 43% in contributed revenue, coupled with <1% investment & other revenues. *[NOTE: the statements presented are from FY2023. Approximately 50% of the organization's revenues are related to government grants. In 2023 this organization was financially healthy, even at this level of government funding. In 2025, the commentary would likely change and instead state the risks associated with government funding at this level.]* The positive net income variance was achieved through cost controls nearly matching revenue shortfalls. From a balance sheet perspective, the organization is in a strong cash position with 207 days cash as compared to Finance Committee goal of 180 days. The high current ratio indicates an opportunity to reduce the amount of cash and savings and increase investments, such as certificates of deposit or money market. Additionally there is an opportunity to evaluate the organization's ability to attract multi-year grants.

EXAMPLE NONPROFIT ORGANIZATION

NOTES

A	B	C	D	E	F	
INCOME STATEMENT						
		ACTUAL THROUGH 12/31/23	YTD THROUGH 12/31/23	BUDGET THROUGH 12/31/23	% Change	\$ Change
1	Category					
2	Revenue					
3	Contributions & grants					
4	Fundraising Events	\$ 183,606	\$ 174,650	5%	\$ 8,956	1
5	Government grants	\$ 664,048	\$ 725,000	-8%	\$ (60,952)	2
6	All other contributions	\$ 313,064	\$ 367,800	-15%	\$ (54,736)	3
7	Total Contributions, Gifts, & Grants	\$ 1,160,718	\$ 1,267,450	-8%	\$ (106,732)	
8	Investment income	\$ 1,423	\$ 1,000	42%	\$ 423	4
9	Total other revenue	\$ 363	\$ 250	45%	\$ 113	
10	Total revenue	\$ 1,162,504	\$ 1,268,700	-8%	\$ (106,196)	5
12	Expense					
13	Compensation officers and directors	\$ 229,422	\$ 205,000	12%	\$ 24,422	
14	Other salaries and wages	\$ 458,821	\$ 600,000	-24%	\$ (141,179)	6
15	Employee benefits	\$ 14,779	\$ 17,000	-13%	\$ (2,221)	
16	Payroll taxes	\$ 36,883	\$ 40,000	-8%	\$ (3,117)	
17	Accounting	\$ 38,168	\$ 37,500	2%	\$ 668	
18	Advertising and promotions	\$ 172,716	\$ 127,500	35%	\$ 45,216	7
19	Office expenses	\$ 912	\$ 1,000	-9%	\$ (88)	
20	Information technology	\$ 16,744	\$ 20,000	-16%	\$ (3,256)	
21	Occupancy	\$ 75,317	\$ 75,000	0%	\$ 317	
22	Conferences, conventions, meetings	\$ 17,421	\$ 21,000	-17%	\$ (3,579)	
23	Insurance	\$ 3,413	\$ 3,250	5%	\$ 163	
24	Fundraising	\$ 9,662	\$ 10,000	-3%	\$ (338)	
25	Supplies	\$ 4,801	\$ 5,500	-13%	\$ (699)	
26	Total functional expenses	\$ 1,079,059	\$ 1,162,750	-7%	\$ (83,691)	8
27	Net surplus (deficit)	\$ 83,445	\$ 105,950	-21%	\$ (22,505)	9



EXAMPLE NONPROFIT ORGANIZATION

NOTES

A	B	C	D	E	F	
BALANCE SHEET						
1	Category	ACTUAL THROUGH 12/31/23	YTD BUDGET THROUGH 12/31/23	% Change	\$ Change	
	Assets					
2	Cash - non-interest bearing	\$ 342,610	\$ 345,684	-1%	\$ (3,074)	10
3	Savings and temporary cash investments	\$ 280,161	\$ 178,739	57%	\$ 101,422	10
4	Pledges & grants receivable, net	\$ 125,100	\$ 338,711	-63%	\$ (213,611)	11
5	Accounts receivable, net	\$ 79,861	\$ 17,642	353%	\$ 62,219	
6	Prepaid expenses and deferred charges	\$ 7,139	\$ 17,363	-59%	\$ (10,224)	
7	Investments	\$ 4,400	\$ 9,200	-52%	\$ (4,800)	4
8	Other assets	\$ 1,960	\$ 1,960	0%	\$ -	
9	Total assets	\$ 841,231	\$ 909,299	-7%	\$ (68,068)	
	Liabilities					
10	Accounts payable	\$ 31,203	\$ 22,971	36%	\$ 8,232	
11	Other liabilities	\$ 7,650	\$ 149,250	-95%	\$ (141,600)	12
12	Total liabilities	\$ 38,853	\$ 172,221	-77%	\$ (133,368)	
	Net Assets					
13	Unrestricted net assets	\$ 623,126	\$ 369,651	69%	\$ 253,475	13
14	Restricted net assets	\$ 179,252	\$ 367,427	-51%	\$ (188,175)	14
15	Total net assets	\$ 802,378	\$ 737,078	9%	\$ 65,300	
16	Total liabilities and net assets	\$ 841,231	\$ 909,299	-7%	\$ (68,068)	

NOTES

INCOME STATEMENT

1	Fundraising Events: the Bloom into Spring event performed 5% over budget projection due to increased ticket sales.
2	Government Grants: we underperformed in government grants due to delays in hiring for grant funded positions. See Note 5. Members should keep in mind that government grants do not fully fund the intended service and the organization must raise additional funding to support the full costs associated with the service delivery area. <i>[NOTE: the statements presented are from FY2023. Approximately 50% of the organization's revenues are related to government grants. In 2023 this organization was financially healthy, even with this level of government funding. In 2025, the commentary would likely change and instead would state the risks associated with government funding at this level.]</i>
3	All Other Contributions: the organization did not achieve budget expectations with the annual year-end appeal.
4	Investment revenue is not significant. There is an opportunity to increase investment revenue. Please refer to Note 4 on the balance sheet and Days Cash, below.
5	Total Revenue is 8% below budget expectation due to the factors cited in Notes 1, 2 and 3.
6	Other Salary and Wages: 24% below budget projection due to changes in strategy for approved general operating funded hiring and delays in hiring for government funded positions.
7	Advertising and Promotions are 35% over budget projection; monies from unfilled general operating positions was reallocated to promoting our services to feeder-systems to increase our profile in the community.
8	Total Expense is controlled at 7% below budget projection, supporting a net margin of 6% as compared to budget of 8%.
9	The actual net margin of 6% compares to 8% budget projection.

BALANCE SHEET

10	Cash and savings increased by \$98K during FY23.
11	Pledges and grants receivable declined by 62% from FY22 to FY23 and accounts for some of the cash increase year over year. Attention needs to be paid to the organization's ability to attract multi-year grants as restricted net assets have also declined from FY22 to FY23.
4	Investments are relatively low, compared to cash and savings. The days cash at 274, is 152% of the stated goal of 180. There is an opportunity to increase investments, such as certificates of deposit or money market, and earn a higher rate of return than available with checking and savings accounts provide. See Days Cash below.
12	Other Liabilities declined due to the payment of the note due mid-year FY23.
13	Unrestricted Net Assets have increased from FY22 to FY23 in part due the release of restricted net assets during FY23.
14	Restricted Net Assets have declined from FY22 to FY23 and as cited in Note 10 attention needs to be paid to multi-year grants.

RATIO ANALYSIS	YTD THROUGH 12/31/23	YTD THROUGH 12/31/22	COMMENTS
Current ratio	27	39	The current ratio describes how many dollars in current assets the organization possesses to cover every one dollar in current liabilities. The ideal ratio is 1.5-2. This ratio indicates the organization needs to focus more on longer term investments and maintain less ready cash. See Note 4.
Net margin	6%	31%	While the net margin declined in FY23 as compared to FY22, it must be noted FY22 contained the last of the COVID money and was an aberrant year.
Days cash	208	275	The Finance Committee set a goal of 180 days cash on hand, including investments; the organization can operate for 208 days without any further influx of cash, and this is a strong cash position for our organization.