REMINDERS

Balance Sheet:

- ✓ Assets (what is owned)
- ✓ Liabilities (what is owed)
- ✓ Equity/Net Assets (difference)

Income Statement / Statement of Activities:

- ✓ Revenue (money coming in)
- ✓ Expenses (money going out)
- ✓ Change in Net Assets (difference)

Accounting Rule #1: Assets = Liabilities + Net Assets

Assets

Current

- ✓ Cash
- ✓ Certificates of deposit
- ✓ Receivables
  - ✓ Prepaid expenses
  - ✓ Other assets

Non-current

- ✓ Property and equipment
- ✓ Loans receivable
- ✓ Deposits

Liabilities

Current

- ✓ Line of credit
- ✓ Current portion of long-term debt
- ✓ Accounts payable
- ✓ Accrued expenses
- ✓ Grant funds received in advance

Non-current

- ✓ Notes payable
- ✓ Loans payable
- ✓ Deposits

Detailed Expenses

- ✓ Salaries
- ✓ Benefits
- ✓ Insurance
- ✓ Professional fees
- ✓ Rent
- ✓ Supplies
- ✓ Travel and entertainment
- ✓ Fund-raising
- ✓ Depreciation
- ✓ Miscellaneous

Net Assets

Unrestricted	Temporarily Restricted	Permanently Restricted
✓ Not subject to donor-imposed stipulations ✓ Or where donor-imposed stipulations are met in the year of contribution ✓ Set aside by the Board are classified as Board Designated Net assets	✓ Subject to donor-imposed stipulations ✓ Stipulations may or may not be met (either by actions of the organization and/or the passage of time) ✓ When a restriction expires – o Transferred to unrestricted net assets o Reported in the statement of activities as net assets released from restrictions	✓ Subject to donor-imposed stipulations ✓ Generally the donors permits the organization to use all or part of the income earned on any related investments for general or specific purposes