

Examples of internally prepared financial statements

Gross annual revenue of \$99,999 or less

Submit internally prepared financial statements that include, at a minimum:

- Balance Sheet (Statement of Financial Position)
- Revenues and Expenses (Statement of Operations)
- Board approval. This can be demonstrated in one of the following ways:
 - a signature and date by the Chair or Treasurer on the financial statements
 - a Board resolution within meeting minutes
 - a signed and dated letter from the Board

The statements should be prepared by staff, internal bookkeeper, board member, or an accountant.

Note

A balance Sheet (also called a Statement of Financial Position) summarizes the assets, liabilities and net assets of the organization at a specified date. It is a snapshot of the organization's financial position on that date.

Statement of Income and Expenses (also called a Statement of Operations) reports the organization's financial activity over the year. It shows income minus expenses, which results in either a profit or a loss.

See examples of internally prepared statements below.

Examples of internally prepared financial statements

Example 1

ABC Company

Balance Sheet

As of March 31, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash	5,000	5,200
Account receivable	4,000	3,200
Inventory	3,000	5,000
Prepaid expenses	3,850	-
Capital Assets (equipment)	13,000	14,000
TOTAL ASSETS	\$28,850	\$27,400
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	9,500	9,200
Other Current Liabilities	3,500	500
Current portion of Deferred Capital Contributions	1,000	1,000
Deferred Capital Contributions	9,000	10,000
TOTAL LIABILITIES	\$23,000	\$20,700
Net Assets		
Internally restricted	6,000	6,000
Externally restricted	4,000	4,000
Unrestricted	(4,150)	(3,300)
	\$5,850	\$6,700
Total Liabilities and Net Assets	\$28,850	\$27,400

Examples of internally prepared financial statements

ABC Company

Statement of Income and Expenses

For the year ending March 31, 2020

	2020	2019
REVENUE		
Registration fees	10,000	13,800
Grant – City of YZ	12,800	5,000
Donations and sponsorships	5,000	4,800
Fundraising	3,500	2,410
Equipment	2,300	1,000
TOTAL REVENUE	\$33,600	\$27,010
EXPENSES		
Program costs	11,200	10,000
Advertising and promotion	8,400	9,000
Professional fees	8,500	6,000
Fundraising	2,300	1,010
Insurance	1,800	2,000
Office/administration	-	-
TOTAL EXPENSES	\$34,450	\$28,010
Excess (deficit) of revenue over expenses for the year	(850)	(1,000)
Net assets, beginning of year	\$6,700	\$7,700
Excess (deficit) of revenue over expenses for the year	(850)	(1,000)
Net assets, end of year	\$5,850	\$6,700

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Example 2

XYZ Organization

Balance Sheet

As of December 31, 2020

	2020
ASSETS	
Current Assets:	
Cash Bank of Montreal	6,165
Petty Cash	200
Inventory	1,800
TOTAL ASSETS	\$8,165
LIABILITIES	
Deferred revenue – city grant	4,690
TOTAL LIABILITIES	\$4,690
Unrestricted Net Assets	3,475
Total Liabilities and Net Assets	\$8,165

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XYZ Organization

Statement of Income and Expenses

Statement of income and expenses For the year ending March 31, 2020

	2020
REVENUE	
Memberships	2,045
Sales	3,500
Fundraising	4,200
Interest	30
	\$9,775
EXPENSES	
Rent and utilities	1,800
Program costs	4,500
Fundraising costs	1,200
Insurance	850
	\$8,350
Surplus (deficit) of revenue over expenses for the year	1,425
Net assets, beginning of year	\$2,050
Surplus (deficit) of revenue over expenses for the year	1,425
Net assets, end of year	\$3,475