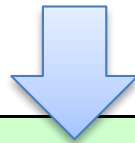


SOP / Balance Sheet Format

Unless you have very sophisticated accounting software, your balance sheet is a single column, year-to-date report.

A disaggregated balance sheet provides much a clearer understanding of what is available for operations vs. what is (or should be) set aside as board-designated or to honor donor restrictions.



| Current Year | | | | Key to Notes | Prior Year |
|--------------------|--------------|---------------------|--------------------|--------------------|---------------|
| TOTAL to | Unrestricted | | Temp Restricted | | 12/31/15 |
| 3/31/16 | Operations | Board Designated | | | |
| ASSETS | | | | | |
| | | | | | |
| LIABILITIES | | | | | |
| NET ASSETS | | | | | |
| | | | | | |
| NOTES | | | | | |

This use of columns requires some management effort, as the restricted and board-designated columns must be entered by hand.

SOP Example

- ✓ Fits onto one page,
- ✓ Uses columns for context,
- ✓ Creates mini-balance sheets showing what is available for operations, board-designated, and ...
- ✓ Separates restricted balances.
- ✓ Compares to prior year.
- ✓ Notes on bottom of page provide explanations of significant balances.

| Notes | |
|-------|---|
| A | Two gov't grants; payments expected within next 3 months. |
| B | Deposits for rent and utilities |
| C | Deferred Revenue; Pass through (funds temporarily held for others) |
| D | Non-liquid fixed assets net of any related debt; purchase authorized by board |
| E | Grant for next fiscal year |

| TOTAL to 3/31/16 | Current Year | | | Key to Notes | Prior Year 12/31/15 |
|---------------------|--------------|---------------------|--------------------|--------------------|---------------------------|
| | Unrestricted | | Temp Restricted | | |
| | Operations | Board Designated | | | |

ASSETS

| | | | | | |
|------------------------------|----------------|----------------|---------------|---------------|----------------|
| Current Assets | | | | | |
| Checking/Savings | 60,516 | 25,516 | 25,000 | 10,000 | 50,516 |
| Accounts Receivable | 192,834 | 192,834 | | | 192,834 |
| Other Current Assets | 2,010 | 2,010 | | | 2,010 |
| Total Current Assets | 255,360 | 220,360 | 25,000 | 10,000 | 245,360 |
| Fixed Assets | | | | | |
| Building & Improvements | | | - | | |
| Furniture & Equipment | 3,500 | | 3,500 | | 3,500 |
| Accum. Depreciation & Amort. | - | | - | | - |
| Total Fixed Assets | 3,500 | - | 3,500 | - | 3,500 |
| Other Assets | - | - | | | - |
| TOTAL ASSETS | 258,860 | 220,360 | 28,500 | 10,000 | 248,860 |

LIABILITIES & EQUITY

| | | | | | |
|---|----------------|----------------|---------------|---------------|----------------|
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 2,440 | 2,440 | | | 2,440 |
| Payroll Liabilities / Accrued Wages | 10,233 | 10,233 | | | 10,233 |
| Due to / Due from Operating Reserve | - | | | | - |
| Other Current Liabilities | 15,189 | 15,189 | | | 15,189 |
| Total Current Liabilities | 27,862 | 27,862 | - | - | 27,862 |
| Long Term Liabilities/Mortgage | | | | | |
| Total Liabilities | 27,862 | 27,862 | - | - | 27,862 |
| Net Assets | | | | | |
| Unrestricted | | | | | |
| UR-Undesignated | 192,498 | 192,498 | | | 194,998 |
| UR-Board Designated Reserve | 25,000 | | 25,000 | | 15,000 |
| UR-Property, Plant & Equipment | 3,500 | | 3,500 | | 3,500 |
| Total Unrestricted | 220,998 | 192,498 | 28,500 | - | 213,498 |
| Temporarily Restricted | 10,000 | | | 10,000 | 7,500 |
| Total Net Assets | 230,998 | 192,498 | 28,500 | 10,000 | 220,998 |
| TOTAL LIABILITIES & NET ASSETS | 258,860 | 220,360 | 28,500 | 10,000 | 248,860 |



SOA / Profit & Loss Format

The columns in this format are used to create adequate context for understanding the organization's performance to-date, whether it is on track for year-end vs. the budget, what the variances are, and how it did last year.

Some effort is required for set-up.



| | Linked to data from acct'ing software | Entered once | Formula | Begins = Budget. Changes +/- as year progresses. | Formula | Formula | A, B, C ent to relate to narr notes below. | Linked to data from acct'ing software |
|--------------|---------------------------------------|---------------|---------------------|--|-----------------------------------|-------------------|--|---------------------------------------|
| | | | | | | | | |
| | To Date 3/31/16 | Annual Budget | % of budget to date | Year End Projection | Variance Budget to YE + = good | Var % + = good | Key to Notes | 1/1 /15-12/31/15 |
| UNRESTRICTED | Earned Revenue | | | | | | A | |
| | Contributed Revenue | | | | | | B | |
| | Program Expenses | | | | | | C | |
| | Management Expenses | | | | | | D | |
| | Fundraising Expenses | | | | | | E | |
| | Net from Operations | | | | | | | |
| TR | Net from Restricted Activity | | | | | | | |
| | TOTAL NET INCOME | | | | | | | |

Afterwards, effort is focused on YE projection updates and narrative notes.

ORG P&L

| | |
|--------------|------------------------------|
| UNRESTRICTED | Earned Revenue |
| | Contributed Revenue |
| | Program Expenses |
| | Management Expenses |
| | Fundraising Expenses |
| | Net from Operations |
| TR | Net from Restricted Activity |

TOTAL NET INCOME

NOTES



SOA Example

- ✓ Report fits onto one page,
- ✓ Uses columns for context,
- ✓ Shows revenue by source,
- ✓ Shows expenses by activity,
- ✓ Separates restricted income from operating income.

- ✓ Notes on next page provide explanations of variances.

Notes

| | |
|---|---|
| A | Includes Churches & other nonprofit organizations |
| B | Unscheduled event added - not in budget |
| C | Includes Summer, After School, and ESL programs |
| D | Allocations to activities are not yet completed |
| E | Surplus includes intended \$8,000-\$10,000 contribution to Board-designated Operating Reserve |
| F | Released 2nd half of 2-year grant |

| | Current Year | | | | | | Key to Notes | Prior Year 1/1/15 - 12/31/15 |
|---------------------------------------|----------------------------------|------------------|---------------------------|------------------------|-----------------------------------|-------------------|-----------------|---------------------------------|
| | To Date 3/31/16 | Annual Budget | % of budget to date | Year End Projection | Variance Bud to YE + = good | Var % + = good | | |
| UNRESTRICTED | Contributed Revenue | | | | | | | |
| | Government Grants | 16,421 | 40,000 | 41% | 37,500 | (2,500) | -6% | 16,421 |
| | Foundations | 500 | 150,000 | 0% | 153,000 | 3,000 | 2% | 500 |
| | Corporations | 12,000 | 45,000 | 27% | 45,000 | - | 0% | A 12,000 |
| | Churches & Organizations | 3,128 | 70,000 | 4% | 70,000 | - | 0% | 3,128 |
| | Individuals | 1,005 | 20,000 | 5% | 20,000 | - | 0% | 1,005 |
| | In-Kind Contrib | - | - | N/A | - | - | N/A | - |
| | Special Event | - | - | N/A | 6,000 | 6,000 | N/A | B - |
| | Total Contributed Revenue | 33,054 | 325,000 | 10% | 331,500 | 6,500 | 2% | 33,054 |
| | Earned Revenue | | | | | | | |
| | Program Revenue | | | | | | | |
| | Community Programs | 2,451 | 16,000 | 15% | 16,500 | 500 | 3% | C 2,451 |
| | Embassy | 29,025 | 30,000 | 97% | 30,000 | - | 0% | 29,025 |
| | Preschool | 31,053 | 120,000 | 26% | 120,000 | - | 0% | 31,053 |
| | Contracted Services | - | 18,500 | 0% | 18,500 | - | 0% | - |
| Interest / Misc / Other Earned | 260 | 2,200 | 12% | 2,200 | - | 0% | 260 | |
| Total Earned Revenue | 62,789 | 186,700 | 34% | 187,200 | 500 | 0% | 62,789 | |
| | | | N/A | | | | | |
| TOTAL Unrestricted Revenue | 95,843 | 511,700 | 19% | 518,700 | 7,000 | 1% | 95,843 | |
| Program Expenses | | | | | | | | |
| Community Programs | 38,395 | 240,000 | 16% | 243,500 | (3,500) | -1% | D 38,395 | |
| Embassy | 1,500 | 21,000 | 7% | 21,000 | - | 0% | 1,500 | |
| Immersion | 20,483 | 154,000 | 13% | 150,000 | 4,000 | 3% | 20,483 | |
| Total Program Direct Expenses | 60,378 | 415,000 | 15% | 414,500 | 500 | 0% | 60,378 | |
| Management & Support | | | | | | | | |
| Governance & Administration | 23,723 | 81,000 | 29% | 81,000 | - | 0% | D 23,723 | |
| Development | - | 4,000 | 0% | 4,000 | - | 0% | - | |
| Special Fundraising Events | - | - | N/A | 2,200 | (2,200) | N/A | - | |
| Total Management & Support | 23,723 | 85,000 | 28% | 87,200 | (2,200) | -3% | 23,723 | |
| Total Expenses | 84,100 | 500,000 | 17% | 501,700 | (1,700) | 0% | 84,100 | |
| Unrestricted Net Income | 11,742 | 11,700 | 100% | 17,000 | 5,300 | 45% | E 11,742 | |
| Restricted Activity | | | | | | | | |
| Temporarily Restricted Contributions | 10,000 | 30,000 | 33% | 30,000 | - | 0% | 10,000 | |
| Released to Unrestricted | (7,500) | (17,500) | 43% | (17,500) | - | 0% | F (7,500) | |
| Net Restricted Income | 2,500 | 12,500 | 20% | 12,500 | - | 0% | 2,500 | |
| Net Income All Activity | 14,242 | 24,200 | 59% | 29,500 | 5,300 | 22% | 14,242 | |

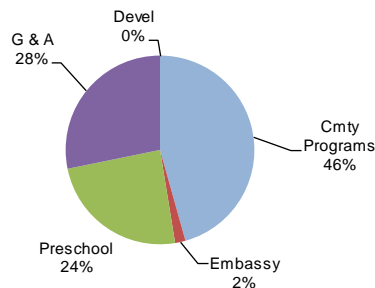


P&L by Activity Example

Mini P&L's per program and support activity show where income is applied and how resources are spent to accomplish each activity. It becomes clear which activities generate a surplus or require subsidy.

| ORG P&L By Activity | To Date: 3/31/16 | Program | | | Support | | Annual Budget | Var Bud v Actual to-date |
|----------------------------------|------------------|---------------|---------|-----------|----------|---------|---------------|--------------------------|
| | | Cmty Programs | Embassy | Preschool | G & A | Devel | | |
| Revenue and Support | 95,843 | 2,451 | 29,025 | 31,053 | 260 | 33,054 | 511,700 | 415,857 |
| Personnel | | | | | | | | |
| Salaries & Related Exp | 48,634 | 23,542 | - | 12,791 | 12,301 | - | 395,000 | 346,366 |
| Program Fees & Services | 10,000 | - | - | - | 10,000 | - | 3,800 | (6,200) |
| Professional & Other Fees | 13,672 | 9,242 | 1,500 | 2,849 | 81 | - | 14,000 | 328 |
| Total Personnel | 72,306 | 32,784 | 1,500 | 15,640 | 22,382 | - | 412,800 | 340,494 |
| Non-Personnel | | | | | | | | |
| Business & Organizational | 1,067 | - | - | 535 | 532 | - | 2,000 | 933 |
| Equipment, Depreciation, Repairs | 97 | - | - | 97 | - | - | 4,000 | 3,903 |
| Occupancy | 7,500 | 3,500 | - | 4,000 | - | - | 47,000 | 39,500 |
| Office & General Expenses | 1,038 | 279 | - | - | 759 | - | 5,500 | 4,462 |
| Sullpies & Materials | 1,943 | 1,752 | - | 191 | - | - | 20,000 | 18,057 |
| Travel, Parking, Accommodations | 150 | 80 | - | 20 | 50 | - | 8,700 | 8,550 |
| Total Non-Personnel | 11,795 | 5,611 | - | 4,843 | 1,341 | - | 87,200 | 75,405 |
| TOTAL EXPENSES | 84,100 | 38,395 | 1,500 | 20,483 | 23,723 | - | 500,000 | 415,900 |
| Net Income / per Activity | 11,742 | (35,944) | 27,525 | 10,570 | (23,463) | 33,054 | 11,700 | (42) |
| % Total Expenses | 100% | 46% | 2% | 24% | 28% | 0% | | |
| Total Budgeted Income per class | | 125,000 | 25,000 | 100,000 | 350 | 261,350 | 511,700 | |
| Total Budgeted Expense per class | | 240,000 | 21,000 | 154,000 | 81,000 | 4,000 | 500,000 | |
| Budgeted Net Income per class | | (115,000) | 4,000 | (54,000) | (80,650) | 257,350 | 11,700 | |

% Expenses per Activity to Date



% Revenue by Source to Date

