



Financial Statement Guidance

The BHCGA Board of Directors requests certain information to determine the financial stability of an organization. This document will help to explain the specific information they request:

Financial statements are a collection of summary-level reports about an organization's financial results and financial position. Included in the standard set of financial statements are the balance sheet and income statement.

- **Balance sheet**: Shows the entity's assets, liabilities, and equity as of the report date (a specific point in time). It does not show information that covers a span of time.
- **Income statement**: Shows the results of the entity's operations and financial activities for the reporting period. It includes revenues and expenses that net to a profit or loss.

As an example, financial statements issued for the calendar year will contain a balance sheet as of December 31, and the income statement for the period beginning in January and ending in December. See page 2 for illustrations.

The BHCGA Board requests financial information specific to the department (municipalities) or chapter (statewide or national nonprofits) applying for a grant.

The Board also reserves the right to ask for additional financial information as it pertains to the individual project.

Illustrative Examples – Balance Sheet & Income Statement

| BALANCE SHEET | | | |
|-----------------------------------|-------------------|--------------------------------|-------------------------------------|
| ABC Nonprofit | | As of December 31, 2021 & 2020 | |
| ASSETS | 2021 | 2020 | LIABILITIES AND EQUITY |
| CURRENT ASSETS | | | CURRENT LIABILITIES |
| Cash | \$ 50,000 | \$ 45,000 | Accounts Payable |
| Accounts Receivable | \$ 5,000 | \$ 4,800 | Short-Term Loans |
| Inventory | \$ 2,500 | \$ 2,500 | Accrued Salaries and Wages |
| TOTAL CURRENT ASSETS | \$ 57,500 | \$ 52,300 | TOTAL CURRENT LIABILITIES |
| FIXED (LONG TERM) ASSETS | | | LONG TERM LIABILITIES |
| Long-Term Investments | \$ 100,000 | \$ 90,000 | Other |
| Property / Equipment, Net of Depr | \$ 25,000 | \$ 26,000 | TOTAL LONG-TERM LIABILITIES |
| TOTAL FIXED ASSETS | \$ 125,000 | \$ 116,000 | |
| OTHER ASSETS | | | EQUITY |
| Other | \$ - | \$ - | Retained Earnings |
| TOTAL OTHER ASSETS | \$ - | \$ - | TOTAL EQUITY |
| TOTAL ASSETS | \$ 182,500 | \$ 168,300 | TOTAL LIABILITIES AND EQUITY |
| | | | \$ 182,500 |
| | | | \$ 168,300 |

| ABC Nonprofit | | Income Statement | |
|--|-------------------|-------------------------|--|
| For the 12 month period Ending Dec 31, 2021 and Dec 31, 2020 | | | |
| Revenue | 2021 | 2020 | |
| Grants | \$ 100,000 | \$ 95,000 | |
| Membership Fees | \$ 7,000 | \$ 6,200 | |
| Interest revenue | \$ 100 | \$ 50 | |
| Other revenue | \$ 100 | \$ 50 | |
| Total Revenues | \$ 107,200 | \$ 101,300 | |
| Expenses | | | |
| Advertising | \$ 1,000 | \$ 1,000 | |
| Employee benefits | \$ 11,000 | \$ 11,000 | |
| Insurance | \$ 1,000 | \$ 900 | |
| Interest expense | \$ 420 | \$ 520 | |
| Maintenance and repairs | \$ 1,500 | \$ 950 | |
| Office supplies | \$ 1,500 | \$ 1,400 | |
| Payroll taxes | \$ 4,400 | \$ 4,400 | |
| Rent | \$ 5,000 | \$ 4,900 | |
| Salaries and wages | \$ 55,000 | \$ 55,000 | |
| Utilities | \$ 4,800 | \$ 4,900 | |
| Total Expenses | \$ 85,620 | \$ 84,970 | |
| Net Income | \$ 21,580 | \$ 16,330 | |