

# Overview of CRC Financial Statements and Supporting Documents

**Annual Budget** – Best estimates of income and expenses for a fiscal year; must be adopted by the board as early as possible in the fiscal year.

**Budget to Actual** – Side-by-side comparison of the budget and the actual amounts earned or spent, available monthly and year-to-date. This shows how accurate the budget is as money is spent and received in each category.

**Balance Sheet** – May be referred to as a Statement of Financial Position, this is a snapshot at a particular time that shows the value of:

- a) the organization's assets (which could be restricted or unrestricted) and
- b) the organization's debts (liabilities), and
- c) Net Assets, which is the difference between assets and liabilities from the time the organization was created to the current date.

Examples of assets are the current amounts of money in checking and savings accounts, or a receivable, which is a specific amount of money that has been requested but not yet received.

Examples of debts or liabilities include invoices that have been received by CRC from a vendor that have not yet been paid, or an employee paycheck when the pay period has ended but the employee has not yet been paid.

**Profit and Loss Comparison** – Shows the amount of income received and money spent in each budget category for the previous month and year-to-date. This report may be customized to show comparisons to previous years.

**Cash Flow Projection** – Shows current account balances, projected expenses, and known sources of income.

## Other Notes

1. The City Community Engagement Contract has a specific work plan with goals that have mainly been created by the City. Eligible expenses include rent, staff / intern wages, contractors (e.g. Accounting), website hosting, computer hardware and software, and other expenses that enable CRC to implement the program. Fundraising expense is ineligible, so when CRC staff spends time preparing grant applications or coordinating fundraising activities, the money has to be paid through other sources. Community Engagement Program activities include Executive Director staff time spent preparing for committee meetings, coordinating CRC events, attending events that are coordinated by other groups.
2. Grants may only be used for program-related expenses that are identified in the grant agreement with the donor. When a grant is received, we also create a restricted fund, so that we can make sure that the money has only been spent according to the grant agreement.
3. Donations from individuals may be unrestricted (available for any expenses) or restricted (designated for a specific purpose, such as providing food at meetings).