

## **The Missing Link - How Financial Reports are Related**

### **Shrub Oak Arboretum - Sample Transactions**

1. Receive donation of \$5,000
2. Rent an office. Put down a \$1,000 deposit
3. Pay first month's rent of \$500
4. Hire staff. First payroll is \$2,000
5. Receive a donation of a car worth \$10,000
6. Take out a loan to cover expenses of \$10,000
7. Make a grant of \$3,000
8. Hold classes. Receive \$1,500 in tuition
9. The car gets stolen. It was worth \$10,000
10. Receive a donation of food for a party worth \$5,000

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### Shrub Oak Arboretum - Sample Transactions

Balance Sheet		Income Statement	
Assets	Liabilities & Net Assets	Expenses	Revenue
1 Cash \$ 5,000			Individual donations \$ 5,000
2 Cash \$ (1,000)			
Deposits Receivable \$ 1,000			
3 Cash \$ (500)		Rent \$ 500	
4 Cash \$ (2,000)		Salary expense \$ 2,000	
5 Fixed Asset \$ 10,000			In-kind donation \$ 10,000
6 Cash \$ 10,000	Loan liability \$ 10,000		
7 Cash \$ (3,000)		Grantmaking expense \$ 3,000	
8 Cash \$ 15,000			Tuition revenue \$ 15,000
9 Fixed Asset \$(10,000)		Loss on theft \$ 10,000	
10		Catering \$ 5,000	In-kind donation \$ 5,000
<b>Total Assets \$ 24,500</b>	<b>Total Liabilities \$ 10,000</b>	<b>Total Expenses \$ 15,500</b>	<b>Total Revenue \$ 30,000</b>
		<b>Net Income = \$ 14,500</b>	

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