



Report Puzzler - What Account Goes Where?

Just as words on a page can tell a story, so can numbers. Numbers tell you how well an organization is doing, how profitable it is, how effectively assets are being utilized, how able it is to pay its debts, whether the organization needs to borrow more money or whether it is already overextended, and much more. However, before you can learn to read and interpret financial reports, you must master the basics. The basics for this case are as follows:

The 3 basic financial reports:

1. Balance Sheet
2. Income Statement
3. Cash Flow Statement

The 5 basic types of accounts:

1. Asset
2. Liability
3. Revenue
4. Expense
5. Net Assets (or equity in a for-profit)

This case will provide a hands-on opportunity to learn about the five basic types of accounts and to determine on which of the first two statements above they belong.

Your task:

Break into groups. Using the provided account information, determine what account goes where by placing these accounts onto the appropriate financial report.

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INCOME STATEMENT

EXPENSES

REVENUE

EXPENSES	REVENUE

BALANCE SHEET

ASSETS

**LIABILITIES &
NET ASSETS**

ASSETS	LIABILITIES & NET ASSETS

Cash \$56,500

**Grants Receivable
\$230,000**

Prepays \$8,000

**Investments
\$121,000**

**Prop & Equip, net
\$455,000**

Accounts Payable
\$45,000

Accrued Expenses
\$18,000

Credit Line Payable
\$50,000

Mortgage Payable
\$250,000

Net Assets - Unrestricted
\$155,000

**Net Assets - Temporarily
restricted \$200,000**

**Net Assets - Permanently
restricted \$112,000**

**Office Supplies
\$8,000**

**Interest Expense
\$4,000**

Net Income:

Net Income:

**Gift Shop Sales
(net) \$33,000**

Ticket Sales 25,000

Grants \$100,000

**Contributions
\$45,000**

**Program income
\$15,000**

Interest income

\$4,500

Investment Income

\$5,000

Salaries \$110,000

Payroll taxes

\$8,000

Marketing \$14,000

**Professional fees
\$9,000**

Telephone \$7,000

Rent \$18,000

Insurance \$6,500

Postage \$2,500