



The Missing Link - How Financial Reports are Related

Shrub Oak Arboretum - Sample Transactions

Balance Sheet		Income Statement	
Assets	Liabilities & Net Assets	Expenses	Revenue
1			
2a			
2b			
3			
4			
5			
6			
7			
8			
9			
10			
Total Assets	\$	Total Liabilities	\$
		Total Expenses	\$
		Total Revenue	\$

Net Income = \$

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 \$15,000 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
2a Cash	\$ (1,000)		
2b 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
Total Assets	\$ 24,500	Total Liabilities	\$ 10,000
		Total Expenses	\$ 20,500
		Total Revenue	\$ 35,000

Net Income = \$ 14,500

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 \$15,000 in tuition
9. The car gets stolen. It was worth \$10,000
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