

Analyzing and Interpreting Non-Profit Financial Statements

- Introduce ratio analysis
- Introduce vertical and horizontal analysis
- Perspectives of:
 - a) Individual donors
 - b) Foundations

Analyzing and Interpreting Non-Profit Financial Statements

- Ratio analysis
 - a) Liquidity and solvency
 - b) Profitability and efficiency
- Vertical analysis—analyze line items as a % of a common base (e.g., total support and revenues)
- Horizontal analysis—analyze year to year/period to period changes in line items

Understand Your Organization's Funding Sources—and the Related Risks!

- Who are your organization's major funders?
- What are the "risks" to your organization as a result of your funders?
- Why is understanding this risk important?

Analyzing and Interpreting Non-Profit Financial Statements—In-Class Exercise

- Participants will “analyze” a sample financial statement for a non-profit organization by performing some ratio analysis, etc. and make observations on its financial strength and operating effectiveness.