



How to Read Financial Statements Provided by Potential Grantees March 2007

Overview

- Accounting rules affecting non-profits
- Agency Endowment Fund with a community foundation
- Audit, Review, Compilation
- Reviewing Audit Report
 1. Management Letter Comments
 2. What to look for in balance sheet
 3. What to look for in income statement
 4. Functional expenses – admin vs. programming
- OMB A-133 Audit Report
- Internal control checks
 1. Back ground of staff preparing financial statements
 2. Audit Committee Charter
 3. Investment Committee and copy of Policy.