

Financial Statements: Review Checklist

Statement of Financial Position

- Are there unusual trends?
- Is the current ratio greater than 1.0?
- Can we access capital in an emergency?
- Are we prepared for a significant economic crisis?

Statement of Activities

- How are we addressing large variances between budget and actual?
- Are we overly dependent on a single funding source?
- Is revenue increasing at least as fast as expenses?
- Did our bottom line meet expectations?

Statement of Cash Flow

- Are we using more cash than we are generating?
- How does the overall cash activity compare to prior year?
- Do we have positive cash flow from operations?
- Do we have at least 60 days of operating cash on hand?

Audited Financial Statements

- Did we receive a clean audit opinion?
- Do any of the footnotes cause us concern?
- Are we complying with loan covenants?
- What impression would a donor or lender have after reading our statements?