



Neighbourhood Houses Tasmania Inc

Example of an Income and Expenditure Statement

Let's visit an Imaginary Neighbourhood House and see how it is performing and what we can learn.

Imaginary Neighbourhood House Inc		
Income and Expenditure Statement for the year ended 30 June, Year X		
	This year	Last year
INCOME		
Grants - State Government	177,000	160,000
Donations	5,000	6,500
Events	6,000	4,000
Sponsorship	8,000	18,000
Interest	6,000	3,500
Membership	3,720	2,500
Sundries	2,000	400
TOTAL INCOME	207,720	194,900
EXPENDITURE		
Salaries	128,000	92,000
Superannuation	11,520	8,280
Depreciation on office equipment	4,000	7,000
Telecommunications	5,000	4,000
Fundraising costs	3,500	1,800
Interest	21,500	19,600
Cleaning	3,000	1,900
Computer consumables	2,800	3,500
Conferences	1,500	1,500
Heat, light and power	5,000	4,000
Insurance	7,200	8,300
Travel	3,000	2,700
Staff amenities	1,800	2,400
Printing	2,500	4,500
Photocopying and stationery	2,200	5,900
Security	2,400	4,400
Repairs and maintenance	3,000	7,920
Postage and freight	1,200	2,400
Sundries	600	3,000
TOTAL EXPENDITURE	209,720	185,100
SURPLUS/DEFICIT	-2,000	9,800

What should we look for in this financial report?

Start with the bottom line. The House has generated a modest operating deficit. A concerted effort needs to be made to return to surplus. Discussion at Management Committee level needs to take place on options available to return operations to surplus.

What are the Options?

You are not seeking a single “magic bullet” when looking for options. The solution is likely to be multi-faceted, requiring concurrent action on a number of fronts.

Compare revenue streams from one year to the next. Look for unfavourable variances of significance. In the case of Imaginary Neighbourhood House, sponsorship has fallen markedly; it needs to be investigated.

Is there scope to increase revenue streams?

- Can new revenue streams be identified?
- Is it an appropriate time to put up prices?

On the expenditure side, a line by line comparison is required to identify unfavourable variances of significance.

What expenses can be cut back and where can savings be generated?

- Salaries, fundraising costs and cleaning merit further analysis – is there scope to achieve savings?