

Exercise

Calculating Liquid Unrestricted Net Assets (LUNA)

Grantee: Community Arts Organization, Inc.

Calculation:

Unrestricted Net Assets – (Net Fixed Assets – Debt Related to Fixed Assets) – Other Illiquid Assets

Liquid Unrestricted Net Assets (LUNA)				
	Year:	2015	2014	
	Source of Data:	Audit	Audit	
Unrestricted Net Assets		\$492,947	\$576,734	A
Fixed Assets, Net		\$1,506,326	\$1,545,689	
Less: Mortgages or Other Debt Related to Fixed Assets		\$1,065,155*	\$1,096,728*	
Fixed Assets less Mortgages		\$441,171	\$448,961	B
Liquid Unrestricted Net Assets (LUNA) (A-B)		\$51,776	\$127,773	C
Average Monthly Expenses (annual expenses ÷ 12)		\$164,767**	\$148,426**	D
Months of LUNA (C ÷ D)		0.3	0.9	

* Total mortgage debt is calculated by adding the current portion of the mortgage payable to the long-term mortgage payable:

$$2014: 31,573 + 1,065,155 = 1,096,728$$

$$2015: 36,442 + 1,028,713 = 1,065,155$$

** Average monthly expenses for 2014: $1,781,107 \div 12 = 148,426$

Average monthly expenses for 2015: $1,977,208 \div 12 = 164,767$