

## ANNUAL FINANCIAL REPORTS - EXAMPLES

Reporting is for a 12-month period whether the club/group is on a fiscal-year basis or calendar-year basis. For the purposes of this example, we will use a fiscal year ending on September 30<sup>th</sup>.

The **Statement of Income and Expenses** provides the club's/group's net increase or net loss information while the **Statement of Financial Position** provides information about the overall assets, liabilities, and the financial position of the club/group for the 12-month reporting period. The **Annual Group Property/Inventory Report** lists the items owned by the club/group.

Clubs/groups must complete all end-of-year financial reports:

- Statement of Income and Expenses
- Statement of Financial Position
- Annual Group Property/Inventory Report
- Peer Review of Group Financial Records: Cover Sheet
- Peer Review of Group Financial Records: Report

Once completed, send copies of all these reports and a copy of the last bank statement to the Staff Chair at the County Extension Office. The Staff Chair will review, sign, and send to the CFO's office.

**Be sure you send the completed reports to the Staff Chair in a timely manner, giving him/her enough time to review and send the reports on to the Chief Financial Officer within 90 days of the end of the 12-month reporting period.**

### **STATEMENT OF INCOME AND EXPENSES:**

The purpose of the Statement of Income and Expenses is to report income received and expenses paid during the 12-month reporting period. This report is to determine what is called the "bottom line" or the **NET INCREASE** or **NET LOSS** for that 12-month period.

The Statement of Income and Expenses is not to reconcile the bank account. You will not include the beginning checking account balance and/or money transferred to another bank account on this report.

**Net Increase** or **Net Loss:** Subtract the Total Expenses from the Total Income to determine the net increase or net loss for the 12-month period.

### **STATEMENT OF FINANCIAL POSITION:**

The **Statement of Financial Position** is a "snapshot" of the club's/group's financial position at a **specific point in time**, i.e., on the last day of the 12-month period. A non-profit organization's **Statement of Financial Position** is similar to a business's balance sheet. It reports assets and liabilities; and, since non-profit organizations do not have "owners," the third section of the **Statement of Financial Position** is **Net Assets** instead of "owner's equity" or "stockholders' equity."

**Assets** are things the club/group **owns**, such as cash and bank accounts; inventory; office equipment; other equipment; trailers; etc.

**Liabilities** are the things the club/group **still owes** and are **not expenses** already paid during the 12-month reporting period. Liabilities may include accounts payable (products or services received but not yet paid), installment payments on equipment, and any accrued expenses to be paid at a later date.

Since inventory, equipment, products, and services are normally paid at the time of purchase or delivery, the club/group may not have any liabilities to report. In this case, enter zero for the Total Liabilities.

**Net Assets – Beginning** is the amount of the Net Assets at the beginning of the 12-month reporting period. For a new club/group, the amount is zero since the club/group did not have any assets prior to forming. For an existing club/group, the amount is carried forward from the previous year’s **Net Assets – Ending**. See the examples below.

**Net Assets** are the total worth of all existing assets minus any liabilities that the club/group holds. In other words, net assets consist of the difference between what the club/group owns and what it owes.

**Total Liabilities plus Net Assets** must equal the **Total Assets**.

**ANNUAL GROUP PROPERTY/INVENTORY REPORT:**

List the club’s/group’s inventory and equipment of items greater than or equal to \$500 **AND** any and all firearms (**regardless of value**), include the date acquired or purchased, the value (purchase price or acquired value), item description (include the serial number, if applicable), and storage location. NOTE: The value should be the actual purchase price or acquired value. Do not depreciate the value on the report.

**PEER REVIEW OF GROUP FINANCIAL RECORDS: COVER SHEET AND REPORT:**

Peer review of the group financial records must also be completed and sent to the Staff Chair with the end-of-year financial reports. See the Financial Guidelines for Affiliated Groups regarding the guidelines for the peer review committee and instructions on completing the Peer Review Cover Sheet and the Peer Review Report.

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Below are examples for three years reporting for a club/group. The sample reports are attached as separate attachments.

Example 1 is without any liabilities. Example 2 includes accounts payable as a liability. **Compare the Statement of Financial Position in Example 1 and Example 2 for the 2<sup>nd</sup> year transactions to see the difference.**

**Example 1: A new club/group is formed.**

**1<sup>st</sup> Year Transactions:**

The club/group receives a donation of \$100.00 and deposits the \$100.00 to open a bank account.

During the year, the club/group receives income of \$350.00 from T-shirt sales and deposits that income.

The club/group pays out an expense of \$10.00 for checks for the bank account and pays out an expense of \$100.00 to purchase the T-shirts.

**1<sup>st</sup> Year Bank Account Transactions:**

Beginning Balance	.00
1 <sup>st</sup> year total deposits	450.00
1 <sup>st</sup> year total checks written	<u>-110.00</u>
Ending Bank Account Balance	<u>\$ 340.00</u>

**1<sup>ST</sup> YEAR - STATEMENT OF INCOME AND EXPENSES (YEAR-END SEPTEMBER 30<sup>TH</sup>):**

**Income:**

Donation	100.00
T-shirt Sales	<u>350.00</u>
Total Income (A)	<u>\$ 450.00</u>

**Expenses:**

Checks	10.00
T-shirts	<u>100.00</u>
Total Expenses (B)	<u>\$ 110.00</u>

**Net Increase or Net Loss (C) (A – B = C)** \$ 340.00

Subtract the Total Expenses from the Total Income for the reporting period. The club/group had a **Net Increase** of \$340.00. This amount will be carried forward as a positive number to the Statement of Financial Position as the amount in **Current Year's Net Increase** and added to the **Net Assets – Beginning** (which is zero at this time since this is a new club/group) to determine the amount of the **Net Assets – Ending** for the first reporting period.

**1<sup>ST</sup> YEAR - STATEMENT OF FINANCIAL POSITION (AS OF SEPTEMBER 30<sup>TH</sup>):**

Assets:

Cash or Checking Account	340.00 (reconciled balance on September 30th)
Inventory/Equipment	.00
Other	<u>.00</u>

Total Assets (A) \$ 340.00

Liabilities:

Accounts Payable	.00
Other	<u>.00</u>

Total Liabilities (B) \$ .00

Net Assets:

Net Assets – Beginning	.00
Current Year's <b>Net Increase</b> or Net Loss	<u>340.00</u>

Net Assets - Ending (C) \$ 340.00

TOTAL LIABILITIES and NET ASSETS [(B) + (C) = (A)] \$ 340.00

**NOTE: THE AMOUNT OF THE 1<sup>ST</sup> YEAR'S NET ASSETS - ENDING OF \$340.00 WILL BE CARRIED FORWARD TO THE 2<sup>ND</sup> YEAR'S NET ASSETS - BEGINNING.**

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## 2<sup>nd</sup> Year Transactions:

The second year, the club/group receives income of \$500.00 for concession stand sales and contributions of \$200.00 and deposits that income.

The club/group pays out expenses of \$50.00 for booth rental and \$100.00 for meeting expenses.

The club/group also pays out \$557.00 to purchase archery equipment (this is not an expense). It is an asset and is to be included on the Statement of Financial Position and listed on the Annual Group Property/Inventory Report.

## 2<sup>nd</sup> Year Bank Account Transactions:

Beginning Balance	340.00
2 <sup>ND</sup> year total deposits	700.00
2 <sup>nd</sup> year checks written (expenses)	-150.00
2 <sup>nd</sup> year check written (equipment)	<u>-557.00</u>
Ending Bank Account Balance	<u>\$ 333.00</u>

## 2<sup>ND</sup> YEAR - STATEMENT OF INCOME AND EXPENSES (YEAR-END SEPTEMBER 30<sup>TH</sup>):

### Income:

Concession Stand Sales	500.00
Contributions	<u>200.00</u>
Total Income (A)	<u>\$ 700.00</u>

### Expenses:

Booth Rental	50.00
Meeting Expenses	<u>100.00</u>
Total Expenses (B)	<u>\$ 150.00</u>

**Net Increase or Net Loss (C) (A – B = C)** \$ 550.00

Subtract the Total Expenses from the Total Income for the reporting period. The club/group had a **Net Increase** of \$550.00. This amount will be carried forward as a positive number to the Statement of Financial Position as the amount in the **Current Year's Net Increase** and added to the **Net Assets – Beginning** to determine the amount of the **Net Assets – Ending** for the second reporting period.

**2<sup>ND</sup> YEAR - STATEMENT OF FINANCIAL POSITION (AS OF SEPTEMBER 30<sup>TH</sup>):**

Assets:

Cash or Checking Account	333.00 (reconciled balance on September 30th)
Inventory/Equipment (archery equip)	557.00
Other	<u>.00</u>

Total Assets (A) \$ 890.00

Liabilities:

Accounts Payable	.00
Other	<u>.00</u>

Total Liabilities (B) \$ .00

Net Assets:

Net Assets - Beginning	340.00 (from last year's Net Assets - Ending)
Current Year's <b>Net Increase</b> or Net Loss	<u>550.00</u>

Net Assets -Ending (C) \$ 890.00

TOTAL LIABILITIES and NET ASSETS [(B) + (C) = (A)] \$ 890.00

**NOTE: THE AMOUNT OF THE 2<sup>ND</sup> YEAR'S NET ASSETS - ENDING OF \$890.00 WILL BE CARRIED FORWARD TO THE 3<sup>RD</sup> YEAR'S NET ASSETS – BEGINNING.**

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**3<sup>rd</sup> Year Transactions:**

The third year, the club/group did not receive any income.

The club/group pays out expenses of \$125.00 for meeting expenses.

**3<sup>rd</sup> Year Bank Account Transactions:**

Beginning Balance	333.00
3 <sup>rd</sup> year total deposits	.00
3 <sup>rd</sup> year total checks written	<u>-125.00</u>

Ending Bank Account Balance \$ 208.00

**3<sup>rd</sup> YEAR - STATEMENT OF INCOME AND EXPENSES (YEAR-END SEPTEMBER 30<sup>TH</sup>):**

**Income:**

.00  
.00

Total Income (A) \$ .00

**Expenses:**

Meeting Expense 125.00

Total Expenses (B) \$ 125.00

Net Increase or **Net Loss** (C) (A – B = C) -\$ 125.00

Subtract the Total Expenses from the Total Income for the reporting period. The club/group had **Net Loss** (net decrease) of \$125.00. This amount will be carried forward as a negative number as indicated (125.00) to the Statement of Financial Position as the amount in the **Current Year's Net Loss** and subtracted from the Net Assets – Beginning to determine the Net Assets – Ending.

**3<sup>rd</sup> YEAR - STATEMENT OF FINANCIAL POSITION (AS OF SEPTEMBER 30<sup>TH</sup>):**

**Assets:**

Cash or Checking Account 208.00 (reconciled balance on September 30th)  
Inventory/Equipment 557.00  
Other .00

Total Assets (A) \$ 765.00

**Liabilities:**

Accounts Payable .00  
Other .00

Total Liabilities (B) \$ .00

**Net Assets:**

Net Assets - Beginning 890.00 (from last year's Net Assets - Ending)  
Current Year's Net Increase or **Net Loss** -125.00

Net Assets - Ending (C) \$ 765.00

TOTAL LIABILITIES and NET ASSETS [(B) + (C) = (A)] \$ 765.00

**NOTE: THE AMOUNT OF THE 3<sup>RD</sup> YEAR'S NET ASSETS - ENDING OF \$765.00 WILL BE CARRIED FORWARD TO THE 4<sup>TH</sup> YEAR'S NET ASSETS – BEGINNING AND SO ON.**

## **EXAMPLE 2: (Includes Accounts Payable as a Liability)**

**2<sup>nd</sup> Year Transactions:** (The income and expenses are the same as in Example 1.)

The club/group purchases archery equipment for \$557.00; pays a deposit of \$100.00; and owes \$457.00 at the end of the 12-month reporting period. Therefore, the Statement of Financial Position changes for the 2<sup>nd</sup> year transactions.

### **2<sup>nd</sup> Year Bank Account Transactions:**

Beginning Balance	340.00
2 <sup>nd</sup> year total deposits	700.00
2 <sup>nd</sup> year checks written (expenses)	150.00
2 <sup>nd</sup> year check written (deposit on equipment)	<u>-100.00</u>
Ending Bank Account Balance	<u>\$ 790.00</u>

**2<sup>ND</sup> YEAR - STATEMENT OF INCOME AND EXPENSES (YEAR-END SEPTEMBER 30<sup>TH</sup>):** (Report remains the same as Example 1.)

**2<sup>ND</sup> YEAR - STATEMENT OF FINANCIAL POSITION (AS OF SEPTEMBER 30<sup>TH</sup>):** (Report changes from Example 1.)

#### Assets:

Cash or Checking Account	790.00 (reconciled balance on September 30th)
Inventory/Equipment (archery equip)	557.00
Other	<u>.00</u>
Total Assets (A)	<u>\$ 1,347.00</u>

#### Liabilities:

Accounts Payable	457.00
Other	<u>.00</u>

Total Liabilities (B) \$ 457.00

#### Net Assets:

Net Assets - Beginning	340.00 (from last year's Net Assets - Ending)
Current Year's <b>Net Increase</b> or Net Loss	<u>550.00</u>

Net Assets -Ending (C) \$ 890.00

TOTAL LIABILITIES and NET ASSETS [(B) + (C) = (A)] \$ 1,347.00



**NOTE: THE AMOUNT OF THE 2<sup>nd</sup> YEAR'S NET ASSETS - ENDING OF \$890.00 (THE SAME VALUE AS IN EXAMPLE 1) WILL BE CARRIED FORWARD TO THE 3<sup>rd</sup> YEAR'S NET ASSETS – BEGINNING.**

**The club/group owes accounts payable in the amount of \$457.00 and since those payments have not been made, the bank account has a balance of \$790.00 (\$457.00 + \$333.00).**

**The Net Assets – Ending still equals \$890.00 as shown in Example 1. However, Total Assets now equals \$1,347.00. Total Liabilities plus Net Assets equal the Total Assets (\$457.00 + \$890.00 = \$1,347.00).**

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**3<sup>rd</sup> Year Transactions:** (The income and expenses are the same as in Example 1.)

**The club/group also pays the remaining balance of \$457.00 for the archery equipment.**

**3<sup>rd</sup> Year Bank Account Transactions:**

Beginning Balance	790.00
3 <sup>rd</sup> year total deposits	.00
3 <sup>rd</sup> year checks written (expenses)	-125.00
3 <sup>rd</sup> year checks written (accounts payable)	<u>-457.00</u>
Ending Bank Account Balance	<u>\$ 208.00</u>

**3<sup>rd</sup> YEAR - STATEMENT OF INCOME AND EXPENSES (YEAR-END SEPTEMBER 30<sup>TH</sup>):**

**Report remains the same as Example 1.**

**3<sup>rd</sup> YEAR - STATEMENT OF FINANCIAL POSITION (AS OF SEPTEMBER 30<sup>TH</sup>):**

**Report remains the same as Example 1.**

**NOTE: THE AMOUNT OF THE 3<sup>RD</sup> YEAR'S NET ASSETS - ENDING OF \$765.00 WILL BE CARRIED FORWARD TO THE 4<sup>TH</sup> YEAR'S NET ASSETS – BEGINNING AND SO ON.**