



Financial Reporting Overview

Overview

Financial reports provide a clear picture of your organization's financial health. Understanding these reports helps leaders and boards make informed decisions and maintain accountability.

Key Financial Reports

1. Statement of Financial Position (Balance Sheet)

Shows: What your organization owns and owes

Key Areas to Review:

- Cash balance
- Assets vs liabilities
- Net assets

2. Statement of Activities (Income Statement)

Shows: Revenue and expenses over a specific period

Key Areas to Review:

- Total income
- Total expenses
- Surplus or deficit

3. Budget vs Actual Report

Shows: Planned vs actual financial performance

Key Areas to Review:

- Variances (differences)
- Overspending or underspending



- Trends over time

How to Review Reports Effectively

- Focus on **trends**, not just numbers
- Look for **large or unusual changes**
- Compare results to your budget
- Ask questions when something is unclear

Red Flags to Watch For

- Declining cash reserves
- Consistent budget deficits
- Missing or delayed reports
- Unexplained variances

Pro Tip

Financial reports are most valuable when reviewed **consistently and discussed regularly** with leadership and your board.