

The ABCs of Financial Statements for Board Directors

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Financial Reports:

Report	Key Points
Balance Sheet/Financial Highlights	Snapshot of the Association's finances at a point in time.
Income Statement	<ul style="list-style-type: none"> - Essential report - Monthly & year-to-date data - Compare Actual to Budget
Accounts Receivable Aging	<ul style="list-style-type: none"> - Essential report - Tells who is in arrears - Helps plan cash flow
Accounts Payable Aging	<ul style="list-style-type: none"> - Essential report - Who & how much the Association owes money to - Helps plan cash flow
Cash Disbursement Listing	<ul style="list-style-type: none"> - Listing of all checks written - Payee & amount
Details of Expenses (General Ledger Detail)	<ul style="list-style-type: none"> - Organized by budget line category & includes vendor, amount & explanation
Bank Reconciliations	<ul style="list-style-type: none"> - Essential report - All accounts reconciled monthly - Review outstanding checks - Treasurer should approve ALL bank reconciliations in writing
Copies of Paid Invoices	<ul style="list-style-type: none"> - Physical evidence of expenditures & approvals

Budget Preparation:

Key C	Notes
<ul style="list-style-type: none"> - Zero Based Budget ("Break Even") - Be realistic, be conservative - Take a proactive role 	