

Elements of an Effective Annual Report

1. *The CEO Letter (a transparent, relevant, meaningful letter):*

- a. Standard Introduction
 - i. Your most important message: In the first paragraph, capture the one message that you want your reader to remember. This message should be repeated year after year.
 - ii. What verse in **Scripture compels the ministry's** focus?
- b. Consider sub-headings
- c. Report on the prior year
 - i. Give an update on ministry activity.
 - ii. Report on previously announced goals.
 - iii. Share successes.
 - iv. Share failures.
- c. Report on the goals for the year ahead – measurable is good
- d. Give a succinct description of the most important obstacle or opportunity for the nonprofit. This should be something the CEO obsesses about.
- e. **Educate your readers about the “industry” within which the ministry operates.**

2. *Ministry Focus:*

- a. **The ministry should have no more than three “business units”/operating “silos.”** Otherwise, there may be a perception that the ministry lacks focus. Clearly articulating the ministry's focus is essential to capturing the left-**brain donor's** interest.
- b. Transitions or depictions that help the reader understand the different business units or silos.
- c. Describe what happens and where in each of the “**business units**” or operating “**silos.**”
- d. Offer highlights from the last year.

3. *Relevant Financial Information:*

- a. Balance sheet
- b. Statement of revenue and expenses
- c. Pie chart of expenditures
 - i. Administrative
 - ii. Fundraising
 - iii. Programs

4. *Key Leadership:*

- a. Useful information on key management and board members including for example, name, years serving the ministry, title/profession, education, other board experiences, and state of residency.

5. *Critical Measurements:*

- a. Relevant graphs denoting progress on measurements important to leadership.

6. *Transition*

- a. Table of Contents, page headers, graphics or other method to assist the readers that they are moving from one section of the Annual Report to another. (Strongly encouraged)

7. *Discretionary Items:*

- a. Vision statement
- b. Mission statement
- c. Ministry history
- d. Case studies/stories
- e. Donation requests
- f. **A 'thank you' to the provider of funds who enabled the production and distribution of the annual report.**



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