

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. 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. Goals for the year ahead
 - i. Give a succinct description of the most important obstacle or opportunity for the nonprofit. This should be something the CEO obsesses about.
- d. 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" or operating "silos." Clear ministry focus is essential to capturing the left-brain donor's interest.
- b. Describe what happens and where in each of the "business units" or operating "silos."
- c. 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
- 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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