

American Morgan Horse Association

Internal Financial Statement Analysis

Balance Sheet:

The balance sheet shows the Association's financial *condition* at one point in time: **November 30, 2006**
(as if one were taking a "snap shot" on this given day)

On this date, the Association had total assets of:	\$	642,246
and total liabilities of:	\$	462,464
leaving net assets of:	\$	179,782
which is made up of net assets at the beginning of the fiscal year of:	\$	315,821
and the current year's income of:	\$	(136,039)

Current ratio is calculated by dividing current assets by current liabilities. This ratio should indicate whether you have enough "coming in" to finance the "out go" without dipping into cash reserves. Ideally we would always like this ratio to be 1 or greater.

Current ratio = current assets/current liabilities 0.88

Income Statement:

The income statement shows the Association's *performance* from the beginning of the fiscal year to: **November 30, 2006**

The income statement is divided into four core departments: Administration (which includes Membership services), Magazine, Communications and Registry.

The net income or (loss), year to date, for each department is as follows:

Administration and Membership	\$	(20,244)
Magazine	\$	(76,569)
Communications	\$	(280,431)
Registry	\$	241,206

The net income or (loss) of all the departments will total the current income shown on the balance sheet for **twelve months ended November 30, 2006** \$ (136,039)

Net income or (loss) represents the net change in total net assets - it includes non-cash expense of depreciation.

Income by core Department:

AMHA Communications department includes retail sales, Publications (other than Magazine) income, Affinity income, Awards program income, Youth income and Education income. Expenses include general Communications expenses, retail expenses, publications expenses, marketing expenses, program expenses, youth expenses and educational expenses

Total Communications income or (loss) for the period, year to date was:	\$	(280,431)
compared to the prior year for the same period:	\$	(168,124)

Total Registry income or (loss) for the period, year to date was:	\$	241,206
compared to the prior year for the same period:	\$	247,458

Total AMHA income or (loss) for the period, year to date was:	\$	(136,039)
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Total AMHA income or (loss) for the month of November was:	\$	(49,294)
compared to the prior year for the same period:	\$	23,994

This represents approximately a **\$25,300 decrease** compared to last **November**.