

Accounting Glossary



Account Payable

Amount owed to a CREDITOR for delivered goods or completed services.

Account Receivable

Claim against a DEBTOR for an uncollected amount, generally from a completed transaction of sales or services rendered.

Accountant

Person skilled in the recording and reporting of financial transactions.

Accounting

Recording and reporting of financial transactions, including the origination of the transaction, its recognition, processing, and summarization in the FINANCIAL STATEMENTS.

Accounting Cycle

The sequence of steps followed in the accounting process to measure business transactions and transform the measurements into FINANCIAL STATEMENTS for a specific period.

Accrual Basis

Method of ACCOUNTING that recognizes REVENUE when earned, rather than when collected. Expenses are recognized when incurred rather than when paid.

Amortization

Gradual and periodic reduction of any amount, such as the periodic write-down of a BOND premium, the cost of an intangible ASSET or periodic payment Of MORTGAGES or other DEBT.

Asset

An economic resource that is expected to be of benefit in the future. Probable future economic benefits obtained as a result of past transactions or events. Anything of value to which the firm has a legal claim. Any owned tangible or intangible object having economic value useful to the owner.

Audit

A professional examination of a company's financial statement by a professional accountant or group to determine that the statement has been presented fairly and prepared using GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP).

Bank Reconciliation

A process by which an accountant determines whether and why there is a difference between the balance shown on the bank statement and the balance of the cash account in the firm's GENERAL LEDGER.

Bank Statement

A periodic statement, usually monthly, that a bank sends to the holder of a checking account showing the balance in the account at the beginning of the month, during, and at the end of the month.

Bookkeeping

The process of recording financial transactions and keeping financial records.

Budget

Financial plan that serves as an estimate of future cost, REVENUES or both.

Capital Expenditure

Outlay of money to acquire or improve capital assets such as buildings and machinery.

Cash

ASSET account on a balance sheet representing paper currency and coins, negotiable money orders and checks, bank balances, and certain short-term government securities.

Cash Basis

Method of bookkeeping by which REVENUES and EXPENDITURES are recorded when they are received and paid.

Credit

Entry on the right side of a DOUBLE-ENTRY BOOKKEEPING system that represents the reduction of an ASSET or expense or the addition to a LIABILITY or REVENUE.

Debit

Entry on the left side of a DOUBLE-ENTRY BOOKKEEPING system that represents the addition of an ASSET or expense or the reduction to a LIABILITY or REVENUE.

Deferral

The postponement of the date that an expense already paid or incurred, or of a REVENUE already received, is entered in the LEDGER.

Deficit

Financial shortage that occurs when LIABILITIES exceed ASSETS.

Depreciation

Expense allowance made for wear and tear on an ASSET over its estimated useful life.

Equity

Residual INTEREST in the ASSETS of an entity that remains after deducting its LIABILITIES. Also, the amount of a business' total assets less total liabilities. Also, the third section of a BALANCE SHEET, the other two being assets and liabilities.

Expense

Something spent on a specific item or for a particular purpose.

Fair Market Value

Price at which property would change hands between a buyer and a seller without any compulsion to buy or sell, and both having reasonable knowledge of the relevant facts.

Finance

The science of the management of money and other financial ASSETS.

Financial Statements

Presentation of financial data including BALANCE SHEETS, INCOME STATEMENTS and STATEMENTS OF CASH FLOW, or any supporting statement that is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

Fiscal Year

Period of 12 consecutive months chosen by an entity as its ACCOUNTING period which may or may not be a calendar year. Fixed Asset - Any tangible ASSET with a life of more than one year used in an entity's operations.

Fixed Assets

Tangible LONG TERM ASSETS used in the continuing operation of a business that are unlikely to change for a long time.

Forecast

Prospective FINANCIAL STATEMENTS that are an entity's expected financial position, results of operations, and cash flows.

Fund Accounting

Method of ACCOUNTING and presentation whereby ASSETS and LIABILITIES are grouped according to the purpose for which they are to be used. Generally used by government entities and not-for-profits.

General Ledger

Collection of all ASSET, LIABILITY, owners' EQUITY, REVENUE, and expense accounts.

Generally Accepted Accounting Principles (GAAP)

Conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. The highest level of such principles is set by the FINANCIAL ACCOUNTING STANDARDS BOARD (FASB).

Going Concern

Assumption that a business can remain in operation long enough for all of its current plans to be carried out.

Goodwill

Premium paid in the acquisition of an entity over the fair value of its identifiable tangible and intangible ASSETS less LIABILITIES assumed.

Inflation

Rise in the prices of goods and services, as happens when spending increases relative to the supply of goods on the market.

Intangible Asset

Asset having no physical existence such as trademarks and patents.

Inventory

Tangible property held for sale, or materials used in a production process to make a product.

Journal Entry

A notation in the GENERAL JOURNAL. It records a single transaction.

Ledger

Any book of accounts containing the summaries of debit and credit entries.

Liability

DEBTS or OBLIGATIONS owed by one entity (DEBTOR) to another entity (CREDITOR) payable in money, goods, or services.

Liquidity

Available money on hand to pay bills when they are due and to take care of unexpected needs for CASH.

Matching Principle

A fundamental concept of basic accounting. In any one given accounting period, you should try to match the revenue you are reporting with the expenses it took to generate that revenue in the same time period, or over the periods in which you will be receiving benefits from that expenditure. A simple example is depreciation expense. If you buy a building that will last for many years, you don't write off the cost of that building all at once. Instead, you take depreciation deductions over the building's estimated useful life. Thus, you've "matched" the expense, or cost, of the building with the benefits it produces, over the course of the years it will be in service.

Material Weakness

A significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Materiality

Magnitude of an omission or misstatements of ACCOUNTING information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would change or be influenced.

Net Assets

Excess of the value of SECURITIES owned, cash, receivables, and other ASSETS over the LIABILITIES of the company.

Net Income

Excess or DEFICIT of total REVENUES and GAINS compared with total expenses and losses for an ACCOUNTING period.

Outstanding Check

A CHECK that has been written by the drawer and deducted on his or her records but has not reached the bank for payment and is not deducted from the bank BALANCE by the time the bank issues its statement.

Petty Cash

A small amount of CASH that a company keeps on hand to pay for minor expenses in an office.

Prepaid Expense

Cost incurred to acquire economically useful goods or services that are expected to be consumed in the revenue-earning process within the operating cycle.

Profit

Positive difference that results from selling products and services for more than the cost of producing these goods.

Receivables

Amounts of money due from customers or other DEBTORS.

Reconciliation

Comparison of two numbers to demonstrate the basis for the difference between them.

Restricted Fund

Fund established to account for assets whose income must be used for purposes established by donors or grantors of such ASSETS.

Revenues

Sales of products, merchandise, and services; and earnings from INTEREST, DIVIDEND, rents.

Significant Deficiency

A control deficiency or combination of control deficiencies, that adversely affects the company's ability to initiate, authorize, record, process or report external financial data reliably in accordance with GAAP such that there is more than a remote likelihood that a misstatement of the company's annual or interim financial statements that is more than inconsequential will not be prevented or detected.

Trial Balance

A comparison of the total of DEBIT and CREDIT balances in the LEDGER to check that they are equal.

Variance

Deviation or difference between an estimated value and the actual value.

The Animal Crossing Project
Statement of Financial Position
6/30/2020

	6/30/2020	12/31/2019	Change
Assets:			
Cash in Checking	110,000	220,000	(110,000)
Accounts, Pledges, and Grants Receivable	25,000	75,000	(50,000)
Prepaid Expenses	8,200	8,000	200
Fixed Assets Net of Depreciation	4,500	5,000	(500)
Total Assets	147,700	308,000	(160,300)
Liabilities:			
Accounts Payable	10,000	12,300	(2,300)
Accrued Payroll	15,000	22,000	(7,000)
Total Liabilities	25,000	34,300	(9,300)
Net Assets:			
Available For Operations	85,200	235,700	(150,500)
Net Investment in Fixed Assets	4,500	5,000	(500)
Total Net Assets Without Donor Restrictions	89,700	240,700	(151,000)
Restricted By Purpose	33,000	33,000	-
Total Net Assets With Donor Restrictions	33,000	33,000	-
Total Net Assets	122,700	273,700	(151,000)
Total Liabilities and Net Assets	147,700	308,000	(160,300)

Elves Fund of the Greater North Pole
Statement of Financial Position
6/30/2020

	6/30/2020	12/31/2019	Change
Assets:			
Cash in Checking	530,000	950,000	(420,000)
Investments	1,200,000	1,200,000	-
Accounts, Pledges, and Grants Receivable	150,000	175,000	(25,000)
Prepaid Expenses	48,000	46,000	2,000
Fixed Assets Net of Depreciation	380,000	395,000	(15,000)
Total Assets	2,308,000	2,766,000	(458,000)
Liabilities:			
Accounts Payable	22,000	21,000	1,000
Accrued Payroll	52,000	52,000	-
PPP Loan Payable	115,000	-	115,000
Deferred Revenue	125,000	180,000	(55,000)
Total Liabilities	314,000	253,000	61,000
Net Assets:			
Available For Operations	(186,000)	293,000	(479,000)
Net Investment in Fixed Assets	380,000	395,000	(15,000)
Board Designated Operating Reserve	150,000	150,000	-
Total Net Assets Without Donor Restrictions	344,000	838,000	(494,000)
Restricted By Purpose	450,000	475,000	(25,000)
Permanently Restricted	1,200,000	1,200,000	-
Total Net Assets With Donor Restrictions	1,650,000	1,675,000	(25,000)
Total Net Assets	1,994,000	2,513,000	(519,000)
Total Liabilities and Net Assets	2,308,000	2,766,000	(458,000)

You Say Potato I Say Potato
Statement of Financial Position
6/30/2020

	6/30/2020	12/31/2019	Change
Assets:			
Cash in Checking	410,000	200,000	210,000
Investments	980,000	965,000	15,000
Accounts, Pledges, and Grants Receivable	300,000	50,000	250,000
Prepaid Expenses	22,000	22,500	(500)
Fixed Assets Net of Depreciation	81,000	85,000	(4,000)
Total Assets	1,793,000	1,322,500	470,500
Liabilities:			
Accounts Payable	18,000	17,000	1,000
Accrued Payroll	38,000	39,500	(1,500)
Total Liabilities	56,000	56,500	(500)
Net Assets:			
Available For Operations	956,000	431,000	525,000
Net Investment in Fixed Assets	81,000	85,000	(4,000)
Board Designated Operating Reserve	500,000	500,000	-
Total Net Assets Without Donor Restrictions	1,537,000	1,016,000	521,000
Restricted By Time	-	50,000	(50,000)
Restricted By Purpose	200,000	200,000	-
Total Net Assets With Donor Restrictions	200,000	250,000	(50,000)
Total Net Assets	1,737,000	1,266,000	471,000
Total Liabilities and Net Assets	1,793,000	1,322,500	470,500

Beekeepers Alliance of Portland
Statement of Financial Position
6/30/2020

	6/30/2020	12/31/2019	Change
Assets:			
Cash in Checking	530,000	310,000	220,000
Investments	2,120,000	2,100,000	20,000
Accounts, Pledges, and Grants Receivable	400,000	600,000	(200,000)
Prepaid Expenses	48,000	46,000	2,000
Fixed Assets Net of Depreciation	380,000	395,000	(15,000)
Total Assets	3,478,000	3,451,000	27,000
Liabilities:			
Accounts Payable	10,000	12,300	(2,300)
Accrued Payroll	123,000	118,000	5,000
Loan Payable	115,000	119,000	(4,000)
Deferred Revenue	25,000	-	25,000
Total Liabilities	273,000	249,300	23,700
Net Assets:			
Available For Operations	307,000	106,700	200,300
Net Investment in Fixed Assets	380,000	395,000	(15,000)
Board Designated Operating Reserve	500,000	500,000	-
Total Net Assets Without Donor Restrictions	1,187,000	1,001,700	185,300
Restricted By Time	-	200,000	(200,000)
Restricted By Purpose	518,000	500,000	18,000
Permanently Restricted	1,500,000	1,500,000	-
Total Net Assets With Donor Restrictions	2,018,000	2,200,000	(182,000)
Total Net Assets	3,205,000	3,201,700	3,300
Total Liabilities and Net Assets	3,478,000	3,451,000	27,000

Beekeepers Alliance of Portland
Statement of Activities - Functional Summary
06 Months Ending June 30, 2020

	YTD Total	Administration	Fundraising	Honey for All	Bee Dance Classes	Home Hive	Queen Bee Training
Revenue:							
Individual Contributions	222,500	-	110,000	112,000	500	-	-
Corporate/Foundation Contributions	530,000	-	422,000	-	-	108,000	-
Government Grants	78,800	-	-	75,000	3,800	-	-
Program Fees	271,300	-	-	-	250,000	1,300	20,000
Misc Income	600	-	-	-	100	-	500
Investment Income	20,000	20,000	-	-	-	-	-
Total Revenue	1,123,200	20,000	532,000	187,000	254,400	109,300	20,500
Expenses:							
Personnel	658,000	110,000	85,000	155,000	130,000	168,000	10,000
Contract Services	135,000	20,000	52,000	21,000	15,000	24,000	3,000
Travel & Meals	11,530	800	8,000	200	1,500	800	230
Space Rental/Lease	25,800	-	-	-	25,000	-	800
Occupancy Expense	103,000	18,000	17,000	23,000	22,000	21,000	2,000
Office Supplies	54,000	10,000	12,000	13,000	10,000	8,000	1,000
Program Supplies	31,506	-	-	12,000	8,000	11,206	300
Printing & Copying	50,198	800	1,500	22,320	12,408	12,470	700
Postage & Delivery	7,800	1,000	1,800	2,000	1,500	1,300	200
Licenses/Dues/Subscriptions/Fees	11,381	800	1,900	605	493	7,583	-
Participant Expense	8,265	-	-	7,500	765	-	-
Insurance	6,420	156	522	2,500	1,000	2,000	242
Bank & Investment Fees	2,000	2,000	-	-	-	-	-
Depreciation	15,000	3,000	2,000	4,000	4,000	1,000	1,000
Total Expenses	1,119,900	166,556	181,722	263,125	231,666	257,359	19,472
Change in Net Assets	3,300	(146,556)	350,278	(76,125)	22,734	(148,059)	1,028

Beekeepers Alliance of Portland
Actual Compared to Budget
6 Months Ending June 30, 2020

	YTD Actual	Annual Budget	Remaining Budget	Percent of Budget Realized
Revenue:				
Individual Contributions	222,500	500,000	277,500	45%
Corporate/Foundation Contributions	530,000	800,000	270,000	66%
Government Grants	78,800	150,000	71,200	53%
Program Fees	271,300	450,000	178,700	60%
Misc Income	600	1,000	400	60%
Investment Income	20,000	25,000	5,000	80%
Total Revenue	1,123,200	1,926,000	802,800	58%
Expenses:				
Personnel	658,000	1,211,250	553,250	54%
Contract Services	135,000	140,000	5,000	96%
Travel & Meals	11,530	18,000	6,470	64%
Space Rental/Lease	25,800	32,000	6,200	81%
Occupancy Expense	103,000	206,000	103,000	50%
Office Supplies	54,000	129,209	75,209	42%
Program Supplies	31,506	44,000	12,494	72%
Printing & Copying	50,198	48,000	(2,198)	105%
Postage & Delivery	7,800	9,000	1,200	87%
Licenses/Dues/Subscriptions/Fees	11,381	24,314	12,933	47%
Participant Expense	8,265	15,000	6,735	55%
Insurance	6,420	13,000	6,580	49%
Bank & Investment Fees	2,000	4,000	2,000	50%
Depreciation	15,000	30,000	15,000	50%
Total Expenses	1,119,900	1,923,773	803,872	58%
Change in Net Assets	3,300	2,228		