



What's Our Vector?

Charting the Course for a Fiscally Fit & Flight Ready Board

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We want to hear from you!

Throughout this presentation we will ask you to interact with us through polling. Use this QR code on your smartphone to answer questions. Thank you!

Audience Poll QR Code



What is your role within your organization?

- a. Board Member
- b. Executive Director
- c. Leadership Team Member (COO, CFO, Program Director)
- d. Finance Staff
- e. Development / Advancement Staff
- f. Program Staff
- g. Volunteer
- h. Other

Audience Poll



Congratulations!

You are leader of a flight crew that is entrusted to safely guide your organization to its destination.

You are such a dynamic leader that you joined the crew in mid-flight!

Your co-pilot asks, “Hey... *this light is blinking, and I’m receiving a status request from air traffic control... what should we do?*”



What is your first inclination as you sit at the controls?

- 1) Hand the controls to the co-pilot.
- 2) Say nothing, but act as if I know what I'm looking at.
- 3) Start reading the owner's manual for the airplane.
- 4) Ask for a triple shot of espresso from the flight crew... it's going to be a long night.
- 5) Stay because I've attended years of flight school and know exactly what the gauges mean.

Audience Poll





Board of Directors Fiduciary Obligations

DUTY OF CARE

Effectively providing oversight
and governance

DUTY OF LOYALTY

Always acting in the best interest
of the organization

DUTY OF OBEDIENCE

Ensuring compliance with all
applicable laws, regulations,
and obligations





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Monica Bryand
Executive Co-Director
Voices for Racial Justice

A board member's effectiveness in fulfilling their duties hinges not only on receiving accurate and timely financial reporting but also on their ability to understand the organization's financial reports and use them to ascertain the fiscal health of the nonprofit and make decisions in its best interest.

"...We view our financial reports as a continuing education process at each board meeting."



Effective Financial Reports

SHOULD PREPARE YOUR BOARD TO . . .



Assess



Address



Act




Applaud

The result will be a **board equipped and confident in its role** of helping to ensure the nonprofit is delivering its mission in a financially sustainable manner.



Essential Financial Reports





How are financial reports handled in your Board meetings?

1. We don't routinely discuss financials in any depth at our Board meetings.
2. We briefly discuss the Balance Sheet and Income Statement.
3. The financial reports are provided and explained by a senior member of staff (Executive Director, Director of Finance).
4. A detailed package of financial reports is provided along with some narrative analysis.
5. We receive reports that are understood and actionable.

Audience Poll



Statement of Financial Position

- **Financial Health Snapshot:** ...of the organization's financial health at a specific point in time, showing the total value of its assets, liabilities, and net assets (equity), allowing stakeholders to assess its overall financial stability.
- **Resource Management:** Details the types of assets (e.g., cash, investments, property) and liabilities (e.g., debts, obligations) it holds, helping to gauge its ability to meet financial obligations and support its mission.
- **Best indicator of the stewardship of the organization's financial resources.**

Statement of Financial Position		
As of 6/30/2021		
	2021	2020
ASSETS		
Cash and cash equivalents	4,204,329	2,162,575
Grants and accounts receivable	533,235	147,437
Prepays	24,531	24,531
TOTAL ASSETS	4,762,095	2,334,543
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	173,163	63,416
Grants payable	91,000	-
Accrued liabilities	-	3,986
Loan payable	-	160,800
Total Liabilities	264,163	228,202
Net Assets:		
With donor restrictions	4,052,536	1,911,108
Without donor restrictions	(1,946,195)	195,233
Current year change in net assets	2,391,591	
Total Net Assets	4,497,932	2,106,341
TOTAL LIABILITIES AND NET ASSETS	4,762,095	2,334,543





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“This is key for our organization, specifically the comparison to the prior year.”

This report allows Voices for Racial Justice to quickly assess where we are at, where we came from, and if there are opportunities to act upon.”

Statement of Financial Position

	<u>Current YTD</u>		<u>Prior Year</u>	
Cash	\$	1,126,228	\$	2,598,872
Accounts and Grants Receivables	\$	280,000	\$	612,000
Investments	\$	1,746,223	\$	-
Prepaid Expenses	\$	17,752	\$	16,626
Net, Fixed Assets	\$	34,918	\$	60,869
Total Assets	\$	3,205,121	\$	3,288,367
Accounts Payable	\$	24,777	\$	26,292
Accrued Employee Benefits	\$	21,204	\$	15,118
Long Term Liabilities	\$	36,482	\$	60,869
Total Liabilities	\$	82,464	\$	102,280
Net Assets	\$	3,122,658	\$	3,186,088



Statement of Financial Activity

Income: Organizes the nonprofit's revenue and income sources, such as donations, grants, program fees, and investment income.

Expenditures: Outlines the organization's expenditures (how it utilizes its resources.)

Net Surplus (or Deficit): Calculates the difference between total revenue and total expenses, resulting in either a surplus (positive) or deficit (negative)

Statement of Activities As of 6/30/2021

	Without Donor Restriction	With Donor Restriction	Total
Income			
40100 Foundation/Corporate Grants	780,000	3,500,000	4,280,000
40300 Restrictions Released	1,358,572	(1,358,572)	0
41000 Partnership Fees	107,000		107,000
42000 Program Services	588,563		588,563
43000 Contributions	1,017,583		1,017,583
44000 Membership Dues	120,000		120,000
46300 Interest	130		130
47000 In-Kind Contribution	21,150		21,150
Total Income	\$ 3,992,998	\$ 2,141,428	\$ 6,134,426
Expenses			
50000 Staff Expenses	2,142,391		2,142,391
51000 Contract Services	569,445		569,445
52000 Other Expenses	1,030,999		1,030,999
Total Expenses	\$ 3,742,835	\$ -	\$ 3,742,835
Change in Net Assets	\$ 250,163	\$ 2,141,428	\$ 2,391,591
Net Assets Beginning of Year	195,233	1,911,108	2,106,341
Net Assets End of Year	\$ 445,396	\$ 4,052,536	\$ 4,497,932



	Jul YTD Restricted	Total Operations (Unrestricted)			
		Jul YTD	YTD Budget	YTD Budget Variance	% of Budget
Income					
4100 · CONTRIBUTED INCOME	480,800	545,648	613,083	(67,436)	89%
5000 · RELEASE OF RESTRICTIONS	(617,635)	617,635	503,681	113,953	123%
Subtotal Contributed Income	(136,835)	1,163,282	1,116,765	46,518	104%
4200 · EARNED INCOME		19,750	58,917	(39,167)	34%
4300 · INVESTMENT INCOME		94,843	583	94,260	16259%
4500 · OTHER INCOME				-	
Total Income	(136,835)	1,277,875	1,176,265	101,611	109%
Expense					
6000 · PAYROLL EXPENSES		625,503	725,376	(99,874)	86%
6300 · CONSULTANTS		66,906	80,792	(13,886)	83%
6400 · ADMIN EXPENSE		108,077	103,276	4,801	105%
6500 · COMMUNICATION		3,598	29,850	(26,252)	12%
6600 · OTHER PROGRAM		105,839	134,225	(28,386)	79%
6700 · PROFESSIONAL DEVELOPMENT		3,021	6,008	(2,987)	50%
6750 · TRAVEL		2,771	4,900	(2,129)	57%
6900 · MISC				-	
Total Operating Expenses	-	915,714	1,084,427	(168,713)	84%
6850 · FISCAL AGENT DISBURSEMENT		595	-	595	
6875 · DEPRECIATION				-	#DIV/0!
Total Expenses		916,309	1,084,427	(168,118)	84%
Change in Net Assets	(136,835)	361,566	91,837	269,729	394%

What observations about this Statement of Activity are significant?

- Restricted vs. unrestricted activity
- Compares results against budget
- Performance indicators related to the budget





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Results of Operations

	Jul <u>Actual</u>	Year to Date <u>Actual</u>	Prior YTD <u>Actual</u>	Annual <u>Forecast</u>	Annual <u>Budget</u>
Operating Income:	\$ 89,454	\$ 1,663,832	\$ 2,022,074	\$ 2,853,604	\$ 1,885,454
Operating Expense:	\$ 136,642	\$ 915,714	\$ 896,421	\$ 1,691,002	\$ 1,859,715
Less Fiscal Sponsor Disbursements	\$ 140	\$ 595	\$ 30,231	\$ 595	\$ -
Net Operating Income:	\$ (47,329)	\$ 747,523	\$ 1,095,421	\$ 1,162,007	\$ 25,738

“This report is a great tool to provide Voices for Racial Justice insight if we’re on track (or not). The annual forecast column is key on this report; it informs board discussions, including if adjustments need to be made during the year.”



Statement of Cash Flows

- The Statement of Cash Flows reconciles activities of the organization in each period that either added to or used cash.
- Provides insights in how cash moves in and out of an organization, where the organization's cash comes from and how it is used (e.g., operating activities, debt repayment, investments).

Statement of Cash Flows	
January - July, 2023	
	Total
OPERATING ACTIVITIES	
Change in Net Assets	224,731
Adjustments to reconcile change in Net Assets to Net Cash provided by operations:	
1241 Grants Receivable:Grants Rec -Temp Restricted	244,000
1300 Prepaid Expenses	(1,411)
2000 Accounts Payable	(9,846)
2100 VISA, Sunrise Banks	(234)
2445 PAYROLL LIABILITIES:Medical & Dental-125 Deduction	(494)
2457 PAYROLL LIABILITIES:Vision care insurance	(36)
2460 PAYROLL LIABILITIES:Retirement deduction	(1,332)
2475 PAYROLL LIABILITIES:Garnishments	103
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	\$ 230,749
Net cash provided by operating activities	\$ 455,481
INVESTING ACTIVITIES	
1101 Investments:LPL Acct *6640	(53,400)
1102 Investments:LPL Acct *4288	(67,565)
1103 Investments:LPL Acct *2118	(886,710)
Net cash provided by investing activities	\$ (1,007,675)
FINANCING ACTIVITIES	
3100 Unrestricted Net Assets	(6,347)
3101 Unrestricted Net Assets:Board Designated Cash Reserve	73,324
3102 Unrestricted Net Assets:Board Designated Legal Expense Reserve	2,100
3200 Temp. Restricted Net Assets	(31,905)
3203 Temp. Restricted Net Assets:Northstar Project	(14)
3204 Temp. Restricted Net Assets:Seeds of Justice Funds	(26,433)
3205 Temp. Restricted Net Assets:Midwest Mixed Funds	(95)
3999 Retained Earnings	(10,630)
Net cash provided by financing activities	\$ -
Net cash increase for period	\$ (552,194)
Cash at beginning of period	1,678,422
Cash at end of period	\$ 1,126,228



Does your organization include a
Statement of Cash Flows or a **Cash Projection Report**
in its financial reporting package?

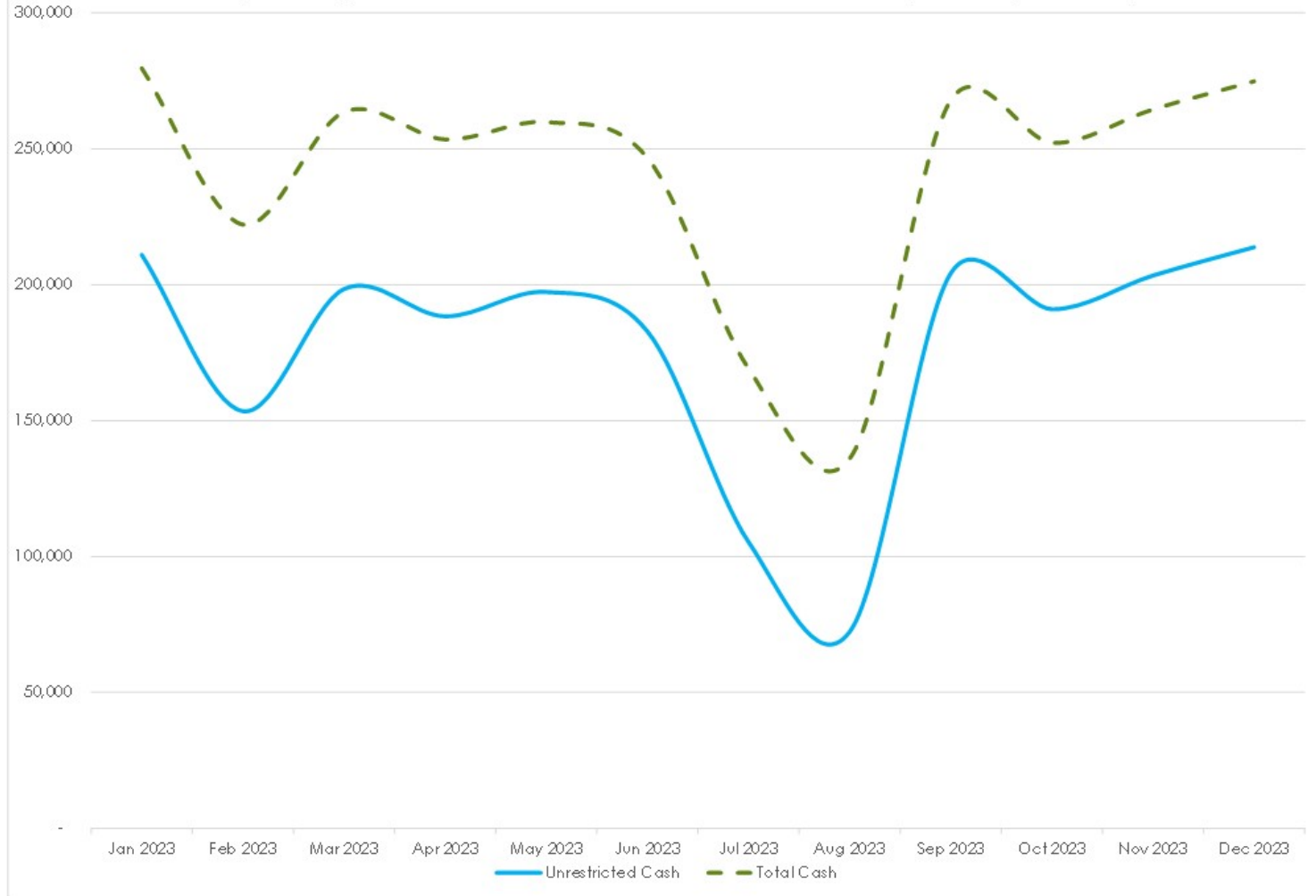


Nonprofit Organization

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	2023 Total
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	
Cash Flow Projections													
Beginning Cash	290,220	279,649	222,147	263,550	253,448	259,814	246,719	169,174	136,007	267,840	252,173	264,506	264,506
Operating Receipts													
4000 Foundations	23,582	4,607	43,664	25,533	12,064	92,104	3,161	2,500	75,000	22,000	45,000	77,000	426,215
4200 Government Grants	-	40,497	36,263	48,945	41,316	125,059	18,431	44,000	135,000	42,000	47,000	96,000	
4300 Earned Revenue	6,655	9,853	9,598	9,045	9,836	9,717	11,278	9,500	9,500	9,500	9,500	9,500	113,483
4400 Investment Income	0	0	1,891	0	0	1,606	0	0	1,500	-	-	1,500	6,498
4800 Other Income	-	-	-	(0)	83,747	(83,747)	-	-	-	-	-	-	(0)
Total Operating Receipts	30,237	54,957	91,416	83,523	146,963	144,740	32,870	56,000	221,000	73,500	101,500	184,000	546,195
Operating Disbursements													
5000 Salaries & Wages	48,876	51,009	50,035	50,110	50,649	78,586	52,867	50,000	50,000	50,000	50,000	80,000	662,131
5050 Payroll Taxes & Fringe	9,446	9,840	8,633	9,344	9,675	14,082	11,311	9,500	9,500	9,500	9,500	14,000	124,330
5100 Professional Services	7,001	9,323	7,217	20,921	9,961	10,142	13,267	8,200	8,200	8,200	8,200	8,200	118,834
5200 Office Expenses	777	843	181	1,147	906	717	954	762	762	762	762	762	9,334
5250 Insurance	1,323	1,246	1,303	4,125	2,391	586	1,470	1,967	1,967	1,967	1,967	1,967	22,278
5300 Depreciation/Amortization	-	-	-	-	0	-	-	-	-	-	-	-	50,000
5400 Travel	47	-	-	-	-	-	-	233	233	233	233	233	1,213
5450 Facilities & Occupancy	6,251	15,584	2,757	3,402	5,319	6,435	5,519	9,500	9,500	9,500	9,500	9,500	92,768
5600 Interest & Financing Fees	1,331	1,169	1,048	1,132	1,230	1,073	998	1,164	1,164	1,164	1,164	1,164	13,800
5650 Other Operating Expenses	2,019	241	2,568	(883)	3,470	(2,661)	4,576	792	792	792	792	792	13,292
5700 Program Specific Expenses	1,601	3,606	3,038	989	637	6,610	1,152	2,747	2,747	2,747	2,747	2,747	31,370
5800 Direct Assistance	100	149	7,559	5,004	1,524	1,104	-	2,573	2,573	2,573	2,573	2,573	28,308
5900 Fundraising/Resource Dev	-	-	136	351	-	141	-	105	105	105	105	105	1,150
Total Operating Disbursements	78,772	93,010	84,476	95,642	85,763	116,816	92,115	87,543	87,543	87,543	87,543	172,043	1,168,808
Adjustment to Cash Books	(39,557)	17,849	(48,186)	(6,411)	(4,577)	(20,047)	(80,809)						(181,738)
Net Cash from Operations	(8,979)	(55,902)	55,126	(5,708)	65,778	47,972	21,564	(31,543)	133,457	(14,043)	13,957	11,957	233,636
Capital & Financing Receipts													
Total Capital & Financing Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital & Financing Disbursements													
27050 Construction Loan	1,593	1,600	1,668	1,614	1,646	1,622	1,654	1,624	1,624	1,624	1,624	1,624	19,517
Building Improvements	-	-	12,055	(12,055)	-	-	-	-	-	-	-	-	-
Construction in Progress	-	-	-	14,835	57,766	59,445	97,455						229,500
Transfer to savings/investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	1,593	1,600	13,723	4,394	59,412	61,067	99,109	1,624	1,624	1,624	1,624	1,624	249,018
Net Cash from Capital & Financing	(1,593)	(1,600)	(13,723)	(4,394)	(59,412)	(61,067)	(99,109)	(1,624)	(1,624)	(1,624)	(1,624)	(1,624)	(249,018)
Ending Cash	279,649	222,147	263,550	253,448	259,814	246,719	169,174	136,007	267,840	252,173	264,506	274,837	274,839
Less Restricted Cash	(68,703)	(68,703)	(65,209)	(65,126)	(62,543)	(63,925)	(63,842)	(63,759)	(63,676)	(61,260)	(61,177)	(61,094)	(61,094)
Available Unrestricted Cash	210,946	153,444	198,341	188,322	197,271	182,793	105,332	72,248	204,164	190,913	203,329	213,745	213,745



Nonprofit Organization: Fiscal Year 2023 Cash Flow Forecast (as of July 31, 2023)



Sample Neighborhood Nonprofit

Statement of Functional Expenses
Year Ending 12/31/21

		Functional Expenses				
		Afterschool Program	Summer Day Camp	Management & General	Fundraising	Total
Natural Expenses	Salaries & Benefits	\$20,000	\$15,000	\$25,000	\$10,000	\$60,000
	Rent	\$6,000	\$3,250	\$750	\$0	\$10,000
	Utilities	\$600	\$325	\$75	\$0	\$1,000
	Supplies	\$3,000	\$3,000	\$1,000	\$3,000	\$10,000
	Advertising	\$3,000	\$3,000	\$0	\$10,000	\$16,000
	Depreciation	\$1,000	\$1,000	\$2,000	\$1,000	\$5,000
	Total	\$33,600	\$22,575	\$18,825	\$24,000	\$33,600

Statement of Functional Expense

Expense Allocation: Categorizes and allocates expenses into specific functional categories, such as program services, fundraising, and administration.

Cost Efficiency: Assess the efficiency of the organization's operations by comparing the proportion of expenses dedicated to program services (directly related to the mission) versus fundraising and administrative expenses.

Providing this information throughout the year is a key contributor to accountability and transparency.



What amount of your organization's expenses are focused on programs?

1) 95% or more

2) 85% - 94%

3) 75% - 84%

4) 50 % - 74%

5) Less than 50%

6) Unsure

Audience Poll



Going Beyond the Essentials



Statement of Financial Position
As of July 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	\$1,126,227.76
Accounts Receivable	\$280,000.00
Other Current Assets	
1100 Investments	1,746,223.49
1300 Prepaid Expenses	17,751.96
Total Other Current Assets	\$1,763,975.45
Total Current Assets	\$3,170,203.21
Fixed Assets	\$34,918.00
TOTAL ASSETS	\$3,205,121.21
LIABILITIES AND NET ASSETS	
Liabilities	\$82,463.56
NET ASSETS	
3100 Unrestricted Net Assets	1,608,386.26
3200 Temp. Restricted Net Assets	1,289,539.92
CY Change in Net Assets	224,731.47
Total NET ASSETS	\$3,122,657.65
TOTAL LIABILITIES AND NET ASSETS	\$3,205,121.21

Benchmark:

A common benchmark for days of unrestricted cash is **90-180 days**. The goal you set for your organization may need to consider other factors.

Reporting Unrestricted Cash

Operational Flexibility: Unrestricted cash provides the nonprofit with operational flexibility.

Liquid Unrestricted Net Assets (LUNA) =

Total Cash & Cash Equivalents	3,152,451
Less: Net Assets w/Donor Restrictions	<u>(1,289,540)</u>
Unrestricted Cash & Cash Equiv.	1,862,911

Distill to a meaningful metric:

Divide the result by the average daily (or monthly) expenses to arrive at days (or months) of unrestricted cash & cash equivalents.



Incorporate a Forecast into the Statement of Activity

Budget vs. Actuals

January - July 2023

	YTD Actual	Annual Budget	EOY Forecast	Actuals Needed to Achieve Fcst	Variance on Budget to Fcst
Revenue					
Total 4100 CONTRIBUTED INCOME	1,055,997	1,784,454	2,311,771	1,255,774	527,317
Total 4200 EARNED INCOME	23,250	101,000	61,833	38,583	(39,167)
Total 4300 INVESTMENT INCOME	94,843	1,000	95,260	417	94,260
Total Revenue	\$ 1,174,090	\$ 1,886,454	\$ 2,468,864	\$ 1,294,774	\$ 582,410
Expenditures					
Total 6000 PAYROLL EXPENSES	668,819	1,243,501	1,143,628	474,809	(99,873)
Total 6300 CONSULTANTS & PROF. FEES	78,734	138,500	124,614	45,880	(13,886)
Total 6400 ADMIN EXPENSE	111,408	177,743	182,544	71,136	4,801
Total 6500 COMMUNICATION	3,598	51,171	24,919	21,321	(26,252)
Total 6600 PROGRAM EXPENSES	127,520	230,100	201,714	74,194	(28,386)
Total 6700 PROFESSIONAL DEVELOPMENT	3,021	10,300	7,313	4,292	(2,987)
Total 6750 TRAVEL	2,771	8,400	6,271	3,500	(2,129)
Total Expenditures	\$ 995,871	\$ 1,859,715	\$ 1,691,003	\$ 695,132	\$ (168,712)
Net Operating Revenue	\$ 178,219	\$ 26,739	\$ 777,861	\$ 599,642	\$ 751,122



Key Performance Indicators & Benchmarking

Metric	Current Ratio	Days/Months Cash On Hand (LUNA)	Unrestricted Net Assets to Debt
Description	Measures the ability of an organization to meet its short-term obligations. A current ratio greater than 2.0 helps to ensure there are sufficient resources to service any current debt or obligations	Measures the availability of cash to continue operations if the organization experiences a funding interruption.	Measures how much an organization is relying on funding from others, such as loans, payables, and obligated funds
Formula	Current Assets / Current Liabilities	(Cash & Cash Equiv – Temp Restr Net Assets) / Average Daily (or Monthly) Expense	Unrestricted Net Assets / Total Liabilities
Benchmark	≥ 2.0	90-180 days (3-6 months)	≥ 2



Key Performance Indicators & Benchmarking

Metric	Savings Indicator	Net Margin	Management & Fundraising Expense	Fundraising Efficiency
Description	Measures net revenues the organization retains as a percentage of the expense (to maintain/replace facilities and extinguish debt).	Indicates the ability of an organization to produce a surplus which could be drawn on in future years if needed.	High values may indicate resources are not directed toward mission-related programs; low values may indicate that an organization may not have the infrastructure to maintain stability or grow.	The amount a nonprofit organization spends to raise \$1.
Formula	$(\text{Revenue} - \text{Expense}) / \text{Total Expenses}$	$(\text{Revenue} - \text{Expense}) / \text{Total Revenue}$	$(\text{Mgmt \& Admin Exp} + \text{Fundraising Exp}) / \text{Total Expenses}$	$\text{Total Contributions (less gov't grants)} / \text{Fundraising Expenses}$
Benchmark	≥ 1% to ≤ 10%	≥ 5.0 %	≥ 7% to ≤ 40%	Compare against peers



Program Specific Operating Measurements

In addition to reviewing financial reports, KPIs, and benchmarks as an indicator of financial health, board members must also be assured that the nonprofit organization is fulfilling its stated mission.

This is essential to keep the nonprofit on track in mission delivery, monitor for mission creep, and ensure accountability to funders and donors that the organization is using financial resources as donors intended.

Programs & Service Delivery

- Number of clients served
- Program attendance
- Program enrollment
- Client satisfaction rate
- Volunteer hours served per period
- Cost per service or unit
- Changes in knowledge, skills, abilities, and/or behaviors (e.g., pre- and post-scores)



Presentation Matters





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“Improving our financial reporting package has helped to unveil the mystery of understanding financial performance in our organization. The conversation has evolved to include questions such as:

- What goals are we trying to achieve (what resources do we have to do so)?*
- Should we establish a board reserve (and what amount should it be)?*
- How should we invest extra cash?”*



Financial Snapshot

Statement of Financial Position

	<u>2023 YTD</u>	<u>Prior Year</u>
Cash	\$ 1,126,228	\$ 2,598,872
Accounts and Grants Receivables	\$ 280,000	\$ 612,000
Investments	\$ 1,746,223	\$ -
Prepaid Expenses	\$ 17,752	\$ 16,626
Net, Fixed Assets	\$ 34,918	\$ 60,869
Total Assets	\$ 3,205,121	\$ 3,288,367
Accounts Payable	\$ 24,777	\$ 26,292
Accrued Employee Benefits	\$ 21,204	\$ 15,118
Long Term Liabilities	\$ 36,482	\$ 60,869
Total Liabilities	\$ 82,464	\$ 102,280
Net Assets	\$ 3,122,658	\$ 3,186,088

Results of Operations

	<u>Jul</u>	<u>Year to Date</u>	<u>Prior YTD</u>	<u>Annual</u>	<u>Annual</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
Operating Income:	\$ 89,454	\$ 1,663,832	\$ 2,022,074	\$ 2,853,604	\$ 1,885,454
Operating Expense:	\$ 136,642	\$ 915,714	\$ 896,421	\$ 1,691,002	\$ 1,859,715
Less Fiscal Sponsor Disbursements	\$ 140	\$ 595	\$ 30,231	\$ 595	\$ -
Net Operating Income:	\$ (47,329)	\$ 747,523	\$ 1,095,421	\$ 1,162,007	\$ 25,738

Key Measurements:

- *Narrative added here*



Sustainability Measurements

Months of Unrestricted Cash



Narrative comment(s)

Donor Restricted Grants & Gifts

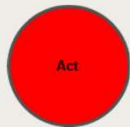


Narrative comments(s)



Fiscal Responsibility

The ratios below measure the organization's effectiveness in managing its financial resources



Measurement	Score	Benchmark	What does it mean
Current Ratio	68.95	>2.0	Organization has \$68.95 in cash & equivalents for every dollar it owes
Debt to Net Assets	2.64%	<100%	Current debt represents only 2.64% of its net worth
Net Margin	12.78%	>5%	This ratio measures the ability to create a surplus from operations to invest in growth of the organization
*Program Expenses	85.44%	70% - 90%	For every dollar spent, \$0.85 is spent on programs
*Administrative Expenses	8.10%	5% - 10%	For every dollar spent, \$0.08 is spent on administrative expenses
*Fundraising Efficiency	\$ 0.06	\$.25 - \$.50	The org. spends approx. \$0.06 for every dollar it raises in contributions and grants



Enjoy the Flight!

Leading a nonprofit organization (and piloting an airplane) requires a strong sense of responsibility and accountability, effective leadership, adaptability, and a commitment to ensuring the well-being of those they serve.

- Understand your audience
- Make it relevant
- Keep the information concise
- Ace the analysis
- Present a story
- Make reports actionable
- **Stick with it!**

Visual
Communication



Clear,
Eye-Catching
Design



A Message
that Educates,
Motivates and
Engages



Final Questions



Become Flight Ready!

- Free resources, articles and guides are available at:
<https://www.veracitypros.com/resources>

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Thank you!

