

WELCOME TO

**NPN**

NONPROFIT NETWORK



**Goodwill WIFI PW: guestWifi21\$**

**SAVE THE DATE!**

December 11<sup>th</sup>, 9:00-11:00am,  
Heart of Texas Goodwill Community Connect– NPN Session  
Session Topic: Making Sense of Generative AI for Nonprofit Leaders

# **Waco Foundation**

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Community Foundation Created in 1958

Manage \$165MM Endowment

Launched The Avenue Nonprofit Center in 2025

- Meeting Space for Nonprofits at no cost
- Office Space Available for Lease
- Shared Services (Back Office Support)

# **Waco Foundation**

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We promote solutions to community challenges,  
strengthen nonprofits,  
engage philanthropists and  
manage charitable assets  
in order to improve quality of life in  
McLennan County.

# Introduction

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**Isabel (Bell) Weeden, CPA**

**CFO/COO**

**[iweeden@wacofoundation.org](mailto:iweeden@wacofoundation.org)**



## **Deeper Financial Insights**

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Move past WHAT happened into WHY.

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Bring clarity and objectivity to  
organizational decisions.

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See and tell your story more accurately.



## Deeper Financial Insights

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- Standard Ratios
- Operational Metrics
- Expectations
- Presentation Ideas



## Standard Ratios

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- **Used to demystify complex financials into clear signals that enable informed decision making.**
- **Can be used for peer comparisons (many 990s are available on websites / Guidestar).**
- **Best reviewed with multiple time periods.**

# Standard Ratios

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## Sustainability

*Can the organization keep operating over time?*

## Efficiency

*How well are resources being used to advance the mission?*

## Resilience

*How well can the organization absorb shocks or take advantage of opportunity?*



## **Standard Ratios – When to Use**

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At periodic intervals

In consideration of larger decisions

Existence of operational concerns



## **Sustainability Ratios**

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Can the organization keep  
operating over time?



# **Sustainability Ratios**

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- **Current Ratio** – *Current Assets / Current Liabilities* – Can this organization cover its short-term obligations with its short-term resources?
- **Operating Margin** – *(Operating Revenues – Operating Expenses)/ Operating Revenues* – Do core activities support themselves?

# **Sustainability Ratios**

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- **Debt-to-Asset Ratio** –  $Total\ Liabilities / Total\ Assets$  –  
How much of this organization's resources are  
financed by borrowing rather than owned  
outright?
- **Growth in Net Assets over Time** –  $Change\ in\ Net\ Assets / Net\ Assets$  – Reveals long term financial

# **Sustainability Ratios**

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- **Revenue Diversification** – helps to understand how spread out—or how concentrated—funding sources are.
- **Dependency Ratios** -  $\frac{\text{Revenue from the Largest Single Source}}{\text{Total Revenue}}$  - Spotlights vulnerability to a single revenue source.

# Current Ratio

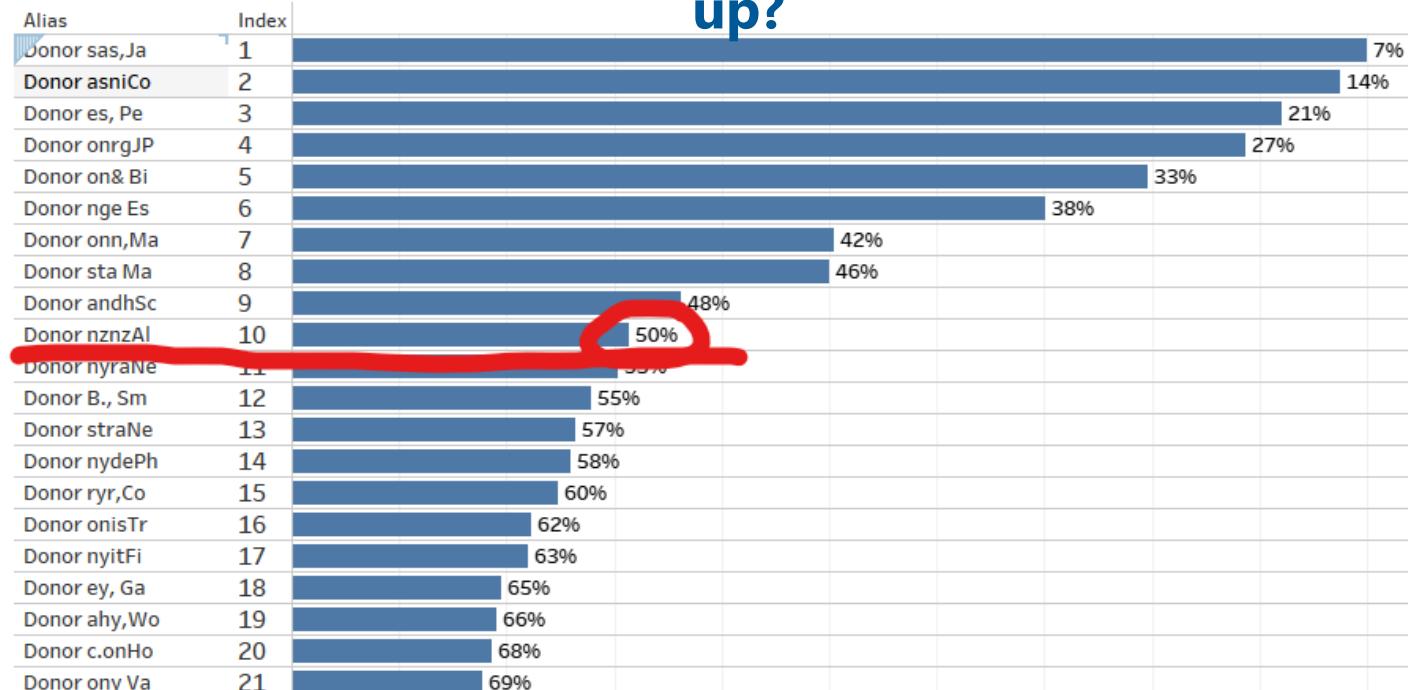
Measures liquidity – ability to pay short term debt with short term assets



# Revenue Concentration

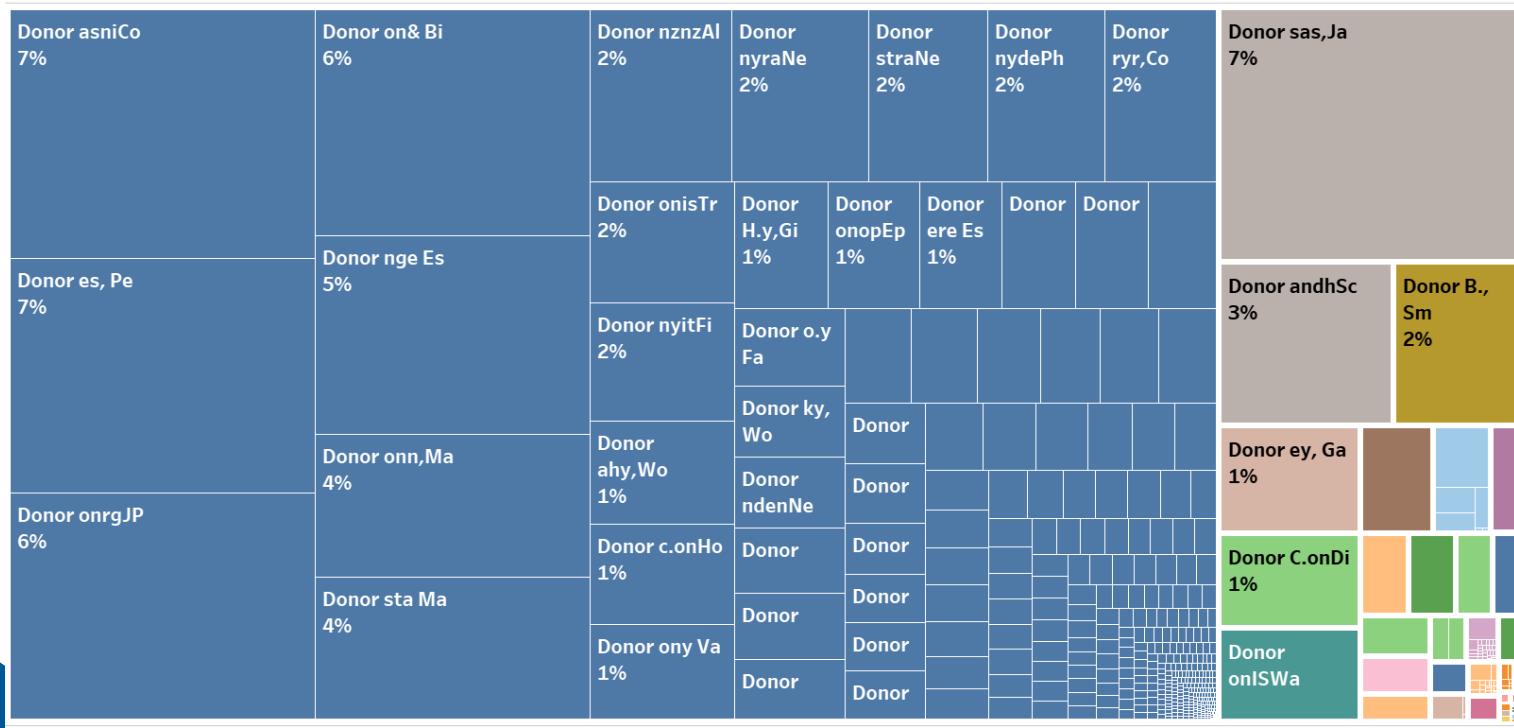
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**What % of Total Revenue do the Top “N” Donors make up?**



# Revenue Concentration

Who are the biggest donors and what do we know about their continued ability to fund the organization?



# Revenue Concentration

Which donors are showing Attrition / Growth?

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Donor ann Du					
Donor T. MEd		-46%	45%	-39%	-78%
Donor B., Sm		-26%	309%	-40%	252%
Donor thr,Co		168%			-52%
Donor onraln		153%	-40%	-19%	-5%
Donor etffRa		67%	-20%	-25%	
Donor onemTL		29%	-47%	-49%	26%
Donor on WSt		564%	-73%	2%	9%
Donor enacAd					
Donor ce, St		-14%	-97%	1,655%	-98%
Donor ndofBa					
Donor sysoRo		33%	0%	-50%	
Donor astoln					
Donor andhSc				683%	

## **Efficiency Ratios**

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How well are resources being  
used to advance the mission?



# Efficiency Ratios

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- **Program Expense Ratio** –  $Program\ Expenses \div Total\ Expenses$ 
  - Shows how much of the organization's spending is going directly into mission-driven work.
- **Administrative Expense Ratio** –  $Administrative\ Expenses \div Total\ Expenses$  – Looks at the share of total spending that goes toward management and general

# Efficiency Ratios

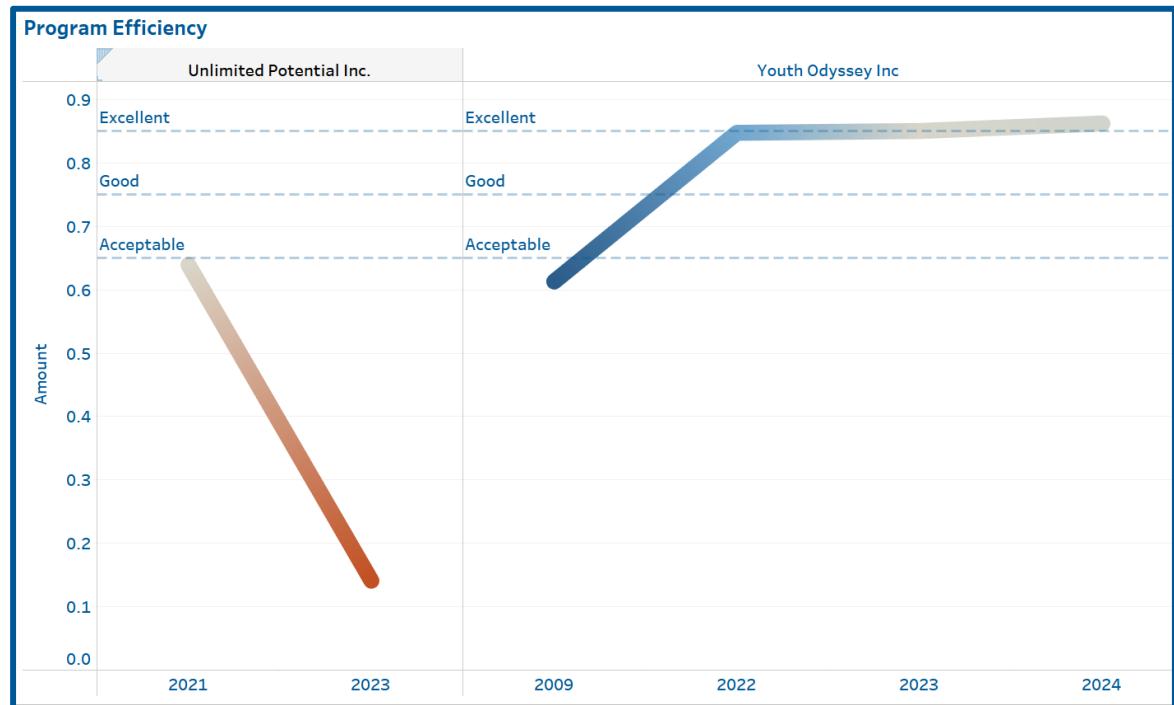
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- **Fundraising Efficiency Ratio** –  $Fundraising\ Expenses \div Total\ Contributions\ Raised$  – Shows how cost-effective fundraising efforts are.
- **Revenue per FTE** –  $Total\ Revenues \div Total\ Full\ Time\ Equivalent\ Employees$  – Shows how much revenue the organization generates for the staffing capacity it actually uses.

# Program Expense Ratio

% of total expenses  
spent directly on  
mission-related  
programs.

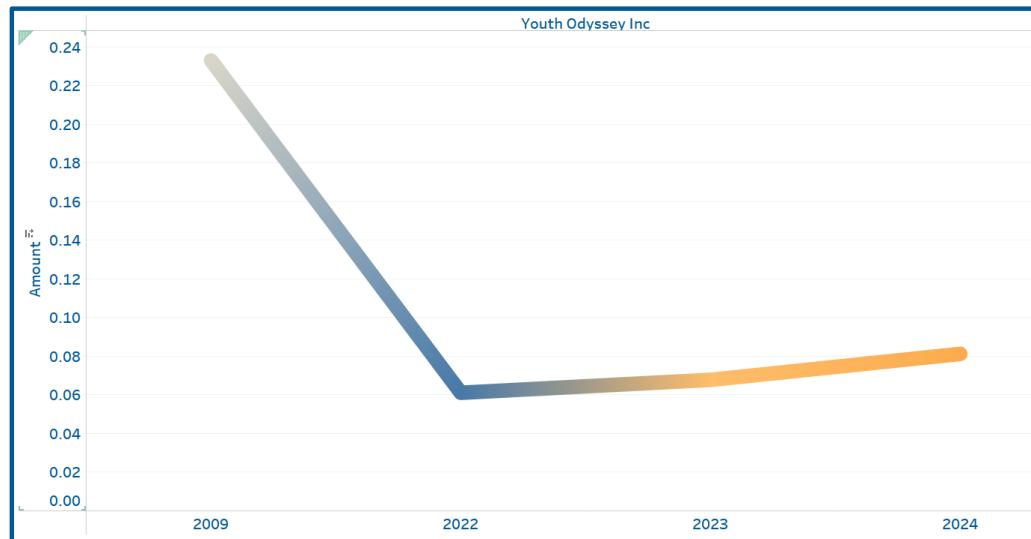
Program Expenses /  
Total Expenses



# Fundraising Efficiency Ratio

Amount of money  
spent to raise \$1.

Fundraising Expenses /  
Total Contributions &  
Grants

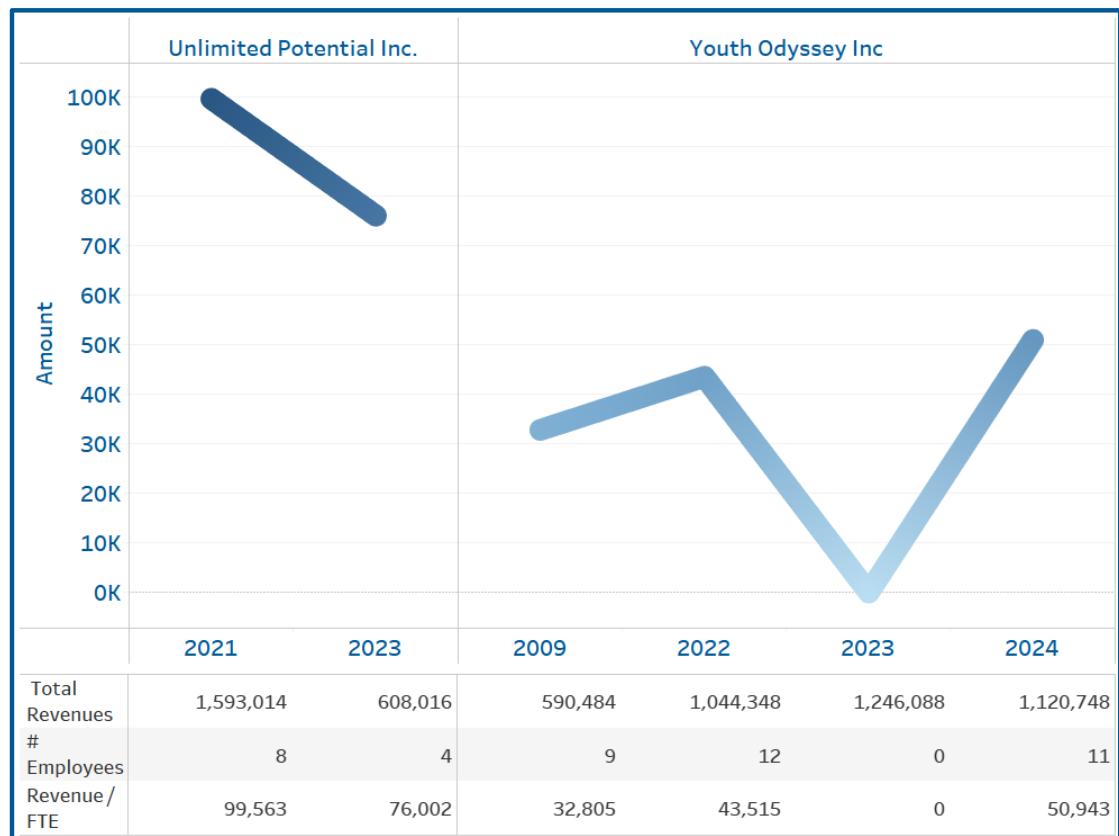


	2009	2022	2023	2024
Total Contributions and Grants	188,178.00	515,619.00	605,342.00	553,195.00
Total Fundraising Expenses	43,857.00	31,505.00	41,035.00	44,930.00
Fundraising Efficiency Ratio	0.23	0.06	0.07	0.08

# Revenue per FTE

A key indicator of  
how much revenue  
each employee  
generates.

# Total Revenue / Total FTEs



## Resilience Ratios

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How well can the  
organization absorb shocks  
or take advantage of



# Resilience Ratios

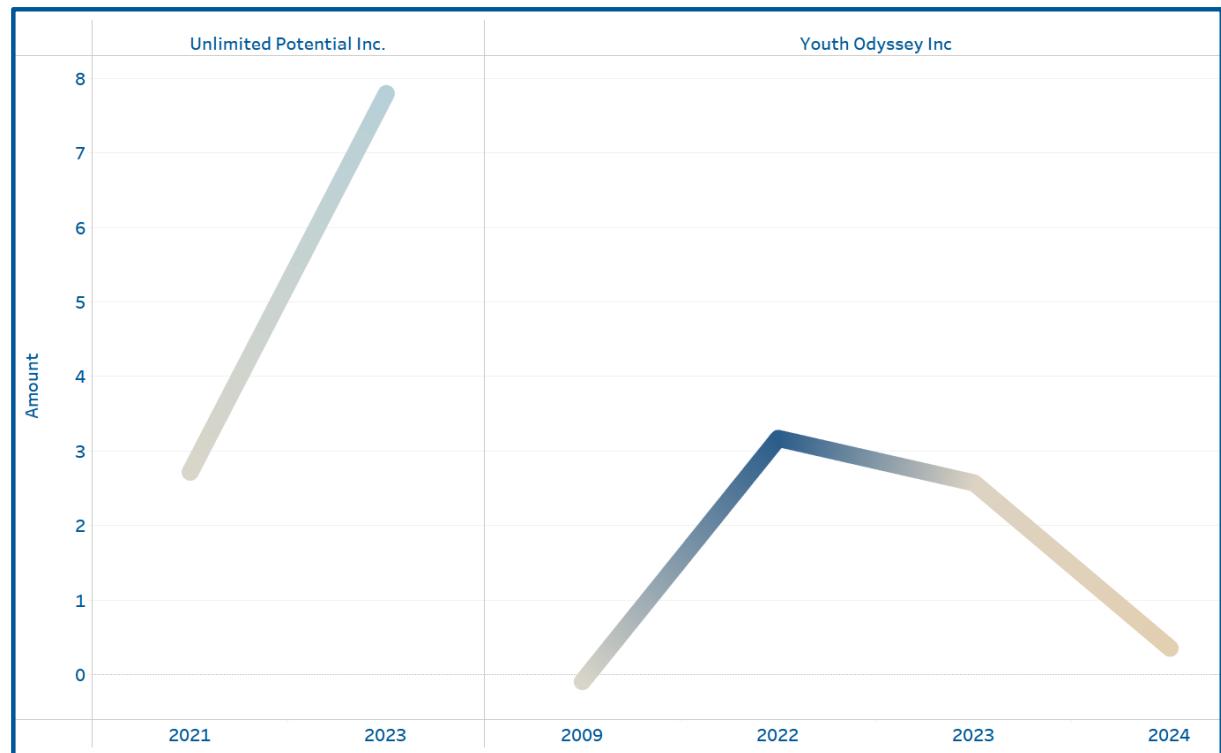
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- **Days Cash on Hand**–  $\text{Unrestricted Cash} \div \text{Total Annual Expenses} \div 365$  - Number of operating days supported by current Cash Balances
- **Cash Reserves Ratio**–  $\text{Unrestricted Cash (or Cash + Unrestricted Investments)} \div \text{Average Monthly Expenses}$  - How long could the organization keep operating if revenue stopped?

## Trend of Liquidity Metrics

# Cash Reserves Ratio

# Months of  
operating expenses  
covered by  
unrestricted cash and  
liquid investments.  
**Unrestricted Cash /  
Avg Monthly  
Expenses**



## Ratio Considerations

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- **Longer Trends = More robust and sound insights.**
- **A higher # isn't always better.**
- **Don't let data issues stop the process. Use those to fine tune the process going forward.**

## Operational Metrics

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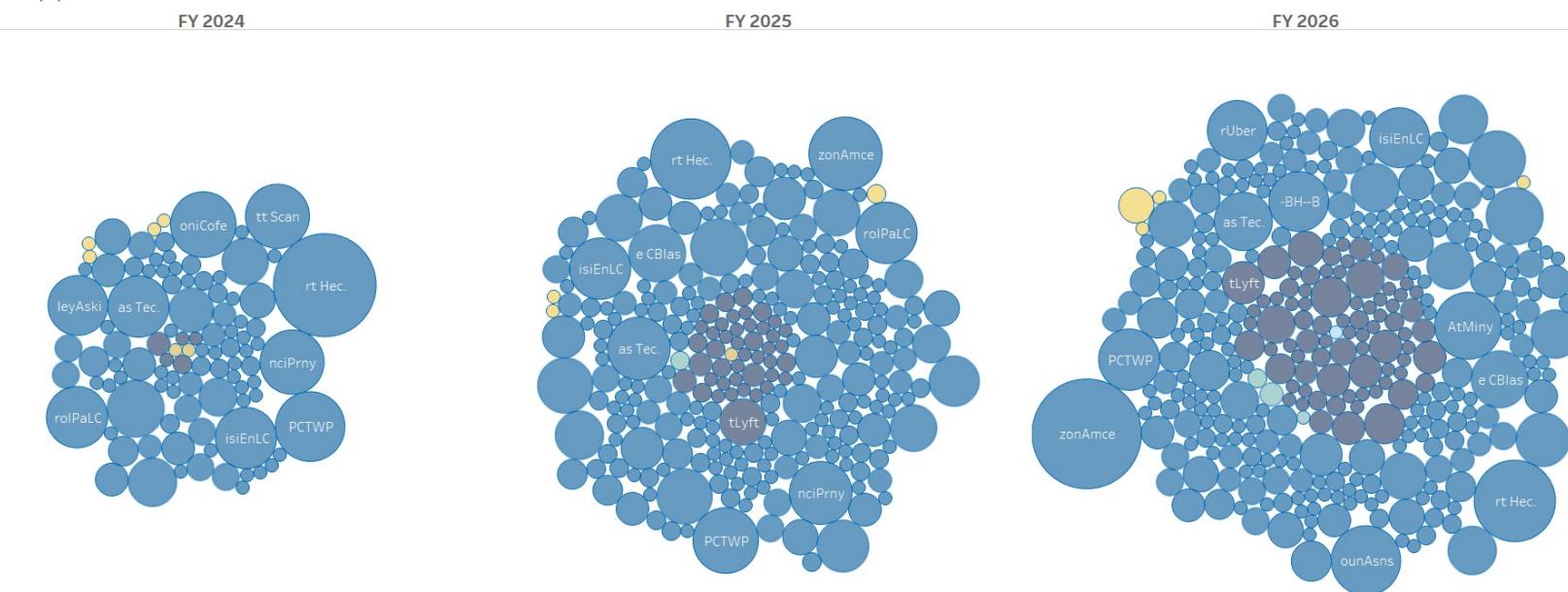
- Volume Metrics (*Meals Delivered, Cases Resolved, Participant Sessions*)
- Cost per Unit of Service or Product
- Trends of Transaction Volumes
- Employee Turnover

# Operational – Transaction Volumes



# Operational – Expense Transactions

Reviewing Transaction Volumes helps to understand staffing needs and  
which vendors are candidates for automation.



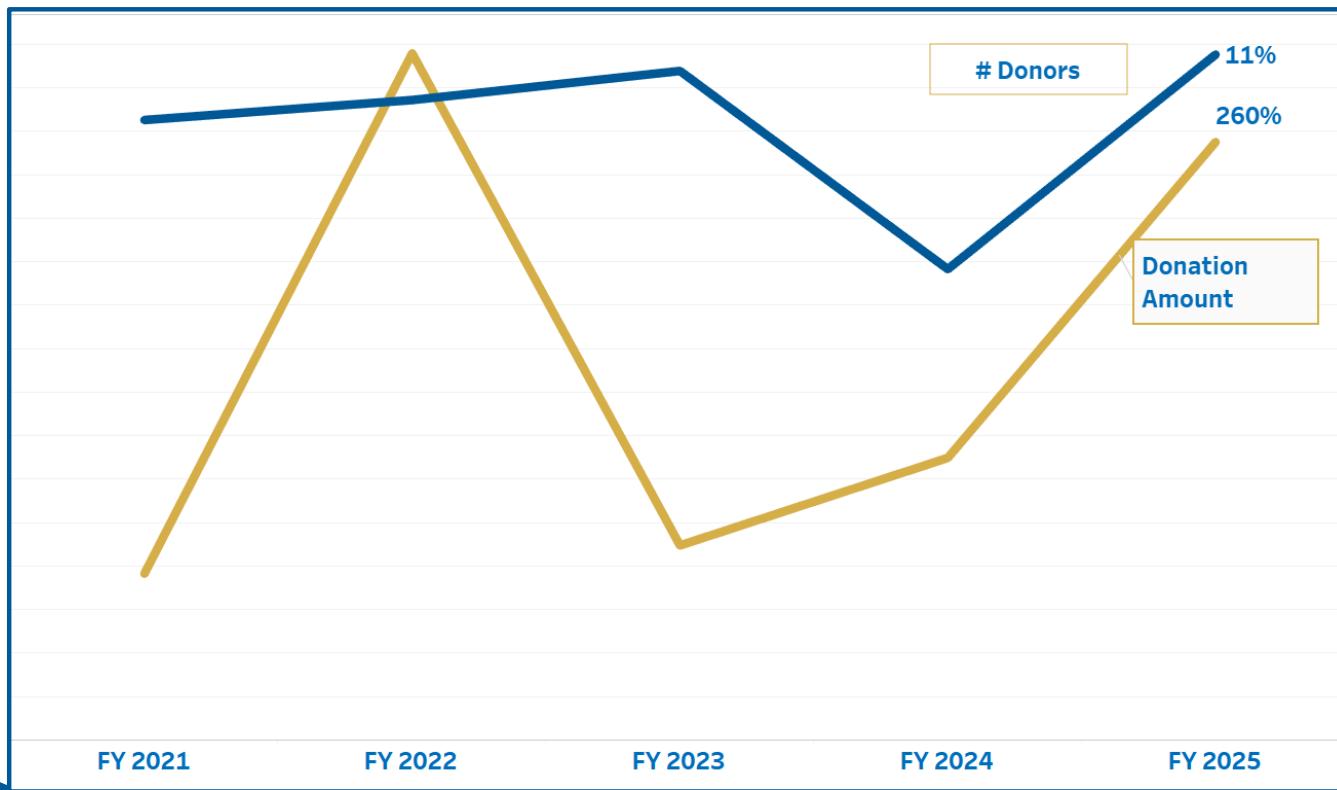
## Operational Metrics

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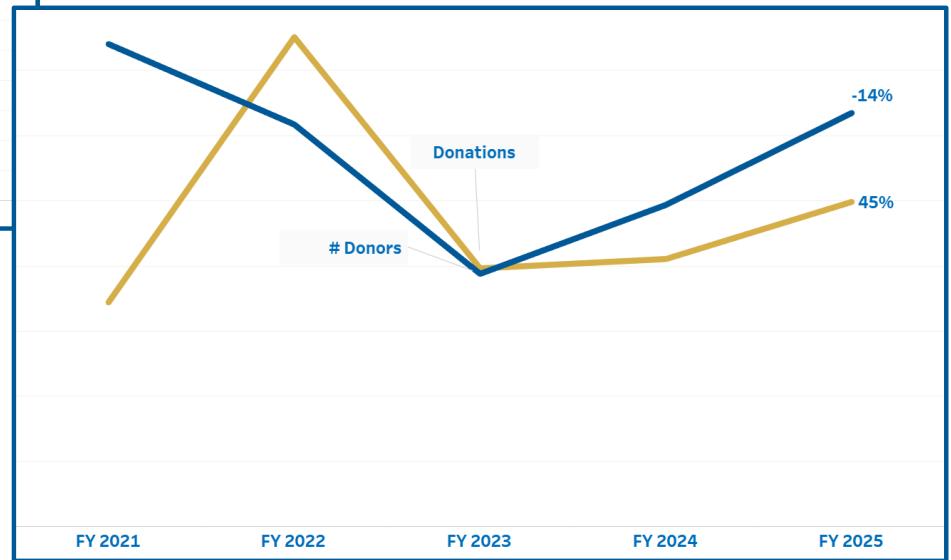
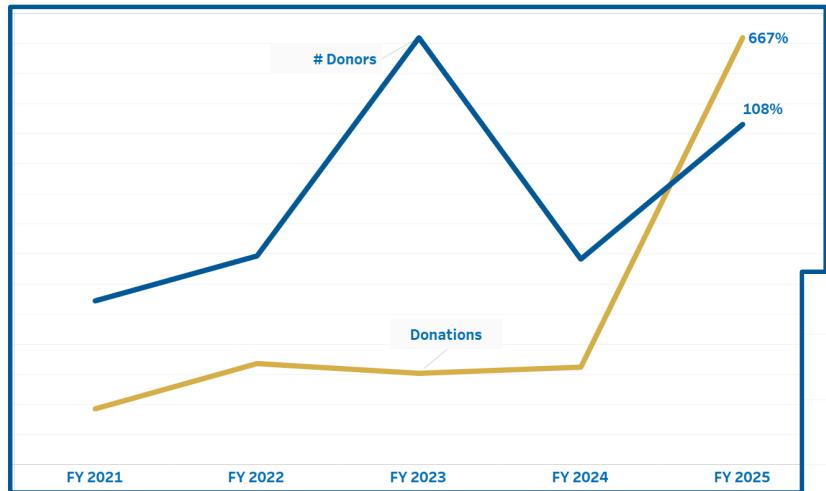
- Growth of Donors vs. Contributions
- Average Donations
- Trends of Donor Categories – “Recurring”,  
“EOY”, etc.
- Results of investments over time

# Growth of Donors / Donations

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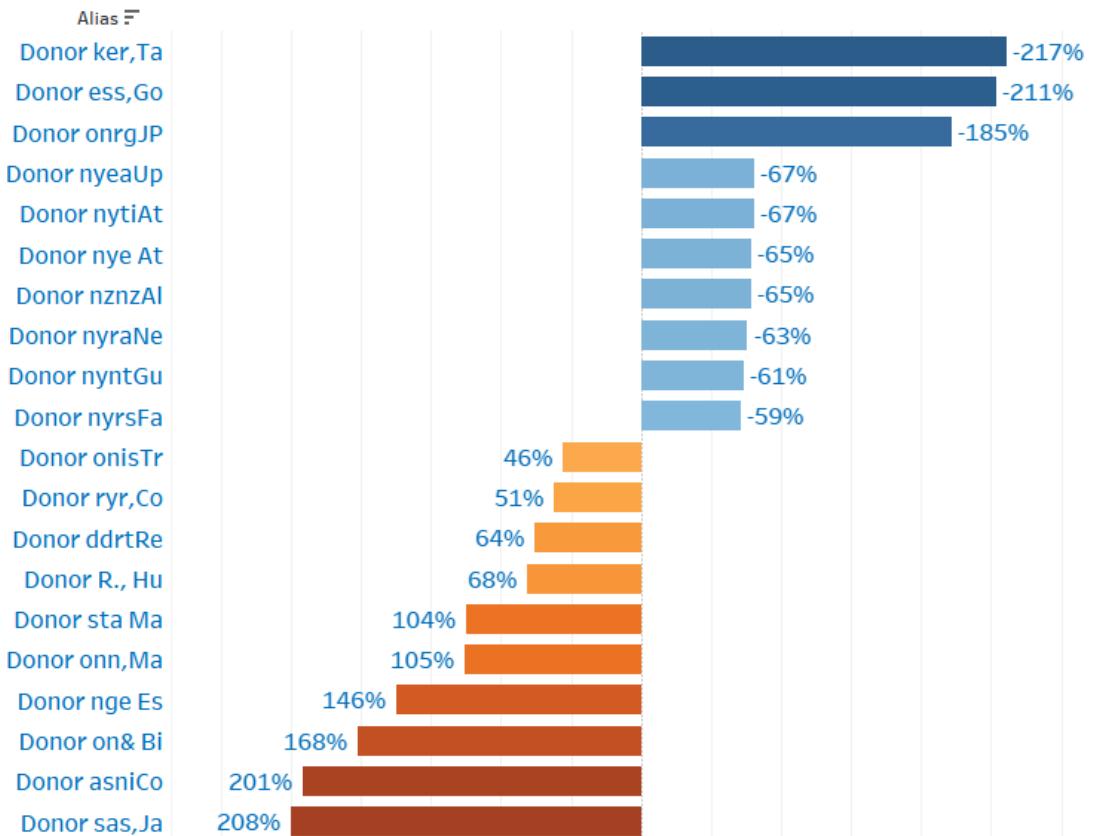


# Review by Categories / Groups

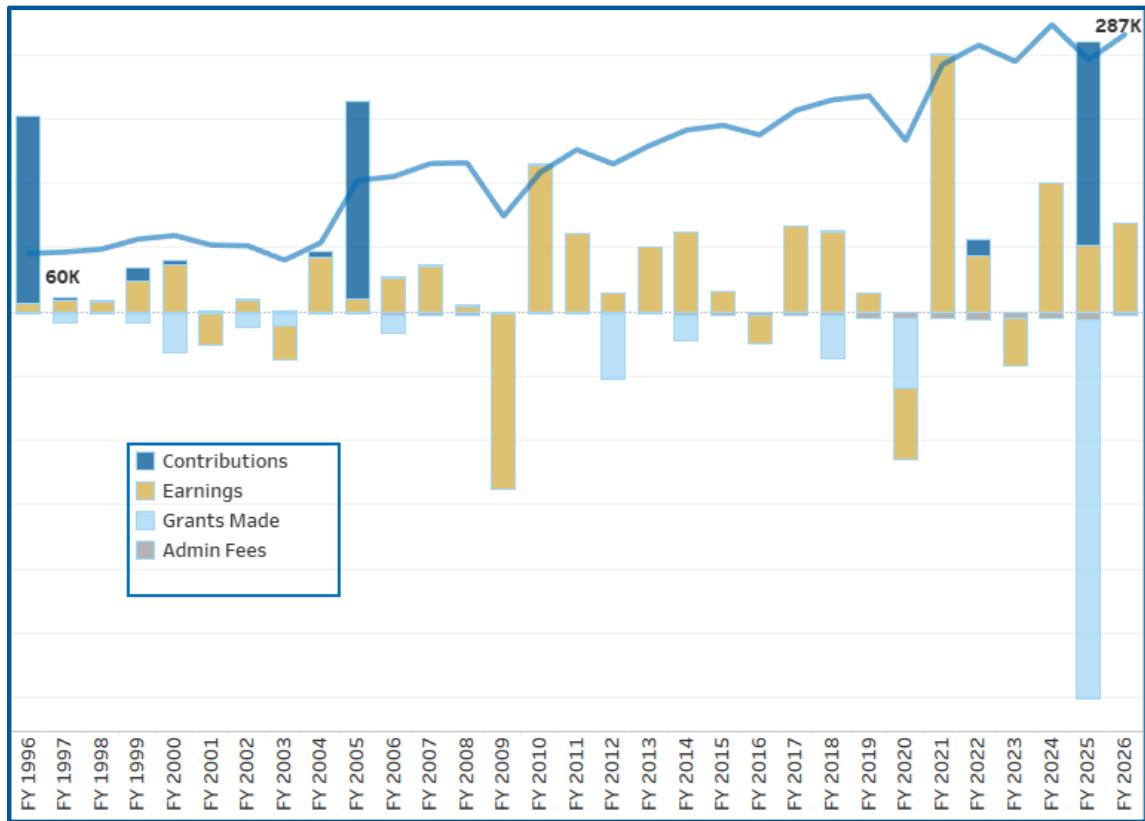


# Focus on Largest Variances

Which donors  
fluctuated the  
most year to  
year?



# Results of Investments over Time



## Tools

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- 990 Filings – Your organization's and others (websites, Guidestar)
- Excel, Power BI, Tableau, Google Data Studio, Openheatmap
- Metric Tracker Worksheet

# Metric Tracker

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	2020	2021	2022	2023	2024	2025
Unrestricted Cash	-					
Current Assets (Cash, A/R, Inventory)	-					
Fixed Assets	-					
Longer Term Investment Assets	-					
Total Assets	-	-	-	-	-	-
Current Liabilities	-					
Long Term Liabilities	-					
Total Liabilities	-	-	-	-	-	-
Net Assets	-					
Amount of Largest Single Revenue Source	-					
Operating Revenues	-					
Total Revenues	-					
Program Expenses	-					
Administrative Expenses	-					
Fundraising Expenses	-					
Total Expenses	-	-	-	-	-	-
Full Time Equivalent Employees	0					

# Metric Tracker

# Expectations

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- Patterns revealed that were hiding in plain sight.
- Ratios turn scattered data into a narrative, and narratives are harder to ignore.
- Areas of Over / Under investment are made clear.

# Expectations

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- The benefit of “That’s wrong.”
- Reporting Errors
- Validation of Definitions
- Data Cleanliness Issues



# Presenting Your Data

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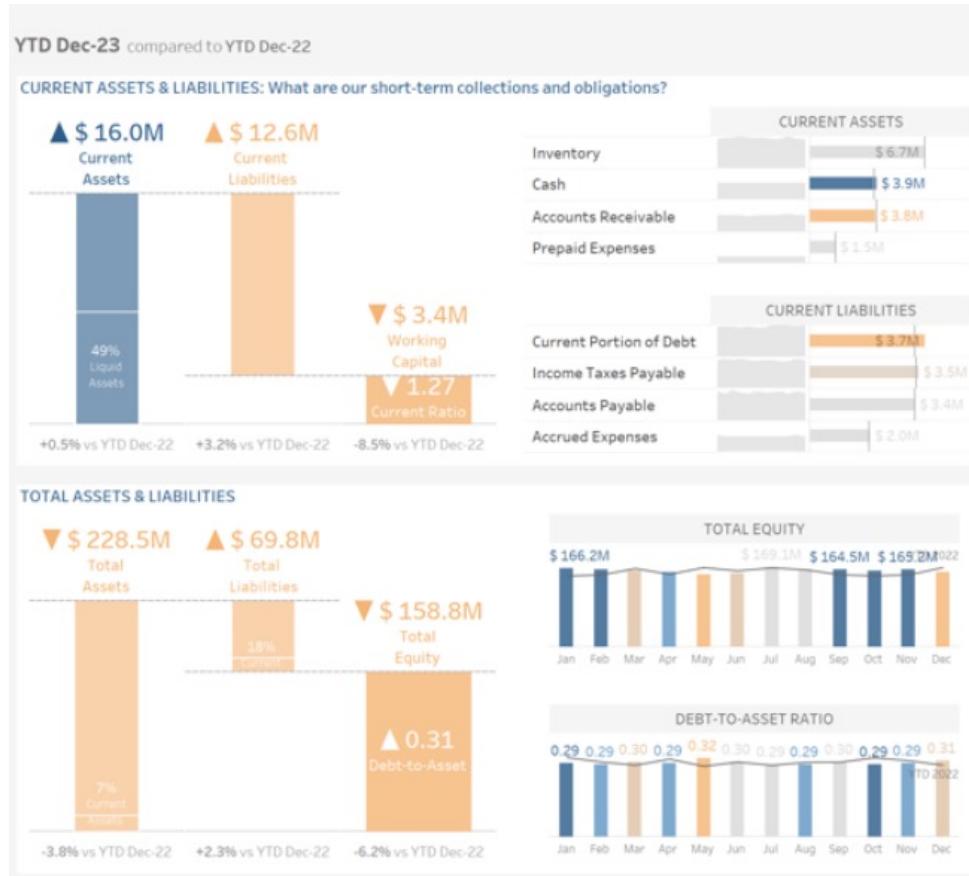
## Edward Tufte

- Clutter and confusion are failures of design, not attributes of information.
- The act of arranging information becomes an act of insight
- Design cannot rescue failed content.

## Ben Schneiderman

- Visualization gives you answers to questions you didn't know you had.

# Presentation Ideas – Balance Sheet

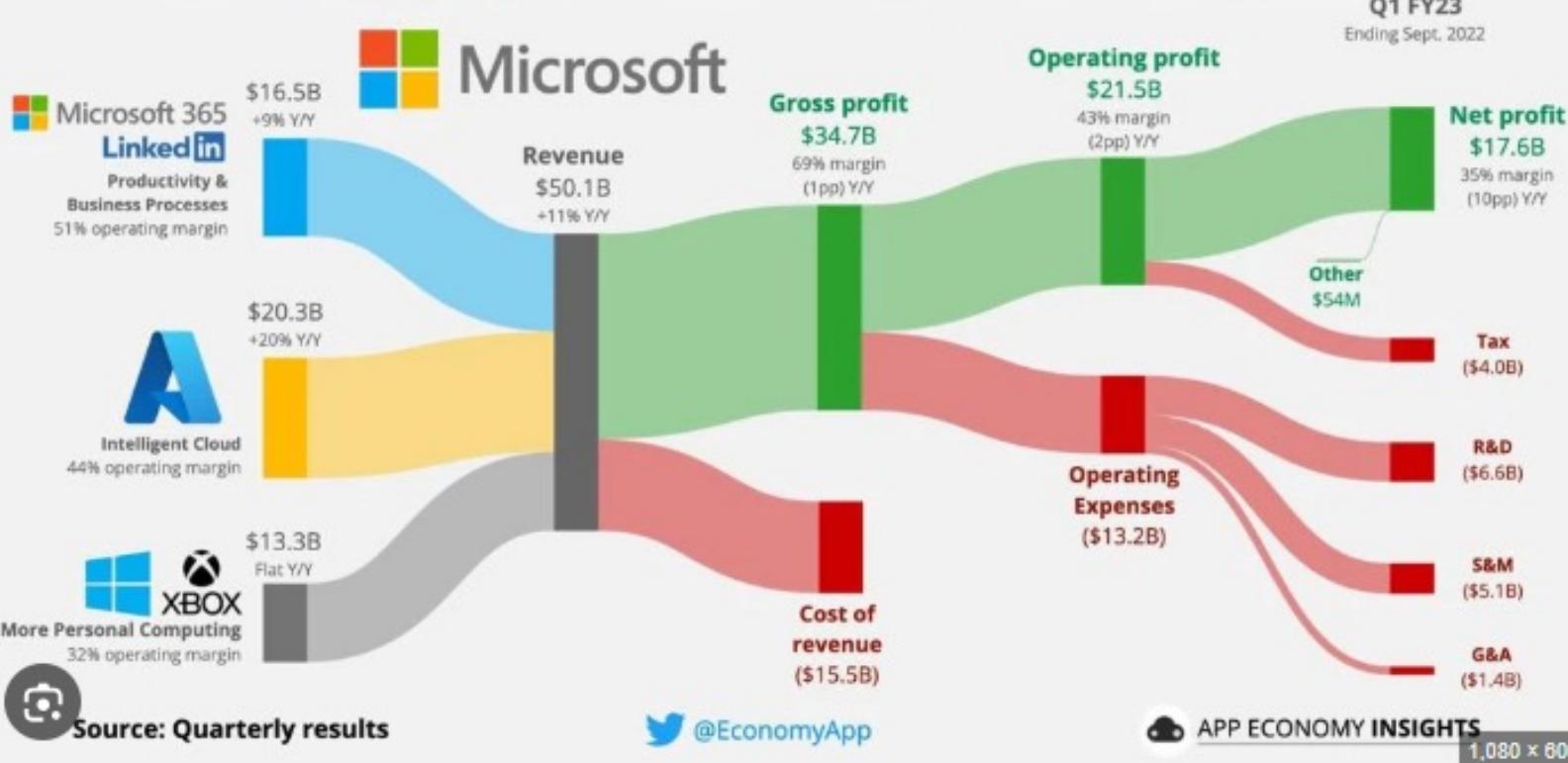


# Presentation Ideas – Income Stmt

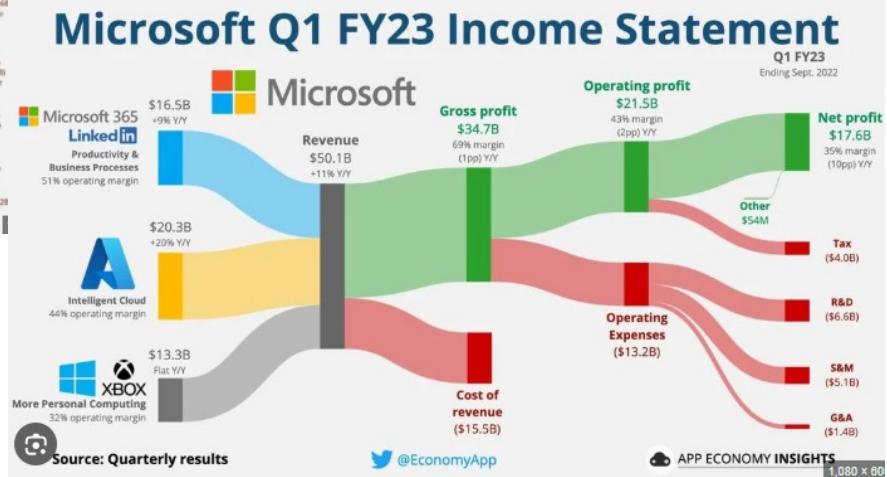
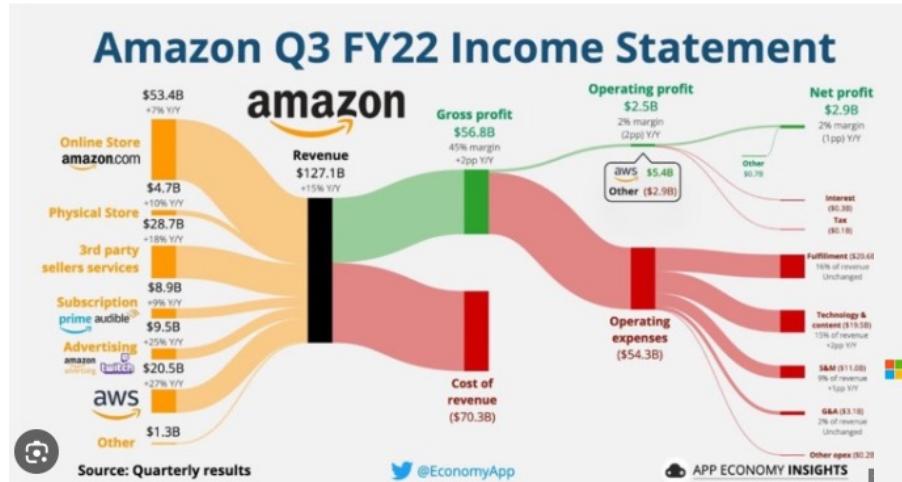


# Presentation Ideas – Income Stmt

## Microsoft Q1 FY23 Income Statement



# Presentation Ideas – Income Stmt



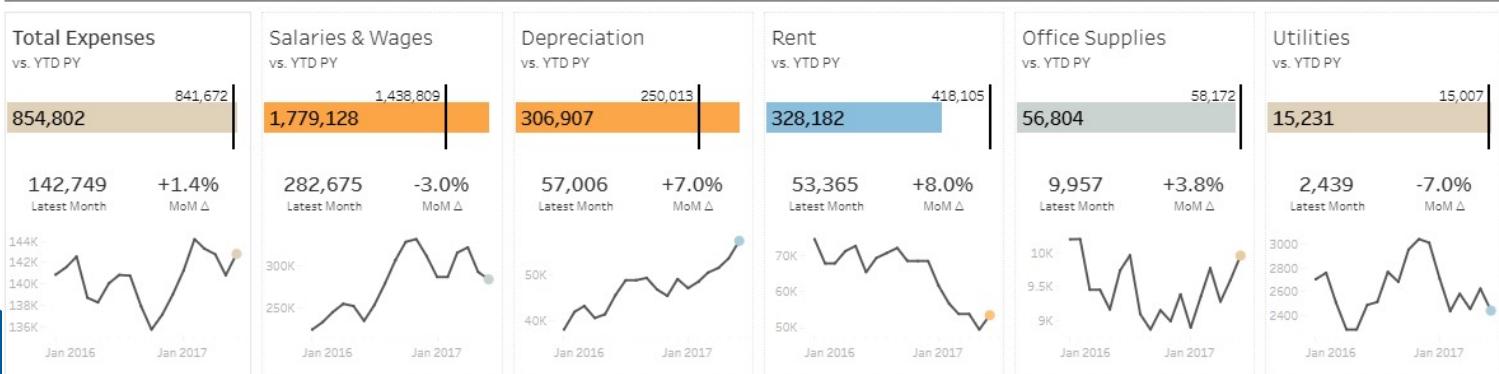
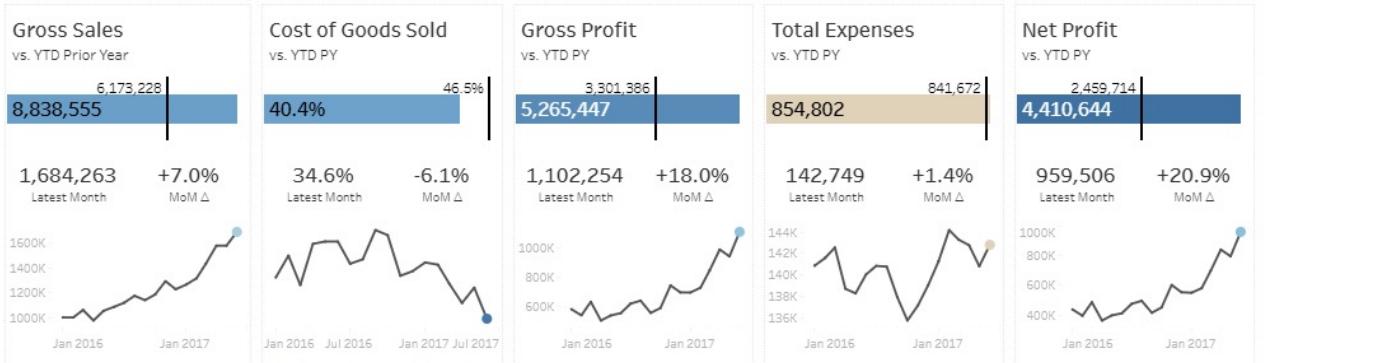
# Presentation Ideas – Budget to Actual

## Profit & Loss Statement

Year-to-Date through June 2017

Goal met      Goal not met

- Latest month  $\Delta$  to prior month

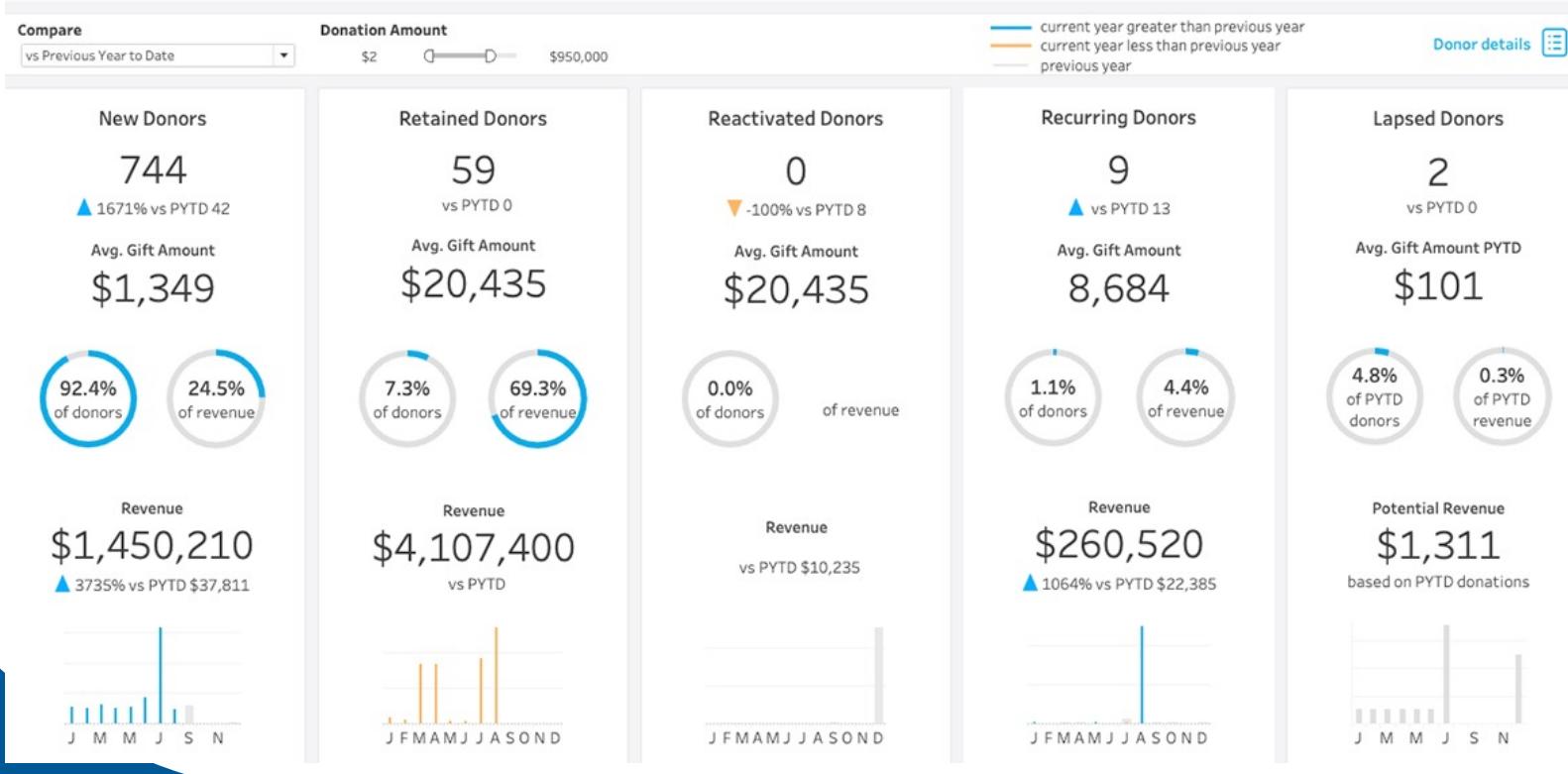


# Presentation Ideas – Donor Review

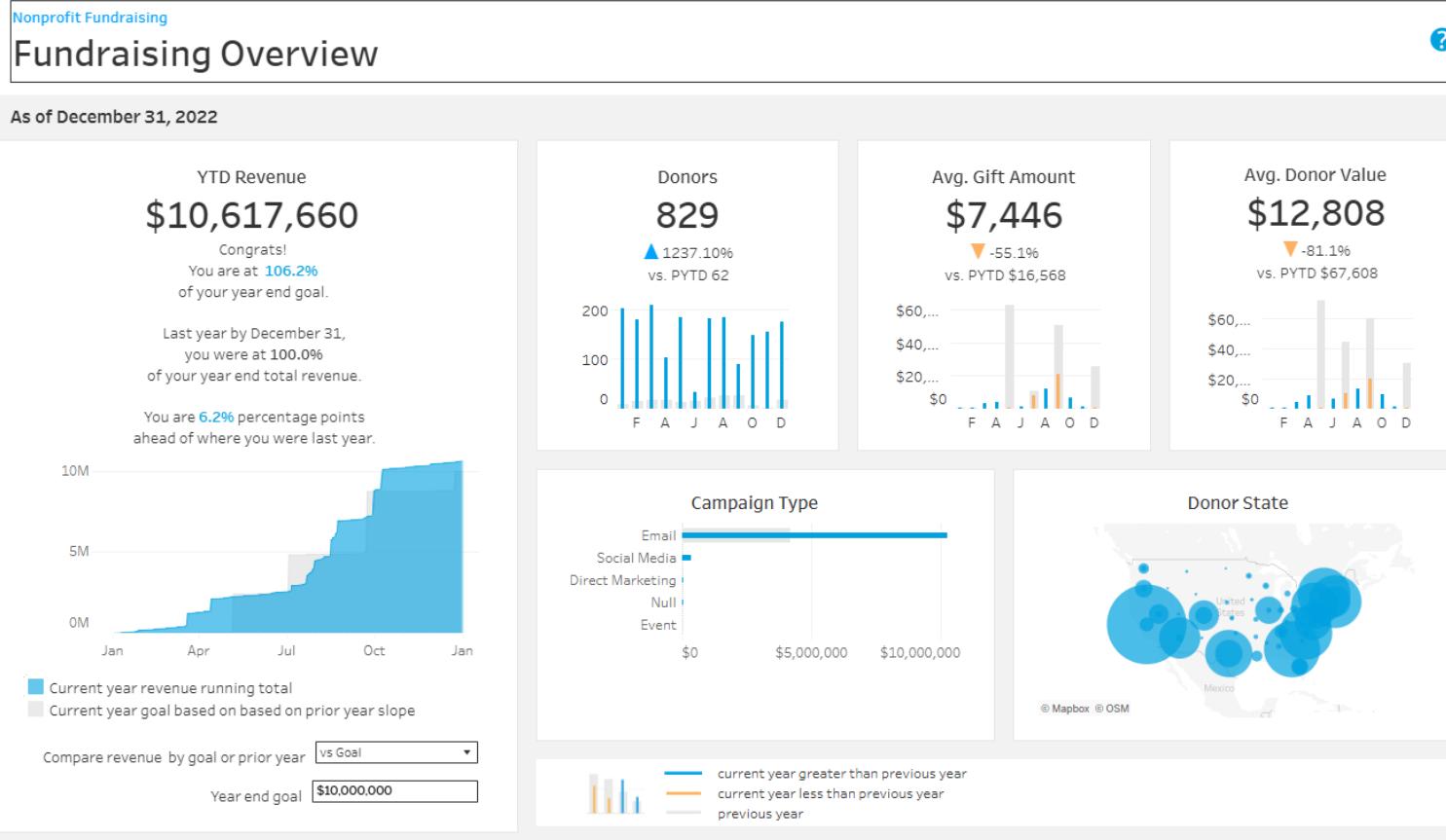
Nonprofit Fundraising



## Donor Acquisition, Retention, and Churn



# Presentation Ideas – Donations



**THANK YOU FOR ATTENDING**



**Please fill out an evaluation!**

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**SAVE THE DATE!**

December 11<sup>th</sup>, 9:00-11:00am,  
Heart of Texas Goodwill Community Connect– NPN Session  
Session Topic: Making Sense of Generative AI for Nonprofit Leaders