

WELCOME TO

NPN

NONPROFIT NETWORK



Goodwill WIFI PW: guestWifi21\$

SAVE THE DATE!

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

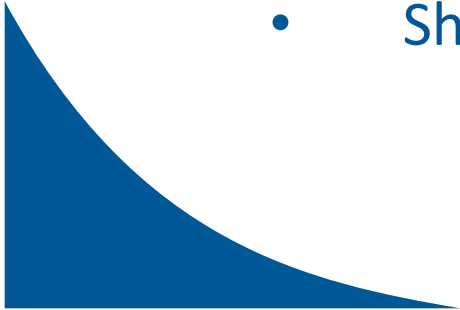
Waco Foundation

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

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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CFO/COO

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Deeper Financial Insights

Move past WHAT happened into WHY.

Bring clarity and objectivity to
organizational decisions.

See and tell your story more accurately.




Deeper Financial Insights

- Standard Ratios
- Operational Metrics
- Expectations
- Presentation Ideas



Standard Ratios

- **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

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

At periodic intervals

In consideration of larger decisions

Existence of operational concerns



Sustainability Ratios

Can the organization keep
operating over time?



Sustainability Ratios

- **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

- **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



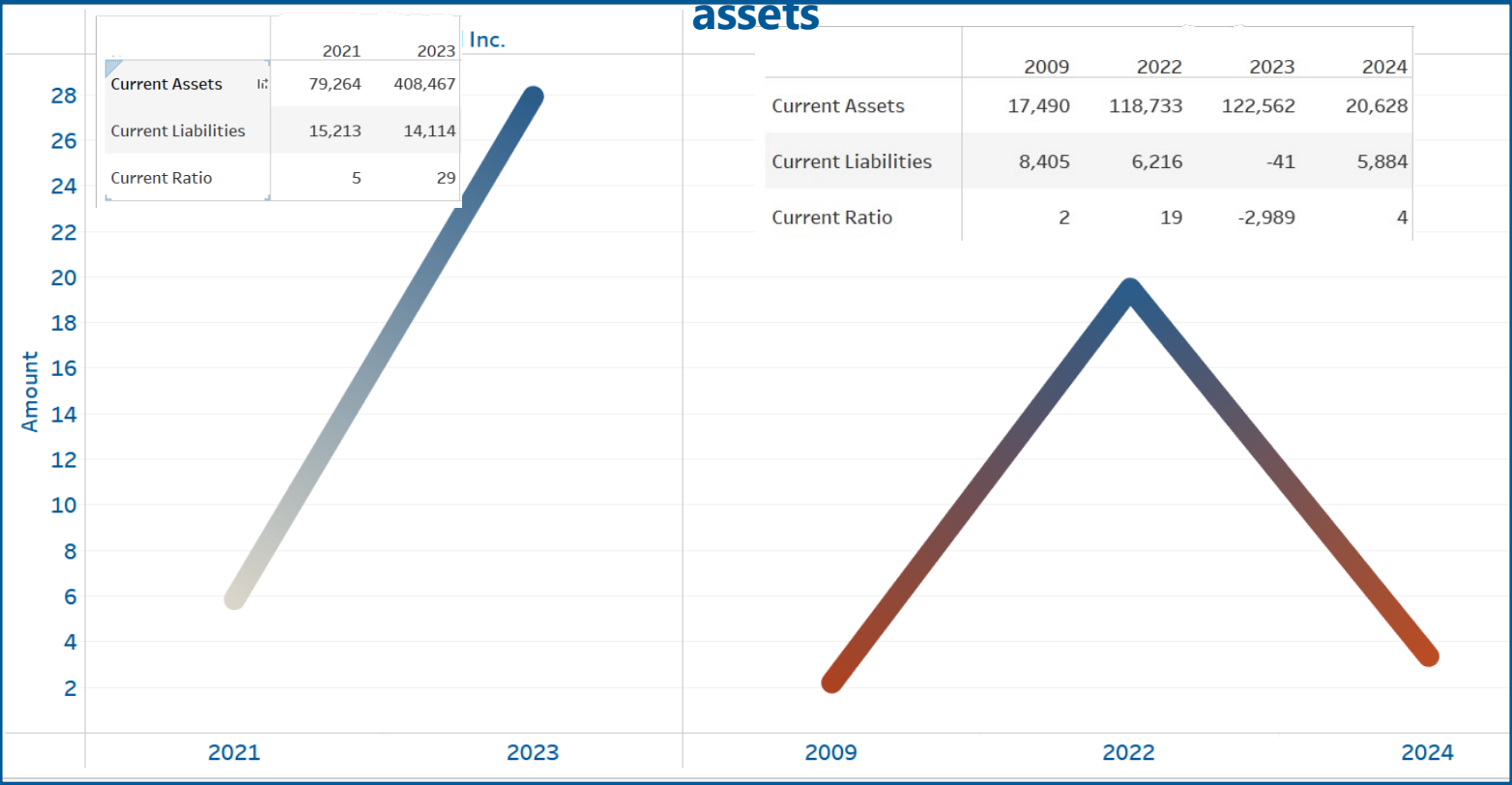
Sustainability Ratios

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



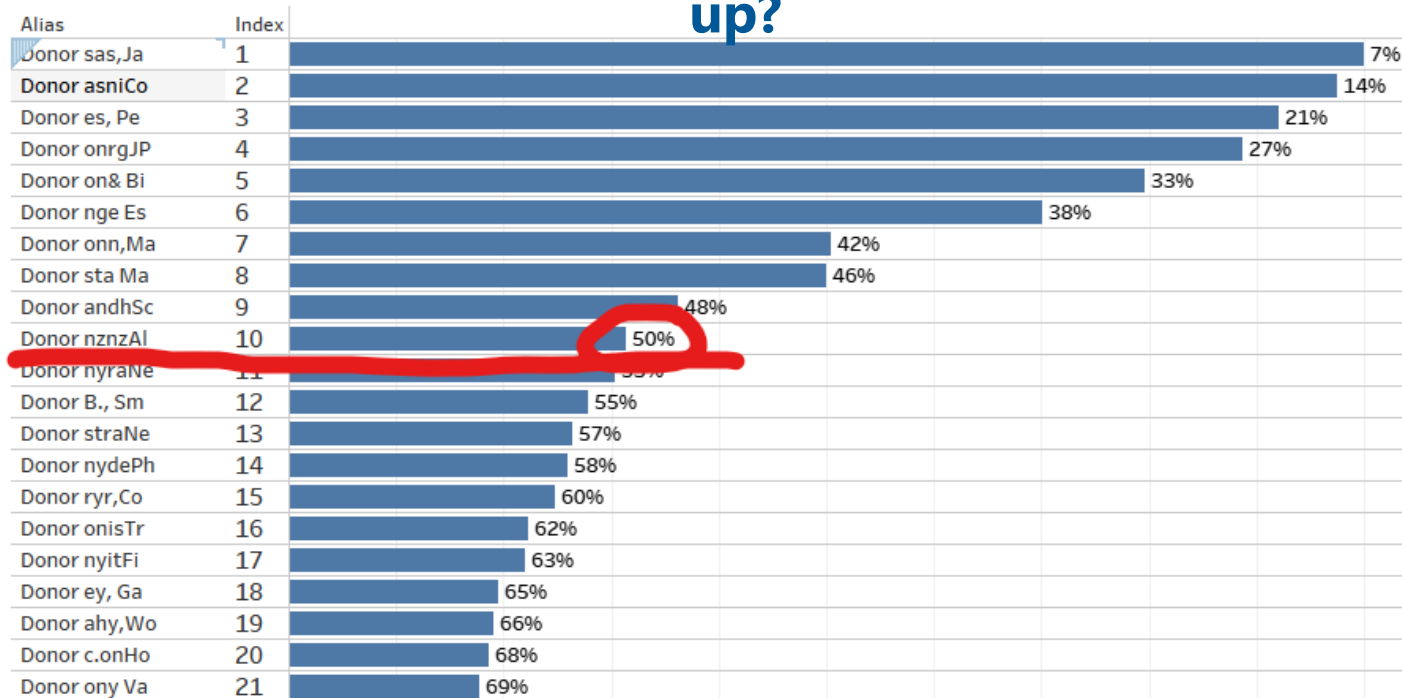
Current Ratio

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



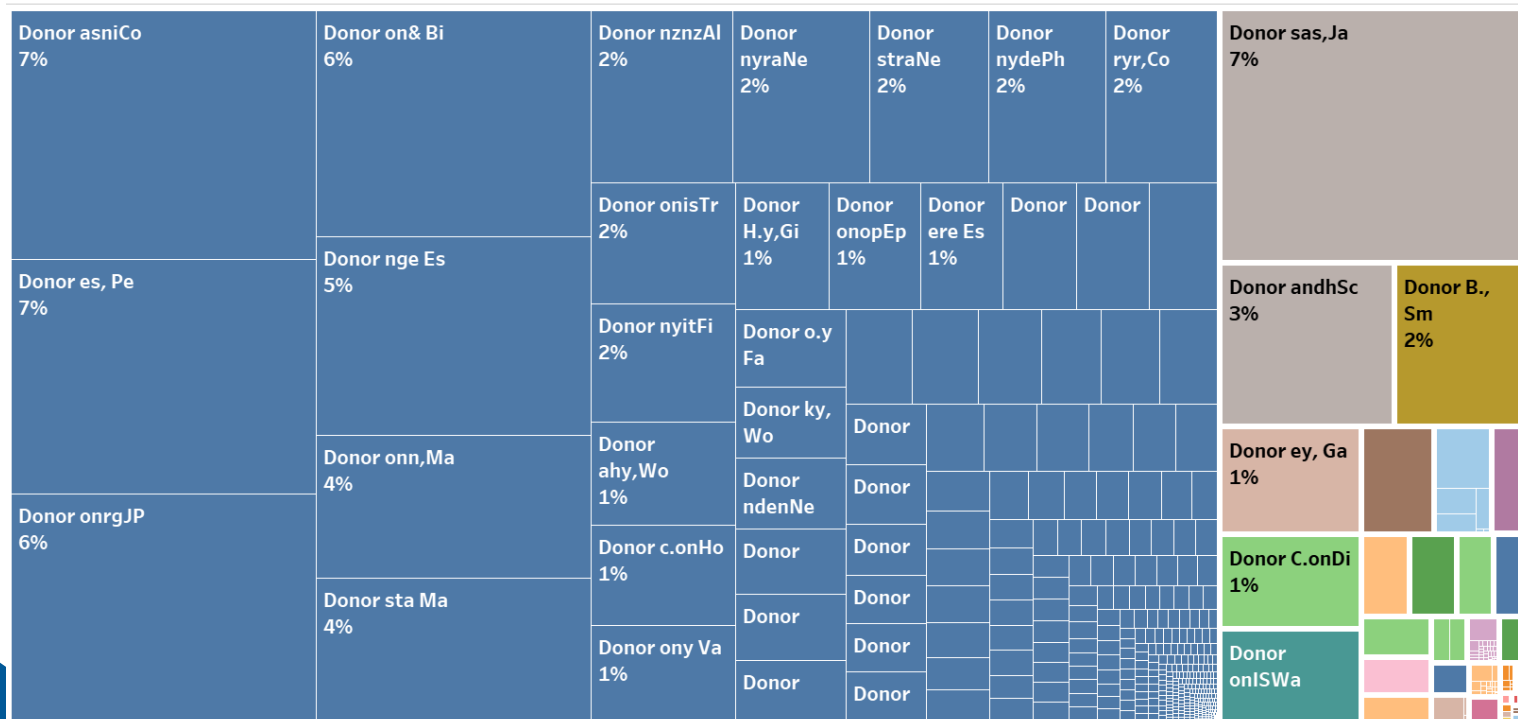
Revenue Concentration

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 onraIn		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 astoIn					
Donor andhSc					683%

Efficiency Ratios

How well are resources being
used to advance the mission?



Efficiency Ratios

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

Efficiency Ratios

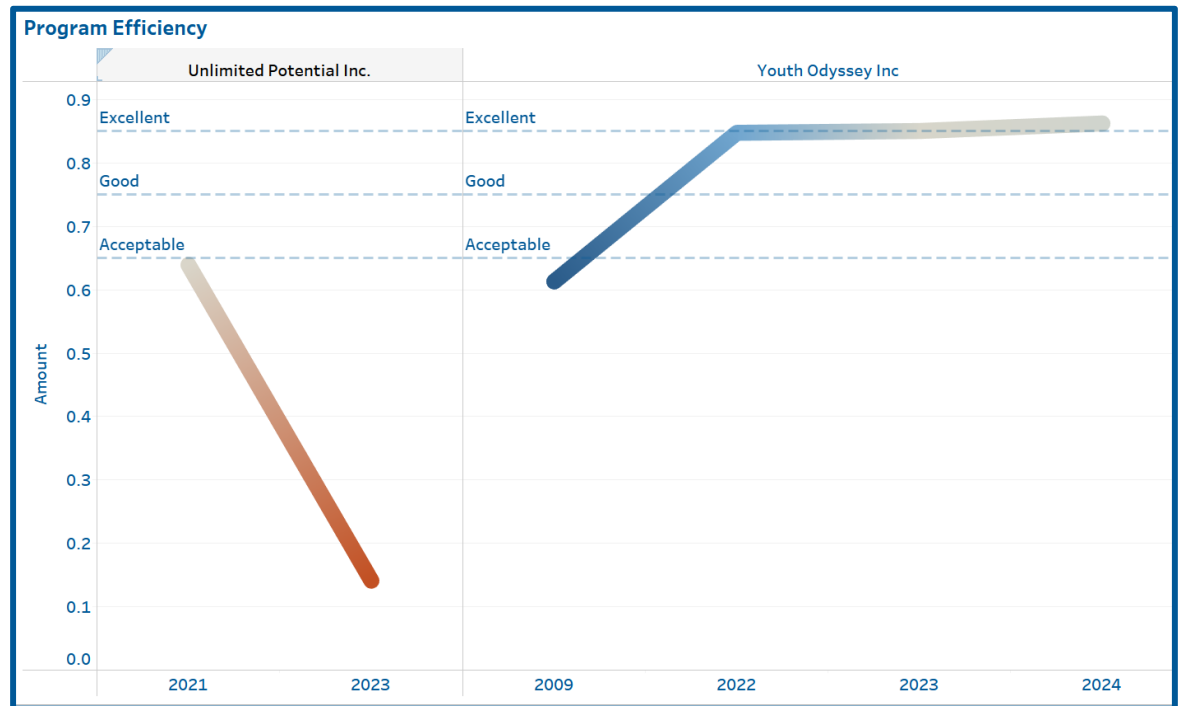
- **Fundraising Efficiency Ratio** – $\text{Fundraising Expenses} \div \text{Total Contributions Raised}$ – Shows how cost-effective fundraising efforts are.
- **Revenue per FTE** – $\text{Total Revenues} \div \text{Total Full Time Equivalent Employees}$ – Shows how much revenue the organization generates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



Program Expense Ratio

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

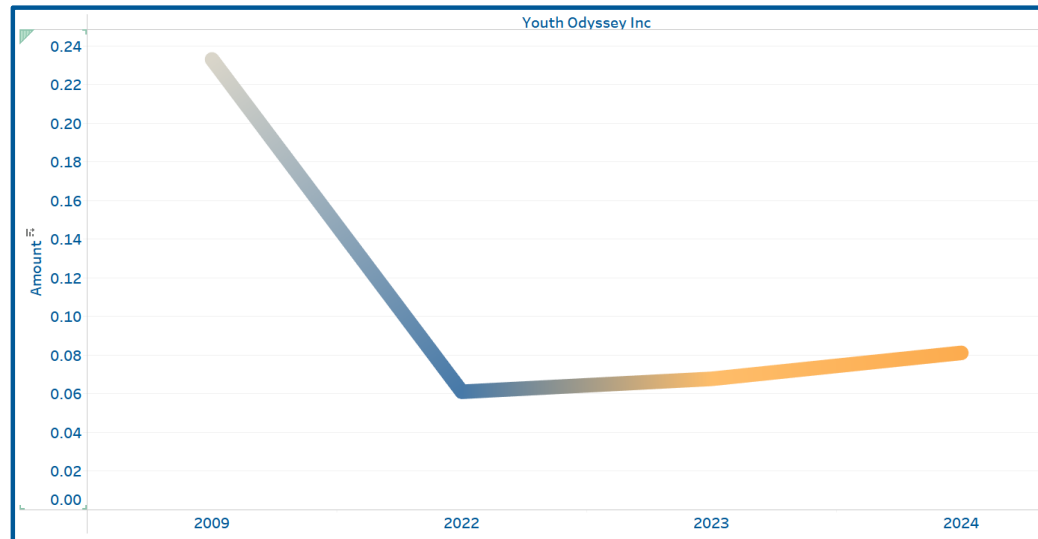
**Program Expenses /
Total Expenses**



Fundraising Efficiency Ratio

Amount of money
spent to raise \$1.

**Fundraising Expenses /
Total Contributions &
Grants**

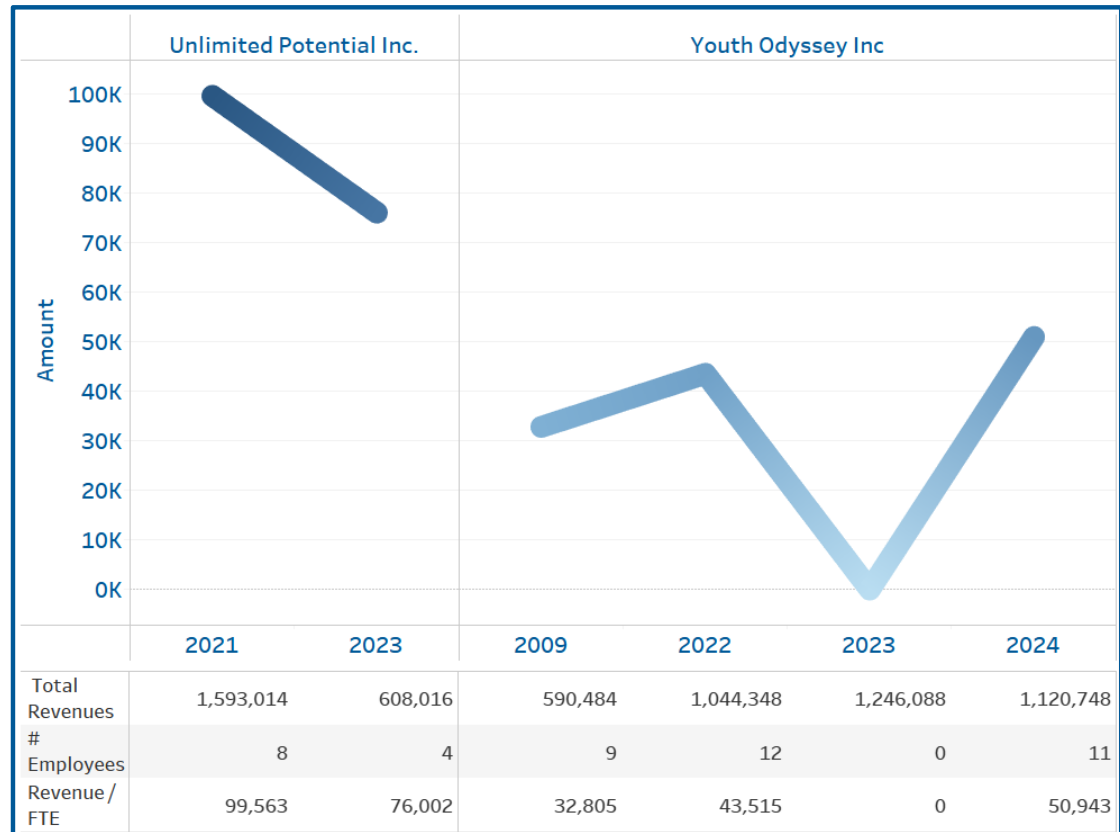


	2009	2022	2023	2024
Total Contributions and Grants	188,178.00	515,619.00	605,342.00	553,195.00
Total Fundraising Expenses	43,857.00	31,505.00	41,035.00	44,930.00
Fundraising Efficiency Ratio	0.23	0.06	0.07	0.08

Revenue per FTE

A key indicator of how much revenue each employee generates.

**Total Revenue /
Total FTEs**



Resilience Ratios

How well can the
organization absorb shocks
or take advantage of



Resilience Ratios

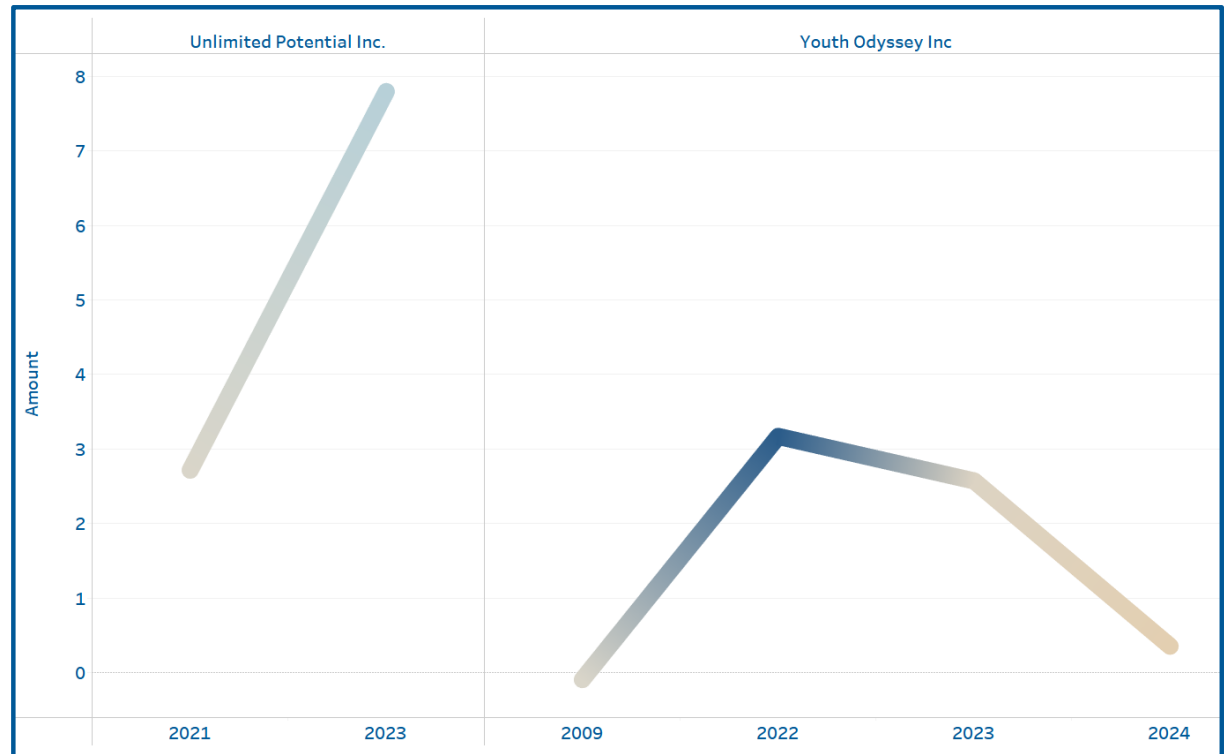
- **Days Cash on Hand**— *Unrestricted Cash ÷ Total Annual Expenses ÷ 365* - Number of operating days supported by current Cash Balances
- **Cash Reserves Ratio**— *Unrestricted Cash (or Cash + Unrestricted Investments) ÷ Average Monthly Expenses* - How long could the organization keep operating if revenue 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

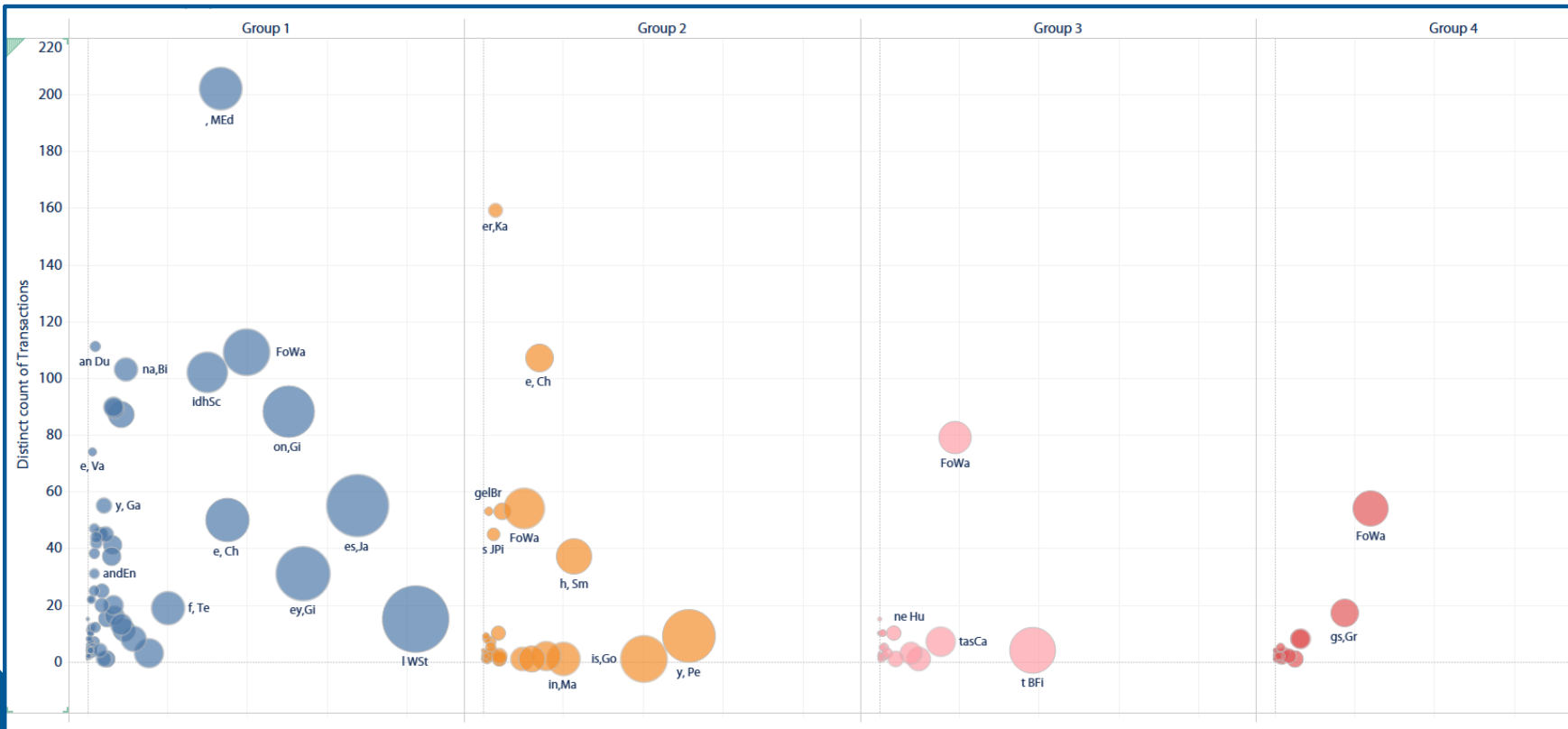
- **Longer Trends = More robust and sound insights.**
 - **A higher # isn't always better.**
 - **Don't let data issues stop the process. Use those to fine tune the process going forward.**
- 

Operational Metrics

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



Operational – Transaction Volumes



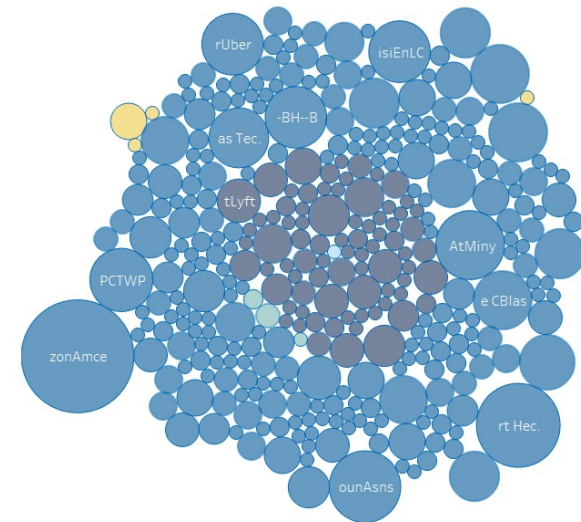
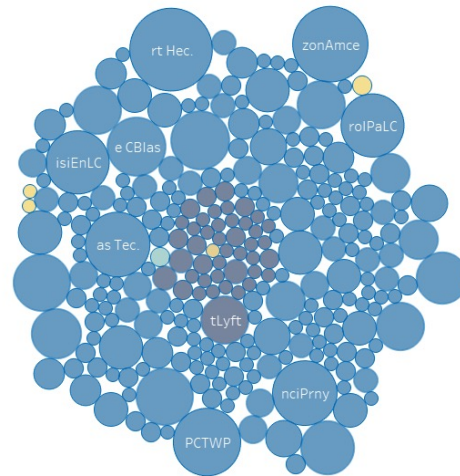
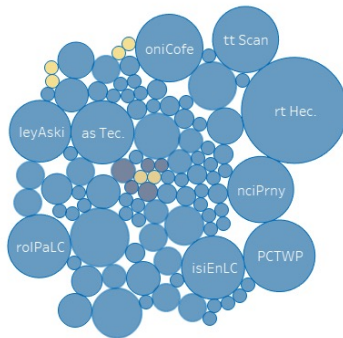
Operational – Expense Transactions

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

FY 2024

FY 2025

FY 2026

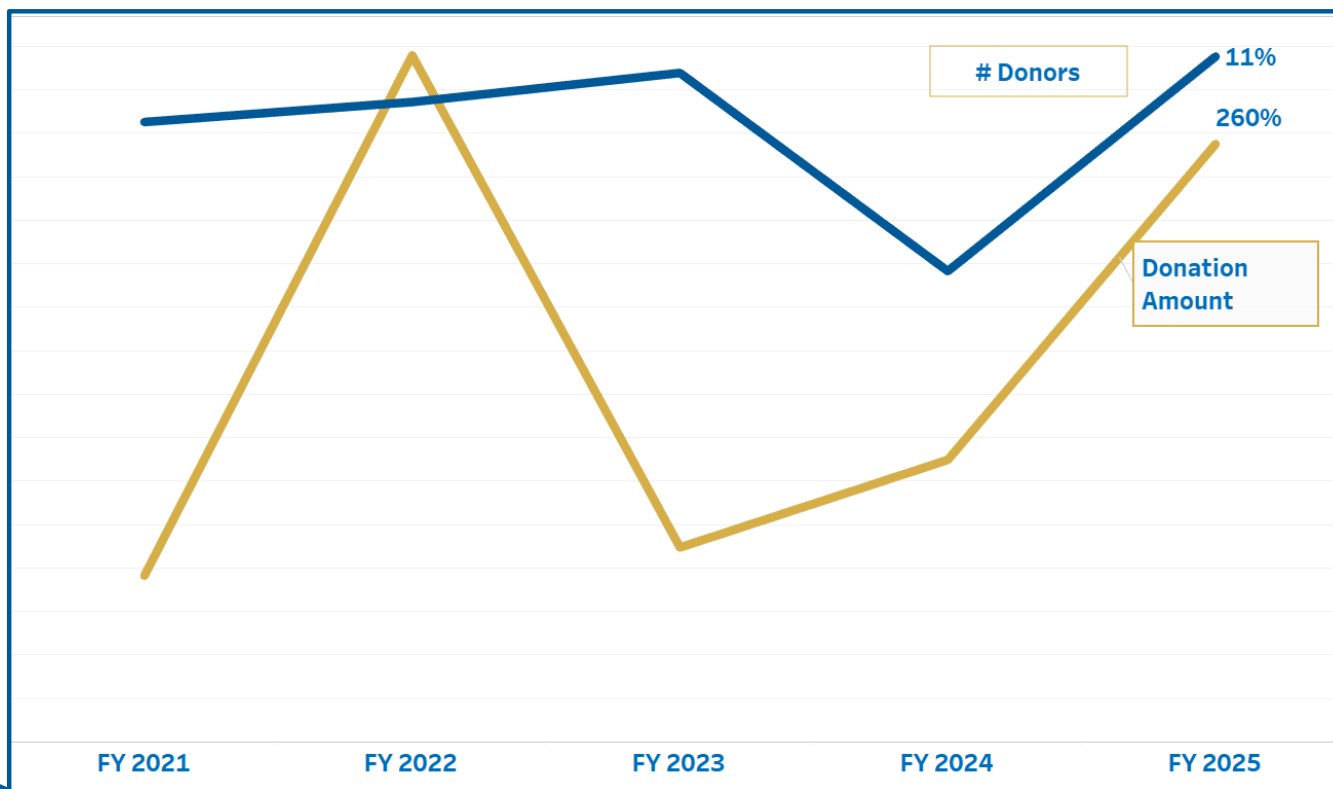


Operational Metrics

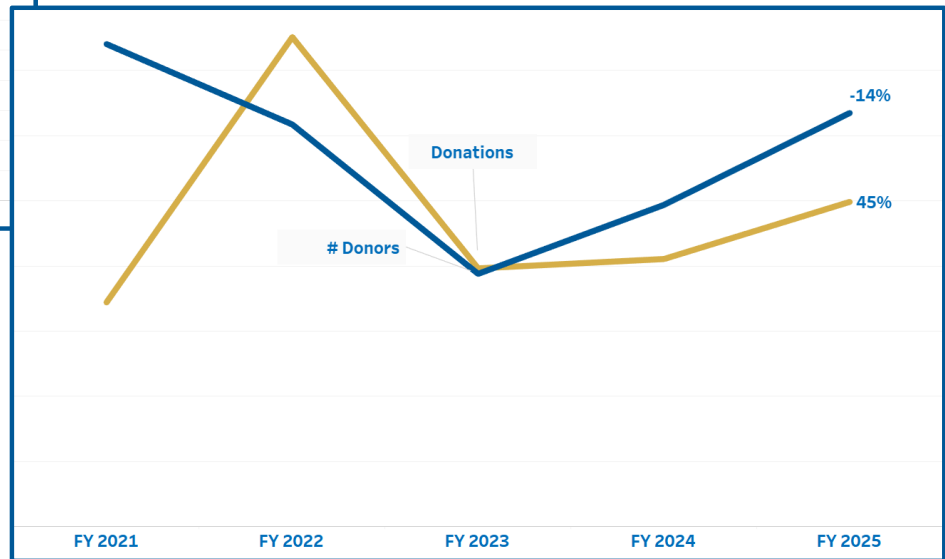
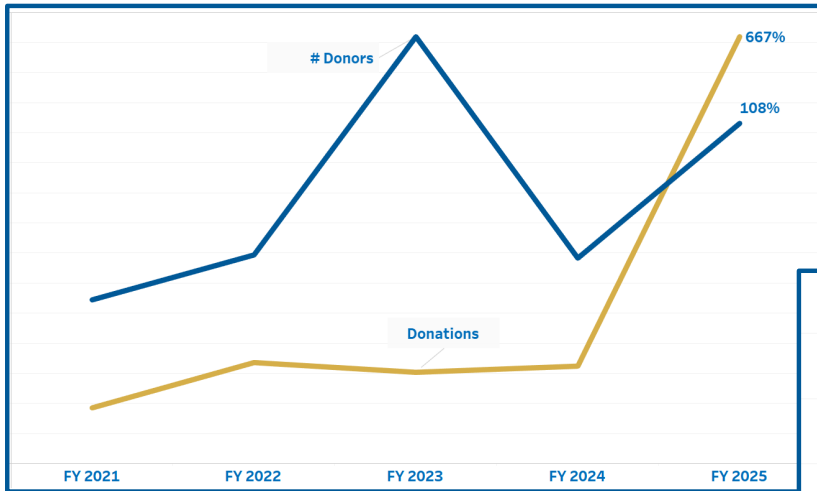
- Growth of Donors vs. Contributions
- Average Donations
- Trends of Donor Categories – “Recurring”, “EOY”, etc.
- Results of investments over time



Growth of Donors / Donations

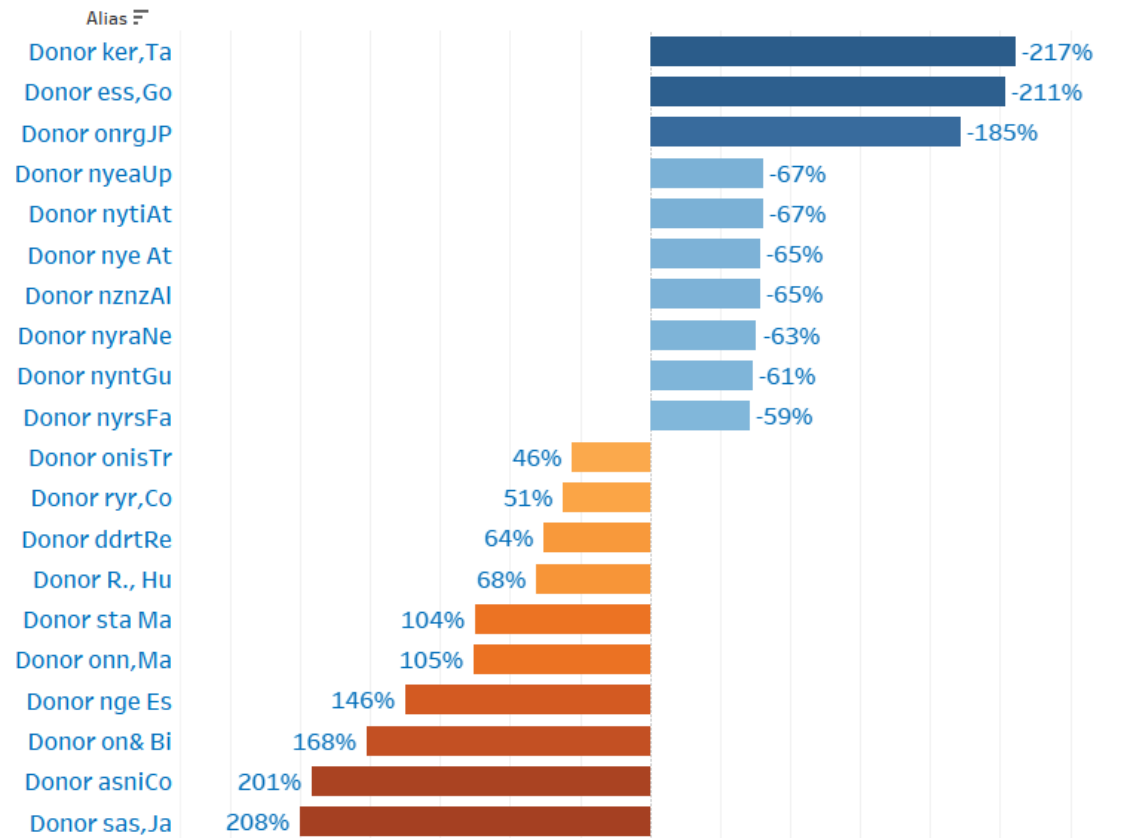


Review by Categories / Groups

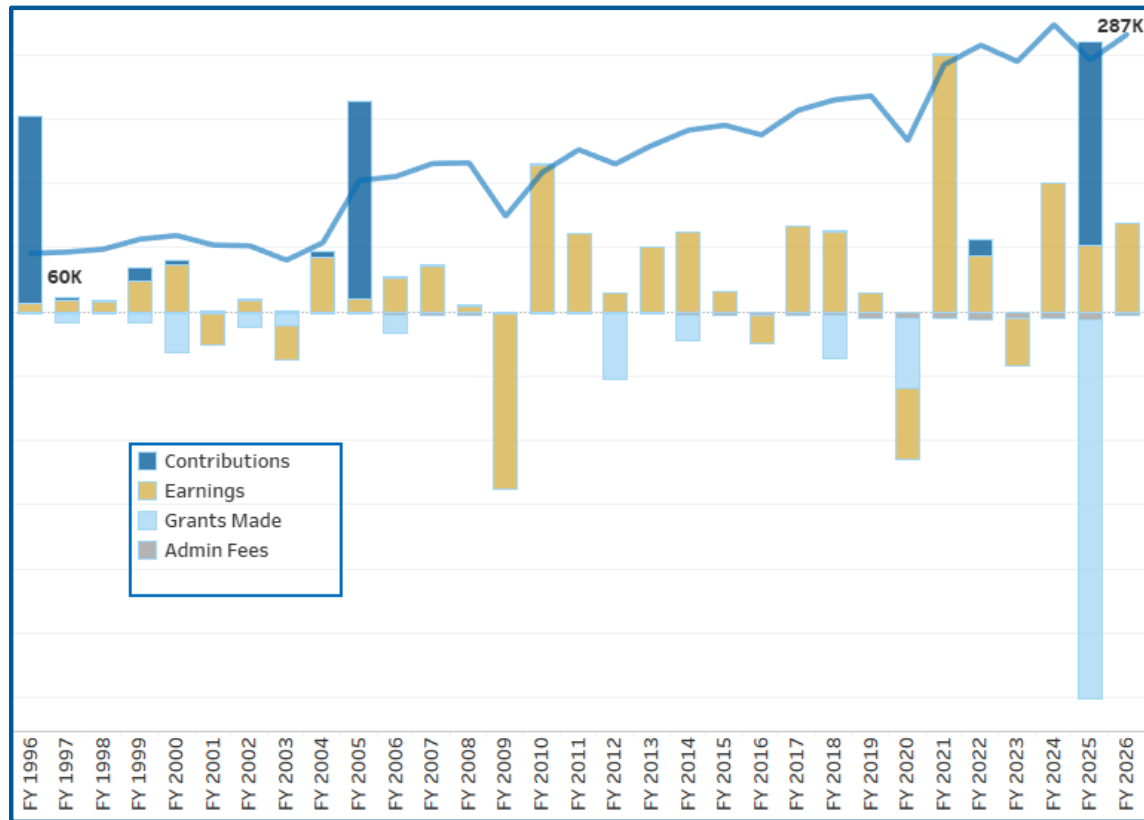


Focus on Largest Variances

Which donors
fluctuated the
most year to
year?



Results of Investments over Time



Tools

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



Metric Tracker

	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

Category	Ratio	2020	2021	2022	2023	2024	2025	Ideal Ratio
Sustainability	Current Ratio	-	-	-	-	-	-	1 or Higher
	Operating Margin	-	-	-	-	-	-	Positive unless in Investment Mode
	Debt to Asset Ratio	-	-	-	-	-	-	30% or lower
	Growth in Net Assets over Time		-	-	-	-	-	Positive unless in Investment Mode
	Dependency Ratio	-	-	-	-	-	-	
Efficiency	Program Expense Ratio	-	-	-	-	-	-	65% or Higher
	Administrative Expense Ratio	-	-	-	-	-	-	Depends on Situation
	Fundraising Efficiency Ratio	-	-	-	-	-	-	Lower the Better
	Revenue / FTE	-	-	-	-	-	-	
Resilience	Days Cash on Hand	-	-	-	-	-	-	
	Cash Reserves Ratio	-	-	-	-	-	-	3-6 Months

Expectations

- 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

- The benefit of "That's wrong."
- Reporting Errors
- Validation of Definitions
- Data Cleanliness Issues



Presenting Your Data

Edward Tufte

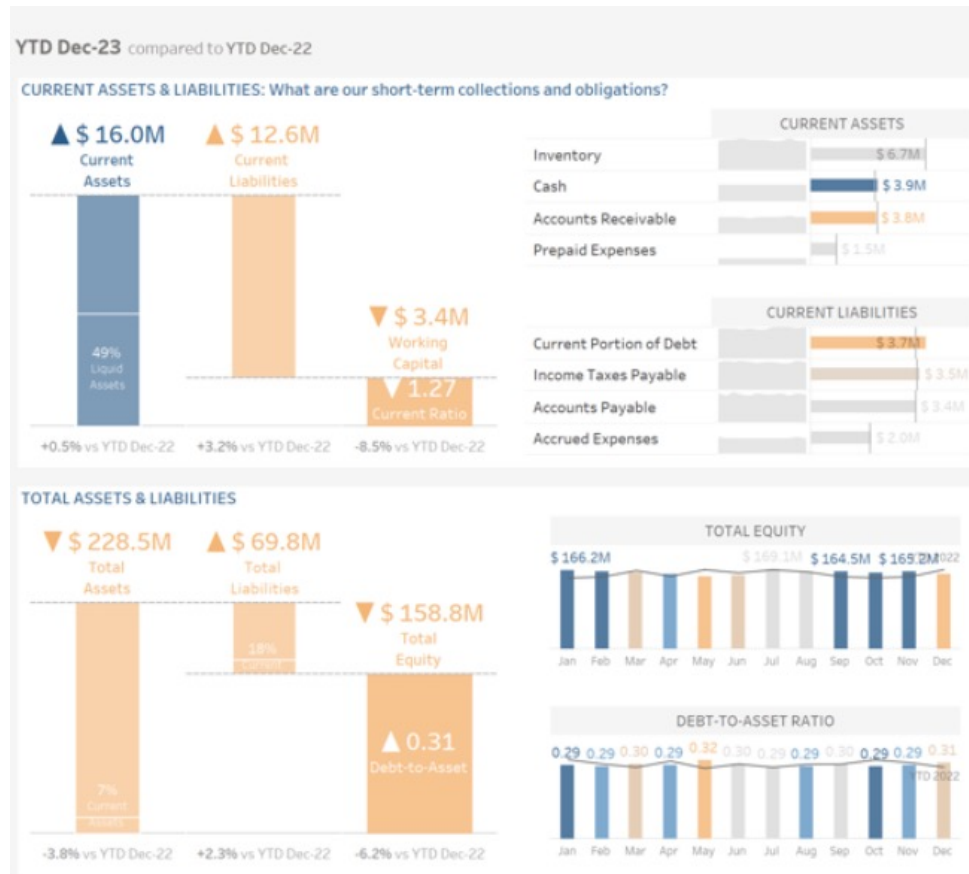
- Clutter and confusion are failures of design, not attributes of information.
- The act of arranging information becomes an act of insight
- Design cannot rescue failed content.

Ben Schneiderman

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

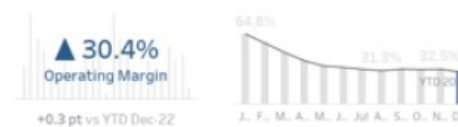
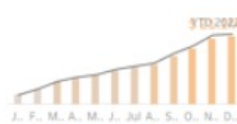
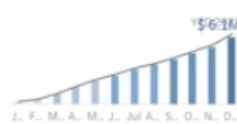
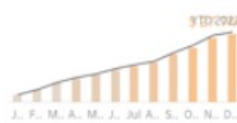
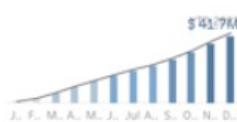
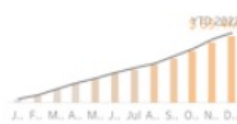


Presentation Ideas – Balance Sheet

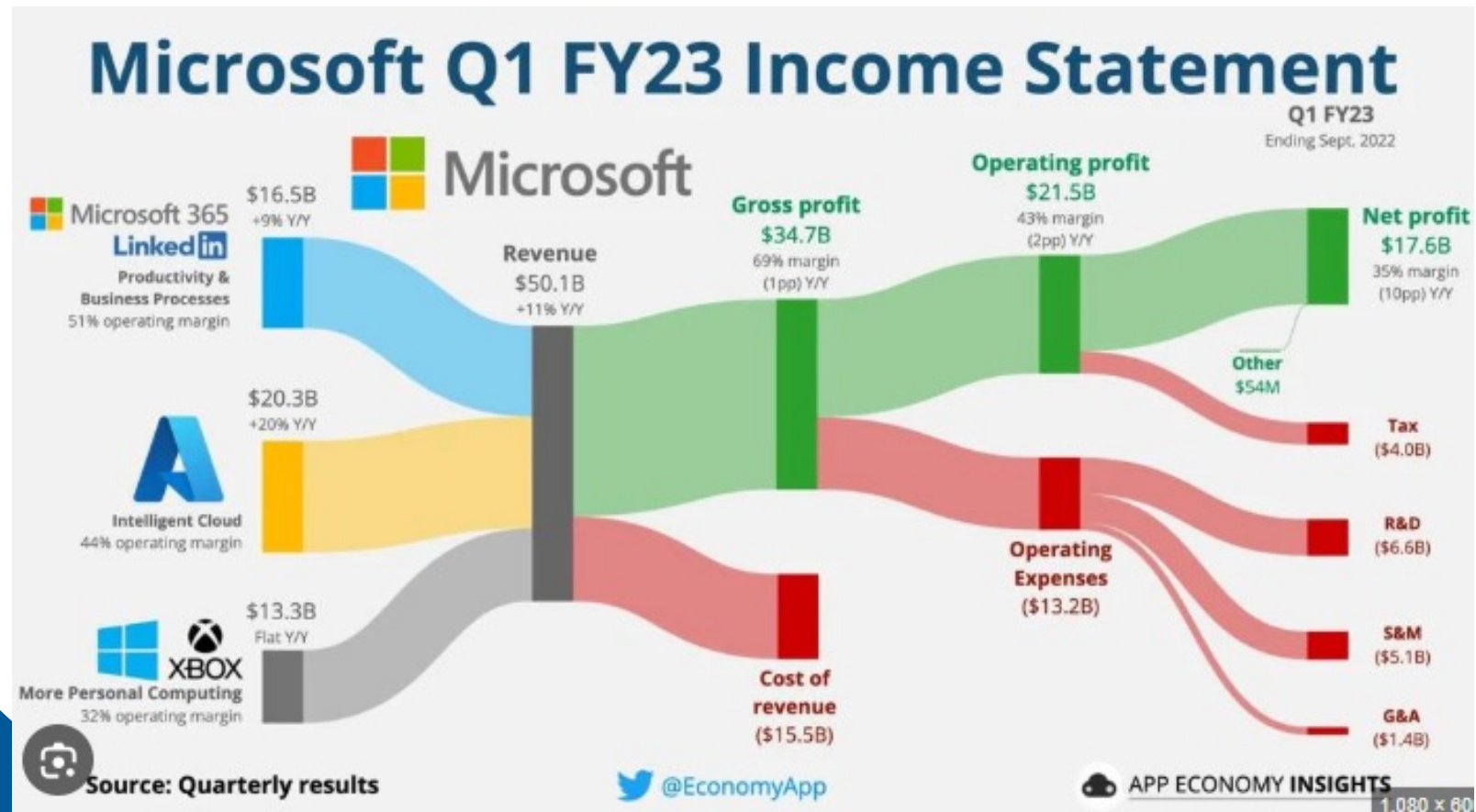


Presentation Ideas – Income Stmt

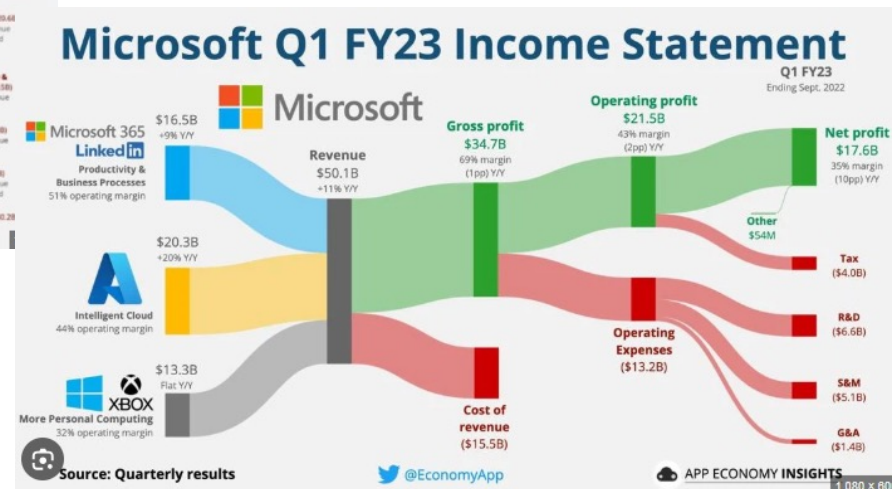
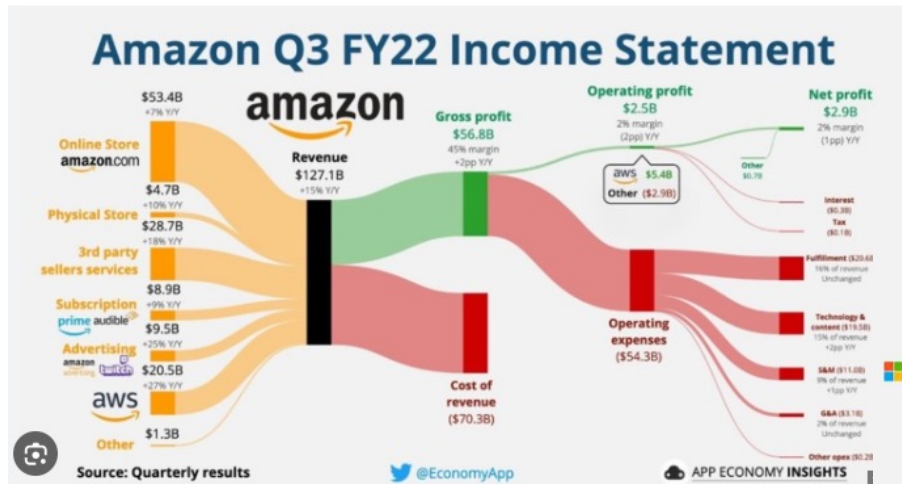
YTD Dec-23 compared to YTD Dec-22



Presentation Ideas – Income Stmt



Presentation Ideas – Income Stmt



854,802

142,749
Latest Month

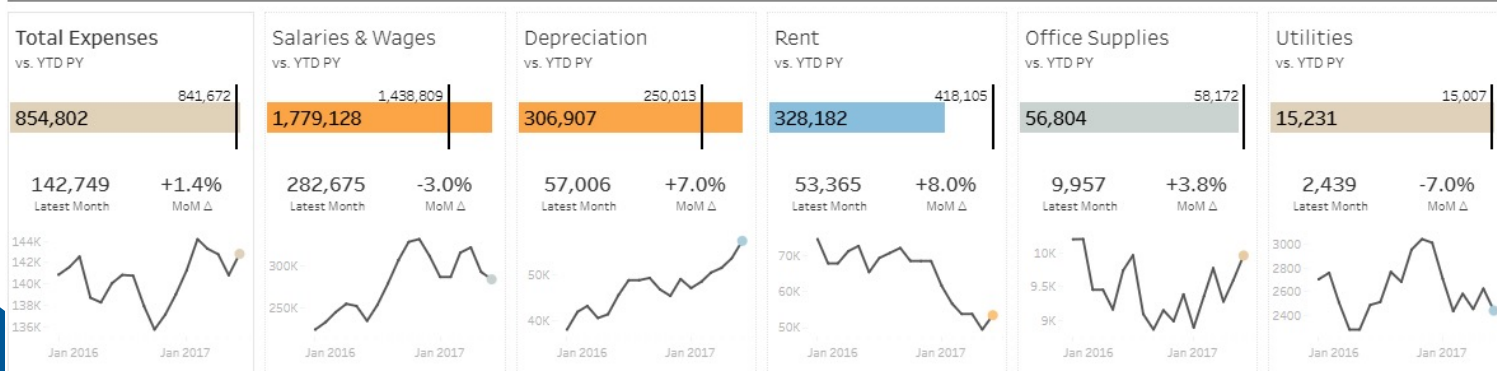
+1.4%
MoM Δ

144K
142K
140K
138K
136K

Jan 2016 Jan 2017



Goal met Goal not met • Latest month Δ to prior month

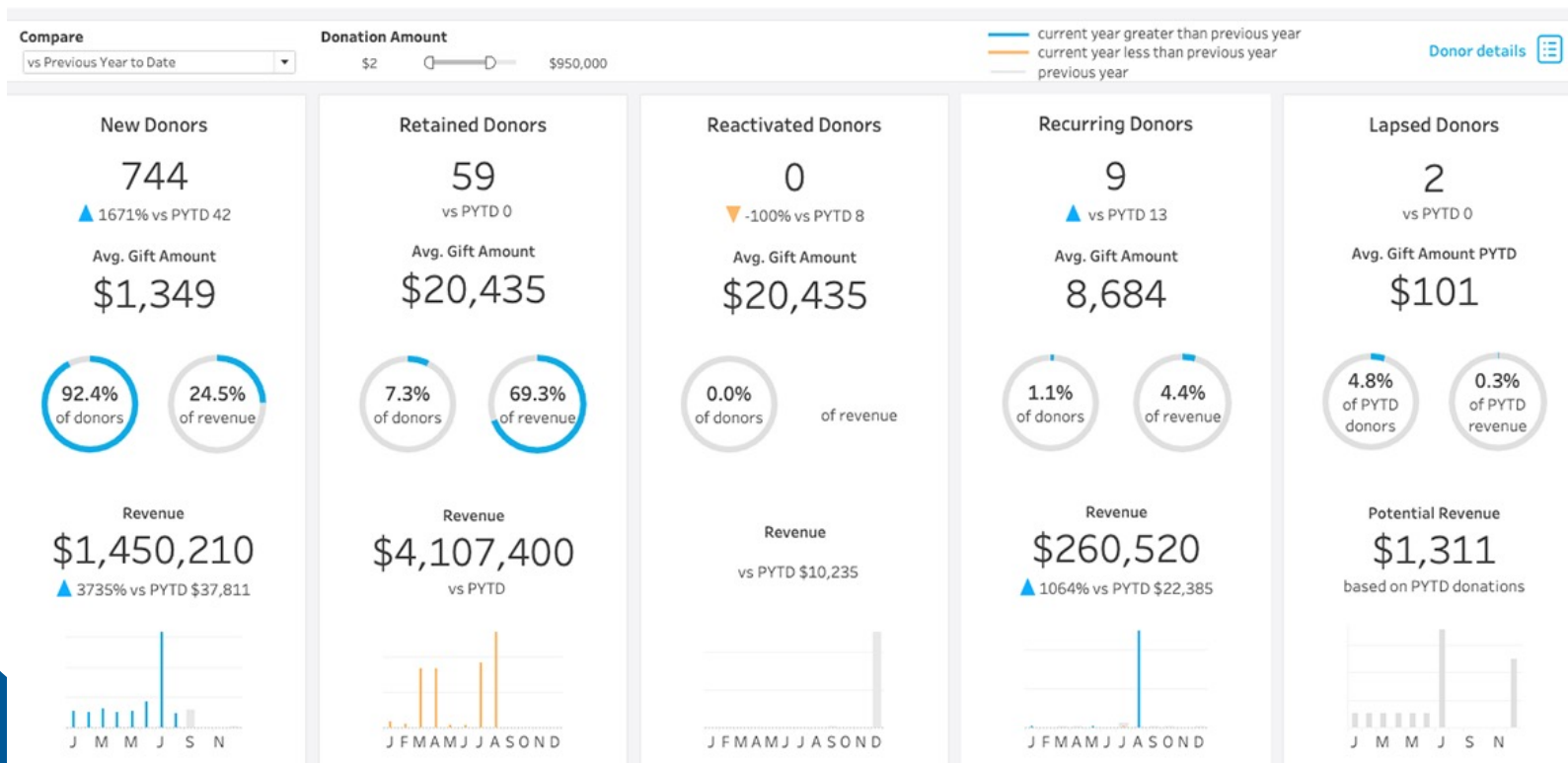


Presentation Ideas – Donor Review

Nonprofit Fundraising



Donor Acquisition, Retention, and Churn



Presentation Ideas – Donations

Nonprofit Fundraising

Fundraising Overview



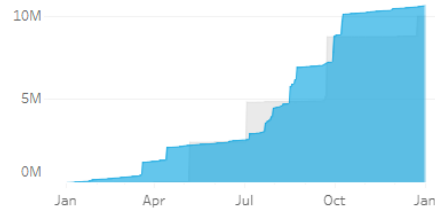
As of December 31, 2022

YTD Revenue
\$10,617,660

Congrats!
You are at **106.2%**
of your year end goal.

Last year by December 31,
you were at 100.0%
of your year end total revenue.

You are **6.2%** percentage points
ahead of where you were last year.



■ Current year revenue running total
■ Current year goal based on prior year slope

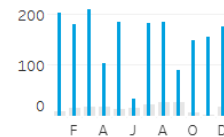
Compare revenue by goal or prior year

Year end goal

Donors

829

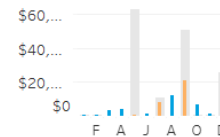
▲ 1237.10%
vs. PYTD 62



Avg. Gift Amount

\$7,446

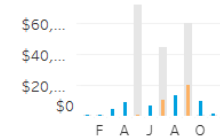
▼ -55.1%
vs. PYTD \$16,568



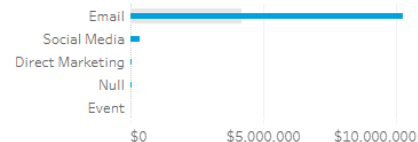
Avg. Donor Value

\$12,808

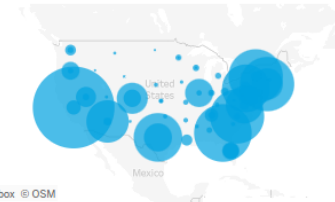
▼ -81.1%
vs. PYTD \$67,608



Campaign Type



Donor State



— current year greater than previous year
— current year less than previous year
— previous year

THANK YOU FOR ATTENDING

NONPROFIT NETWORK



Please fill out an evaluation!

SAVE THE DATE!

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