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# Performance Review

For the period ended 06/30/2021

Provided By

Waters & Company, LLC

**Ollie D. Waters**  
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**Disclaimer**

3/17/2023

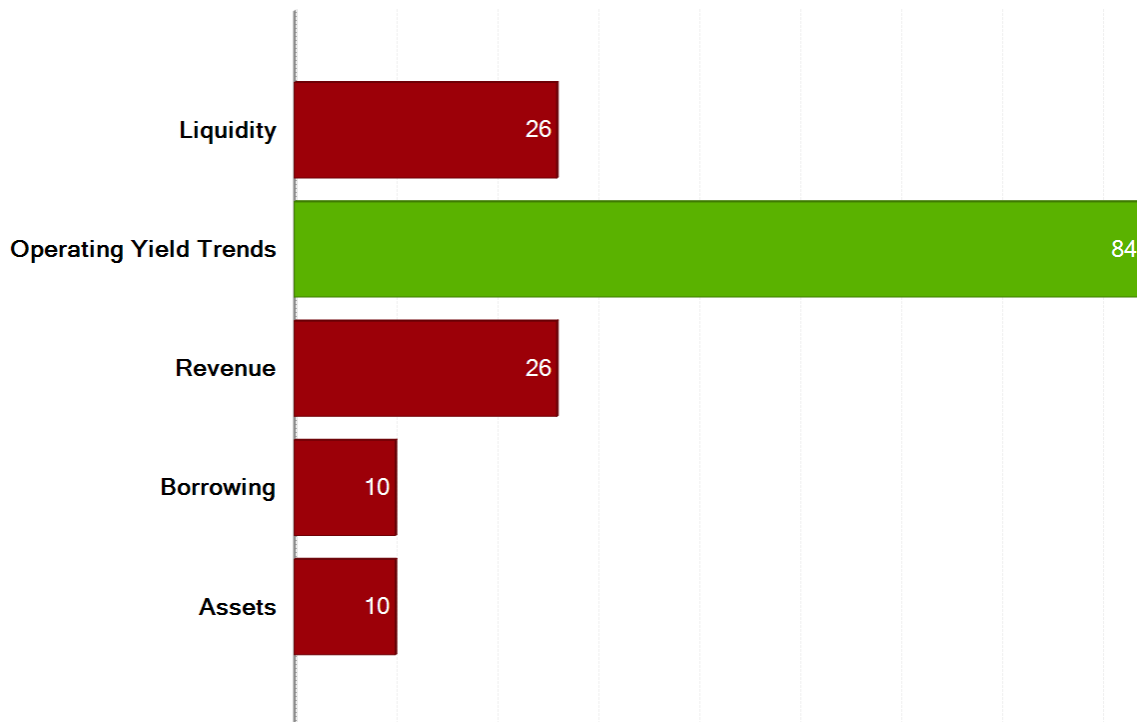
The information included in the following comparative financial evaluation is presented only for supplementary analysis and discussion purposes. Such information is presented for internal management use only and is not intended for third parties. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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# 00052 Narrative Report

Sector: P81 - Senior Centers  
Sales Range: Yearly revenue \$1 Million to \$10 Million  
Periods: 12 months against the same 12 months from the previous year

## Report Summary

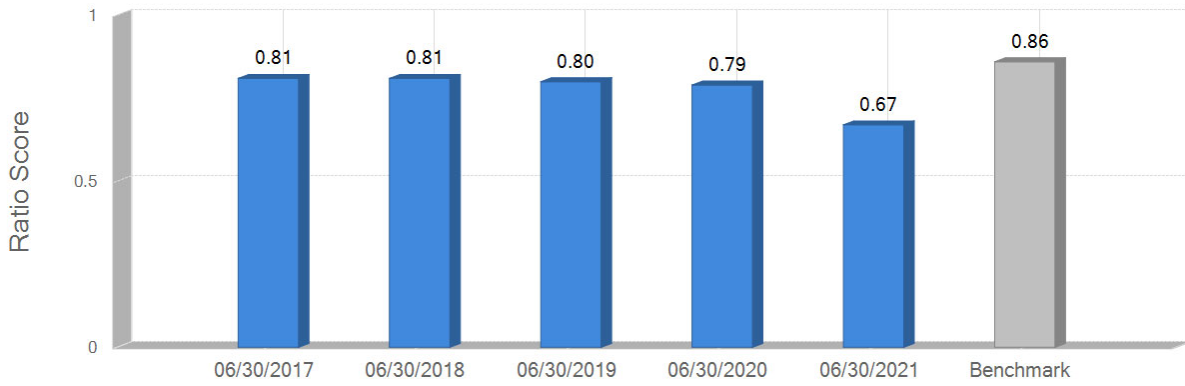


## Nonprofit Operational Analysis ● ● ● ● ● 25 out of 100

*A measure of how well the organization is managing money with regard to its sector and mission.*

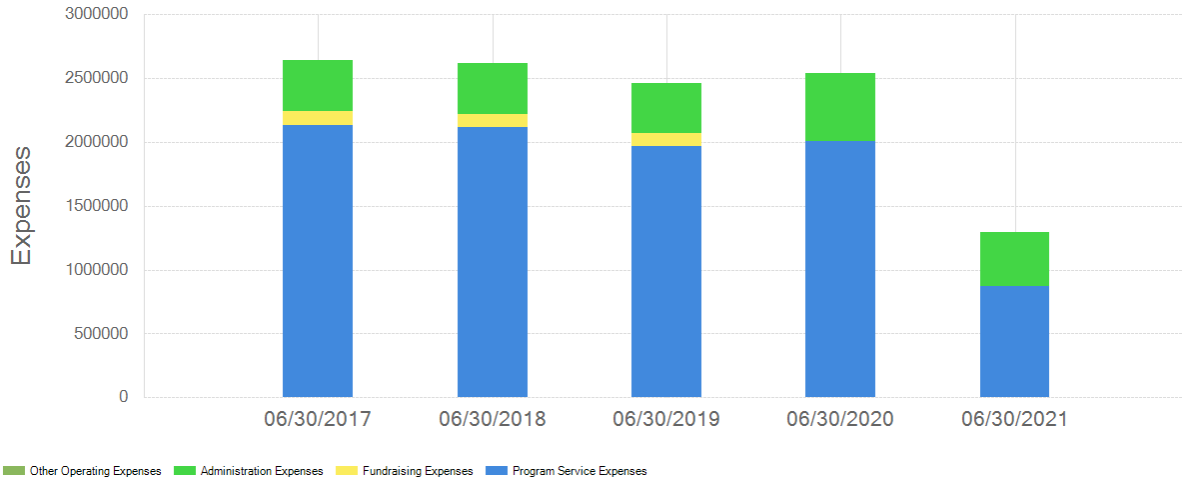
There are a few key metrics that have a downward trend. First, it is concerning to note that the organization's **program efficiency has fallen since last period and is below average for this sector.** Programs are generally created to support the mission of the organization, so management may want to search for ways to improve this metric. Additionally, the organization's revenue composition, which measures the amount of program revenue relative to total revenue, has also decreased since last period and is below the sector's average. However, the organization does have enough program revenue to pay for a decent amount of total costs, which is indicated by the average operating reliance ratio. Generally, management *might* want to monitor the downward trend in program revenue so that it does not affect the moderate operating reliance metric in a negative way. It also appears that there is some reliance on outside sources of cash, so it is positive to see that the organization has a considerable amount of contributions relative to its fundraising expenses.

Program Efficiency = Program Service Expenses / Total Expenses



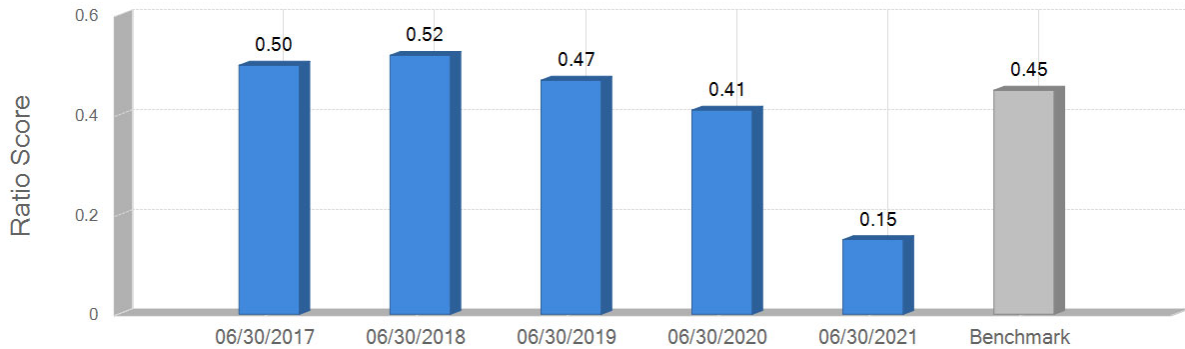
Shows the basic relationship between program expenses and total expenses. This ratio is typically keenly watched by employees, managers, Board members, donors, and contributors. It tends to be one of the more important metrics that many nonprofits use in assessing performance.

Expenses Breakdown



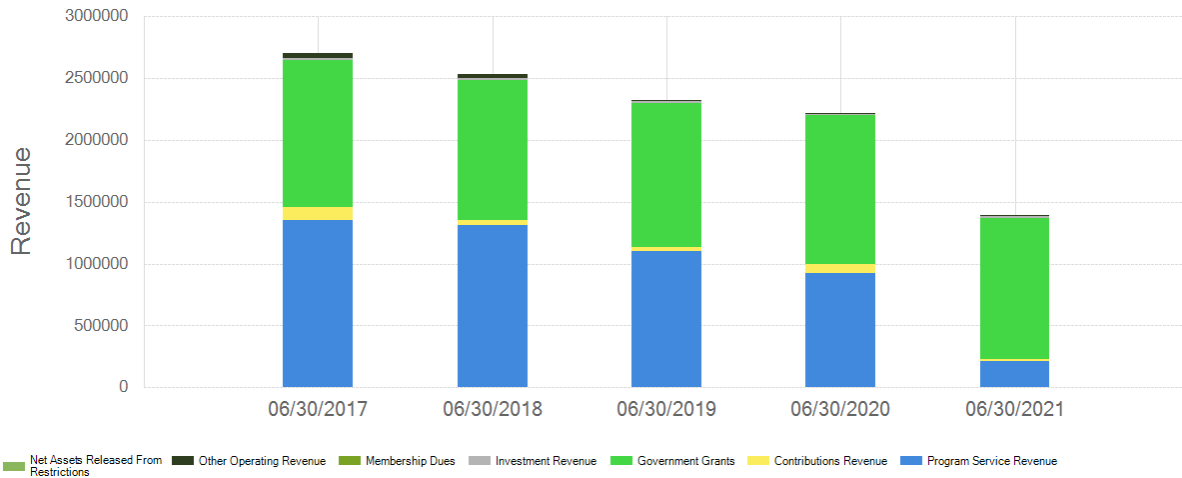
This shows the breakdown of all expenses of the nonprofit. In most cases, the majority should go towards Program Service Expenses.

Revenue Composition = Unrestricted Program Service Revenue / Total Unrestricted Revenue



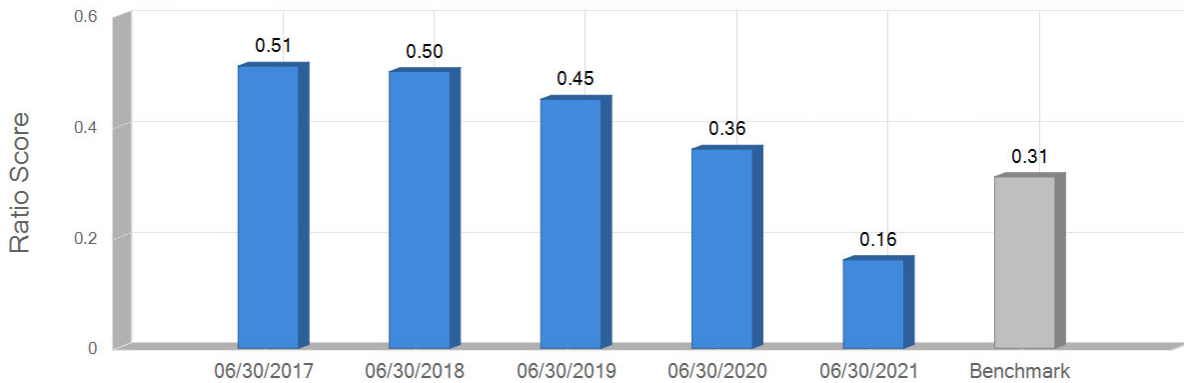
This metric shows the composition of the organization's revenue stream. Specifically, it shows how many cents in program revenue there are for each dollar of revenue generated. Some people like to look at this to see how dependent the entity is on outside funding.

### Revenue Breakdown



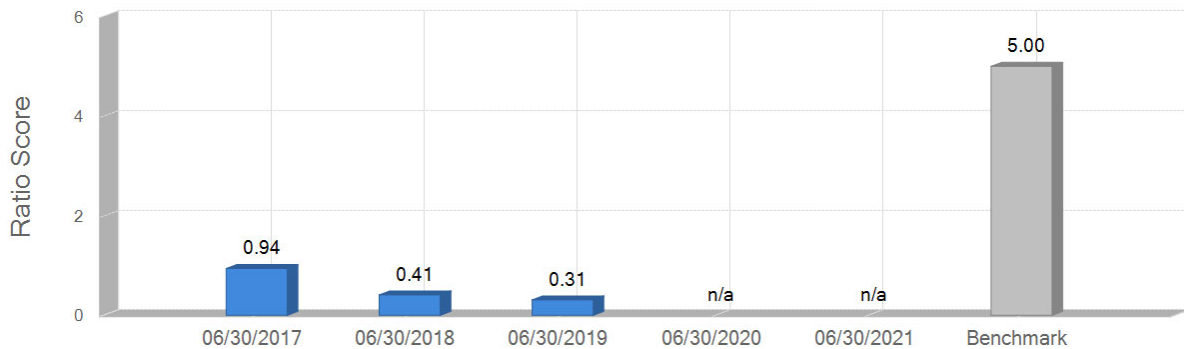
This shows the breakdown of all incoming revenue of the nonprofit. In most cases, the majority should be coming from Program Service. This chart can be useful to show how dependent the entity is on outside funding.

### Operating Reliance = Unrestricted Program Service Revenue / Total Expenses



Shows how able a nonprofit entity is to pay for total expenses from program revenues alone. Many times (although not always) program revenues are more predictable and consistent sources of money and, therefore, it is a point of interest to see how able a nonprofit is to liquidate expenses from just program revenue. The ideal score would be 1 or even above 1 in very rare cases.

### Fundraising Efficiency = Unrestricted Contributions / Unrestricted Fundraising Expenses



Shows how much contribution revenue a nonprofit can generate from fundraising activities/expenses. The ideal relationship is a high number, which would mean that the nonprofit is able to generate a multiple of how much it costs to do fundraising.

## Liquidity ●●●●● 26 out of 100

A measure of the organization's ability to meet obligations as they come due.

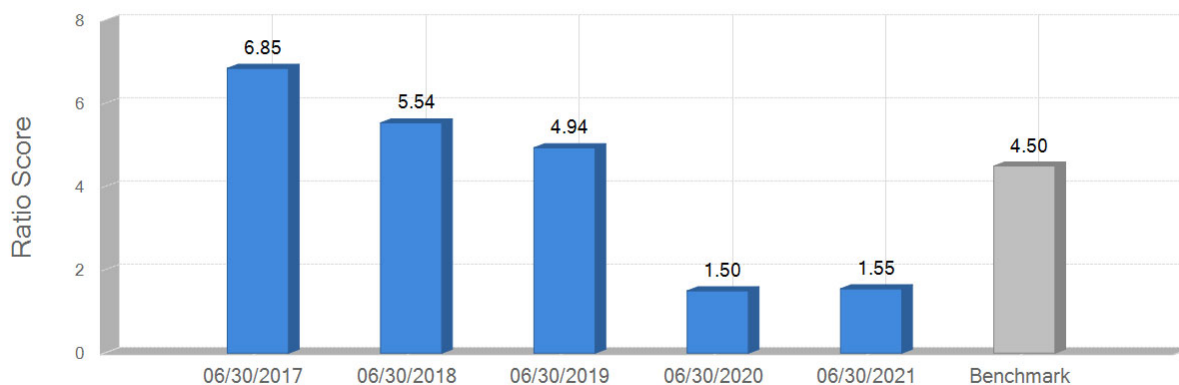
There are some positive results in this area that need to be addressed. The first one is that the organization's cash and near-cash accounts have increased relative to its short-term obligations, which is good because these are the specific assets that are used to pay the bills. For example, notice in the graph area of the report that the organization's quick ratio has grown by 13.74% from last period. The other positive is that the organization has been able to improve its earnings this period, which should help to improve the organization's "overall" liquidity position over time.

Unfortunately, there are also some negative results in this area. **The organization's overall liquidity position is still poor**, as was the case last period as well. In fact, the organization may want to find some ways to improve the conditions in this area. It may be possible that the rate of progress here is too slow -- the organization's liquidity position has improved but it is still not in good shape. It is important to note that the organization's position is poor according to the several ways liquidity is measured.

There are some mixed results when considering the organization's liquidity turnover ratios. The organization's inventory days ratio is better than the sector average, which is good, as it indicates the organization is converting inventory to revenues relatively quickly. Yet, receivable days are not quite as good as many of the other nonprofits in its sector. Over time it might be favorable to see receivable days decrease, because collecting receivables quickly is one of the more important parts of good cash flow management.

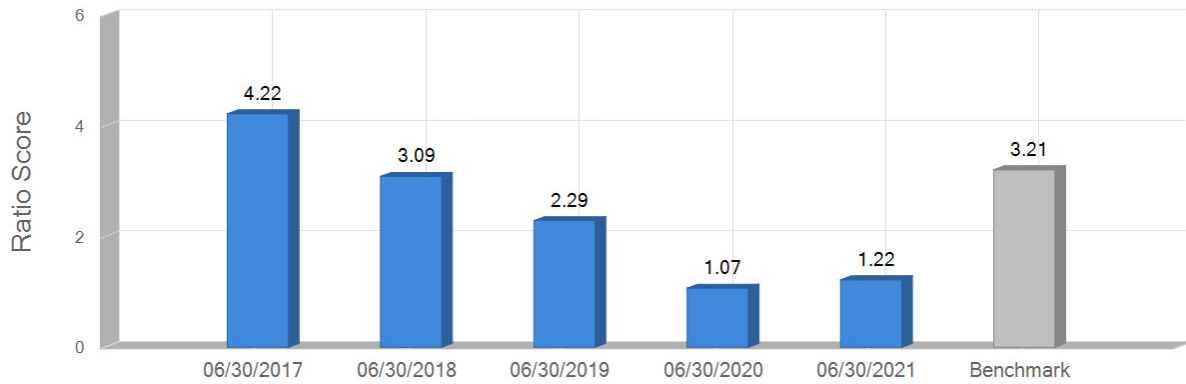
**LIMITS TO LIQUIDITY ANALYSIS:** Keep in mind that liquidity conditions are volatile, and this is a general analysis looking at a snapshot in time. Review this section, but do not overly rely on it.

Current Ratio = Total Current Assets / Total Current Liabilities



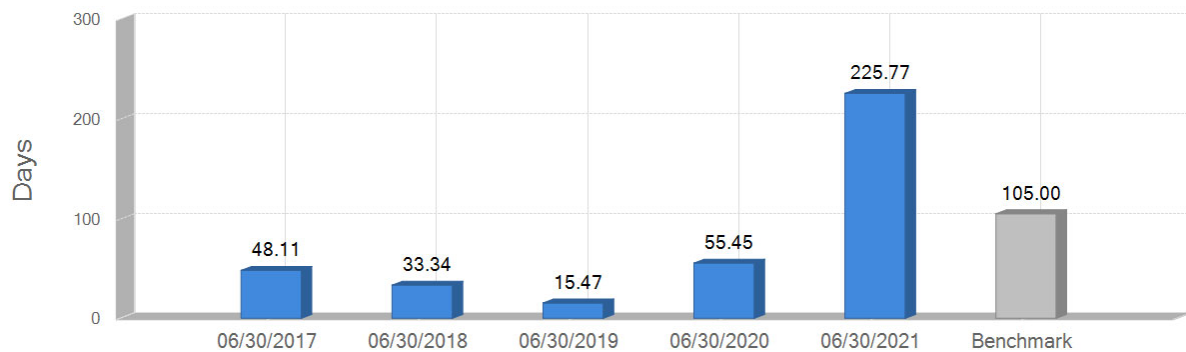
Generally, this metric measures the overall liquidity position of an organization. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" (numerator) are collectible. The higher the ratio, the more liquid the organization is.

$$\text{Quick Ratio} = (\text{Cash} + \text{Total Receivables}) / \text{Total Current Liabilities}$$



This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the organization has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the organization.

$$\text{Days Cash Reserve} = (\text{Unrestricted Cash} / (\text{Total Expenses} - \text{Depreciation and Amortization})) * 365$$



Cash reserve is a rough measure of the amount of cash on hand to cover future expenses. The organization should target 182 or more days of cash reserve.

## Operating Yield Trends<sup>1</sup> ●●●●● 84 out of 100

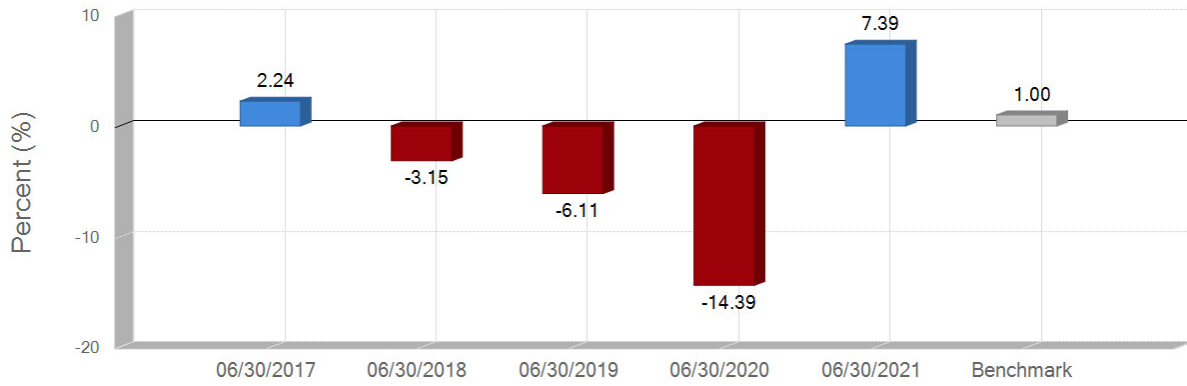
*A measure of whether the trends in profit are favorable for the organization.*

This organization has achieved a favorable **financial** result in that it was able to generate a net surplus and improve its operating yield this period, despite the fact that revenues fell. The organization achieved this by improving its operating margin by 151.37% -- by carefully managing its program service, overhead, and administrative expenses and becoming more efficient. The organization's operating margin is strong, both overall and relative to the operating margins of sector peers, as shown in the graph area of the report. Whenever a nonprofit organization has a solid operating margin and generates a net gain concurrently, most other areas of its finances will fall into place; assets will tend to generate more revenue, and even the cash position will improve over time.

In short, this organization's results are good in this area of the report, although generally organizations prefer to see revenues increase over time. This is especially true because cutting expenses (especially programming) can be particularly difficult for nonprofits over the long run.

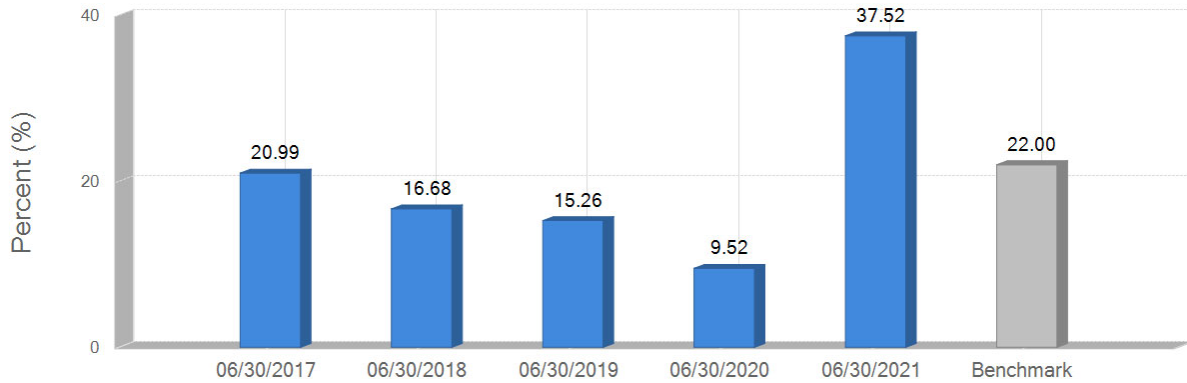
<sup>1</sup> Operating yield (net operating gain/loss) is the nonprofit equivalent of net profit.

Operating Margin = Operating Yield / Total Unrestricted Revenue



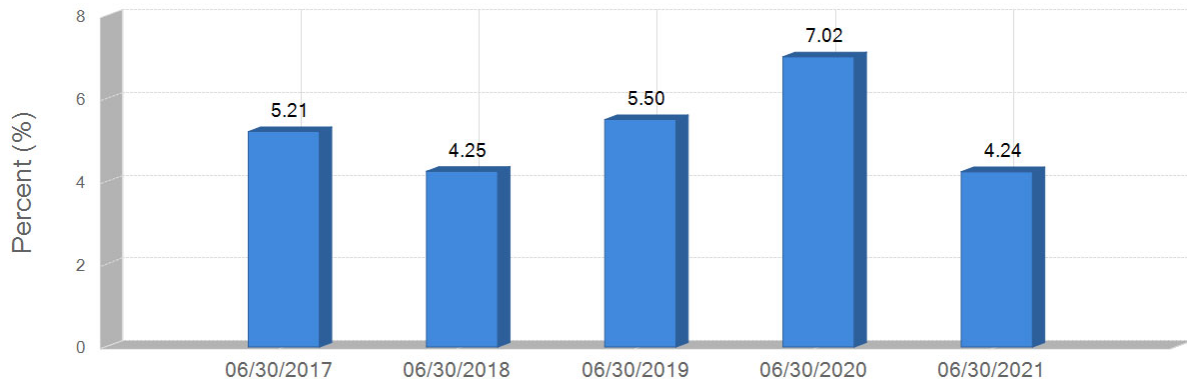
A very important number. In fact, over time, it is one of the more important barometers that we look at. It measures how many surplus cents the organization is generating for every dollar it sells. This is a very important number in preparing forecasts.

Gross Program Margin = Gross Yield / Total Unrestricted Revenue



This number indicates the percentage of revenue that is left over after paying for program expenses. It is an important statistic that can be used in business planning because it indicates how many cents of gross program profit can be generated by future revenue and also what percentage of revenue the organization can use for other expenses such as administration and fundraising.

Investment Yield = Investment Revenue / Investment Balance

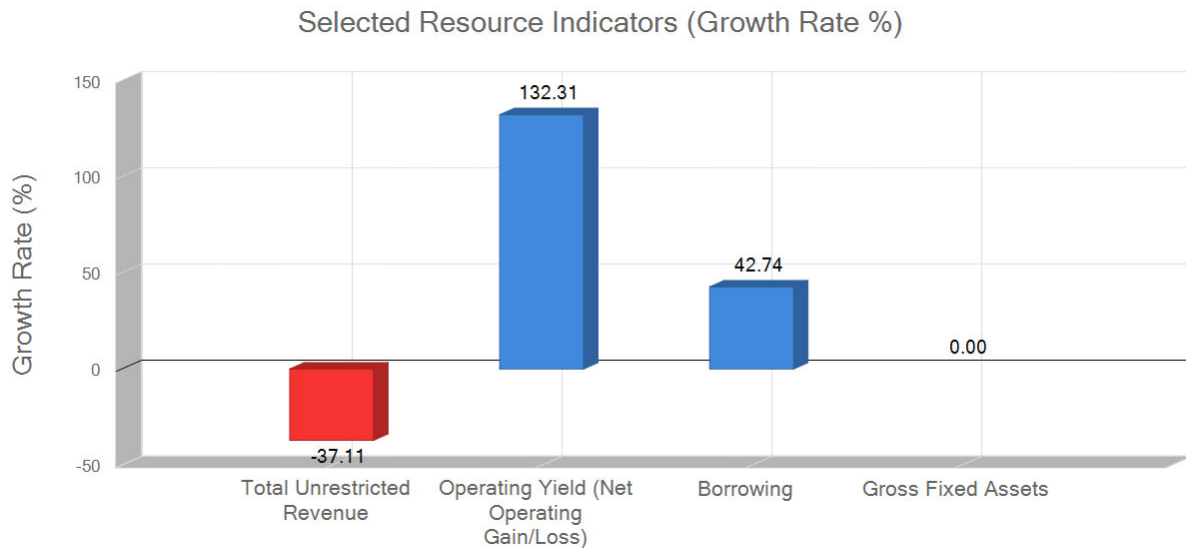


Investment yield shows the investment rate of return.

**Revenue** ●●●●● 26 out of 100

A measure of how revenue is growing and how it lends itself to the organization's program services.

The organization's revenues have fallen this period. Unfortunately, because the asset base has stayed relatively the same, this means that the organization is now generating lower revenue per fixed asset dollar. This dynamic could negatively affect program services if revenues continue to fall in the future. Typically, organizations want to see revenue increasing over time; this is true because the costs of programs continually increase, no matter what the inflation rate is. Of course, managers will want to look for longer-term results in this area -- results from the Operational Analysis and Liquidity sections are generally more important than revenue results.



**This data is based on the two most recent available periods.**

The next two sections will examine how effectively the organization is using two of its most important resources: borrowed funds and assets. Ultimately, effectiveness here is determined by comparing changes in these resources to changes in the organization's revenue level. Resources are costs that should be used to leverage higher revenues, since higher revenues are necessary to improve and expand the organization's program services and make progress toward its mission.

## Borrowing ● ● ● ● ● 10 out of 100

*A measure of how responsibly the organization is borrowing and how effectively it is managing debt.*

The goal in this area is to see revenues improve when "investing" in borrowing activities. Every costly item can be thought of as an investment, including everything from borrowed funds (loans) to people to postage stamps. Debt is a particularly dangerous investment because it carries long-term risk (even trade credit in growing organizations). What is worrisome here is that the organization acquired significantly more debt but revenues actually dropped from last period. This could be a dangerous result if continued over the long run.

## Assets ● ● ● ● ● 10 out of 100

*A measure of how effectively the organization is utilizing their gross fixed assets.*

It looks like the asset base remained the same as last period while revenues have decreased by 37.11%. This indicates that the organization is losing efficiency in its asset base. This is a situation that the



organization does not want to turn into a long-term trend. It is worth noting that operating margins increased, which indicates an improvement in overall efficiency. However, a nonprofit must use its assets effectively in order to maximize revenues.

**A NOTE ON SCORING:** Each section of this report (Liquidity, Operating Yield Trends, Revenue, etc.) contains a numerical score/grade, which is a rough measure of overall performance in the area. Each grade represents a score from 1 to 100, with 1 being the lowest score and 100 being the highest. Generally, a score above 50 would be a "good" score and a score below 50 would be a "poor" score. The scores are derived by evaluating the organization's trends, either positive or negative, over time and by comparing the organization to sector averages for different metrics.

## Raw Data

<b>Statement of Activities</b>	<b>06/30/2017</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	<b>06/30/2020</b>	<b>06/30/2021</b>
Program Service Revenue	\$1,355,420	\$1,312,747	\$1,101,919	\$920,913	\$209,872
Contributions	\$102,341	\$41,584	\$31,632	\$73,359	\$22,269
Government Grants	\$1,188,790	\$1,127,120	\$1,165,147	\$1,206,044	\$1,137,515
Investment Revenue	\$17,270	\$16,894	\$20,699	\$15,674	\$10,647
Membership Dues	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue	\$34,272	\$36,490	\$1,505	\$3,221	\$15,425
Net Assets Released From Restrictions	\$0	\$0	\$0	\$0	\$0
Net Assets Released From Restrictions	\$0	\$0	\$0	\$0	\$0
<b>Total Unrestricted Revenue</b>	<b>\$2,698,093</b>	<b>\$2,534,835</b>	<b>\$2,320,902</b>	<b>\$2,219,211</b>	<b>\$1,395,728</b>
Program Service Expenses	\$2,131,717	\$2,111,936	\$1,966,731	\$2,007,977	\$871,983
Rent	\$0	\$0	\$0	\$0	\$0
Payroll & Benefits	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Gross Yield	\$566,376	\$422,899	\$354,171	\$211,234	\$523,745
Gross Program Margin	20.99%	16.68%	15.26%	9.52%	37.52%
Fundraising Expenses	\$109,437	\$101,856	\$103,046	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0
Payroll & Benefits	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Administration Expenses	\$396,449	\$400,799	\$392,901	\$530,510	\$420,602
Rent	\$0	\$0	\$0	\$0	\$0
Payroll & Benefits	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Other Operating Expenses	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0
Payroll & Benefits	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$2,637,603</b>	<b>\$2,614,591</b>	<b>\$2,462,678</b>	<b>\$2,538,487</b>	<b>\$1,292,585</b>
Operating Yield (Net Operating Gain/Loss)	\$60,490	(\$79,756)	(\$141,776)	(\$319,276)	\$103,143
Operating Margin	2.24%	-3.15%	-6.11%	-14.39%	7.39%
Other Inflows	\$0	\$0	\$6,180	\$0	\$54,481
Other Outflows	\$0	\$14,714	\$0	\$11,687	\$0
<b>Total Change In Net Assets</b>	<b>\$60,490</b>	<b>(\$94,470)</b>	<b>(\$135,596)</b>	<b>(\$330,963)</b>	<b>\$157,624</b>

<b>Statement of Financial Position</b>	<b>06/30/2017</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	<b>06/30/2020</b>	<b>06/30/2021</b>
Total Cash and Cash Equivalents	\$347,690	\$238,832	\$104,365	\$385,633	\$799,514
Unrestricted Cash	\$0	\$0	\$0	\$0	\$0
Restricted Cash	\$0	\$0	\$0	\$0	\$0
Unrestricted Cash 2	\$0	\$0	\$0	\$0	\$0
Restricted Cash 2	\$0	\$0	\$0	\$0	\$0
Total Receivables	\$245,840	\$270,122	\$242,440	\$213,335	\$187,272
Contributions Receivable	\$0	\$0	\$0	\$0	\$0
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Other Receivables	\$0	\$0	\$0	\$0	\$0
Contributions Receivable 2	\$0	\$0	\$0	\$0	\$0
Accounts Receivable 2	\$0	\$0	\$0	\$0	\$0

Other Receivables 2	\$0	\$0	\$0	\$0	\$0
Inventory	\$881	\$1,091	\$1,789	\$640	\$640
Current Investments	\$331,247	\$397,369	\$376,130	\$223,374	\$251,387
Other Current Assets	\$38,554	\$4,583	\$24,016	\$14,836	\$12,070
Total Current Assets	\$964,212	\$911,997	\$748,740	\$837,818	\$1,250,883
Gross Fixed Assets	\$1,002,451	\$1,002,451	\$1,016,515	\$972,899	\$972,899
Accumulated Depreciation	\$951,511	\$979,897	\$969,940	\$940,170	\$950,306
Net Fixed Assets	\$50,940	\$22,554	\$46,575	\$32,729	\$22,593
Long Term Investment Assets	\$0	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0	\$0
Total Assets	\$1,015,152	\$934,551	\$795,315	\$870,547	\$1,273,476
Payables	\$52,815	\$67,476	\$78,895	\$116,923	\$13,607
Short Term Debt	\$0	\$0	\$0	\$0	\$0
Notes Payable / Current Portion of Long Term Debt	\$13,450	\$12,165	\$13,475	\$5,392	\$5,342
Other Current Liabilities	\$74,454	\$85,115	\$59,275	\$436,567	\$790,580
Total Current Liabilities	\$140,719	\$164,756	\$151,645	\$558,882	\$809,529
Total Long Term Liabilities	\$16,753	\$6,585	\$16,056	\$15,014	\$9,672
Notes Payable / Senior Debt	\$0	\$0	\$0	\$0	\$0
Notes Payable / Subordinated Debt	\$0	\$0	\$0	\$0	\$0
Other Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Notes Payable / Senior Debt 2	\$0	\$0	\$0	\$0	\$0
Notes Payable / Subordinated Debt 2	\$0	\$0	\$0	\$0	\$0
Other Long Term Liabilities 2	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$157,472	\$171,341	\$167,701	\$573,896	\$819,201
Total Net Assets	\$857,680	\$763,210	\$627,614	\$296,651	\$454,275

## Common Size Statements

Statement of Activities	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021	Industry* (424)
Program Service Revenue	50%	52%	47%	41%	15%	31%
Contributions	4%	2%	1%	3%	2%	15%
Government Grants	44%	44%	50%	54%	81%	40%
Investment Revenue	1%	1%	1%	1%	1%	1%
Membership Dues	0%	0%	0%	0%	0%	0%
Other Operating Revenue	1%	1%	0%	0%	1%	7%
Net Assets Released From Restrictions	0%	0%	0%	0%	0%	5%
Net Assets Released From Restrictions	0%	0%	0%	0%	0%	5%
Total Unrestricted Revenue	100%	100%	100%	100%	100%	100%
Program Service Expenses	79%	83%	85%	90%	62%	83%
Rent	0%	0%	0%	0%	0%	--
Payroll & Benefits	0%	0%	0%	0%	0%	--
Utilities	0%	0%	0%	0%	0%	--
Depreciation and Amortization	0%	0%	0%	0%	0%	--
Interest Expense	0%	0%	0%	0%	0%	--
Gross Yield	21%	17%	15%	10%	38%	17%
Fundraising Expenses	4%	4%	4%	0%	0%	2%
Rent	0%	0%	0%	0%	0%	--
Payroll & Benefits	0%	0%	0%	0%	0%	--
Utilities	0%	0%	0%	0%	0%	--
Depreciation and Amortization	0%	0%	0%	0%	0%	--

Interest Expense	0%	0%	0%	0%	0%	--
Administration Expenses	15%	16%	17%	24%	30%	9%
Rent	0%	0%	0%	0%	0%	--
Payroll & Benefits	0%	0%	0%	0%	0%	--
Utilities	0%	0%	0%	0%	0%	--
Depreciation and Amortization	0%	0%	0%	0%	0%	--
Interest Expense	0%	0%	0%	0%	0%	--
Other Operating Expenses	0%	0%	0%	0%	0%	2%
Rent	0%	0%	0%	0%	0%	--
Payroll & Benefits	0%	0%	0%	0%	0%	--
Utilities	0%	0%	0%	0%	0%	--
Depreciation and Amortization	0%	0%	0%	0%	0%	--
Interest Expense	0%	0%	0%	0%	0%	--
Total Operating Expenses	98%	103%	106%	114%	93%	96%
Operating Yield (Net Operating Gain/Loss)	2%	-3%	-6%	-14%	7%	4%
Other Inflows	0%	0%	0%	0%	4%	1%
Other Outflows	0%	1%	0%	1%	0%	3%
Total Change In Net Assets	2%	-4%	-6%	-15%	11%	2%

<b>Statement of Financial Position</b>	<b>06/30/2017</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	<b>06/30/2020</b>	<b>06/30/2021</b>	<b>Industry* (424)</b>
Total Cash and Cash Equivalents	34%	26%	13%	44%	63%	30%
Unrestricted Cash	0%	0%	0%	0%	0%	--
Restricted Cash	0%	0%	0%	0%	0%	--
Unrestricted Cash 2	0%	0%	0%	0%	0%	--
Restricted Cash 2	0%	0%	0%	0%	0%	--
Total Receivables	24%	29%	30%	25%	15%	16%
Contributions Receivable	0%	0%	0%	0%	0%	--
Accounts Receivable	0%	0%	0%	0%	0%	--
Other Receivables	0%	0%	0%	0%	0%	--
Contributions Receivable 2	0%	0%	0%	0%	0%	--
Accounts Receivable 2	0%	0%	0%	0%	0%	--
Other Receivables 2	0%	0%	0%	0%	0%	--
Inventory	0%	0%	0%	0%	0%	0%
Current Investments	33%	43%	47%	26%	20%	4%
Other Current Assets	4%	0%	3%	2%	1%	2%
Total Current Assets	95%	98%	94%	96%	98%	54%
Gross Fixed Assets	99%	107%	128%	112%	76%	88%
Accumulated Depreciation	94%	105%	122%	108%	75%	54%
Net Fixed Assets	5%	2%	6%	4%	2%	34%
Long Term Investment Assets	0%	0%	0%	0%	0%	7%
Other Assets	0%	0%	0%	0%	0%	5%
Total Assets	100%	100%	100%	100%	100%	100%
Payables	5%	7%	10%	13%	1%	8%
Short Term Debt	0%	0%	0%	0%	0%	0%
Notes Payable / Current Portion of Long Term Debt	1%	1%	2%	1%	0%	0%
Other Current Liabilities	7%	9%	7%	50%	62%	6%
Total Current Liabilities	14%	18%	19%	64%	64%	17%
Total Long Term Liabilities	2%	1%	2%	2%	1%	11%
Notes Payable / Senior Debt	0%	0%	0%	0%	0%	--

Notes Payable / Subordinated Debt	0%	0%	0%	0%	0%	--
Other Long Term Liabilities	0%	0%	0%	0%	0%	--
Notes Payable / Senior Debt 2	0%	0%	0%	0%	0%	--
Notes Payable / Subordinated Debt 2	0%	0%	0%	0%	0%	--
Other Long Term Liabilities 2	0%	0%	0%	0%	0%	--
Total Liabilities	16%	18%	21%	66%	64%	27%
Total Net Assets	84%	82%	79%	34%	36%	73%

\*The industry common size figures shown above were taken from all nonprofit organizations with NTEE code P81 for all years in all areas with yearly sales \$1 million to \$10 million.

## Sector Scorecard

Financial Indicator	Current Period	Sector Range	Distance from Sector
<b>Current Ratio</b> = Total Current Assets / Total Current Liabilities  <b>Explanation:</b> Generally, this metric measures the overall liquidity position of an organization. It is certainly not a perfect barometer, but it is a good one. Watch for big decreases in this number over time. Make sure the accounts listed in "current assets" (numerator) are collectible. The higher the ratio, the more liquid the organization is.	1.55	2.00 to 7.00	-22.50%
<b>Quick Ratio</b> = (Cash + Total Receivables) / Total Current Liabilities  <b>Explanation:</b> This is another good indicator of liquidity, although by itself, it is not a perfect one. If there are receivable accounts included in the numerator, they should be collectible. Look at the length of time the organization has to pay the amount listed in the denominator (current liabilities). The higher the number, the stronger the organization.	1.22	1.30 to 5.12	-6.15%
<b>Operating Margin</b> = Operating Yield / Total Unrestricted Revenue  <b>Explanation:</b> A very important number. In fact, over time, it is one of the more important barometers that we look at. It measures how many surplus cents the organization is generating for every dollar it sells. This is a very important number in preparing forecasts.	7.39%	-1.00% to 3.00%	+146.33%
<b>Gross Program Margin</b> = Gross Yield / Total Unrestricted Revenue  <b>Explanation:</b> This number indicates the percentage of revenue that is left over after paying for program expenses. It is an important statistic that can be used in business planning because it indicates how many cents of gross program profit can be generated by future revenue and also what percentage of revenue the organization can use for other expenses such as administration and fundraising.	37.52%	14.00% to 30.00%	+25.07%
<b>Program Efficiency</b> = Program Service Expenses / Total Expenses  <b>Explanation:</b> Shows the basic relationship between program expenses and total expenses. This ratio is typically keenly watched by employees, managers, Board members, donors, and contributors. It tends to be one of the more important metrics that many nonprofits use in assessing performance.	0.67	0.77 to 0.94	-12.99%
<b>Revenue Composition</b> = Unrestricted Program Service Revenue / Total Unrestricted Revenue  <b>Explanation:</b> This metric shows the composition of the organization's revenue stream. Specifically, it shows how many cents in program revenue there are for each dollar of revenue generated. Some people like to look at this to see how dependent the entity is on outside funding.	0.15	0.30 to 0.60	-50.00%
<b>Operating Reliance</b> = Unrestricted Program Service Revenue / Total Expenses  <b>Explanation:</b> Shows how able a nonprofit entity is to pay for total expenses from program revenues alone. Many times (although not always) program revenues are more predictable and consistent sources of money and, therefore, it is a point of interest to see how able a nonprofit is to liquidate expenses from just program revenue. The ideal score would be 1 or even above 1 in very rare cases.	0.16	0.12 to 0.50	0.00%
<b>Fundraising Efficiency</b> = Unrestricted Contributions / Unrestricted Fundraising Expenses  <b>Explanation:</b> Shows how much contribution revenue a nonprofit can generate from fundraising activities/expenses. The ideal relationship is a high number, which would mean that the nonprofit is able to generate a multiple of how much it costs to do fundraising.	--	2.00 to 8.00	--
<b>Investment Yield</b> = Investment Revenue / Investment Balance  <b>Explanation:</b> Investment yield shows the investment rate of return.	4.24%	--	--
<b>Days Cash Reserve</b>	225.77 Days	90.00 to 120.00 Days	+88.14%

= (Unrestricted Cash / (Total Expenses - Depreciation and Amortization)) \* 365

**Explanation:** Cash reserve is a rough measure of the amount of cash on hand to cover future expenses. The organization should target 182 or more days of cash reserve.

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**NOTE:** Exceptions are sometimes applied when calculating the Financial Indicators. Generally, this occurs when the inputs used to calculate the ratios are zero and/or negative.

**READER:** Financial analysis is not a science; it is about interpretation and evaluation of financial events. Therefore, some judgment will always be part of our reports and analyses. Before making any financial decision, always consult an experienced and knowledgeable professional (accountant, banker, financial planner, attorney, etc.).