
NOW National Board
Financial Report
January - December, 2015

NOW Budget Committee Meeting
February 2016



NOW, Inc. + NOW Foundation

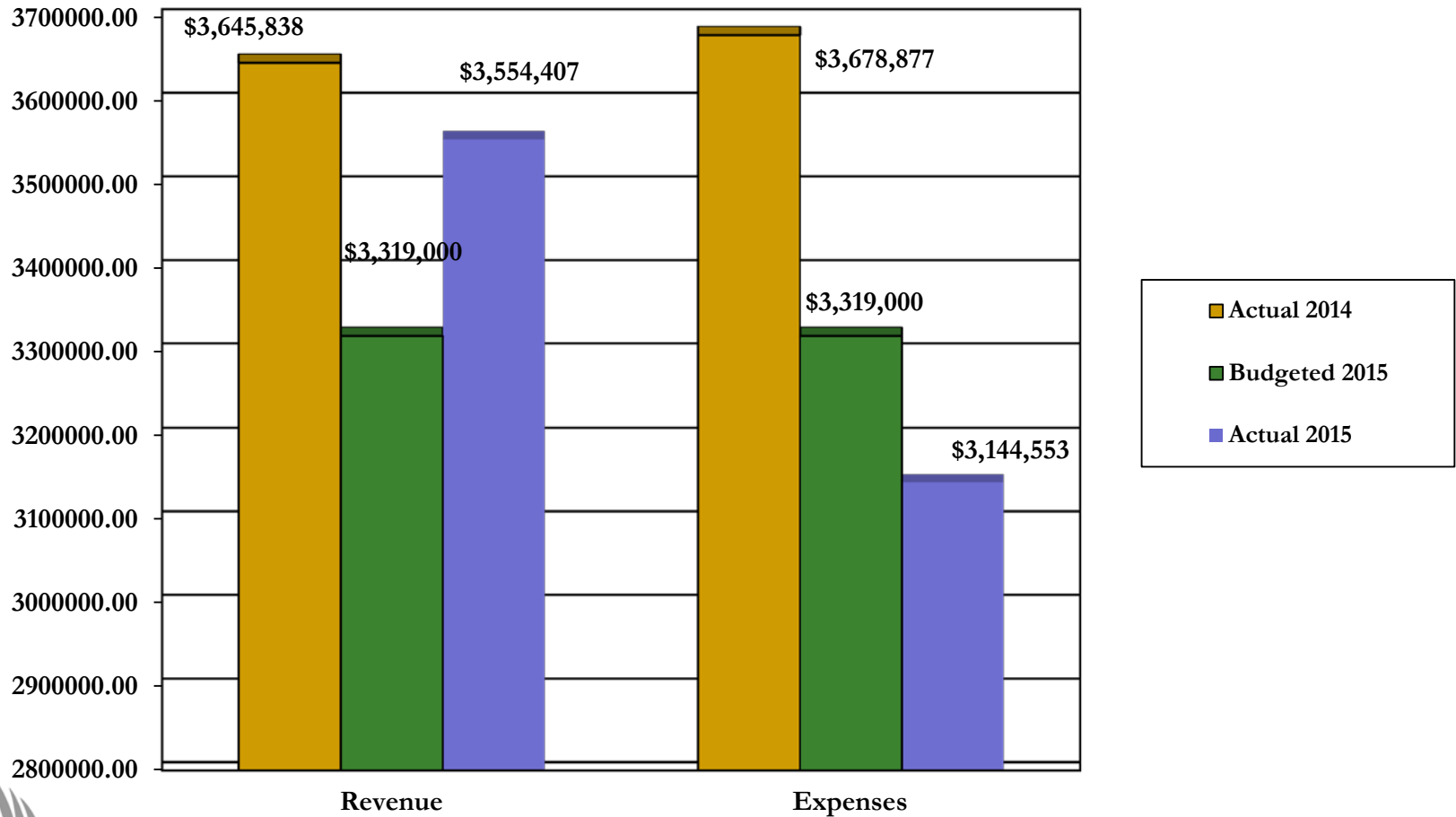
January – Decemer 2015

Overview

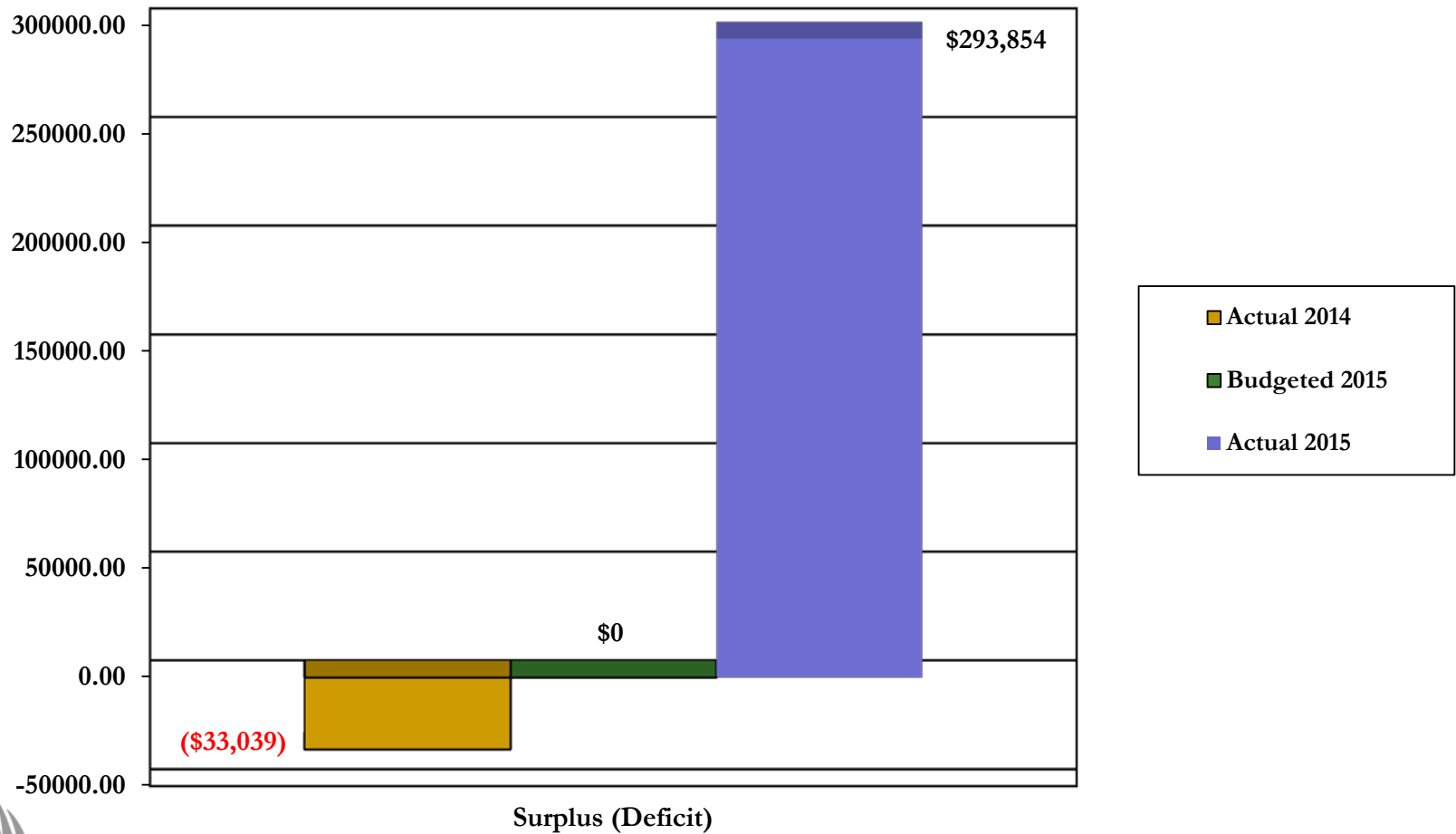
- Thanks to an exceptionally strong end-of-year performance, NOW and NOW Foundation experienced a combined surplus of over \$290,000 for 2015.
- Foundation revenue exceeded budgeted expectations by 37%
- Inc. revenue exceeded budgeted expectations by 2.9%.
- Inc. revenue for 2015 lagged slightly behind 2014 largely because we did fewer acquisition mailings in 2015.



Combined Revenue & Expenses, NOW & NOW Fdn January – December 2015



Combined Results of Operations, NOW & NOW Fdn January – December 2015



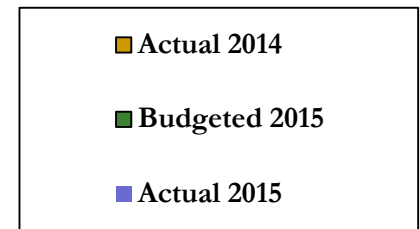
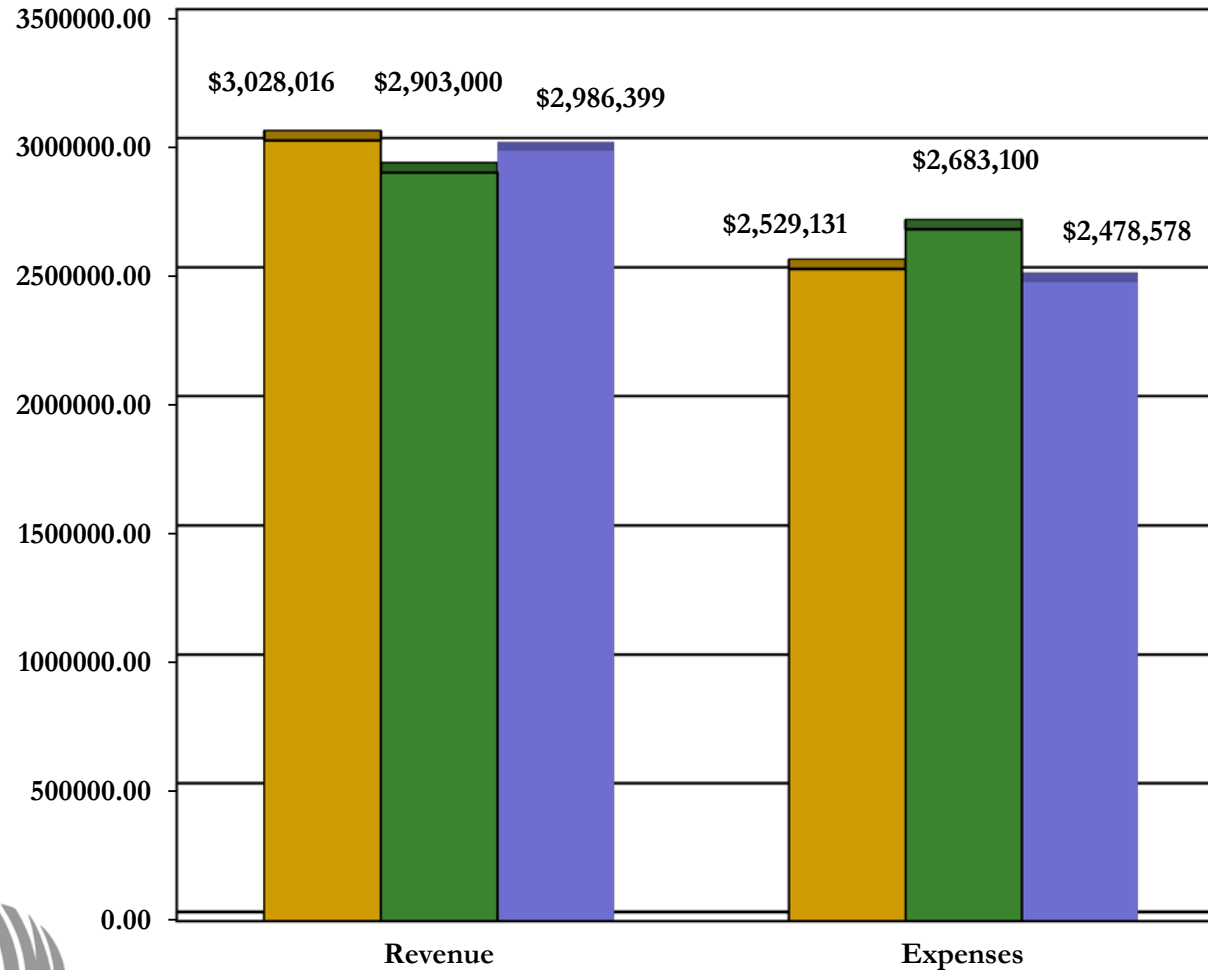
NOW, Inc.

January – December 2015

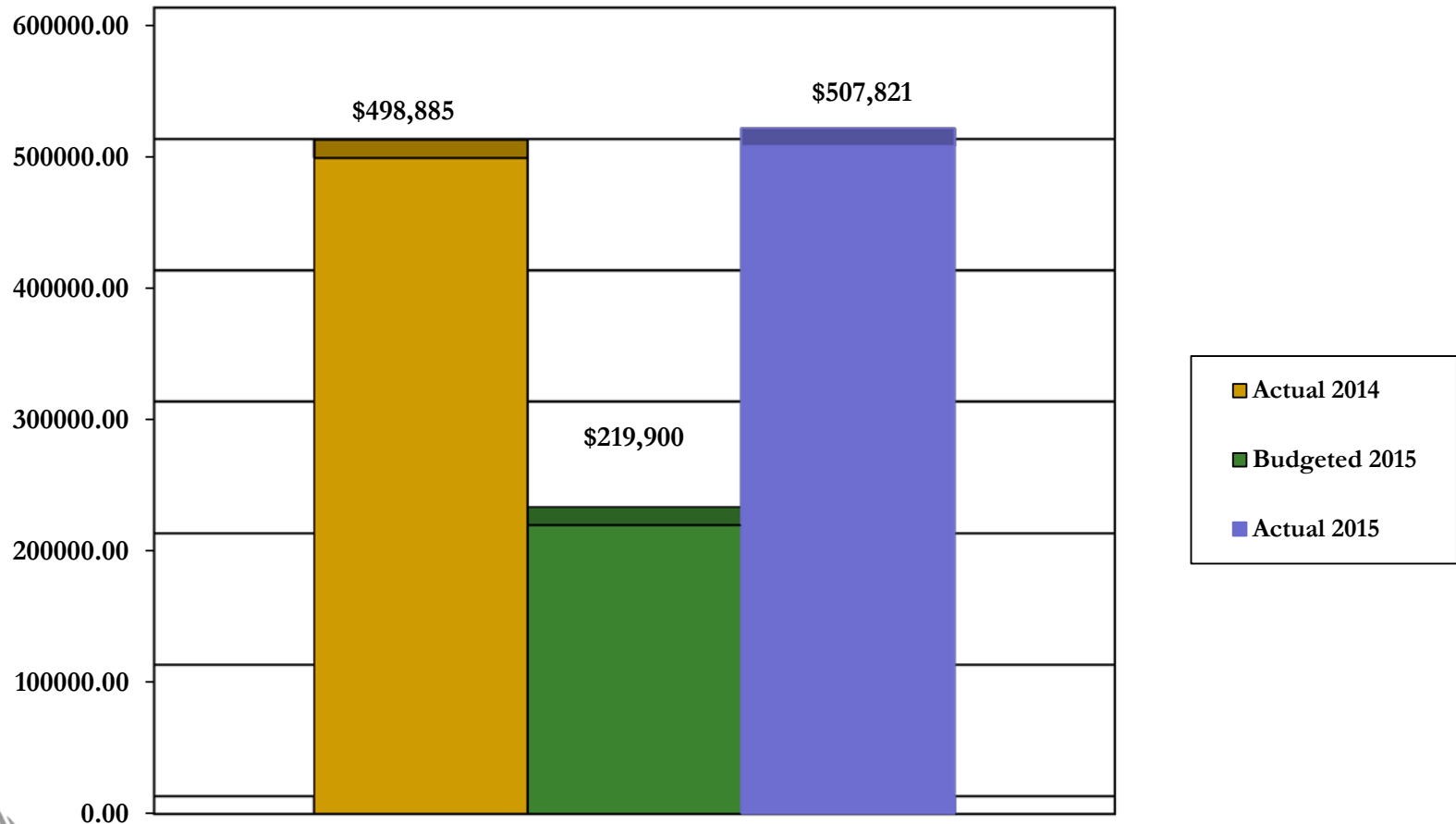
Overview

- NOW, Inc. total revenue for the year was slightly less than 2014 (1%) but 3% more than budgeted.
- At the same time, Inc. expenses were slightly less than 2014 (2%) but 8% less than budgeted
- Result: Inc. had a significant surplus, more than necessary to carry Fdn deficit

Revenue and Expenses – Inc. Jan – Dec 2015



NOW Inc. Results of Operations Jan – Dec 2015



NOW, Inc.
January – December 2015
Revenue: Direct Mail

- Acquisition, Renewal, Reinstatement revenue: higher than budget but behind 2014.
- 2014 saw more aggressive (but costly) Acq & Reinst efforts
- Inc. appeal revenue: higher than budget & significantly better than 2014

Direct mail effort	2015 Actual	2015 Budget	2014 Actual
Acquisition, Renewal, Reinst.	\$1,571,781	\$1,498,000	\$1,772,850
Appeals	\$ 701,689	\$ 685,000	\$ 590,737
Total	\$2,273,470	\$2,183,000	\$2,363,587



NOW, Inc.

January – December 2015

Revenue: Non-Direct Mail

- Sustainer and unsolicited/online revenue are under-performing against 2014 and against budget
- Inc. major gifts are lower than budget but higher than 2014
- Bequests came in significantly ahead of 2014 and budget (unpredictable!)

Description	2015 Actual	2015 Budget	2014 Actual
Sustainer	\$202,755	\$233,000	207,818
Unsolicited / online	\$ 45,727	\$ 60,000	\$ 52,944
Major gifts	\$197,145	\$225,000	\$189,344
Bequests	\$140,022	\$70,000	\$102,452



NOW, Inc.

January – December 2015

Expenses

Inc. expenses are in line with budget

- Lower office & equipment rent
- NOW, Inc. picks up higher %age of personnel, benefits & overhead – which are lower overall

Expense	2014	2015	% change
Payroll, contractors, temps	\$399,334	\$ 544,352	36%
Office & equipment rent	\$ 103,003	\$ 92,844	(11%)
Postage, printing & mailshop	\$970,284	\$1,010,116	4%



New membership acquisition package continues to be strong

2013: 1.2 million Acq letters, 8,458 new members (0.7% response rate)

2014: 1.5 million Acq letters, 21,542 new members (1.4% response rate)

2015: 0.9 million Acq letters, 15,325 new members (1.7% response rate)

Average membership, FYE Dec. 31, 2014: 58,243

Average membership, FYE Dec 31, 2015: 63,348



NOW, Inc. 2015 Direct Marketing: Membership Acquisitions

Our new membership package is still doing well.

2014

Mo.	Drop	Resp Rate	New mems
Jan	300k	1.2%	3,655
Feb	335k	0.5%	1,657
Apr	270k	2.2%	5,914
Jun	275k	1.6%	4,416
Sep	285k	2.1%	5,944

2015

Mo.	Drop	Resp Rate	New mems
Jan	300k	1.8%	5,361
Mar	300k	1.7%	5,141
Sep	300k	1.6%	4,823

Notes: Feb 2014 = old package



NOW Foundation

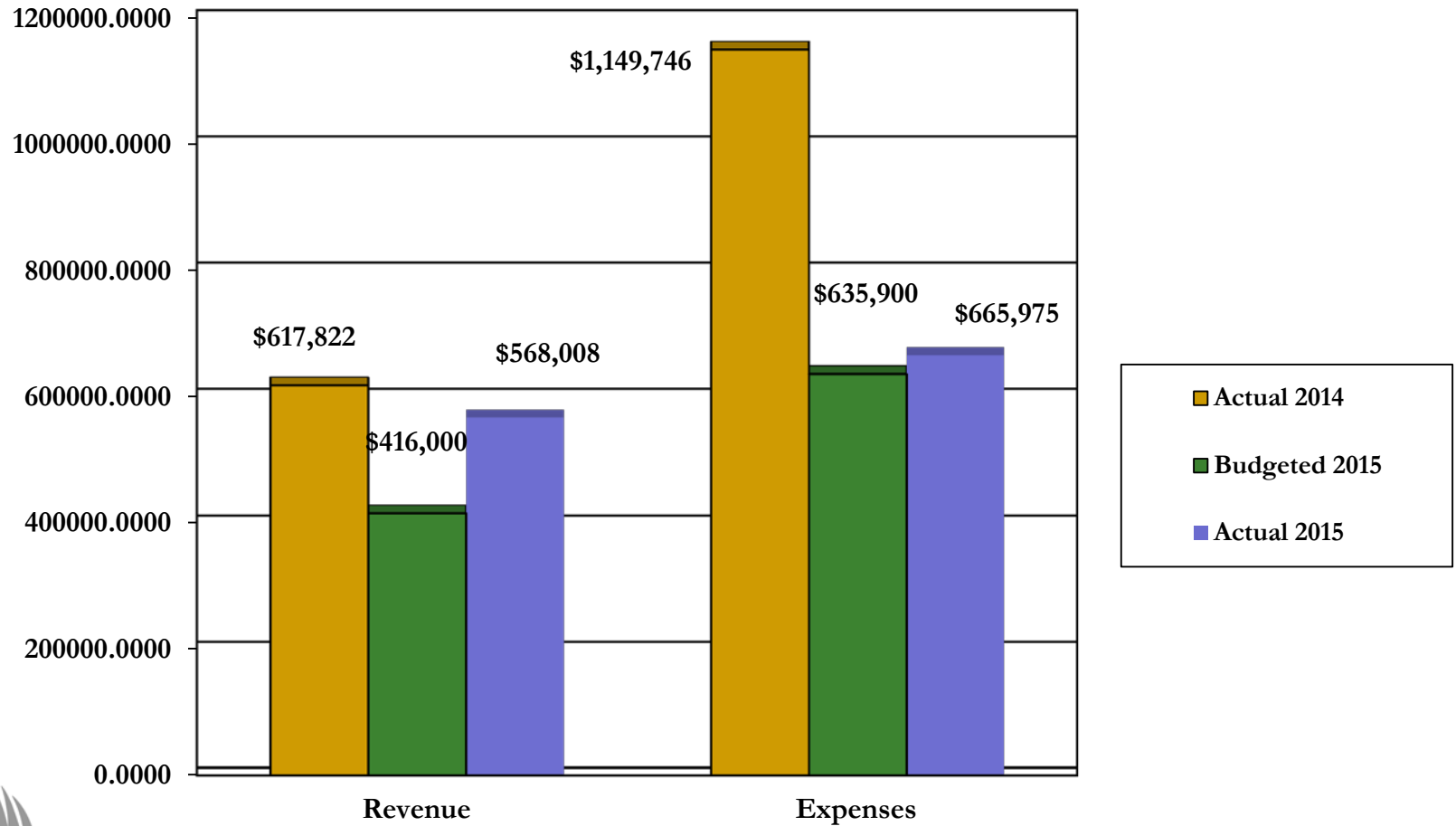
January – December 2015

Overview

- Although 2015 revenue lagged slightly behind 2014, expenses were dramatically lower in 2015
- We lowered expenses by
 - Shifting more payroll & associated overhead to Inc., while also
 - Lowering total payroll & overhead overall
- Exceptionally strong EOY revenue resulted in 36% higher than budgeted Fdn revenue
- Stronger than budgeted revenue + expenses in line with budget = better than budgeted results

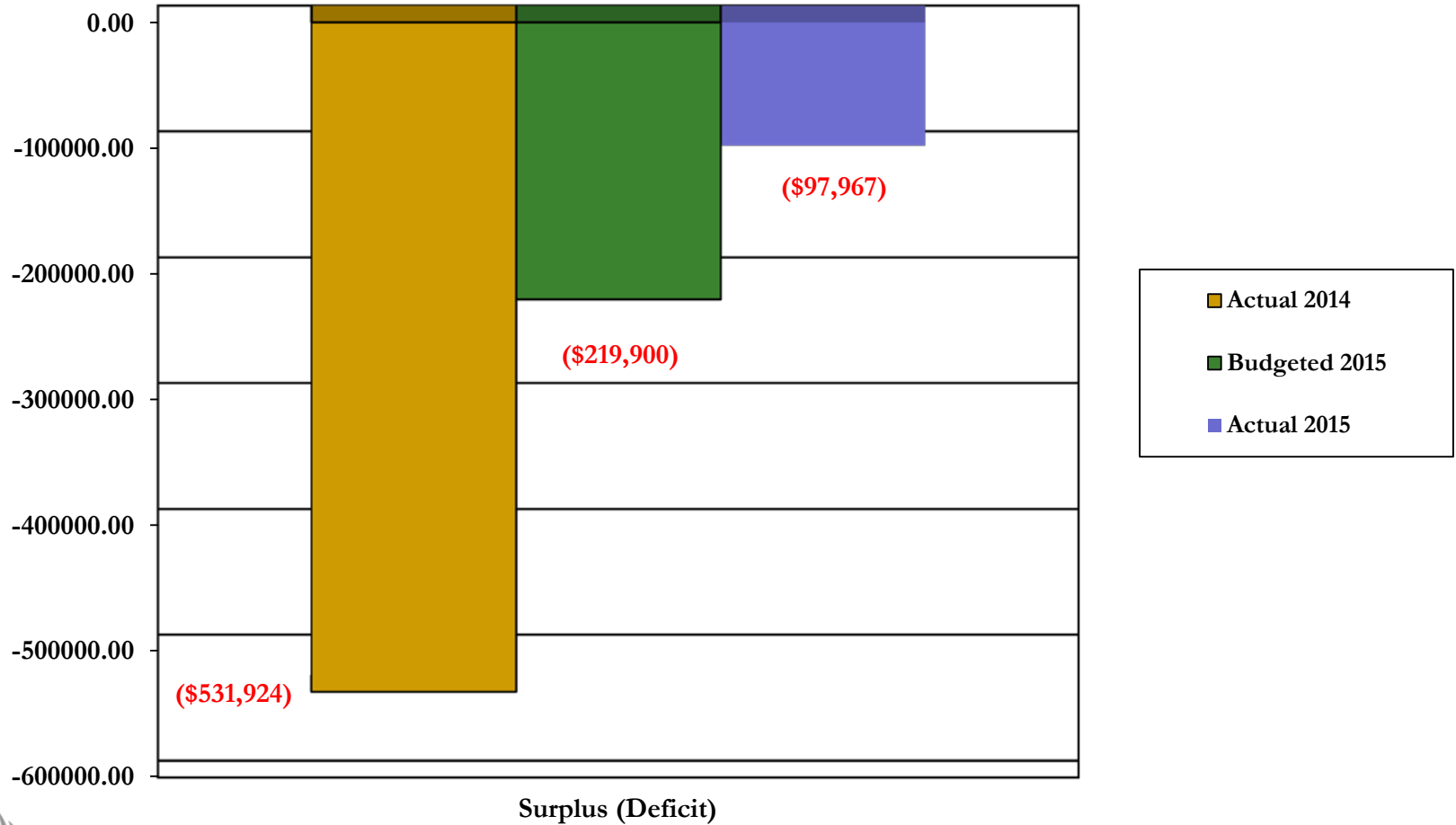


NOW Foundation Revenue and Expenses Jan – Dec 2015



Results of Operations. NOW Foundation

Jan – Dec 2015



NOW Foundation

Jan – Dec 2015

Revenue

2014 versus 2015:

- Total revenue was 8% lower than the prior year
- Fdn contributions are up, but bequests lag 2014
- New for 2015: Conference sponsorship revenue for Foundation

Revenue	2014	2015
Contributions	\$388,000	\$536,008
Bequests	\$229,000	\$22,000
Conference	\$0	\$10,000
All revenue	\$617,821	\$568,008

Accounts Payable

At December 31, 2015

• Oct, Nov, Dec rebates*	\$ 68,518
• Inc. vendor payables**	\$ 177,219
• Fdn. vendor payables**	<u>\$ 6,336</u>
• Total	\$ 252,074

* Rebates are paid 90 days in arrears

** Invoices are paid on time (usually 30-days terms)

NOW, Inc. & NOW Foundation

Ideal Cash Reserve

Three months of basic expenses

● Rent	\$ 39,000
● Payroll + Health	\$290,000
● Rebates	\$ 85,000
● Direct Marketing	<u>\$150,000</u>
● Ideal Cash Reserve	\$555,000

Cash, net of payables

At 12/31/2015:

\$695,477



NOW National Board

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NOW Budget Comm Meeting
February, 2016



JTV – main motion:

2017 – SFO; 2018- MN; 2019 – Orlando

Meredith - amendment

2017-Orlando; 2018 SFO; 2019 MN

Gordy - substitute:

2017-MN; 2018- SFO; 2019- Orlando

2017:

SFO 6

Orlando 8

Minn 2

2017 (second round):

SFO 6

Orlando 10

2018:

SFO 8

Minn 5

2019:

Minn 14