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**NOW National Board**  
*Financial Report*  
*January – March, 2016*

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NOW Budget Committee  
June 2016



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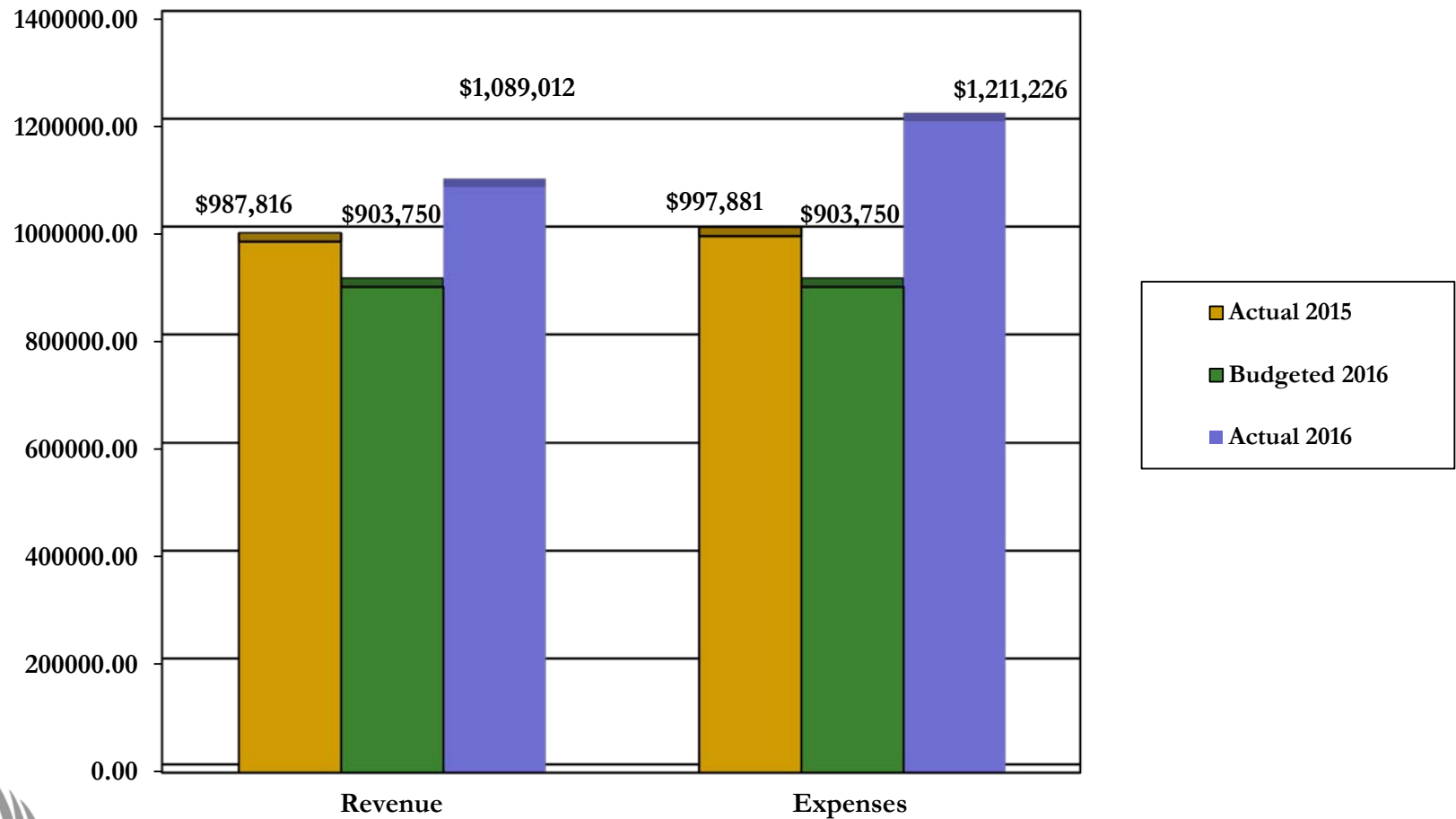
# NOW, Inc. + NOW Foundation

## January – March 2016

### Overview

- Income is higher than same period last year
- Net deficit is due to front loading of Acquisition and Appeal expenses in Inc
- Good news that Fdn is break-even (slight surplus).

# Combined Revenue & Expenses, NOW & NOW Fdn January – March 2016



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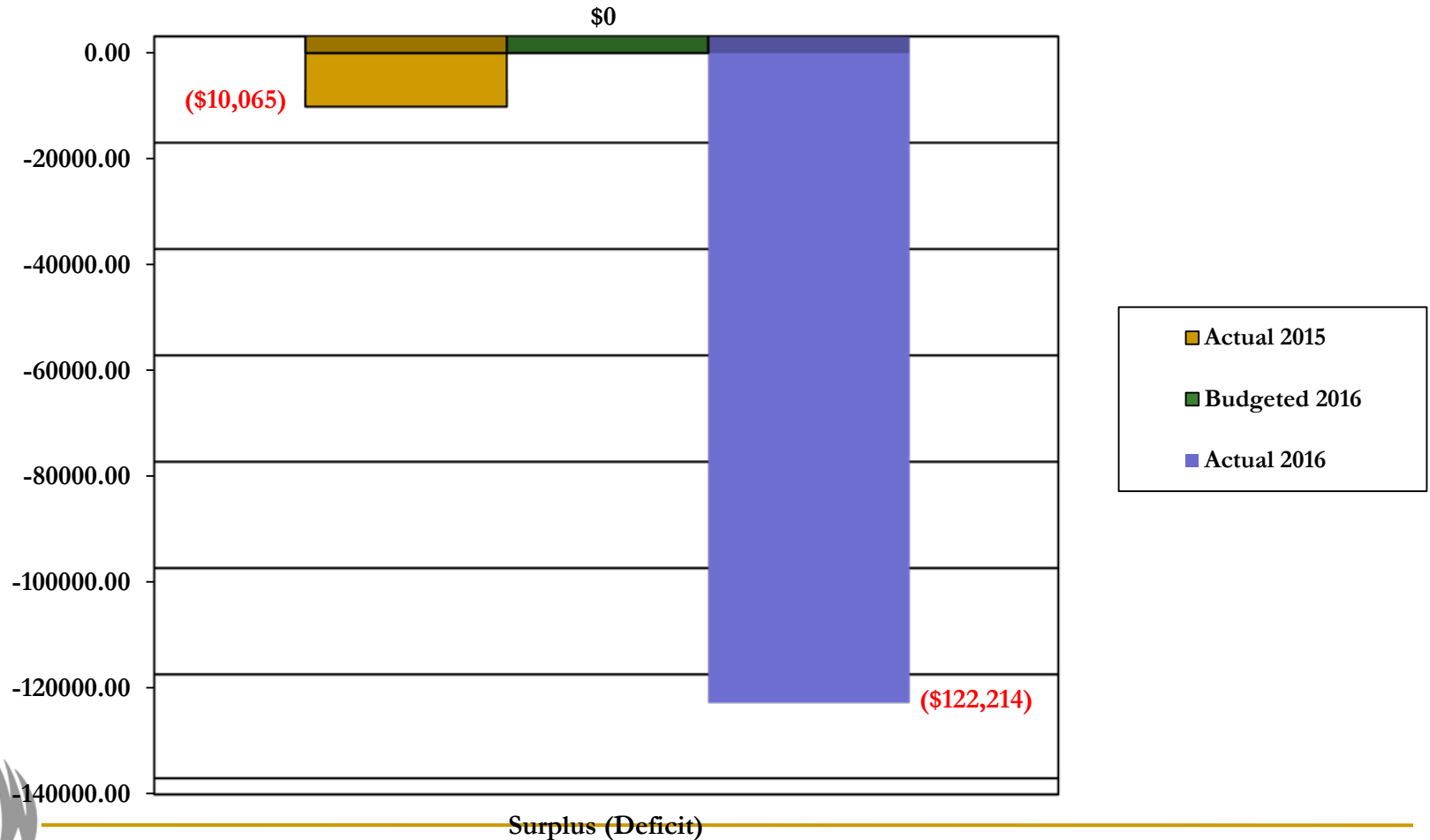
**NOW, Inc.**  
**January – March 2016**  
**Note about 1<sup>st</sup> Quarter expenses**

Expenses seem much higher than budget, but that is largely because of front-loading:

- Acquisition: 3 of 4 total mailings booked in 1<sup>st</sup> Quarter
- Appeal: 5 of 7 total mailings booked in 1<sup>st</sup> Quarter
- Renewal: Updated copy & printing for 2016
- Sustainer: Big telemarketing push in January

# Combined Results of Operations, NOW & NOW Fdn January – March 2016

70% of Inc. Direct Marketing expenses booked in 1<sup>st</sup> Qtr



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# NOW, Inc.

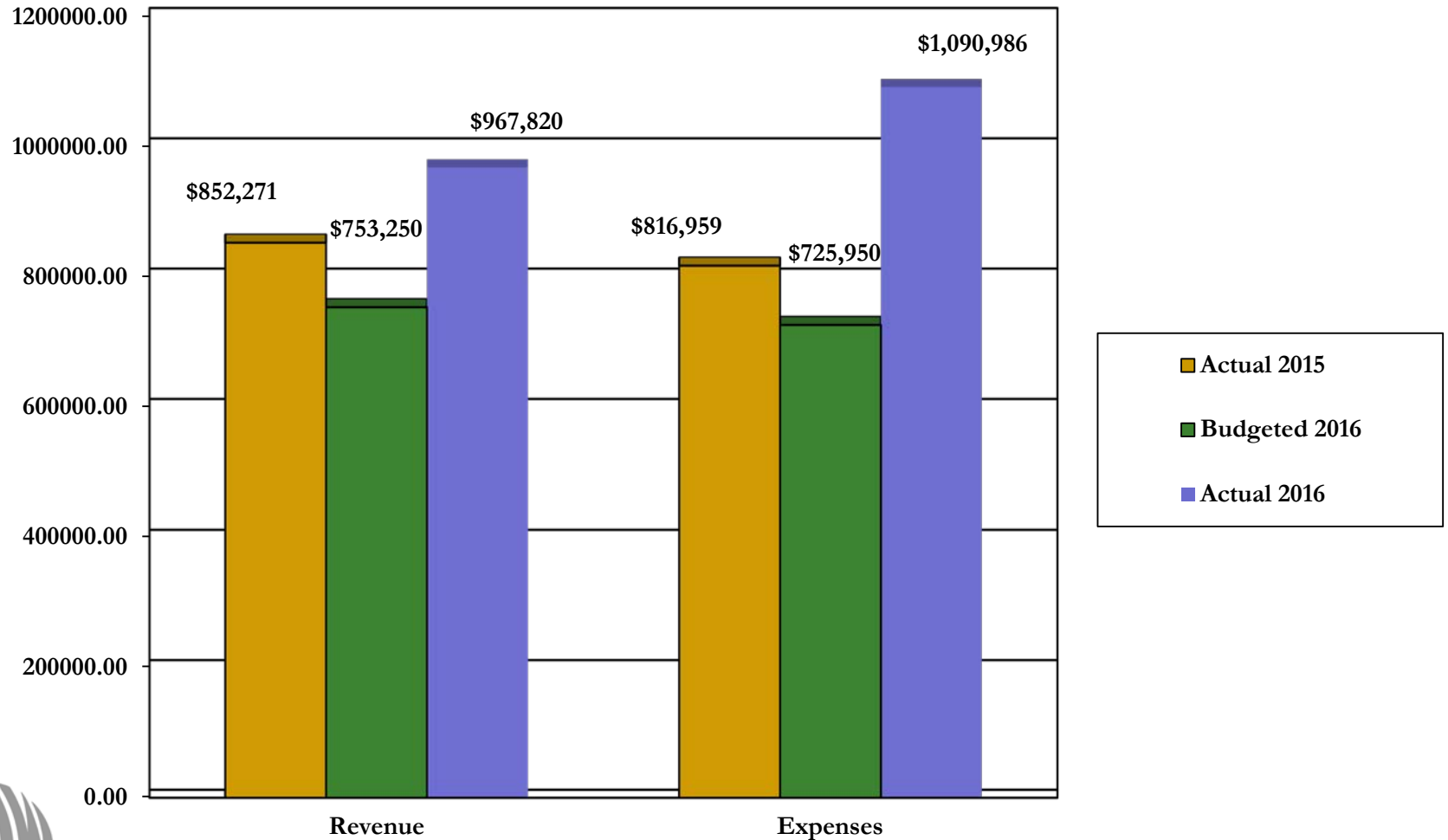
## January – March 2016

### Overview

- Inc revenue is up 14% over same period last year
- Inc expenses are up 34% over last year.
  - 2016 budget calls for 12% higher expenditures than 2015
  - More pronounced front-loading of Direct Marketing (DM) expenses
- Revenue is up 28% over budget.
  - DM revenue is somewhat front-loaded
  - Online appeals are doing well
  - Unanticipated bequests
- Expenses are 50% higher than budget, due to front-loading of DM expenses



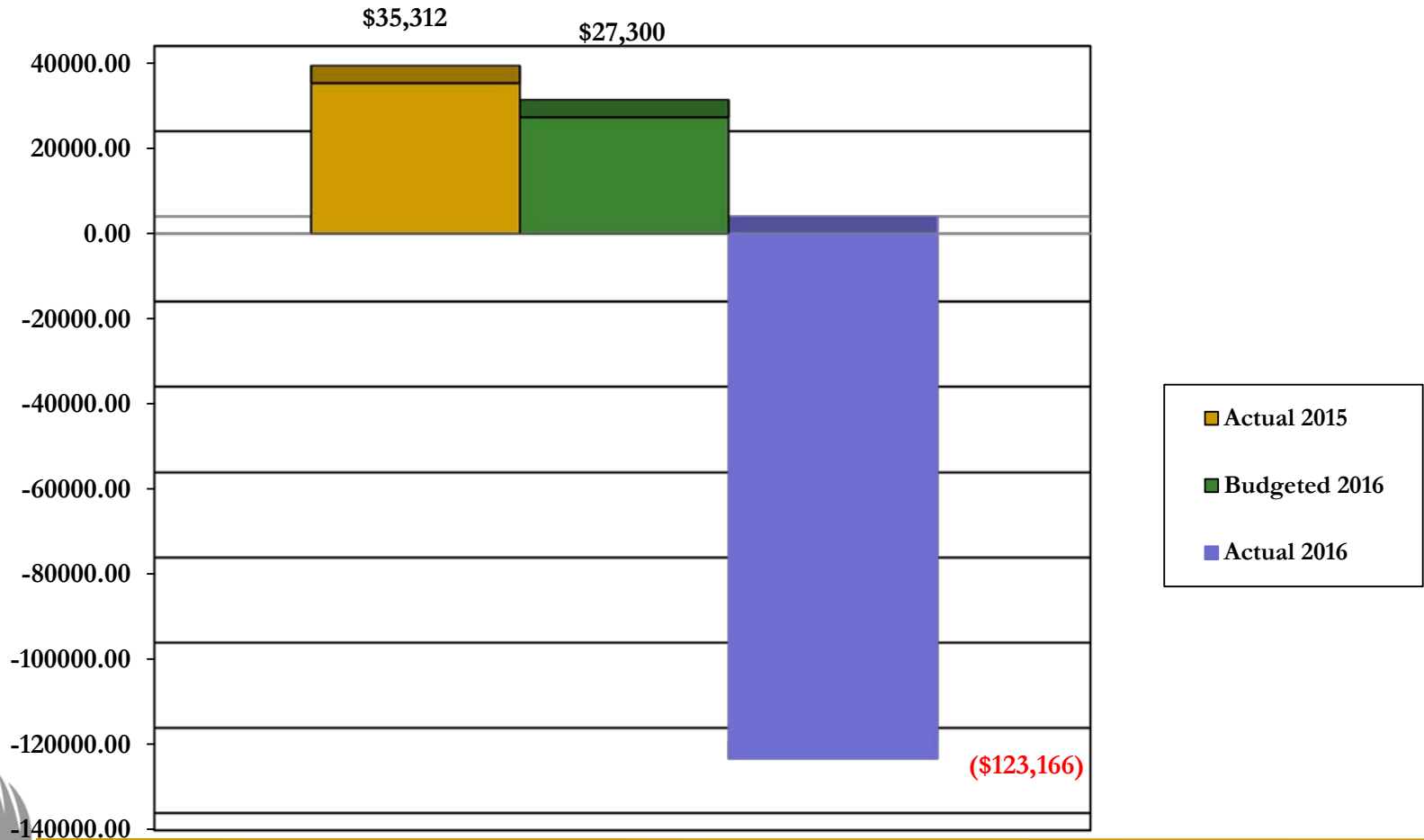
# Revenue and Expenses – Inc. January – March 2016



# NOW Inc. Results of Operations

## January – March 2016

### 70% of DM expenses booked in 1<sup>st</sup> Qtr





## NOW, Inc. Revenue January – March 2016

### DM (Integrated Multi-Channel Direct Marketing Program)

- Acquisition, renewal, reinstatement revenue: higher than budget but behind 2015.
- Appeal revenue: higher than budget but still less than 2015

Description	2015 Actual	2016 Budget	2016 Actual
Acquisition, Renewal, Reinst.	\$453,597	\$427,500	\$445,022
Appeals	\$252,278	\$185,500	\$235,646

**NOW, Inc.**  
**January – March 2016**  
**Revenue: Non-DM**

- Sustainer and unsolicited/online revenue are about even with 2015 but lagging behind budget
- Major gifts are significantly higher than budget, on par with 2015
- Bequest revenue is significantly ahead of 2015 and budget (unpredictable!)

<b>Description</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2016 Actual</b>
Sustainer	\$50,259	\$55,000	\$48,341
Unsolicited / online	\$11,463	\$12,500	\$12,860
Major gifts	\$56,310	\$22,500	\$58,398
Bequests	\$5,759	\$17,500	\$126,423



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# NOW, Inc.

## January – March 2016

### Expenses

Expenses seem much higher than budget, but that is largely because of front-loading:

- Acquisition: 3 of 4 total mailings booked in 1<sup>st</sup> Quarter
- Appeal: 5 of 7 total mailings booked in 1<sup>st</sup> Quarter
- Renewal: Updated copy & printing for 2016
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# New membership acquisition package continues to be strong

**2013:** 1.2 million Acquisition letters, 8,458 new members

**2014:** 1.5 million Acquisition letters, 21,542 new members

**2015:** 0.9 million Acquisition letters, 15,325 new members

**2016 Q1:** 0.6 million Acquisition ltrs, 9,556 new members

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.**

**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

**2016**

Mo.	Drop	Resp Rate	New mems
Jan	300k	1.6%	4,741
Mar	300k	1.6%	4,815
May	300k		
Sep	300k		



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# NOW Foundation

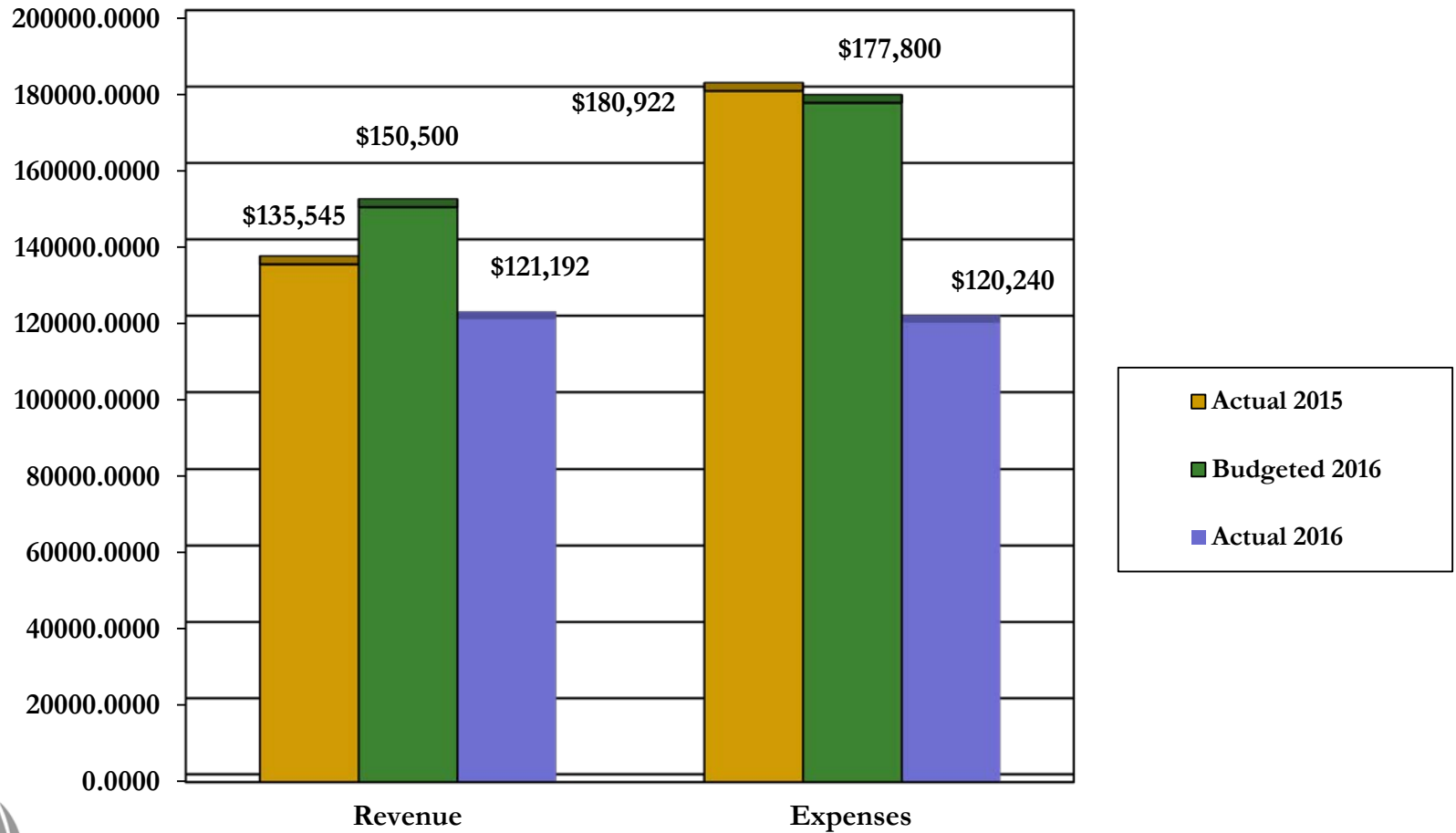
## January – March 2016

### Overview

- Strong 1<sup>st</sup> Quarter fundraising, combined with expenses that are in line with budgeted projection, results in small surplus.
- Recall that Foundation is projected to run a \$100,000 deficit for the year.
- Cautionary note: 1<sup>st</sup> Quarter fundraising is related to gala/conference sponsorships, but gala/conference costs have not yet been booked, so we expect a deficit in the next quarter.

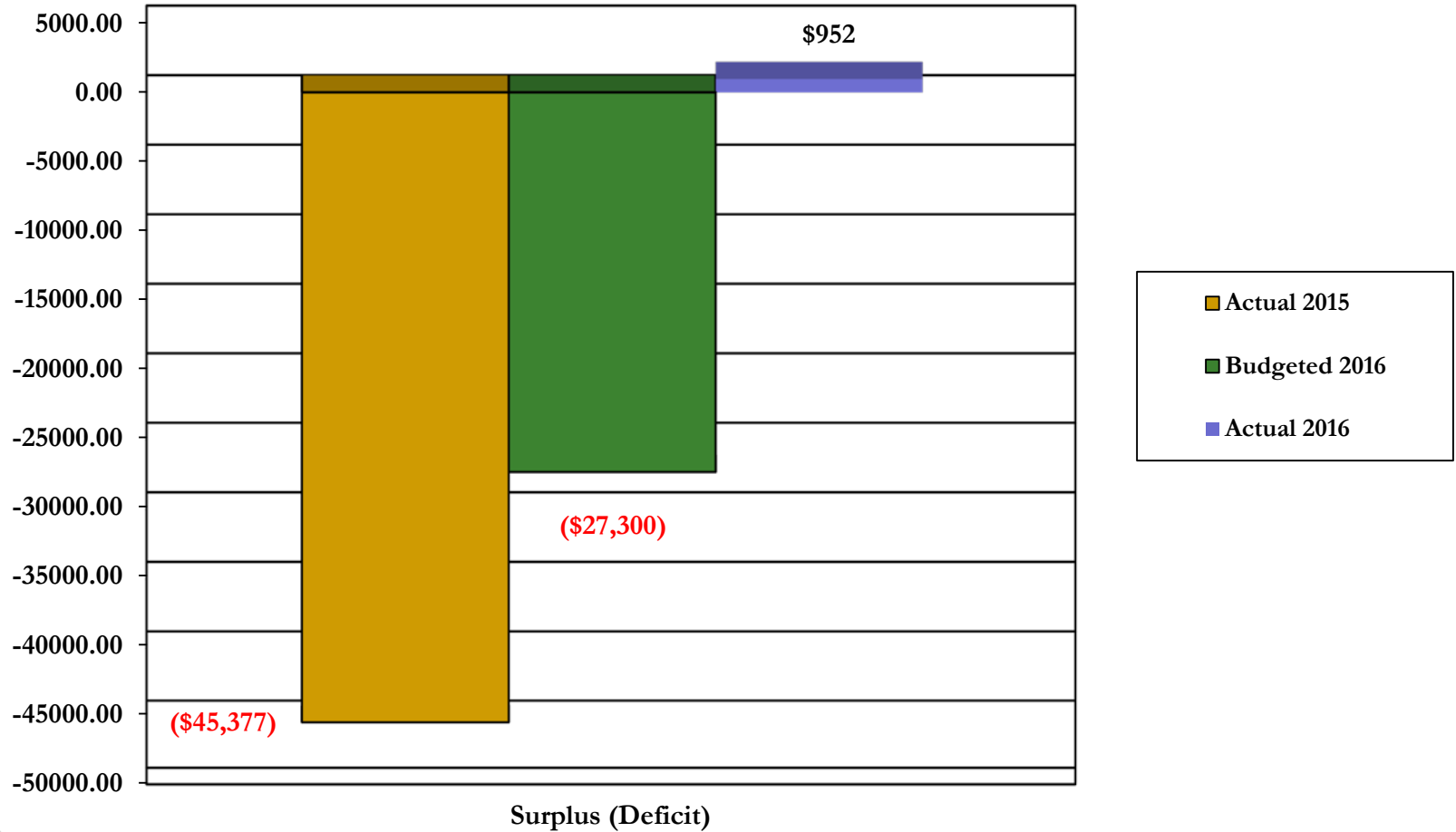


# NOW Foundation Revenue and Expenses January – March 2016



# Results of Operations. NOW Foundation

## January – March 2016





# NOW Foundation

## January – March 2016 Revenue

### 2015 versus 2016, 1<sup>st</sup> Quarter:

- Contribution revenue was 25% lower than the prior year, mostly due to higher December spillover in Jan 2015 than this year
- Conference sponsorship revenue for Foundation is strong because related to 50<sup>th</sup> Anniversary gala

Revenue	2015	2016
Contributions	\$125,407	\$93,370
Bequests	\$0	\$0
Conference	\$0	\$27,750
<b>All revenue</b>	<b>\$135,545</b>	<b>\$121,192</b>

# Accounts Payable

## At March 31, 2016

• Jan, Feb, Mar rebates*	\$ 84,478
• Inc. vendor payables**	\$ 496,763
• Fdn. vendor payables**	<u>\$ 3,356</u>
• Total	\$ 584,597

\* Rebates are paid 90 days in arrears

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

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# 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 11/30/2016:

**\$661,232**



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# NOW National Board

## *Financial Report*

### *January – March 2016*

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NOW Budget Committee  
June, 2016

