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

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NOW Budget Committee meeting  
August 2016



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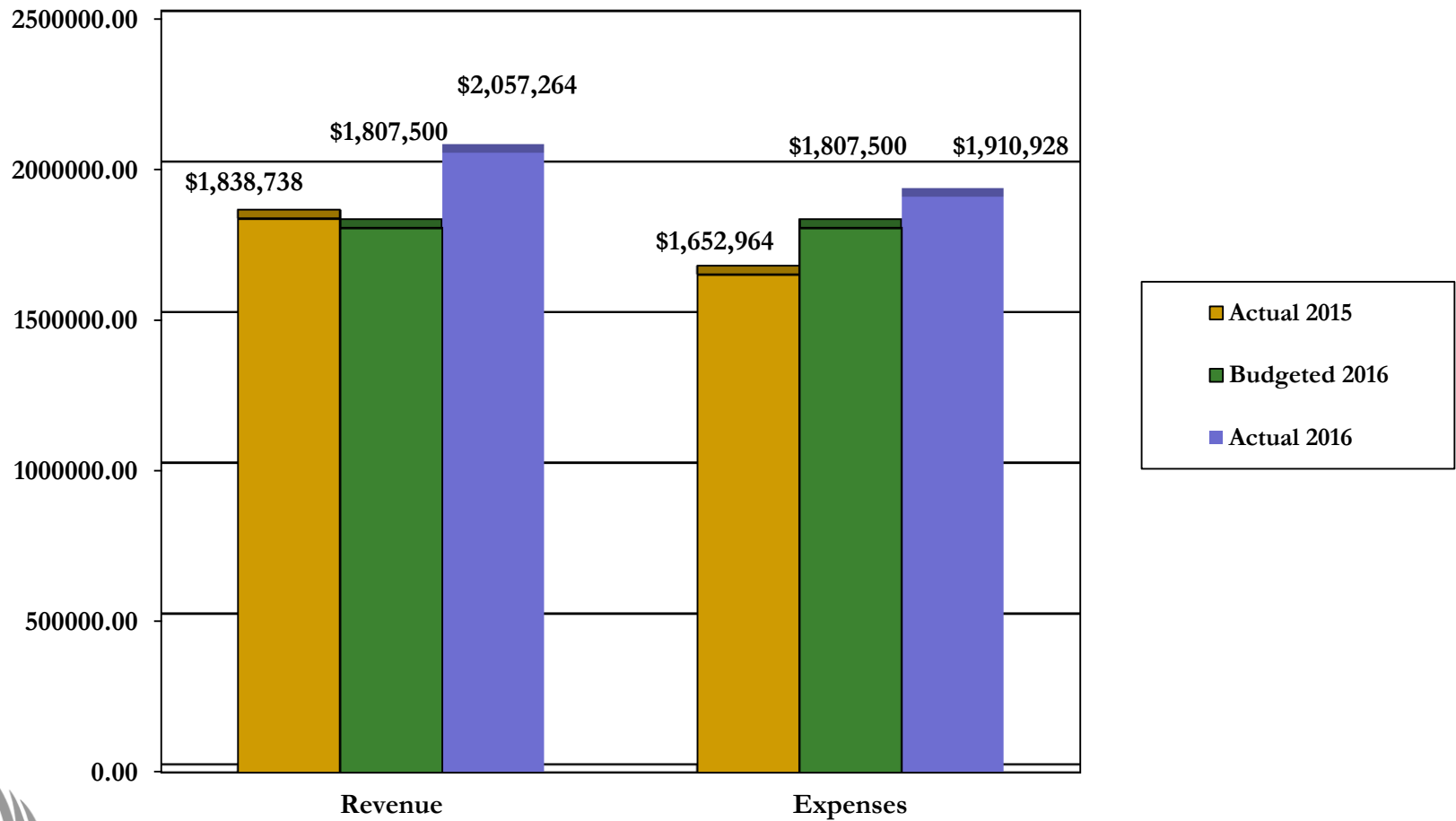
# NOW, Inc. + NOW Foundation

## January – June 2016

### Overview

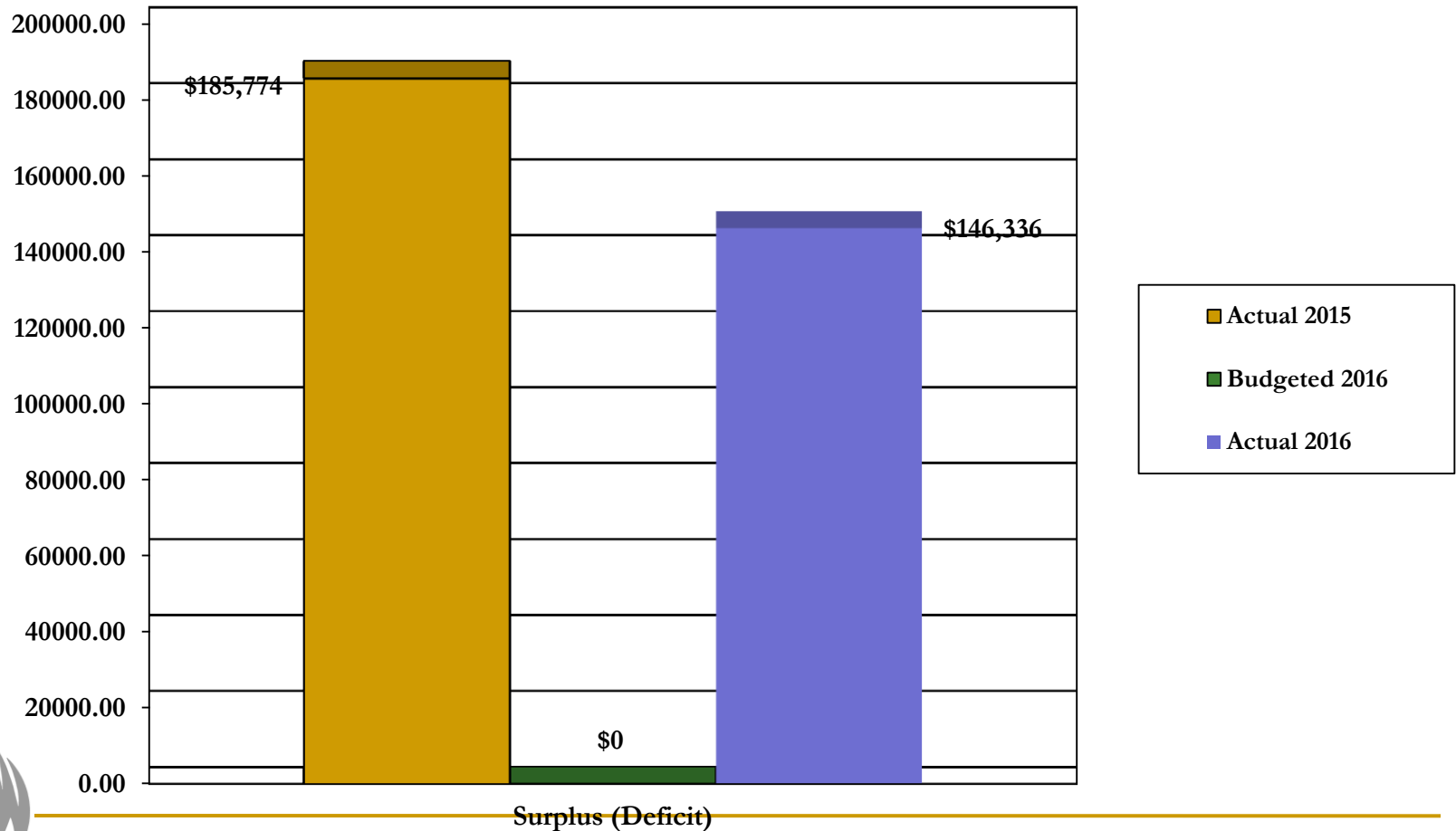
- Overall performance is on track
- Combined revenue is higher than same period last year
- Expenses are also higher than last year, but in line with budgeted expectations
- Healthy combined surplus heading into 2<sup>nd</sup> half of year
- **Caution:** Summer revenue is always slow. Much depends on successful fall and End-of-year fundraising

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



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

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



# NOW, Inc. January – June 2016 Overview

## Year-over-year comparison:

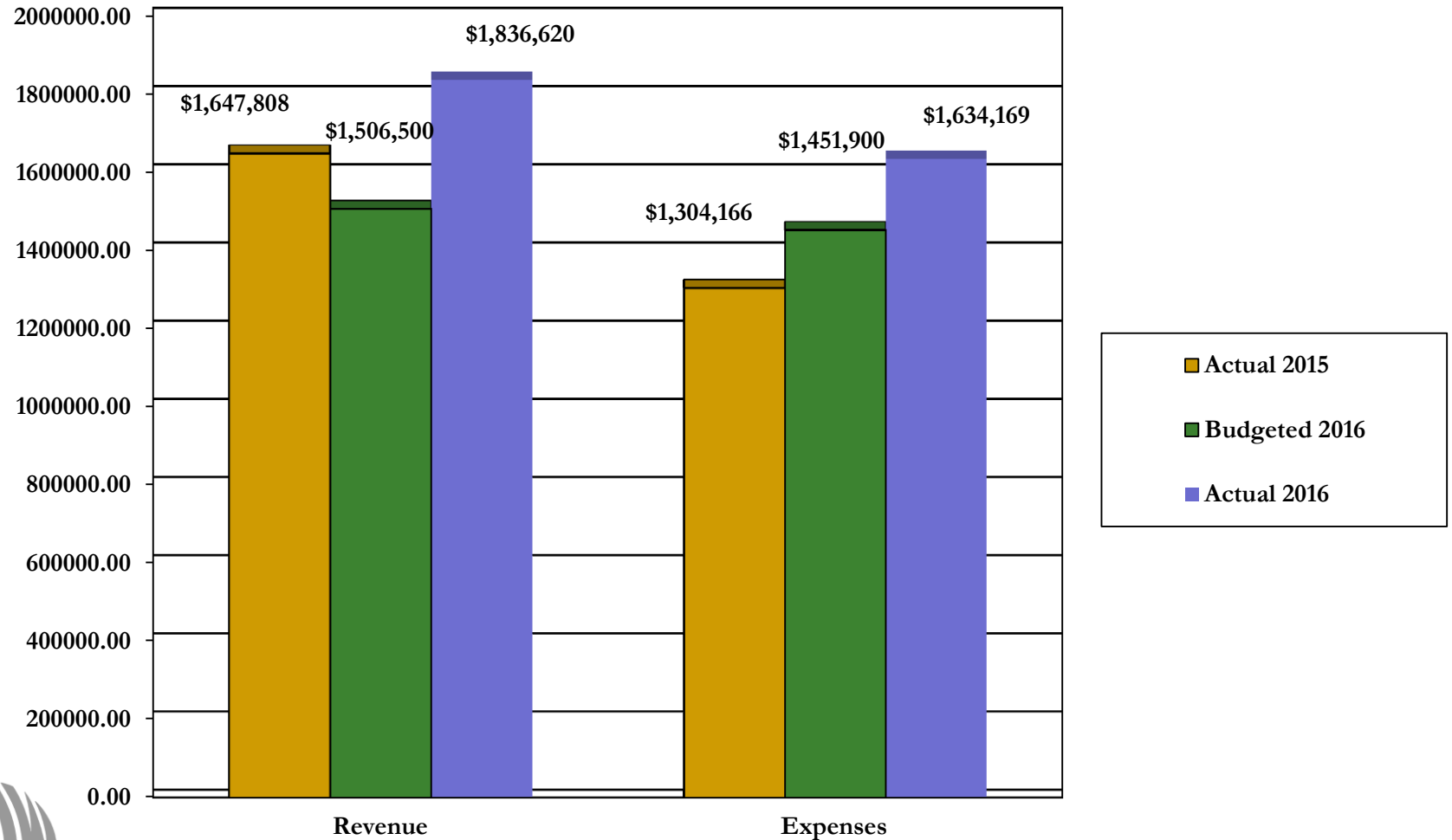
- Inc revenue is up 11% over same period last year
- Inc expenses are up 25% over last year.
  - 2016 budget calls for 12% higher expenditures than 2015
  - More pronounced front-loading of Direct Marketing (DM) expenses

## Budget comparison:

- Revenue is up 28% over budget.
  - DM revenue is somewhat front-loaded
  - 50<sup>th</sup> Anniversary appeals did well, esp online
  - Large unanticipated bequest
- Expenses are 13% higher than budget, due to front-loading of DM expenses



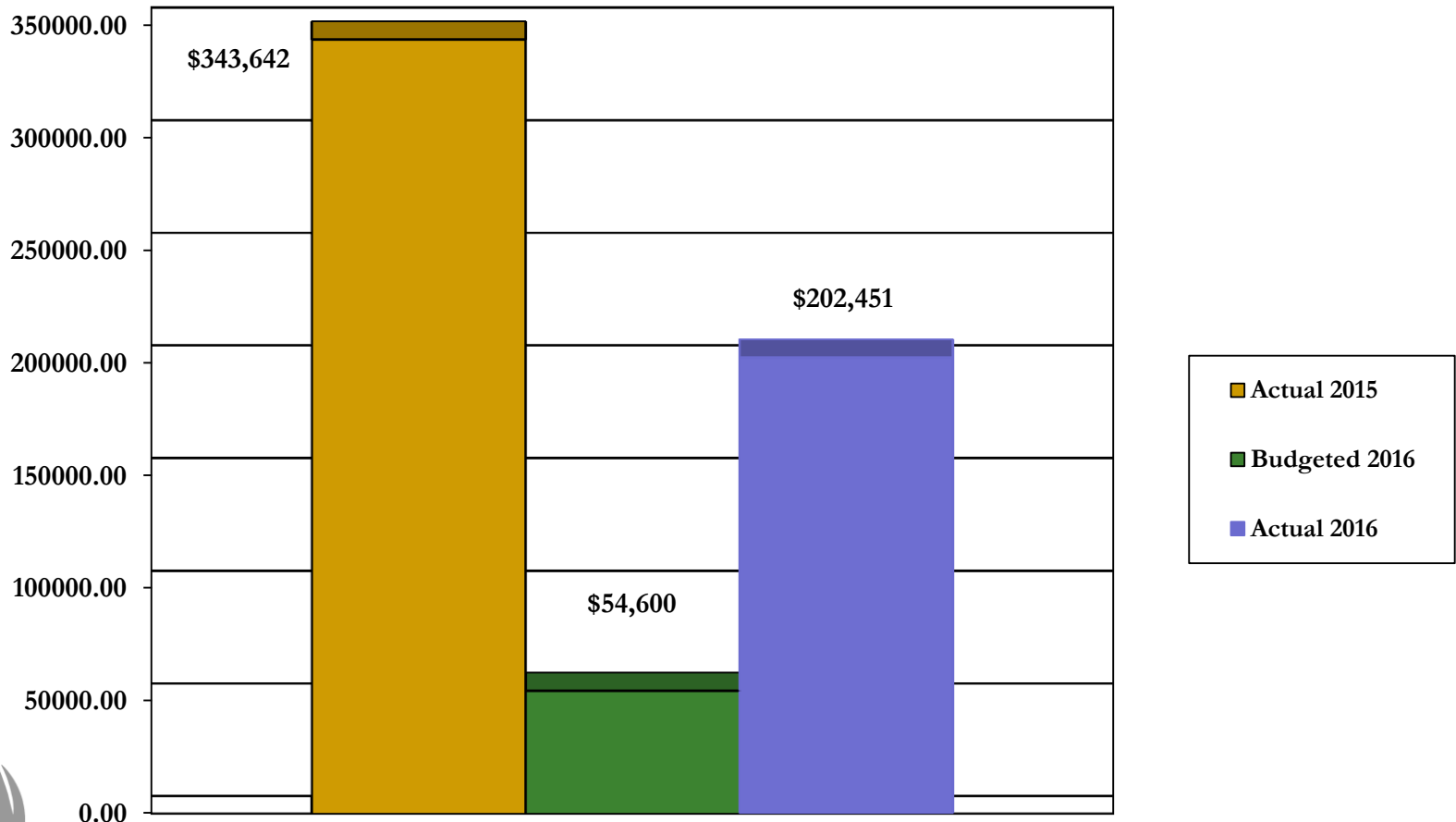
# Revenue and Expenses – Inc. January – June 2016



# NOW Inc. Results of Operations

## January – June 2016

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



## NOW, Inc. Revenue January – June 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.	\$881,881	\$855,000	\$934,285
Appeals	\$481,078	\$371,000	\$478,186



**NOW, Inc.**  
**January – June 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	\$100,746	\$110,000	\$94,375
Unsolicited / online	\$27,708	\$25,000	\$25,130
Major gifts	\$93,882	\$45,000	\$97,405
Bequests	\$8,048	\$35,000	\$126,405



# 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:** 0.9 million Acquisition ltrs, 13,925 new members

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

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

Average membership, YTD July 31, 2016: 66,727



# NOW, Inc. 2016 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%	4,763
Mar	300k	1.6%	4,907
May	300k	1.4%	4,255
Sep	300k		



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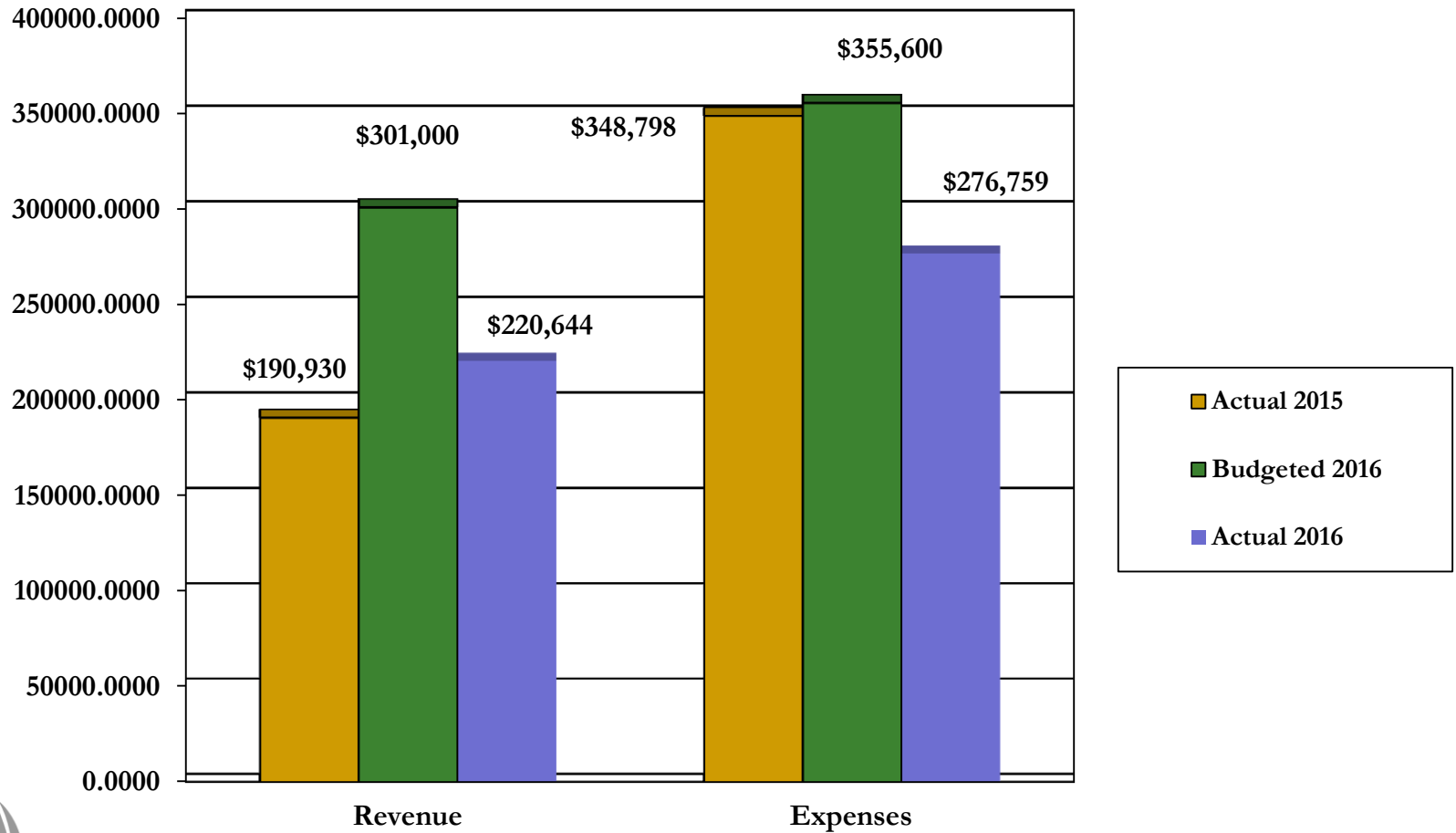
# NOW Foundation

## January – June 2016

### Overview

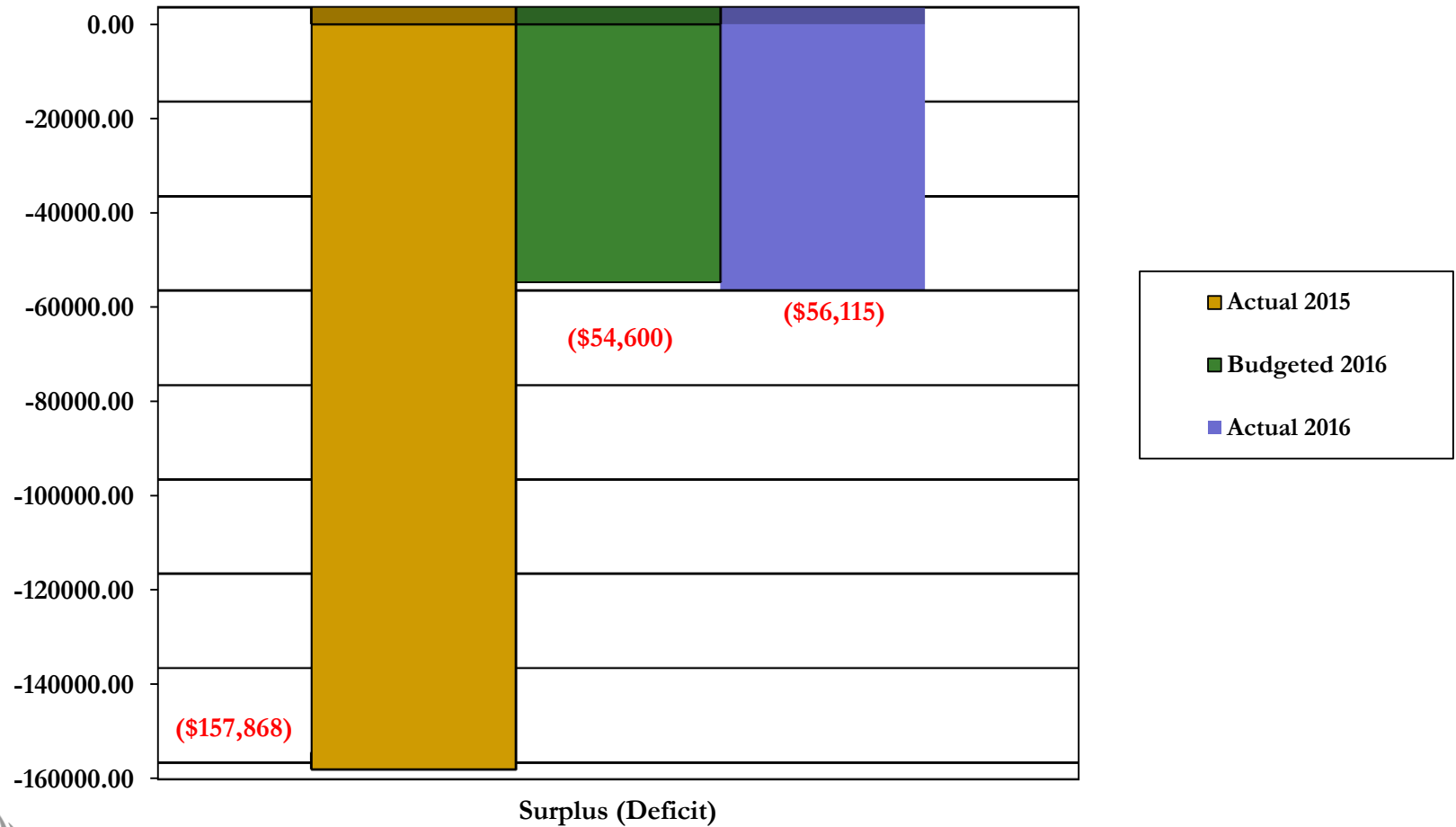
- Strong fundraising for 50<sup>th</sup> Anniversary
- Expenses are in line with budgeted projection
- Recall that Foundation is projected to run a \$109,000 deficit for the year.
- Bulk of Foundation revenue comes in at End of Year
- No Foundation bequests so far (!)

# NOW Foundation Revenue and Expenses January – June 2016



# Results of Operations. NOW Foundation

## January – June 2016



# NOW Foundation

## January – June 2016 Revenue

### 2015 versus 2016:

- Contribution revenue was (essentially) unchanged
- Conference sponsorship revenue for Foundation is strong because related to 50<sup>th</sup> Anniversary gala

Revenue	2015	2016
Contributions	\$169,774	\$170,643
Bequests	\$11,062	\$0
Conference	\$10,000	\$50,000
<b>All revenue</b>	<b>\$190,836</b>	<b>220,643</b>



# Accounts Payable

## At June 30, 2016

• Apr-May-Jun rebates*	\$ 64,549
• Inc. vendor payables**	\$ 369,952
• Fdn. vendor payables**	<u>\$ 8,294</u>
• Total	\$ 442,795

\* 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 \$ 43,400
- Payroll + Health \$243,000
- Rebates \$ 75,000
- Direct Marketing \$150,000
- Ideal Cash Reserve \$511,400

Cash, net of payables

At 6/30/2016:

**\$921,127**



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# NOW National Board

## *Financial Report*

### *January – June 2016*

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NOW Budget Committee meeting  
August, 2016

