



GUW – Long Term Financial Trends

April 17, 2019

For years the primary revenue source for the GUW was the annual campaign – both the locally run campaign and designations in from workplace campaigns outside of Greenwich

- With fewer workplaces running campaigns, designations started declining in the 2006-07 fiscal year
- The local campaign began a 10-year decline in the 2008-09 fiscal year that continues to today
- Events helped partially fill the gap left by the weaker campaign rising from \$41k in 2003-04 to \$362k in 2017-18, with a goal of \$501k for 2018-19
 - In 2003-04 events were about 1% of core revenue
 - In 2017-18 they were 19% and are budgeted to be 29% in 2018-19
- By reversing our funding cycle, in 2015-16 we generated a positive change in net assets for the first time in seven years



Impact of Direct Impact

The advent of the Direct Impact programs reversed the decade long revenue decline in 2016-17

- Total recognized revenue for 2016-17 (not all DI pledges are recognized on audited financials) was up 11%
- Total recognized revenue for 2017-18 was down (8%) as both the campaign and DI revenues were down about that amount
- Due to the multi-year fundraising for DI, the implementation of the DI programs should help smooth the GUWs program spending as we aren't starting from scratch each year
- Additionally, the additional scale from the new programs should help the GUWs admin and fundraising ratios



Background

Historic events that impacted G UW revenues and expenses

- In FY 2013-14 the G UW consolidated Community Answers in its audit
- In February of 2015-16, the town took over the Youth Services role, taking the state grant dollars with the position
- The G UW operated without a CEO/President for much of 2015-16
- The G UW operated without a Fundraising Director for part of 2014-15
- The G UW completed a strategic planning project in 2014-15 that cost \$129k and was separately fundraised for (\$32k in 2013-14 and \$94k in 2014-15)



Program Spending

Total dollars spent on program declined with revenues, the roll-out of the DI programs has reversed this trend

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Grants	2,044,040	1,983,662	2,001,566	2,068,724	2,170,867	1,953,781	1,969,191	1,996,074	1,935,762	1,813,697	1,373,018	1,177,388	1,042,500	978,000
% change		-3%	1%	3%	5%	-10%	1%	1%	-3%	-6%	-24%	-14%	-11%	-6%
Community Impact	199,753	258,677	233,134	293,092	305,790	284,534	340,158	318,727	319,143	423,885	325,465	245,263	286,575	285,780
% change		29%	-10%	26%	4%	-7%	20%	-6%	0%	33%	-23%	-25%	17%	0%
Youth Impact -> YIP	45,425	89,589	102,003	156,307	334,080	217,056	197,073	195,842	157,564	147,857	162,992	136,821	88,662	130,573
% change		97%	14%	53%	114%	-35%	-9%	-1%	-20%	-6%	10%	-16%	-35%	47%
ECAGS	-	-	-	-	-	-	-	-	-	-	-	-	-	65,206
% change														
HSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	34,719
% change														
Other Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% change														
TOTAL PROGRAM	2,289,218	2,331,928	2,336,703	2,518,123	2,810,737	2,455,371	2,506,422	2,510,643	2,412,469	2,385,439	1,861,475	1,559,472	1,417,737	1,494,278
% change		2%	0%	8%	12%	-13%	2%	0%	-4%	-1%	-22%	-16%	-9%	5%



Expense Analysis

As we rolled out DI in 2018 and continued to successfully raise DI funds in 2018, program as a percent of total spending rose while admin and fundraising expense fell.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES														
Campaign	3,107,578	3,022,390	3,063,482	3,225,219	2,894,199	2,801,396	2,655,509	2,606,337	2,372,105	2,280,191	2,036,612	1,876,443	1,399,224	1,328,320
Designations Out	(247,457)	(140,910)	(190,778)	(106,107)	(85,112)	(96,726)	(88,286)	(50,734)	(26,468)	(52,219)	(41,864)	(15,110)	(11,994)	(75)
Uncollectible	(115,432)	(95,894)	(103,160)	(140,991)	(109,959)	(89,600)	(87,922)	(119,773)	(157,368)	(83,305)	(72,444)	(69,678)	(66,586)	
TOTAL CAMPAIGN	2,744,689	2,785,586	2,769,544	2,978,121	2,699,128	2,615,070	2,479,301	2,435,830	2,188,269	2,144,667	1,922,304	1,791,655	1,320,644	1,328,245
Direct Impact					-	-	-	-	-	-	-	-	614,635	608,210
Events	71,158	172,977	229,907	146,680	260,591	185,596	266,631	274,376	276,108	354,077	350,799	352,447	387,861	361,807
Other (bequests, grants, etc)	9,191	51,049	79,345	102,105	131,977	168,164	177,435	123,775	97,776	194,981	300,859	198,874	179,610	288,843
Investment income for ops														82,250
In-Kind (rent)														60,000
TOTAL REVENUES	2,825,038	3,009,612	3,078,796	3,226,906	3,091,696	2,968,830	2,923,367	2,833,981	2,562,153	2,693,725	2,573,962	2,342,976	2,502,750	2,729,355
EXPENSES														
Grants	2,044,040	1,983,662	2,001,566	2,068,724	2,170,867	1,953,781	1,969,191	1,996,074	1,935,762	1,813,697	1,373,018	1,177,388	1,042,500	978,000
EGACS	-	-	-	-	-	-	-	-	-	-	-	-	-	65,206
HSTS														34,719
Community Impact	199,753	258,677	233,134	293,092	305,790	284,534	340,158	318,727	319,143	423,885	325,465	245,263	286,575	285,780
Youth impact	45,425	89,589	102,003	156,307	334,080	217,056	197,073	195,842	157,564	147,857	162,992	136,821	88,662	130,573
Other Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL program	2,289,218	2,331,928	2,336,703	2,518,123	2,810,737	2,455,371	2,506,422	2,510,643	2,412,469	2,385,439	1,861,475	1,559,472	1,417,737	1,494,278
Admin	170,149	175,297	194,033	197,162	205,980	194,476	204,010	203,058	219,483	251,336	302,885	381,060	236,130	220,606
Fundraising	314,958	316,558	346,945	351,410	340,355	334,027	317,081	346,020	349,475	327,734	388,314	325,779	218,483	182,421
Strategic Planning	-	-	-	-	-	-	-	-	-	-	128,610			
State/National Dues	35,234	38,296	38,594	38,650	40,355	37,732	36,447	35,540	34,883	33,282	33,240	26,478	23,598	22,033
TOTAL EXPENSES	2,809,559	2,862,079	2,916,275	3,105,345	3,397,427	3,021,606	3,063,960	3,095,261	3,016,310	2,997,791	2,714,524	2,292,789	1,895,948	1,919,338
REVENUES - EXPENSES	15,479	147,533	162,521	121,561	(305,731)	(52,776)	(140,593)	(261,280)	(454,157)	(304,066)	(140,562)	50,187	606,802	810,017
Program % of spend	81.5%	81.5%	80.1%	81.1%	82.7%	81.3%	81.8%	81.1%	80.0%	79.6%	68.6%	68.0%	74.8%	77.9%
Admin % of spend	7.3%	7.5%	8.0%	7.6%	7.3%	7.7%	7.8%	7.7%	8.4%	9.5%	17.1%	17.8%	13.7%	12.6%
Fundraising % of spend	11.2%	11.1%	11.9%	11.3%	10.0%	11.1%	10.3%	11.2%	11.6%	10.9%	14.3%	14.2%	11.5%	9.5%



External Ratings

How Does Charity Navigator Arrive at the Numbers?

Accountability & Transparency Rating

- 17 item check list, each item has an assigned point value
- Accountability – Items like an independent Board, a Conflict of Interest Policy, etc.
- Transparency – Posting useful information on the web like Form 990, a list of board members, etc.

Financial Rating

- Assigned based on 7 ratios and growth rates
- A few of these are a “snapshot” in time and others look at multiple years to detect trends and to stabilize the ratings
- Ratios scored on 0 – 10 scale using formulas and tables and then 30 points added at the end to get a score out of 100



External Ratings

GUW's Charity Navigator Financial Rating Explained

Metric	14-15 ratios	14-15 rating	15-16 ratios	15-16 rating	16-17 ratios	16-17 rating	17-18 est ratios	17-18 est rating
Avg Program Expense % (3-yr avg program exp ÷ 3-yr avg exp)	77.0%	7.71	73.1%	6.61	70.6%	5.9	73.6%	6.7
Avg Admin Expense % (3-yr avg admin exp ÷ 3-yr avg exp)	11.0%	7.5	14.2%	5	16.2%	5	14.8%	5
Avg Fundraising Expense % (3-yr avg fundraising exp ÷ 3-yr avg exp)	11.9%	7.5	12.6%	7.5	13.1%	7.5	11.7%	7.5
Avg Fundraising Efficiency (Avg fundraising exp ÷ avg total raised)	\$.12	7.5	\$.12	7.5	\$.11	7.5	\$.09	10
Program Expense Growth (3-yr growth in expenses)	-10.3%	0	-14.1%	0	-15.3%	0	-7.8%	.2
Working Capital Ratio (unrestricted net assets ÷ 3-yr avg total exp)	.28	5	.28	5	1.61	10	2.29	10
Liabilities to Assets Ratio (Total Liabilities ÷ Total Assets)	23%	7.5	25%	7.5	1.6%	10	1.3%	10
TOTAL (add 30 to total)		72.71		69.1		75.9		79.4



External Ratings

Charity Navigator Final Score Calculation

- They use a type of an average to combine the Financial and Accountability & Transparency Scores

$$- 100 - \sqrt{\frac{(100 - \text{Financial})^2 + (100 - \text{A\&T})^2}{2}}$$

- Scores are then converted into “stars”
 - >90 = 4, 80 – 90 = 3, 70 – 80 = 2, 55 – 70 = 1, < 55 = 0

	2014-15	2015-16	2016-17	2017-18 est
Financial Score	72.71	69.1	75.9	79.4
T&A Score	100	100	100	100
Overall Score	80.70	78.15	82.94	85.43
Stars	***	**	***	***



External Ratings

FY '16-'17 Charity Navigator Ratings – Greenwich NFPs

Metric	G UW	KiC (\$3.2m)	BCA (\$2.3m)	Gr B&G (\$3.8m)	Fam C (\$14.3)	UJA – G (\$1.9m)
Avg Program Exp %	70.6%	83.6%	82.1%	79.7%	85.3%	82.8%
Avg Admin Exp %	16.2%	5.3%	10.2%	11.7%	9.5%	9.5%
Avg Fundraising Exp %	13.1%	11%	7.6%	8.4%	5.0%	7.6%
Avg Fundraising Efficiency	\$.11	\$.14	\$.06	\$.14	\$.08	\$.08
Program Expense Growth	-15.3%	-1.6%	1.8%	-.2%	6.1%	.5%
Working Capital Ratio	1.61	1.71	.17	6.39	.80	.38
Liabilities to Assets Ratio	1.6%	2.6%	68.5%	1.3%	7.1 %	51.9%
Financial Rating	75.88	85.01	74.52	87.75	92.09	80.37
Accountability Rating	100	100	100	96	96	89
Overall Rating	82.94 ***	89.4 ***	81.31 ***	90.88 ****	93.73 ****	84.09 ***



External Ratings

What does the data tell us?

- **Average Program Expense %:** GUW is at the low (bad) end
- **Average Admin Expense %:** GUW is the highest (worst)
- **Average Fundraising %:** GUW is the highest (worst)
- **Average Fundraising Efficiency:** GUW in the middle and has been coming down (although 2018-19 will see a reversal with fewer DI \$'s raised)
- **Program Expense Growth:** Overall local NFPs have been stagnant while the GUW has fallen significantly. We are reversing this decline with DI
- **Working capital ratio:** Middle, but strong
- **Liabilities to Assets:** Excellent



External Ratings

What should we be focusing on? **FUNDRAISING**

- Now that we have strengthened the balance sheet and reduced expenses – **REVENUE GROWTH** is key to improving our ratios
- The addition of Direct Impact has increased revenues, but also allows the G UW to allocate a greater percentage general expenses to overhead as in-house program becomes a greater part of operations
- The annual campaign and events continue to be crucial to the G UW’s success
- Our fundraising efficiency numbers will bounce around with DI fundraising – but since Charity Navigator uses 3-year averages this should smooth out most of this volatility