

# About the Data

- The reports in this presentation contain aggregate financial information from the Form 990 (or the “long form” 990) that organizations reported to the Internal Revenue Service (IRS) for their tax year 2011. Data set does NOT include filers who use the Form 990-PF, 990-N or 990-EZ.
- Form 990 is filed by tax-exempt organizations whose incomes  $\geq$  \$200,000 or assets  $\geq$  \$500,000. Organizations must file their Form 990 by the 15th day of the 5th month after the organization's accounting period ends (e.g. May 15th for a calendar-year filer).
- Organizations that were included in the data set are located within the City of New York AND currently have a contract with the City of New York to provide client and community services for the following Agencies: Administration for Children’s Services (ACS), Department for the Aging (DFTA), Department of Corrections (DOC), Department of Health and Mental Hygiene (DOHMH), Department of Homeless Services (DHS), Department of Probation (DOP), Department of Small Business Services (SBS), Department of Youth and Community Development (DYCD), Housing and Preservation Department (HPD), Human Resources Administration (HRA) and Office of the Criminal Justice Coordinator (CJC) (984 organizations in total).
- Source data is a custom data export provided by the IRS Exempt Organizations Projects Department.
- The benchmarks in this report were recommended by Fiscal Management Associates (FMA), who were engaged by the City of New York through American Recovery and Reinvestment Act (ARRA) funding to develop an enterprise-level “dashboard” of key financial indicators critical to monitoring organizational financial health and applicable across a wide range of nonprofit subsectors.

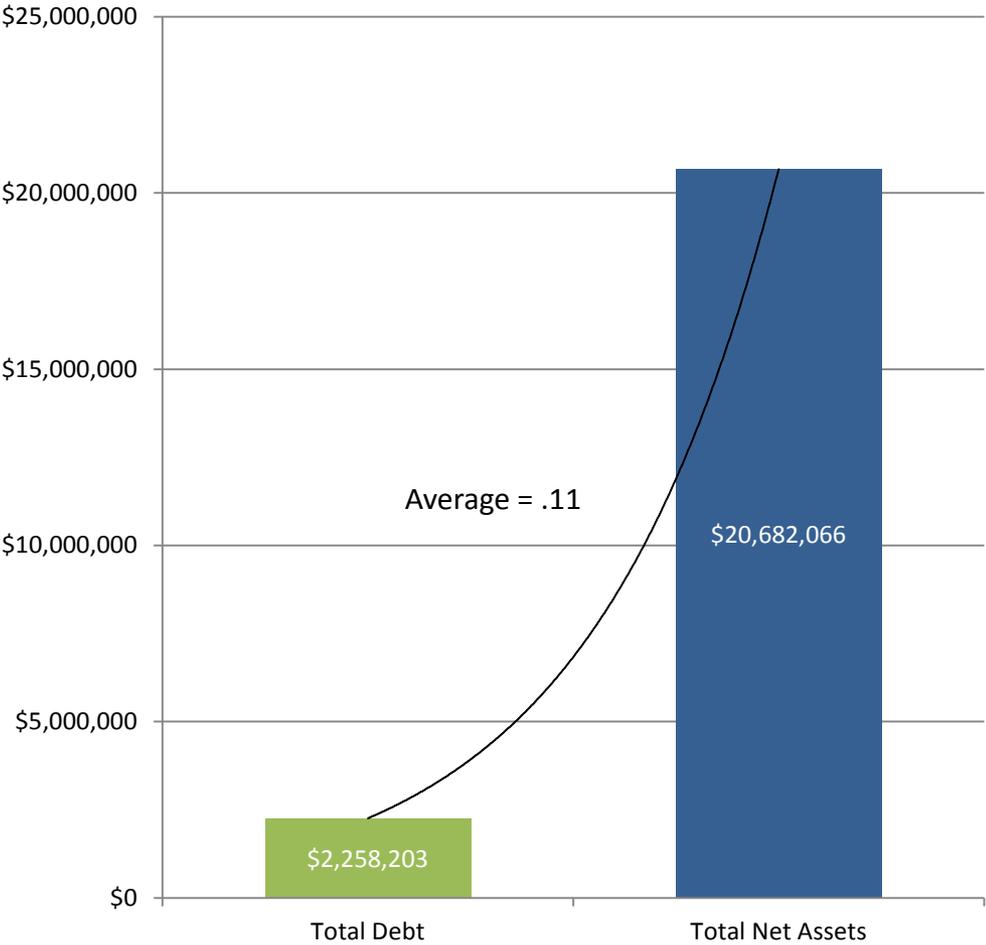


# Debt to Net Assets

## Guideline

- ✓ Provides a snapshot of organization's debt and assets.
- ✓ As a guideline, Debt to Net Assets should not exceed 1.
- ✓ A high ratio may indicate that an organization is relying too much on borrowed funds and may be having a hard time meeting its obligations.

## 2011 NYC Average Debt to Net Assets



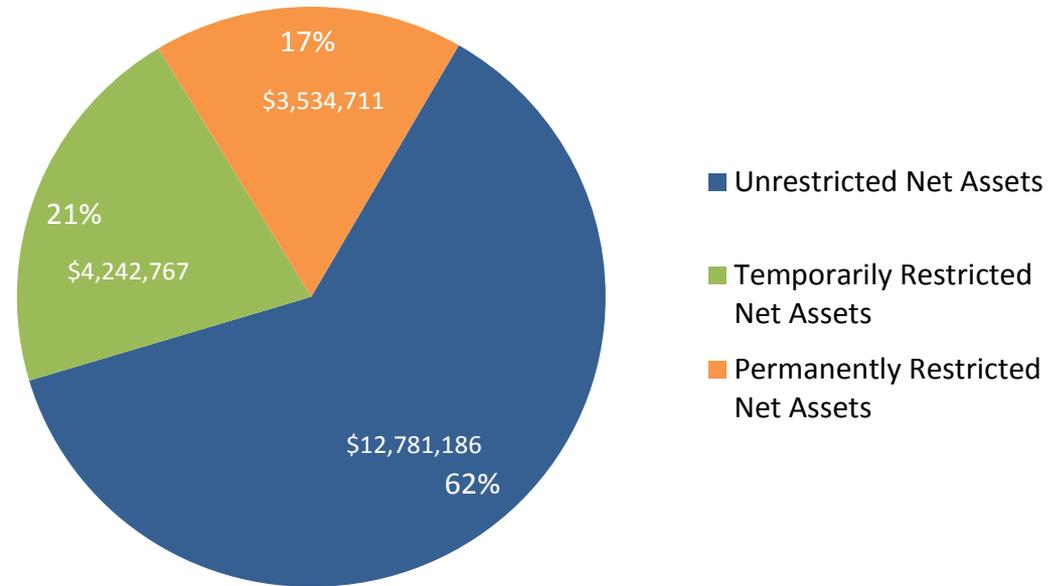
# Net Asset Balances

## Guideline

- ✓ Reflects an organization's net worth to help management measure its ability to reinvest profits towards its mission.
- ✓ Long-term sustainability and ability to access resources for strategic initiatives rests upon an organization's ability to annually increase the amount of unrestricted reserves within its total Net Asset Balances.
- ✓ Based on 2011 data, organizations' average Unrestricted Net Assets exceed the total of Temporarily Restricted Net Assets and Permanently Restricted Net Assets.

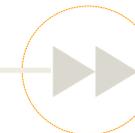
\*Please note that the Total Net Assets used as the denominator in this metric may differ from the Total Net Assets in the previous metric, since not all organizations entered their unrestricted, temporarily restricted, and permanently restricted net assets on the Form 990.

## 2011 NYC Average Net Asset Balances (as a % of Total Net Assets)



- Unrestricted Assets are currently available for an organization to fulfill its tax-exempt purpose. For example, land, buildings, and equipment bought with unrestricted funds fall into this category.
- Temporarily Restricted Assets are currently available for use, but only for specific purposes indicated by the donor, or as part of an implicit promise by the organization. For example, if a donor sends an organization money solicited to help the victims of a particular natural disaster.
- Permanently Restricted Assets have donor-imposed restrictions that do not expire. For example, a donor might make a contribution with the stipulation that investment proceeds from the contribution may be spent, but not the principal.

Source: Guidestar.com

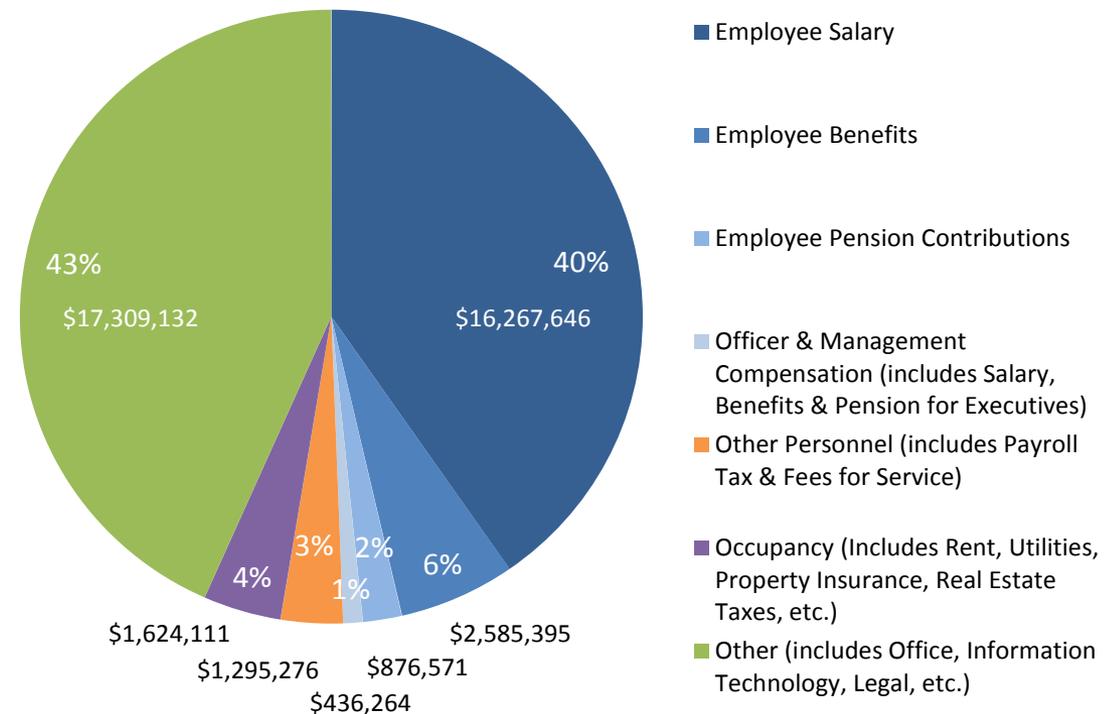


# Major Expense Categories as Percent of Total Expenses

## Guideline

- ✓ Shows an overview of an organization's spending activity.
- ✓ Annual changes in salaries and fringe should be compared to changes in revenue to identify ability to sustain growth in salary increases or additional personnel.
- ✓ Based on 2011 data, organizations' average Personnel Expenses (Employee Salary, Employee Benefits, Employee Pension Contribution, Officer & Management Compensation, and Other Personnel) account for more than half of Total Expenses.

## 2011 NYC Average Major Expenses (as a % of Total Expenses)

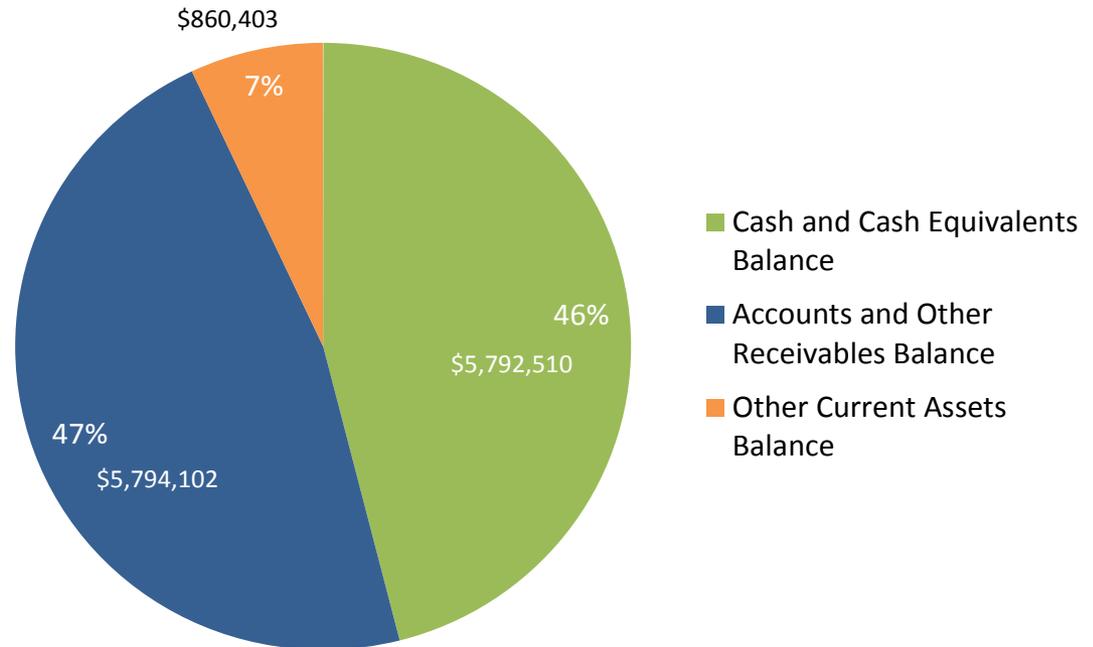


# Current Asset Composition

## Guideline

- ✓ Provides internal management with a view to measure liquidity and cash flow.
- ✓ Current assets are any asset that can be converted to cash or that will be used up within one year.
- ✓ Consistently high A/R may indicate that the organization is not collecting amounts due in a timely manner, negatively affecting the cash flow.
- ✓ Based on 2011 data, organizations' average Cash and Cash Equivalents, and Accounts and Other Receivables are generally at similar levels.

## 2011 NYC Average Current Asset Composition (as a % of Total Current Assets)



# Definitions

## Debt to Net Assets

**Total Debt** (990 Part X: Line 23 + Line 24) - The total amount of secured mortgages and notes payable to unrelated third parties that are secured by the organization's assets **AND** The total amount of notes and loans that are payable to unrelated third parties but are not secured by the organization's assets.

**Total Net Assets** (990 Part X: Line 33) – For organizations that follow SFAS 117 (ASC 958), this is the total of lines 27 through 29 (Unrestricted net assets + Temporarily restricted net assets + Permanently restricted net assets). For all other organizations, this is the total of lines 30 through 32 (Capital stock, trust principal, or current funds + Paid-in or capital surplus, or land, building, and equipment fund + Retained earnings or accumulated income, endowment, or other funds)

## Net Asset Balances

**Unrestricted Net Assets** (990 Part X: Line 27) - Unrestricted net assets are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

**Temporarily Restricted Net Assets** (990 Part X: Line 28) - Temporarily restricted net assets are assets where donors' temporary restrictions may require that resources be used after a specified date (time restrictions), or that resources be used for a specified purpose (purpose restrictions), or both.

**Permanently Restricted Net Assets** (990 Part X: Line 29) - Permanently restricted net assets are (a) assets, such as land or works of art, donated with stipulations that they be used for a specified purpose, be preserved, and not be sold or (b) assets donated with stipulations that they be invested to provide a permanent source of income. The latter results from gifts or bequests that create permanent endowment funds.

**Total Net Assets** (Unrestricted Net Assets + Temporarily Restricted Net Assets + Permanently Restricted Net Assets)

## Major Expense Categories as Percent of Total Expenses

**Salary Expense** (990 Part IX: Sum of Lines 5A-7A) - The total compensation paid to current officers, directors, trustees, and key employees for the organization's tax year **AND** The total compensation and other distributions provided to disqualified persons and persons described in section 4958(c)(3)(B) **AND** The total amount of employee salaries, wages, fees, bonuses, severance payments, and similar amounts from the filing organization, common paymasters, and payroll/ reporting agents in return for services rendered to the filing organization that are not reported on lines 5 or 6.

**Fringe Expense** (990 Part IX: Sum of Lines 8A-9A) - The employer's share of contributions to, or accruals under, qualified and nonqualified pension and deferred compensation plans for the year **AND** Contributions by the filing organization, common paymasters, and payroll/reporting agents to the filing organization's employee benefit programs (such as insurance, health, and welfare programs that are not an incidental part of a pension plan included on line 8), and the cost of other employee benefits.

**Occupancy Expense** (990 Part IX: Line 16A) - Amounts for the use of office space or other facilities, including rent; heat, light, power, and other utilities expenses; property insurance; real estate taxes; mortgage interest; and similar occupancy-related expenses (but not office-related expenses such as telephone expenses, etc.).

**Total Expense** (990 Part IX: Line 25) - Section 501(c)(3) and 501(c)(4) organizations add lines 1 through 24e, while all other organizations add lines 1 through 24e and enter the total on line 25 in column (A).

## Current Asset Composition

**Cash and Cash Equivalents** (990 Part X: Line 1B + Line 2B) - The total funds that the organization has in cash, including amounts held as "petty cash" at its offices or other facilities, and amounts held in banks in non-interest bearing accounts **AND** The combined total of amounts held in interest-bearing checking and savings accounts, deposits in transit, temporary cash investments (such as money market funds, commercial paper, and certificates of deposit), and U.S. Treasury bills or other governmental obligations that mature in less than a year.

**Accounts and Other Receivables** (990 Part X: Sum of Lines 3B-7B) - The total of (a) all pledges receivable, less any amounts estimated to be uncollectible, including pledges made by officers, directors, trustees, key employees, and highest compensated employees and (b) all grants receivable **AND** The organization's total accounts receivable (reduced by any allowance for doubtful accounts) from the sale of goods and the performance of services **AND** loans and other receivables due from current or former officers, directors, trustees, key employees, and highest compensated employees **AND** The net amount of all notes receivable and loans receivable not listed on lines 5 and 6, including receivables from unrelated third parties.

**Other Current Assets** (990 Part X: Sum of Lines 8B-9B) - The amount of materials, goods, and supplies held for future sale or use, whether purchased, manufactured by the organization, or donated **AND** The amount of short-term and long-term prepayments of expenses attributable to one or more future accounting periods.

Source: <http://www.irs.gov/pub/irs-pdf/1990.pdf>

