



Fiscal Management Associates, LLC
Professional Services to Not-for-Profit Organizations

***ABC Nonprofit Theater Group
Board Package Sample***



**ABC Nonprofit Theater Group
Board Package: As of September 30, 2007**

DATE: October 31, 2007
TO: MEMBERS OF THE FINANCE COMMITTEE
FROM: EXECUTIVE DIRECTOR
RE: FIRST QUARTER FINANCIAL RESULTS

The purpose of this memo is to summarize the fiscal year 2008 (FY 08) first quarter results of ABC Nonprofit Theater Group (ABC). Please find a copy of the following reports in this Board Package:

1. Budget-to-Actual Variance Report for the quarter ended September 30, 2007: Organization-Wide
2. Budget-to-Actual Variance Report for the quarter ended September 30, 2007: By Program
3. Statement of Financial Position as of September 30, 2007
4. FY 08 Monthly Cash Flow Forecast

1. Budget-to-Actual Variance Reports

While ABC expected to generate a surplus of \$83,138 in the first quarter of FY 08, the organization reports a deficit of (\$94,833).

Q1 Revenues:

Total first quarter budgeted revenue is \$476,835, while actual revenue collected during this period is \$297,150. This (\$179,685) variance in collected revenue is primarily attributable to the following:

- Individual Contributions: Approximately \$120,000 in individual contributions was expected to be raised through the direct mail campaign, which was scheduled for distribution at the close of the last fiscal year. However, because mailings were delayed and were not distributed until this past month (September), these individual contributions are not likely to be received until well into the second quarter.
- Special Events: Due to inclement weather conditions, ABC's summer picnic took place indoors at the City Arena instead of outside at the City Park. Attendance did not reach predicted levels, as ABC's summer picnic brought in a little over half of predicted revenue, totaling around \$7,300.
- Foundation Contributions: Foundation contributions for the quarter total \$239,450, which is \$55,550 short of budget. This variance is partly due to a change in funding from Foundation XYZ. At the end of FY 07, ABC applied for a \$200,000 grant from Foundation XYZ. However, Foundation XYZ indicated through a letter of commitment dated August, 30, 2007 that it will provide only \$150,000 in program funding.

Q1 Expenses:

Expenses for the first quarter of FY 08 total \$391,982, approximately 99.6 percent of budgeted expenses. Significant variances of specific line item expenses include:

- Personnel: Actual personnel expenses of \$146,920 fell \$17,489 short of budget, as the Director of Operations resigned at the end of FY 07, and a replacement has not yet been hired.

**ABC Nonprofit Theater Group
Board Package: As of September 30, 2007**

- Rent: Rental costs associated with expansion were underestimated in the FY 08 budget. Total organization-wide first quarter rental expenditures increased to \$56,500 (\$14,625 above budget) to support such expansion.
- Marketing and Communications: The design and launch of ABC's new website boosted marketing and communication expenditures to \$24,916 (\$16,391 above budget). Initially, project completion had not been scheduled until the end of the second quarter. Management expects the advanced completion of this project to help increase holiday gala ticket sales.
- Direct Mail: Expenses of \$7,010 were incurred for ABC's direct mail campaign.
- Ratio of Program, Administrative, and Fundraising Expenses: First quarter program, administrative and fundraising expenses over total expenditures were equal to 72.3, 7.1, and 20.6 percent, respectively.

2. Statement of Financial Position

Total assets as of September 30, 2007 is \$656,141, which consists of \$601,141 in current assets, \$6,990 in net fixed assets, and \$48,010 of other long term assets. ABC reports relatively high levels of cash, representing approximately 40 percent of total assets, at the end of the first quarter. Accounts receivables totaling \$320,172 are also high, due in part to the delay in receipt of a \$150,000 grant from XYZ Foundation.

ABC has not used any long-term debt, and liabilities consist purely of current liabilities. Due in part to high levels of accounts receivable, accounts payable levels are increasing. At the end of the first quarter accounts payable total \$105,891. Management is working to pay outstanding invoices in a timely, tactical manner, carefully considering ABC's credit terms.

3. FY 08 Cash Flow Forecast

ABC anticipates a shortfall of cash receipts during the beginning of the second quarter, as the organization awaits the receipt of individual and foundation contributions.

December is expected to generate considerable funds, due to:

- The annual holiday gala; and
- Individual donations made to ABC before the close of the calendar year.

ABC's two performance seasons take place from January to February and from May to June. Cash outflows are expected to increase during performance seasons.

Cash outflows attributable to rent and facilities expenses are projected to be approximately \$90,000 over the 2008 fiscal year budget, as ABC's expansion is more costly than anticipated.

ABC Nonprofit Theater Group
Budget vs. Actual Report: Organization-Wide
July through September 2007
Figures in U.S. Dollars

| | Q1 Budget | Q1 Actual | Variance | Variance as % of Q1 Budget | FULL YEAR | |
|--|---------------|----------------|-----------------|----------------------------------|------------------------------|---------------------------------------|
| | | | | | PROJECTED Jul 07 - Jun 08 | APPROVED BUDGET Jul 07 - Jun 08 |
| Revenue | | | | | | |
| Restricted | | | | | | |
| Foundation Contributions | 295,000 | 239,450 | -55,550 | -18.8% | 400,450 | 400,000 |
| Total Restricted | 295,000 | 239,450 | -55,550 | -18.8% | 400,450 | 400,000 |
| Unrestricted | | | | | | |
| Individual Contributions | 157,100 | 38,179 | -118,921 | -75.7% | 798,179 | 860,000 |
| Corporate Contributions | 10,250 | 10,000 | -250 | -2.4% | 37,000 | 38,000 |
| Foundation Contributions | - | - | - | n.a. | 100,000 | 100,000 |
| Special Events | 13,000 | 7,286 | -5,714 | -44.0% | 82,286 | 87,000 |
| Total Unrestricted | 180,350 | 55,465 | -124,885 | -69.2% | 1,017,465 | 1,085,000 |
| Other Revenue | | | | | | |
| Program Related Sales & Fees | 1,485 | 2,049 | 564 | 38.0% | 154,549 | 155,000 |
| Interest Income | 0 | 185 | 185 | n.a. | 185 | - |
| Total Other Revenue | 1,485 | 2,234 | 749 | 50.4% | 154,734 | 155,000 |
| Total Revenue | 476,835 | 297,150 | -179,685 | -37.7% | 1,572,649 | 1,640,000 |
| Expense | | | | | | |
| Personnel Expenses | 164,410 | 146,920 | -17,489 | -10.6% | 642,051 | 712,443 |
| Professional Services | 24,563 | 19,132 | -5,431 | -22.1% | 100,132 | 108,250 |
| General Office Expenses | 28,371 | 23,377 | -4,994 | -17.6% | 98,377 | 113,483 |
| Facility & Equipment Expenses | | | | | | |
| Rent | 41,875 | 56,500 | 14,625 | 34.9% | 240,647 | 167,500 |
| Utilities | 4,500 | 5,583 | 1,083 | 24.1% | 25,861 | 18,000 |
| Other Facility & Equipment Expenses | 6,177 | 6,947 | 770 | 12.5% | 35,501 | 24,710 |
| Total Facility & Equipment Expenses | 52,552 | 69,031 | 16,478 | 31.4% | 302,009 | 210,210 |
| Travel & Meetings | 9,373 | 4,951 | -4,422 | -47.2% | 35,956 | 37,490 |
| Marketing & Communications | 8,525 | 24,916 | 16,391 | 192.3% | 38,816 | 34,100 |
| Program Expenses | 88,311 | 82,280 | -6,031 | -6.8% | 323,302 | 353,243 |
| Development | | | | | | |
| Special Events | 7,500 | 3,510 | -3,990 | -53.2% | 24,958 | 30,000 |
| Direct Mail Expenses | 0 | 7,010 | 7,010 | n.a. | 7,010 | - |
| Total Development | 7,500 | 10,520 | 3,020 | 40.3% | 31,968 | 30,000 |
| Depreciation Expense | 250 | 250 | 0 | 0.0% | 1,000 | 1,000 |
| Other Expenses | 9,844 | 10,606 | 762 | 7.7% | 35,552 | 39,375 |
| Total Expense | 393,697 | 391,982 | -1,715 | -0.4% | 1,609,162 | 1,639,593 |
| Net Income | 83,138 | -94,833 | -177,970 | -214.1% | -36,513 | 407 |

ABC Nonprofit Theater Group
Budget-to-Actual Report: By Program
 July through September 2007
 Figures in U.S. Dollars

| | Program A | | | Program B | | | Administration | | | Fundraising | | | Total | |
|---|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|
| | Q1 Budget July - Sept 2007 | Q1 Actual July - Sept 2007 | Variance July - Sept 2007 | Q1 Budget July - Sept 2007 | Q1 Actual July - Sept 2007 | Variance July - Sept 2007 | Q1 Budget July - Sept 2007 | Q1 Actual July - Sept 2007 | Variance July - Sept 2007 | Q1 Budget July - Sept 2007 | Q1 Actual July - Sept 2007 | Variance July - Sept 2007 | Q1 Budget July - Sept 2007 | Q1 Actual July - Sept 2007 |
| Revenue | | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | | |
| Foundation Contributions | 132,750 | 131,698 | (1,053) | 162,250 | 107,753 | (54,498) | - | - | - | - | - | - | 295,000 | 239,450 |
| Total Restricted | 132,750 | 131,698 | (1,053) | 162,250 | 107,753 | (54,498) | - | - | - | - | - | - | 295,000 | 239,450 |
| Unrestricted | | | | | | | | | | | | | | |
| Individual Contributions | 73,324 | 22,550 | (50,774) | 31,036 | 9,545 | (21,491) | 17,719 | 5,449 | (12,270) | 31,218 | 9,601 | (21,617) | 153,298 | 47,145 |
| Corporate Contributions | 8,626 | 2,653 | (5,973) | 3,651 | 1,123 | (2,528) | 2,085 | 641 | (1,444) | 3,673 | 1,130 | (2,543) | 18,035 | 5,547 |
| Foundation Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Events | 4,313 | 1,326 | (2,987) | 1,826 | 561 | (1,264) | 1,042 | 321 | (722) | 1,836 | 565 | (1,272) | 9,018 | 2,773 |
| Total Unrestricted | 86,264 | 26,530 | (59,734) | 36,513 | 11,229 | (25,284) | 20,846 | 6,411 | (14,435) | 36,728 | 11,295 | (25,432) | 180,350 | 55,465 |
| Other Revenue | | | | | | | | | | | | | | |
| Program Related Sales & Fees | - | 1,896 | 1,896 | - | - | - | - | - | - | 1,485 | 154 | (1,331) | 1,485 | 2,049 |
| Interest Income | - | - | - | - | - | - | - | 185 | 185 | - | - | - | - | 185 |
| Total Other Revenue | - | 1,896 | 1,896 | - | - | - | - | 185 | 185 | 1,485 | 154 | (1,331) | 1,485 | 2,234 |
| Total Revenue | 219,014 | 160,123 | (58,891) | 198,763 | 118,982 | (79,781) | 20,846 | 6,596 | (14,251) | 38,213 | 11,449 | (26,764) | 476,835 | 297,149 |
| Expense | | | | | | | | | | | | | | |
| Personnel Expenses | 80,712 | 74,769 | (5,943) | 32,089 | 29,117 | (2,972) | 18,121 | 7,224 | (10,897) | 33,488.40 | 35,810 | 2,322 | 164,410 | 146,920 |
| Professional Services | 2,875 | 2,768 | (107) | - | 100 | 100 | 16,750 | 10,870 | (5,880) | 4,937 | 5,394 | 457 | 24,563 | 19,132 |
| General Office Expenses | 2,865 | 4,768 | 1,903 | 1,067 | 1,711 | 644 | 1,540 | 2,188 | 648 | 22,898 | 14,709 | (8,189) | 28,371 | 23,377 |
| Facility & Equip. Expenses | | | | | | | | | | | | | | |
| Rent | 30,425 | 41,052 | 10,626 | 3,772 | 5,090 | 1,317 | 2,130 | 2,874 | 744 | 5,547 | 7,485 | 1,937 | 41,875 | 56,500 |
| Utilities | 3,270 | 4,056 | 787 | 405 | 503 | 98 | 229 | 284 | 55 | 596 | 740 | 143 | 4,500 | 5,583 |
| Other Facility & Equip. Expenses | 3,434 | 4,301 | 867 | 904 | 1,055 | 151 | 1,010 | 310 | (701) | 829 | 1,282 | 453 | 6,178 | 6,947 |
| Total Facility & Equip. Expenses | 37,129 | 49,409 | 12,280 | 5,081 | 6,647 | 1,566 | 3,370 | 3,468 | 98 | 6,973 | 9,507 | 2,534 | 52,553 | 69,030 |
| Travel & Meetings | 5,375 | 3,111 | (2,264) | - | 60 | 60 | 3,175 | 641 | (2,534) | 823 | 1,139 | 316 | 9,373 | 4,951 |
| Marketing & Communications | 6,194 | 6,229 | 35 | 768 | 6,229 | 5,461 | 434 | 7,475 | 7,041 | 1,129 | 4,983 | 3,854 | 8,525 | 24,916 |
| Program Expenses | 48,311 | 45,012 | (3,299) | 40,000 | 37,268 | (2,732) | - | - | - | - | - | - | 88,311 | 82,280 |
| Development | | | | | | | | | | | | | | |
| Special Events | - | - | - | - | - | - | - | - | - | 7,500 | 3,510 | (3,990) | 7,500 | 3,510 |
| Direct Mail Expenses | - | - | - | - | - | - | - | - | - | - | 7,010 | 7,010 | - | 7,010 |
| Total Development | - | - | - | - | - | - | - | - | - | 7,500 | 10,520 | 3,020 | 7,500 | 10,520 |
| Depreciation Expense | 70 | 70 | - | 93 | 93 | - | 55 | 55 | - | 33 | 33 | - | 250 | 250 |
| Other Expenses | 4,779 | 7,254 | 2,475 | 608 | 665 | 57 | 2,062 | 2,142 | 80 | 2,394 | 545 | (1,849) | 9,844 | 10,606 |
| Total Expense | 188,310 | 193,390 | 5,080 | 79,706 | 81,890 | 2,184 | 45,506 | 34,062 | (11,444) | 80,175 | 82,640 | 2,465 | 393,697 | 391,982 |
| <i>As % of Total</i> | <i>47.8%</i> | <i>49.3%</i> | | <i>20.2%</i> | <i>20.9%</i> | | <i>11.6%</i> | <i>8.7%</i> | | <i>20.4%</i> | <i>21.1%</i> | | | |
| Net Income | 30,703 | (33,267) | (63,971) | 119,057 | 37,092 | (81,965) | (24,660) | (27,467) | (2,807) | (41,962) | (71,191) | (29,229) | 83,138 | (94,833) |

ABC Nonprofit Theater Group
Statement of Financial Position
As of September 30, 2007
Figures in U.S. Dollars

| |
|--------------------------------|
| As of September 30, 2007 |
|--------------------------------|

ASSETS

| | |
|---------------------------------|-------------------|
| Current Assets | |
| Cash | \$ 268,597 |
| Accounts Receivable | 320,172 |
| Prepaid Insurance | 12,372 |
| <u>Total Current Assets</u> | <u>601,141</u> |
| Fixed Assets | |
| Equipment, Furniture & Fixtures | 11,685 |
| <u>Accumulated Depreciation</u> | <u>(4,695)</u> |
| Net Fixed Assets | 6,990 |
| Other Long Term Assets | 48,010 |
| TOTAL ASSETS | \$ 656,141 |

LIABILITIES & NET ASSETS

| | |
|---|----------------|
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 105,891 |
| Accrued Liabilities | 13,151 |
| <u>Deferred Revenue</u> | <u>110,848</u> |
| Total Current Liabilities | 229,890 |
| Total Liabilities | 229,890 |
| Total Net Assets | 426,250 |
| TOTAL LIABILITIES & NET ASSETS | 656,141 |

ABC Nonprofit Theater Group
Cash Flow Forecast
 Fiscal Year 2008
 Figures in U.S. Dollars

| | FY 08 BUDGET | Actual July | Actual Aug | Actual Sept | Projected Oct | Projected Nov | Projected Dec | Projected Jan | Projected Feb | Projected March | Projected April | Projected May | Projected June | Total | Variance |
|----------------------------------|-------------------------|------------------------|-----------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|--------------------------|---------------------------|------------------|-----------------|
| INFLOW | | | | | | | | | | | | | | | |
| Opening Balance | | \$ 352,805 | \$ 334,781 | \$ 312,422 | \$ 268,597 | \$ 192,516 | \$ 295,436 | \$ 549,355 | \$ 537,094 | \$ 479,834 | \$ 414,824 | \$ 411,813 | \$ 361,553 | | |
| Restricted | | | | | | | | | | | | | | | |
| Foundation Contributions | 400,000 | 74,000 | 74,000 | 91,450 | - | 150,000 | 5,000 | - | - | - | 2,000 | 2,000 | 2,000 | 400,450 | 450 |
| Unrestricted | | | | | | | | | | | | | | | |
| Individual Contributions | 860,000 | 17,181 | 11,454 | 9,545 | 40,000 | 90,000 | 300,000 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 | 798,179 | (61,821) |
| Corporate Contributions | 38,000 | 4,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 37,000 | (1,000) |
| Foundation Contributions | 100,000 | - | - | - | - | - | - | 50,000 | - | - | 50,000 | - | - | 100,000 | - |
| Special Event Income | 87,000 | - | 7,286 | - | - | - | 65,000 | - | - | - | 10,000 | - | - | 82,286 | (4,714) |
| Other Revenue | | | | | | | | | | | | | | | |
| Program Related Sales & Fees | 155,000 | 102 | 1,639 | 307 | 500 | 500 | 500 | 30,000 | 35,000 | 500 | 500 | 40,000 | 45,000 | 154,549 | (451) |
| Investments | - | 185 | - | - | - | - | - | - | - | - | - | - | - | 185 | 185 |
| Total Cash IN | 1,640,000 | 95,468 | 97,379 | 104,302 | 43,500 | 243,500 | 373,500 | 138,000 | 93,000 | 58,500 | 120,500 | 100,000 | 105,000 | 1,572,649 | (67,351) |
| OUTFLOW | | | | | | | | | | | | | | | |
| Salaries and Benefits | 712,442 | 48,969 | 48,969 | 48,969 | 52,396 | 52,396 | 52,396 | 56,326 | 56,326 | 56,326 | 56,326 | 56,326 | 56,326 | 642,051 | (70,391) |
| Professional Fees | 108,250 | 6,122 | 7,270 | 5,740 | 4,000 | 25,000 | 4,000 | 10,000 | 10,000 | 4,000 | 4,000 | 10,000 | 10,000 | 100,132 | (8,118) |
| General Office Expenses | 113,483 | 7,481 | 8,883 | 7,013 | 7,000 | 7,000 | 7,000 | 10,000 | 10,000 | 7,000 | 7,000 | 10,000 | 10,000 | 98,377 | (15,106) |
| Facility & Equipment Expenses | 210,210 | 17,258 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 25,886 | 302,009 | 91,799 |
| Travel & Meetings | 37,490 | 1,485 | 1,238 | 1,733 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 35,956 | (1,534) |
| Marketing & Communications | 34,100 | 997 | 1,495 | 22,424 | 1,100 | 1,100 | 1,100 | 2,100 | 2,100 | 1,100 | 1,100 | 2,100 | 2,100 | 38,816 | 4,716 |
| Program Expenses | 353,243 | 24,684 | 20,570 | 28,798 | 20,250 | 20,250 | 20,250 | 37,000 | 37,000 | 20,250 | 20,250 | 37,000 | 37,000 | 323,302 | (29,941) |
| Development | 30,000 | 3,156 | 2,630 | 3,682 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 31,968 | 1,968 |
| Depreciation Expense | 1,000 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 1,000 | - |
| Other Expenses | 39,375 | 3,257 | 2,714 | 3,800 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 35,552 | (3,823) |
| Total Cash Outflow | 1,639,593 | 113,491 | 119,738 | 148,127 | 119,581 | 140,581 | 119,581 | 150,260 | 150,260 | 123,510 | 123,510 | 150,260 | 150,260 | 1,609,162 | (30,431) |
| Month Result | | (18,023) | (22,359) | (43,825) | (76,081) | 102,919 | 253,919 | (12,260) | (57,260) | (65,010) | (3,010) | (50,260) | (45,260) | | |
| Operating Month Balance | | 334,781 | 312,422 | 268,597 | 192,516 | 295,436 | 549,355 | 537,094 | 479,834 | 414,824 | 411,813 | 361,553 | 316,292 | | |
| ROLLING CASH FLOW BALANCE | | \$ 334,781 | \$ 312,422 | \$ 268,597 | \$ 192,516 | \$ 295,436 | \$ 549,355 | \$ 537,094 | \$ 479,834 | \$ 414,824 | \$ 411,813 | \$ 361,553 | \$ 316,292 | | |