



FY20 June Financials - Notes for Board

September 15, 2020

Attached are the June 2020 financials, closing out FY20. The financials are under review from the auditors, so will not be finalized until November 2020.

As you can see, we are projecting a \$39k surplus. While it's less than we budgeted, it's quite good considering all the COVID-related expenses during the last quarter of the fiscal year. Some context to the numbers:

Revenue

- With income of \$7.34M, we are officially a \$7M+ organization!
- We nearly doubled our foundation giving, and well surpassed our budgeted revenue for individuals and special events. Note that the increase in special events is due to the virtual breakfast and in spite of the fact there was no marathon, so marathon giving was under budget. See chart for more detail.
- We have not yet invoiced our tenants for their share of the property taxes for FY20. It's taken us some time to get a handle on the taxes and ratios per tenant. We will bill in September, and then quarterly going forward. We will ask the auditors if we should bill then amend our FY20 financials indicating them as receivables, or just record them for FY21.
- We wrote off the variety store rent for \$25k as she did not pay rent in FY20. We were beginning the eviction process when the state issued a moratorium on evictions, including for small businesses. Once the moratorium is lifted, we will proceed. We have two people interested in the space once she vacates, but it could be a while.

Expenses

- Included in expenses are three personnel-related atypical costs related to COVID:
 - \$111k in premium pay to advocates working in shelter (started as double time, decreased to time and a half, and now regular pay).
 - \$74k in COVID bonuses to all staff paid for by the PPP loan.
 - \$141k in accrued PTO, double what it would normally be. Because many staff were unable to take vacation due to COVID and trying to settle into working remotely, we allowed staff to carry over an additional 70 hours (in addition to the usual 70 they can carryover) through December 31, 2020. If they haven't used the additional 70 by the end of this calendar year, they'll lose it. And we've warned folks that even if the pandemic continues through FY21, there won't be any PTO extensions again so they need to use their time off.
- We vastly exceeded our budgeted office and program expenses, due to the increased COVID spending. We purchased cell phones, laptops, and supplies for staff working remotely who didn't have them. We purchased PPE (e.g., masks, sanitizer, cleaning wipes) for participants, staff, and shelters, and hired a cleaning service to clean each of the three shelters every other week. We spent over \$600,000 on emergency and stabilization support to survivors, and that

doesn't include the rental support we provided through rapid rehousing - some of which was budgeted, but not most. See chart at for more detail.

- The financials include the PPP loan as a liability. It will be forgiven and converted to a grant in FY21, so that will drive an FY21 surplus on paper as we will have already spent most of the money in FY20.

FY20 Financials: Impact of COVID-19 on Some Revenue and Expenses					
Revenue					
	FY20 budget	FY20 actual	FY21 v FY20	% change	
foundations, corporations	\$600,000	\$1,140,313	\$540,313	90%	
individuals	\$225,000	\$258,841	\$33,841	15%	
events	\$140,000	\$172,346	\$32,346	23%	
	\$965,000	\$1,571,500	\$606,500	63%	
Expenses					
	FY20 budget	FY20 actual	FY21 v FY20	% change	
emergency assistance	\$45,000	\$211,339	\$166,339	370%	
housing stabilization/relocation	\$50,000	\$395,406	\$345,406	691%	
	\$95,000	\$606,745	\$511,745	539%	
RRH rental assistance	\$370,000	\$431,142	\$61,142	17%	
program expenses/supplies	\$40,000	\$58,100	\$18,100	45%	
office expenses	\$86,100	\$108,828	\$22,728	26%	
	\$126,100	\$166,928	\$40,828	32%	

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CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
June 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	FY20 YTD BUDGET	YTD BUDGET DIFFERENCE	FY20 FULL BUDGET	FULL BUDGET REMAINING	YTD Actual as a % of FY20 Budget
OPERATING REVENUES:								
Government Contracts and Grants	\$ 5,068,590	-	\$ 5,068,590	\$ 5,211,428	\$ (142,838)	\$ 5,211,428	\$ 142,838	97%
Gifts, Grants and Contributions:								
United Way	33,505	-	33,505	45,000	(11,495)	45,000	11,495	74%
Foundations & Businesses & Other	254,513	885,800	1,140,313	600,000	540,313	600,000	(540,313)	190%
Individuals	254,991	3,850	258,841	225,000	33,841	225,000	(33,841)	115%
Special Events	172,346	-	172,346	140,000	32,346	140,000	(32,346)	123%
Donated Goods and Services	265,668	-	265,668	-	265,668	-	(265,668)	-
Total Gifts, Grants and Contributions	981,023	889,650	1,870,673	1,010,000	860,673	1,010,000	(860,673)	185%
Net Investment Income, Operating/BD Designated	39,077	-	39,077	60,000	(20,923)	60,000	20,923	65%
Other Income and Other Program Revenues	(2,977)	-	(2,977)	13,000	(15,977)	13,000	15,977	-23%
Rental Income	334,824	-	334,824	374,334	(39,510)	374,334	-	89%
Lapse of Time	925,696	(925,696)	-	55,383	(55,383)	55,383	55,383	-
Rental CAM insurance, tax recovery				55,383	(55,383)	-	-	-
TOTAL OPERATING REVENUES:	7,346,233	(36,046)	7,310,187	6,724,145	641,425	6,724,145	(680,935)	109%
OPERATING EXPENSES:								
Salaries	3,697,471	-	3,697,471	3,741,741	(44,270)	3,741,741	44,270	99%
Payroll Taxes and Fringe Benefits	812,336	-	812,336	825,826	(13,490)	825,826	13,490	98%
Consultants/Personnel Related	199,812	-	199,812	219,500	(19,688)	219,500	19,688	91%
Office Expenses	185,838	-	185,838	149,600	36,238	149,600	(36,238)	124%
Occupancy	615,450	-	615,450	686,592	(71,142)	686,592	71,142	90%
Transportation	59,272	-	59,272	42,800	16,472	42,800	(16,472)	138%
Program Expenses	1,156,202	-	1,156,202	706,500	449,702	706,500	(449,702)	164%
Other costs	147,821	-	147,821	110,500	37,321	110,500	(37,321)	134%
Donated Goods and Services	265,668	-	265,668	-	265,668	-	(265,668)	-
Total Expenses before Depreciation	7,139,871	-	7,139,871	6,483,059	656,812	6,483,059	(656,812)	110%
Depreciation	157,116	-	157,116	50,000	107,116	50,000	(107,116)	314%
TOTAL OPERATING EXPENSES	7,296,987	-	7,296,987	6,533,059	763,928	6,533,059	(763,928)	112%
NET OPERATING SURPLUS (DEFICIT)	49,247	(36,046)	13,201	191,086	(122,502)	191,086	82,992	
NON-OPERATING ACTIVITY								
Net Investment Income, Endowment	-	25,926	25,926					
Endowment Contributions	-	-	-					
Moving Expenses to Home Office	-	-	-					
TOTAL NON-OPERATING ACTIVITY	-	25,926	25,926					
CHANGE IN NET ASSETS	\$ 49,247	\$ (10,120)	\$ 39,126					

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CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

CURRENT ASSETS:

TLP Sale - Net of LOC payment	-
Cash and Cash Equivalents	\$ 564,756
Accounts Receivable, Program Services	1,461,644
Gifts and Grants Receivable	113,506
Prepaid Expenses	\$ 11,377
Total Current Assets	<u>2,151,283</u>

PROPERTY AND EQUIPMENT, NET \$ 6,023,544

LONG-TERM INVESTMENTS:

Board Designated Investments	\$ 1,076,041
Endowment Investments	\$ 612,259
Total Long-Term Investments	<u>1,688,300</u>

OTHER ASSETS:

451BHA Escrow	-
Security Deposit	-
	<u>-</u>

TOTAL ASSETS \$ 9,863,126

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 183,027
Accrued Expenses	5,875
Accrued Payroll and Related Costs	287,011
Mortgage Related Costs	6,475
Line of Credit	-
Current Portion of Long Term Debt	80,790
Security Deposit	10,908
PPP Loan	674,279
Total Current Liabilities	<u>1,248,366</u>

LONG-TERM DEBT 4,501,566

TOTAL LIABILITIES \$ 5,749,932

NET ASSETS:

Without Donor Restrictions	
Operating	781,072
Board Designated	966,555
Property and Equipment	1,441,189
Total Without Donor Restricted Net Assets	<u>3,188,815</u>
With Donor Restrictions'	924,379
Total Net Assets	<u>4,113,195</u>

TOTAL LIABILITIES AND NET ASSETS \$ 9,863,126

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
FINANCIAL RATIOS
June 30, 2020

CURRENT RATIO:	2020	2019	2018	2017	2016
Current Assets	2,151,282	1,002,312	1,565,957	898,250	806,042
Current Liabilities	<u>1,237,458</u>	<u>185,271</u>	<u>704,095</u>	<u>466,012</u>	<u>393,316</u>
Ratio	1.74	5.41	2.22	1.93	2.05

This ratio measures the ability to pay current debts.
A ratio of 1.25 to 1.5 is considered adequate.

DEBT TO EQUITY RATIO:	2020	2019	2018	2017	2016
Total Liabilities	4,512,474	388,054	906,878	668,795	596,099
Total Unrestricted Operating Net Assets	<u>2,173,014</u>	<u>1,437,352</u>	<u>1,461,843</u>	<u>1,106,401</u>	<u>1,114,417</u>
Ratio	2.08	0.27	0.62	0.60	0.53
Total Liabilities	4,512,474	388,054	906,878	668,795	596,099
Total Unrestricted Net Assets (Inc. BD)	<u>3,188,815</u>	<u>2,843,202</u>	<u>3,068,871</u>	<u>2,672,533</u>	<u>2,530,266</u>
Ratio	1.42	0.14	0.30	0.25	0.24

This ratio measures the proportion of the assets which are externally financed.
The lower the portion financed, the better, ideally less than 1.00.

NUMBER OF MONTHS OF OPERATING EXPENSES IN UNRESTRICTED OPERATING NET ASSETS:	2020	2019	2018	2017	2016
Total operating expenses	7,296,987	2,489,433	5,202,676	4,434,172	3,965,386
Less - depreciation and amortization	157,116	29,041	59,431	66,427	66,572
Less - donated goods and services	<u>265,668</u>	<u>-</u>	<u>267,380</u>	<u>269,397</u>	<u>245,907</u>
Adjusted total operating expenses	6,874,203	2,460,392	4,875,865	4,098,348	3,652,907
Average monthly operating expenses	572,850.22	410,065	406,322	341,529	304,409
Unrestricted operating net assets	2,173,014	1,437,352	1,461,843	1,106,401	1,114,417
Number months in unrestricted operating net assets	3.79	3.51	3.60	3.24	3.66

This ratio is a commonly used measurement of the level of operating net assets (working capital) of a nonprofit organization
Industry guidelines suggest 3 to 6 months worth of operations is an acceptable level for net assets.

UNRESTRICTED NET ASSET COMPOSITION	2020	2019	2018	2017	2016
Operating	781,072	806,174	801,625	296,939	237,731
Property and Equipment	1,441,189	631,178	660,218	809,462	876,686
Board Designated	<u>966,555</u>	<u>1,405,850</u>	<u>1,606,379</u>	<u>1,566,132</u>	<u>1,415,849</u>
Total net assets	3,188,815	2,843,202	3,068,222	2,672,533	2,530,266

This ratio measures the level of operating revenues.
Non-profit industry guidelines suggest an average of 3-6 months of operating expenses be held as reserve.