Report prepared for: Frontera Women's Foundation

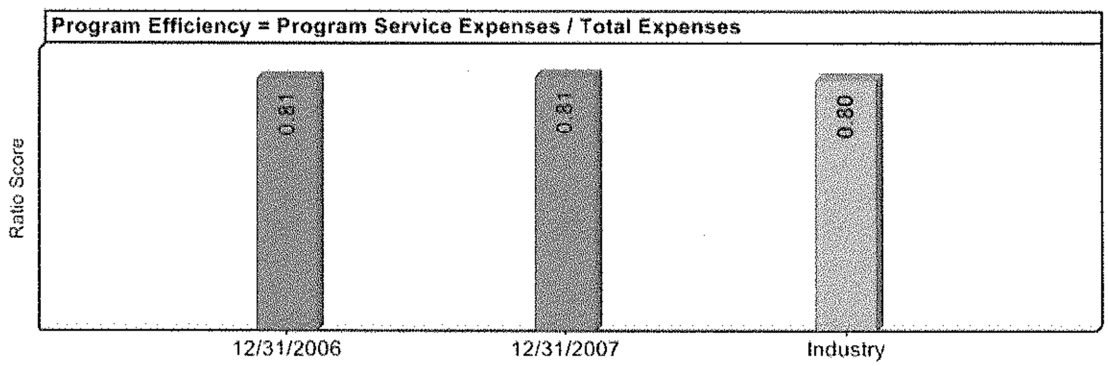
Sector: T20 - Private Grantmaking Foundations
Revenue: Less than $1M
Periods: 12 months against the same 12 months from the previous year

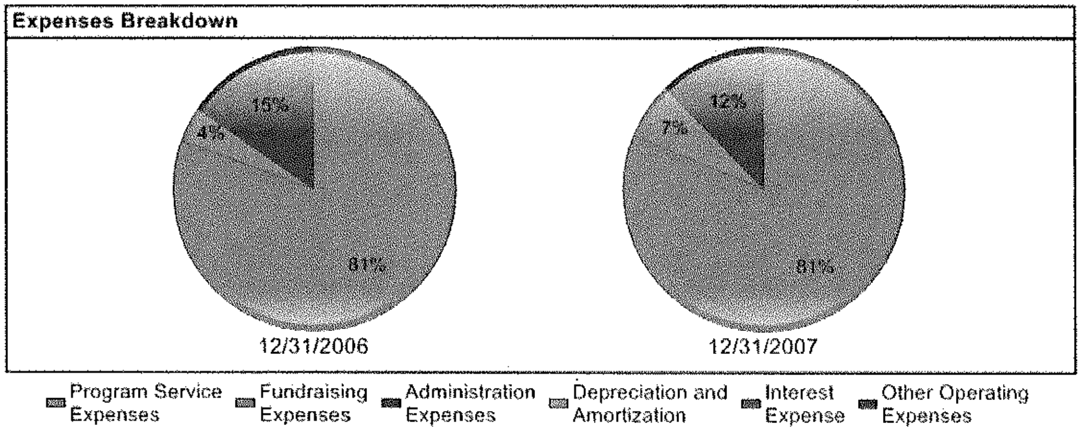
"Management is doing things right; leadership is doing the right things." -- Peter F. Drucker

NONPROFIT OPERATIONAL ANALYSIS

Generally, how is the organization managing money with regard to its sector and mission?

This organization is not as reliant on program revenue to cover total expenses as other NPOs in this sector based on this particular area of analysis. This could be looked at as positive or negative but means that the organization must rely on non-program revenues which sometimes are less reliable. In addition, just as last period, only a minor portion of the NPO's revenue is comprised by program revenue meaning that most funding comes from other, potentially unreliable sources. Because of this condition, it might be important to analyze all of the organization's sources of revenue for reliability and controllability and then adjust expenses if necessary to minimize risk to the NPO's future program services. The organization did achieve an acceptable fundraising efficiency score, meaning that the money invested in fundraising efforts generated an amount of contributions that was around the sector's average. The area to highlight in this section of the analysis is the positive trending of the organization's program efficiency. In 2007, 81 cents of every unrestricted dollar donated to the Foundation was spent on the mission of the Foundation. This measure can act as key indicator of a NPO's success both from an internal and external perspective and has improved to a normal rating since last period. Further improvement here would be beneficial.





NONPROFIT FINANCIAL ANALYSIS

LIQUIDITY ★★★★★

OPERATING YIELD TRENDS ★★★★★

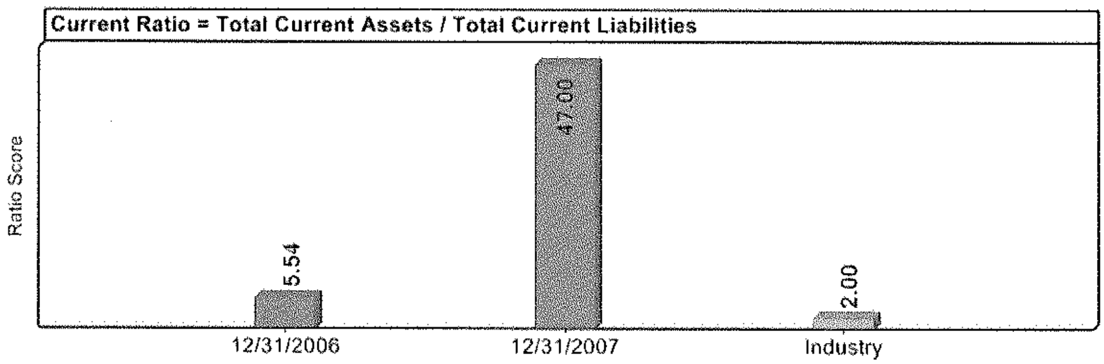
REVENUE ★☆☆☆☆

EMPLOYEES ★★★★★

LIQUIDITY ★★★★★

Generally, what is the organization's ability to meet obligations as they come due?

Despite lower revenues than last period, the organization has had very positive results in this area. What does this mean? Net income and operating margins are up, and all areas of liquidity look strong at this specific time. Better, all liquidity indicators have risen from last period, as depicted in the graph area of the report. For example, notice in the graph area that the organization's "current" and "quick" ratios are strong **and** have risen. This indicates that both the scope and composition of the liquidity base are sound (as of this **particular** time). Basically, the organization is doing well, even when compared to the competition.



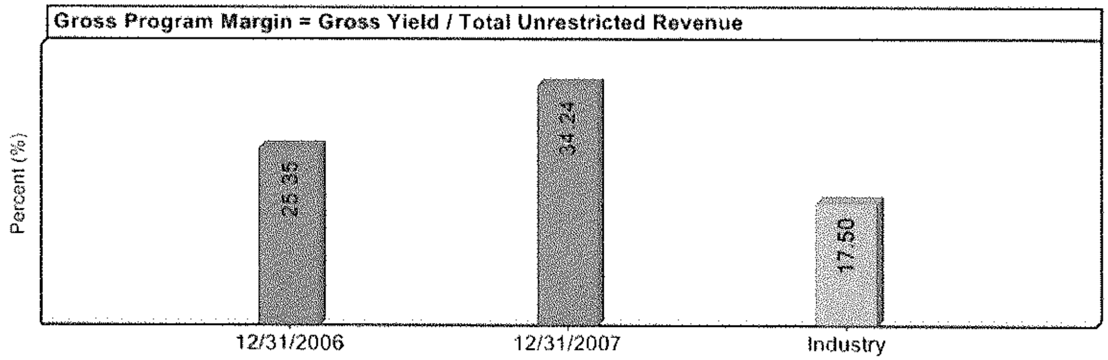
OPERATING YIELD TRENDS[1]

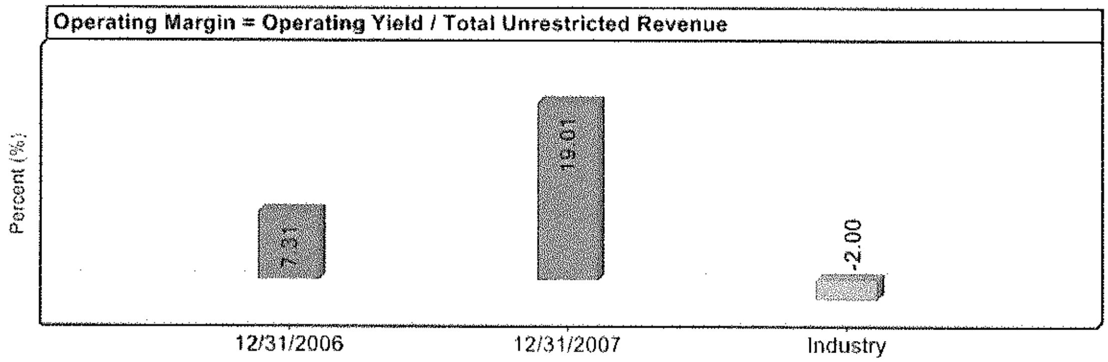
Are trends favorable in the organization?

This organization has achieved a favorable **financial** result in that it was able to generate a net surplus and improve its operating yield this period, despite the fact that revenues fell. The NPO achieved this by improving its operating margin by 160.01% -- by carefully managing its program service, overhead, and administrative expenses and becoming more efficient. The NPO's operating margin is strong, both overall and relative to the operating margins of sector peers, as shown in the graph area of the report. Whenever a nonprofit organization has a solid operating margin and generates a net gain concurrently, most other areas of its finances will fall into place; assets will tend to generate more revenue, and even the cash position will improve over time.

In short, this organization's results are good in this area of the report, although generally NPOs prefer to see revenues increase over time. This is especially true because cutting expenses (especially programming) can be particularly difficult for nonprofits over the long run.

[1] **Operating yield (net operating gain/loss) is the nonprofit equivalent of net profit.**





REVENUE

Are revenues growing and satisfactory?

Revenues have fallen, which has already been mentioned in the Operating Yield section. Revenue changes by themselves are typically not vital analytical points; program trends are more important. Still, the clear goal over time is to increase revenues, since programming costs almost always go up over the long run.

EMPLOYEES

Is the organization hiring effectively?

Although this organization's revenue level has fallen from last period, the employee base has decreased at a greater rate. Employees are a form of cost, so ideally these staff reductions will lead to an improvement of the operating yield in the long run. To put it simply, it is positive to see reductions in staff **outpace** reductions in revenues, as is the case here.