**Horses and Humans Research Foundation**
**Financial Statement Comments**
**November 2012**

**Statement of Financial Position**

Significant changes in November include:

- Total cash (checking and savings) decreased this month by about $12,200. Cash is higher than the cash balance at November 30, 2011 by approximately $31,000.
- The market value of the Sentinel Endowment Fund increased in November by $313, and has gone up in the past twelve months by approximately $6,700.
- There were no changes this month to the Pledges Receivable of $6,150 related to the Board Members' Pledges not yet received. These will be evaluated at year-end to determine whether all are still collectible.

**Statement of Activities Actual vs. Budget**

- Year to date net income is $55,779, while the budget shows that we expected a loss of $8,277 through November.
- Net loss for the month of November of $12,208 exceeds the budgeted loss of $1,168 for the month due to almost $4,500 of Individual and Foundation contributions that were budgeted in November, but not received this month. Expenses exceeded the November budget by $6,842 due primarily to expenses for Program Planning of $6,770 as compared to the budget of $1,500, and Community Outreach expenses of $851 compared to the budget of $100. These along with Administrative Contractors and Staff are the only line items that show a significant year-to-date amount over budget.
- In total, expenses for the year to date are approximately $6,500 over budget through November 2012.
- December is projected to bring in over $50,000 in contributions from various sources, and if the Veteran's Grant is awarded in December a similar amount is expected to be expensed. December activity will certainly impact the 2012 final results dramatically, and we will take care to include any contributions made in the calendar year.

**Statement of Activities Previous Year Comparison**

- Net income through November continues to show significant improvement over 2011, with a total increase including the impact of the reduced Sherbrooke grant of $163,478.
- Revenues have increased by about $75,400 with expenses showing a decrease of approximately $73,000 before the prior year grant change impact of $15,000.
- Special events have raised $3,200 less this year than in 2011, but have also incurred $2,350 less in costs.

**Cash Flow Forecast**

- Currently you have only $889 in available unrestricted cash which covers less than one month of expenses.

- Included in the Temporarily Restricted cash is approximately $10,200 remaining from the Veteran's Grant that will be used to cover administrative expenses. This brings the cash available up to enough to cover around 1.5 months of operating expenses.

**Current Year Projection**

- The current year projection is now showing expected net income of approximately $56,200 which includes the $15,000 impact of the decision not to fund the Sherbrooke grant in full.
- The projection shows a small profit from increased contributions in December of approximately $425.
- Your budget for December includes a total of $56,600 in contributions from all sources, but also includes the $50,000 expense for the Veteran's Grant.

**Activity by Restriction**

- This schedule shows the total activity for the full 2012 year to date.
- Temporarily Restricted Net Assets have decreased to $93,637 with $63,137 available for the Veterans Program and $30,500 available for General and Mental Health Research.
- We have continued to release some of the funds restricted to cover the administrative costs of the Veteran's Grant, with the total used to date of $9,807. The releases will continue as the funds are used until the full $20,000 restricted for this purpose has been spent.
- Unrestricted Net Assets are negative by $15,853. This means that you may be using restricted funds to support general operations or purposes that they have not been restricted for. You may want to consider releasing the designation on some of the Board Designated funds to be used to support operations until more unrestricted contributions are received. The Board Designated funds amount to $14,528 at November 30th. We can address this at year end depending on the December activity.
- The $50,000 grant scheduled for December 2012 will come from Temporarily Restricted funds and any unrestricted contributions received in December will decrease this deficit also.
- Total Net Assets at the end of November are $214,273.

**November is showing a loss of $12,208 but the year to date financial picture continues to be strong. I do think you should address the use of the restricted assets to cover operational costs and continue your successful efforts to bring in additional unrestricted contributions in December. These reports show an accurate picture of 2012 as well as a solid estimate of where you can expect to be at the end of this fiscal year. If you would like me to attend the Finance Committee meeting conference call in January to discuss the year end results, please let me know.**

**Please let me know if you have any questions or comments on this month's activity or reports.**
**Thank you!**
**Pam**