The Operating Index

A NATIVE CONSTRAINT PUBLICATION

# EXAMPLE HEALTH

EIN: 00-0000000, Health Care (NTEE E)
For the years ended June 30, 2023 and 2024

**A fictitious organization. Every figure is invented.**

# The Operating Index

This report sets an organization's reported finances against its field across two years, and states the change between them. The financial statements are ranked against the sector. The measures drawn from them are ranked against a cohort of similar organizations. The report states position and change. It draws no conclusion.

### PROVENANCE

A filed figure comes from the organization's public Form 990. Peer figures come from the IRS record, the e-file releases and the annual extract together, and refresh as the IRS releases. A figure not drawn from a filing is marked. A filing that does not reconcile is held, not issued.

### FINANCIAL STATEMENTS

Two statements are shown for two years, the years ended June 30, 2023 and 2024: the statement of financial position and the statement of activities. Figures are in U.S. dollars. Both years come from the filed Form 990. Each line is ranked against the sector, every Health Care organization (NTEE E) that filed for that year. The change between the two years is stated in dollars and in percent, and carries no rank.

### MEASURES

The measures are computed from the statements. Each is ranked against a cohort of 148 organizations: those in the same sector and closest in revenue. A ratio is comparable only among organizations of similar scale. A year whose field is still filling is ranked against the most recent resolved field. The change between the two years is stated in the measure's own terms, months or percentage points.

### COMMENTARY

The commentary is assembled by a fixed rule, not generated. The same data produces the same reading, and nothing is invented or rephrased beyond what the figures support. It walks the statements in order and closes on the measures. A movement is read as material only when it is large in dollars or in percent. A material movement, or a reading in the top or bottom tenth of its cohort, raises a question, set in italic below the line. The question rises from the organization's own figures and states no finding.

### NO ASSURANCE PROVIDED

This report is not an audit, review, or compilation, and no opinion or assurance is provided. The figures are reported by the organization and are not verified. Reconciliation is a condition of issue, not a verification.

**Native Constraint**

July 3, 2026

EXAMPLE HEALTH

# STATEMENT OF FINANCIAL POSITION

As of June 30, 2023 and 2024

| | 2023 | 2024 | Change $ | Change % |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash & Equivalents | 4,160,740<br>79th | 4,536,300<br>80th | +375,560 | +9.0% |
| Investments | 1,008,300<br>60th | 1,083,690<br>61st | +75,390 | +7.5% |
| Receivables | 580,000<br>51st | 600,000<br>52nd | +20,000 | +3.4% |
| Property & Equipment | 2,700,300<br>64th | 2,664,000<br>63rd | −36,300 | −1.3% |
| Other Assets | 200,000<br>47th | 200,000<br>47th | – | – |
| **Total Assets** | **8,649,340**<br>74th | **9,083,990**<br>75th | **+434,650** | **+5.0%** |
| **LIABILITIES** | | | | |
| Payables & Accrued | 524,330<br>63rd | 576,985<br>64th | +52,655 | +10.0% |
| Deferred Revenue | 320,000<br>62nd | 350,000<br>64th | +30,000 | +9.4% |
| Secured Debt | 230,000<br>52nd | 270,000<br>56th | +40,000 | +17.4% |
| Notes & Loans | 70,000<br>42nd | 80,000<br>44th | +10,000 | +14.3% |
| Other Liabilities | 60,000<br>51st | 60,000<br>51st | – | – |
| **Total Liabilities** | **1,204,330**<br>66th | **1,336,985**<br>67th | **+132,655** | **+11.0%** |
| **NET ASSETS** | | | | |
| Without Donor Restrictions | 6,295,010<br>75th | 6,472,005<br>75th | +176,995 | +2.8% |
| With Donor Restrictions | 1,150,000<br>63rd | 1,275,000<br>65th | +125,000 | +10.9% |
| **Total Net Assets** | **7,445,010**<br>75th | **7,747,005**<br>75th | **+301,995** | **+4.1%** |

## EXAMPLE HEALTH
# STATEMENT OF ACTIVITIES

For the years ended June 30, 2023 and 2024

| | 2023 | 2024 | Change $ | Change % |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Contributions & Grants | 6,142,880<br>77th | 6,204,448<br>78th | +61,568 | +1.0% |
| Program Revenue | 1,003,210<br>59th | 1,204,660<br>62nd | +201,450 | +20.1% |
| Investment Income | 31,040<br>65th | 44,332<br>68th | +13,292 | +42.8% |
| Other Revenue | 12,500<br>47th | 13,200<br>48th | +700 | +5.6% |
| **Total Revenue** | **7,189,630**<br>73rd | **7,466,640**<br>74th | **+277,010** | **+3.9%** |
| **EXPENSES** | | | | |
| Compensation & Benefits | 4,512,330<br>74th | 4,769,210<br>75th | +256,880 | +5.7% |
| Professional & Contract Services | 1,020,000<br>58th | 1,100,000<br>60th | +80,000 | +7.8% |
| Office & Technology | 330,000<br>59th | 360,000<br>60th | +30,000 | +9.1% |
| Occupancy & Depreciation | 660,000<br>53rd | 690,000<br>54th | +30,000 | +4.5% |
| Other Expenses | 223,890<br>45th | 245,435<br>46th | +21,545 | +9.6% |
| **Total Expenses** | **6,746,220**<br>72nd | **7,164,645**<br>73rd | **+418,425** | **+6.2%** |
| **Change in Net Assets** | **443,410**<br>71st | **301,995**<br>65th | **−141,415** | **−31.9%** |

# EXAMPLE HEALTH MEASURES

For the years ended June 30, 2023 and 2024

| | 2023 | 2024 | Change |
|---|---|---|---|
| Cash on Hand | 7.4<br>70th | 7.6<br>73rd | +0.2 mo |
| Cash and equivalents divided by monthly expense: months of runway in cash alone. | | | |
| Operating Reserves | 6.4<br>72nd | 6.4<br>72nd | – |
| Net assets without donor restrictions, less the equity held in property and equipment, divided by monthly expense: months of reserve. | | | |
| Surplus Margin | 6.2%<br>50th | 4.0%<br>47th | −2.2 pts |
| Surplus divided by total revenue: the share of each dollar kept. | | | |
| Personnel Share | 63%<br>38th | 64%<br>37th | +1 pts |
| Compensation and benefits divided by total expense: the share of each dollar spent that goes to people. | | | |
| Revenue Concentration | 85%<br>61st | 83%<br>59th | −2 pts |
| The largest revenue stream divided by total revenue: how much the organization leans on one kind of funding. | | | |

## EXAMPLE HEALTH
# COMMENTARY

For the years ended June 30, 2023 and 2024

Total assets rose 5.0% while total liabilities rose 11.0%.

Total revenue rose 3.9%, an increase of $277,010. Total expenses rose 6.2%, an increase of $418,425, outpacing revenue.

The surplus fell from $443,410 to $301,995, down 31.9%, its sector rank from the 71st to the 65th percentile. The surplus carried net assets from $7.4M to $7.7M, the balance rolling forward without a gap.

Cash on Hand rose from 7.4 to 7.6 months and operating reserves held at 6.4 months.

The surplus margin fell from 6.2% to 4%.

> *Is the compression structural or one-time, and what returns the margin toward 2023?*

Personnel share rose from 63% to 64% and revenue concentration eased from 85% to 83%.