

MEMORANDUM

TO: Jeff Cline, Jim Passaro, The ALS Association Greater Philadelphia Chapter

FROM: Angelo DeSantis, YPTC

DATE: September 23, 2021

SUBJECT: August 31, 2021 Preliminary and Unaudited Financial Statements

Your financial statements for the seven months through August 31, 2021 are attached.

These reports include:

- Cash Summary for the seven months ended August 31, 2021
- Program Revenue and Expenses for the seven months ended August 31, 2021
- Statements of Financial Position as of August 31, 2021 and 2020
- Statements of Operations for the seven months ended August 31, 2021 and 2020
- Statement of Operations with General & Administration Expenses for the seven months ended August 31, 2021
- Statements of Operations for the Fiscal Years ended January 31, 2017, 2018, 2019, 2020, 2021 and the seven months ended August 31, 2021
- Statement of Cash Flows for the seven months ended August 31, 2021
- Rolling Forecast for the twelve months ending January 31, 2022

Summary

- The Statement of Financial Position remains strong with Total Liabilities equal to 15% of Total Assets. The Loan Payable-SBA, aka PPP Loan, is 9% of Total Assets.
- Compared to Budget, there is a favorable variance of \$160K in Revenue from Operations. Due to a favorable variance of \$571K in Government Funding.
- Compared to Budget, there is a favorable variance of \$500K in Total Expenses. Due to less than expected expenses for Care Services, Research, Education, and Administrative & Board.
- Compared to Budget, the Net Surplus/(Deficit) is a favorable variance of \$671K.

Cash

- Total Cash of \$3.3 represents about 9 months of operating expenses. As a general rule, having total cash equal to 6 months of operating expenses is ideal.
- About \$2.8M of the Cash is kept in an investment and interest-bearing accounts.
- See the attached Cash Summary Chart and Table for more information.

Revenue & Expense

- Compared to Budget, there is a favorable variance of \$171K in Total Revenue.
 - There is an unfavorable variance of (\$85K) in Total Events. This is due to the continuing pandemic which has affected the scheduling of events.
 - There is an unfavorable variance of (\$79K) in revenue from Development. Bequests are at a favorable \$27K, while Major Gifts are at an unfavorable (\$105K). Total Annual Giving has an unfavorable variance of (\$247K). Contributions and Memorials and Tributes have a \$195K favorable variance. While Grants, Appeals, and Workplace Giving have an unfavorable variance of (\$442K).
 - Care Services Expenses are at a favorable variance of \$174K, with favorable variance for Abrams Program, Other Services Expenses, and Allocated Overhead. The favorable variance is due to providing lower cost care services without reducing the level of care.
 - An additional Statement of Operations is included with August's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses.
 - Through August, Total General and Administrative expenses are 26% of Total Revenue. The following General & Administrative expense line items are 21% of Revenue:
 - Salaries and Benefits: 5%
 - Office Rent: 3%
 - IT & Related Expenses: 4%
 - Revenue Sharing: 9%
- Compared to Actual for this time last year, there is a favorable variance of \$887K in Total Revenue and a favorable variance of \$481K in Total Expenses. Net Surplus (Deficit) is a favorable variance of \$1.4M from this time last year. The favorable variance in Total Revenue is due to a favorable variance of \$175K in Walks, a favorable variance of \$636K in Government Funding, and a favorable variance of \$104K in Total Development revenue.
- Care Services, Research, Education, and Development expenses have favorable results compared to this time last year. The favorable results can be attributed to the continuation of the cost cutting measures that were put into place in September 2020 as a response to the pandemic.
- A Program Revenue and Expense report is included with August's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. Through August, the Care Services, Research, and Education programs are running a deficit based on the restricted income for each program. The deficits are funded in part by the unrestricted income allocated to Development.

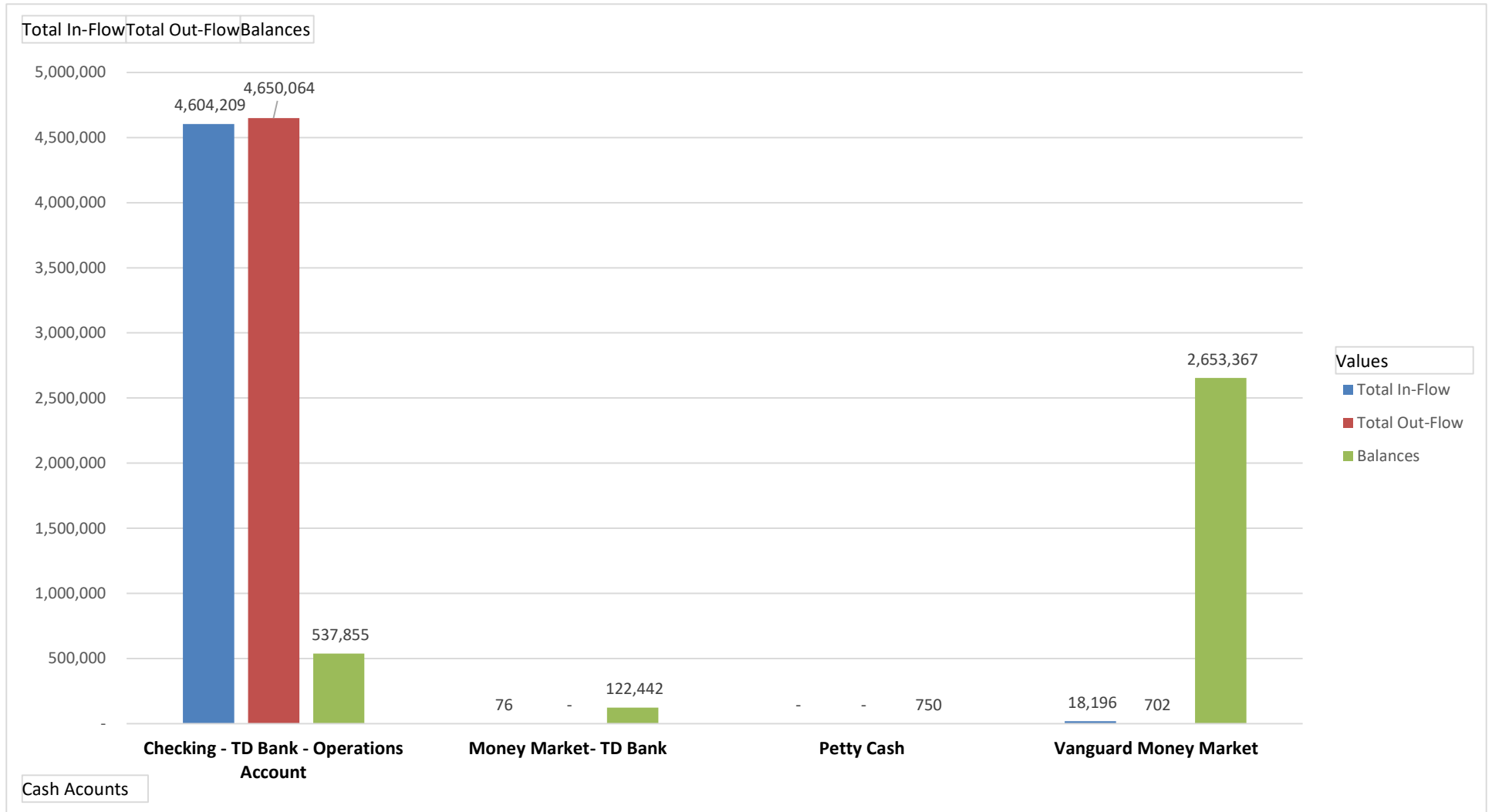
Other Notes

- Within the next two months, the FY2023 Budget process will begin.

If you have any questions, or would like to discuss anything on these statements, please let me know.

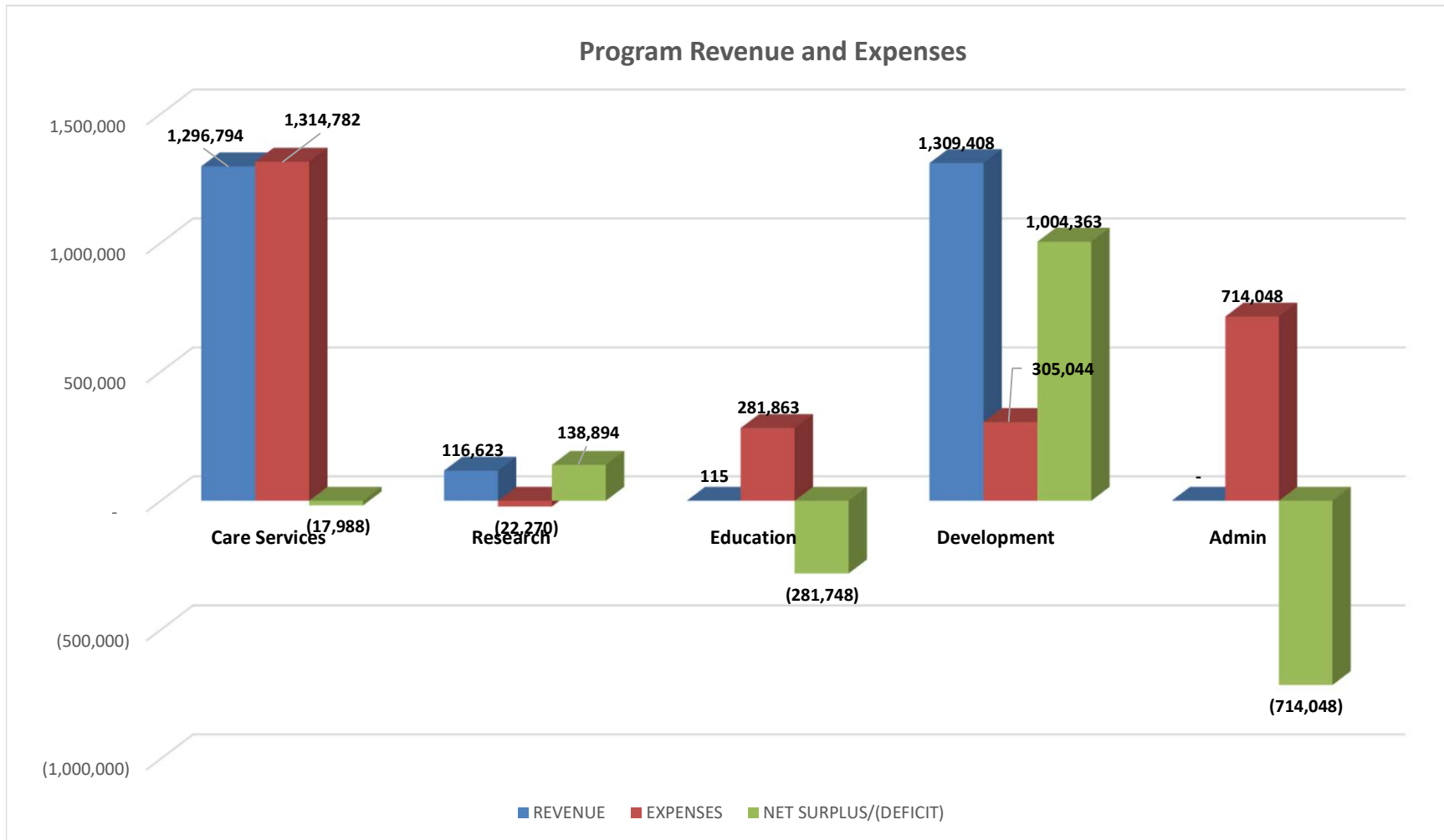
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the seven months ended August 31, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	4,604,209	4,650,064	537,855
Money Market- TD Bank	76	-	122,442
Petty Cash	-	-	750
Vanguard Money Market	18,196	702	2,653,367
Grand Total	4,622,481	4,650,766	3,314,415



**The ALS Association Greater Philadelphia Chapter
Program Revenue and Expenses
for the seven months ended August 31, 2021**

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	1,296,794	116,623	115	1,309,408	-	2,722,940
EXPENSES	1,314,782	(22,270)	281,863	305,044	714,048	2,593,467
NET SURPLUS/(DEFICIT)	(17,988)	138,894	(281,748)	1,004,363	(714,048)	129,474



**The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Financial Position
as of August 31, 2021 and August 31, 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,314,415	\$ 2,944,196
Pledges Receivable	410,861	402,721
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants and Other Receivables	595,339	447,851
Prepaid Expenses	27,382	33,087
Property & Equipment, Net	53,504	40,940
Beneficial Interest in Perpetual Trust	517,523	437,147
Total Assets	<u>4,867,192</u>	<u>4,246,603</u>
 Liabilities		
Accounts Payable	65,880	292,918
Accrued Liabilities	55,275	61,366
Loan Payable-SBA	416,340	305,895
National - Revenue Sharing	162,152	87,385
National - Research (Revenue Restricted)	5,145	180,239
Deferred Rent	25,381	31,236
Total Liabilities	<u>730,174</u>	<u>959,040</u>
 Net Assets	 <u>4,137,018</u>	 <u>3,287,563</u>
 Total Liabilities and Net Assets	 <u>\$4,867,192</u>	 <u>\$4,246,603</u>

The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Operations
for the seven months ended August 31, 2021 and 2020

	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 222,737	\$ 185,000	\$ 37,737	\$ 332,781	\$ (110,043)
Walks	332,185	455,000	(122,815)	157,596	174,589
Total Events	554,922	640,000	(85,078)	490,377	64,545
Annual Giving					
Contributions	312,038	185,000	127,038	198,337	113,700
Grants	110,000	478,250	(368,250)	206,797	(96,797)
Appeals	120,252	170,000	(49,748)	159,123	(38,871)
Memorials and Tributes	172,676	105,000	67,676	98,211	74,466
Workplace Giving	45,973	70,000	(24,027)	70,384	(24,411)
Total Annual Giving	760,940	1,008,250	(247,310)	732,852	28,087
Development					
Major Gifts	244,835	350,000	(105,165)	230,221	14,614
Bequests	151,541	125,000	26,541	62,131	89,410
Total Development	396,376	475,000	(78,624)	292,352	104,024
Government Funding	970,661	399,802	570,859	335,119	635,543
REVENUE FROM OPERATIONS	2,682,900	2,523,052	159,847	1,850,700	832,199
Unrealized (Loss) Gain	38,556	-	38,556	(24,567)	63,124
Interest Income	1,485	28,500	(27,015)	10,047	(8,563)
TOTAL REVENUE	2,722,940	2,551,552	171,388	1,836,180	886,760
EXPENSES					
Care Services					
Salaries and Benefits	840,372	837,809	2,563	887,289	(46,917)
ALS Clinic Centers	174,638	166,656	7,982	168,171	6,466
Abrams Program	219,805	322,581	(102,776)	267,880	(48,075)
Other Service Expenses	79,967	143,358	(63,391)	102,156	(22,189)
Allocated Overhead	131,891	149,968	(18,076)	121,056	10,836
Total Care Services	1,446,674	1,620,372	(173,698)	1,546,553	(99,879)
Research					
Research Payments to NTL	(126,453)	149,548	(276,001)	211,618	(338,071)
Research Coordinators	78,695	68,362	10,333	78,695	-
Other Research Expense	25,487	3,794	21,693	29,918	(4,431)
Allocated Overhead	117,427	133,521	(16,094)	107,780	9,647
Total Research	95,157	355,225	(260,068)	428,011	(332,854)
Education					
Education	281,863	306,025	(24,162)	319,049	(37,186)
Allocated Overhead	39,079	44,435	(5,356)	35,868	3,211
Total Education	320,941	350,460	(29,518)	354,917	(33,976)
Development					
Fundraising	270,316	243,356	26,961	325,306	(54,990)
Events	34,728	40,000	(5,272)	28,751	5,977
Allocated Overhead	48,849	55,544	(6,695)	44,835	4,013
Total Development	353,893	338,899	14,994	398,893	(45,000)
Administrative & Board	376,802	428,444	(51,642)	345,845	30,956
TOTAL EXPENSES	2,593,467	3,093,400	(499,934)	3,074,219	(480,752)
NET SURPLUS/(DEFICIT)	\$ 129,474	\$ (541,848)	\$ 671,322	\$ (1,238,039)	\$ 1,367,512

* Revenue Sharing for the seven months ended August 31, 2021 allocated across all departments \$249,561

** Restricted Income: Care Services: \$1,296,794 Research: \$116,623 Education: \$115

The ALS Association Greater Philadelphia Chapter
Unaudited Statement of Operations with General & Administration Expenses
for the seven months ended August 31, 2021

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 222,737	8.2%
Walks	332,185	12.2%
Total Events	554,922	20.4%
Annual Giving		
Contributions	312,038	11.5%
Grants	110,000	4.0%
Appeals	120,252	4.4%
Memorials and Tributes	172,676	6.3%
Workplace Giving	45,973	1.7%
Total Annual Giving	760,940	27.9%
Development		
Major Gifts	244,835	9.0%
Bequests	151,541	5.6%
Total Development	396,376	14.6%
Government Funding		
	970,661	35.6%
REVENUE FROM OPERATIONS		
	2,682,900	98.5%
Unrealized (Loss) Gain	38,556	1.4%
Interest Income	1,485	0.1%
TOTAL REVENUE	2,722,940	100.0%
EXPENSES		
Care Services		
Salaries and Benefits	840,372	30.9%
ALS Clinic Centers	174,638	6.4%
Abrams Program	219,805	8.1%
Other Service Expenses	79,967	2.9%
Total Care Services	1,314,782	48.3%
Research		
Research Payments to NTL	(126,453)	-4.6%
Research Coordinators	78,695	2.9%
Other Research Expense	25,487	0.9%
Total Research	(22,270)	-0.8%
Education		
Education	281,863	10.4%
Total Education		
Development		
Fundraising	270,316	9.9%
Events	34,728	1.3%
Total Development	305,044	11.2%
General & Administration		
Salaries and Benefits	138,819	5.1%
Staff Development	159	0.0%
Office Rent	72,366	2.7%
Office Expense	8,925	0.3%
Dues, Books, & Subscriptions	530	0.0%
Postage	7,680	0.3%
Printing & Copying	4,392	0.2%
IT & Related Expenses	106,739	3.9%
Insurance	13,512	0.5%
Telephone	20,227	0.7%
Meals & Entertainment	441	0.0%
Travel Expense	142	0.0%
Bank Charges	7,334	0.3%
Professional Fees	58,877	2.2%
Revenue Sharing	249,561	9.2%
Miscellaneous	3,520	0.1%
Depreciation	20,823	0.8%
Total General & Administration Expenses	714,048	26.2%
TOTAL EXPENSES	2,593,467	95.2%
NET SURPLUS/(DEFICIT)	\$ 129,474	4.8%

(A) Other Depreciation is Allocated to Care Services

**The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Operations**

For the Fiscal Years ended January 31, 2017, 2018, 2019, 2020, 2021 and the seven months ended August 31, 2021

	FY ended January 31, 2017	FY ended January 31, 2018	FY ended January 31, 2019	FY ended January 31, 2020	FY ended January 31, 2021	For the seven months ended August 31, 2021
REVENUE						
Events						
Special Events	\$ 1,667,838	\$ 1,785,990	\$ 1,449,292	\$ 1,552,655	\$ 706,907	\$ 222,737
Walks	1,306,879	1,372,352	1,439,061	1,405,110	636,575	332,185
Total Events	2,974,716	3,158,342	2,888,353	2,957,765	1,343,482	554,922
Annual Giving						
Contributions	490,727	312,128	260,659	418,874	482,917	312,038
Grants	475,189	664,250	465,250	515,916	438,297	110,000
Appeals	246,692	231,804	265,477	210,780	370,388	120,252
Memorials and Tributes	221,778	214,775	283,523	208,545	260,535	172,676
Workplace Giving	141,036	121,260	112,629	136,125	101,838	45,973
Total Annual Giving	1,575,422	1,544,217	1,387,537	1,490,240	1,653,975	760,940
Development						
Major Gifts	728,288	487,221	246,857	710,520	687,779	244,835
Bequests	199,497	290,881	1,515,412	197,355	394,903	151,541
Total Development	927,784	778,102	1,762,269	907,875	1,082,681	396,376
Government Funding						
	324,406	403,194	384,543	582,070	817,437	970,661
REVENUE FROM OPERATIONS	5,802,329	5,883,854	6,422,702	5,937,949	4,897,576	2,682,900
Unrealized (Loss) Gain	19,149	68,524	(40,612)	32,883	27,011	38,556
Interest Income	4,626	3,574	26,416	57,287	10,696	1,485
TOTAL REVENUE	5,826,103	5,955,952	6,408,507	6,028,119	4,935,282	2,722,940
EXPENSES						
Care Services						
Salaries and Benefits	1,695,286	1,403,782	1,483,299	1,565,690	1,507,009	840,372
ALS Clinic Centers	342,466	283,045	286,232	289,687	283,478	174,638
Abrams Program	512,066	464,385	607,649	623,034	451,952	219,805
Other Service Expenses	352,836	316,679	256,618	298,724	149,085	79,967
Allocated Overhead	173,901	253,174	282,893	320,125	252,643	131,891
Total Care Services	3,076,556	2,721,065	2,916,691	3,097,259	2,644,167	1,446,674
Research						
Research Payments to NTL	530,000	458,000	250,000	44,340	398,124	(126,453)
Research Coordinators	148,960	132,506	132,506	127,997	132,506	78,695
Other Research Expense	45,848	47,858	57,641	70,114	47,911	25,487
Allocated Overhead	154,830	225,408	251,868	285,017	224,936	117,427
Total Research	879,638	863,773	692,016	527,468	803,477	95,157
Education						
Education	621,569	618,431	673,092	718,917	526,297	281,863
Allocated Overhead	51,526	75,014	83,820	94,852	74,857	39,079
Total Education	673,095	693,446	756,913	813,769	601,154	320,941
Development						
Fundraising	538,020	469,852	483,397	522,262	542,522	270,316
Events	290,964	354,073	273,634	339,305	59,663	34,728
Allocated Overhead	64,408	93,768	104,775	118,565	93,571	48,849
Total Development	893,392	917,694	861,806	980,132	695,756	353,893
Administrative & Board						
	496,821	723,295	808,200	914,567	721,778	376,802
TOTAL EXPENSES	6,019,501	5,919,272	6,035,625	6,333,195	5,466,332	2,593,467
NET SURPLUS/(DEFICIT)	\$ (193,398)	\$ 36,680	\$ 372,882	\$ (305,076)	\$ (531,049)	\$ 129,474

**The ALS Association Greater Philadelphia Chapter
Unaudited Statement of Cash Flows
for the seven months ended August 31, 2021**

Net Net Surplus (Deficit) for Period	\$	129,474
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative) Provided (Used) by Operating Activities		20,823
Decrease (Increase) in Pledged Receivables		45,460
(Increase) Decrease in Grant Receivables		(8,163)
(Increase) Decrease in Receivables - Other		637
Decrease (Increase) in Prepaids		33,333
Decrease (Increase) in Beneficial Interest in Perpetual Trust		(30,722)
Decrease (Increase) Property and Equipment		(44,251)
Increase (Decrease) in Accounts Payable		(15,335)
Increase (Decrease) in Accrued Liabilities		(30,425)
Increase (Decrease) in Loan Payable		110,445
Increase (Decrease) in Accrued National - Revenue Sharing		(106,394)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		(128,684)
Increase (Decrease) in Accrued National - Research		(826)
Increase (Decrease) in Deferred Rent		<u>(3,657)</u>
Net Cash Provided (Used) by Operating Activities		<u>(28,285)</u>
Net Surplus/(Deficit) in Cash		<u>(28,285)</u>
Cash and Cash Equivalents Beginning		<u>3,342,700</u>
Cash and Cash Equivalents Ending	\$	<u><u>3,314,415</u></u>

The ALS Association Greater Philadelphia Chapter
Rolling Forecast
for the twelve months ending January 31, 2022

	Actual YTD	Forecast					TOTALS	Annual	
	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022		Budget	Variance
Events									
Special Events	\$ 222,737	\$ 125,000	\$ 150,000	\$ 100,000	\$ 55,000	\$ 10,000	\$ 662,737	\$ 625,000	\$ 37,737
Walks	332,185	150,000	180,000	60,000	30,000	30,000	782,185	905,000	(122,815)
Total Events	554,922	275,000	330,000	160,000	85,000	40,000	1,444,922	1,530,000	(85,078)
Annual Giving									
Contributions	312,038	20,000	20,000	25,000	75,000	35,000	487,038	360,000	127,038
Grants	110,000	5,500	4,000	87,500	136,000	20,000	363,000	731,250	(368,250)
Appeals	120,252	10,000	15,000	20,000	35,000	40,000	240,252	290,000	(49,748)
Memorials and Tributes	172,676	15,000	15,000	25,000	35,000	15,000	277,676	210,000	67,676
Workplace Giving	45,973	10,000	10,000	10,000	15,000	10,000	100,973	125,000	(24,027)
Total Annual Giving	760,940	60,500	64,000	167,500	296,000	120,000	1,468,940	1,716,250	(247,310)
Development									
Major Gifts	244,835	12,500	12,500	-	300,000	-	569,835	675,000	(105,165)
Bequests	151,541	25,000	25,000	25,000	25,000	25,000	276,541	250,000	26,541
Total Development	396,376	37,500	37,500	25,000	325,000	25,000	846,376	925,000	(78,624)
Government Funding	970,661	57,115	57,115	57,115	57,115	57,115	1,256,234	685,375	570,859
REVENUE FROM OPERATIONS	2,682,900	430,115	488,615	409,615	763,115	242,115	5,016,472	4,856,625	159,847
Unrealized (Loss) Gain	38,556	4,300	4,300	7,000	7,000	7,000	68,156	-	68,156
Interest Income	1,485	-	-	-	-	-	1,485	58,100	(56,615)
TOTAL REVENUE	2,722,940	434,415	492,915	416,615	770,115	249,115	5,086,113	4,914,725	171,388
EXPENSES									
Care Services									
Salaries and Benefits	840,372	119,687	119,687	119,687	119,687	88,443	1,407,563	1,405,000	2,563
ALS Clinic Centers	174,638	23,808	23,808	23,808	23,808	23,812	293,682	285,700	7,982
Abrams Program	219,805	46,083	46,083	46,083	46,083	46,087	450,224	553,000	(102,776)
Other Service Expenses	79,967	20,480	20,480	20,480	20,480	20,490	182,376	245,767	(63,391)
Allocated Overhead	131,891	21,424	21,424	21,424	21,424	21,424	239,011	257,088	(18,076)
Total Care Services	1,446,674	231,482	231,482	231,482	231,482	200,256	2,572,856	2,746,555	(173,698)
Research									
Research Payments to NTL	(126,453)	21,364	21,364	21,364	21,364	21,366	(19,631)	256,370	(276,001)
Research Coordinators	78,695	9,766	9,766	9,766	9,766	9,765	127,524	117,191	10,333
Other Research Expense	25,487	542	542	542	542	544	28,199	6,506	21,693
Allocated Overhead	117,427	19,074	19,074	19,074	19,074	19,074	212,799	228,893	(16,094)
Total Research	95,157	50,746	50,746	50,746	50,746	50,749	348,892	608,960	(260,068)
Education									
Education	281,863	43,716	43,716	43,716	43,716	43,716	500,443	524,605	(24,162)
Allocated Overhead	39,079	6,348	6,348	6,348	6,348	6,348	70,818	76,174	(5,356)
Total Education	320,941	50,064	50,064	50,064	50,064	50,064	571,261	600,779	(29,518)
Development									
Fundraising	270,316	34,764	34,764	34,764	34,764	34,764	444,135	417,174	26,961
Events	34,728	30,000	52,000	55,000	26,050	5,000	202,778	208,050	(5,272)
Allocated Overhead	48,849	7,935	7,935	7,935	7,935	7,935	88,523	95,218	(6,695)
Total Development	353,893	72,698	94,698	97,698	68,748	47,698	735,436	720,442	14,994
Administrative & Board	376,802	61,206	61,206	61,206	61,206	61,206	682,833	734,476	(51,642)
TOTAL EXPENSES	2,593,467	466,197	488,197	491,197	462,247	409,974	4,911,277	5,411,211	(499,934)
NET SURPLUS/(DEFICIT)	\$ 129,474	\$ (31,782)	\$ 4,718	\$ (74,582)	\$ 307,868	\$ (160,859)	\$ 174,836	\$ (496,486)	\$ 671,322
Depreciation	20,823	3,628	3,628						
Pledged Receivables	45,460	35,000	15,000						
Grant Receivables	(8,163)	94,000	45,000						
Receivables - Other	637	73,000	44,000						
Prepays	33,333	-	-						
Beneficial Interest in Perpetual Trust	(30,722)	-	-						
Purchase of Property & Equipment	(44,251)	-	-						
Accounts Payable	(15,335)	(325,000)	(275,000)						
Accrued Liabilities	(30,425)	-	-						
Loan Payable-SBA	110,445	-	-						
Accrued National - Revenue Sharing	(106,394)	-	-						
Accrued National - Research (Revenue Restricted)	(128,684)	-	-						
Accrued National - Research	(826)	-	-						
Deferred Rent	(3,657)	(522)	(522)						
Cash and Cash Equivalents Beginning	3,342,700	3,314,415	3,194,521						
Cash and Cash Equivalents Ending	\$ 3,314,415	\$ 3,194,521	\$ 3,031,344						

Unaudited – for Management Use Only