

MEMORANDUM

TO: Jeff Cline, Jim Passaro, The ALS Association Greater Philadelphia Chapter
FROM: Angelo DeSantis, YPTC
DATE: July 26, 2021
SUBJECT: June 30, 2021 Preliminary and Unaudited Financial Statements-REVISED

Your financial statements for the five months through June 30, 2021 are attached.

These reports include:

- Cash Summary for the five months ended June 30, 2021
- Program Revenue and Expenses for the five months ended June 30, 2021
- Statements of Financial Position as of June 30, 2021 and 2020
- Statements of Operations for the five months ended June 30, 2021 and 2020
- Statement of Operations with General & Administration Expenses for the five months ended June 30, 2021
- Statement of Cash Flows for the five months ended June 30, 2021
- Rolling Forecast for the twelve months ending January 31, 2022

Summary

- The Statement of Financial Position remains strong with Total Liabilities equal to 27% of Total Assets. The Loan Payable-SBA, aka PPP Loans, is 15% of Total Assets. These loans are forgivable and will decrease the percentage of Total Liabilities to Total Assets.
- Compared to Budget, there is an unfavorable variance of (\$437K) in Revenue from Operations. Due mainly to an unfavorable variance of (\$189K) in Major Gifts and an unfavorable variance of (\$374K) in Grants.
- Compared to Budget, there is a favorable variance of \$141K in Total Expenses. Due to less than expected expenses for Care Services, Education, and Administrative & Board.
- Compared to Budget, the Net Surplus/(Deficit) is an unfavorable variance (\$335K).

Cash

- Total Cash of \$3.5M represents about 8 months of operating expenses. Generally, 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 an unfavorable variance of (\$477K) in Total Revenue.
 - There is an unfavorable variance of (\$96K) in Total Events. This is mainly due to the continuing pandemic which has affected the scheduling of events.
 - There is an unfavorable variance of (\$127K) in revenue from Development. Bequests are at a favorable \$63K, while Major Gifts are at an unfavorable (\$189K).
 - Total Annual Giving has an unfavorable variance of (\$110K). Contributions, Appeals, and Memorials and Tributes, all have a favorable amount.
 - Care Services Expenses are at a favorable variance of \$129K, with favorable variance for Abrams Program, Other Services Expenses, and Allocated Overhead. The favorable variance is due providing lower cost care services without reducing the level of care.
 - An additional Statement of Operations is included with June's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses. Through June, Total General and Administrative expenses are 34% of Total Revenue. The following General & Administrative expense line items are 28% of Revenue:
 - Salaries and Benefits: 7%
 - Office Rent: 4%
 - IT & Related Expenses: 6%
 - Revenue Sharing: 11%
- Compared to Actual for this time last year, there is a favorable variance of \$253K in Total Revenue and a favorable variance of \$176K in Total Expenses. Net Surplus (Deficit) is a favorable variance of \$429K from this time last year.
 - The favorable variance in Total Revenue is due mainly to a favorable variance of \$246K in Total Annual Giving and a favorable variance of \$125K in Total Development revenue.
 - Care Services, Education, Development, and Administrative & Board 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 June's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. Through June, 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.

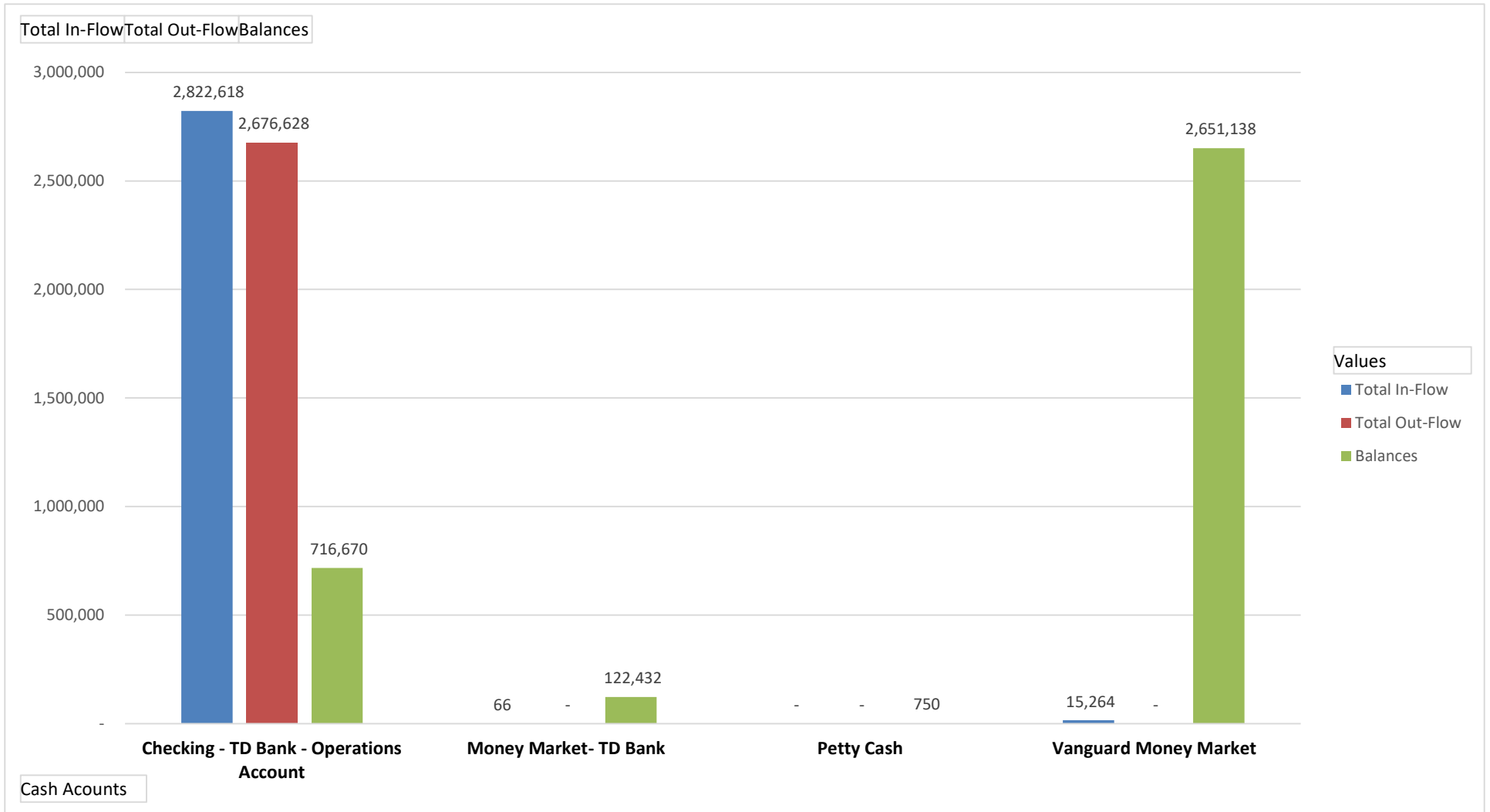
Other Notes

- The application for the forgiveness of the 1st PPP Loan has been submitted.
- The FY2021 Draft Audit, Draft 990 and other Draft Tax Returns are completed and are being reviewed by the Audit and Finance Committee.

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

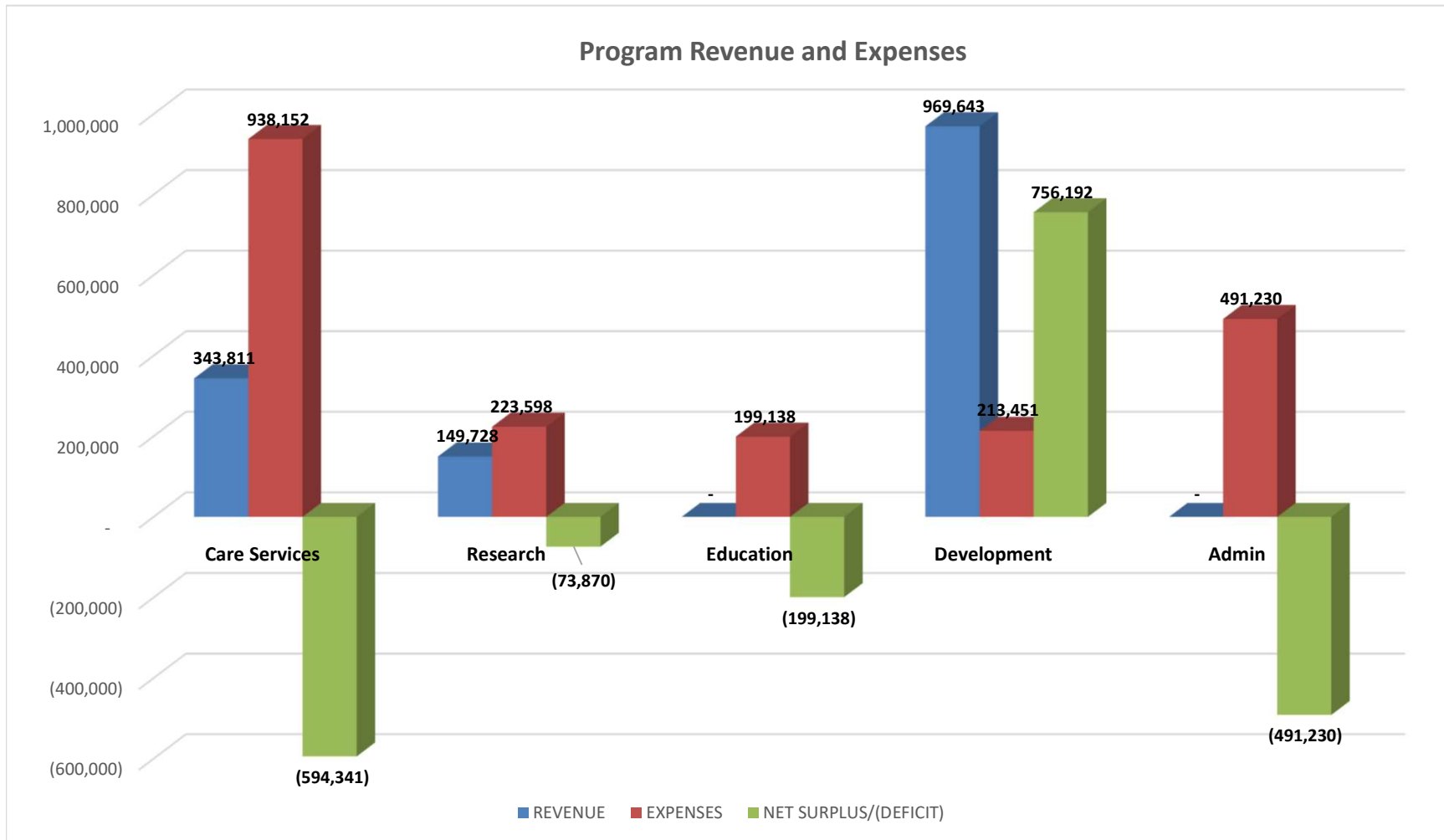
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the five months ended June 30, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	2,822,618	2,676,628	716,670
Money Market- TD Bank	66	-	122,432
Petty Cash	-	-	750
Vanguard Money Market	15,264	-	2,651,138
Grand Total	2,837,948	2,676,628	3,490,990



**The ALS Association Greater Philadelphia Chapter
Program Revenue and Expenses
for the five months ended June 30, 2021**

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	343,811	149,728	-	969,643	-	1,463,182
EXPENSES	938,152	223,598	199,138	213,451	491,230	2,065,569
NET SURPLUS/(DEFICIT)	(594,341)	(73,870)	(199,138)	756,192	(491,230)	(602,387)



The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Financial Position
as of June 30, 2021 and June 30, 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,490,990	\$ 3,216,958
Pledges Receivable	392,421	443,721
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants Receivable	223,872	277,806
Receivables - Other	129,344	129,158
Prepaid Expenses	41,691	42,598
Property & Equipment, Net	58,344	45,291
Beneficial Interest in Perpetual Trust	459,957	437,147
Total Assets	<u>4,744,787</u>	<u>4,533,339</u>
Liabilities		
Accounts Payable	189,576	319,215
Accrued Liabilities	63,972	62,185
Loan Payable-SBA	722,235	305,895
National - Revenue Sharing	129,167	270,984
National - Research (Revenue Restricted)	149,728	48,640
Deferred Rent	26,426	31,866
Total Liabilities	<u>1,281,103</u>	<u>1,038,785</u>
Net Assets	<u>3,463,684</u>	<u>3,494,554</u>
Total Liabilities and Net Assets	<u>\$4,744,787</u>	<u>\$4,533,339</u>

**The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Operations
for the five months ended June 30, 2021 and 2020**

	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 127,453	\$ 120,000	\$ 7,453	\$ 285,956	\$ (158,502)
Walks	191,894	295,000	(103,106)	72,065	119,829
Total Events	319,347	415,000	(95,653)	358,021	(38,674)
Annual Giving					
Contributions	303,046	135,000	168,046	157,204	145,842
Grants	85,452	459,250	(373,798)	46,797	38,655
Appeals	149,642	100,000	49,642	134,108	15,535
Memorials and Tributes	134,552	75,000	59,552	82,657	51,895
Workplace Giving	36,690	50,000	(13,310)	42,648	(5,957)
Total Annual Giving	709,382	819,250	(109,868)	463,414	245,968
Development					
Major Gifts	135,785	325,000	(189,215)	85,991	49,794
Bequests	137,652	75,000	62,652	62,131	75,520
Total Development	273,437	400,000	(126,563)	148,122	125,314
Government Funding	180,780	285,573	(104,793)	258,075	(77,295)
REVENUE FROM OPERATIONS					
	1,482,946	1,919,823	(436,877)	1,227,633	255,314
Unrealized (Loss) Gain	(20,148)	-	(20,148)	(26,880)	6,732
Interest Income	384	19,900	(19,516)	9,414	(9,031)
TOTAL REVENUE	1,463,182	1,939,723	(476,541)	1,210,167	253,015
EXPENSES					
Care Services					
Salaries and Benefits	600,060	598,435	1,625	644,957	(44,896)
ALS Clinic Centers	123,964	119,040	4,924	118,989	4,975
Abrams Program	162,125	230,415	(68,290)	190,635	(28,510)
Other Service Expenses	52,003	102,399	(50,396)	83,190	(31,187)
Allocated Overhead	90,735	107,120	(16,385)	109,859	(19,124)
Total Care Services	1,028,887	1,157,409	(128,522)	1,147,630	(118,743)
Research					
Research Payments to NTL	149,728	106,820	42,908	49,240	100,488
Research Coordinators	55,911	48,830	7,081	55,911	-
Other Research Expense	17,959	2,710	15,249	22,555	(4,596)
Allocated Overhead	80,784	95,372	(14,588)	97,811	(17,027)
Total Research	304,382	253,732	50,650	225,516	78,866
Education					
Education	199,138	218,593	(19,455)	219,883	(20,745)
Allocated Overhead	26,884	31,739	(4,855)	32,551	(5,666)
Total Education	226,023	250,332	(24,310)	252,434	(26,411)
Development					
Fundraising	193,563	173,828	19,735	235,447	(41,883)
Events	19,888	26,000	(6,112)	25,644	(5,756)
Allocated Overhead	33,605	39,674	(6,069)	40,688	(7,083)
Total Development	247,056	239,502	7,554	301,779	(54,722)
Administrative & Board	259,221	306,032	(46,810)	313,856	(54,635)
TOTAL EXPENSES	2,065,569	2,207,007	(141,438)	2,241,215	(175,646)
NET SURPLUS/(DEFICIT)	\$ (602,387)	\$ (267,284)	\$ (335,103)	\$ (1,031,047)	\$ 428,660

* Revenue Sharing for the five months ended June 30, 2021 allocated across all departments is: \$154,709

** Restricted Income: Care Services: \$343,811 Research: \$149,728 Education: \$0

The ALS Association Greater Philadelphia Chapter
Unaudited Statement of Operations with General & Administration Expenses
for the five months ended June 30, 2021

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 127,453	8.7%
Walks	191,894	13.1%
Total Events	319,347	21.8%
Annual Giving		
Contributions	303,046	20.7%
Grants	85,452	5.8%
Appeals	149,642	10.2%
Memorials and Tributes	134,552	9.2%
Workplace Giving	36,690	2.5%
Total Annual Giving	709,382	48.5%
Development		
Major Gifts	135,785	9.3%
Bequests	137,652	9.4%
Total Development	273,437	18.7%
Government Funding	180,780	12.4%
REVENUE FROM OPERATIONS	1,482,946	101.4%
Unrealized (Loss) Gain	(20,148)	-1.4%
Interest Income	384	0.0%
TOTAL REVENUE	1,463,182	100.0%
EXPENSES		
Care Services		
Salaries and Benefits	600,060	41.0%
ALS Clinic Centers	123,964	8.5%
Abrams Program	162,125	11.1%
Other Service Expenses	52,003	3.6%
Total Care Services	938,152	64.1%
Research		
Research Payments to NTL	149,728	10.2%
Research Coordinators	55,911	3.8%
Other Research Expense	17,959	1.2%
Total Research	223,598	15.3%
Education		
Education	199,138	13.6%
Total Education	199,138	13.6%
Development		
Fundraising	193,563	13.2%
Events	19,888	1.4%
Total Development	213,451	14.6%
General & Administration		
Salaries and Benefits	98,125	6.7%
Staff Development	40	0.0%
Office Rent	51,742	3.5%
Office Expense	6,497	0.4%
Dues, Books, & Subscriptions	371	0.0%
Postage	6,502	0.4%
Printing & Copying	3,222	0.2%
IT & Related Expenses	81,084	5.5%
Insurance	6,592	0.5%
Telephone	15,309	1.0%
Meals & Entertainment	237	0.0%
Travel Expense	32	0.0%
Bank Charges	10,456	0.7%
Professional Fees	40,239	2.8%
Revenue Sharing	154,709	10.6%
Miscellaneous	2,574	0.2%
Depreciation	13,498	0.9%
Total General & Administration Expenses	491,230	33.6%
TOTAL EXPENSES	2,065,569	141.2%
NET SURPLUS/(DEFICIT)	\$ (602,387)	-41.2%

(A) Other Depreciation is Allocated to Care Services

**The ALS Association Greater Philadelphia Chapter
Unaudited Statement of Cash Flows
for the five months ended June 30, 2021**

Net Net Surplus (Deficit) for Period	\$	(602,387)
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative) Provided (Used) by Operating Activities		13,498
Decrease (Increase) in Pledged Receivables		63,900
(Increase) Decrease in Grant Receivables		346,029
(Increase) Decrease in Receivables - Other		62,859
Decrease (Increase) in Prepaids		19,025
Decrease (Increase) in Beneficial Interest in Perpetual Trust		26,844
Decrease (Increase) Property and Equipment		(41,766)
Increase (Decrease) in Accounts Payable		(74,068)
Increase (Decrease) in Accrued Liabilities		(327,623)
Increase (Decrease) in Loan Payable		722,235
Increase (Decrease) in Accrued National - Revenue Sharing		(59,685)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		15,899
Increase (Decrease) in Accrued National - Research		(827)
Increase (Decrease) in Deferred Rent		(2,612)
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Net Cash Provided (Used) by Operating Activities		161,320
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Net Surplus/(Deficit) in Cash		161,320
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Cash and Cash Equivalents Beginning		3,329,670
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Cash and Cash Equivalents Ending	\$	3,490,990
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The ALS Association Greater Philadelphia Chapter
Rolling Forecast
for the twelve months ending January 31, 2022

	Actual YTD		Forecast							Annual		
	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	TOTALS	Budget	Variance	
Events												
Special Events	\$ 127,453	\$ 25,000	\$ 40,000	\$ 125,000	\$ 150,000	\$ 100,000	\$ 55,000	\$ 10,000	\$ 632,453	\$ 625,000	\$ 7,453	
Walks	191,894	70,000	90,000	150,000	180,000	60,000	30,000	30,000	801,894	905,000	(103,106)	
Total Events	319,347	95,000	130,000	275,000	330,000	160,000	85,000	40,000	1,434,347	1,530,000	(95,653)	
Annual Giving												
Contributions	303,046	30,000	20,000	20,000	20,000	25,000	75,000	35,000	528,046	360,000	168,046	
Grants	85,452	14,000	5,000	5,500	4,000	87,500	136,000	20,000	357,452	731,250	(373,798)	
Appeals	149,642	25,000	45,000	10,000	15,000	20,000	35,000	40,000	339,642	290,000	49,642	
Memorials and Tributes	134,552	15,000	15,000	15,000	15,000	25,000	35,000	15,000	269,552	210,000	59,552	
Workplace Giving	36,690	10,000	10,000	10,000	10,000	10,000	15,000	10,000	111,690	125,000	(13,310)	
Total Annual Giving	709,382	94,000	95,000	60,500	64,000	167,500	296,000	120,000	1,606,382	1,716,250	(109,868)	
Development												
Major Gifts	135,785	12,500	12,500	12,500	12,500	-	300,000	-	485,785	675,000	(189,215)	
Bequests	137,652	25,000	25,000	25,000	25,000	25,000	25,000	25,000	312,652	250,000	62,652	
Total Development	273,437	37,500	37,500	37,500	37,500	25,000	325,000	25,000	798,437	925,000	(126,563)	
Government Funding	180,780	57,115	57,115	57,115	57,115	57,115	57,115	57,115	580,582	685,375	(104,793)	
REVENUE FROM OPERATIONS	1,482,946	283,615	319,615	430,115	488,615	409,615	763,115	242,115	4,419,748	4,856,625	(436,877)	
Unrealized (Loss) Gain	(20,148)	4,300	4,300	4,300	4,300	7,000	7,000	7,000	18,052	-	18,052	
Interest Income	384	-	-	-	-	-	-	-	384	58,100	(57,716)	
TOTAL REVENUE	1,463,182	287,915	323,915	434,415	492,915	416,615	770,115	249,115	4,438,184	4,914,725	(476,541)	
EXPENSES												
Care Services												
Salaries and Benefits	600,060	119,687	119,687	119,687	119,687	119,687	119,687	88,443	1,406,625	1,405,000	1,625	
ALS Clinic Centers	123,964	23,808	23,808	23,808	23,808	23,808	23,808	23,812	290,624	285,700	4,924	
Abrams Program	162,125	46,083	46,083	46,083	46,083	46,083	46,083	46,087	484,710	553,000	(68,290)	
Other Service Expenses	52,003	20,480	20,480	20,480	20,480	20,480	20,480	20,490	195,371	245,767	(50,396)	
Allocated Overhead	90,735	21,424	21,424	21,424	21,424	21,424	21,424	21,424	240,703	257,088	(16,385)	
Total Care Services	1,028,887	231,482	231,482	231,482	231,482	231,482	231,482	200,256	2,618,033	2,746,555	(128,522)	
Research												
Research Payments to NTL	149,728	21,364	21,364	21,364	21,364	21,364	21,364	21,366	299,278	256,370	42,908	
Research Coordinators	55,911	9,766	9,766	9,766	9,766	9,766	9,766	9,765	124,272	117,191	7,081	
Other Research Expense	17,959	542	542	542	542	542	542	544	21,755	6,506	15,249	
Allocated Overhead	80,784	19,074	19,074	19,074	19,074	19,074	19,074	19,074	214,305	228,893	(14,588)	
Total Research	304,382	50,746	50,746	50,746	50,746	50,746	50,746	50,749	659,610	608,960	50,650	
Education												
Education	199,138	43,716	43,716	43,716	43,716	43,716	43,716	43,716	505,150	524,605	(19,455)	
Allocated Overhead	26,884	6,348	6,348	6,348	6,348	6,348	6,348	6,348	71,319	76,174	(4,855)	
Total Education	226,023	50,064	50,064	50,064	50,064	50,064	50,064	50,064	576,469	600,779	(24,310)	
Development												
Fundraising	193,563	34,764	34,764	34,764	34,764	34,764	34,764	34,764	436,909	417,174	19,735	
Events	19,888	4,000	10,000	30,000	52,000	55,000	26,050	5,000	201,938	208,050	(6,112)	
Allocated Overhead	33,605	7,935	7,935	7,935	7,935	7,935	7,935	7,935	89,149	95,218	(6,069)	
Total Development	247,056	46,698	52,698	72,698	94,698	97,698	68,748	47,698	727,996	720,442	7,554	
Administrative & Board	259,221	61,206	61,206	61,206	61,206	61,206	61,206	61,206	687,665	734,476	(46,810)	
TOTAL EXPENSES	2,065,569	440,197	446,197	466,197	488,197	491,197	462,247	409,974	5,269,773	5,411,211	(141,438)	
NET SURPLUS/(DEFICIT)	\$ (602,387)	\$ (152,282)	\$ (122,282)	\$ (31,782)	\$ 4,718	\$ (74,582)	\$ 307,868	\$ (160,859)	\$ (831,589)	\$ (496,486)	\$ (335,103)	
Depreciation	13,498	3,628	3,628									
Pledged Receivables	63,900	10,000	15,000									
Grant Receivables	346,029	119,000	45,000									
Receivables - Other	62,859	80,000	44,000									
Prepays	19,025	-	-									
Beneficial Interest in Perpetual Trust	26,844	-	-									
Purchase of Property & Equipment	(41,766)	-	-									
Accounts Payable	(74,068)	(38,000)	-									
Accrued Liabilities	(327,623)	-	-									
Loan Payable-SBA	722,235	-	-									
Accrued National - Revenue Sharing	(59,685)	(37,773)	-									
Accrued National - Research (Revenue Restricted)	15,899	(65,168)	-									
Accrued National - Research	(827)	-	-									
Deferred Rent	(2,612)	(522)	(522)									
Cash and Cash Equivalents Beginning	3,329,670	3,490,990	3,562,154									
Cash and Cash Equivalents Ending	\$ 3,490,990	\$ 3,562,154	\$ 3,546,978									