

MEMORANDUM

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

FROM: Angelo DeSantis, YPTC

DATE: June 18, 2021

SUBJECT: May 31, 2021 Preliminary and Unaudited Financial Statements

Your financial statements for the four months through May 31, 2021 are attached.

These reports include:

- Cash Summary for the four months ended May 31, 2021
- Program Revenue and Expenses for the four months ended May 31, 2021
- Statements of Financial Position as of May 31, 2021 and 2020
- Statements of Operations for the four months ended May 31, 2021 and 2020
- Statement of Operations with General & Administration Expenses for the four months ended May 31, 2021
- Statement of Cash Flows for the four months ended May 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 25% of Total Assets. The Loan Payable-SBA, aka PPP Loans, is 14% of Total Assets. These loans are forgivable and will decrease the percentage of Total Liabilities to Total Assets.
- Compared to Budget, there is a favorable variance of \$180K in Revenue from Operations. Due mainly to a favorable variance of \$342K in Total Annual Giving.
- Compared to Budget, there is a favorable variance of \$117K 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 \$261K.

Cash

- Total Cash of \$3.5M represents about 9 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 a favorable variance of \$144K in Total Revenue.
 - There is an unfavorable variance of (\$50K) in Total Events. This is mainly due to the continuing pandemic which has limited the number of events to be held.
 - There is an unfavorable variance of (\$27K) in Major Gifts and Bequests. This is mainly due to timing and not knowing when a bequest will be made.
 - Total Annual Giving has a favorable variance of \$342K. Contributions, Grants, Appeals, and Memorials and Tributes, all have a favorable amount. This is mainly due to receiving \$224K more than expected in Grants.
 - Care Services Expenses are at a favorable variance of \$88K, 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 May's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses. Through May, Total General and Administrative expenses are 31% of Total Revenue. The following General & Administrative expense line items are 25% of Revenue:
 - Salaries and Benefits: 6%
 - Office Rent: 3%
 - IT & Related Expenses: 5%
 - Revenue Sharing: 11%
- Compared to Actual for this time last year, there is a favorable variance of \$451K in Total Revenue and a favorable variance of \$138K in Total Expenses. Net Surplus (Deficit) is a favorable variance of \$589K from this time last year.
 - The favorable variance in Total Revenue is due mainly to receiving \$284K more in Grants compared to this time last year. Also, revenue from Walks is a favorable variance of \$123K which is due to the revenue lost from walks cancelled in the previous year because of the pandemic.
 - Care Services, Education, Development, and Administrative & Board have favorable results compared to this time last year. The favorable results for the expenses 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 May's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. Through May, 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.

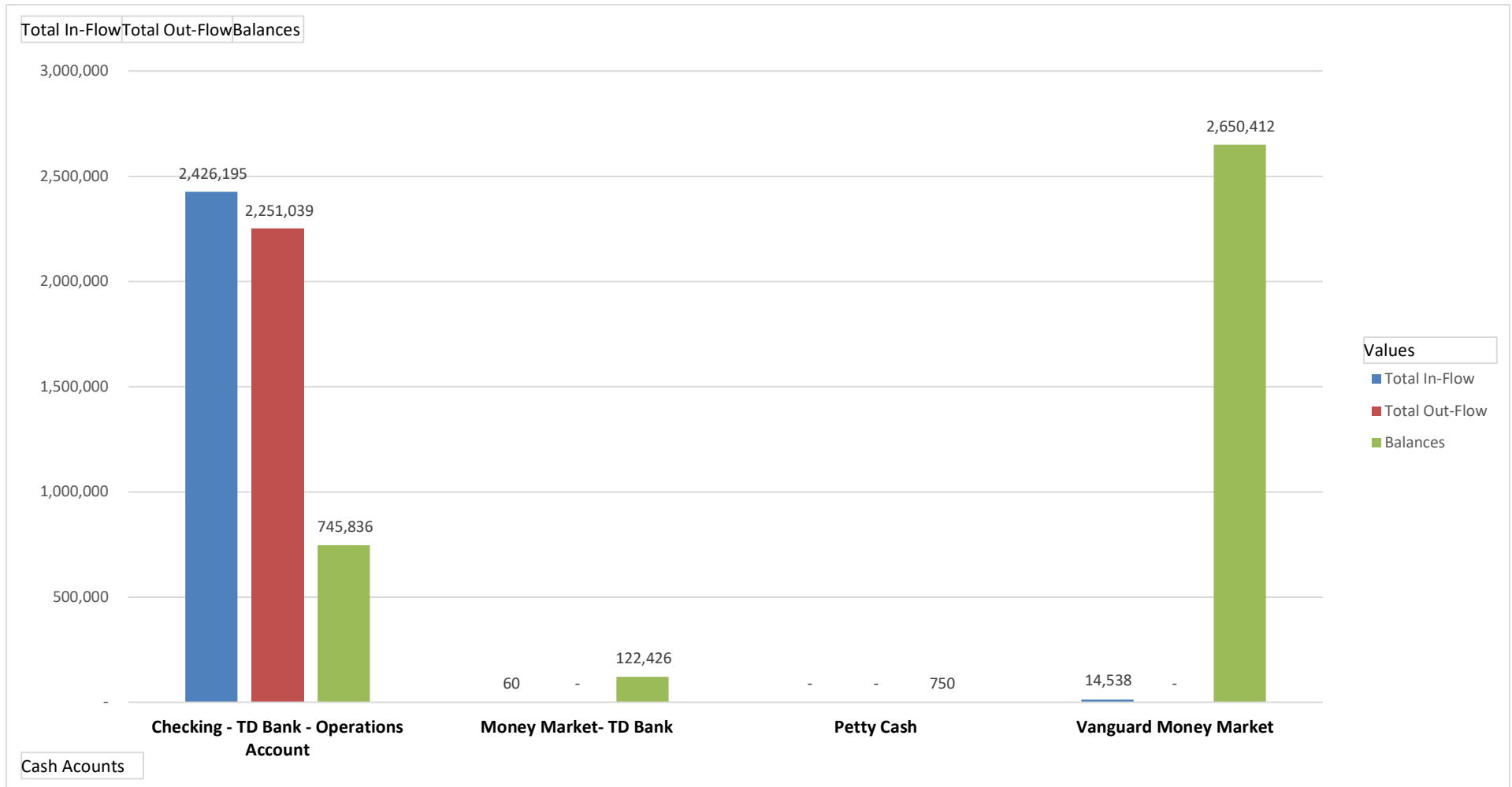
Other Notes

- We began the application for the forgiveness of the 1st PPP Loan.
- The FY21 Audit which began on May 12, 2021 is in progress and so far, is going well. The audit is expected to be completed by the end of July. The 990 and other tax returns should be completed shortly after the audit.

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

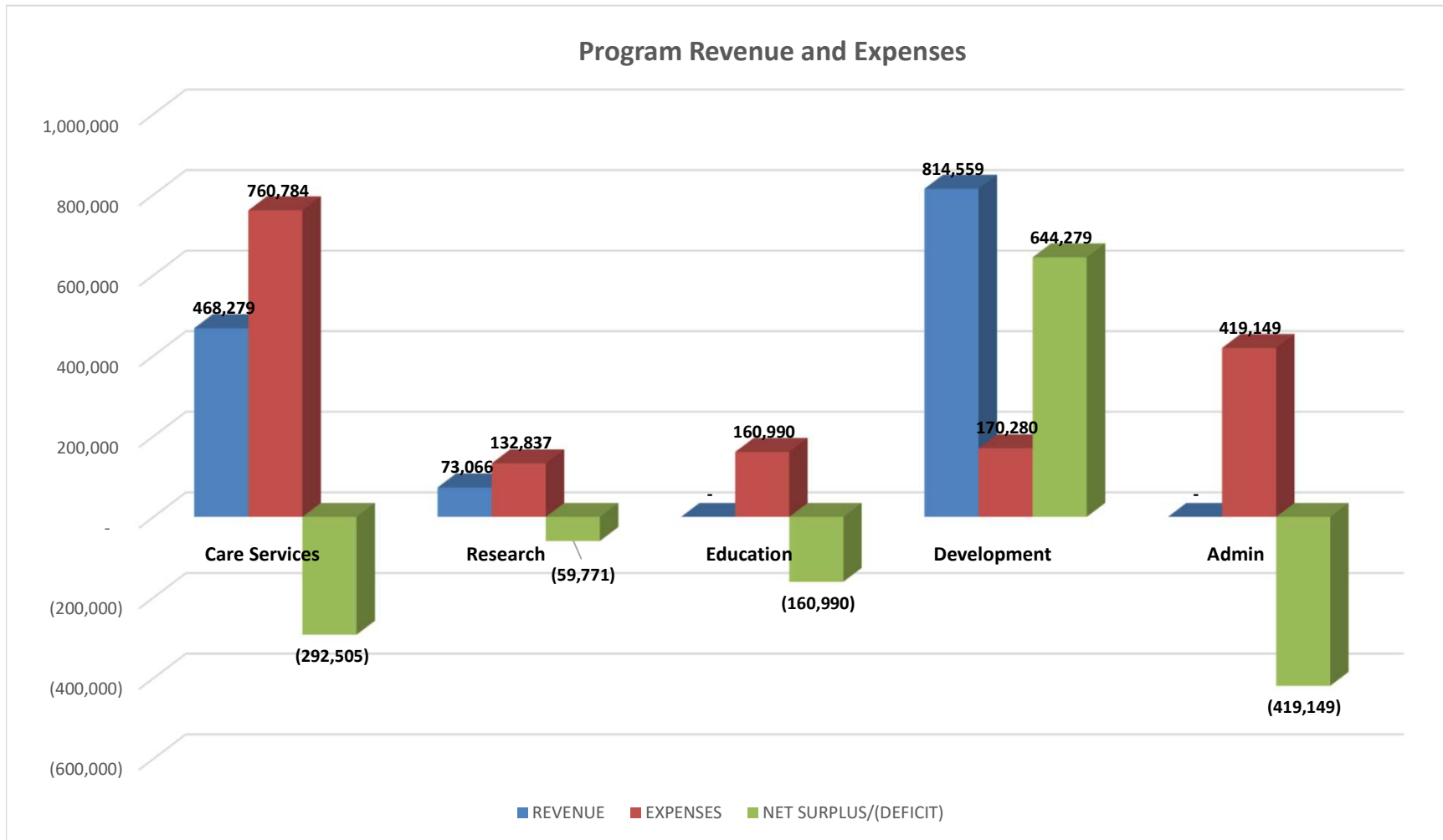
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the four months ended May 31, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	2,426,195	2,251,039	745,836
Money Market- TD Bank	60	-	122,426
Petty Cash	-	-	750
Vanguard Money Market	14,538	-	2,650,412
Grand Total	2,440,793	2,251,039	3,519,424



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

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	468,279	73,066	-	814,559	-	1,355,903
EXPENSES	760,784	132,837	160,990	170,280	419,149	1,644,039
NET SURPLUS/(DEFICIT)	(292,505)	(59,771)	(160,990)	644,279	(419,149)	(288,136)



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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,519,424	\$ 3,293,367
Pledges Receivable	401,421	441,721
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants Receivable	396,042	304,871
Receivables - Other	196,365	146,856
Prepaid Expenses	57,223	49,600
Property & Equipment, Net	61,971	47,466
Beneficial Interest in Perpetual Trust	459,957	388,311
Total Assets	<u>5,040,573</u>	<u>4,612,853</u>
 Liabilities		
Accounts Payable	261,881	331,706
Accrued Liabilities	47,104	44,358
Loan Payable-SBA	722,235	305,895
National - Revenue Sharing	131,404	208,024
National - Research (Revenue Restricted)	73,066	41,998
Deferred Rent	26,949	32,181
Total Liabilities	<u>1,262,638</u>	<u>964,163</u>
 Net Assets	 <u>3,777,935</u>	 <u>3,648,690</u>
 Total Liabilities and Net Assets	 <u>\$5,040,573</u>	 <u>\$4,612,853</u>

**The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Operations
for the four months ended May 31, 2021 and 2020**

	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 92,039	\$ 85,000	\$ 7,039	\$ 200,790	\$ (108,751)
Walks	177,773	235,000	(57,227)	54,522	123,251
Total Events	269,812	320,000	(50,188)	255,312	14,500
Annual Giving					
Contributions	135,645	115,000	20,645	112,126	23,519
Grants	302,317	78,000	224,317	18,797	283,520
Appeals	109,151	55,000	54,151	103,225	5,926
Memorials and Tributes	111,074	60,000	51,074	74,835	36,239
Workplace Giving	32,110	40,000	(7,890)	37,997	(5,887)
Total Annual Giving	690,297	348,000	342,297	346,979	343,317
Development					
Major Gifts	135,660	250,000	(114,340)	85,430	50,230
Bequests	137,652	50,000	87,652	57,131	80,520
Total Development	273,312	300,000	(26,688)	142,562	130,750
Government Funding	142,978	228,458	(85,481)	227,272	(84,295)
REVENUE FROM OPERATIONS	1,376,398	1,196,458	179,940	972,125	404,273
Unrealized (Loss) Gain	(20,732)	-	(20,732)	(76,028)	55,296
Interest Income	237	15,600	(15,363)	8,952	(8,716)
TOTAL REVENUE	1,355,903	1,212,058	143,845	905,050	450,854
EXPENSES					
Care Services					
Salaries and Benefits	479,638	478,748	890	513,573	(33,934)
ALS Clinic Centers	102,168	95,232	6,936	96,672	5,496
Abrams Program	139,311	184,332	(45,021)	154,782	(15,471)
Other Service Expenses	39,666	81,919	(42,253)	72,808	(33,142)
Allocated Overhead	77,421	85,696	(8,275)	82,461	(5,041)
Total Care Services	838,205	925,927	(87,722)	920,296	(82,092)
Research					
Research Payments to NTL	73,066	85,456	(12,390)	42,598	30,468
Research Coordinators	45,569	39,064	6,505	45,569	-
Other Research Expense	14,202	2,168	12,034	18,660	(4,458)
Allocated Overhead	68,930	76,298	(7,368)	73,418	(4,488)
Total Research	201,767	202,986	(1,219)	180,244	21,523
Education					
Education	160,990	174,877	(13,887)	177,564	(16,574)
Allocated Overhead	22,939	25,391	(2,452)	24,433	(1,494)
Total Education	183,929	200,268	(16,339)	201,997	(18,068)
Development					
Fundraising	154,505	139,065	15,441	187,360	(32,855)
Events	15,774	16,000	(226)	25,937	(10,163)
Allocated Overhead	28,674	31,739	(3,065)	30,541	(1,867)
Total Development	198,954	186,804	12,150	243,839	(44,885)
Administrative & Board	221,184	244,825	(23,641)	235,585	(14,401)
TOTAL EXPENSES	1,644,039	1,760,810	(116,771)	1,781,961	(137,922)
NET SURPLUS/(DEFICIT)	\$ (288,136)	\$ (548,752)	\$ 260,616	\$ (876,911)	\$ 588,776

* Revenue Sharing for the four months ended May 31, 2021 allocated across all departments is \$156,947

** Restricted Income: Care Services: \$468,279 Research: \$73,066 Education \$0

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

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 92,039	6.8%
Walks	177,773	13.1%
Total Events	269,812	19.9%
Annual Giving		
Contributions	135,645	10.0%
Grants	302,317	22.3%
Appeals	109,151	8.1%
Memorials and Tributes	111,074	8.2%
Workplace Giving	32,110	2.4%
Total Annual Giving	690,297	50.9%
Development		
Major Gifts	135,660	10.0%
Bequests	137,652	10.2%
Total Development	273,312	20.2%
Government Funding		
	142,978	10.5%
REVENUE FROM OPERATIONS		
	1,376,398	101.5%
Unrealized (Loss) Gain	(20,732)	-1.5%
Interest Income	237	0.0%
TOTAL REVENUE	1,355,903	100.0%
EXPENSES		
Care Services		
Salaries and Benefits	479,638	35.4%
ALS Clinic Centers	102,168	7.5%
Abrams Program	139,311	10.3%
Other Service Expenses	39,666	2.9%
Total Care Services	760,784	56.1%
Research		
Research Payments to NTL	73,066	5.4%
Research Coordinators	45,569	3.4%
Other Research Expense	14,202	1.0%
Total Research	132,837	9.8%
Education		
Education	160,990	11.9%
Total Education		
Development		
Fundraising	154,505	11.4%
Events	15,774	1.2%
Total Development	170,280	12.6%
General & Administration		
Salaries and Benefits	78,122	5.8%
Staff Development	40	0.0%
Office Rent	41,099	3.0%
Office Expense	5,090	0.4%
Dues, Books, & Subscriptions	170	0.0%
Postage	5,517	0.4%
Printing & Copying	3,157	0.2%
IT & Related Expenses	64,646	4.8%
Insurance	5,748	0.4%
Telephone	11,323	0.8%
Meals & Entertainment	50	0.0%
Bank Charges	8,991	0.7%
Professional Fees	27,489	2.0%
Revenue Sharing	156,947	11.6%
Miscellaneous	889	0.1%
Depreciation	9,870	0.7%
Total General & Administration Expenses	419,149	30.9%
TOTAL EXPENSES	1,644,039	121.3%
NET SURPLUS/(DEFICIT)	\$ (288,136)	-21.3%

(A) Other Depreciation is Allocated to Care Services

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

Net Net Surplus (Deficit) for Period	\$	(288,136)
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative) Provided (Used) by Operating Activities		9,870
Decrease (Increase) in Pledged Receivables		54,900
(Increase) Decrease in Grant Receivables		173,859
(Increase) Decrease in Receivables - Other		(4,162)
Decrease (Increase) in Prepaids		3,492
Decrease (Increase) in Beneficial Interest in Perpetual Trust		26,844
Decrease (Increase) Property and Equipment		(41,766)
Increase (Decrease) in Accounts Payable		(1,763)
Increase (Decrease) in Accrued Liabilities		(344,492)
Increase (Decrease) in Loan Payable		722,235
Increase (Decrease) in Accrued National - Revenue Sharing		(57,448)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		(60,763)
Increase (Decrease) in Accrued National - Research		(827)
Increase (Decrease) in Deferred Rent		(2,090)
		189,754
Net Cash Provided (Used) by Operating Activities		189,754
Net Surplus/(Deficit) in Cash		189,754
Cash and Cash Equivalents Beginning		3,329,670
Cash and Cash Equivalents Ending	\$	3,519,424

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

	Actual YTD	Forecast									Annual	
	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	TOTALS	Budget	Variance
Events												
Special Events	\$ 92,039	\$ 35,000	\$ 25,000	\$ 40,000	\$ 125,000	\$ 150,000	\$ 100,000	\$ 55,000	\$ 10,000	\$ 632,039	\$ 625,000	\$ 7,039
Walks	177,773	60,000	70,000	90,000	150,000	180,000	60,000	30,000	30,000	847,773	905,000	(57,227)
Total Events	269,812	95,000	95,000	130,000	275,000	330,000	160,000	85,000	40,000	1,479,812	1,530,000	(50,188)
Annual Giving												
Contributions	135,645	20,000	30,000	20,000	20,000	20,000	25,000	75,000	35,000	380,645	360,000	20,645
Grants	302,317	381,250	14,000	5,000	5,500	4,000	87,500	136,000	20,000	955,567	731,250	224,317
Appeals	109,151	45,000	25,000	45,000	10,000	15,000	20,000	35,000	40,000	344,151	290,000	54,151
Memorials and Tributes	111,074	15,000	15,000	15,000	15,000	15,000	25,000	35,000	15,000	261,074	210,000	51,074
Workplace Giving	32,110	10,000	10,000	10,000	10,000	10,000	10,000	15,000	10,000	117,110	125,000	(7,890)
Total Annual Giving	690,297	471,250	94,000	95,000	60,500	64,000	167,500	296,000	120,000	2,058,547	1,716,250	342,297
Development												
Major Gifts	135,660	75,000	12,500	12,500	12,500	12,500	-	300,000	-	560,660	675,000	(114,340)
Bequests	137,652	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	337,652	250,000	87,652
Total Development	273,312	100,000	37,500	37,500	37,500	37,500	25,000	325,000	25,000	898,312	925,000	(26,688)
Government Funding	142,978	57,115	57,115	57,115	57,115	57,115	57,115	57,115	57,115	599,894	685,375	(85,481)
REVENUE FROM OPERATIONS	1,376,398	723,365	283,615	319,615	430,115	488,615	409,615	763,115	242,115	5,036,565	4,856,625	179,940
Unrealized (Loss) Gain	(20,732)	4,300	4,300	4,300	4,300	4,300	7,000	7,000	7,000	21,768	-	21,768
Interest Income	237	-	-	-	-	-	-	-	-	237	58,100	(57,863)
TOTAL REVENUE	1,355,903	727,665	287,915	323,915	434,415	492,915	416,615	770,115	249,115	5,058,570	4,914,725	143,845
EXPENSES												
Care Services												
Salaries and Benefits	479,638	119,687	119,687	119,687	119,687	119,687	119,687	119,687	88,443	1,405,890	1,405,000	890
ALS Clinic Centers	102,168	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,812	292,636	285,700	6,936
Abrams Program	139,311	46,083	46,083	46,083	46,083	46,083	46,083	46,083	46,087	507,979	553,000	(45,021)
Other Service Expenses	39,666	20,480	20,480	20,480	20,480	20,480	20,480	20,480	20,490	203,515	245,767	(42,253)
Allocated Overhead	77,421	21,424	21,424	21,424	21,424	21,424	21,424	21,424	21,424	248,812	257,088	(8,275)
Total Care Services	838,205	231,482	231,482	231,482	231,482	231,482	231,482	231,482	200,256	2,658,832	2,746,555	(87,722)
Research												
Research Payments to NTL	73,066	21,364	21,364	21,364	21,364	21,364	21,364	21,364	21,366	243,980	256,370	(12,390)
Research Coordinators	45,569	9,766	9,766	9,766	9,766	9,766	9,766	9,766	9,765	123,696	117,191	6,505
Other Research Expense	14,202	542	542	542	542	542	542	542	544	18,540	6,506	12,034
Allocated Overhead	68,930	19,074	19,074	19,074	19,074	19,074	19,074	19,074	19,074	221,525	228,893	(7,368)
Total Research	201,767	50,746	50,746	50,746	50,746	50,746	50,746	50,746	50,749	607,741	608,960	(1,219)
Education												
Education	160,990	43,716	43,716	43,716	43,716	43,716	43,716	43,716	43,716	510,718	524,605	(13,887)
Allocated Overhead	22,939	6,348	6,348	6,348	6,348	6,348	6,348	6,348	6,348	73,722	76,174	(2,452)
Total Education	183,929	50,064	50,064	50,064	50,064	50,064	50,064	50,064	50,064	584,440	600,779	(16,339)
Development												
Fundraising	154,505	34,764	34,764	34,764	34,764	34,764	34,764	34,764	34,764	432,615	417,174	15,441
Events	15,774	10,000	4,000	10,000	30,000	52,000	55,000	26,050	5,000	207,824	208,050	(226)
Allocated Overhead	28,674	7,935	7,935	7,935	7,935	7,935	7,935	7,935	92,153	95,218	95,218	(3,065)
Total Development	198,954	52,698	46,698	52,698	72,698	94,698	97,698	68,748	47,698	732,592	720,442	12,150
Administrative & Board	221,184	61,206	61,206	61,206	61,206	61,206	61,206	61,206	61,206	710,835	734,476	(23,641)
TOTAL EXPENSES	1,644,039	446,197	440,197	446,197	466,197	488,197	491,197	462,247	409,974	5,294,440	5,411,211	(116,771)
NET SURPLUS/(DEFICIT)	\$ (288,136)	\$ 281,468	\$ (152,282)	\$ (122,282)	\$ (31,782)	\$ 4,718	\$ (74,582)	\$ 307,868	\$ (160,859)	\$ (235,870)	\$ (496,486)	\$ 260,616
Depreciation	9,870	3,628	3,628									
Pledged Receivables	54,900	10,000	10,000									
Grant Receivables	173,859	152,000	110,000									
Receivables - Other	(4,162)	89,744	106,000									
Prepays	3,492	-	-									
Beneficial Interest in Perpetual Trust	26,844	-	-									
Purchase of Property & Equipment	(41,766)	-	-									
Accounts Payable	(1,763)	(150,000)	(150,000)									
Accrued Liabilities	(344,492)	-	-									
Loan Payable-SBA	722,235	-	-									
Accrued National - Revenue Sharing	(57,448)	(37,773)	-									
Accrued National - Research (Revenue Restricted)	(60,763)	(65,168)	-									
Accrued National - Research	(827)	-	-									
Deferred Rent	(2,090)	(522)	(522)									
Cash and Cash Equivalents Beginning	3,329,670	3,519,424	3,521,333									
Cash and Cash Equivalents Ending	\$ 3,519,424	\$ 3,521,333	\$ 3,448,156									