

MEMORANDUM

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

FROM: Angelo DeSantis, YPTC

DATE: February 25, 2021

SUBJECT: January 31, 2021 Preliminary and Unaudited Financial Statements

Your financial statements for the twelve months through January 31, 2021 are attached.

These reports include:

- Cash Summary for the twelve months ended January 31, 2021
- Program Revenue and Expenses for the twelve months ended January 31, 2021
- Statements of Financial Position as of January 31, 2021 and January 31, 2020
- Statements of Operations for the twelve months ended January 31, 2021 and January 31, 2020
- Statement of Operations with General & Administration Expenses for the twelve months ended January 31, 2021
- Statement of Cash Flows for the twelve months ended January 31, 2021
- Rolling Forecast for the twelve months ending January 31, 2021
- Rolling Forecast Revised per the ALS Pandemic Response for the twelve months ending January 31, 2021

Some important items to note:

Summary

- The Statement of Financial Position remains strong with Total Liabilities equal to 18% of Total Assets.
- Compared to Budget, there is a \$(1.3M) decrease in Revenue from Operations. Due to the recent COVID-19 pandemic, cash flow is being closely monitored.
- In a response to the COVID-19 pandemic, the ALS Pandemic Response Team has put together cost-saving measures from September 1, 2020 through January 31, 2021. A revised Rolling Forecast is included as part of January's Financial Reporting. The revised forecast reflects the cost-saving measures. Per the revised rolling forecast, the Net Surplus/(Deficit) is a favorable \$615K.
- The Net Surplus/(Deficit) through January is \$(547K) vs. (\$305K) for the same period last year.

Cash

- Total Cash of \$3.3M represents about 7.5 months of operating expenses.
- About \$2.8 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 amount of \$(1.4M) in Total Revenue.
 - There is an unfavorable amount of \$(1.7M) in Total Events. This is mainly due to cancelled and postponed events.
 - There is a favorable amount of \$224K in Major Gifts and Bequests.
 - Total Annual Giving has a favorable amount of \$173K. Contributions, Appeals, Memorials and Tributes, and Workplace Giving have a favorable amount of totaling \$423K. Grants have an unfavorable amount of \$(250K)
 - Care Services Expenses are at a favorable \$455K, with favorable amounts for ALS Clinic Centers, Abrams Program, Other Services Expenses, and Allocated Overhead.
 - An additional Statement of Operations is included with January's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses. Through January, Total General and Administrative expenses are 26% of Total Revenue. The following General & Administrative expense line items are 22% of Revenue:
 - Salaries and Benefits: 8%
 - Rent: 3%
 - IT & Related Expenses: 3%
 - Revenue Sharing: 8%
- A Program Revenue and Expense report is included with January's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. For the year, 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.

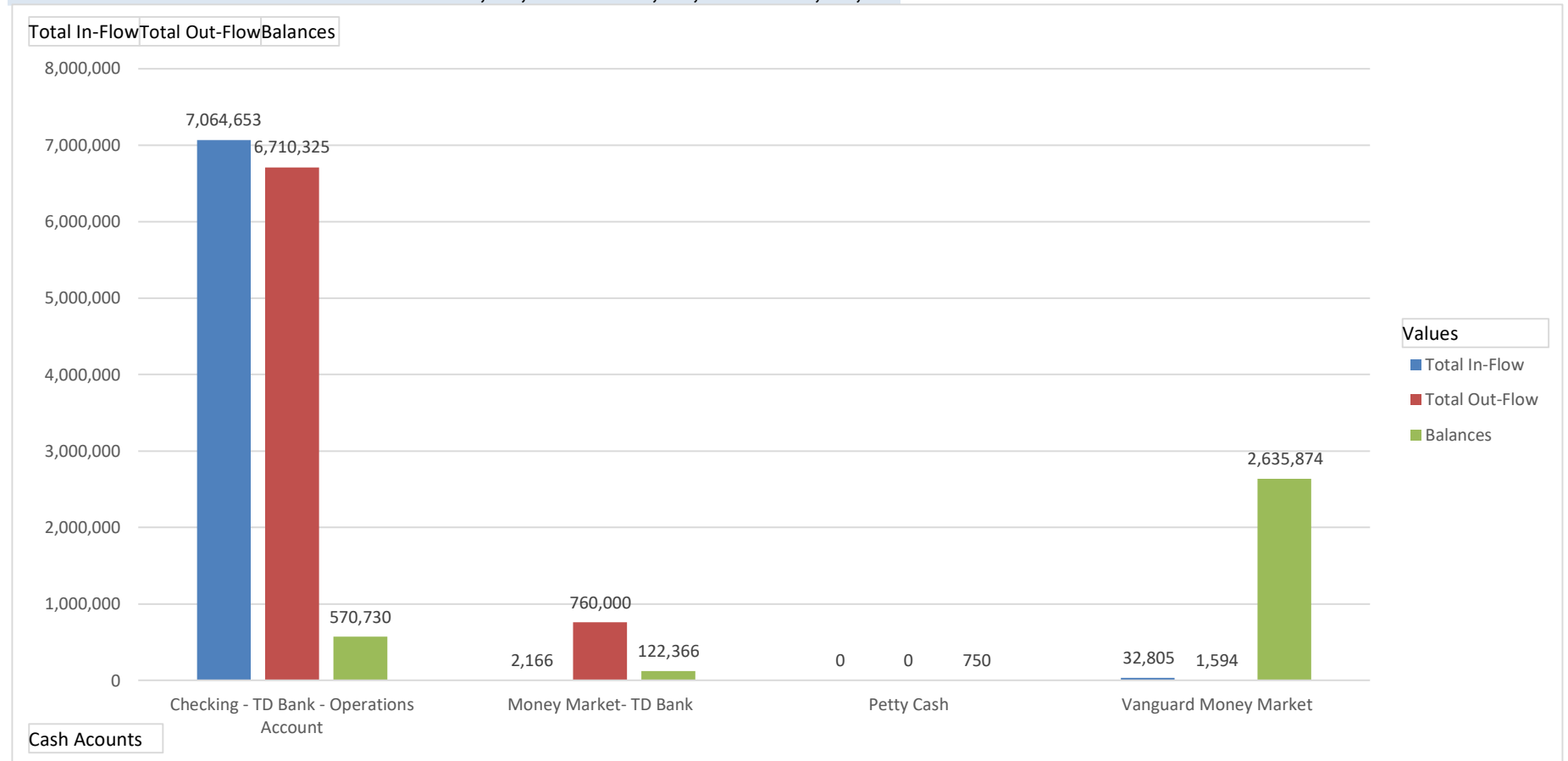
Recommendations and Other Notes

- The ALS Pandemic subcommittee has proposed additional cost savings which includes cost savings in programs, labor costs, and event expenses. Per the revised budget, the Net Surplus/(Deficit) through January has exceeded expectations by \$615K.
- We have recently applied for a 2nd PPP Loan. We are requesting \$416K. Once approved we will begin the forgiveness application for the 1st PPP Loan.
- Also, we may qualify for an Employee Retention Credit (ERC), which is a fully refundable payroll tax credit. The ERC is part of the 2nd round of the COVID Relief Package.
- Per ALS National's directive, a new CRM and Accounting System will be implemented at all the Chapters. Each Chapter will move from their current CRM and Accounting System to Salesforce and Sage Intacct. The implementation will begin in FY22 and will be deployed at the start of FY23. Currently, the cost of Salesforce will be absorbed by the Chapters, however, the cost of Sage Intacct will be absorbed by National. In conjunction with the Sage Intacct, we will implement a payment system to pay our vendors via ACH.
- The FY21 Audit is scheduled to begin April 12, 2021.

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

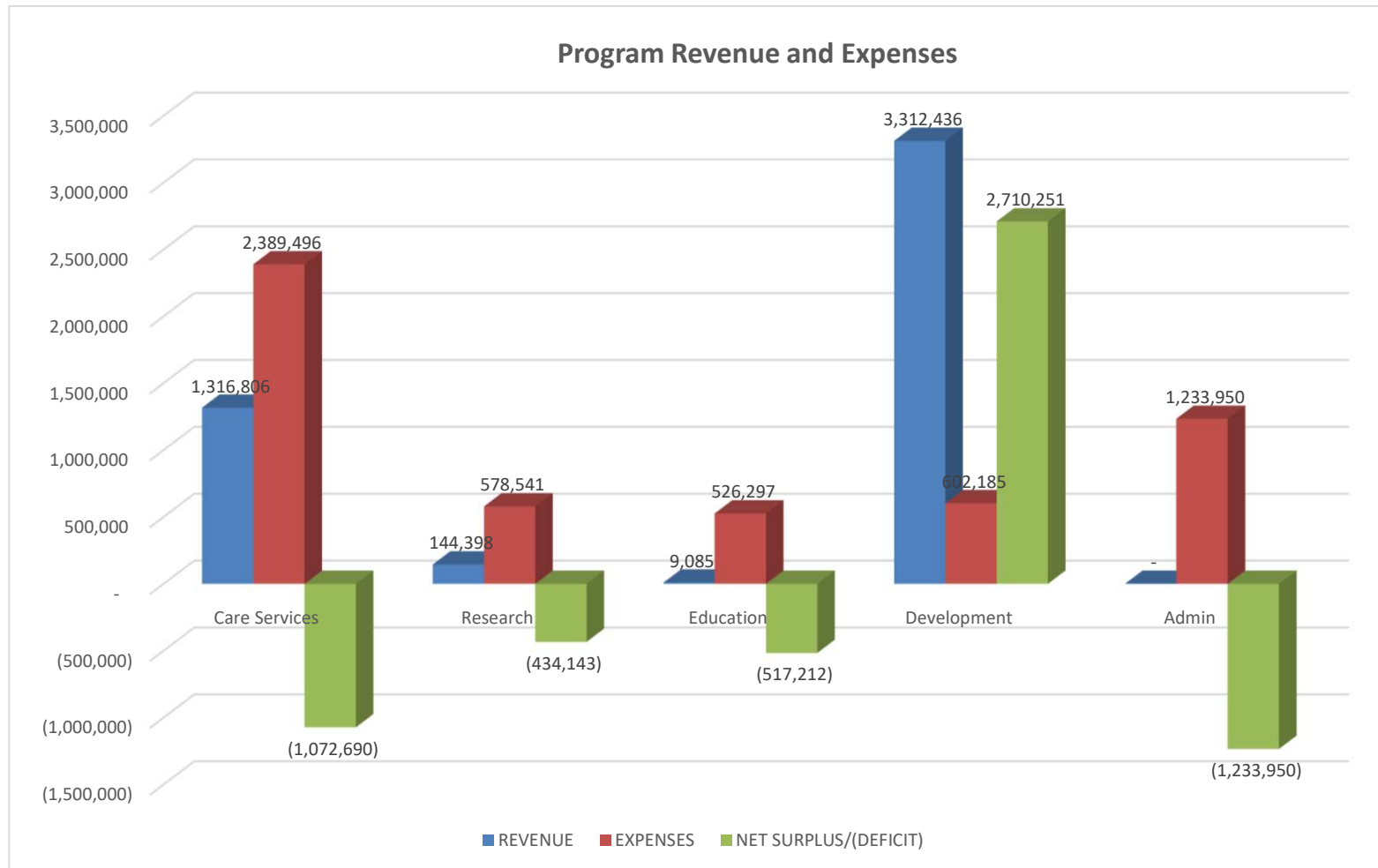
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the twelve months ended January 31, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	7,064,653	6,710,325	570,730
Money Market- TD Bank	2,166	760,000	122,366
Petty Cash	0	0	750
Vanguard Money Market	32,805	1,594	2,635,874
Grand Total	7,099,624	7,471,920	3,329,720



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

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	1,316,806	144,398	9,085	3,312,436	-	4,782,725
EXPENSES	2,389,496	578,541	526,297	602,185	1,233,950	5,330,467
NET SURPLUS/(DEFICIT)	(1,072,690)	(434,143)	(517,212)	2,710,251	(1,233,950)	(547,742)



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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,329,720	\$ 3,702,016
Pledges Receivable	456,321	462,046
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants Receivable	425,432	317,456
Receivables - Other	139,296	38,429
Prepaid Expenses	60,715	54,174
Property & Equipment, Net	30,076	58,637
Beneficial Interest in Perpetual Trust	486,801	472,471
Total Assets	<u>4,876,530</u>	<u>5,045,889</u>
 Liabilities		
Accounts Payable	208,709	144,403
Accrued Liabilities	86,527	93,327
Loan Payable-SBA	305,895	-
National - Revenue Sharing	134,710	249,548
National - Research (Revenue Restricted)	133,829	(600)
Deferred Revenue	-	205
Deferred Rent	29,038	33,442
Total Liabilities	<u>898,708</u>	<u>520,325</u>
 Net Assets	 <u>3,977,822</u>	 <u>4,525,564</u>
 Total Liabilities and Net Assets	 <u>\$4,876,530</u>	 <u>\$5,045,889</u>

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

	Actual	Budget	Variance	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 706,907	\$ 1,675,000	\$ (968,093)	\$ 1,552,655	\$ (845,748)
Walks	636,625	\$ 1,410,000	(773,375)	1,405,110	(768,485)
Total Events	1,343,532	3,085,000	(1,741,468)	2,957,765	(1,614,233)
Annual Giving					
Contributions	482,917	265,500	217,417	418,874	64,043
Grants	433,297	683,250	(249,953)	515,916	(82,619)
Appeals	343,330	210,000	133,330	210,780	132,551
Memorials and Tributes	270,863	200,000	70,863	208,545	62,318
Workplace Giving	101,838	100,000	1,838	136,125	(34,287)
Total Annual Giving	1,632,244	1,458,750	173,494	1,490,240	142,005
Development					
Major Gifts	687,779	634,000	53,779	710,520	(22,741)
Bequests	394,903	225,000	169,903	197,355	197,548
Total Development	1,082,681	859,000	223,681	907,875	174,807
Government Funding	686,561	685,375	1,186	582,070	104,491
REVENUE FROM OPERATIONS	4,745,019	6,088,125	(1,343,106)	5,937,949	(1,192,930)
Unrealized (Loss) Gain	27,011	-	27,011	32,883	(5,873)
Interest Income	10,696	58,100	(47,404)	57,287	(46,591)
TOTAL REVENUE	4,782,725	6,146,225	(1,363,500)	6,028,119	(1,245,394)
EXPENSES					
Care Services					
Salaries and Benefits	1,506,907	1,486,018	20,889	1,565,690	(58,783)
ALS Clinic Centers	283,389	285,700	(2,311)	289,687	(6,298)
Abrams Program	450,115	645,000	(194,885)	623,034	(172,919)
Other Service Expenses	149,085	374,493	(225,408)	298,724	(149,639)
Allocated Overhead	332,660	386,281	(53,621)	467,233	(134,572)
Total Care Services	2,722,156	3,177,492	(455,336)	3,244,368	(522,212)
Research					
Research Payments to NTL	398,124	264,000	134,124	44,340	353,784
Research Coordinators	132,506	132,515	(9)	127,997	4,509
Other Research Expense	47,911	51,259	(3,347)	70,114	(22,203)
Allocated Overhead	240,625	279,411	(38,786)	337,966	(97,341)
Total Research	819,166	727,185	91,982	580,418	238,748
Education					
Education	526,297	662,734	(136,438)	718,917	(192,621)
Allocated Overhead	102,197	118,670	(16,473)	143,540	(41,342)
Total Education	628,494	781,404	(152,911)	862,457	(233,963)
Development					
Fundraising	542,522	516,087	26,434	522,262	20,260
Events	59,663	265,550	(205,888)	339,305	(279,643)
Allocated Overhead	122,234	141,937	(19,703)	171,682	(49,448)
Total Development	724,418	923,574	(199,156)	1,033,249	(308,830)
Administrative & Board	436,233	506,548	(70,315)	612,704	(176,471)
TOTAL EXPENSES	5,330,467	6,116,204	(785,736)	6,333,195	(1,002,728)
NET SURPLUS/(DEFICIT)	\$ (547,742)	\$ 30,021	\$ (577,764)	\$ (305,076)	\$ (242,666)

* Revenue Sharing for the twelve months ended January 31, 2021, which is allocated across all departments, is \$401,099
** Restricted Income: Care Services: \$1,316,806 Research: \$144,398 Education: \$9,085

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

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 706,907	14.78%
Walks	636,625	13.31%
Total Events	1,343,532	28.09%
Annual Giving		
Contributions	482,917	10.10%
Grants	433,297	9.06%
Appeals	343,330	7.18%
Memorials and Tributes	270,863	5.66%
Workplace Giving	101,838	2.13%
Total Annual Giving	1,632,244	34.13%
Development		
Major Gifts	687,779	14.38%
Bequests	394,903	8.26%
Total Development	1,082,681	22.64%
Government Funding	686,561	14.36%
REVENUE FROM OPERATIONS	4,745,019	99.21%
Unrealized (Loss) Gain	27,011	0.56%
Interest Income	10,696	0.22%
TOTAL REVENUE	4,782,725	100.00%
EXPENSES		
Care Services		
Salaries and Benefits	1,506,907	31.51%
ALS Clinic Centers	283,389	5.93%
Abrams Program	450,115	9.41%
Other Service Expenses	149,085	3.12%
Total Care Services	2,389,496	49.96%
Research		
Research Payments to NTL	398,124	8.32%
Research Coordinators	132,506	2.77%
Other Research Expense	47,911	1.00%
Total Research	578,541	12.10%
Education		
Education	526,297	11.00%
Total Education	526,297	11.00%
Development		
Fundraising	542,522	11.34%
Events	59,663	1.25%
Total Development	602,185	12.59%
General & Administration		
Salaries and Benefits	378,886	7.92%
Staff Development	244	0.01%
Office Rent	126,443	2.64%
Office Expense	18,506	0.39%
Dues, Books, & Subscriptions	1,199	0.03%
Postage	9,397	0.20%
Printing & Copying	3,783	0.08%
IT & Related Expenses	154,376	3.23%
Insurance	16,619	0.35%
Telephone	25,738	0.54%
Meals & Entertainment	3,172	0.07%
Travel Expense	(148)	0.00%
Bank Charges	34,851	0.73%
Professional Fees	23,125	0.48%
Revenue Sharing	401,099	8.39%
Miscellaneous	10,569	0.22%
Depreciation	26,092	0.55%
Total General & Administration Expenses	1,233,950	25.80% (A)
TOTAL EXPENSES	5,330,467	111.45%
NET SURPLUS/(DEFICIT)	\$ (547,742)	-11.45%

(A) Other Depreciation is Allocated to Care Services

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

Net surplus (deficit) for Period	\$	(547,742)
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative)		28,561
Provision for Uncollectible Pledge Receivables		(3,151)
Discount on Pledge Receivables		(4,357)
Provided (Used) by Operating Activities		
Decrease (Increase) in Pledged Receivables		5,725
(Increase) Decrease in Grant Receivables		(107,975)
(Increase) Decrease in Receivables - Other		(100,868)
Decrease (Increase) in Prepaids		(6,541)
Decrease (Increase) in Beneficial Interest in Perpetual Trust		(14,330)
Increase (Decrease) in Accounts Payable		64,306
Increase (Decrease) in Accrued Liabilities		(6,800)
Increase (Decrease) in Loan Payable		305,895
Increase (Decrease) in Accrued National - Revenue Sharing		(114,838)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		133,829
Increase (Decrease) in Accrued National - Research		600
Increase (Decrease) in Deferred Revenue		(205)
Increase (Decrease) in Deferred Rent		(4,404)
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Net Cash Provided (Used) by Operating Activities		(372,296)
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Net Surplus/(Deficit) in Cash		(372,296)
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Cash and Cash Equivalents Beginning		3,702,016
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Cash and Cash Equivalents Ending	\$	3,329,720
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The ALS Association Greater Philadelphia Chapter
Rolling Forecast
for the twelve months ending January 31, 2021

	Actual YTD	Annual	
	Jan-2021	Budget	Variance
Events			
Special Events	\$ 706,907	\$1,675,000	\$ (968,093)
Walks	636,625	1,410,000	(773,375)
Total Events	1,343,532	3,085,000	(1,741,468)
Annual Giving			
Contributions	482,917	265,500	217,417
Grants	433,297	683,250	(249,953)
Appeals	343,330	210,000	133,330
Memorials and Tributes	270,863	200,000	70,863
Workplace Giving	101,838	100,000	1,838
Total Annual Giving	1,632,244	1,458,750	173,494
Development			
Major Gifts	687,779	634,000	53,779
Bequests	394,903	225,000	169,903
Total Development	1,082,681	859,000	223,681
Government Funding	686,561	685,375	1,186
REVENUE FROM OPERATIONS	4,745,019	6,088,125	(1,343,106)
Unrealized (Loss) Gain	27,011	-	27,011
Interest Income	10,696	58,100	(47,404)
TOTAL REVENUE	4,782,725	6,146,225	(1,363,500)
EXPENSES			
Care Services			
Salaries and Benefits	1,506,907	1,486,018	20,889
ALS Clinic Centers	283,389	285,700	(2,311)
Abrams Program	450,115	645,000	(194,885)
Other Service Expenses	149,085	374,493	(225,408)
Allocated Overhead	332,660	386,281	(53,621)
Total Care Services	2,722,156	3,177,492	(455,336)
Research			
Research Payments to NTL	398,124	264,000	134,124
Research Coordinators	132,506	132,515	(9)
Other Research Expense	47,911	51,259	(3,347)
Allocated Overhead	240,625	279,411	(38,786)
Total Research	819,166	727,185	91,982
Education			
Education	526,297	662,734	(136,438)
Allocated Overhead	102,197	118,670	(16,473)
Total Education	628,494	781,404	(152,911)
Development			
Fundraising	542,522	516,087	26,434
Events	59,663	265,550	(205,888)
Allocated Overhead	122,234	141,937	(19,703)
Total Development	724,418	923,574	(199,156)
Administrative & Board	436,233	506,548	(70,315)
TOTAL EXPENSES	5,330,467	6,116,204	(785,736)
NET SURPLUS/(DEFICIT)	\$ (547,742)	\$ 30,021	\$ (577,764)
Depreciation	28,561		
Uncollectible Pledge Receivables	(3,151)		
Discount on Pledge Receivables	(4,357)		
Pledged Receivables	5,725		
Grant Receivables	(107,975)		
Receivables - Other	(100,868)		
Prepays	(6,541)		
Beneficial Interest in Perpetual Trust	(14,330)		
Accounts Payable	64,306		
Accrued Liabilities	(6,800)		
Loan Payable-SBA	305,895		
Accrued National - Revenue Sharing	(114,838)		
Accrued National - Research (Revenue Restricted)	133,829		
Accrued National - Research	600		
Deferred Revenue	(205)		
Deferred Rent	(4,404)		
Cash and Cash Equivalents Beginning	3,702,016		
Cash and Cash Equivalents Ending	\$ 3,329,720		

The ALS Association Greater Philadelphia Chapter
Rolling Forecast-Revised per the ALS Pandemic Response
for the twelve months ending January 31, 2021

	Actual YTD	Annual	
	Jan-2021	Revised Budget	Variance
Events			
Special Events	\$ 706,907	\$ 554,351	\$ 152,556
Walks	636,625	581,240	55,385
Total Events	1,343,532	1,135,591	207,941
Annual Giving			
Contributions	482,917	228,570	254,346
Grants	433,297	496,396	(63,099)
Appeals	343,330	237,927	105,404
Memorials and Tributes	270,863	179,126	91,737
Workplace Giving	101,838	73,273	28,565
Total Annual Giving	1,632,244	1,215,291	416,953
Development			
Major Gifts	687,779	510,991	176,787
Bequests	394,903	362,131	32,772
Total Development	1,082,681	873,122	209,559
Government Funding	686,561	462,202	224,359
REVENUE FROM OPERATIONS	4,745,019	3,686,207	1,058,812
Unrealized (Loss) Gain	27,011	(75,716)	102,726
Interest Income	10,696	47,614	(36,919)
TOTAL REVENUE	4,782,725	3,658,105	1,124,620
EXPENSES			
Care Services			
Salaries and Benefits	1,506,907	1,340,888	166,019
ALS Clinic Centers	283,389	279,618	3,771
Abrams Program	450,115	472,158	(22,043)
Other Service Expenses	149,085	187,076	(37,991)
Allocated Overhead	332,660	373,237	(40,577)
Total Care Services	2,722,156	2,652,977	69,179
Research			
Research Payments to NTL	398,124	172,440	225,684
Research Coordinators	132,506	117,191	15,315
Other Research Expense	47,911	45,009	2,902
Allocated Overhead	240,625	263,759	(23,134)
Total Research	819,166	598,398	220,768
Education			
Education	526,297	527,868	(1,571)
Allocated Overhead	102,197	109,223	(7,026)
Total Education	628,494	637,091	(8,597)
Development			
Fundraising	542,522	467,763	74,759
Events	59,663	24,964	34,698
Allocated Overhead	122,234	79,312	42,922
Total Development	724,418	572,039	152,379
Administrative & Board	436,233	360,660	75,573
TOTAL EXPENSES	5,330,467	4,821,165	509,302
NET SURPLUS/(DEFICIT)	\$ (547,742)	\$ (1,163,060)	\$ 615,318
Depreciation	28,561		
Uncollectible Pledge Receivables	(3,151)		
Discount on Pledge Receivables	(4,357)		
Pledged Receivables	5,725		
Grant Receivables	(107,975)		
Receivables - Other	(100,868)		
Prepays	(6,541)		
Beneficial Interest in Perpetual Trust	(14,330)		
Accounts Payable	64,306		
Accrued Liabilities	(6,800)		
Loan Payable-SBA	305,895		
Accrued National - Revenue Sharing	(114,838)		
Accrued National - Research (Revenue Restricted)	133,829		
Accrued National - Research	600		
Deferred Revenue	(205)		
Deferred Rent	(4,404)		
Cash and Cash Equivalents Beginning	3,702,016		
Cash and Cash Equivalents Ending	\$ 3,329,720		