

MEMORANDUM

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

FROM: Angelo DeSantis, YPTC

DATE: August 20, 2021

SUBJECT: July 31, 2021 Preliminary and Unaudited Financial Statements

Your financial statements for the six months through July 31, 2021 are attached.

These reports include:

- Cash Summary for the six months ended July 31, 2021
- Program Revenue and Expenses for the six months ended July 31, 2021
- Statements of Financial Position as of July 31, 2021 and 2020
- Statements of Operations for the six months ended July 31, 2021 and 2020
- Statement of Operations with General & Administration Expenses for the six months ended July 31, 2021
- Statement of Cash Flows for the six months ended July 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 17% of Total Assets. The Loan Payable-SBA, aka PPP Loan, is 9% of Total Assets. The 1st PPP Loan in the amount of \$306K has been forgiven in July. The loan was reclassified to Government Funding on the Statement of Operations to reflect as Revenue.
- Compared to Budget, there is an unfavorable variance of (\$186K) in Revenue from Operations. Due mainly to an unfavorable variance of (\$143K) in Major Gifts and an unfavorable variance of (\$373K) in Grants.
- Compared to Budget, there is a favorable variance of \$323K 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 \$152K.

Cash

- Total Cash of \$3.4M represents about 8.5 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 (\$171K) in Total Revenue.
 - There is an unfavorable variance of (\$114K) in Total Events. This is mainly due to the continuing pandemic which has affected the scheduling of events.
 - There is an unfavorable variance of (\$92K) in revenue from Development. Bequests are at a favorable \$51K, while Major Gifts are at an unfavorable (\$143K).
 - Total Annual Giving has an unfavorable variance of (\$212K). Contributions and Memorials and Tributes have favorable amounts. Grants have an unfavorable variance of (\$373K).
 - Care Services Expenses are at a favorable variance of \$159K, 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 July's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses. Through July, Total General and Administrative expenses are 24% of Total Revenue. The following General & Administrative expense line items are 17% of Revenue:
 - Salaries and Benefits: 6%
 - Office Rent: 3%
 - IT & Related Expenses: 4%
 - Revenue Sharing: 4%
- Compared to Actual for this time last year, there is a favorable variance of \$519K in Total Revenue and a favorable variance of \$273K in Total Expenses. Net Surplus (Deficit) is a favorable variance of \$793K from this time last year.
 - The favorable variance in Total Revenue is due mainly to a favorable variance of \$135K in Walks, a favorable variance of \$255K in Government Funding, and a favorable variance of \$195K in Total Development revenue.
 - Care Services, Research, 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 July's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. Through July, 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.

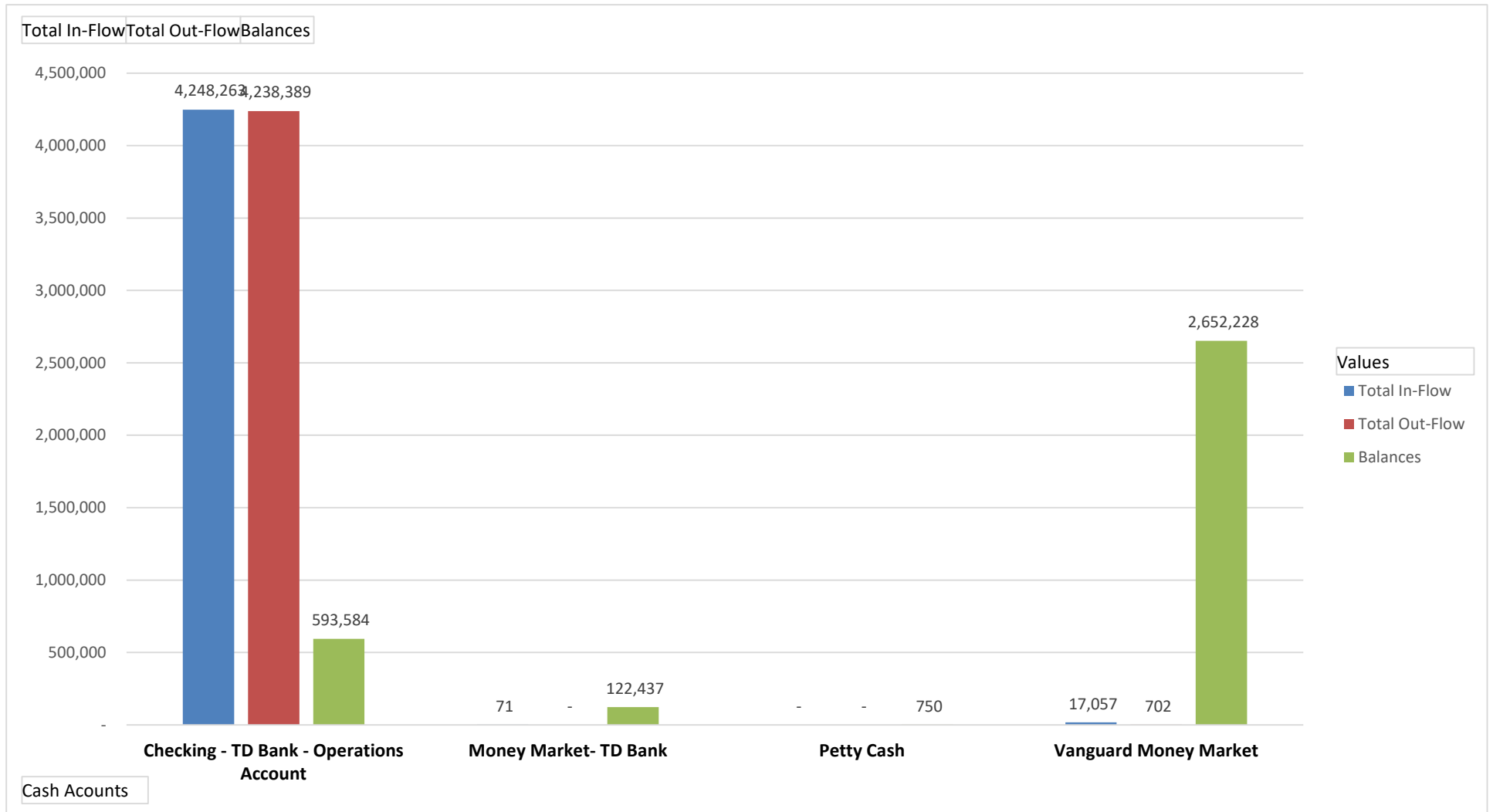
Other Notes

- The FY2021 Audit, 990 and other Tax Returns have been approved by the Audit and Finance Committee.

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

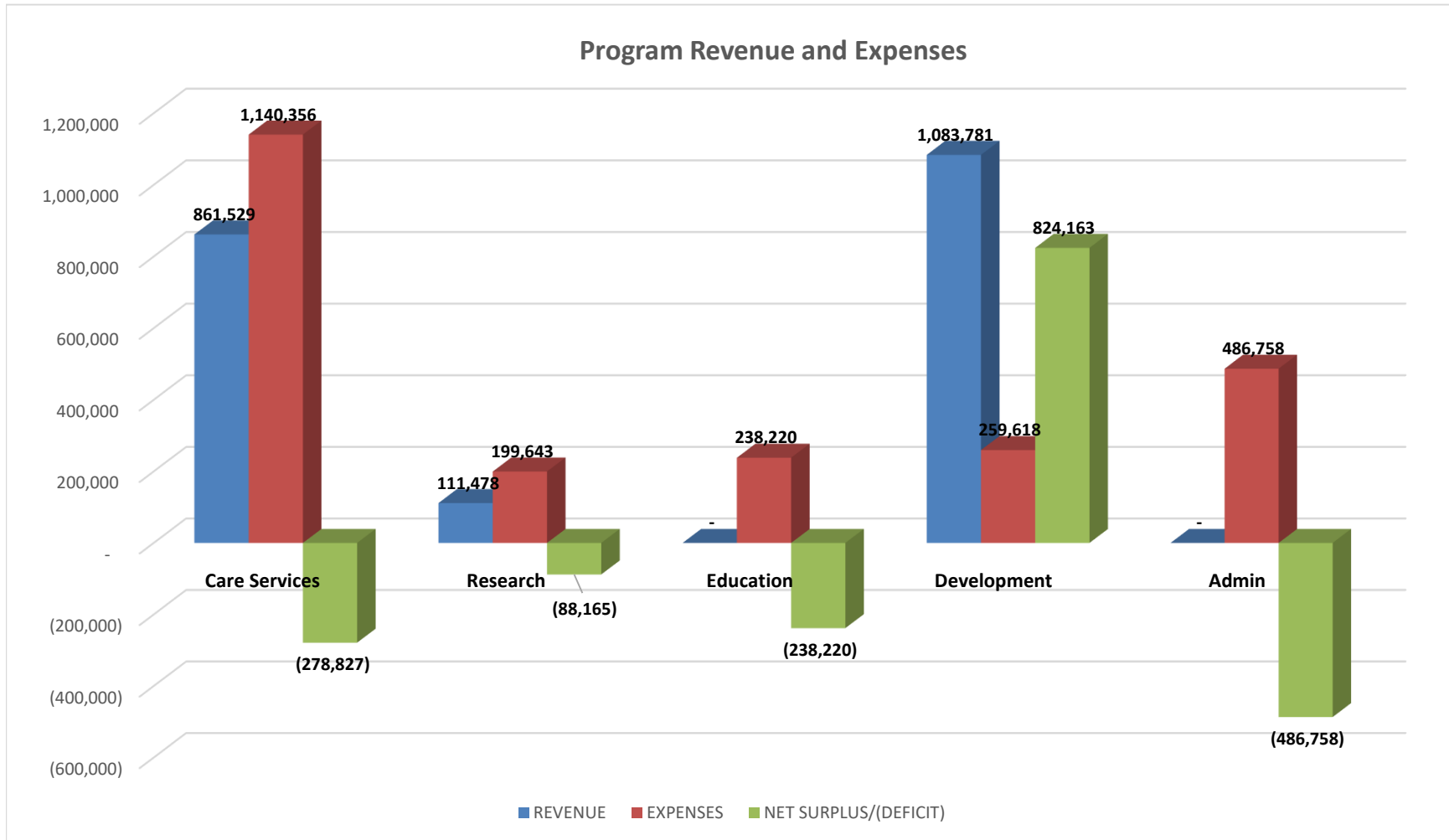
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the six months ended July 31, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	4,248,263	4,238,389	593,584
Money Market- TD Bank	71	-	122,437
Petty Cash	-	-	750
Vanguard Money Market	17,057	702	2,652,228
Grand Total	4,265,390	4,239,091	3,368,999



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

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	861,529	111,478	-	1,083,781	-	2,056,788
EXPENSES	1,140,356	199,643	238,220	259,618	486,758	2,324,595
NET SURPLUS/(DEFICIT)	(278,827)	(88,165)	(238,220)	824,163	(486,758)	(267,808)



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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,368,999	\$ 3,175,765
Pledges Receivable	388,016	397,721
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants and Other Receivables	202,893	423,007
Prepaid Expenses	48,627	33,041
Property & Equipment, Net	54,716	43,115
Beneficial Interest in Perpetual Trust	517,523	437,147
Total Assets	<u>4,528,941</u>	<u>4,450,457</u>
 Liabilities		
Accounts Payable	111,038	267,742
Accrued Liabilities	88,455	61,663
Loan Payable-SBA	416,340	305,895
National - Revenue Sharing	101,158	219,413
National - Research (Revenue Restricted)	46,310	99,068
Deferred Rent	25,904	31,551
Total Liabilities	<u>789,205</u>	<u>985,332</u>
 Net Assets	 <u>3,739,737</u>	 <u>3,465,125</u>
 Total Liabilities and Net Assets	 <u>\$4,528,941</u>	 <u>\$4,450,457</u>

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

	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 166,696	\$ 145,000	\$ 21,696	\$ 316,506	\$ (149,809)
Walks	229,720	365,000	(135,280)	95,179	134,541
Total Events	396,416	510,000	(113,584)	411,685	(15,269)
Annual Giving					
Contributions	287,889	165,000	122,889	170,486	117,403
Grants	100,000	473,250	(373,250)	201,797	(101,797)
Appeals	118,402	125,000	(6,598)	157,463	(39,061)
Memorials and Tributes	156,036	90,000	66,036	91,222	64,814
Workplace Giving	39,120	60,000	(20,880)	51,023	(11,903)
Total Annual Giving	701,447	913,250	(211,803)	671,990	29,457
Development					
Major Gifts	194,810	337,500	(142,690)	88,874	105,936
Bequests	150,932	100,000	50,932	62,131	88,800
Total Development	345,742	437,500	(91,758)	151,006	194,736
Government Funding	574,286	342,688	231,598	318,938	255,348
REVENUE FROM OPERATIONS	2,017,891	2,203,438	(185,547)	1,553,618	464,272
Unrealized (Loss) Gain	37,439	-	37,439	(26,076)	63,515
Interest Income	1,457	24,200	(22,743)	9,771	(8,314)
TOTAL REVENUE	2,056,788	2,227,638	(170,850)	1,537,314	519,474
EXPENSES					
Care Services					
Salaries and Benefits	736,393	718,122	18,271	766,723	(30,330)
ALS Clinic Centers	147,779	142,848	4,931	141,372	6,407
Abrams Program	193,646	276,498	(82,852)	232,739	(39,092)
Other Service Expenses	62,538	122,879	(60,341)	90,960	(28,422)
Allocated Overhead	89,909	128,544	(38,635)	112,407	(22,498)
Total Care Services	1,230,265	1,388,890	(158,625)	1,344,200	(113,935)
Research					
Research Payments to NTL	111,478	128,184	(16,706)	99,668	11,810
Research Coordinators	66,253	58,596	7,657	66,253	-
Other Research Expense	21,912	3,252	18,660	26,332	(4,420)
Allocated Overhead	80,049	114,446	(34,398)	100,079	(20,030)
Total Research	279,692	304,478	(24,787)	292,332	(12,640)
Education					
Education	238,220	262,309	(24,089)	258,838	(20,619)
Allocated Overhead	26,640	38,087	(11,447)	33,306	(6,666)
Total Education	264,859	300,396	(35,537)	292,144	(27,285)
Development					
Fundraising	235,252	208,592	26,660	279,872	(44,620)
Events	24,366	30,000	(5,634)	26,475	(2,109)
Allocated Overhead	33,300	47,609	(14,309)	41,632	(8,332)
Total Development	292,918	286,201	6,717	347,979	(55,061)
Administrative & Board	256,862	367,238	(110,376)	321,135	(64,274)
TOTAL EXPENSES	2,324,595	2,647,203	(322,608)	2,597,790	(273,195)
NET SURPLUS/(DEFICIT)	\$ (267,808)	\$ (419,566)	\$ 151,758	\$ (1,060,476)	\$ 792,669

* Revenue Sharing for the six months ended July 31, 2021 allocated across all departments is \$84,779

** Restricted Income: Care Services: \$861,529 Research: \$111,478 Education: \$0

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

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 166,696	8.1%
Walks	229,720	11.2%
Total Events	396,416	19.3%
Annual Giving		
Contributions	287,889	14.0%
Grants	100,000	4.9%
Appeals	118,402	5.8%
Memorials and Tributes	156,036	7.6%
Workplace Giving	39,120	1.9%
Total Annual Giving	701,447	34.1%
Development		
Major Gifts	194,810	9.5%
Bequests	150,932	7.3%
Total Development	345,742	16.8%
Government Funding		
	574,286	27.9%
REVENUE FROM OPERATIONS		
	2,017,891	98.1%
Unrealized (Loss) Gain	37,439	1.8%
Interest Income	1,457	0.1%
TOTAL REVENUE	2,056,788	100.0%
EXPENSES		
Care Services		
Salaries and Benefits	736,393	35.8%
ALS Clinic Centers	147,779	7.2%
Abrams Program	193,646	9.4%
Other Service Expenses	62,538	3.0%
Total Care Services	1,140,356	55.4%
Research		
Research Payments to NTL	111,478	5.4%
Research Coordinators	66,253	3.2%
Other Research Expense	21,912	1.1%
Total Research	199,643	9.7%
Education		
Education	238,220	11.6%
Total Education		
Development		
Fundraising	235,252	11.4%
Events	24,366	1.2%
Total Development	259,618	12.6%
General & Administration		
Salaries and Benefits	119,811	5.8%
Staff Development	40	0.0%
Office Rent	61,959	3.0%
Office Expense	7,762	0.4%
Dues, Books, & Subscriptions	371	0.0%
Postage	7,611	0.4%
Printing & Copying	4,042	0.2%
IT & Related Expenses	90,737	4.4%
Insurance	7,436	0.4%
Telephone	16,864	0.8%
Meals & Entertainment	237	0.0%
Travel Expense	32	0.0%
Bank Charges	12,653	0.6%
Professional Fees	52,639	2.6%
Revenue Sharing	84,779	4.1%
Miscellaneous	2,657	0.1%
Depreciation	17,126	0.8%
Total General & Administration Expenses	486,758	23.7%
TOTAL EXPENSES	2,324,595	113.0%
NET SURPLUS/(DEFICIT)	\$ (267,808)	-13.0%

(A) Other Depreciation is Allocated to Care Services

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

Net Net Surplus (Deficit) for Period	\$	(267,808)
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative) Provided (Used) by Operating Activities		17,126
Decrease (Increase) in Pledged Receivables		68,305
(Increase) Decrease in Grant Receivables		331,439
(Increase) Decrease in Receivables - Other		53,481
Decrease (Increase) in Prepaids		12,089
Decrease (Increase) in Beneficial Interest in Perpetual Trust		(30,722)
Decrease (Increase) Property and Equipment		(41,766)
Increase (Decrease) in Accounts Payable		29,823
Increase (Decrease) in Accrued Liabilities		2,754
Increase (Decrease) in Loan Payable		110,445
Increase (Decrease) in Accrued National - Revenue Sharing		(167,388)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		(87,519)
Increase (Decrease) in Accrued National - Research		(827)
Increase (Decrease) in Deferred Rent		(3,135)
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Net Cash Provided (Used) by Operating Activities		26,299
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Net Surplus/(Deficit) in Cash		26,299
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Cash and Cash Equivalents Beginning		3,342,700
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Cash and Cash Equivalents Ending	\$	3,368,999
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The ALS Association Greater Philadelphia Chapter
Rolling Forecast
for the twelve months ending January 31, 2022

	Actual YTD	Forecast							Annual	
	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	TOTALS	Budget	Variance
Events										
Special Events	\$ 166,696	\$ 40,000	\$ 125,000	\$ 150,000	\$ 100,000	\$ 55,000	\$ 10,000	\$ 646,696	\$ 625,000	\$ 21,696
Walks	229,720	90,000	150,000	180,000	60,000	30,000	30,000	769,720	905,000	(135,280)
Total Events	396,416	130,000	275,000	330,000	160,000	85,000	40,000	1,416,416	1,530,000	(113,584)
Annual Giving										
Contributions	287,889	20,000	20,000	20,000	25,000	75,000	35,000	482,889	360,000	122,889
Grants	100,000	5,000	5,500	4,000	87,500	136,000	20,000	358,000	731,250	(373,250)
Appeals	118,402	45,000	10,000	15,000	20,000	35,000	40,000	283,402	290,000	(6,598)
Memorials and Tributes	156,036	15,000	15,000	15,000	25,000	35,000	15,000	276,036	210,000	66,036
Workplace Giving	39,120	10,000	10,000	10,000	10,000	15,000	10,000	104,120	125,000	(20,880)
Total Annual Giving	701,447	95,000	60,500	64,000	167,500	296,000	120,000	1,504,447	1,716,250	(211,803)
Development										
Major Gifts	194,810	12,500	12,500	12,500	-	300,000	-	532,310	675,000	(142,690)
Bequests	150,932	25,000	25,000	25,000	25,000	25,000	25,000	300,932	250,000	50,932
Total Development	345,742	37,500	37,500	37,500	25,000	325,000	25,000	833,242	925,000	(91,758)
Government Funding	574,286	57,115	57,115	57,115	57,115	57,115	57,115	916,973	685,375	231,598
REVENUE FROM OPERATIONS	2,017,891	319,615	430,115	488,615	409,615	763,115	242,115	4,671,078	4,856,625	(185,547)
Unrealized (Loss) Gain	37,439	4,300	4,300	4,300	7,000	7,000	7,000	71,339	-	71,339
Interest Income	1,457	-	-	-	-	-	-	1,457	58,100	(56,643)
TOTAL REVENUE	2,056,788	323,915	434,415	492,915	416,615	770,115	249,115	4,743,875	4,914,725	(170,850)
EXPENSES										
Care Services										
Salaries and Benefits	736,393	119,687	119,687	119,687	119,687	119,687	88,443	1,423,271	1,405,000	18,271
ALS Clinic Centers	147,779	23,808	23,808	23,808	23,808	23,808	23,812	290,631	285,700	4,931
Abrams Program	193,646	46,083	46,083	46,083	46,083	46,083	46,087	470,148	553,000	(82,852)
Other Service Expenses	62,538	20,480	20,480	20,480	20,480	20,480	20,490	185,427	245,767	(60,341)
Allocated Overhead	89,909	21,424	21,424	21,424	21,424	21,424	21,424	218,453	257,088	(38,635)
Total Care Services	1,230,265	231,482	231,482	231,482	231,482	231,482	200,256	2,587,929	2,746,555	(158,625)
Research										
Research Payments to NTL	111,478	21,364	21,364	21,364	21,364	21,364	21,366	239,664	256,370	(16,706)
Research Coordinators	66,253	9,766	9,766	9,766	9,766	9,766	9,765	124,848	117,191	7,657
Other Research Expense	21,912	542	542	542	542	542	544	25,166	6,506	18,660
Allocated Overhead	80,049	19,074	19,074	19,074	19,074	19,074	19,074	194,495	228,893	(34,398)
Total Research	279,692	50,746	50,746	50,746	50,746	50,746	50,749	584,173	608,960	(24,787)
Education										
Education	238,220	43,716	43,716	43,716	43,716	43,716	43,716	500,516	524,605	(24,089)
Allocated Overhead	26,640	6,348	6,348	6,348	6,348	6,348	6,348	64,727	76,174	(11,447)
Total Education	264,859	50,064	50,064	50,064	50,064	50,064	50,064	565,242	600,779	(35,537)
Development										
Fundraising	235,252	34,764	34,764	34,764	34,764	34,764	34,764	443,834	417,174	26,660
Events	24,366	10,000	30,000	52,000	55,000	26,050	5,000	202,416	208,050	(5,634)
Allocated Overhead	33,300	7,935	7,935	7,935	7,935	7,935	7,935	80,908	95,218	(14,309)
Total Development	292,918	52,698	72,698	94,698	97,698	68,748	47,698	727,158	720,442	6,717
Administrative & Board	256,862	61,206	61,206	61,206	61,206	61,206	61,206	624,099	734,476	(110,376)
TOTAL EXPENSES	2,324,595	446,197	466,197	488,197	491,197	462,247	409,974	5,088,603	5,411,211	(322,608)
NET SURPLUS/(DEFICIT)	\$ (267,808)	\$ (122,282)	\$ (31,782)	\$ 4,718	\$ (74,582)	\$ 307,868	\$ (160,859)	\$ (344,728)	\$ (496,486)	\$ 151,758
Depreciation	17,126	3,628	3,628							
Pledged Receivables	68,305	15,000	15,000							
Grant Receivables	331,439	45,000	25,000							
Receivables - Other	53,481	44,000	24,000							
Prepays	12,089	-	-							
Beneficial Interest in Perpetual Trust	(30,722)	-	-							
Purchase of Property & Equipment	(41,766)	-	-							
Accounts Payable	29,823	(15,000)	(14,000)							
Accrued Liabilities	2,754	-	-							
Loan Payable-SBA	110,445	-	-							
Accrued National - Revenue Sharing	(167,388)	-	-							
Accrued National - Research (Revenue Restricted)	(87,519)	-	-							
Accrued National - Research	(827)	-	-							
Deferred Rent	(3,135)	(522)	(522)							
Cash and Cash Equivalents Beginning	3,342,700	3,368,999	3,461,105							
Cash and Cash Equivalents Ending	\$ 3,368,999	\$ 3,461,105	\$ 3,482,429							