

MEMORANDUM

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

FROM: Angelo DeSantis, YPTC

DATE: October 27, 2021

SUBJECT: September 30, 2021 Preliminary and Unaudited Financial Statements

Your financial statements for the eight months through September 30, 2021 are attached.

These reports include:

- Cash Summary for the eight months ended September 30, 2021
- Program Revenue and Expenses for the eight months ended September 30, 2021
- Statements of Financial Position as of September 30, 2021 and 2020
- Statements of Operations for the eight months ended September 30, 2021 and 2020
- Statement of Operations with General & Administration Expenses for the eight months ended September 30, 2021
- Statements of Operations for the Fiscal Years ended January 31, 2017, 2018, 2019, 2020, 2021 and the eight months ended September 30, 2021
- Statement of Cash Flows for the eight months ended September 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 12% of Total Assets. The Loan Payable-SBA, aka PPP Loan, is 8% of Total Assets.
- Compared to Budget, there is a favorable variance of \$618K in Revenue from Operations. Due to a favorable variance of \$607K in Government Funding.
- Compared to Budget, there is a favorable variance of \$546K in Total Expenses. Due to less than expected expenses for Care Services, Research, and Administrative & Board.
- Compared to Budget, the Net Surplus/(Deficit) is a favorable variance of \$1.2M.

Cash

- Total Cash of \$3.8 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 \$615K in Total Revenue.
 - There is a favorable variance of \$162K in Total Events. This is due to the number of Walks that took place in September.
 - There is an unfavorable variance of (\$98K) in revenue from Development. Bequests are at a favorable \$1K, while Major Gifts are at an unfavorable (\$100K). Total Annual Giving has an unfavorable variance of (\$52K). Contributions and Memorials and Tributes have a \$81K favorable variance. While Grants, Appeals, and Workplace Giving have an unfavorable variance of (\$132K).
 - Care Services Expenses are at a favorable variance of \$202K, 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 September's statements. This statement removes the Allocated Overhead for each program and shows amounts as detailed General and Administrative expenses.
 - Through September, Total General and Administrative expenses are 25% of Total Revenue. The following General & Administrative expense line items are 15% of Revenue:
 - Salaries and Benefits: 4%
 - Office Rent: 2%
 - IT & Related Expenses: 3%
 - Revenue Sharing: 6%
- Compared to Actual for this time last year, there is a favorable variance of \$1.1M in Total Revenue and a favorable variance of \$430K in Total Expenses. Net Surplus (Deficit) is a favorable variance of \$1.5M from this time last year. The favorable variance in Total Revenue is due to a favorable variance of \$367K in Events and a favorable variance of \$694K in Government Funding.
- Care Services, Research, 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 September's Financial Statements. The report summarizes and visualizes the revenue and expenses for each program. Through September, Care Services has a Net Surplus of \$97K, due to less than expected expenses and a \$175K Grant received from The Donald B. and Dorothy L. Stabler Foundation.

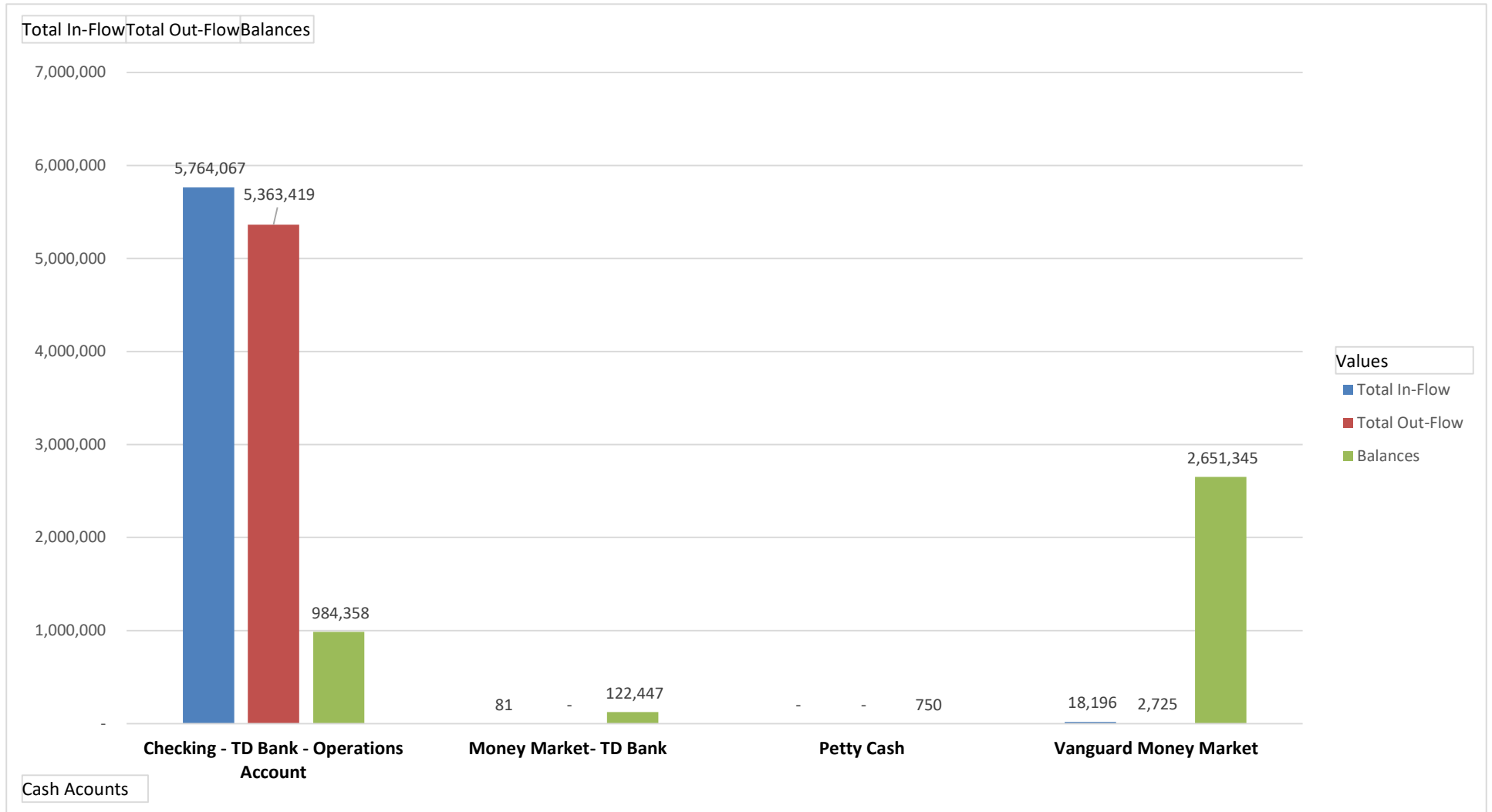
Other Notes

- The application for the forgiveness of the 2nd PPP Loan should be started soon to have the loan forgiven before fiscal year-end.
- The FY2023 Budget process has begun.

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

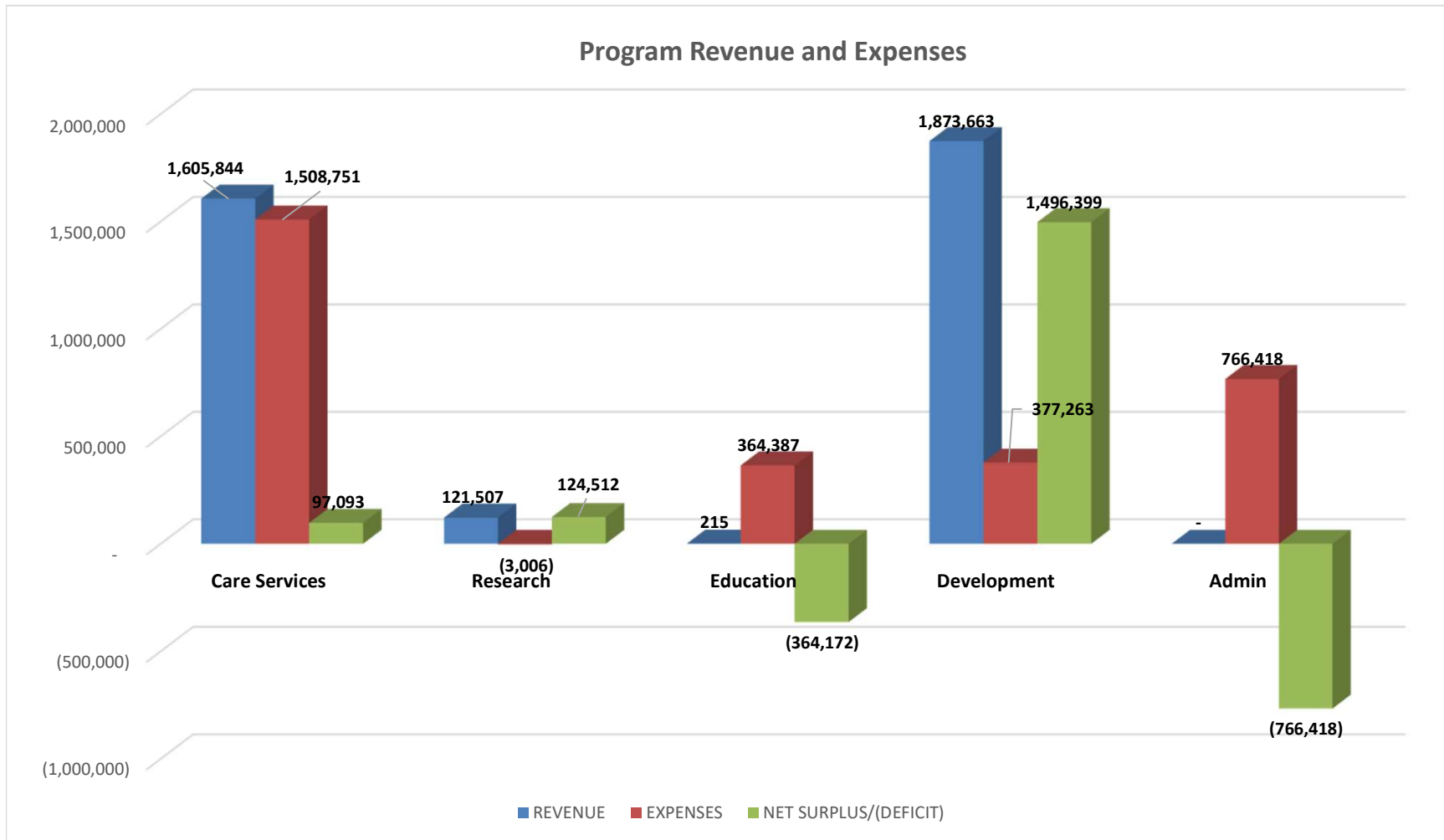
**The ALS Association Greater Philadelphia Chapter
Cash Summary
for the eight months ended September 30, 2021**

Account	Total In-Flow	Total Out-Flow	Balances
Checking - TD Bank - Operations Account	5,764,067	5,363,419	984,358
Money Market- TD Bank	81	-	122,447
Petty Cash	-	-	750
Vanguard Money Market	18,196	2,725	2,651,345
Grand Total	5,782,344	5,366,144	3,758,900



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

Activity	Care Services	Research	Education	Development	Admin	Totals
REVENUE	1,605,844	121,507	215	1,873,663	-	3,601,228
EXPENSES	1,508,751	(3,006)	364,387	377,263	766,418	3,013,814
NET SURPLUS/(DEFICIT)	97,093	124,512	(364,172)	1,496,399	(766,418)	587,414



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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and Cash Equivalents	\$ 3,758,900	\$ 3,239,888
Pledges Receivable	468,091	409,721
Less: Allowance for Uncollectible Pledges	(50,059)	(53,210)
Less: Discount Pledged Receivables	(1,773)	(6,130)
Grants and Other Receivables	393,249	215,228
Prepaid Expenses	118,289	21,607
Property & Equipment, Net	52,935	38,765
Beneficial Interest in Perpetual Trust	509,097	453,750
Total Assets	<u>5,248,730</u>	<u>4,319,620</u>
 Liabilities		
Accounts Payable	113,520	166,357
Accrued Liabilities	55,547	58,916
Loan Payable-SBA	416,340	305,895
National - Revenue Sharing	33,477	175,322
National - Research (Revenue Restricted)	10,028	16,146
Deferred Rent	24,859	30,921
Total Liabilities	<u>653,771</u>	<u>753,558</u>
 Net Assets	 <u>4,594,958</u>	 <u>3,566,062</u>
 Total Liabilities and Net Assets	 <u>\$5,248,730</u>	 <u>\$4,319,620</u>

The ALS Association Greater Philadelphia Chapter
Unaudited Statements of Operations
for the eight months ended September 30, 2021 and 2020

	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
REVENUE					
Events					
Special Events	\$ 442,947	\$ 310,000	\$ 132,947	\$ 381,290	\$ 61,657
Walks	633,732	605,000	28,732	328,875	304,858
Total Events	1,076,679	915,000	161,679	710,165	366,514
Annual Giving					
Contributions	210,880	205,000	5,880	244,293	(33,413)
Grants	430,000	483,750	(53,750)	381,797	48,203
Appeals	132,740	180,000	(47,260)	174,876	(42,136)
Memorials and Tributes	194,748	120,000	74,748	127,450	67,298
Workplace Giving	48,513	80,000	(31,487)	75,810	(27,298)
Total Annual Giving	1,016,881	1,068,750	(51,869)	1,004,226	12,655
Development					
Major Gifts	262,506	362,500	(99,994)	336,441	(73,935)
Bequests	151,541	150,000	1,541	62,131	89,410
Total Development	414,047	512,500	(98,453)	398,572	15,475
Government Funding	1,064,023	456,917	607,106	369,975	694,048
REVENUE FROM OPERATIONS	3,571,631	2,953,167	618,464	2,482,939	1,088,692
Unrealized (Loss) Gain	28,003	-	28,003	(8,984)	36,987
Interest Income	1,594	32,800	(31,206)	10,289	(8,695)
TOTAL REVENUE	3,601,228	2,985,967	615,261	2,484,244	1,116,984
EXPENSES					
Care Services					
Salaries and Benefits	962,040	957,496	4,544	1,008,152	(46,111)
ALS Clinic Centers	197,397	190,464	6,933	177,544	19,853
Abrams Program	247,516	368,664	(121,148)	303,327	(55,810)
Other Service Expenses	101,798	163,838	(62,040)	108,079	(6,281)
Allocated Overhead	141,565	171,392	(29,827)	155,596	(14,031)
Total Care Services	1,650,316	1,851,854	(201,538)	1,752,697	(102,381)
Research					
Research Payments to NTL	(121,570)	170,912	(292,482)	115,815	(237,384)
Research Coordinators	89,037	78,128	10,909	84,871	4,167
Other Research Expense	29,527	4,336	25,191	33,115	(3,588)
Allocated Overhead	126,039	152,595	(26,556)	138,532	(12,493)
Total Research	123,034	405,971	(282,938)	372,332	(249,299)
Education					
Education	364,387	349,741	14,646	359,188	5,200
Allocated Overhead	41,945	50,783	(8,838)	46,103	(4,157)
Total Education	406,332	400,524	5,809	405,290	1,042
Development					
Fundraising	310,185	278,119	32,066	369,483	(59,298)
Events	67,078	70,000	(2,922)	41,829	25,250
Allocated Overhead	52,431	63,478	(11,047)	57,628	(5,197)
Total Development	429,695	411,598	18,097	468,940	(39,245)
Administrative & Board	404,437	489,650	(85,213)	444,524	(40,087)
TOTAL EXPENSES	3,013,814	3,559,597	(545,783)	3,443,783	(429,969)
NET SURPLUS/(DEFICIT)	\$ 587,414	\$ (573,630)	\$ 1,161,044	\$ (959,539)	\$ 1,546,953

* Revenue Sharing for the eight months ended September 30, 2021 allocated across all departments \$213,864

** Restricted Income: Care Services: \$1,605,844 Research: \$121,507 Education: \$215

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

	YTD	% of Revenue
REVENUE		
Events		
Special Events	\$ 442,947	12.3%
Walks	633,732	17.6%
Total Events	1,076,679	29.9%
Annual Giving		
Contributions	210,880	5.9%
Grants	430,000	11.9%
Appeals	132,740	3.7%
Memorials and Tributes	194,748	5.4%
Workplace Giving	48,513	1.3%
Total Annual Giving	1,016,881	28.2%
Development		
Major Gifts	262,506	7.3%
Bequests	151,541	4.2%
Total Development	414,047	11.5%
Government Funding		
	1,064,023	29.5%
REVENUE FROM OPERATIONS		
	3,571,631	99.2%
Unrealized (Loss) Gain	28,003	0.8%
Interest Income	1,594	0.0%
TOTAL REVENUE	3,601,228	100.0%
EXPENSES		
Care Services		
Salaries and Benefits	962,040	26.7%
ALS Clinic Centers	197,397	5.5%
Abrams Program	247,516	6.9%
Other Service Expenses	101,798	2.8%
Total Care Services	1,508,751	41.9%
Research		
Research Payments to NTL	(121,570)	-3.4%
Research Coordinators	89,037	2.5%
Other Research Expense	29,527	0.8%
Total Research	(3,006)	-0.1%
Education		
Education	364,387	10.1%
Total Education		
Development		
Fundraising	310,185	8.6%
Events	67,078	1.9%
Total Development	377,263	10.5%
General & Administration		
Salaries and Benefits	160,032	4.4%
Staff Development	159	0.0%
Office Rent	83,663	2.3%
Office Expense	10,269	0.3%
Dues, Books, & Subscriptions	1,230	0.0%
Postage	10,693	0.3%
Printing & Copying	4,528	0.1%
IT & Related Expenses	116,697	3.2%
Insurance	15,402	0.4%
Telephone	22,683	0.6%
Meals & Entertainment	441	0.0%
Travel Expense	142	0.0%
Bank Charges	16,100	0.4%
Professional Fees	72,077	2.0%
Revenue Sharing	213,864	5.9%
Miscellaneous	13,734	0.4%
Depreciation	24,704	0.7%
Total General & Administration Expenses	766,418	21.3%
TOTAL EXPENSES	3,013,814	83.7%
NET SURPLUS/(DEFICIT)	\$ 587,414	16.3%

(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 eight months ended September 30, 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 eight months ended September 30, 2021
REVENUE						
Events						
Special Events	1,667,838	\$ 1,785,990	\$ 1,449,292	\$ 1,552,655	\$ 706,907	\$ 442,947
Walks	1,306,879	1,372,352	1,439,061	1,405,110	636,575	633,732
Total Events	2,974,716	3,158,342	2,888,353	2,957,765	1,343,482	1,076,679
Annual Giving						
Contributions	490,727	312,128	260,659	418,874	482,917	210,880
Grants	475,189	664,250	465,250	515,916	438,297	430,000
Appeals	246,692	231,804	265,477	210,780	370,388	132,740
Memorials and Tributes	221,778	214,775	283,523	208,545	260,535	194,748
Workplace Giving	141,036	121,260	112,629	136,125	101,838	48,513
Total Annual Giving	1,575,422	1,544,217	1,387,537	1,490,240	1,653,975	1,016,881
Development						
Major Gifts	728,288	487,221	246,857	710,520	687,779	262,506
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	414,047
Government Funding	324,406	403,194	384,543	582,070	817,437	1,064,023
REVENUE FROM OPERATIONS	5,802,329	5,883,854	6,422,702	5,937,949	4,897,576	3,571,631
Unrealized (Loss) Gain	19,149	68,524	(40,612)	32,883	27,011	28,003
Interest Income	4,626	3,574	26,416	57,287	10,696	1,594
TOTAL REVENUE	5,826,103	5,955,952	6,408,507	6,028,119	4,935,282	3,601,228
EXPENSES						
Care Services						
Salaries and Benefits	1,695,286	1,403,782	1,483,299	1,565,690	1,507,009	962,040
ALS Clinic Centers	342,466	283,045	286,232	289,687	283,478	197,397
Abrams Program	512,066	464,385	607,649	623,034	451,952	247,516
Other Service Expenses	352,836	316,679	256,618	298,724	149,085	101,798
Allocated Overhead	173,901	253,174	282,893	320,125	252,643	141,565
Total Care Services	3,076,556	2,721,065	2,916,691	3,097,259	2,644,167	1,650,316
Research						
Research Payments to NTL	530,000	458,000	250,000	44,340	398,124	(121,570)
Research Coordinators	148,960	132,506	132,506	127,997	132,506	89,037
Other Research Expense	45,848	47,858	57,641	70,114	47,911	29,527
Allocated Overhead	154,830	225,408	251,868	285,017	224,936	126,039
Total Research	879,638	863,773	692,016	527,468	803,477	123,034
Education						
Education	621,569	618,431	673,092	718,917	526,297	364,387
Allocated Overhead	51,526	75,014	83,820	94,852	74,857	41,945
Total Education	673,095	693,446	756,913	813,769	601,154	406,332
Development						
Fundraising	538,020	469,852	483,397	522,262	542,522	310,185
Events	290,964	354,073	273,634	339,305	59,663	67,078
Allocated Overhead	64,408	93,768	104,775	118,565	93,571	52,431
Total Development	893,392	917,694	861,806	980,132	695,756	429,695
Administrative & Board	496,821	723,295	808,200	914,567	721,778	404,437
TOTAL EXPENSES	6,019,501	5,919,272	6,035,625	6,333,195	5,466,332	3,013,814
NET SURPLUS/(DEFICIT)	\$ (193,398)	\$ 36,680	\$ 372,882	\$ (305,076)	\$ (531,049)	\$ 587,414

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

Net Net Surplus (Deficit) for Period	\$	587,414
Adjustments to Reconcile Net Surplus (Deficit) to Net Cash from Operating Activities		
Depreciation (Total of Care Services + General & Administrative) Provided (Used) by Operating Activities		24,704
Decrease (Increase) in Pledged Receivables		(11,770)
(Increase) Decrease in Grant Receivables		59,280
(Increase) Decrease in Receivables - Other		135,284
Decrease (Increase) in Prepaids		(57,573)
Decrease (Increase) in Beneficial Interest in Perpetual Trust		(22,296)
Decrease (Increase) Property and Equipment		(47,563)
Increase (Decrease) in Accounts Payable		32,305
Increase (Decrease) in Accrued Liabilities		(30,153)
Increase (Decrease) in Loan Payable		110,445
Increase (Decrease) in Accrued National - Revenue Sharing		(235,069)
Increase (Decrease) in Accrued National - Research (Revenue Restricted)		(123,801)
Increase (Decrease) in Accrued National - Research		(826)
Increase (Decrease) in Deferred Rent		(4,180)
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Net Cash Provided (Used) by Operating Activities		416,200
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Net Surplus/(Deficit) in Cash		416,200
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Cash and Cash Equivalents Beginning		3,342,700
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Cash and Cash Equivalents Ending	\$	3,758,900
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The ALS Association Greater Philadelphia Chapter
Rolling Forecast
for the twelve months ending January 31, 2022

	Actual YTD		Forecast				Annual	
	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	TOTALS	Budget	Variance
Events								
Special Events	\$ 442,947	\$ 150,000	\$ 100,000	\$ 55,000	\$ 10,000	\$ 757,947	\$ 625,000	\$ 132,947
Walks	633,732	180,000	60,000	30,000	30,000	933,732	905,000	28,732
Total Events	1,076,679	330,000	160,000	85,000	40,000	1,691,679	1,530,000	161,679
Annual Giving								
Contributions	210,880	20,000	25,000	75,000	35,000	365,880	360,000	5,880
Grants	430,000	4,000	87,500	136,000	20,000	677,500	731,250	(53,750)
Appeals	132,740	15,000	20,000	35,000	40,000	242,740	290,000	(47,260)
Memorials and Tributes	194,748	15,000	25,000	35,000	15,000	284,748	210,000	74,748
Workplace Giving	48,513	10,000	10,000	15,000	10,000	93,513	125,000	(31,487)
Total Annual Giving	1,016,881	64,000	167,500	296,000	120,000	1,664,381	1,716,250	(51,869)
Development								
Major Gifts	262,506	12,500	-	300,000	-	575,006	675,000	(99,994)
Bequests	151,541	25,000	25,000	25,000	25,000	251,541	250,000	1,541
Total Development	414,047	37,500	25,000	325,000	25,000	826,547	925,000	(98,453)
Government Funding	1,064,023	57,115	57,115	57,115	57,115	1,292,481	685,375	607,106
REVENUE FROM OPERATIONS	3,571,631	488,615	409,615	763,115	242,115	5,475,089	4,856,625	618,464
Unrealized (Loss) Gain	28,003	4,300	7,000	7,000	7,000	53,303	-	53,303
Interest Income	1,594	-	-	-	-	1,594	58,100	(56,506)
TOTAL REVENUE	3,601,228	492,915	416,615	770,115	249,115	5,529,986	4,914,725	615,261
EXPENSES								
Care Services								
Salaries and Benefits	962,040	119,687	119,687	119,687	88,443	1,409,544	1,405,000	4,544
ALS Clinic Centers	197,397	23,808	23,808	23,808	23,812	292,633	285,700	6,933
Abrams Program	247,516	46,083	46,083	46,083	46,087	431,852	553,000	(121,148)
Other Service Expenses	101,798	20,480	20,480	20,480	20,490	183,727	245,767	(62,040)
Allocated Overhead	141,565	21,424	21,424	21,424	21,424	227,260	257,088	(29,827)
Total Care Services	1,650,316	231,482	231,482	231,482	200,256	2,545,017	2,746,555	(201,538)
Research								
Research Payments to NTL	(121,570)	21,364	21,364	21,364	21,366	(36,112)	256,370	(292,482)
Research Coordinators	89,037	9,766	9,766	9,766	9,765	128,100	117,191	10,909
Other Research Expense	29,527	542	542	542	544	31,697	6,506	25,191
Allocated Overhead	126,039	19,074	19,074	19,074	19,074	202,337	228,893	(26,556)
Total Research	123,034	50,746	50,746	50,746	50,749	326,022	608,960	(282,938)
Education								
Education	364,387	43,716	43,716	43,716	43,716	539,251	524,605	14,646
Allocated Overhead	41,945	6,348	6,348	6,348	6,348	67,336	76,174	(8,838)
Total Education	406,332	50,064	50,064	50,064	50,064	606,588	600,779	5,809
Development								
Fundraising	310,185	34,764	34,764	34,764	34,764	449,240	417,174	32,066
Events	67,078	52,000	55,000	26,050	5,000	205,128	208,050	(2,922)
Allocated Overhead	52,431	7,935	7,935	7,935	7,935	84,171	95,218	(11,047)
Total Development	429,695	94,698	97,698	68,748	47,698	738,539	720,442	18,097
Administrative & Board	404,437	61,206	61,206	61,206	61,206	649,263	734,476	(85,213)
TOTAL EXPENSES	3,013,814	488,197	491,197	462,247	409,974	4,865,428	5,411,211	(545,783)
NET SURPLUS/(DEFICIT)	\$ 587,414	\$ 4,718	\$ (74,582)	\$ 307,868	\$ (160,859)	\$ 664,558	\$ (496,486)	\$ 1,161,044
Depreciation	24,704	3,628	3,628					
Pledged Receivables	(11,770)	30,000	25,000					
Grant Receivables	59,280	46,800	46,500					
Receivables - Other	135,284	35,000	44,000					
Prepays	(57,573)	-	-					
Beneficial Interest in Perpetual Trust	(22,296)	-	-					
Purchase of Property & Equipment	(47,563)	-	-					
Accounts Payable	32,305	(175,000)	(12,000)					
Accrued Liabilities	(30,153)	(35,000)	(44,000)					
Loan Payable-SBA	110,445	-	-					
Accrued National - Revenue Sharing	(235,069)	-	-					
Accrued National - Research (Revenue Restricted)	(123,801)	-	-					
Accrued National - Research	(826)	-	-					
Deferred Rent	(4,180)	(522)	(522)					
Cash and Cash Equivalents Beginning	3,342,700	3,758,900	3,668,524					
Cash and Cash Equivalents Ending	\$ 3,758,900	\$ 3,668,524	\$ 3,656,548					