

MEMORANDUM

To: Mike McCorristin, Executive Vice President
From: Anna Kuechler, YPTC
Date: July 23, 2021

Subject: **June 30, 2021 Financial Statements**

Your financial statements for the period ended June 30, 2021 are attached.

These reports include:

- Financial Dashboard – As of June 30, 2021
- Statements of Financial Position – As of June 30, 2021 and June 30, 2020
- Statements of Activities – Twelve Months Ended June 30, 2021
- Statement of Cash Flows – Twelve Months Ended June 30, 2021
- Rolling Forecast – Operating – Fiscal Year Ending June 30, 2021

CIS had a \$497k Net Surplus for the year and ended with a strong cash balance. YPTC does not anticipate significant changes to the financials as a result of the upcoming audit.

Statement of Financial Position/Dashboard Analysis

- 1) Liquidity – CIS continues to be in a great liquidity position.
 - a) Current ratio = Current Assets/Current Liabilities
 - i) $3,735k/971k = 3.8$ vs. 3.1 as of 6/30/2020
 - b) Months Expenses on Hand = Current Assets/Average Monthly Expenses
 - i) There are enough current assets to support about 6.9 months of operations for the organization.

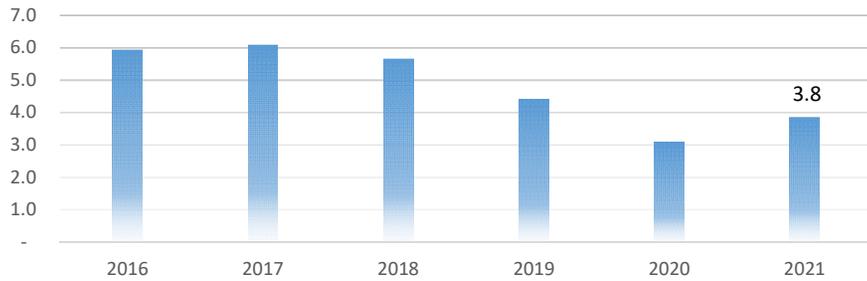
Statement of Activities

- 1) Net Surplus
 - a) Vs. Prior Year: The Net Surplus for the Twelve Months ended June 30, 2021 is \$497k compared to the prior year period Net Surplus of \$923k.
 - i) Revenue is down \$847k from the same period last year. Funding from Foundations is below prior year due to a multi-year grant that was pledged and recorded in FY 2020.
 - ii) Expenses are down \$420k over the same period last year. A primary reason for the variance is the in-kind occupancy expense that was incurred in 2020 but not 2021.
 - b) Vs. Budget: Revenue is exceeding while expense is trailing the Board approved Budget YTD.
 - i) Revenue: \$5,067k actual, vs \$4,829k budget. Variances from budget of \$89k for the United Way and \$73k for Individuals are the largest drivers.
 - ii) Expense: \$4,570k actual vs. \$5,092k budget. Payroll and benefits were \$468k below budget and most other budgeted expenses fell below expectations.

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

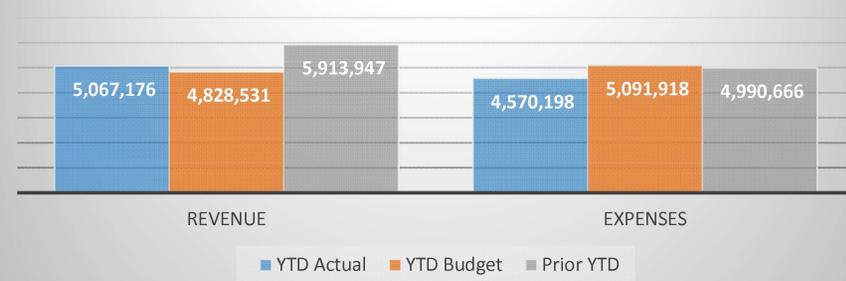
Communities in Schools Of Eastern Pennsylvania Financial Dashboard as of June 30, 2021

CURRENT RATIO



A ratio of 1.0 to 2.0 is considered healthy. A ratio over 3 indicates an opportunity for investment. CIS has considerable cash reserves as well as high Accounts Receivable (mostly the Century Fund grant), leading to the high Current Ratio.

YTD Budget to Actual



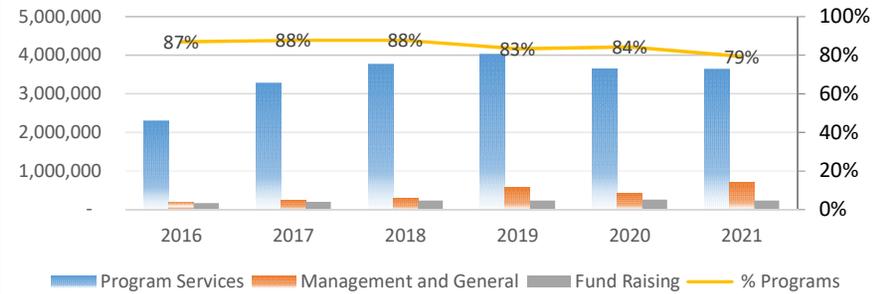
Revenues are exceeding budget and trailing prior year. Expenses are trailing budget but exceeding prior year. This has led to a large net surplus of \$558k YTD, compared to the budgeted deficit of \$235k.

Months Expenses on Hand



The recommended benchmark is 3-6 months. CIS is in a strong position and should look to maintain this level of Expenses on Hand.

PROGRAM EFFICIENCY



The percentage of expenses spent on programs remains strong. YTD efficiency is slightly lower during the year as certain allocations of expenses are not made until year-end.

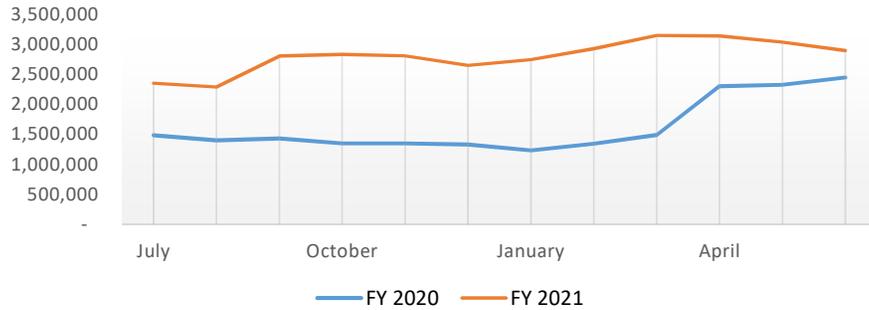
Better than average or exceeding expectations

Equal to expectations or trending in the wrong direction

Areas of concern

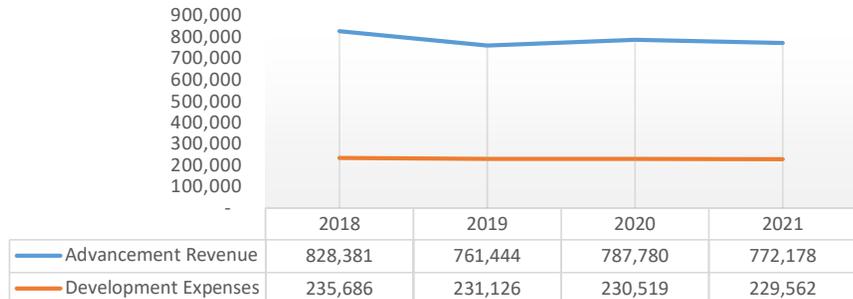
Communities in Schools Of Eastern Pennsylvania Financial Dashboard as of June 30, 2021

Cash Balances - YTD



Cash has increased by \$449k YTD.

Fundraising Efficiency



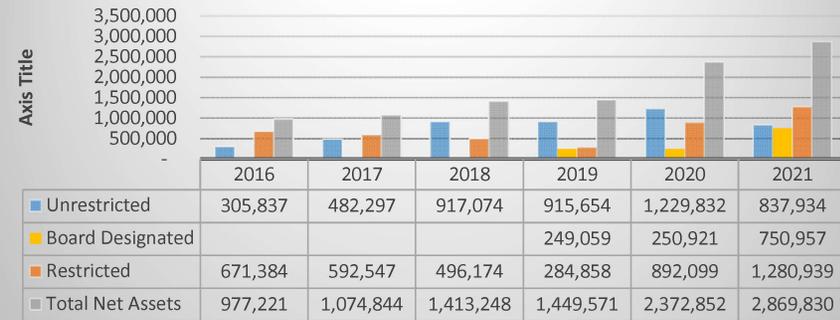
Fundraising efficiency has remained relatively similar to prior years.

Debt/Asset Ratio

	2017	2018	2019	2020	2021
Debt	\$ 267,036	\$ 308,624	\$ 384,663	\$ 1,070,576	\$ 971,141
Assets	\$ 1,607,569	\$ 1,763,889	\$ 1,838,265	\$ 3,443,428	\$ 3,840,971
Debt/Asset Ratio	17%	17%	21%	31%	25%

Debt/Asset Ratio has decreased YTD due payment of debts and increased cash.

Net Assets



Net Assets are consistently growing year over year.

FY 21 - ADVANCEMENT REVENUE



Advancement Revenue is exceeding budget.

Special Event Analysis

	2017	2018	2019	2020	2021
Revenue	\$ 77,383	\$ 55,226	\$ 55,503	\$ 16,000	\$ -
Expenses	\$ 21,340	\$ 38,520	\$ 25,061	\$ 5,791	\$ 4,998
Margin	72%	30%	55%	64%	0%

Special Events were mostly cancelled in FY 2020 and 2021.

Better than average or exceeding expectations

Equal to expectations or trending in the wrong direction

Areas of concern

Communities in Schools Of Eastern Pennsylvania
Statements of Financial Position
As Of June 30, 2021 and June 30, 2020

	<u>Jun-2021</u>	<u>Jun-2020</u>	<u>Variance</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 2,896,112	\$ 2,447,403	\$ 448,709
Accounts Receivable	789,639	822,626	(32,986)
Other Current Assets	49,312	41,022	8,290
Total Current Assets	<u>\$ 3,735,064</u>	<u>\$ 3,311,051</u>	<u>\$ 424,013</u>
Long Term Assets			
Fixed Assets	376,011	376,011	-
Accumulated Depreciation	(270,103)	(243,634)	(26,469)
Total Long Term Assets	<u>\$ 105,908</u>	<u>\$ 132,377</u>	<u>\$ (26,469)</u>
Total Assets	<u>\$ 3,840,971</u>	<u>\$ 3,443,428</u>	<u>\$ 397,543</u>
Liabilities and Fund Balance			
Liabilities			
Current Liabilities	971,141	1,070,576	(99,435)
Long Term Liabilities	-	-	-
Total Liabilities	<u>\$ 971,141</u>	<u>\$ 1,070,576</u>	<u>\$ (99,435)</u>
Fund Balance			
Net Assets Without Restrictions	837,934	1,837,073	(999,139)
Board-Designated Operating Reserve	750,957	250,921	500,036
Net Assets With Restrictions	1,280,939	284,858	996,081
Total Fund Balance	<u>\$ 2,869,830</u>	<u>\$ 2,372,852</u>	<u>\$ 496,978</u>
Total Liabilities and Fund Balance	<u>\$ 3,840,971</u>	<u>\$ 3,443,428</u>	<u>\$ 397,543</u>
Beginning Balance	2,372,852	1,449,571	923,281
Net Surplus/(Deficit)	496,978	923,281	(426,303)
Ending Fund Balance	<u>\$ 2,869,830</u>	<u>\$ 2,372,852</u>	<u>\$ 496,978</u>

Communities in Schools Of Eastern Pennsylvania
Statements of Activities
Twelve Months Ended June 30, 2021

	(A)		(B)	(A) - (B)
	<u>FYTD 2021</u>	<u>FYTD 2020</u>	<u>FYTD 2021 Budget</u>	<u>Variance</u>
Revenue				
Contracted Services	\$ 2,761,105	\$ 2,137,619	\$ 2,715,524	\$ 45,581
Grants	538,074	657,473	496,219	41,855
United Way	995,819	955,008	906,817	89,002
Corporate	101,168	181,816	141,414	(40,246)
Foundations	418,533	1,081,767	380,483	38,050
Individuals	237,903	181,899	165,095	72,808
Board of Directors	12,669	14,120	10,668	2,001
Special Events	-	16,000	-	-
Other	1,905	12,360	12,310	(10,405)
Total Revenue	<u>\$ 5,067,176</u>	<u>\$ 5,913,947</u>	<u>\$ 4,828,531</u>	<u>\$ 238,645</u>
Expense				
Personnel Expense				
Salaries	3,398,583	3,257,478	3,820,750	(422,167)
Payroll Taxes & Benefits	599,289	532,409	645,370	(46,081)
Total Personnel Expense	<u>\$ 3,997,872</u>	<u>\$ 3,789,887</u>	<u>\$ 4,466,120</u>	<u>\$ (468,248)</u>
Non-Personnel Expense				
Rent	63,000	63,000	66,150	(3,150)
Utilities/Occupancy Cost	63,976	56,198	62,344	1,632
Insurance	35,743	29,635	36,400	(657)
Transportation & Travel	3,043	78,074	75,946	(72,903)
Printing & Supplies	27,393	27,651	35,000	(7,607)
Contracted Services & Fees	113,427	90,027	151,844	(38,417)
Special Event Expenses	4,998	5,791	-	4,998
Depreciation Expense	26,469	32,678	34,312	(7,842)
Scholarships	1,500	(6)	-	1,500
Student Support	225,677	119,899	126,802	98,875
Other	7,098	697,832	37,000	(29,902)
Total Non-Personnel Expense	<u>\$ 572,326</u>	<u>\$ 1,200,779</u>	<u>\$ 625,798</u>	<u>\$ (53,472)</u>
Total Expense	<u>\$ 4,570,198</u>	<u>\$ 4,990,666</u>	<u>\$ 5,091,918</u>	<u>\$ (521,720)</u>
Net Surplus/(Deficit)	496,978	923,281	(263,387)	760,365
Beginning Fund Balance	2,372,852	1,449,571	2,372,852	-
Ending Fund Balance	<u><u>\$ 2,869,830</u></u>	<u><u>\$ 2,372,852</u></u>	<u><u>\$ 2,109,465</u></u>	<u><u>\$ 760,365</u></u>

**Communities in Schools Of Eastern Pennsylvania
Statement of Cash Flows
Twelve Months Ended June 30, 2021**

	FYTD 2021
Cash Flows From Operating Activities	
Net Surplus/(Deficit) For Period	\$ 496,978
Adjustments to Reconcile Net Surplus/Deficit to Net Cash Provided (Used) by Operating Activities	
Decrease (Increase) in Prepaid Expenses	(8,290)
Decrease (Increase) in Accounts Receivable	(4,283)
Decrease (Increase) in Pledge Receivable	37,270
Increase (Decrease) in Accounts Payable	12,130
Increase (Decrease) in Short-Term Debt	(5,393)
Increase (Decrease) in Accrued Payroll	(109,146)
Increase (Decrease) in Accrued Payroll Taxes	2,975
Depreciation Expense	26,469
Net Cash Provided (Used) by Operating Activities	\$ 448,709
 Net Increase/(Decrease) in Cash	 \$ 448,709
 Cash and Cash Equivalents as of June 30, 2020	 2,447,403
 Cash and Cash Equivalents as of June 30, 2021	 \$ 2,896,112

Communities in Schools Of Eastern Pennsylvania
Rolling Forecast - Operating
Fiscal Year Ending June 30, 2021

	<u>Actual</u> <u>July - June</u>	<u>Budget</u> <u>FY 2021</u>	<u>Variance</u> <u>FY 2021</u>	<u>Budget</u> <u>FY 2022</u>
Revenue				
Contracted Services	\$ 2,761,105	\$ 2,715,524	45,581	3,398,459
Grants	538,074	496,219	41,855	548,865
United Way	995,819	906,817	89,002	978,139
Corporate	101,168	141,414	(40,246)	136,692
Foundations	418,533	380,483	38,050	419,117
Individuals	237,903	165,095	72,808	253,782
Board of Directors	12,669	10,668	2,001	11,942
Special Events	-	-	-	25,000
Other	1,905	12,310	(10,405)	6,958
Total Revenue	<u>\$ 5,067,176</u>	<u>\$ 4,828,531</u>	<u>238,645</u>	<u>5,778,954</u>
Expense				
Personnel Expense				
Salaries	3,398,583	3,820,750	(422,167)	4,377,223
Payroll Taxes & Benefits	599,289	645,370	(46,081)	777,471
Total Personnel Expense	<u>\$ 3,997,872</u>	<u>\$ 4,466,120</u>	<u>(468,248)</u>	<u>5,154,694</u>
Non-Personnel Expense				
Rent	63,000	66,150	(3,150)	63,000
Utilities/Occupancy Cost	63,976	62,344	1,632	65,297
Insurance	35,743	36,400	(657)	36,692
Transportation & Travel	3,043	75,946	(72,903)	32,585
Printing & Supplies	27,393	35,000	(7,607)	25,875
Contracted Services & Fees	113,427	151,844	(38,417)	183,284
Special Event Expenses	4,998	-	4,998	7,500
Depreciation Expense	26,469	34,312	(7,842)	32,730
Scholarships	1,500	-	1,500	1,500
Student Support	225,677	126,802	98,875	101,549
Other	7,098	37,000	(29,902)	11,839
Total Non-Personnel Expense	<u>\$ 572,326</u>	<u>\$ 625,798</u>	<u>(53,472)</u>	<u>561,851</u>
Total Expense	<u>\$ 4,570,198</u>	<u>\$ 5,091,918</u>	<u>\$ (521,720)</u>	<u>\$ 5,716,545</u>
Net Surplus/(Deficit)	496,978	(263,387)	760,365	62,409
Other Cash/Non-Cash Items				
Total Restricted Revenue				
Decrease (Increase) in Prepaid Expenses	(8,290)			
Decrease (Increase) in Accounts Receivable	(4,283)			
Decrease (Increase) in Pledge Receivable	37,270			
Increase (Decrease) in Accounts Payable	12,130			
Increase (Decrease) in Short-Term Debt	(5,393)			
Increase (Decrease) in Accrued Payroll	(109,146)			
Increase (Decrease) in Accrued Payroll Tax:	2,975			
Depreciation Expense	26,469			
Total Other Cash/Non-Cash items	<u>\$ (48,269)</u>			
Net Operating Cash Flow	448,709			
Ending Unrestricted Cash	1,094,526			
Ending Board Designated Cash	750,945			
Ending Donor Restricted Cash	358,840			
PPP Loan	691,801			
Ending Total Cash	<u>\$ 2,896,112</u>			