

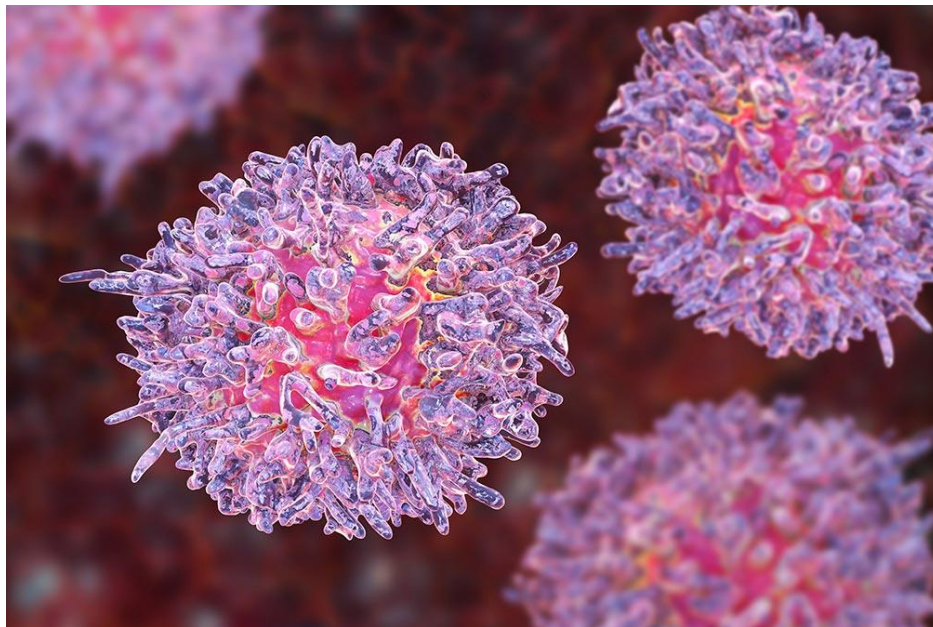
# Leukemia & Lymphoma Society

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Vasquez



# Overview

- 1 Introduction
- 2 Analytics
- 3 Strategy
- 4 Forecasting
- 5 Budget
- 6 Conclusion



The history of Leukemia & Lymphoma Society (LLS) has always been centered around advocating for the patient.

- Started in 1949 by parents Rudolph and Antoinette de Villiers after their son's passing from leukemia
- Headquarters located in Rye Brook, NY
- Mission: **“Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families.”**



Robert "Robbie" Roesler de Villiers  
December 24, 1927 - October 20, 1944

LLS focuses on three pillars: research, patient access, and policy and advocacy.



### Research

Invested almost \$1.3B in cancer research since 1949

Fund 250+ research grants around the world

Helped advance 19 of 21 blood therapies approved in 2018

Therapy Acceleration Program (TAP)



### Patient Access

Distributed more than \$323M in co-pay financial assistance

Provided free information, support services, and financial assistance to over 30,000 people last year



### Policy and Advocacy

Advocate for state and federal policies that benefit patients

Nationwide grassroots network of more than 100,000 volunteers

LLS fundraises through event-based campaigns, which are both a strength and weakness for the organization.



**TEAM IN  
TRAINING®**



**LIGHT  
THE NIGHT®**



**MAN & WOMAN  
OF THE YEAR®**



**STUDENTS  
OF THE YEAR**



**LEUKEMIA  
CUP REGATTA®**



**STUDENT  
SERIES**

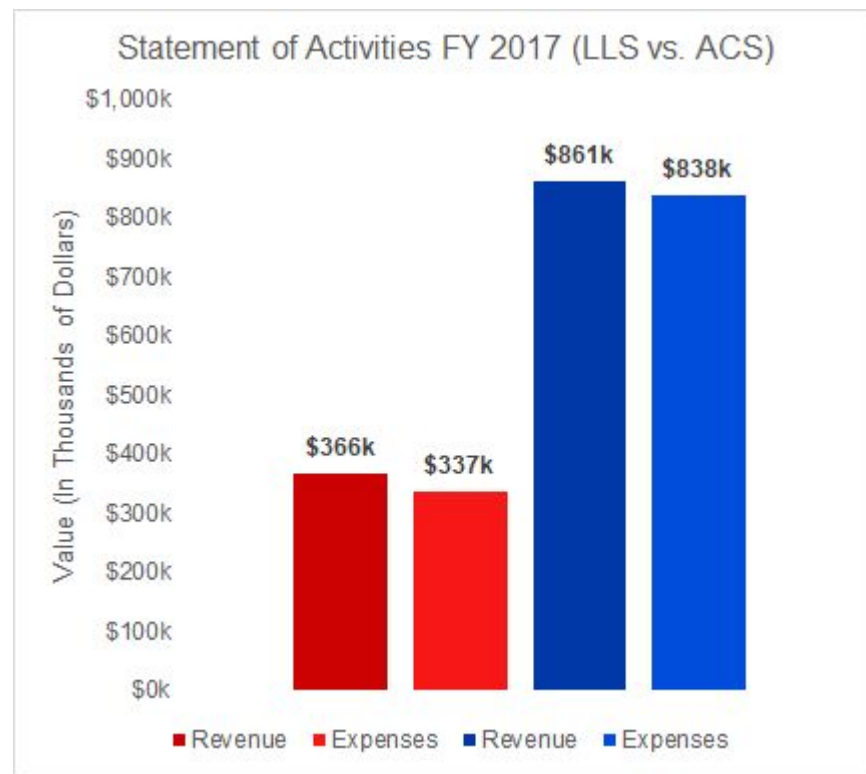
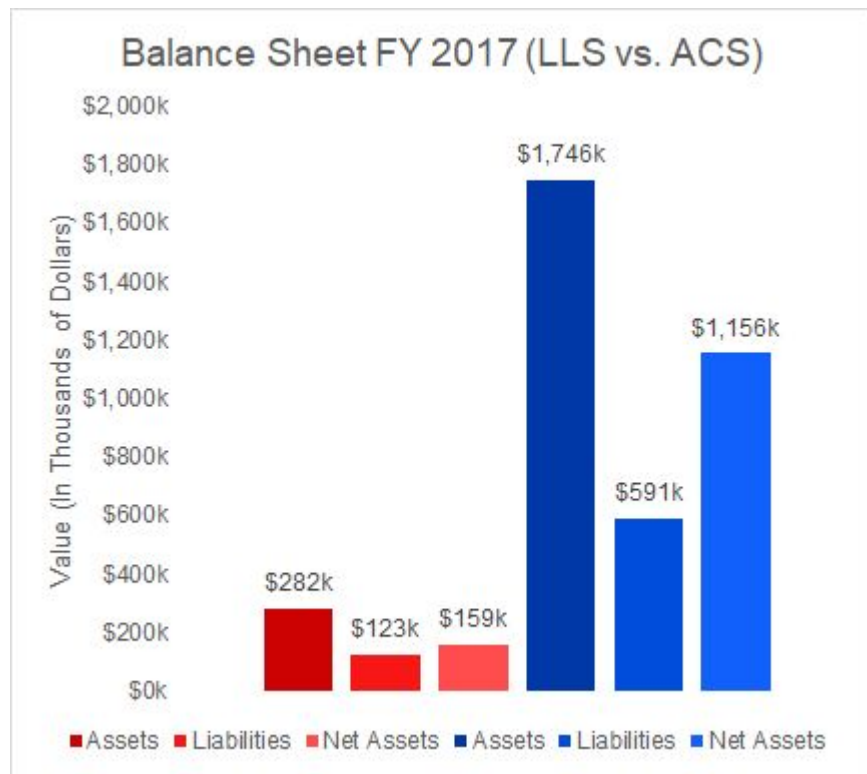
American Cancer Society (ACS) is a comparable organization to LLS due to its event-based structure and similar mission.

- Started in 1913
- Global headquarters in Atlanta, GA
- Mission: “**The American Cancer Society’s mission is to save lives, celebrate lives, and lead the fight for a world without cancer.**”

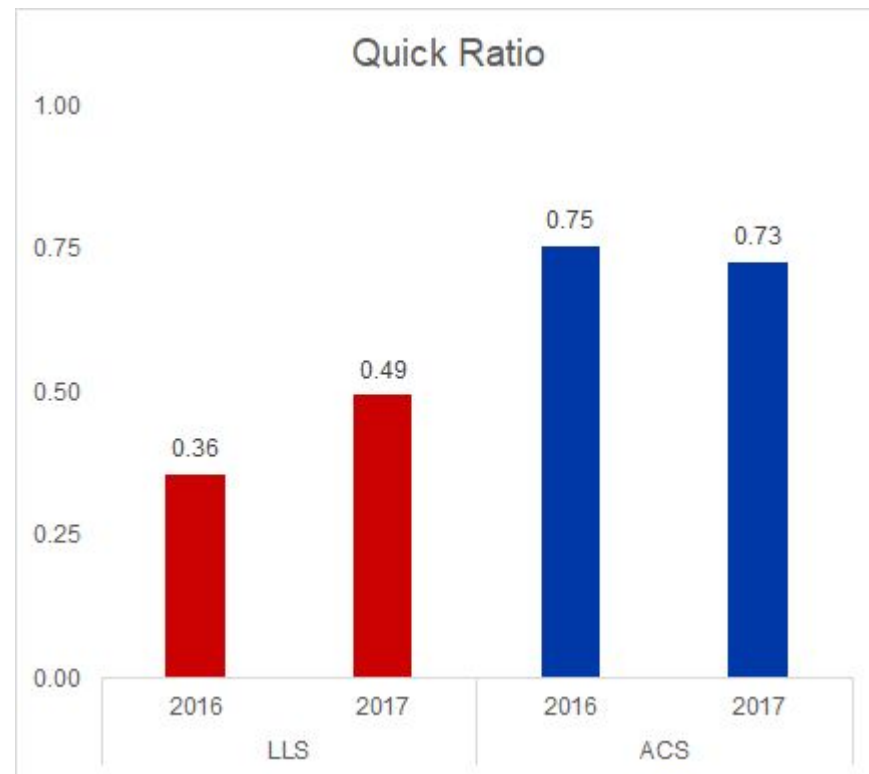
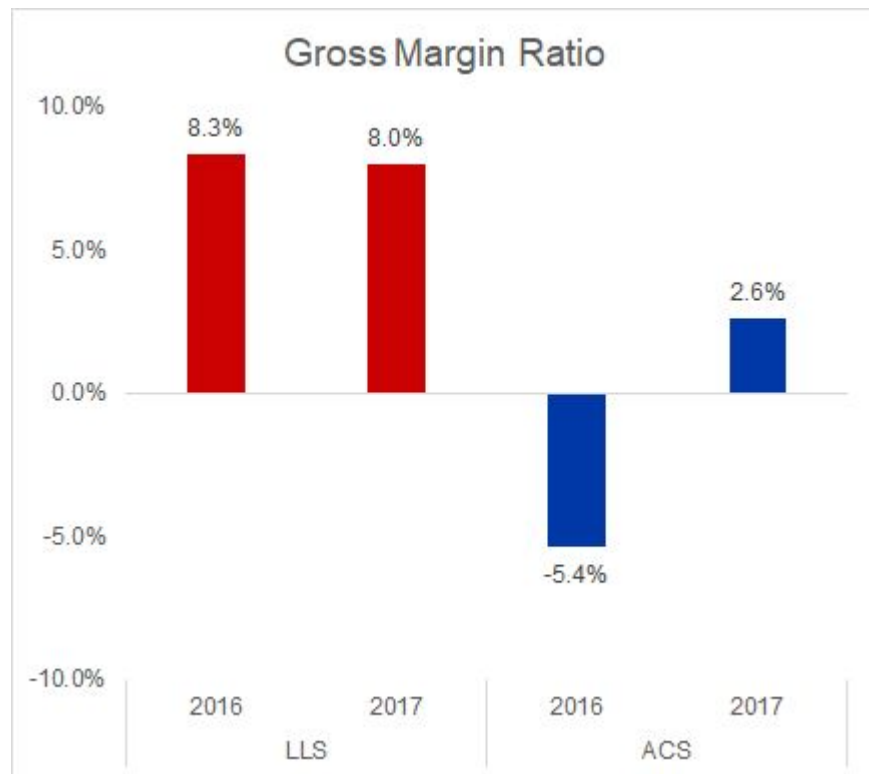




The balance sheets and statement statements of activities reveal that ACS is a much larger organization than LLS.

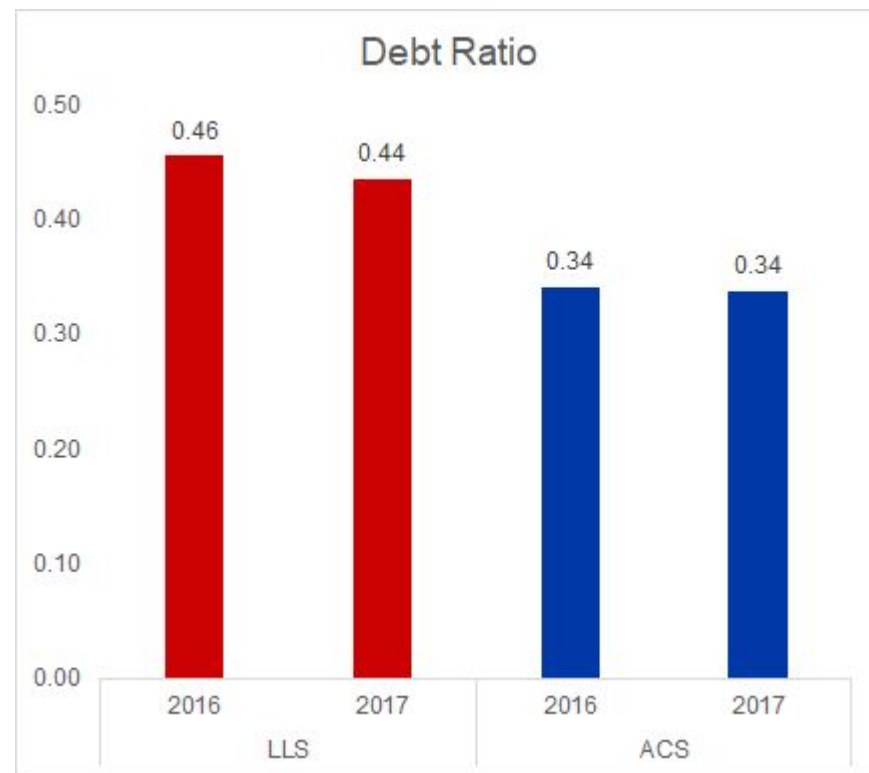
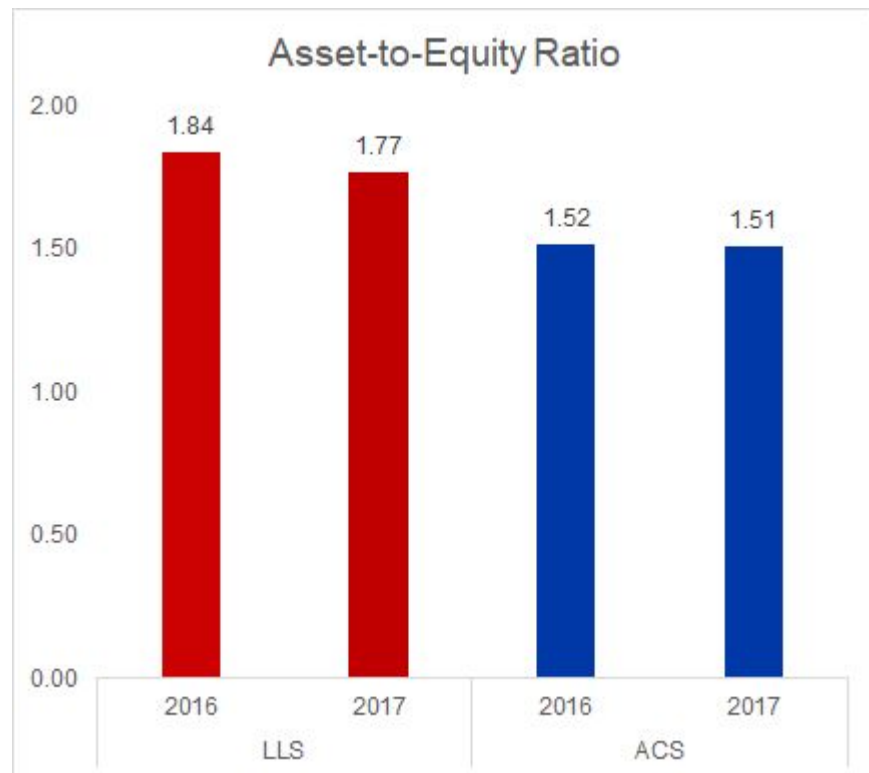


LLS performs better in profitability than ACS, showing appropriate allocation of funds, but should improve its liquidity to meet short-term obligations.

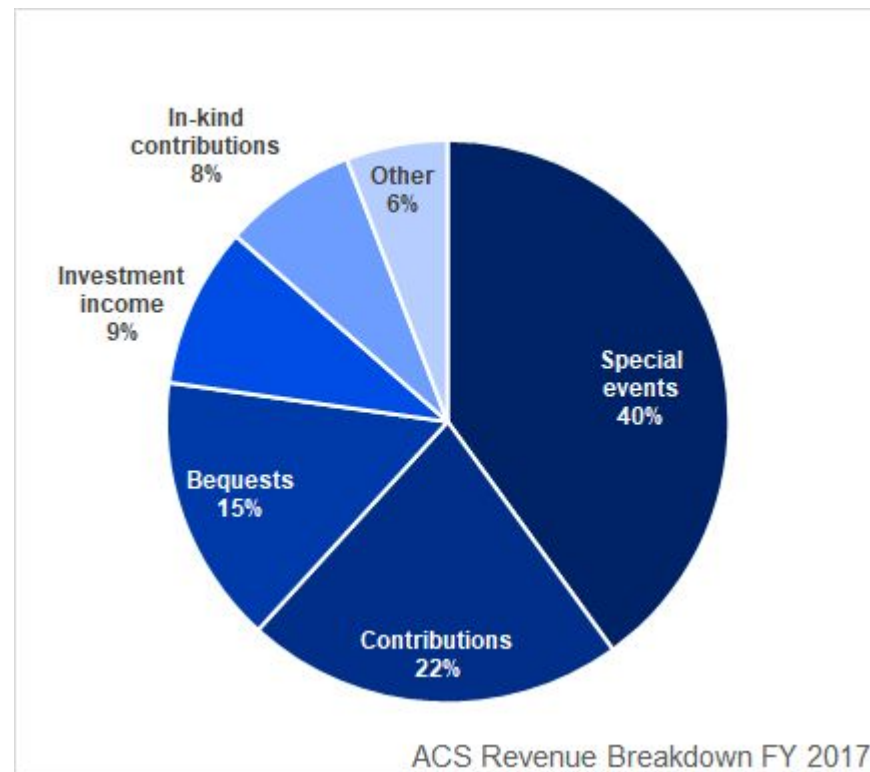
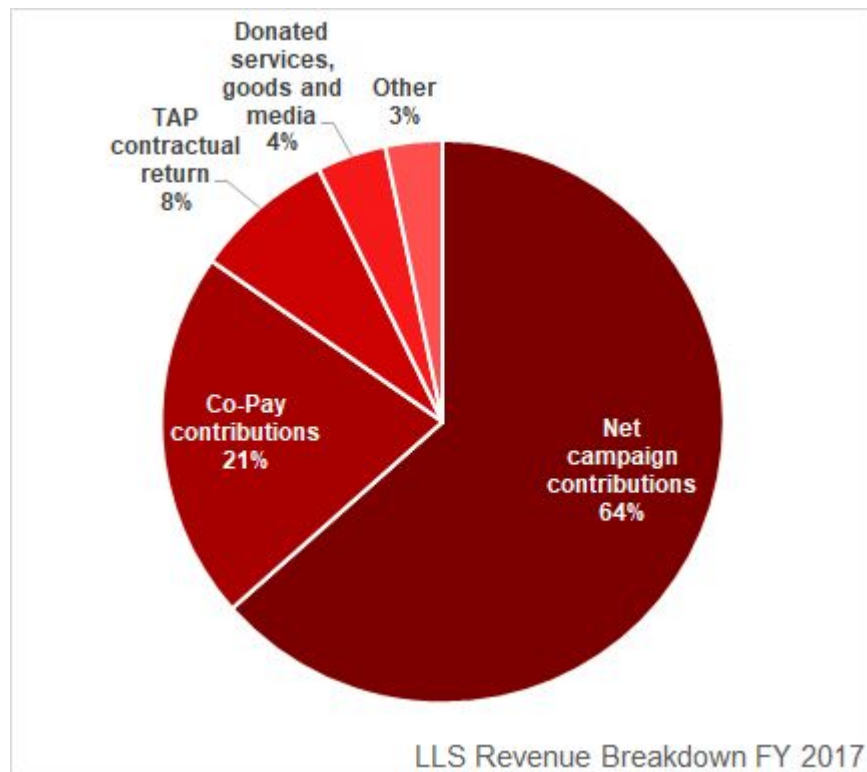




When comparing to industry standards, LLS has higher solvency ratios than ACS while ACS has slightly better debt ratios, indicating lower leverage for LLS.



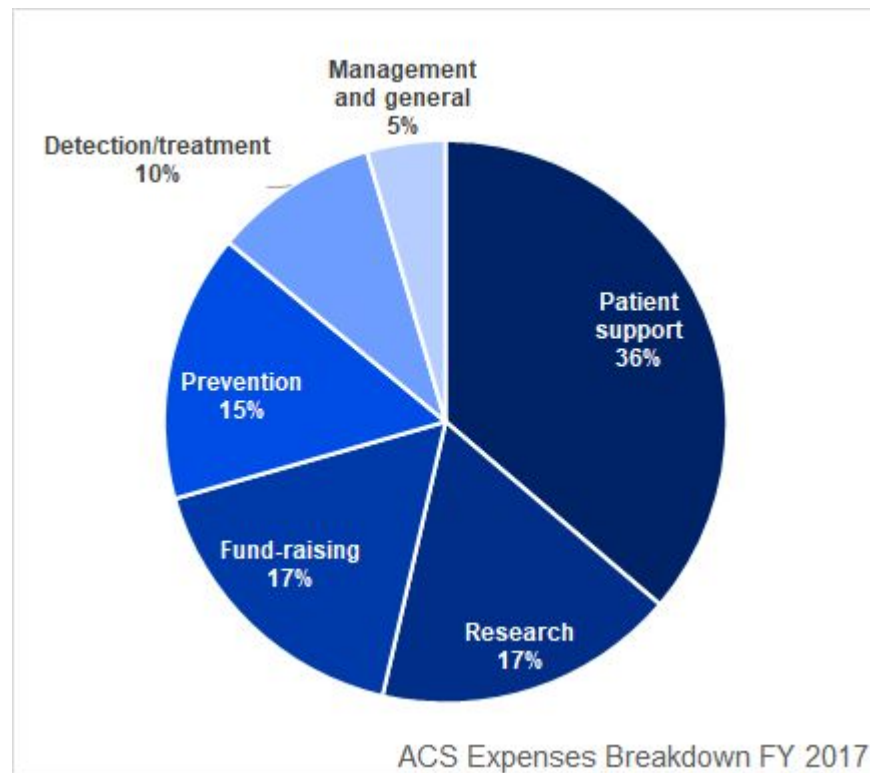
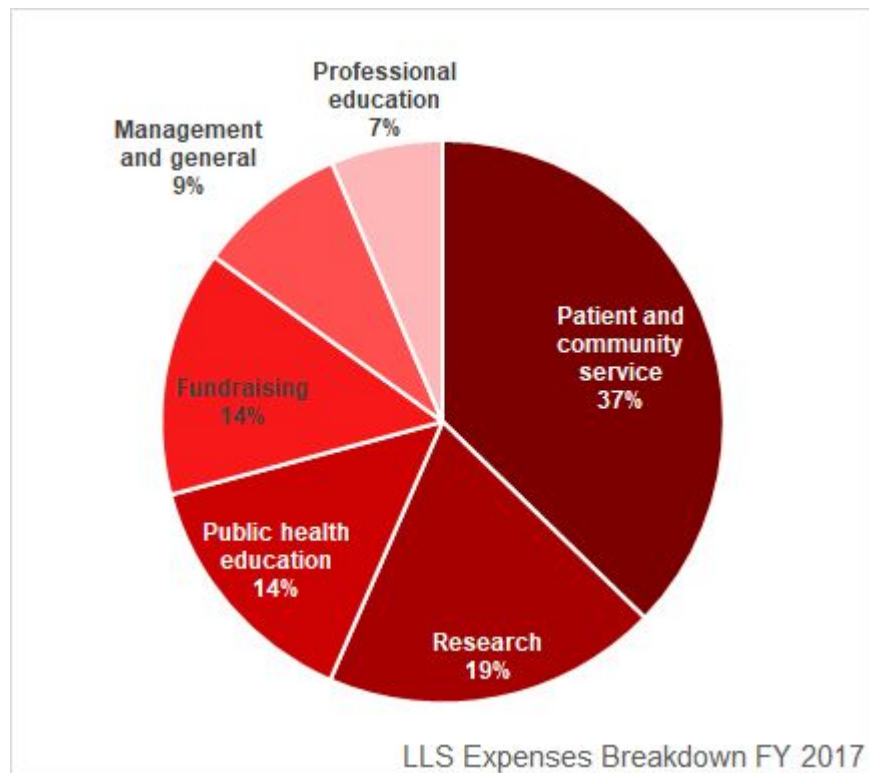
For LLS, the main revenue sources are Net campaign contributions and Co-pay contributions, compared to Special events and Contributions for ACS.



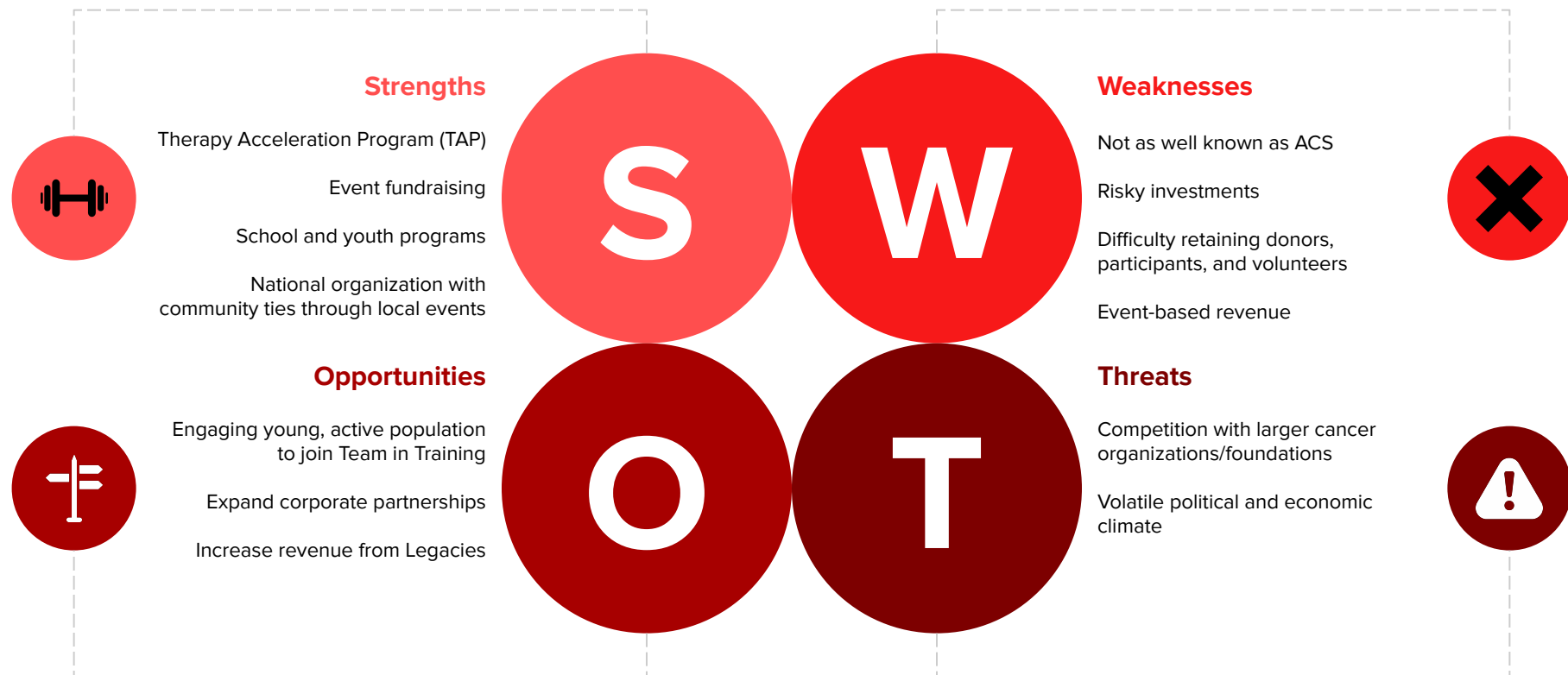
After performing horizontal and vertical analyses, it appears LLS can improve on Net campaign contributions and Legacies and other revenue.

THE LEUKEMIA AND LYMPHOMA SOCIETY, INC.					
Year ended June 30, 2017 (with summarized totals for the year ended June 30, 2016)					
(In Thousands)					
	2017		2016		% Change
	Total	Common Size	Total	Common Size	
<b>Operating revenue</b>					
Campaign contributions	\$258,525	70.5%	258,839	86.5%	-0.1%
Less direct donor benefit costs	(25,955)	-7.1%	(26,348)	-8.8%	-1.5%
Net campaign contributions	232,570	63.5%	232,491	77.7%	0.0%
Co-Pay contributions	77,779	21.2%	46,739	15.6%	66.4%
Therapy acceleration program contractual return	29,548	8.1%	-	0.0%	-
Donated services, goods and media	14,594	4.0%	11,175	3.7%	30.6%
Legacies and other revenue	5,291	1.4%	7,946	2.7%	-33.4%
Service revenue	3,847	1.0%	-	0.0%	-
Net interest and dividend income	2,866	0.8%	2,866	1.0%	0.0%
Net assets released from restrictions					
Co-Pay assistance	-	0.0%	-	0.0%	-
Satisfaction of other donor restrictions	-	0.0%	-	0.0%	-
Total operating revenue	366,495	100.0%	299,343	100.0%	22.4%
<b>Operating expenses</b>					
Program services					
Research	65,067	19.3%	54,691	19.9%	19.0%
Patient and community service	125,677	37.3%	89,209	32.5%	40.9%
Public health education	48,138	14.3%	42,881	15.6%	12.3%
Professional education	21,698	6.4%	15,373	5.6%	41.1%
Total program services	260,580	77.3%	202,154	73.7%	28.9%
Supporting services					
Management and general	29,049	8.6%	27,553	10.0%	5.4%
Fund raising	47,656	14.1%	44,749	16.3%	6.5%
Total supporting services	76,705	22.7%	72,302	26.3%	6.1%
Total operating expenses	337,285	100.0%	274,456	100.0%	22.9%

Both LLS and ACS devote the highest proportion of expenses to focusing on their patients (Patient and community service/Patient support).



## Performing a SWOT analysis highlights potential areas of growth for LLS.



LLS should continue current trends while targeting large corporations to develop new partnerships and focusing resources on recruiting volunteers.



### Partnerships

Increase donations through corporate partnerships and social media presence within three years



### Assets

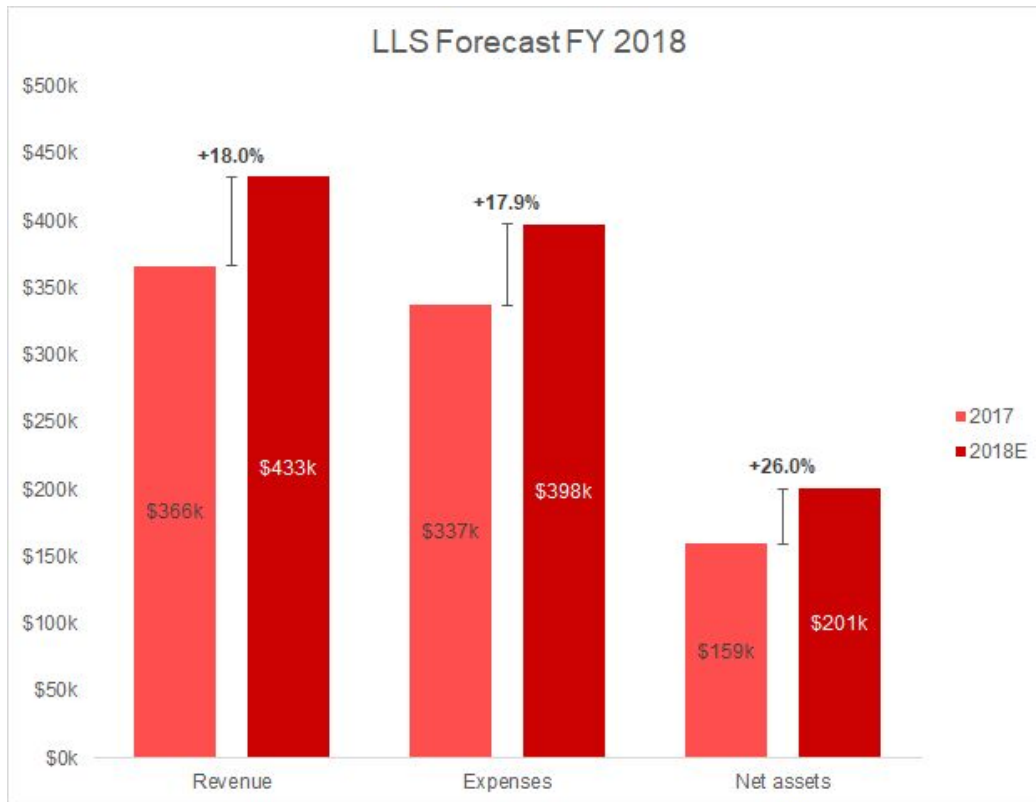
Decrease amount of assets in investments to improve liquidity within the next year



### Volunteers

Develop volunteer recruitment and retention program and reinvent volunteer engagement for events between one to three years

Looking forward, while both operating revenue and operating expenses increase, net assets will pile up at the similar growth rate in 2016-2017.





Assumptions used for forecasting align with our proposal of strategy.



### Revenue

Revenue will continue to increase through

- Net campaign contributions increasing by 5% (mainly with corporate sponsorships)
- Co-pay contributions increasing by 70%



### Expenses

Management and general expenses will stay the same thanks to hiring volunteers rather than paid employees

The increasing trends in all other operating expenses will continue and be accelerated at the same rate as revenue



### Assets

Divest 20% of assets in investments to improve liquidity

The increased rates in Campaign contributions and Co-pay contributions strongly affect change in revenue, expenses, and net assets.

Sensitivity Analysis	Best case	Most-likely case	Worst case
Increase in Campaign contributions	10.0%	5.0%	-5.0%
Increase in Co-Pay contributions	100.0%	70.0%	20.0%
Increase in Total operating revenue	27.6%	18.0%	1.1%
Increase in Total operating expenses	27.4%	17.9%	1.1%
Change in net assets	27.9%	26.0%	22.7%

LLS can expect to invest a large upfront cost of 25% of its Total Revenue on Marketing Expenses to attract and retain corporate sponsorships and donors.

Projected 2018 Budget for External Relations		
Expense	Projected 2018 Amount	Percent of Total Revenue
Total Marketing Revenue	\$99,639	25%
Total Marketing Expenses	\$79,149	20%
Net Marketing Income	\$20,490	5%
Projected ROI		25.9%

#### Budget Allocation

- Fundraising Team
- Marketing Team
- Outreach Team
- Event Planning Team
- Market Research
- Social Media Platform

To conclude, we recommend LLS further their mission by

1

Strengthening corporate partnerships

2

Decreasing investments

3

Creating volunteer recruitment and retention programs



# Appendix

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# Appendices

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## Appendix 1: Partners





## Appendix 2: LLS Balance Sheet

LLS Balance Sheet		
(In Thousands)	2016	2017
<b>Assets</b>	<b>\$ 223,985</b>	<b>\$ 282,339</b>
Cash and cash equivalent	\$ 18,596	\$ 41,401
Contributions and other receivables, net	\$ 17,244	\$ 17,785
Fixed assets, net	\$ 16,946	\$ 10,119
Investments	\$ 168,293	\$ 209,421
Prepaid expenses and others	\$ 2,906	\$ 3,613
<b>Liabilities</b>	<b>\$ 102,129</b>	<b>\$ 123,029</b>
Account payables and accrued expenses	\$ 13,655	\$ 21,711
Awards and grant payable	\$ 60,451	\$ 64,052
Co-Pay assistance payable	\$ 13,469	\$ 20,071
Deferred revenue	\$ 12,916	\$ 14,028
Other long-term liabilities	\$ 1,638	\$ 3,167
<b>Net Assets</b>	<b>\$ 121,856</b>	<b>\$ 159,310</b>
Permanently restricted	\$ 3,437	\$ 3,156
Temporarily restricted	\$ 34,241	\$ 29,161
Unrestricted	\$ 84,178	\$ 126,993

## Appendix 3: LLS Balance Sheet Horizontal/Vertical Analyses

### THE LEUKEMIA AND LYMPHOMA SOCIETY, INC.

June 30, 2017 (with comparative amounts at June 30, 2016)

(In Thousands)

<b>Assets</b>	<b>2017</b>	<b>Common Size</b>	<b>2016</b>	<b>Common Size</b>	<b>% Change</b>
Cash and cash equivalents	\$ 41,401	14.7%	18,596	8.3%	122.6%
Prepaid expenses and other assets	3,613	1.3%	2,906	1.3%	24.3%
Contribution and other receivables, net	17,785	6.3%	17,244	7.7%	3.1%
Investments	209,421	74.2%	168,293	75.1%	24.4%
Fixed assets, net	10,119	3.6%	16,946	7.6%	-40.3%
Total assets	\$282,339	100.0%	223,985	100.0%	26.1%

### Liabilities and Net Assets

#### Liabilities

Accounts payable and accrued expenses	\$ 21,711	7.7%	13,655	6.1%	59.0%
Deferred revenue	14,028	5.0%	12,916	5.8%	8.6%
Awards and grants payable	64,052	22.7%	60,451	27.0%	6.0%
Co-Pay assistance payable	20,071	7.1%	13,469	6.0%	49.0%
Other long-term liabilities	3,167	1.1%	1,638	0.7%	93.3%
Total liabilities	123,029	43.6%	102,129	45.6%	20.5%

#### Net Assets

Unrestricted	126,993	45.0%	84,178	37.6%	50.9%
Temporarily restricted	29,161	10.3%	34,241	15.3%	-14.8%
Permanently restricted	3,156	1.1%	3,437	1.5%	-8.2%
Total net assets	159,310	56.4%	121,856	54.4%	30.7%
Total liabilities and net assets	\$282,339	100.0%	223,985	100.0%	26.1%

## Appendix 4: LLS Statement of Activities

LLS Statement of Activities			
(In Thousands)		2016	2017
<b>Revenue</b>		<b>\$ 299,343</b>	<b>\$ 366,495</b>
Co-Pay contributions		\$ 46,379	\$ 77,779
Donated Services, goods and media		\$ 11,175	\$ 14,594
Legacies and other revenue		\$ 7,946	\$ 5,291
Net campaign contributions		\$ 232,491	\$ 232,570
Net interest and dividend income		\$ 1,352	\$ 2,866
Service revenue		\$ -	\$ 3,847
Therapy acceleration program contractual return		\$ -	\$ 29,548
<b>Expenses</b>		<b>\$ 274,456</b>	<b>\$ 337,285</b>
Fundraising		\$ 44,749	\$ 47,656
Management and general		\$ 27,553	\$ 29,049
Patient and community service		\$ 89,209	\$ 125,677
Professional education		\$ 15,373	\$ 21,698
Public health education		\$ 42,881	\$ 48,138
Research		\$ 54,691	\$ 65,067

## Appendix 5: ACS Balance Sheet

ACS Balance Sheet		1	
(In Thousands)		2016	2017
<b>Assets</b>		<b>\$ 1,705,977</b>	<b>\$ 1,746,290</b>
<b>Current</b>		<b>\$ 243,824</b>	<b>\$ 246,537</b>
Bequests receivable		\$ 93,459	\$ 80,291
Cash and cash equivalents		\$ 116,400	\$ 120,558
Investments		\$ 84	\$ 84
Prepaid expenses		\$ 15,460	\$ 14,033
Receivables, net		\$ 18,421	\$ 31,571
<b>Noncurrent</b>		<b>\$ 1,462,153</b>	<b>\$ 1,499,753</b>
Beneficial interests in funds		\$ 321,145	\$ 353,442
Fixed assets, net		\$ 253,744	\$ 242,594
Gift annuity investments		\$ 37,168	\$ 40,213
Investments		\$ 795,260	\$ 795,364
Other assets		\$ 6,024	\$ 7,038
Receivables, net		\$ 48,812	\$ 61,102
<b>Liabilities</b>		<b>\$ 582,343</b>	<b>\$ 590,726</b>
<b>Current</b>		<b>\$ 178,672</b>	<b>\$ 209,244</b>
Accounts payable and other accrued expenses		\$ 69,403	\$ 76,243
Debt		\$ 2,337	\$ 2,395
Employee retirement benefits		\$ 17,386	\$ 17,493
Other liabilities		\$ 6,854	\$ 13,154
Research and other program grants payable		\$ 82,692	\$ 99,959
<b>Noncurrent</b>		<b>\$ 403,671</b>	<b>\$ 381,482</b>
Debt		\$ 48,658	\$ 55,869
Employee retirement benefits		\$ 203,835	\$ 190,273
Gift annuity investments		\$ 19,601	\$ 16,564
Other liabilities		\$ 13,250	\$ 12,858
Research and other program grants payable		\$ 118,327	\$ 105,918
<b>Net Assets</b>		<b>\$ 1,123,634</b>	<b>\$ 1,155,564</b>
<b>Noncurrent</b>		<b>\$ 1,123,634</b>	<b>\$ 1,155,564</b>
Permanently restricted		\$ 285,721	\$ 301,691
Temporarily restricted		\$ 310,054	\$ 339,789
Unrestricted		\$ 527,859	\$ 514,084

Note: LLS FY ends June 30 while ACS FY ends December 31.

## Appendix 6: ACS Balance Sheet Horizontal/Vertical Analyses

AMERICAN CANCER SOCIETY, INC.					
For the years ended December 31, 2017 and 2016					
(In Thousands)					
Assets	2017		2016		% Change
Current assets					
Cash and cash equivalents	\$ 120,558	6.9%	116,400	6.8%	3.6%
Investments	84	0.0%	84	0.0%	0.0%
Receivables, net	31,571	1.8%	18,421	1.1%	71.4%
Prepaid expenses	14,033	0.8%	15,460	0.9%	-9.2%
Bequests receivable	80,291	4.6%	93,459	5.5%	-14.1%
Total current assets	246,537	14.1%	243,824	14.3%	1.1%
Receivables, net	61,102	3.5%	48,812	2.9%	25.2%
Other assets	7,038	0.4%	6,024	0.4%	16.8%
Gift annuity investments	40,213	2.3%	37,168	2.2%	8.2%
Investments	795,364	45.5%	795,260	46.6%	0.0%
Beneficial interests in trusts	353,442	20.2%	321,145	18.8%	10.1%
Fixed assets, net	242,594	13.9%	253,744	14.9%	-4.4%
Total assets	\$ 1,746,290	100.0%	1,705,977	100.0%	2.4%
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other accrued expenses	\$ 76,243	4.4%	69,403	4.1%	9.9%
Research and other program grants payable	99,959	5.7%	82,692	4.8%	20.9%
Employee retirement benefits	17,493	1.0%	17,386	1.0%	0.6%
Debt	2,395	0.1%	2,337	0.1%	2.5%
Other liabilities	13,154	0.8%	6,854	0.4%	91.9%
Total current liabilities	209,244	12.0%	178,672	10.5%	17.1%
Research and other program grants payable	105,918	6.1%	118,327	6.9%	-10.5%
Employee retirement benefits	190,273	10.9%	203,835	11.9%	-6.7%
Other liabilities	12,858	0.7%	13,250	0.8%	-3.0%
Debt	55,869	3.2%	48,658	2.9%	14.8%
Gift annuity obligations	16,564	0.9%	19,601	1.1%	-15.5%
Total liabilities	590,726	33.8%	582,343	34.1%	1.4%
Commitments and contingencies					
Net Assets					
Unrestricted					
Available for mission program and support activities:	329,754	18.9%	325,110	19.1%	1.4%
Net investment in fixed assets	184,330	10.6%	202,749	11.9%	-9.1%
Total unrestricted	514,084	29.4%	527,859	30.9%	-2.6%
Temporarily restricted	339,789	19.5%	310,054	18.2%	9.6%
Permanently restricted	301,691	17.3%	285,721	16.7%	5.6%
Total net assets	1,155,564	66.2%	1,123,634	65.9%	2.8%
Total liabilities and net assets	\$ 1,746,290	100.0%	1,705,977	100.0%	2.4%

## Appendix 7: ACS Statement of Activities

ACS Statement of Activities			
(In Thousands)		2016	2017
<b>Revenue</b>		<b>\$ 841,418</b>	<b>\$ 860,691</b>
Bequests	\$	137,972	\$ 133,087
Change in value of split-interest agreements	\$	4,590	\$ 30,570
Contributions	\$	181,340	\$ 187,117
Grants and contracts from government agencies	\$	6,076	\$ 5,784
In-kind contributions	\$	59,728	\$ 66,307
Investment income	\$	39,965	\$ 79,480
Other	\$	7,238	\$ 5,305
Other gains (losses)	\$	11,619	\$ 8,599
Special events	\$	392,890	\$ 344,442
<b>Expenses</b>		<b>\$ 886,962</b>	<b>\$ 838,421</b>
Detection/treatment	\$	88,184	\$ 79,539
Fund-raising	\$	175,460	\$ 142,343
Management and general	\$	47,314	\$ 37,896
Patient support	\$	309,772	\$ 303,838
Prevention	\$	113,718	\$ 129,155
Research	\$	152,514	\$ 145,650



## Appendix 8: ACS Statement of Activities Horizontal/Vertical Analyses

### AMERICAN CANCER SOCIETY, INC.

For the years ended December 31, 2017 and 2016

(In Thousands)

	2017	Common Size	2016	Common Size	% Change
<b>Our mission program and mission support expenses were funded by</b>					
Support from the public					
Special events, including Relay For Life and Making Strides Against Breast Cancer	\$ 344,442	40.0%	392,890	46.7%	-12.3%
Contributions	187,117	21.7%	181,340	21.6%	3.2%
Bequests	133,087	15.5%	137,972	16.4%	-3.5%
Contributed services, merchandise and other in-kind contributions	66,307	7.7%	59,728	7.1%	11.0%
Other	5,305	0.6%	7,238	0.9%	-26.7%
Total support from the public	736,258	85.5%	779,168	92.6%	-5.5%
Investment income	79,480	9.2%	39,965	4.7%	98.9%
Change in value of split-interest agreements	30,570	3.6%	4,590	0.5%	566.0%
Grants and contracts from government agencies	5,784	0.7%	6,076	0.7%	-4.8%
Other gains (losses)	8,599	1.0%	11,619	1.4%	-26.0%
Total revenues, gains and other support	860,691	100.0%	841,418	100.0%	2.3%
<b>Our mission program and mission support expenses were</b>					
Mission program services					
Patient support	303,838	36.2%	309,772	34.9%	-1.9%
Research	145,650	17.4%	152,514	17.2%	-4.5%
Prevention	129,155	15.4%	113,718	12.8%	13.6%
Detection/treatment	79,539	9.5%	88,184	9.9%	-9.8%
Total mission program services	658,182	78.5%	664,188	74.9%	-0.9%
Mission support services		0.0%		0.0%	
Management and general	37,896	4.5%	47,314	5.3%	-19.9%
Fund-raising	142,343	17.0%	175,460	19.8%	-18.9%
Total mission support services	180,239	21.5%	222,744	25.1%	-19.1%
Total mission program and mission support services expenses	838,421	100.0%	886,962	100.0%	-5.5%



# Appendix 9: LLS vs. ACS Balance Sheet Comparison FY 2017

THE LEUKEMIA AND LYMPHOMA SOCIETY, INC.					
June 30, 2017 (with comparative amounts at June 30, 2016)					
(In Thousands)					
Assets	2017	Common Size	2016	Common Size	% Change
Cash and cash equivalents	\$ 41,401	14.7%	18,596	8.3%	122.6%
Prepaid expenses and other assets	3,613	1.3%	2,906	1.3%	24.3%
Contribution and other receivables, net	17,785	6.3%	17,244	7.7%	3.1%
Investments	209,421	74.2%	168,293	75.1%	24.4%
Fixed assets, net	10,119	3.6%	16,946	7.6%	-40.3%
Total assets	\$282,339	100.0%	223,985	100.0%	26.1%
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expense	\$ 21,711	7.7%	13,655	6.1%	59.0%
Deferred revenue	14,028	5.0%	12,916	5.8%	8.6%
Awards and grants payable	64,052	22.7%	60,451	27.0%	6.0%
Co-Pay assistance payable	20,071	7.1%	13,469	6.0%	49.0%
Other long-term liabilities	3,167	1.1%	1,638	0.7%	93.3%
Total liabilities	123,029	43.6%	102,129	45.6%	20.5%
Net Assets					
Unrestricted	126,993	45.0%	84,178	37.6%	50.9%
Temporarily restricted	29,161	10.3%	34,241	15.3%	-14.8%
Permanently restricted	3,156	1.1%	3,437	1.5%	-8.2%
Total net assets	159,310	56.4%	121,856	54.4%	30.7%
Total liabilities and net assets	\$282,339	100.0%	223,985	100.0%	26.1%

AMERICAN CANCER SOCIETY, INC.					
For the years ended December 31, 2017 and 2016					
(In Thousands)					
Assets	2017		2016		% Change
Current assets					
Cash and cash equivalents	\$ 120,558	6.9%	116,400	6.8%	3.6%
Investments	84	0.0%	84	0.0%	0.0%
Receivables, net	31,571	1.8%	18,421	1.1%	71.4%
Prepaid expenses	14,033	0.8%	15,460	0.9%	-9.2%
Bequests receivable	80,291	4.6%	93,459	5.5%	-14.1%
Total current assets	246,537	14.1%	243,824	14.3%	1.1%
Receivables, net	61,102	3.5%	48,812	2.9%	25.2%
Other assets	7,038	0.4%	6,024	0.4%	16.8%
Gift annuity investments	40,213	2.3%	37,168	2.2%	8.2%
Investments	795,364	45.5%	795,260	46.6%	0.0%
Beneficial interests in trusts	353,442	20.2%	321,145	18.8%	10.1%
Fixed assets, net	242,594	13.9%	253,744	14.9%	-4.4%
Total assets	\$ 1,746,290	100.0%	1,705,977	100.0%	2.4%
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other accrued expenses	\$ 76,243	4.4%	69,403	4.1%	9.9%
Research and other program grants payable	99,959	5.7%	82,692	4.8%	20.9%
Employee retirement benefits	17,493	1.0%	17,386	1.0%	0.6%
Debt	2,395	0.1%	2,337	0.1%	2.5%
Other liabilities	13,154	0.8%	6,854	0.4%	91.9%
Total current liabilities	209,244	12.0%	178,672	10.5%	17.1%
Research and other program grants payable	105,918	6.1%	118,327	6.9%	-10.5%
Employee retirement benefits	190,273	10.9%	203,835	11.9%	-6.7%
Other liabilities	12,858	0.7%	13,250	0.8%	-3.0%
Debt	55,869	3.2%	48,658	2.9%	14.8%
Gift annuity obligations	16,564	0.9%	19,601	1.1%	-15.5%
Total liabilities	590,726	33.8%	582,343	34.1%	1.4%
Commitments and contingencies					
Net Assets					
Unrestricted					
Available for mission program and support activities	329,754	18.9%	325,110	19.1%	1.4%
Net investment in fixed assets	184,330	10.6%	202,749	11.9%	-9.1%
Total unrestricted	514,084	29.4%	527,859	30.9%	-2.6%
Temporarily restricted	339,789	19.5%	310,054	18.2%	9.6%
Permanently restricted	301,691	17.3%	285,721	16.7%	5.6%
Total net assets	1,155,564	66.2%	1,123,634	65.9%	2.8%
Total liabilities and net assets	\$ 1,746,290	100.0%	1,705,977	100.0%	2.4%



# Appendix 10: LLS vs. ACS Statement of Activities Comparison FY 2017

## THE LEUKEMIA AND LYMPHOMA SOCIETY, INC.

Year ended June 30, 2017 (with summarized totals for the year ended June 30, 2016)  
(In Thousands)

	Total				
	2017	Common Size	2016	Common Size	% Change
<b>Operating revenue</b>					
Campaign contributions	\$258,525	70.5%	258,839	86.5%	-0.1%
Less direct donor benefit costs	(25,955)	-7.1%	(26,348)	-8.8%	-1.5%
Net campaign contributions	232,570	63.5%	232,491	77.7%	0.0%
Co-Pay contributions	77,779	21.2%	46,739	15.6%	66.4%
Therapy acceleration program contractual return	29,548	8.1%	-	0.0%	-
Donated services, goods and media	14,594	4.0%	11,175	3.7%	30.6%
Legacies and other revenue	5,291	1.4%	7,946	2.7%	-33.4%
Service revenue	3,847	1.0%	-	0.0%	-
Net interest and dividend income	2,866	0.8%	2,866	1.0%	0.0%
Net assets released from restrictions					
Co-Pay assistance	-	0.0%	-	0.0%	-
Satisfaction of other donor restrictions	-	0.0%	-	0.0%	-
Total operating revenue	366,495	100.0%	299,343	100.0%	22.4%

### Operating expenses

<b>Program services</b>					
Research	65,067	19.3%	54,691	19.9%	19.0%
Patient and community service	125,677	37.3%	89,209	32.5%	40.9%
Public health education	48,138	14.3%	42,881	15.6%	12.3%
Professional education	21,698	6.4%	15,373	5.6%	41.1%
Total program services	260,580	77.3%	202,154	73.7%	28.9%
<b>Supporting services</b>		0.0%		0.0%	
Management and general	29,049	8.6%	27,553	10.0%	5.4%
Fund raising	47,656	14.1%	44,749	16.3%	6.5%
Total supporting services	76,705	22.7%	72,302	26.3%	6.1%
Total operating expenses	337,285	100.0%	274,456	100.0%	22.9%
Change in net assets from operating activities	29,210		24,887		17.4%
Foreign currency translation adjustment	(184)		(110)		67.3%
Net increase (decrease) in fair value of investments	8,428		4,157		102.7%
Net assets transferred and reclassified	-		552		-100.0%
Change in net assets	37,454		21,172		76.9%

### Net assets

Beginning of year	121,856	100,684	21.0%
End of year	\$159,310	121,856	30.7%

## AMERICAN CANCER SOCIETY, INC.

For the years ended December 31, 2017 and 2016  
(In Thousands)

	2017	Common Size	2016	Common Size	% Change
<b>Our mission program and mission support expenses were funded by</b>					
Support from the public					
Special events, including Relay For Life and Making Strides Against Breast Cancer	\$ 344,442	40.0%	392,890	46.7%	-12.3%
Contributions	187,117	21.7%	181,340	21.6%	3.2%
Bequests	133,087	15.5%	137,972	16.4%	-3.5%
Contributed services, merchandise and other in-kind contributions	66,307	7.7%	59,728	7.1%	11.0%
Other	5,305	0.6%	7,238	0.9%	-26.7%
Total support from the public	736,258	85.5%	779,168	92.6%	-5.5%
Investment income	79,480	9.2%	39,965	4.7%	98.9%
Change in value of split-interest agreements	30,570	3.6%	4,590	0.5%	566.0%
Grants and contracts from government agencies	5,784	0.7%	6,076	0.7%	-4.8%
Other gains (losses)	8,599	1.0%	11,619	1.4%	-26.0%
Total revenues, gains and other support	860,691	100.0%	841,418	100.0%	2.3%

### Our mission program and mission support expenses were

<b>Mission program services</b>					
Patient support	303,838	36.2%	309,772	34.9%	-1.9%
Research	145,650	17.4%	152,514	17.2%	-4.5%
Prevention	129,155	15.4%	113,718	12.8%	13.6%
Detection/treatment	79,539	9.5%	88,184	9.9%	-9.8%
Total mission program services	658,182	78.5%	664,188	74.9%	-0.9%
<b>Mission support services</b>		0.0%		0.0%	
Management and general	37,896	4.5%	47,314	5.3%	-19.9%
Fund-raising	142,343	17.0%	175,460	19.8%	-18.9%
Total mission support services	180,239	21.5%	222,744	25.1%	-19.1%
Total mission program and mission support services expenses	838,421	100.0%	886,962	100.0%	-5.5%

### Use of amount restricted by donors for specified purpose or time

Change in net assets prior to impact of retirement plan liability	22,270	(45,544)	-148.9%
Net increase (decrease) in retirement plan liability	(9,660)	6,206	-255.7%
Change in net assets	31,930	(51,750)	-161.7%

### Net assets, beginning of period

Net assets, beginning of period	1,123,634	1,175,384	-4.4%
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Net assets, end of period	\$1,155,564	1,123,634	2.8%
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## Appendix 11: Assumptions on Pro Forma Financial Statements

### Revenue

1. Assuming our efforts to increase corporate sponsorship works well, Net campaign contributions increasing by 5% with increasing gross campaign contributions and increasing direct donor benefit costs.
2. Co-pay contributions increases by 70% assuming it will grow at the similar rate between 2016 and 2017, which was about 66%.
3. Assuming it is difficult to increase legacies by our efforts, legacies will stay the same as well as most of other revenue items.
4. Other revenue items, including Therapy acceleration program contractual return, Donated services, goods and media, and other revenue, Service revenue, Net interest and dividend income will stay the same.

### Expenses

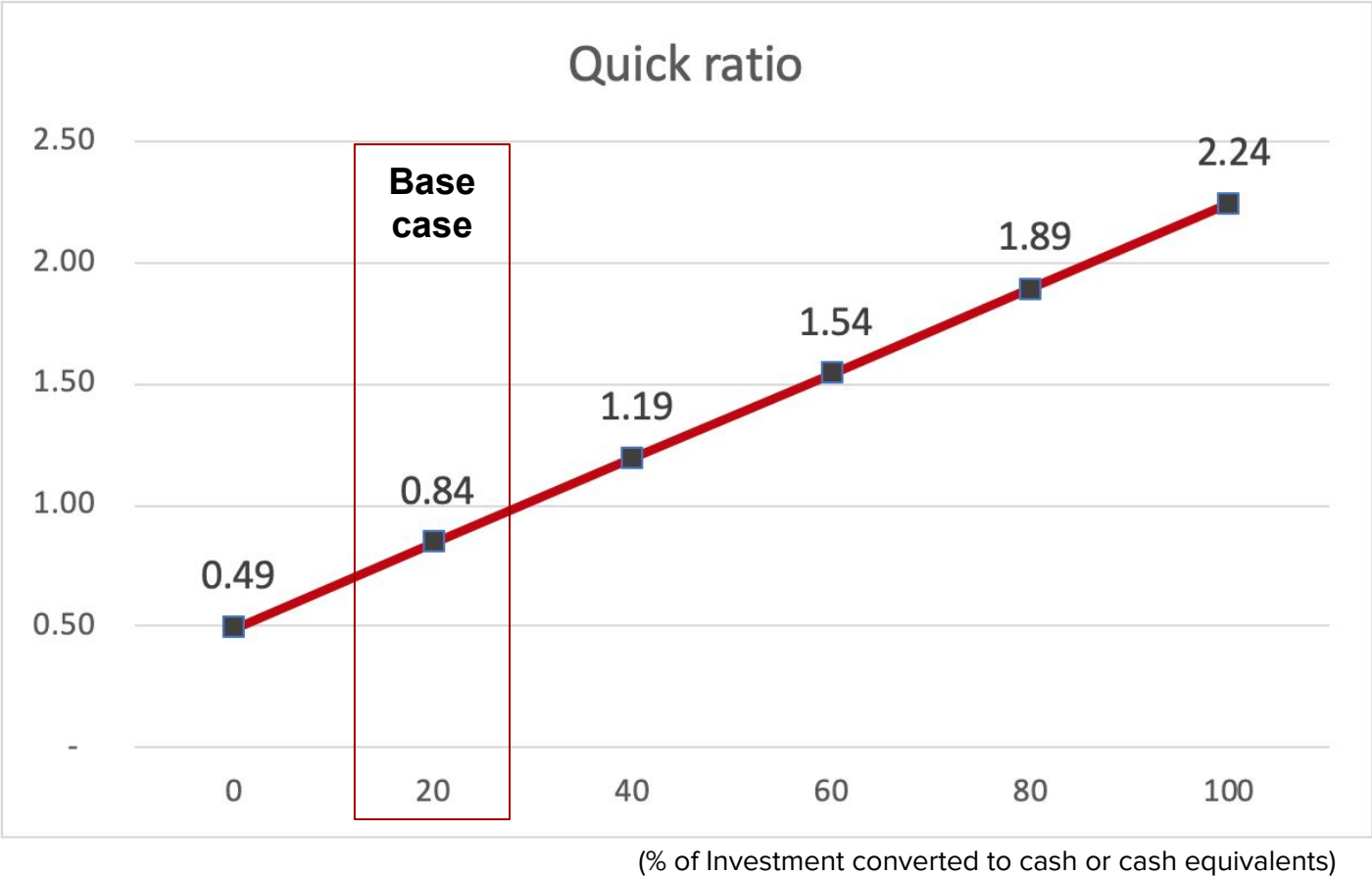
1. Management and general expenses will stay the same thanks to hiring volunteers rather than paid employees.
2. Assuming LLS will be willing to increase program expenses to work for its mission when revenue increases, other operating expense items will continue and be accelerated at the same rate as revenue. These include all program services (Research, Patient and community service, Public health education, Professional education) and supporting services for fundraising.
3. Assuming 20% of investments will be converted to cash at the beginning of the next fiscal year, net increase in fair value of investments will decrease by 20%.
4. Foreign currency translation adjustment and Net assets transferred and reclassified will stay the same.

## Appendix 12: Pro Forma Statement of Activities

	2018E			Total		Best case			Most-likely		Worst case	
	Best case	Most-likely case	Worst case	2017	2016	Absolute Change	Absolute Change	% Change	Absolute Change	% Change	Absolute Change	% Change
<b>Operating revenue</b>												
Campaign contributions	\$ 284,378	\$ 271,451	\$ 245,599	\$ 258,525	258,839	(314)	25,853	10.0%	12,926	5.0%	(12,926)	-5.0%
Less direct donor benefit costs	\$ (28,551)	\$ (27,253)	\$ (24,657)	(25,955)	(26,348)	393	(2,596)	10.0%	(1,298)	5.0%	1,298	-5.0%
Net campaign contributions	255,827	244,199	220,942	232,570	232,491	79	23,257	10.0%	11,629	5.0%	(11,629)	-5.0%
Co-Pay contributions	\$ 155,558	\$ 132,224	\$ 93,335	77,779	46,739	31,040	77,779	100.0%	54,445	70.0%	15,556	20.0%
Therapy acceleration program contractual return	29,548	29,548	29,548	29,548	-	29,548	-	0	-	0	-	0
Donated services, goods and media	14,594	14,594	14,594	14,594	11,175	3,419	-	0.0%	-	0.0%	-	0.0%
Legacies and other revenue	5,291	5,291	5,291	5,291	7,946	(2,655)	-	0.0%	-	0.0%	-	0.0%
Service revenue	3,847	3,847	3,847	3,847	-	3,847	-	0	-	0	-	0
Net interest and dividend income	2,866	2,866	2,866	2,866	2,866	-	-	0.0%	-	0.0%	-	0.0%
Net assets released from restrictions												
Co-Pay assistance	-	-	-	-	-	-	-	-	-	-	-	-
Satisfaction of other donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	467,531	432,569	370,422	366,495	299,343	67,152	101,036	27.6%	66,074	18.0%	3,927	1.1%
<b>Operating expenses</b>												
Program services												
Research	80,679	75,276	65,674	65,067	54,691	10,376	15,612	24.0%	10,209	15.7%	607	0.9%
Patient and community service	180,546	161,559	127,810	125,677	89,209	36,468	54,869	43.7%	35,882	28.6%	2,133	1.7%
Public health education	56,048	53,311	48,445	48,138	42,881	5,257	7,910	16.4%	5,173	10.7%	307	0.6%
Professional education	31,215	27,921	22,068	21,698	15,373	6,325	9,517	43.9%	6,223	28.7%	370	1.7%
Total program services	348,487	318,068	263,997	260,580	202,154	58,426	87,907	33.7%	57,488	22.1%	3,417	1.3%
Supporting services						-						
Management and general	29,049	29,049	29,049	29,049	27,553	1,496	-	0.0%	-	0.0%	-	0.0%
Fund raising	52,030	50,516	47,826	47,656	44,749	2,907	4,374	9.2%	2,860	6.0%	170	0.4%
Total supporting services	81,079	79,565	76,875	76,705	72,302	4,403	4,374	5.7%	2,860	3.7%	170	0.2%
Total operating expenses	429,566	397,633	340,872	337,285	274,456	62,829	92,281	27.4%	60,348	17.9%	3,587	1.1%
Change in net assets from operating activities	37,965	34,936	29,550	29,210	24,887	4,323	8,755	30.0%	5,726	19.6%	340	1.2%
Foreign currency translation adjustment	(184)	(184)	(184)	(184)	(110)	(74)	-	0.0%	-	0.0%	-	0.0%
Net increase (decrease) in fair value of investments	6,742	6,742	6,742	8,428	4,157	4,271	(1,686)	-20.0%	(1,686)	-20.0%	(1,686)	-20.0%
Net assets transferred and reclassified	-	-	-	-	552	(552)	-	-	-	-	-	-
Change in net assets	44,524	41,494	36,109	37,454	21,172	16,282	7,070	18.9%	4,040	10.8%	(1,345)	-3.6%
<b>Net assets</b>												
Beginning of year	159,310	159,310	159,310	121,856	100,684	21,172	37,454	30.7%	37,454	30.7%	37,454	30.7%
End of year	\$ 203,834	\$ 200,804	\$ 195,419	\$ 159,310	121,856	37,454	44,524	27.9%	41,494	26.0%	36,109	22.7%

Note: LLS FY ends June 30 while ACS FY ends December 31.

Appendix 13: Quick Ratio Graph





## Appendix 14: Projected 2018 Budget for External Affairs

External Affairs Projected Budget for 2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Revenues</b>													
Campaign Contributions	\$ 14,779	\$ 14,779	\$ 14,779	\$ 14,779	\$ 14,779	\$ 14,779	\$ 14,779	\$ 14,779	\$ 27,145	\$ 14,779	\$ 27,145	\$ 84,150	\$ 271,451
Less Direct Donor Benefit Cost	\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,478	\$ 2,715	\$ 1,478	\$ 2,715	\$ 8,415	\$ 27,145
Net Campaign Contributions	\$ 13,301	\$ 13,301	\$ 13,301	\$ 13,301	\$ 13,301	\$ 13,301	\$ 13,301	\$ 13,301	\$ 24,431	\$ 13,301	\$ 24,431	\$ 75,735	\$ 244,306
Co-Play Contributions	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 11,019	\$ 132,224
Donated Goods, Services, and Media	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 16,000
Legacies and Other Revenues	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 502	\$ 6,024
<b>Total Revenues</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$26,155</b>	<b>\$37,285</b>	<b>\$26,155</b>	<b>\$37,285</b>	<b>\$88,589</b>	<b>\$398,555</b>
<b>Personnel</b>													
Salaries, wages	\$ 3,523	\$ 3,523	\$ 3,523	\$ 3,523	\$ 3,523	\$ 3,523	\$ 3,523	\$ 3,858	\$ 4,527	\$ 3,858	\$ 4,527	\$ 4,527	\$ 45,959
Benefits and Taxes	710	710	710	710	710	710	710	710	710	710	710	710	\$ 8,515
Labor Expenses	4	4	4	4	4	4	4	4	4	4	4	4	\$ 51
Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	180	360	180	360	360	\$ 1,440
<b>Personnel Total</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,233</b>	<b>\$4,567</b>	<b>\$5,237</b>	<b>\$4,567</b>	<b>\$5,237</b>	<b>\$5,237</b>	<b>\$4,474</b>
<b>Market Research</b>													
Primary research	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 120
Secondary research	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 50
<b>Market Research Total</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$14</b>	<b>\$170</b>
<b>Donor Acquisition and Retention</b>													
Donor Acquisition	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$16	\$13	\$16	\$16	\$ 159
Donor Retention	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$14	\$13	\$14	\$14	\$ 154
<b>Total Donor Acquisition and Retention (DAR)</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$25</b>	<b>\$29</b>	<b>\$25</b>	<b>\$29</b>	<b>\$29</b>	<b>\$313</b>
<b>Fundraising Expenses</b>													
Social Media Platform	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 30	\$ 20	\$ 30	\$ 30	\$ 270
Prints, Advertising, Supplies	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 566	\$ 6,788
Occupancy, Telephone, and Insurance	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 211	\$ 2,534
Travel and Meetings	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 1,486
Postage and Shipping	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 254	\$ 3,045
Donated Services, Goods, and Media	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 286	\$ 3,426
Professional Fees	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 410	\$ 4,924
Miscellaneous	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 57	\$ 688
Equipment Rentals and Maintenance	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 1,032
<b>Total Fundraising Expenses</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,014</b>	<b>\$2,024</b>	<b>\$2,014</b>	<b>\$2,024</b>	<b>\$2,024</b>	<b>\$24,192</b>
<b>Total Marketing Expenses</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,285</b>	<b>\$6,620</b>	<b>\$7,304</b>	<b>\$6,620</b>	<b>\$7,304</b>	<b>\$7,304</b>	<b>\$79,148</b>
<b>Net Income / (Net Loss)</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,870</b>	<b>\$ 19,535</b>	<b>\$ 29,981</b>	<b>\$ 19,535</b>	<b>\$ 29,981</b>	<b>\$ 81,285</b>	<b>\$ 319,406</b>
<b>Projected ROI</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>-1%</b>	<b>28%</b>	<b>-1%</b>	<b>28%</b>	<b>203%</b>	<b>26%</b>

## Appendix 15: Projected 2018 External Affairs Staff Breakdown

Staff Breakdown	Amount	Monthly Salary per member	Annual Salary per member	Total Cost Per Month (Average)	Total cost per Year (average)
<b>Fundraising Team</b>					
Campaign management director	1	\$ 6,588	\$ 79,051	\$ 6,588	\$ 79,051
Campaign, Senior Manager	75	\$ 4,667	\$ 56,000	\$ 350,000	\$ 4,200,000
Campaign Manager	75	\$ 3,958	\$ 47,500	\$ 296,875	\$ 3,562,500
Campaign Specialist	154	\$ 3,279	\$ 39,344	\$ 504,915	\$ 6,058,976
<b>Total</b>	<b>305</b>			<b>\$ 1,158,377</b>	<b>\$ 13,900,527</b>
<b>Marketing Team</b>					
Marketing Management, Director	1	\$ 9,750	\$ 117,000	\$ 9,750	\$ 117,000
Marketing Research manager	2	\$ 6,917	\$ 83,000	\$ 13,833	\$ 166,000
Marketing Specialist	78	\$ 3,083	\$ 37,000	\$ 240,500	\$ 2,886,000
Public Relations	2	\$ 5,000	\$ 60,000	\$ 10,000	\$ 120,000
Content Creation/Website	2	\$ 5,583	\$ 67,000	\$ 11,167	\$ 134,000
<b>Total</b>	<b>85</b>			<b>\$ 285,250</b>	<b>\$ 3,423,000</b>
<b>Communications Team</b>					
Outreach Assistant Students LOW (3)	225	\$ 2,417	\$ 29,000	\$ 543,750	\$ 6,525,000
Outreach Assistant Students HIGH (9)	675	\$ 2,417	\$ 29,000	\$ 1,631,250	\$ 19,575,000
Outreach Assistant Students AVERAGE (5)	375	\$ 2,417	\$ 29,000	\$ 906,250	\$ 10,875,000
Office Manager	75	\$ 4,083	\$ 49,000	\$ 306,250	\$ 3,675,000
<b>Total (Average)</b>	<b>450</b>			<b>\$ 1,212,500</b>	<b>\$ 14,550,000</b>
<b>Total High</b>				<b>\$ 1,937,500</b>	<b>\$ 23,250,000</b>
<b>Total Low</b>				<b>\$ 850,000</b>	<b>\$ 10,200,000</b>
<b>Event Planning Team</b>					
Event Planning Director	75	\$ 8,333	\$ 100,000	\$ 625,000	\$ 7,500,000
Event planning Manager	77	\$ 6,250	\$ 75,000	\$ 481,250	\$ 5,775,000
Event Planning Coordinator	6	\$ 5,000	\$ 60,000	\$ 30,000	\$ 360,000
<b>Total</b>	<b>158</b>			<b>\$ 1,136,250</b>	<b>\$ 13,635,000</b>
<b>Total Average</b>	<b>998</b>			<b>\$ 3,792,377</b>	<b>\$ 45,508,527</b>
<b>Total High</b>	<b>1,298</b>			<b>\$ 4,517,377</b>	<b>\$ 54,208,527</b>
<b>Total Low</b>	<b>848</b>			<b>\$ 3,429,877</b>	<b>\$ 41,158,527</b>



## Appendix 16: Budget Line Item Assumptions

### Line Item Assumptions

**\*The following numbers are in thousands.**

**Campaign Contributions:** LLS is expecting a 5% increase in Donations and Contributions. LLS accounted for receiving the highest donations in December. We are assuming that 31% of donations arrive in December and a large portion of donations come in September, which is Blood awareness month, and Giving Tuesday which is the first Tuesday after Thanksgiving since there has been a 138% increase in donations in Giving Tuesday. LLS is assuming it will receive 10% of its donations on Giving Tuesday which is mainly received through online platforms. We projected a 5% increase in donations to be \$271,451. LLS took 31% of this to obtain \$84,150 to estimate the donations given in December. LLS took 10% of \$271,451 to obtain \$27,145 as an estimate for donations in Giving Tuesday in November. LLS took 10% of \$271,451 to calculate another \$27,145 to estimate the donations received for Blood Awareness Month for September. The collections from September, November, and December were then subtracted from the original 5% increase amount to be \$133,011. LLS then took this amount and divided by the remaining nine months to each estimate to obtain \$14,779 per each of the remaining months as the estimated number of donations and contributions.

<https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1360>

**Less Direct Donor Benefit costs:** LLS assumed that there is a 10% cost per the 2017 amount of Direct Donor Benefit Costs.

**Net Campaign Contributions:** This is the difference between “Campaign Contributions” and “Less Direct Donor Benefit Costs.”

**Copay Contributions:** LLS aims to increase copay contribution grants by 70% for 2017 per the LLS Pro Forma statement.

**Donated Goods, Services, and Media:** LLS will assume there will be a slight increase to 16,000 annually.

**Legacies and other Revenue:** LLS estimates that Legacies and Other Revenues will remain constant as in 2017, \$5,921, with the 1.9% inflation rate for 2018.

### **Personnel: Salaries, Wages:**

The following wages are not in thousands.

## Appendix 16: Budget Line Item Assumptions, Continued

1. LLS included a Fundraising team staff which includes 1 Campaign Director at \$79,091 per year for the central office, 1 Campaign Senior Director for the central office and 74 other positions which is 1 for each LLS chapter salaried at \$56,000 per year, 1 Campaign Manager at the central office and 74 campaign managers at the chapter locations for \$47,500 per year, and 6 Campaign Specialists at the central office along with 154 (2 per 74 chapters), each salaried at \$39,344 a year. These estimates were taken from the LLS Glassdoor data.

<https://www.glassdoor.com/Salary/Leukemia-and-Lymphoma-Society-Salaries-E24863.htm>

2. The next team this includes is the Marketing team, which includes 1 Marketing Management Director salaried at \$117,000 per year, 2 Marketing Research Managers for the central office at \$83,000 annually, 4 Marketing Specialists for the central office and 74 other Marketing specialists for one at each chapter for \$37,000 annually, 2 Public Relations staff at the central office for 60,000 a year, and 2 Content Creation/Website positions at the central office salaried at \$67,000 annually. These figures were also taken from the LLS Glassdoor data.

<https://www.glassdoor.com/Salary/Leukemia-and-Lymphoma-Society-Salaries-E24863.htm?filter.jobTitleFTS=marketing>

<https://www.glassdoor.com/Salary/Leukemia-and-Lymphoma-Society-Salaries-E24863.htm?filter.jobTitleFTS=Web+Designer>

<https://www.glassdoor.com/Salary/American-Cancer-Society-Salaries-E4021.htm?filter.jobTitleFTS=public+relations>

3. The third team is the Outreach Team which is divided into “Low”, “High”, and “Average” seasonality scenarios for the Outreach Assistant Student positions, which would either be 3/9/5 respectively. For seasonality, “Low” was used for January-July due to lower donations in these times, “Average” was used for August and October, and “High” was used for September, November, and December as these months report higher donations.

4. This includes the base number of students at the central office. The Outreach Assistant Students for the chapters is equal to  $74 \times (3/9/5)$  depending on the category. The salary for each position is \$29,000 a year. The second part of this team includes the Office Manager, which includes 75 positions including one per chapter and one central office position salaried at \$49,000 a year. Data was taken from LLS Glassdoor data.

[https://www.glassdoor.com/Salary/Leukemia-and-Lymphoma-Society-Office-Manager-Salaries-E24863\\_D\\_KO30,44.htm](https://www.glassdoor.com/Salary/Leukemia-and-Lymphoma-Society-Office-Manager-Salaries-E24863_D_KO30,44.htm)

5. The fourth team is the Partnership Event Planning team. This includes one Event Planning Director at the central office and one per chapter, which totals to 75 positions salaried at \$100,000, an Event Planning Manager including 3 at the central office and 74 other positions to be one at each chapter salaried at \$75,000 a year, 9 Event Planning Coordinators at the central office along with 74 other positions to be one per chapter, totaling 83 positions salaried at \$60,000 a year. This team will plan events to acquire and retain sponsors and they will provide support to the main event planning team of LLS. Data was taken from LLS Glassdoor data.

## Appendix 16: Budget Line Item Assumptions, Continued

### Personnel: Salaries and Wages

LLS will not raise wages and will stay constant. The wages were then multiplied by the Social Security and Medicare tax for the employer portion of FICA, 7.65%, for 2018.

<https://smartasset.com/taxes/all-about-the-fica-tax>

**Labor expenses:** This is calculated by taking the average PTO package, 3 weeks, and subtract this from the annual number of weeks (52-3), to get a total of 49 total weeks worked. 49 weeks worked multiplied by 40 hours a week gives us 1,960 hours worked in one year. If we multiply this by the average wage, \$26 per hour from an annual salary of \$50,000 a year, we get the full labor expense of \$50,960. LLS then divided this number by 12 to get the monthly expense.

<https://www.tsheets.com/resources/determine-the-true-cost-of-an-employee>

**Training:** This is assumed to be \$1,200 per employee. This was taken from finding the difference of the “Average” season from the “Low” season, which was 150 new employees. 150\*1200 was used to calculate the training costs for the months of August and October to prepare for the higher season of fundraising. The difference of employees from the “High” from the “Average” of employees, 300, was used to calculate 300\*1,200, which gives the cost of training, \$360,000, in the months of September, November, and December. <https://www.forbes.com/sites/adp/2017/06/02/the-costs-of-training-new-employees-including-hidden-expenses/#1b11ec76afb2>

**\*The following numbers below are in thousands.**

**Donor Acquisition:** LLS is estimating to acquire 150,000 new donors for 2018 and is estimating a cost of \$1 per customer acquired. This amount is divided by 12 months to cost \$13 for months with low expectations of donations. For high seasonality months, September, November, and December, the expected cost to acquire a donor is expected to increase 25%, bringing the amount per month to be \$16.

<http://www.thenonprofitimes.com/news-articles/live-from-dma-direct-mail-hiatus-cost-accs-30-million/>

**Donor Retention:** LLS is estimating to spend \$0.30 for retaining its current amount of donors estimated to be 500,000 people. This amount is divided by 12 months to cost \$13 for months with low expectations of donations. For high seasonality months, September, November, and December, the expected cost to acquire a donor is expected to increase 25%, bringing the amount per month to be \$14.

<https://www.optimove.com/learning-center/customer-acquisition-vs-retention-costs>

## Appendix 16: Budget Line Item Assumptions, Continued

**Social Media Platform:** LLS is estimating to spend an average of \$20 per month to maintain social engagement, content creation, paid advertising, data analytics, and project management across platforms such as Facebook, Instagram, Twitter, YouTube, and Hulu. This is during regular seasonality months. For the months of September, November, and December, we are estimating that this will cost \$30 per month due to the high seasonality of potential donations. The estimate is taken from

<https://www.contentfac.com/how-much-does-social-media-marketing-cost/>.

**Printing Supplies and Advertising:** LLS is using the 2017 reported amount, \$6,718, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12. This number was then multiplied by a 3% increase to account for expected increase in expenses.

<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

**Occupancy, telephone, and insurance:** LLS is using the 2017 reported amount for Occupancy, Telephone, and Insurance, \$2,583, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12.

**Travel and Meetings for Fundraising:** LLS is using the 2017 reported amount for Travel and Meetings for Fundraising, \$1,485 for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12. Then this was multiplied by 1.02 to reflect an expected 2% increase in expenses from hosting further meetings and travels to gain further corporate sponsorships.

**Postage and Shipping:** LLS is using the 2017 reported amount for Postage and Shipping, \$3,104, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12.

**Donated Services, goods, and media:** LLS is using the 2017 reported amount for Donated Services, goods and media, \$3,391, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12. This amount was then multiplied by 3% to account for an increase in donated services, goods, and media.

**Professional Fees:** LLS is using the 2017 reported amount for Donated Services, goods and media, \$5,019, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12.

**Miscellaneous:** LLS is using the 2017 reported amount for Miscellaneous, \$701, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12.

**Equipment Rental and Maintenance:** LLS is using the 2017 reported amount for Equipment Rental and Maintenance, \$1,201, for the Fundraising category expense, multiplied by the 2018 1.9% inflation rate. This amount is divided equally by 12. This number is then multiplied by 3% to factor an increase in event spending and rentals needed for the events.

**Total Marketing Expenses:** This is the sum of Personnel Total, Market Research Total, Total Donor Acquisition and Retention, and Fundraising Expenses to be \$6,285 per month.

**Net Income/Loss:** LLS took the difference of Total Revenues and Total Marketing Expenses to be \$9,870 per month.

**ROI:** We used a percentage of the overall Total Revenues showed on the budget, Total Marketing Revenue, which is assumed to be 25% (99,639) of the overall LLS Total Revenue of 398,555. We used this and subtracted from Total Expenses, we then divided by Total Expenses to get 25.9% ROI annually, and individual ROIs calculated per month.

## Appendix 17: SWOT Assumptions

- Millennials use more social media than older generations
- Volunteers do not often come back to volunteer again
- LLS is not as well known as other cancer organizations/ foundations
- Difficult to retain donors and participants in fundraising teams for the following year

SWOT: <https://prezi.com/fpo5mepje2uf/leukemia-lymphoma-society/>  
<https://alexandradudas.files.wordpress.com/2014/05/pr-campaign-final-draft.pdf>

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<http://www.afpnet.org/Audiences/ReportsResearchDetail.cfm?ItemNumber=13545>.

<http://www.pewinternet.org/2018/03/01/social-media-use-in-2018/>  
<https://www.charitywatch.org/analysts-notes/leukemia-lymphoma-society/135>