

Association of Clinical Research Professionals & Affiliates

Consolidated Financial Statements For the four months ended April 30, 2020 Financial Summary

In April 2020 management forecasted the FY20 budget as a result of the Covid-19 pandemic and decision to move the meetings to virtual.

The Small Business Association provided loans under the Paycheck Protection Program (PPP) to qualifying small businesses. ACRP received a loan and will soon be applying for forgiveness under the program. Until the loan is confirmed as forgiven, the balance will be presented on the statement of financial position as a liability.

Overall at the four months ending April 30, 2020, ACRP is forecasting that the fiscal year will end at break even once the PPP Loan is forgiven.

	Actuals Through Apr 30	Forecast Budget May - Dec	Expected FY20 Ending
Consolidated Change in Net Assets (operations)	\$ (353,470)	\$ 201,751	\$ (151,719)
Investments income (loss)	(301,975)		(301,975)
PPP Loan	365,525		365,525
Consolidated Change in Net Assets	\$ (289,920)	\$ 201,751	\$ (88,168)

	Apr 30 2020	Apr 30 Budget	Favorable/ (Unfavorable) Variance
Change in Net Assets (operations)	\$ (353,471)	\$ (414,773)	\$ 61,303
Change in Net Assets	\$ (655,445)	\$ (414,773)	\$ (240,671)

	Apr 30 2020	Apr 30 2019	Favorable/ (Unfavorable) Variance
Change in Net Assets (operations)	\$ (353,471)	\$ 404,658	\$ (758,129)
Change in Net Assets	\$ (655,445)	\$ 684,651	\$ (1,340,097)

Variances include:

- (A)** Cash at April 30, 2020 compared to December 31, 2019 is higher by \$571K
 - Primarily due to an increase in Deferred Revenue (see detail below), ACRP are working to keep the cash by pushing sponsorships and registrations to GC 2021
 - Also affected by the receipt of the PPP Loan
- (B)** Prepaid expenses includes Exam development costs that will be written off over 3 year period and other software expensed over a 1 year period
- (C)** Deferred Revenue increased by \$551K due to:
 - Deferred Dues increase by \$76K
 - PWA & WISC Dues totaling to \$100K
 - Education and Other totaling to \$17K
 - Global Conference increased by \$486K, most of which will be recognized in 2021
 - A decrease in Academy Deferred Certifications of \$113K due to recognition
 - A decrease in Bespoke by \$12K and Site License by \$3K due to monthly recognition
- (D)** Accounts Receivable is lower than the end of last year mainly due to the efforts made by the Accounts receivable team to invoice and collect.
- (E)** Investments started to recover from the drop in March 2020, but is still lower than the end of the prior year.

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Financial Position
(Unaudited)

	4/30/2020		12/31/2019	Variance	
	ACRP	Academy			Consolidated Total
ASSETS					
Current Assets:					
Cash & Cash Equivalents	\$658,078	\$10,110	\$668,188	\$96,284	\$571,904 (A)
Accounts Receivable	519,002		519,002	635,144	(116,142) (D)
Prepaid Expenses	819,911	14,989	834,900	572,872	262,027 (B)
Intercompany Receivable / (Payable)	(807,330)	807,330	0		0
Total Current Assets	1,189,661	832,429	2,022,090	1,304,300	717,789
Fixed Assets:					
Office Furniture & Equipment	363,895		363,895	357,757	6,138
Software	1,823,391		1,823,391	1,823,391	
Leasehold Improvements	736,227		736,227	736,227	
Website and Education in Progress	207,838		207,838	205,963	1,875
Professional Development	943,939		943,939	924,064	19,875
Total Fixed Assets, Cost	4,075,289		4,075,289	4,047,401	27,888
Less: Accumulated Depreciation	(3,436,761)		(3,436,761)	(3,417,349)	(19,412)
Total Fixed Assets, Net	638,529		638,529	630,053	8,476
Other Assets:					
Investments, Fair Market Value	3,150,570		3,150,570	3,452,632	(302,062) (E)
Total Other Assets	3,150,570		3,150,570	3,452,632	(302,062)
TOTAL ASSETS	\$4,978,760	\$832,429	\$5,811,189	\$5,386,986	\$424,203
LIABILITIES & NET ASSETS					
Current Liabilities:					
Accounts Payable & Accrued Expenses	\$935,908	\$15,146	\$951,054	\$787,955	\$163,099
Deferred Revenue	2,372,571	7,742	2,380,313	1,808,250	572,063 (C)
Total Current Liabilities	3,308,479	22,888	3,331,367	2,596,205	735,162
Other Liabilities:					
Deferred Rent	250,809		250,809	266,500	(15,691)
Lease Incentive Obligation	216,194		216,194	239,566	(23,372)
Security Deposit - leasee	28,751		28,751	28,751	0
Payroll Protection Program Loan	365,525		365,525	0	365,525
Loan Payable	1,632,516		1,632,516	1,614,492	18,024
Total Other Liabilities	2,493,795		2,493,795	2,149,309	344,486
TOTAL Liabilities	5,802,274	22,888	5,825,162	4,745,514	1,079,648
Net Assets:					
Net Assets, Beginning Balance	(39,839)	681,311	641,472	321,948	319,524
Change in Net Assets	(783,675)	128,230	(655,445)	319,524	(974,969)
TOTAL Net Assets	(823,514)	809,541	(13,973)	641,472	(655,445)
TOTAL LIABILITIES & NET ASSETS	\$4,978,760	\$832,429	\$5,811,189	\$5,386,986	\$424,203

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Financial Position
(Unaudited)

	4/30/2020		Consolidated Total	4/30/2019	Variance
	ACRP	Academy			
ASSETS					
Current Assets:					
Cash & Cash Equivalents	\$658,078	\$10,110	\$668,188	\$434,581	\$233,607
Accounts Receivable	519,002		519,002	756,112	(\$237,110)
Prepaid Expenses	819,911	14,989	834,900	369,718	\$465,182
Intercompany Receivable / (Payable)	(807,330)	807,330	0	876	(876)
Total Current Assets	1,189,661	832,429	2,022,090	1,561,287	460,803
Fixed Assets:					
Office Furniture & Equipment	363,895		363,895	357,757	6,138
Software	1,823,391		1,823,391	1,823,391	
Leasehold Improvements	736,227		736,227	736,227	
Website and Education in Progress	207,838		207,838	180,923	26,915
Professional Development	943,939		943,939	924,064	19,875
Total Fixed Assets, Cost	4,075,289		4,075,289	4,022,361	52,928
Less: Accumulated Depreciation	(3,436,761)		(3,436,761)	(3,290,613)	(146,147)
Total Fixed Assets, Net	638,529		638,529	731,748	(93,219)
Other Assets:					
Investments, Fair Market Value	3,150,570		3,150,570	3,269,724	(119,153)
Total Other Assets	3,150,570		3,150,570	3,269,724	(119,153)
TOTAL ASSETS	\$4,978,760	\$832,429	\$5,811,189	\$5,562,759	\$248,431
LIABILITIES & NET ASSETS					
Current Liabilities:					
Accounts Payable & Accrued Expenses	\$935,908	\$15,146	\$951,054	\$1,251,034	(\$299,980)
Deferred Revenue	2,372,571	7,742	2,380,313	1,469,226	911,088
Total Current Liabilities	3,308,479	22,888	3,331,367	2,720,260	611,107
Other Liabilities:					
Deferred Rent	250,809		250,809	295,790	(44,982)
Lease Incentive Obligation	216,194		216,194	286,311	(70,117)
Security Deposit - leasee	28,751		28,751	28,751	0
Payroll Protection Program Loan	365,525		365,525		365,525
Loan Payable	1,632,516		1,632,516	1,225,048	407,467
Total Other Liabilities	2,493,795	0	2,493,795	1,835,900	657,893
TOTAL Liabilities	5,802,274	22,888	5,825,162	4,556,160	1,269,000
Net Assets:					
Net Assets, Beginning Balance	(39,839)	681,311	641,472	321,948	319,524
Change in Net Assets	(783,675)	128,230	(655,445)	684,651	(1,340,093)
TOTAL Net Assets	(823,514)	809,541	(13,973)	1,006,599	(1,020,569)
TOTAL LIABILITIES & NET ASSETS	\$4,978,760	\$832,429	\$5,811,189	\$5,562,759	\$248,431

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Activities
Current Year vs. Budget Performance
For the four months ended April 30, 2020

	ACRP	Academy	Intercompany Eliminations	Consolidated Total	Budget*	Favorable/ (Unfavorable) Variance
REVENUE						
Certification						
Exams		340,020		340,020	241,921	98,099
Maintenance		210,818		210,818	247,399	(36,581)
Exam Practice Exercise		17,082		17,082	20,000	(2,918)
Other Income		900		900	15,000	(14,100)
Professional Development						
Course Revenue	1,515			1,515		1,515
Webinars	15,755			15,755	6,336	9,419
eLearning	60,233			60,233	49,639	10,594
LMS License Fee/Custom Classes	132,353			132,353	150,338	(17,985)
Exam Prep Fees					5,833	(5,833)
Online Conference Library	180			180	10,625	(10,445)
Membership						
Membership Dues	574,508			574,508	580,341	(5,833)
Communications						
Advertising Revenue	84,360			84,360	103,487	(19,127)
Career Center	27,569			27,569	35,569	(8,000)
Home Study	35,565			35,565	41,755	(6,190)
Meeting & Expo						
Workforce Innovation						
PWA Membership Revenue	40,010			40,010	42,498	(2,488)
WISC Membership Revenue	6,264			6,264	5,035	1,229
Finance & Administration						
Management Fee Revenue	199,070		(198,112)	958		958
IP License Fee	125,000		(125,000)	0		0
Less: Discounts	(45)	(2,785)		(2,830)	(33)	(2,798)
TOTAL Revenue	1,302,337	566,035	(323,112)	1,545,260	1,555,743	(10,483)
EXPENSES						
Personnel Expenses (Schedule 1)	943,234			943,234	956,160	12,926
Operating Expenses (Schedule 2)	840,802	437,807	(323,112)	955,497	1,014,356	58,859
TOTAL Expenses	1,784,036	437,807		1,898,731	1,970,516	71,785
NET OPERATING INCOME or (LOSS)	(481,699)	128,228		(353,471)	(414,773)	61,304
Other Income or (Expense)						
Interest Income	9,418	2		9,420		9,422
Investment Income	(304,361)			(304,361)		(304,361)
Investment Management Fees	(7,033)			(7,033)		(7,033)
Total Other Income or Expense	(301,976)	2		(301,974)		(301,972)
CHANGE IN NET ASSETS	(\$783,675)	\$128,230		(\$655,445)	(\$414,773)	(\$240,668)

*Budget updated in April 2020 for changes in operations related to Covid-19

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Activities - Schedules
Current Year vs. Budget Performance
For the four months ended April 30, 2020
(Unaudited)

	ACRP	Academy	Intercompany Eliminations	Consolidated Total	Budget*	Favorable/ (Unfavorable) Variance
SCHEDULE 1 - PERSONNEL EXPENSE						
Salaries & Wages	\$775,406			\$775,406	\$766,373	(\$9,033)
Employee Training & Education	90			\$90	1,627	\$1,537
Staff Events/Meals	32			\$32	728	\$696
Employee Transportation	(1,429)			(\$1,429)	(1,068)	\$361
Cell phone benefit	4,980			\$4,980	3,331	(\$1,649)
Employee Membership Dues					584	\$584
Medical & Dental Insurance	66,911			\$66,911	76,604	\$9,693
LTD, AD&D & Life Insurance	6,671			\$6,671	7,247	\$575
Long Term Care Insurance	(459)			(\$459)	771	\$1,230
Compensation & Benefits Survey					147	\$147
Retirement Plan Expense	30,369			\$30,369	33,651	\$3,282
Workers' Compensation	1,076			\$1,076	1,104	\$27
Payroll Taxes - FICA/Unemployment	59,586			\$59,586	64,334	\$4,748
Employee Recruiting					728	\$728
TOTAL Personnel Expense	\$943,233			\$943,233	\$956,160	\$12,925
SCHEDULE 2 - OPERATING EXPENSES						
Amortization		4,695		\$4,695	4,695	104,853
Course/Exam Development & Maint	13,859	1,716		\$15,575	58,262	(12,519)
Exam Site Fees		24,618		\$24,618	56,910	32,292
Bank Charges & Credit Card Fees	54,317			\$54,317	57,482	11,683
CME/CEU Expense	543			\$543	1,474	457
Commissions	16,239			\$16,239		(16,239)
Computer Expense - IT Support	16,455			\$16,455	6,339	(638)
Computer Expense - Tech Support - Software	172,447			\$172,447	143,896	(64,941)
Conferences & Meetings Expense	2,368	10,935		\$13,303	13,402	3,747
Consulting - Design	462			\$462	443	(462)
Consulting - Regulatory	16,000			\$16,000	16,000	
Consulting - Other	170,585	9,550		\$180,135	160,275	(52,805)
Consulting - Technology & Website	11,238			\$11,238	11,660	4,610
Consulting - Writer	64			64	1,125	1,061
Trainer Expenses	4,380			\$4,380	0	4,856
Depreciation	19,412			\$19,412	26,412	7,588
Dues & Subscriptions	2,023	10,275		\$12,298	1,613	(11,439)
Equipment Rental	227			\$227		(227)
Honoraria	10,552			\$10,552	18,788	5,948
Insurance	16,394			\$16,394	14,592	(2,394)
Interest Expense	18,024			18,024	19,106	1,976
IP License Fee		125,000	(125,000)	\$0		0
Legal	35,174			\$35,174	33,841	7,494
Management Fee		198,112	(198,112)	\$0		0
Marketing	141,025	31,704		\$172,728	211,431	5,184
Office Rent	72,365			\$72,365	73,138	19,635
Office Supplies & Expense	4,004			\$4,004	3,482	996
Payroll Processing Fees	14,113			\$14,113	3,483	5,886
Postage & Shipping	3,756	730		\$4,486	15,114	(1,246)
Printing	3,358			\$3,358	3,758	(692)
Taxes	41			\$41	41	(41)
Telephone	4,748			\$4,748	5,089	1,252
Travel	16,609	20,472		\$37,081	52,506	19,425
Uncategorized Expense-Operations	\$20			\$20		(\$20)
TOTAL Operating Expenses	\$840,802	\$437,807	(\$323,112)	\$955,496	\$1,014,356	\$75,280

*Budget updated in April 2020 for changes in operations related to Covid-19

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Activities
Current Year vs. Prior Year
For the four months ended April 30, 2020
(Unaudited)

	ACRP	Academy	Intercompany Eliminations	Consolidated Total	4/30/2019	Favorable/ (Unfavorable) Variance
REVENUE						
Certification						
Exams		340,020		340,020	346,490	(6,470)
Maintenance		210,818		210,818	206,075	4,743
Exam Practice Exercise		17,082		17,082	22,857	(5,775)
Other Income		900		900	2,925	(2,025)
Professional Development						
Course Revenue	1,515			1,515	1,110	405
Webinars	15,755			15,755	11,341	4,414
eLearning	60,233			60,233	65,961	(5,729)
Workshops					20,562	(20,562)
LMS License Fee/Custom Classes	132,353			132,353	172,507	127,394
Online Conference Library	180			180		180
Membership						
Membership Dues	574,508			574,508	584,185	(9,678)
Communications						
Advertising Revenue	84,360			84,360	98,897	(14,537)
Career Center	27,569			27,569	43,255	(15,686)
Home Study	35,565			35,565	63,545	(27,980)
Meeting & Expo						
Registration Fees - Conference					1,244,561	(1,244,561)
Registration Fees - Workshops					65,788	(65,788)
Registration Fees - Tours & Other					2,414	(2,414)
Exhibitor & Sponsorship Revenue					782,491	(782,491)
Other Income - Hotel Rebate					33,960	(33,960)
Workforce Innovation						
PWA Membership Revenue	40,010			40,010	17,708	22,302
WISC Membership Revenue	6,264			6,264	10,625	(4,361)
Finance & Administration						
Management Fee Revenue	199,070		(198,112)	958	200,471	(199,513)
IP License Fee	125,000		(125,000)	0	125,000	(125,000)
Other Income					175	(175)
Less: Discounts	(45)	(2,785)		(2,830)	(950)	(1,880)
TOTAL Revenue	1,302,337	566,035	(323,112)	1,545,260	4,121,953	(2,409,147)
EXPENSES						
Personnel Expenses (Schedule 1)	943,234			943,234	1,040,172	96,938
Operating Expenses (Schedule 2)	840,802	437,807	(323,112)	955,497	2,677,122	1,721,625
TOTAL Expenses	1,784,036	437,807	(323,112)	1,898,731	3,717,294	1,818,563
NET OPERATING INCOME or (LOSS)	(481,699)	128,228		(353,471)	404,658	(758,129)
Other Income or (Expense)						
Interest Income	9,418	2		9,420	4,334	5,086
Investment Income	(304,361)			(304,361)	266,688	(571,049)
Investment Management Fees	(7,033)			(7,033)	8,971	(16,004)
Total Other Income or Expense	(301,976)	2		(301,974)	279,993	(581,967)
CHANGE IN NET ASSETS	(\$783,675)	\$128,230	\$0	(\$655,445)	\$684,651	(\$1,340,096)

Association of Clinical Research Professionals & Affiliates
Consolidating Statement of Activities - Schedules
Current Year vs. Prior Year
For the four months ended April 30, 2020
(Unaudited)

	ACRP	Academy	Intercompany Eliminations	Consolidated Total	4/30/2019	Favorable/ (Unfavorable) Variance
SCHEDULE 1 - PERSONNEL EXPENSE						
Salaries & Wages	\$775,406			\$775,406	\$869,069	\$93,663
Employee Training & Education	90			90	79	(11)
Staff Events/Meals	32			32		(32)
Employee Transportation	(1,429)			(1,429)	(1,777)	(348)
Cell phone benefit	4,980			4,980	5,358	378
Medical & Dental Insurance	66,911			66,911	64,036	(2,875)
LTD, AD&D & Life Insurance	6,671			6,671	7,234	562
Long Term Care Insurance	(459)			(459)	1,263	1,721
Retirement Plan Expense	30,369			30,369	30,199	(170)
Workers' Compensation	1,076			1,076	1,337	260
Payroll Taxes - FICA/Unemployment	59,586			59,586	63,374	3,789
TOTAL Personnel Expense	\$943,233			\$943,233	\$1,040,171	\$96,938
SCHEDULE 2 - OPERATING EXPENSES						
Amortization		4,695		4,695	209	(4,486)
Course/Exam Development & Maint	13,859	1,716		15,575	4,350	(11,225)
Exam Site Fees		24,618		24,618	59,823	35,205
Awards & Recognition					5,219	5,219
Bank Charges & Credit Card Fees	54,317			54,317	73,469	19,151
CME/CEU Expense	543			543	26,490	25,947
Commissions	16,239			16,239	11,731	(4,508)
Computer Expense - IT Support	16,455			16,455	15,817	(638)
Computer Expense - Tech Support - Software	172,447			172,447	95,086	(77,361)
Conference Registration Fees					2,900	2,900
Conferences & Meetings Expense	2,368	10,935		13,303	945,454	932,151
Consulting - Design	462			462	2,738	2,276
Consulting - Regulatory	16,000			16,000	12,000	(4,000)
Consulting - Other	170,585	9,550		180,135	315,630	135,495
Consulting - Technology & Website	11,238			11,238	61,548	50,310
Consulting - Writer	64			64	429	365
Trainer Expenses	4,380			4,380		(4,380)
Depreciation	19,412			19,412	77,468	58,056
Dues & Subscriptions	2,023	10,275		12,298	26	(12,272)
Equipment Rental	227			227		(227)
Honoraria	10,552			10,552	50,531	39,979
Insurance	16,394			16,394	20,747	4,353
Interest Expense	18,024			18,024	25,242	7,218
IP License Fee		125,000	(125,000)	0	125,000	0
Legal	35,174			35,174	65,295	30,121
Management Fee		198,112	(198,112)	0	200,471	200,471
Marketing	141,025	31,704		172,728	145,723	(27,006)
Office Rent	72,365			72,365	75,599	3,233
Office Supplies & Expense	4,004			4,004	13,546	9,541
Payroll Processing Fees	14,113			14,113	20,071	5,958
Postage & Shipping	3,756	730		4,486	22,887	18,401
Printing	3,358			3,358	9,171	5,812
Taxes	41			41		(41)
Temporary Help					6,330	6,330
Telephone	4,748			4,748	7,998	3,250
Travel	16,609	20,472		37,081	178,126	141,045
Uncategorized Expense-Operations	20			20		-20
TOTAL Operating Expenses	\$840,802	\$437,807	(323,112)	\$955,496	\$2,677,124	\$1,596,623