

**Program Notes**

**Financial Statements**

**3 Months ending 9/30/2020**

The financial statements for the first quarter show a net gain of about $70,000 for the first three months as opposed to the budgeted loss of $412,000 for a positive variance of $482,000. Below are revenue and expense items in key programs that affected the bottom line.

**Residential Programs** are the largest impact on the bottom line, showing a net profit of $290,000 versus the budgeted loss of $170,000 for a positive variance of $462,000. This change is due to two main factors:

1. Personnel expenses are lower because a) group home managers have been subbing in for some of the day shifts and b) some of the day staffing has been reduced as the Day Programs opened up this summer, c) staff for the new Harding home have not been hired yet.
2. Revenue includes $145,000 additional per month for the day shift. The FY21 budget included three months of this revenue for $435,000 or an average of $36,000 a month. As of today, DDD has extended this payment through November and is likely to continue it until at least December, which will continue to have a strong positive impact on our financials.

**Day Programs** are the next largest impact on the bottom line, showing a loss of $59,000 versus the budget loss of $135,000 for a positive variance of $75,000. The change is due to two main factors:

1. Staff has been reduced even below the budget amount through further layoffs and transfers to the group homes to cover the day shift.
2. In addition to the 50% flat payment we are receiving for the day programs, we have also started to bill for remote and limited on site services.

**Early Intervention** is below budget by a net <$86,000>, offsetting some of the gains above. This is due to a reduction of services, due to COVID and due to the summer months. Services are budgeted to increase over the second half of the year.

**Program Notes to the Financial Statement**

**3 Months Ending 9/30/2020**

**Page 2**

**Community Services** shows a loss of $100,000 versus a budgeted excess of $34,000 for a net negative variance of <$134,000.> Most of this is due to summer closures of the public schools. The school therapists and in-home workers are now back on regular schedule.

**Pillar Schools** normally break even because year-end billing is adjusted to match expenses. The High School revenue was on budget and Elementary School was below budget by 6%. The Elementary School has since admitted new students and enrollment should remain above budget for the rest of the year.

**Development** pledges for the Gala have not been posted in the first quarter. Revenue for the Gala will be posted in October.