

BUDGET & FINANCE COMMITTEE

SLIDE 1 – COVER SLIDE

Mr. President-Elect and members of Council, the Society Committee on Budget and Finance met on Saturday, August 15.

SLIDE 2 – JULY 31, 2020 YEAR TO DATE FINANCIAL RESULTS

The Society's 2020 financial performance through July 31 yielded a Net Surplus from Operations of \$55.7 million, or \$25 million greater than the same period in 2019. Total revenues are \$354 million, 5% ahead of last year, and total expenses are \$298 million, or 3 percent below last year. Unrestricted Net Assets increased to \$466 million.

SLIDE 3 - 2020 JULY 31 RESULTS: Sources and Uses

The Society's sources of net contribution, shown in the purple bars to the right at the top of the slide, total \$90 million from Information Services (i.e., CAS and Publications) and Investments. These sources fund net expenses associated with Society Programs (in blue) and other activities. This chart underscores the importance of CAS and Publications to the Society's financial health and our ability to provide member services and our other mission-centric activities.

SLIDE 4 – UNRESTRICTED NET ASSETS

This slide shows the growth in unrestricted net assets since 2016, with an estimated balance of \$466 million as of July 31, 2020. The 2020 increase is driven by the strong operating results to date, and modest gains in the investment portfolio.

SLIDE 5 – FINANCIAL GUIDELINES

As shown on this dashboard, the Society is in compliance with each of the five Board-established financial guidelines and expects to be in compliance at year-end as well.

SLIDE 6 – COVID Impacts

Let's take a quick look at COVID impacts on the Society's finances. The majority of the Information Services revenue for 2020 was 'booked' prior to the full onset of COVID. As a result, their finances have remained solid during the first half of the year. The most direct revenue impact to the Society has been to meeting-related revenues with the cancellation of the Spring National Meeting and cancellation of the in-person Green Chemistry Conference. Significant effort has been devoted to expense management. The Society expects to meet its budgeted net contribution of \$41.3M.

SLIDE 7 — PROGRAM REQUESTS

The Committee considered one program reauthorization request and one new pilot program request. B&F will present the funding requests to the Board of Directors when it meets on August 21.

Mister President-Elect and Members of Council, this concludes my report.

Dr. William Greenlee, Chair

Report from the Society Committee on Budget and Finance

William Greenlee



2020 YTD Financial Highlights as of July 31, 2020



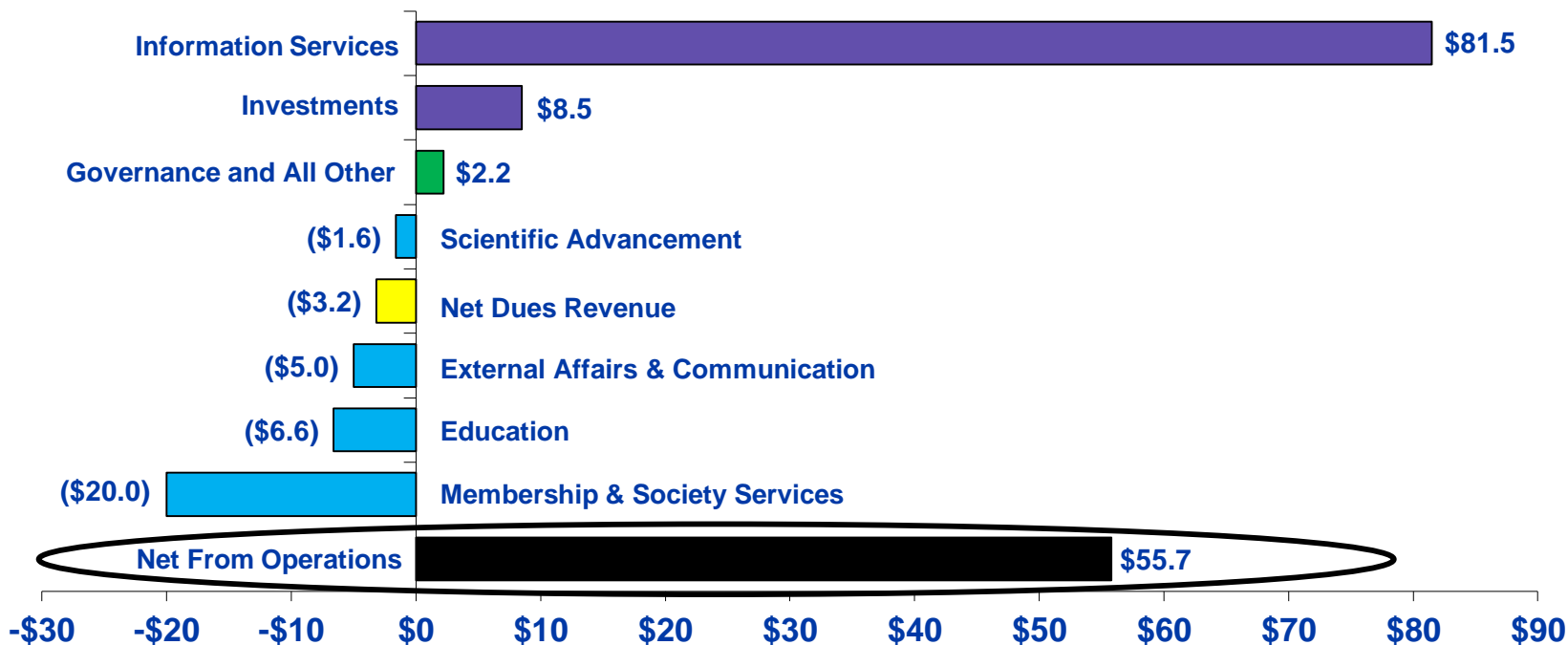
- **Net Surplus from Operations – \$55.7M**
 - \$25.6M (84.9%) higher than 2019 YTD
- **Total Revenues – \$354.3M**
 - \$16.0M (4.7%) ahead of 2019 YTD
- **Total Expenses – \$298.5M**
 - \$9.6M (3.1%) below 2019 YTD
- **Unrestricted Net Assets ~ \$466.1M**
 - \$57.2M increase from Dec. 31, 2019

Note: Excludes ACSI, ACS Petroleum Research Fund and the Member Insurance Program

2020 Net from Operations

Actuals as of July 31, 2020

(\$ in Millions)



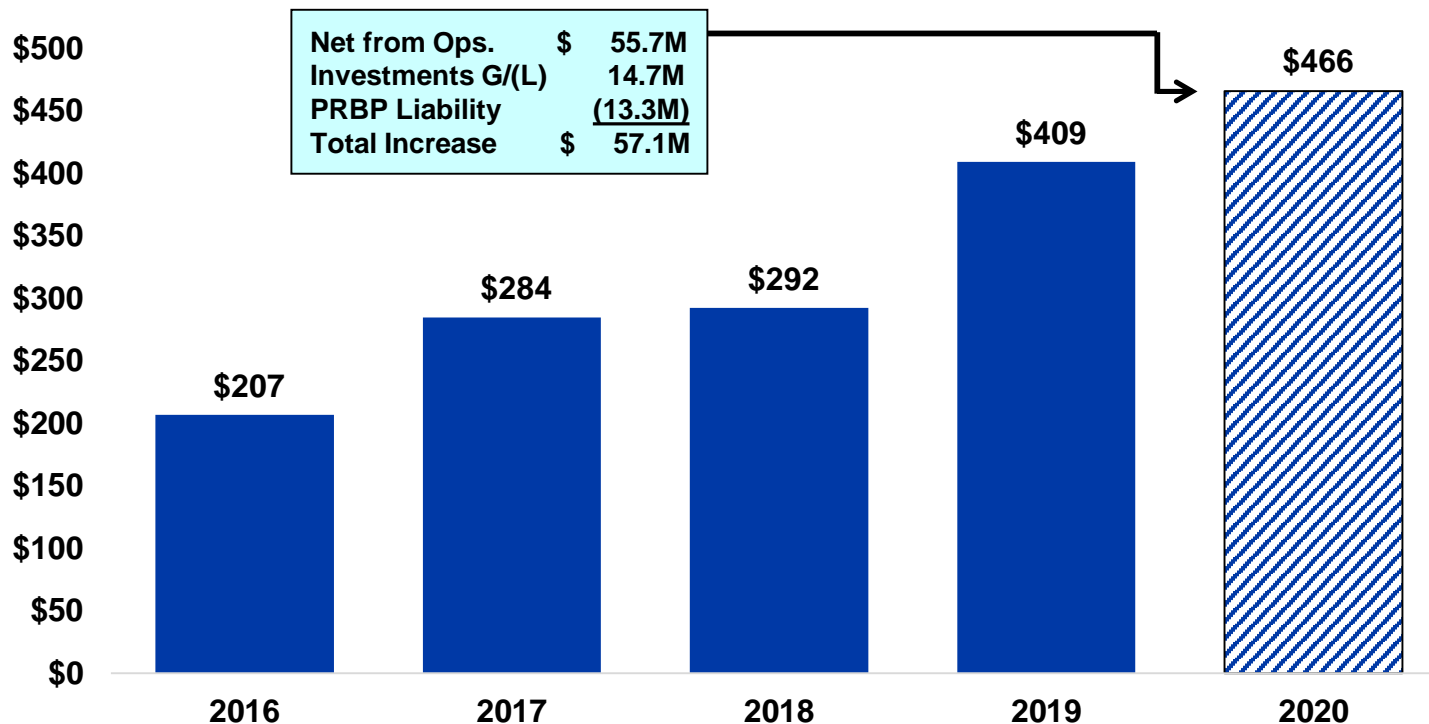
Unrestricted Net Assets

2016 – 2019 Year End Actuals; est. at July 31, 2020

(\$ in Millions)

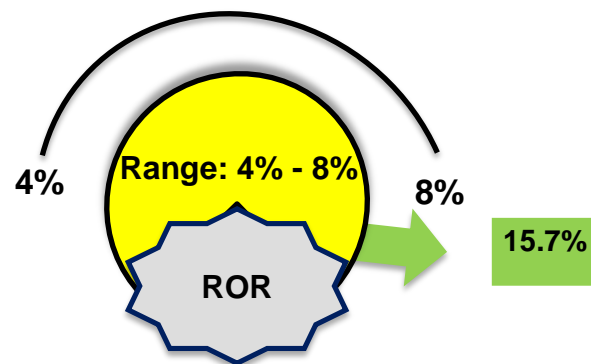
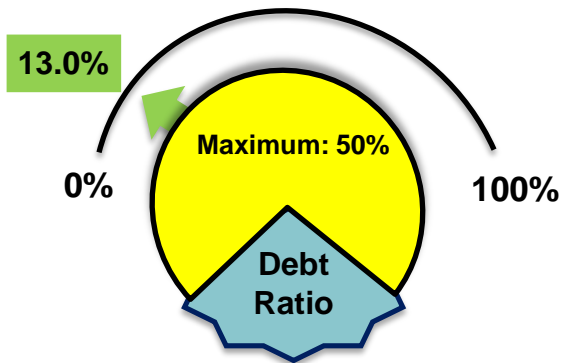
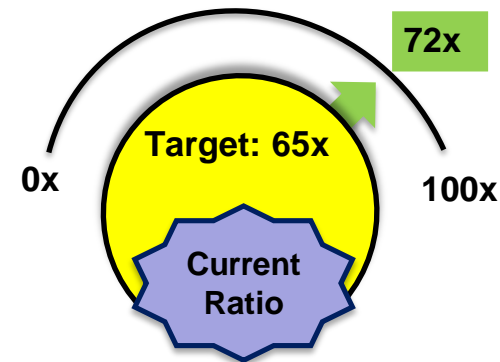
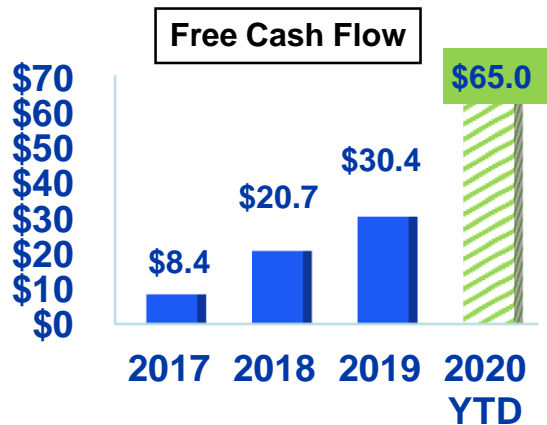
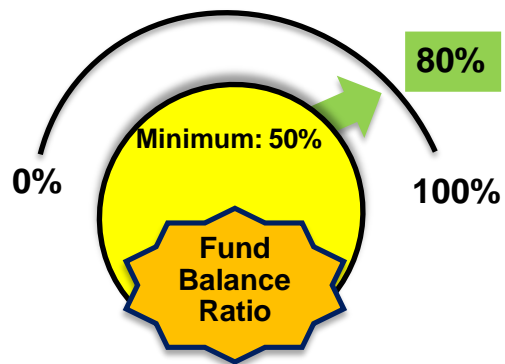


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*Note: PRBP stands for post-retirement benefit plans. Excludes the Member Insurance Program and the ACS Petroleum Research Fund.

2020 Financial Guidelines YTD



COVID Impacts



- **Much of ACS revenue (Information Services) was secured and recorded prior to the onset of Covid-19 and is on target**
- **Most direct negative impact has been to meeting revenues**
- **Expenses have been lower due to careful management, slow hiring, reduction in travel and in-person meeting expense**
- **ACS expects to finish 2020 on budget**

2021 Program Funding Requests



- **One program reauthorization and one new pilot program were considered by B&F**
- **These funding requests will be presented to the Board of Directors on August 21 for final action**