

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** March 16, 2020

**REQUEST DATE:** March 4, 2020

**Last grant acknowledgement:** Yes

**Program Area:** Health

**APPLICANT:**

The Leukemia & Lymphoma Society, Inc.  
New Jersey Chapter  
Suite 301  
14 Commerce Drive  
Cranford, NJ 07016

**CONTACT:** Ms. Jana M. Boyer, Executive Director, New Jersey Chapter

**PHONE:** 908-956-6602

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$250,000

**NATURE OF REQUEST:** Toward the LLS

Children's Initiative

### GRANT HISTORY

**LAST GRANT DATE:** 4/15/2019

**LAST GRANT AMOUNT:** \$100,000

**FYE DATE:** 6/30/2019

**AFS DATE:** 11/5/2019

2015	\$200,000	4/13/2015	Toward the Celator Project
2016	\$125,000	4/4/2016	Toward Acute Myeloid Leukemia research
2017	\$125,000	4/28/2017	For: Ongoing Acute Myeloid Leukemia research within the Beat AML Initiative
2018	\$125,000	4/23/2018	For: Ongoing Acute Myeloid Leukemia research within the Beat AML Initiative
2019	\$100,000	4/15/2019	Toward the LLS Children's Initiative

**DLK COMMENTS:** The LLS Children's Initiative is modeled after LLS's highly successful Beat AML Initiative. A few items stood out to me in this request. As noted last year, the population of pediatric blood cancers is small but to read that 80 percent of childhood cancer survivors develop one or more chronic health conditions is heartbreaking; as is the statistic that 1/3 of the pediatric AML patients don't survive more than five years beyond their diagnosis.

One of LLS's key strengths is the collaborations they assemble. Pediatric leaders, pharmaceuticals and technology companies, as well as the FDA, National Cancer Institute and the Children's Oncology Group are all involved in the LLS Children's Initiative. Their pediatric grant portfolio currently funds 44 investigations by leading researchers worldwide. I was surprised to see no mention of Boston Children's Hospital but note that on BCS' website they partner with Dana-Farber on their Leukemia Program and there are two pediatric research grants with Dana-Farber doctors.

The financial analysis is attached. One relevant note in the audit was related to risks and uncertainties. LLS's operations are dependent upon individual contributions, that are affected by general economic conditions, employment levels and other factors over which LLS has little or no control. By contract to the granularity of the general public donations, the Co-Pay program in 2019

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and 2018 was funded by six donors, respectively. In addition, the Beat AML Master Trial was primarily funded by seven donors in 2019 and 2018, respectively.

**JJK COMMENTS:** One of the challenges to developing therapies for pediatric blood cancers is the small population – roughly 225 children in New Jersey are diagnosed with blood cancers each year. Since this number pales in comparison to adult cancer patients, there is little motive for pharmaceutical companies to aggressively pursue therapies. Relatedly, before the \$100M LLS Children’s Initiative, there was not a nationwide infrastructure for sharing information or doing master clinical trials.

The LLS Children’s Initiative thus represents an opportunity to bring together pediatric blood cancer researchers from across the country and the globe and to bring data sharing and clinical trials to a scale that engages more philanthropic and corporate partners.

Since last year’s grant for the LLS Children’s Initiative, modeled after the Beat AML Initiative, LLS has added 20 new, major pediatric grants devoted to childhood blood cancer, creating a cumulative of \$25M in pediatric research grants.

In addition to this acceleration of research projects, the Children’s Initiative includes the Pediatric Master Clinical Trial for Acute Leukemia (PedAL), which will bring together 200 sites – including Morristown Medical Center – to test multiple therapies. While the project will start with relapsed AML children, the hope is to have every child who is diagnosed with AML (again, modeled after a similar clinical trial in the Beat AML initiative) screened so that their specific subtype of cancer can be targeted by new therapies. LLS says they are on track to begin enrollment in the Summer of 2020, with eventual expansion to 200 centers across the world. International partners include LLS Canada and Bloodwise in Great Britain.

Critical to both of these pillars of the Children’s Initiative is the Integrated Data Commons. Until now, there was no platform to share data across research centers, leading to fragmented understanding of patterns between cancer subtypes. With the advent of this Data Commons, all children newly diagnosed with AML will be genetically screened at diagnosis and tracked over time. Those children who relapse after initial treatment will be enrolled in the aforementioned master clinical trial for trial with individualized medicine, with the Data Commons being a key tool of success for the master trial.

Concurrent with these efforts, LLS NJ continues to promote policy advocacy and to offer family assistance. Among the new patient support services is a resource guide for school professionals to help them meet the needs of students with blood cancers.

One final note of commendation for the stewardship from LLS. Updates are frequent without being bothersome, and the team made sure that I had a chance to speak with the national organization’s chief medical officer, Gwen Nichols, on a 11/5/19 phone call.

I am pleased to recommend \$100K towards the LLS Children’s Initiative.

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**SDK COMMENT:** I am a little surprised at the grant request level given the conversations/guidance over the past year. Also, given the present surpluses, and our budget, I think we are at a generous \$100K level.

**FM KIRBY FOUNDATION**  
**Financial Statement Analysis**

<b>Grantee Name:</b>	The Leukemia & Lymphoma Society	<b>Date:</b>	3/16/2020
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 250,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 100,000	<b>Period Covered in Financial Report</b>	6/30/2019
<b>Audit Firm</b>	KPMG	<b>Date of Report Issuance</b>	11/5/2019
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	2.46	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 178,099 (in thousands)
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**Note:** A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

<b>Allocation of Functional Expenses</b>	<b>6/30/2019</b>	<b>%</b>	<b>Must Read Financial Statement Notes</b>
<b>A. Program Service Expenses</b>	\$ 283,887	73%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 54,258	14%	
<b>C. Fundraising</b>	\$ 49,101	13%	
<b>D. Total Expenses</b>	\$ 387,246	100%	
	(in thousands)		

**Comments/ Notes:**

**Budget:** The 2020 budget for LLS NJ is forecasting a \$4.7M surplus versus \$18.1M surplus for FY19. Donation revenue, excluding bequests, is budgeted to increase \$980K from FY19. LLS NJ had bequest revenues of \$13.5M for FY19! Other revenues are budgeted at \$1.5M (down \$440K / 23%) from FY19. DDB (direct donor benefit) expenses are budgeted to grow by 4% (\$40K), while all other expenses are growing by 20% (\$441K), with payroll/benefits accounting for \$291K of the increase. Jana informed me that LLS NJ filled four vacant positions in 2020.

**Audit:** (LLS National)  
 LLS had an operating surplus of \$27.1M as of June 30, 2019 (vs \$76.3M in FY18). Total net assets grew by \$31.5M vs \$83.2M in FY18. Campaign contributions were up \$12.0M (5%) from FY18. There was a large decline in Co-Pay contributions (\$69M /43%) for FY19. Co-pay contributions are recognized when donations are received while the expenses are recognized when the patient applications are approved for program participation. Legacies/other revenue had another great year, growing by \$8.9M (81%) from FY18. 39% (FY19) and 77% (FY18) of contributions and other receivables were from one and two funding sources, respectively. Total operating revenue declined by \$34.5M (8%). Total operating expenses grew by 4% (\$14.7M)

LLS had investments totaling \$407.9M as of June 30, 2018 (vs \$319.7M as of June 30, 2018). Endowment assets totaled \$6.6M. All in all, no red flags.

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$100,000**
- Hold for Board Review
- Insert Information: **Toward the LLS Children's Initiative**
- Other:

Initials:   *lcc*   Date:   *3/16/20*  

Check #: \_\_\_\_\_ Date: \_\_\_\_\_