

NONPROFIT INVESTOR

INDEPENDENT RESEARCH FOR PHILANTHROPY

Do-All, Inc.

Nonprofit Investor Rating:

HOLD

Mission Statement

To provide education and training to emotionally, mentally, and physically handicapped individuals through work service contracts with local businesses.

Financial Overview

\$ in MM, Fiscal Year Ended September 30

	2008	2009	2010
Revenue and Support	\$3.1	\$4.5	\$5.3
Operating Expenses	\$3.0	\$4.1	\$4.9
% Total Revenues			
Contrib, Gifts, Grants	2.4%	1.5%	1.8%
Program Services	97.0%	97.6%	95.1%
Other Revenue	0.7%	0.9%	3.1%
% of Total			
Program Expenses	86.7%	89.9%	89.8%
G&A	13.3%	10.1%	10.2%

Year Founded: 1973

Contact Details

Do-All, Inc.
1400 S. Lincoln Ave.
Bay City, MI 48708
(989) 894-2851

<http://www.doallinc.org/>

EIN: 38-2024600

Analyst: Jonathan Tran

Peer Review: R. Price

Publication Date

January 4, 2011

SUMMARY

Do-All, Inc. seeks to provide all disabled people the ability to live, work, and play in their communities in order to achieve the best quality of life possible. The company accomplishes this by providing community-based jobs, training, personal and financial support to its disabled participants.

STRENGTHS

▲ **Robust platform of programs.** Company offers a diversified set of community adjustment programs that help support its wide range of for-profit work service contracts with local businesses.

▲ **High pass-through of revenues to disabled workers.** Most of program revenues go towards paying Do-All's participating, disabled workers. Additionally, CEO compensation seems reasonable both on an absolute and relative basis.

▲ **Employee surveys help refine programs and services.** Company solicits input of disabled employees on their needs and suggestions for service improvements, which are subsequently presented to management and implemented into each year's company goals.

CAUTIONS

▼ **Financials are limited and annual report is outdated.** This lack of recent information makes it difficult to accurately assess Do-All's impact on its disabled workers and overall program effectiveness.

● **Low correlation of revenue sources to end benefits of adjustment programs.** Many potential funders may be turned away from donation support because Do-All appears as a for-profit organization tapping into cheaper disabled worker labor. The relatively small contribution of gifts and grants is proof of this perception. Also, company does not provide any current metrics to evaluate effectiveness of its programs.

RECOMMENDATION: HOLD

Do-All provides diverse services to its surrounding communities and corporate partners, but the lack of more recent evaluation metrics and company information make it difficult to assess how impactful its programs are on its disabled workers.

OVERVIEW OF DO-ALL, INC. ACTIVITIES

The organization was formed in 1952 by the Bay County Association of Retarded Citizens, a group of parents, which offered training and employment opportunities to people with disabilities. In 1973, the Do-All Activity Work Center was created through a key grant won by Richard L. Davis, the father of a son with downs syndrome. Richard was responsible for securing the first few work contracts that still serve as the foundation for Do-All's business model around contract work. During this time, Dow Chemical became an anchor customer of Do-All and still remains a key relationship today (based on 2002-2003 annual report). Over the last several years, Do-All has continued to add programs to expand the opportunities available to the community and its disabled employees.

Organizational Employment Services (OES)

The organization's business model is primarily centered on contract work through its various program services by utilizing lower-than-market labor costs offered by disabled workers. OES composes the largest segment of these work services, which are designed to provide extended employment and support services to people with disabilities. The company assesses the quality of these programs by evaluating job independence, stability of work environment, and maximization of customer satisfaction. The calculations for these metrics seem poorly defined and difficult to measure accurately. This evaluation also dates back to the company's 2002-2003 annual report. A more recent report is necessary to assess the effectiveness of Do-All's work service programs.

Community Adjustment Service (CAS)

CAS provides programs to disabled people to increase independence in areas including physical and emotional motivation, socialization, communication, and time management. Some of the activities include walks on trails, computer training, watching movies, or developing job retention skills. Most of CAS is funded through public support such as United Way or Bay Arenac Behavioral Health. However, according to the company's latest annual report, a few of these vital services were not provided to Do-All's employees because of the lack of funding for some of these programs. CAS will be an important segment for the company to build out as it helps provide support to disabled workers outside of primarily just financial assistance.

PROGRAM RESULTS AND EFFECTIVENESS

In the 2002-2003 Annual Outcomes Management report, the company has done a great job providing a candid assessment of their accomplishments and lays a detailed framework to move the business forward. Their analysis is thorough and lists specific goals to achieve for the upcoming years. The largest and ultimately impeding challenge with relying on these projections is the staleness of data. However, this report still serves a general guideline on how the company operates and readers must be beware that Do-All today can be variably different.

Do-All, Inc. prepares for its growth by analyzing its business in three significant ways: 1) Strategic Planning, 2) Surveys, and 3) Consumer Input Meetings. Every year, the company comes together and lays the foundation for the upcoming year by defining goals in leadership, organizational structure, employee empowerment, consumer support system, and job training. The feedback from their surveys was mainly positive and supportive of the program services. Company's Consumer Input Meetings solicit input of disabled employees on their needs and suggestions for service improvements, which are subsequently presented to management. Then management discusses and comes up with a plan of action.

TRANSPARENCY

Do-All provides basic financial information on its Form 990s and does not make more detailed financial statements or annual reports publicly available. The company's release of its 2011 Form 990, once available, will provide meaningful data points to gauge the effectiveness of its various businesses.

The company has only released one annual report covering the 2002-2003 period, which was made available through GuideStar. This report was very helpful in providing transparency around the company's history, breakdown and evaluation of its various program services, future near-term goals, as well as many other key attributes that would be helpful in valuing this organization on an ongoing basis. However, it will be difficult to make any viable conclusions based on the outdated projections and without a more recent annual report.

FINANCIAL OVERVIEW

Do-All has maintained positive profits between 2008 and 2010, with impressive year over year growth of +234% in net income during fiscal year ending Sept 2009. The company's net profit margin has been positive, although marginal at 9% and 7% for 2009 and 2010 respectively. Net assets have grown significantly each reported year and company maintained a healthy level of liquidity against its growing liabilities. Do-All's current working capital has more than doubled during these latest three reported years.

Fiscal Year Ended September 30 (Tax Accounting Basis)

Revenue:	2008	2009	2010
Contributions, Gifts & Grant	\$74,424	\$67,984	\$94,339
Program Service Revenue	\$3,043,947	\$4,391,865	\$5,043,475
Investment Income	\$333	\$1,474	\$1,984
Fundraising	\$1,693	\$27,414	\$20,698
Other Revenue	\$18,922	\$9,399	\$143,628
Total Revenue	\$3,139,319	\$4,498,136	\$5,304,124

Expenses:

Salaries & Wages	\$1,317,542	\$1,724,064	\$2,059,358
Other Employee Benefits	\$7,210	\$6,833	\$19,117
Payroll Taxes	\$115,982	\$148,366	\$187,462
Accounting	\$9,623	\$9,500	\$12,850
Advertising and Promotion	\$0	\$33,657	\$51,870
Occupancy	\$163,201	\$141,736	\$143,587
Travel	\$0	\$131	\$529
Interest	\$21,804	\$43,653	\$49,475
Depreciation & Amortization	\$47,835	\$79,316	\$95,348
Insurance	\$0	\$33,696	\$35,937
Other Expenses	\$1,328,851	\$1,851,995	\$2,251,274
Total Expenses	\$3,012,048	\$4,072,947	\$4,906,807

Net Assets / Fund Balances:

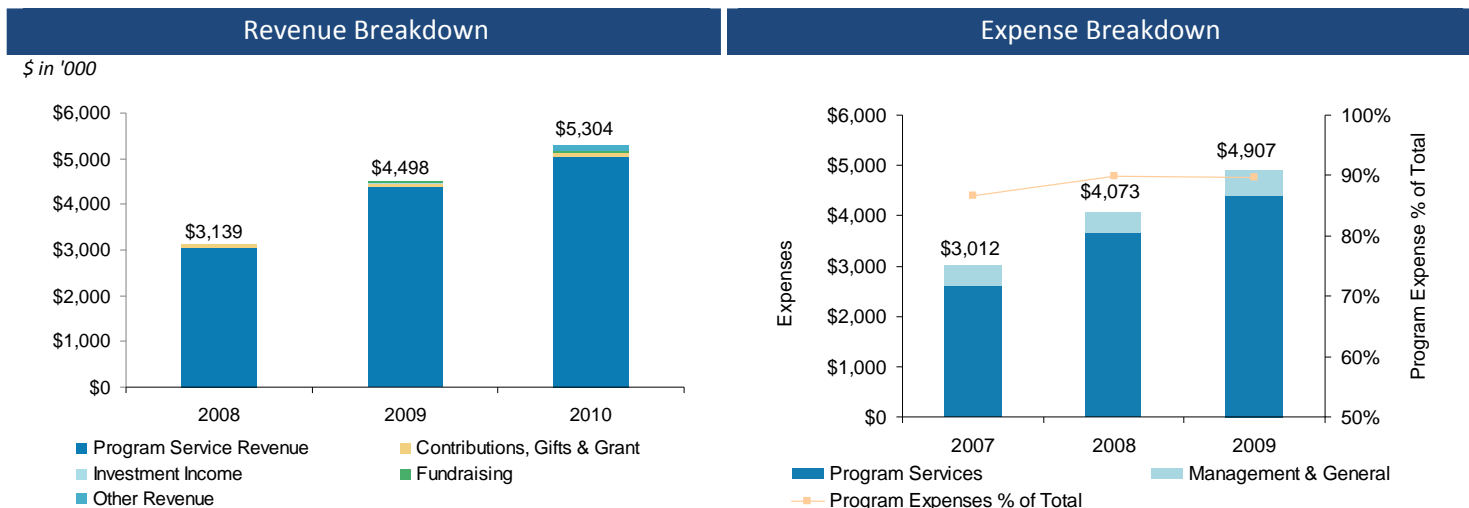
Total Assets	\$1,364,025	\$2,097,730	\$3,372,556
Total Liabilities	\$1,007,701	\$1,328,118	\$2,205,627
Net Assets / Fund Balances	\$356,324	\$769,612	\$1,166,929

Summary Financial Metrics:

Revenue YoY Growth	n/a	43.3%	17.9%
Expenses YoY Growth	n/a	35.2%	20.5%
Program Expenses as % of Total Expenses	86.7%	89.9%	89.8%
G&A as % of Total Expenses	13.3%	10.1%	10.2%
Net Income	\$127,271	\$425,189	\$397,317
YoY Growth	n/a	234%	-7%
Net Profit Margin	n/a	9%	7%

On the revenues front, Do-All has posted strong positive growth (43% in 2009 and 18% in 2010). Almost all of the company's revenues are derived from its program service revenues, with the two largest contributors being Contracted Service (~60%) and Community Mental Health (~24%). Do-All's thrift store and janitorial service are the next largest drivers of revenue. Contributions, gifts, and grants contribute less than 2% on average to revenues, which seems low given the non-profit mission of the organization. Working on building additional public support and grants to bring in revenue would help diversify the company's revenue sources from its main for-profit programs.

The company's expenses have grown alongside revenues, albeit at a slower pace. Salaries & wages (~42%) and Supplies (~33%) are by far the largest expenses for Do-All. This is expected given the contract work nature of this non-profit and the fact that Do-All carries inventory to deliver physical goods to its clients. The composition of these two items relative to overall expenses has been very consistent. The current CEO, Chris Girard, has had his salary increase each year, but appears to be at a reasonable level at no more than around \$70,000 a year total. No other board members or executive employees receive compensation of any kind. If true, this is very impressive given the fact that Do-All managed 345 and 213 employees in periods ending in 2010 and 2009, respectively.



GET INVOLVED

Become a volunteer, donate goods, or make a monetary donation:

http://www.doallinc.org/index.php?option=com_content&view=category&id=10&Itemid=5

DISCLOSURES

Jonathan does not have any affiliation with Do-All, Inc. and has never made a donation to the organization. NPI analysts and NPI as an organization do not receive any form of compensation from reviewed charities.