



**AMERICAN BRAIN FOUNDATION**

Board of Directors Meeting

February 19, 2021

10:00 a.m. CT

Virtual Conference Call

Committee Members	David Dodick, MD, Chair; Susan Schneider Williams, Vice Chair; Shafali Jeste, MD, Secretary; James Essey, Treasurer; David Eagleman, PhD; James Erwin, Jacqueline French, MD; Dan Gasby; Kevin Goodno; Robert Griggs, MD; James Grotta, MD; Frances Jensen, MD; Sharon Klein; Ben Lenail; Cindy McCain; Suzanne Miller; Ronald Peterson, MD; Alyx Porter, MD; Mary Post, CEO AAN; Sean Sansiveri; Martin Shenkman, CPA; Joseph Sirven, MD; James Stevens, MD, President AAN
Guest	Paul George, MD, Vice Chair, AAN Science Committee, Chair, Research Program Subcommittee
Staff	Jane Ransom, ED; Kevin Myren, CFO; Emily Christian; Lisa Dahlberg; Julia Miglets-Nelson; Kim Howard

	<b>AGENDA ITEM</b> <i>*Indicates Board Action Needed</i>	<b>PRESENTED BY</b>
10:00	<b>Call to Order</b> <ul style="list-style-type: none"> <li>Approval of November 3, 2020 meeting minutes*</li> <li>Call for disclosure of conflicts of interest</li> <li>Introduction of new board member, Alyx Porter, MD</li> </ul>	David Dodick, MD, Chair
10:05	<b>Board Chair Remarks</b>	David Dodick
10:15	<b>Updated Principles of Joint Collaboration*</b>	Jane Ransom
10:20	<b>AAN Report</b>	James Stevens, MD, Mary Post
10:30	<b>Educational Presentation of AAN's Science Committee</b>	Paul George, MD
11:00	<b>Financial Report</b> <ul style="list-style-type: none"> <li>Year End Financial Statements, December 31, 2020</li> </ul>	Jim Essey, Treasurer Kevin Myren, CFO Lindsey Taveren, Accountant

11:15	<b>Research Advisory Committee and Strategic Research Discussion</b> <ul style="list-style-type: none"> <li>• New RAC Members</li> <li>• New ABF Initiative</li> </ul>	Robert Griggs, MD
12:00	<b>15 Minute Break</b>	
12:15	<b>Commitment to Cures 2021</b>	Sean Sansiveri
12:30	<b>Governance Committee Report</b>	Shafali Jeste, MD
12:40	<b>Executive Session</b>	David Dodick, MD
1:00	<b>Adjourn</b>	David Dodick, MD

**Meeting Materials:**

- Minutes of Board of Directors Meeting of November 3, 2020 (Draft) – page 3
- Executive Director’s Report – page 10
- 2020 Q4 ABF Scorecard – page 13
- Final Report on 2020 AANI Grant - page 15
- 2020 Q4 2020 Business Plan Scorecard for AANI - page 19
- Updated Principles of Joint Collaboration - page 20
- Financial Statements, December 31,2020 – page - page 25
- 2021 ABF Board Scorecard - page 33
- 2021 ABF Incentive - page 35



**American Brain Foundation  
Board of Directors Meeting  
November 15, 2020  
10:00am CST  
Video Conference Call**

**In attendance:** David Dodick, MD, Chair; Susan Schneider Williams, Vice Chair; James Essey, Treasurer; Jacqueline French, MD; Dan Gasby; Kevin Goodno; Robert Griggs, MD; James Grotta, MD; Frances Jensen, MD; Ben Lenail, Ronald Petersen, MD; Mary Post, CAE; Sean Sansiveri; Joseph Sirven, MD; James Stevens, MD

**Guest Presenters:** Maciej Mrugala, MD, PhD - Director of Neuro-Oncology, Mayo Clinic Arizona; Chair of AAN Neuro-Oncology Section. Ashley Logan and Warren Legner from Yakkety Yak.

**Staff:** Jane Ransom, ED; Kevin Myren, CFO; Kim Howard, Emily Christian, Lisa Dahlberg, Julia Miglets-Nelson

**Excused:** Shafali Jeste, MD, Secretary; David Eagleman, PhD; James Erwin; Sharon Klein; Cindy McCain; Suzanne Miller; Martin Shenkman, CPA

The meeting was called to order at 10:02 a.m. CT.

The minutes of the August 6, 2020 meeting were approved unanimously.

**Board Chair Remarks (David Dodick, MD)** Dr. Dodick thanked Sharon Klein for her four years on the board. She will be leaving at the end of 2020. It has been a tough year for non-profits and foundations. An estimated one-third of nonprofits have or will be closing their doors in 2020. There have been increased stresses on philanthropy and a shift in giving based on the incredible needs that have arisen during this pandemic. Jane and her team have rolled up their sleeves and shown resilience and creativity to help navigate the foundation through a very difficult period. The AAN has been understanding and supportive despite being seriously impacted by the pandemic themselves. We have weathered the storm and we will come out on the other end strong and poised for significant growth.

**Executive Director Report (Jane Ransom)** ABF is on track to meet our goals. Some nice wins in the last few months include \$1.5M for the LBD fund from the Alzheimer's Associations and \$1.65M from the McKnight Foundation to launch 10 new CRTS in age-related memory loss. Due to better visibility, larger gifts are coming in from people we do not know, including a recent \$200,000 gift to the LBD Fund. Jane thanked the staff and the board for all the work that has been done to keep us afloat and successful this year. The one challenge that we have not really advanced on is the idea Dr. Dodick brought to the February 2020 meeting, of a multi-milliondollar win. This is something we should start shooting for with the boards help.

Ransom referred Board members to her written Executive Director report in the meeting materials for a review of third quarter highlights. She highlighted several year-end activities:

- Developing a 2021 budget strategy which leverages COVID-19 savings to grow ABF through added spending for marketing
- Promoting planned giving through a planned giving newsletter and FreeWill software
- Pursuing grants and gifts through the Annual Fund Year-End Campaign, Give to the Max Day, Giving Tuesday, Major Giving Campaign, Grant proposals, and Commitment to Cures sponsorship solicitations
- Considering launching the LBD initiative in 2021 and considering how research funding could address neuro health care disparities.

**Financial Report (Jim Essey)** The Foundation has done well meeting financial goals despite the pandemic. The Finance Committee has developed an aggressive budget for 2021, created to exceed our 2020 goals even though AAN has nicely adjusted our goals back to the 2020 goals. We need to be prepared that people might not have the appetite for donating. We will have some savings this year, so we are proposing to reinvest that money in the organization to help build brand awareness for the future. We have set our budget so that over this two-year period we deliver the amount of we said we would to the AAN even though they said we did not have too.

**September YTD 2020 Financial Statements & Updated Forecast (Lindsey Taveren)** September YTD operating revenue is at \$4.4M, expenses are at \$3.6M, long term investment losses \$216K leaving a net operating increase of \$651K. The YTD actuals compared to YTD budget is very positive and that trend continues as we near the end of 2020. Here are the highlights:

- **Revenue** - Combining the restricted and unrestricted gifts together 83% (\$4.3M) of the fundraising goals have been achieved. Unrestricted revenue is at 92% of the YTD budget goal and restricted revenue is at 72% of the YTD budget goal. The PPP loan has been forgiven and will be recognized as revenue in November.
- **Expenses** – September YTD expenses are down 16% compared to what was budgeted. The major variances are in professional services, advertising and meetings and travel.
- **Financial Position** – September ended with total assets of \$14.2M, \$3.8M grants receivable and \$10.3M cash and investments. Liabilities are \$1.6M with grants payable of \$1.4M.
- **Operating Statement** – This is where you see the projected surplus for the end of the year has jumped to \$326K which is astronomical compared to our budget of zero for net income. The real driver of this surplus ins on the expense side. Expenses are about \$367K under budget when you compare the forecast to budget and that is driving that surplus. There is a \$50K contingency that was added in case of any unanticipated expenses at the end of the year. If that does not get used it would drop right down to the bottom line.

#### **Discussion:**

- A question was raised about the \$14.2M we have in reserves, how much of that is encumbered and how much is actually true reserves, and do we have a target? Lindsey confirmed we have \$12.6M in net assets, and as of September \$4.6M is unrestricted so that is all the prior year's surpluses that have built up over time that we have primarily invested in long term investments. ABF policy establishes a reserve equal to 75% of the average of the last two years actual expenses, and the succeeding years budget. Our current target is \$1.7M which we easily meet since we projected our surplus of \$4.2M in unrestricted net assets at the end of the year.
- **MOTION:** A motion was made to affirm the actions of staff to submit the forgiveness documents to the Payroll Protection Program with proof that all qualifications were met. The motion was approved unanimously.

Mr. Essey reiterated that in the middles of a pandemic, we were able to deliver on our budgeted goals exceeding them significantly by \$326K and you will see how this comes into play in 2021. This is a very positive story, and the outlook is good as we move to 2021.

**2021 Budget** – The strategy is to leverage the savings from 2020, as well as continued savings in 2021, to expand the advertising and public awareness campaigns. The 2021 budget proposes a deficit of (\$261K) which would be funded from unrestricted assets in the operating reserve. The combined net income between 2020 and 2021 equates to \$66K, which matched the combined net income in the 2020 and 2021 business plans.

Highlights of the 2021 budget include:

- 2021 Operating Revenue - \$4.7M
  - \$1.25M AAN Grant
  - \$850K Unrestricted Fundraising Goal
  - \$2.6M Release from Restrictions
- 2021 Operating Expenses - \$4.9M
  - The expense strategy in 2021 is to leverage continue savings due to COVID-19 environment (ie limited travel and virtual Annual Meeting/C2C event) and the available prior year surplus to expand advertising and public awareness.
  - Assumptions included the following:
    - Remain at 8 FTE
    - 3% increase to management fee agreement with AAN
    - New CRM implementation expense of \$150K
    - Significant investment in Yakkey Yak professional services of \$400K
    - Significant investment in advertising of \$112K
- Restricted Fundraising Plan - slides illustrating the 2021 Fundraising Plan as well as the prior year's funds raised and the grant/award expense goal from the business plan were shared. We are in a very good position, most of the funds have already been raised for 2021 and 2022 and even some for 2023 and 2024. Our 2021 fundraising is really geared towards future years.

**MOTION: A motion was made to approve the 2021 budget as presented and it was approved unanimously.**

**American Academy of Neurology Update (James Stevens, MD)** Dr. Steven's began by reaffirming that we have a very strong mutually beneficial relationship with the ABF. Their members and their patients greatly benefit by supporting research to find cures and improve quality of life as well as increasing engagement and the reach of AAN patient education resources. The AAN Vision to be indispensable to their members and the Mission to promote the highest quality patient-centered neurologic care and enhance member career satisfaction was shared.

- World's largest association of neurologists at 36,000 and that is projected to increase at the end of 2020 to almost 37,000.
- The AAN Goals were shared and the goal to "Expand neuroscience training and research funding" was highlighted because that fits right into our goals and partnership with the ABF.
- The AAN founded the ABF in 1992 and each organization is committed to the success of the other organization through support and strategic collaboration.
- The AAN is committed to providing unrestricted funds for ABF's operating expenses from 2020-2024, this funding is subject to ABF's ability to achieve performance metrics.
- The AAN's support of the ABF includes:
  - Free advertising and editorial space in multiple publications throughout the year.
  - AAN management of Clinical Research Training Scholars program.
  - Access to AAN science experts to review research projects.
  - Free direct outreach to AAN members and Brain&Life subscribers 3x per year.
  - ABF donation request is included in AAN membership renewal campaign.
  - AAN is the largest sponsor of C2C event (\$35,000)
  - Exposure at AAN Annual Meeting (prime booth location & free advertising in publications)
  - Free featured booth space at the Brain Health Fair, Bike Helmet Giveaway and Fall Conference.
  - Access to AAN staff for donation campaigns.

AAN is repositioning for lingering disruption into 2021 because of the pandemic, and that is why they froze the metrics for the ABF. The financial forecast remains promising for 2020 since they just received the \$10.7M insurance payment for the cancelled 2020 Annual Meeting. 2021 is projected to be challenging. Dr. French asked about the trends towards virtual meetings and Dr. Stevens confirmed that the AAN virtual meetings so far have exceeded registration goals, so they hope to see this as an option going forward.

The leadership of the ABF has been incredible at keeping the lines of communication open with the AAN and that has done nothing but improve the bond that was already there. Dr. Stevens thanked Dr. Dodick and Jane Ransom for those efforts.

**Presentation: Brain Disease Education - Glioblastoma**, Marciej Mrugala, MD, PhD, Mayo Clinic

Dr. Mrugala provided an educational session on Glioblastoma that included what Glioblastoma is, where we are in terms of treatment and care and where our priorities and focus should be for the future.

**The challenges of why it is so difficult to detect and treat Glioblastoma:**

- Imaging does not show the full extent of the disease
- We do not have a biomarker
- Blood-brain barrier impedes penetration of drugs into the tumor
- Heterogeneity of the tumor
- Lack of reliable targets
- Imperfect design and conduct of clinical trials
- Poor understanding of the risk factors
- Gender difference in incidence and response to treatment.

**What is needed:**

- Better understanding of the biology.
- Uniform bio-banking on every single case of GBM.
- Uniform use of molecular testing for treatment planning.
- Improved detection methods and biomarkers.
- Improved ways to understand tumor response to therapy.
- Faster and better target identification strategies.
- Improved clinical trials that would allow fast turnaround time and less patients to reach the conclusions.

Glioblastoma may be considered an Orphan disease, but it truly deserves our full attention. It has a huge cost at the individual, family and society level. There is so much funding going to other cancers and so many discoveries in other cancers but not so much in Glioblastoma, so we need to focus on this disease. Together the ABF and AAN could certainly make a difference and be an advocate for this disease to get better funding.

Dr. Mrugala hopes that someday we will be able to use the data gathered from all the new research that will be funded to put all the imaging data, molecular data into an algorithm and use Artificial Intelligence to predict the response of a patient with Glioblastoma even before anything happens. We can then plan what would be the best surgery, radiation, or chemo treatment for this patient to survive a long time and not to have to worry about tumor progression.

**Research Strategy (Robert Griggs, MD)** Dr. Peter Goadsby is the awardee of the 2021 Scientific Breakthrough Award. Dr. Goadsby will be recognized for his amazing work on headache, migraine, and vascular headaches. His early discovery that CGRP is a major generator of migraine and possibly other disorders. Thirty years later we have the first mechanism-based drugs in the field. His work has clearly had an impact on patient care helping more than a million people worldwide that suffer from migraines.

His work on CGRP is now being evaluated on other brain disorders, specifically concussions and even COVID-19. It is an elegant example of translational science that has led directly to impacting millions of patients around the world. We plan to approach the seven pharmaceutical companies that market these CGRP drugs to support this award and research going forward as a way to give back. Dr. Dodick also summarized the more formal selection process that was established this year that will be used in future years.

The Research Strategy Group (ABF board members & RAC members) recently met to discuss strategy. The RAC will establish three workgroups to pursue:

1. Expansion strategies for Next Generation Research Program.
2. Establishing one or more high-risk, high-reward initiatives. (i.e. Glioblastoma, Neuroinflammation)
3. Creating a health care disparities research agenda in collaboration with the AAN, our ideas have been shared with them.

#### **Discussion and follow-up items:**

- Dan Gasby referred to these health and wellness issues amongst the black community a quiet crisis that needs to be addressed. Dan offered to work with Michael Blumberg and his team related to these health disparities and diversity issues to see if they can do something to push this initiative forward. Jane is going to work with Dan on this.
- Dr. French asked the board to consider there are not enough people and fewer and fewer people involved in clinical trial methodology. The institutions work very hard against people being involved in that area as a career choice because it means you must work with the companies that develop the drugs and that still has an enormous stigma in that field. ABF could be very powerful working on that stigma piece encouraging young people to pursue a career in clinical trials rather than clinical research. Dr. Griggs mentioned that AAN is working on establishing a Section that includes Industry, currently Industry neurologists are forbidden to serve in any leadership position in the Academy so that this section will include people from Industry as well as have a focus on developing training in experimental neuro-therapeutics. Jim Essey added that he has a good friend that owns one of the larger staffing companies that staff these clinical trials, and he would be very interested in trying to help create interest and excitement in people focusing on this.
- Jim Essey suggested the model Dr. Dodick is using for pursuing Industry related to the Scientific Breakthrough Award could be used each year to potentially create a major initiative on behalf of ABF for larger amounts of money than our typical CRTS's. Dr. Dodick said it would be based on the awardee, we might not have this opportunity for some of these awards.
- Dr. Jensen suggested exploring creating a common platform where discoveries are put out with bankable samples for more general use is something we could explore, especially in the case of brain tumors because we have many small independent brain tumor banks around the county and information is not being shared.
- Dr. Grotta suggested that most dementia in black and Hispanics is not due to Alzheimer's, it is due to small vessel disease. This is another area that cuts across multiple specialty's and is a huge public health problem. Natalia Rost is a leader in this field, Dr. Grotta suggested she speak at one of our future meetings on the opportunities in this area.

**Governance Committee Report (Kevin Goodno)** In 2020 the committee is working to fill two 2021 Board positions, one neurologist and one non-neurologist and renew 3 RAC members. In addition, the committee is working with the RAC to update its mission and role. In 2021 the committee will be working on filling three 2022 Board positions, filling 6 RAC positions and developing the Officers Slate for 2022.

**2021 Marketing Outlook (Emily Christian)** Yakkey Yak has become a part of our ABF team and marketing arm as we had hoped. Over the past several months we have been ramping up our marketing efforts and here are a few highlights:

- Regular content development is up and running as of August, evidenced across ABF channels.
- New content highlights the need for brain research, our unique approach to research, patient and caregiver stories as well as information about brain disease and brain health (aggregated from Brain&Life).
- Showcased ABF researchers and various awards in new ways.
- Executed Robin's Wish event in September with very high engagement.
- Supported our fundraising by revamping the Annual Fund multi-channel campaign, helped create our new leadership circle as well as new leadership in planned giving and stewardship touch points for donors.
- Established regular marketing meetings with the Academy for continual alignment to promote and elevate both brands.

New reports were shared looking at data collected over the last three months, this data will become the baseline numbers as we grow, and the results are as follows:

**Website** – traffic growth increased by 38%, 37% increase in new users, users are spending more time on our pages.

#### **Social Media**

- Instagram – 74% of the new followers came in 2020, 80 new followers per month over the last three months (44% increase), and engagement was up 38%.
- Twitter – 40 new followers per month over the last three month (19% increase), engagement has increase by 150% compared to last year.
- Facebook – 43 new followers per month over the last three months (34% increase), and engagement is up 214% compared to last year.

**Email** – Emails are sent to donors and non-donors. Donor emails are seeing strong engagement rates surpassing industry averages for open rate and click through rate (CTR). Non-donor emails have room for improvement, we are looking for ways to improve this and have already updated our welcome letter and will start a monthly newsletter.

#### **2021 Marketing Strategy & Approach (Ashley & Warren from Yakkety Yak)**

The common goal remains to establish the ABF as a credible and essential resource for brain disease information and support, engaging in building trust with the patient community in order to raise funds in support of brain disease research. The main goals include rebranding brain disease, positioning the ABF as innovation leader in brain research and fund research.

#### **Commitment to Cures 2021 (Joe Sirven, MD and Sean Sansiveri)**

Dr. Sirven shared that Jim Cramer has agreed to host the event again. Dr. Sanjay Gupta (PLINA Award) and Cindy McCain (Ambassador Award) have confirmed the acceptance of their awards. The virtual event components will include:

- Message from Dr. Dodick
- Presentation of awards to celebrity advocates
- Mission Moment: Video featuring patient stories and ABF impact
- Fund-a-need
- Musical performance
- Award-winning Brain Research: Scientific Breakthrough, Potamkin award, and Essey award



Sean Sansiveri presented the sponsorship benefits for sponsorship levels ranging from \$1,500 to \$100,000. The goal with the virtual event is to offer more presence and visibility to our sponsors through digital promotion, name recognition and logo placement.

\$50,000 has already been raised anchored by the generous \$35,000 sponsorship from the AAN. The committee needs the Board's help with securing additional sponsorships. Our consultant Judy from Fluid Events will reach out to the board members following this meeting about how to get more involved.

Dr. Dodick reiterated that we have had a really good year despite what we have gone through as a country. He thinks 2021 will be even better and could be our best year ever and is feeling very optimistic.

Meeting adjourned at 12:50 p.m. CT

DRAFT



TO: Board of Directors  
FROM: Jane Ransom, Executive Director  
DATE: February 16, 2021  
SUBJECT: Update for February 19 Board of Directors meeting

We are beginning 2021 on a high note, with strong year-end results from 2020 in which we exceeded our goals in almost every area. I want to thank the Board leadership, the Board, and our small but mighty staff for working our way through a pandemic and ending the year with overall success. I am attaching our 2020 final report to AAN which summarizes results provides business plan metrics.

One area we need to shore up is our functional expense ratio. You will see on the attached ABF Board Scorecard that we fell short of the ideal of 75 percent of expenses going to program. Because we are anticipating a significant increase in grant making in 2021—resulting from both the LBD initiative and an increase in clinical research training scholarships—I am confident that we will overcome this problem in 2021.

What are the important strategic questions we need to answer in 2021? I look forward to your feedback and additions to these:

**1. Taking the pandemic and our 2020 achievements into account, are we positioned to achieve greater results than anticipated when we wrote the business plan in 2019?**

To answer this question staff is undertaking a refresh of the business plan in collaboration with the Finance Committee before our May Board meeting.

**2. What new special initiative would be most advantageous to add to our research portfolio now that the LBD initiative is getting underway?**

Our Research Advisory Committee has begun this discussion, looking at Glioblastoma, neuro-inflammation, and dementia as possibilities. We look forward to the Board's input at the meeting of February 19<sup>th</sup>.

**3. What should ABF growth look like moving forward?**

This will be partially answered by refreshing our business plan. However, we should also be prepared for a best-case scenario in which we receive millions, even tens of millions, of unexpected dollars. If we prepare for this, we can solicit for larger scale gifts.

Brief updates from Quarter 1 of 2021:

### **Research**

- In collaboration with AAN we are preparing to launch the LBD biomarker initiative this year:
  - The selection committee is coming together by early March
  - Representatives from ABF, AAN, Michael J. Fox Foundation, Alzheimer's Association, and Susan Williams have begun working on a marketing plan
  - The plan is to select recipient(s) in fall 2021
- The Research Advisory Committee has added new members and formed subcommittees for:
  - Expanding Clinical Research Training Fellowships (Next Generation Grant Program)
  - Developing a new special initiative
  - Addressing neuro health care disparities in research

### **Fundraising**

- Amgen funded a two-year Clinical Research Training Scholarship in Migraine (Jan. 2021)
- Michael J. Fox Foundation releases \$1.5 M in matching funds for the LBD initiative (Jan. 2021)
- Association for Fronto Temporal Degeneration (AFTD) will provide \$100,000 toward a 2022 CRTS in FTD (Feb. 2021)
- \$75,000 has been raised for Commitment to Cures
- \$37,698 was raised for the Annual Fund in January
- Planned Giving Program continues
  - Our new FreeWill program
  - Planned giving newsletter
- Monthly salons are planned for ABF donors throughout 2021

### **Public Awareness**

- ABF public "Estate Planning 101" donor webinar to be provided by Board member Marty Shenkman on February 22.
- Paid advertising campaign underway to support our marketing strategy
- Working with partners to make researchers and the public aware of the LBD initiative
- Marketing our Commitment to Cures gala featuring awardees Cindy McCain, Dr. Sanjay Gupta, Khloe Kardashian, and NFLPA's Health & Safety Committee
- Preparing a virtual booth at Annual Meeting
- Website refresh project underway
- Ongoing content creation for website, email, and social media
- Launched new monthly newsletter
- Thank you to all Board members who have made a video

### **AAN/ABF Partnership**

- ABF and AAN updated our "Principles of Joint Collaboration."

- Please see your board materials for the revised “Principles” document which strives to better represent the marketing/public education positioning of the two organizations. The Board will vote on this.
- ABF and AAN updated our “Master Services Agreement.”
  - ABF will be reducing our footprint in AAN’s building, yet maintaining a regular presence there. Our work model will be a hybrid of in-person and remote.
- Regular collaborative meetings at the board and staff levels continue

# 2020 ABF Board Scorecard

Strategic Goal #1	FUNDRAISING			
Outcomes	Q4 2020	Threshold	Target	Maximum
<b>1. Total funds raised</b>				
a. Restricted	\$4,293,174	\$3,800,000	\$3,990,000	\$4,750,000
b. Unrestricted	\$1,032,823	\$850,000	\$892,500	\$935,000
c. AAN Support	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>2. Major Donor Pipeline Value</b>				
a. Number of Solicitations	860	150	158	188
b. Total Gift Ask	\$9,745,332	\$8,000,000	\$8,400,000	\$10,000,000
<b>3. Donors</b>				
a. Total Number of Donors	2938	2700	2835	2970
b. Total Donors from Website	912	350	368	385
<b>4. Staffing - Total FTE's</b>				
a. Total FTEs	8	9	9	9
b. Retention Rate	100%	TBD	TBD	TBD
<b>5. Functional Ratios</b>				
a. Programming	67.2%	72%	73%	73%
b. Fundraising	14.3%	13%	13%	12%
c. Management	18.5%	15%	15%	15%
<b>6. Fundraising Efficiency Ratio</b>				
a. Cost to Raise a \$1	\$0.09	\$0.12	\$0.12	\$0.12
b. Revenue Raised Per FTE	\$853,250	\$683,333	\$709,167	\$798,333
<b>7. Charity Navigator Rating</b>	Three Star	Two Star	Three Star	Four Star
<b>8. Guidestar Rating</b>	Platinum	Gold	Gold	Platinum

Strategic Goal #2	RESEARCH			
	Q4 2020	Threshold	Target	Maximum
<b>1. Total Research Grants and Awards Funded</b>				
a. AAN Total	\$1,796,500	\$1,800,000	\$1,800,000	\$1,800,000
b. Other Grants Total	\$171,090	\$203,000	\$203,000	\$203,000
<b>2. Total # of Research Grants</b>				
a. AAN Total	10	8	8	8
b. Other Awards Total	2	2	2	2
<b>3. Total Number of CDA's</b>	0	0	0	0
<b>4. Total # of Crowdfunding Awards</b>	0	2	3	4
<b>5. Total AAN ROI on ABF Research Grants</b>	169%	166%	166%	166%
Strategic Goal #3	PUBLIC AWARENESS			
Outcomes	Q4 2020	Threshold	Target	Maximum
<b>1. Stakeholder awareness of what Brain Disease is</b>	20%	29%	31%	32%
<b>2. Stakeholder awareness of the American Brain Foundation</b>	26%	23%	25%	27%
<b>3. Unique Web Visitors</b>	122,460	45184	46884	48584
<b>4. Social Media Followers</b>	32,310	14726	16119	17512
Strategic Goal #4	AAN/ABF PARTNERSHIP			
Outcomes	Q4 2020	Threshold	Target	Maximum
<b>1. Number of AAN members who are aware of the ABF</b>	80%	78%	79%	80%
<b>2. Number of AAN members donating to the ABF</b>	1637	1881	1900	1918
<b>3. Percentage of AAN staff donating to the ABF</b>	60%	56%	57%	57%
<b>4. AAN ROI on Total ABF Fundraising</b>	588%	531%	531%	531%



January 28, 2021

Mary Post, MBA, CAE  
Chief Executive Officer  
American Academy of Neurology  
201 Chicago Avenue  
Minneapolis, MN 55415

**Re: Final Report on 2020 AANI Grant**

Dear Mary,

On behalf of our Board and staff, I extend sincere thanks from the American Brain Foundation to the American Academy of Neurology for your generous support in 2020. The Academy's grant of \$1.5M supported the Foundation in executing Year 1 of our 5-year business plan. Despite the pandemic, we were able to exceed our goals—an outcome which would not have been possible without AAN's investment in our operating needs.

We are gratified to have produced a good return on investment for AAN—an ROI of 169% on research and an ROI of 588% on total fundraising. Moreover, ABF took important steps toward becoming a nationally recognized grantmaking charity supporting research on brain disease, primarily that of AAN, by through significant increases in fundraising and marketing outcomes.

The ABF used the AANI grant for operating expenses only. AANI funding did not exceed our operating needs.

I am enclosing the American Brain Foundation's scorecard for the fourth and final quarter of 2020, cumulative for the period 1/1/20 – 12/31/20. With the help of the Academy, ABF moved our mission forward in four strategic areas:

**Strategic Goal #1: Philanthropy/Fundraising**

The Foundation's total fundraising goal for 2020 was \$4,664,666 not including AAN's support. We raised \$5,523,605 and achieved a preliminary operating surplus of \$740,232 (pending audit review).

The scorecard reflects \$4,293,174 in restricted funds raised, which exceeded our goal of \$3,800,000. We also exceeded our unrestricted fundraising goal of \$850,000, by raising \$1,030,431.

With the onset of the COVID-19 pandemic, ABF reimagined and implemented our most important fundraising event of the years, the Commitment to Cures dinner gala, grossing \$186,686 on the event despite pivoting to a totally virtual format. Emilia Clarke, Sidney Crosby, and the University of Calgary Stroke Team were honored for their leadership in the fight against brain diseases and disorders, with a viewership of more than 6,000 people.

ABF continued to use the virtual space as the pandemic continued, introducing virtual salons for our donors on major topics in neurologic research and meeting with major donors over Zoom.

2020 was a particularly fruitful fundraising year due to grants from the McKnight Foundation and the Alzheimer's Association for our LBD Biomarker Initiative.

## **Strategic Goal #2: Research**

ABF granted \$1,967,590 for research and awards in 2020--\$1,796,500 to AANI and \$171,090 to other institutions, achieving 98.2% of the \$2,003,000 goal.

By 12/31/20 the ABF had \$6,065,926 of donor restricted assets available for future research and awards comprised of the following:

LBD Research Project	\$1,750,000
Endowment interest earnings	1,459,017
AANI CRTS Grant funding	728,601
General CRTS Grant funding	706,652
Partner CRTS Grant funding	690,833
Research Specific funding	376,730
Donor Advised funds	226,424
Non-endowed awards	111,288
Crowdfunding Projects	<u>16,380</u>
TOTAL	\$6,065,926

In addition, at the end of 2020 we had a cumulative \$3,259,331 of conditional research grant contracts signed that will be recognized in their corresponding years:

2021 CRTS & CSDA in ALS	\$273,000
2021 CRTS for Dementia with Lewy Bodies	63,333
2021 CRTS in ALS	100,000
2021 CRTS in Epilepsy	100,000
2021 CRTS in Neuromuscular Disease	100,000
2021 CRTS in Parkinson's Disease	100,000
2022 CRTS & CSDA in ALS	273,000
2022 CRTS for Dementia with Lewy Bodies	86,666
2022 CRTS in Alzheimer's	106,666
2022 CRTS in Epilepsy	100,000
2022 CRTS in Parkinson's Disease	100,000
2023 CRTS in ALS	100,000
2023-2028 CRTS in Cognitive and Aging	1,650,000
2024 CRTS in Alzheimer's	<u>106,666</u>
TOTAL	\$3,259,331



ABF responded to the COVID-19 pandemic with fundraising for research on the neurologic impact of the virus, particularly in communities of color. We worked to enhance AAN's IDEAS initiatives by initiating fundraising for a CRTS in neuro health disparities. We hope that these efforts will begin to bear fruit in 2021.

### **Strategic Goal #3: Public Awareness**

ABF exceeded our Threshold and Target goals for stakeholder awareness of the Foundation. In a survey conducted by AAN Insights, 26 percent of the public was aware of ABF.

In 2021 ABF exceeded its own marketing and communications efforts in several areas. This was largely due to engaging a marketing partner and dedicating more staff time to marketing. ABF exceeded our maximum goal of 48,584 website users, ending the year with 122,460 users. We also exceeded our maximum goal of 17,512 social media follower, ending the year with 32,310 followers.

ABF's regular promotion of AAN and *Brain & Life* magazine included:

- Linking to *Brain & Life* on every disease education page on ABF website
- Linking to *Brain & Life* or AAN articles on brain health most Fridays on ABF social channels
- Producing a video highlighting the AAN/ABF partnership for public sharing
- Featuring AAN members in each of our live events and blogs about research
- Citing AAN as our Founder & Research partner in all publications and videos
- Acknowledging AAN during all public and private programs

ABF made full use of the generous in-kind marketing benefits granted to the Foundation by the AAN valued at \$419,910. ABF advertising ran regularly in AANnews and *Brain & Life* magazine. AAN and ABF leadership worked to align our respective marketing strategies, and collaborative discussions on the staff level led to greater synergy between our two marketing programs.

### **Strategic Goal #4: Thriving Partnership with the Academy**

In 2020, as ABF embarked on the first year of its new business plan, AAN and ABF made greater efforts than ever before to achieve strategic alignment for the benefit of both organizations. Regular collaborative discussions were held between:

- Volunteer leaders with chief executives
- AAN Science Committee and ABF Research Committee
- Chief executives
- ABF staff leadership and AAN Executive Team
- ABF and AAN marketing teams

These efforts undoubtedly supported ABF's research, marketing, and fundraising success in 2020.

\* \* \* \*

Enormous thanks to the Academy for your partnership in achieving our mutual goal of raising money and awareness for brain disease.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane Ransom". The signature is fluid and cursive, with a large initial "J" and "R".

Jane Ransom  
Executive Director

CC: David Dodick, MD, FAAN, Board Chair  
Kevin Myren, CFO  
Christy Phelps, Deputy Director, AANI  
James Stevens, MD, President, AAN

## 2020 ABF Business Plan Metrics for AAN

Strategic Goal #1		FUNDRAISING			
Outcomes		Q4 2020	Threshold	Target	Maximum
1. Total funds raised					
a. Restricted		\$4,293,174	\$3,800,000	\$3,990,000	\$4,750,000
b. Unrestricted		\$1,032,823	\$850,000	\$892,500	\$935,000
c. AAN Support		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
2. Fundraising Efficiency Ratio					
a. Cost to Raise a \$1		\$0.09	\$0.12	\$0.12	\$0.12
b. Revenue Raised Per FTE		\$853,250	\$683,333	\$709,167	\$798,333
3. Charity Navigator Rating		Three Star	Two Star	Three Star	Four Star
4. Guidestar Rating		Platinum	Gold	Gold	Platinum
Strategic Goal #2		RESEARCH GRANTS			
Outcomes		Q4 2020	Threshold	Target	Maximum
5. Total Grant Funds Awarded					
a. AAN Total		\$1,796,500	\$1,800,000	\$1,800,000	\$1,800,000
b. Other Grants Total		\$171,090	\$203,000	\$203,000	\$203,000
Strategic Goal #3		PUBLIC AWARENESS			
Outcomes		Q4 2020	Threshold	Target	Maximum
6. Stakeholder awareness of the American Brain Foundation		26%	23%	25%	27%
Strategic Goal #4		AAN/ABF PARTNERSHIP			
Outcomes		Q4 2020			
7. Total AAN ROI on ABF Research Grants		169%	166%	166%	166%
8. AAN ROI on Total ABF Fundraising		588%	531%	531%	531%

## Appendix A

### Principles of Joint Collaboration

American Academy of Neurology/American Academy of Neurology Institute  
American Brain Foundation

The purpose of these Principles of Joint Collaboration is to establish guiding principles for the ongoing collaboration between the American Academy of Neurology (“AAN”)/American Academy of Neurology Institute (“AANI”) (collectively, “Academy”) and the American Brain Foundation (“ABF”). The Academy’s mission is to promote the highest quality patient-centered neurologic care and enhance member career satisfaction. Its vision is to be indispensable to its members. ABF’s mission is to bring researchers and donors together to cure brain diseases and disorders. Its vision is life without brain disease. Each organization is committed to the success of the other organization through support and strategic collaboration.

**1. Background.** ABF was founded in 1992 by AAN member leaders to support scientific research and education in the neurosciences. For over 20 years ABF has supported clinical research training scholarships and focused fundraising efforts almost exclusively on AAN members and for-profit entities that produce drugs, devices, or therapies used to diagnose and treat neurologic conditions (“Industry”).

Since 2017, ABF has been implementing a new strategic plan whose thrust is to aim marketing and fundraising activities for brain disease research toward the public. The ABF brings researchers and donors together to cure diseases and disorders of the brain. Its strategic goals are:

1. **RESEARCH:** Funding research across a broad spectrum of brain disease, on a continuum that starts with funding for the next generation of researchers and ends with funding high-risk, high-reward research projects.
2. **PUBLIC ENGAGEMENT:** Building the ABF brand around the “whole brain approach” (i.e., a cure for one brain disease is a cure for many);
3. **PHILANTHROPY:** Developing public support and deepening giving from AAN members; and **A THRIVING PARTNERSHIP WITH THE ACADEMY:** Creating aligned leadership and collaboration with the Academy.

The Academy wishes to demonstrate the value of neurology, neurologists, and neuroscientists. Its ~~2020~~ 2021 goals are to:

1. Demonstrate and assert the value of neurology to policymakers, patients and the public and other major stakeholders
2. Grow the neurology workforce and innovate care delivery to meet the future needs for patient care
3. Demonstrate and communicate our commitment to be a fully inclusive and antiracist organization that promotes neurologic health equity and enhances the careers of our diverse membership
4. Ensure the health of the Neurology community and enhance member and staff satisfaction, well-being and resiliency, diversity, inclusion, and engagement
5. Advocate and support the financial well-being, continuing viability and innovation of the practice of neurology
6. Expand and support neuroscience research
7. Create novel ways to educate and assist members in providing high value, team-based, patient-centered, clinical care
- ~~1. Demonstrate and assert the value of neurology to policymakers and other major stakeholders;~~
- ~~2. Expand the neurology workforce to meet future needs for patient care;~~
- ~~3. Ensure the health of the Academy by enhancing member and staff satisfaction, well being and engagement;~~

4. ~~Provide resources to support the financial well-being of the practice of neurology;~~
5. ~~Expand neuroscience training and research funding;~~
6. ~~Educate and assist members in providing high value, team based, patient centered clinical care;~~
7. ~~Strengthen advocacy on behalf of and in collaboration with members and their patients; and~~
8. ~~Increase the reach of AAN resources to enhance patient centered neurologic care.~~

Specific Academy objectives may interface with ABF goals and fundraising efforts. For example, the Academy Boards have directed the Science Committee to continue strengthening the AANI research program, which includes efforts to increase funding for training opportunities (Clinical Research Training Scholarships (“CRTS”), bridging grants after CRTS, late career, diversity, etc.). The Academy, through its Advocacy and Science Committees, continues to increase lobbying efforts in support of neuroscience research, including NIH and NINDS funding. The Academy also continues to increase and sustain AAN advocacy efforts to improve the amount of federal research funding, including enhanced collaboration with patient groups and coalitions in joint lobbying efforts.

~~The AAN has also invested significant resources and developed expertise in creating high-quality patient and public products, programs, and services to educate the public. The AAN is committed to continuing to build the AAN and Brain & Life as the premier organization and brand that owns brain health. The AAN is working to improve and consolidate messaging to provide clarity about what the AAN is and how the Brain & Life brand represents its patient- and public-facing resources. A foundational element of AAN’s support of, and collaboration with, ABF is the ABF’s commitment to utilize AAN and Brain & Life patient and public resources and not create separate patient and public education resources. However, the ABF may create content that connects the Academy’s patient education and public engagement resources to the need for brain research to support ABF’s donor development efforts. The Academy is also in the process of solidifying a more global strategy for patient education and advocacy, to create a more visible and cohesive public facing presence for the “AAN” that consolidates and expands the reach of Academy patient resources and strengthens advocacy efforts on behalf of and in collaboration with patients. ABF’s opportunity to leverage the Academy’s patient education resources, AAN’s advocacy efforts, and AAN member expertise, uniquely positions the ABF to be able to raise significant funding for brain research, which in turn supports the Academy’s research goals and sustainability; this defines why it’s valuable for both the Academy and ABF to have a high-functioning, symbiotic relationship.~~

The ABF continually works with donors—individuals and institutions—interested in providing resources for research. The ABF leverages resources for research by identifying philanthropic interests among donors to fund existing projects in the AANI’s research portfolio, as well as by strategically collaborating with the AANI to create other funding opportunities as appropriate.

The Academy is committed to providing ABF financial assistance in the years 2020-24 for ABF’s operating expenses, with funding in years 2021-24 subject to ABF’s ability to achieve performance metrics developed for those years by the Academy Boards annually and ABF’s adherence to these Principles of Joint Collaboration and the Management Services, Resource Allocation and Lease Agreement.

Given their strategic goals, and in recognition of each other’s value, strength and potential, the Academy and ABF have identified the following areas of collaboration. For each area, the organizations have identified guiding principles to ensure their collaboration is either mutually beneficial or consistent with the commitment of supporting each other’s independent missions.

## 2. Guiding Principles.

- a) *Research Agendas.*

- i. ABF is committed to financial support of, and voluntary health organization partner development efforts related to, AANI's CRTS and CSDA programs and to other research projects agreed to by the AANI and the ABF as a result of consultation between AANI's Science Committee and the ABF's Research Advisory Committee.
  - ii. AANI, through the Science Committee, is committed to assisting the ABF's Research Advisory Committee in providing expert vetting of research projects proposed for ABF's research platform.
  - iii. The Science Committee and Research Advisory Committee will communicate no less than semi-annually about the research priorities of the AANI and the ABF's ability to financially support those priorities.
  - iv. The Academy is committed to prioritizing ABF as the Academy's favored destination for patients or public individuals interested in funding brain research and for AAN members interested in seeking funding for research projects ~~via the ABF's crowdfunding platform~~, if consistent with ABF's research focus and priorities. From time-to-time the Academy and ABF may promote initiatives of other voluntary health organizations.
- b) *Development Strategies.*
- i. ABF and the Academy staff will share fundraising priorities annually, with no fewer than quarterly updates, and seek mutually beneficial alignment and collaboration where appropriate.
  - ii. ABF may seek funding from existing or potential AANI Industry Roundtable ("IRT") members, if approved by the AANI. After prior consultation with AANI before making contact, ABF may seek funding through IRT member organizations' charitable giving departments or from their charitable giving affiliates.
  - iii. The Academy will continue to support ABF's efforts to fundraise from AAN members and Academy staff, including AAN membership dues check-off, honoraria donations, presence at the Annual Meeting, and the AAN staff campaign.
- c) *Patient Advocacy.*
- i. ABF recognizes the Academy's expertise and experience in advocating for issues related to neurology/brain disease and is committed to taking positions and providing resources that are consistent with Academy positions. ABF may expand on a particular issue to better serve its constituents; when doing so, ABF will collaborate with the Academy to align their positions to the extent reasonably possible and consistent with the mission of each organization. To the extent ABF takes a position that does not align with the Academy, is a position not addressed by the Academy, or is a position or action (e.g., endorsing a controversial issue or public figure) that threatens to damage the Academy brand, the ABF will remove, if the Academy requests, any use of the Academy name, trademarks, or other Academy-owned content in connection with ABF's promotion of the unaligned position or otherwise being used by the ABF.
  - ii. The Academy recognizes the value in, and the ABF supports, mobilizing ABF's non-physician board members and public donor base to assist the Academy in advocating for certain patient-centric advocacy efforts.
  - iii. The Academy and ABF staff will utilize the leadership meetings described in Section 2 e) iii. to discuss and determine which advocacy issues are best suited for ABF's support.
  - iv. In no event will ABF participate in or contribute to advocacy efforts in a manner inconsistent with its status as a 501(c)(3), tax-exempt organization.
- d) *Patient Education, Public Awareness & Brand Support.*
- i. ABF recognizes its relationship with the Academy as a distinguishing feature making ABF unique and attractive to potential donors, researchers, and other voluntary health organizations. The Academy recognizes ABF's ability, through its philanthropic efforts and community building, to demonstrate the value of neurology, neurologists, and neuroscientists to patients, caregivers, policy makers, and the general public.

- ii. The Academy is a trusted, central hub for patient and public education on brain disease. The Academy recognizes the benefit of utilizing ABF as a conduit for delivering this Academy content to the patients/public. ABF recognizes the benefit of utilizing this Academy content to attract and support ABF donors. Accordingly, the Academy and ABF staff will determine a strategic and sophisticated approach to integrate ABF on Academy patient/public platforms and integrate the Academy on ABF's donor platforms, to the mutual benefit of the organizations and their brands, in a manner that does not duplicate content. ABF will utilize Academy and Brain & Life patient and public resources and not create separate patient and public education resources. However, the ABF may create content that connects the Academy's patient education and public engagement resources to the need for brain research to support ABF's donor development efforts.
- e) *Communication.*
  - i. The Academy and ABF are committed to ongoing cross-organizational communication and, where goals align, collaborative strategic planning efforts.
  - ii. ABF leadership will be invited to address the Academy Boards annually, to provide an update on ABF.
  - iii. On a monthly basis, the ABF Executive Director, and other designated ABF staff, will meet with the Academy Executive Team, or designated members of that team, to foster ongoing alignment on common goals and strategies. The Academy CEO and ABF Executive Director are responsible for coordinating these meetings and determining their respective invitees.
- f) *Leadership.*
  - i. The Academy and ABF are committed to ensuring that members of their respective Boards of Directors are positioned to comply with their fiduciary responsibility to discharge their duties in good faith, in a manner the directors reasonably believe to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. This includes a duty of loyalty that requires each director to place the interests of the organization they manage above all other competing interests.
  - ii. Only ex-officio voting or non-voting members may serve on both the Boards of Directors of the Academy and ABF.

**3. Joint Steering Workgroup.** The Academy and ABF agree to form a Joint Steering Workgroup to foster successful implementation of these Principles and to review ABF's ongoing progress on the established performance metrics. The Joint Steering Workgroup will be comprised of a total of four to six members, with the ABF and the Academy each designating 2-3 representatives, which will include the President and CEO of the Academy as well as the Chair and Executive Director of the ABF. The Workgroup will meet once every quarter and more frequently as mutually agreed. Areas for Workgroup review and discussion may include (but are not limited to):

- a) *Research Agenda*
  - i. Reviewing and ensuring alignment of research agendas.
  - ii. Supporting collaboration and communication between AANI's Science Committee and ABF's Research Advisory Committee.
- b) *Development Strategies*
  - i. Ensuring mutually beneficial alignment and collaboration on fundraising efforts, including development opportunities for existing or potential AANI Industry Roundtable members.
- c) *Patient Education, Public Awareness and Brand Support*
  - i. Reviewing and approving the strategic direction for mutually beneficial, non-competitive or duplicative promotion of the Academy as the central hub and brand for patient and

public education and advocacy, and the ABF as the go-to destination for supporting brain research.

**4. Operational Specifics.** The Academy CEO and ABF Executive Director are responsible for operationalizing the above Principles. The organizations will enter into a Management Services, Resource Allocation and Lease Agreement to describe lease of employees from AAN to ABF, ABF's lease of space at Academy headquarters, and ABF's use of certain services in the following areas: Finance, Operations, IT, Marketing, Human Resources and Legal. In addition, the Agreement will include use of the following resources:

- a) Organizational Names and Trademarks
- b) AAN Membership List
- c) ABF Donor List
- d) Patient Education & Public Engagement Resources

**5. Annual Review & Amendments.** The Academy and the ABF will review these Principles annually, with review beginning no later than October of each year. The Academy or ABF may propose amendments to these Principles. The proposer of an amendment will provide written notice of the proposed amendment and schedule a meeting among Academy and ABF leadership and staff to discuss the proposed amendment prior to consideration by the Boards of Directors. A proposed amendment does not become effective until approval by the Boards of Directors of ABF, AANI and AAN.

*History: Approved by AAN Board of Directors on September 17, 2016, by the AANI Board of Directors on September 17, 2016, and the ABF Board of Directors on September 18, 2016. Amended by AAN Board of Directors on December 27, 2019, by the AANI Board of Directors on December 27, 2019, and the ABF Board of Directors on December 16, 2019.*



Date: Friday, February 19<sup>th</sup>, 2021

To: Board of Directors

From: Lindsey Taveren, Senior Accountant  
Kevin Myren, CPA Chief Financial Officer  
Jane Ransom, Executive Director

Subject: Preliminary 2020 Year End Financial Reports

These reports were reviewed and accepted by the Finance Committee on Tuesday, February 9<sup>th</sup>, 2021.

#### **Preliminary 2020 Statement of Operations**

- Operating Revenues of \$5.3M
- Operating Expenses are \$4.6M
- Net Operating Increase is \$672K
- Long Term Investments are \$336K

Year-to-date long-term investments are performing at 7.6% compared to policy index of 9.1%.

#### **2020 Operating Revenue**

ABF has raised \$6.8M as of December, exceeding the fundraising goals by 10.7%. The \$6.8M raised includes the \$1.5M AAN operating grant as well as the \$146K PPP Loan Forgiveness.

On the restricted fundraising side, per ABF's projections, two large contracts were signed: a \$1.5M LBD grant with the Alzheimer's Association and the renewal of the \$1.65M multi-year McKnight Foundation grant to fund future CRTS grants in Cognitive Aging.

In the GAAP Adjustment section of the Income Statement, Releases from Restrictions have a negative variance of (\$195K) due to:

- (\$22K) Research Grant budget variance due to an unspent crowdfunding grant
- (\$120K) Award budget variance due to fewer Annual Meeting awards given out than originally budgeted.
- (\$53K) Public awareness budget variance due to less C2C sponsors than original budgeted for

## **2020 Operating Expenses**

Expenses are 14% under budget:

- General Office under by \$36K, largely due to \$25K savings in postage and printing, as well as \$4K savings in budgeted credit card fees, and \$7K from insurance savings.
- Professional Expenses are under \$100K due savings from the cancellation of the in-person Commitment to Cures and other events.
- Advertising is under by \$70K due to savings from the cancellation of the in-person Commitment to Cures and other events
- Meetings & Travel has savings of \$348K due to COVID-19 related cancellations
- Grants & Awards are under \$136K due to awards that were not given out this year related to Commitment to Cures, Crowdfunding, and Annual Meeting.

## **December 2020 Statement of Financial Position**

- The Foundation ended 2020 with total assets of \$15.1M, which includes \$3.4M in grants receivable.
- Cash and investments total \$11.6M
- Liabilities are \$1.4M, the majority of which represents Grants Payable of \$1.2M

## **2020 Operating Reserve**

ABF's Operating Reserve Policy establishes a reserve equal to 75% of the average of the last two years actual expenses and the succeeding years operating budget excluding any grants with donor restrictions and noncash items. The reserve calculation below has been updated:

\$4,945,327	Preliminary Year End 2020 Unrestricted Net Assets Balance
(\$1,698,767)	<i>less</i> Minimum Required Operating Reserve
<u>(\$260,730)</u>	<i>less</i> Portion Reserved for 2021 Deficit Budget
\$2,985,830	Unrestricted Net Assets exceeding the Minimum Required Operating Reserve

**Provided in the following pages are:**

- Preliminary December 2020 Operating Statement
- 2020 AAN Member Dues Donations Report
- Preliminary December 2020 Functional Expense Report
- Preliminary December 2020 Balance Sheet
- Preliminary December 2020 Restricted Asset Schedule
- 2021 Budget Operating Statement

**American Brain Foundation**  
**Preliminary Operating Statement**  
For the Twelve Months Ending  
Thursday, December 31st 2020

	<u>2019</u> <u>Actuals</u>	<u>2020</u> <u>Actuals</u>	<u>2020</u> <u>Budget</u>	<u>Actuals to</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>2020</u> <u>Forecast</u>	<u>Actuals to</u> <u>Forecast</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUE</b>						
<b>GRANTS &amp; GIFTS RAISED</b>						
AANI Support Grant	750,000	1,500,000	1,500,000	-	1,500,000	-
PPP Loan	-	146,710	-	146,710	146,000	710
Unrestricted	1,823,489	886,113	850,000	36,113	750,646	135,467
Funds Raised for Future Years - Research	1,225,209	4,069,270	3,664,666	404,604	3,664,666	404,604
Funds Raised for Future Years - Awards	299,816	214,405	150,000	64,405	150,000	64,405
Funds Raised for Future Years - Public Awareness	18,056	9,500	-	9,500	-	9,500
Total Funds Raised	<u>\$4,116,571</u>	<u>\$6,825,997</u>	<u>\$6,164,666</u>	<u>\$661,331</u>	<u>\$6,211,312</u>	<u>\$614,685</u>
<b>GAAP ADJUSTMENT</b>						
Funds Raised for Future Years	(1,543,082)	(4,293,174)	(3,814,666)	(478,508)	(3,814,666)	(478,508)
Released from Restrictions - Research Grants	1,750,268	1,833,506	1,855,500	(21,994)	1,849,575	(16,069)
Released from Restrictions - Awards	290,632	184,242	304,000	(119,758)	202,500	(18,258)
Released from Restrictions - Public Awareness	132,090	258,064	311,500	(53,436)	273,000	(14,936)
Total GAAP Adjustment	<u>\$629,908</u>	<u>(\$2,017,362)</u>	<u>(\$1,343,666)</u>	<u>(\$673,696)</u>	<u>(\$1,489,591)</u>	<u>(\$527,771)</u>
Gift in Kind Revenue	390,459	436,229	-	436,229	69,283	366,946
Interest Revenue	38,287	14,573	25,000	(10,427)	14,000	573
Other Revenue	1,522	1,216	924	292	1,216	-
<b>Total Revenue</b>	<u><b>\$5,176,747</b></u>	<u><b>\$5,260,653</b></u>	<u><b>\$4,846,924</b></u>	<u><b>\$413,729</b></u>	<u><b>\$4,806,220</b></u>	<u><b>\$454,433</b></u>
<b>NATURAL EXPENSES</b>						
Salaries & Benefits	854,943	1,094,929	1,104,573	9,644	1,104,573	9,644
General Office	114,141	86,843	122,344	35,501	110,138	23,295
Software	188,233	182,009	176,631	(5,378)	180,563	(1,446)
Professional Services	256,180	332,118	432,481	100,363	420,088	87,970
Advertising	35,459	18,709	88,000	69,291	61,178	42,469
Meetings & Travel	245,825	82,246	430,526	348,280	112,638	30,392
Grants & Awards	2,648,041	1,976,605	2,112,500	135,895	1,991,472	14,867
Depreciation	46,116	40,271	40,999	728	40,999	728
Management Fee	329,000	339,000	338,870	(130)	338,870	(130)
Contingency Expense	0	0	0	0	50,000	50,000
Total Natural Expenses	<u>\$4,717,938</u>	<u>\$4,152,730</u>	<u>\$4,846,924</u>	<u>\$694,194</u>	<u>\$4,410,519</u>	<u>\$257,789</u>
Gift In Kind Expense	390,459	436,229	-	(436,229)	69,283	(366,946)
<b>Total Expense</b>	<u><b>\$5,108,397</b></u>	<u><b>\$4,588,959</b></u>	<u><b>\$4,846,924</b></u>	<u><b>\$257,965</b></u>	<u><b>\$4,479,802</b></u>	<u><b>(\$109,157)</b></u>
<b>Net Operating Increase (Decrease)</b>	<u><b>\$68,350</b></u>	<u><b>\$671,694</b></u>	<u><b>\$0</b></u>	<u><b>\$671,694</b></u>	<u><b>\$326,418</b></u>	<u><b>\$345,276</b></u>
Long Term Investments	676,200	335,652	-	335,652	-	335,652
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<u><u><b>\$744,550</b></u></u>	<u><u><b>\$1,007,346</b></u></u>	<u><u><b>\$0</b></u></u>	<u><u><b>\$1,007,346</b></u></u>	<u><u><b>\$326,418</b></u></u>	<u><u><b>\$680,928</b></u></u>

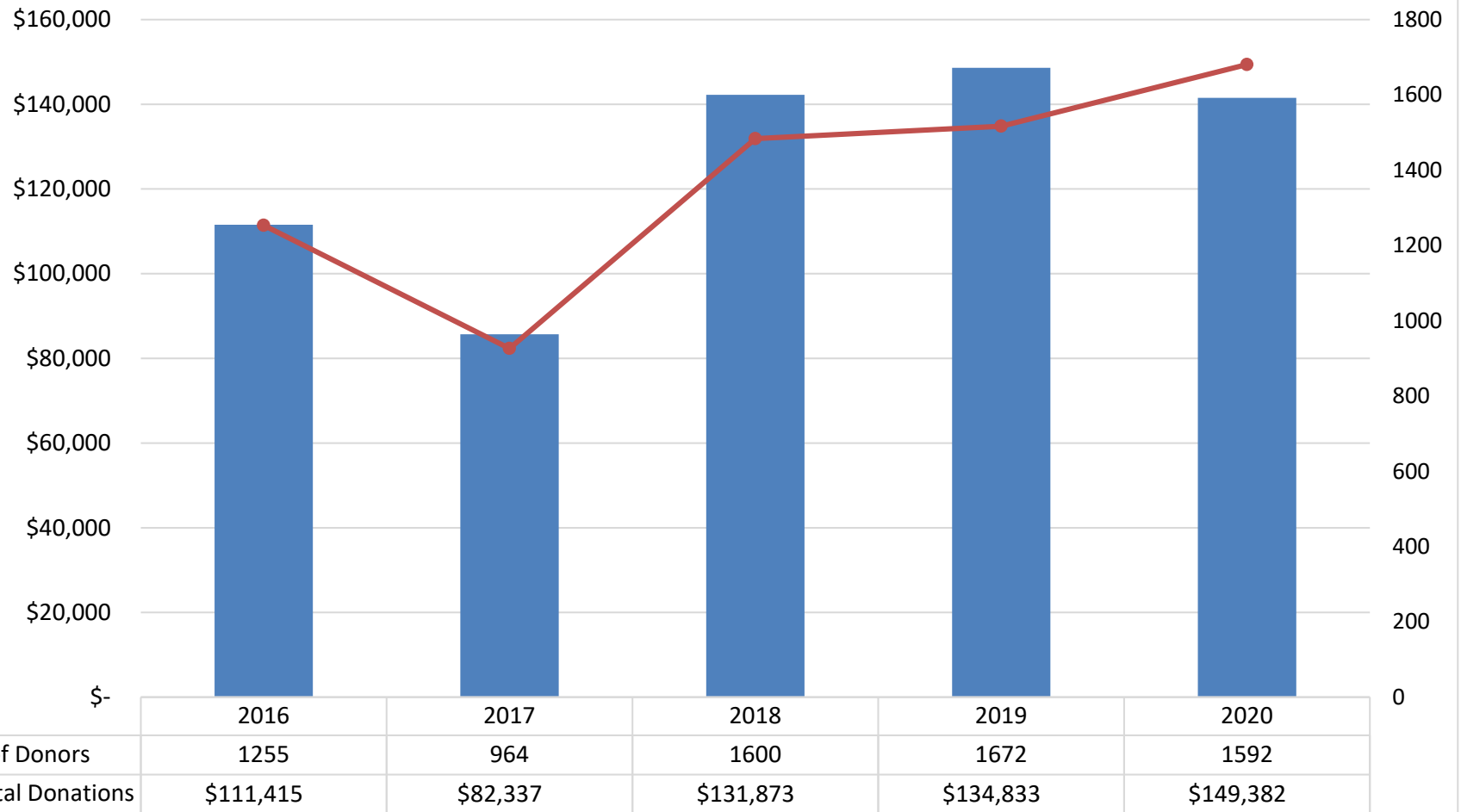
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**American Brain Foundation  
Functional Expenses and Ratios  
For the Twelve Months Ending  
Thursday, December 31st 2020**

	2019 Management	2020 Management	Management Variance	2019 Fundraising	2020 Fundraising	Fundraising Variance	2019 Programming	2020 Programming	Programming Variance
<b>EXPENSES</b>									
Salaries & Benefits	263,740	388,390	\$ (124,650)	120,990	297,624	\$ (176,634)	470,212	408,915	61,297
General Office	29,694	24,423	5,272	69,572	55,159	14,413	14,877	7,262	7,615
Software	138,148	133,612	4,536	38,208	36,184	2,024	11,877	12,213	\$ (336)
Professional Services	70,299	60,202	10,097	99,313	105,800	\$ (6,487)	124,056	184,825	\$ (60,769)
Meetings & Travel	62,570	43,383	19,187	73,471	3,814	69,657	109,784	35,049	74,735
Grants & Awards	-	0	\$ (0)	-	-	-	2,646,012	1,976,605	669,407
Depreciation	-	-	-	-	-	-	46,116	40,271	5,845
Management Fee	101,313	118,731	\$ (17,418)	45,847	96,695	\$ (50,848)	181,840	123,574	58,266
			-			-			-
<b>Total Natural Expenses</b>	<b>\$665,764</b>	<b>\$768,741</b>	<b>(\$102,977)</b>	<b>\$447,401</b>	<b>\$595,276</b>	<b>(\$147,875)</b>	<b>\$3,604,774</b>	<b>\$2,788,714</b>	<b>\$816,060</b>
Gift in Kind Expense	-	-	-	267,262	226,575	40,687	123,198	209,654	\$ (86,456)
			-			-			-
<b>Total Expenses</b>	<b>\$665,764</b>	<b>\$768,741</b>	<b>(\$102,977)</b>	<b>\$714,663</b>	<b>\$821,851</b>	<b>(\$107,188)</b>	<b>\$3,727,972</b>	<b>\$2,998,369</b>	<b>\$729,603</b>

	Management	Fundraising	Programming
<b>2019 Actuals</b>	13.0%	14.0%	73.0%
<b>2020 Goal</b>	15.0%	13.0%	72.0%
<b>2020 Actuals</b>	18.5%	14.3%	67.2%

### AAN Membership Donations from Dues Registration Form



In May 2020 the Foundation increased the default suggested donation amount on AAN Membership Renewal Applications from \$95 to \$125. While members have the option to modify the amount, the higher donation default yielded 10.8% more in donation revenue and a 4.8% drop in number of individuals donating.



**American Brain Foundation**  
*Statement of Financial Position*  
 12/31/2020

	<b>12/31/2020</b>	<b>12/31/2019</b>	<b>Net Change</b>
<b><i>ASSETS</i></b>			
<b><i>CURRENT ASSETS</i></b>			
Cash and Cash Equivalents	\$2,790,213	\$2,487,900	\$302,313
Grants and Gifts Receivable, Net	1,389,925	1,007,988	381,937
Accounts Receivable	30,255	84,614	(54,359)
Other Assets	23,044	41,596	(18,552)
Total Current Assets	4,233,437	3,622,098	611,339
<b><i>FIXED ASSETS</i></b>			
Office Equipment	223,770	223,770	
Less Accumulated Depreciation	(173,971)	(133,700)	(40,271)
Net Fixed Assets	49,799	90,070	(40,271)
<b><i>LONG TERM ASSETS</i></b>			
Investments	8,796,078	8,173,408	622,670
Grants and Gifts Receivable, Net	2,048,437	1,319,348	729,089
Total Long Term Assets	10,844,515	9,492,756	1,351,759
Total Assets	15,127,751	13,204,924	1,922,827
<b><i>LIABILITIES AND NET ASSETS</i></b>			
<b><i>CURRENT LIABILITIES</i></b>			
Accounts Payable	189,241	161,298	27,943
Grants Payable	1,105,296	1,215,930	(110,634)
Deferred Revenue	1,000	6,450	(5,450)
Total Liabilities	1,295,537	1,383,678	(88,141)
<b><i>LONG TERM LIABILITIES</i></b>			
Grants Payable	105,621	261,965	(156,344)
<b><i>NET ASSETS</i></b>			
Unrestricted	4,945,327	3,937,982	1,007,345
With Donor Restrictions	8,781,266	7,621,300	1,159,966
Total Net Assets	13,726,593	11,559,282	2,167,311
Total Liabilities and Net Assets	15,127,751	13,204,924	1,922,827

**American Brain Foundation**

*Restricted Assets Schedule*

12/31/2020

	Restricted Assets Available 12/31/2019	2020 Funds Raised	2020 Interest Gains	2020 Releases	Restricted Assets Available 12/31/2020	Revenue Release Projection		
						Releases for 2021	Releases for 2022	Releases for 2023+
<b>Research</b>								
Research Endowments	1,411,503	63,940	102,557	(68,842)	1,509,158	70,000	75,000	1,364,158
CRTS Historical Reserves	1,889,463	12,082	-	(466,292)	1,435,254	500,000	500,000	435,254
Conditional CRTS Contracts	1,925,665	2,263,332	-	(929,666)	3,259,331	736,333	666,332	1,856,666
LBD Grants	-	1,750,000	-	-	1,750,000	-	1,100,000	650,000
Partner & Foundation Grants	1,050,000	954,666	-	(1,313,833)	690,833	360,833	330,000	-
Research Donations	403,479	(14,809)	-	(12,040)	376,630	20,000	20,000	336,630
Donor Advised Funds	191,055	19,959	17,395	(2,510)	225,899			225,899
<b>Research Subtotal</b>	<b>6,871,165</b>	<b>5,049,170</b>	<b>119,952</b>	<b>(2,793,183)</b>	<b>9,247,105</b>	<b>1,687,166</b>	<b>2,691,332</b>	<b>4,868,607</b>
<b>Awards</b>								
Award Endowments	2,372,523	14,331	167,066	(34,242)	2,519,679	30,000	35,000	2,454,679
Award Funds	61,073	199,315	-	(150,000)	110,388	110,388		-
<b>Awards Subtotal</b>	<b>2,433,597</b>	<b>213,646</b>	<b>167,066</b>	<b>(184,242)</b>	<b>2,630,067</b>	<b>140,388</b>	<b>35,000</b>	<b>2,454,679</b>
<b>Other Restricted Funds</b>								
Public Awareness	187,133	9,500	-	(146,551)	50,082	50,082		-
Historic Strategic Operating Grant	38,963	-	-	-	38,963	38,963		-
Crowdfunding	16,183	273	-	-	16,456	16,456		-
Event Sponsors	-	169,503	-	(111,503)	58,000	58,000		-
<b>Other Subtotal</b>	<b>242,279</b>	<b>179,276</b>	<b>-</b>	<b>(258,054)</b>	<b>163,501</b>	<b>163,501</b>	<b>-</b>	<b>-</b>
<b>Total Assets Available</b>	<b>9,547,041</b>	<b>5,442,093</b>	<b>287,019</b>	<b>(3,235,479)</b>	<b>12,040,673</b>	<b>1,991,055</b>	<b>2,726,332</b>	<b>7,323,286</b>
GAAP Adjustment*	(1,925,665)	(2,263,332)	-	929,666	(3,259,331)	(736,333)	(666,332)	(1,856,666)
<b>GAAP Assets Available</b>	<b>7,621,376</b>	<b>3,178,761</b>	<b>287,019</b>	<b>(2,305,813)</b>	<b>8,781,342</b>	<b>1,254,722</b>	<b>2,060,000</b>	<b>5,466,620</b>

\*For GAAP purposes Conditional Grants cannot be recognized as revenue until all conditions are met.

**American Brain Foundation  
2021 Budget Income Statement**

	<b>2020 Forecast</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>2020 to 2021 Budget Favorable (Unfavorable)</b>	<b>2021 Strategic Plan</b>	<b>Budget to Strategic Plan Favorable (Unfavorable)</b>
<b>REVENUE</b>						
<b>GRANTS &amp; GIFTS RAISED</b>						
AANI Support Grant	1,500,000	1,500,000	1,250,000	(250,000)	1,250,000	-
Unrestricted	896,646	850,000	867,475	17,475	1,210,000	(342,525)
Funds Raised for Future Years - Research	3,664,666	3,664,666	4,044,666	380,000	5,585,216	(1,540,550)
Funds Raised for Future Years - Awards	150,000	150,000	150,000	-	150,000	-
Funds Raised for Future Years - Endowments	-	-	-	-	-	-
Funds Raised for Future Years - Public Awareness	-	-	120,000	120,000	-	120,000
Gift in Kind	69,283	-	-	-	-	-
<b>Total Funds Raised</b>	<b>\$6,280,595</b>	<b>\$6,164,666</b>	<b>\$6,432,141</b>	<b>\$267,475</b>	<b>\$8,195,216</b>	<b>(\$1,763,075)</b>
<b>GAAP ADJUSTMENT</b>						
Funds Raised for Future Years	(3,814,666)	(3,814,666)	(4,314,666)	(500,000)	(5,735,216)	1,420,550
Released from Restrictions - Research	1,849,575	1,855,500	2,213,000	357,500	2,252,583	(39,583)
Released from Restrictions - Awards	202,500	304,000	205,500	(98,500)	180,000	25,500
Released from Restrictions - Public Awareness	273,000	311,500	166,460	(145,040)	-	166,460
<b>Total GAAP Adjustment</b>	<b>(\$1,489,591)</b>	<b>(\$1,343,666)</b>	<b>(\$1,729,706)</b>	<b>(\$386,040)</b>	<b>(\$3,302,633)</b>	<b>\$1,572,927</b>
Interest Revenue	14,000	25,000	8,004	(16,996)	51,500	(43,496)
Other Revenue	1,216	924	608	(316)	1,648	(1,040)
<b>Total Revenue</b>	<b>\$4,806,220</b>	<b>\$4,846,924</b>	<b>\$4,711,047</b>	<b>(\$135,877)</b>	<b>\$4,945,731</b>	<b>(\$234,684)</b>
<b>NATURAL EXPENSES</b>						
Salaries & Benefits	1,104,573	1,104,573	1,017,967	86,606	1,130,552	112,585
General Office	110,138	122,344	121,195	1,149	125,947	4,752
Software	180,563	176,631	346,140	(169,509)	196,021	(150,119)
Professional Services	420,088	432,481	618,063	(185,582)	256,218	(361,845)
Advertising	61,178	88,000	111,567	(23,567)	80,340	(31,227)
In Kind Expense	69,283	-	-	0	-	-
Meetings & Travel	112,638	430,526	71,465	359,061	454,763	383,298
Grants & Awards	1,991,472	2,112,500	2,299,000	(186,500)	2,241,050	(57,950)
Depreciation	40,999	40,999	37,344	3,655	46,116	8,772
Management Fee	338,870	338,870	349,036	(10,166)	349,036	-
Expense Contingency	50,000	-	-	0	-	-
<b>Total Expenses</b>	<b>\$4,479,802</b>	<b>\$4,846,924</b>	<b>\$4,971,777</b>	<b>(\$124,853)</b>	<b>\$4,880,043</b>	<b>(\$91,734)</b>
<b>Net Operating Increase (Decrease)</b>	<b>\$326,418</b>	<b>\$0</b>	<b>(\$260,730)</b>	<b>(\$260,730)</b>	<b>\$65,688</b>	<b>(\$326,418)</b>

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2021 ABF BOARD SCORECARD

Strategic Goal #1	FUNDRAISING			
Outcomes	2021	Threshold	Target	Maximum
<b>1. Total funds raised</b>				
a. Restricted		\$4,314,666	\$4,530,399	\$5,393,333
b. Unrestricted		\$867,475	\$910,849	\$954,223
c. AAN Support		\$1,250,000	\$1,250,000	\$1,250,000
<b>2. Major Donor Pipeline Value</b>				
a. Number of Solicitations		860	903	1075
b. Total Gift Ask		\$9,745,332	\$10,232,599	\$12,181,665
<b>3. Donors</b>				
a. Total Number of Donors		2938	3085	3232
b. Total Donors from Website		912	958	1003
<b>4. Staffing - Total FTE's</b>				
a. Total FTEs		8	9	10
b. Retention Rate		80%	90%	100%
<b>5. Functional Ratios</b>				
a. Programming		72%	75%	77%
b. Fundraising		13%	12%	10%
c. Management		15%	14%	13%
<b>6. Fundraising Efficiency Ratio</b>				
a. Cost to Raise a \$1		\$0.12	\$0.11	\$0.10
b. Revenue Raised Per FTE		\$804,018	\$836,406	\$949,694
<b>7. Charity Navigator Rating</b>		Three Star	Three Star	Four Star
<b>8. Guidestar Rating</b>		Gold	Gold	Platinum

Strategic Goal #2	RESEARCH GRANTS			
Outcomes	2021 Actuals	Threshold	Target	Maximum
<b>1. Total Grant &amp; Awards Funded</b>				
a. AAN Total		\$2,000,000	\$2,000,000	\$2,000,000
b. Other Grants Total		\$203,000	\$203,000	\$203,000
<b>2. Total # of Grants</b>				
a. AAN Total		9	10	11
b. Other Awards Total		3	4	5
<b>3. Total Number of CDA's</b>		0	1	2
<b>4. Total AAN ROI on ABF Research Grants</b>		166%	166%	166%

2021 ABF BOARD SCORECARD

Strategic Goal #3		PUBLIC AWARENESS			
Outcomes	2021 Actuals	Threshold	Target	Maximum	
1. Stakeholder awareness of what Brain Disease is		25%	30%	34%	
2. Stakeholder awareness of the American Brain Foundation		27%	30%	32%	
3. Unique Web Visitors		156,000	163,800	171,600	
4. Social Media Followers		42,000	44,100	46,200	
5. Email Contact List		18,000	18,900	19,800	
6. Monthly Web Session		180,000	189,000	198,000	
Strategic Goal #4		AAN/ABF PARTNERSHIP			
Outcomes	2021 Actuals	Threshold	Target	Maximum	
1. Number of AAN members who are aware of the ABF		80%	81%	82%	
2. Number of AAN members donating to the ABF		1637	1653	1669	
3. Percentage of AAN staff donating to the ABF		60%	63%	66%	
4. AAN ROI on Total ABF Fundraising		531%	531%	531%	

**American Brain Foundation  
2021 Incentive Goals**

	<u>2020</u>				<u>2021</u>				<u>Score</u>	<u>Weight</u>	<u>Weighted Score</u>
	<u>Actuals</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>Weight</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>			
<b>Public Engagement</b>											
Increased site traffic (# of Users)	122,460	156,000	163,800	171,600	10%	Board Scorecard	5% over Threshold	10% over Threshold			
Social Media Followers	32,310	42,000	44,100	46,200	10%	Board Scorecard	5% over Threshold	10% over Threshold			
<b>Philanthropy</b>											
Total Restricted Funds Raised	\$ 4,293,175	\$ 4,314,666	\$ 4,530,399	\$ 5,393,333	25%	Board Scorecard	5% over Threshold	25% over Threshold			
Unrestricted Operating Grants (Excludes Any AAN Support and Planned Gifts)	\$ 1,032,823	\$ 867,475	\$ 910,849	\$ 954,223	20%	Board Scorecard	5% over Threshold	10% over Threshold			
Total Number of Donors	2,938	2,938	3,085	3,232	20%	Board Scorecard	5% over Threshold	10% over Threshold			
<b>Financial</b>											
Net Operating Increase (Decrease)	\$ 671,694	(260,730)	\$ 6,575	\$ 273,879	15%	Budget	Midpoint of Threshold & Maximum	Average of Last Three Years			
					<u>100%</u>						

\*The Threshold goal is an operating deficit, as the budget for 2021 anticipates using some of the 2020 surplus to pay for marketing efforts in 2021. For accounting purposes, this is shown as a deficit.