



AMERICAN BRAIN FOUNDATION

Finance Committee

February 9, 2021

9:00 a.m. CST

Conference Call

| | |
|-------------------|--|
| Committee Members | Jim Essey, Chair: James Erwin, James Stevens, MD; Martin Shenkman, CPA; Ben Lenail |
| Guest | |
| Staff | Jane Ransom, ED; Kevin Myren, CFO; Lindsey Taveren, Kim Howard |

| | AGENDA ITEM <i>*Indicates Board Action Needed</i> | PRESENTED BY |
|-------|--|--|
| 9:00 | Call to Order | Jim Essey, Chair |
| 9:05 | Approval of the October 27, 2020 Minutes | Jim Essey, Chair |
| 9:10 | Financial Statements for the period ending 12/31/2020 | Kevin Myren, CFO Lindsey Taveren, Sr. Accountant |
| 9:30 | Development Report | Jane Ransom, ED |
| 9:40 | Business Plan Update | Kevin Myren, CFO |
| 10:00 | Adjourn | |

Meeting Materials:

Meeting Minutes from October 27, 2020 (draft) – page 2

Financial Statements, December 31, 2020 – page 5

4th Quarter Scorecard – page 13



**American Brain Foundation
Finance Committee Meeting
October 27, 2020
9:30 a.m. CT
Video Conference Call**

In attendance: James Essey, Chair; James Stevens, MD; Martin Shenkman, CPA

Excused: Sharon Klein, James Erwin

Staff: Jane Ransom, ED; Kevin Myren, CFO; Lindsey Taveren; Kim Howard

Jim Essey, Chair, called the meeting to order at 9:32 a.m. CT.

The minutes of the September 10, 2020 meeting were approved unanimously.

Mr. Essey said that in this meeting the most recent financials would be reviewed and the projections for next year would be presented. This committee will need to determine if this is the 2021 budget we want to present to the Board in November.

Financial Statements ending September 30, 2020 (Lindsey Taveren)

The committee reviewed the financial statements, and these are the highlights presented:

- Operating Revenues is at \$4.4M, 83% of the aggregate YTD budgeted fundraising goals.
- Unrestricted revenue is at 92% of the YTD budget goal and restricted revenue is at 72% of its YTD budget goal mainly due to the \$1.5 million Alzheimer's Association grant.
- The new restricted assets schedule show \$8M of current restricted assets available. A new line has been added for the LBD Grants of \$1.5M.
- A new metric showing restricted grant funds for research future years was shared, it shows the funds raised, CRTS reserves and fundraising goals through 2025. On a very positive note, we have already raised a significant amount of the funds needed through 2023. If we are successful in 2021 and 2022 that will continue to fund the future years.
- Operating Expenses are \$3.6M, 16% under budget and the trends remain the same.
- Long Term Investments are down 4% (\$216K). The Long-Term Investments/Net Assets schedule was added to the materials that shows the breakout of the ABF long-term investments that was requested at the last meeting.
- Net Operating Increase is \$651K.
- September 2020 Statement of Financial Position:
 - Total Assests \$14.2M which includes \$3.8M in grants receivable
 - Cash and investments total \$10.3M

- Liabilities are \$1.6M, the majority of which represents Grants Payable of \$1.4M

Other items discussed:

- The PPP loan of \$146K is not reflected yet in the year-to-date numbers, access has been received to the forgiveness portal to apply for that loan forgiveness.
- There are concerns that each chart seems to have a different number and at the Board level they are not as clued in to all of these to be able to understand them.
- With the forecasted surplus for 2020 we have \$2.5M of unrestricted assets exceeding the minimum required operating reserve that can be used.

Draft 2021 Budget (Jane Ransom)

We found out last week that in an incredible gesture with our partnership with the Academy they have decided to freeze our goals for 2021 on the business plan scorecard to the 2020 goals given the uncertain atmosphere of COVID-19. That being said, we are hoping to exceed that and we are planning a budget that will include \$2.1M of unrestricted fundraising which includes the AAN grant of \$1.25M and \$4.3 million, which is \$500K over 2020's budget for restricted fundraising.

Our goal for 2021 is not only to increase our fundraising but to increase our grant making. We plan to grant \$2.2M in scholarships and awards, \$2M to the AAN's research program and a little over \$200K to other grants and awards. As for our financial strategy we want to take advantage of the savings we've had because of COVID-19 and invest those savings and other money that we raise next year in marketing, which is needed to increase our number of donors and donations. We would like to use that \$261K of the surplus for our 2021 budget, mostly in marketing and public awareness. We will have to run a deficit and in order to do this, but we will pay for the deficit with surplus monies from 2020.

We will also save \$65K, which equates to the net increase shown in the 2021 business plan, because we won't use our entire operating reserves. We made this change at the last minute so we will be redistributing some of the \$65K cuts that were made to different budget lines. Jane Ransom asked if that was ok and if we need additional approval, the committee said it was fine to proceed with those updates as needed and no approval was needed. She also confirmed that we will remain at 8 full-time equivalent staff and our management fee will increase by 3%. Another expense will be the implementation of a new CRM and the other significant investment includes paid advertising which we have never done before that should give us a big boost in our brand awareness.

Dr. Stevens asked if we would have metric numbers for 2020 in public awareness so we can see if this investment in 2021 makes a difference. Ms. Ransom confirmed that we do a market survey every January so we will be able to look at those numbers. Also, ABF is tracking other public awareness metrics that are not on the AAN Scorecard, such as, web page visits and social media followers.

After reviewing our 2021 financial strategy, and asking for additional discussion, the following motion passed unanimously.

| |
|---|
| MOTION: To recommend the proposed 2021 Budget to the Board for their approval. |
|---|

Mr. Shenkman offered to meet with some staff members and create a memo in 2021 of some of the accounting terms and what some of these abbreviations mean to share with this committee and the board.

Development Report & 2021 Development Plan (Jane Ransom)

There is no development report for this meeting because we received a commitment for \$1.65M from the McKnight Brian Research Foundation and we know we are going to meet our 2020 goals.

Dr. Stevens asked how the McKnight Grant would be recognized and it was confirmed that the McKnight grant is going to be fully recognized in 2020 but it is for future years. It includes 10 CRTS grants total with 2 per year from 2023-2027; and these are not reflected yet on any of the charts that were presented today.

The committee reviewed projected 2021 funding sources provided by Jane Ransom. Mr. Essey thanked Jane for this granular view which is very helpful to show where exactly all of these projected dollars are coming from. If we keep building on these types of results, there is not limit as to where we can go.

Meeting adjourned at 10:16 a.m. CT



Date: Tuesday, February 9th, 2021

To: Members of the Finance Committee

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

Subject: Preliminary 2020 Year End Financial Reports

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

| | 2019 Actuals | 2020 Actuals | 2020 Budget | Actuals to Budget Favorable (Unfavorable) | 2020 Forecast | Actuals to Forecast Favorable (Unfavorable) |
|--|---------------------------|---------------------------|---------------------------|--|---------------------------|--|
| REVENUE | | | | | | |
| GRANTS & GIFTS RAISED | | | | | | |
| 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> |
| GAAP ADJUSTMENT | | | | | | |
| 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 Restrictiosn - 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 | - |
| Total Revenue | <u>\$5,176,747</u> | <u>\$5,260,653</u> | <u>\$4,846,924</u> | <u>\$413,729</u> | <u>\$4,806,220</u> | <u>\$454,433</u> |
| NATURAL EXPENSES | | | | | | |
| 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) |
| Total Expense | <u>\$5,108,397</u> | <u>\$4,588,959</u> | <u>\$4,846,924</u> | <u>\$257,965</u> | <u>\$4,479,802</u> | <u>(\$109,157)</u> |
| Net Operating Increase (Decrease) | <u>\$68,350</u> | <u>\$671,694</u> | <u>\$0</u> | <u>\$671,694</u> | <u>\$326,418</u> | <u>\$345,276</u> |
| Long Term Investments | 676,200 | 335,652 | - | 335,652 | - | 335,652 |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>\$744,550</u> | <u>\$1,007,346</u> | <u>\$0</u> | <u>\$1,007,346</u> | <u>\$326,418</u> | <u>\$680,928</u> |

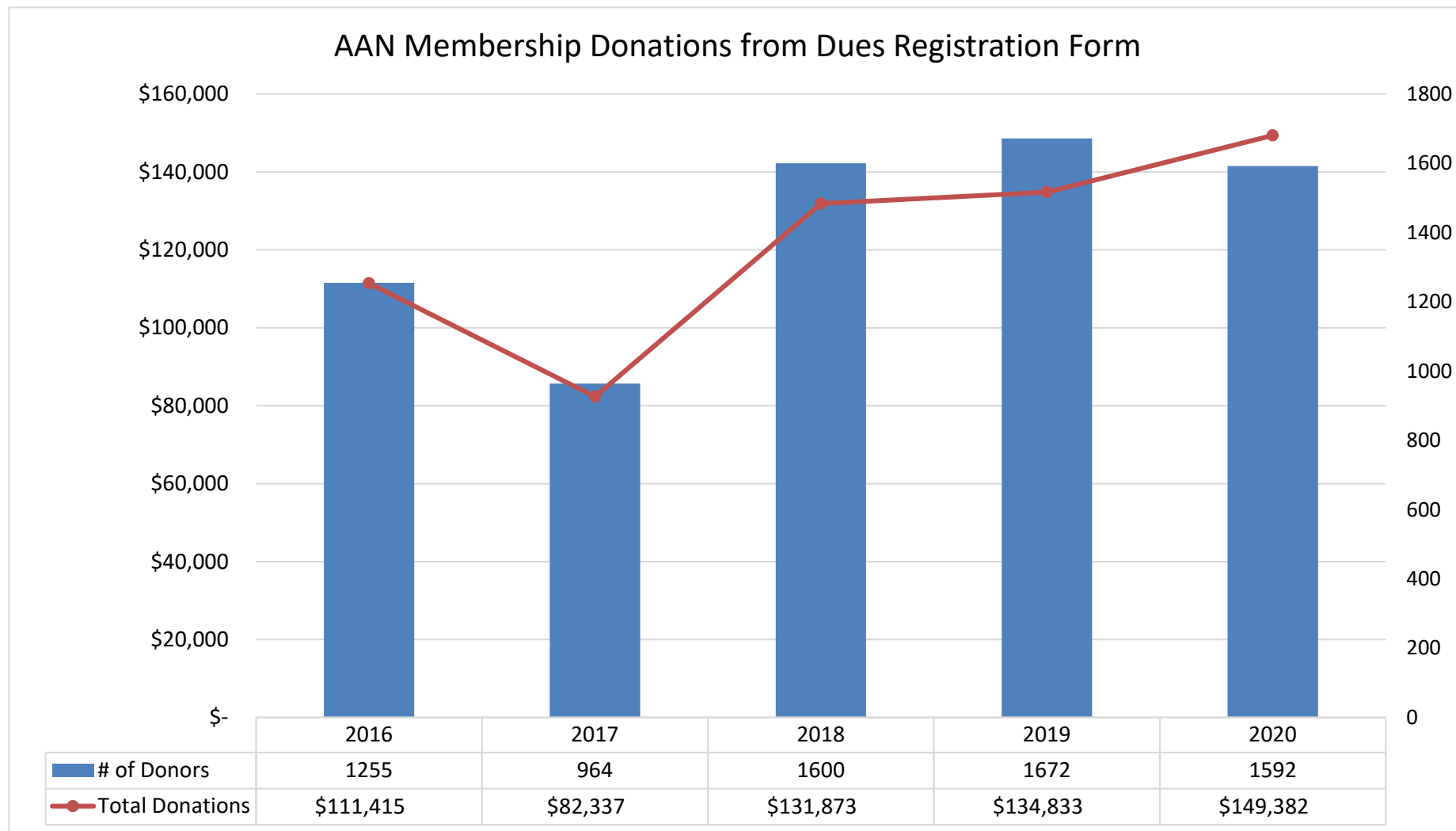
For Internal Use Only.

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

EXPENSES

| | 2019 Management | 2020 Management | Management Variance | 2019 Fundraising | 2020 Fundraising | Fundraising Variance | 2019 Programming | 2020 Programming | Programming Variance |
|-------------------------------|--------------------|--------------------|------------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|-------------------------|
| 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 |
| | - | - | - | - | - | - | - | - | - |
| Total Natural Expenses | \$665,764 | \$768,741 | (\$102,977) | \$447,401 | \$595,276 | (\$147,875) | \$3,604,774 | \$2,788,714 | \$816,060 |
| Gift in Kind Expense | - | - | - | 267,262 | 226,575 | 40,687 | 123,198 | 209,654 | \$ (86,456) |
| | - | - | - | - | - | - | - | - | - |
| Total Expenses | \$665,764 | \$768,741 | (\$102,977) | \$714,663 | \$821,851 | (\$107,188) | \$3,727,972 | \$2,998,369 | \$729,603 |

| | Management | Fundraising | Programming |
|---------------------|------------|-------------|-------------|
| 2019 Actuals | 13.0% | 14.0% | 73.0% |
| 2020 Goal | 15.0% | 13.0% | 72.0% |
| 2020 Actuals | 18.5% | 14.3% | 67.2% |



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

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

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 | <i>Revenue Release Projection</i> | | |
|------------------------------------|--|----------------------|---------------------------|--------------------|--|--|----------------------|-----------------------|
| | | | | | | Releases for 2021 | Releases for 2022 | Releases for 2023+ |
| Research | | | | | | | | |
| 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 |
| Research Subtotal | 6,871,165 | 5,049,170 | 119,952 | (2,793,183) | 9,247,105 | 1,687,166 | 2,691,332 | 4,868,607 |
| Awards | | | | | | | | |
| 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 | | - |
| Awards Subtotal | 2,433,597 | 213,646 | 167,066 | (184,242) | 2,630,067 | 140,388 | 35,000 | 2,454,679 |
| Other Restricted Funds | | | | | | | | |
| 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 | | - |
| Other Subtotal | 242,279 | 179,276 | - | (258,054) | 163,501 | 163,501 | - | - |
| Total Assets Available | 9,547,041 | 5,442,093 | 287,019 | (3,235,479) | 12,040,673 | 1,991,055 | 2,726,332 | 7,323,286 |
| GAAP Adjustment* | (1,925,665) | (2,263,332) | - | 929,666 | (3,259,331) | (736,333) | (666,332) | (1,856,666) |
| GAAP Assets Available | 7,621,376 | 3,178,761 | 287,019 | (2,305,813) | 8,781,342 | 1,254,722 | 2,060,000 | 5,466,620 |

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

American Brain Foundation
2021 Budget Income Statement

| | 2020 Forecast | 2020 Budget | 2021 Budget | 2020 to 2021 Budget Favorable (Unfavorable) | 2021 Strategic Plan | Budget to Strategic Plan Favorable (Unfavorable) |
|--|---------------------------|---------------------------|---------------------------|--|--------------------------------|---|
| REVENUE | | | | | | |
| GRANTS & GIFTS RAISED | | | | | | |
| 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 | - | - | - | - | - |
| Total Funds Raised | <u>\$6,280,595</u> | <u>\$6,164,666</u> | <u>\$6,432,141</u> | <u>\$267,475</u> | <u>\$8,195,216</u> | <u>(\$1,763,075)</u> |
| GAAP ADJUSTMENT | | | | | | |
| 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 |
| Total GAAP Adjustment | <u>(\$1,489,591)</u> | <u>(\$1,343,666)</u> | <u>(\$1,729,706)</u> | <u>(\$386,040)</u> | <u>(\$3,302,633)</u> | <u>\$1,572,927</u> |
| 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) |
| Total Revenue | <u>\$4,806,220</u> | <u>\$4,846,924</u> | <u>\$4,711,047</u> | <u>(\$135,877)</u> | <u>\$4,945,731</u> | <u>(\$234,684)</u> |
| NATURAL EXPENSES | | | | | | |
| 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 | - | - |
| Total Expenses | <u>\$4,479,802</u> | <u>\$4,846,924</u> | <u>\$4,971,777</u> | <u>(\$124,853)</u> | <u>\$4,880,043</u> | <u>(\$91,734)</u> |
| Net Operating Increase (Decrease) | <u>\$326,418</u> | <u>\$0</u> | <u>(\$260,730)</u> | <u>(\$260,730)</u> | <u>\$65,688</u> | <u>(\$326,418)</u> |

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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 | | \$1,030,431 | \$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 | | \$0.08 | \$0.12 | \$0.12 | \$0.12 |
| b. Revenue Raised Per FTE | | \$852,951 | \$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% |