



AMERICAN BRAIN FOUNDATION

Board of Directors Meeting

May 7, 2021

9:00 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; Ben Lenail; Cindy McCain; Suzanne Miller; Ronald Peterson, MD; Alyx Porter, MD; Sean Sansiveri; Martin Shenkman, CPA; Orly Avitzur, MD, President AAN; Mary Post, CEO AAN;
Guests	
Staff	Jane Ransom, ED; Kevin Myren, CFO; Emily Christian; Julia Miglets-Nelson; Kim Howard

	AGENDA ITEM <i>*Indicates Board Action Needed</i>	PRESENTED BY
9:00	Call to Order <ul style="list-style-type: none"> • Call for disclosure of conflicts of interest • Approval of February 19, 2021 meeting minutes • Welcome new board member, Orly Avitzur, MD 	David Dodick, MD, Chair
9:05	Board Chair Remarks: <ol style="list-style-type: none"> 1. Board Meetings 2. Board Campaign 	David Dodick, MD, Chair
9:15	Finance Update <ol style="list-style-type: none"> 1. 2020 Audit Report 2. Business Plan Refresh 	Jim Essey, Treasurer Kevin Myren, CFO
9:30	Commitment to Cures Debrief	Sean Sansiveri Emily Christian
9:45	Governance Committee Update <ul style="list-style-type: none"> • Recommendation to elect Ken Shubin Stein to the Board of Directors 	Shafali Jeste, MD
10:00	Adjourn	David Dodick, MD

Meeting Materials:

- Minutes of Board of Directors Meeting of February 19, 2021 (Draft) – page 3
- Q1 2021 ABF Board Scorecard – page 9
- Q1 2021 Executive Director’s Report – page 11
- 2020 Audit Memo & Report - page 18
- Refreshed Business Plan - page 55
- Ken Shubin Stein Bio - page 60



**American Brain Foundation
Board of Directors Meeting
February 19, 2021
10:00am CST
Video Conference Call**

In attendance: David Dodick, MD, Chair; Susan Schneider Williams, Vice Chair; James Essey, Treasurer; Shafali Jeste, MD, Secretary; David Eagleman, PhD; Jacqueline French, MD; Kevin Goodno; Robert Griggs, MD; Ben Lenail; Suzanne Miller; Ronald Petersen, MD; Alyx Porter, MD; Mary Post, CAE; Martin Shenkman, CPA; James Stevens, MD

Guest Presenters: Paul George, MD, Vice Chair, AAN Science Committee & Chair, Research Program Subcommittee

Staff: Jane Ransom, ED; Kevin Myren, CFO; Lindsey Taveren, Kim Howard, Emily Christian, Lisa Dahlberg, Julia Miglets-Nelson, Jessica Chase (Intern)

Excused: James Erwin; Dan Gasby; James Grotta, MD; Frances Jensen, MD; Cindy McCain; Sean Sansiveri; Joseph Sirven, MD

The meeting was called to order at 10:04 a.m. CT. The minutes of the November 3, 2020 meeting were approved unanimously. Call was made for disclosure of conflict of interest related to any agenda items and there were none.

Board Chair Remarks (David Dodick, MD)

Dr. Dodick shared these highlights:

- Dr. Alyx Porter was introduced as a new Board member.
- 2020 fundraising goals were exceeded, and we provided 1.8 million to the AAN for research.
- Four strategic priorities for 2021:
 1. **Research**
 - Preparing to launch LBD Initiative and put out requests for proposals.
 - Research Advisory Committee will be proposing a new initiative.
 2. **Fundraising**
 - New two-year CRTS with Amgen has been finalized.
 - The Michael J Fox Foundation has released \$1.5M in matching funds for LBD.
 - The Association for Frontal Temporal Dementia provided \$100K toward 2022 CRTS.
 - Commitment to Cures has already raised \$75K in donations.
 - Private donations to annual fund are at \$37,698
 - New Goadsby Headache Research Fund has already raised \$250K.
 3. **Public Awareness**
 - A webinar on Public Estate Planning 101 will be presented by Marty Shenkman.
 - C2C marketing around the awardees is creating great visibility.
 - The American Brain Foundation will have a virtual booth at the AAN Annual Meeting
 - The website refresh project is underway with Yakkety-Yak.
 - Monthly ABF newsletter has been launched, a great way to show our donors and the public what we are doing.
 4. **AAN/ABF alignment**
 - Completed the Master Services Agreement for 2021 between the ABF and AAN
 - Revised the "Principles of Joint Collaboration" for 2021 between the ABF and AAN

- Thanks to Dr. Sirven and Dr. Stevens for their service and commitment to the American Brain Foundation Board, they will both be departing at the end of April.
- Request for all Board members to make their annual pledge or gift in March. These gifts will be used to create momentum for fundraising at Commitment to Cures.

Updated Principles of Joint Collaboration (Jane Ransom) Two changes have been made for 2021. The AAN updated their strategic goals, and the marketing section was updated to reflect that public education on brain disease is the province of AAN, while public awareness AAN on the need to fund research is that of the ABF. ABF will link our public awareness campaigns to AAN and Brain & Life content as much as possible.

Motion: A motion was made to approve the provided updated Principles of Joint Collaboration and passed unanimously.

American Academy of Neurology Update (James Stevens, MD)

Dr. Stevens shared these highlights:

- The Mission & Vision of the American Academy of Neurology was reviewed
- AAN Membership increased by 4% in 2020, strongest growth areas were international and APP's. Medical students, residents and fellows also saw growth.
- AAN Annual Meeting will be fully virtual event.
- AAN COVID-19 efforts include:
 - Focus now turned to pandemic recovery.
 - Still planning for lingering disruption in 2021.
 - AAN COVID-19 Neurology Resource Center is always being updated.
- AAN Advocacy Priorities:
 - Provide COVID-19 relief and extend telehealth flexibilities beyond the public health emergency.
 - Increase funding for NIH research.
 - Improve physician reimbursement to care for the growing number of patients with neurologic conditions.
 - Alleviate burden with prior authorization, step therapy, and quality reporting
- Regulatory Advocacy that cultivates relationships and influences policymaking overseen by the White House and key federal agencies.
- A big win for the year so far is that the 2021 CMS Final Physician Fee schedule has a new coding structure that increased payments that benefit neurology. Telehealth coverage was expanded, which has been a priority issue for AAN.
- The Biden administration's key priorities include the pandemic response, building on the ACA, drug pricing, and addressing disparities in care. The AAN is interested in all these issues and will continue to cultivate relationships with the new administration.
- Legislative Advocacy includes our expanding DC team as well as our Neurology on the Hill event in DC and many "off" the Hill events in local districts advocating for our policy's.
- The AAN Board just approved the establishment of a Patient & Public Committee that will be devoting resources to expand our relationships for both education as well as advocacy efforts. The Brain & Life magazine, as well as neurology patient advocacy groups, are working on many of these efforts.

Dr. Stevens ended by mentioning that the vision of everyone within the ABF is being realized through the great leadership of Dr. Dodick, Jane Ransom, and so many other that have been devoted to the possibilities of what this organization could be. The ABF "knocked it out of the park" last year. The momentum is there, and he wishes the ABF nothing but the best to continue that momentum. He sees great strides in what the ABF has been able to accomplish and appreciates the opportunity to work with everyone. Congratulation on all your success!

Educational Presentation: AAN Science Committee (Paul George, MD, PhD, MSE)

Dr. George shared the following highlights regarding the AAN Science Committee and their interaction with the American Brain Foundation's Research Advisory Committee.

- The Science Committee is one of 26 committees reporting to the AAN Board of Directors.
- The Science Committee Activities include:
 - Delivering research to AAN members.
 - Planning Annual Meeting and Regional Conference scientific program.
 - Clinical, Bench and Translational Research.
 - Research Program (works with the ABF and partners to provide research funding).
 - Identifies research priorities and works to advocate for research funding.
 - Scientific Awards for researchers.
 - Develops relationships with NIH and its Institutes, focused on NINDS and NIA.
- The AAN Special Commission – IDEAS (Inclusion, Diversity, Equity, Anti-Racism, and Social Justice) provided the Science Committee the following elements:
 - Annual Meeting – abstract topic, specific programming, implement process for speakers & working with subspecialty groups regarding diversity.
 - Awards – Create new awards recognizing diverse neurologist & neuroscientist.
 - Research Funding – Identify research funding opportunities for black and other UIN members and have CRTS's dedicated to disparities research.
- ABF & Research Program Successes – Thanks to the ABF!
 - Increase in funding opportunities.
 - 83% of recipients receive further funding.
 - Commitment to improving health disparities and diversity elements.
 - Strong working relationship with open communication.
 - Adjustments to protected time.
 - Committed to simplifying the process.
- Science Committee & Research Program Vision
 - Continue (and expand) current level of funding.
 - Maintain and diversify disease specific scholarships.
 - Expand non-disease specific scholarships.
 - Focus on efforts that build and expand neurologic research pipeline.
- 2021 Research Program – 16 Awards
 - AANI – 8
 - ABF/Partner Funded – 8
 - Award recipients programming includes AAN Annual Meeting registration, research celebration & research career symposium and recognition at the Annual Meeting as well as networking and mentoring opportunities.
 - Applicant data was reviewed, they have added more gender and diversity data
- 2021 Funding Rates – very competitive process
 - 16 Awards / 140 Applicants
 - Total Funding Rate: 11%
 - Funding Rate AANI Awards: 8% (5% Career Development Award & 9% CRTS)
 - Funding Rate ABF / Partner Funded Awards: 17%

Dr. George congratulated and thanked the ABF for its work on the Lewy Body Dementia Initiative. The Science Committee looks forward to working with the ABF, the Alzheimer's Association, and the Michael J. Fox Foundation. The Science Committee looks forward to expanding research and supporting more researchers in 2021 and beyond.

Board members discussed the data presented by Dr. George. Suggestions and comments included:

- Giving more visibility to the career trajectory of CRTS awardees.
- Talking more about the number of applications we are unable to fund.
- Synchronizing fundraising with disease areas that have the most applicants.

Research Advisory Committee and Strategic Research Discussion (Robert Griggs, MD)

Dr. Griggs shared these highlights:

- Introduced the seven new Research Advisory Committee members: Dr. Bruce Ovbiagele, Dr. Reisa Sperling, Dr. Ron Petersen, Dr. Jacqueline French, Dr. Jose Biller, Dr. Na Tosha N. Gatson and Dr. Gordon Smith.
- 2021 Priorities for Research Advisory Committee
 - Expand Next Generation Research Grants through AAN.
 - Collaborate with AAN to fund research addressing health disparities and diversity.
 - Launch one or more high-risk, high-reward initiatives with “Cure One, Cure Many” emphasis.

Dr. Griggs introduced the proposed topics below for the next ABF Special Initiative sharing the opportunities and weaknesses for each.

- Glioblastoma
- Neuroinflammation
- Dementia

Discussion:

Board members discussed whether or not it would be better to develop an initiative around a single disease (Glioblastoma) or set of diseases (Dementia) versus neuroinflammation, a phenomenon in multiple brain diseases.

Wouldn't it be difficult to raise money for neuroinflammation, if a donor is passionate about giving to a specific disease? On the other hand, if we can show how solving neuroinflammation is critical to unlocking the mysteries of the donor's specific disease interest, wouldn't this attract them to give?

There was also discussion about connecting a neuroinflammation initiative to COVID, as neuroinflammation is an important complication of COVID. The NIH has prioritized this and appropriated \$1.5 billion dollars to study the neurological affects of Covid-19. People have no idea that 30-70% will have neurological consequences or temporary manifestations.

Most felt that tying many brain diseases together under neuroinflammation, as well as COVID, is what we stand for when we say Cure One, Cure Many. It is consistent with our vision and it has the ability, when you are marketing and talking with people, to appeal to their primary concern. Kevin says it is a great idea.

Dr. Dodick said that there was a consensus is to pursue neuroinflammation. Now the RAC should come up with a plan and strategy of how to execute on this new initiative.

Financial Report (Jim Essey)

Mr. Essey provided a results overview with these highlights:

- In 2019 AAN “doubled down” by increasing funding from \$750K to \$1.5M, they accepted a budget showing revenue to decline \$300K with a break even bottom line.

- In 2020, in a pandemic, revenue was up \$84K and expenses were down \$519K resulting in a \$600K increase from 2019 – a far cry from break even.
- In 2021 the strategy is to reinvest that bottom line back into marketing and other expenses. The revenue is expected to weaken slightly given some LBD grants received in 2020 but over the two years (2020 & 2021), we will exceed the plan by \$400K while still investing for the future.

Year End Financial Statements, December 31, 2020 (Lindsey Taveren)

Ms. Taveren shared these 2020 financial highlights:

- Revenue – Exceeded fundraising goals by \$6.8M (10.7%)
- Expenses – Under budget by 14%
 - \$348K (50%) of the savings are from Meetings & Travel Budget due to Covid-19
 - \$170K (24%) of the savings are from Professional Services & Advertising Budget due to cancellation of in person events
 - \$136K (20%) of the savings are from Grants & Awards
- Statement of Financial Position
 - Total Assets \$15.1M (\$2M increase over 2019)
 - Total Liabilities \$1.4M
- 2020 Net Asset Reserve (new name)
 - \$4.9M Preliminary 2020 Unrestricted Net Assets Balance
 - \$1.7M *less* Minimum Requirement Net Asset Reserve
 - (\$260K) *less* Portion Reserved for 2021 Deficit Budget
 - \$2.9M Unrestricted Net Assets exceeding the Reserve Target (\$1M increase over 2019)

*This is a very strong position the foundation is in, these excess reserve funds could be used to fund other budget deficits, strategic initiatives, or even create a rainy-day fund.
- 2020 Budget Actuals, 2021 Budget, 2020/2021 Strategic Plan Comparison
 - The 2020/2021 combined projection of the Net Operating Increase compared to the strategic plan is up by \$401K. Revenue remains similar, and expense are down \$412K.
- 2021 Budget Adjustments
 - A 3% increase had been budgeted for the Management Fee Agreement with the AAN, the Foundation made the decision to decrease their footprint at the AAN building providing a \$111K (33%) decrease in the Management Fee Agreement. This will be reflected in an updated forecast mid-year.
- Annual Research Grant Expense Goal compared to 2021 Development Plan graph was shared that shows that we have already raised all the money needed for 2021 and 2022 fundraising and we are working on building up the remaining years.

Commitment to Cures 2021 (Emily Christian)

Ms. Christian shared these highlights regarding the upcoming event:

- Complete event program was shared, the entire event is pre-recorded.
- 3 ticket levels will be available (\$40 virtual ticket, \$150 breakthrough ticket that includes a celebration box and \$1,399 virtual party host ticket for 10 guests that receive the celebration box).
- A “golden ticket” raffle for a trip to Tuscany \$100 per ticket, only sell 100 tickets.
- Fundraising status update was provided:
 - Goal \$175,000
 - Raised \$92,310 (\$76,000 in sponsorships)
- Board Members asked if they have connections to outstanding sponsorship donations.
- Event Promotion details include postcards, emails and social media campaigns, AAN promotion and C2C stakeholders (award winners, presenters, board members).
- Multiple ways to share the event will be provided to all board members.

Ms. Ransom reminded the board to pledge or make your annual gifts during March so we can announce how much we raised at Commitment to Cures.

Governance Committee Report (Shafali Jeste, MD)

Dr. Jeste shared the 2021 Priorities for the Governance Committee:

- Recruit 4 Board members for a first term beginning on 1/1/22.
 - 3 non-neurologists
 - 1 neurologist
- Renew Board Members Eligible for 2nd & 3rd terms.
- Recommend Slate of Officers for terms starting 1/1/22.
- Create recommendations regarding the Advisory/Alumni Council.

Survey's will be sent, please take the time to respond – your recommendations are appreciated.

Executive Session

Meeting adjourned at 1:00 p.m. CT

DRAFT

Strategic Goal #1	FUNDRAISING			
Outcomes	Q1 2021	Threshold	Target	Maximum
1. Total funds raised				
a. Restricted	\$2,056,887	\$4,314,666	\$4,530,399	\$5,393,333
b. Unrestricted	\$314,580	\$867,475	\$910,849	\$954,223
c. AAN Support	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
2. Major Donor Pipeline Value				
a. Number of Solicitations	56	860	903	1075
b. Total Gift Ask	\$1,216,600	\$9,745,332	\$10,232,599	\$12,181,665
3. Donors				
a. Total Number of Donors	1277	2938	3085	3232
b. Total Donors from Website	208	912	958	1003
4. Staffing - Total FTE's				
a. Total FTEs	8	8	9	10
b. Retention Rate	100%	80%	90%	100%
5. Functional Ratios				
a. Programming	82.5%	72%	75%	77%
b. Fundraising	7.7%	13%	12%	10%
c. Management	9.8%	15%	14%	13%
6. Fundraising Efficiency Ratio				
a. Cost to Raise a \$1	\$0.03	\$0.12	\$0.11	\$0.10
b. Revenue Raised Per FTE	\$452,683	\$804,018	\$836,406	\$949,694
7. Charity Navigator Rating	Three Star	Three Star	Three Star	Four Star
8. Guidestar Rating	Platinum	Gold	Gold	Platinum
Strategic Goal #2	RESEARCH GRANTS			
Outcomes	Q1 2021	Threshold	Target	Maximum
1. Total Grant & Awards Funded				
a. AAN Total	\$1,320,000	\$2,000,000	\$2,000,000	\$2,000,000
b. Other Grants Total	\$125,000	\$203,000	\$203,000	\$203,000
2. Total # of Grants				
a. AAN Total	8	9	10	11
b. Other Awards Total	2	3	4	5
3. Total Number of CDA's	0	0	1	2
4. Total AAN ROI on ABF Research Grants	141%	166%	166%	166%
Strategic Goal #3	PUBLIC AWARENESS			
Outcomes	Q1 2021	Threshold	Target	Maximum
1. Stakeholder awareness of what Brain Disease is	N/A	25%	30%	34%
2. Stakeholder awareness of the American Brain Foundation	N/A	27%	30%	32%

3. Unique Web Visitors	48,158	156,000	163,800	171,600
4. Social Media Followers	37,129	42,000	44,100	46,200
5. Email Contact List	16,785	18,000	18,900	19,800
6. Monthly Web Session	57,030	180,000	189,000	198,000
Strategic Goal #4	AAN/ABF PARTNERSHIP			
Outcomes	Q1 2021	Threshold	Target	Maximum
1. Number of AAN members who are aware of the ABF	N/A	80%	81%	82%
2. Number of AAN members donating to the ABF	761	1637	1653	1669
3. Percentage of AAN staff donating to the ABF	39%	60%	63%	66%
4. AAN ROI on Total ABF Fundraising	354%	531%	531%	531%



**AMERICAN
BRAIN
FOUNDATION**

TO: Board of Directors
FROM: Jane Ransom, Executive Director
DATE: May 4, 2021
SUBJECT: Report for Board Meeting of May 7, 2021

As my update for the Board, I am attaching our Q1 report to the American Academy of Neurology detailing both metrics and activities. When we wrote our business plan in 2019, we had a choice between setting conservative or aggressive goals. We chose to lean strongly in the aggressive direction. Given the many things that have happened between then and now, the Finance Committee and staff decided to update our business plan, taking into account:

- The impact of the COVID-19 pandemic on ABF.
- 2020 fundraising being more successful than we had forecast.
- Freedom to raise money from pharmaceutical and medical device companies.
- Other assumptions that may have changed since the Business Plan was written in 2019.

The updated Business Plan narrative and summary information are in your materials for today's meeting. I am excited that this exercise confirmed that ABF can reach our aggressive fundraising goals, and then some, because the business plan update forecasts a 12 percent increase in fundraising over the original plan.

At this week's meeting we will review the results of our Commitment to Cures event and ask for your feedback on how it went and where to go with it in a future where we expect to have this event in a hybrid (virtual and in-person) environment. We will also hear from the Governance Committee about strategic recruitment goals for the board and hope to elect one new member at this meeting.

Strategic discussions on research, fundraising, and marketing strategies are being saved for the June 11th board meeting.

In closing, I want to thank board members for donating more than \$83,000 in our recent board campaign. This show of commitment is truly gratifying, showing the board's leadership and commitment to our research mission. Thank you!



TO: Mary Post, CEO, AAN
FROM: Jane Ransom, Executive Director
DATE: April 29, 2021
SUBJECT: AAN 2021 Grant – First Quarterly Report

The American Brain Foundation had an exciting and productive first quarter, tracking well with respect to its Business Plan Metrics. This memo provides narrative for the attached Q1 scorecard. Also attached is our Q1 Activity Report. There is no doubt that the ABF's strong start in 2021 can be attributed in great part to AAN's support, and we thank you.

Fundraising Metrics

1. Total Funds Raised

- a. Total funds raised in Q1, exclusive of AAN's grant, stands at \$2.4M toward our threshold goal of \$4.7M.
- b. Fundraising for money restricted for research is tracking well toward our annual goal. ABF raised just over \$2.5M for research, including \$1.5M for the LBD initiative, \$400K for the new Peter Goadsby Headache Research Fund, and \$100K from the Association for Frontotemporal Disease for a new CRTS.
- c. Fundraising for unrestricted support is also tracking ahead of goal, with \$314,580 raised, exclusive of the AAN's grant.

2. Fundraising Efficiency Ratio

- a. The cost to raise a dollar in Q1 shows as \$.03. It is much lower than forecast because of the large grants that came in.
- b. Revenue raised per FTE is tracking behind goal at \$452,683. This number is expected to increase as we continue to raise money throughout 2021.

3. Charity Navigator Rating

ABF's rating remains at Three Star, which is ahead of goal for 2021. ABF continues to track closely with larger, well-known health foundations, such as American Cancer Society and American Heart Association.

American Brain Foundation
Overall Score: **89.65 (3 stars)**
Financial: **85.37**
Accountability & Transparency: **100**

American Cancer Society
Overall Score: **81.57 (3 stars)**
Financial: **74.11**
Accountability & Transparency: **97.00**

American Heart Association
Overall Score: **90.57 (4 stars)**
Financial: **87.01**
Accountability & Transparency: **97.00**

4. GuideStar Rating

ABF's Guidestar rating is Platinum which is ahead of goal. Because we were unable to make some planned grants 2020 our functional expense ratio was impacted. This may affect our score at the end of 2021.

Research Grants Metrics

1. ABF granted \$1,320,000 to AAN's research program and \$125,000 in external grants during Q1.

Public Awareness Metrics

1. ABF commissioned market research from the AAN Insights Group to understand the level of public awareness of the foundation. The Threshold was set based upon this research. In January 2022 ABF will again commission market research from the Insights Group. We will then see results for the year in the final scorecard for 2021, published in 2022.

AAN/ABF Partnership Metrics

1. At the end of Q1 AAN's ROI on ABF research grants stood at 141%.
2. AAN's ROI on total ABF fundraising stood at 354% at the close of Q1.

American Brain Foundation

Activity Report

1/1/21 – 3/31/21

RESEARCH

- In collaboration with AAN, Alzheimer's Association, and Michael J. Fox Foundation, a selection committee for the LBD biomarker initiative was formed, held its first meeting and drafted the RFA for the new \$3 million program.
- Next Generation Research Program: Eight ABF-funded Clinical Research Training Scholarship (CRTS) were selected for research in ALS (3), Epilepsy, Cognitive Aging and Age-Related Memory Loss (2), Neuromuscular disease, and Parkinson's.
- ABF's Ted Burns Fund Endowment Fund committee named Dr. John Quinlan as the 2021 recipient of the Ted Burns Humanism in Neurology Committee
- ABF's Association of Indian Americans in North America Endowment Fund committee named two 2021 recipients of its Lifetime Achievement Fund:
 - Manmohan Nayyar, MD
 - Seemant Chaturvedi, MD
- ABF's Mridha Award Fund committee named three 2021 recipients of the Spirit of Neurology Award for international humanitarian work in neurology:
 - Farrah Mateen, MD, PhD
 - Deanna Saylor, MD
 - Sanjay Singh, MD

PHILANTHROPY

- Raised \$92,365 toward our \$175,000 Commitment to Cures fundraising goal
- Established a new donor advised fund—the Picard Research Fund of the ABF
- Launched a multi-channel campaign aimed at current and lapsed donors, including of 7,600 pieces of direct mail and mass emails
- Began ABF board's annual giving campaign.
- Raised \$400,000 for ABF's new Peter Goadsby Headache Research Fund
- Obtained the following pledges for our Next Generation Research Program:
 - Muscular Dystrophy Association will co-fund two CRTS's in MD
 - CReATe will co-fund one CRTS in ALS
 - Myasthenia Gravis Foundation will co-fund one Clinician Scientist Development Award

- Association for Frontotemporal Degeneration will fund one CRTS in FTD
- Held three virtual donor salons:
 - This Hits Home: TBI and Domestic Violence, featuring Dr. David Dodick and Sydney Scotia
 - Livewired: The Brain & Neuroplasticity, featuring David Eagleman, PhD
 - Research Trends in Epilepsy, featuring Dr. Jacqueline French
- The bottom line for fundraising in Q1:
 - \$314,555 in unrestricted funds raised, not counting AAN grant
 - \$2,059,163 in restricted fund raised.

PUBLIC AWARENESS

- Held an estate planning webinar, featuring Martin Shenkman, CPA, JD, for our donors and members of the public
- Commitment to Cures
 - Pre-recorded most of the program for April 21 including presentations to and acceptance speeches by all awardees
 - Prepared celebration gift boxes for mailing to select donors and sponsors
- Planned a refresh of the ABF website
- Developed new “Meet the Researchers” brochure about ABF-funded researchers
- Maintained social media posts on multiple channels
 - Five days per week
 - Content developed consistently from Brain & Life Magazine and linked to B&L
- Raised awareness of ABF in AAN channels:
 - 3 ads/3 articles in AANnews
 - 2 links in AANenews
 - 1 ad in Brain & Life
 - 4 mentions in AAN CEOs Leadership Update
 - Commitment to Cures ads running on Brainandlife.org

THRIVING PARTNERSHIP (ABF/AAN)

- Held first quarterly AAN/ABF Leadership Steering Committee of 2021
- Completed updates of our agreements with AAN:
 - Principles of Joint Collaboration
 - Master Services Agreement
- AAN and ABF staff collaborated on a mutually beneficial way to market Commitment to Cures
- Created a virtual booth for the AAN Annual Meeting

OTHER

- We completed the selection process and signed a contract for a new CRM which will both increase our effectiveness in fundraising public awareness and research, and save us more than \$100K per year
- Completed a refresh of our Business Plan for review by the Finance Committee and Board
- Major Gifts Officer Lisa Dahlberg left on maternity leave.

2021 ABF Business Plan Metrics for AAN

Strategic Goal #1		FUNDRAISING			
Outcomes		Q1 2021	Threshold	Target	Maximum
1. Total funds raised					
a. Restricted		\$2,056,887	\$3,800,000	\$3,990,000	\$4,750,000
b. Unrestricted		\$314,580	\$850,000	\$892,500	\$935,000
c. AAN Support		\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
2. Fundraising Efficiency Ratio					
a. Cost to Raise a \$1		\$0.03	\$0.12	\$0.11	\$0.10
b. Revenue Raised Per FTE		\$452,683	\$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		Q1 2021	Threshold	Target	Maximum
5. Total Grants & Awards Funded					
a. AAN Total		\$1,320,000	\$1,800,000	\$1,800,000	\$1,800,000
b. Other Grants Total		\$125,000	\$203,000	\$203,000	\$203,000
Strategic Goal #3		PUBLIC AWARENESS			
Outcomes		Q1 2021	Threshold	Target	Maximum
6. Stakeholder awareness of the American Brain Foundation		N/A	23%	25%	27%
Strategic Goal #4		AAN/ABF PARTNERSHIP			
Outcomes		Q1 2021			
7. AAN ROI on ABF Research Grants		141%	166%	166%	166%
8. AAN ROI on Total ABF Fundraising		354%	531%	531%	531%

*2021 Scorecard is using the 2020 Threshold Goals based on direction from AAN. One exception, the AAN Support was reduced to the 2021 amount of \$1,250,000.



Date: May 7th, 2021

To: Board of Directors

From: Lindsey Taveren, Senior Accountant
Kevin Myren, CPA Chief Financial Officer

Copy: James Essey, Treasurer
Jane Ransom, Executive Director

Subject: 2020 ABF Audited Financial Report and Retaining Auditors

Issue. Review and approval of the 2020 ABF audited Financial Report.

Proposed Motion: The ABF Board of Directors **ACCEPTS** the ABF December 31, 2020 audited Financial Report prepared by Clifton Laron Allen (CLA) and selects CLA as Auditors for 2021, contingent upon the AAN selecting CLA.

Discussion. The AAN ABF Joint-Audit Committee met on April 13th, 2021 with the auditors from CLA, Jane Ransom, CEO, and Kevin Myren, CFO. The purpose of this meeting was to review and discuss the December 31, 2020 audit reports prepared by Clifton Larson Allen. The committee recommends the reports for approval. The Finance Committee also met and reviewed the materials on May 27th, 2021.

In addition, AAN is very likely to retain Clifton Larson Allen for 2021 audit services. ABF benefits from engaging with the same audit firm through cost savings and Clifton Larson Allen's knowledge and review of the Internal Control Systems.

Fiscal impact. Approval of the report and the approval of the auditors has no impact on the financial position of ABF.

Legal implications. No legal implications.



American Brain Foundation

2020 Results

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Financial Statement Highlights

Overall

- Comparative financial statements
- Unmodified opinion which is the **highest level of assurance** a CPA firm can provide

Statements of Financial Position

- Cash & investments increased \$925k from increase in contributions and strong bottom line
- Grants receivable (current and LT) increased over \$1.1M
- Total liabilities down \$245k
- Net Assets With Donor Restrictions – includes endowment funds as well as purpose or time restricted funds
- Note 8:
 - \$2.57M perpetually restricted
 - \$6.21M restricted to purpose or time

Statements of Activities

- Contributions increased \$980k, in-kinds flat to PY
- Investment income total down to PY but positive returns of \$637k operating/nonoperating
- Expenses:
 - Total Expenses decreased 10% - \$520k
 - Personnel expense up \$239k
 - Grants decreased \$670k
 - Meetings & travel down \$163k
- Program: 65% vs. 73%
- Development: 18% vs. 14%
- Admin: 17% vs. 13%

Footnotes and Other

- Total change in net assets:
 - 2020: \$2,168,032
 - 2019: \$1,286,371
- No significant changes to footnotes in 2020



Required Governance Communication

Overall	Estimates	Difficulties	Other
<ul style="list-style-type: none">• Purpose is to follow up from planning meeting• No changes in scope of audit• No new standards adopted in 2020	<ul style="list-style-type: none">• Estimates presented in financial statements• We are comfortable with management's estimates	<ul style="list-style-type: none">• No difficulties encountered• No disagreements encountered• No other findings to report	<ul style="list-style-type: none">• No adjustments were identified and recorded!• No passed adjustments!• Management representation letter will be signed at the conclusion of the engagement



Peer Benchmarking

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

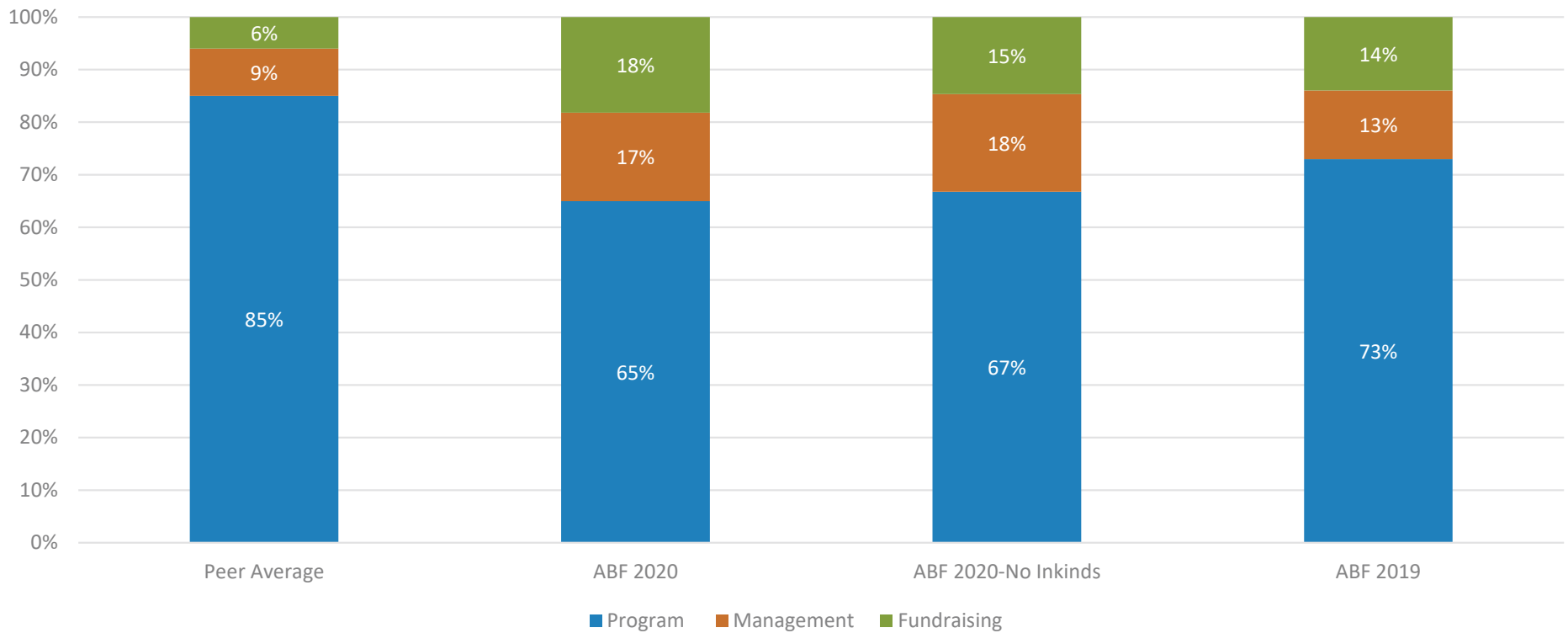
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Benchmarking

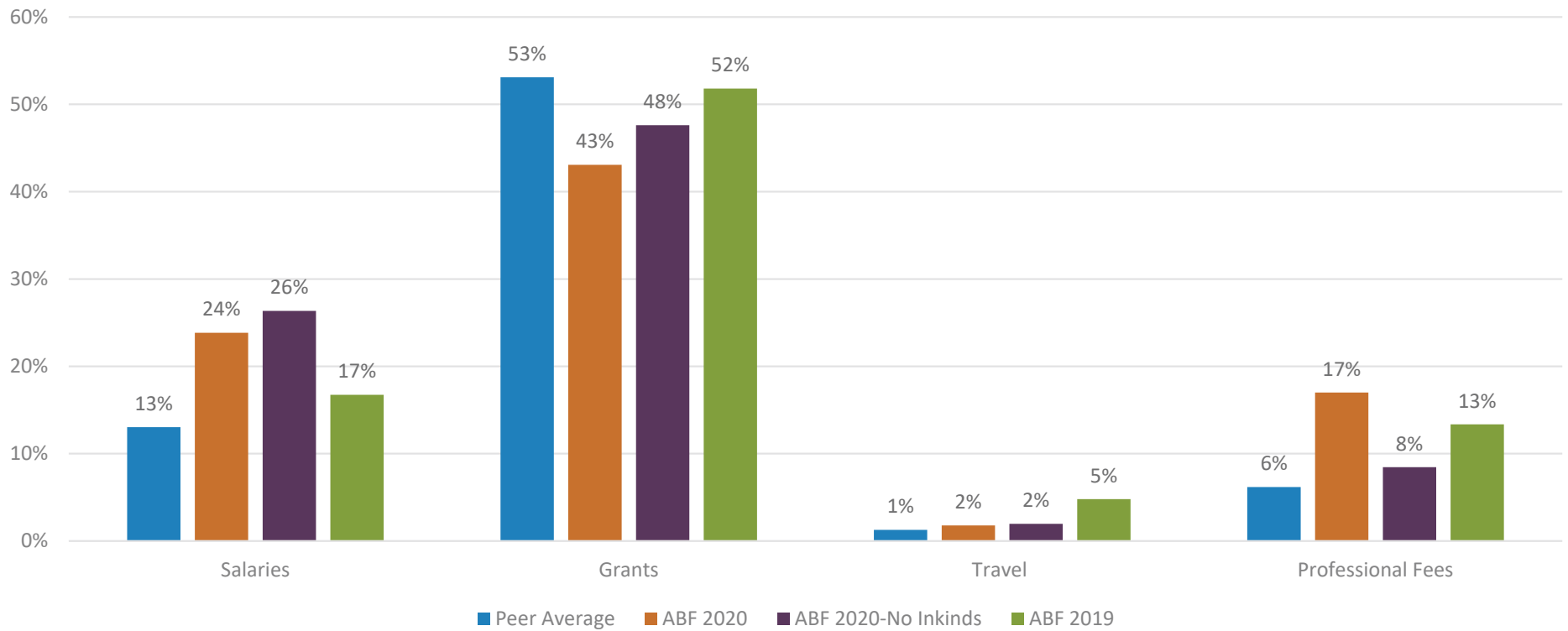
- **Data pulled from CauseIQ**
- **Includes approximately 250 public foundations, 501(c)(3) entities**
- **Total assets from \$10-\$15 million**
- **Total revenue of \$3-\$8 million**
- **Data is from 2019**



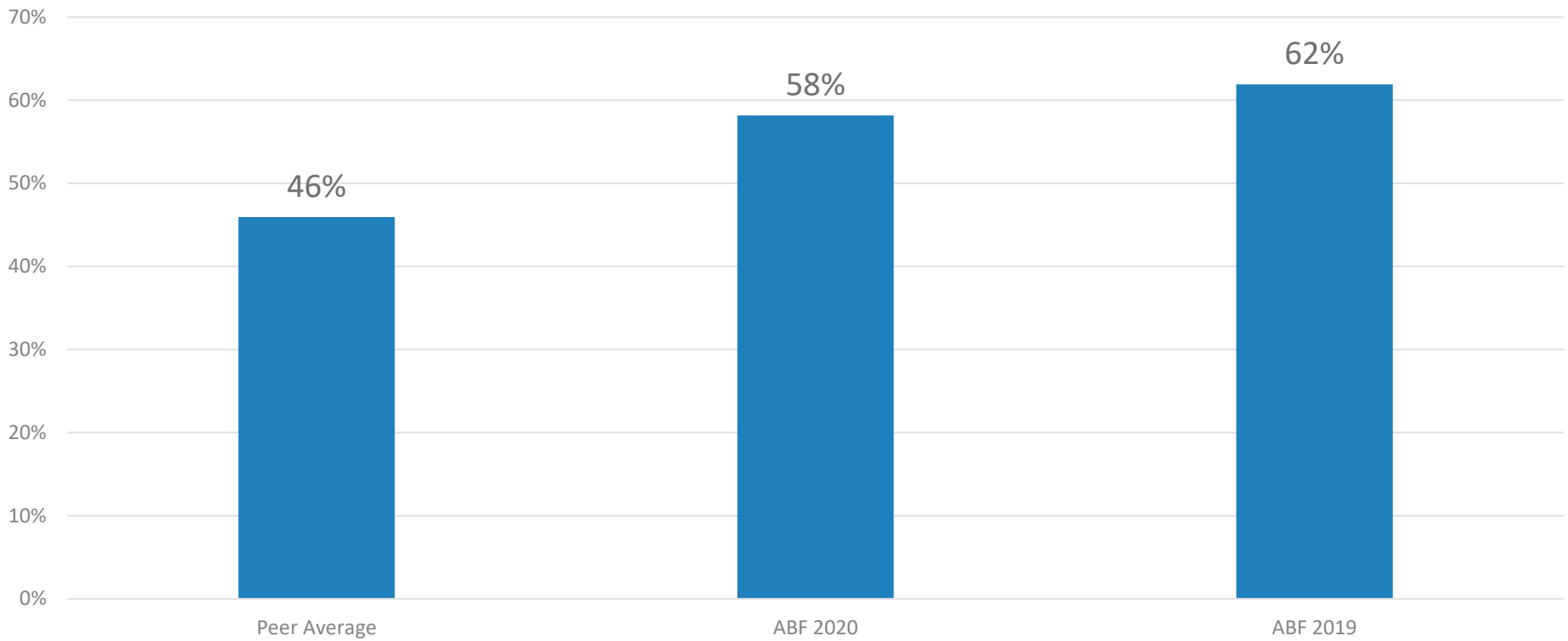
Functional Expense Categories



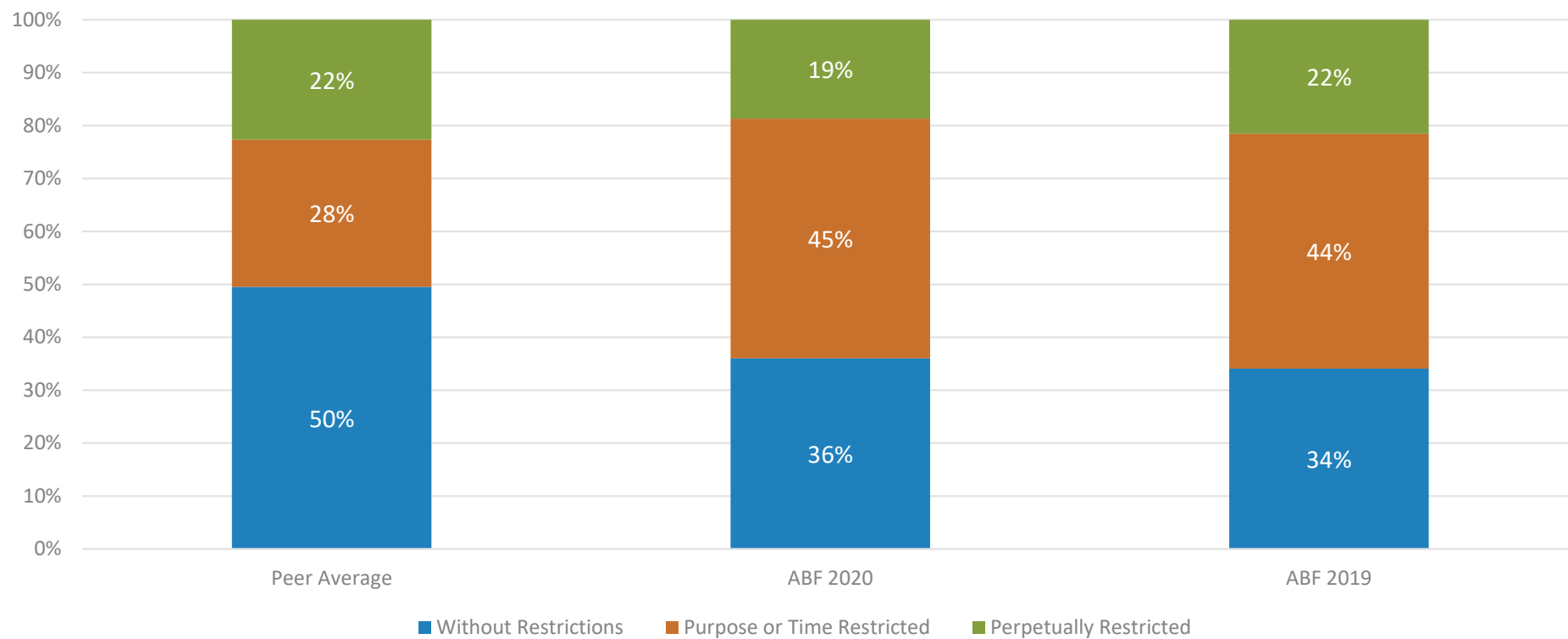
Expenses as a Percent of Total Expense



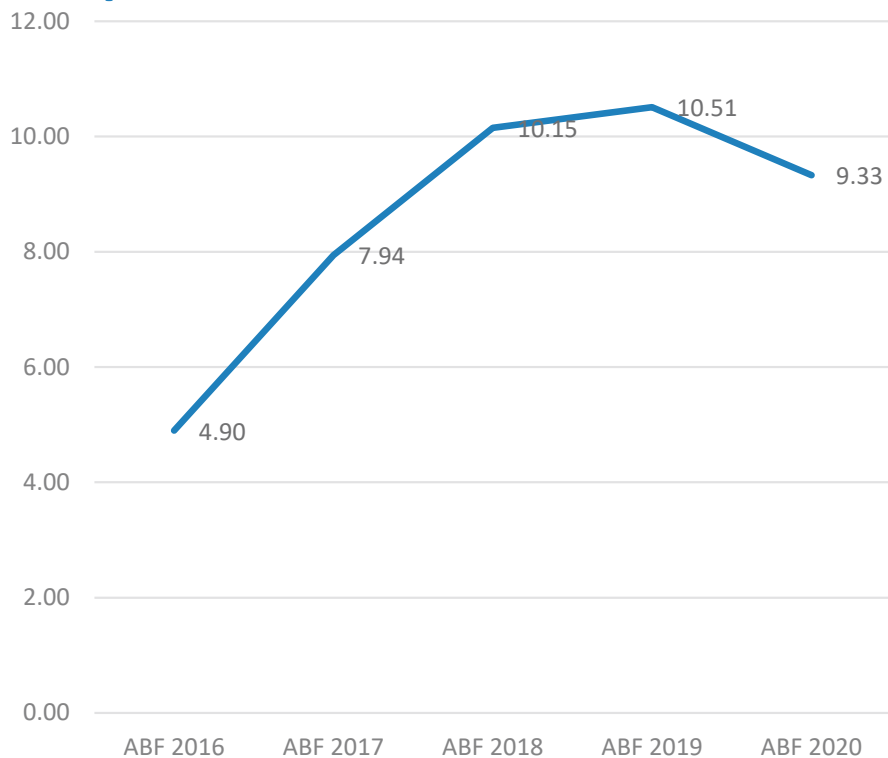
Investments as a Percent of Assets



Net Asset Categories



Fundraising Efficiency – Contributions per Expense



- The fundraising efficiency ratio is a KPI used by not-for-profit organizations to measure how efficient the organization is at raising money.
- It is calculated by dividing the contributions by the fundraising expenses.
- Excludes in-kind contributions and expense



Steps to Finalization

Communication of any changes

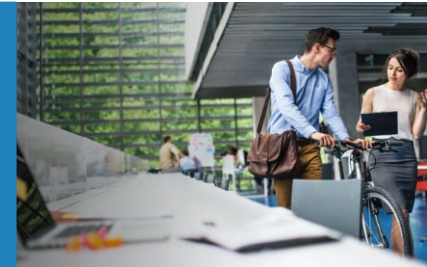
Approval of Financial Statements

Communication of subsequent events

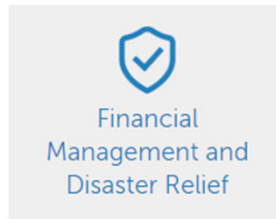
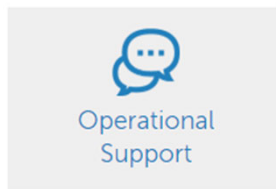
Representation letter signed



Responding to COVID-19: CLA Resources



Right Click Links for CLA Resource Pages



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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Audit Committee
American Brain Foundation
Minneapolis, Minnesota

We have audited the financial statements of the American Brain Foundation (ABF) for the year ended December 31, 2020, and have issued our report thereon dated April 13, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the ABF are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the ABF during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of:

- Present value of long-term pledges receivable
- Valuation of funds held with others
- Selection of depreciable lives
- Methods and allocation of functional expenses

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated April 13, 2021.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to ABF's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as ABF's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated April 13, 2021, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This information is intended solely for the use of the audit committee, board of directors, and management of American Brain Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 13, 2021



Audit Committee and Management
American Brain Foundation
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of the American Brain Foundation (ABF) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the ABF's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ABF's internal control. Accordingly, we do not express an opinion on the effectiveness of the ABF's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the ABF's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

* * *

This communication is intended solely for the information and use of management, the audit committee, and others within American Brain Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 13, 2021

AMERICAN BRAIN FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019



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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Brain Foundation
Minneapolis, Minnesota

We have audited the accompanying financial statements of the American Brain Foundation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
American Brain Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Brain Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 13, 2021

**AMERICAN BRAIN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,790,213	\$ 2,487,899
Grants and Gifts Receivable	1,389,925	1,007,988
Accounts Receivable	30,280	84,615
Other Assets	23,044	41,596
Total Current Assets	4,233,462	3,622,098
EQUIPMENT, NET	49,799	90,070
OTHER LONG-TERM ASSETS		
Funds Held with Others	8,796,078	8,173,408
Grants and Gifts Receivable, Net of Current Portion	2,048,437	1,319,348
Total Other Long-Term Assets	10,844,515	9,492,756
Total Assets	\$ 15,127,776	\$ 13,204,924
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 65,013	\$ 66,628
Grants Payable	1,105,296	1,215,930
Related Party Payable	123,534	94,671
Total Current Liabilities	1,293,843	1,377,229
LONG-TERM LIABILITIES		
Grants Payable, Net of Current Portion	105,621	261,965
Refundable Advances	1,000	6,450
Total Long-Term Liabilities	106,621	268,415
Total Liabilities	1,400,464	1,645,644
NET ASSETS		
Without Donor Restrictions:		
Undesignated	4,946,046	3,937,981
With Donor Restrictions	8,781,266	7,621,299
Total Net Assets	13,727,312	11,559,280
Total Liabilities and Net Assets	\$ 15,127,776	\$ 13,204,924

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Gifts	\$ 2,532,847	\$ 3,148,760	\$ 5,681,607
In-Kind Contributions	436,229	-	436,229
Investment Income	14,573	287,019	301,592
Other Revenue	1,216	-	1,216
Net Assets Released from Restrictions	2,275,812	(2,275,812)	-
Total Support and Revenue	5,260,677	1,159,967	6,420,644
 EXPENSE			
Program Expenses	2,981,785	-	2,981,785
Support Services:			
Development	835,540	-	835,540
General and Administrative	770,938	-	770,938
Total Support Services	1,606,478	-	1,606,478
Total Expense	4,588,263	-	4,588,263
 TOTAL CHANGES IN NET ASSETS BEFORE NONOPERATING INVESTMENT INCOME	672,414	1,159,967	1,832,381
Nonoperating Investment Income	335,651	-	335,651
 TOTAL CHANGE IN NET ASSETS	1,008,065	1,159,967	2,168,032
Net Assets - Beginning of Year	3,937,981	7,621,299	11,559,280
 NET ASSETS - END OF YEAR	\$ 4,946,046	\$ 8,781,266	\$ 13,727,312

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Gifts	\$ 2,573,489	\$ 2,128,566	\$ 4,702,055
In-Kind Contributions	390,459	-	390,459
Investment Income	38,287	585,916	624,203
Other Revenue	1,522	-	1,522
Net Assets Released from Restrictions	2,172,990	(2,172,990)	-
Total Support and Revenue	5,176,747	541,492	5,718,239
 EXPENSE			
Program Expenses	3,727,972	-	3,727,972
Support Services:			
Development	714,663	-	714,663
General and Administrative	665,764	-	665,764
Total Support Services	1,380,427	-	1,380,427
Total Expense	5,108,399	-	5,108,399
 TOTAL CHANGES IN NET ASSETS BEFORE NONOPERATING INVESTMENT INCOME	68,348	541,492	609,840
Nonoperating Investment Income	676,531	-	676,531
TOTAL CHANGE IN NET ASSETS	744,879	541,492	1,286,371
Net Assets - Beginning of Year	3,193,102	7,079,807	10,272,909
NET ASSETS - END OF YEAR	\$ 3,937,981	\$ 7,621,299	\$ 11,559,280

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	2020					
	Program			Total		
	Research Grants	Research Awards	Public Awareness	Development	General and Administrative	Total
Salaries and Benefits	\$ 101,275	\$ 56,014	\$ 235,043	\$ 311,313	\$ 390,588	\$ 1,094,233
General Office	1,166	84	6,012	55,159	23,652	86,073
Software and Maintenance	11,877	-	336	36,184	133,612	182,009
Professional Fees	4,750	2,220	177,855	105,800	60,202	350,827
Management and Service Fees	29,842	18,578	75,154	96,695	118,731	339,000
Meeting and Travel	734	433	33,882	3,814	43,383	82,246
Grants and Awards	1,790,253	186,352	-	-	-	1,976,605
Depreciation	-	-	40,271	-	-	40,271
Other Expenses	-	-	-	-	770	770
Subtotal	<u>1,939,897</u>	<u>263,681</u>	<u>568,553</u>	<u>608,965</u>	<u>770,938</u>	<u>4,152,034</u>
In-Kind:						
Professional Fees	17,805	-	191,849	219,694	-	429,348
Grants and Awards	-	-	-	6,881	-	6,881
Subtotal	<u>17,805</u>	<u>-</u>	<u>191,849</u>	<u>226,575</u>	<u>-</u>	<u>436,229</u>
Total Expenses	<u>\$ 1,957,702</u>	<u>\$ 263,681</u>	<u>\$ 760,402</u>	<u>\$ 835,540</u>	<u>\$ 770,938</u>	<u>\$ 4,588,263</u>

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

2019

	Program				Total Program	Development	General and Administrative	Total
	Research Grants	Research Awards	Public Awareness					
Salaries and Benefits	\$ 107,900	\$ 10,726	\$ 351,586	\$ 470,212	\$ 120,990	\$ 263,740	\$ 854,942	
General Office	1,505	614	12,758	14,877	69,572	29,694	114,143	
Software and Maintenance	11,877	-	-	11,877	38,208	138,148	188,233	
Professional Fees	8,344	1,610	114,102	124,056	99,313	70,299	293,668	
Management and Service Fees	39,457	4,031	138,352	181,840	45,847	101,313	329,000	
Meeting and Travel	9,059	7,335	93,390	109,784	73,471	62,570	245,825	
Grants and Awards	2,362,206	283,806	-	2,646,012	-	-	2,646,012	
Depreciation	-	-	46,116	46,116	-	-	46,116	
Subtotal	2,540,348	308,122	756,304	3,604,774	447,401	665,764	4,717,939	
In-Kind:								
Professional Fees	49,365	-	73,833	123,198	265,233	-	388,431	
Grants and Awards	-	-	-	-	2,029	-	2,029	
Subtotal	49,365	-	73,833	123,198	267,262	-	390,460	
Total Expenses	\$ 2,589,713	\$ 308,122	\$ 830,137	\$ 3,727,972	\$ 714,663	\$ 665,764	\$ 5,108,399	

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 2,168,032	\$ 1,286,371
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	40,271	46,116
Contributions to be Held in Perpetuity	(78,271)	(340,366)
Changes in Funds Held With Others	(622,670)	(1,262,117)
(Increase) Decrease in Current Assets:		
Grants and Gifts Receivable	(1,111,026)	(371,659)
Accounts Receivable	54,335	11,072
Other Assets	18,552	(19,768)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	27,248	(17,153)
Grants Payable	(266,978)	628,705
Refundable Advances	(5,450)	4,858
Net Cash Provided (Used) by Operating Activities	224,043	(33,941)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions to be Held in Perpetuity	78,271	340,366
NET INCREASE IN CASH AND CASH EQUIVALENTS	302,314	306,425
Cash and Cash Equivalents - Beginning of Year	2,487,899	2,181,474
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,790,213	\$ 2,487,899

See accompanying Notes to Financial Statements.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The American Brain Foundation (ABF) is a nonprofit corporation established to support vital research into finding cures for brain disease, and is committed to improving patient care, quality of life, and public understanding of brain disease. Its vision is to cure brain disease.

Financial Statement Presentation

Net assets, support, revenue, expenses, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of ABF and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in supporting the mission of ABF.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ABF or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

ABF considers all highly liquid investments with an initial maturity of 12 months or less to be cash and cash equivalents. ABF maintains cash in bank accounts which, at times, may exceed federally insured limits. ABF has not experienced any losses in such accounts.

Receivables

Accounts, grants, and gifts receivables are stated at net realizable value. Accordingly, ABF accounts for uncollectible accounts by the reserve method, which is based on management's judgment considering historical information. Payment is required 30 days after receipt of the invoice. Individual accounts past due more than 90 days are individually analyzed for collectability. When all collection efforts have been exhausted, the receivable is written off against the reserve. ABF had no allowance recorded at December 31, 2020 and 2019.

Equipment

Equipment is recorded at original cost. Additions, improvements, or major renewals at or over \$2,000 are capitalized. Any gains or losses on property and equipment retirement are included in the current year operations.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment (continued)

Depreciation is computed using the straight-line method at rates based on estimated service lives as follows:

Software	3 Years
Video Content	3 Years
Website Enhancements	5 Years

Funds Held With Others

Funds held with others are made up of reserved investments held at the American Academy of Neurology Institute (Academy) for purposes of earning long-term investment income. These funds are pooled with the investments at the American Academy of Neurology Institute. ABF has two board members that serve on a joint investment committee that oversees and monitors the investment pool. ABF has the ability to liquidate their investments at any time subject to the redemption restrictions on the individual investments. These investments in marketable securities are recorded at fair value and consist primarily of equity funds and corporate bond funds. Investments in certificates of deposit are recorded at cost. In addition, the investments include two limited partnerships that are diversified funds of hedge funds, reported at the estimated fair value of ABF's share of the fund, calculated daily or monthly by the custodian. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility.

Grants Payable

Grants payable consist of awards and grants approved for various research projects and fellowships. Grants payable are recorded at the signing of the contract with both the researcher and the institution. Long-term grants payable are discounted based on the year to be paid.

Grants and Gifts

Grants and contributions received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions are recognized at fair value when the donor makes a promise to give to ABF that is, in substance, unconditional. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are recorded when the conditions upon which they depend have been met. Until that time, they are reported on the statement of financial position as a refundable advance.

Consequently, at December 31, 2020, conditional contributions approximating \$1.6 million, have not been recognized in the accompanying statement of activities. Of the total conditional contributions, all amounts represent agreements that are conditioned upon the selection of a grant recipient in conjunction with a research committee of an outside organization. In 2020, ABF worked with the American Academy of Neurology, American Heart Association, and National Multiple Sclerosis Society to identify and manage grant recipients.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

ABF categorizes its investments measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Investments valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, ABF may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Donated Goods and Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by American Brain Foundation. Donated goods are valued at market value on the date of donation. There were donated goods and services, primarily advertising in AAN publications, at a value of \$436,229 and \$390,459, respectively, for the years ended December 31, 2020 and 2019.

Allocation of Expenses

ABF's costs of providing its various services have been classified on a program basis in the statements of activities. Accordingly, certain costs have been allocated among the program and support services benefited. Expenses are charged directly to programs and support services where possible. Remaining expenses are allocated based on actual time spent on programs and support services.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

ABF is organized and operates on a nonprofit basis and its tax-exempt status has been recognized by the Internal Revenue Service under Section 501(c)(3). ABF is classified as an organization which is not private foundations under the Internal Revenue Code (IRC) and charitable contributions by donors are tax deductible. ABF is subject to unrelated business income taxes under the IRC for federal and state tax purposes.

ABF follows the provisions of Financial Accounting Standards Board (FASB) ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. ABF does not believe its financial statements include any uncertain tax positions. ABF’s tax returns are subject to review and examination by federal authorities.

Other Concentrations

ABF also has a potential credit risk in contributions receivable since the balance is due from a limited number of individuals and corporate contributions.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, ABF has evaluated events and transactions for potential recognition or disclosure through April 13, 2021, the date the financial statements were available to be issued.

NOTE 2 AVAILABILITY AND LIQUIDITY

As part of ABF’s liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. ABF’s investment policy establishes a target of holding 40% of the subsequent year’s budget in liquid investments. Holding liquid investments in excess of the target is at the discretion of the board of directors and excess balances may be moved to long-term investments. As of December 31, liquid investments held by ABF were as follows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 2,790,213	\$ 2,487,899
Succeeding Year’s Budget	4,971,777	4,846,924
Liquid Investments Reserve Percentage	40%	40%
Required Reserve	<u>1,988,711</u>	<u>1,938,770</u>
Excess Reserve	<u>\$ 801,502</u>	<u>\$ 549,129</u>

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 AVAILABILITY AND LIQUIDITY (CONTINUED)

ABF's Operating Reserve Policy establishes a net assets without donor restrictions reserve equal to 75% of average of the last two years actual expenses and succeeding years operating budget excluding any grants with donor restrictions and noncash items. The reserve is reported annually to the board of directors. ABF's December 31, 2020 and 2019 net assets without donor restrictions reserves were \$4,946,046 and \$3,937,981, respectively. The reserve requirements were \$3,667,110 and \$3,671,959 indicating that ABF met the reserve policy requirements in 2020 and 2019, respectively.

ABF held the following financial assets that are available within one year for general expenditures as follows:

	2020	2019
Cash and Cash Equivalents	\$ 199,592	\$ 204,983
Accounts Receivable (to be Received within 12 Months)	1,420,205	754,904
Short-Term Investments (CDs)	2,590,621	2,282,916
Funds Held by Others (Available within 12 Months)	6,226,258	5,681,859
Donor Restricted Dollars	(4,117,521)	(3,749,160)
Total Financial Assets	<u>\$ 6,319,155</u>	<u>\$ 5,175,502</u>

NOTE 3 GIFTS AND GRANTS RECEIVABLE

Grants and gifts receivable at December 31 are as follows:

	2020	2019
Less than One Year	\$ 1,389,925	\$ 1,007,988
One to Five Years	2,099,625	1,388,793
Total	3,489,550	2,396,781
Less: Discount to Present Value	(51,188)	(69,445)
Net Contributions Receivable	<u>\$ 3,438,362</u>	<u>\$ 2,327,336</u>

Amounts are presented in the statements of financial position as follows at December 31:

	2020	2019
Current	\$ 1,389,925	\$ 1,007,988
Long Term	2,048,437	1,319,348
Total	<u>\$ 3,438,362</u>	<u>\$ 2,327,336</u>

Contributions expected to be received beyond one year are reflected at the present value of future cash flows at the date of donation using a discount rate of approximately 1% to 3%.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 EQUIPMENT

Equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Software & Website	\$ 223,770	\$ 223,770
Less: Accumulated Depreciation	(173,971)	(133,700)
Net Software & Website	<u>\$ 49,799</u>	<u>\$ 90,070</u>

NOTE 5 FUNDS HELD WITH OTHERS

The investments of ABF are pooled with reserve investments at the American Academy of Neurology Institute and are recorded as funds held with others on the statement of financial position. ABF does not own specific underlying investments within the investment pool. The custodian has allocated investments based on percentage held by ABF as follows at December 31:

	<u>2020</u>	<u>2019</u>
Reserves:		
Corporate Bond Funds	\$ 2,589,331	\$ 2,395,216
Equity Funds - Foreign	1,824,157	1,627,880
Equity Funds - Mid-Cap	906,748	815,643
Equity Funds - Large Blend	2,759,789	2,728,771
Funds of Hedge Funds	716,053	605,898
Total Investments	<u>\$ 8,796,078</u>	<u>\$ 8,173,408</u>

Investments in the corporate bond funds, money market mutual funds, equity securities, and equity funds are recorded at fair market value. The funds of hedge funds are recorded at the estimated fair value of ABF's share of the fund, calculated monthly by the custodian.

ABF's share of the investment income on the funds held with others consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Interest and Dividends	\$ 219,072	\$ 211,508
Unrealized Gain on Investments	403,598	1,050,609
Total Investment Income	<u>\$ 622,670</u>	<u>\$ 1,262,117</u>

The realized and unrealized gains and losses are included in investment income (loss) on the statements of activities. ABF maintains long-term reserve investments through long-term investment holdings. These investments are separated from ABF's general checking and savings accounts. All investment returns on long-term reserve investments are considered nonoperating.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 FAIR VALUE MEASUREMENTS

ABF uses fair value measurements to record fair value adjustments to certain investments and to determine fair value disclosures. For additional information on how ABF measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

In determining the appropriate levels, ABF performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following tables present the balances of assets measured at fair value on a recurring basis by level within the hierarchy at December 31:

	2020			Fair Value
	Level 1	Level 2	Level 3	
Funds Held With Others:				
Investment Pool Held with Others	\$ -	\$ 8,796,078	\$ -	\$ 8,796,078
Total Fair Value	<u>\$ -</u>	<u>\$ 8,796,078</u>	<u>\$ -</u>	<u>\$ 8,796,078</u>
	2019			
	Level 1	Level 2	Level 3	Fair Value
Funds Held With Others:				
Investment Pool Held with Others	\$ -	\$ 8,173,408	\$ -	\$ 8,173,408
Total Fair Value	<u>\$ -</u>	<u>\$ 8,173,408</u>	<u>\$ -</u>	<u>\$ 8,173,408</u>

NOTE 7 GRANTS PAYABLE

Grants payable include the following at December 31:

	2020	2019
Current Portion of Grants Payable	\$ 1,105,296	\$ 1,215,930
Long-Term Portion of Grants Payable	105,621	261,965
Net Grants Payable	<u>\$ 1,210,917</u>	<u>\$ 1,477,895</u>
Amounts Due:		
One Year or Less	\$ 1,105,296	\$ 1,215,930
One to Five Years	105,834	269,168
Discount to Present Value	(213)	(7,203)
Net Grants Payable	<u>\$ 1,210,917</u>	<u>\$ 1,477,895</u>

Grants expected to be paid beyond one year are reflected at the present value of future cash flows using a discount rate of approximately 1% to 3%.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

ABF net assets that are restricted by donors until actions of ABF or the passage of time as of December 31:

	<u>2020</u>	<u>2019</u>
Education, Research, and Award Funds	\$ 6,064,402	\$ 4,903,654
Operational Support	38,963	38,963
Annual Meeting and Public Awareness Programs	108,082	187,133
Total	<u>\$ 6,211,447</u>	<u>\$ 5,129,750</u>

ABF net assets that the donor has stipulated the funds be maintained in perpetuity as of December 31:

	<u>2020</u>	<u>2019</u>
Research Endowments:		
General Research	\$ 554,088	\$ 490,148
Alzheimer's/Dementia	60,000	60,000
Epilepsy	120,970	120,970
Multiple Sclerosis	384,269	384,269
Subtotal	<u>1,119,327</u>	<u>1,055,387</u>
Awards	<u>1,450,492</u>	<u>1,436,162</u>
Total	<u>\$ 2,569,819</u>	<u>\$ 2,491,549</u>

Net assets restricted by donors due to time or purpose, in addition with perpetual restrictions, totaled \$8,781,266 and \$7,621,299 as of December 31, 2020 and 2019, respectively.

NOTE 9 DONOR-RESTRICTED NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by ABF incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows at December 31:

	<u>2020</u>	<u>2019</u>
Research Grants	\$ 1,833,516	\$ 1,882,025
Awards	184,242	190,632
Public Awareness	146,551	-
Operational Support	111,503	100,333
Total	<u>\$ 2,275,812</u>	<u>\$ 2,172,990</u>

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 ENDOWMENT

ABF's donor-restricted endowment consists of 28 individual funds established to support research and awards and, as required by accounting principles generally accepted in the United States of America, net assets associated with those endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of ABF has determined the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, ABF classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

ABF considers the following factors when making a determination to appropriate or accumulate donor-restricted funds:

1. The duration and preservation of the fund
2. The purposes of ABF and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of ABF
7. The investment policies of ABF

ABF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 8% over the long-term.

Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, ABF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). ABF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

ABF has a policy of appropriating for distribution each year 5% of its endowment fund's moving average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, ABF considered the long-term expected return on its endowment. Accordingly, over the long-term, ABF expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation.

**AMERICAN BRAIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 ENDOWMENT (CONTINUED)

This is consistent with ABF's objective to maintain the purchasing power of the endowment assets held in perpetuity for a specific term as well as to provide additional real growth through new gifts and investment return. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires ABF to retain as a fund of perpetual duration. Funds with such deficiencies were included in net assets with donor restrictions. These deficiencies, which ABF believes are temporary, resulted from unfavorable market conditions. The board of directors determined that continued appropriations was prudent. There are no funds that fall below the level that the donor requires as of December 31, 2020 and 2019.

Changes in endowment net assets for the fiscal years ended December 31 consisted of the following:

	With Donor Restrictions		Total
	Purpose	Perpetual	
Balance - December 31, 2018	\$ 816,387	\$ 2,151,183	\$ 2,967,570
Investment Income	557,165	-	557,165
Contributions	-	340,366	340,366
Changes in Donor Restrictions	-	-	-
Appropriation of Endowment Funds	(81,076)	-	(81,076)
Balance - December 31, 2019	1,292,476	2,491,549	3,784,025
Investment Income	269,623	-	269,623
Contributions	-	78,271	78,271
Appropriation of Endowment Funds	(103,084)	-	(103,084)
Balance - December 31, 2020	<u>\$ 1,459,015</u>	<u>\$ 2,569,820</u>	<u>\$ 4,028,835</u>

NOTE 11 RELATED PARTY TRANSACTIONS

All employees are employed by the American Academy of Neurology and then leased to ABF. ABF pays all direct costs relating to employees and pays a management fee for services which include: management oversight, human resources, finance, information systems, and marketing. The total amount of services received from the Academy was as follows for the years ended December 31:

	2020	2019
Services Provided	\$ 349,731	\$ 329,000
Leased Employees	1,094,234	855,000
Account Payable	123,533	98,680

ABF in 2020 and 2019 received grants of \$1,500,000 and \$750,000, respectively, from the Academy in support of their operations.

ABF in 2020 and 2019 awarded grants to the Academy of \$1,630,000 and \$2,225,000, respectively, to support clinical research training scholarships. ABF also provided support to the Academy for various awards in 2020 and 2019 totaling \$167,850 and \$176,500, respectively. As of December 31, 2020 and 2019, ABF had a payable to the Academy of \$1,099,585 and \$1,352,087, respectively, related to these grants.



Date: Friday, May 7th, 2021

To: Board of Directors

From: Jane Ransom, Executive Director
James Essey, Treasurer

CC: Lindsey Taveren, Senior Accountant
Kevin Myren, CPA Chief Financial Officer

Subject: Updated Five Year Business Plan

The Foundation has prepared an updated five-year business plan, which includes 2020 actuals, 2021 updated budget, and updated projections for 2022-2024. The plan was reviewed by the Finance Committee on April 27th, 2021.

Executive Director Summary

The purpose of this business plan update is to revisit and refresh our original plan's budget forecast and assumptions in the context of ABF's performance in 2020, the COVID-19 pandemic, and other significant positive and negative impacts on the foundation. The overall conclusion of this update is that our business plan still makes sense. The refreshed plan forecasts a 2% increase in total support and revenue compared to the original plan.

The refreshed plan forecasts better fundraising results and increased research grants to AAN than did the original plan from 2019. The biggest driver of these improvements is that the door was opened for ABF to raise money from pharmaceutical and medical device companies—a significant new fundraising target—in July 2020.

Unrestricted fundraising for general operations will remain more challenging than fundraising for restricted research grants because the ABF is still not well-known, major donor fundraising has been aggravated because of the COVID-19 pandemic, and AAN's annual grants will continue to decline as planned. The refreshed plan addresses these issues by increasing our investment in marketing, and making a more cautious forecast for major gifts from individuals compared to the original plan.

Operating our business during the COVID-19 pandemic has taught us that we can decrease travel and occupancy expenses by using available technology for meetings with donors, virtual events and a hybrid remote work environment. As a result, these expenses have been scaled back significantly in the refreshed plan.

Overview – 114% Higher Net Income

- Total 5-year revenue: \$34.4M *2% higher than original*
- Total 5-year expense: \$33.7M *1% higher than original*
- Total 5-year Net Income: \$703K *109% higher than original*

Fundraising Forecast – 12% Higher

Staff revisited and updated all revenue goals for 2021-2024. Based on donor trends with institutional and major donor giving, the Foundation has shifted their goals to reflect the continued donor preference for restricted donations, particularly among pharmaceutical and medical device companies.

Staff have also increased the variety of fundraising objectives, including a large neuroinflammation project (analogous to the LBD project), marketing grants, and the Dr. Goadsby Headache endowment.

- Total 5-year Restricted Fundraising: \$32.4 *26% higher than original*
- Total 5-year Unrestricted Fundraising: \$11.7M *-15% lower than original*
- Total 5-year Fundraising: \$44M *12% higher than original*

Grants & Awards Expense – \$1.3M Increase

The increased restricted fundraising results in a higher number of grants being awarded in future years. The variety of grants has grown in conjunction with the variety of fundraising goals, and has expanded to include neuroinflammation research, COVID-19 research, Health Disparities research, and a special Headache Grant named for Dr. Goadsby.

- Total Grants & Awards: \$20.6M *7% higher than original*
- Grants & Awards going to the AAN: \$19.6M *4% higher than original*

To fully fund the projected grants presented in this business plan, the Foundation will draw on \$1.1M of their restricted research reserve fund. It is important to note that the plan includes a strategy to taper off relying on the restricted research reserves, so that when those historical monies are gone, the grants are fully funded going forward. At the end of 2024, the Foundation will have approximately \$500K remaining in historical restricted research reserves.

Operational Expense Savings - \$2.8M

Personnel - \$220K savings

The updated plan still includes two new FTE hires, but the timing of hire has been delayed by one year, the nature of the positions has been modified, and the salaries are less expensive.

In the original plan one of the new hires was a marketing role, but in this updated business plan the marketing role has been fulfilled by the independent contractor Yakkety Yak. Instead, the two new professional staff will support the all-around growth of the foundation by focusing upon restricted and unrestricted fundraising, research programming, and operational support.

Software - \$229K savings

The Foundation is replacing its current fundraising software with Virtuous (CRM and email marketing platform) and Classy (online giving, peer-to-peer, events). This change will provide \$100,000+ savings annually and enhance fundraising effectiveness.

Occupancy - \$450K savings

As a result of the prolonged remote work environment the Foundation has embraced the new normal and reduced their footprint in the AAN headquarters building. This has resulted in lower Management Service fees with the AAN.

Travel - \$1.9M savings

Staff project that travel will not fully return to the levels anticipated in the original business plan.

Marketing & Advertising - \$2.2M Investment

The updated plan includes a larger investment in marketing to support the ambitious public awareness goals laid out in the original plan. A marketing agency with a specialty in the non-profit/neurology space, Yakkety Yak, has been hired to support this effort. Marketing activities will increase brand awareness and align with our strategic goals of supporting brain disease research, expanding our donor base and donations, and building upon our partnership with the AAN.

The ABF has only recently “gone public”, and we are strategically building a large and loyal audience who recognize and trust our brand – and therefore donate generously to our cause. In addition to increasing brand awareness and engagement, we plan to have a 62% increase in Annual Fund revenue (donations under \$2,500) compared to the original plan. While we are aggressively working towards our goals, it is uncertain how the effects of the COVID-19 pandemic may continue to negatively impact the overall fundraising landscape.

Provided in the following pages are:

- 5 Year Business Plan Summary
- Business Plan Key Performance Indicators

**American Brain Foundation
Business Plan Update 2020-2024**

	Updated 5 Year Total	Original 5 Year Total	% Variance
REVENUE			
Operating Revenue	13,807,247	14,409,228	-4%
Research Grant Revenue	20,575,103	19,308,334	7%
Total Support and Revenue	34,382,350	33,717,562	2%
EXPENSES			
Operating Expenses	13,104,558	14,072,911	7%
Research Grant Expenses	20,575,103	19,308,334	-7%
Total Expenses	33,679,661	33,381,245	-1%
Net Increase (Decrease)	702,689	336,317	109%

Key Performance Indicators

	<u>Original Business Plan</u>	<u>Updated Business Plan</u>	<u>Variance</u>
Total Fundraising (millions)	\$39.0	\$44.1	\$5.1
Research Fundraising (millions)	\$26.0	\$32.4	\$6.4
Unrestricted Fundraising (millions)	\$14.0	\$11.7	-\$2.3
Improve Functional Expense Ratio to Industry Standard (75%+)	75.0%	88.4%	13.4%
Grants/Awards flowing from ABF to AAN (millions)	\$19.0	\$19.6	\$0.6
AAN Return on Grant Awards by 2024*	884.0%	886.8%	2.8%
AAN Return on Fundraising by 2024*	1597%	1297%	-300%

*The ROI function has been restated for the Original Business plan, to align with the industry ROI function. The Updated Business Plan uses the same ROI Function.



Ken Shubin Stein

MD, MPH, MS, CPH, CFA

Dr. Shubin Stein is the founder of Spencer Capital Management, LLC. In 2000 he founded Kenshu, LLC, the predecessor to the Spencer Capital Opportunity Fund, LP, which was formed in 2003. From 2001 to 2003 Dr. Shubin Stein managed Kenshu, LLC while also working as a portfolio manager for Promethean Investment Group, LLC. He joined Promethean after completing his internship in orthopedic medicine at Mount Sinai Medical Center in New York. Before his internship, he co-founded and managed Compo Asset Management, LLC, a U.S. based value investment partnership which was merged into Promethean. Prior to founding Compo, Dr. Shubin Stein was a medical technology analyst for The Abernathy Group in New York, an investment management firm specializing in the medical and technology sectors.

Dr. Shubin Stein is a graduate of the Albert Einstein College of Medicine where he completed a 5-year medical and research program with a focus on molecular genetics. He graduated with a B.A. degree from Columbia College in 1991 with dual concentrations in Premedical Studies and Political Science. In 2018, he graduated with a Master of Science degree in Epidemiology from the Columbia University Mailman School of Public Health. He also holds a Master of Public Health degree from the Columbia University Mailman School of Public Health. The National Board of Public Health Examiners has recognized Dr. Shubin Stein as Certified in Public Health (CPH). Dr. Shubin Stein is an adjunct professor at the Columbia University Graduate School of Business. Dr. Shubin Stein holds the CFA designation.

He is also a Senior Advisor at Osmosis. Dr. Shubin Stein's commitment to charitable endeavors includes a focus on public health issues and helping homeless and low-income women and children. He is the co-founder of Crutches 4 Kids, a not-for-profit organization dedicated to providing crutches and other mobility devices to children in need around the world. He is also co-founder of the International Concussion Society. He serves on the board of HelpUSA and is the leader of the organization's young professionals group, HelpNYC.