

National Ataxia Foundation



Financial Statement

For year ending Dec 31, 2015



NATIONAL ATAXIA FOUNDATION, INCORPORATED
MINNEAPOLIS, MINNESOTA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015 and 2014
AUDITS

NATIONAL ATAXIA FOUNDATION, INCORPORATED
MINNEAPOLIS, MINNESOTA

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NATIONAL ATAXIA FOUNDATION, INCORPORATED
DIRECTORY
DECEMBER 31, 2015

Officers

* President	William P. Sweeney
* Vice President	Camille Daglio
* Secretary	Dave Zilles
* Treasurer	Charlene Danielson

Directors

Harry T. Orr, Ph.D.	Arnie Gruetzmacher
Denise Drake	* Harold Crawford
Laura Ranum, Ph.D.	Susan Perlman, M.D.
Julie Schuur	Jeffrey Storms, Esq.
* Sam Kirton	Lawrence Schut, M.D.
* Joseph DeCrescenzo	Greg Rooks
John Mauro	Wilson Romero
Michael Leader	Marilyn Schut lee

* Executive Committee Members

Kenneth B. Vonderharr, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members
National Ataxia Foundation, Incorporated
2600 Fernbrook Lane, Suite 119
Minneapolis, MN 55447-4752

I have audited the accompanying financial statements of the National Ataxia Foundation, Incorporated (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Ataxia Foundation, Incorporated as of December 31, 2015 and 2014, 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.



Kenneth B. Vonderharr, CPA
New Ulm, MN
April 27, 2016

NATIONAL ATAXIA FOUNDATION, INCORPORATED
BALANCE SHEET
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>ASSETS</u>				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$440,544.97	\$ 240,202.97		\$ 680,747.94
Cash and Cash Equivalents-Clementz		5,341.39	\$ 82,798.31	88,139.70
Short Term Investments				-0-
Interest Receivable				-0-
Prepaid Expenses and Deposits	24,906.04			24,906.04
Other Receivables	<u>274.00</u>			<u>274.00</u>
Total Current Assets	<u>\$465,725.01</u>	<u>\$ 245,544.36</u>	<u>\$ 82,798.31</u>	<u>\$ 794,067.68</u>
<u>Property and Equipment:</u>				
Equipment	\$ 24,588.07			\$ 24,588.07
Less: Accumulated Depreciation	<u>24,588.07</u>			<u>24,588.07</u>
Net Property and Equipment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Other Assets:</u>				
Stocks and Mutual Funds	\$ <u>73,340.11</u>	\$ <u>315,934.67</u>	\$ <u>517,201.69</u>	\$ <u>906,476.47</u>
Total Other Assets	<u>\$ 73,340.11</u>	<u>\$ 315,934.67</u>	<u>\$ 517,201.69</u>	<u>\$ 906,476.47</u>
TOTAL ASSETS	<u>\$539,065.12</u>	<u>\$ 561,479.03</u>	<u>\$ 600,000.00</u>	<u>\$1,700,544.15</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities:</u>				
Accounts Payable	\$ 41,567.66	\$ 35,150.00		\$ 76,717.66
Accrued Payroll	14,578.99			14,578.99
Accrued Payroll Taxes	34.64			34.64
Accrued Vacation	29,797.99			29,797.99
Accrued Pension	<u>15,808.01</u>			<u>15,808.01</u>
Total Current Liabilities	<u>\$101,787.29</u>	<u>\$ 35,150.00</u>	<u>\$ -0-</u>	<u>\$ 136,937.29</u>
<u>Net Assets:</u>				
Unrestricted	\$437,277.83			\$ 437,277.83
Temporarily Restricted:				
Research		\$ 351,150.06		351,150.06
Million Dollar Research Campaign		169,837.58		169,837.58
Clementz-SCA3		5,341.39		5,341.39
Permanently Restricted			\$ 600,000.00	600,000.00
Total Net Assets	<u>\$437,277.83</u>	<u>\$ 526,329.03</u>	<u>\$ 600,000.00</u>	<u>\$1,563,606.86</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$539,065.12</u>	<u>\$ 561,479.03</u>	<u>\$ 600,000.00</u>	<u>\$1,700,544.15</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
BALANCE SHEET
DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>ASSETS</u>				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$451,587.34	\$ 294,796.11		\$ 746,383.45
Cash and Cash Equivalents-Clementz		3,479.04	\$ 69,607.45	73,086.49
Short Term Investments				-0-
Interest Receivable		233.01		233.01
Prepaid Expenses and Deposits	27,224.46			27,224.46
Other Receivables	<u>210.00</u>			<u>210.00</u>
Total Current Assets	<u>\$479,021.80</u>	<u>\$ 298,508.16</u>	<u>\$ 69,607.45</u>	<u>\$ 847,137.41</u>
<u>Property and Equipment:</u>				
Equipment	\$ 24,588.07			\$ 24,588.07
Less: Accumulated Depreciation	<u>24,588.07</u>			<u>24,588.07</u>
Net Property and Equipment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Other Assets:</u>				
Stocks and Mutual Funds	\$ <u>66,370.34</u>	\$ <u>330,371.36</u>	\$ <u>530,392.55</u>	\$ <u>927,134.25</u>
Total Other Assets	<u>\$ 66,370.34</u>	<u>\$ 330,371.36</u>	<u>\$ 530,392.55</u>	<u>\$ 927,134.25</u>
TOTAL ASSETS	<u>\$545,392.14</u>	<u>\$ 628,879.52</u>	<u>\$ 600,000.00</u>	<u>\$1,774,271.66</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities:</u>				
Accounts Payable	\$ 39,442.91			\$ 39,442.91
Accrued Payroll	14,252.14			14,252.14
Accrued Payroll Taxes	39.14			39.14
Accrued Vacation	17,742.57			17,742.57
Accrued Pension	<u>16,463.71</u>			<u>16,463.71</u>
Total Current Liabilities	<u>\$ 87,940.47</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 87,940.47</u>
<u>Net Assets:</u>				
Unrestricted	\$457,451.67			\$ 457,451.67
Temporarily Restricted:				
Research		\$ 452,823.17		452,823.17
Million Dollar Research Campaign		172,577.31		172,577.31
Clementz-SCA3		3,479.04		3,479.04
Permanently Restricted			<u>\$ 600,000.00</u>	<u>600,000.00</u>
Total Net Assets	<u>\$457,451.67</u>	<u>\$ 628,879.52</u>	<u>\$ 600,000.00</u>	<u>\$1,686,331.19</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$545,392.14</u>	<u>\$ 628,879.52</u>	<u>\$ 600,000.00</u>	<u>\$1,774,271.66</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues, Gains & Other Support:</u>				
Contributions, Memorials & Honorariums	\$ 586,630.73	\$ 796,914.88		\$1,383,545.61
Memberships	77,520.38			77,520.38
Annual Meeting/AIM	113,473.87			113,473.87
Investment Earnings	2,741.86	38,168.09		40,909.95
Market Adjustment	(33,884.79)	(25,918.23)		(59,803.02)
Royalties	523.00			523.00
Sales	6,394.35			6,394.35
Net Assets Released from Restrictions:				
Satisfaction of Research Program Restrictions	<u>911,715.23</u>	<u>(911,715.23)</u>		<u>-0-</u>
Total Revenues, Gains & Other Support	<u>\$1,665,114.63</u>	<u>\$ (102,550.49)</u>	<u>\$ -0-</u>	<u>\$1,562,564.14</u>
<u>Expenses:</u>				
Program Services:				
Education	\$ 240,580.50			\$ 240,580.50
Service	282,381.49			282,381.49
Research	<u>956,341.58</u>			<u>956,341.58</u>
Total Program Services	<u>\$1,479,303.57</u>			<u>\$1,479,303.57</u>
Supporting Services:				
Administration	\$ 138,182.96			\$ 138,182.96
Fund Raising	<u>67,801.94</u>			<u>67,801.94</u>
Total Supporting Services	<u>\$ 205,984.90</u>			<u>\$ 205,984.90</u>
Total Expenses	<u>\$1,685,288.47</u>			<u>\$1,685,288.47</u>
CHANGE IN NET ASSETS	\$ (20,173.84)	\$ (102,550.49)	\$ -0-	\$ (122,724.33)
NET ASSETS - BEGINNING OF YEAR	<u>457,451.67</u>	<u>628,879.52</u>	<u>600,000.00</u>	<u>1,686,331.19</u>
NET ASSETS - END OF YEAR	<u>\$ 437,277.83</u>	<u>\$ 526,329.03</u>	<u>\$ 600,000.00</u>	<u>\$1,563,606.86</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues, Gains & Other Support:</u>				
Contributions, Memorials & Honorariums	\$ 513,997.34	\$1,094,016.71		\$1,608,014.05
Memberships	78,549.69			78,549.69
Annual Meeting/AIM	283,399.52			283,399.52
Investment Earnings	2,503.57	43,171.77		45,675.34
Market Adjustment	1,417.75	(17,281.03)		(15,863.28)
Royalties	818.12			818.12
Sales	6,951.37			6,951.37
Net Assets Released from Restrictions:				
Satisfaction of Research Program Restrictions	<u>981,445.75</u>	<u>(981,445.75)</u>		<u>-0-</u>
Total Revenues, Gains & Other Support	<u>\$1,869,083.11</u>	<u>\$ 138,461.70</u>	<u>\$ -0-</u>	<u>\$2,007,544.81</u>
<u>Expenses:</u>				
Program Services:				
Education	\$ 254,197.84			\$ 254,197.84
Service	291,431.95			291,431.95
Research	<u>1,099,445.49</u>			<u>1,099,445.49</u>
Total Program Services	<u>\$1,645,075.28</u>			<u>\$1,645,075.28</u>
Supporting Services:				
Administration	\$ 90,235.24			\$ 90,235.24
Fund Raising	<u>53,736.77</u>			<u>53,736.77</u>
Total Supporting Services	<u>\$ 143,972.01</u>			<u>\$ 143,972.01</u>
Total Expenses	<u>\$1,789,047.29</u>			<u>\$1,789,047.29</u>
CHANGE IN NET ASSETS	\$ 80,035.82	\$ 138,461.70	\$ -0-	\$ 218,497.52
NET ASSETS - BEGINNING OF YEAR	<u>377,415.85</u>	<u>490,417.82</u>	<u>600,000.00</u>	<u>1,467,833.67</u>
NET ASSETS - END OF YEAR	<u>\$ 457,451.67</u>	<u>\$ 628,879.52</u>	<u>\$ 600,000.00</u>	<u>\$1,686,331.19</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>				
Change in Net Assets	\$ (20,173.84)	\$ (102,550.49)		\$ (122,724.33)
Items Not Requiring Cash:				
Depreciation				-0-
Market Adjustment	33,884.79	25,918.23		59,803.02
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Interest Receivable		233.01		233.01
Prepaid Expenses	2,318.42			2,318.42
Other Receivables	(64.00)			(64.00)
Increase (Decrease) in:				
Accounts Payable	2,124.75	35,150.00		37,274.75
Accrued Payroll	326.85			326.85
Accrued Payroll Taxes	(4.50)			(4.50)
Accrued Vacation	12,055.42			12,055.42
Accrued Pension	(655.70)			(655.70)
Net Cash Provided (Used In)				
Operating Activities	<u>\$ 29,812.19</u>	<u>\$ (41,249.25)</u>	<u>\$ -0-</u>	<u>\$ (11,437.06)</u>
<u>Cash Flows from Investing Activities:</u>				
Net Investment Activity	<u>\$ (40,854.56)</u>	<u>\$ (11,481.54)</u>	<u>\$ 13,190.86</u>	<u>\$ (39,145.24)</u>
Net Cash Provided (Used In)				
Investing Activities	<u>\$ (40,854.56)</u>	<u>\$ (11,481.54)</u>	<u>\$ 13,190.86</u>	<u>\$ (39,145.24)</u>
<u>Cash Flows from Financing Activities:</u>				
Net Cash Provided (Used In)				
Financing Activities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (11,042.37)</u>	<u>\$ (52,730.79)</u>	<u>\$ 13,190.86</u>	<u>\$ (50,582.30)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>451,587.34</u>	<u>298,275.15</u>	<u>69,607.45</u>	<u>819,469.94</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 440,544.97</u>	<u>\$ 245,544.36</u>	<u>\$ 82,798.31</u>	<u>\$ 768,887.64</u>
<u>Supplemental Disclosures:</u>				
Interest Paid				\$ <u>-0-</u>
Income Taxes Paid				\$ <u>-0-</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>				
Change in Net Assets	\$ 80,035.82	\$ 138,461.70		\$ 218,497.52
Items Not Requiring Cash:				
Depreciation				-0-
Market Adjustment	(1,417.75)	17,281.03		15,863.28
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Interest Receivable		134.63		134.63
Prepaid Expenses	(7,662.23)			(7,662.23)
Other Receivables	(210.00)			(210.00)
Increase (Decrease) in:				
Accounts Payable	35,598.87			35,598.87
Accrued Payroll	414.05			414.05
Accrued Payroll Taxes	(286.20)			(286.20)
Accrued Vacation	(1,249.76)			(1,249.76)
Accrued Pension	<u>2,715.87</u>			<u>2,715.87</u>
Net Cash Provided (Used In)				
Operating Activities	<u>\$ 107,938.67</u>	<u>\$ 155,877.36</u>	<u>\$ -0-</u>	<u>\$ 263,816.03</u>
<u>Cash Flows from Investing Activities:</u>				
Net Investment Activity	<u>\$ (14,473.09)</u>	<u>\$ (18,532.09)</u>	<u>\$ (25,498.43)</u>	<u>\$ (58,503.61)</u>
Net Cash Provided (Used In)				
Investing Activities	<u>\$ (14,473.09)</u>	<u>\$ (18,532.09)</u>	<u>\$ (25,498.43)</u>	<u>\$ (58,503.61)</u>
<u>Cash Flows from Financing Activities:</u>				
Net Cash Provided (Used In)				
Financing Activities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
NET INCREASE (DECREASE) IN CASH	\$ 93,465.58	\$ 137,345.27	\$ (25,498.43)	\$ 205,312.42
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>358,121.76</u>	<u>160,929.88</u>	<u>95,105.88</u>	<u>614,157.52</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 451,587.34</u>	<u>\$ 298,275.15</u>	<u>\$ 69,607.45</u>	<u>\$ 819,469.94</u>
<u>Supplemental Disclosures:</u>				
Interest Paid				\$ <u>-0-</u>
Income Taxes Paid				\$ <u>-0-</u>

See notes to financial statements and auditor's report.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF ORGANIZATION:

National Ataxia Foundation, Incorporated (the Foundation) was incorporated as a Minnesota nonprofit corporation in 1957 with the primary mission of encouraging and supporting research into hereditary and sporadic ataxia, a group of neurological disorders which are chronic and progressive conditions affecting coordination.

To further that mission, the Foundation provides services in the following three program areas.

Education

Increased awareness about hereditary and sporadic ataxia disorders is promoted through a variety of educational programs and materials for ataxia families, researchers, physicians, allied health professionals and the general public. The Foundation publishes *Generations*, a quarterly newsletter devoted to ataxia related articles including the latest research and other information beneficial to individuals with ataxia. Other educational materials such as books, videos and fact sheets are provided to persons with ataxia, family members and health care professionals on a "direct request" basis through the NAF office. The annual membership meeting, and sponsorship and/or participation in national and international meetings, symposiums and seminars also serve to increase ataxia awareness.

Service

The National Ataxia Foundation attempts to locate people and families with hereditary and sporadic ataxia in order to provide them with information about ataxia. This is accomplished by providing updated information about ataxia to the general public by maintaining a website, creating public service announcements and publishing *Generations*, an informational newsletter. The Foundation assists individuals and families by identifying clinical resources and making appropriate referrals for neurological care, genetic counseling and gene testing. The Foundation also assists people with locating resources within their own communities, including support groups.

Research

The National Ataxia Foundation encourages and promotes research on hereditary and sporadic ataxias through three research funding programs: (1) ataxia "seed money" research grants; (2) ataxia fellowship awards; and (3) ataxia young investigator awards. In addition due to an anonymous donor, the Foundation was able to establish two additional research programs in 2011, the pioneer SCA Translational Research Award: one year \$100,000 grants focusing on research investigations that will facilitate the development of treatments for the Spinocerebellar Ataxias (SCAs) and the Young Investigator (YI-SCA) Award for SCA Research: one-year grants of \$50,000 awarded to encourage young investigators to pursue a career in spinocerebellar ataxia (SCA) research.

The Foundation grants funds for new and innovative research projects which have the potential to expand into major, multi disciplinary research programs supported by government or private agencies. In addition, the Foundation helps to coordinate research efforts into the causes and early detection of ataxia through existing research centers throughout the world and supports scientific conferences on the ataxia's.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The accompanying financial statements do not include the financial position and changes in net assets of member chapters, each of which has its own board of directors and maintains separate accounts.

Estimates

The preparation 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Uninsured Cash Balances

The Foundation maintains several cash accounts at two banks. Accounts at an institution are insured by the FDIC for up to \$250,000. No deposits at these institutions exceeded the federally insured limits and additional pledged collateral.

Property, Equipment and Depreciation

Property and equipment is recorded at cost for all purchased assets and fair market value for donated assets. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Board's general policy is to allocate up to thirty percent of all restricted contributions for unrestricted use unless the contribution was solicited by the Foundation for a specific purpose.

Special Events

The Foundation holds fund raising events periodically throughout the year in which the donor may receive direct benefits from the event. The costs incurred in such fund raising events are applied against gross receipts.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3: INVESTMENTS:

Short-Term Investments

The Foundation invests in certificates of deposit and treasury bills with maturities of between three and twenty-four months. These short-term investments are carried at cost which approximates fair value. Short-term investments at December 31, 2015 and 2014, consist of the certificates of deposit totaling \$-0- and \$150,000.00.

Long-Term Investments

The Foundation carries investments through a brokerage firm on an available for sale basis. As such, the investments are recorded at their fair value at the financial statement date. The fair value is the value as estimated on the monthly investment reports. Unrealized holding gains and losses are reported on the Statement of Activities as market adjustment.

A summary of the investments held at December 31, 2015 are as follows:

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Mutual Funds Held with				
Financial Network	\$388,896.51	\$ 73,340.11	\$315,556.40	
Intel Corp	116.68		116.68	
JP Morgan Chase	261.59		261.59	
<u>Clementz Endowment Funds:</u>				
Mutual Funds Held with				
Financial Network	<u>517,201.69</u>			<u>\$517,201.69</u>
	<u>\$906,476.47</u>	<u>\$ 73,340.11</u>	<u>\$315,934.67</u>	<u>\$517,201.69</u>

A summary of the investments held at December 31, 2014 are as follows:

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Mutual Funds Held with				
Financial Network	\$396,386.35	\$ 66,370.34	\$330,016.01	
Intel Corp	120.30		120.30	
JP Morgan Chase	235.05		235.05	
<u>Clementz Endowment Funds:</u>				
Mutual Funds Held with				
Financial Network	<u>530,392.55</u>			<u>\$530,392.55</u>
	<u>\$927,134.25</u>	<u>\$ 66,370.34</u>	<u>\$330,371.36</u>	<u>\$530,392.55</u>

NOTE 4: COMMITMENTS:

Leases

The Foundation renewed their lease for office and storage space in Plymouth, Minnesota, effective October 1, 2011. The lease term is 67 months. The lease includes an adjustment to the \$1,900.69 monthly base rent for the Foundation's share of the building's real estate taxes and operating costs, currently at \$968.38 per month. Rental expense for office and storage space amounted to \$35,858.68 for 2015 and \$37,874.10 for 2014.

The Foundation's future minimum base rental payments under the office lease are as follows:

10/1/11 - 2/29/12	\$ -0-
3/1/12 - 9/30/12	\$1,900.69 per month
10/1/12 - 9/30/13	\$1,939.93 per month
10/1/13 - 9/30/14	\$1,976.72 per month
10/1/14 - 9/30/15	\$2,015.96 per month
10/1/15 - 4/30/17	\$2,057.65 per month

Grants

The National Ataxia Foundation funded 20 ataxia research studies in December 2015 through its five research programs: NAF Pioneer SCA Translational Grant Awards, NAF Post-Doc Fellowship Awards, NAF Research "Seed Money" Award, NAF Young Investigator Award, and NAF Young Investigator for SCA Research Awards. These awards are one-year research grants.

The National Ataxia Foundation received more than 100 research applications in 2015 for its 5 research programs. This required 62 peer reviewers who were selected by NAF's Research Director and Associate Research Director for their expertise in progressive neurological disorders with an extensive knowledge of the ataxias. There were 212 individual peer reviews, including reviews by NAF's Scientific Review Panels. The final funding decisions were made by NAF's Board of Directors.

In addition, the National Ataxia Foundation awarded its second year funding of \$43,333 for a two year funding commitment in the establishment of the Clinical Research Training Fellowship in Ataxia Award in partnership with the American Academy of Neurology's American Brain Foundation.

An additional partnership was created in 2015 with the Friedreich's Ataxia Research Alliance (FARA) to support a two year research study. Both NAF and FARA have committed up to \$150,000 each for the two year research study.

A summary of grants awarded are as follows:

NAF Pioneer SCA Translational Grant Awards	2	\$200,000
NAF Post-Doc Fellowship Awards	4	140,000
NAF Research "Seed Money" Awards	7	138,500
NAF Young Investigator Awards	3	100,000
NAF Young Investigator for SCA Research Awards	<u>4</u>	<u>200,000</u>
Subtotal	20	\$778,500
Clinical Research Training Fellowship in Ataxia - year 2		43,333
FARA Partnership		76,329
Various scientific conferences supported with grants totaling		<u>7,000</u>
TOTAL		<u>\$905,162</u>

NOTE 5: PENSION PLAN:

The Foundation has a simplified employee plan (SEP) for the exclusive benefit of eligible employees and their beneficiaries. Any employee who is at least 21 years old and has performed "service" in at least 2 of the last 5 calendar years must be permitted to participate under the SEP. Eligible employees are immediately 100% vested. Contributions to the plan are made at the discretion of the Board of Directors. For 2015 and 2014, the amount of plan expense was \$13,854.35 and \$16,463.71.

NOTE 6: TEMPORARILY RESTRICTED ASSETS:

The "One Million Dollars for Research" campaign was established in 1989 at the Annual Membership Meeting. The goal was to reach an endowment of \$1,000,000 within five years. Investment earnings, during the fund drive and after the campaign goal has been achieved, shall be used to fund research projects as determined by the Board. If the campaign did not reach \$1,000,000 within the five years, the Board had the authority to terminate the fund drive and determine how the accumulated funds would be used for research projects. The Board extended the deadline for reaching the \$1,000,000 goal for an additional year at each of the last several Annual Membership Meetings. These amounts are shown on the Balance Sheet as "temporarily restricted" net assets.

NOTE 7: PERMANENTLY RESTRICTED ASSETS:

ENDOWMENT FUND

On December 13, 2006, the board of directors created the Michael and Patricia Clementz Family Endowment Fund for SCA 3 research. The donor wished to establish an endowment. The committee governing the endowment has the authority to distribute any and all earnings or increase in value. Distributions from the fund will only be used for SCA 3 research and in supporting promising therapies that may lead to an effective treatment or cure for the SCA's, including SCA 3.

Only direct costs will be allowed from this fund, no indirect costs will be allowed. Once a cure is found, then the board may determine a new use and purpose for the fund, but the original amount shall remain as an endowment.

As of December 31, 2015, the Permanently Restricted Net Assets were \$600,000.00 and Temporarily Restricted Net Assets were \$5,341.39. As of December 31, 2014, the Permanently Restricted Net Assets were \$600,000.00 and Temporarily Restricted Net Assets were \$3,479.04.

NOTE 8: TAX STATUS:

The Foundation, a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, classified as other than a private foundation under Section 509(a)(1) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes. However, income generated from sales of pulltabs and tipboards is classified as unrelated business income and is subject to federal and state income taxes. For the year ended December 31, 2014 and 2013, the foundation had no state or federal income tax liability.

The Foundation has net operating loss (NOL) carryforwards to offset future taxable unrelated business income as follows:

<u>Year NOL Incurred</u>	<u>Federal Amount</u>	<u>Year of Expiration</u>	<u>Minnesota Amount</u>	<u>Year of Expiration</u>
1998	11,094	2018		
1999	4,851	2019		
2000	23,922	2020	23,922	2015
2001	14,966	2021	14,966	2016
2002	-0-			
2003	7,576	2023	7,576	2018
2004	522	2024	522	2019
2005	-0-		-0-	
2006	-0-		-0-	
2007	4,493	2027	4,493	2022
2008	2,054	2028	2,054	2023
2009	-0-		-0-	
2010	<u>12,261</u>	2030	<u>12,261</u>	2025
	<u>\$ 81,739</u>		<u>\$ 65,794</u>	

NOTE 9: SUBSEQUENT EVENTS:

In preparing these financial statements, the foundation has evaluated events and transactions for potential recognition or disclosure through April 27, 2016, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

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AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Board of Directors and Members
National Ataxia Foundation, Incorporated
2600 Fernbrook Lane, Suite 119
Minneapolis, MN 55447-4752

I have audited the financial statements of the National Ataxia Foundation, Incorporated as of and for the years ended December 31, 2015 and 2014 and my report thereon dated April 27, 2016, which expressed an unmodified opinion on those financial statements, appears on page two. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Kenneth B. Vonderharr, CPA
New Ulm, MN
April 27, 2016

NATIONAL ATAXIA FOUNDATION, INCORPORATED
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Education</u>	<u>Service</u>	<u>Research</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 82,959.49	\$116,635.20	\$ 24,528.84	\$ 56,386.91	\$28,934.88	\$ 309,445.32
Payroll Taxes	7,193.37	11,299.78	2,348.11	4,772.39	2,462.76	28,076.41
Employee Benefits	<u>16,429.33</u>	<u>26,936.62</u>	<u>5,423.66</u>	<u>11,483.77</u>	<u>5,167.99</u>	<u>65,441.37</u>
Total Salaries & Benefits	\$106,582.19	\$154,871.60	\$ 32,300.61	\$ 72,643.07	\$36,565.63	\$ 402,963.10
Rent	14,325.54	16,186.61	1,581.37	2,710.91	1,054.25	35,858.68
Utilities	1,534.72	1,734.10	169.41	290.42	112.94	3,841.59
Maintenance Contract	2,184.04	3,070.36	646.01	1,484.26	761.68	8,146.35
Telephone	923.08	1,318.68	131.87	131.87	131.87	2,637.37
Postage	5,877.33	5,877.33			7,444.45	19,199.11
Printing	8,335.07	8,335.07			11,189.00	27,859.14
Supplies	3,512.39	4,937.79	1,038.91	2,387.01	1,224.95	13,101.05
Repair & Maintenance	536.64	754.41	158.73	364.70	187.15	2,001.63
Multimedia Production Costs	3,678.94	3,678.94			817.54	8,175.42
Professional Services				4,011.04		4,011.04
Development				24,242.38		24,242.38
Database Project	4,736.39	4,736.39	4,736.39	4,736.40	4,736.40	23,681.97
Liability Insurance	2,381.42	3,347.85	704.39	1,618.41	830.52	8,882.59
Equipment	598.92	841.98	177.15	407.03	208.87	2,233.95
Dues & Publications	1,828.49	1,828.48				3,656.97
Meeting Expense	68,325.21	68,325.21	1,086.89	1,086.89		138,824.20
AIM Meeting Expense						-0-
Bank & Credit Card Fees			8,447.38	21,356.16		21,356.16
Investment Advisory Fees				712.41		9,159.79
Other	15,220.13	2,536.69			2,536.69	20,293.51
Research Grants			<u>905,162.47</u>			<u>905,162.47</u>
TOTAL EXPENSES	<u>\$240,580.50</u>	<u>\$282,381.49</u>	<u>\$ 956,341.58</u>	<u>\$138,182.96</u>	<u>\$67,801.94</u>	<u>\$1,685,288.47</u>

See auditor's report on additional information.

NATIONAL ATAXIA FOUNDATION, INCORPORATED
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Education</u>	<u>Service</u>	<u>Research</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 96,189.57	\$119,244.38	\$ 24,665.98	\$35,080.37	\$27,017.01	\$ 302,197.31
Payroll Taxes	9,136.58	11,326.71	2,342.27	3,332.57	2,566.16	28,704.29
Employee Benefits	<u>15,420.83</u>	<u>29,364.82</u>	<u>4,587.34</u>	<u>3,249.21</u>	<u>3,621.25</u>	<u>56,243.45</u>
Total Salaries & Benefits	\$120,746.98	\$159,935.91	\$ 31,595.59	\$41,662.15	\$33,204.42	\$ 387,145.05
Rent	15,907.12	17,308.46	1,552.84	2,045.21	1,060.47	37,874.10
Utilities	1,924.24	2,093.76	187.84	247.41	128.28	4,581.53
Telephone	905.33	1,293.33	129.33	129.33	129.33	2,586.65
Postage	8,002.56	11,432.23	1,143.22	1,143.23	1,143.22	22,864.46
Printing	9,885.86	9,885.86			10,804.46	30,576.18
Supplies	2,721.80	3,198.02	807.11	1,148.69	755.77	8,631.39
Repair & Maintenance	1,153.51	1,432.82	297.45	420.78	322.84	3,627.40
Multimedia Production Costs	3,351.18	3,351.18			744.70	7,447.06
Professional Services				10,939.28		10,939.28
Database Project	1,475.26	1,475.26	1,475.26	1,475.26	1,475.24	7,376.28
Liability Insurance	2,682.79	3,332.39	691.79	978.63	750.84	8,436.44
Equipment	3,620.95	4,497.72	933.70	1,320.85	1,013.41	11,386.63
Dues & Publications	783.75	783.74				1,567.49
Meeting Expense	67,813.81	69,207.48	391.75	263.69		137,676.73
AIM Meeting Expense			136,481.01			136,481.01
Bank & Credit Card Fees				27,857.34		27,857.34
Investment Advisory Fees			10,575.60	603.39		11,178.99
Other	13,222.70	2,203.79			2,203.79	17,630.28
Research Grants			<u>913,183.00</u>			<u>913,183.00</u>
TOTAL EXPENSES	<u>\$254,197.84</u>	<u>\$291,431.95</u>	<u>\$1,099,445.49</u>	<u>\$90,235.24</u>	<u>\$53,736.77</u>	<u>\$1,789,047.29</u>

See auditor's report on additional information.