

# Annual Financial Report

National Ataxia Foundation  
(a Nonprofit Foundation)  
St. Louis Park, Minnesota

For the Years Ended  
December 31, 2020 and 2019

National Ataxia Foundation  
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December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
National Ataxia Foundation  
St. Louis Park, Minnesota

### Reports on the Financial Statements

We have audited the accompanying financial statements of National Ataxia Foundation (the Foundation), a Minnesota not-for-profit corporation, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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, 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.

### Opinion

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

*Abdo Eick & Meyers, LLP*

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 30, 2021

## FINANCIAL STATEMENTS

National Ataxia Foundation  
Statements of Financial Position  
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,802,873	\$ 2,879,037
Investments	1,036,419	905,128
Accounts receivable	145,000	32,000
Prepaid expenses	154,422	69,810
Total Assets	\$ 4,138,714	\$ 3,885,975
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 196,271	\$ 24,229
Grants payable	-	20,000
Accrued payroll and related expenses	16,740	25,832
Deferred revenue	63,500	218,176
Total Liabilities	276,511	288,237
Net Assets		
Without donor restriction		
Board designated- operating reserve	378,317	354,455
Undesignated	1,590,496	792,400
Total Net Assets Without Donor Restriction	1,968,813	1,146,855
With donor restriction	1,893,390	2,450,883
Total Net Assets	3,862,203	3,597,738
Total Liabilities and Net Assets	\$ 4,138,714	\$ 3,885,975

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Statements of Activities  
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue						
Public support and revenue						
Contributions, memorials and honorariums	\$ 1,596,008	\$ 681,551	\$ 2,277,559	\$ 1,302,802	\$ 1,269,991	\$ 2,572,793
Memberships	-	-	-	20,349	-	20,349
Paycheck Protection Program	141,800	-	141,800	-	-	-
Other revenue						
Conference Income	240,732	-	240,732	357,654	-	357,654
Earned income	330,000	-	330,000	10,737	-	10,737
Investment income	11,553	66,797	78,350	2,693	129,374	132,067
Miscellaneous	-	-	-	51,549	-	51,549
Net assets released from restrictions	1,305,841	(1,305,841)	-	1,466,014	(1,466,014)	-
Total Support and Revenue	<u>3,625,934</u>	<u>(557,493)</u>	<u>3,068,441</u>	<u>3,211,798</u>	<u>(66,649)</u>	<u>3,145,149</u>
Expenses						
Program services						
Research	1,418,949	-	1,418,949	1,737,512	-	1,737,512
Education and service	623,635	-	623,635	331,633	-	331,633
Drug Development Collaborative	99,537	-	99,537	-	-	-
Total Program Services	<u>2,142,121</u>	<u>-</u>	<u>2,142,121</u>	<u>2,069,145</u>	<u>-</u>	<u>2,069,145</u>
Supporting services						
Management and general	384,924	-	384,924	558,982	-	558,982
Fundraising	276,931	-	276,931	422,964	-	422,964
Total Supporting Services	<u>661,855</u>	<u>-</u>	<u>661,855</u>	<u>981,946</u>	<u>-</u>	<u>981,946</u>
Total Expenses	<u>2,803,976</u>	<u>-</u>	<u>2,803,976</u>	<u>3,051,091</u>	<u>-</u>	<u>3,051,091</u>
Change in Net Assets	821,958	(557,493)	264,465	160,707	(66,649)	94,058
Beginning Net Assets	<u>1,146,855</u>	<u>2,450,883</u>	<u>3,597,738</u>	<u>986,148</u>	<u>2,517,532</u>	<u>3,503,680</u>
Ending Net Assets	<u>\$ 1,968,813</u>	<u>\$ 1,893,390</u>	<u>\$ 3,862,203</u>	<u>\$ 1,146,855</u>	<u>\$ 2,450,883</u>	<u>\$ 3,597,738</u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Statements of Functional Expenses  
For the Years Ended December 31, 2020 and 2019

	2020						
	Program Services				Supporting Services		
	Research	Education and Service	Drug Development Collaborative	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses							
Salaries and wages	\$ 123,834	\$ 291,844	\$ 78,109	\$ 493,787	\$ 73,576	\$ 180,975	\$ 748,338
Payroll taxes	9,676	22,110	5,726	37,512	5,337	14,078	56,927
Fringe benefits	9,819	37,887	6,227	53,933	8,229	21,776	83,938
Total Salaries and Related Expenses	<u>143,329</u>	<u>351,841</u>	<u>90,062</u>	<u>585,232</u>	<u>87,142</u>	<u>216,829</u>	<u>889,203</u>
Occupancy	-	-	-	-	62,516	-	62,516
Printing, marketing and multimedia	388	3,667	-	4,055	5,035	12,023	21,113
Professional services	28,196	29,408	9,475	67,079	174,578	11,755	253,412
Program expense	-	5,800	-	5,800	-	-	5,800
Development	50	141	-	191	119	89	399
Insurance	54	51	-	105	9,226	64	9,395
Dues and subscriptions	5,254	756	-	6,010	8,800	8,755	23,565
Meeting expense	40,139	219,600	-	259,739	228	25,531	285,498
Office expense	1,056	5,921	-	6,977	16,889	-	23,866
Bank and credit card fees	32	4,825	-	4,857	19,205	1,635	25,697
Miscellaneous	-	1,625	-	1,625	1,186	250	3,061
Research grants	<u>1,200,451</u>	<u>-</u>	<u>-</u>	<u>1,200,451</u>	<u>-</u>	<u>-</u>	<u>1,200,451</u>
Total Expenses	<u>\$ 1,418,949</u>	<u>\$ 623,635</u>	<u>\$ 99,537</u>	<u>\$ 2,142,121</u>	<u>\$ 384,924</u>	<u>\$ 276,931</u>	<u>\$ 2,803,976</u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Statements of Functional Expenses (Continued)  
For the Years Ended December 31, 2020 and 2019

	2019					Total
	Program Services			Supporting Services		
	Research	Education and Service	Total Program Services	Management and General	Fundraising	
Salaries and Related Expenses						
Salaries and wages	\$ 120,268	\$ 113,878	\$ 234,146	\$ 183,434	\$ 224,931	\$ 642,511
Payroll taxes	9,398	9,538	18,936	27,428	17,436	63,800
Fringe benefits	7,037	14,951	21,988	11,906	30,629	64,523
Total Salaries and Related Expenses	<u>136,703</u>	<u>138,367</u>	<u>275,070</u>	<u>222,768</u>	<u>272,996</u>	<u>770,834</u>
Occupancy	-	-	-	60,136	-	60,136
Printing, marketing and multimedia	7,719	3,441	11,160	20,013	25,835	57,008
Professional services	1,523	1,289	2,812	162,653	1,252	166,717
Program expense	-	12,769	12,769	126	25,334	38,229
Development	500	-	500	1,602	-	2,102
Insurance	104	83	187	18,609	129	18,925
Dues and subscriptions	5,228	120	5,348	17,154	7,234	29,736
Meeting expense	121,707	172,342	294,049	22,540	67,115	383,704
Office expense	13,636	2,046	15,682	25,078	6,030	46,790
Bank and credit card fees	7,385	-	7,385	4,624	17,039	29,048
Miscellaneous	-	1,176	1,176	3,679	-	4,855
Research grants	1,443,007	-	1,443,007	-	-	1,443,007
Total Expenses	<u>\$ 1,737,512</u>	<u>\$ 331,633</u>	<u>\$ 2,069,145</u>	<u>\$ 558,982</u>	<u>\$ 422,964</u>	<u>\$ 3,051,091</u>

See Independent Auditor's Report and Notes to the Financial Statements.



National Ataxia Foundation  
Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 264,465	\$ 94,058
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	(25,230)	(80,059)
Changes in assets:		
Accounts receivable	(113,000)	(24,850)
Prepaid expenses	(84,612)	4,265
Changes in liabilities:		
Accounts payable	172,042	15,926
Grants payable	(20,000)	20,000
Accrued payroll and related expenses	(9,092)	(24,646)
Deferred revenue	(154,676)	102,116
Net Cash Provided by Operating Activities	29,897	106,810
Cash Flows from Investing Activities		
Purchase of investments	(821,228)	(84,980)
Proceeds from sale of investments	715,167	347,509
Net Cash Provided (Used) by Investing Activities	(106,061)	262,529
Change in Cash and Cash Equivalents	(76,164)	369,339
Beginning Cash and Cash Equivalents	2,879,037	2,509,698
Ending Cash and Cash Equivalents	\$ 2,802,873	\$ 2,879,037

See Independent Auditor's Report and Notes to the Financial Statements.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2020 and 2019

## Note 1: Summary of Significant Accounting Policies

### A. Nature of Activities

National Ataxia Foundation (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 the mission, the Foundation provides services in the following program areas:

#### Education and Service

Increased awareness about hereditary and sporadic ataxia disorders is promoted through a variety of education programs and materials for ataxia families, researchers, physicians, allied health professionals, government agencies, legislative officials and the general public. The Foundation publishes Generations, a semi-annual newsletter and a monthly e-newsletter devoted to ataxia related articles including the latest research and other information beneficial to individuals with ataxia. The Foundation also offers several webinars throughout the year on current topics relevant to the ataxia community. 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 Foundation's advocacy activities, such as Hill Days, serve to raise awareness about ataxia and policy issues impacting the ataxia community. The annual ataxia conference, and sponsorship and/or/participation in national and international meetings, symposiums and seminars also serve to increase ataxia awareness.

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, social media channels, newsletters, and webinars. 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. The Foundation's network of support groups throughout the country provide families with access to in-person and virtual meeting opportunities.

#### Research

The National Ataxia Foundation (NAF) encourages and promotes research on hereditary and sporadic ataxias through three research funding programs: (1) "seed money" research grants; (2) post doc fellowship awards; and (3) young investigator awards. Peer review is provided by NAF's Medical and Research Advisory Board members and leading ataxia scientists and clinicians, both domestic and international. The goals of NAF's research program are to further elucidate the disease mechanism of ataxia, bring early-career clinicians and scientists into ataxia research and move the field toward developing treatments and a cure for ataxia. In addition, NAF funds three programs that are beyond the traditional grant funding mechanism. These are non-competitive programs which include the Brain Tissue Donation Program, the Centralized Ataxia Genomic Core and Clinical Research Consortium for the Study of Cerebellar Ataxia. Because of the importance of collaboration among the multi-stakeholders for ataxia research, the Foundation organizes scientific meetings, such as the Ataxia Investigators Meeting (AIM).

## Note 1: Summary of Significant Accounting Policies (Continued)

### A. Nature of Activities (Continued)

#### Drug Development Collaborative

The NAF Drug Development Collaborative is a pre-competitive pharmaceutical industry consortium with a principal goal of accelerating the development of treatments for Ataxia. The group will address the many shared opportunities and challenges in therapy development for this complex neurological disease. The Collaborative provides a centralized source for access to resources needed to support research and development of Ataxia therapies. Members will benefit from the integration of the patient experience with sound Ataxia scientific and clinical expertise. NAF brings more than 60 years of experience in supporting patients and caregivers and connecting them with research and clinical trial opportunities. NAF has also funded a network of Ataxia clinicians at sites around the US that will be a critical component of the Collaborative's work. Specific objectives of the Collaborative include natural history and bio sample data collection, development of biomarkers, validation of rating scales, clinical trial design, patient-reported outcomes, and other data necessary for the development and approval of safe and effective therapies. There were seven members of the Collaborative at the end of 2020.

### B. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in non-donor-restricted or donor-restricted support depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction - Those resources over which the Foundation has discretionary control.

Net Assets With Donor Restriction - Those resources subject to donor imposed restrictions, which are satisfied by actions of the Foundation or passage of time, or are to be maintained permanently.

### C. Use of 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.

### D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents. The Foundation's cash balances held in bank depositories may exceed federally insured limits at times.

### E. Investments

Investments are measured at fair value in the statements of financial position. Investment income or loss (including realized gains and losses on investments, interest/ dividends and investment advisory fees) is included in non-donor-restricted revenue and support unless the income or loss is restricted by donor or law.

### F. Accounts Receivable

Accounts receivable consist primarily of amounts billed for services, are unsecured, and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on the assessment of the current status of individual accounts.

### G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future account periods and are recorded as prepaid items.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2020 and 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

**H. Deferred Revenue**

This represents amounts received in advance for future conferences.

**I. Revenue Recognition**

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.

**J. Property and Equipment**

Property and equipment are capitalized at cost. Depreciation is provided for using the straight-line method over the estimated useful life of the asset. The Foundation considers items with a cost greater than \$2,500 and a useful life greater than one year to be property and equipment. Items below \$2,500 are expensed when purchased.

**K. In-kind Contributions**

In-kind contributions consist of various assets and expense-related items. These items are recorded at their fair value in the year received.

**L. Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The costs are allocated based on time spent by employees or by management's estimates.

Expense	Method of Allocation
Salaries and Benefits	Based on time allocation
Occupancy	Unallocated
Printing, marketing and multimedia	Direct expense
Professional services	Direct expense
Program expense	Direct expense
Development	Direct expense
Insurance	Direct expense
Dues and subscriptions	Direct expense
Meeting expense	Direct expense
Office expense	Direct expense
Bank and credit card fees	Direct expense
Clinical trial readiness	Direct expense
Miscellaneous	Direct expense
Research grants	Direct expense

**M. Income Taxes**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and State income taxes.

## Note 1: Summary of Significant Accounting Policies (Continued)

### N. New Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-02, *Leases*, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Foundation for the year ended December 31, 2022. The Foundation is currently evaluating the impact on the results of operations, financial condition and cash flows and has not determined the impact on its financial statements at this time.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Foundation is currently evaluating the impact this standard will have on its financial statements.

### O. Advertising

The Foundation follows the policy of charging the costs of advertising to expense as incurred. Advertising expense paid to vendors was \$21,112 and \$57,008 for the years ended December 31, 2020 and 2019, respectively.

### P. Subsequent Events

Subsequent events have been evaluated through June 30, 2021, which is the date the financial statements were available to be issued.

In February 2021, the Foundation entered into a promissory note agreement with Central Minnesota Credit Union in the amount of \$156,727 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The note accrues interest at 1 percent per annum and is scheduled to mature February 2026. Up to 100 percent of the loan is forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds).

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2020 and 2019

**Note 2: Investments**

A summary of investments as of December 31, 2020 and 2019 is as follows:

	2020	2019
Cash	\$ 136,708	\$ 87,813
Mutual funds and stocks	899,711	817,315
Total	\$ 1,036,419	\$ 905,128

Investment income for the year ended December 31, 2020 and 2019 consisted of the following:

	2020	2019
Interest/Dividend Income	\$ 56,917	\$ 57,239
Unrealized/Realized Gain on Investments	25,230	80,059
Investment Advisory Fees	(3,797)	(5,231)
Total Investment Income	\$ 78,350	\$ 132,067

**Note 3: Retirement Plan**

The Foundation formally sponsored a simplified employee plan (SEP) for the exclusive benefit of eligible employees and their beneficiaries. Any employee who was at least 21 years old and has performed "service" in at least 2 of the last 5 calendar years was permitted to participate under the SEP. Eligible employees were immediately 100% vested. Contributions to the plan were made at the discretion of the Board of Directors. In September 2019, the Foundation transferred plan assets into a 401k matching plan. For December 31, 2020 and 2019, the amount of SEP expense was \$0 and \$10,365, respectively. For December 31, 2020 and 2019, the amount of 401k matching expense was \$34,102 and \$9,842, respectively.

**Note 4: Paycheck Protection Program**

In April 2020, the Foundation entered into a promissory note agreement with Central Minnesota Credit Union in the amount of \$141,800 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES) and governed by the Small Business Administration (SBA). The note accrues interest at one percent per annum and is scheduled to mature in April 2022. Up to 100 percent of the loan is forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). In December 2020, the loan was forgiven 100 percent and is recorded as an unconditional grant on the statement of activities.

## Note 5: Fair Value Investments

The Foundation measures the fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to significant unobservable inputs (level 3 measurements). The Foundation determines fair value by:

**Level 1** - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market that the Foundation has the ability to access, and where transactions occur within.

**Level 2** - inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - inputs to the valuation methodology reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

The asset's and liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured at cost which approximates fair value.
- Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

The methods above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2020 and 2019

**Note 5: Fair Value Investments (Continued)**

Information regarding assets measured at fair value on a recurring basis as of December 31, 2020 and 2019 were as follows:

	2020			Total Assets Measured at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Short-term Investments:				
Cash	\$ 136,708	\$ -	\$ -	\$ 136,708
Mutual funds and stocks	899,711	-	-	899,711
Total Assets at Fair Value	<u>\$ 1,036,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,036,419</u>
	2019			Total Assets Measured at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Short-term Investments:				
Cash	\$ 87,813	\$ -	\$ -	\$ 87,813
Mutual funds and stocks	817,315	-	-	817,315
Total Assets at Fair Value	<u>\$ 905,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 905,128</u>

The Foundation does not have any liabilities measured at fair value on a recurring basis nor any assets or liabilities measured at fair value on a nonrecurring basis.

**Note 6: Net Assets With Donor Restrictions**

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	2020	2019
SCA3 Clementz	\$ 508,543	\$ 700,329
General Research (Includes stock)	378,624	368,237
CRC SCA II	226,260	492,347
SCA3	216,974	-
CRC SCA I	171,577	216,789
AAC Travel Grant	124,185	121,103
Million \$ Research Fund	119,353	123,494
Brand Strategy Project	80,000	-
Katie Campbell Fund	30,582	18,194
AOA2	16,024	14,824
SCA Anonymous Fund	15,745	265,098
MSA	3,848	22,998
Friedreich's Fund	1,675	14,865
Other Designated	-	92,605
Total	<u>\$ 1,893,390</u>	<u>\$ 2,450,883</u>



National Ataxia Foundation  
Notes to the Financial Statements  
December 31, 2020 and 2019

**Note 7: Operating Lease Agreements**

The Foundation leases various facilities for operation of its programs. The operating lease payments for the year ended December 31, 2020 and 2019 amounted to \$60,301 and \$57,966, respectively. The Foundation also entered into a lease agreement in for a copier, for a term of 60 months payments of \$124 per month.

Future binding commitments on noncancelable operating leases as of December 31, 2020 are as follows:

Years Ending December 31,	Amount
2021	\$ 33,824
2022	34,276
2023	34,728
2024	35,181
2025	26,916
Total	\$ 164,925

**Note 8: Concentrations**

From time to time, the Foundation's cash balances at financial institutions exceed Federal Deposit Insurance Corporation ("FDIC") insurance limits of \$250,000. In the years ending December 31, 2020 and 2019, the Foundation exceeded that limit by \$2,560,058 and \$2,539,408, respectively. Management does not believe this presents a significant risk to the Foundation.

**Note 9: Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 2,802,873	\$ 2,879,037
Investments	1,036,419	905,128
Accounts Receivable	145,000	32,000
Total Financial Assets Available Within One Year	3,984,292	3,816,165
Less: Amounts unavailable for general expenditures within one year due to:		
Board designated- operating reserve	(378,317)	(354,455)
Restricted by donors	(1,893,390)	(2,450,883)
Financial assets available to meet general expenditures within one year	\$ 1,712,585	\$ 1,010,827

As part of our liquidity management, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of monthly requirements in short-term investments such as money market funds, certificates of deposit, savings accounts, or other similar investments.

**Note 10: COVID-19**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world during 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Foundation is unable to determine the impact to its future operations.