

**National Tuberous Sclerosis  
Association (d/b/a Tuberous  
Sclerosis Alliance) and  
Affiliate**

Consolidated Financial Statements  
December 31, 2020

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RSM US LLP

## Independent Auditor's Report

Board of Directors  
National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance)

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate (collectively, the Alliance), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 error or fraud.

### Auditor's 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 perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Alliance'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 Alliance'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 National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM US LLP*

Washington, D.C.  
March 31, 2021

**National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate**

**Consolidated Statements of Financial Position  
December 31, 2020 and 2019**

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,370,947	\$ 2,093,560
Investments	5,913,426	5,941,995
Accounts receivable	113,491	10,243
Promises to give, net	1,578,285	2,033,626
Prepaid expenses and other assets	403,498	262,620
Operating lease right of use asset, net	833,830	-
Property and equipment, net	510,367	80,221
	<u>510,367</u>	<u>80,221</u>
<b>Total assets</b>	<b>\$ 11,723,844</b>	<b>\$ 10,422,265</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 181,331	\$ 333,196
Accrued compensation	254,553	200,306
Deferred revenue	422,226	54,700
Operating lease liability, net	1,336,433	7,176
Gift annuity obligations, net	66,740	70,300
<b>Total liabilities</b>	<b>2,261,283</b>	<b>665,678</b>
Commitments and contingencies (Note 16)		
Net assets:		
Without donor restrictions		
Undesignated (deficit)	189,609	(214,362)
Board-designated	5,764,868	5,936,709
<b>Total net assets without donor restrictions</b>	<b>5,954,477</b>	<b>5,722,347</b>
With donor restrictions	3,508,084	4,034,240
<b>Total net assets</b>	<b>9,462,561</b>	<b>9,756,587</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,723,844</b>	<b>\$ 10,422,265</b>

See notes to the consolidated financial statements.

## National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate

### Consolidated Statements of Activities Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Special events	\$ 1,160,425	\$ 126,886	\$ 1,287,311	\$ 2,318,140	\$ 388,454	\$ 2,706,594
Costs of direct benefits to donors	(59,986)	-	(59,986)	(285,156)	-	(285,156)
<b>Special events, net</b>	<b>1,100,439</b>	<b>126,886</b>	<b>1,227,325</b>	<b>2,032,984</b>	<b>388,454</b>	<b>2,421,438</b>
Contributions	1,353,452	1,422,050	2,775,502	725,432	2,296,500	3,021,932
Contracts	791,210	-	791,210	247,384	-	247,384
Interest and dividends	113,341	17,838	131,179	168,000	23,528	191,528
Memorials and honorariums	107,148	2,949	110,097	101,864	386	102,250
Federated funding	38,743	-	38,743	45,664	-	45,664
Conferences	1,475	-	1,475	174,381	-	174,381
Other income	-	-	-	714	-	714
Net assets released from restrictions	2,139,948	(2,139,948)	-	2,443,437	(2,443,437)	-
<b>Total revenue and support</b>	<b>5,645,756</b>	<b>(570,225)</b>	<b>5,075,531</b>	<b>5,939,860</b>	<b>265,431</b>	<b>6,205,291</b>
Expenses:						
Program services:						
Research	2,591,582	-	2,591,582	2,590,463	-	2,590,463
Family services	765,051	-	765,051	929,277	-	929,277
Public health education	503,125	-	503,125	439,992	-	439,992
Government relations	149,610	-	149,610	165,225	-	165,225
Professional education	24,320	-	24,320	92,979	-	92,979
<b>Total program services</b>	<b>4,033,688</b>	<b>-</b>	<b>4,033,688</b>	<b>4,217,936</b>	<b>-</b>	<b>4,217,936</b>
Supporting services:						
Fundraising	1,085,941	-	1,085,941	1,135,609	-	1,135,609
Management and general	517,311	-	517,311	542,410	-	542,410
<b>Total supporting services</b>	<b>1,603,252</b>	<b>-</b>	<b>1,603,252</b>	<b>1,678,019</b>	<b>-</b>	<b>1,678,019</b>
<b>Total expenses</b>	<b>5,636,940</b>	<b>-</b>	<b>5,636,940</b>	<b>5,895,955</b>	<b>-</b>	<b>5,895,955</b>
<b>Change in net assets before other item</b>	<b>8,816</b>	<b>(570,225)</b>	<b>(561,409)</b>	<b>43,905</b>	<b>265,431</b>	<b>309,336</b>
Investment income, net of fees	223,314	44,069	267,383	653,565	113,998	767,563
<b>Change in net assets</b>	<b>232,130</b>	<b>(526,156)</b>	<b>(294,026)</b>	<b>697,470</b>	<b>379,429</b>	<b>1,076,899</b>
Net assets:						
Beginning	5,722,347	4,034,240	9,756,587	5,024,877	3,654,811	8,679,688
Ending	\$ 5,954,477	\$ 3,508,084	\$ 9,462,561	\$ 5,722,347	\$ 4,034,240	\$ 9,756,587

See notes to the consolidated financial statements.

**National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate**

**Consolidated Statement of Functional Expenses  
Year Ended December 31, 2020**

	Program Services					Supporting Services		Total
	Research	Family Services	Public Health Education	Government Relations	Professional Education	Fundraising	Management and General	
Salaries	\$ 590,959	\$ 373,681	\$ 201,260	\$ 22,005	\$ 17,207	\$ 440,540	\$ 322,071	\$ 1,967,723
Preclinical consortium	815,227	-	-	-	-	-	-	815,227
Professional fees	10,611	33,973	153,459	113,285	205	290,041	59,516	661,090
Grants	553,241	5,000	-	-	-	-	-	558,241
Employee benefits and payroll taxes	101,554	95,125	45,644	4,593	3,003	105,141	60,009	415,069
Equipment maintenance and rental	44,774	25,811	12,203	1,173	826	25,751	24,063	134,601
Clinical research consortium	127,550	-	-	-	-	-	-	127,550
Operating lease	28,790	27,443	13,020	1,364	960	30,312	17,454	119,343
Natural history database	109,958	-	-	-	-	-	-	109,958
Travel	8,529	82,394	5,383	3,331	1,328	8,257	664	109,886
Printing and promotion	525	21,980	39,064	946	-	41,610	273	104,398
Biosample repository	98,230	-	-	-	-	-	-	98,230
Other expense	48,766	1,812	111	12	8	35,048	1,229	86,986
Depreciation and amortization	31,094	10,140	5,022	511	359	16,679	6,541	70,346
Training, conferences and exhibits	263	52,520	441	304	24	76	44	53,672
Postage and shipping	1,005	13,673	10,485	415	27	25,000	1,446	52,051
Telephone	9,966	9,397	13,296	265	187	9,117	3,973	46,201
Dues, fees and subscriptions	7,799	9,279	2,342	1,225	105	19,935	3,109	43,794
Bank, credit card and transaction fees	1	2	-	-	-	34,719	1,809	36,531
Insurance	1,954	1,837	884	93	65	2,032	3,811	10,676
Board and committee meetings	-	-	-	-	-	-	9,705	9,705
Supplies	786	984	511	88	16	1,683	1,594	5,662
<b>Total functional expenses</b>	<b>\$ 2,591,582</b>	<b>\$ 765,051</b>	<b>\$ 503,125</b>	<b>\$ 149,610</b>	<b>\$ 24,320</b>	<b>\$ 1,085,941</b>	<b>\$ 517,311</b>	<b>\$ 5,636,940</b>

See notes to the consolidated financial statements.

**National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate**

**Consolidated Statement of Functional Expenses  
Year Ended December 31, 2019**

	Program Services					Supporting Services		Total
	Research	Family Services	Public Health Education	Government Relations	Professional Education	Fundraising	Management and General	
Salaries	\$ 504,162	\$ 344,255	\$ 176,398	\$ 28,592	\$ 38,813	\$ 421,408	\$ 292,597	\$ 1,806,225
Preclinical consortium	700,583	-	-	-	-	-	-	700,583
Professional fees	11,656	55,167	84,016	111,231	235	210,801	68,066	541,172
Grants	459,568	64,000	-	-	500	-	-	524,068
Employee benefits and payroll taxes	88,924	98,302	43,568	7,942	5,914	110,630	62,450	417,730
Equipment maintenance and rental	45,262	31,816	13,214	2,654	1,320	44,742	32,923	171,931
Clinical research consortium	92,691	-	-	-	-	-	-	92,691
Operating lease	19,671	21,856	9,172	2,206	1,097	24,175	14,790	92,967
Natural history database	159,120	-	-	-	-	-	-	159,120
Travel	127,949	125,721	14,053	4,516	11,662	57,163	3,302	344,366
Printing and promotion	20,777	22,453	39,007	1,951	560	94,295	218	179,261
Biosample repository	195,907	-	-	-	-	-	-	195,907
Other expense	1,024	1,579	347	14	8	1,546	2,192	6,710
Depreciation and amortization	28,977	17,055	23,355	973	484	18,075	6,521	95,440
Training, conferences and exhibits	107,420	100,464	3,847	748	30,920	10,313	4,988	258,700
Postage and shipping	3,618	21,310	9,109	930	851	31,229	3,012	70,059
Telephone	7,711	8,892	19,252	495	246	9,206	3,738	49,540
Dues, fees and subscriptions	8,182	10,436	2,315	1,432	140	30,902	16,282	69,689
Bank, credit card and transaction fees	2,382	414	96	23	11	62,675	10,769	76,370
Insurance	1,711	1,869	798	192	95	2,071	3,891	10,627
Board and committee meetings	931	1,017	434	1,104	52	1,127	15,452	20,117
Supplies	2,237	2,671	1,011	222	71	5,251	1,219	12,682
<b>Total functional expenses</b>	<b>\$ 2,590,463</b>	<b>\$ 929,277</b>	<b>\$ 439,992</b>	<b>\$ 165,225</b>	<b>\$ 92,979</b>	<b>\$ 1,135,609</b>	<b>\$ 542,410</b>	<b>\$ 5,895,955</b>

See notes to the consolidated financial statements.

**National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (294,026)	\$ 1,076,899
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized gain on investments	(297,022)	(795,419)
Discount on promises to give	(5,489)	72,188
Depreciation and amortization	70,346	95,440
Operating lease right of use asset	(833,830)	-
Operating lease liability	1,329,257	(28,202)
Change in value of gift annuity obligations	8,970	8,887
Change in assets and liabilities:		
(Increase) decrease:		
Accounts receivable	(103,248)	148,539
Promises to give	460,830	(856,108)
Prepaid expenses and other assets	(140,878)	473
Increase (decrease):		
Accounts payable and accrued expenses	(151,865)	136,570
Accrued compensation	54,247	(55,254)
Deferred revenue	367,526	(59,799)
<b>Net cash provided by (used in) operating activities</b>	<b>464,818</b>	<b>(255,786)</b>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,225,107	1,457,376
Purchases of investments	(899,516)	(1,378,793)
Purchases of property and equipment	(500,492)	(6,315)
<b>Net cash (used in) provided by investing activities</b>	<b>(174,901)</b>	<b>72,268</b>
Cash flows from financing activities:		
Payments on gift annuity obligations	(12,530)	(12,530)
<b>Net cash used in financing activities</b>	<b>(12,530)</b>	<b>(12,530)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>277,387</b>	<b>(196,048)</b>
Cash and cash equivalents:		
Beginning	2,093,560	2,289,608
Ending	\$ 2,370,947	\$ 2,093,560
Supplemental disclosure of noncash operating and investing activities:		
Acquisition of leasehold improvements via lease incentive	\$ 414,048	\$ -
Donated securities	\$ 87,545	\$ 45,256

See notes to the consolidated financial statements.



## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) is a nonprofit organization incorporated in the state of California on March 15, 1975. TS Alliance is dedicated to finding a cure for tuberous sclerosis complex (TSC) while improving the lives of those affected through accelerating research, improving access and quality of care, supporting and empowering constituents, educating and mobilizing to increase investment and building and strengthening organization.

Tuberous Sclerosis Alliance Endowment Fund, Inc. (the Endowment Fund) is a nonprofit organization incorporated in the state of Maryland on April 3, 1995. The Endowment Fund is a separate organization specifically chartered to receive gifts that are invested to generate an income stream to support the fulfillment of the mission of Tuberous Sclerosis Alliance.

Program services include the following activities:

**Research:** The research program stimulates and supports basic, translational, and clinical research on the various manifestations of TSC to further the development of clinical therapies and, ultimately, a cure for TSC. The research program builds and fosters collaborations between basic and clinical researchers by collecting and distributing TSC natural history data and bio-samples through collaborative preclinical and clinical research programs, and by hosting biennial International TSC Research Conferences.

The most recent International TSC Research Conference (Changing the Course of TSC) was held in June 2019, and welcomed 251 people from 28 countries to Toronto, Canada. Sponsored by Tuberous Sclerosis Alliance, Tuberous Sclerosis Canada Sclérose Tubéreuse (TSCST) and TS Alliance of Mexico, the conference featured 34 oral presentations and 62 posters. Additionally, three breakout groups of clinical and basic science researchers discussed timely topics of induced pluripotent stem cell applications for TSC, genetic heterogeneity and modifiers, and clinical trial design for neurological aspects of TSC. The conference also included an educational meeting for TSC community members, in parallel with the scientific sessions, and attracted more than 70 people to learn from international experts. The conference also held an Improving Care Workshop with participants from 25 countries. The conference's closing session was a joint session including individuals and families affected by TSC together with researchers in a discussion of priorities for important and timely clinical studies in TSC. A total of 37 attendees registered for the educational meeting only and 51 of the 214 who registered for the full conference were early career researchers. A symposium specifically for and organized by early career researchers was held before the full conference began to provide an opportunity for them to get feedback from each other and from senior scientists on selected oral presentations and career development topics.

**Family services:** Family services develops programs and services that provide individuals with TSC and their caregivers direct access to the information, resources and specialists experienced in the diagnosis, treatment and management of TSC.

To help the TSC community navigate the challenges of the COVID-19 pandemic, Tuberous Sclerosis Alliance created a page on its website dedicated to sharing important information specifically curated to meet the needs of those impacted by TSC. The COVID-19 landing page, [www.tsalliance.org/COVID-19](http://www.tsalliance.org/COVID-19), includes resources for TSC medical professionals (with the help of our Professional Advisory Board); a vaccine position statement; a listing of TSC clinics offering telehealth; FDA drug shortages; supply chain updates; co-pay savings programs during COVID-19; COVID-19 FAQs; community educational resources; and a webinar series. The new COVID-19 landing page on the website had 23,447 views in 2020.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In 2020, Tuberous Sclerosis Alliance co-hosted 3 virtual conferences with The LAM Foundation (LAM is short for lymphangioleiomyomatosis). The virtual conferences featured regional professionals in Memphis, Gainesville and Denver. These events attracted a total of 818 registered attendees, including 636 attendees on the day of the conference, 1,106 subsequent video views, and 424 visits to the virtual exhibit halls. There were 21 speakers from 12 different institutes, representing TSC Clinics, TSC Centers of Excellence and LAM Clinics.

In 2019, Tuberous Sclerosis Alliance co-hosted five regional conferences with The LAM Foundation in Boston, St. Louis, Chicago, Atlanta and Los Angeles. These conferences brought together individuals, parents, caregivers and members of the medical community to provide the most up-to-date information so parents and adults with TSC and LAM can make informed decisions when evaluating treatment options. These events drew 503 total attendees from 29 states. The conferences included two general sessions at the beginning and end of the day and three breakout tracks with presentations specific to children with TSC (Pediatric Track), transitioning from childhood to adulthood (Transition Track) and adult sessions for TSC and LAM (Adult Track). The opening session focused on research updates and upcoming clinical trials. Regional conferences provided much-needed forums for the growing number of people facing the challenges of TSC and LAM.

**Public health education:** Public health education heightens awareness of TSC throughout the general public to broaden the scope of support and understanding beyond TSC individuals and their families.

**Government relations:** Government relations efforts focus on increasing federal and state appropriations for TSC research, raising awareness and collaborating with government partners to drive TSC research forward and improve clinical care and treatment options for individuals with TSC.

**Professional education:** Professional education expands programs targeting those specialists who treat patients with TSC, medical students, genetic counselors and educators to minimize the consequences of ignorance and misinformation.

Supporting services include the following activities:

**Fundraising:** Fundraising includes activities that encourage and secure financial support.

**Management and general:** Management and general includes activities necessary for administrative processes and managing financial responsibilities.

Supporting services reflected in the accompanying consolidated statements of activities include both Tuberous Sclerosis Alliance and the Endowment Fund. However, on a separate entity basis, supporting services compared to total expense for Tuberous Sclerosis Alliance was 27% for both of the years ended December 31, 2020 and 2019.

A summary of significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts of Tuberous Sclerosis Alliance (TS Alliance) and the Endowment Fund. Significant inter-entity accounts and transactions have been eliminated in consolidation. For purposes of this report, the entities are collectively referred to as the Alliance.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Basis of presentation:** The Alliance follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Alliance is required to report information regarding its net assets and its activities according to two categories: 1) net assets without donor restrictions, and 2) net assets with donor restrictions.

**Without donor restrictions:** Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by Board designation.

**With donor restrictions:** Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specified time or purpose limitation or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Use of estimates:** The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Income tax status:** TS Alliance is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified by the Internal Revenue Service (IRS) as other than a private foundation within the meaning of Section 509(a)(1) of the IRC.

The Endowment Fund is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the IRC and has been classified by the IRS as other than a private foundation within the meaning of Section 509(a)(3) of the IRC. The Endowment Fund is further classified as a Type II supporting organization.

**Cash and cash equivalents:** For financial statement purposes, the Alliance classifies checking, demand deposit, money market funds, certificates of deposit, donated stock liquidation accounts and overnight sweep accounts as cash and cash equivalents. Money market funds held within the Endowment Fund's investment portfolio are classified as investments.

To minimize market risk on the principal balance, operating funds classified as cash and cash equivalents are limited to U.S. government protected (i.e., FDIC insured) bank deposit accounts, FDIC insured certificates of deposit, short-term U.S. treasuries with a maximum duration of three years, and money market instruments with the highest possible principal stability rating. Uninsured money markets are limited to 20% of gross operating funds. Balances held in bank accounts may in total exceed the FDIC insurance coverage by up to \$1,000,000 provided the financial institutions maintain an S&P rating of A or better.

**Investments:** Investments with readily determinable fair values are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to investment income, net of related fees.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Financial risk:** The Alliance maintains demand deposits with commercial banks and money market funds within its investment portfolio with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. Therefore, the failure of an underlying institution could result in financial loss to the Alliance. However, it is TS Alliance's policy to maximize the use of guarantees and FDIC insurance.

The Alliance invests in a professionally managed portfolio that contains various types of marketable securities. Such investments are exposed to market and credit risks and may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

**Accounts receivable:** Accounts receivable primarily consists of amounts due to the Alliance relating to revenue earned in accordance with its contracts. Management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of and relationship with the customer and the age of the receivable balance. As a result of these reviews, balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for doubtful accounts had been recorded. However, bad debt expense was \$0 for the years ended December 31, 2020 and 2019.

**Promises to give:** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts were determined using the interest rates in effect when the promises were received for two-year to five-year U.S. treasury bills plus 1%.

Management periodically reviews the status of all promises to give for collectability. Each balance is assessed based on management's knowledge of and relationship with the donor and the age of the promise to give balance. As a result of these reviews, balances deemed to be uncollectible are written off and a loss is recorded within donor restricted activities. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for doubtful promises to give had been recorded. However, the loss on doubtful promises to give was \$0 for the years ended December 31, 2020 and 2019.

**Operating lease right of use asset:** Effective January 1, 2020, the operating lease right of use asset equaled the present value of the operating lease payments net of the tenant improvement allowance on the commencement date of the office lease which is described in Note 15. The operating lease right of use asset is depreciated over the term of the operating lease, net of the amortization of the interest related to the present value of the operating lease payments, such that all lease costs are reported on a straight-line basis over the term of the lease.

**Property and equipment:** Acquisitions of furniture and equipment greater than \$2,000 with a useful life of more than one year are recorded at cost and depreciated or amortized using the straight-line method over the following useful lives: software – 3 to 10 years; office equipment and furniture – 3 to 10 years; and leasehold improvements over the lesser of the remaining life of the office lease or the estimated useful life of the improvements.

**Valuation of long-lived assets:** Long-lived property, such as leasehold improvements, that suffers a permanent impairment will be written down to fair value and an impairment loss equal to the difference between the property's carrying amount and fair value would be included as a reduction in the change in net assets without donor restrictions before other items.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Accrued compensation:** Accrued compensation consists of salaries, including related payroll tax withholding, and paid time off earned but not yet paid or taken.

**Deferred revenue:** The Alliance records deferred revenue in situations when amounts are paid in advance of the Alliance satisfying the applicable performance obligations. Such revenue is recognized when all performance obligations are complete. There were no significant changes in the timing of special events, contracts and conferences that would affect the seasonality of deferred revenue.

**Operating lease liability:** Effective January 1, 2020, the Alliance recognized the present value of all lease payments in accordance with the new operating lease which is described in Note 15.

In 2019, the Alliance recognized the minimum rents required under the old operating lease, which is described in Note 15, as rent expense on a straight-line basis over the term of the lease. Differences between amounts recorded as expense and amounts actually paid are reported as operating lease liability on the consolidated financial statements. The 2019 operating lease liability also included the unamortized balance of the landlord provided tenant improvement allowance.

**Revenue and support:** Revenue includes contracts and conferences because these are line items that have performance obligations and are considered contracts with customers. Support includes contributions, memorials and honorariums and federated funding. Special events may include elements of both revenue and support.

Revenue from contracts with customers primarily includes performance obligations that are satisfied over time and most contracts have initial terms of one year or less. Prices are specific to a distinct performance obligation and contracts do not have multiple performance obligations. Economic factors driven by consumer confidence, employment, inflation and other world events impact the timing and level of revenue recognized by the Alliance. Periods of economic downturn resulting from any of the above factors may result in declines in revenue recognized by the Alliance.

**Special events:** A portion of special event revenue relates to sponsorships, which are recognized as revenue at the point in time that the related events take place because sponsorships are conditional contributions whose conditions are met when the event occurs. In addition, the Alliance also has sponsorship bundles related to the approximately 30 events referred to as Step Forward to Cure TSC® which, during a typical year, would take place throughout the year and sponsorship revenue for these events would be recognized as the events occur. In 2020, due to the COVID-19 pandemic, these 30 events were combined into one national virtual event held online rather than in person.

A portion of special events revenue relates to the costs of direct benefits to donors which are recognized at the point in time that the related event takes place. The costs of direct benefits to donors may include the following:

- (1) costs related to the venue, entertainment, and refreshments in the case of a major event;
- (2) costs related to food, refreshments, t-shirts or other items provided to walk-a-thon participants; or
- (3) costs related to purchasing items to be raffled.

The costs of direct benefit to donors were greatly reduced during 2020, since only a few events were held in person.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Contributions:** Contributions, which include memorials and honorariums and federated funding, are recognized when unconditionally promised to, or received by, the Alliance. Contributions are classified within activities without donor restrictions or within activities with donor restrictions depending upon the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when either the purpose restriction is satisfied, or the time restriction expires.

**Contracts:** The Alliance has several contracts for services with various terms to provide services to the TSC community. Contracts for services include: 1) preclinical consortium participation fees, 2) preclinical consortium testing of compounds that could be developed for future treatments and 3) consulting services that provide the patient voice or review of patient facing materials for outside vendors. Contract revenue related to the preclinical consortium participation fees is recognized ratably over period of the contract which is usually one year. The performance obligations include allowing participating companies the opportunity to conduct approved studies and to share consortium data. Contract revenue related to preclinical consortium testing is recognized based upon the phases of the research testing and as reports are completed by the researchers.

**Conferences:** Conference registration fees are recognized over the time that the related conference takes place. Registration is generally collected in advance of the conference and recorded as deferred revenue until the conference occurs.

**Functional allocation of expenses:** The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expense present the natural classification detail of expenses by function. The Alliance charges expenses directly incurred for a specific function to the appropriate program or supporting service category. Indirect costs are allocated among program and supporting services on a reasonable basis that is consistently applied. In particular, salaries and benefits are allocated based on employee effort, while other indirect costs, such as operating lease costs, human resources, finance, information technology support and depreciation and amortization are allocated based on either employee effort or direct costs.

**Reclassifications:** Certain amounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on the previously reported change in net assets. In particular, \$1,048,123 has been reclassified from investments to cash and cash equivalents.

**Recent accounting pronouncements adopted:** FASB Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated financial statements for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of recognition in the consolidated statements of activities. The new standard is effective for the year ending December 31, 2022. However, the Alliance adopted the standard early on January 1, 2020 as described in Note 15. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. However, since the new office lease commencement date was April 1, 2020, there was no material change to net assets at January 1, 2020 as a result of the adoption of the new standard. The Alliance recorded an operating lease right of use asset and an operating lease liability as described in Note 15.

## National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The Alliance adopted the standard for contributions received effective for the year ended December 31, 2019. The Alliance adopted the standard for contributions made effective for the year ended December 31, 2020, using the modified prospective method. Based on the Alliance's review of the contributions it makes, the timing and amount of expense recognized previously is consistent with how expense is recognized under the new standard. Therefore, the adoption of the new standard had no impact on the consolidated financial statements.

**Upcoming accounting pronouncement:** FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the consolidated statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. The Alliance is currently in the process of evaluating the impact of the new accounting guidance on its December 31, 2022 consolidated financial statements.

**Subsequent events:** Subsequent events have been evaluated through March 31, 2021, which is the date the consolidated financial statements were available to be issued.

#### Note 2. Investments

In accordance with generally accepted accounting principles, the Alliance uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

**Level 1:** Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

**Level 2:** Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

**Level 3:** Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

**Endowment Fund investment policy statement:** Investments shall be made solely in the interest of and for the benefit of the Endowment Fund. The Endowment Fund's assets shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent expert acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims. Investment of the Endowment Fund's assets shall be diversified in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Endowment Fund's Board of Directors will employ one or more investment managers of varying styles and philosophies to attain these objectives. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity and return. The investment manager(s) should, at all times, be guided by the principles of best price and execution and by the fact that the Endowment Fund's best interests are the primary consideration.

## National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

#### Note 2. Investments (Continued)

Investments valued using Level 1 inputs include mutual funds, exchange traded funds and preferred stock, the fair values of which were based on quoted prices for identical assets in active markets.

Investments valued using Level 2 inputs include corporate bonds, the fair values of which were determined by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach and pricing spreads based on the credit risk of the issuer, maturity, current yield and other terms and conditions of each security.

Management believes the estimated value of investments to be a reasonable approximation of the exit price for the assets.

Investments valued at fair value on a recurring basis consisted of the following at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Mutual funds:				
Bonds	\$ 37,663	\$ -	\$ -	\$ 37,663
Domestic equity	3,764,099	-	-	3,764,099
International equity	695,271	-	-	695,271
Exchange traded funds – fixed income	256,990	-	-	256,990
Preferred stock	67,925	-	-	67,925
Corporate bonds	-	845,916	-	845,916
	<u>4,821,948</u>	<u>845,916</u>	<u>-</u>	<u>5,667,864</u>
Investments, at cost:				
Money market funds				245,562
				<u>\$ 5,913,426</u>

Investments valued at fair value on a recurring basis consisted of the following at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Mutual funds:				
Bonds	\$ 36,076	\$ -	\$ -	\$ 36,076
Domestic equity	3,385,433	-	-	3,385,433
International equity	822,166	-	-	822,166
Exchange traded funds – fixed income	249,891	-	-	249,891
Preferred stock	69,063	-	-	69,063
Corporate bonds	-	920,927	-	920,927
	<u>4,562,629</u>	<u>920,927</u>	<u>-</u>	<u>5,483,556</u>
Investments, at cost:				
Money market funds				458,439
				<u>\$ 5,941,995</u>



## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 2. Investments (Continued)

Investment return consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Interest and dividends	\$ 131,179	\$ 191,528
Investment income:		
Realized and unrealized gain on investments	297,022	795,419
Investment management fees (donated)	(29,639)	(27,856)
	<u>267,383</u>	<u>767,563</u>
	<u>\$ 398,562</u>	<u>\$ 959,091</u>

#### Note 3. Promises to Give

Unconditional promises to give consisted of the following at December 31, 2020 and 2019:

	2020	2019
Amounts due in less than one year	\$ 682,801	\$ 851,296
Amounts due in one to five years	993,115	1,285,450
	<u>1,675,916</u>	<u>2,136,746</u>
Less discount to net present value	(97,631)	(103,120)
	<u>\$ 1,578,285</u>	<u>\$ 2,033,626</u>

#### Note 4. Liquidity and Availability of Resources

The Alliance regularly monitors liquidity required to meet its programmatic goals, operating needs and other contractual commitments. Management submits cash flow projections for review by the Board of Directors and its Finance and Executive Committees periodically throughout the year. The cash flow projections are used to estimate future cash flows for 90 to 120-day periods during the year and provide estimated future cash flows for the next fiscal year as part of the annual budgeting process.

The Alliance strives to maintain sufficient cash to cover three months of core operating expenses, which are defined as all expenses excluding planned spending associated with research or clinical initiatives. Cash balances are reviewed no less than quarterly by the Finance Committee of the Board of Directors.

The Alliance receives significant contributions with donor restrictions to be used in accordance with associated purpose restrictions. It also receives substantial support without donor restrictions primarily from special events and individual donor contributions. In addition to grants, contributions and program service revenue, the Alliance also generates investment income. The Alliance's investments are described in Note 2 and include both donor-restricted and board-designated funds.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

#### Note 4. Liquidity (Continued)

The following provides a summary of financial assets available for general expenditures within one year at December 31, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 2,370,947	\$ 2,093,560
Investments	5,913,426	5,941,995
Accounts receivable	113,491	10,243
Promises to give, net	1,578,285	2,033,626
	<u>9,976,149</u>	<u>10,079,424</u>
Less amounts not available for general expenditures:		
Investments held to fund gift annuity obligations	(77,018)	(73,913)
Board-designated net assets	(5,764,868)	(5,936,709)
Net assets with donor restrictions	(3,508,084)	(4,034,240)
	<u>(9,349,970)</u>	<u>(10,044,862)</u>
Add amounts available for general expenditures:		
Unused transfers from board-designated to undesignated net assets	560,625	665,500
	<u>\$ 1,186,804</u>	<u>\$ 700,062</u>

**Unused transfers from board-designated to undesignated net assets:** As disclosed in Note 8, TS Alliance does not utilize all of the funds authorized to be transferred from board-designated to undesignated net assets. The accumulated transfers that were authorized but unused totaled \$334,625 and \$441,500 at December 31, 2020 and 2019, respectively. The expected appropriations in accordance with the 5% spending policy totaled \$226,000 and \$224,000 for the years ending December 31, 2021 and 2020, respectively. Furthermore, the cumulative authorized transfers (contributions) from the Endowment Fund to TS Alliance totaled \$560,625 and \$665,500 for the years ending December 31, 2021 and 2020, respectively.

#### Note 5. Property and Equipment

Property and equipment consisted of the following at December 31, 2020 and 2019:

	2020	2019
Software	\$ 94,712	\$ 79,231
Office furniture and equipment	191,620	155,880
Leasehold improvements	449,272	156,545
	<u>735,604</u>	<u>391,656</u>
Less accumulated depreciation and amortization	(225,237)	(311,435)
	<u>\$ 510,367</u>	<u>\$ 80,221</u>

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 6. Gift Annuity Obligations

The Alliance has charitable gift annuity agreements with donors located in different states, each of which has specific regulations and requirements over such agreements. TS Alliance is aware of the regulations and requirements of each state, as applicable, and is in compliance with them.

Donated assets totaling \$77,018 and \$73,913 at December 31, 2020 and 2019, respectively, have been included in investments and are used to fund the annuity payments to donors as specified in the charitable gift annuity agreements. The Alliance has agreed to make annual payments totaling \$12,530 to the beneficiaries as long as they live, after which the remaining assets are available for use in the Alliance's activities without donor restrictions.

Contribution revenue classified as without donor restrictions was recognized at the date the gift annuity agreements were established, net of the liability recorded for the present value of the estimated future payments to the respective donors and/or beneficiaries. The present value of annuity payments was calculated using: 1) discount rates ranging from 2.2% to 6.8% which represent the risk-free long-term rates in existence at the date of each gift, and 2) life expectancies based upon Table 2000CM from IRS Publication 1457: *Annuities, Life Estates and Remainders*. The net present value of the gift annuity obligations totaled \$66,740 and \$70,300 at December 31, 2020 and 2019, respectively.

#### Note 7. Net Assets

**Without donor restrictions:** Net assets without donor restrictions consisted of the following at December 31, 2020 and 2019:

	2020	2019
Undesignated (deficit)	\$ 189,609	\$ (214,362)
Board-designated:		
Endowment fund	4,996,142	5,036,361
Grant commitments	768,726	900,348
	<u>\$ 5,954,477</u>	<u>\$ 5,722,347</u>

**National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate**

**Notes to Consolidated Financial Statements**

**Note 7. Net Assets (Continued)**

**With donor restrictions:** Net assets with donor restrictions consisted of the following as of and for the year ended December 31, 2020:

	Balance at January 1, 2020	Contributions and Investment Return	Net Assets Released from Restrictions	Balance at December 31, 2020
Research:				
General	\$ 129,484	\$ 650,377	\$ (579,331)	\$ 200,530
Biorepository	1,269,223	153,764	(464,766)	958,221
Preclinical consortium	502,819	-	(499,666)	3,153
Clinical research consortium	382,239	52,783	(86,112)	348,910
Child epilepsy research	100,000	85,000	(50,000)	135,000
Bcureful travel fund	50,250	144,560	(65,000)	129,810
New initiatives – 45th gala	137,205	-	-	137,205
Keith Hall fund	-	6,300	(5,050)	1,250
Neuropsychiatric disorders	-	52,195	-	52,195
Indirect costs	348,964	89,473	(113,714)	324,723
Subtotal research	2,920,184	1,234,452	(1,863,639)	2,290,997
Endowment fund	879,444	61,907	(43,972)	897,379
Public education	76,985	114,433	(76,953)	114,465
TSC International	104,627	-	(20,459)	84,168
Family services	53,000	203,000	(134,925)	121,075
	<u>\$ 4,034,240</u>	<u>\$ 1,613,792</u>	<u>\$ (2,139,948)</u>	<u>\$ 3,508,084</u>

## National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

#### Note 7. Net Assets (Continued)

Net assets with donor restrictions consisted of the following as of and for the year ended December 31, 2019:

	Balance at January 1, 2019	Contributions and Investment Return	Net Assets Released from Restrictions	Balance at December 31, 2019
Research:				
General	\$ 170,602	\$ 388,944	\$ (430,062)	\$ 129,484
Biorepository	627,116	1,127,951	(485,844)	1,269,223
Preclinical consortium	1,194,464	167,455	(859,100)	502,819
Clinical research consortium	166,246	316,228	(100,235)	382,239
Child epilepsy research	150,000	-	(50,000)	100,000
Bcureful travel fund	-	100,250	(50,000)	50,250
New initiatives – 45th gala	-	137,205	-	137,205
Keith Hall fund	100,075	4,635	(104,710)	-
Indirect costs	170,360	259,172	(80,568)	348,964
Subtotal research	2,578,863	2,501,840	(2,160,519)	2,920,184
Endowment fund	806,895	137,526	(64,977)	879,444
Public education	116,386	29,000	(68,401)	76,985
TSC International	87,167	67,500	(50,040)	104,627
Family services	65,500	87,000	(99,500)	53,000
	<u>\$ 3,654,811</u>	<u>\$ 2,822,866</u>	<u>\$ (2,443,437)</u>	<u>\$ 4,034,240</u>

#### Note 8. Endowment Funds

The Alliance's endowments consist of two funds established for different purposes. The endowment funds include one traditional donor-restricted endowment fund and one board-designated endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law:** The Alliance has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act of 2007 (MUPMIFA) as requiring the preservation 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, the Alliance classifies as net assets with donor restriction: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. Endowment funds are appropriated for expenditure by the Alliance in a manner consistent with the standard of prudence prescribed by MUPMIFA.

**Return objectives and risk parameters:** The Alliance 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 the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Endowment Fund Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieves constant growth of the distribution amount and the corpus. Actual returns in any given year may vary from this amount.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

#### Note 8. Endowment Funds (Continued)

**Strategies employed for achieving objectives:** To satisfy its long-term rate of return objectives, the Alliance 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). The Alliance targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending policy and how the investment objectives relate to spending policy:** The Alliance has a policy of appropriating for distribution each year up to 5% of the average fair value of the assets underlying the endowment funds over the previous 5 years in which the distribution is planned. In establishing this policy, the Alliance considered the long-term expected return on its endowment, which includes both board-designated funds and donor-restricted funds. Furthermore, the Board of Directors may periodically authorize additional amounts to be spent from the endowment. Accordingly, over the long-term, the Alliance expects the current spending policy to allow its endowment to grow at a constant rate annually. This is consistent with the Alliance's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. The spending authorization is the amount authorized to be contributed to TS Alliance from the Endowment Fund.

The authorized spending amount for the board-designated endowment fund totaled \$224,000 and \$222,000 during the years ended December 31, 2020 and 2019, respectively. The actual contributions to TS Alliance totaled \$330,875 and \$180,000 during the years ended December 31, 2020 and 2019, respectively.

Annually the Endowment Fund authorizes an amount to be contributed to TS Alliance. At times, TS Alliance does not utilize all of the funds authorized to be transferred from board-designated to undesignated net assets. The accumulated transfers that were authorized but unused totaled \$334,625 and \$441,500 at December 31, 2020 and 2019, respectively. The expected appropriations in accordance with the 5% spending policy totaled \$226,000 and \$224,000 for the years ending December 31, 2021 and 2020, respectively. Furthermore, the cumulative authorized transfers (contributions) from the Endowment Fund to TS Alliance totaled \$560,625 and \$665,500 for the years ending December 31, 2021 and 2020, respectively.

**Fund deficiencies:** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the principal amount that the donor originally contributed in order to establish the endowment. In accordance with generally accepted accounting principles, deficiencies of this nature are reported within net assets with donor restrictions and typically result from unfavorable market fluctuations or continued appropriation. However, there were no such deficiencies at December 31, 2020 and 2019.

Endowment funds consisted of the following at December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions			Total
		Appreciation	Corpus	Total	
Board-designated	\$ 4,996,142	\$ -	\$ -	\$ -	\$ 4,996,142
Donor-restricted	-	17,935	879,444	897,379	897,379
	<u>\$ 4,996,142</u>	<u>\$ 17,935</u>	<u>\$ 879,444</u>	<u>\$ 897,379</u>	<u>\$ 5,893,521</u>

## National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

#### Note 8. Endowment Funds (Continued)

Endowment funds consisted of the following at December 31, 2019:

	Without Donor	With Donor Restrictions			Total
	Restrictions	Appreciation	Corpus	Total	
Board-designated	\$ 5,036,361	\$ -	\$ -	\$ -	\$ 5,036,361
Donor-restricted	-	-	879,444	879,444	879,444
	<u>\$ 5,036,361</u>	<u>\$ -</u>	<u>\$ 879,444</u>	<u>\$ 879,444</u>	<u>\$ 5,915,805</u>

Changes in the endowment funds consisted of the following as of and for the year ended December 31, 2020:

	Without Donor	With Donor Restrictions			Total
	Restrictions	Appreciation	Corpus	Total	
Beginning	\$ 5,036,361	\$ -	\$ 879,444	\$ 879,444	\$ 5,915,805
Contributions	54,645	-	-	-	54,645
Investment return	324,885	61,907	-	61,907	386,792
Appropriations and transfers:					
Appropriation per spending policy	(330,875)	-	-	-	(330,875)
Program and supporting services	(88,874)	(43,972)	-	(43,972)	(132,846)
Ending	<u>\$ 4,996,142</u>	<u>\$ 17,935</u>	<u>\$ 879,444</u>	<u>\$ 897,379</u>	<u>\$ 5,893,521</u>

Changes in the endowment funds consisted of the following as of and for the year ended December 31, 2019:

	Without Donor	With Donor Restrictions			Total
	Restrictions	Appreciation	Corpus	Total	
Beginning	\$ 4,387,039	\$ (72,549)	\$ 879,444	\$ 806,895	\$ 5,193,934
Contributions	78,962	-	-	-	78,962
Investment return	797,733	133,532	-	133,532	931,265
Appropriations and transfers:					
Appropriation per spending policy	(180,000)	-	-	-	(180,000)
Program and supporting services	(47,373)	(60,983)	-	(60,983)	(108,356)
Ending	<u>\$ 5,036,361</u>	<u>\$ -</u>	<u>\$ 879,444</u>	<u>\$ 879,444</u>	<u>\$ 5,915,805</u>

#### Note 9. Donated Services and Goods

**Recorded amounts:** Donated goods used for special events are included in the costs of direct benefit to donors and other than investment management fees, donated services are included in professional fees within supporting services in the accompanying consolidated financial statements. Donated services are recognized at fair value if the services: (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased by the Alliance.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 9. Donated Services and Goods (Continued)

Donated goods and services used for operations or special events are recognized as in-kind contributions in accordance with U.S. GAAP. Donated auction items are recorded at the amount of cash received from the auction. Donated auction items of value that have not been auctioned at the end of the year are accrued at their estimated fair value at year end as inventory and would be included in other assets in the consolidated statements of financial position. These items are adjusted for the cash received when auctioned. Donated goods are valued at their estimated fair value relating to the particular items received.

In-kind contributions consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Donated goods	\$ 3,482	\$ 6,639
Donated services:		
Research	48,500	121,090
Event and advertising services	38,404	37,174
Investment management	29,639	27,856
	<u>\$ 120,025</u>	<u>\$ 192,759</u>

**Unrecorded amounts:** Many individuals volunteer their time and perform a variety of tasks that assist the Alliance with the administration of its programs. Without these volunteers, the Alliance would struggle to maintain the same level of program services. Although greatly appreciated by the Alliance, U.S. GAAP does not allow such services to be recorded in the consolidated financial statements because the criteria for recording donated services have not been met.

#### Note 10. Paycheck Protection Program Loan

In April 2020, the Alliance obtained a loan totaling \$371,820, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) of March 27, 2020. The loan matures in April 2022 and bears interest at a rate of 1% per annum. Proceeds from the loan may only be used for payroll costs, costs used to continue group healthcare benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred before February 15, 2020.

The loan and related accrued interest are forgivable after 24 weeks if the Alliance uses the loan proceeds for eligible purposes. The Alliance has used the entire proceeds of the loan for qualifying expenses as described in the CARES Act. Therefore, the Alliance has elected to record the PPP loan as a refundable advance in accordance with ASC Topic 958. The Alliance has received notification from the bank that the Small Business Administration (SBA) has paid off the loan. Therefore, the conditions for forgiveness had been substantially met during the year ended December 31, 2020 and the loan forgiveness has been included in contributions without donor restrictions.



## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 11. Allocation of Joint Costs

The Alliance incurred joint costs relating to the Family services program. This program service activity, specifically the series of Step Forward to Cure TSC Walks, included both program content and appeals for contributions. Therefore, joint costs allocated between program and supporting services totaled \$66,240 and \$79,826 during the years ended December 31, 2020 and 2019, respectively.

Joint costs were allocated to the following activities for the years ended December 31, 2020 and 2019:

	2020	2019
Family services	\$ 33,120	\$ 39,913
Fundraising	33,120	39,913
	<u>\$ 66,240</u>	<u>\$ 79,826</u>

#### Note 12. Professional Fees

Professional fees consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Professional fundraising consulting	\$ 213,750	\$ 160,000
Marketing consulting	170,130	73,921
Government relations consulting	112,980	110,760
Audit and tax preparation fees	34,189	30,895
Events production consulting	32,500	26,500
Other consulting (includes cybersecurity study in 2020)	32,027	13,140
Website	26,843	54,853
Legal fees	26,097	36,440
Investments	7,657	10,500
Recruiting and payroll fees	4,917	13,183
Temporary staffing fees	-	10,980
	<u>\$ 661,090</u>	<u>\$ 541,172</u>

#### Note 13. Retirement Plan

The Alliance maintains a defined contribution 401(k) retirement plan for all employees who have met certain eligibility requirements. The plan requires employer contributions equal to 3% of the participating employees' eligible compensation. The Alliance's contributions to the plan totaled \$56,884 and \$51,965 for the years ended December 31, 2020 and 2019, respectively.

#### Note 14. Related Party Transactions

**Board of Directors:** The Alliance has authorized research grants and natural history database charges to institutions at which certain members of the Board of Directors are employed. In accordance with the Alliance's conflict of interest policy, these relationships are disclosed to all persons charged with responsibility for approving the transactions and the director or officer must recuse themselves from participation in discussion, approvals or votes on such transactions. Grants and natural history database charges provided to such institutions totaled \$222,679 and \$196,272 during the years ended December 31, 2020 and 2019, respectively.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 14. Related Party Transactions (Continued)

**Affiliates:** TS Alliance has a Global Alliance Affiliation Agreement with several parties (TS Alliance of Israel, Hungarian Foundation for Tuberous Sclerosis, TS Canada ST, TS Alliance of Mexico, TS Alliance Foundation (Thailand), and TS Alliance of India). The affiliation agreements stipulate certain rights, benefits, and obligations of both parties. Each affiliate has a separate governing board and the Alliance does not have the ability to appoint a majority interest in any affiliate's governing board. Thus, the affiliates are not included in the accompanying consolidated financial statements.

#### Note 15. Operating Leases

**Operating lease (801 Roeder Road):** The Alliance had an operating lease office space at 801 Roeder Road which expired on March 31, 2020. Related to the implementation of ASC 842 on January 1, 2020, this operating lease did not have a material impact on the Alliance's consolidated financial statements. The lease contained an escalation clause that adjusted annual base rentals. The lease also indicated that real estate taxes and operating expenses would be passed through and not included in base rentals. In addition, the landlord provided a build-out allowance as an incentive to lease the office space. Upon lease commencement, the cost of the tenant improvements paid with the build-out allowance was capitalized and depreciated or amortized as property and equipment. In addition, the build-out allowance, along with the scheduled rent increases resulting from the escalation of base rentals, was recorded as a liability and amortized ratably so as to record rent expense on a straight-line basis over the term of the office lease through December 31, 2019. The fully amortized leasehold improvements related to this operating lease were written off during the year ended December 31, 2020 and the operating lease liability for 801 Roeder Road totaled \$0 and \$7,176 at December 31, 2020 and 2019, respectively.

**Operating lease (8737 Colesville Road):** The Alliance signed an operating lease for office space at 8737 Colesville Road with a lease commencement date of April 1, 2020 and an expiration date of March 31, 2031. The Alliance has no plans to terminate the operating lease early. The operating lease includes a rent abatement for month 1 through month 12, with rent commencing on April 1, 2021 and an escalation clause that adjusts annual base rentals. The lease also indicated that real estate taxes and operating expenses would be passed through and not included in base rentals. In addition, the landlord provided a build-out allowance totaling \$414,048 as an incentive to lease the office space. In accordance with ASC 842, U.S. GAAP requires that an operating lease right of use asset be recorded equal to the present value of the operating lease payments, net of the tenant improvement allowance which totaled \$875,703 on April 1, 2020. The operating lease right of use asset is amortized on a straight-line basis over the term of the operating lease, net of the amortization of the interest related to the present value of the operating lease payments. U.S. GAAP also requires that the net present value of all lease payments over the term of the lease be recorded as an operating lease liability, which was determined over the entire term of the lease since the Alliance does not plan to terminate the lease early. The discount rate used for the calculation of the net present value of the operating lease liability approximated an incremental borrowing rate which was 4.75%. The net present value of operating lease payments totaled \$1,289,751 on April 1, 2020. The weighted average remaining lease term was 10.25 years at December 31, 2020 and the weighted average discount rate was 4.75%. The operating lease right of use asset, net of amortization, totaled \$833,830 at December 31, 2020 and the operating lease liability for 8737 Colesville Road totaled \$1,336,433 at December 31, 2020.

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 15. Operating Leases (Continued)

The maturity analysis of future payments along with a reconciliation to the operating lease liability for 8737 Colesville Road is as follows:

Years ending December 31:	
2021	\$ 113,356
2022	154,258
2023	158,501
2024	162,859
2025	167,338
Thereafter	956,535
	<u>1,712,847</u>
Discount to net present value	(376,414)
	<u>\$ 1,336,433</u>

Rent expense related to operating leases consisted of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Operating lease (801 Roeder Road)	\$ 30,788	\$ 92,967
Operating lease (8737 Colesville Road)	88,555	-
	<u>\$ 119,343</u>	<u>\$ 92,967</u>

#### Note 16. Commitments and Contingencies

**Grant commitments:** The Alliance's Board of Directors has authorized research grants totaling \$768,726 and \$900,348 as of December 31, 2020 and 2019, respectively. The research grants extend through 2023 and payment of the grants to awardees is contingent upon: (1) a positive review by the Grant Review Committee, and (2) sufficient funding availability in the year of the research grant. Therefore, these grants are considered to be conditional and, as such, no liability has been recorded for these grants. However, the grant commitments have been included within board-designated net assets and, if the contingencies are met, will be payable as follows:

Years ending December 31:	<u>Amount</u>
2021	\$ 541,408
2022	169,909
2023	57,409
	<u>\$ 768,726</u>

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 16. Commitments and Contingencies (Continued)

**Hotel contracts:** The Alliance has entered into two agreements with hotels to provide conference facilities and room accommodations for future conferences. The agreements contain various attrition clauses whereby the Alliance may be liable for liquidated damages in the event of cancellation or lower than anticipated attendance. However, the Alliance's management does not believe that any material losses will be incurred under the hotel contracts.

**Employment contract:** The Alliance has an employment contract with its President and CEO. Under the terms of the agreement, the Alliance may agree to pay severance upon termination of the employee. The amount of severance that may be agreed upon will take into account years of service and circumstances of separation.

**COVID-19 Pandemic:** On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Alliance operates. It is unknown how long these conditions will last and what the complete financial affect will be to the Alliance, to date, and it is reasonably possible that the Alliance is vulnerable to the risk of a near-term severe impact.

#### Note 17. Subsequent Events

**Name changes:** During the June 2020 meeting of the Tuberous Sclerosis Alliance's Board of Directors, a motion was approved to change the doing business as name from Tuberous Sclerosis Alliance to TSC Alliance. On March 23, 2021, TS Alliance filed for a trade name change with the State of in accordance with the location of the national office. The name change will be officially rolled out for use during May 2021.

During the March 2021 meeting of the Endowment Fund's Board of Directors, a motion was approved to amend the articles of incorporation to change the legal name of the Endowment Fund from Tuberous Sclerosis Alliance Endowment Fund, Inc. to TSC Alliance Endowment Fund, Inc. Articles of amendment related to the name change were approved by the state of Maryland on March 19, 2021.

**Second PPP loan:** During February 2021, the Alliance applied for a second PPP loan in accordance with the Consolidated Appropriations Act, 2021 (CA Act) totaling \$380,595. The Alliance received the proceeds from the second PPP loan on March 9, 2021.



RSM US LLP

## Independent Auditor's Report on the Supplementary Information

Board of Directors  
National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance)

We have audited the consolidated financial statements of National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate (the Alliance) as of and for the year ended December 31, 2020 and have issued our report thereon dated [Date], which contained an unmodified opinion on those consolidated financial statements. See page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on the following pages is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*RSM US LLP*

Washington, D.C.  
March 31, 2021

**National Tuberos Sclerosis Association (d/b/a Tuberos Sclerosis Alliance) and Affiliate**

**Consolidating Statement of Financial Position  
December 31, 2020**

	TS Alliance	Endowment Fund	Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 2,336,376	\$ 34,571	\$ -	\$ 2,370,947
Investments	-	5,913,426	-	5,913,426
Due from affiliate	-	1,175	(1,175)	-
Accounts receivable	113,491	-	-	113,491
Promises to give, net	1,578,285	-	-	1,578,285
Prepaid expenses and other assets	392,003	11,495	-	403,498
Interest in net assets of affiliate	5,893,521	-	(5,893,521)	-
Operating lease right of use asset, net	833,830	-	-	833,830
Property and equipment, net	510,367	-	-	510,367
<b>Total assets</b>	<b>\$ 11,657,873</b>	<b>\$ 5,960,667</b>	<b>\$ (5,894,696)</b>	<b>\$ 11,723,844</b>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 180,925	\$ 406	\$ -	\$ 181,331
Due to affiliate	1,175	-	(1,175)	-
Accrued compensation	254,553	-	-	254,553
Deferred revenue	422,226	-	-	422,226
Operating lease liability, net	1,336,433	-	-	1,336,433
Gift annuity obligations, net	-	66,740	-	66,740
<b>Total liabilities</b>	<b>2,195,312</b>	<b>67,146</b>	<b>(1,175)</b>	<b>2,261,283</b>
Net assets:				
Without donor restrictions:				
Undesignated	189,609	-	-	189,609
Board-designated	5,764,868	4,996,142	(4,996,142)	5,764,868
<b>Total net assets without donor restrictions</b>	<b>5,954,477</b>	<b>4,996,142</b>	<b>(4,996,142)</b>	<b>5,954,477</b>
With donor restrictions	3,508,084	897,379	(897,379)	3,508,084
<b>Total net assets</b>	<b>9,462,561</b>	<b>5,893,521</b>	<b>(5,893,521)</b>	<b>9,462,561</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,657,873</b>	<b>\$ 5,960,667</b>	<b>\$ (5,894,696)</b>	<b>\$ 11,723,844</b>

## National Tuberous Sclerosis Association (d/b/a Tuberous Sclerosis Alliance) and Affiliate

### Consolidating Statement of Activities Year Ended December 31, 2020

	TS Alliance			Endowment Fund			Eliminations			Consolidated Total		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions		Restrictions	Restrictions		Restrictions		
<b>Revenue and support:</b>												
Special events	\$ 1,160,425	\$ 126,886	\$ 1,287,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,160,425	\$ 126,886	\$ 1,287,311
Costs of direct benefits to donors	(59,986)	-	(59,986)	-	-	-	-	-	-	(59,986)	-	(59,986)
<b>Special events, net</b>	<b>1,100,439</b>	<b>126,886</b>	<b>1,227,325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,100,439</b>	<b>126,886</b>	<b>1,227,325</b>
Contributions	1,640,539	1,422,050	3,062,589	43,788	-	43,788	(330,875)	-	(330,875)	1,353,452	1,422,050	2,775,502
Contracts	791,210	-	791,210	-	-	-	-	-	-	791,210	-	791,210
Interest and dividends	11,188	-	11,188	102,153	17,838	119,991	-	-	-	113,341	17,838	131,179
Memorials and honorariums	106,198	2,949	109,147	950	-	950	-	-	-	107,148	2,949	110,097
Federated funding	28,836	-	28,836	9,907	-	9,907	-	-	-	38,743	-	38,743
Conferences	1,475	-	1,475	-	-	-	-	-	-	1,475	-	1,475
Net assets released from restrictions	2,095,976	(2,095,976)	-	43,972	(43,972)	-	-	-	-	2,139,948	(2,139,948)	-
<b>Total revenue and support</b>	<b>5,775,861</b>	<b>(544,091)</b>	<b>5,231,770</b>	<b>200,770</b>	<b>(26,134)</b>	<b>174,636</b>	<b>(330,875)</b>	<b>-</b>	<b>(330,875)</b>	<b>5,645,756</b>	<b>(570,225)</b>	<b>5,075,531</b>
<b>Expenses:</b>												
<b>Program services:</b>												
Research	2,591,582	-	2,591,582	-	-	-	-	-	-	2,591,582	-	2,591,582
Family services	765,051	-	765,051	-	-	-	-	-	-	765,051	-	765,051
Public health education	502,082	-	502,082	1,043	-	1,043	-	-	-	503,125	-	503,125
Government relations	149,610	-	149,610	-	-	-	-	-	-	149,610	-	149,610
Professional education	24,320	-	24,320	-	-	-	-	-	-	24,320	-	24,320
Contribution to TS Alliance	-	-	-	330,875	-	330,875	(330,875)	-	(330,875)	-	-	-
<b>Total program services</b>	<b>4,032,645</b>	<b>-</b>	<b>4,032,645</b>	<b>331,918</b>	<b>-</b>	<b>331,918</b>	<b>(330,875)</b>	<b>-</b>	<b>(330,875)</b>	<b>4,033,688</b>	<b>-</b>	<b>4,033,688</b>
<b>Supporting services:</b>												
Fundraising	974,995	-	974,995	110,946	-	110,946	-	-	-	1,085,941	-	1,085,941
Management and general	496,454	-	496,454	20,857	-	20,857	-	-	-	517,311	-	517,311
<b>Total supporting services</b>	<b>1,471,449</b>	<b>-</b>	<b>1,471,449</b>	<b>131,803</b>	<b>-</b>	<b>131,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,603,252</b>	<b>-</b>	<b>1,603,252</b>
<b>Total expenses</b>	<b>5,504,094</b>	<b>-</b>	<b>5,504,094</b>	<b>463,721</b>	<b>-</b>	<b>463,721</b>	<b>(330,875)</b>	<b>-</b>	<b>(330,875)</b>	<b>5,636,940</b>	<b>-</b>	<b>5,636,940</b>
<b>Change in net assets before other items</b>	<b>271,767</b>	<b>(544,091)</b>	<b>(272,324)</b>	<b>(262,951)</b>	<b>(26,134)</b>	<b>(289,085)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,816</b>	<b>(570,225)</b>	<b>(561,409)</b>
Investment income, net of fees	582	-	582	222,732	44,069	266,801	-	-	-	223,314	44,069	267,383
Change in interest in affiliate	(40,219)	17,935	(22,284)	-	-	-	40,219	(17,935)	22,284	-	-	-
<b>Change in net assets</b>	<b>232,130</b>	<b>(526,156)</b>	<b>(294,026)</b>	<b>(40,219)</b>	<b>17,935</b>	<b>(22,284)</b>	<b>40,219</b>	<b>(17,935)</b>	<b>22,284</b>	<b>232,130</b>	<b>(526,156)</b>	<b>(294,026)</b>
<b>Net assets:</b>												
Beginning	5,722,347	4,034,240	9,756,587	5,036,361	879,444	5,915,805	(5,036,361)	(879,444)	(5,915,805)	5,722,347	4,034,240	9,756,587
Ending	\$ 5,954,477	\$ 3,508,084	\$ 9,462,561	\$ 4,996,142	\$ 897,379	\$ 5,893,521	\$ (4,996,142)	\$ (897,379)	\$ (5,893,521)	\$ 5,954,477	\$ 3,508,084	\$ 9,462,561