

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Financial Statements

Years Ended December 31, 2019 and 2018

**LES
TURNER
ALS
FOUNDATION**

WIPFLI^{LLP}
CPAs and Consultants



Independent Auditor's Report

To the Board of Directors
Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.
Skokie, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. (the "Foundation"), which comprise the statements of financial position as of December 31, 2019 and 2018, 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.



Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2019, the Foundation changed its method of accounting for revenue due to the adoption of Accounting Standards Update (ASU) No. 2014-09, *Revenue From Contracts With Customers (Topic 606)* and ASU 2018-08 *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions received and Contributions Made* effective January 1, 2019. Our opinion is not modified with respect to this matter.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

April 17, 2020
Palatine, Illinois

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statements of Financial Position

<i>As of December 31,</i>	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 2,164,505	\$ 1,656,347
Restricted cash	-	711,796
Receivables		
Unconditional promises to give	-	24,192
Contributions receivable	161,429	206,826
Prepaid expenses	89,091	108,717
Total current assets	2,415,025	2,707,878
Property and equipment at cost		
Leasehold improvements	48,877	48,877
Furniture, fixtures and equipment	289,742	331,052
	338,619	379,929
Less accumulated depreciation and amortization	312,472	351,873
	26,147	28,056
Other assets		
Intangible assets, net	6,352	2,508
Deposits	7,254	7,254
Total other assets	13,606	9,762
Total assets	\$ 2,454,778	\$ 2,745,696
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 40,417	\$ 61,252
Grant obligations - Les Turner ALS Center at Northwestern Medicine	756,250	802,500
Deferred income	30,960	131,460
Total current liabilities	827,627	995,212
Net assets		
Without donor restriction	687,779	669,386
With donor restriction	939,372	1,081,098
Total net assets	1,627,151	1,750,484
Total liabilities and net assets	\$ 2,454,778	\$ 2,745,696

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Activities

<i>Year Ended December 31,</i>	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Public support and revenues			
Public support			
Special events	\$ 1,992,412	\$ 40,306	\$ 2,032,718
Direct special events costs	812,885	-	812,885
Net special events support	1,179,527	40,306	1,219,833
Grants	52,500	-	52,500
Contract revenue	125,666	-	125,666
Individuals, corporations, and foundations	665,543	1,547,619	2,213,162
	2,023,236	1,587,925	3,611,161
Net assets released from donor restrictions	1,745,900	(1,745,900)	-
Total public support and revenues	3,769,136	(157,975)	3,611,161
Interest income	45,623	16,249	61,872
Total public support, revenue and interest income	3,814,759	(141,726)	3,673,033
Expenses			
Direct program services			
Les Turner ALS Center at Northwestern Medicine			
Research	525,000	-	525,000
Lois Insolia ALS Clinic	370,000	-	370,000
Endowed Fund	100,000	-	100,000
Education	20,000	-	20,000
I AM ALS	1,262,344	-	1,262,344
Research and Care	25,696	-	25,696
Support services	831,600	-	831,600
Education	236,643	-	236,643
Total direct program services	3,371,283	-	3,371,283
Core mission support			
Development	236,258	-	236,258
Management and general	188,825	-	188,825
Total core mission support	425,083	-	425,083
Change in net assets	18,393	(141,726)	(123,333)
Net assets - beginning of year	669,386	1,081,098	1,750,484
Net assets - end of year	\$ 687,779	\$ 939,372	\$ 1,627,151

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Activities

<i>Year Ended December 31,</i>	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
Public support and revenues			
Public support			
Special events	\$ 1,839,819	\$ 46,880	\$ 1,886,699
Direct special events costs	787,418	-	787,418
Net special events support	1,052,401	46,880	1,099,281
Grants	37,500	-	37,500
Contract revenue	152,001	-	152,001
Individuals, corporations, and foundations	612,001	1,180,286	1,792,287
	1,853,903	1,227,166	3,081,069
Net assets released from donor restrictions	521,459	(521,459)	-
Total public support and revenues	2,375,362	705,707	3,081,069
Interest income	33,383	-	33,383
Total public support, revenue and interest income	2,408,745	705,707	3,114,452
Expenses			
Direct program services			
Les Turner ALS Center at Northwestern Medicine			
Research	700,000	-	700,000
Lois Insolita ALS Clinic	270,000	-	270,000
Endowed Fund	100,000	-	100,000
Education	5,000	-	5,000
I AM ALS	89,000	-	89,000
Support services	780,988	-	780,988
Education	233,673	-	233,673
Total direct program services	2,178,661	-	2,178,661
Core mission support			
Development	216,051	-	216,051
Management and general	203,770	-	203,770
Total core mission support	419,821	-	419,821
Change in net assets	(189,737)	705,707	515,970
Net assets - beginning of year	859,123	375,391	1,234,514
Net assets - end of year	\$ 669,386	\$ 1,081,098	\$ 1,750,484

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Functional Expenses

Direct Program Services

Core Mission Support

Les Turner ALS Center at Northwestern Medicine

Year Ended December 31, 2019	Direct Program Services						Core Mission Support					
	Research	Lois Insolia ALS Clinic	Endowed Fund	Education	I AM ALS	Research and Care	Support Services	Education	Total Direct Program Services	Development	Management and General	Total Core Mission Support
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,036	\$ 156,028	\$ 840,064	\$ 156,973	\$ 69,626	\$ 226,599
Research	525,000	-	-	-	-	25,696	-	-	550,696	-	-	-
Clinical Services	-	370,000	-	-	-	-	-	-	370,000	-	-	-
Endowed Fund	-	-	100,000	-	-	-	-	-	100,000	-	-	-
Education	-	-	-	20,000	-	-	-	-	20,000	-	-	-
I AM ALS	-	-	-	-	1,262,344	-	-	-	1,262,344	-	-	-
Speech equipment, respite and other assistance programs	-	-	-	-	-	-	112,156	-	112,156	-	-	-
Awards, gifts and honorariums	-	-	-	-	-	-	428	45	473	5,485	287	5,772
Database management	-	-	-	-	-	-	4,671	10,814	15,485	16,877	13,226	30,103
Office and miscellaneous	-	-	-	-	-	-	9,431	12,515	21,946	16,292	16,996	33,288
Printing, postage and artwork	-	-	-	-	-	-	2,065	28,889	30,954	20,114	3,878	23,992
Public relations	-	-	-	-	-	-	-	8,649	8,649	-	3,540	3,540
Office rent	-	-	-	-	-	-	11,283	9,041	20,324	14,143	24,545	38,688
Utilities	-	-	-	-	-	-	374	387	761	605	344	949
Conference and meetings	-	-	-	-	-	-	1,998	7,234	9,232	1,012	2,184	3,196
Insurance - general	-	-	-	-	-	-	1,127	-	1,127	-	14,297	14,297
Depreciation and amortization	-	-	-	-	-	-	611	-	611	-	13,370	13,370
Professional fees	-	-	-	-	-	-	-	-	-	-	23,815	23,815
Repairs and maintenance	-	-	-	-	-	-	3,420	3,041	6,461	4,757	2,717	7,474
Total	\$ 525,000	\$ 370,000	\$ 100,000	\$ 20,000	\$ 1,262,344	\$ 25,696	\$ 831,600	\$ 236,643	\$ 3,371,283	\$ 236,258	\$ 188,825	\$ 425,083

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Functional Expenses

Year Ended December 31, 2018	Direct Program Services							Core Mission Support			
	Les Turner ALS Center at Northwestern Medicine							Total Direct Program Services	Development	Management and General	Total Core Mission Support
	Research	Lois Insolia ALS Clinic	Endowed Fund	Education	I AM ALS	Support Services	Education				
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,677	\$ 137,415	\$ 753,092	\$ 145,022	\$ 65,521	\$ 210,543
Research	700,000	-	-	-	-	-	-	700,000	-	-	-
Clinical Services	-	270,000	-	-	-	-	-	270,000	-	-	-
Endowed Fund	-	-	100,000	-	-	-	-	100,000	-	-	-
Education	-	-	-	5,000	-	-	-	5,000	-	-	-
I AM ALS	-	-	-	-	89,000	-	-	89,000	-	-	-
Speech equipment, respite and other assistance programs	-	-	-	-	-	119,409	-	119,409	-	-	-
Awards, gifts and honorariums	-	-	-	-	-	524	-	524	5,088	727	5,815
Database management	-	-	-	-	-	2,986	8,836	11,822	17,412	12,150	29,562
Office and miscellaneous	-	-	-	-	-	15,203	9,741	24,944	15,520	19,367	34,887
Printing, postage and artwork	-	-	-	-	-	1,125	57,069	58,194	17,580	3,092	20,672
Public relations	-	-	-	-	-	-	10,036	10,036	-	3,903	3,903
Office rent	-	-	-	-	-	15,545	4,009	19,554	10,759	26,719	37,478
Utilities	-	-	-	-	-	465	144	609	386	1,066	1,452
Conference and meetings	-	-	-	-	-	4,542	5,161	9,703	897	2,235	3,132
Insurance - general	-	-	-	-	-	827	-	827	-	13,539	13,539
Depreciation and amortization	-	-	-	-	-	596	-	596	-	15,220	15,220
Professional fees	-	-	-	-	-	-	-	-	-	30,591	30,591
Repairs and maintenance	-	-	-	-	-	4,089	1,262	5,351	3,387	9,640	13,027
Total	\$ 700,000	\$ 270,000	\$ 100,000	\$ 5,000	\$ 89,000	\$ 780,988	\$ 233,673	\$ 2,178,661	\$ 216,051	\$ 203,770	\$ 419,821

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statements of Cash Flows

<i>Years Ended December 31,</i>	2019	2018
Cash flows from operating activities		
Cash received from public support and other miscellaneous sources	\$ 4,393,135	\$ 3,748,300
Interest income received	61,872	33,374
Direct special events costs paid	(825,219)	(802,125)
Direct program service expenses paid	(3,417,746)	(2,226,133)
Support service expenses paid	(399,764)	(430,002)
Net cash provided by (used in) operating activities	<u>(187,722)</u>	<u>323,414</u>
Cash flows from investing activities		
Capital expenditures	(15,916)	(11,265)
Sales and (purchases) of certificates of deposit, net	-	719,704
Net cash provided by investing activities	<u>(15,916)</u>	<u>708,439</u>
Net increase (decrease) in cash and cash equivalents	(203,638)	1,031,853
Cash and cash equivalents and restricted cash - beginning of year	<u>2,368,143</u>	<u>1,336,290</u>
Cash and cash equivalents and restricted cash - end of year	<u>\$ 2,164,505</u>	<u>\$ 2,368,143</u>
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 2,164,505	\$ 1,656,347
Restricted cash	-	711,796
Cash and cash equivalents and restricted cash	<u>\$ 2,164,505</u>	<u>\$ 2,368,143</u>

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 1: Nature of the Organization

Founded in 1977, the Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. (Foundation) is the leader in comprehensive ALS care in Chicagoland. Although the Foundation is one of the largest independent ALS groups in the country, the Foundation treats each person like family and the Foundation is committed to supporting them every step of the way. The Foundation's individualized approach ensures each person living with the disease receives the best quality of care, and the Foundation's local community of support provides their loved ones with answers and encouragement. The Les Turner ALS Center at Northwestern Medicine (Center) is led by the most well-respected and successful clinicians and researchers in the field, advancing vital care and research in pursuit of life-enhancing treatments and a cure. The Center consists of all ALS research activities at Northwestern University and the Lois Insolia ALS Clinic (see Note 9). In addition, through its Support Services team, the Foundation provides support services, including in-home consultations, support groups and access to grant programs, while increasing public awareness through information and education.

The Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. is a not-for-profit foundation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for charitable contributions deduction for individual donors up to 60% of adjusted gross income.

The Board of Directors and management employees of the Foundation acknowledge that, to the best of their knowledge, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Foundation as effectively as possible.

Note 2: Summary of Significant Accounting Policies

Method of Accounting

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

Use of Estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America for financial presentation of not-for-profit organizations. Such principles provide that the Foundation is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

Net Assets Without Donor Restriction - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restriction - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources 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.

As of December 31, 2019 and December 31, 2018, the Foundation had \$939,372 and \$1,081,098 with donor restriction.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts. The Foundation utilizes an Insured Cash Sweep service to earn interest, maintain liquidity and have Federal Deposit Insurance Corporation coverage on its funds at substantially all times.

Restricted Cash

Restricted cash consisted of a separate interest-bearing account restricted on behalf of another entity, I AM ALS, for which the Foundation acted as a fiscal sponsor under a fiscal sponsorship agreement, which terminated on September 16, 2019 (see Note 6).

Revenue Recognition

Public support received is recorded as net assets without donor restriction or net assets with donor restriction, depending on the existence and/or nature of any donor restrictions. All net assets with donor restriction support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The Foundation receives consideration at the time the attendee registers to attend, which is generally in advance of the events. The direct benefit to donors associated with the events is reported as a liability (deferred income) and recognized as revenue when the event occurs. Deferred income related to special events totaled \$30,960 and \$131,460 as of December 31, 2019 and 2018, respectively.

Promise to Give and Contributions Receivable

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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Unconditional promises to give included amounts due in less than one year of \$30,000 as of December 31, 2018. Unconditional promises to give in more than one year were discounted at a rate of 2.51%.

The Foundation's management periodically analyzes the promises to give and contributions receivable and considers whether an allowance for possible losses on the collection of these promises is appropriate. The evaluations take into consideration such factors as prior loss experience, current economic conditions, and collectability. Management has determined that all promises to give and contributions receivable are collectible as of December 31, 2019 and 2018, and has not provided for an allowance for possible losses.

Donated Equipment and Services

Donated equipment and services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such inventory and services. The Foundation does receive and lend equipment as part of its support services. In addition, a substantial number of volunteers donate significant amounts of time for the Foundation's program services and its fundraising events.

Property and Equipment

The Foundation capitalizes the cost of property and equipment purchases over \$500. Depreciation and amortization is provided over the estimated useful lives of the related assets or the life of the lease using the straight-line method. Depreciation and amortization expense was \$11,075 and \$8,148 for the years ended December 31, 2019 and 2018, respectively.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets are comprised of software licenses and website development costs, which have a cost of \$29,294 as of December 31, 2019 and 2018, and are amortized on a straight-line basis over their estimated three-year lives. Accumulated amortization as of December 31, 2019 and 2018 was \$22,942 and \$29,351, respectively, and amortization expense for the year then ended was \$2,906 and \$7,668, respectively.

Functional Allocation of Expenses

The costs of providing direct program and core mission support services have been summarized on a functional basis in the statements of activities and changes in net assets. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the direct programs and core mission support services benefited. Expenses by function have been allocated among direct program services and core mission support classifications on the basis of time records and on the square footage of the office space.

Income Taxes

The Foundation is a tax-exempt corporation as permitted by section 501(c)(3) of the Internal Revenue Code. The Foundation believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Change in Accounting Principle

During 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. This ASU, as amended, provides guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. This framework is intended to result in less complex guidance in application while providing a consistent and comparable methodology for revenue recognition. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the amendments require expanded disclosures to enable the users of the financial statements to understand the nature, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Management has adopted the guidance on a full retrospective basis to all periods presented and feels this method is most appropriate as there is no material change in revenue recognized in either year. There was no effect on net assets of applying the new standard and its amendments for the years ended December 31, 2019 and 2018.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Change in Accounting Principle (Continued)

In June, 2018, the FASB issued ASU 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to ASC 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The entity has applied the amendments in this ASU on a modified prospective basis. There was no change in opening balances of net assets and no prior period results were restated.

In accordance with the ASU, the Foundation has determined that previously unrecognized contributions related to special events in the amount of \$162,300 should be reported in the statement of activities as an increase in net assets without donor restriction for the year ended December 31, 2019.

During 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows, to provide guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. Management has adopted the guidance on a retrospective basis to all periods presented. There was no impact on the statement of cash flows as of January 1, 2019.

Future Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for fiscal years beginning after December 15, 2020 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Organization continues to evaluate the effect that the implementation of this ASU will have on its financial statements and related disclosures.

Reclassification

Certain functional expense amounts as previously reported in the 2018 financial statements have been reclassified to conform to the 2019 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Subsequent Events

Based on management's evaluation, there were no subsequent event disclosures through April 17, 2020, which is the date these financial statements were available to be issued.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 3: Liquidity and Availability of Financial Resources

The Foundation maintains and adheres to a cash and investment policy. The policy is built upon the idea of reducing fiscal risk by preserving principal while enhancing the cash returns above market net returns, when possible. The Foundation maintains following conservative fiscal practices in order to adhere to its policy. The Foundation assigns certain responsibilities to its Audit and Finance Committee to oversee the policy. The various cash accounts may be diversified among multiple financial institutions to avoid exceeding the FDIC limits. As part of its liquidity management, the Foundation may invest cash in excess of anticipated liquidity needs into various short-term investments including certificates of deposits, short term Treasury instruments and Insured Cash Sweep services. The Foundation has a goal to maintain cash on hand in its main checking account to meet 30 days of normal operating expenses, which are, on average, approximately \$160,000.

The Foundation has financial assets available within one year of the statement of financial position date consisting primarily of cash and cash equivalents, unconditional promises to give and contributions receivable. The contributions receivable are subject to time restrictions, but will be collected within one year.

The following table reflects the Foundation's financial assets as of December 31, 2019, and 2018 available for general operating expenditures.

<i>Year Ended December 31,</i>	2019	2018
Cash and cash equivalents	\$ 2,164,505	\$ 1,656,347
Restricted cash	-	711,796
Unconditional promises to give	-	24,192
Contributions receivable	161,429	206,826
Total financial assets	2,325,934	2,599,161
Less: Grant obligations - Les Turner ALS Center at Northwestern Medicine	756,250	802,500
Less: Net assets with donor restrictions	939,372	1,081,098
Total available for general operating expenditures	\$ 630,312	\$ 715,563

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 4: Grant Obligations

Unconditional gift obligations consist of research and other gifts which have been awarded to fund the Les Turner ALS Center at Northwestern Medicine as further described in Note 9; certain grant obligation amounts had not yet been paid as of the date of the statements of financial position. They are summarized as follows:

<i>As of December 31,</i>	2019	2018
Research	\$ 393,750	\$ 450,000
Lois Insolia ALS Clinic	277,500	277,500
Endowed Fund	75,000	75,000
Education	10,000	-
Total grants payable to Les Turner ALS Center at Northwestern Medicine	\$ 756,250	\$ 802,500

Note 5: Fiscal Sponsorship Agreement

The Foundation and I AM ALS entered into a fiscal sponsorship agreement during September 2018. The fiscal sponsorship agreement required the Foundation to receive donations on behalf of I AM ALS in a restricted bank account and to disburse these monies as grants at the Foundation's discretion upon request of I AM ALS. I AM ALS is an Illinois nonprofit corporation whose mission is to bring about a cure for ALS by building national awareness of ALS and related diseases, promoting ALS patient and caregiver advocacy, creating a community for ALS patients, caregivers and friends, and securing funding for research and development in furtherance of finding a cure for ALS and related diseases. The Foundation in connection with this fiscal sponsorship agreement with I AM ALS recognized \$550,540 and \$800,796 in contributions and interest with donor restrictions and recognized grant expense of \$1,262,344 and \$89,000 for the years ended December 31, 2019 and 2018; restricted cash of December 31, 2018 was \$711,796. Included in the grant expense was administrative fees to the Foundation and out of pocket expenses of \$20,630 and \$6,774, respectively. On September 16, 2019, the fiscal sponsorship agreement was terminated as a result of I AM ALS receiving its 501(c)(3) designation.

Note 6: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2019 and 2018:

<i>As of December 31,</i>	2019	2018
Support Services and Education	\$ 300,244	\$ 188,880
Smith Education Fund	135,299	153,342
Nelson Respite Fund	3,829	22,083
Rosen Transportation Fund	-	4,997
I AM ALS	-	711,796
Les Turner ALS Center at Northwestern Medicine Endowed Fund	500,000	-
Total	\$ 939,372	\$ 1,081,098

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 7: Rental Commitment

The Foundation has non-cancelable leases for office facilities and storage which expire on March 31, 2023, with a renewal option through March 31, 2028. The total amount of rental payments due over the lease terms are charged to expense. The leases provide that the Foundation pay taxes, maintenance, insurance and other operating costs. Total rental expense for 2019 and 2018 was \$96,725 and \$90,968, respectively. Minimum future rental payments subsequent to 2019 are as follows:

For the Years Ending December 31,

2020	\$	94,527
2021		96,379
2022		98,231
2023		24,712
<hr/>		
Total	\$	313,849

Note 8: Retirement Plan

The Foundation maintains the Les Turner ALS Foundation 401(k) Plan for all employees meeting certain eligibility requirements. For the years ended December 31, 2019 and 2018, employer contributions were \$23,317 and \$26,855, respectively.

Note 9: Les Turner ALS Center at Northwestern Medicine (Center)

In September 2014, the Foundation entered into a nonbinding gift agreement with Northwestern University Feinberg School of Medicine (Northwestern) to establish the Center. The purpose of the agreement is to provide financial resources to Northwestern to benefit, under one umbrella, research, clinical activities, and education in the area of amyotrophic lateral sclerosis. The Foundation's nonbinding pledge to Northwestern is to give no less than a total of \$10 million in annual gifts totaling \$1 million or more over a period of 10 years commencing on January 1, 2015 and concluding on December 31, 2024.

The overall \$10 million commitment from the Foundation is allocated as follows over 10 years:

- \$9 million to expendable funds (minimum of \$900,000 annually) and
- \$1 million (minimum of \$100,000 annually) to the Les Turner ALS Center at Northwestern Medicine Endowed Fund (Endowed Fund), from which the expendable income is used to support the Center's ongoing activities.

The \$9 million pledge in expendable funding provided by the Foundation allowed the establishment of the Center and will provide annual support for the Center's operations for the ten year period.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 9: Les Turner ALS Center at Northwestern Medicine (Center) (Continued)

In addition, a total of \$250,000 is required to permanently endow the Endowed Fund and a total of \$10 million is required to endow the Center in perpetuity. This includes the \$1 million from the Foundation mentioned above. The additional \$9 million in endowed funds are being raised from the joint efforts of the Foundation and Northwestern. The gift agreement does not hold the Foundation responsible for the additional \$9 million in endowed funds. Per the gift agreement, if the full \$10 million to endow the Center is not achieved by 2024, the Foundation can enter into another agreement with Northwestern providing for sufficient sustained support for the Center. Under the terms of the nonbinding gift agreement, since the Endowed Fund has received funds in excess of \$250,000, it is permanently endowed.

As the gift agreement is nonbinding, no long-term liability has been accrued. During December 2019 and 2018, the Board appropriated \$1,005,000 (of which \$248,750 was funded in 2019) and \$1,070,000 (of which \$267,500 was funded in 2018) for the Foundation's 2020 and 2019 gift to Northwestern. In addition, other gifts may be made throughout the year. The unpaid portions of these appropriations are included in the grant obligations summarized in Note 4. Each year's appropriation included \$100,000 which was credited toward the Endowed Fund as described above.

During 2019 and 2018, the Center and the Endowed Fund received contributions, on a cash basis, from Board appropriations and other public support in the following amounts:

	December 31, 2019		
	Endowed Fund	Expendable Funds	Total
Board appropriated	\$ 100,000	\$ 961,250	\$ 1,061,250
Other public support	101,448	2,466	103,914
Total contributions	\$ 201,448	\$ 963,716	\$ 1,165,164

	December 31, 2018		
	Endowed Fund	Expendable Funds	Total
Board appropriated	\$ 100,000	\$ 1,020,000	\$ 1,120,000
Other public support	100,200	1,385	101,585
Total contributions	\$ 200,200	\$ 1,021,385	\$ 1,221,585

Contributions to the Center and the Endowed Fund that were received directly via other public support are not included in the statement of activities for the Foundation. As of December 31, 2019 and 2018, the remaining amount of the nonbinding pledge, on a cash basis, was \$3,485,250, and \$4,546,500, respectively, and the contributions to the Endowed Fund were \$3,359,029, and \$3,157,581, respectively.

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Notes to Financial Statements

Note 10: Business Conditions

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Foundation had not experienced any material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the Foundation, if any, cannot be reasonably estimated at this time.