

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Financial Statements

Years Ended December 31, 2020 and 2019



**LES
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FOUNDATION**

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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, 2020 and 2019, and the related statements of activities and change in net assets, 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, 2020 and 2019, 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.

Wipfli LLP

April 13, 2021
Lincolnshire, Illinois

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statements of Financial Position

<i>December 31,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,286,269	\$ 2,164,505
Contributions receivable	58,330	161,429
Prepaid expenses	38,312	89,091
Total current assets	<u>3,382,911</u>	<u>2,415,025</u>
Property and equipment at cost:		
Leasehold improvements	48,877	48,877
Furniture, fixtures, and equipment	300,404	289,742
Total property and equipment at cost	<u>349,281</u>	<u>338,619</u>
Less accumulated depreciation and amortization	<u>322,911</u>	<u>312,472</u>
	<u>26,370</u>	<u>26,147</u>
Other assets:		
Intangible assets, net	12,316	6,352
Deposits	7,254	7,254
Total other assets	<u>19,570</u>	<u>13,606</u>
Total assets	<u>\$ 3,428,851</u>	<u>\$ 2,454,778</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 65,656	\$ 40,417
Grant obligations - Les Turner ALS Center at Northwestern Medicine	956,667	756,250
Deferred income	2,400	30,960
Total current liabilities	<u>1,024,723</u>	<u>827,627</u>
Note payable, non-current	<u>150,000</u>	<u>-</u>
Total liabilities	<u>1,174,723</u>	<u>827,627</u>
Net assets:		
Without donor restriction	972,977	687,779
With donor restriction	1,281,151	939,372
Total net assets	<u>2,254,128</u>	<u>1,627,151</u>
Total liabilities and net assets	<u>\$ 3,428,851</u>	<u>\$ 2,454,778</u>

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Activities and Change in Net Assets

<i>Year Ended December 31,</i>	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Special events:	\$ 1,572,006	\$ 34,790	\$ 1,606,796
Direct special events costs	708,040	-	708,040
Net special events support	863,966	34,790	898,756
Grants	288,930	27,500	316,430
Contract revenue	104,446	-	104,446
Individuals, corporations, and foundations	969,337	1,230,753	2,200,090
	2,226,679	1,293,043	3,519,722
Net assets released from donor restrictions	951,264	(951,264)	-
Total public support and revenues	3,177,943	341,779	3,519,722
Interest income	31,685	-	31,685
Total public support, revenue, and interest income	3,209,628	341,779	3,551,407
Expenses:			
Direct program services:			
Les Turner ALS Center at Northwestern Medicine:			
Research	500,000	-	500,000
Lois Insolia ALS Clinic	346,667	-	346,667
Endowed Fund	600,000	-	600,000
Support services	757,671	-	757,671
Education	232,609	-	232,609
Total direct program services	2,436,947	-	2,436,947
Core mission support:			
Development	258,265	-	258,265
Management and general	229,218	-	229,218
Total core mission support	487,483	-	487,483
Change in net assets	285,198	341,779	626,977
Net assets - Beginning of year	687,779	939,372	1,627,151
Net assets - end of year	\$ 972,977	\$ 1,281,151	\$ 2,254,128

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Activities and Change in Net Assets

<i>Year Ended December 31,</i>	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
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 Functional Expenses

Year Ended December 31, 2020	Direct Program Services					Core Mission Support			
	Research	Lois Insolia ALS Clinic	Endowed Fund	Support Services	Education	Total Direct Program Services	Development	Management and General	Total Core Mission Support
Salaries, other compensation, and employee benefits	\$ -	\$ -	\$ -	\$ 637,330	\$ 167,743	\$ 805,073	\$ 173,088	\$ 75,301	\$ 248,389
Research	500,000	-	-	-	-	500,000	-	-	-
Clinical Services	-	346,667	-	-	-	346,667	-	-	-
Endowed Fund	-	-	600,000	-	-	600,000	-	-	-
Education	-	-	-	-	-	-	-	-	-
Speech equipment, respite, and other assistance programs	-	-	-	80,008	-	80,008	-	-	-
Awards, gifts, and honorariums	-	-	-	30	-	30	6,051	328	6,379
Database management	-	-	-	3,686	11,619	15,305	19,682	13,290	32,972
Office and miscellaneous	-	-	-	7,776	4,214	11,990	17,874	35,675	53,549
Printing, postage, and artwork	-	-	-	923	31,990	32,913	20,152	3,813	23,965
Public relations	-	-	-	-	2,599	2,599	-	3,570	3,570
Office rent	-	-	-	11,596	9,365	20,961	14,649	25,441	40,090
Utilities	-	-	-	313	324	637	507	288	795
Conference and meetings	-	-	-	50	1,095	1,145	537	1,373	1,910
Insurance - General	-	-	-	817	-	817	-	17,481	17,481
Depreciation and amortization	-	-	-	553	-	553	-	15,372	15,372
Professional fees	-	-	-	-	-	-	-	36,128	36,128
Repairs and maintenance	-	-	-	3,589	3,660	7,249	5,725	1,158	6,883
COVID-19 Emergency Relief Fund	-	-	-	11,000	-	11,000	-	-	-
Total	\$ 500,000	\$ 346,667	\$ 600,000	\$ 757,671	\$ 232,609	\$ 2,436,947	\$ 258,265	\$ 229,218	\$ 487,483

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statement of Functional Expenses

Direct Program Services

Core Mission Support

Year Ended December 31, 2019	Les Turner ALS Center at Northwestern Medicine							Total Direct Program Services					Core Mission Support	
	Research	Lois Insolia ALS Clinic	Endowed Fund	Education	I AM ALS	Research and Care	Support Services	Education	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.

Statements of Cash Flows

<i>Years Ended December 31,</i>	2020	2019
Cash flows from operating activities:		
Cash received from public support and other miscellaneous sources	\$ 4,302,301	\$ 4,393,135
Interest income received	31,685	61,872
Direct special events costs paid	(694,407)	(825,219)
Direct program service expenses paid	(2,235,441)	(3,417,746)
Support service expenses paid	(410,262)	(399,764)
Net cash provided by (used in) operating activities	<u>993,876</u>	<u>(187,722)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(10,662)	(15,916)
Purchase of intangible assets	(11,450)	-
Net cash used by investing activities	<u>(22,112)</u>	<u>(15,916)</u>
Cash flows from financing activities:		
Proceeds from note payable	<u>150,000</u>	-
Change in cash and cash equivalents	1,121,764	(203,638)
Cash and cash equivalents - Beginning of year	<u>2,164,505</u>	<u>2,368,143</u>
Cash and cash equivalents - End of year	<u>\$ 3,286,269</u>	<u>\$ 2,164,505</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 and is one of the longest-serving 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 Medicine and Northwestern University and the Lois Insolia ALS Clinic (see Notes 4 and 11). In addition, through its Support Services team, the Foundation provides 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 CEO 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, 2020 and December 31, 2019, the Foundation had \$1,281,151 and \$939,372 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.

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 \$2,400 and \$30,960 as of December 31, 2020 and 2019, respectively.

Contributions Receivable

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, 2020 and 2019, 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 \$10,439 and \$11,075 for the years ended December 31, 2020 and 2019, respectively.

Intangible Assets

Intangible assets are comprised of software licenses and website development costs, which have a cost of \$40,744 and \$29,294 as of December 31, 2020 and 2019, respectively, and are amortized on a straight-line basis over their estimated three-year lives. Accumulated amortization as of December 31, 2020 and 2019, was \$28,428 and \$22,942, respectively, and amortization expense for the year then ended was \$5,486 and \$2,906, respectively.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Estimated amortization expense on intangibles for each of the next three years is as follows:

<i>Year Ended December 31,</i>	
2021	\$ 6,067
2022	4,754
2023	1,495
Total	\$ 12,316

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.

Future Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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, 2021, 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 Foundation continues to evaluate the effect that the implementation of this ASU will have on its financial statements and related disclosures.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Reclassification

Certain amounts as previously reported in the 2019 financial statements have been reclassified to conform to the 2020 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 13, 2021, which is the date these financial statements were available to be issued.

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 the 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 following table reflects the Foundation's financial assets as of December 31, 2020, and 2019, available for general operating expenditures.

<i>As of December 31,</i>	2020	2019
Cash and cash equivalents	\$ 3,286,269	\$ 2,164,505
Contributions receivable	58,330	161,429
Total financial assets	3,344,599	2,325,934
Less: Grant obligations - Les Turner ALS Center at Northwestern Medicine	956,667	756,250
Less: Net assets with donor restrictions	1,281,151	939,372
Total available for general operating expenditures	\$ 1,106,781	\$ 630,312

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 10; 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>	2020	2019
Research	\$ 500,000	\$ 393,750
Lois Insolia ALS Clinic	346,667	277,500
Endowed Fund	100,000	75,000
Education	10,000	10,000
Total grants payable to Les Turner ALS Center at Northwestern Medicine	\$ 956,667	\$ 756,250

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 in contributions and interest with donor restrictions and recognized grant expense of \$1,262,344 for the year ended December 31, 2019. Included in the grant expense was administrative fees to the Foundation and out of pocket expenses of \$20,630. 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, 2020 and 2019:

<i>As of December 31,</i>	2020	2019
Support Services and Education	\$ 465,521	\$ 253,866
Smith Education Fund	134,952	135,299
Nelson Respite Fund	7,703	3,829
Boughton Equipment Fund	54,236	46,378
COVID 19 Emergency Relief Fund	5,500	-
ALS Decision Tool Fund	113,239	-
Les Turner ALS Center at Northwestern Medicine Endowed Fund	500,000	500,000
Total	\$ 1,281,151	\$ 939,372

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 included in office rent and direct special events costs for 2020 and 2019 was \$100,096 and \$96,725, respectively. Minimum future rental payments subsequent to 2020 are as follows:

For the Years Ending December 31,

2021	\$	96,379
2022		98,231
2023		24,712
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Total	\$	219,322

Note 8: Paycheck Protection Program

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act created and funded the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small businesses cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The Foundation applied for and received a PPP loan for \$258,930 under this program. The Foundation applied for full loan forgiveness and received forgiveness notification from the SBA that the loan was fully forgiven on November 9, 2020, and thus the income is recognized as grant revenue on the 2020 financial statements in accordance with ASC 470.

Subsequent to December 31, 2020, the Foundation applied for a second draw PPP loan and received a PPP2 loan on March 2, 2021, in the amount of \$247,312. The loan proceeds will be used for permissible, near-term operating expenses and the Foundation anticipates seeking full loan forgiveness from the SBA.

Note 9: Note Payable

In June 2020, the Foundation entered into a separate \$150,000 loan agreement with the SBA. The loan bears interest at 2.75% and matures June 16, 2050, and is secured by the assets of the Foundation. The Foundation entered into an indemnification agreement with the CEO for any liability related to the note payable.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 9: Note Payable (Continued)

Scheduled principal payments on long-term debt at December 31, 2020, including current maturities, are summarized as follows:

<i>Years Ended December 31,</i>	2020
2021	\$ -
2022	1,793
2023	3,662
2024	3,764
2025	3,868
Thereafter	136,913
<hr/>	
Total	\$ 150,000

Note 10: 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, 2020 and 2019, employer contributions were \$27,711 and \$23,317, respectively.

Note 11: 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.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 11: Les Turner ALS Center at Northwestern Medicine (Center) (Continued)

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. 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 2020 and 2019, the Board appropriated \$956,667 (of which \$0 was funded in 2020) and \$1,005,000 (of which \$248,750 was funded in 2019) for the Foundation's 2021 and 2020 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 December appropriation included \$100,000 which was credited toward the Endowed Fund as described above. Subsequent to December 31, 2020, an additional \$500,000 was appropriated and funded in January 2021 for the Endowed Fund.

During 2020 and 2019, 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, 2020		
	Endowed Fund	Expendable Funds	Total
Board appropriated	\$ 575,000	\$ 671,250	\$ 1,246,250
Other public support	1,000	500	1,500
Total contributions	\$ 576,000	\$ 671,750	\$ 1,247,750

	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

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 11: Les Turner ALS Center at Northwestern Medicine (Center) (Continued)

Contributions to the Center and the Endowed Fund that were received directly via other public support are not included in the statement of activities and change in net assets for the Foundation. As of December 31, 2020 and 2019, the remaining amount of the nonbinding pledge, on a cash basis was \$2,739,000 and \$3,485,250, respectively, and the contributions to the Endowed Fund were \$3,935,029 and \$3,359,029, respectively.

Note 12: Business Conditions

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic.” First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. No impairments were recorded as of the statement of financial position date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Foundation's results of operations, cash flows and financial condition could be negatively impacted in the future, the extent of the impact cannot be reasonably estimated at this time.