

**LES TURNER AMYOTROPHIC LATERAL
SCLEROSIS FOUNDATION, LTD.
(A NOT-FOR-PROFIT ORGANIZATION)**

Financial Statements

December 31, 2014 and 2013



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. (a not-for-profit organization) as of December 31, 2014 and 2013, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 organization'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 organization'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.

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

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, 2014 and 2013, and the changes in net assets and its functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BIK & Co, LLP

BIK & Co, LLP
Palatine, IL
April 7, 2015



LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD

Statement of Financial Position

December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 1,110,613	\$ 1,184,327	\$ 2,294,940
Investments in certificates of deposit	2,103,778	232,086	2,335,864
Receivables			
Unconditional promises to give	-	-	-
Interfund receivable (payable)	19,398	(19,398)	-
Other receivables	49,019	-	49,019
Prepaid expenses	30,507	-	30,507
	<u>3,313,315</u>	<u>1,397,015</u>	<u>4,710,330</u>
Total current assets			
Property and equipment at cost			
Leasehold improvements	38,959	-	38,959
Furniture, fixtures and equipment	293,960	-	293,960
	<u>332,919</u>	<u>-</u>	<u>332,919</u>
Less accumulated depreciation and amortization	322,094	-	322,094
	<u>10,825</u>	<u>-</u>	<u>10,825</u>
Other assets			
Deposits	16,668	-	16,668
	<u>16,668</u>	<u>-</u>	<u>16,668</u>
Total assets	\$ <u><u>3,340,808</u></u>	\$ <u><u>1,397,015</u></u>	\$ <u><u>4,737,823</u></u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 52,052	\$ -	\$ 52,052
Grant obligations	1,600,000	-	1,600,000
Deferred income	177,623	-	177,623
Current portion of deferred compensation	53,250	-	53,250
	<u>1,882,925</u>	<u>-</u>	<u>1,882,925</u>
Total current liabilities			
Long-term liabilities			
Deferred compensation	88,750	-	88,750
	<u>88,750</u>	<u>-</u>	<u>88,750</u>
Net assets	<u>1,369,133</u>	<u>1,397,015</u>	<u>2,766,148</u>
Total liabilities and net assets	\$ <u><u>3,340,808</u></u>	\$ <u><u>1,397,015</u></u>	\$ <u><u>4,737,823</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD

Statement of Financial Position

December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 1,381,177	\$ 218,451	\$ 1,599,628
Investments in certificates of deposit	1,182,372	-	1,182,372
Receivables			
Unconditional promises to give	3,371	-	3,371
Interfund receivable (payable)	95,926	(95,926)	-
Other receivables	45,277	-	45,277
Prepaid expenses	47,259	-	47,259
	<u>2,755,382</u>	<u>122,525</u>	<u>2,877,907</u>
Total current assets			
Property and equipment at cost			
Leasehold improvements	36,979	-	36,979
Furniture, fixtures and equipment	286,356	-	286,356
	<u>323,335</u>	<u>-</u>	<u>323,335</u>
Less accumulated depreciation and amortization	311,389	-	311,389
	<u>11,946</u>	<u>-</u>	<u>11,946</u>
Other assets			
Deposits	16,668	-	16,668
	<u>16,668</u>	<u>-</u>	<u>16,668</u>
Total assets	\$ <u><u>2,783,996</u></u>	\$ <u><u>122,525</u></u>	\$ <u><u>2,906,521</u></u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 37,224	\$ -	\$ 37,224
Grant obligations	1,292,872	-	1,292,872
Deferred income	184,925	-	184,925
	<u>1,515,021</u>	<u>-</u>	<u>1,515,021</u>
Total current liabilities	1,515,021	-	1,515,021
Long-term liabilities			
Deferred compensation	142,000	-	142,000
	<u>1,126,975</u>	<u>122,525</u>	<u>1,249,500</u>
Net assets	1,126,975	122,525	1,249,500
Total liabilities and net assets	\$ <u><u>2,783,996</u></u>	\$ <u><u>122,525</u></u>	\$ <u><u>2,906,521</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statement of Activities

For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Public support			
Fund-raising events	\$ 2,821,930	\$ 26,439	\$ 2,848,369
Direct fund-raising costs	<u>720,982</u>	<u>-</u>	<u>720,982</u>
Net fund-raising support	2,100,948	26,439	2,127,387
Grants	62,500	104,624	167,124
Annual appeal	154,998	-	154,998
Contributions and bequests	488,887	1,507,364	1,996,251
Memorials	<u>218,410</u>	<u>4,150</u>	<u>222,560</u>
	3,025,743	1,642,577	4,668,320
Net assets released from restrictions	<u>368,087</u>	<u>(368,087)</u>	<u>-</u>
Total public support and reclassifications	<u>3,393,830</u>	<u>1,274,490</u>	<u>4,668,320</u>
Revenues			
Investment income	12,569	-	12,569
Rental fees	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>12,569</u>	<u>-</u>	<u>12,569</u>
Total public support, revenues and reclassifications	<u>3,406,399</u>	<u>1,274,490</u>	<u>4,680,889</u>
Expenses			
Program services			
Les Turner ALS Research and Patient Center			
Research	900,000	-	900,000
Lois Insolia ALS Clinic	646,945	-	646,945
Endowed Fund	100,000	-	100,000
Patient and family support services	723,733	-	723,733
Education	<u>217,155</u>	<u>-</u>	<u>217,155</u>
Total program services	<u>2,587,833</u>	<u>-</u>	<u>2,587,833</u>
Supporting services			
Financial development and campaigns	142,676	-	142,676
Management and general	<u>433,732</u>	<u>-</u>	<u>433,732</u>
Total supporting services	<u>576,408</u>	<u>-</u>	<u>576,408</u>
Change in net assets	242,158	1,274,490	1,516,648
Net assets - beginning of year	<u>1,126,975</u>	<u>122,525</u>	<u>1,249,500</u>
Net assets - end of year	<u>\$ 1,369,133</u>	<u>\$ 1,397,015</u>	<u>\$ 2,766,148</u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD

Statement of Activities

For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Public support			
Fund-raising events	\$ 2,143,846	\$ 22,175	\$ 2,166,021
Direct fund-raising costs	<u>692,866</u>	<u>-</u>	<u>692,866</u>
Net fund-raising support	1,450,980	22,175	1,473,155
Grants	99,450	98,300	197,750
Annual appeal	142,029	-	142,029
Contributions and bequests	477,020	73,653	550,673
Memorials	<u>171,245</u>	<u>530</u>	<u>171,775</u>
	2,340,724	194,658	2,535,382
Net assets released from restrictions	<u>529,167</u>	<u>(529,167)</u>	<u>-</u>
Total public support and reclassifications	<u>2,869,891</u>	<u>(334,509)</u>	<u>2,535,382</u>
Revenues			
Investment income	5,588	-	5,588
Rental fees	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,588</u>	<u>-</u>	<u>5,588</u>
Total public support, revenues and reclassifications	<u>2,875,479</u>	<u>(334,509)</u>	<u>2,540,970</u>
Expenses			
Program services			
Les Turner ALS Research and Patient Center			
Research	762,223	-	762,223
Lois Insolia ALS Clinic	538,000	-	538,000
Endowed Fund	-	-	-
Patient and family support services	659,605	-	659,605
Education	<u>258,471</u>	<u>-</u>	<u>258,471</u>
Total program services	<u>2,218,299</u>	<u>-</u>	<u>2,218,299</u>
Supporting services			
Financial development and campaigns	151,295	-	151,295
Management and general	<u>375,913</u>	<u>-</u>	<u>375,913</u>
Total supporting services	<u>527,208</u>	<u>-</u>	<u>527,208</u>
Change in net assets	129,972	(334,509)	(204,537)
Net assets - beginning of year	<u>997,003</u>	<u>457,034</u>	<u>1,454,037</u>
Net assets - end of year	<u>\$ 1,126,975</u>	<u>\$ 122,525</u>	<u>\$ 1,249,500</u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statement of Functional Expenses
For the Year Ended December 31, 2014

	Program Services						Supporting Services		
	Les Turner ALS Research and Patient Center			Patient and Family Support Services	Education	Total Program Services	Financial Development and Campaigns	Management and General	Total Supporting Services
	ALS Research	Lois Insolia ALS Clinic	Endowed Fund						
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ -	\$ 556,987	\$ 113,096	\$ 670,083	\$ 77,171	\$ 127,191	\$ 204,362
Northwestern Medicine:									
Research	900,000	-	100,000	-	-	1,000,000	-	-	-
Clinical Services	-	646,945	-	-	-	646,945	-	-	-
Speech equipment bank, respite and other patient programs	-	-	-	141,749	6,695	148,444	-	-	-
Awards, gifts and honorariums	-	-	-	511	5,281	5,792	70	631	701
Internet	-	-	-	-	378	378	-	4,590	4,590
Office and miscellaneous	-	-	-	16,658	30,481	47,139	33,441	59,638	93,079
Printing, postage and artwork	-	-	-	4,614	18,484	23,098	27,971	13,266	41,237
Public relations	-	-	-	-	42,740	42,740	-	5,668	5,668
Office rent	-	-	-	-	-	-	-	76,524	76,524
Utilities	-	-	-	-	-	-	-	2,877	2,877
Conference and meetings	-	-	-	1,197	-	1,197	4,023	6,619	10,642
Insurance - general	-	-	-	732	-	732	-	12,558	12,558
Depreciation and amortization	-	-	-	961	-	961	-	9,744	9,744
Professional fees	-	-	-	-	-	-	-	69,655	69,655
Repairs and maintenance	-	-	-	324	-	324	-	44,771	44,771
	<u>\$ 900,000</u>	<u>\$ 646,945</u>	<u>\$ 100,000</u>	<u>\$ 723,733</u>	<u>\$ 217,155</u>	<u>\$ 2,587,833</u>	<u>\$ 142,676</u>	<u>\$ 433,732</u>	<u>\$ 576,408</u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statement of Functional Expenses
For the Year Ended December 31, 2013

	Program Services						Supporting Services		
	Les Turner ALS Research and Patient Center			Patient and Family Support Services	Education	Total Program Services	Financial Development and Campaigns	Management and General	Total Supporting Services
	ALS Research	Lois Insolia ALS Clinic	Endowed Fund						
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ -	\$ 536,386	\$ 149,644	\$ 686,030	\$ 111,101	\$ 143,946	\$ 255,047
Northwestern Medicine:									
Research	762,223	-	-	-	-	762,223	-	-	-
Clinical Services	-	538,000	-	-	-	538,000	-	-	-
Speech equipment bank, respite and other patient programs	-	-	-	102,246	19,309	121,555	-	-	-
Awards, gifts and honorariums	-	-	-	247	41,262	41,509	899	552	1,451
Internet	-	-	-	-	6,600	6,600	-	900	900
Office and miscellaneous	-	-	-	11,115	4,385	15,500	23,731	44,590	68,321
Printing, postage and artwork	-	-	-	2,378	17,199	19,577	13,739	5,219	18,958
Public relations	-	-	-	-	2,813	2,813	-	7,533	7,533
Office rent	-	-	-	-	-	-	-	70,411	70,411
Utilities	-	-	-	-	-	-	-	2,756	2,756
Conference and meetings	-	-	-	322	17,259	17,581	1,825	2,680	4,505
Insurance - general	-	-	-	1,065	-	1,065	-	10,855	10,855
Depreciation and amortization	-	-	-	4,848	-	4,848	-	6,818	6,818
Professional fees	-	-	-	-	-	-	-	49,285	49,285
Repairs and maintenance	-	-	-	998	-	998	-	30,368	30,368
	<u>\$ 762,223</u>	<u>\$ 538,000</u>	<u>\$ -</u>	<u>\$ 659,605</u>	<u>\$ 258,471</u>	<u>\$ 2,218,299</u>	<u>\$ 151,295</u>	<u>\$ 375,913</u>	<u>\$ 527,208</u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statements of Cash Flows

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash received from public support and other miscellaneous sources	\$ 5,385,371	\$ 3,314,055
Investment income received	9,204	3,647
Direct fund-raising costs paid	(701,160)	(714,125)
Program service expenses paid	(2,279,744)	(2,072,196)
Supporting service expenses paid	<u>(554,906)</u>	<u>(456,616)</u>
Net cash provided by operating activities	<u>1,858,765</u>	<u>74,765</u>
Cash flows from investing activities		
Capital expenditures	(9,584)	(2,687)
Sales and (purchases) of marketable securities, net	<u>(1,153,869)</u>	<u>(107,063)</u>
Net cash used in investing activities	<u>(1,163,453)</u>	<u>(109,750)</u>
Net increase (decrease) in cash and cash equivalents	695,312	(34,985)
Cash and cash equivalents - beginning of year	<u>1,599,628</u>	<u>1,634,613</u>
Cash and cash equivalents - end of year	<u>\$ 2,294,940</u>	<u>\$ 1,599,628</u>
Supplemental cash flow information		
Reconciliation of change in net assets to net cash provided by or used in operating activities		
Change in net assets	\$ 1,516,648	\$ (204,537)
Realized (gains) losses - marketable securities	377	(309)
Depreciation and amortization	10,705	11,666
Change in marketable securities contributed and held at end of year	-	-
Changes in assets and liabilities		
Decrease (increase) in receivables	(371)	45,740
Decrease (increase) in prepaid expenses	16,752	8,040
Increase (decrease) in accounts payable and accrued expenses	14,828	168,881
Increase in grant obligations	307,128	6,851
Increase (decrease) in deferred income	<u>(7,302)</u>	<u>38,433</u>
Net cash provided by operating activities	<u>\$ 1,858,765</u>	<u>\$ 74,765</u>

The accompanying notes to the financial statements are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2014 and 2013

1. Nature of the Organization

The Les Turner Amyotrophic Lateral Sclerosis (ALS) Foundation, LTD. (the Foundation) was founded in 1977 as a tribute to a very courageous man whose life was cut short at the age of 38 by amyotrophic lateral sclerosis. The Foundation is one of the largest independent ALS groups in the country, raising funds through such well-known annual events as the "ALS Walk4Life" and the "Hope through Caring Award Dinner". The funds support the Les Turner ALS Research and Patient Center at Northwestern Medicine. The Center consists of the Les Turner ALS Research Laboratories, an ALS Tissue Bank, and the Lois Insolia ALS Clinic (see Note 8). In addition, through a Home and Community 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 the 50% charitable contributions deduction for individual donors.

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.

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 of America.

Revenue recognition

Public support received is recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Funds received in advance of an event are deferred from revenue recognition until the event takes place.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

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. 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.

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. Nevertheless, a substantial number of volunteers have donated significant amounts of time for the Foundation's program services and its fund-raising events.

Allocated expenses

Expenses by function have been allocated among program and supporting service classifications on the basis of time records and on estimates made by the Foundation's management.

Property and equipment

The Foundation capitalizes the cost of property and equipment purchases over \$500. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. Depreciation and amortization expense was \$10,705 and \$11,666 for the years ended December 31, 2014 and 2013, respectively.

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 had \$1,537,000 and \$1,095,000 in excess of Federal Deposit Insurance Corporation limits as of December 31, 2014 and 2013, respectively, which were held in money markets.

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.

Use of estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and reported amounts of 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
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Subsequent events

In February 2015, the Board of Directors appropriated \$1,000,000 from temporarily restricted funds to the Les Turner ALS Research and Patient Center Endowed Fund at Northwestern Medicine (see Note 8).

Based on management's evaluation, there were no other subsequent event disclosures through April 7, 2015, which is the date these financial statements were available to be issued.

3. Restriction on Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Russo patient and family services	\$ 54,521	\$ 47,872
ALS Research	1,032,612	35,420
Smith education fund	275,873	-
Nelson respite fund	28,336	15,221
Rosen transportation fund	<u>5,673</u>	<u>24,012</u>
	<u>\$ 1,397,015</u>	<u>\$ 122,525</u>

4. Investments in certificates of deposit

Investments in certificates of deposit are reported at cost in the statement of financial position, and unrealized gains and losses are included in the change in net assets. As of December 31, 2014 and 2013, cost represents fair values and there are no unrealized gains (losses) related to these assets.

The following summarizes investment income as reported in the statement of activities:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 12,946	\$ 5,279
Realized gains (losses)	<u>(377)</u>	<u>309</u>
	<u>\$ 12,569</u>	<u>\$ 5,588</u>

The fair value hierarchy established by ASC 820-10 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements). All of the Foundation's investments are at Level 1 fair values.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2014 and 2013

5. Gift Obligations

Unconditional gift obligations consist of research and other gifts which have been awarded to fund the Les Turner ALS Research and Patient Center as further described in Note 8; such amounts had not yet been paid as of the date of the statement of financial position. They are summarized as follows:

	<u>2014</u>	<u>2013</u>
Research	900,000	762,223
Lois Insolia ALS Clinic	600,000	530,649
Endowed Fund	<u>100,000</u>	<u>-</u>
Total payable in less than one year	<u>\$ 1,600,000</u>	<u>\$ 1,292,872</u>

6. Rental Commitment

The Foundation has non-cancelable leases for office facilities and storage which expire on April 30, 2017, with a renewal option through April 30, 2020. The office lease provides that the base rent for each month of October, through October 2015, will be abated. The total amount of rental payments due over the lease terms are charged to expense using the straight line method. The leases provide that the Foundation pay taxes, maintenance, insurance and other operating costs. Total rental expense for 2014 and 2013 was \$76,524, and \$70,411, respectively. Minimum future rental payments for the remaining three years subsequent to 2014 are as follows:

2015	\$ 79,486
2016	81,583
2017	<u>27,722</u>
Total	<u>\$ 188,791</u>

7. Deferred Compensation

The Foundation has a deferred compensation arrangement for which payments will be made according to the following schedule:

2015	\$ 53,250
2016	71,000
2017	<u>17,750</u>
Total	<u>\$ 142,000</u>

The amount incurred has been recorded in the statement of activities for the year ended December 31, 2013.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2014 and 2013

8. Contingent Gifts

In September 2014, the Foundation entered into a nonbinding gift agreement with Northwestern University Feinberg School of Medicine (Northwestern). 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. To that end, the Foundation has made a nonbinding pledge to give Northwestern no less than \$10,000,000 by making annual gifts totaling \$1,000,000 or more over a period of ten years commencing on January 1, 2015 and concluding on December 31, 2024 (the Agreement Period) to establish the Les Turner ALS Research and Patient Center (the Center) at Northwestern Medicine. Each year during the Agreement Period, at least \$100,000 of the annual gift contributed by the Foundation shall be used to establish or augment a fund to be known as the Les Turner ALS Research and Patient Center Endowed Fund (Endowed Fund), from which the expendable income shall be used to support the Center's ongoing activities. Upon receipt of \$250,000 to the Endowed Fund, it shall become a permanently endowed fund. Furthermore, upon the receipt of a total of \$10,000,000 over a period of 10 years or less by the Endowed Fund, the Center will become endowed in perpetuity.

As the gift agreement is nonbinding, no long-term liability has been accrued. During December 2014, the Board appropriated \$1,600,000 for the Foundation's 2015 gift to Northwestern as shown in Note 5, of which \$100,000 is to be credited toward the Endowed Fund as described above. In February 2015, the Board appropriated an additional \$1,000,000 gift to Northwestern to be used toward the Les Turner ALS Research and Patient Center Endowed Fund.