

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

Financial Statements

December 31, 2015 and 2014

BIK & Co

cpas and advisors

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), which comprise the statements of financial position as of December 31, 2015 and 2014, 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, 2015 and 2014, 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
March 24, 2016

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD

Statements of Financial Position

December 31, 2015 and 2014

| | 2015 | 2014 |
|--|--------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,349,221 | \$ 2,294,940 |
| Investments in certificates of deposit | 1,341,554 | 2,335,864 |
| Receivables | | |
| Unconditional promises to give | 65,000 | - |
| Other receivables | 45,051 | 49,019 |
| Prepaid expenses | 63,321 | 30,507 |
| Total current assets | 2,864,147 | 4,710,330 |
| Property and equipment at cost | | |
| Leasehold improvements | 45,608 | 38,959 |
| Furniture, fixtures and equipment | 304,840 | 293,960 |
| | 350,448 | 332,919 |
| Less accumulated depreciation and amortization | 329,541 | 322,094 |
| | 20,907 | 10,825 |
| Other assets | | |
| Unconditional promises to give | 114,192 | - |
| Intangible assets, net | 11,593 | - |
| Deposits | 16,668 | 16,668 |
| Total other assets | 142,453 | 16,668 |
| Total assets | \$ 3,027,507 | \$ 4,737,823 |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 5,057 | \$ 52,052 |
| Grant obligations | 1,200,000 | 1,600,000 |
| Deferred income | 91,115 | 177,623 |
| Current portion of deferred compensation | 71,000 | 53,250 |
| Total current liabilities | 1,367,172 | 1,882,925 |
| Long-term liabilities | | |
| Deferred compensation | 17,750 | 88,750 |
| Total liabilities | 1,384,922 | 1,971,675 |
| Net assets | | |
| Unrestricted | 900,999 | 1,369,133 |
| Temporarily restricted | 741,586 | 1,397,015 |
| Total net assets | 1,642,585 | 2,766,148 |
| Total liabilities and net assets | \$ 3,027,507 | \$ 4,737,823 |

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, 2015

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|---------------------|
| Public Support and Revenues | | | |
| Public support | | | |
| Fund-raising events | \$ 2,024,565 | \$ 84,961 | \$ 2,109,526 |
| Direct fund-raising costs | 834,861 | - | 834,861 |
| Net fund-raising support | <u>1,189,704</u> | <u>84,961</u> | <u>1,274,665</u> |
| Grants | 109,000 | 50,500 | 159,500 |
| Individuals, corporations, and foundations | <u>569,000</u> | <u>1,455,102</u> | <u>2,024,102</u> |
| | 1,867,704 | 1,590,563 | 3,458,267 |
| Net assets released from restrictions | <u>2,245,992</u> | <u>(2,245,992)</u> | <u>-</u> |
| Total public support | 4,113,696 | (655,429) | 3,458,267 |
| Investment income | <u>19,921</u> | <u>-</u> | <u>19,921</u> |
| Total public support and investment income | <u>4,133,617</u> | <u>(655,429)</u> | <u>3,478,188</u> |
| Expenses | | | |
| Program services | | | |
| Les Turner ALS Research and Patient Center | | | |
| Research | 600,000 | - | 600,000 |
| Lois Insolia ALS Clinic | 501,000 | - | 501,000 |
| Endowed Fund | 2,100,000 | - | 2,100,000 |
| Patient and family support services | 680,374 | - | 680,374 |
| Education | <u>156,050</u> | <u>-</u> | <u>156,050</u> |
| Total program services | <u>4,037,424</u> | <u>-</u> | <u>4,037,424</u> |
| Supporting services | | | |
| Financial development and campaigns | 206,167 | - | 206,167 |
| Management and general | <u>358,160</u> | <u>-</u> | <u>358,160</u> |
| Total supporting services | <u>564,327</u> | <u>-</u> | <u>564,327</u> |
| Change in net assets | (468,134) | (655,429) | (1,123,563) |
| Net assets - beginning of year | <u>1,369,133</u> | <u>1,397,015</u> | <u>2,766,148</u> |
| Net assets - end of year | <u>\$ 900,999</u> | <u>\$ 741,586</u> | <u>\$ 1,642,585</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

| | Unrestricted | Temporarily Restricted | Total |
|--|--------------|---------------------------|--------------|
| Public support and investment income | | | |
| Public support | | | |
| Fund-raising events | \$ 2,821,930 | \$ 26,439 | \$ 2,848,369 |
| Direct fund-raising costs | 720,982 | - | 720,982 |
| Net fund-raising support | 2,100,948 | 26,439 | 2,127,387 |
| Grants | 62,500 | 104,624 | 167,124 |
| Individuals, corporations, and foundations | 862,295 | 1,511,514 | 2,373,809 |
| | 3,025,743 | 1,642,577 | 4,668,320 |
| Net assets released from restrictions | 368,087 | (368,087) | - |
| Total public support and reclassifications | 3,393,830 | 1,274,490 | 4,668,320 |
| Investment income | 12,569 | - | 12,569 |
| Total public support and investment income | 3,406,399 | 1,274,490 | 4,680,889 |
| 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 | 217,155 | - | 217,155 |
| Total program services | 2,587,833 | - | 2,587,833 |
| Supporting services | | | |
| Financial development and campaigns | 142,676 | - | 142,676 |
| Management and general | 433,732 | - | 433,732 |
| Total supporting services | 576,408 | - | 576,408 |
| Change in net assets | 242,158 | 1,274,490 | 1,516,648 |
| Net assets - beginning of year | 1,126,975 | 122,525 | 1,249,500 |
| Net assets - end of year | \$ 1,369,133 | \$ 1,397,015 | \$ 2,766,148 |

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, 2015

| | Program Services | | | | | | Supporting Services | | |
|---|--|-------------------------|-------------------------------------|-------------------|------------------------|-------------------------------------|------------------------|---------------------------|-------------------|
| | Les Turner ALS Research and Patient Center | | Patient and Family Support Services | | Total Program Services | Financial Development and Campaigns | Management and General | Total Supporting Services | |
| | ALS Research | Lois Insolia ALS Clinic | Endowed Fund | Education | | | | | |
| Salaries, other compensation and employee benefits | \$ - | \$ - | \$ - | \$ 567,014 | \$ 56,054 | \$ 623,068 | \$ 164,377 | \$ 73,092 | \$ 237,469 |
| Research | 600,000 | - | - | - | - | 600,000 | - | - | - |
| Clinical Services | - | 501,000 | - | - | - | 501,000 | - | - | - |
| Endowed Fund | - | - | 2,100,000 | - | - | 2,100,000 | - | - | - |
| Speech equipment bank, respite and other patient programs | - | - | - | 97,289 | 3,860 | 101,149 | - | - | - |
| Awards, gifts and honorariums | - | - | - | 390 | 8,034 | 8,424 | 930 | 738 | 1,668 |
| Internet | - | - | - | - | 82 | 82 | 100 | 2,071 | 2,171 |
| Office and miscellaneous | - | - | - | 13,462 | 55,044 | 68,506 | 22,554 | 53,442 | 75,996 |
| Printing, postage and artwork | - | - | - | 1,732 | 23,710 | 25,442 | 12,395 | 5,002 | 17,397 |
| Public relations | - | - | - | - | 1,825 | 1,825 | 25 | 4,500 | 4,525 |
| Office rent | - | - | - | - | - | - | - | 81,388 | 81,388 |
| Utilities | - | - | - | - | - | - | - | 3,564 | 3,564 |
| Conference and meetings | - | - | - | - | 7,441 | 7,441 | 5,786 | 5,573 | 11,359 |
| Insurance - general | - | - | - | 260 | - | 260 | - | 11,473 | 11,473 |
| Depreciation and amortization | - | - | - | 227 | - | 227 | - | 9,991 | 9,991 |
| Professional fees | - | - | - | - | - | - | - | 60,800 | 60,800 |
| Repairs and maintenance | - | - | - | - | - | - | - | 46,526 | 46,526 |
| | <u>\$ 600,000</u> | <u>\$ 501,000</u> | <u>\$ 2,100,000</u> | <u>\$ 680,374</u> | <u>\$ 156,050</u> | <u>\$ 4,037,424</u> | <u>\$ 206,167</u> | <u>\$ 358,160</u> | <u>\$ 564,327</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 | | Total Program Services | Financial Development and Campaigns | Management and General | Total Supporting Services |
| | ALS Research | Lois Insolia ALS Clinic | Endowed Fund | Education | Support Services | | | | |
| Salaries, other compensation and employee benefits | \$ - | \$ - | \$ - | \$ 113,096 | \$ 556,987 | \$ 670,083 | \$ 77,171 | \$ 127,191 | \$ 204,362 |
| Research | 900,000 | - | - | - | - | 900,000 | - | - | - |
| Clinical Services | - | 646,945 | - | - | - | 646,945 | - | - | - |
| Endowed Fund | - | - | 100,000 | - | - | 100,000 | - | - | - |
| Speech equipment bank, respite and other patient programs | - | - | - | 6,695 | 141,749 | 148,444 | - | - | - |
| Awards, gifts and honorariums | - | - | - | 5,281 | 511 | 5,792 | 70 | 631 | 701 |
| Internet | - | - | - | 378 | - | 378 | - | 4,590 | 4,590 |
| Office and miscellaneous | - | - | - | 30,481 | 16,658 | 47,139 | 33,441 | 59,638 | 93,079 |
| Printing, postage and artwork | - | - | - | 18,484 | 4,614 | 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>\$ 217,155</u> | <u>\$ 723,733</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.

Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

| | 2015 | 2014 |
|--|----------------|--------------|
| Cash flows from operating activities | | |
| Cash received from public support and other miscellaneous sources | \$ 4,026,428 | \$ 5,385,371 |
| Investment income received | 24,237 | 9,204 |
| Direct fund-raising costs paid | (858,953) | (701,160) |
| Program service expenses paid | (4,436,197) | (2,279,744) |
| Supporting service expenses paid | (663,303) | (554,906) |
| Net cash provided by (used in) operating activities | (1,907,788) | 1,858,765 |
| Cash flows from investing activities | | |
| Capital expenditures | (31,893) | (9,584) |
| Sales and (purchases) of marketable securities, net | 993,962 | (1,153,869) |
| Net cash provided by (used in) investing activities | 962,069 | (1,163,453) |
| Net increase (decrease) in cash and cash equivalents | (945,719) | 695,312 |
| Cash and cash equivalents - beginning of year | 2,294,940 | 1,599,628 |
| Cash and cash equivalents - end of year | \$ 1,349,221 | \$ 2,294,940 |
| Supplemental cash flow information | | |
| Reconciliation of change in net assets to net cash provided by or used in operating activities | | |
| Change in net assets | \$ (1,123,563) | \$ 1,516,648 |
| Realized (gains) losses - marketable securities | 348 | 377 |
| Depreciation and amortization | 10,218 | 10,705 |
| Changes in assets and liabilities | | |
| Increase in receivables | (175,224) | (371) |
| Decrease (increase) in prepaid expenses | (32,814) | 16,752 |
| Increase (decrease) in accounts payable and accrued expenses | (100,245) | 14,828 |
| Increase (decrease) in grant obligations | (400,000) | 307,128 |
| Decrease in deferred income | (86,508) | (7,302) |
| Net cash provided by (used in) operating activities | \$ (1,907,788) | \$ 1,858,765 |

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, 2015 and 2014

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 Walk For Life" 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 and the Lois Insolia ALS Clinic (see Note 8). In addition, through its 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, 2015 and 2014

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. The Foundation does receive and lend equipment as part of its support services. In addition, 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 expense was \$7,447 and \$10,705 for the years ended December 31, 2015 and 2014, respectively.

Intangible assets

Intangible assets are comprised of software licenses, which have a carrying value of \$14,364 and are amortized on a straight-line bases over the three-year life of the licenses. Accumulated amortization as of December 31, 2015 was \$2,771 and amortization expense for the year then ended was \$2,771.

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 and maintain liquidity and Federal Deposit Insurance Corporation coverage on its funds at substantially all times.

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.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

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.

Subsequent events

Based on management's evaluation, there were no subsequent event disclosures through March 24, 2016, 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:

| | 2015 | 2014 |
|-----------------------------|------------|--------------|
| Patient and Family Services | \$ 340,642 | \$ 54,521 |
| ALS Research | 159,720 | 1,032,612 |
| Smith Education Fund | 218,830 | 275,873 |
| Nelson Respite Fund | 17,171 | 28,336 |
| Rosen Transportation Fund | 5,223 | 5,673 |
| | \$ 741,586 | \$ 1,397,015 |

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, 2015 and 2014, 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:

| | 2015 | 2014 |
|-------------------------|-----------|-----------|
| Interest and dividends | \$ 20,269 | \$ 12,946 |
| Realized gains (losses) | (348) | (377) |
| | \$ 19,921 | \$ 12,569 |

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, 2015 and 2014

5. Grant 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 9; such amounts had not yet been paid as of the date of the statement of financial position. They are summarized as follows:

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|---------------------|---------------------|
| Research | \$ 600,000 | \$ 900,000 |
| Lois Insolia ALS Clinic | 500,000 | 600,000 |
| Endowed Fund | <u>100,000</u> | <u>100,000</u> |
| Total payable in less than one year | <u>\$ 1,200,000</u> | <u>\$ 1,600,000</u> |

Unrestricted net assets include \$200,000 designated by the Board for recruitment needs for a permanent director of the Les Turner ALS Research and Patient Center.

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 2015 and 2014 was \$81,388, and \$76,524, respectively. Minimum future rental payments for the remaining three years subsequent to 2015 are as follows:

| | |
|-------|-------------------|
| 2016 | \$ 81,583 |
| 2017 | <u>27,722</u> |
| Total | <u>\$ 109,305</u> |

7. Retirement Plan

The Foundation sponsors a SIMPLE IRA retirement plan. For the years ended December 31, 2015 and 2014, employer contributions were \$24,608 and \$25,573, respectively.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2015 and 2014

8. Deferred Compensation

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

| | |
|-------|------------------|
| 2016 | \$ 71,000 |
| 2017 | <u>17,750</u> |
| Total | <u>\$ 88,750</u> |

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

9. Establishment of the Les Turner ALS Research and Patient 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 \$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 will be allocated as follows over 10 years:

- \$9 million to expendable funds (minimum of \$900,000 annually) and
- \$1 million (\$100,000 annually) to 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.

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 operation.

In addition, a total of \$10 million is required to endow the Center in perpetuity. This includes the \$1 million (minimum of \$100,000 annually) from the Foundation mentioned above. The additional \$9 million in endowed funds will be raised in partnership between the Foundation and Northwestern. The gift agreement does not hold the Foundation responsible for the additional \$9 million in endowed funds. Upon receipt of \$250,000 to the Endowed Fund, it shall become a permanently endowed fund. 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.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements
December 31, 2015 and 2014

9. Establishment of the Les Turner ALS Research and Patient Center at Northwestern Medicine (Center) (continued)

As the gift agreement is nonbinding, no long-term liability has been accrued. During December 2015 and 2014, the Board appropriated \$1,200,000 and \$1,600,000 for the Foundation's 2016 and 2015 gift to Northwestern as shown in Note 5, of which \$100,000 was to be credited toward the Endowed Fund each year as described above. During 2015, the Center and the Endowed Fund received contributions, on a cash basis, from Board appropriations and other public support in the following amounts:

| | Endowed Fund | Expendable Funds | Total |
|--------------------------|-----------------|---------------------|--------------|
| Board appropriated | \$ 2,100,000 | \$ 1,501,000 | \$ 3,601,000 |
| Other public support | 16,491 | 740 | 17,231 |
| Total 2015 contributions | \$ 2,116,491 | \$ 1,501,740 | \$ 3,618,231 |

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, 2015 and 2014, the remaining amount of the nonbinding pledge, on a cash basis, was \$8,398,260 and \$10,000,000, respectively and the balance of the Endowed Fund was \$2,116,641 and \$0, respectively.