

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Financial Statements

Years Ended December 31, 2021 and 2020



**LES
TURNER
ALS
FOUNDATION**®

WIPFLI

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Wipfli LLP

Wipfli LLP

June 7, 2022

Lincolnshire, Illinois

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,601,966	\$ 3,286,269
Contributions receivable	269,407	58,330
Other receivable	267,789	-
Prepaid expenses	69,443	38,312
Total current assets	<u>3,208,605</u>	<u>3,382,911</u>
Property and equipment at cost:		
Leasehold improvements	55,777	48,877
Furniture, fixtures, and equipment	306,706	300,404
Total property and equipment at cost	<u>362,483</u>	<u>349,281</u>
Less accumulated depreciation and amortization	<u>332,951</u>	<u>322,911</u>
	<u>29,532</u>	<u>26,370</u>
Other assets:		
Intangible assets, net	90,407	12,316
Deposits	7,254	7,254
Total other assets	<u>97,661</u>	<u>19,570</u>
Total assets	<u>\$ 3,335,798</u>	<u>\$ 3,428,851</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 52,457	\$ 65,656
Grant obligations - Les Turner ALS Center at Northwestern Medicine	986,983	956,667
Deferred income	5,000	2,400
Total current liabilities	<u>1,044,440</u>	<u>1,024,723</u>
Note payable, non-current	<u>-</u>	<u>150,000</u>
Total liabilities	<u>1,044,440</u>	<u>1,174,723</u>
Net assets:		
Without donor restriction	1,922,927	972,977
With donor restriction	368,431	1,281,151
Total net assets	<u>2,291,358</u>	<u>2,254,128</u>
Total liabilities and net assets	<u>\$ 3,335,798</u>	<u>\$ 3,428,851</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>	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Special events:	\$ 1,341,670	\$ 38,489	\$ 1,380,159
Direct special events costs	664,678	-	664,678
Net special events support	676,992	38,489	715,481
Grants	286,399	-	286,399
Contract revenue	108,564	-	108,564
Individuals, corporations, and foundations	985,483	748,715	1,734,198
Employee Retention Credit	267,789	-	267,789
	2,325,227	787,204	3,112,431
Net assets released from donor restrictions	1,699,924	(1,699,924)	-
Total public support and revenues	4,025,151	(912,720)	3,112,431
Interest income	7,789	-	7,789
Total public support, revenue, and interest income	4,032,940	(912,720)	3,120,220
Expenses:			
Direct program services:			
Les Turner ALS Center at Northwestern Medicine:			
Research	581,000	-	581,000
Lois Insolia ALS Clinic	300,000	-	300,000
Endowed Fund	600,000	-	600,000
Support services	771,739	-	771,739
Education	279,267	-	279,267
Total direct program services	2,532,006	-	2,532,006
Core mission support:			
Development	318,640	-	318,640
Management and general	232,344	-	232,344
Total core mission support	550,984	-	550,984
Change in net assets	949,950	(912,720)	37,230
Net assets - Beginning of year	972,977	1,281,151	2,254,128
Net assets - End of year	\$ 1,922,927	\$ 368,431	\$ 2,291,358

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
Education	10,000	-	10,000
Support services	757,671	-	757,671
Education	222,609	-	222,609
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 Functional Expenses

Year Ended December 31, 2021	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	Support Services	Education	Development				
Salaries, other compensation, and employee benefits	\$ -	\$ -	\$ -	\$ 616,891	\$ 223,317	\$ 840,208	\$ 218,248	\$ 91,230	\$ 309,478
Research	581,000	-	-	-	-	581,000	-	-	-
Clinical Services	-	300,000	-	-	-	300,000	-	-	-
Endowed Fund	-	-	600,000	-	-	600,000	-	-	-
Education	-	-	-	-	-	-	-	-	-
Speech equipment, respite, and other assistance programs	-	-	-	112,860	-	112,860	-	-	-
Awards, gifts, and honorariums	-	-	-	423	727	1,150	6,653	267	6,920
Database management	-	-	-	4,027	7,948	11,975	8,888	430	9,318
Office and miscellaneous	-	-	-	8,194	4,570	12,764	35,436	29,126	64,562
Printing, postage, and artwork	-	-	-	709	12,193	12,902	26,523	917	27,440
Public relations	-	-	-	-	2,019	2,019	-	990	990
Office rent	-	-	-	15,081	9,145	24,226	13,679	25,366	39,045
Utilities	-	-	-	387	283	670	423	386	809
Conference and meetings	-	-	-	1,499	11,278	12,777	1,373	640	2,013
Insurance - General	-	-	-	7,056	2,465	9,521	2,467	4,002	6,469
Interest expense	-	-	-	-	-	-	-	6,188	6,188
Depreciation and amortization	-	-	-	75	2,913	2,988	-	16,512	16,512
Professional fees	-	-	-	-	-	-	-	53,105	53,105
Repairs and maintenance	-	-	-	4,537	2,409	6,946	4,950	3,185	8,135
Direct special events costs	-	-	-	-	-	-	664,678	-	664,678
Total expenses	581,000	300,000	600,000	771,739	279,267	2,532,006	983,318	232,344	1,215,662
Less - Expenses included with public support and revenues	-	-	-	-	-	-	(664,678)	-	(664,678)
Total expenses included in the expenses section of the statements of activities	\$ 581,000	\$ 300,000	\$ 600,000	\$ 771,739	\$ 279,267	\$ 2,532,006	\$ 318,640	\$ 232,344	\$ 550,984

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			
	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	Support Services	Education				
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	-	-	-	10,000	-	-	10,000	-	-	-
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	21,990	22,913	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	-	-	-
Direct special events costs	-	-	-	-	-	-	-	708,040	-	708,040
Total expenses	500,000	346,667	600,000	10,000	757,671	222,609	2,436,947	966,305	229,218	1,195,523
Less - Expenses included with public support and revenues	-	-	-	-	-	-	-	(708,040)	-	(708,040)
Total expenses included in the expenses section of the statements of activities	\$ 500,000	\$ 346,667	\$ 600,000	\$ 10,000	\$ 757,671	\$ 222,609	\$ 2,436,947	\$ 258,265	\$ 229,218	\$ 487,483

See accompanying notes to financial statements.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Statements of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Cash flows from operating activities:		
Cash received from public support and other miscellaneous sources	\$ 3,300,843	\$ 4,302,301
Interest income received	7,789	31,685
Direct special events costs paid	(661,737)	(694,407)
Direct program service expenses paid	(2,489,724)	(2,235,441)
Support service expenses paid	(590,721)	(410,262)
Net cash provided by (used in) operating activities	<u>(433,550)</u>	<u>993,876</u>
Cash flows from investing activities:		
Purchase of property and equipment	(13,202)	(10,662)
Purchase of intangible assets	(87,551)	(11,450)
Net cash used by investing activities	<u>(100,753)</u>	<u>(22,112)</u>
Cash flows from financing activities:		
Proceeds from note payable	-	150,000
Repayment of note payable	(150,000)	-
Change in cash and cash equivalents	(684,303)	1,121,764
Cash and cash equivalents - Beginning of year	<u>3,286,269</u>	<u>2,164,505</u>
Cash and cash equivalents - End of year	<u>\$ 2,601,966</u>	<u>\$ 3,286,269</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. (the "Foundation") is the leader in comprehensive ALS care in Chicagoland and the oldest independent ALS group 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 personalized consultations, support groups, access to grant programs, and educational resources 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.

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:

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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, 2021 and December 31, 2020, the Foundation had \$368,431 and \$1,281,151 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.

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 \$5,000 and \$2,400 as of December 31, 2021 and 2020, respectively.

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

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, 2021 and 2020, 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 \$10,040 and \$10,439 for the years ended December 31, 2021 and 2020, respectively.

Intangible Assets

Intangible assets are comprised of software licenses and website development costs, which have a cost of \$128,295 and \$40,744 as of December 31, 2021 and 2020, respectively, and are amortized on a straight-line basis over their estimated three to five year lives. Accumulated amortization as of December 31, 2021 and 2020, was \$37,888 and \$28,428, respectively, and amortization expense for the year then ended was \$9,460 and \$5,486, respectively.

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

<i>Year Ended December 31,</i>	
2022	\$ 22,590
2023	19,330
2024	17,279
2025	17,022
2026	14,186
Total	\$ 90,407

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (Continued)

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 12 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.

Reclassification

Certain amounts as previously reported in the 2020 financial statements have been reclassified to conform to the 2021 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 June 7, 2022, 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 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 available for general operating expenditures.

<i>As of December 31,</i>	2021	2020
Cash and cash equivalents	\$ 2,601,966	\$ 3,286,269
Contributions receivable	269,407	58,330
Other receivable	267,789	-
Total financial assets	3,139,162	3,344,599
Less: Grant obligations - Les Turner ALS Center at Northwestern Medicine	986,983	956,667
Less: Net assets with donor restrictions	368,431	1,281,151
Total available for general operating expenditures	\$ 1,783,748	\$ 1,106,781

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>	2021	2020
Research	\$ 580,000	\$ 500,000
Lois Insolia ALS Clinic	300,000	346,667
Endowed Fund	100,000	100,000
Education	6,983	10,000
Total grants payable to Les Turner ALS Center at Northwestern Medicine	\$ 986,983	\$ 956,667

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

Note 5: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2021 and 2020:

<i>As of December 31,</i>	2021	2020
Support Services and Education	\$ 139,673	\$ 465,521
Smith Education Fund	76,151	134,952
Nelson Respite Fund	-	7,703
Boughton Equipment Fund	49,394	54,236
COVID 19 Emergency Relief Fund	-	5,500
ALS Decision Tool Fund	85,438	113,239
Les Turner ALS Center at Northwestern Medicine Endowed Fund	-	500,000
Cytokinetics Caregiver Educational Grant	10,800	-
Assistive technology	6,975	-
Total	\$ 368,431	\$ 1,281,151

Note 6: Employee Retention Tax Credit

The Foundation filed for an employee retention tax credit related to quarterly periods from 2020 and 2021. The Foundation views these credits as a grant by analogizing to guidance in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*. For the year ended December 31, 2021, the Foundation has recorded grant revenue of \$267,789 on the statements of activities and changes in net assets with a corresponding other receivable on the statements of financial position.

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 2021 and 2020 was \$100,845 and \$100,097, respectively. Minimum future rental payments subsequent to 2021 are as follows:

<i>For the Years Ending December 31,</i>		
2022	\$	98,231
2023		24,712
Total	\$	122,943

Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd.

Notes to Financial Statements

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.

In addition, 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 were used for permissible, near-term operating expenses. The Foundation applied for full loan forgiveness and received forgiveness notification from the SBA that the loan was fully forgiven on October 19, 2021, and thus the income is recognized as grant revenue on the 2021 financial statements in accordance with ASC 470.

Note 9: Note Payable

In June 2020, the Foundation entered into a separate \$150,000 loan agreement with the SBA. The loan bore interest at 2.75% and was set to mature June 16, 2050, and was secured by the assets of the Foundation. On December 16, 2021, the SBA loan was paid in full.

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, 2021 and 2020, employer contributions were \$31,019 and \$27,711, 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 November/December 2021 and 2020, the Board appropriated \$980,000 (of which \$0 was funded in 2021) and \$956,667 (of which \$0 was funded in 2020) 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 appropriation included \$100,000 which was credited toward the Endowed Fund as described above.

During 2021 and 2020, 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, 2021		
	Endowed Fund	Expendable Funds	Total
Board appropriated	\$ 600,000	\$ 847,667	\$ 1,447,667
Other public support	242,750	1,150	243,900
Total contributions	\$ 842,750	\$ 848,817	\$ 1,691,567

	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

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, 2021 and 2020, the remaining amount of the nonbinding pledge, on a cash basis was \$1,791,333 and \$2,739,000, respectively, and the contributions to the Endowed Fund were \$4,777,779 and \$3,935,029, 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.