

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

**Financial Statements**

**December 31, 2008 and 2007**



• CERTIFIED PUBLIC ACCOUNTANTS  
• MANAGEMENT CONSULTANTS

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

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of the Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. (a not-for-profit organization) as of December 31, 2008 and 2007, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*BIK & CO, LLP*

BIK & Co, LLP  
March 31, 2009

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**LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD**

Statement of Financial Position  
December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 285,752	\$ 76,631	\$ 362,383
Marketable securities	2,306,692	265,000	2,571,692
Receivables			
Unconditional promises to give	54,372	7,500	61,872
Interfund receivable (payable)	(5,409)	5,409	-
Other receivables	22,858	-	22,858
Prepaid expenses	32,882	-	32,882
	<u>2,697,147</u>	<u>354,540</u>	<u>3,051,687</u>
<b>Total current assets</b>			
Property and equipment at cost			
Leasehold improvements	36,979	-	36,979
Furniture, fixtures and equipment	260,345	-	260,345
	<u>297,324</u>	<u>-</u>	<u>297,324</u>
Less accumulated depreciation and amortization	174,826	-	174,826
	<u>122,498</u>	<u>-</u>	<u>122,498</u>
<b>Other assets</b>			
Deposits	16,668	-	16,668
	<u>16,668</u>	<u>-</u>	<u>16,668</u>
<b>Total assets</b>	<u>\$ 2,836,313</u>	<u>\$ 354,540</u>	<u>\$ 3,190,853</u>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	\$ 32,608	\$ -	\$ 32,608
Current portion of grant obligations	1,179,108	108,000	1,287,108
Deferred income	135,500	-	135,500
	<u>1,347,216</u>	<u>108,000</u>	<u>1,455,216</u>
<b>Total current liabilities</b>			
Grant obligations net of current portion included above	154,611	-	154,611
	<u>1,334,486</u>	<u>246,540</u>	<u>1,581,026</u>
<b>Net assets</b>			
<b>Total liabilities and net assets</b>	<u>\$ 2,836,313</u>	<u>\$ 354,540</u>	<u>\$ 3,190,853</u>

The accompanying notes and independent auditors' report are an integral part of these financial statements.

Statement of Financial Position  
December 31, 2007

	Unrestricted	Temporarily Restricted	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 709,268	\$ 156,840	\$ 866,108
Marketable securities	2,611,260	100,000	2,711,260
Receivables			
Unconditional promises to give	53,283	3,450	56,733
Interfund receivable (payable)	(58,092)	58,092	-
Other receivables	16,780	95,216	111,996
Prepaid expenses	27,406	-	27,406
	3,359,905	413,598	3,773,503
Property and equipment at cost			
Leasehold improvements	36,979	-	36,979
Furniture, fixtures and equipment	226,029	-	226,029
	263,008	-	263,008
Less accumulated depreciation and amortization	140,123	-	140,123
	122,885	-	122,885
Other assets			
Deposits	16,668	-	16,668
	16,668	-	16,668
<b>Total assets</b>	<b>\$ 3,499,458</b>	<b>\$ 413,598</b>	<b>\$ 3,913,056</b>
<b>Liabilities and Net Assets</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 25,840	\$ -	\$ 25,840
Current portion of grant obligations	1,319,518	369,500	1,689,018
Deferred income	114,800	-	114,800
	1,460,158	369,500	1,829,658
<b>Total current liabilities</b>	1,460,158	369,500	1,829,658
Grant obligations net of current portion included above	362,670	-	362,670
<b>Net assets</b>	1,676,630	44,098	1,720,728
<b>Total liabilities and net assets</b>	<b>\$ 3,499,458</b>	<b>\$ 413,598</b>	<b>\$ 3,913,056</b>

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statement of Activities

For the Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Public support			
Fund-raising events	\$ 1,494,458	\$ 248,244	\$ 1,742,702
Direct fund-raising costs	631,610	-	631,610
Net fund-raising support	<u>862,848</u>	<u>248,244</u>	<u>1,111,092</u>
Grants	124,500	23,784	148,284
Membership dues	135,622	-	135,622
Contributions and bequests	300,919	61,197	362,116
Memorials	<u>114,938</u>	<u>19,357</u>	<u>134,295</u>
	1,538,827	352,582	1,891,409
Net assets released from restrictions	<u>150,140</u>	<u>(150,140)</u>	<u>-</u>
Total public support and reclassifications	<u>1,688,967</u>	<u>202,442</u>	<u>1,891,409</u>
Revenues			
Investment income	89,114	-	89,114
Rental fees	<u>955</u>	<u>-</u>	<u>955</u>
Total revenues	<u>90,069</u>	<u>-</u>	<u>90,069</u>
Total public support, revenues and reclassifications	<u>1,779,036</u>	<u>202,442</u>	<u>1,981,478</u>
Expenses			
Program services			
Research	499,601	-	499,601
Lois Insolia ALS Center	449,708	-	449,708
Patient and family support services	592,643	-	592,643
Education	<u>112,000</u>	<u>-</u>	<u>112,000</u>
Total program services	<u>1,653,952</u>	<u>-</u>	<u>1,653,952</u>
Supporting services			
Financial development and campaigns	94,238	-	94,238
Management and general	<u>372,990</u>	<u>-</u>	<u>372,990</u>
Total supporting services	<u>467,228</u>	<u>-</u>	<u>467,228</u>
Change in net assets	(342,144)	202,442	(139,702)
Net assets - beginning of year	<u>1,676,630</u>	<u>44,098</u>	<u>1,720,728</u>
Net assets - end of year	<u>\$ 1,334,486</u>	<u>\$ 246,540</u>	<u>\$ 1,581,026</u>

The accompanying notes and independent auditors' report are an integral part of these financial statements.

Statement of Activities  
For the Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Public support			
Fund-raising events	\$ 1,720,647	\$ 81,175	\$ 1,801,822
Direct fund-raising costs	<u>617,004</u>	<u>-</u>	<u>617,004</u>
Net fund-raising support	1,103,643	81,175	1,184,818
Grants	88,500	119,216	207,716
Membership dues	181,232	-	181,232
Contributions and bequests	312,649	196,505	509,154
Memorials	<u>182,897</u>	<u>8,030</u>	<u>190,927</u>
	1,868,921	404,926	2,273,847
Net assets released from restrictions	<u>375,095</u>	<u>(375,095)</u>	<u>-</u>
Total public support and reclassifications	<u>2,244,016</u>	<u>29,831</u>	<u>2,273,847</u>
Revenues			
Investment income	139,487	-	139,487
Rental fees	<u>2,158</u>	<u>-</u>	<u>2,158</u>
Total revenues	<u>141,645</u>	<u>-</u>	<u>141,645</u>
Total public support, revenues and reclassifications	<u>2,385,661</u>	<u>29,831</u>	<u>2,415,492</u>
Expenses			
Program services			
Research	934,738	-	934,738
Lois Insolia ALS Center	462,208	-	462,208
Patient and family support services	460,674	-	460,674
Education	<u>162,051</u>	<u>-</u>	<u>162,051</u>
Total program services	<u>2,019,671</u>	<u>-</u>	<u>2,019,671</u>
Supporting services			
Financial development and campaigns	83,922	-	83,922
Management and general	<u>359,063</u>	<u>-</u>	<u>359,063</u>
Total supporting services	<u>442,985</u>	<u>-</u>	<u>442,985</u>
Change in net assets	(76,995)	29,831	(47,164)
Net assets - beginning of year	<u>1,753,625</u>	<u>14,267</u>	<u>1,767,892</u>
Net assets - end of year	<u>\$ 1,676,630</u>	<u>\$ 44,098</u>	<u>\$ 1,720,728</u>

**LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.**

Statements of Cash Flows  
For the Years Ended December 31, 2008 and 2007

	2008	2007
Cash Flows from operating activities		
Cash received from public support, membership dues and other miscellaneous sources	\$ 2,634,172	\$ 2,843,197
Investment income received	82,226	164,961
Direct fund-raising expenses	(634,860)	(615,523)
Program service expenses	(2,234,436)	(1,517,612)
Supporting service expenses	(457,471)	(407,684)
	(610,369)	467,339
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Capital expenditures	(34,315)	(76,026)
Sales (purchases) of marketable securities (net)	140,959	(662,718)
	106,644	(738,744)
Net cash provided by (used in) investing activities		
Net decrease in cash and cash equivalents	(503,725)	(271,405)
Cash and cash equivalents - beginning of year	866,108	1,137,513
Cash and cash equivalents - end of year	\$ 362,383	\$ 866,108
Reconciliation of increase in net assets to net cash provided by operating activities		
Change in net assets	\$ (139,702)	\$ (47,164)
Realized and unrealized (gains) and losses - marketable securities	(810)	(2,271)
Depreciation and amortization	34,703	30,696
Change in marketable securities contributed and held at end of year	(581)	(6,113)
Changes in assets and liabilities		
Increase in receivables	83,999	(61,154)
(Increase) decrease in prepaid expenses	(5,477)	768
Increase in accounts payable	6,768	14,309
Increase (decrease) in grant obligations	(609,969)	493,068
Increase in deferred income	20,700	45,200
	(610,369)	467,339
Net cash provided by (used in) operating activities	\$ (610,369)	\$ 467,339

The accompanying notes and independent auditors' report are an integral to these financial statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statements of Functional Expenses  
For the Year Ended December 31, 2008

	Program Services					Supporting Services			Total Supporting Services
	Research	Lois Insolia ALS Center	Patient and Family Support Services	Education	Total Program Services	Development and Campaigns	Management and General		
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ 371,302	\$ 59,597	\$ 430,899	\$ 72,189	\$ 163,742	\$ 235,931	
Northwestern University	496,228	-	-	-	496,228	-	-	-	
Medical School Research Patient Center	-	449,708	-	-	449,708	-	-	-	
Other research institutions	3,373	-	-	-	3,373	-	-	-	
Speech equipment bank, respite and other patient costs	-	-	187,084	1,182	188,266	500	-	500	
Awards, gifts and honorariums	-	-	222	2,143	2,365	-	1,291	1,291	
Internet	-	-	-	700	700	1,809	-	1,809	
Office and miscellaneous	-	-	8,067	6,177	14,244	6,495	34,048	40,543	
Printing, postage and artwork	-	-	9,737	34,263	44,000	13,153	978	14,131	
Public relations	-	-	80	5,898	5,978	-	2,438	2,438	
Office rent	-	-	-	-	-	-	66,391	66,391	
Utilities	-	-	-	-	-	-	3,172	3,172	
Conference and meetings	-	-	-	2,040	2,040	92	3,413	3,505	
Insurance - general	-	-	98	-	98	-	8,629	8,629	
Depreciation and amortization	-	-	16,053	-	16,053	-	18,650	18,650	
Professional fees	-	-	-	-	-	-	33,628	33,628	
Repairs and maintenance	-	-	-	-	-	-	36,610	36,610	
	\$ 499,601	\$ 449,708	\$ 592,643	\$ 112,000	\$ 1,653,952	\$ 94,238	\$ 372,990	\$ 467,228	

The accompanying notes and independent auditors' report are an integral part of these statements.

LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Statement of Functional Expenses  
For the Year Ended December 31, 2007

	Program Services				Supporting Services		
	Research	Lois Insolia ALS Center	Family Support Services	Education	Development and Campaigns	Management and General	Total Supporting Services
Salaries, other compensation and employee benefits	\$ -	\$ -	\$ 288,822	\$ 70,545	\$ -	\$ 119,440	\$ 177,979
Northwestern University			+				
Medical School Research Patient Center	683,960	462,208	-	-	-	-	-
Other research institutions	250,778	-	-	-	-	-	-
Speech equipment bank, respite and other patient costs	-	-	139,334	-	-	-	-
Awards, gifts and honorariums	-	-	420	11,190	-	1,006	1,006
Internet	-	-	-	3,707	271	4,090	4,361
Office and miscellaneous	-	-	8,847	19,642	5,172	51,090	56,262
Printing, postage and artwork	-	-	8,148	28,276	14,545	8,925	23,470
Public relations	-	-	-	7,638	5,056	4,000	9,056
Office rent	-	-	-	-	-	64,845	64,845
Utilities	-	-	-	-	-	4,568	4,568
Conference and meetings	-	-	160	21,053	339	8,977	9,316
Insurance - general	-	-	729	-	-	11,418	11,418
Depreciation and amortization	-	-	14,214	-	-	16,482	16,482
Professional fees	-	-	-	-	-	41,838	41,838
Repairs and maintenance	-	-	-	-	-	22,384	22,384
	\$ 934,738	\$ 462,208	\$ 460,674	\$ 162,051	\$ 83,922	\$ 359,063	\$ 442,985

The accompanying notes and independent auditors' report are an integral part of these financial statements.

# LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

Notes to Financial Statements

December 31, 2008 and 2007

## 1. Nature of the Organization

The Les Turner ALS Foundation (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 two Les Turner ALS Research Laboratories, ALS Tissue Bank, and the Lois Insolia ALS Center, all part of the Northwestern University Feinberg School of Medicine. In addition, the Foundation provides grants to other ALS research projects. The Foundation also organizes and provides leadership for support groups, supports patient/family programs and services, and helps increase public awareness through information and education.

The Les Turner Amyotrophic Lateral Sclerosis Foundation, Ltd. is a not-for-profit, voluntary health care agency 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 ability, 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

### 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.

### 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.

continued

# LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.

## Notes to Financial Statements

December 31, 2008 and 2007

### 2. Summary of Significant Accounting Policies (continued)

#### Donated inventory and services

Donated inventory 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 \$34,703 and \$30,696 for the years ended December 31, 2008 and 2007, 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. As of December 31, 2008, the Foundation had cash balances in excess of Federal Deposit Insurance Corporation limits of \$1,920,000.

#### 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.

#### Marketable securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

### 3. Restriction on Net Assets

Temporarily restricted assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Research	\$114,883	\$ 143
Speech equipment	27,738	30,085
Lois Insolia ALS Center	42,116	116
Patient and family restrictions	458	458
Patient transportation	60,949	-
Les Turner ALS Foundation/ Herbert C. Wenske Foundation Professor	396	13,296
	<u>\$246,540</u>	<u>\$ 44,098</u>

continued

**LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.**

Notes to Financial Statements

December 31, 2008 and 2007

4. Marketable Securities

Marketable securities consist primarily of investments in certificates of deposit and similar fixed income securities. Fair values and unrealized gains (losses) at December 31, 2008 and 2007 are summarized below as follows:

	<u>2008</u>	<u>2007</u>
Fair value	\$ 2,571,692	\$2,711,260
Cost	<u>2,571,692</u>	<u>2,709,241</u>
Unrealized gains	<u>\$ -</u>	<u>\$ 2,019</u>

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

	<u>2008</u>	<u>2007</u>
Interest and dividends	\$ 88,304	\$ 137,216
Realized gains	810	252
Unrealized gains	<u>-</u>	<u>2,019</u>
	<u>\$ 89,114</u>	<u>\$ 139,487</u>

Effective January 1, 2008, the Foundation adopted SFAS 157 for financial assets and liabilities. SFAS 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements by establishing a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy 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.

5. Grant Obligations

Unconditional grant obligations consist of research and other grants which have been awarded, but not paid. They are summarized as follows:

	<u>2008</u>	<u>2007</u>
Payable in less than one year	\$ 1,287,108	\$ 1,689,018
Payable in one to five years	157,500	378,410
Less: discounts to present value	<u>2,889</u>	<u>15,740</u>
	<u>154,611</u>	<u>362,670</u>
	<u>\$ 1,441,719</u>	<u>\$ 2,051,688</u>

continued

**LES TURNER AMYOTROPHIC LATERAL SCLEROSIS FOUNDATION, LTD.**

Notes to Financial Statements

December 31, 2008 and 2007

6. Research

The following is a schedule of research support incurred:

	Year Ended	
	2008	2007
Northwestern University's Feinberg School of Medicine:		
Dr. Teepu Siddique		
Les Turner ALS Research Laboratory	\$ 516,400	506,000
Whole Genome Association Study of ALS	-	172,000
	516,400	678,000
Other ALS Research Projects		
Loyola/Hines VA Hospital Research	-	50,000
University of Chicago	-	100,000
Boston University School of Medicine	-	100,000
	\$ 516,400	\$ 928,000
Reduction of grants issued in prior year	(43,500)	-
Adjustments to present value	12,851	6,738
	\$ 485,751	\$ 934,738
Total	\$ 485,751	\$ 934,738

7. Rental Commitment

The Foundation has non-cancelable leases for office facilities and storage which expire on May 31, 2012. The lease provides that the first five months of base rent are abated. The total amount of rental payments due over the lease term are charged to expense using the straight line method. The lease provides that the Foundation pay taxes, maintenance, insurance and other operating costs. Total rental expense for 2008 and 2007 was \$66,391, and \$64,845, respectively. Minimum future rental payments for the five years subsequent to 2008 are as follows:

2009	\$68,037
2010	68,723
2011	69,433
2012	29,210