

**TARGET ALS FOUNDATION, INC.**

**Financial Statements  
and Supplementary Information**

**Year Ended December 31, 2021**

**(With Independent Auditors' Report Thereon)**

**TARGET ALS FOUNDATION, INC.**  
**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Target ALS Foundation, Inc.:

### **Opinion**

We have audited the accompanying financial statements of Target ALS Foundation, Inc. (a non-profit organization) (the Foundation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Target ALS Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 these 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 the Foundation'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 the Foundation'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.

### **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 6, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and is of a non-accounting nature. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Kahn, Litwin, Renya & Co., Ltd.*

March 29, 2022

**TARGET ALS FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2021**  
**(With Comparative Totals at December 31, 2020)**



| <b>Assets</b>                           | <b>2021</b>          | <b>2020</b>          |
|---|----------------------|----------------------|
| Cash                                    | \$ 3,629,988         | \$ 2,080,964         |
| Investments                             | 2,015,656            | 580,060              |
| Receivables:                            |                      |                      |
| Grants, net                             | 9,678,336            | 20,050,000           |
| Pledges, net                            | 3,066,743            | 1,190,338            |
| Prepaid expenses                        | 81,727               | 77,939               |
| Restricted cash                         | 7,733,150            | 3,047,340            |
| <b>Total Assets</b>                     | <b>\$ 26,205,600</b> | <b>\$ 27,026,641</b> |
| <br><b>Liabilities and Net Assets</b>   |                      |                      |
| Liabilities:                            |                      |                      |
| Grants payable                          | \$ 1,476,927         | \$ 1,170,867         |
| Accounts payable and accrued expenses   | 24,675               | 18,180               |
| <b>Total liabilities</b>                | <b>1,501,602</b>     | <b>1,189,047</b>     |
| Net Assets:                             |                      |                      |
| Without donor restrictions              | 4,579,135            | 2,962,216            |
| With donor restrictions                 | 20,124,863           | 22,875,378           |
| <b>Total net assets</b>                 | <b>24,703,998</b>    | <b>25,837,594</b>    |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 26,205,600</b> | <b>\$ 27,026,641</b> |

See accompanying notes to the financial statements and independent auditors' report.

**TARGET ALS FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**



|  | <u>2021</u>                 | <u>2020</u>                 |
|--|-----------------------------|-----------------------------|
| Change in Net Assets Without Donor Restrictions:       |                             |                             |
| Revenue and Support:                                   |                             |                             |
| Contributions and grants                               | \$ 690,721                  | \$ 1,176,292                |
| Investment earnings, net                               | 21,918                      | 43,625                      |
| Other income   | 67,923                      | 7,977                       |
| Net assets released from restrictions                  | 8,625,954                   | 5,308,963                   |
| <b>Total revenue and support</b>                       | <b><u>9,406,516</u></b>     | <b><u>6,536,857</u></b>     |
| Expenses:  |                             |                             |
| Research grants  | 6,197,522                   | 5,268,169                   |
| Management and general                                 | 975,528                     | 1,032,407                   |
| Development  | 616,547                     | 703,874                     |
| <b>Total expenses</b>                                  | <b><u>7,789,597</u></b>     | <b><u>7,004,450</u></b>     |
| <b>Change in net assets without donor restrictions</b> | <b><u>1,616,919</u></b>     | <b><u>(467,593)</u></b>     |
| Change in Net Assets With Donor Restrictions:          |                             |                             |
| Contributions and grants                               | 5,872,441                   | 26,070,528                  |
| Interest income  | 2,998                       | 735                         |
| Net assets released from restrictions                  | (8,625,954)                 | (5,308,963)                 |
| <b>Change in net assets with donor restrictions</b>    | <b><u>(2,750,515)</u></b>   | <b><u>20,762,300</u></b>    |
| <b>Change in Net Assets</b>                            | <b>(1,133,596)</b>          | <b>20,294,707</b>           |
| <b>Net Assets, beginning of year</b>                   | <b><u>25,837,594</u></b>    | <b><u>5,542,887</u></b>     |
| <b>Net Assets, end of year</b>                         | <b><u>\$ 24,703,998</u></b> | <b><u>\$ 25,837,594</u></b> |

**TARGET ALS FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

|                                       | <u>Research<br/>Grants</u> | <u>Management<br/>and General</u> | <u>Development</u> | <u>2021<br/>Total</u> | <u>2020<br/>Total</u> |
|---------------------------------------|----------------------------|-----------------------------------|--------------------|-----------------------|-----------------------|
| Research awards                       | \$ 6,070,896               | \$ -                              | \$ -               | \$ 6,070,896          | \$ 5,235,873          |
| Personnel and related:                |                            |                                   |                    |                       |                       |
| Salaries                              | -                          | 629,105                           | 259,442            | 888,547               | 1,025,413             |
| Payroll taxes and employee benefits   | -                          | 155,289                           | 61,428             | 216,717               | 233,467               |
| <b>Total personnel and related</b>    | <u>-</u>                   | <u>784,394</u>                    | <u>320,870</u>     | <u>1,105,264</u>      | <u>1,258,880</u>      |
| Other expenses:                       |                            |                                   |                    |                       |                       |
| Advertising and promotion             | -                          | 19,226                            | 135,249            | 154,475               | 143,969               |
| Conferences, conventions and meetings | 126,626                    | -                                 | -                  | 126,626               | 32,296                |
| Occupancy                             | -                          | -                                 | -                  | -                     | 88,093                |
| Office expenses                       | -                          | 13,323                            | -                  | 13,323                | 11,830                |
| Professional services                 | -                          | 126,574                           | 160,428            | 287,002               | 187,663               |
| Travel                                | -                          | 231                               | -                  | 231                   | 12,420                |
| Meals                                 | -                          | 378                               | -                  | 378                   | 589                   |
| Telephone and internet                | -                          | 31,402                            | -                  | 31,402                | 32,837                |
| <b>Total other expenses</b>           | <u>126,626</u>             | <u>191,134</u>                    | <u>295,677</u>     | <u>613,437</u>        | <u>509,697</u>        |
| <b>Total Expenses</b>                 | <u>\$ 6,197,522</u>        | <u>\$ 975,528</u>                 | <u>\$ 616,547</u>  | <u>\$ 7,789,597</u>   | <u>\$ 7,004,450</u>   |

See accompanying notes to the financial statements and independent auditors' report.



**TARGET ALS FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**



|   | <u>2021</u>                 | <u>2020</u>                |
|---|-----------------------------|----------------------------|
| Cash Flows from Operating Activities:   |                             |                            |
| Change in net assets  | \$ (1,133,596)              | \$ 20,294,707              |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                             |                            |
| Net realized and unrealized gain from investments   | (21,918)                    | (41,282)                   |
| Contributions of stock received   | (1,913,678)                 | -                          |
| Interest and dividends from investments   | -                           | (2,343)                    |
| Discount on pledges and grants receivable   | 377,559                     | (70,528)                   |
| Changes in operating assets and liabilities:  |                             |                            |
| Grants receivable   | 10,050,000                  | (19,700,000)               |
| Pledges receivable  | (1,932,300)                 | 300,000                    |
| Prepaid expenses  | (3,788)                     | (1,780)                    |
| Grants payable  | 306,060                     | 979,282                    |
| Accounts payable and accrued expenses   | 6,495                       | (7,531)                    |
| <b>Net cash provided by operating activities</b>  | <b><u>5,734,834</u></b>     | <b><u>1,750,525</u></b>    |
| Cash Flows from Investing Activities:   |                             |                            |
| Proceeds from sale of investments   | 500,000                     | 1,300,000                  |
| <b>Net cash provided by investing activities</b>  | <b><u>500,000</u></b>       | <b><u>1,300,000</u></b>    |
| <b>Net Increase in Cash and Restricted Cash</b>   | <b>6,234,834</b>            | <b>3,050,525</b>           |
| <b>Cash and Restricted Cash, beginning of year</b>  | <b><u>5,128,304</u></b>     | <b><u>2,077,779</u></b>    |
| <b>Cash and Restricted Cash, end of year</b>  | <b><u>\$ 11,363,138</u></b> | <b><u>\$ 5,128,304</u></b> |
| <b>Reconciliation to Statement of Financial Position:</b>                                   |                             |                            |
| Cash  | \$ 3,629,988                | \$ 2,080,964               |
| Restricted cash   | 7,733,150                   | 3,047,340                  |
| <b>Cash and Restricted Cash, end of year</b>  | <b><u>\$ 11,363,138</u></b> | <b><u>\$ 5,128,304</u></b> |
| <b>Supplemental Cash Flow Information, noncash investing activities:</b>                    |                             |                            |
| During 2021, the Foundation received a noncash contribution of investments                  | <b><u>\$ 1,913,678</u></b>  | <b><u>\$ -</u></b>         |

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

**1. Nature of Operations**

Target ALS Foundation, Inc. (the Foundation), a not-for-profit Delaware corporation operating in New York, New York, was incorporated on December 3, 2015 to promote, support, and further the funding of medical and scientific research to accelerate drug discovery and development for Amyotrophic Lateral Sclerosis (ALS). The Foundation pursues its mission by awarding grants to fund ALS - related research.

**2. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Foundation is presented to assist the reader in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

***Comparative Financial Information***

The accompanying financial statements include certain prior year summarized comparative information without accompanying note disclosures and certain functional expense information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements and related notes to the financial statements for the year ended December 31, 2020, from which the summarized information was derived.

***Financial Statement Presentation***

The Foundation prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

***Net Assets without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which make them unavailable for use at management's discretion.

***Net Assets with Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation had no net assets to be maintained in perpetuity as of December 31, 2021.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

***Investments and Fair Value Measurement***

The Foundation measures its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Foundation has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Foundation's own data.

The Foundation reports investments at fair value on a recurring basis. The investments are classified as level 1 within the fair value hierarchy.

Level 1 investments owned by the Foundation and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date, or in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Realized and unrealized gains and losses on investments are reported as changes in net assets without donor restrictions, unless gains and losses on investments are restricted by a donor's explicit stipulation or by a law that extends a donor's restriction.

Dividends and interest are recorded as received, which does not differ materially from the accrual basis. Purchases and sales of securities are recorded on the trade date.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

***Grants and Pledges Receivable***

The Foundation carries its receivables at net realizable value. Pledges receivable consist of unconditional promises to give. Amounts that are expected to be collected within one year are recorded at net realizable value. Receivables expected to be collected after more than one year are recorded at the present value of the estimated future cash flows to be received. On a periodic basis, the Foundation evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions.

The Foundation does not accrue interest on receivables. A receivable is considered past due if payment has not been received within stated terms. The Foundation will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged against the allowance for doubtful accounts. At December 31, 2021, management determined that no allowance for doubtful accounts was necessary.

***Restricted Cash***

Restricted cash consists of funds which are restricted by donors for specific long-term purposes.

***Grants Payable***

Unconditional research grants are recognized in the financial statements when they are recommended and approved by the Independent Review Committee (IRC) and the Chief Advisor of the Foundation. Conditional research grants are expensed by the Foundation as the researchers substantially meet the terms and conditions of the grant during the grant period.

***Revenue Recognition***

The Foundation recognizes contributions and grant income in the year in which the contribution or grant is made. Conditional promises to give are recognized in the period in which the condition is met. Contributions and grants are recorded either as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. However, it is the policy of the Foundation to recognize restricted contributions and grants that are both received and fully expended during the current fiscal year as net assets without donor restrictions.

Donated assets are recorded as contributions at their fair value on the date of donation.

***Allocation of Expenses***

The Foundation's operating costs have been allocated between research grants, management and general and development based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated based on personnel cost. Development expenses consist of fundraising expenses.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

***Income Taxes***

The Foundation is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. The Foundation is considered a Private Foundation under Section 170(b); therefore, it pays an excise tax on its net investment income at either 1% or 2%, depending on the ratio of qualifying disbursements to the fair value of Foundation assets. The qualifying disbursements include amounts paid to qualifying charities. Management believes that the Foundation operates in a manner consistent with its tax-exempt status. The Foundation has notified the Internal Revenue Service (IRS) of its intention to convert to a public charity, and the IRS has ruled that grantors and contributors may consider Target ALS Foundation, Inc. a public charity for the purpose of making contributions to the Foundation.

The Foundation annually files IRS Form 990-PF – Return of Private Foundation reporting various information that the IRS uses to monitor the activities of private foundations. The Foundation currently has no tax examinations in progress.

***Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

***Subsequent Events***

The Foundation has evaluated subsequent events through March 29, 2022, which is the date these financial statements were available to be issued.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2021:

|  |                            |
|--|----------------------------|
| Financial assets:  |                            |
| Cash   | \$ 3,629,988               |
| Investments  | 2,015,656                  |
| Grants receivable  | 9,678,336                  |
| Pledges receivable   | 3,066,743                  |
| Restricted cash  | <u>7,733,150</u>           |
| Total financial assets   | 26,123,873                 |
|  |                            |
| Less: financial assets unavailable for general expenditure:                            |                            |
| Receivables scheduled to be collected in more than one year                            | 2,516,743                  |
| Required to satisfy donor purpose restrictions within one year                         | <u>17,608,120</u>          |
| Total financial assets unavailable for general expenditure                             | <u>20,124,863</u>          |
|  |                            |
| Financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 5,999,010</u></u> |

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Foundation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to budgets. Adjustments are made to the plan as needed to ensure adequate liquidity.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**



**4. Investments**

Investments consisted of the following:

Level 1:

|                    |           |
|--------------------|-----------|
| Money market funds | \$ 80,224 |
|--------------------|-----------|

Common stock:

|                        |           |
|------------------------|-----------|
| Basic materials        | 8,816     |
| Communication services | 1,008,790 |
| Consumer goods         | 39,815    |
| Energy                 | 42,611    |
| Financial              | 109,073   |
| Healthcare             | 135,949   |
| Industrial goods       | 71,162    |
| Technology             | 507,221   |
| Utilities              | 11,995    |
| Total common stock     | 1,935,432 |

|                   |              |
|-------------------|--------------|
| Total investments | \$ 2,015,656 |
|-------------------|--------------|

**5. Pledges and Grants Receivable**

Pledges receivable consist of unconditional promises to give from contributors over the next five years to support the Foundation's mission.

The present value of pledges and grants receivable has been calculated using an interest rate of 1.26%, which approximates the Federal Reserve five-year Treasury bill rate.

Pledges receivable are due as follows:

|                              |              |
|------------------------------|--------------|
| Within one year              | \$ 550,000   |
| One to five years            | 2,582,300    |
|                              | 3,132,300    |
| Less present value component | 65,557       |
| Pledges receivable, net      | \$ 3,066,743 |

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**



Grants receivable are due as follows:

Year Ending

|                              |              |
|------------------------------|--------------|
| December 31, 2023            | \$ 5,000,000 |
| December 31, 2024            | 5,000,000    |
|                              | 10,000,000   |
| Less present value component | 321,664      |
| Grants receivable, net       | \$ 9,678,336 |

**6. Conditional Promise to Give**

In August 2019, the Foundation entered into a funding agreement with a similar non-profit organization (the Organization) in the scientific research community. The agreement stipulates that the Organization will award the Foundation four payments totaling \$2,500,000 through July 2021, with a goal of collaborative research development, under the condition that the Foundation matches each of those payments. As of December 31, 2021, the Foundation has received and matched a total of \$2,500,000.

**7. Net Assets**

A summary of net assets is as follows:

|  |               |
|--|---------------|
| Net Assets without Donor Restrictions          |               |
| Undesignated – available for operations        | \$ 4,579,135  |
| Total net assets without donor restrictions    | 4,579,135     |
| Net Assets with Donor Restrictions             |               |
| Subject to expenditure for specified purposes: |               |
| ALS research development                       | 15,957,562    |
| Gates Ventures grant                           | 1,000,000     |
| TDP-43 biomarker initiative                    | 282,150       |
| Biorepository initiative                       | 200,000       |
| Biogen collection project                      | 100,413       |
| Jackson Hole Breakthrough Fund                 | 67,995        |
|  | 17,608,120    |
| Subject to time restriction                    | 2,516,743     |
| Total net assets with donor restrictions       | 20,124,863    |
| Total net assets                               | \$ 24,703,998 |



**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

***ALS Research Development***

Funds have been restricted to support programmatic efforts to accelerate discovery, validation and development of new ALS therapeutic targets and biomarkers, and foster interactions between academia and industry.

***Gates Ventures Grant***

Funds have been restricted to accelerating the development of Biofluid-based Biomarkers that are applicable to ALS, Alzheimer's disease and frontotemporal lobar degeneration. Gates Ventures will provide \$1,000,000 to the Foundation to support this initiative; however, the Foundation will also be required to contribute \$1,400,000 to investigators that are part of the approved collaborative consortia.

***TDP-43 Biomarker Initiative***

Funds have been restricted with the goal of developing improved immunoassays that can accurately measure and quantify TDP-43 in human biofluids, which would have tremendous impact on clinical research and therapeutic development for ALS and other neurodegenerative diseases.

***Biorepository Initiative***

Funds have been restricted to support the acquisition of and the data migration to the BioLims biorepository database. The database will centralize samples and associated clinical data available for use by the neurodegenerative research community to further clinical research.

***Biogen Collection Project***

Funds have been restricted to support the biofluid core sites that collect patient specimens for clinical research.

***Jackson Hole Breakthrough Fund***

Funds have been restricted for accelerating discovery forum and reception.

**8. Commitments**

The Foundation enters into conditional commitments annually to award scientific research grants. All research distribution-making decisions are made by the Independent Review Committee (IRC) and are reviewed by the Conflict-of-Interest Committee to ensure the IRC has no stake in the projects selected. Subject to annual review and reapproval process, these distributions generally cover a period of one to two years. Research commitments at December 31, 2021 are reported as grants payable in the accompanying statement of financial position. Subsequent to year-end, the Foundation committed to future research distributions in the amount of approximately \$1,683,200 for the year ending December 31, 2022.

**TARGET ALS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

Except as previously provided for by restricted gifts, the Foundation's ability to meet these distribution commitments may be dependent on future contributions to be received.

**9. Related Party Transactions**

During the year ended December 31, 2021, the Foundation received a contribution from a board member of approximately \$4,000,000.

**10. Retirement Plan**

The Foundation sponsors a defined contribution plan under Internal Revenue Code Section 403(b). The plan covers all employees over 21 years old, excluding temporary employees. In addition, the Foundation elects to make a noncontributory match equal to 4% of total wages. Employer contributions of approximately \$35,500 were made to the plan during the year ended December 31, 2021.

**11. Concentrations of Risks**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash, grants and pledges receivable and investments.

The Foundation maintains its bank accounts in one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the Foundation's cash balance may exceed the limit. Cash balances in excess of \$250,000 are generally uninsured. Management is aware of this potential loss exposure and has adopted a practice of depositing funds only with highly capitalized financial institutions. Management does not believe significant credit risk exist at year end.

At December 31, 2021, all of the Foundation's grants receivable was due from one grantor. At December 31, 2021, the Foundation's outstanding pledges receivable were due from three contributors, one of which represents approximately 65% of pledges receivable. Management has performed an analysis of these receivables at year end and does not believe that there is a significant credit risk related to those receivables.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such change could materially affect investment balances and activity included in the financial statements. At year end, management does not believe that significant credit risk exists relative to the investments.

**TARGET ALS FOUNDATION, INC.**  
**PROGRAM ACCOMPLISHMENTS (UNAUDITED)**  
**Year Ended December 31, 2021**

The Foundation continues to make strides toward its mission to promote, support and further the funding of medical and scientific research to accelerate drug discovery and development for ALS. Select accomplishments during 2021 include the following:

- The collaborative funding projects launched in 2019 continue in partnerships with the Association for Frontotemporal Degeneration (AFTD) to discover and develop new drug targets and biomarkers for both ALS and Frontotemporal Degeneration. The six grant projects involve collaborative work at seventeen academic and industry sites.
- Continued to expand the Foundation's core facilities, which are comprised of a network of academic centers and contract research organizations that, for the first time in the history of the disease, provide access to critical ALS research tools and resources to scientists. Seven Biofluid Core sites received initial funding to begin the collection of biofluids from ALS patients and family controls. Modeled like the Post Mortem Tissue Core these samples are stored and shared at no cost to the research community both in academia and industry. A BioLims repository database was purchased during the first quarter of 2021. This repository is a shared resource of not only samples of all types, but critical clinical data stored as an open community resource.
- Launched the Biomarker Initiative with the first round of grant recipients identified and three sites receiving their first funding. This critical program involves research to identify markers that may lead to definitive clinical tests to diagnose ALS. Early diagnosis would allow for more aggressive treatment to slow symptom progression.