RESTLESS LEGS SYNDROME FOUNDATION, INC.

FINANCIAL STATEMENTS
and INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2018 and 2017

RESTLESS LEGS SYNDROME FOUNDATION, INC.

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GLASS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Board of Directors
Restless Legs Syndrome Foundation, Inc.
Austin, TX

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Restless Legs Syndrome Foundation, Inc. (Foundation) which comprise the statement of financial position as of September 30, 2018, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Restless Legs Syndrome Foundation, Inc. as of September 30, 2018, 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.

500 W. 5th Street, Suite 1210 Austin, Texas 78701 (512) 480-8182 FAX: (512) 498-0813

Other Matters

The financial statements of Restless Legs Syndrome Foundation, Inc. as of September 30, 2017, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated December 14, 2017.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Glass & Company

GLASS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

December 19, 2018

RESTLESS LEGS SYNDROME FOUNDATION, INC.

STATEMENTS of FINANCIAL POSITION

	September 30, 2018	September 30, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 157,786	$ 133,770
Investments	-	154,722
Prepaid expenses	19,798	14,034
Total Current Assets	177,584	302,526
INVESTMENTS at FAIR VALUE	288,766	223,289
PROPERTY and EQUIPMENT, net	26,600	53,300
OTHER ASSETS:		
Security deposit	1,600	1,600
Total Other Assets	1,600	1,600
Total Assets	$ 494,550	$ 580,715
LIABILITIES and NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 50,245	$ 3,192
Grants payable, current portion	36,296	91,074
Accrued expenses	29,460	32,560
Total Current Liabilities	116,001	126,826
GRANTS PAYABLE, long-term portion	-	35,979
Total Liabilities	116,001	162,805
NET ASSETS:		
Unrestricted	148,802	321,674
Temporarily restricted	229,747	96,236
Total Net Assets	378,549	417,910
Total Liabilities and Net Assets	$ 494,550	$ 580,715

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

RESTLESS LEGS SYNDROME FOUNDATION, INC.

STATEMENT of ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUE and SUPPORT:			
Contributions	$ 465,598	$ 176,212	$ 641,810
Membership dues	137,352	-	137,352
Investment return	11,631	-	11,631
Other	262	-	262
Net assets released from restrictions	42,701	(42,701)	-
Total Revenue and Support	657,544	133,511	791,055
EXPENSES:			
Program services:			
Education	493,624	-	493,624
Membership	159,124	-	159,124
Research	9,668	-	9,668
Support groups	29,711	-	29,711
Support services:			
Fundraising	65,237	-	65,237
Management and general	73,052	-	73,052
Total Expenses	830,416	-	830,416
CHANGE in NET ASSETS	(172,872)	133,511	(39,361)
NET ASSETS:			
Beginning Balance	321,674	96,236	417,910
Ending Balance	$ 148,802	$ 229,747	$ 378,549

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

RESTLESS LEGS SYNDROME FOUNDATION, INC.

STATEMENT of ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUE and SUPPORT:			
Contributions	$ 492,173	$ 133,316	$ 625,489
Membership dues	126,178	-	126,178
Investment return	39,390	-	39,390
Other	1,707	-	1,707
Net assets released from restrictions	182,332	(182,332)	-
Total Revenue and Support	841,780	(49,016)	792,764
EXPENSES:			
Program services:			
Education	377,049	-	377,049
Membership	174,970	-	174,970
Research	190,740	-	190,740
Support groups	30,841	-	30,841
Support services:			
Fundraising	61,699	-	61,699
Management and general	72,149	-	72,149
Total Expenses	907,448	-	907,448
CHANGE in NET ASSETS	(65,668)	(49,016)	(114,684)
NET ASSETS:			
Beginning Balance	387,342	145,252	532,594
Ending Balance	$ 321,674	$ 96,236	$ 417,910

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

RESTLESS LEGS SYNDROME FOUNDATION, INC.

STATEMENTS of CASH FLOWS

	Year Ended September 30, 2018	2017
CASH FLOWS from OPERATING ACTIVITIES:		
Change in net assets	$ (39,361)	$ (114,684)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	26,700	26,700
Unrealized (gain) loss on investments	5,242	(22,133)
Change in current assets:		
Contributions receivable	-	7,000
Prepaid expenses	(5,764)	(323)
Change in current liabilities:		
Accounts payable	47,053	(31,271)
Grants payable	(90,757)	108,678
Accrued expenses	(3,100)	(1,831)
Net Cash Used by Operating Activities	(59,987)	(27,864)
CASH FLOWS from INVESTING ACTIVITIES:		
Sales of investments	115,178	150,052
Purchases of investments	(31,175)	(129,095)
Net Cash Provided by Investing Activities	84,003	20,957
NET INCREASE (DECREASE) in CASH and CASH EQUIVALENTS	24,016	(6,907)
CASH and CASH EQUIVALENTS:		
Beginning Balance	133,770	140,677
Ending Balance	$ 157,786	$ 133,770

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

RESTLESS LEGS SYNDROME FOUNDATION, INC.

NOTES to FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Restless Legs Syndrome Foundation, Inc., (the Foundation) is a nonprofit organization founded in 1992 to advance research of Restless Legs Syndrome (RLS), also known as Willis-Ekbom disease; aid individuals with RLS and their families in the understanding of RLS, and the related challenges to living with the disorder; alert physicians to recognize RLS and to increase their awareness of available medications; and to inform the general public through mass media that RLS is a neurological disorder, one which damages the physical, social and family lives of its victims.

The Foundation's primary sources of revenue are membership contributions and additional solicited contributions from the public and corporate grants. The Foundation's mission includes support for the following programs:

- Membership – the Foundation distributes quarterly news magazine to members and monthly online e-newsletter to informing readers of the latest treatments for RLS and updates on research and provides a network of Quality Care Centers staffed by RLS experts (see Note 9);
- Education – the Foundation provides informational brochures and handouts to individuals who suffer from RLS and helps educate health care professionals and patients about RLS;
- Research – the Foundation supports and funds research projects related to RLS;
- Support groups – the Foundation provides individuals the opportunities to discuss managing the disorder and a mechanism to share ideas with others through support groups.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets—Unrestricted net assets are net assets that are not subject to donor-imposed restrictions. They include unrestricted net assets available to the Foundation for carrying out daily operations. Also, they include board designated unrestricted net assets, which represent self-imposed limitations on the use of unrestricted net assets and are therefore included in unrestricted net assets. Unrestricted net assets were $148,802 and $321,674 as of September 30, 2018 and 2017, respectively.

Temporarily Restricted Net Assets—Temporarily restricted net assets represent those net assets whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. It includes gifts for which donor imposed restrictions have not been met and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted. Temporarily restricted net assets were $229,747 and $96,236 as of September 30, 2018 and 2017, respectively.

Permanently Restricted Net Assets—Permanently restricted net assets represent those net assets whose use has been limited by donor-imposed stipulations that they must be maintained in perpetuity, the income of which is to be used by the Foundation in accordance with the stipulations imposed by the donor. Permanently restricted net assets were $0 as of September 30, 2018 and 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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 reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if received by donation. The Foundation capitalizes assets with a useful life of more than one year. Provision has been made for depreciation of property and equipment using the straight-line method over the estimated useful lives of the assets. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the account. Any gain or loss on the sale or retirement is recognized in current operations.

Fair Value of Financial Instruments

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC), investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Gains and losses on investments are reported in the statements of changes in net assets as increases or decreases in net assets.

The Foundation has adopted the provisions of the *Fair Value Measurements* section of FASB's ASC. The Foundation determines fair value consistent with the hierarchy established in this guidance which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Valuation techniques utilized to determine fair value are consistently applied. See Note 3 for further information.

Contributions and Contributions Receivable

Contributions, including promises to give, are recorded as made. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as temporarily restricted net assets if the donor restricts the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period; otherwise, the restriction expires when the assets are placed in service. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions receivable are recognized as revenues when the donor's commitment is received and at the estimated present value of the future net cash flows, net of allowances. The Foundation has not set up an allowance for uncollectible receivables at September 30, 2018 and 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various promotional programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation.

Federal Income Tax Status

Restless Legs Syndrome Foundation, Inc. is a not-for-profit organization exempt from federal income taxes on their operating income under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income, if any.

The most significant tax positions of the Foundation are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Foundation had no activity subject to UBIT during the fiscal years ended September 30, 2018 and 2017. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Foundation is required to file Form 990 (Return of Organization Exempt from Income Tax), which is subject to examination by the Internal Revenue Service (IRS) generally up to three years from the later of the original due date or the date the tax return was filed. With few exceptions the Foundation is no longer subject to income tax examinations by the U.S. Federal, State, or local tax authorities for years before 2015.

Donated Services

The Foundation receives donated services from volunteers who make contributions of time in conjunction with programs and services. No amounts have been recognized for these services in the accompanying statements of activities because the criteria for recognition of such volunteer effort as contributed services has not been satisfied.

Recent Accounting Pronouncements

The following recent accounting pronouncements and potential impact on the Foundation’s financial statements are being evaluated by the Foundation:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which provides guidance to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity’s liquidity, financial summary of significant accounting policies performance, and cash flows. These amendments change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. The ASU will be effective commencing with Foundation’s year ending September 30, 2019. Early adoption is permitted.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. This ASU’s core principle is that an entity will recognize revenue when it transfers promised goods and services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods and services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements, and retrospective or modified retrospective adoption. The ASU will be effective commencing with the Foundation's year ending September 30, 2020. Early adoption of this ASU is allowed no sooner than the original effective date.

In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842). Lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The ASU will be effective commencing with the Foundation's year ending September 30, 2021. Early adoption is permitted.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year financial statement presentation. Such reclassifications have no effect on the change in net assets or net assets as previously reported.

Subsequent Events

Subsequent events have been evaluated through December 19, 2018, the date on which these financial statements were available to be issued.

2. INVESTMENTS AT FAIR VALUE

Investments are carried at fair value based on quoted market prices in active markets and consisted of the following at September 30, 2018 and 2017:

	2018	2017
Equities	$ 24,483	$ 38,520
Bonds/ Fixed income	66,417	83,616
Mutual Funds	197,866	255,875
Total Investments at Fair Value	$ 288,766	$ 378,011

The following schedule summarizes the investment earnings for the fiscal year ended September 30, 2018 and its classification in the statements of activities:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 16,873	$ -	$ -	$ 16,873
Net realized and unrealized losses	(5,242)	-	-	(5,242)
Net Investment Return	$ 11,631	$ -	$ -	$ 11,631

2. INVESTMENTS AT FAIR VALUE (CONTINUED)

The following schedule summarizes the investment earnings for the fiscal year ended September 30, 2017 and its classification in the statements of activities:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 17,277	$ -	$ -	$ 17,277
Net realized and unrealized gains	22,113	-	-	22,113
Net Investment Return	$ 39,390	$ -	$ -	$ 39,390

3. FAIR VALUE MEASUREMENTS

ASC 820-10 establishes a framework for measuring fair value. That framework provides 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) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value as of September 30, 2018 and 2017. There have been no changes in methodologies used at September 30, 2018 and 2017.

Equities, Fixed Income, and Mutual Funds - All financial assets are valued by the closing prices reported on the active market on which the individual securities are traded.

3. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Foundations assets at fair value:

	Assets at Fair Value as of September 30, 2018			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Investments:				
Equities	$ 24,483	$ -	$ -	$ 24,483
Bonds/ Fixed income	66,417	-	-	66,417
Mutual Funds	197,866	-	-	197,866
Total Assets at Fair Value	$ 288,766	$ -	$ -	$ 288,766

	Assets at Fair Value as of September 30, 2017			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Investments:				
Equities	$ 38,520	$ -	$ -	$ 38,520
Bonds/ Fixed income	83,616	-	-	83,616
Mutual Funds	255,875	-	-	255,875
Total Assets at Fair Value	$ 378,011	$ -	$ -	$ 378,011

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2018 and 2017:

	2018	2017
Property and equipment	$ 80,000	$ 80,000
Less: accumulated depreciation	(53,400)	(26,700)
Property and Equipment, net	$ 26,600	$ 53,300

Total depreciation expense was $26,700 for the fiscal years ended September 30, 2018 and 2017.

5. GRANTS PAYABLE

At September 30, 2018 and 2017, the Foundation has the following grants payable outstanding:

	2018	2017
Massachusetts General Hospital (Winkelman) Grant	$ 36,296	$ 108,553
Methodist Research Institute (MRI) Grant	-	8,500
Total grants payable	36,296	127,053
Less: Grants payable, current portion	(36,296)	(91,074)
Grants payable, long-term portion	$ -	$ 35,979

5. GRANTS PAYABLE (CONTINUED)

During the fiscal year ended September 30, 2018 and 2017, the Foundation made grant payments totaling $72,257 and $35,979, respectively, on the Winkelman (Massachusetts General) grant. During the fiscal year ended September 30, 2018 and 2017, the Foundation made grant payments totaling $18,500 and $18,500, respectively, on the Ondo (Methodist) grant.

6. NET ASSETS

The summary of the activity in the temporarily restricted net assets during the fiscal year ended September 30, 2018 is as follows:

	Beginning Balance	Grants and Donations Received	Releases from Restriction	Ending Balance
General research	$ -	$ 104,400	$ -	$ 104,400
Quality care centers	4,704	-	(200)	4,504
XenoPort / Arbor grants	44,558	3,587	(1,640)	46,505
Canada	24,338	-	-	24,338
Opioid initiative	22,636	18,225	(40,861)	-
Physicians' webinar	-	50,000	-	50,000
Total Temporarily Restricted Net Assets	$ 96,236	$ 176,212	$ (42,701)	$ 229,747

The summary of the activity in the temporarily restricted net assets during the fiscal year ended September 30, 2017 is as follows:

	Beginning Balance	Grants and Donations Received	Releases from Restriction	Ending Balance
General research	$ 93,015	$ 80,680	$ (173,695)	$ -
Quality care centers	4,704	-	-	4,704
XenoPort / Arbor grants	23,195	30,000	(8,637)	44,558
Canada	24,338	-	-	24,338
Opioid initiative	-	22,636	-	22,636
Total Temporarily Restricted Net Assets	$ 145,252	$ 133,316	$ (182,332)	$ 96,236

7. EMPLOYEE BENEFIT PLAN

The Foundation provides retirement benefits to full time employees through contributions to a Simplified Employee Pension plan. Contributions are equal to ten percent of employee compensation. Plan contributions for the fiscal years ended September 30, 2018 and 2017 were $15,821 and $16,651, respectively.

8. COMMITMENTS AND CONTINGENCIES

The Foundation has entered into an office lease agreement for their office space. The rent expense under this office lease agreement was $41,481 and $37,046 for the fiscal years ended September 30, 2018 and 2017, respectively. The Foundation also had lease agreements for a copier and a postal machine. Additionally, the Foundation had commitments for software subscriptions. Future minimum payments under these agreements as of September 30, 2018 are as follows:

Year ending September 30,	
2019	$ 47,859
2020	43,106
Total Future Minimum Lease Payments	$ 90,965

9. QUALITY CARE CENTERS

To help address the challenges related to treating Restless Legs Syndrome, the Foundation manages a program to certify RLS Quality Care Centers. The Quality Care Centers, which are independently owned and operated, are staffed by leading RLS specialists who provide expert care and specialized disease management. Through education, sharing of best practices, and quality improvement projects, the Quality Care Centers program aims to improve the quality of healthcare for all people living with RLS. To achieve certification, the centers and clinicians undergo review by the Foundation's Scientific and Medical Advisory Board. Service providers must demonstrate a high level of expertise and experience in management of RLS patients with a wide range of complex and comorbid conditions associated with the disease.

RLS Quality Care Centers are recognized locations:

- where leading RLS specialists are staffed and available for RLS sufferers;
- serve as information and referral sources for regional support groups for primary care providers that treat patients with Restless Leg Syndrome;
- promote understanding of the patient and family role in quality care improvement through educational offerings and printed material;
- share information with other care centers to improve clinical best practices;
- partner with the Foundation on quality improvement projects to raise the standard of care for patients everywhere.

Quality Care Centers are renowned for outstanding performance in the field.

10. CONCENTRATIONS

Financial instruments which potentially subject the Foundation to credit risk principally consist of cash and cash equivalents and investments. To minimize this risk, the Foundation places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or Security Investment Protection Corporation (SIPC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to $250,000 per bank per entity for all interest bearing and non-interest bearing accounts. Securities are protected by the SIPC which currently protects brokerage accounts of each entity up to $500,000 in securities. Additional coverage is frequently offered by brokerage accounts for amounts in excess of the $500,000 SIPC limit. As of September 30, 2018 and 2017, the Foundation had no uninsured cash or investment balances. The Foundation has not experienced any losses in such accounts in the past.

RESTLESS LEGS SYNDROME FOUNDATION, INC.

SCHEDULE of FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2018

	Program Services				Support Services		
	Education	Membership	Research	Support Groups	Fundraising	Management and General	Total
FUNCTIONAL EXPENSES:							
Salaries and wages	$ 88,970	$ 53,821	$ 3,844	$ 21,053	$ 3,478	$ 11,900	$ 183,066
Outreach programs	107,484	-	-	-	-	-	107,484
Professional services	56,916	-	-	-	30,683	-	87,599
Printing and publications	80,841	2,035	-	-	-	2,035	84,911
Accounting and legal	12,119	12,119	-	-	-	45,015	69,253
Campaigns and appeals	41,277	-	-	-	15,010	-	56,287
Computing and software	6,438	32,026	805	805	805	805	41,684
Occupancy	29,037	8,296	415	415	829	2,489	41,481
Depreciation	18,690	6,675	-	-	1,335	-	26,700
Community interaction	7,553	16,738	-	-	-	-	24,291
SEP Contributions	7,690	4,651	332	1,819	301	1,028	15,821
Board of Directors cost	3,078	3,078	3,078	-	-	6,155	15,389
Payroll taxes	7,395	4,473	319	1,750	289	989	15,215
Postage	6,602	6,602	146	146	440	734	14,670
Office equipment and supplies	6,030	3,648	260	1,427	236	806	12,407
State registration costs	-	-	-	-	11,510	-	11,510
Awareness activities and website	5,303	-	-	354	-	-	5,657
Telephone	2,373	1,436	103	562	93	316	4,883
Insurance	2,121	1,283	92	502	83	284	4,365
Dues and subscriptions	1,900	1,150	82	450	74	254	3,910
Employee benefits	992	600	43	235	39	133	2,042
Travel	815	493	35	193	32	109	1,677
Education and research grants	-	-	114	-	-	-	114
Total Functional Expenses	$ 493,624	$ 159,124	$ 9,668	$ 29,711	$ 65,237	$ 73,052	$ 830,416
Percentage of total expense	59%	19%	1%	4%	8%	9%	100%

RESTLESS LEGS SYNDROME FOUNDATION, INC.

SCHEDULE of FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2017

	Program Services				Support Services		
	Education	**Membership**	**Research**	**Support Groups**	**Fundraising**	**Management and General**	**Total**
FUNCTIONAL EXPENSES:							
Salaries and wages	$ 91,672	$ 55,456	$ 3,961	$ 21,692	$ 3,584	$ 12,261	$ 188,626
Education and research grants	-	-	181,532	-	-	-	181,532
Professional services	54,062	-	-	-	32,438	-	86,500
Printing and publications	79,114	-	-	-	-	1,735	80,849
Accounting and legal	12,200	12,200	-	-	-	45,314	69,714
Community interaction	21,642	32,774	-	-	-	-	54,416
Computing and software	8,819	30,861	1,102	1,102	1,102	1,102	44,088
Occupancy	25,932	7,409	370	370	741	2,224	37,046
Depreciation	18,690	6,675	-	-	1,335	-	26,700
Campaigns and appeals	9,206	1,099	-	-	11,219	-	21,524
SEP Contributions	8,092	4,895	350	1,915	316	1,083	16,651
Postage	7,463	7,463	166	166	498	829	16,585
Payroll taxes	7,574	4,582	327	1,792	296	1,013	15,584
Awareness activities and website	14,962	-	-	171	-	-	15,133
Board of Directors cost	2,268	2,268	2,268	-	-	4,534	11,338
Office equipment and supplies	5,383	3,257	233	1,274	210	720	11,077
State registration costs	-	-	-	-	9,570	-	9,570
Employee benefits	2,625	1,588	113	621	103	351	5,401
Dues and subscriptions	2,095	1,267	91	496	82	280	4,311
Telephone	2,067	1,251	89	489	81	277	4,254
Insurance	1,827	1,105	79	432	71	245	3,759
Travel	1,356	820	59	321	53	181	2,790
Total Functional Expenses	$ 377,049	$ 174,970	$ 190,740	$ 30,841	$ 61,699	$ 72,149	$ 907,448
Percentage of total expense	42%	19%	21%	3%	7%	8%	100%