

DENNIS J. SMITH LEGACY FOUNDATION

2011 ANNUAL REPORT

Background

Dennis J. Smith died of Amyotrophic Lateral Sclerosis in 2007 at age 56. Denny's life of service inspired his nieces and nephews to establish the Dennis J. Smith Legacy Foundation as a tribute to Denny. The Legacy Foundation promotes the values Denny exhibited throughout his life, serving the community, promoting education and helping the less fortunate.

ALS Research Breakthroughs in 2011

Amyotrophic Lateral Sclerosis, more commonly known as Lou Gehrig's disease, is a progressive, degenerative disease affecting motor neurons. The motor neurons carrying impulses from the brain to the muscles cease function and eventually die, causing muscle weakness, difficulty speaking and swallowing and ultimately paralysis and death. Approximately 35,000 people in the United States are living with ALS. Onset of symptoms usually occurs between the ages of 35 and 65 but ALS can strike at any age.

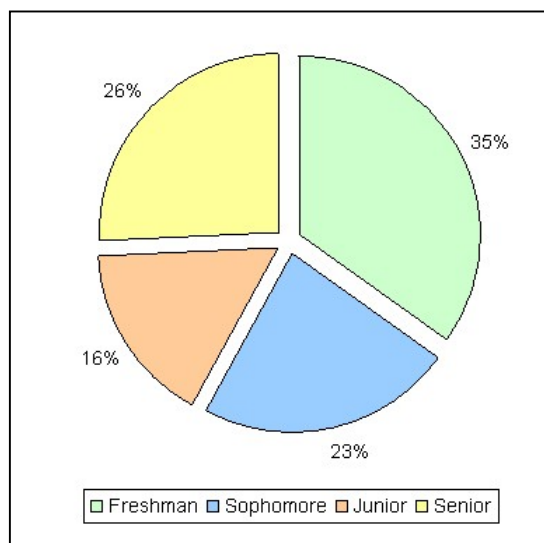
2011 was a significant year for ALS research. Scientists have struggled to identify the underlying disease process of ALS and until recently were not even sure that a common disease process was associated with all forms of ALS. In a study published in the August 21, 2011 edition of the journal Nature, Northwestern University researchers reported they found that the basis of ALS is a malfunctioning protein recycling system in the neurons of the brain and spinal cord. Efficient recycling of the protein building blocks in the neurons is critical for optimal functioning of the neurons. The neurons become severely damaged when they can not repair or maintain themselves. This problem occurs in all three types of ALS: hereditary, sporadic and ALS that targets the brain, the researchers said. Ultimately, the apparent discovery of a common cause of all forms of ALS means that there is a common target for drug therapy and will help efforts to find a treatment for the disease, according to the researchers.

Donations in 2011

The Dennis J. Smith Legacy Foundation made donations of \$49,000 in 2011. The Legacy Foundation donations supported Bishop McNamara Catholic High School, Kankakee Community College and the Les Turner ALS Foundation.

Recipients of Legacy Foundation Scholarships to Bishop McNamara Catholic High School

The Legacy Foundation awarded partial scholarships to 15 students at Bishop McNamara Catholic High School during the 2011-2012 academic year. The breakdown of the recipients' year in school is noted on the pie chart to the right.



Foundation Assets and Liabilities

As of December 31, 2011, the Foundation had approximately \$203,000 in assets, consisting of \$45,000 in cash/short-term investments and \$158,000 in the Foundation's endowment fund. The purpose of the endowment fund is to ensure the Dennis J. Smith Legacy Foundation can continue to support local students and ALS research well into the future. A portion of the proceeds from The Denny are invested in the endowment fund annually. The funds in the endowment are invested with a long-term focus and with the expectation that they will not be dedicated to any short-term objectives or expenses. The endowment fund had a negative 3.12% return in 2011. The net return on the endowment fund since it was established in August 2008 is 9.74%.

The Legacy Foundation does not have any formal liabilities. However, it has committed to renewing Legacy Foundation support for current scholarship recipients at Bishop McNamara Catholic High School through their high school graduation. The total cost of students returning to BMCHS for the 2012-13 academic year is \$25,420.

The Denny, 2012

The date of The Denny in 2012 is Monday July 23. We will email save the date notices in March and mail invitations in May.

Dated this 20th day of January, 2012.