

NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2008

INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENT OF CASH FLOWS – INDIRECT METHOD	4
NOTES TO FINANCIAL STATEMENTS.....	5



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alzheimer's Disease Research Foundation
d/b/a Cure Alzheimer's Fund

We have audited the accompanying statements of financial position of **Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund** (A Non Profit Organization) as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets and cash flows – indirect method for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the 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 financial statement presentation. 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 **Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund** as of December 31, 2008 and 2007, and the activities and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

March 27, 2009

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2008	2007
ASSETS		
Cash and cash equivalents	\$ 2,066,159	\$ 2,304,795
Contributions receivable and un-deposited funds	616,878	130,740
Pledges receivable	165,493	270,782
Deposits - donor advised funds	20,533	23,920
Fixed assets, net	50,238	14,557
Other assets	4,683	3,375
TOTAL ASSETS	\$ 2,923,984	\$ 2,748,169
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 71,996	\$ 7,754
TOTAL LIABILITIES	71,996	7,754
NET ASSETS		
Unrestricted	2,686,495	2,469,633
Temporarily restricted	165,493	270,782
TOTAL NET ASSETS	2,851,988	2,740,415
TOTAL LIABILITIES AND NET ASSETS	\$ 2,923,984	\$ 2,748,169

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

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31	
	2008	2007
UNRESTRICTED NET ASSETS		
Revenue and other support:		
Contributions	\$ 3,017,928	\$ 3,500,003
Donated services	39,366	30,081
Investment income	66,188	97,368
Realized gain (loss) on sale of stocks	8,437	(2,756)
Unrealized gain (loss) on donor advised funds	(2,571)	2,404
Net assets released from restrictions, pledges collected	127,000	78,750
TOTAL REVENUE AND OTHER SUPPORT	3,256,348	3,705,850
Expenditures:		
Program grants, donations, and other program expenses	2,520,036	2,549,788
Management and general	227,093	231,354
Fundraising	292,357	236,204
TOTAL EXPENDITURES	3,039,486	3,017,346
INCREASE IN UNRESTRICTED NET ASSETS	216,862	688,504
TEMPORARILY RESTRICTED NET ASSETS		
Pledges-current year	7,500	50,000
Net assets released from restrictions, pledges collected	(127,000)	(78,750)
Net discount/amortizations of pledges	14,211	10,200
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(105,289)	(18,550)
CHANGES IN NET ASSETS	111,573	669,954
NET ASSETS AT BEGINNING OF YEAR	2,740,415	2,070,461
NET ASSETS AT END OF YEAR	\$ 2,851,988	\$ 2,740,415

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

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

STATEMENTS OF CASH FLOWS - INDIRECT METHOD

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 111,573	\$ 669,954
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Contribution of stocks	(552,913)	(1,169,138)
Contribution of equipment		(2,150)
Depreciation	6,783	4,330
Realized (gain) loss on sale of stocks	(8,437)	2,756
Unrealized (gain) loss on donor advised funds	2,571	(2,404)
Changes in operating assets and liabilities		
Contributions receivable - un-deposited funds	(486,138)	(130,740)
Pledges receivable	105,289	18,550
Due from The Pittsburg Foundation, collected	-	132,164
Deposit - donor advised funds	816	1,504
Other assets	(1,308)	(562)
Accounts payable and accrued expenses	64,242	(14,183)
	<u>(757,522)</u>	<u>(489,919)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and website development costs	<u>(42,464)</u>	<u>(8,049)</u>
	<u>(42,464)</u>	<u>(8,049)</u>
NET CASH (USED) BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of contributed stocks	<u>561,350</u>	<u>1,166,382</u>
	<u>561,350</u>	<u>1,166,382</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(238,636)	668,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,304,795</u>	<u>1,636,381</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,066,159</u>	<u>\$ 2,304,795</u>

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

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 1 – BUSINESS

Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund ("CAF") is a non profit organization that was incorporated on September 3, 2004 to promote, support, and further the purposes of the organization by funding medical and scientific research with the potential to identify the causes of, and potential cures for, Alzheimer's and Alzheimer's related diseases. CAF pursues its mission by awarding grants to fund Alzheimer's-related research.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and money market funds which have original maturities of three months or less.

Cash deposits in excess of the Federal Deposit Insurance Corporation's coverage limit, held at a Boston, Massachusetts bank, amounted to \$186,885 and \$0 at December 31, 2008 and 2007, respectively. Funds held in uninsured money market funds amounted to \$1,636,475 and \$1,947,402 at December 31, 2008 and 2007, respectively.

Contributions Receivable, Un-deposited Funds – Contributions received subsequent to December 31, but designated as a 2008 donation, are recorded as income and the related receivable reflected in the financial statements in the period stipulated by the donor.

Pledges Receivable – The Organization records an allowance for estimated uncollectible pledges in an amount approximating anticipated losses. Individual uncollectible pledges are written off against the allowance when collection of the individual pledge appears doubtful. At December 31, 2008 and 2007, management determined that no allowance for doubtful accounts were required.

Equipment – Equipment is recorded at cost and is depreciated using the straight-line method over the estimated useful lives of the assets (3 - 15 Years). Expenditures for routine repairs and maintenance are charged to operations as they are incurred, while those which significantly improve or extend the lives of existing assets are capitalized.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Website Development Costs – Website development costs are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets (3 years).

Contributions – Contributions are received primarily from individuals and private foundations to support the purposes of CAF. Contributions received and unconditional promises to give are classified as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. Restricted contributions are classified as unrestricted if the restrictions are satisfied in the same reporting period in which the contributions are received. Restricted net assets are transferred to unrestricted net assets upon satisfaction of the time or purpose restrictions.

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 the 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.

Contributions of donated services are recorded at their fair values in the period received. Other services have been donated. However, no value has been assigned as their value is not determinable.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on an analysis of the related activities.

Income Taxes – CAF was determined to be exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC) and has been classified as an organization that is not a private foundation as defined in Section 509(a)(3) of the IRC. Accordingly, no provisions for federal or state income taxes are required.

Grants – Grants are recommended by the board-appointed Scientific Advisory Committee and recorded when they are approved by the Board of Directors.

Concentrations of Credit Risk – Financial instruments which potentially subject CAF to concentrations of credit risk consist principally of cash and cash equivalents and pledges receivable. Concentrations of credit risk with respect to pledges receivable are limited due to the number of donors.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable consists of the following at December 31:

	<u>2008</u>	<u>2007</u>
Pledged receivable before unamortized discounts	\$ 177,500	\$ 297,000
Less unamortized discount at 5%	<u>12,007</u>	<u>26,218</u>
Net contributions receivable	<u>\$ 165,493</u>	<u>\$ 270,782</u>

Pledges receivable are expected to be received as follows:

Less than one year	\$ 101,500
One to five years	<u>76,000</u>
	<u>\$ 177,500</u>

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following at December 31:

Equipment	\$ 10,040	\$ 8,954
Website development costs	<u>55,286</u>	<u>13,908</u>
	65,326	22,862
Less accumulated depreciation	<u>(15,088)</u>	<u>(8,305)</u>
	<u>\$ 50,238</u>	<u>\$ 14,557</u>

NOTE 5 – RELATED PARTY TRANSACTIONS

CAF leased office space as a tenant at will from an affiliate of a board member amounting to \$7,000 for year ended December 31, 2007.

Three board members of CAF and their foundations contributed a total of \$1,341,686 and \$1,758,000 for year ended December 31, 2008 and 2007, respectively.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
(A Non Profit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 6 – EMPLOYEE BENEFIT PLAN

CAF sponsors a defined-contribution plan under Section 403(b) of the IRC covering all eligible employees. Employer contributions of \$1,159 and \$0 were made to the plan during the year ended December 31, 2008 and 2007, respectively.

NOTE 7 – COMMITMENTS

CAF entered into a lease agreement to rent office space through April 30, 2011. The lease provides for lease payments of \$2,000 per month. Rent expense amounted to \$24,000 in 2008 and 2007. The future minimum lease payments are as follows:

2009	\$ 24,000
2010	24,000
2011	<u>8,000</u>
	<u>\$ 56,000</u>

NOTE 8 – REVENUE RECONCILIATION

Reconciliation of the audited financial statement to Form 990 is as follows:

Audited financial statement revenue/expenditures from the statements of activities and changes in net assets (see Page 3):

	<u>2008</u>	<u>2007</u>
Unrestricted net assets		
Revenue and other support	\$ 3,256,348	\$ 3,705,850
Temporarily restricted net assets	(105,289)	(18,550)
Unrealized loss on donor advised funds	<u>2,571</u>	<u> </u>
Total revenue per financial statements	3,153,630	3,705,850
Less donated services not required for Form 990	<u>(36,915)</u>	<u>(30,081)</u>
Total revenue per Form 990, Page 1 Line 12	<u>\$ 3,116,715</u>	<u>\$ 3,675,769</u>
Expenditures per financial statements	\$ 3,039,486	\$ 3,017,346
Less donated services not required for Form 990	<u>(36,915)</u>	<u>(30,081)</u>
Total expenses per Form 990, Page 1 Line 18	<u>\$ 3,002,571</u>	<u>\$ 2,987,265</u>