

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

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

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

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund** (A Non Profit Organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows – direct method, for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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.

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

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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, 2014 and 2014, and the changes in its net assets and its cash flow – direct method, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

Canton, MA
March 30, 2015

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

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2014	2013
ASSETS		
Cash and cash equivalents	\$ 10,279,770	\$ 6,268,431
Restricted cash, documentary project funds (temporarily restricted)	104,857	191,728
Restricted cash, family reunion funds (temporarily restricted)	3,150	-
Contributions receivable, un-deposited funds	714,161	1,062,283
Pledges receivable (temporarily restricted)	3,124,815	1,221,725
Grant receivable	-	183,333
Deposits - donor advised funds	8,784	8,784
Fixed assets, net	7,932	3,226
Other assets	30,923	7,990
	\$ 14,274,392	\$ 8,947,500
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 224,089	\$ 110,402
Unexpended authorizations	-	150,000
	224,089	260,402
NET ASSETS		
Unrestricted	10,817,481	7,273,645
Temporarily restricted:		
Pledges receivable	3,125,175	1,221,725
Family reunion	3,150	-
Documentary project	104,497	191,728
	3,232,822	1,413,453
	14,050,303	8,687,098
	\$ 14,274,392	\$ 8,947,500

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

	<u>Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS		
Revenue and other support:		
Contributions	\$ 9,984,159	\$ 6,138,347
Net assets released from restrictions (pledges)	750,000	1,238,479
Donated services	21,360	29,442
Investment income	383	296
Realized gain (loss) on sale of stocks	11,037	(16,229)
Unrealized gain (loss) on donor advised funds	1,842	(521)
Other income	-	10,000
Net assets released from restrictions (documentary project)	87,231	250,135
	<hr/>	<hr/>
TOTAL REVENUE AND OTHER SUPPORT	10,856,012	7,649,949
Expenditures:		
Program expenses:		
Grants	5,351,659	4,576,000
Documentary program expenses	87,231	250,133
Other program expenses	968,536	864,011
	<hr/>	<hr/>
	6,407,426	5,690,144
Management and general	518,867	443,283
Fundraising	385,883	285,049
	<hr/>	<hr/>
TOTAL EXPENDITURES	7,312,176	6,418,476
	<hr/>	<hr/>
INCREASE IN UNRESTRICTED NET ASSETS	3,543,836	1,231,473
TEMPORARILY RESTRICTED NET ASSETS		
Pledges contributions, net	2,653,450	-
Documentary project contributions	-	250,000
Family reunion contributions	3,150	-
Net assets released from restrictions	(837,231)	(1,488,614)
	<hr/>	<hr/>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	1,819,369	(1,238,614)
	<hr/>	<hr/>
CHANGES IN NET ASSETS	5,363,205	(7,141)
	<hr/>	<hr/>
NET ASSETS AT BEGINNING OF YEAR	8,687,098	8,694,239
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NET ASSETS AT END OF YEAR	\$ 14,050,303	\$ 8,687,098
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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 - DIRECT METHOD

	Year Ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Contributions	\$ 11,259,070	\$ 6,530,754
Investment income	383	296
Other income	-	10,000
	-	10,000
Total receipts	11,259,453	6,541,050
Expenditures:		
Program:		
Grants	(5,351,659)	(4,576,000)
Documentary program expenses	(87,231)	(250,135)
Other program expenses	(1,070,752)	(761,732)
Management and general	(466,247)	(415,699)
Fundraising	(349,624)	(280,229)
	(7,325,513)	(6,283,795)
Total expenditures	(7,325,513)	(6,283,795)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,933,940	257,255
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(6,322)	-
	(6,322)	-
NET CASH (USED) BY INVESTING ACTIVITIES	(6,322)	-
INCREASE IN CASH AND CASH EQUIVALENTS	3,927,618	257,255
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,460,159	6,202,904
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 10,387,777	\$ 6,460,159

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

STATEMENTS OF CASH FLOWS - DIRECT METHOD

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 5,363,205	\$ (7,141)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Contribution of stocks	(1,890,025)	(1,437,142)
Proceeds from sale of contributed stocks	1,902,903	1,420,392
Depreciation	1,617	13,011
Realized (gain) loss on sale of stocks	(11,037)	16,229
Unrealized (gain) loss on donor advised funds	(1,842)	521
Changes in operating assets and liabilities		
Contributions receivable, un-deposited funds	348,122	(962,653)
Grant receivable	183,333	(116,667)
Pledges receivable	(1,903,090)	1,238,479
Deposit - donor advised funds	-	13,336
Other assets	(22,933)	(4,442)
Accounts payable and accrued expenses	113,687	33,332
Unexpended authorizations	(150,000)	50,000
TOTAL ADJUSTMENTS	<u>(1,429,265)</u>	<u>264,396</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,933,940</u>	<u>\$ 257,255</u>

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

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
(A Non Profit Organization)

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014				2013			
	<u>Program Grants, Donations and Other Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Grants, Donations and Other Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
PERSONNEL								
Salaries	\$ 302,079	\$ 179,962	\$ 160,681	\$ 642,722	\$ 273,503	\$ 162,938	\$ 145,481	\$ 581,922
Payroll taxes and fringe benefits	52,168	31,079	27,749	110,996	33,934	20,216	18,050	72,200
TOTAL PERSONNEL	<u>354,247</u>	<u>211,041</u>	<u>188,430</u>	<u>753,718</u>	<u>307,437</u>	<u>183,154</u>	<u>163,531</u>	<u>654,122</u>
SUPPLIES, MATERIALS, AND OTHER EXPENSES								
Advertising	2,344	-	22,918	25,262	11,030	-	18,062	29,092
Board meeting expense	-	-	-	-	-	3,461	-	3,461
Catering Expense	44,309	-	5,385	49,694	39,573	-	-	39,573
Conferences, conventions and meetings	13,726	-	759	14,485	9,218	932	1,200	11,350
Consulting expenses	142,846	3,738	41,000	187,584	35,500	1,690	8,000	45,190
Computer expense	-	10,159	-	10,159	-	15,815	-	15,815
Credit card fees	-	449	39,867	40,316	-	158	16,284	16,442
Depreciation	-	1,617	-	1,617	-	13,011	-	13,011
Donations/grants	5,351,659	-	-	5,351,659	4,576,000	-	-	4,576,000
Documentary program expenses	87,231	-	-	87,231	250,133	-	-	250,133
Dues and Subscriptions	12,442	15,473	-	27,915	10,368	11,049	-	21,417
Equipment Rental	-	3,056	-	3,056	-	2,622	-	2,622
Facility Expense	20,811	-	1,597	22,408	8,824	-	13,214	22,038
Fundraising expense	-	-	9,978	9,978	-	-	2,223	2,223
Gift processing	-	220	11,166	11,386	-	289	4,901	5,190
Government relations	50,639	-	-	50,639	49,718	-	-	49,718
Honoraria	13,500	-	-	13,500	11,216	-	-	11,216
Information and awareness	14,910	-	-	14,910	63,676	-	5,951	69,627
Insurance	-	1,158	-	1,158	-	1,945	-	1,945
Marketing materials	10,196	-	-	10,196	6,875	-	3,769	10,644
Miscellaneous	208	8,480	443	9,131	1,115	1,214	361	2,690
Office supplies	-	8,160	-	8,160	-	3,159	4,817	7,976
Office rent	-	43,389	-	43,389	-	42,720	-	42,720
Postage and shipping	41,818	-	18,491	60,309	50,142	2,710	8,605	61,457
Printing and reproduction	85,374	-	29,967	115,341	64,743	2,628	23,741	91,112
Professional services	-	175,800	-	175,800	-	130,873	-	130,873
Public relations	30,506	-	-	30,506	35,720	-	-	35,720
Social Media	66,392	-	-	66,392	120,105	-	350	120,455
State registration	626	-	5,032	5,658	2,555	-	4,992	7,547
Taxes	-	133	-	133	-	-	-	-
Telephone	-	7,084	-	7,084	-	8,630	-	8,630
Travel	63,642	11,202	10,850	85,694	36,196	11,363	5,048	52,607
Website	-	17,708	-	17,708	-	5,860	-	5,860
TOTAL SUPPLIES, MATERIALS, AND OTHER EXPENSES	<u>6,053,179</u>	<u>307,826</u>	<u>197,453</u>	<u>6,558,458</u>	<u>5,382,707</u>	<u>260,129</u>	<u>121,518</u>	<u>5,764,354</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 6,407,426</u>	<u>\$ 518,867</u>	<u>\$ 385,883</u>	<u>\$ 7,312,176</u>	<u>\$ 5,690,144</u>	<u>\$ 443,283</u>	<u>\$ 285,049</u>	<u>\$ 6,418,476</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, 2014

NOTE 1 – BUSINESS

Principal Business Activity – 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.

The cash balances may fluctuate during the year and can exceed the Federal Deposit Insurance Corporation's (FDIC) coverage limit of \$250,000. As of the balance sheet date, balances of cash and cash equivalents at financial banking institutions exceeded the federally insured limit of \$250,000 by \$2,951,066.

Contributions Receivable, Un-Deposited Funds – Contributions received subsequent to December 31, but designated as the prior year's donations, are recorded as income and the related receivable is 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 were written off against the allowance when collection of the individual pledge appeared doubtful. At December 31, 2014 and 2013, management determined that no allowance for doubtful accounts was required.

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on these amounts is computed using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is included in contributions revenue.

Equipment – Equipment is recorded at cost and is depreciated using the straight-line method over the estimated useful lives of the assets (3 – 5 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 and are in excess of \$1,000 are capitalized.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation expense for the years ended December 31, 2014 and 2013 amounted to \$1,617 and \$13,011, respectively.

Advertising – Advertising and marketing costs are expensed when incurred.

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.

Grant Income – Grants are deemed to be earned and reported as revenues when expenditures are incurred in compliance with the specific grant restrictions. Amounts awarded but not yet earned are reported as unexpended authorizations.

Donated Services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

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.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAF is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Any interest and penalties recognized associated with a tax position would be classified as component of income tax expense in CAF's financial statements.

Currently, the tax years ended December 31, 2011, 2012, and 2013 are open and subject to examination by the Internal Revenue Service and the Massachusetts Department of Revenue. However, CAF is not currently under audit nor has CAF been contacted by any of these jurisdictions.

Based on the evaluation of CAF's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2014.

Grants – Grants are recommended by the board-appointed Scientific Advisory Committee and recorded when they are approved by the executive committee of 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 contributions receivable. Concentrations of credit risk with respect to contributions receivable are limited due to the number of donors.

NOTE 3– PLEDGES RECEIVABLE (TEMPORARILY RESTRICTED)

Pledges receivable (temporarily restricted) consists of the following at December 31:

	<u>2014</u>	<u>2013</u>
Pledges receivable (temporarily restricted) before unamortized discounts	\$ 3,250,000	\$ 1,250,000
Less unamortized discount at 1.85% and 1.65% for 2014 and 2013	<u>(125,185)</u>	<u>(28,275)</u>
Net pledges receivable	<u>\$ 3,124,815</u>	<u>\$ 1,221,725</u>

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 3 – PLEDGES RECEIVABLE (TEMPORARILY RESTRICTED) (CONTINUED)

Pledges receivable is expected to be received as follows:

Less than one year	\$ 1,250,000
One to five years	<u>2,000,000</u>
	<u><u>\$ 3,250,000</u></u>

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 15,467	\$ 17,926
Website development costs	<u>-</u>	<u>17,980</u>
	15,467	35,906
Less accumulated depreciation	<u>(7,535)</u>	<u>(32,680)</u>
	<u><u>\$ 7,932</u></u>	<u><u>\$ 3,226</u></u>

NOTE 5 – CHANGES IN UNEXPENDED AUTHORIZATIONS

Changes in unexpended authorizations consist of the following as of December 31:

	<u>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 150,000	\$ 100,000
Grants awarded	-	300,000
Less grant expenditures	<u>(150,000)</u>	<u>(250,000)</u>
Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 150,000</u></u>

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 6 – RELATED PARTY TRANSACTIONS

Board members/founders of CAF and their foundations contributed a total of \$3,336,476 and \$2,488,913 for years ended December 31, 2014 and 2013, respectively.

NOTE 7 – PROGRAM EXPENSES GRANTS

Program expenses grants is comprised of the following at December 31:

	<u>2013</u>	<u>2012</u>
Total grant distributions	\$ 5,359,027	\$ 4,576,000
Unspent funds returned from a previous grant	<u>(7,368)</u>	<u>-</u>
Program expenses grants	<u>\$ 5,351,659</u>	<u>\$ 4,576,000</u>

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	2014			
	<u>Balance</u> <u>1/1/2014</u>	<u>Contributions</u>	<u>Released from</u> <u>Restrictions</u>	<u>Balance</u> <u>12/31/2014</u>
Pledges receivable	\$ 1,221,725	\$ 2,653,450	\$ (750,000)	\$ 3,125,175
Documentary project	191,728	-	(87,231)	104,497
Reunion Fund	<u>-</u>	<u>3,150</u>	<u>-</u>	<u>3,150</u>
	<u>\$ 1,413,453</u>	<u>\$ 2,656,600</u>	<u>\$ (837,231)</u>	<u>\$ 3,232,822</u>

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

	2013			
	<u>Balance</u> <u>1/1/2013</u>	<u>Contributions</u>	<u>Released from</u> <u>Restrictions</u>	<u>Balance</u> <u>12/31/2013</u>
Pledges receivable	\$ 2,460,204	\$ -	\$ (1,238,479)	\$ 1,221,725
Documentary project	<u>191,863</u>	<u>250,000</u>	<u>(250,135)</u>	<u>191,728</u>
	<u>\$ 2,652,067</u>	<u>\$ 250,000</u>	<u>\$ (1,488,614)</u>	<u>\$ 1,413,453</u>

The Documentary project is an independent series of short documentaries about how families cope with Alzheimer's disease (the "Project"). The series' creator and executive producer is David Shenk, a writer and producer of Alzheimer's-related films, books and articles. The total estimated budget of \$675,000 will be funded through contributions from MetLife Foundation. At December 31, 2014 and 2013 a total of \$675,000 and \$675,000, respectively, had been received from Metlife. The Project's expenditures will be dispersed to contractors by CAF at David Shenk's direction. The restricted cash of \$104,857 and \$191,728 represents the unspent Project funds at December 31, 2014 and 2013, respectively.

CAF is the fiscal agent for the Global Family Reunion project, highlighted by an event to take place in New York City on June 6, 2015. The Global Family Reunion is a fundraiser for Alzheimer's care and research, created by author A.J. Jacobs. The project's budget is estimated at \$600,000. Proceeds of the event will be shared between CAF and the Alzheimer's Association of New York City (AANYC). At December 31, 2014 and December 31, 2013 a total of \$3,150 and \$0, respectively, has been received.

NOTE 9 – EMPLOYEE BENEFIT PLAN

CAF sponsors a defined-contribution plan under Section 403(b) of the IRC covering all eligible employees. Employer contributions of \$17,584 and \$9,812 were made to the plan during the years ended December 31, 2014 and 2013, respectively.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 10 – COMMITMENTS

CAF amended its existing lease agreement on January 2, 2015 to rent office space through April 30, 2017. The original lease provided for lease payments of \$3,338 per month plus escalation costs. Rent expense amounted to \$43,389 and \$42,720 for the years ended December 31, 2014 and 2013, respectively. The amended lease provides for lease payments of \$5,338 per month plus escalation costs.

The future minimum lease payments are \$56,056 in 2015, \$64,056 in 2016, and \$21,352 in 2017.

In 2015, CAF committed to donations/grants in the amount of \$7.7 million to be paid in 2015.

NOTE 11 – 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 4):

	<u>2014</u>	<u>2013</u>
Unrestricted net assets		
Revenue and other support	\$ 10,856,012	\$ 7,649,949
Temporarily restricted net assets	1,819,369	(1,238,614)
Unrealized (gain) loss on donor advised funds	<u>(1,842)</u>	<u>521</u>
Total revenue per financial statements	12,673,539	6,411,856
Less donated services not required for Form 990	<u>(21,360)</u>	<u>(29,442)</u>
Total revenue per Form 990, Page 1 Line 12	<u><u>\$ 12,652,179</u></u>	<u><u>\$ 6,382,414</u></u>

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 11 – REVENUE RECONCILIATION (CONTINUED)

Program expenses:		
Grants	\$ 5,351,659	\$ 4,576,000
Documentary project expenses	87,231	250,133
Other program expenses	<u>968,536</u>	<u>864,011</u>
	<u>6,407,426</u>	<u>5,690,144</u>
Management and general expenses	<u>518,867</u>	<u>443,283</u>
Fundraising expenses	385,883	285,049
Less donated services not required for Form 990	<u>(21,360)</u>	<u>(29,442)</u>
	<u>364,523</u>	<u>255,607</u>
Total expenses per Form 990, Page 1 Line 18	<u><u>\$ 7,290,816</u></u>	<u><u>\$ 6,389,034</u></u>

NOTE 12 – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2014, the date of the most recent financial position, have been evaluated for possible adjustments to the financial statements or disclosures is March 30, 2015, which is the date the financial statements were available to be issued.