

# **ALZHEIMER'S DISEASE RESEARCH FOUNDATION D/B/A CURE ALZHEIMER'S FUND**

(A Non-Profit Organization)

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**Audited Financial Statements**

**December 31, 2016 and 2015**

### **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)

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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, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows – direct method, and functional expenses 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 audits in accordance with 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 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, 2016 and 2015, 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 22, 2017

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
**D/B/A CURE ALZHEIMER'S FUND**  
(A Non Profit Organization)  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,080,684	\$ 10,034,605
Restricted cash, documentary program project funds (temporarily restricted)	83,336	95,015
Contributions receivable, un-deposited funds	579,334	293,115
Pledges receivable (temporarily restricted)	2,518,491	1,938,653
Deposits - donor advised funds	9,102	8,997
Equipment and leasehold improvements, net	50,909	8,392
Prepaid expenses and other assets	141,354	45,948
<b>TOTAL ASSETS</b>	<b>\$ 12,463,210</b>	<b>\$ 12,424,725</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 563,695	\$ 166,819
<b>TOTAL LIABILITIES</b>	<b>563,695</b>	<b>166,819</b>
<b>NET ASSETS</b>		
Unrestricted	8,710,240	10,224,238
Temporarily restricted:		
Pledges receivable	2,518,491	1,938,653
Documentary program project	83,336	95,015
Personnel	136,532	-
Research in African American Population	450,916	-
	<b>3,189,275</b>	<b>2,033,668</b>
<b>TOTAL NET ASSETS</b>	<b>11,899,515</b>	<b>12,257,906</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,463,210</b>	<b>\$ 12,424,725</b>

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**  
Years Ended December 31, 2016 and 2015

	2016	2015
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND OTHER SUPPORT</b>		
Contributions	\$ 14,277,676	\$ 10,486,909
Net assets released from restrictions (pledges)	750,000	1,250,000
Donated services	13,766	14,118
Donated equipment	25,900	-
Investment income	611	764
Realized (loss) on sale of stocks	(64,407)	(4,202)
Unrealized (loss) gain on donor advised funds	(113)	375
Other income	90	3,150
Net assets released from restrictions (documentary program project)	11,679	89,482
Net assets released from restrictions (Global Family Reunion project)	-	620,977
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>15,015,202</b>	<b>12,461,573</b>
<b>EXPENDITURES</b>		
Program:		
Research distributions	13,455,939	10,022,663
Documentary program project expenses	11,679	89,482
Global Family Reunion project expenses	-	620,977
Operating program expenses	1,690,743	1,210,808
	<u>15,158,361</u>	<u>11,943,930</u>
Management and general	708,355	517,419
Fundraising	662,484	593,467
<b>TOTAL EXPENDITURES</b>	<b>16,529,200</b>	<b>13,054,816</b>
<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	<b>(1,513,998)</b>	<b>(593,243)</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	587,448	-
Pledges contributions, net	1,329,838	63,478
Documentary program project contributions	-	80,000
Global Family Reunion project contributions	-	617,827
Net assets released from restrictions	(761,679)	(1,960,459)
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>1,155,607</b>	<b>(1,199,154)</b>
<b>CHANGES IN NET ASSETS</b>	<b>(358,391)</b>	<b>(1,792,397)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>12,257,906</b>	<b>14,050,303</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 11,899,515</b>	<b>\$ 12,257,906</b>

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**  
Years Ended December 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS</b>		
Contributions	\$ 15,264,238	\$ 12,851,382
Investment income	611	764
Other income	90	3,150
	<u>15,264,939</u>	<u>12,855,296</u>
<b>TOTAL RECEIPTS</b>	<b>15,264,939</b>	<b>12,855,296</b>
<b>EXPEDITURES</b>		
Program:		
Research distributions	(13,455,939)	(10,022,663)
Documentary program project expenses	(11,679)	(89,482)
Global Family Reunion project expenses	-	(620,977)
Operating program expenses	(1,535,727)	(1,240,486)
Management and general	(667,543)	(527,378)
Fundraising	(536,042)	(607,509)
	<u>(16,206,930)</u>	<u>(13,108,495)</u>
<b>TOTAL EXPENDITURES</b>	<b>(16,206,930)</b>	<b>(13,108,495)</b>
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<b>(941,991)</b>	<b>(253,199)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	(23,609)	(4,958)
	<u>(23,609)</u>	<u>(4,958)</u>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<b>(23,609)</b>	<b>(4,958)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(965,600)</b>	<b>(258,157)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>10,129,620</b>	<b>10,387,777</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 9,164,020</b>	<b>\$ 10,129,620</b>

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**  
Years Ended December 31, 2016 and 2015

	2016	2015
<b>RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Decrease in net assets	<u>\$ (358,391)</u>	<u>\$ (1,792,397)</u>
Adjustments to reconcile decrease in net assets to net cash (used) by operating activities:		
Contribution of stocks	(3,913,729)	(2,543,661)
Contribution of equipment	(25,900)	-
Proceeds from sale of contributed stocks	3,849,167	2,539,834
Depreciation	7,034	4,498
Realized loss on sale of stocks	64,407	4,202
Unrealized loss (gain) on donor advised funds	113	(375)
Changes in operating assets and liabilities		
Contributions receivable, un-deposited funds	(286,219)	421,046
Pledges receivable	(579,838)	1,186,162
Deposit - donor advised funds	(105)	(213)
Other assets	(95,406)	(15,025)
Accounts payable and accrued expenses	<u>396,876</u>	<u>(57,270)</u>
<b>TOTAL ADJUSTMENTS</b>	<u>(583,600)</u>	<u>1,539,198</u>
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (941,991)</u></u>	<u><u>\$ (253,199)</u></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)  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2016 and 2015

	2016				2015			
	Program	Management and general	Fundraising	Total	Program	Management and general	Fundraising	Total
<b>PERSONNEL</b>								
Salaries	\$ 655,105	\$ 183,889	\$ 310,313	\$ 1,149,307	\$ 429,573	\$ 189,937	\$ 287,904	\$ 907,414
Payroll taxes and fringe benefits	85,291	23,941	40,401	149,633	57,769	21,934	39,252	118,955
<b>TOTAL PERSONNEL</b>	<b>740,396</b>	<b>207,830</b>	<b>350,714</b>	<b>1,298,940</b>	<b>487,342</b>	<b>211,871</b>	<b>327,156</b>	<b>1,026,369</b>
<b>SUPPLIES, MATERIALS, AND OTHER EXPENSES</b>								
Advertising	6,951	-	41,326	48,277	1,720	-	30,930	32,650
Catering expenses	22,535	-	6,231	28,766	32,213	-	-	32,213
Conferences, conventions and meetings	1,575	-	125	1,700	9,685	-	35	9,720
Consulting expenses	164,000	176,851	26,500	367,351	149,500	51,820	29,500	230,820
Computer expenses	8,328	2,338	3,945	14,611	7,029	3,107	4,709	14,845
Credit card fees	-	1,834	48,904	50,738	-	788	11,332	12,120
Depreciation	-	7,034	-	7,034	-	4,498	-	4,498
Research distributions	13,455,939	-	-	13,455,939	10,022,663	-	-	10,022,663
Global Family Reunion project expenses	-	-	-	-	620,977	-	-	620,977
Documentary program project expenses	11,679	-	-	11,679	89,482	-	-	89,482
Dues and subscriptions	18,333	4,848	-	23,181	19,005	4,433	-	23,438
Equipment rental	-	5,082	-	5,082	-	4,270	-	4,270
Facility expenses	42,192	8,618	5,887	56,697	21,491	-	-	21,491
Fundraising expenses	-	-	11,108	11,108	-	-	6,941	6,941
Gift processing	-	349	21,908	22,257	-	325	49,968	50,293
Government relations	75,376	-	-	75,376	72,665	-	-	72,665
Grant writing	-	-	16,500	16,500	-	-	19,500	19,500
Honoraria	-	-	-	-	28,500	-	-	28,500
Information and awareness	6,659	-	-	6,659	11,500	-	-	11,500
Insurance	-	3,950	-	3,950	-	2,786	-	2,786
Marketing materials	13,085	-	-	13,085	18,810	-	-	18,810
Miscellaneous	10,040	51,878	741	62,659	13,352	26,181	735	40,268
Office supplies	-	15,771	827	16,598	-	15,417	5,201	20,618
Office rent	49,752	13,966	23,567	87,285	30,486	13,474	20,421	64,381
Postage and shipping	94,244	5,742	27,312	127,298	73,170	1,463	16,662	91,295
Printing and reproduction	79,057	2,910	26,462	108,429	62,527	4,944	41,530	109,001
Professional services	-	172,869	-	172,869	-	139,057	-	139,057
Public relations	144,070	-	-	144,070	22,300	-	-	22,300
Social media	99,288	-	-	99,288	60,270	-	976	61,246
Sponsorships	-	-	19,390	19,390	-	-	-	-
State registration	-	-	5,718	5,718	-	-	5,082	5,082
Taxes	-	1,371	-	1,371	-	33	-	33
Telephone	7,986	2,242	3,783	14,011	4,436	1,960	2,971	9,367
Travel	106,876	15,729	21,536	144,141	84,807	17,292	19,818	121,917
Website	-	7,143	-	7,143	-	13,700	-	13,700
<b>TOTAL SUPPLIES, MATERIALS, AND OTHER EXPENSES</b>	<b>14,417,965</b>	<b>500,525</b>	<b>311,770</b>	<b>15,230,260</b>	<b>11,456,588</b>	<b>305,548</b>	<b>266,311</b>	<b>12,028,447</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 15,158,361</b>	<b>\$ 708,355</b>	<b>\$ 662,484</b>	<b>\$ 16,529,200</b>	<b>\$ 11,943,930</b>	<b>\$ 517,419</b>	<b>\$ 593,467</b>	<b>\$ 13,054,816</b>

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**

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**NOTE 1: BUSINESS**

**Principal Business Activity:** Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund ("CureAlz") is a non-profit organization that was incorporated on September 3, 2004 to promote, support, and further the funding of medical and scientific research with the potential to identify the causes of, and potential cures for, Alzheimer's and Alzheimer's related diseases. CureAlz 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.

**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, 2016 and 2015, 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 and Leasehold Improvements:** Equipment is recorded at cost, if purchased, or at fair market value, if donated and is depreciated using the straight-line method over the estimated useful lives of the assets (3 – 5 years). Leasehold improvements are recorded at cost and are depreciated using the straight-line method over the term of the lease. 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**  
(A Non-Profit Organization)  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising:** Advertising and marketing costs are expensed when incurred.

**Contributions:** Contributions are received primarily from individuals and private foundations to support the purposes of CureAlz. 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 the current year's risk-free interest rates.

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.

**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:** CureAlz 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.

CureAlz 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 CureAlz's financial statements.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
**D/B/A CURE ALZHEIMER'S FUND**  
(A Non-Profit Organization)  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Currently, the tax years ended December 31, 2013, 2014, and 2015 are open and subject to examination by the Internal Revenue Service and the Massachusetts Department of Revenue. However, CureAlz is not currently under audit nor has CureAlz been contacted by any of these jurisdictions.

Based on the evaluation of CureAlz'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 years ended December 31, 2016 and 2015.

**Research Distributions:** Research distributions are recommended by the Board-appointed Research Consortium Scientific Advisory Board and recorded when they are approved by the Executive Committee of the Board of Directors.

**Concentrations of Credit Risk:** Financial instruments which potentially subject CureAlz 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:

	2016	2015
Pledges receivable (temporarily restricted) before unamortized discounts	\$ 2,570,000	\$ 2,000,000
Less unamortized discount at 1.47% and 1.68% for 2016 and 2015	<u>(51,509)</u>	<u>(61,347)</u>
Net pledges receivable	<u>\$ 2,518,491</u>	<u>\$ 1,938,653</u>

Pledges receivable is expected to be received as follows:

Less than one year	\$ 1,570,000
One to five years	<u>1,000,000</u>
	<u>\$ 2,570,000</u>

**NOTE 4: RELATED PARTY TRANSACTIONS**

Board members/founders of CureAlz and their foundations contributed a total of \$4,351,811 and \$4,114,103 for years ended December 31, 2016 and 2015, respectively.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
**D/B/A CURE ALZHEIMER'S FUND**  
(A Non-Profit Organization)  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5: EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

The cost and related accumulated depreciation and amortization of equipment and leasehold improvements are as follows as of December 31:

	<b>2016</b>	<b>2015</b>
Equipment	\$ 56,234	\$ 16,664
Leasehold improvements	<u>9,939</u>	<u>-</u>
	<b>66,173</b>	16,664
Less accumulated depreciation	<u>(15,264)</u>	<u>(8,272)</u>
	<u><b>\$ 50,909</b></u>	<u><b>\$ 8,392</b></u>

Depreciation expense for the years ended December 31, 2016 and 2015 amounted to \$7,034 and \$4,498, respectively.

**NOTE 6: PROGRAM RESEARCH DISTRIBUTIONS**

Program research distributions are comprised of the following at December 31:

	<b>2016</b>	<b>2015</b>
Total research distributions	\$ 13,455,939	\$ 10,022,815
Unspent funds returned from a previous distribution	<u>-</u>	<u>(152)</u>
Program research distributions	<u><b>\$ 13,455,939</b></u>	<u><b>\$ 10,022,663</b></u>

In 2015 CureAlz had provided \$300,000 to a private company to support research of a combinatorial therapy for neurodegenerative disorders. This research met the criteria that CureAlz determines for all research distributions. CureAlz had been issued convertible notes receivable from this private company in exchange for the \$300,000 that CureAlz had converted into stock. Since the private company will need to achieve certain milestones to raise additional capital and the commercial viability is unknown, CureAlz had recorded this amount as research distributions in 2015.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
**D/B/A CURE ALZHEIMER'S FUND**  
(A Non-Profit Organization)  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7: TEMPORARILY RESTRICTED NET ASSETS**

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

	<b>2016</b>			
	<u>Balance</u> <u>1/1/2016</u>	<u>Contributions</u>	<u>Released from</u> <u>restrictions</u>	<u>Balance</u> <u>12/31/2016</u>
Pledges receivable, net	\$ 1,938,653	\$ 1,329,838	\$ (750,000)	\$ 2,518,491
Documentary program project	95,015	-	(11,679)	83,336
Personnel	-	136,532	-	136,532
Research in African American Population	-	450,916	-	450,916
	<u>\$ 2,033,668</u>	<u>\$ 1,917,286</u>	<u>\$ (761,679)</u>	<u>\$ 3,189,275</u>
	<b>2015</b>			
	<u>Balance</u> <u>1/1/2015</u>	<u>Contributions</u>	<u>Released from</u> <u>restrictions</u>	<u>Balance</u> <u>12/31/2015</u>
Pledges receivable, net	\$ 3,125,175	\$ 63,478	\$ (1,250,000)	\$ 1,938,653
Documentary program project	104,497	80,000	(89,482)	95,015
Global Family Reunion project	3,150	617,827	(620,977)	-
	<u>\$ 3,232,822</u>	<u>\$ 761,305</u>	<u>\$ (1,960,459)</u>	<u>\$ 2,033,668</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 budget will be funded through contributions from MetLife Foundation. The Project's expenditures will be dispersed to contractors by CureAlz at David Shenk's direction. The restricted cash of \$83,336 and \$95,015 represents the unspent Project funds at December 31, 2016 and 2015, respectively.

CureAlz was the fiscal agent for the Global Family Reunion project, highlighted by an event that took place in New York City on June 6, 2015. The Global Family Reunion was a fundraiser for Alzheimer's care and research, created by author A.J. Jacobs. Proceeds of the event were shared between CureAlz and CaringKind.

Personnel represents funds received for the purposes of funding a full time staff person to help articulate the increasingly complex science of Alzheimer's research for internal and external constituencies.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
**D/B/A CURE ALZHEIMER'S FUND**  
(A Non-Profit Organization)  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7: TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Funds have been targeted for research into the prevalence of Alzheimer's disease in the African American community at higher rates than recorded among Caucasians. This will be a multiple year effort.

**NOTE 8: EMPLOYEE BENEFIT PLAN**

CureAlz sponsored a defined-contribution plan under Section 403(b) of the IRC covering all eligible employees. The plan terminated effective December 31, 2015. Employer contributions of \$17,559 were made to the plan during the year ended December 31, 2015.

Effective January 1, 2016, CureAlz sponsors a 401(k) profit sharing plan. The plan covers all employees over 21 years old excluding temporary employees. In addition, CureAlz elects to make a noncontributory match equal to 3% of total wages. Employer contributions of \$32,482 were made to the plan during the year ended December 31, 2016.

**NOTE 9: COMMITMENTS**

CureAlz amended its existing lease agreement on March 29, 2016 to rent office space through April 30, 2019. The original lease provided for lease payments of \$5,338 per month plus escalation costs. The amended lease provides for lease payments of \$9,983 per month plus escalation costs. Rent expense amounted to \$87,285 and \$64,381 for the years ended December 31, 2016 and 2015, respectively.

The future minimum lease payments are:

2017	\$ 119,796
2018	\$ 119,796
2019	\$ 39,932

In 2017, CureAlz committed to research distributions in the amount of \$8.9 million to be paid in 2017.



**ALZHEIMER'S DISEASE RESEARCH FOUNDATION**  
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**NOTE 10: RECONCILIATION TO FORM 990**

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):

	<b>2016</b>	<b>2015</b>
Unrestricted net assets, revenue and other support	\$ <b>15,015,202</b>	\$ 12,461,573
Temporarily restricted net assets	<b>1,155,607</b>	(1,199,154)
Unrealized loss (gain) on donor advised funds	<b>113</b>	(375)
	<hr/>	<hr/>
Total revenue per financial statements	<b>16,170,922</b>	11,262,044
Less donated services not required for Form 990	<b>(13,766)</b>	(14,118)
	<hr/>	<hr/>
Total revenue per Form 990, Page 1 Line 12	<b>\$ 16,157,156</b>	\$ 11,247,926
	<hr/>	<hr/>
Program expenses:		
Research distributions	\$ <b>13,455,939</b>	\$ 10,022,663
Documentary program project expenses	<b>11,679</b>	89,482
Global Family Reunion project expenses	-	620,977
Operating program expenses	<b>1,690,743</b>	1,210,808
	<hr/>	<hr/>
	<b>15,158,361</b>	11,943,930
	<hr/>	<hr/>
Management and general expenses	<b>708,355</b>	517,419
	<hr/>	<hr/>
Fundraising expenses	<b>662,484</b>	593,467
Less donated services not required for Form 990	<b>(13,766)</b>	(14,118)
	<hr/>	<hr/>
	<b>648,718</b>	579,349
	<hr/>	<hr/>
Total expenses per Form 990, Page 1 Line 18	<b>\$ 16,515,434</b>	\$ 13,040,698
	<hr/>	<hr/>

**NOTE 11: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 22, 2017, the date which the financial statements were available to be issued. There were no events noted that required disclosure in these financial statements except as disclosed in Note 9.