

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

Financial Statements

Years Ended December 31, 2018 and 2017

(With Independent Auditors' Report Thereon)

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

FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
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) (CureAlz), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, 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.

Auditors' 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 from 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 auditors' 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 Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund as of December 31, 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.

Prior Period Financial Statements

The financial statements of Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund as of December 31, 2017, were audited by other auditors whose report dated March 21, 2018, expressed an unmodified opinion on those statements.

Emphasis of Matter

As of December 31, 2018, CureAlz adopted Financial Accounting Standards Board ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* and ASU 2016-18, *Statement of Cash Flows – Restricted Cash*, as described in Note 2. The changes required by the ASUs have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Kahn, Litwin, Renya & Co., Ltd.

March 19, 2019

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017



	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,051,994	\$ 3,468,700
Pledges receivable, current portion	275,000	990,000
Investments	4,445,787	5,688,685
Prepaid expenses and other current assets	259,681	205,435
Restricted cash	-	25,164
Total current assets	7,032,462	10,377,984
Pledges Receivable, less current portion, net	510,013	518,177
Equipment and Leasehold Improvements, net	38,351	42,857
Total Assets	\$ 7,580,826	\$ 10,939,018
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 392,536	\$ 319,353
Accrued expenses	499,053	211,279
Total current liabilities	891,589	530,632
Net Assets:		
Without donor restrictions	5,466,208	8,303,832
With donor restrictions	1,223,029	2,104,554
Total net assets	6,689,237	10,408,386
Total Liabilities and Net Assets	\$ 7,580,826	\$ 10,939,018

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2018 and 2017**



	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	\$ 18,480,236	\$ 1,317,836	\$ 19,798,072	\$ 17,501,551	\$ -	\$ 17,501,551
Investment income	108,435	-	108,435	3,230	-	3,230
Other income	-	-	-	7,406	-	7,406
Loss on disposal of equipment and leasehold improvements	(14,448)	-	(14,448)	-	-	-
Net assets released from restrictions	2,199,361	(2,199,361)	-	1,084,721	(1,084,721)	-
Total revenue and support	20,773,584	(881,525)	19,892,059	18,596,908	(1,084,721)	17,512,187
Expenses:						
Program:						
Research distributions and support	19,719,704	-	19,719,704	15,705,074	-	15,705,074
Documentary project	25,164	-	25,164	58,172	-	58,172
Other program expenses	2,025,654	-	2,025,654	1,898,433	-	1,898,433
Total program expenses	21,770,522	-	21,770,522	17,661,679	-	17,661,679
Management and general	849,625	-	849,625	630,471	-	630,471
Fundraising	991,061	-	991,061	711,166	-	711,166
Total expenses	23,611,208	-	23,611,208	19,003,316	-	19,003,316
Change in net assets	(2,837,624)	(881,525)	(3,719,149)	(406,408)	(1,084,721)	(1,491,129)
Net Assets, beginning of year	8,303,832	2,104,554	10,408,386	8,710,240	3,189,275	11,899,515
Net Assets, end of year	\$ 5,466,208	\$ 1,223,029	\$ 6,689,237	\$ 8,303,832	\$ 2,104,554	\$ 10,408,386

See accompanying notes to the financial statements and independent auditors' report.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2018 and 2017



	2018			2017				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Research distributions	\$ 19,285,717	\$ -	\$ -	\$ 19,285,717	\$ 15,301,085	\$ -	\$ -	\$ 15,301,085
Personnel and related:								
Salaries	898,620	294,376	356,349	1,549,345	710,398	215,656	342,513	1,268,567
Payroll taxes	63,993	20,963	25,376	110,332	49,022	14,881	23,635	87,538
Employee benefits	61,882	20,272	24,539	106,693	40,832	12,395	19,687	72,914
Total personnel and related	1,024,495	335,611	406,264	1,766,370	800,252	242,932	385,835	1,429,019
Other expenses:								
Accounting services	-	167,837	-	167,837	-	132,566	-	132,566
Advertising and promotion	66,793	-	10,120	76,913	192,315	-	11,626	203,941
Conferences, conventions and meetings	357,528	5,765	142,111	505,404	256,578	6,908	11,080	274,566
Consulting services	555,874	98,739	95,639	750,252	734,630	75,718	66,788	877,136
Depreciation	-	16,622	-	16,622	-	14,582	-	14,582
Information technology	15,986	61,597	-	77,583	1,841	27,256	1,031	30,128
Insurance	1,589	5,379	-	6,968	1,313	4,752	-	6,065
Legal services	105,751	6,771	53,617	166,139	6,530	-	-	6,530
Miscellaneous	30,796	14,842	18,353	63,991	33,372	16,009	14,816	64,197
Occupancy	89,715	29,390	35,576	154,681	73,255	22,237	35,319	130,811
Office expenses	96,728	69,343	188,967	355,038	166,916	55,931	140,468	363,315
Travel and related	139,550	37,729	40,414	217,693	93,592	31,580	44,203	169,375
Total other expenses	1,460,310	514,014	584,797	2,559,121	1,560,342	387,539	325,331	2,273,212
Total expenses	\$ 21,770,522	\$ 849,625	\$ 991,061	\$ 23,611,208	\$ 17,661,679	\$ 630,471	\$ 711,166	\$ 19,003,316

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017



	2018	2017
Cash Flows from Operating Activities:		
Receipts:		
Contributions	\$ 20,533,270	\$ 18,507,527
Investment income	59,217	364
Other income	-	3,644
Total receipts	20,592,487	18,511,535
Expenditures:		
Program:		
Research distributions and support	(19,719,704)	(15,705,074)
Documentary project	(25,164)	(58,172)
Other program expenses	(1,730,977)	(1,974,441)
Management and general	(833,003)	(615,889)
Fundraising	(991,061)	(711,166)
Total expenditures	(23,299,909)	(19,064,742)
Net cash used by operating activities	(2,707,422)	(553,207)
Cash Flows from Investing Activities:		
Purchase of equipment	(26,564)	(6,530)
Proceeds from sale of investments	13,407,803	4,000,000
Purchase of investments	(12,115,687)	(9,592,321)
Net cash provided (used) by investing activities	1,265,552	(5,598,851)
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(1,441,870)	(6,152,058)
Cash, Cash Equivalents and Restricted Cash, beginning of year	3,493,864	9,645,922
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 2,051,994	\$ 3,493,864
Reconciliation to Statement of Financial Position:		
Cash and cash equivalents	\$ 2,051,994	\$ 3,468,700
Restricted cash	-	25,164
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 2,051,994	\$ 3,493,864

See accompanying notes to the financial statements and independent auditors' report.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

1. Nature of Operations

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.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of CureAlz is presented to assist the reader in understanding CureAlz's financial statements. The financial statements and notes are representations of CureAlz's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting Pronouncements Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard is intended to simplify and improve how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity and availability of resources, financial performance, and cash flows. Upon adoption, net assets were reduced to two classes (with and without donor restriction).

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows – Restricted Cash*, which is effective for annual periods beginning after December 15, 2018. The standard provides guidance on the presentation of restricted cash equivalents in the statement of cash flows. This standard requires the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

CureAlz adopted the provisions of these new standards in 2018 and applied them retrospectively to the 2017 presentation.

Financial Statement Presentation

CureAlz prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less.

Pledges Receivable

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.

CureAlz 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, 2018 and 2017, management determined that no allowance for doubtful accounts was deemed necessary.

Investments and Fair Value Measurements

CureAlz values its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities CureAlz has the ability to access.

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Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include CureAlz's own data.

CureAlz reports investments at fair value on a recurring basis. The investments are classified as level 1 within the fair value hierarchy.

Level 1 investments owned by CureAlz and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date, or in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Realized and unrealized gains and losses on investments are reported as changes in net assets without donor restrictions, unless gains and losses on investments are restricted by a donor's explicit stipulation or by a law that extends a donor's restriction.

Dividends and interest are recorded as received, which does not differ materially from the accrual basis. Purchases and sales of securities are recorded on the trade date.

Equipment and Leasehold Improvements

All expenditures for equipment and leasehold improvements in excess of \$5,000 are capitalized at cost; the fair market value of donated assets is similarly recorded. For equipment, depreciation is computed on the straight-line basis over the estimated useful lives of the related assets ranging from three to five years. Leasehold improvements are depreciated using the straight-line method over the term of the lease.

Revenue and Support Recognition

Contributions - CureAlz recognizes contributions in the year in which the contribution is made. Contributions are recorded either as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor imposed restrictions. Restricted contributions are classified as net assets without donor restrictions if the restrictions are satisfied in the same reporting period in which the contributions are received.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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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 CureAlz. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Donated service income is included in other income on the statements of activities.

Research Distributions

Research distributions are recommended by the Research Leadership Group and approved by the Executive Committee of the Board of Directors. Research distributions are recorded when notice of award is issued to the applicant investigator(s).

Advertising

Advertising and promotion costs are expensed when incurred. For the years ended December 31, 2018 and 2017, advertising expenses were approximately \$76,900 and \$203,900, respectively.

Income Taxes

CureAlz is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that CureAlz operates in a manner consistent with its tax-exempt status at both the state and federal level.

CureAlz annually files IRS Form 990 - *Return of Organization Exempt From Income Tax* reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities, generally for a period of three years after they were filed. CureAlz currently has no tax examinations in progress.

Allocation of Expenses

CureAlz's operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated based on personnel-cost.

Estimates and Assumptions

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 reporting period. Accordingly, actual results could differ from those estimates.

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Recent Accounting Pronouncements

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting, and/or disclosure of financial information by CureAlz. CureAlz is currently in the process of evaluating the impact of adoption on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which is effective for annual periods beginning after December 15, 2019. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for CureAlz's year ending December 31, 2020, with early adoption permitted.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, which is effective for annual periods beginning after December 15, 2018. The standard provides guidance on the classification of certain transactions in the statement of cash flows. When adopted, the new guidance will be applied retrospectively. This standard will be effective for CureAlz's year ending December 31, 2019.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is effective for annual periods beginning after December 15, 2018. The standard provides guidance on characterizing grants and similar contracts as reciprocal exchanges or contributions, determining whether a contribution is conditional and the simultaneous release option. This standard will be effective for CureAlz's year ending December 31, 2019.

Reclassifications

Certain December 31, 2017 balances were reclassified to conform to the December 31, 2018 financial statement presentation.

Subsequent Events

Management of CureAlz has evaluated subsequent events through March 19, 2019, which is the date these financial statements were available to be issued.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2018:

Financial assets:	
Cash and cash equivalents	\$ 2,051,994
Pledges receivable	785,013
Investments	4,445,787
Financial assets	<u>7,282,794</u>
Less financial assets unavailable for general expenditure:	
Pledges receivable collectible beyond one year	<u>510,013</u>
Financial assets available to meet general expenditure needs within one year	<u><u>\$ 6,772,781</u></u>

CureAlz's financial assets available for general expenditure consist of funds intended to be used to cover short-term operating expenses, including its extensive research distribution program. These financial assets are invested with the purpose of preserving assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet CureAlz's ongoing programmatic and operational needs. The Board also finances all of the overhead expenses so that 100% of all donations go to fund Alzheimer's disease research (Note 9).

4. Pledges Receivable

Pledges receivable consist of promises to give from donors to support CureAlz's charitable mission.

At year-end, long-term pledges receivable have been discounted using the risk free rate of 3.07% and 2.11% (the Federal Reserve interest rate at December 31, 2018 and 2017, respectively), to reflect the present value of those receivables. The promised contributions due are as follows:

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	2018	2017
Within one year	\$ 275,000	\$ 990,000
One to two years	275,000	275,000
Two to three years	275,000	275,000
Total pledges receivable	825,000	1,540,000
Less: present value component	39,987	31,823
Total pledges receivable, net	785,013	1,508,177
Less: current portion	275,000	990,000
Pledges receivable, less current portion, net	\$ 510,013	\$ 518,177

5. Investments

Investments are presented in the statements of financial position at their aggregate fair value and consist of the following:

	2018	2017
Level 1:		
Money market funds	\$ 448,997	\$ 1,558,798
U.S. Treasury Bills	3,986,880	3,990,040
Common stock	9,910	139,847
Total investments	\$ 4,445,787	\$ 5,688,685

6. Equipment and Leasehold Improvements

Equipment and leasehold improvements consisted of the following:

	2018	2017
Equipment	\$ 54,458	\$ 51,058
Leasehold improvements	-	9,939
	54,458	60,997
Less accumulated depreciation	16,107	18,140
Equipment and leasehold improvements, net	\$ 38,351	\$ 42,857

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During 2018, CureAlz disposed of equipment and leasehold improvements with an aggregate cost basis of \$33,103 and related accumulated depreciation of \$18,655, resulting in a net loss of \$14,448.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following:

	2018	2017
Time Restrictions:		
Pledges receivable	\$ 785,013	\$ 1,508,177
Purpose Restrictions:		
Gut microbiome research project	200,000	-
African American population research	155,584	450,916
Personnel and related costs	82,432	120,297
Documentary project	-	25,164
	\$ 1,223,029	\$ 2,104,554

Gut Microbiome Research Project

Funds have been targeted for research into the gut microbiome. Micro-organisms of the human gastrointestinal tract are collectively referred to as the gut microbiota or microbiome. Recent findings suggest cerebral amyloid deposition, the hallmark pathology for Alzheimer's disease, may be among the brain pathologies linked to gut microbiota. CureAlz will fund additional study of the connection between Alzheimer's disease amyloidosis and the gut microbiota.

African American Population Research

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.

Personnel and Related Costs

Personnel and related costs 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.

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Documentary Project

The documentary project (the Project) was an independent series of short documentaries about how families cope with Alzheimer's disease. The series' creator and executive producer is David Shenk, a writer and producer of Alzheimer's-related films, books and articles. The total budget was funded through contributions from MetLife Foundation. The Project's expenditures were dispersed to contractors by CureAlz at David Shenk's direction. The restricted cash of \$25,164 represented the unspent Project funds at December 31, 2017.

8. Commitments and Contingencies

Research Distributions

As of December 31, 2018, CureAlz is committed to research distributions of approximately \$12,100,000, provided recipients meet certain milestones, as defined.

Lease Commitments

CureAlz leases its operating facility in Wellesley Hills, Massachusetts under a lease agreement that was due to expire September 2019, with monthly payments of \$9,983. In September 2018, CureAlz amended its facility lease agreement to rent new space in the same building through September 2021. The amended lease provides for lease payments of \$14,739 per month. Rent expense was \$124,100 and \$123,100 for the years ended December 31, 2018 and 2017, respectively.

Approximate future minimum lease payments are as follows:

<u>Year Ending</u>	
December 31, 2019	\$ 176,900
December 31, 2020	176,900
December 31, 2021	<u>132,700</u>
Total	<u><u>\$ 486,500</u></u>

Retirement Plan

CureAlz sponsors a 401(k) plan. The plan covers all employees over 21 years of age excluding temporary employees. In addition, CureAlz elects to make a noncontributory match equal to 3% of total wages. Employer contributions of approximately \$45,300 and \$33,000 were made to the plan during the years ended December 31, 2018 and 2017, respectively.

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9. Related Party Transactions

Contributions includes amounts received from Board members/founders of CureAlz and their respective foundations of \$4,720,088 and \$3,367,945 for the years ended December 31, 2018 and 2017, respectively.

10. Concentrations of Credit Risk

Financial instruments that potentially subject CureAlz to concentrations of credit risk consist principally of cash and cash equivalents and investments.

CureAlz maintains its operating accounts in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation up to specified limits. Management believes that CureAlz is not exposed to any significant credit risk relates to these accounts.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such change could materially affect investment balances and activity included in the financial statements.

11. Reconciliation to the Form 990

A reconciliation from the audited financial statements to the Form 990 is as follows:

	2018	2017
Revenue and support		
Without donor restrictions	\$ 20,773,584	\$ 18,596,908
With donor restrictions	(881,525)	(1,084,721)
Revenue and support per financial statements	19,892,059	17,512,187
Add (Less):		
Investment fees	18,103	-
Donated services	-	(3,762)
Unrealized gain on investments	(16,367)	(10,314)
Total revenue per Form 990, Page 1, Line 12	\$ 19,893,795	\$ 17,498,111

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017**



	2018	2017
Expenses:		
Program	\$ 21,770,522	\$ 17,661,679
Management and general	849,625	630,471
Fundraising	991,061	711,166
Expenses per financial statements	23,611,208	19,003,316
Add (Less):		
Investment fees	18,103	-
Donated services	-	(3,762)
Total revenue per Form 990, Page 1, Line 18	\$ 23,629,311	\$ 18,999,554