

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

Financial Statements

Years Ended December 31, 2019 and 2018

(With Independent Auditors' Report Thereon)

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

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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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 statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows 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 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 CureAlz'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 CureAlz'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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kahn, Litwin, Kenya & Co., Ltd.

May 12, 2020

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018



	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 4,797,158	\$ 2,051,994
Contributions receivable	219,130	-
Pledges receivable, current portion	2,805,010	275,000
Investments	2,255,465	4,445,787
Prepaid expenses and other current assets	65,952	259,681
Total current assets	10,142,715	7,032,462
Pledges Receivable, less current portion, net	3,285,560	510,013
Equipment, net	26,595	38,351
Total Assets	\$ 13,454,870	\$ 7,580,826
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 143,095	\$ 392,536
Accrued expenses	409,173	499,053
Total current liabilities	552,268	891,589
Net Assets:		
Without donor restrictions	6,344,297	5,466,208
With donor restrictions	6,558,305	1,223,029
Total net assets	12,902,602	6,689,237
Total Liabilities and Net Assets	\$ 13,454,870	\$ 7,580,826

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018**



	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	\$ 22,481,795	\$ 8,015,547	\$ 30,497,342	\$ 18,480,236	\$ 1,317,836	\$ 19,798,072
Investment income	24,010	-	24,010	108,435	-	108,435
Loss on disposal of equipment and leasehold improvements	-	-	-	(14,448)	-	(14,448)
Net assets released from restrictions	2,680,271	(2,680,271)	-	2,199,361	(2,199,361)	-
Total revenue and support	25,186,076	5,335,276	30,521,352	20,773,584	(881,525)	19,892,059
Expenses:						
Program:						
Research distributions and support	19,858,076	-	19,858,076	19,719,704	-	19,719,704
Documentary project	-	-	-	25,164	-	25,164
Other program expenses	2,316,970	-	2,316,970	2,074,626	-	2,074,626
Total program expenses	22,175,046	-	22,175,046	21,819,494	-	21,819,494
Management and general	945,064	-	945,064	821,621	-	821,621
Fundraising	1,187,877	-	1,187,877	970,093	-	970,093
Total expenses	24,307,987	-	24,307,987	23,611,208	-	23,611,208
Change in net assets	878,089	5,335,276	6,213,365	(2,837,624)	(881,525)	(3,719,149)
Net Assets, beginning of year	5,466,208	1,223,029	6,689,237	8,303,832	2,104,554	10,408,386
Net Assets, end of year	\$ 6,344,297	\$ 6,558,305	\$ 12,902,602	\$ 5,466,208	\$ 1,223,029	\$ 6,689,237

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, 2019 and 2018**



	2019			2018				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Research distributions and support	\$ 19,858,076	\$ -	\$ -	\$ 19,858,076	\$ 19,719,704	\$ -	\$ -	\$ 19,719,704
Personnel and related:								
Salaries	934,145	328,378	410,581	1,673,104	747,895	294,376	356,349	1,398,620
Payroll taxes	86,192	21,738	27,034	134,964	63,993	20,963	25,376	110,332
Employee benefits	89,600	27,278	33,924	150,802	61,882	20,272	24,539	106,693
Total personnel and related	1,109,937	377,394	471,539	1,958,870	873,770	335,611	406,264	1,615,645
Other expenses:								
Accounting services	-	162,328	-	162,328	-	167,837	-	167,837
Advertising and promotion	65,838	-	37,729	103,567	66,793	-	10,120	76,913
Conferences, conventions and meetings	95,534	51,764	142,453	289,751	158,994	5,765	114,826	279,585
Consulting services	712,296	70,988	115,149	898,433	577,561	70,735	101,956	750,252
Depreciation	-	11,756	-	11,756	-	12,862	-	12,862
Gift processing fees	-	159	139,375	139,534	-	45	112,898	112,943
Information technology	6,707	76,005	-	82,712	15,986	61,597	-	77,583
Insurance	3,812	11,367	-	15,179	1,589	5,379	-	6,968
Legal services	61,670	35,299	23,544	120,513	105,751	6,771	53,617	166,139
Miscellaneous	15,922	14,995	32,007	62,924	30,796	18,602	18,353	67,751
Occupancy	110,212	33,554	41,729	185,495	89,715	29,390	35,576	154,681
Office expenses	69,684	62,593	93,435	225,712	82,677	69,298	76,069	228,044
Travel and related	65,358	36,862	90,917	193,137	96,158	37,729	40,414	174,301
Total other expenses	1,207,033	567,670	716,338	2,491,041	1,226,020	486,010	563,829	2,275,859
Total expenses	\$ 22,175,046	\$ 945,064	\$ 1,187,877	\$ 24,307,987	\$ 21,819,494	\$ 821,621	\$ 970,093	\$ 23,611,208

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018



	2019	2018
Cash Flows from Operating Activities:		
Receipts:		
Contributions	\$ 24,972,655	\$ 20,533,270
Investment income	83,266	59,217
Total receipts	25,055,921	20,592,487
Expenditures:		
Program:		
Research distributions and support	(19,858,076)	(19,719,704)
Documentary project	-	(25,164)
Other program expenses	(2,462,562)	(1,730,977)
Management and general	(933,308)	(833,003)
Fundraising	(1,187,877)	(991,061)
Total expenditures	(24,441,823)	(23,299,909)
Net cash provided (used) by operating activities	614,098	(2,707,422)
Cash Flows from Investing Activities:		
Purchase of equipment	-	(26,564)
Proceeds from sale of investments	3,995,767	13,407,803
Purchase of investments	(1,864,701)	(12,115,687)
Net cash provided by investing activities	2,131,066	1,265,552
Net Increase (Decrease) in Cash and Cash Equivalents	2,745,164	(1,441,870)
Cash and Cash Equivalents, beginning of year	2,051,994	3,493,864
Cash and Cash Equivalents, end of year	\$ 4,797,158	\$ 2,051,994

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

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

Effective January 1, 2019, CureAlz adopted the Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. 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. The adoption of ASU 2018-08 did not have a significant effect on CureAlz's financial statements.

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.

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 statements of activities.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

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.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the future cash flows. The discounts on those amounts are computed using the risk-free interest rate applicable to the time over which the promise is anticipated. Conditional promises to give are not included as support until such time as the conditions are substantially met. On a periodic basis, CureAlz evaluates its contributions receivable and establishes an allowance for doubtful accounts, based on a history of past collection experience and current credit conditions. At December 31, 2019 and 2018, management determined an allowance was not necessary.

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, 2019 and 2018, 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.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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Years Ended December 31, 2019 and 2018

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

All expenditures for equipment in excess of \$5,000 are capitalized at cost; the fair market value of donated assets is similarly recorded. Equipment is depreciated using the straight-line method over the estimated useful lives of the related assets ranging from three to five years.

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.

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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. Research distributions are recorded when notice of award is issued to the applicant investigator(s).

Advertising

Advertising and promotion costs are expensed when incurred.

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.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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Years Ended December 31, 2019 and 2018

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which is effective for annual periods beginning after December 15, 2020. 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, 2021, with early adoption permitted. CureAlz is currently in the process of evaluating the impact of adoption on the financial statements.

Reclassifications

Certain December 31, 2018 balances were reclassified to conform to the December 31, 2019 financial statement presentation.

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, 2019 and 2018:

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 4,797,158	\$ 2,051,994
Contributions receivable	219,130	-
Pledges receivable, current portion	2,805,010	275,000
Investments	2,255,465	4,445,787
Financial assets	10,076,763	6,772,781
Less financial assets unavailable for general expenditure:		
Purpose restrictions	467,735	438,016
Financial assets available to meet general expenditure needs within one year	\$ 9,609,028	\$ 6,334,765

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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. To help manage unanticipated liquidity needs, CureAlz is able to draw an additional \$4,000,000 from their available line of credit as of December 31, 2019. 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 1.69% and 3.07% (the Federal Reserve interest rate at December 31, 2019 and 2018, respectively), to reflect the present value of those receivables. The promised contributions due are as follows:

	2019	2018
Within one year	\$ 2,805,010	\$ 275,000
One to two years	2,365,000	275,000
Two to three years	1,050,000	275,000
Total pledges receivable	6,220,010	825,000
Less: present value component	129,440	39,987
Total pledges receivable, net	6,090,570	785,013
Less: current portion	2,805,010	275,000
Pledges receivable, less current portion, net	\$ 3,285,560	\$ 510,013

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

5. Investments

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

	2019	2018
Level 1:		
Money market funds	\$ 2,242,379	\$ 448,997
U.S. Treasury Bills	-	3,986,880
Common stock	13,086	9,910
Total investments	\$ 2,255,465	\$ 4,445,787

6. Equipment

Equipment consisted of the following:

	2019	2018
Equipment	\$ 54,458	\$ 54,458
Less accumulated depreciation	27,863	16,107
Equipment, net	\$ 26,595	\$ 38,351

7. Line of Credit

In June 2019, CureAlz entered into a line-of-credit agreement with a financial institution allowing for maximum borrowings of \$4,000,000. Interest is payable monthly at the Prime Rate (4.75% at December 31, 2019) minus 1%, but not less than 3.75%. The line of credit is secured by substantially all assets of CureAlz and expires on June 17, 2020. At December 31, 2019 and 2018, there was no outstanding balance on the line of credit.

In addition, the line-of-credit agreement contains various financial covenants and restrictions. At December 31, 2019, management believes that CureAlz is in compliance with all line-of-credit covenants.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following:

	2019	2018
Time Restrictions:		
Pledges receivable	\$ 6,090,570	\$ 785,013
Purpose Restrictions:		
Gut microbiome research project	200,000	200,000
African American population research	177,568	155,584
Personnel and related costs	30,167	82,432
Amyloid beta research	50,000	-
Other programs	10,000	-
Total net assets with donor restrictions	\$ 6,558,305	\$ 1,223,029

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.

Amyloid Beta Research

Funds have been targeted to research amyloid beta and the mechanisms by which it impacts Alzheimer's disease.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018**



9. Commitments and Contingencies

Research Distributions

As of December 31, 2019, CureAlz is committed to research distributions of approximately \$8,292,000, provided recipients meet certain milestones, as defined.

Lease Commitments

CureAlz leases its operating facility in Wellesley Hills, Massachusetts under a lease agreement that was terminated August 2018, 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 monthly lease payments of \$14,739. Lease expense was approximately \$176,900 and \$124,100 for the years ended December 31, 2019 and 2018, respectively, and is included in occupancy costs in the statements of functional expenses.

During August 2019, CureAlz entered into a lease agreement for two copier machines set to expire in July 2024 with monthly payments of \$724 plus additional print charges. Rent expense was approximately \$4,300 for the year ended December 31, 2019 and is included in office expenses in the statements of functional expenses.

Approximate future minimum lease payments are as follows:

<u>Year Ending</u>	
December 31, 2020	\$ 185,600
December 31, 2021	141,300
December 31, 2022	8,700
December 31, 2023	8,700
December 31, 2024	<u>5,100</u>
Total	<u>\$ 349,400</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 \$53,000 and \$45,300 were made to the plan during the years ended December 31, 2019 and 2018, respectively.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
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10. Related Party Transactions

Board members/founders of CureAlz and their respective foundations contributed \$6,861,860 and \$4,720,088 for the years ended December 31, 2019 and 2018, respectively, which is included in contributions without restrictions in the statements of activities.

11. Concentrations of Credit Risk

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

CureAlz maintains its operating accounts in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 and Securities Investor Protection Corporation up to specified limits. The account balances, at times, may exceed the federally insured limits, but management believes that CureAlz is not exposed to any significant credit risk related to these accounts.

At year end, 80% of the pledges receivable balance was due from three donors. Management has performed an analysis of these receivables at year end and does not believe that significant credit risk exists relating to pledges receivable.

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.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018**

12. Reconciliation to the Form 990

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

	2019	2018
Revenue and support:		
Without donor restrictions	\$ 25,186,076	\$ 20,773,584
With donor restrictions	5,335,276	(881,525)
Revenue and support per financial statements	30,521,352	19,892,059
Add (Less):		
Investment fees	40	18,103
Unrealized gain on investments	61,341	(16,367)
Total revenue per Form 990, Page 1, Line 12	\$ 30,582,733	\$ 19,893,795
Expenses:		
Program	\$ 22,175,046	\$ 21,819,494
Management and general	945,064	821,621
Fundraising	1,187,877	970,093
Expenses per financial statements	24,307,987	23,611,208
Add (Less):		
Investment fees	40	18,103
Total revenue per Form 990, Page 1, Line 18	\$ 24,308,027	\$ 23,629,311

13. Subsequent Events

Subsequent to the end of the year, the COVID-19 outbreak in the United States has resulted in a minimal disruption in CureAlz's operations. However, these recent developments are expected to result in fewer contributions received due to the current economic environment. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, CureAlz expects this matter to adversely impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Management of CureAlz has evaluated subsequent events through May 12, 2020, which is the date these financial statements were available to be issued.