

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

Financial Statements

Years Ended December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

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

FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

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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:

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CureAlz as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CureAlz and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CureAlz's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CureAlz's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kahn, Litwin, Renya & Co, Ltd.

March 30, 2022

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020



	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 9,308,773	\$ 6,399,792
Contributions receivable	-	200,000
Pledges receivable, current portion	1,350,000	2,365,000
Investments	12,993,868	6,362,446
Prepaid expenses and other current assets	160,657	55,728
Total current assets	23,813,298	15,382,966
Pledges Receivable, less current portion, net	146,905	1,028,694
Equipment, net	6,949	15,382
Total Assets	\$ 23,967,152	\$ 16,427,042
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 430,625	\$ 429,487
Research grants payable	5,103,487	529,601
Accrued payroll and related	232,539	172,501
Deferred revenue	-	500,000
Total current liabilities	5,766,651	1,631,589
Net Assets:		
Without donor restrictions	16,316,372	10,674,191
With donor restrictions	1,884,129	4,121,262
Total net assets	18,200,501	14,795,453
Total Liabilities and Net Assets	\$ 23,967,152	\$ 16,427,042

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020**



	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	\$ 25,305,989	\$ 987,867	\$ 26,293,856	\$ 22,216,254	\$ 658,134	\$ 22,874,388
Special events, net of direct expenses of \$78,301	246,821	-	246,821	-	-	-
Investment income, net	29,606	-	29,606	24,761	-	24,761
Net assets released from restrictions	3,225,000	(3,225,000)	-	3,095,177	(3,095,177)	-
Total revenue and support	28,807,416	(2,237,133)	26,570,283	25,336,192	(2,437,043)	22,899,149
Expenses:						
Program:						
Research distributions and support	17,719,354	-	17,719,354	16,691,462	-	16,691,462
Other program expenses	2,962,292	-	2,962,292	2,218,400	-	2,218,400
Total program expenses	20,681,646	-	20,681,646	18,909,862	-	18,909,862
Management and general	1,009,657	-	1,009,657	995,410	-	995,410
Fundraising	1,473,932	-	1,473,932	1,101,026	-	1,101,026
Total expenses	23,165,235	-	23,165,235	21,006,298	-	21,006,298
Change in net assets	5,642,181	(2,237,133)	3,405,048	4,329,894	(2,437,043)	1,892,851
Net Assets, beginning of year	10,674,191	4,121,262	14,795,453	6,344,297	6,558,305	12,902,602
Net Assets, end of year	\$ 16,316,372	\$ 1,884,129	\$ 18,200,501	\$ 10,674,191	\$ 4,121,262	\$ 14,795,453

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, 2021 and 2020**



	2021			2020				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Research distributions and support	\$ 17,719,354	\$ -	\$ -	\$ 17,719,354	\$ 16,691,462	\$ -	\$ -	\$ 16,691,462
Personnel and related:								
Salaries	1,486,583	369,036	820,013	2,675,632	1,105,448	354,504	470,369	1,930,321
Payroll taxes	135,775	25,097	56,426	217,298	91,325	23,324	29,754	144,403
Employee benefits	130,296	32,465	72,993	235,754	109,053	36,196	46,173	191,422
Total personnel and related	1,752,654	426,598	949,432	3,128,684	1,305,826	414,024	546,296	2,266,146
Other expenses:								
Accounting services	-	192,212	-	192,212	-	201,259	-	201,259
Advertising and promotion	732,534	-	50,180	782,714	259,903	-	150	260,053
Conferences, conventions and meetings	15,590	-	23,386	38,976	19,021	-	4,274	23,295
Consulting services	255,341	201,492	142,416	599,249	415,408	125,796	275,428	816,632
Depreciation	-	8,433	-	8,433	-	11,213	-	11,213
Gift processing fees	-	97	143,497	143,594	-	89	126,587	126,676
Information technology	8,689	71,854	-	80,543	7,342	101,438	-	108,780
Insurance	4,136	11,163	-	15,299	2,254	16,546	-	18,800
Legal services	27,644	7,560	452	35,656	29,816	18,991	1,290	50,097
Miscellaneous	19,028	12,306	15,473	46,807	17,093	11,755	11,086	39,934
Occupancy	102,240	24,888	55,745	182,873	104,823	34,791	44,381	183,995
Office expenses	43,150	51,027	89,372	183,549	47,801	53,984	73,494	175,279
Travel and related	1,286	2,027	3,979	7,292	9,113	5,524	18,040	32,677
Total other expenses	1,209,638	583,059	524,500	2,317,197	912,574	581,386	554,730	2,048,690
Total expenses	\$ 20,681,646	\$ 1,009,657	\$ 1,473,932	\$ 23,165,235	\$ 18,909,862	\$ 995,410	\$ 1,101,026	\$ 21,006,298

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 CASH FLOWS
Years Ended December 31, 2021 and 2020



	2021	2020
Cash Flows from Operating Activities:		
Cash received from:		
Contributions	\$ 28,215,767	\$ 26,090,394
Investment income	4,457	15,391
Total receipts	28,220,224	26,105,785
Cash paid for:		
Research distributions and support	(13,145,468)	(16,171,932)
Salaries and related expenses	(3,306,292)	(2,241,550)
Professional fees	(637,862)	(1,114,197)
Gift processing fees	(157,873)	(112,067)
Occupancy expenses	(182,873)	(183,995)
Other expenses	(1,274,602)	(581,799)
Total expenditures	(18,704,970)	(20,405,540)
Net cash provided by operating activities	9,515,254	5,700,245
Cash Flows from Investing Activities:		
Proceeds from sale of investments	2,093,774	70,855
Purchase of investments	(8,700,047)	(4,168,466)
Net cash used by investing activities	(6,606,273)	(4,097,611)
Net Increase in Cash and Cash Equivalents	2,908,981	1,602,634
Cash and Cash Equivalents, beginning of year	6,399,792	4,797,158
Cash and Cash Equivalents, end of year	\$ 9,308,773	\$ 6,399,792

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

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.

CureAlz's unwavering focus has been providing research grants to the world's leading scientists researching Alzheimer's disease. To date, CureAlz has contributed more than \$142,000,000 to Alzheimer's research. In 2021, 98 papers were published in premier science journals, referencing CureAlz as having provided a grant for the study being reviewed, bringing total papers to 838. Citations of those papers (references in other publications) totaled 15,007 in 2021, bringing total citations to 62,299.

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.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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, 2021 and 2020

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 (unconditional promises to give) 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, 2021 and 2020, management determined that no allowance for doubtful accounts was deemed necessary.

Investments and Fair Value Measurements

CureAlz reports its investments in money markets funds and common stock 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 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.

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

Level 3 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.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

CureAlz's investments are classified as Level 1 within the fair value hierarchy, except for its investments in Amylyx (Note 5), as follows:

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. In the absence of recorded sales, Level 1 investments are valued at the last quoted bid price reported as of the financial statement reporting date.

CureAlz reports the investments' net realized and unrealized gains and losses each reporting date in the statement of activities as a component of investment income, net. Gains and losses on investments are reported as changes in net assets without donor restrictions, unless such gains and losses 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.

CureAlz's investment in Amylyx does not have a readily determinable fair value and is valued using the measurement alternative of cost minus impairment, if any, plus or minus changes resulting from observable price changes.

Equipment

All expenditures for equipment in excess of \$5,000 are capitalized at cost; the fair 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. However, it is the policy of CureAlz to show donor-restricted contributions that are both received and fully expended in the same period as net assets without donor restrictions.

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 provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria are not met. No significant services were provided in 2021 and 2020.

Special Events – CureAlz recognizes special event revenue at the point in time the event takes place.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Research Distributions and Support

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.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which was later delayed to be effective for annual periods beginning after December 15, 2021. 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 finance 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, 2022. CureAlz is currently in the process of evaluating the impact of adoption on the financial statements.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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Years Ended December 31, 2021 and 2020

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides new presentation and disclosure requirements for contributed nonfinancial assets. The standard will be effective for CureAlz's year ending December 31, 2022.

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

Subsequent Events

Management of CureAlz has evaluated subsequent events through March 30, 2022, which is the date these financial statements were available to be issued.

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, 2021 and 2020:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 9,308,773	\$ 6,399,792
Contributions receivable	-	200,000
Pledges receivable, current portion	1,350,000	2,365,000
Investments	12,993,868	6,362,446
Financial assets	23,652,641	15,327,238
Less financial assets unavailable for general expenditure:		
Donor restrictions	1,737,224	3,092,568
Financial assets available to meet general expenditure needs within one year	\$ 21,915,417	\$ 12,234,670

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 finances all of the overhead expenses so that 100% of all donations go to fund Alzheimer's disease research.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

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 1.26% and 0.48% (the Federal Reserve interest rate at December 31, 2021 and 2020, respectively), to reflect the present value of those receivables.

The promised contributions due are as follows:

	2021	2020
Within one year	\$ 1,350,000	\$ 2,365,000
One to two years	50,000	1,050,000
Two to three years	100,000	-
Total pledges receivable	1,500,000	3,415,000
Less: present value component	3,095	21,306
Total pledges receivable, net	1,496,905	3,393,694
Less: current portion	1,350,000	2,365,000
Pledges receivable, less current portion, net	\$ 146,905	\$ 1,028,694

5. Investments and Subsequent Event

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

	2021	2020
Level 1:		
Money market funds	\$ 12,972,075	\$ 5,064,677
Common stock	21,793	1,297,769
Total investments	\$ 12,993,868	\$ 6,362,446

In 2015 CureAlz provided \$300,000 to Amylyx (a pharmaceutical company developing therapeutics for neurodegenerative diseases) for research, which was recorded as a convertible note receivable. In August 2016, principal and accrued interest on this convertible note receivable was converted to 341,253 shares of Series A Preferred Stock. The conversion price was \$0.921804 per share, resulting in a total investment cost of \$314,568. The value of this investment at December 31, 2021 and 2020 has been recorded by CureAlz as \$0, due to the lack of observable data to measure its fair value.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020**

On December 14, 2020, CureAlz provided an additional \$348,294 to Amylyx as a convertible note receivable (the Note). As of December 31, 2020, the Note's principal and accrued interest were pending conversion into Amylyx Preferred Stock. As of December 31, 2020, given the uncertain future value to be recognized on the Note, CureAlz has fully reserved the Note. This \$348,294 provision is included in research distributions and support expense on the 2020 statement of activities. On September 30, 2021, the Note was converted into 40,423 shares of Series C-2 Preferred Stock. The conversion price was \$8.616233 per share, resulting in a total investment of \$348,294. At December 31, 2021, CureAlz recorded this investment as \$0, due to the lack of observable data to measure its fair value.

On January 7, 2022, Amylyx filed its initial public offering (IPO) at a price of \$19 per share. In accordance with the offering, all preferred shares were converted to common shares on a 1 for 1 basis. The common shares converted from Series A preferred stock are available for sale on July 7, 2022, after the removal of lockup restrictions. The common shares converted from Series C-2 preferred stock, which must be held for one year after the date of conversion, will be available for sale on September 30, 2022.

6. Equipment

Equipment consisted of the following:

	2021	2020
Equipment	\$ 54,458	\$ 54,458
Less accumulated depreciation	47,509	39,076
Equipment, net	\$ 6,949	\$ 15,382

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 was payable monthly at the Prime Rate (3.25% for both of the years ended December 31, 2021 and 2020) minus 1%, but not less than 3.25%. The line of credit was fully secured by a Board member and expired on December 17, 2021. At December 31, 2020, there was no outstanding balance on the line of credit.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020**

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following:

	2021	2020
Time Restrictions:		
Pledges receivable	\$ 1,496,905	\$ 3,393,694
Purpose Restrictions:		
Orr project	219,656	-
African American population research	167,568	177,568
Gut microbiome research project	-	200,000
APOE Research	-	350,000
Total net assets with donor restrictions	\$ 1,884,129	\$ 4,121,262

Orr Project

The Orr project will study aspects of age and diet of animals with the intent to elucidate why age and metabolic syndrome are risk factors for Alzheimer's disease and whether tau-focused therapeutics might be effective as preventative strategies for neuronal preservation.

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.

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.

APOE Research

The *APOE4* gene variant has been identified as the biggest genetic driver of the risk of late-onset Alzheimer's; carriers who develop the disease also do so at a younger age than do affected non-carriers. However, the APOE protein fulfills a variety of key bodily functions in both the brain and the periphery of the body and it is as yet unclear what role or roles may be most important to the risk it conveys when it derives from *APOE4*. Funds have been provided to support an ongoing consortium of labs investigating the myriad effects of APOE isoforms on Alzheimer's risk and progression.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

9. Commitments and Contingencies

Research Distributions

As of December 31, 2021, CureAlz is committed to research distributions of approximately \$16,907,000, provided recipients meet certain milestones, as defined through December 31, 2023.

Lease Commitments

CureAlz leases its operating facility in Wellesley Hills, Massachusetts under a lease agreement dated September 2018, with monthly payments of \$14,739 through September 2021, which was extended to September 2024. Lease expense was approximately \$176,900 for each of the years ended December 31, 2021 and 2020, 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. Lease expense was approximately \$11,200 and \$8,600 for the years ended December 31, 2021 and 2020, respectively, 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, 2022	\$ 185,600
December 31, 2023	185,600
December 31, 2024	<u>137,700</u>
Total	<u>\$ 508,900</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 \$85,900 and \$59,900 were made to the plan during the years ended December 31, 2021 and 2020, respectively.

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10. Related Party Transactions

Board members/founders of CureAlz and their respective foundations contributed approximately \$6,331,900 and \$6,165,800 for the years ended December 31, 2021 and 2020, respectively, which is included in contributions without donor restrictions in the statements of activities.

CureAlz utilizes a vendor offering creative and production services. One of the vendor's principals is a spouse of a key employee of CureAlz. CureAlz paid approximately \$121,400 and \$193,800 for these services for the years ended December 31, 2021 and 2020, respectively.

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 one financial institution. The balances at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and Securities Investor Protection Corporation up to \$250,000. The account balances, at times, may exceed the federally insured limits. Cash balances in excess of \$250,000 are generally uninsured.

For the years ended December 31, 2021 and 2020, 97% and 88% 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 changes could materially affect investment balances and activity included in the financial statements.

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12. Reconciliation to the Form 990

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

	<u>2021</u>	<u>2020</u>
Revenue and support:		
Without donor restrictions	\$ 28,807,416	\$ 25,336,192
With donor restrictions	<u>(2,237,133)</u>	<u>(2,437,043)</u>
Revenue and support per financial statements	26,570,283	22,899,149
Add (Less):		
Investment fees	40	81
Unrealized (gain) loss on investments	<u>2,404</u>	<u>(7)</u>
Total revenue per Form 990, Page 1, Line 12	<u>\$ 26,572,727</u>	<u>\$ 22,899,223</u>
Expenses:		
Program	\$ 20,681,646	\$ 18,909,862
Management and general	1,009,657	995,410
Fundraising	<u>1,473,932</u>	<u>1,101,026</u>
Expenses per financial statements	23,165,235	21,006,298
Add (Less):		
Investment fees	<u>40</u>	<u>81</u>
Total expenses per Form 990, Page 1, Line 18	<u>\$ 23,165,275</u>	<u>\$ 21,006,379</u>