

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

Financial Statements

Years Ended December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

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

FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

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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 not-for-profit organization) (CureAlz), which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 for 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 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.

April 16, 2024

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022



	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ 5,212,810	\$ 10,033,492
Contributions receivable	-	66,406
Pledges receivable, current portion	2,450,253	1,100,000
Investments	24,112,740	17,733,326
Prepaid expenses and other current assets	239,429	218,532
Total current assets	32,015,232	29,151,756
Pledges Receivable, less current portion, net	1,332,899	711,329
Equipment, net	-	3,042
Right-of-Use Assets, net	140,148	326,657
Total Assets	\$ 33,488,279	\$ 30,192,784
Liabilities and Net Assets		
Current Liabilities:		
Current portion of operating leases payable	\$ 125,706	\$ 171,830
Accounts payable	316,299	405,274
Research grants payable	718,427	488,260
Accrued payroll and related	566,892	528,365
Total current liabilities	1,727,324	1,593,729
Long-term Liabilities:		
Operating leases payable, less current portion	-	140,445
Total long-term liabilities	-	140,445
Total liabilities	1,727,324	1,734,174
Net Assets:		
Without donor restrictions	27,791,118	26,297,281
With donor restrictions	3,969,837	2,161,329
Total net assets	31,760,955	28,458,610
Total Liabilities and Net Assets	\$ 33,488,279	\$ 30,192,784

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 ACTIVITIES
Years Ended December 31, 2023 and 2022**



	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	\$ 22,785,077	\$ 5,330,095	\$ 28,115,172	\$ 23,108,008	\$ 3,014,424	\$ 26,122,432
Donated stock	8,304,273	78,160	8,382,433	5,919,199	-	5,919,199
Special events, net of direct expenses of \$84,483 and \$78,097, respectively	185,317	-	185,317	306,887	-	306,887
Investment income, net (Note 5)	1,238,114	-	1,238,114	8,492,261	-	8,492,261
Net assets released from restrictions	3,599,747	(3,599,747)	-	2,737,224	(2,737,224)	-
Total revenue and support	36,112,528	1,808,508	37,921,036	40,563,579	277,200	40,840,779
Expenses:						
Program:						
Research distributions and support	27,793,083	-	27,793,083	24,460,315	-	24,460,315
Other program expenses	3,607,458	-	3,607,458	3,426,801	-	3,426,801
Total program expenses	31,400,541	-	31,400,541	27,887,116	-	27,887,116
Management and general	1,320,840	-	1,320,840	1,032,769	-	1,032,769
Fundraising	1,897,310	-	1,897,310	1,662,785	-	1,662,785
Total expenses	34,618,691	-	34,618,691	30,582,670	-	30,582,670
Change in net assets	1,493,837	1,808,508	3,302,345	9,980,909	277,200	10,258,109
Net Assets, beginning of year	26,297,281	2,161,329	28,458,610	16,316,372	1,884,129	18,200,501
Net Assets, end of year	\$ 27,791,118	\$ 3,969,837	\$ 31,760,955	\$ 26,297,281	\$ 2,161,329	\$ 28,458,610

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, 2023 and 2022



	2023			2022				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Research distributions and support	\$ 27,793,083	\$ -	\$ -	\$ 27,793,083	\$ 24,460,315	\$ -	\$ -	\$ 24,460,315
Personnel and related:								
Salaries	1,956,146	712,569	1,142,763	3,811,478	1,766,205	446,768	971,832	3,184,805
Payroll taxes	170,378	51,703	81,461	303,542	155,536	28,738	61,603	245,877
Employee benefits	202,258	58,201	92,209	352,668	156,400	37,939	81,741	276,080
Total personnel and related	2,328,782	822,473	1,316,433	4,467,688	2,078,141	513,445	1,115,176	3,706,762
Other expenses:								
Accounting services	-	105,190	-	105,190	-	149,145	-	149,145
Advertising and promotion	700,412	-	26,882	727,294	777,562	-	-	777,562
Conferences, conventions and meetings	12,732	-	12,572	25,304	16,896	-	6,787	23,683
Consulting services	313,697	164,943	160,403	639,043	244,756	190,534	188,161	623,451
Depreciation	-	3,042	-	3,042	-	3,907	-	3,907
Gift processing fees	-	33	147,164	147,197	-	70	137,579	137,649
Information technology	9,383	68,009	-	77,392	8,057	81,256	-	89,313
Insurance	4,403	20,304	2,007	26,714	3,625	17,605	1,895	23,125
Legal services	7,989	55,337	6,210	69,536	8,491	3,229	3,817	15,537
Miscellaneous	28,733	9,700	16,694	55,127	24,108	9,373	20,339	53,820
Occupancy	114,272	32,882	52,096	199,250	111,377	26,933	58,028	196,338
Office expenses	73,256	37,387	81,638	192,281	148,991	37,156	59,140	245,287
Travel and related	13,799	1,540	75,211	90,550	4,797	116	71,863	76,776
Total other expenses	1,278,676	498,367	580,877	2,357,920	1,348,660	519,324	547,609	2,415,593
Total expenses	\$ 31,400,541	\$ 1,320,840	\$ 1,897,310	\$ 34,618,691	\$ 27,887,116	\$ 1,032,769	\$ 1,662,785	\$ 30,582,670

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, 2023 and 2022



	2023	2022
Cash Flows from Operating Activities:		
Cash received from:		
Contributions	\$ 26,479,555	\$ 26,126,586
Investment income	977,403	63,064
Total receipts	27,456,958	26,189,650
Cash paid for:		
Research distributions and support	(27,562,916)	(29,075,542)
Salaries and related expenses	(4,427,507)	(3,665,357)
Professional fees	(1,185,498)	(617,362)
Gift processing fees	(146,420)	(151,928)
Occupancy expenses	(213,989)	(211,077)
Other expenses	(1,005,040)	(1,352,603)
Total expenditures	(34,541,370)	(35,073,869)
Net cash used by operating activities	(7,084,412)	(8,884,219)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	8,436,908	14,929,740
Purchase of investments	(6,173,178)	(5,808,011)
Net cash provided by investing activities	2,263,730	9,121,729
Net Increase (Decrease) in Cash and Cash Equivalents	(4,820,682)	237,510
Cash and Cash Equivalents, beginning of year	10,033,492	9,795,982
Cash and Cash Equivalents, end of year	\$ 5,212,810	\$ 10,033,492
Non-cash Operating and Investing Activity:		
Donated stock	\$ 8,382,433	\$ 5,919,199
Donated use of facility	\$ -	\$ 58,806

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
D/B/A CURE ALZHEIMER'S FUND
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

1. Nature of Operations

Alzheimer's Disease Research Foundation d/b/a Cure Alzheimer's Fund (CureAlz) is a not-for-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 \$193,000,000 to Alzheimer's research. In 2023, 183 papers were published in premier science journals, referencing CureAlz as having provided a grant for the study being reviewed. Citations of those papers (references in other publications) totaled 17,976 in 2023.

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. Donor-restricted contributions that are satisfied in the same fiscal year received are reported as net assets without donor restrictions in the statement of activities.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

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 provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. A receivable is considered past due if payment has not been received within stated terms. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged against the allowance for credit losses. At December 31, 2023 and 2022, no allowance for credit losses was reported as CureAlz determined it to be nominal in amount.

Investments and Fair Value Measurements

CureAlz reports 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 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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Years Ended December 31, 2023 and 2022

CureAlz's investments are classified as Level 1 within the fair value hierarchy 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.

Equipment

All expenditures for equipment in excess of \$5,000 are capitalized at cost, except for donated property and equipment which is capitalized at its fair value at the date of the donation. Equipment is depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from three to five years.

Leases

During 2022, CureAlz implemented ASU 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Leases are recorded on the statement of financial position as right-of-use (ROU) assets and lease liabilities and are classified as operating leases or finance leases.

CureAlz has elected the practical expedient for certain lease agreements for facilities that include base rental payments which include both a lease component (the right to use the building) and a non-lease component (payment or reimbursement for services provided, i.e., maintenance). As a result, CureAlz combines the lease component and non-lease component as a single lease component.

CureAlz has elected to apply the short-term lease exemption and does not recognize non-cancellable short-term leases as operating or finance leases. Short-term leases are defined as leases with lease terms of 12 months or less or a 12-month lease with an option to extend in which it is reasonably certain the option will not be exercised. If it is probable that the option will be exercised, the non-cancellable lease will not qualify as a short-term lease.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

Lease expenses for short-term leases are recognized straight-line over the lease term, and any variable lease payments are recorded in the period in which the obligation for those payments is incurred.

Lease liabilities are discounted to the present value of the future payments remaining after the commencement date. The discount rate used on new or amended lease agreements is the risk-free discount rate applicable to the lease term.

Lease payments include fixed lease payments and variable lease payments whereby measurement is based on an index or a rate. Variable payments on equipment leases include additional rents based on equipment usage which are recorded as lease expense when the amount becomes measurable. Variable payments on real estate leases include CureAlz's payments for its pro-rata share of real estate taxes and building insurance not included in the base rental payment amount, which are recorded as lease expense when the amount becomes measurable.

The ROU asset is measured using the lease liability plus any lease payments made before the commencement date, plus any initial direct costs, less any lessor incentive.

ROU assets - operating leases are amortized over the assets' lease period.

Revenue and Support Recognition

Contributions

Contributions are recognized 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.

Contributed Nonfinancial Assets

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills which, if not provided by donation, would have to 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 2023 and 2022.

Special Events

Special event revenue is recognized at the point in time the event takes place.

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Years Ended December 31, 2023 and 2022

Research Distributions and Support

Research distributions are recommended by the Research Leadership Group and approved by the Research 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.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

Subsequent Events

Management of CureAlz has evaluated subsequent events through April 16, 2024, which is the date these financial statements were available to be issued.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022**

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, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 5,212,810	\$ 10,033,492
Contributions receivable	-	66,406
Pledges receivable, current portion	2,450,253	1,100,000
Investments	24,112,740	17,733,326
Financial assets, at end of year	31,775,803	28,933,224
Less financial assets unavailable for general expenditure:		
Donor restrictions	2,636,938	1,450,000
Financial assets available to meet general expenditure needs within one year	\$ 29,138,865	\$ 27,483,224

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, Trustees, and select donors finance all of the overhead expenses so that 100% of general donations go to fund Alzheimer's disease research.

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 5.03% and 4.33% (the Federal Reserve interest rate at December 31, 2023 and 2022, respectively) to reflect the present value of those receivables.

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022**

The promised contributions are due as follows:

	2023	2022
Within one year	\$ 2,450,253	\$ 1,100,000
One to two years	1,350,000	600,000
Two to three years	50,000	100,000
Three to four years	-	50,000
Total pledges receivable	3,850,253	1,850,000
Less present value component	67,101	38,671
Total pledges receivable, net	3,783,152	1,811,329
Less current portion	2,450,253	1,100,000
Pledges receivable, less current portion, net	\$ 1,332,899	\$ 711,329

5. Investments

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

	2023	2022
Level 1:		
Money market funds	\$ 1,499	\$ 897
U.S. Treasury bills	23,982,050	17,721,767
Common stock	129,191	10,662
Total investments	\$ 24,112,740	\$ 17,733,326

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 preferred stock resulting in a total investment cost of \$314,568. On December 14, 2020, CureAlz provided an additional \$348,294 to Amylyx as a convertible note receivable which was converted to preferred stock on September 30, 2021. The value of this investment at December 31, 2021 had 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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Years Ended December 31, 2023 and 2022

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. After the removal of lockup restrictions, the common stock was available for sale on July 7, 2022. During July 2022, CureAlz sold all the common stock holdings at various dates. The sale resulted in a realized gain of approximately \$8,142,200, which is included in investment income, net on the accompanying 2022 statement of activities.

6. Equipment

Equipment consisted of the following:

	2023	2022
Equipment	\$ 54,458	\$ 54,458
Less accumulated depreciation	54,458	51,416
Equipment, net	\$ -	\$ 3,042

7. Right-of-Use Assets and Leases Payable

CureAlz leases its administrative offices under a non-cancellable operating lease that expires on September 30, 2024. Base rent was approximately \$176,900 for each of the years ended December 31, 2023 and 2022, and is included in occupancy costs in the accompanying statements of functional expenses.

CureAlz also leases two copier machines under agreements that expire in August 2024. Lease expense was approximately \$12,200 and \$11,100 for the years ended December 31, 2023 and 2022, respectively, and is included in occupancy expenses in the accompanying statements of functional expenses.

ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022



The related cost of the right-of-use assets and accumulated amortization at December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Right-of-use assets	\$ 510,668	\$ 510,668
Less accumulated amortization	<u>370,520</u>	<u>184,011</u>
Total right-of-use assets, net	<u>\$ 140,148</u>	<u>\$ 326,657</u>

Other quantitative disclosures for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ 189,022	\$ 188,009
Supplemental Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liability		
Operating cash flows from operating leases	\$ 203,822	\$ 172,913
Other Information:		
Weighted average remaining lease term	0.74 years	1.74 years
Weighted average discount rate	1.04%	1.04%

Minimum future lease payments under the operating lease obligations as of December 31, 2023 are as follows:

Year Ending

December 31, 2024	\$ 126,312
Less present value	<u>606</u>
Current portion of operating leases payable	<u>\$ 125,706</u>

**ALZHEIMER'S DISEASE RESEARCH FOUNDATION
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8. 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. The line of credit was fully secured by a Board member and expired on December 17, 2021. On March 4, 2022, CureAlz entered into a renewal and modification agreement, extending the line of credit. The line of credit was set to expire on January 17, 2023. Interest was payable monthly at the Prime Rate (7.5% at December 31, 2022) minus 1%, but not less than 3.25%. On December 22, 2022, CureAlz terminated the agreement without penalty.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

	2023	2022
Time Restrictions:		
Pledges receivable	\$ 3,783,152	\$ 1,811,329
Purpose Restrictions:		
Griciuc & Quniti and Sinha Studies	97,500	-
Eimer Project	89,185	-
Gomez-Isla Project	-	100,000
APOE Research	-	250,000
Total net assets with donor restrictions	\$ 3,969,837	\$ 2,161,329

Griciuc & Quinti Studies

These studies seek to identify and test novel therapeutic approaches for Alzheimer's disease based on manipulating microglia cell functions that impact both neuroinflammation and clearance of amyloid beta plaques.

Sinha Study

The goal of this study is to discover small molecule drugs that inhibit and modulate CD33, a gene that is made by microglial cells and linked to Alzheimer's disease.

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Eimer Project

The Eimer project investigates the hypothesis that microbial pathogens (like bacteria and viruses) may be involved in the onset of Alzheimer's disease and that amyloid beta and tau – two proteins that become pathological during Alzheimer's disease – may normally serve as part of the defense system against microbes invading the brain.

Gomez-Isla Project

The Gomez-Isla project is an investigation of molecular mechanisms that enable some individuals to preserve cognitive health despite the presence of Alzheimer's pathology.

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.

10. Contributed Assets

Contributed Nonfinancial Assets

For the year ended December 31, 2023, CureAlz did not receive any contributed non-financial assets. For the year ended December 31, 2022, CureAlz received a contribution of the free use of a facility for a special event. The fair value of this contribution, totaling \$58,806 based on the donor's rental cost of the space, has been recorded as contribution revenue and special events expense in the accompanying 2022 statement of activities.

Donated Stock

CureAlz received donated stock valued at \$8,382,433 and \$5,919,199 for the years ended December 31, 2023 and 2022, respectively.

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11. Commitments

Research Distributions

As of December 31, 2023, CureAlz is committed to research distributions of approximately \$18,021,400, provided recipients meet certain milestones, as defined, through December 31, 2025.

The following is a summary of future approximate committed research distributions:

December 31, 2024	\$ 13,791,700
December 31, 2025	<u>4,229,700</u>
	<u>\$ 18,021,400</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 \$114,200 and \$98,600 were made to the plan during the years ended December 31, 2023 and 2022, respectively.

Employment Agreement

CureAlz has an employment agreement with one key employee that provides a minimum base salary and allows for severance payments in the event of employment termination under the conditions described in the agreement. The agreement provides severance consisting of base salary for up to six months.

12. Related Party Transactions

Board members/founders of CureAlz and their respective foundations contributed approximately \$3,646,400 and \$4,087,600 for the years ended December 31, 2023 and 2022, 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 incurred expenses of approximately \$234,300 and \$297,600 for these services for the years ended December 31, 2023 and 2022, respectively.

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13. 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 balance at the institution is insured by the Federal Deposit Insurance Corporation up to \$250,000 and Securities Investor Protection Corporation up to \$250,000. CureAlz has an agreement with Insured Cash Sweep (ICS) service such that excess funds are automatically moved to other bank accounts to keep balances within federally insured limits.

At December 31, 2023 and 2022, 91% and 92%, respectively, 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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14. Reconciliation to the Form 990

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

	<u>2023</u>	<u>2022</u>
Revenue and support:		
Without donor restrictions	\$ 36,112,528	\$ 40,563,579
With donor restrictions	<u>1,808,508</u>	<u>277,200</u>
Revenue and support per financial statements	37,921,036	40,840,779
 Add (Less):		
Investment fees	14,857	30,344
Unrealized gain on investments	<u>(210,686)</u>	<u>(162,878)</u>
Total revenue per Form 990, Page 1, Line 12	<u>\$ 37,725,207</u>	<u>\$ 40,708,245</u>
 Expenses:		
Program	\$ 31,400,541	\$ 27,887,116
Management and general	1,320,840	1,032,769
Fundraising	<u>1,897,310</u>	<u>1,662,785</u>
Expenses per financial statements	34,618,691	30,582,670
 Add (Less):		
Investment fees	<u>14,857</u>	<u>30,344</u>
Total expenses per Form 990, Page 1, Line 18	<u>\$ 34,633,548</u>	<u>\$ 30,613,014</u>