

Alzheimer's Drug Discovery Foundation

Combined Financial Statements
Together with Report of Independent
Certified Public Accountants

December 31, 2014

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Report of Independent Certified Public Accountants

**To the Board of Governors of
Alzheimer's Drug Discovery Foundation:**

Report on the Financial Statements

We have audited the accompanying combined statement of financial position of the Alzheimer's Drug Discovery Foundation (a not-for-profit organization) ("Foundation") as of December 31, 2014 and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements. The prior year summarized comparative information has been derived from the Foundation's 2013 financial statements and, in our report dated June 3, 2014, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We did not audit the financial statements of Alzheimer's Drug Discovery Foundation of Canada, (a related not-for-profit organization) ("Canada"), which statements reflect total assets constituting 3.2 percent of combined total assets at December 31, 2014 and total support and revenues constituting 2.4 percent of combined total support and revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Canada, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



BENCIVENGA WARD & COMPANY, CPA's, P.C.

A Registered Professional Services Firm

Opinion

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the combined financial position of Alzheimer's Drug Discovery Foundation as of December 31, 2014, and the combined changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combined statement of functional expenses is presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Bencivenga Ward & Company, CPA's, P.C.

BENCIVENGA WARD & COMPANY, CPA'S, P.C.

Valhalla, New York
June 23, 2015

ALZHEIMER'S DRUG DISCOVERY FOUNDATION
COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents		
Operating	\$ 4,633,217	\$ 2,911,519
Restricted	274,468	27,900
Cash held by related party	15,640	-
Total cash and cash equivalents	4,923,325	2,939,419
Investments, at fair value	10,809,963	8,705,188
Contributions receivable	4,059,717	4,552,996
Due from Institute for the Study of Aging, Inc.	133,215	68,815
Other assets	26,103	16,557
Total assets	19,952,323	16,282,975
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	49,324	51,249
Grants payable	11,513,136	8,665,995
Deferred revenue	61,350	30,765
Total liabilities	11,623,810	8,748,009
Net Assets		
Unrestricted	8,054,045	6,491,418
Temporarily restricted	274,468	1,043,548
Total net assets	8,328,513	7,534,966
Total liabilities and net assets	\$ 19,952,323	\$ 16,282,975

The accompanying notes are an integral part of this statement.

ALZHEIMER'S DRUG DISCOVERY FOUNDATION

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR 2013)**

	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenues				
Support-				
Contributions and grants	\$ 6,383,472	\$ 131,250	\$ 6,514,722	\$ 7,150,947
In-kind contributions from the Institute for the Study of Aging, Inc.	2,832,504	-	2,832,504	3,212,178
Proceeds from special events, net of direct expenses	2,818,092	-	2,818,092	2,826,874
Net assets released from program restrictions	1,146,897	(1,146,897)	-	-
Revenues-				
Grant returns	1,553,370	246,535	1,799,905	25,000
Conference registration fees and other income	226,173	-	226,173	249,603
Investment and other income	1,542	32	1,574	8,034
Foreign exchange gain	105,048	-	105,048	-
Total support and revenues	15,067,098	(769,080)	14,298,018	13,472,636
Expenses				
Program services	10,850,140	-	10,850,140	9,870,696
Fund raising	1,236,175	-	1,236,175	1,341,435
Management and general	493,156	-	493,156	648,675
Expense for uncollected pledge	12,579,471	-	12,579,471	11,860,806
	925,000	-	925,000	-
Total expenses	13,504,471	-	13,504,471	11,860,806
Change in net assets	1,562,627	(769,080)	793,547	1,611,830
Net assets, beginning of year	6,491,418	1,043,548	7,534,966	5,923,136
Net assets, end of year	\$ 8,054,045	\$ 274,468	\$ 8,328,513	\$ 7,534,966

The accompanying notes are an integral part of this statement.

ALZHEIMER'S DRUG DISCOVERY FOUNDATION

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 793,547	\$ 1,611,830
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-		
Donated investments	(1,710,999)	(64,952)
Realized and unrealized loss (gain) on investments	22,251	(2,933)
Changes in operating assets and liabilities-		
Decrease (increase) in contributions receivable	493,279	(1,810,867)
(Increase) in Due from the Institute for the Study of Aging, Inc.	(64,400)	(78,578)
(Increase) in other assets	(9,546)	(333)
Increase (decrease) in accounts payables and accrued liabilities	(1,925)	(11,557)
Increase in grants payable	2,847,141	1,180,564
Increase (decrease) in deferred revenue	30,585	(101,284)
Net cash provided by operating activities	2,399,933	721,890
Cash Flows From Investing Activities		
Proceeds from sales of investments	57,882,529	72,875,728
Purchases of investments	(58,298,556)	(73,397,254)
Net cash flows (used) by investing activities	(416,027)	(521,526)
Cash and cash equivalents, beginning of year	2,939,419	2,739,055
Cash and cash equivalents, end of year	\$ 4,923,325	\$ 2,939,419

The accompanying notes are an integral part of this statement.

1. ORGANIZATION

Alzheimer's Drug Discovery Foundation ("Foundation") is a not-for-profit, tax-exempt, organization incorporated in Delaware in April 2004 to fund drug discovery and drug development research programs to prevent, treat and cure Alzheimer's disease, related dementias and cognitive aging.

In March 2012, the Foundation formed Alzheimer's Drug Discovery Foundation of Canada ("Canada") to raise and maintain funds and to provide part of the income and principal of such funds to donees under the Income Tax Act (Canada) for research to advance the discovery and development of novel therapeutics and diagnostic tools for the prevention, treatment and cure of Alzheimer's disease, related dementia and cognitive aging.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Combination

The accompanying combined financial statements include the financial position, operating activities and cash flows of the Foundation and Canada, (collectively the "Organization") because the Foundation has both control and economic interest in the entity. All significant intercompany balances and transactions have been eliminated in combination.

Basis of Accounting

The accompanying combined financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations.

Tax Status

The Foundation is exempt from federal income taxes under Section 501(a) of the United States Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. Contributions to the Foundation are tax deductible within the limits prescribed by the Code. The Foundation is also exempt from state and local income taxes.

Canada is registered as a public foundation for income tax purposes under the Canada Revenue Agency and, therefore, qualifies for tax exempt status under the Income Tax Act of Canada.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has a nexus; and to review other matters that may be considered tax positions.

Income Taxes

The Organization is subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 740-10-05 relating to accounting and reporting for uncertainty in income taxes. This requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS"). Due to the Organization's general not-for-profit status, management believes there are no tax positions that would have a material impact on its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

Income Taxes- (continued)

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Due to the expiration of the statute of limitations, the Foundation is no longer subject to income tax examinations for years prior to 2011

Classification of Net Assets

In accordance with the provisions of Financial Accounting Standards Board ("FASB"), net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. The Organization's net assets and changes therein are classified and reported as follows:

Unrestricted- Net assets that are not subject to donor-imposed stipulations and are available for support of the operations of the Organization.

Temporarily Restricted- Net assets represent those resources that are subject to donor-imposed stipulations that will be met either by satisfaction of program restrictions or the passage of time. At December 31, 2014, there were temporarily restricted net assets in the amount of \$274,468.

Permanently Restricted- Net assets represent those endowment-related assets that are subject to restrictions of gift instruments, which require that the principal be held in perpetuity and the income be used for such purposes, if any, as the donors may direct. At December 31, 2014, the Organization did not have permanently restricted net assets.

Investments

The Organization has an investment policy in compliance with the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"). Investments in equity and fixed-income securities and mutual funds are reported at their fair values, based on quoted market prices in active markets at the published market closing prices at the Statement of Financial Position date.

Gains and losses on securities are determined by a comparison of specific costs at acquisition to proceeds at the time of disposal, or to the fair values at year end, and are reported in the accompanying Combined Statement of Activities. Purchases and sales of securities are reflected on a trade-date basis. Dividend and interest income are recognized when earned.

Donated securities are recorded at their fair values at the dates of donation and are sold as expeditiously as possible, upon receipt.

Grants and Contributions

The Organization records contributions of cash and other assets when received or when the unconditional promise to give such assets is received from the donor. Contributions are recorded at the fair value of the assets received and are classified as unrestricted, temporarily restricted or permanently restricted, based on the existence and/or nature of donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Combined Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are reported as unrestricted support in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)**Contributed Services**

The Organization recognizes contributions of services which: create or enhance non-financial assets, require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed services and promises to give services that do not meet the above criteria are not recognized in the combined financial statements. There were no contributed services that met this criteria for the periods presented, except for in-kind contributions provided by the Institute for the Study of Aging, Inc. (the "Institute"), which are described in Note 8 to the combined financial statements.

Typically, individuals contribute freely of their time and talent in furtherance of the Organization's goals. The Organization has not recorded the value of these services in its financial statements since a clearly measurable basis for a determination of such a value does not exist.

Functional Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the Combined Statement of Activities and the Combined Statement of Functional Expenses.

The majority of the Organization's expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on allocation factors determined by management.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents, except for cash held as part of the investment portfolio. Cash and cash equivalents are carried at cost, which approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Significant estimates and assumptions include the valuation of contributions receivable and the allocation of expenses to functional classifications.

Fair Value Measurements

As further described in Note 4, the Organization is subject to ASC Topic 820-10-05 relating to fair-value measurement. Accordingly, the Organization reports a fair value measurement of all applicable financial assets and liabilities, including investments, contributions receivable and payables.

Subsequent Events

The Organization considers all accounting treatments and the related disclosures in the current year's financial statements, that may be required as the result of all events or transactions that occur after year-end through the date the financial statements are available to be issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)**Foreign Currency Translation and Exchange Gain**

The Canadian dollar is the functional currency of Canada. The day-to-day operations are dependent on the economic environment of the functional currency, excluding the in-kind contribution from the Institute, which is in U.S. dollars. The accompanying combined statement of cash flows have been prepared on the basis of Canada's functional currency- and were subsequently translated to U.S. dollars. Foreign accounts have been translated into U.S. dollar exchange rates as follows: (i) financial position accounts at year-end rates, and (ii) changes in net asset accounts at weighted average rates. Translation gains and losses are reflected in the Combined Statement of Activities.

3. SIGNIFICANT CONTRIBUTORS AND CONCENTRATION OF CREDIT RISK

In 2014, the Organization received support totaling approximately \$7,450,000 from nine contributors, which approximates 52% of total support and revenues. One of the contributors is the Institute, a related party. The operation of the Organization's programs, at present levels, is dependent upon continued funding and continued in-kind contributions from the Institute.

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, and investments. The Foundation maintains its cash accounts with banks located in New York State. The cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The financial instruments of Canada consist of cash in a Canadian bank account, which is insured by the Canadian Deposit Insurance Corporation ("CDIC") up to \$100,000. The Foundation's and Canada's amounts on deposit at December 31, 2014 exceeded the balance insured by the FDIC and CDIC, respectively. Management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows: Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access; Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or other inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. , the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

4. FAIR VALUE MEASUREMENTS- (continued)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Assets and liabilities (Level 1) - Cash and cash equivalents, contributions receivable, other assets and liabilities have a carrying amount that is a reasonable estimate of fair value because of the short-term maturity of these instruments

Investments (Levels 1 and 2)

	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	\$ 10,799,892	\$ -	\$ -	\$ 10,799,892
Mutual Fund	-	10,071	-	10,071
	\$ 10,799,892	\$ 10,071	\$ -	\$ 10,809,963

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. THE FUND FOR ALZHEIMER'S DRUG DISCOVERY

In 2006, the Foundation formed The Fund for Alzheimer's Drug Discovery (the "Fund") to raise funds in the form of contributions using a non-profit venture fund model to further the mission of the Foundation. The Fund made grants in support of early stage Alzheimer's drug discovery research designed to accelerate the discovery and development of drugs that prevent, treat or cure Alzheimer's disease. Each Fund grant was structured to enable the Fund to share financially in the further commercial development of successful products or procedures, if any. Grants by the Fund were based primarily on the Foundation's evaluation of the likelihood that the grant supported work will advance treatment of Alzheimer's disease and only secondarily on the potential monetary return from the grants.

Contributors to the Fund understand that the Fund may recover little or none of the amounts granted. Contributors to the Fund were entitled to designate a charitable organization tax-exempt under Section 501(c)(3) of the Code as a beneficiary to share with the Foundation in the return, if any, from the grant.

Any returns from successful grants by the Fund will be shared as follows: 80% to the charitable designee organization of the contributor and 20% to the Foundation.

In 2014 and 2013, the Fund received monetary program related investments and grant returns in the amounts of \$246,535 and \$25,000, respectively.

ALZHEIMER'S DRUG DISCOVER FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2014

5. THE FUND FOR ALZHEIMER'S DRUG DISCOVERY- (continued)

The Foundation received for these grants: the right to recover defined amounts based on meeting certain milestones, common stock, convertible notes, bonds and warrants, which are convertible into equity securities or units. The Foundation has not valued these securities in the financial statements because the success of the early stage research conducted by the grantees is highly uncertain. In the Combined Statement of Financial Position, restricted cash is the cumulative amount of grant returns, interest and other income.

6. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents as of December 31, 2014 is as follows:

Cash in banks	\$	2,995,241
Money market funds		1,912,444
Cash held by related party		15,640
	\$	<u>4,923,325</u>

See Note 3 to the financial statements for concentration of credit risk. Cash in banks are insured by the FDIC or the CDIC. The Foundation's cash in money market funds are not FDIC insured.

7. CONTRIBUTIONS RECEIVABLE

The Organization records contributions receivable that are expected to be collected within one year at realizable value and multi-year contributions receivable at the present value of the estimated future cash flows.

Contributions receivable consists of the following at December 31, 2014:

Due within one year	\$	1,005,028
Due in two to five years		2,239,850
Due in more than five years		875,170
		<u>4,120,048</u>
Less unamortized discount		(60,331)
	\$	<u>4,059,717</u>

8. RELATED PARTY TRANSACTIONS

On January 1, 2011, the Foundation and the Institute entered into a five-year "Services and In-Kind Donation Agreement" ("Services Agreement"). On April 25, 2012, Canada and the Institute entered into a "Services and In-Kind Donation Agreement" ("Services Agreement"), which shall remain in effect until December 31, 2015. Under the Services Agreements, the Institute provides office space, equipment, personnel and related employee benefits, independent contractors and other administrative support to the Organization free of charge. These agreements can be renewed annually with the approval of the Institute and with the Foundation's and Canada's approval. Contributions under these agreements totaled \$2,832,504 in 2014 and \$3,212,178 in 2013 to the Organization. These in-kind contributions are shown in the Combined Statement of Activities and are included as salaries, payroll taxes and employee benefits and other expense categories in the Combined Statement of Functional Expenses.

Two board members of the Foundation are attorneys whose firms provide services to the Foundation. Professional fees charged to the Foundation from these firms totaled approximately \$63,000 in 2014.

9. TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2014, the Organization had temporarily restricted net assets of \$274,468 relating to Fund. Net assets of \$1,146,897 were released from donor restrictions by the Organization in 2014.

10. GRANT RETURNS AND COMMITMENTS

The Foundation has accrued grants for medical research that have been approved by the Foundation's Grant Approval Board or Board of Governors in the amount of \$11,513,136. These grants are in the areas of drug discovery, clinical trials, early detection and prevention for cognitive aging and Alzheimer's disease.

Certain grants are structured to enable the Foundation to share financially in the further commercial development of successful products or procedures.

The Foundation received for these grants: the right to recover defined amounts based on meeting certain milestones, common stock, convertible notes, bonds and warrants, which are convertible into equity securities or units. The Foundation has not valued these securities in the financial statements because the success of the early stage research conducted by the grantees is highly uncertain.

In 2014 and 2013, the Foundation received grant returns in the amounts of \$1,553,370 and \$0, respectively.

ALZHEIMER'S DRUG DISCOVER FOUNDATION

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

11. SPECIAL FUND RAISING EVENTS

Proceeds for special events are shown in the Combined Statement of Activities net of direct costs for the years ended December 31, 2014 and 2013 as follows:

	2014	2013
Special events proceeds	\$ 3,371,118	\$ 3,435,435
Less direct expenses	(553,026)	(608,561)
	\$ 2,818,092	\$ 2,826,874

12. PRIOR-YEAR FINANCIAL STATEMENTS

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in connection with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

13. FOREIGN OPERATIONS

In 2012, the Organization formed Canada, which primarily administers contributions that are restricted for grants to be made to Canadian organizations.

As of December 31, 2014 and for the year then ended, the following approximate balances and activities are attributable to Canada.

Balances as of December 31, 2014-	
Assets	
Cash and cash equivalents	\$ 622,000
Contributions receivable	4,000
Other assets	21,000
Total assets	647,000
Liabilities	
Accounts payable and accrued liabilities	14,000
Grants payable	767,000
Total liabilities	781,000
(Deficiency) of Net Assets	\$ (134,000)
 Activities for the year ended December 31, 2014-	
Support and revenues	\$ 349,000
Expenses	(1,537,000)
(Deficiency) of support and revenues over expenses	\$ (1,188,000)

ALZHEIMER'S DRUG DISCOVERY FOUNDATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH SUMMARIZED TOTALS FOR 2013)

	2014			2013	
	Program Services	Fund Raising	Management and General	Total Expenses	Total Expenses
Grants	\$ 9,189,031	\$ -	\$ -	\$ 9,189,031	\$ 8,129,478
Salaries, payroll taxes and employee benefits	974,477	733,991	261,260	1,969,728	2,572,620
Website design, public relations and rebranding	69,517	91,500	-	161,017	162,266
Strategic planning	75,398	81,738	36,069	193,205	-
Professional fees	99,768	56,570	102,815	259,153	217,234
Research and honorarium	20,250	-	-	20,250	20,000
Communications and publications	4,747	7,439	11,623	23,809	60,200
Occupancy	97,022	123,980	49,532	270,534	297,605
Sponsored conferences, meetings and travel	299,312	82,015	-	381,327	323,390
Office	20,618	58,942	31,857	111,417	78,013
Total expenses	\$ 10,850,140	\$ 1,236,175	\$ 493,156	\$ 12,579,471	\$ 11,860,806

See report of Independent Certified Public Accountants.