

**Alzheimer's Disease
and Related Disorders
Association, Central
and North Florida
Chapter, Inc.**

Financial Statements

**For The Years Ended
June 30, 2015
and 2014**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3-4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8



Partners

W. Ed Moss Jr.
Joe M. Krusick
James R. Dexter
Bob Marchewka
Ric Perez
Cori Cameron

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Alzheimer's Disease and Related Disorders
Association, Central and North Florida Chapter, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Alzheimer's Disease and Related Disorders Association, Central and North Florida Chapter, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Disease and Related Disorders Association, Central and North Florida Chapter, Inc. as of June 30, 2015 and 2014, 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.

Moss, Krusick & Associates, LLC

October 23, 2015
Winter Park, Florida

501 S. New York Ave.
Suite 100
Winter Park, FL 32789
Phone: 407-644-5811
Fax: 407-644-6022
www.mosskrusick.com

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

PCAOB Registered

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

ASSETS

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 751,399	\$ 584,787
Investments	751,061	510,240
Due from national association	604,729	565,227
Contributions receivable - net	64,293	57,361
Prepaid expenses	28,130	15,302
Property and equipment - net	23,687	23,982
Beneficial interest in assets held by others	17,864	18,058
Total assets	\$ 2,241,163	\$ 1,774,957

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 50,092	\$ 44,575
Accrued expenses	32,561	32,040
Deferred grant revenue	4,100	5,388
Due to national association	266,831	85,246
Total liabilities	353,584	167,249
NET ASSETS		
Unrestricted	1,448,365	1,161,734
Temporarily restricted	421,350	427,916
Permanently restricted	17,864	18,058
Total net assets	1,887,579	1,607,708
Total liabilities and net assets	\$ 2,241,163	\$ 1,774,957

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT				
Direct public support:				
Contributions:				
Memorials	\$ 22,026	\$ 1,050	\$ -	\$ 23,076
Individuals and estates	617,383	115,048	-	732,431
Corporations and civic groups	26,908	2,140	-	29,048
Shared fund raising contributions (national)	571,749	-	-	571,749
In-kind support	121,443	-	-	121,443
Indirect public support	58,109	1,500	-	59,609
Special event contributions	1,013,538	4,466	-	1,018,004
Less amounts shared with the national association	(802,484)	-	-	(802,484)
Grants	-	1,288	-	1,288
Program services and other	2,670	-	52	2,722
Net investment gain (loss)	(6,593)	-	-	(6,593)
Net assets released from restrictions	132,058	(132,058)	-	-
Total revenues and support	1,756,807	(6,566)	52	1,750,293
EXPENSES				
Program services	1,145,439	-	-	1,145,439
Support services:				
Management and general	42,835	-	246	43,081
Fund raising and development	281,902	-	-	281,902
Total expenses	1,470,176	-	246	1,470,422
Change in net assets	286,631	(6,566)	(194)	279,871
Net assets, beginning of year	1,161,734	427,916	18,058	1,607,708
Net assets, end of year	\$ 1,448,365	\$ 421,350	\$ 17,864	\$ 1,887,579

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Direct public support:				
Contributions:				
Memorials	\$ 21,880	\$ 250	\$ -	\$ 22,130
Individuals and estates	79,439	-	-	79,439
Corporations and civic groups	8,927	1,500	-	10,427
Shared fund raising contributions (national)	407,130	409,166	-	816,296
In-kind support	88,676	-	-	88,676
Indirect public support	56,635	1,000	-	57,635
Special event contributions	766,745	12,699	-	779,444
Less amounts shared with the national association	(383,679)	-	-	(383,679)
Grants	-	81,297	-	81,297
Program services and other	7,049	-	2,487	9,536
Net investment gain	9,371	-	-	9,371
Net assets released from restrictions	127,079	(127,079)	-	-
Total revenues and support	<u>1,189,252</u>	<u>378,833</u>	<u>2,487</u>	<u>1,570,572</u>
EXPENSES				
Program services	1,105,992	-	-	1,105,992
Support services:				
Management and general	35,656	-	879	36,535
Fund raising and development	276,074	-	-	276,074
Total expenses	<u>1,417,722</u>	<u>-</u>	<u>879</u>	<u>1,418,601</u>
Change in net assets	(228,470)	378,833	1,608	151,971
Net assets, beginning of year	<u>1,390,204</u>	<u>49,083</u>	<u>16,450</u>	<u>1,455,737</u>
Net assets, end of year	<u>\$ 1,161,734</u>	<u>\$ 427,916</u>	<u>\$ 18,058</u>	<u>\$ 1,607,708</u>

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions and special events	\$ 1,745,944	\$ 1,990,208
Cash received from grants	-	78,740
Cash received from program services	2,915	7,929
Cash paid to employees and for employee benefits	(864,468)	(788,057)
Cash paid to vendors, for assistance, and to service providers	(617,915)	(604,842)
Cash paid to national association	142,083	(256,659)
Net cash provided by operating activities	408,559	427,319
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of investments	(234,228)	(500,869)
Purchase of property and equipment	(7,719)	(14,248)
Net cash used by operating activities	(241,947)	(515,117)
Net increase (decrease) in cash and cash equivalents	166,612	(87,798)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	584,787	672,585
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 751,399	\$ 584,787
 <u>Reconciliation of increase in net assets to net cash provided by operating activities.</u>		
Change in net assets	\$ 279,871	\$ 151,971
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,014	10,253
Unrealized gain on investments, net	(6,593)	(9,371)
Unrealized loss (gain) on beneficial interest in assets held by others	195	(1,609)
(Increase) decrease in assets:		
Contributions receivable - net	(3,517)	519,840
Due from national association	(42,917)	(65,421)
Prepaid expenses	(12,828)	2,482
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	6,037	12,969
Due to national association	181,585	(191,238)
Deferred revenue	(1,288)	(2,557)
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 408,559	\$ 427,319

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2015

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fund Raising and Development</u>	
Salaries	\$ 610,505	\$ 25,026	\$ 101,551	\$ 737,082
In-kind expenses	72,565	-	48,878	121,443
Conferences	50,362	5,194	34,563	90,119
Employee benefits and fees	54,355	2,369	7,591	64,315
Occupancy	55,922	1,658	5,913	63,493
Travel	41,610	1,099	14,866	57,575
Payroll taxes	47,210	1,936	7,854	57,000
Consulting and contracted services	45,631	472	4,964	51,067
Advertising and publicity	21,049	-	14,891	35,940
Telephone	28,396	989	3,606	32,991
Printing	16,657	166	8,041	24,864
Supplies	15,134	506	5,360	21,000
Computer software	14,213	102	5,648	19,963
Staff development and other	15,943	133	2,544	18,620
Bank charges	11,969	453	4,023	16,445
Postage	7,096	600	4,432	12,128
Professional fees	8,754	256	740	9,750
Insurance	6,265	117	2,584	8,966
Equipment rental and repair	6,062	170	755	6,987
Miscellaneous	2,512	1,618	1,677	5,807
Books	4,330	39	349	4,718
Grants and allocations	2,135	-	-	2,135
Total expenses before depreciation	<u>1,138,675</u>	<u>42,903</u>	<u>280,830</u>	<u>1,462,408</u>
Depreciation	<u>6,764</u>	<u>178</u>	<u>1,072</u>	<u>8,014</u>
Total expenses	<u>\$ 1,145,439</u>	<u>\$ 43,081</u>	<u>\$ 281,902</u>	<u>\$ 1,470,422</u>

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2014

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fund Raising and Development</u>	
Salaries	\$ 543,573	\$ 24,268	\$ 103,900	\$ 671,741
In-kind expenses	53,206	-	35,470	88,676
Conferences	48,600	1,877	30,148	80,625
Employee benefits and fees	63,815	2,374	9,479	75,668
Consulting and contracted services	72,871	102	2,415	75,388
Travel	44,493	858	15,879	61,230
Occupancy	50,365	1,242	3,848	55,455
Payroll taxes	42,534	1,900	8,134	52,568
Advertising and publicity	26,517	-	18,152	44,669
Printing	23,727	118	12,209	36,054
Telephone	25,655	836	3,672	30,163
Supplies	22,559	455	6,475	29,489
Staff development and other	16,520	146	3,082	19,748
Bank charges	10,237	350	5,208	15,795
Postage	9,142	602	5,142	14,886
Computer software	8,647	57	1,456	10,160
Miscellaneous	5,269	515	4,320	10,104
Professional fees	8,832	195	873	9,900
Insurance	6,782	99	2,777	9,658
Equipment rental and repair	6,036	148	704	6,888
Grants and allocations	6,560	-	-	6,560
Books	2,187	249	487	2,923
Total expenses before depreciation	1,098,127	36,391	273,830	1,408,348
Depreciation	7,865	144	2,244	10,253
Total expenses	<u>\$ 1,105,992</u>	<u>\$ 36,535</u>	<u>\$ 276,074</u>	<u>\$ 1,418,601</u>

The accompanying notes are an integral part of these financial statements.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Alzheimer's Disease and Related Disorders Association, Central and North Florida Chapter, Inc. (the "Association"), is a chapter of the national Alzheimer's Disease and Related Disorders Association, Inc. ("National") and is dedicated to research for the prevention, cure, and treatment to afflicted patients and their families. The Association serves thirty-one counties in Central and North Florida.

The national association provides the Association with information, resources, and technical assistance. The Association is eligible for, and periodically receives, grant funding from National and participates in a collaborative direct marketing arrangement with the National association.

The Association relies on contributions and grants to fund programs and other costs.

2. Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are recorded as unrestricted if the restriction expires in the reporting period in which the contribution is received.

3. Shared Fund Raising

For the years ended June 30, 2015 and 2014, the Association had a contractual Shared Fund Raising agreement with National. Under the terms of the agreement, both parties share all unrestricted contributed revenue received by either party from the Association's geographical area (Central and North Florida) based on a predetermined negotiated sharing percentage. The agreement is cancelable with notice.

4. Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity, when acquired, of three months or less to be cash equivalents.

5. Property and Equipment

Property and equipment in excess of \$1,000 is recorded at cost when purchased and at market value on the date of donation when donated. Depreciation is recognized using the straight-line method over the estimated useful lives of generally 5 -10 years for equipment and 40 years for buildings.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

6. Investments and fair market value measurement

Investments in marketable securities are reported in the Statement of Financial Position at their fair values. The Organization follows accounting guidance relating to fair value measurements, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 -- quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access as of the measurement date.

Level 2 -- inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 -- unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

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

7. Allowance for Uncollectible Receivables

Program service receivables and contributions are stated at the amount management expects to collect from outstanding balances. Management assesses the current status of individual accounts and promises to give and provides for probable uncollectible amounts through a provision for doubtful collections.

8. Deferred Revenue

Amounts received which are conditional in nature are recorded as deferred revenues until the conditions are met.

9. Donated Services and Facilities

The use of certain facilities is provided at no cost and the use of such facilities is reported in the financial statements at the estimated fair rental value. Printing and other donated event costs are also reported at estimated fair values.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

10. Functional Allocation of Expenses

The cost of providing for the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs (primarily salaries and related costs and occupancy) have been allocated among the programs and support services benefitted.

11. Income Tax

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association has been determined by the Internal Revenue Service not to be a private Association. There was no unrelated business income for the current year.

Management has concluded that as of June 30, 2015, there are no uncertain tax positions taken or expected to be taken by the Association that would require recognition of a liability (or asset) or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Association is no longer subject to income tax examinations for years prior to 2012.

12. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates and those differences could be material.

13. Concentration of Credit Risk

The Association maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Balances are insured up to \$250,000 per institution. At June 30, 2015 and 2014, the Association had \$11,894 and \$0 balances in excess of federally insured limits.

14. Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on October 23, 2015.

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE B - INVESTMENTS

During the year ended June 30, 2014, the Organization adopted an investment policy that delegates supervisory authority over the Organization's investments to the Finance Committee of the Board of Directors. The policy also provides for target investment allocations and permits the hiring of investment advisors and managers. The Organization has engaged Regions Bank as its investment manager. The management agreement is fee-for-service based, and is terminable with 30 days notice.

The Organization held \$751,061 in investments at June 30, 2015. These investments are measured at level 1 fair value measurements, which are based on quoted market prices, and have an original cost of \$765,328.

Investments as of June 30, 2015 are summarized as follows:

	Cost	Fair Value
U.S. corporate equities	\$ 164,049	\$ 168,196
International corporate equities	6,758	6,997
Fixed rate bond funds	299,386	291,992
U.S. mutual funds	131,403	125,992
International mutual funds	163,732	157,884
	\$ 765,328	\$ 751,061
	<u>Unrestricted</u>	
Unrealized loss	\$ (8,485)	
Dividends	1,892	
Net investment loss	\$ (6,593)	

NOTE C – CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2015 and 2014 are as follows:

	2015	2014
Contributions	\$ 65,568	\$ 58,636
Less allowance for doubtful collections	(1,275)	(1,275)
	\$ 64,293	\$ 57,361

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2015 and 2014:

	2015	2014
Equipment and furnishings	\$ 115,835	\$ 108,119
Less accumulated depreciation	(92,148)	(84,137)
	\$ 23,687	\$ 23,982

NOTE E – RESTRICTED NET ASSETS

1. Temporary Restricted Net Assets

Net assets released from restrictions during the years ended June 30, 2015 and 2014 were as follows:

	2015	2014
Satisfaction of use restrictions:		
Educational and family	\$ 843	\$ 6,057
Grant program	1,288	109,812
Direct contributions	3,813	3,360
Expiration of time restrictions:		
Research and pledges	126,114	7,850
	\$ 132,058	\$ 127,079

Temporary restrictions of net assets at June 30, 2015 and 2014, are as follows:

	2015	2014
Time restrictions:		
Direct contributions	\$ 418,560	\$ 419,083
Program use restrictions:		
Educational, family, and research	2,790	8,833
	\$ 421,350	\$ 427,916

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE E – RESTRICTED NET ASSETS (continued)

2. Permanently Restricted Net Assets

The Association has a beneficial interest in assets held as a permanently restricted investment in the Community Foundation of Central Florida, Inc. The investment is reported at fair value as determined by Community Foundation at \$17,864 and \$18,058 as of June 30, 2015 and 2014, respectively.

NOTE F – IN-KIND SUPPORT

Donated services and facilities reported in these financial statements for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Revenue:		
In-kind support	\$ 121,443	\$ 88,676
Expenses:		
Event costs	(121,443)	(88,676)
	\$ -	\$ -

NOTE G – PROGRAM SERVICES

Program costs, as allocated by management, were as follows for the years ended June 30, 2015 and 2014:

	2015	2014
Patient and family services	\$ 335,474	\$ 411,341
Public awareness/education	671,834	572,563
Public policy and research	138,131	122,088
	<u>\$1,145,439</u>	<u>\$1,105,992</u>

**Alzheimer's Disease and Related Disorders Association,
Central and North Florida Chapter, Inc.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE H – LEASES AND COMMITMENTS

The Association has entered into various non-cancelable operating lease agreements for the rental of office space and equipment. Future minimum lease payments under operating leases are as follows:

Years ending June 30,	2016	\$ 92,513
	2017	97,409
	2018	99,777
	2019	101,473
	Thereafter	<u>102,993</u>
		<u>\$ 494,165</u>

NOTE H – 401K PLAN

The Association established a 401K Plan effective January 1, 2011 for all qualifying employees. Employees may defer between 1% and 50% of their annual compensation. The plan includes a 401K match fund for participating employees in an amount at the discretion of the Association and is determined on an annual basis. Matching contributions vest over a 5 year graded period. There were no matching contributions for the plan years ended June 30, 2015 and 2014.