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**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**FINANCIAL STATEMENTS
JUNE 30, 2010
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

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JUNE 30, 2010**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alzheimer's Disease and Related Disorders Association,
Massachusetts/New Hampshire Chapter, Inc.:

We have audited the accompanying statement of financial position of Alzheimer's Disease and Related Disorders Association, Massachusetts/New Hampshire Chapter, Inc. (the Association) (a Massachusetts corporation, not for profit) as of June 30, 2010, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, Massachusetts/New Hampshire Chapter, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Westborough, Massachusetts
September 14, 2010

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010**

<u>ASSETS</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,478,795	\$ 154,653	\$ -	\$ 1,633,448
Short-term investments	1,372,016	6,592	-	1,378,608
Contracts receivable	68,389	-	-	68,389
Current portion of contributions receivable	128,898	75,344	-	204,242
Current portion of due from National	251,135	-	-	251,135
Prepaid expenses	102,942	-	-	102,942
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	3,402,175	236,589	-	3,638,764
CONTRIBUTIONS RECEIVABLE, net of current portion	-	256,983	-	256,983
DUE FROM NATIONAL, net of current portion	-	171,181	-	171,181
INVESTMENTS	-	-	140,847	140,847
PROPERTY AND EQUIPMENT, net	52,824	-	-	52,824
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,454,999</u>	<u>\$ 664,753</u>	<u>\$ 140,847</u>	<u>\$ 4,260,599</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 105,512	\$ -	\$ -	\$ 105,512
Accrued expenses	306,217	-	-	306,217
Deferred revenue	68,615	-	-	68,615
Due to National	404,288	-	-	404,288
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	884,632	-	-	884,632
DEFERRED RENT	30,000	-	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	914,632	-	-	914,632
NET ASSETS:				
Unrestricted -				
Operating	2,487,543	-	-	2,487,543
Property and equipment	52,824	-	-	52,824
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted	2,540,367	-	-	2,540,367
Temporarily restricted	-	664,753	-	664,753
Permanently restricted	-	-	140,847	140,847
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	2,540,367	664,753	140,847	3,345,967
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 3,454,999</u>	<u>\$ 664,753</u>	<u>\$ 140,847</u>	<u>\$ 4,260,599</u>

The accompanying notes are an integral part of these statements.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
OPERATING REVENUE:				
Public support -				
Grants and contributions:				
Individual and corporations	\$ 1,130,236	\$ 181,299	\$ -	\$ 1,311,535
Bequest and trusts	107,282	253,487	-	360,769
Foundations	86,675	167,496	-	254,171
Government	104,428	-	-	104,428
Net assets released from purpose restrictions	<u>1,064,258</u>	<u>(1,064,258)</u>	<u>-</u>	<u>-</u>
Total grants and contributions	2,492,879	(461,976)	-	2,030,903
Fundraising events, net	<u>2,767,719</u>	<u>341,557</u>	<u>-</u>	<u>3,109,276</u>
Total public support raised by the Association	5,260,598	(120,419)	-	5,140,179
Contributions received from National	1,351,206	443	-	1,351,649
Contributions remitted to National	<u>(1,540,726)</u>	<u>-</u>	<u>-</u>	<u>(1,540,726)</u>
Total public support	5,071,078	(119,976)	-	4,951,102
Investment income	49,264	9,789	-	59,053
Educational programs	52,937	-	-	52,937
Other	<u>24,285</u>	<u>-</u>	<u>-</u>	<u>24,285</u>
Total operating revenue	<u>5,197,564</u>	<u>(110,187)</u>	<u>-</u>	<u>5,087,377</u>
OPERATING EXPENSES:				
Program	3,778,821	-	-	3,778,821
Fundraising	835,458	-	-	835,458
General and Administrative	<u>312,215</u>	<u>-</u>	<u>-</u>	<u>312,215</u>
Total operating expenses	<u>4,926,494</u>	<u>-</u>	<u>-</u>	<u>4,926,494</u>
Changes in net assets	271,070	(110,187)	-	160,883
NET ASSETS, beginning of year, as restated	<u>2,269,297</u>	<u>774,940</u>	<u>140,847</u>	<u>3,185,084</u>
NET ASSETS, end of year	<u>\$ 2,540,367</u>	<u>\$ 664,753</u>	<u>\$ 140,847</u>	<u>\$ 3,345,967</u>

The accompanying notes are an integral part of these statements.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from -	
Public support	\$ 4,918,352
Education, interest and other	159,681
Cash paid for -	
Grants	(520,278)
Personnel	(2,907,275)
Other	(1,379,780)
	<hr/>
Net cash provided by operating activities	270,700

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of property and equipment	(3,762)
Sale of investments, net	275,489
	<hr/>
Net cash provided by investing activities	271,727

NET INCREASE IN CASH AND CASH EQUIVALENTS 542,427

CASH AND CASH EQUIVALENTS, beginning of year

1,091,021

CASH AND CASH EQUIVALENTS, end of year

\$ 1,633,448

**RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Changes in net assets \$ 160,883

Adjustments to reconcile changes in net assets to net cash
provided by operating activities:

Depreciation	53,645
Change in value of beneficial interest in charitable remainder trust	5,202
Changes in operating assets and liabilities -	
Contracts receivable	23,406
Contributions receivable	(76,772)
Prepaid expenses	(7,136)
Due from National	36,573
Accounts payable	21,974
Accrued expenses	8,772
Deferred revenue	2,247
Due to National	41,906
	<hr/>

 Net cash provided by operating activities

\$ 270,700

SUPPLEMENTAL DISCLOSURE NON-CASH TRANSACTION -

Cost basis of property and equipment disposed of

\$ 11,112

The accompanying notes are an integral part of these statements.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>PROGRAM</u>	<u>FUND- RAISING</u>	<u>GENERAL AND ADMINIS- TRATIVE</u>	<u>TOTAL</u>
EXPENSES:				
Personnel and related -				
Salaries	\$ 1,856,453	\$ 399,067	\$ 183,289	\$ 2,438,809
Payroll taxes and fringe benefits	<u>373,998</u>	<u>75,394</u>	<u>27,846</u>	<u>477,238</u>
Total personnel and related	<u>2,230,451</u>	<u>474,461</u>	<u>211,135</u>	<u>2,916,047</u>
Grants -				
Research grants to National	<u>562,184</u>	<u>-</u>	<u>-</u>	<u>562,184</u>
Other -				
Occupancy	310,890	71,290	29,852	412,032
Conferences and meetings	178,895	81,543	-	260,438
Contracted services	68,985	32,998	27,791	129,774
Postage and shipping	60,194	38,843	4,969	104,006
Equipment rental and maintenance	54,410	20,398	7,158	81,966
Printing and publications	52,707	25,201	763	78,671
Interest and service charges	38,078	24,544	708	63,330
Travel	47,332	12,581	490	60,403
Depreciation	39,854	9,710	4,081	53,645
Advertising and promotion	31,229	21,057	-	52,286
Telephone	36,159	5,419	1,601	43,179
Supplies	29,116	8,869	3,532	41,517
Miscellaneous	15,908	3,303	4,562	23,773
Books and subscriptions	17,780	4,391	42	22,213
Professional services	-	-	14,976	14,976
Staff development	<u>4,649</u>	<u>850</u>	<u>555</u>	<u>6,054</u>
Total other	<u>986,186</u>	<u>360,997</u>	<u>101,080</u>	<u>1,448,263</u>
Total expenses	<u>\$ 3,778,821</u>	<u>\$ 835,458</u>	<u>\$ 312,215</u>	<u>\$ 4,926,494</u>

The accompanying notes are an integral part of these statements.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND NONPROFIT STATUS

Alzheimer's Disease and Related Disorders Association, Massachusetts/New Hampshire Chapter, Inc. (the Association) is a Massachusetts nonprofit corporation formed as a chapter of Alzheimer's Disease and Related Disorders Association, Inc. (National), a national organization, to aid in the research and exchange of information concerning Alzheimer's disease between the medical community and family and friends of the victims of dementia related illnesses.

The Association is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Association is also exempt from state income taxes. Donors may deduct contributions made to the Association within the requirements of the Internal Revenue Code.

SIGNIFICANT ACCOUNTING POLICIES

The Association prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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. Actual results could differ from those estimates.

Revenue Recognition

Unrestricted grants and contributions are recorded as unrestricted revenue and net assets when unconditionally pledged or received. Revenue from restricted grants and contributions is recorded as temporarily restricted revenue and net assets when unconditionally pledged or received. Transfers are made to unrestricted revenue and net assets as costs are incurred or time restrictions or program restrictions have lapsed.

Revenue from special events is recognized at the time of the event. All other revenue is recorded when earned.

Expense Allocation

Expenses related directly to a program are allocated to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Advertising Costs

The Association expenses advertising costs as incurred. Total advertising costs were \$20,852 for the year ended June 30, 2010, and are included in advertising and promotion in the accompanying statement of functional expenses.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market accounts.

Contracts Receivable and Allowance for Doubtful Accounts

Contracts receivable are recorded at the invoiced amounts. An allowance for doubtful accounts is calculated based on management's best estimate of the amount of probable credit losses in accounts receivable. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. There was no allowance for doubtful accounts at June 30, 2010.

Contributions Receivable

Contributions receivable are recorded at their net present value when unconditionally committed by the donor. Contributions receivable also includes the Association's future interest in an irrevocable charitable remainder trust. The charitable remainder trust provides for the payment of distributions to a designated beneficiary over the trust's term, which is the designated beneficiary's lifetime. The present value of the irrevocable charitable remainder trust totaled \$256,983 at June 30, 2010. These funds will be paid to the Association upon the death of the designated beneficiary and, accordingly, have been classified as long-term contributions receivable in the accompanying statement of financial position.

The fair value of this irrevocable charitable remainder trust is measured using significant Level 3 inputs including projected investment returns, donor life expectancy and present value factors (see page 9).

Investments

The Association records investments at fair market value. Interest and dividends are recorded when earned.

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased or at fair market value at the time of donation. Major additions to furniture, fixtures and equipment are capitalized, while repairs and maintenance are charged to expense as they are incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Leasehold improvements	7 years
Furniture and fixtures	5 years
Equipment	3 - 7 years
Computer equipment and software	3 - 5 years

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue consists of fundraising event sponsorship revenue received in advance of the events.

Net Assets

Unrestricted Net Assets -

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Association. The Association has grouped its unrestricted net assets into the following categories:

Operating - Operating net assets represent unrestricted resources available for the Association's operations.

Property and equipment - Property and equipment net assets reflect the activities relating to the net book value of the Association's property and equipment.

Temporarily Restricted Net Assets -

Temporarily restricted net assets represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose (purpose restricted) or amounts for unrestricted use in future periods (time restricted). Temporarily restricted net assets also include the Association's interest in a charitable remainder trust. Temporarily restricted net assets are restricted for the following as of June 30, 2010:

Interest in charitable remainder trust	\$256,983
Time restricted	171,181
Outreach and medical education	104,222
Research	50,234
Local services	49,099
Respite care	15,360
Family and patient services	10,000
Other program activities	6,674
New Hampshire services	<u>1,000</u>
	<u>\$664,753</u>

Permanently Restricted Net Assets

Permanently restricted net assets consist of two named funds which have been restricted by the donors against any expenditure of principal and must be maintained in perpetuity. Income earned on these funds is either temporarily restricted or unrestricted based on donor stipulations.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

(1) **OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

The Association receives services of volunteers in various aspects of its programs. The value of these services are not reflected in the accompanying financial statements since the value assigned to these services by the donating volunteers is not ascertainable and does not meet the standards for *Accounting for Contributions Received and Contributions Made*.

Fair Value Measurement

The Association follows the accounting standards pertaining to *Fair Value Measurements* for qualifying assets and liabilities. These standards define fair value, establish a framework for measuring fair value under U.S. GAAP, and expand disclosures about fair value measurements. The standards establish a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value.

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Subsequent Events

The preparation of financial statements in accordance with U.S. GAAP requires management to disclose the date through which subsequent events have been evaluated for possible recognition or disclosure in the accompanying financial statements. Subsequent events are transactions or events that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. The accompanying financial statements include the evaluation of subsequent events that have occurred through September 14, 2010, which is the date the financial statements were available to be issued.

Income Tax

The Association adopted the *Accounting for Uncertainty in Income Taxes* standard which requires the Association to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of June 30, 2010, the Association determined that there were no material unrecognized tax benefits to report.

Information returns filed for the years ended June 30, 2009, 2008, and 2007, remain subject to examination by the Internal Revenue Service and Massachusetts tax authorities. The Association does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

(2) PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$117,637
Furniture and fixtures	130,729
Computer equipment and software	37,160
Leasehold improvements	<u>98,367</u>
	383,893
Less - accumulated depreciation	<u>331,069</u>
Net property and equipment	<u>\$ 52,824</u>

(3) INVESTMENTS

Investments are presented in the accompanying financial statements at the quoted market values using Level 1 inputs (see Note 1) and are comprised of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Certificates of deposit	\$1,518,955	\$1,518,955
State of Israel bond	<u>500</u>	<u>500</u>
Total	<u>\$1,519,455</u>	<u>\$1,519,455</u>

Certificates of deposit (CD's) consist of CD's with initial maturities of six to twelve months and mature at various dates through May, 2011. Permanently restricted net assets invested in CD's are reflected as long-term investments. The State of Israel bond is not insured. CD's are insured up to the Federal Deposit Insurance Corporation (FDIC) limits.

(4) RELATED PARTY TRANSACTIONS

In an effort to coordinate and unify fundraising efforts, effective July 1, 2007, the Association entered in a Shared Fundraising Agreement (the Agreement) with National that establishes the terms and conditions of a revenue sharing arrangement between the two organizations. The agreement, which is for the five-year period ending June 30, 2012, sets the terms and allocation percentages for sharing revenue. In addition, the Association's obligation for paying dues to National is waived through the term of the Agreement.

Under the Agreement, the Association remitted \$2,102,910 of contributions it received during the year ended June 30, 2010, to National, which included \$562,184 of contributions restricted for research. These donor-restricted research funds received by the Association and remitted to National are reported as expenses on the Association's financial statements. In addition, in accordance with the Agreement, National remits certain payments to the Association. During fiscal year 2010, National provided \$1,351,649 in contributions to the Association.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

(4) RELATED PARTY TRANSACTIONS (Continued)

At June 30, 2010, various amounts are due to and from National as a result of the Agreement and other operational matters. These amounts are presented in the accompanying statement of financial position as due to National and due from National. Included in due from National is \$171,181 of the Association's interest in charitable gift annuities which the National holds.

The fair value of these charitable gift annuities are measured using significant Level 3 inputs including projected investment returns, donor life expectancy and present value factors (see page 9).

(5) OPERATING LEASES

The Association leases office space in locations in Watertown, Worcester, Springfield and Raynham, Massachusetts and Bedford, New Hampshire under lease agreements which expire at various dates through August, 2014.

As part of the agreement for the Watertown lease, the Association received free rent. The Association is recognizing rent expense for this space on a straight-line basis over the term of the lease. Deferred rent at June 30, 2010, was \$56,000. The current portion of deferred rent of \$26,000 is included in accrued expenses in the accompanying statement of financial position.

The lease agreement for the Watertown office space requires the Association to maintain a letter of credit in the amount of \$73,500 throughout the lease term and for sixty days after the expiration date. At June 30, 2010, the Association's letter of credit facility of \$73,500, which is in the form of a certificate of deposit, is included in investments in the accompanying statement of financial position. Rent expense totaled \$379,871 for the year ended June 30, 2010, and is included in occupancy on the accompanying statement of functional expenses.

The Association also leases office equipment under agreements with expiration dates through fiscal year 2015. Lease expense totaled \$41,700 for the year ended June 30, 2010, and is included in equipment rental and maintenance on the accompanying statement of functional expenses.

Future minimum lease payments are as follows:

2011	\$445,665
2012	\$371,850
2013	\$ 73,974
2014	\$ 29,528
2015	\$ 7,632

(6) RETIREMENT PLAN

The Association sponsors a defined contribution retirement plan (the Plan) under Internal Revenue Code (IRC) Section 403(b), with eligibility based on length of service as defined in the Plan. During fiscal year 2010, the Association contributed \$43,264 to the Plan, which is included in payroll taxes and fringe benefits on the accompanying statement of functional expenses.

**ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION,
MASSACHUSETTS/NEW HAMPSHIRE CHAPTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

(7) ENDOWMENT FUNDS

The Associations endowment by net asset class consists of the following as of June 30, 2010.

	<u>Permanently Restricted</u>
Donor-restricted endowment fund	<u>\$140,847</u>

There was no change in the Association's endowment by net asset class during the year ended June 30, 2010.

(8) PRIOR PERIOD ADJUSTMENTS

Net assets as of June 30, 2009 have been restated in the accompanying statement of activities and changes in net assets. These restatements relate to discounting a charitable remainder trust and reclassifying annuities due from National. Previously the charitable remainder trust had not been discounted for the life expectancy of the beneficiary of the trust and the annuities were improperly classified as unrestricted revenue. A summary of these adjustments and there impact is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, June 30, 2009, as previously stated	\$2,440,478	\$636,171	\$140,847	\$3,217,496
Reclassify annuity due from National	(171,181)	171,181	-	-
Discount of charitable remainder trust	-	(32,412)	-	(32,412)
Net assets, June 30, 2009, as restated	<u>\$2,269,297</u>	<u>\$774,940</u>	<u>\$140,847</u>	<u>\$3,185,084</u>