

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

Financial Statements

Year ended June 30, 2009

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

Financial Statements
Year ended June 30, 2009

CONTENTS

	Page
Report of Independent Auditors	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-13



REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of financial position of Alzheimer's Disease and Related Disorders Association, Massachusetts/New Hampshire Chapter, Inc. (a Massachusetts nonprofit corporation) (the "Association") as of June 30, 2009 and the related statements of activities, functional expenses and cash flows 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. The prior year summarized comparative information has been derived from the Association's 2008 financial statements and, in our report dated September 3, 2008, we expressed an unqualified opinion on those financial statements.

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 the Association as of June 30, 2009, 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.

Leonard, Mulherin & Greene, P.C.
LEONARD, MULHERIN & GREENE, P.C.
Braintree, Massachusetts

September 1, 2009

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

Statement of Financial Position

June 30, 2009

(with comparative totals for 2008)

	2009			2008	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
ASSETS					
Cash and cash equivalents	\$ 789,385	\$ 301,636	\$ -	\$ 1,091,021	\$ 1,438,802
Accounts receivable	23,406	-	-	23,406	3,109
Contributions receivable	155,921	334,535	-	490,456	639,905
Due from National	458,889	-	-	458,889	653,830
Investments	1,654,097	-	140,847	1,794,944	1,218,761
Prepaid expenses	95,806	-	-	95,806	61,258
Furniture, fixtures and equipment, net of accumulated depreciation	102,707	-	-	102,707	150,347
Total assets	\$ 3,280,211	\$ 636,171	\$ 140,847	\$ 4,057,229	\$ 4,166,012
LIABILITIES AND NET ASSETS					
Accounts payable	\$ 83,538	\$ -	\$ -	\$ 83,538	\$ 151,574
Accrued expenses	327,445	-	-	327,445	347,223
Deferred revenue	66,368	-	-	66,368	32,428
Due to National	362,382	-	-	362,382	513,322
Total liabilities	839,733	-	-	839,733	1,044,547
COMMITMENTS AND CONTINGENCIES (Notes 6, 8 and 9)					
NET ASSETS					
Unrestricted	2,440,478	-	-	2,440,478	2,250,724
Temporarily restricted	-	636,171	-	636,171	729,894
Permanently restricted	-	-	140,847	140,847	140,847
Total net assets	2,440,478	636,171	140,847	3,217,496	3,121,465
Total liabilities and net assets	\$ 3,280,211	\$ 636,171	\$ 140,847	\$ 4,057,229	\$ 4,166,012

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

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

Statement of Activities

Year ended June 30, 2009

(with comparative totals for 2008)

	2009			2008	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
DIRECT PUBLIC SUPPORT					
Contributions and memorials	\$ 2,007,467	\$ 383,522	\$ -	\$ 2,390,989	\$ 2,404,658
Foundations	57,410	182,145	-	239,555	193,560
Bequests and trusts	796,538	-	-	796,538	377,697
Total direct public support	2,861,415	565,667	-	3,427,082	2,975,915
INDIRECT PUBLIC SUPPORT					
Combined federal campaign and others	143,920	3,625	-	147,545	83,159
Commonwealth of Massachusetts	11,253	-	-	11,253	1,565
Grants from National	48,064	-	-	48,064	234,339
Total indirect public support	203,237	3,625	-	206,862	319,063
NET REVENUE FROM SPECIAL EVENTS					
Fundraising activities	2,222,697	425,449	-	2,648,146	2,814,019
Direct donor expenses	(65,384)	-	-	(65,384)	(80,317)
Total net revenue from special events	2,157,313	425,449	-	2,582,762	2,733,702
Total support and special events revenue	5,221,965	994,741	-	6,216,706	6,028,680
Contributions remitted to National	(1,473,490)	(225)	-	(1,473,715)	(1,288,013)
Net support and special events revenue	3,748,475	994,516	-	4,742,991	4,740,667
OTHER REVENUE					
Educational programs	138,450	-	-	138,450	114,070
Investment income	72,403	253	-	72,656	83,895
Change in value of beneficial interest in charitable remainder trust	-	(66,000)	-	(66,000)	(47,930)
Book sales	19,125	-	-	19,125	32,241
Other	75,673	1,820	-	77,493	93,285
Total other revenue	305,651	(63,927)	-	241,724	275,561
NET ASSETS RELEASED FROM RESTRICTIONS	1,024,312	(1,024,312)	-	-	-
TOTAL SUPPORT AND REVENUE	5,078,438	(93,723)	-	4,984,715	5,016,228
EXPENSES					
Program services	3,862,171	-	-	3,862,171	3,738,741
Fundraising	693,836	-	-	693,836	673,422
Management and general	332,677	-	-	332,677	276,980
Total expenses	4,888,684	-	-	4,888,684	4,689,143
CHANGE IN NET ASSETS	189,754	(93,723)	-	96,031	327,085
NET ASSETS, beginning of year	2,250,724	729,894	140,847	3,121,465	2,549,865
Prior period adjustment (Note 10)	-	-	-	-	244,515
NET ASSETS, beginning of year as restated	2,250,724	729,894	140,847	3,121,465	2,794,380
NET ASSETS, end of year	\$ 2,440,478	\$ 636,171	\$ 140,847	\$ 3,217,496	\$ 3,121,465

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

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

Statement of Functional Expenses

Year ended June 30, 2009

(with comparative totals for 2008)

	Program Services	Management and General	Fundraising	2009 Total	2008 Total
Salaries and wages	\$ 1,858,329	\$ 164,311	\$ 269,131	\$ 2,291,771	\$ 2,123,481
Research to National	497,742	-	-	497,742	530,497
Occupancy	360,435	41,773	38,266	440,474	429,907
Conferences, meetings and special events	145,003	-	136,565	281,568	279,435
Employee benefits	191,685	15,172	18,448	225,305	195,119
Payroll taxes	155,313	17,327	22,263	194,903	186,699
Contracted services	95,845	37,790	32,334	165,969	101,759
Printing and publications	97,700	6,060	40,211	143,971	190,926
Postage and shipping	79,240	7,322	35,583	122,145	120,998
Advertising and promotion	45,408	-	33,239	78,647	60,166
Depreciation	63,004	5,162	6,565	74,731	61,088
Telephone	52,780	4,638	6,231	63,649	45,024
Travel	44,060	3,730	14,884	62,674	59,385
Equipment rental and maintenance	46,793	5,871	6,059	58,723	73,175
Interest and service charges	34,899	1,523	20,217	56,639	32,614
Supplies	32,815	4,664	4,924	42,403	44,505
Pension	30,470	3,788	4,557	38,815	51,652
Books	18,892	350	2,214	21,456	39,344
Professional fees	-	12,752	-	12,752	25,736
Staff development	5,163	114	2,145	7,422	18,685
Grants and allocations	6,595	-	-	6,595	18,683
Miscellaneous	-	330	-	330	265
Total expenses	\$ 3,862,171	\$ 332,677	\$ 693,836	\$ 4,888,684	\$ 4,689,143

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

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

Statement of Cash Flows
Year ended June 30, 2009
(with comparative totals for 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 6,295,242	\$ 6,103,116
Cash contributions remitted to National	(1,473,715)	(1,288,013)
Cash received from program services and other activities	235,068	255,566
Investment income	72,656	83,895
Cash paid for salaries and related	(2,774,159)	(2,476,606)
Cash paid to vendors	(1,645,262)	(1,674,205)
Research paid to National	(497,742)	(530,497)
Grant payments	(6,595)	(18,683)
Net cash provided by operating activities	205,493	454,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments, net	(526,183)	(260,000)
Purchase of furniture, fixtures and equipment	(27,091)	(23,983)
Net cash used in investing activities	(553,274)	(283,983)
Net increase (decrease) in cash and cash equivalents	(347,781)	170,590
Cash and cash equivalents, beginning of year	1,438,802	1,268,212
Cash and cash equivalents, end of year	\$ 1,091,021	\$ 1,438,802
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 96,031	\$ 327,085
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Donation of stock	(50,000)	-
Depreciation	74,731	61,088
Change in value of beneficial interest in charitable remainder trust	66,000	47,930
(Increase) decrease in asset accounts		
Accounts receivable	(20,297)	15,970
Contributions receivable	83,449	(5,881)
Due from National	194,941	(653,830)
Prepaid expenses	(34,548)	15,555
Increase (decrease) in liability accounts		
Accounts payable	(68,036)	55,466
Accrued expenses	(19,778)	114,495
Deferred revenue	33,940	32,428
Due to National	(150,940)	444,267
Net cash provided by operating activities	\$ 205,493	\$ 454,573

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

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

Notes to Financial Statements
June 30, 2009

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The 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 Association, 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. In March 2008, the Association expanded its territory to include the State of New Hampshire. In connection with the expansion, the Association's name was legally changed to include New Hampshire as part of its chapter designation. The accompanying financial statements include the financial activity of the New Hampshire territory as of July 1, 2007 (see Note 10).

Basis of Accounting

The Association's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statement to the reader.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Associations*. The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets represent the portion of the net assets of the Association that is neither permanently nor temporarily restricted by donor-imposed stipulations, although their use may be limited by designation of the Association's Board of Directors.

Temporarily restricted net assets represent those assets whose use has been limited by donors to a specific time period or purpose.

At June 30, 2009, temporarily restricted net assets were available for the following purposes:

Interest in charitable remainder trust (Note 5)	\$284,193
Outreach and medical education	109,550
Local services	82,036
Family and patient services	61,761
Research	50,342
New Hampshire services	24,301
Respite care	11,859
Other program activities	12,129
	<hr/>
	\$636,171

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

Notes to Financial Statements
June 30, 2009

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation (continued)

Permanently restricted net assets consist of endowment funds that have been restricted by donors to be maintained in perpetuity. Income earned on such funds is unrestricted, temporarily restricted or permanently restricted based on donor stipulations.

At June 30, 2009 and 2008, permanently restricted net assets consisted of various donor-restricted endowments totaling \$140,847.

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of operating cash accounts and funds invested in money market accounts available on a daily basis. Additionally, the Association considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Association considers all accounts receivable at June 30, 2009 and 2008 to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Investments

Investments are carried at market value in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-For-Profit Associations*. Investments received as gifts are recorded at the market value at the date of the gift.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are recorded at cost on the date of acquisition or at fair market value on the date of donation. The Association capitalizes major additions to furniture, fixtures and equipment, while expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed on the straight-line method as follows:

	Estimated Useful Life in Years
Leasehold improvements	7
Furniture and fixtures	5
Equipment	3-5
Computer equipment and software	3-5

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

Notes to Financial Statements
June 30, 2009

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, legacies and bequests (public support) are recognized as support and revenue at the earlier of when received or when a donor declares an unconditional intent to contribute cash or other assets to the Association. Donations other than cash are recorded at their estimated fair market value at the date of contribution. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising

Advertising costs, which relate primarily to promotional materials and are expensed as incurred, totaled \$78,647 and \$60,166 for the years ended June 30, 2009 and 2008, respectively.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated by various methods.

Tax Status

The Association is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. 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 conjunction with the Association's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year columns have been reclassified from the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on the change in net assets.

New Accounting Pronouncements

Endowment Funds

Effective July 1, 2008, the Association adopted the provisions of FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("FSP No. 117-1"). FSP No. 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to enacted versions of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and also requires disclosures about an organization's donor-restricted and board-designated endowment funds.

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

Notes to Financial Statements
June 30, 2009

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Association's endowment consists of funds that have been restricted by donors to be maintained in perpetuity. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Based on a Massachusetts Attorney General Position Statement on SFAS No. 117, issued in June 1995, and the Uniform Prudent Management of Institutional Funds Act that was signed into law in Massachusetts ("MA UPMIFA") with an effective date of June 30, 2009, management has interpreted relevant Massachusetts law as requiring the preservation of the fair value of the original gift as of the gift date ("historic dollar value") of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Association classifies as permanently restricted net assets the historic dollar value of gifts donated to the permanent endowment. Any unspent endowment gains are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by Massachusetts law. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Association. In making a determination to appropriate or accumulate, the Association considers the following factors:

1. the duration and preservation of the fund;
2. the purposes of the Association and the donor-restricted endowment fund;
3. general economic conditions;
4. the possible effect of inflation or deflation;
5. the expected total return from income and the appreciation of investments;
6. other resources of the Association; and
7. the investment policy of the Association.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MA UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are to be reported in unrestricted net assets. There were no such deficiencies as of June 30, 2009.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and activities supported by its endowment. Under this approach, the endowment assets are invested in a manner that is intended to produce results that equal or exceed relevant benchmarks while assuming a low level of investment risk. The Association expects its endowment funds, over time, to provide an average rate of return of 5 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its objectives, the Association relies on a low risk strategy of investing its endowment funds in certificates of deposits.

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

Notes to Financial Statements
June 30, 2009

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association's investment and spending policies have been designed to limit the exposure of the endowment assets while providing for growth through new gifts and investment return.

Fair Value Measurements

Effective July 1, 2008, the Association adopted the provisions of SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"), for fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. SFAS No. 157 defines fair value as 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. SFAS No. 157 also establishes 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 Quoted prices in the market that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Adopting SFAS No. 157 did not result in any change in the measurement of the carrying value of any of the Association's financial assets or liabilities. Further, as detailed in Note 2, essentially all the Association's investments are maintained in certificates of deposits. As such, the fair value of these assets is the same as their cost.

2 – INVESTMENTS

Investments consisted of the following at June 30:

	2009	2008
Certificates of deposit	\$1,794,444	\$1,218,261
State of Israel bonds	500	500
	\$1,794,944	\$1,218,761

Investment income consisted of the following for the years ended June 30:

	2009	2008
Interest and dividends	\$72,656	\$83,895

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

Notes to Financial Statements
June 30, 2009

3 – ENDOWMENT FUNDS

The Association's endowment by net asset class consisted of the following at June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$140,847	\$140,847

There was no change in the Association's endowment by net asset class during the year ended June 30, 2009.

4 – FURNITURE, FIXTURES AND EQUIPMENT

Furniture, fixtures and equipment consisted of the following at June 30:

	Cost	Accumulated Depreciation	Net	Depreciation Expense
2009				
Equipment	\$124,988	\$ 90,059	\$ 34,929	\$27,643
Furniture and fixtures	130,729	106,036	24,693	25,411
Software	37,160	29,559	7,601	5,521
Leasehold improvements	98,367	62,883	35,484	16,156
	\$391,244	\$288,537	\$102,707	\$74,731
2008				
Equipment	\$131,014	\$ 86,786	\$ 44,228	\$20,990
Furniture and fixtures	131,899	87,154	44,745	24,631
Software	44,855	32,557	12,298	1,487
Leasehold improvements	102,362	53,286	49,076	13,980
	\$410,130	\$259,783	\$150,347	\$61,088

5 – CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable consisted of the following at June 30:

	2009	2008
Due in less than one year	\$266,263	\$289,712
Due in one to five years	-	-
	-	289,712
Less discount to present value	-	-
	\$266,263	\$289,712

In addition to the above, the contributions receivable balance in the accompanying Statement of Financial Position includes the Association's future interest in an irrevocable charitable remainder trust. In a prior year, the Association was named a 25% beneficiary of 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 \$284,193 and \$350,193 at June 30, 2009 and 2008, respectively, and is expected to be realized within one year.

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

Notes to Financial Statements
June 30, 2009

5 – CONTRIBUTIONS RECEIVABLE (continued)

The Association considers all contributions receivable at June 30, 2009 and 2008 to be fully collectible. Accordingly, no allowance for doubtful pledges has been recorded.

6 – OPERATING LEASES

During the years ended June 30, 2009 and 2008, the Association maintained office space in locations in Watertown, Worcester, Springfield and Raynham, Massachusetts. The Watertown, Worcester, Springfield and Raynham offices have leases with expiration dates of April 2012, October 2011, January 2012 and July 2011, respectively. During the year ended June 30, 2008 the Association entered into a lease agreement for additional office space in Bedford, New Hampshire with an expiration date of August 2010.

In addition, the lease agreement for the Watertown office space requires the Association to keep a letter of credit in the amount of \$73,500 in force throughout the lease term and for 60 days after the lease expiration date. At June 30, 2009 and 2008, 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 accompany Statement of Financial Position.

The Association also maintains leases for office equipment with various lease expiration dates through November 2013.

Future minimum lease payments through the lease expiration dates are as follows for the years ending June 30:

2010	\$ 413,042
2011	404,679
2012	318,280
2013	17,160
2014	7,755
	<hr/> \$1,160,916

Rent expense totaled \$413,696 and \$402,001 for the years ended June 30, 2009 and 2008, respectively.

7 – PENSION PLAN

The Association maintains a simplified employee pension plan ("SEP") for employees, with eligibility based on length of service. The 403(b) pension plan expense for the years ended June 30, 2009 and 2008 totaled \$38,815 and \$51,652, respectively.

8 – RELATED PARTY TRANSACTIONS

In an effort to coordinate and unify fundraising efforts, effective July 1, 2007, the Association entered into 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 forth the terms and allocation percentages for sharing revenue. In addition, the Association's obligation for paying dues to National is waived throughout the term of the Agreement.

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

Notes to Financial Statements
June 30, 2009

8 – RELATED PARTY TRANSACTIONS (continued)

Under the Agreement, the Association remitted \$1,971,457 and \$1,818,510 of contributions it received during the years ended June 30, 2009 and 2008, respectively, to National, which included \$497,742 and \$530,497, respectively, 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.

At June 30, 2009 and 2008, 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".

During the years ended June 30, 2009 and 2008, National provided grants totaling \$48,064 and \$234,339, respectively, to the Association to support various programs and activities.

9 – CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash and investment accounts at various commercial banks located in Massachusetts and New Hampshire. These accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor through December 31, 2013. Certain of the commercial banks where the Association's cash and investment accounts are maintained are also members of the Depositors Insurance Fund (DIF). At these DIF-member banks, all deposits above the FDIC limit are fully insured by the Depositors Insurance Fund. The Association's uninsured cash and investment balances totaled \$15,913 at June 30, 2009.

10 – PRIOR PERIOD ADJUSTMENT

In April 2007, the Association entered into a Memorandum of Understanding agreement with National that assigned the fiduciary and management oversight responsibilities for the New Hampshire territory to the Association. The Memorandum of Understanding agreement expired in March 2008 at which time the Association formally expanded its service area to include the New Hampshire territory. The merger of the New Hampshire territory into the Association was accounted for under the pooling of interests method of accounting as it occurred without the exchange of any consideration. A prior period adjustment of \$244,515 has been recorded as of July 1, 2007 to reflect the New Hampshire territory's account and net asset balances as of that date and the accompanying financial statements include the financial activity of the New Hampshire territory from July 1, 2007 through June 30, 2008.