

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

Alzheimer's Association

June 30, 2018 and 2017

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Statements of financial position	5
Statements of activities	6
Statements of functional expenses	8
Statements of cash flows	10
Notes to consolidated financial statements	11
Supplementary information	
Consolidating statements of financial position	28
Consolidating statements of activities	30



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601-3370

T +1 312 856 0200
F +1 312 565 4719
grantthornton.com

Board of Directors
Alzheimer's Association

Report on the financial statements

We have audited the accompanying consolidated financial statements of Alzheimer's Association and affiliates (together, the Association), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the consolidated 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 Association'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Association and affiliates as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities as of and for the years ended June 30, 2018 and 2017, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 29, 2018, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



Chicago, Illinois
October 29, 2018

Alzheimer's Association
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30,
(In thousands)

ASSETS		2018	2017
Cash and cash equivalents	\$	68,550	\$ 58,538
Pledges receivable, net		46,946	54,926
Other receivables		8,616	10,775
Inventories of education materials, at cost		1,041	886
Investments		163,107	160,430
Prepaid expenses		6,164	8,571
Assets held in trust		248	231
Fixed assets, net		24,730	17,911
Beneficial interest in split-interest agreements		7,819	7,042
Beneficial interest in perpetual trusts		26,825	25,706
Other assets		837	844
TOTAL ASSETS		\$ 354,883	\$ 345,860
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$	6,278	\$ 5,279
Grants payable, net		48,510	37,214
Deferred compensation payable		248	831
Accrued expenses and other liabilities		24,094	19,101
Self-insurance reserve		1,112	1,189
Gift annuity obligations		4,228	4,414
Deferred revenue		4,776	5,807
Deferred rent		8,631	3,512
Total liabilities		97,877	77,347
Net assets			
Unrestricted		127,190	137,077
Temporarily restricted		87,419	90,231
Permanently restricted		42,397	41,205
Total net assets		257,006	268,513
TOTAL LIABILITIES AND NET ASSETS		\$ 354,883	\$ 345,860

The accompanying notes are an integral part of these statements.

Alzheimer's Association
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues, gains and other support				
Contributions	\$ 272,128	\$ 55,913	\$ 5	\$ 328,046
Conference registration, contributed services and other	17,718	151	-	17,869
Dividends and interest	4,981	1,130	-	6,111
Net assets released from restrictions	59,750	(59,750)	-	-
Total revenues, gains and other support	354,577	(2,556)	5	352,026
Expenses				
Program services				
Research	49,397	-	-	49,397
Public awareness and education	97,500	-	-	97,500
Chapter services	9,341	-	-	9,341
Public policy	18,354	-	-	18,354
Family and healthcare professional services	104,654	-	-	104,654
Total program services	279,246	-	-	279,246
Supporting services				
Management and general	16,192	-	-	16,192
Fundraising	69,024	-	-	69,024
Total supporting services	85,216	-	-	85,216
Total expenses	364,462	-	-	364,462
(Deficiency) excess from operations	(9,885)	(2,556)	5	(12,436)
Other changes in net assets				
Net realized and unrealized gains in value of investments	2,118	262	29	2,409
Change in value of split-interest agreements	(232)	(518)	92	(658)
Change in value of perpetual trusts	-	-	1,028	1,028
Net asset reclassification of a merged chapter	(38)	-	38	-
Bad debt expense	(1,850)	-	-	(1,850)
Total other changes in net assets	(2)	(256)	1,187	929
CHANGE IN NET ASSETS	(9,887)	(2,812)	1,192	(11,507)
Net assets at beginning of year	137,077	90,231	41,205	268,513
Net assets at end of year	<u>\$ 127,190</u>	<u>\$ 87,419</u>	<u>\$ 42,397</u>	<u>\$ 257,006</u>

The accompanying notes are an integral part of this statement.

Alzheimer's Association
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues, gains and other support				
Contributions	\$ 251,638	\$ 58,887	\$ 116	\$ 310,641
Conference registration, contributed services and other	18,306	7	-	18,313
Dividends and interest	3,736	1,069	-	4,805
Net assets released from restrictions	58,590	(58,590)	-	-
Total revenues, gains and other support	332,270	1,373	116	333,759
Expenses				
Program services				
Research	43,514	-	-	43,514
Public awareness and education	89,127	-	-	89,127
Chapter services	11,956	-	-	11,956
Public policy	16,360	-	-	16,360
Family and healthcare professional services	96,951	-	-	96,951
Total program services	257,908	-	-	257,908
Supporting services				
Management and general	19,961	-	-	19,961
Fundraising	57,799	-	-	57,799
Total supporting services	77,760	-	-	77,760
Total expenses	335,668	-	-	335,668
(Deficiency) excess from operations	(3,398)	1,373	116	(1,909)
Other changes in net assets				
Net realized and unrealized gains in value of investments	6,473	648	10	7,131
Change in value of split-interest agreements	14	365	-	379
Change in value of perpetual trusts	-	-	1,493	1,493
Acquisition of dissolved and merged chapters	91,662	28,992	10,205	130,859
Bad debt expense	(1,618)	-	-	(1,618)
Total other changes in net assets	96,531	30,005	11,708	138,244
CHANGE IN NET ASSETS	93,133	31,378	11,824	136,335
Net assets at beginning of year	43,944	58,853	29,381	132,178
Net assets at end of year	\$ 137,077	\$ 90,231	\$ 41,205	\$ 268,513

The accompanying notes are an integral part of this statement.

Alzheimer's Association
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2018
(In thousands)

	Program services						Supporting services			
	Research	Public awareness and education	Chapter services	Public policy	Family and healthcare professional services	Total program services	Management and general	Fundraising	Total supporting services	Total expenses
Salaries and related benefits	\$ 4,804	\$ 38,509	\$ 6,626	\$ 7,634	\$ 69,869	\$ 127,442	\$ 7,139	\$ 39,129	\$ 46,268	\$ 173,710
Grants and funded research	30,055	-	-	6,509	3,843	40,407	-	-	-	40,407
Professional fees and consultants	2,407	7,788	584	1,255	8,497	20,531	1,598	4,850	6,448	26,979
Telephone, postage and supplies	407	6,742	226	365	3,593	11,333	1,993	3,396	5,389	16,722
Occupancy	830	4,993	489	785	7,502	14,599	2,024	2,669	4,693	19,292
Conferences and meetings	5,186	5,499	849	1,107	6,116	18,757	612	8,534	9,146	27,903
Printing and promotions	2,071	30,750	429	138	2,720	36,108	1,697	6,893	8,590	44,698
Miscellaneous	3,418	2,425	130	320	916	7,209	556	2,643	3,199	10,408
Total expenses before depreciation	49,178	96,706	9,333	18,113	103,056	276,386	15,619	68,114	83,733	360,119
Depreciation	219	794	8	241	1,598	2,860	573	910	1,483	4,343
Total expenses	<u>\$ 49,397</u>	<u>\$ 97,500</u>	<u>\$ 9,341</u>	<u>\$ 18,354</u>	<u>\$ 104,654</u>	<u>\$ 279,246</u>	<u>\$ 16,192</u>	<u>\$ 69,024</u>	<u>\$ 85,216</u>	<u>\$ 364,462</u>

The accompanying notes are an integral part of this statement.

Alzheimer's Association
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2017
(In thousands)

	Program services						Supporting services			
	Research	Public awareness and education	Chapter services	Public policy	Family and healthcare professional services	Total program services	Management and general	Fundraising	Total supporting services	Total expenses
Salaries and related benefits	\$ 4,967	\$ 36,110	\$ 7,180	\$ 8,201	\$ 65,201	\$ 121,659	\$ 9,430	\$ 30,039	\$ 39,469	\$ 161,128
Grants and funded research	27,656	2	-	1,607	4,079	33,344	-	-	-	33,344
Professional fees and consultants	2,193	7,171	1,255	1,893	6,063	18,575	1,950	5,761	7,711	26,286
Telephone, postage and supplies	331	6,231	344	414	3,197	10,517	2,321	3,091	5,412	15,929
Occupancy	680	4,903	982	1,111	7,192	14,868	1,540	2,534	4,074	18,942
Conferences and meetings	2,733	5,217	1,250	1,752	5,784	16,736	711	7,427	8,138	24,874
Printing and promotions	1,772	26,550	547	859	3,215	32,943	2,084	5,905	7,989	40,932
Miscellaneous	3,041	2,189	137	315	977	6,659	1,519	2,258	3,777	10,436
Total expenses before depreciation	43,373	88,373	11,695	16,152	95,708	255,301	19,555	57,015	76,570	331,871
Depreciation	141	754	261	208	1,243	2,607	406	784	1,190	3,797
Total expenses	<u>\$ 43,514</u>	<u>\$ 89,127</u>	<u>\$ 11,956</u>	<u>\$ 16,360</u>	<u>\$ 96,951</u>	<u>\$ 257,908</u>	<u>\$ 19,961</u>	<u>\$ 57,799</u>	<u>\$ 77,760</u>	<u>\$ 335,668</u>

The accompanying notes are an integral part of this statement.

Alzheimer's Association
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30,
(In thousands)

	2018	2017
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ (11,507)	\$ 136,335
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,343	3,797
Net realized and unrealized gains in value of investments	(2,409)	(7,131)
Acquisition of dissolved and merged chapters	-	(130,859)
Decrease in pledges and other receivables	10,139	22,298
Decrease (increase) in inventories and prepaid expenses	2,252	(1,106)
Increase (decrease) in payables and accrued expenses	16,628	(14,612)
(Decrease) increase in deferred revenue	(1,031)	1,261
Increase in deferred rent	5,119	1,656
Increase in beneficial interest in split-interest agreements	(777)	(897)
Change in value of perpetual trusts	(1,119)	(346)
Decrease in gift annuity obligations	(186)	(219)
Contributions restricted for long-term investment	(5)	(116)
Change in other assets	7	232
Net cash provided by operating activities	21,454	10,293
Cash flows from investing activities		
Purchase of fixed assets	(11,162)	(5,217)
Proceeds from sale of investments	52,241	82,706
Purchases of investments	(52,918)	(107,384)
Cash and cash equivalents received from acquired chapters	-	39,065
Net cash (used in) provided by investing activities	(11,839)	9,170
Cash flows from financing activities		
Proceeds from contributions restricted for Long-term investment	5	116
Investment subject to annuity agreement	732	754
Payment of annuity obligations	(340)	(486)
Net cash provided by financing activities	397	384
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,012	19,847
Cash and cash equivalents at beginning of year	58,538	38,691
Cash and cash equivalents at end of year	<u>\$ 68,550</u>	<u>\$ 58,538</u>

The accompanying notes are an integral part of these statements.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE A - ORGANIZATION AND BASIS OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Alzheimer's Association, Alzheimer's Impact Movement (AIM), Alzheimer's Impact Movement Political Action Committee (AIMPAC), the Alzheimer's Association International and the Coalition of New York State Alzheimer's Association Chapters, Inc. (Coalition) (together, the Association). All significant intercompany balances and transactions have been eliminated in consolidation.

The Alzheimer's Association, incorporated as the Alzheimer's Disease and Related Disorders Association, Inc., is a not-for-profit, tax-exempt organization dedicated to achieving its mission: to eliminate Alzheimer's disease through the advancement of research, to provide and enhance care and support for all affected, and to reduce the risk of dementia through the promotion of brain health. The Association's mission is carried out through research, education, public awareness, advocacy, programs and services. The Association's primary sources of revenue and support are contributions from the public, corporations and foundations.

AIM is a non-partisan, non-profit advocacy organization working in strategic partnership with the Alzheimer's Association to make Alzheimer's disease a national priority. AIM's mission is to advocate for the advancement of public policy in order to eliminate Alzheimer's disease through the advancement of research, to enhance care and support for all affected, and to reduce the risk of dementia.

AIMPAC is a voluntary, non-partisan political action committee to support and elect federal congressional candidates who are committed to ending Alzheimer's disease in our lifetimes. AIMPAC, the political arm of AIM, is integral in educating members of Congress about critical Alzheimer's issues in support of the policy priorities of the Alzheimer's Association; to fight for a better life for the millions of Americans who live with Alzheimer's; and to ensure the voice of the Alzheimer's community is heard in the halls of Congress.

The Alzheimer's Association International is a not-for-profit Canadian entity, dedicated to promoting health by providing enhanced care and support services for individuals affected by Alzheimer's disease and related disorders, and to advancing education by facilitating and supporting research on the treatment of Alzheimer's disease and related disorders in Canada. The Alzheimer's Association International's primary sources of revenue and support will be contributions from the public.

The purpose of the Coalition of New York State Alzheimer's Association Chapters, Inc. is to advocate on behalf of all New Yorkers affected by Alzheimer's disease and dementia, draft and submit grant proposals in the name of the Coalition, receive and distribute funds made available to the collective interests of the subcontractors, and represent all subcontractors in matters involving the collective interests of the membership.

Effective July 1, 2016, one chapter dissolved and 46 chapters merged with the Association to create a united Alzheimer's Association. Total assets acquired from the 47 chapters were approximately \$152,004,000 and net assets acquired were approximately \$130,859,000. The Association oversees the operations and activities for 78 chapters to facilitate strategic alignment, deliver on the overarching Association-wide strategic objectives and priority activities, and to ensure coverage for all geographic territories.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions and Presentation

All contributions are considered available for the general programs of the Association unless specifically restricted by the donor. The Association reports monetary gifts as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets or are subject to time or legal restriction. A donor restriction expires when a stipulated time or legal restriction ends or when a purpose restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

For discounting purposes, pledges receivable are classified as either collectible in one year or less or collectible in multiple years. Those receivables deemed collectible in one year or less are stated at their full face value. Those classified as multi-year pledges are stated at their net present value using a risk-adjusted discount rate.

Permanently restricted net assets are those assets for which donors require the principal of the gift to be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates.

Allowances for Uncollectible Amounts

The Association evaluates the collectibility of its chapter receivables and pledges receivable based on the length of time the receivable is outstanding, historical experience, and an assessment of business and economic conditions. The receivables are charged to the allowance for uncollectible amounts when they are deemed uncollectible.

Fair Value of Financial Instruments

U.S. GAAP defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and specifies disclosure requirements for fair value measurements. Furthermore, the Association maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but that are traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Assets that have little to no pricing observability as of the report date. These assets are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes observable requires significant judgment by the Association. The Association considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the fair value hierarchy is based on the pricing transparency of the instrument and does not necessarily correspond to the Association's perceived risk of that instrument.

Valuation of Investments and Financial Instruments

Investments with values that are based on quoted market prices in active markets classified within Level 1 include active listed equities and fixed income funds, as well as assets held in trust - mutual funds.

Investments that trade in markets that are not considered to be active, but that are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within Level 2. Level 2 investments include U.S. government agency securities.

Investments and financial instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The valuation of the beneficial interest in the split-interest agreements and perpetual trusts fall under Level 3, as there are no significant observable inputs. The trust valuations are based on assumptions about the present value of distributions to be received from the trusts.

The inputs used by the Association in estimating the Level 3 beneficial interest in the split-interest agreements and perpetual trusts include mark-to-market adjustments, annuitant life expectancy and future asset growth. Assumptions used by the Association due to the lack of observable inputs may significantly impact the resulting fair value of the investments, beneficial interest in the split-interest agreements and perpetual trusts and, therefore, the Association's results of operations.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and certificates of deposit with short-term maturities of three months or less.

Assets Held in Trust

Investments held in trust are carried at fair value. The investments represent contributions to 457(b) plans for key employees. See note F for additional information about the terms of these plans.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

Fixed Assets

Building, furniture, equipment and leasehold improvements are stated at cost or, if donated, at fair value at the date of donation. The Association capitalizes individual purchases greater than \$2,500. Depreciation on furniture and equipment is provided on a straight-line basis over the estimated useful lives (three to seven years) of the assets. Depreciation on the building is provided on a straight-line basis over the estimated useful life (39 years). Amortization of leasehold improvements is provided on a straight-line basis over the shorter of the useful life or remaining life of the lease (up to 15 years).

Grants Payable

The Association awards research grants generally covering a period of one to four years. Grant expense is recorded as an unconditional promise to give upon approval of the grant.

Deferred Revenue

Registration fees received for conferences to be held in a subsequent period are recognized as deferred revenue. These fees are recorded as unrestricted revenues in the period in which the conference is held.

Advertising Expense

Advertising expense is recorded in the period in which the advertising first takes place. Advertising expenses were approximately \$20,196,000 and \$17,240,000 for the years ended June 30, 2018 and 2017, respectively.

Income Taxes

The Association and AIM have received favorable determination letters from the Internal Revenue Service, stating that they are exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code of 1986 (IRC), as organizations described in Sections 501(c)(3) and 501(c)(4), respectively, except for income taxes pertaining to unrelated business income. AIMPAC is a political action committee organization exempt from federal taxes under Section 527 of the IRC. The Alzheimer's Association International is a not-for-profit Canadian entity. The Coalition is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the IRC and has not been classified as a private foundation; therefore, no provision for income taxes has been made in the financial statements.

The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the consolidated financial statements and, as such, no provision for income taxes is reflected. Additionally, there are no interest or penalties recognized in the consolidated statements of activities or statements of financial position.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU No. 2014-09) as a new topic, Accounting Standards Codification (ASC) *Topic 606*. The objective of ASU No. 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the new standard, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU No. 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB ASC. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Deferral of the Effective Date*, which deferred the effective date of ASU No. 2014-09 by one year. This ASU is effective for the Association in fiscal year 2020 and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Association in fiscal year 2021. Early adoption is permitted.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment return, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. The ASU includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires a not-for-profit entity to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for the Association in fiscal year 2019. Early adoption is permitted, and entities are required to adopt the guidance retrospectively, but if comparative financial statements are presented, they have the option to omit certain information for any periods presented that are prior to the period of adoption.

The Association is currently evaluating the impact of the adoption of these new standards on its financial statements.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE C - PLEDGES RECEIVABLE

Pledges receivable, net of estimated uncollectible amounts and discounted to present value, are due to be collected as follows at June 30 (in thousands):

	<u>2018</u>	<u>2017</u>
Less than one year	\$37,340	\$34,109
One to five years	11,350	16,358
Over five years	<u>185</u>	<u>6,770</u>
Total pledges receivable	48,875	57,237
Less		
Unamortized discount	(385)	(626)
Allowance for uncollectible amount	<u>(1,544)</u>	<u>(1,685)</u>
Pledges receivable, net	<u>\$46,946</u>	<u>\$54,926</u>

As of June 30, 2018 and 2017, discount rates on pledges receivable ranged from 1.492% to 2.514%.

NOTE D - INVESTMENTS

The fair value of investments is as follows at June 30 (in thousands):

	<u>2018</u>	<u>2017</u>
Short-term reserves and cash	\$ 30,076	\$ 35,536
Fixed income funds	66,404	63,019
Fixed income corporate bonds	20	-
Equity funds	66,465	61,702
U.S. government agency securities	<u>142</u>	<u>173</u>
Total	<u>\$163,107</u>	<u>\$160,430</u>

Investment fees incurred totaled approximately \$210,000 and \$250,000 for the years ended June 30, 2018 and 2017, respectively, which were netted with dividends and interest income.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table summarizes assets by fair value hierarchy levels as of June 30 (in thousands):

	2018			Total
	Level 1	Level 2	Level 3	
Fixed income funds	\$ 66,404	\$ 20	\$ -	\$ 66,424
Equity funds	66,465	-	-	66,465
Assets held in trust - mutual funds	248	-	-	248
U.S. government agency securities	-	142	-	142
Beneficial interest in split-interest agreements	-	-	7,819	7,819
Beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>26,825</u>	<u>26,825</u>
Total	<u>\$133,117</u>	<u>\$162</u>	<u>\$34,644</u>	<u>\$167,923</u>

	2017			Total
	Level 1	Level 2	Level 3	
Fixed income funds	\$ 63,019	\$ -	\$ -	\$ 63,019
Equity funds	61,702	-	-	61,702
Assets held in trust - mutual funds	231	-	-	231
U.S. government agency securities	-	173	-	173
Beneficial interest in split-interest agreements	-	-	7,042	7,042
Beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>25,706</u>	<u>25,706</u>
Total	<u>\$124,952</u>	<u>\$173</u>	<u>\$32,748</u>	<u>\$157,873</u>

The following table summarizes the changes in fair values associated with Level 3 assets (in thousands):

	Beneficial interest in split-interest agreements	Beneficial interest in perpetual trusts	Total
Balance, June 30, 2016	\$ 5,558	\$16,178	\$21,736
Additions	2,878	8,070	10,948
Unrealized gains	484	1,458	1,942
Payments received	<u>(1,878)</u>	<u>-</u>	<u>(1,878)</u>
Balance, June 30, 2017	7,042	25,706	32,748
Additions	16	-	16
Unrealized gains	1,166	1,119	2,285
Payments received	<u>(405)</u>	<u>-</u>	<u>(405)</u>
Balance, June 30, 2018	<u>\$ 7,819</u>	<u>\$26,825</u>	<u>\$34,644</u>

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE F - DEFERRED COMPENSATION

Effective September 2006, a 457(f) deferred compensation agreement was entered into with the Association's current chief executive officer. The contract was revised in November 2012. The Association provided for deferred compensation of \$150,000 per year for the agreement that ran through June 30, 2017. The Association did not provide any deferred compensation for the year ending June 30, 2018.

The Association maintains 457(b) deferred compensation plans for key employees, which provide that a certain percentage of the key employee's salary be accrued for the benefit of the participant. These plans are provided for currently. The amounts of \$17,000 and \$27,000 due under the plans was accrued and included in deferred compensation payable at June 30, 2018 and 2017, respectively, and the related investments are included in assets held in trust on the accompanying consolidated statements of financial position.

Deferred compensation payables at June 30 are as follows (in thousands):

	<u>2018</u>	<u>2017</u>
457(f) plan	\$ -	\$600
457(b) plans	<u>248</u>	<u>231</u>
Deferred compensation payable	<u>\$248</u>	<u>\$831</u>

NOTE G - FIXED ASSETS

Fixed assets and the related accumulated depreciation were as follows as of June 30 (in thousands):

	<u>2018</u>	<u>2017</u>
Land and building	\$ 1,879	\$ 2,473
Leasehold improvements	12,448	7,850
Equipment and software	25,146	22,439
Furniture and fixtures	<u>4,813</u>	<u>3,140</u>
Total fixed assets	44,286	35,902
Less accumulated depreciation	(25,553)	(21,269)
Equipment not in service	<u>5,997</u>	<u>3,278</u>
Fixed assets, net	<u>\$ 24,730</u>	<u>\$ 17,911</u>

Alzheimer's Association

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2018 and 2017

NOTE H - PERPETUAL TRUSTS AND SPLIT-INTEREST AGREEMENTS

The Association is a beneficiary of perpetual trusts administered by independent organizations. Under the terms of the trusts, the Association has irrevocable rights to receive portions of the income earned on the trust assets in perpetuity. The Association's beneficial interest in the perpetual trusts, at fair value, totaled approximately \$26,825,000 and \$25,706,000 at June 30, 2018 and 2017, respectively.

The Association received a life estate in 2017 which a donor contributed real estate to the Association in exchange for the donor retaining the right to use the real estate until their death. The life estate is valued at a fair value of \$1,515,000 at June 30, 2018 and 2017.

The Association is the beneficiary of charitable lead and remainder trust agreements held by independent trustees and the Association. Under the terms of the agreements, the Association has an unconditional right to receive all or a portion of specified cash flows from the agreements. The agreements are valued at fair value based on expected future cash flows and discounted present value at a risk-adjusted rate. As of June 30, 2018 and 2017, The Association applied a discount rate of 2.298% and 1.492%, respectively. The Association's beneficial interest is approximately \$6,304,000 and \$5,527,000 at June 30, 2018 and 2017, respectively.

The Association also has charitable gift annuity arrangements in which donors have contributed assets to the Association in exchange for a promise to pay a fixed amount for a specified period of time back to the donor. Gift annuity obligations represent the present value of future cash flows expected to be paid by the Association to the donors under these arrangements. Gift annuity liabilities of approximately \$4,228,000 and \$4,414,000 at June 30, 2018 and 2017, respectively, are reported on the consolidated statements of financial position. The required reserves of approximately \$14,181,000 and \$13,831,000 at June 30, 2018 and 2017, respectively, have been segregated in separate accounts and are recorded in investments on the statements of financial position, the use of which is limited to meeting the gift annuity obligations.

NOTE I - SELF-INSURANCE RESERVE

The Association maintains a self-insured program for medical coverage as part of its employee benefits plan. Cigna provides claims administration as well as both individual and aggregate stop-loss coverage. Funding for this program is obtained through both employee and employer contributions for medical coverage and through earnings on designated assets held to pay claims. Investments designated by the Association for the insurance program amounted to approximately \$1,112,000 and \$1,189,000 as of June 30, 2018 and 2017, respectively, and were included in unrestricted net assets. As of June 30, 2018 and 2017, the actuarially determined liability associated with this program was approximately \$1,112,000 and \$1,189,000, respectively, and is determined as an estimated liability for self-insured claims in the accompanying consolidated statements of financial position.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE J - GRANTS PAYABLE

Grants payable are discounted to present value. They were due to be disbursed as follows at June 30 (in thousands):

	<u>2018</u>	<u>2017</u>
Less than one year	\$35,819	\$24,964
One to five years	<u>13,029</u>	<u>12,511</u>
Total grants payable	48,848	37,475
Less unamortized discount	<u>(338)</u>	<u>(261)</u>
Grants payable, net	<u>\$48,510</u>	<u>\$37,214</u>

As of June 30, 2018 and 2017, discount rates on grants payable ranged from 1.492% to 2.335% and 1.492% to 2.514%, respectively.

NOTE K - GIFTS-IN-KIND AND CONTRIBUTED SERVICES

Gifts-in-kind and contributed services are reflected as expenses and contributions at their estimated fair value at date of the gift or service. During 2018, the Association received approximately \$4,811,000 in gifts-in-kind and contributed services. Of these non-monetary transactions, the Association recorded services valued at approximately \$2,751,000 as program expense for the medical science research grants review process and the Alzheimer's Association International Conference and gifts-in-kind of approximately \$2,060,000 as fundraising expenses. During 2017, the Association received approximately \$5,512,000 in gifts-in-kind and contributed services. Of these non-monetary transactions, the Association recorded services valued at approximately \$2,911,000 as program expense for the medical science research grants review process and the Alzheimer's Association International Conference and gifts-in-kind of approximately \$2,601,000 as fundraising expenses.

NOTE L - ALLOCATION OF JOINT COSTS

For the years ended June 30, 2018 and 2017, the Association incurred expenses of approximately \$16,449,000 and \$15,483,000 related to the distribution of informational materials that included fundraising appeals, respectively. The Association allocated these costs as follows for the years ended June 30 (in thousands):

	<u>2018</u>	<u>2017</u>
Public awareness and education	\$10,038	\$ 9,334
Fundraising	3,959	3,748
Management and general	<u>2,452</u>	<u>2,401</u>
Total	<u>\$16,449</u>	<u>\$15,483</u>

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE M - RETIREMENT PLANS

The Association has a defined contribution retirement plan covering all eligible employees. The Association contributes, at a minimum, an amount equal to 6% of the participant's eligible compensation to the defined contribution plan. The Association also matches 100% of an employee's elected deferral up to 5% of the employee's eligible compensation, or as limited by law.

The Association's policy is to fund retirement plan costs as they are accrued. Contribution expense related to the defined contribution plan totaled approximately \$11,207,000 and \$8,954,000 for the years ended June 30, 2018 and 2017, respectively.

NOTE N - COMMITMENTS - OPERATING LEASE OBLIGATIONS

The Association currently has a 13-year operating lease agreement for office space in Chicago, Illinois, that expires on March 31, 2030. This lease agreement includes inducements totaling approximately \$4,958,000 for leasehold improvements. The lease inducements are reflected as deferred rent in the accompanying consolidated statements of financial position and are being amortized on a straight-line basis over the term of the lease agreement. The lease agreement includes approximately \$1,643,000 in rent abatement through March 2019.

The Association has a 10-year operating lease agreement for office space in Washington, D.C., that has been accounted for as an operating lease in the accompanying consolidated financial statements. The current lease is effective September 1, 2010 through November 30, 2020.

The Association has also entered into 242 leases for the chapters. The leases range in length from 6 to 135 months and contain provisions for future rent increases that are included in the future minimum lease payments below and are amortized using the straight-line method over the lease terms.

Rental expense under the lease agreements totaled approximately \$11,775,000 and \$11,697,000 for the years ended June 30, 2018 and 2017, respectively.

Future rental commitments as of June 30, 2018, for all non-cancelable operating leases are as follows (in thousands):

Years ending June 30,

2019	\$11,360
2020	10,206
2021	8,223
2022	6,329
2023	5,047
Thereafter	<u>19,040</u>
Total	<u>\$60,205</u>

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE O - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30 (in thousands):

	2018	2017
Research	\$45,328	\$47,327
Programs	35,968	37,090
Time restricted	<u>6,123</u>	<u>5,814</u>
Total temporarily restricted net assets	<u>\$87,419</u>	<u>\$90,231</u>

NOTE P - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are restricted to investment in perpetuity. Permanently restricted net assets were as follows as of June 30 (in thousands):

	2018	2017
John P. Green, Jr. Charitable Foundation Trust	\$ 9,995	\$ 9,471
Samson Perpetual Trust	3,464	3,221
Evelyn T. Stone Memorial Fund	2,838	2,838
George Graff Perpetual Trust	1,479	1,479
Jane M. Campbell Trust	1,412	1,393
Sidney W. and Sylvia N. Souers Charitable Trust	1,276	1,204
Samuel A. Blank Research Fund	1,263	1,263
C.N. Wodenhouse Hawaii Charities Trust	1,250	1,277
Stalder Perpetual Trust	1,073	980
Barbara Meyer Endowment	1,003	1,003
National Alzheimer's Research Fund Endowment	1,000	1,000
Stephanie Aschemeyer Endowment Fund	897	897
Robert E. Black Memorial Trust	842	815
John Lyman Bogert Memorial Research Fund	750	750
The Heritage Trust Endowment	748	748
Edward P. and Mary Klein Smith Foundation Trust	679	623
Sandra E. Lamb Charitable Trust	625	604
Kapus Kozem Permanently Restricted Endowment	612	612
Harold W. and Georgiana Spaght Memorial Fund	601	601
Schmidt Foundation Perpetual Trust	573	561
Mary J. Wickstrom Estate	500	500
Hindenburg Perpetual Trust	500	487
Alburger Perpetual Trust	476	465
George F. Berlinger Memorial Fund	450	450
I.J. Berkson Research Fund	437	437
Gaedtke Trust	418	409
Edna Curl Endowment Fund	411	411
Ruth Templeton Henney Alzheimer's Research Foundation	361	361
Norman Gotlieb and Bertha Chrystall Gotlieb Fund	345	345
Willis Trust	318	308

Alzheimer's Association**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****June 30, 2018 and 2017**

	2018	2017
Evelyn Schwartz Endowment	\$ 278	\$ 278
Parnell Rickerson Endowment	259	259
William Edmonson Trust	257	251
Sommerville Perpetual Trust	254	244
Mr. and Mrs. Neil Bluhm Pilot Research Grant Fund	252	252
The Blum-Kovler Foundation Pilot Research Grant Fund	250	250
Arthur and Josephine Lowell Charitable Foundation Trust	219	213
Donald R. McLennan Jr. Research Fund	212	212
Ruth Bates Charitable Trust	205	196
Robert Bressler Perpetual Trust	195	186
Sara & Soloman Hartman Family Charitable Trust	190	182
Bertis Westfall Charitable Trust	174	172
Robert Feldman Endowment	158	158
Robert Mumma Perpetual Trust	157	148
David Finkle Pilot Research Grant Fund	153	153
Sperry Charitable Trust	152	146
Robert and Marie Leonard Endowment	141	141
Leiser Foundation Irrevocable Perpetual Trust	133	129
The Burl Endowment	130	130
F. William Littlejohn and Amy E. Littlejohn Trust	128	128
Omens/Normand Research Fund	120	120
Marian Burke Research Scholarship Fund	120	120
The Plotkin-Wollin Research Fund	119	119
Doug Jones Family Endowment Fund	119	119
Mary and Robert Bronstein Memorial Fund	113	113
Helen and Philip Brody Pilot Research Grant Fund	100	100
Plumsock Fund	100	100
Fern Hayes Endowment	100	100
Individual funds less than \$100	<u>1,013</u>	<u>973</u>
Total	<u>\$42,397</u>	<u>\$41,205</u>

NOTE Q - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the years ended June 30 (in thousands):

	2018	2017
Purpose restrictions accomplished		
Research	\$35,096	\$33,852
Programs	24,449	22,758
Time restricted	<u>205</u>	<u>1,980</u>
Total net assets released from restrictions	<u>\$59,750</u>	<u>\$58,590</u>

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE R - ENDOWMENT NET ASSETS

Permanently restricted net assets are restricted as investments in perpetuity. The Association's endowment only consists of donor-restricted endowment funds. Net assets associated with the Association's endowment funds are classified and reported based on the existence of donor-imposed restrictions. Donors restrict the earnings of some of the Association's endowment funds to fund the Association's research program. In accordance with donor stipulations, the income generated from these assets is restricted for research (approximately 57%) or not purpose restricted (approximately 43%).

The Association accounts for endowment net assets by preserving the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, the Association classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment fund. The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Association and the donor-restricted endowment fund.
- General economic conditions.
- The possible effects of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Association.
- The investment policies of the Association.

The Association has adopted an investment policy that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2018 and 2017, endowment assets only include those assets of donor-restricted funds that the Association must hold in perpetuity, as the Association does not have any board-designated endowment funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to provide adequate liquidity, maximizing returns on all funds invested and achieving full employment of all available funds as earning assets. The Association has an active finance committee and investment sub-committee that meets regularly to ensure that the objectives of the investment policy are met, and that the strategies used to meet the objectives are in accordance with the investment policy. The Association's policy is to appropriate spending amounts deemed prudent for donor-restricted funds.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

Changes in endowment net assets for the years ended June 30, 2018 and 2017, are as follows (in thousands):

	Temporarily restricted	Permanently restricted	Total
Endowment net assets, June 30, 2016	\$ 595	\$13,122	\$13,717
New gifts	-	116	116
Transfer from chapters	-	10,205	10,205
Dividends and interest	503	-	503
Net appreciation (realized and unrealized)	622	-	622
Appropriation	(1,125)	-	(1,125)
Endowment net assets, June 30, 2017	595	23,443	24,038
New gifts	-	5	5
Dividends and interest	618	-	618
Net appreciation (realized and unrealized)	277	-	277
Appropriation	(895)	-	(895)
Endowment net assets, June 30, 2018	\$ <u>595</u>	\$ <u>23,448</u>	\$ <u>24,043</u>

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 state law requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. There was no deficiency as of June 30, 2018 and 2017.

NOTE S - CONCENTRATION OF CREDIT RISK

Certain financial instruments subject the Association to credit risk. Those financial instruments consist primarily of cash, accounts receivable, beneficial interest in split-interest agreements and investments. The Association maintains its cash balance in financial institutions, which at times may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. Concentration of credit risk with respect to receivables is limited due to the large number of accounts and low average cash balance. Concentration of credit risk with respect to the beneficial interest in split-interest agreements is limited through the diversification of the trust assets. The Association's investment policy also stipulates appropriate diversification of investment balances. As of June 30, 2018 and 2017, the Association had no significant concentration of credit risk in investments.

Alzheimer's Association
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2018 and 2017

NOTE T - ACQUIRED NET ASSETS

The Association acquired 47 chapters during fiscal year 2017 as a result of one chapter dissolution and 46 mergers. No consideration was provided as a result of the transaction.

For fiscal year 2017, the following table summarizes the estimated fair values of the assets and liabilities at the acquisition date (in thousands):

Cash	\$ 39,065
Pledges receivable, net	19,072
Other receivables	14,715
Inventories of education materials, at cost	1,227
Investments	57,697
Prepaid expenses	2,197
Fixed assets, net	7,405
Beneficial interest in split-interest agreements	587
Beneficial interest in perpetual trusts	9,182
Other assets	<u>857</u>
Total identifiable assets acquired	152,004
Accounts payable	(1,330)
Accrued expenses	(16,983)
Deferred revenue	(2,018)
Deferred rent	<u>(814)</u>
Net assets acquired	<u>\$130,859</u>

As a result, the net value is recorded as an acquisition of dissolved and merged chapters during fiscal year 2017 in the consolidated statements of activities.

NOTE U - SUBSEQUENT EVENTS

The Association evaluated its June 30, 2018, consolidated financial statements for subsequent events through October 29, 2018, the date the consolidated financial statements were available to be issued. The Association is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Alzheimer's Association
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2018
(In thousands)

	Alzheimer's Association	AIM	AIMPAC	Alzheimer's Association International	Coalition of New York State Alzheimer's Association Chapters	Eliminations	Consolidated
ASSETS							
Cash and cash equivalents	\$ 68,056	\$ 349	\$ 139	\$ 1	\$ 5	\$ -	\$ 68,550
Pledges receivable, net	46,696	250	-	-	-	-	46,946
Other receivables	8,567	35	1	-	1,826	(1,813)	8,616
Inventories of education materials, at cost	1,041	-	-	-	-	-	1,041
Investments	163,107	-	-	-	-	-	163,107
Prepaid expenses	6,136	28	-	-	-	-	6,164
Assets held in trust	248	-	-	-	-	-	248
Fixed assets, net	24,721	-	-	-	9	-	24,730
Beneficial interest in split-interest agreements	7,819	-	-	-	-	-	7,819
Beneficial interest in perpetual trusts	26,825	-	-	-	-	-	26,825
Other assets	837	-	-	-	-	-	837
TOTAL ASSETS	\$ 354,053	\$ 662	\$ 140	\$ 1	\$ 1,840	\$ (1,813)	\$ 354,883
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 6,217	\$ 9	\$ -	\$ -	\$ 1,701	\$ (1,649)	\$ 6,278
Grants payable, net	48,510	-	-	-	-	-	48,510
Deferred compensation payable	248	-	-	-	-	-	248
Accrued expenses and other liabilities	24,126	58	-	-	74	(164)	24,094
Self-insurance reserve	1,112	-	-	-	-	-	1,112
Gift annuity obligations	4,228	-	-	-	-	-	4,228
Deferred revenue	4,776	-	-	-	-	-	4,776
Deferred rent	8,631	-	-	-	-	-	8,631
Total liabilities	97,848	67	-	-	1,775	(1,813)	97,877
Net assets							
Unrestricted	126,389	595	140	1	65	-	127,190
Temporarily restricted	87,419	-	-	-	-	-	87,419
Permanently restricted	42,397	-	-	-	-	-	42,397
Total net assets	256,205	595	140	1	65	-	257,006
TOTAL LIABILITIES AND NET ASSETS	\$ 354,053	\$ 662	\$ 140	\$ 1	\$ 1,840	\$ (1,813)	\$ 354,883

Alzheimer's Association
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2017
(In thousands)

	Alzheimer's Association	AIM	AIMPAC	Alzheimer's Association International	Coalition of New York State Alzheimer's Association Chapters	Eliminations	Consolidated
ASSETS							
Cash	\$ 58,143	\$ 218	\$ 118	\$ 1	\$ 58	\$ -	\$ 58,538
Pledges receivable, net	54,827	99	-	-	-	-	54,926
Other receivables	10,529	206	1	-	855	(816)	10,775
Inventories of education materials, at cost	886	-	-	-	-	-	886
Investments	160,430	-	-	-	-	-	160,430
Prepaid expenses	8,563	8	-	-	-	-	8,571
Assets held in trust	231	-	-	-	-	-	231
Fixed assets, net	17,889	-	-	10	12	-	17,911
Beneficial interest in split-interest agreements	7,042	-	-	-	-	-	7,042
Beneficial interest in perpetual trusts	25,706	-	-	-	-	-	25,706
Other assets	844	-	-	-	-	-	844
TOTAL ASSETS	\$ 345,090	\$ 531	\$ 119	\$ 11	\$ 925	\$ (816)	\$ 345,860
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 5,060	\$ 20	\$ -	\$ -	\$ 812	\$ (613)	\$ 5,279
Grants payable, net	37,214	-	-	-	-	-	37,214
Deferred compensation payable	831	-	-	-	-	-	831
Accrued expenses and other liabilities	19,196	40	-	20	48	(203)	19,101
Self-insurance reserve	1,189	-	-	-	-	-	1,189
Gift annuity obligations	4,414	-	-	-	-	-	4,414
Deferred revenue	5,807	-	-	-	-	-	5,807
Deferred rent	3,512	-	-	-	-	-	3,512
Total liabilities	77,223	60	-	20	860	(816)	77,347
Net assets							
Unrestricted	136,431	471	119	(9)	65	-	137,077
Temporarily restricted	90,231	-	-	-	-	-	90,231
Permanently restricted	41,205	-	-	-	-	-	41,205
Total net assets	267,867	471	119	(9)	65	-	268,513
TOTAL LIABILITIES AND NET ASSETS	\$ 345,090	\$ 531	\$ 119	\$ 11	\$ 925	\$ (816)	\$ 345,860

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Home Office	Alabama-Florida Panhandle	Alaska	Aloha	Arkansas	California Central	California Southland	Capital of Texas	Central & North Florida	Central & Western Kansas	Central & Western Virginia	Central New York	Central Ohio	Cleveland Area
Revenues, gains and other support														
Contributions	\$ 138,573	\$ 983	\$ 65	\$ 682	\$ 620	\$ 1,420	\$ 3,098	\$ 607	\$ 1,804	\$ 663	\$ 1,209	\$ 2,907	\$ 1,825	\$ 1,728
Conference registration, contributed services and other	10,446	-	-	-	-	143	(43)	2	2	133	150	34	29	67
Dividends and interest	3,836	-	-	91	-	172	-	-	15	14	7	3	24	66
Total revenues, gains and other support	152,855	983	65	773	620	1,735	3,055	609	1,821	810	1,366	2,944	1,878	1,861
Expenses														
Program services														
Research	49,397	-	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	45,071	196	4	251	233	513	948	179	474	254	411	790	483	690
Chapter services	9,055	1	-	1	1	3	5	1	3	1	2	4	3	4
Public policy	8,055	36	1	47	43	95	176	33	88	47	76	147	90	128
Family and healthcare professional services	24,906	295	7	377	351	771	1,427	269	714	383	618	1,189	727	1,039
Total program services	136,484	528	12	676	628	1,382	2,556	482	1,279	685	1,107	2,130	1,303	1,861
Supporting services														
Management and general	12,336	12	-	16	15	33	61	11	31	17	27	51	31	45
Fundraising	24,805	165	4	212	196	433	799	151	400	214	347	666	408	582
Total supporting services	37,141	177	4	228	211	466	860	162	431	231	374	717	439	627
Total expenses	173,625	705	16	904	839	1,848	3,416	644	1,710	916	1,481	2,847	1,742	2,488
(Deficiency) excess from operations	(20,770)	278	49	(131)	(219)	(113)	(361)	(35)	111	(106)	(115)	97	136	(627)
Other changes in net assets														
Net realized and unrealized gains (losses) in value of investments	1,172	-	-	-	-	11	-	-	10	8	(8)	-	14	47
Change in value of split-interest agreements	(436)	-	-	52	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	671	-	-	(1)	-	243	-	-	1	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(412)	-	-	-	(8)	-	-	-	-	-	(5)	-	(15)	(11)
Total other changes in net assets	995	-	-	51	(8)	254	-	-	11	8	(13)	-	(1)	36
TOTAL (DEFICIENCY) EXCESS	(19,775)	278	49	(80)	(227)	141	(361)	(35)	122	(98)	(128)	97	135	(591)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Colorado	Connecticut	Delaware Valley	Desert Southwest	East Central Iowa	Eastern North Carolina	Florida Gulf Coast	Georgia	Greater Cincinnati	Greater Dallas	Greater East Ohio Area	Greater Indiana	Greater Iowa
Revenues, gains and other support													
Contributions	\$ 4,371	\$ 3,794	\$ 4,690	\$ 4,495	\$ 474	\$ 1,132	\$ 3,144	\$ 5,614	\$ 2,116	\$ 2,098	\$ 1,279	\$ 2,476	\$ 1,579
Conference registration, contributed services and other	362	385	532	190	11	2	26	433	180	15	52	159	40
Dividends and interest	113	13	68	79	-	-	77	-	45	6	12	85	-
Total revenues, gains and other support	4,846	4,192	5,290	4,764	485	1,134	3,247	6,047	2,341	2,119	1,343	2,720	1,619
Expenses													
Program services													
Research	-	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	1,419	906	1,325	975	161	258	797	1,563	690	539	336	772	476
Chapter services	8	5	7	5	1	1	4	8	4	3	2	4	3
Public policy	264	169	246	181	30	48	148	291	128	100	62	144	89
Family and healthcare professional services	2,135	1,364	1,993	1,466	243	388	1,199	2,351	1,038	810	505	1,161	716
Total program services	3,826	2,444	3,571	2,627	435	695	2,148	4,213	1,860	1,452	905	2,081	1,284
Supporting services													
Management and general	91	58	85	63	10	17	51	101	45	35	22	50	31
Fundraising	1,197	765	1,117	822	136	217	672	1,318	582	454	283	651	402
Total supporting services	1,288	823	1,202	885	146	234	723	1,419	627	489	305	701	433
Total expenses	5,114	3,267	4,773	3,512	581	929	2,871	5,632	2,487	1,941	1,210	2,782	1,717
(Deficiency) excess from operations	(268)	925	517	1,252	(96)	205	376	415	(146)	178	133	(62)	(98)
Other changes in net assets													
Net realized and unrealized gains (losses) in value of investments	91	19	46	53	-	-	52	-	29	6	8	50	-
Change in value of split-interest agreements	2	-	(396)	-	-	-	(5)	65	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	9	-	-	-	-	-	-	9	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(25)	(9)	-	-	(1)	(2)	(122)	(195)	(4)	(4)	(23)	(14)	3
Total other changes in net assets	68	10	(350)	53	8	(2)	(75)	(130)	25	2	(15)	45	3
TOTAL (DEFICIENCY) EXCESS	(200)	935	167	1,305	(88)	203	301	285	(121)	180	118	(17)	(95)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Greater Kentucky & Southern Indiana	Greater Maryland	Greater Michigan	Greater Missouri	Greater New Jersey	Greater Pennsylvania	Greater Richmond	Greater Wisconsin	Heart of America	Houston & SE Texas	Hudson Valley / Rockland / Westchester NY	Idaho
Revenues, gains and other support												
Contributions	\$ 1,829	\$ 3,016	\$ 5,011	\$ 5,089	\$ 2,498	\$ 3,886	\$ 1,307	\$ 1,305	\$ 1,874	\$ 3,023	\$ 4,477	\$ 383
Conference registration, contributed services and other	4	263	236	133	-	66	120	48	16	68	51	3
Dividends and interest	14	49	48	144	1	120	7	28	35	109	8	-
Total revenues, gains and other support	1,847	3,328	5,295	5,366	2,499	4,072	1,434	1,381	1,925	3,200	4,536	386
Expenses												
Program services												
Research	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	423	849	1,397	1,573	327	963	369	316	523	862	1,177	126
Chapter services	2	5	8	9	2	5	2	2	3	5	6	1
Public policy	79	158	260	292	61	179	69	59	97	160	219	23
Family and healthcare professional services	637	1,277	2,103	2,366	491	1,449	556	475	787	1,298	1,771	189
Total program services	1,141	2,289	3,768	4,240	881	2,596	996	852	1,410	2,325	3,173	339
Supporting services												
Management and general	27	55	90	102	21	62	24	20	34	56	76	8
Fundraising	357	716	1,178	1,326	275	812	311	266	441	727	993	106
Total supporting services	384	771	1,268	1,428	296	874	335	286	475	783	1,069	114
Total expenses	1,525	3,060	5,036	5,668	1,177	3,470	1,331	1,138	1,885	3,108	4,242	453
(Deficiency) excess from operations	322	268	259	(302)	1,322	602	103	243	40	92	294	(67)
Other changes in net assets												
Net realized and unrealized gains (losses) in value of investments	-	34	50	30	-	26	7	34	31	76	6	-
Change in value of split-interest agreements	-	-	-	-	-	92	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	78	-	7	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(1)	(11)	(10)	(47)	-	(20)	(5)	-	(15)	(2)	1	(1)
Total other changes in net assets	(1)	23	40	61	-	105	2	34	16	74	7	(1)
TOTAL (DEFICIENCY) EXCESS	321	291	299	(241)	1,322	707	105	277	56	166	301	(68)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Illinois	Long Island	Louisiana	Maine	Massachusetts / New Hampshire	Miami Valley	Michigan Great Lakes	Mid South	Minnesota - North Dakota	Mississippi	Montana	National Capital Area	Nebraska
Revenues, gains and other support													
Contributions	\$ 8,146	\$ 2,069	\$ 908	\$ 997	\$ 8,796	\$ 1,482	\$ 1,294	\$ 2,778	\$ 6,049	\$ 408	\$ 377	\$ 4,441	\$ 1,322
Conference registration, contributed services and other	99	1	-	20	806	17	17	86	297	-	65	75	44
Dividends and interest	98	-	-	1	70	34	-	24	45	-	-	13	-
Total revenues, gains and other support	8,343	2,070	908	1,018	9,672	1,533	1,311	2,888	6,391	408	442	4,529	1,366
Expenses													
Program services													
Research	-	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	2,530	476	232	293	2,709	450	413	718	1,610	193	135	1,083	370
Chapter services	14	3	1	2	15	2	2	4	9	1	1	6	2
Public policy	470	88	43	54	504	84	77	134	299	36	25	201	69
Family and healthcare professional services	3,806	715	349	441	4,077	677	622	1,080	2,422	291	204	1,630	558
Total program services	6,820	1,282	625	790	7,305	1,213	1,114	1,936	4,340	521	365	2,920	999
Supporting services													
Management and general	163	31	15	19	175	29	27	46	104	13	9	70	24
Fundraising	2,134	401	196	247	2,285	380	349	606	1,358	163	114	913	312
Total supporting services	2,297	432	211	266	2,460	409	376	652	1,462	176	123	983	336
Total expenses	9,117	1,714	836	1,056	9,765	1,622	1,490	2,588	5,802	697	488	3,903	1,335
(Deficiency) excess from operations	(774)	356	72	(38)	(93)	(89)	(179)	300	589	(289)	(46)	626	31
Other changes in net assets													
Net realized and unrealized gains (losses) in value of investments	69	-	-	-	40	25	-	15	23	-	2	13	-
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(17)	-	(1)	(6)	(323)	(9)	(4)	(10)	(53)	-	(4)	(60)	-
Total other changes in net assets	52	-	(1)	(6)	(283)	16	(4)	5	(30)	-	(2)	(47)	-
TOTAL (DEFICIENCY) EXCESS	(722)	356	71	(44)	(376)	(73)	(183)	305	559	(289)	(48)	579	31

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	New Mexico	New York City	North Central Texas	Northeastern New York	Northern California & Northern Nevada	Northwest Ohio	Oklahoma	Orange County	Oregon	Rhode Island	Rochester & Finger Lakes Region	San Antonio & South Texas
Revenues, gains and other support												
Contributions	\$ 1,372	\$ 4,019	\$ 2,367	\$ 1,752	\$ 14,196	\$ 885	\$ 2,769	\$ 1,109	\$ 1,938	\$ 798	\$ 3,157	\$ 1,331
Conference registration, contributed services and other	145	8	142	170	432	40	116	(24)	88	150	20	8
Dividends and interest	18	-	127	2	85	5	41	-	-	4	32	-
Total revenues, gains and other support	1,535	4,027	2,636	1,924	14,713	930	2,926	1,085	2,026	952	3,209	1,339
Expenses												
Program services												
Research	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	414	992	817	515	3,494	343	863	592	575	267	752	340
Chapter services	2	5	4	3	19	2	5	3	3	1	4	2
Public policy	77	184	152	96	650	64	160	110	107	50	140	63
Family and healthcare professional services	622	1,493	1,230	774	5,256	517	1,299	891	864	402	1,131	512
Total program services	1,115	2,674	2,203	1,388	9,419	926	2,327	1,596	1,549	720	2,027	917
Supporting services												
Management and general	27	64	53	33	225	22	56	39	37	17	48	22
Fundraising	349	837	689	434	2,946	290	728	499	485	225	634	287
Total supporting services	376	901	742	467	3,171	312	784	538	522	242	682	309
Total expenses	1,491	3,575	2,945	1,855	12,590	1,238	3,111	2,134	2,071	962	2,709	1,226
(Deficiency) excess from operations	44	452	(309)	69	2,123	(308)	(185)	(1,049)	(45)	(10)	500	113
Other changes in net assets												
Net realized and unrealized gains (losses) in value of investments	14	-	94	4	44	4	30	-	-	3	20	-
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	(5)	-	(258)	(2)	(42)	-	(8)	(2)	(2)	(1)
Total other changes in net assets	14	-	89	4	(214)	2	(12)	-	(8)	1	18	(1)
TOTAL (DEFICIENCY) EXCESS	58	452	(220)	73	1,909	(306)	(197)	(1,049)	(53)	(9)	518	112

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	San Diego & Imperial	South Carolina	South Central Wisconsin	South Dakota	Southeast Florida	Southeastern Virginia	Southeastern Wisconsin	Utah	Vermont	Washington State	West Texas	West Virginia
Revenues, gains and other support												
Contributions	\$ 1,529	\$ 3,296	\$ 407	\$ 273	\$ 2,809	\$ 965	\$ 2,710	\$ 956	\$ 532	\$ 4,181	\$ 798	\$ 786
Conference registration, contributed services and other	108	-	-	1	11	117	236	-	15	84	1	14
Dividends and interest	-	17	-	-	125	22	24	-	-	-	-	-
Total revenues, gains and other support	1,637	3,313	407	274	2,945	1,104	2,970	956	547	4,265	799	800
Expenses												
Program services												
Research	-	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	621	913	103	94	723	290	844	246	143	1,046	230	283
Chapter services	3	5	1	1	4	2	5	1	1	6	1	1
Public policy	116	170	19	17	135	54	157	46	27	195	43	53
Family and healthcare professional services	934	1,374	154	142	1,088	437	1,270	370	216	1,574	347	426
Total program services	1,674	2,462	277	254	1,950	783	2,276	663	387	2,821	621	763
Supporting services												
Management and general	40	59	7	6	47	19	54	16	9	68	15	18
Fundraising	524	770	86	80	610	245	712	208	121	882	194	239
Total supporting services	564	829	93	86	657	264	766	224	130	950	209	257
Total expenses	2,238	3,291	370	340	2,607	1,047	3,042	887	517	3,771	830	1,020
(Deficiency) excess from operations	(601)	22	37	(66)	338	57	(72)	69	30	494	(31)	(220)
Other changes in net assets												
Net realized and unrealized gains (losses) in value of investments	-	10	-	-	60	-	16	-	-	-	-	-
Change in value of split-interest agreements	-	-	-	-	15	(47)	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	11	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	(1)	-	-	4	(4)	(4)	-	(7)	(59)	-	(11)
Total other changes in net assets	-	9	-	-	90	(51)	12	-	(7)	(59)	-	(11)
TOTAL (DEFICIENCY) EXCESS	(601)	31	37	(66)	428	6	(60)	69	23	435	(31)	(231)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(In thousands)

	Western Carolina	Western New York	Wyoming	Total Alzheimer's Association	AIM	AIMPAC	Alzheimer's Association International	Coalition of New York State Alzheimer's Association Chapters	Eliminations	Consolidated
Revenues, gains and other support										
Contributions	\$ 2,413	\$ 2,303	\$ 152	\$ 326,014	\$ 562	\$ 176	\$ -	\$ 5,420	\$ (4,126)	\$ 328,046
Conference registration, contributed services and other	56	46	-	17,869	6,476	-	-	61	(6,537)	17,869
Dividends and interest	17	17	-	6,110	-	-	-	1	-	6,111
Total revenues, gains and other support	2,486	2,366	152	349,993	7,038	176	-	5,482	(10,663)	352,026
Expenses										
Program services										
Research	-	-	-	49,397	-	-	-	-	-	49,397
Public awareness and education	524	589	56	97,500	-	-	-	-	-	97,500
Chapter services	3	3	-	9,341	-	-	-	-	-	9,341
Public policy	97	109	11	17,804	6,914	155	-	-	(6,519)	18,354
Family and healthcare professional services	788	887	85	103,796	-	-	-	4,993	(4,135)	104,654
Total program services	1,412	1,588	152	277,838	6,914	155	-	4,993	(10,654)	279,246
Supporting services										
Management and general	34	38	4	15,722	-	-	(10)	489	(9)	16,192
Fundraising	442	497	47	69,024	-	-	-	-	-	69,024
Total supporting services	476	535	51	84,746	-	-	(10)	489	(9)	85,216
Total expenses	1,888	2,123	203	362,584	6,914	155	(10)	5,482	(10,663)	364,462
(Deficiency) excess from operations	598	243	(51)	(12,591)	124	21	10	-	-	(12,436)
Other changes in net assets										
Net realized and unrealized gains (losses) in value of investments	11	10	-	2,409	-	-	-	-	-	2,409
Change in value of split-interest agreements	-	-	-	(658)	-	-	-	-	-	(658)
Change in value of perpetual trusts	-	-	-	1,028	-	-	-	-	-	1,028
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(2)	(1)	-	(1,850)	-	-	-	-	-	(1,850)
Total other changes in net assets	9	9	-	929	-	-	-	-	-	929
TOTAL (DEFICIENCY) EXCESS	607	252	(51)	(11,662)	124	21	10	-	-	(11,507)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Home Office	Alabama-Florida Panhandle	Alaska	Aloha	Arkansas	California Central	California Southland	Capital of Texas	Central & North Florida	Central & Western Kansas	Central & Western Virginia
Revenues, gains and other support											
Contributions	\$ 134,673	\$ 748	\$ 47	\$ 647	\$ 572	\$ 1,413	\$ 2,459	\$ 409	\$ 2,347	\$ 469	\$ 1,099
Conference registration, contributed services and other	7,690	14	-	34	3	205	-	-	36	102	213
Dividends and interest	3,077	-	-	62	-	158	-	-	11	3	8
Total revenues, gains and other support	145,440	762	47	743	575	1,776	2,459	409	2,394	574	1,320
Expenses											
Program services											
Research	43,514	-	-	-	-	-	-	-	-	-	-
Public awareness and education	38,709	173	1	241	229	505	724	103	523	215	417
Chapter services	10,099	6	-	9	8	19	27	4	19	8	15
Public policy	7,198	30	-	42	40	88	126	18	91	38	73
Family and healthcare professional services	16,301	273	2	381	361	798	1,145	163	827	340	659
Total program services	115,821	482	3	673	638	1,410	2,022	288	1,460	601	1,164
Supporting services											
Management and general	13,107	22	2	30	29	63	90	13	65	27	52
Fundraising	22,951	119	1	167	158	349	501	71	362	149	288
Total supporting services	36,058	141	3	197	187	412	591	84	427	176	340
Total expenses	151,879	623	6	870	825	1,822	2,613	372	1,887	777	1,504
(Deficiency) excess from operations	(6,439)	139	41	(127)	(250)	(46)	(154)	37	507	(203)	(184)
Other changes in net assets											
Net realized and unrealized gains (losses) in value of investments	4,405	-	-	-	-	17	-	-	27	6	47
Change in value of split-interest agreements	78	-	-	41	-	-	-	-	-	-	-
Change in value of perpetual trusts	840	-	-	113	-	346	-	-	2	-	-
Acquisition of dissolved and merged chapters	130,859	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(1,199)	(1)	-	(1)	(5)	(19)	-	-	(7)	-	(2)
Total other changes in net assets	134,983	(1)	-	153	(5)	344	-	-	22	6	45
TOTAL (DEFICIENCY) EXCESS	<u><u>\$ 128,544</u></u>	<u><u>\$ 138</u></u>	<u><u>\$ 41</u></u>	<u><u>\$ 26</u></u>	<u><u>\$ (255)</u></u>	<u><u>\$ 298</u></u>	<u><u>\$ (154)</u></u>	<u><u>\$ 37</u></u>	<u><u>\$ 529</u></u>	<u><u>\$ (197)</u></u>	<u><u>\$ (139)</u></u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Central Illinois	Central New York	Central Ohio	Cleveland Area	Colorado	Connecticut	Delaware Valley	Desert Southwest	East Central Iowa	Eastern North Carolina	Eastern Tennessee
Revenues, gains and other support											
Contributions	\$ 523	\$ 2,962	\$ 1,483	\$ 2,115	\$ 4,166	\$ 2,395	\$ 4,454	\$ 3,341	\$ 508	\$ 909	\$ 166
Conference registration, contributed services and other	44	49	29	72	233	209	653	256	63	3	-
Dividends and interest	20	-	5	2	105	32	44	210	-	-	-
Total revenues, gains and other support	587	3,011	1,517	2,189	4,504	2,636	5,151	3,807	571	912	166
Expenses											
Program services											
Research	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	291	757	423	728	1,365	874	1,295	865	193	245	32
Chapter services	11	28	16	27	50	32	48	32	7	9	1
Public policy	51	132	74	127	238	153	226	151	34	43	6
Family and healthcare professional services	460	1,196	668	1,150	2,157	1,381	2,046	1,367	305	387	50
Total program services	813	2,113	1,181	2,032	3,810	2,440	3,615	2,415	539	684	89
Supporting services											
Management and general	36	95	53	91	170	109	162	108	24	31	4
Fundraising	201	523	292	503	944	604	895	598	134	169	22
Total supporting services	237	618	345	594	1,114	713	1,057	706	158	200	26
Total expenses	1,050	2,731	1,526	2,626	4,924	3,153	4,672	3,121	697	884	115
(Deficiency) excess from operations	(463)	280	(9)	(437)	(420)	(517)	479	686	(126)	28	51
Other changes in net assets											
Net realized and unrealized gains (losses) in value of investments	81	-	5	236	224	86	98	38	-	-	-
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	15	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	(21)	3	-	-	-	-	-
Total other changes in net assets	81	-	5	236	203	89	98	38	15	-	-
TOTAL (DEFICIENCY) EXCESS	<u><u>\$ (382)</u></u>	<u><u>\$ 280</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ (201)</u></u>	<u><u>\$ (217)</u></u>	<u><u>\$ (428)</u></u>	<u><u>\$ 577</u></u>	<u><u>\$ 724</u></u>	<u><u>\$ (111)</u></u>	<u><u>\$ 28</u></u>	<u><u>\$ 51</u></u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Florida Gulf Coast	Georgia	Greater Cincinnati	Greater Dallas	Greater East Ohio Area	Greater Indiana	Greater Iowa	Greater Kentucky & Southern Indiana	Greater Maryland	Greater Michigan	Greater Missouri
Revenues, gains and other support											
Contributions	\$ 2,492	\$ 5,678	\$ 2,236	\$ 1,873	\$ 1,184	\$ 2,610	\$ 1,556	\$ 1,779	\$ 2,728	\$ 5,169	\$ 595
Conference registration, contributed services and other	69	435	200	12	45	156	142	3	374	232	-
Dividends and interest	25	1	30	1	10	79	-	13	70	35	10
Total revenues, gains and other support	2,586	6,114	2,466	1,886	1,239	2,845	1,698	1,795	3,172	5,436	605
Expenses											
Program services											
Research	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	679	2,079	656	568	327	870	523	391	896	1,428	236
Chapter services	25	77	24	21	12	32	19	14	33	53	9
Public policy	119	363	114	99	57	152	91	68	156	249	41
Family and healthcare professional services	1,073	3,285	1,036	898	517	1,374	827	618	1,415	2,257	373
Total program services	1,896	5,804	1,830	1,586	913	2,428	1,460	1,091	2,500	3,987	659
Supporting services											
Management and general	85	260	82	71	41	109	65	49	112	178	29
Fundraising	469	1,437	453	393	226	601	362	270	619	987	163
Total supporting services	554	1,697	535	464	267	710	427	319	731	1,165	192
Total expenses	2,450	7,501	2,365	2,050	1,180	3,138	1,887	1,410	3,231	5,152	851
(Deficiency) excess from operations	136	(1,387)	101	(164)	59	(293)	(189)	385	(59)	284	(246)
Other changes in net assets											
Net realized and unrealized gains (losses) in value of investments	37	2	45	2	38	235	-	-	60	67	-
Change in value of split-interest agreements	11	101	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	11	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(22)	-	-	-	-	2	(12)	(8)	(3)	(29)	(9)
Total other changes in net assets	26	103	45	2	38	248	(12)	(8)	57	38	(9)
TOTAL (DEFICIENCY) EXCESS	<u>\$ 162</u>	<u>\$ (1,284)</u>	<u>\$ 146</u>	<u>\$ (162)</u>	<u>\$ 97</u>	<u>\$ (45)</u>	<u>\$ (201)</u>	<u>\$ 377</u>	<u>\$ (2)</u>	<u>\$ 322</u>	<u>\$ (255)</u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Greater New Jersey	Greater Pennsylvania	Greater Richmond	Greater Wisconsin	Heart of America	Houston & SE Texas	Hudson Valley/Rockland/ Westchester NY	Idaho	Illinois	Long Island
Revenues, gains and other support										
Contributions	\$ 1,977	\$ 3,094	\$ 1,149	\$ 1,141	\$ 2,157	\$ 3,094	\$ 4,214	\$ 378	\$ 9,299	\$ 2,576
Conference registration, contributed services and other	-	109	221	104	37	91	41	3	254	44
Dividends and interest	-	78	6	22	6	38	3	-	50	-
Total revenues, gains and other support	1,977	3,281	1,376	1,267	2,200	3,223	4,258	381	9,603	2,620
Expenses										
Program services										
Research	-	-	-	-	-	-	-	-	-	-
Public awareness and education	236	1,004	432	321	452	916	1,113	110	2,320	418
Chapter services	9	37	16	12	17	34	41	4	85	15
Public policy	41	175	75	56	79	160	194	19	405	73
Family and healthcare professional services	373	1,586	683	507	714	1,448	1,758	174	3,666	660
Total program services	659	2,802	1,206	896	1,262	2,558	3,106	307	6,476	1,166
Supporting services										
Management and general	29	125	54	40	56	114	139	14	290	52
Fundraising	163	694	299	222	312	633	769	76	1,604	289
Total supporting services	192	819	353	262	368	747	908	90	1,894	341
Total expenses	851	3,621	1,559	1,158	1,630	3,305	4,014	397	8,370	1,507
(Deficiency) excess from operations	1,126	(340)	(183)	109	570	(82)	244	(16)	1,233	1,113
Other changes in net assets										
Net realized and unrealized gains (losses) in value of investments	-	16	9	69	(12)	145	8	-	114	-
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	(11)	(9)	(8)	-	-	(1)	(1)	(16)	(11)
Total other changes in net assets	-	5	-	61	(12)	145	7	(1)	98	(11)
TOTAL (DEFICIENCY) EXCESS	<u>\$ 1,126</u>	<u>\$ (335)</u>	<u>\$ (183)</u>	<u>\$ 170</u>	<u>\$ 558</u>	<u>\$ 63</u>	<u>\$ 251</u>	<u>\$ (17)</u>	<u>\$ 1,331</u>	<u>\$ 1,102</u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Louisiana	Maine	Massachusetts/ New Hampshire	Miami Valley	Michigan Great Lakes	Mid South	Minnesota-North Dakota	Mississippi	Montana	National Capital Area
Revenues, gains and other support										
Contributions	\$ 836	\$ 695	\$ 7,864	\$ 1,215	\$ 1,240	\$ 2,286	\$ 5,149	\$ 222	\$ 283	\$ 4,688
Conference registration, contributed services and other	18	15	717	22	36	13	244	-	13	148
Dividends and interest	-	1	42	20	-	14	21	-	-	5
Total revenues, gains and other support	854	711	8,623	1,257	1,276	2,313	5,414	222	296	4,841
Expenses										
Program services										
Research	-	-	-	-	-	-	-	-	-	-
Public awareness and education	229	281	2,562	421	398	626	1,657	139	90	1,172
Chapter services	8	10	94	16	15	23	61	5	3	43
Public policy	40	49	447	74	69	109	289	24	16	205
Family and healthcare professional services	362	444	4,049	666	629	989	2,618	219	143	1,852
Total program services	639	784	7,152	1,177	1,111	1,747	4,625	387	252	3,272
Supporting services										
Management and general	29	35	320	53	50	78	207	17	11	146
Fundraising	158	194	1,771	291	275	433	1,145	96	63	810
Total supporting services	187	229	2,091	344	325	511	1,352	113	74	956
Total expenses	826	1,013	9,243	1,521	1,436	2,258	5,977	500	326	4,228
(Deficiency) excess from operations	28	(302)	(620)	(264)	(160)	55	(563)	(278)	(30)	613
Other changes in net assets										
Net realized and unrealized gains (losses) in value of investments	-	-	57	37		43	30		1	11
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	(73)
Total other changes in net assets	-	-	57	37	-	43	30	-	1	(62)
TOTAL (DEFICIENCY) EXCESS	<u>\$ 28</u>	<u>\$ (302)</u>	<u>\$ (563)</u>	<u>\$ (227)</u>	<u>\$ (160)</u>	<u>\$ 98</u>	<u>\$ (533)</u>	<u>\$ (278)</u>	<u>\$ (29)</u>	<u>\$ 551</u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Nebraska	New Mexico	New York City	North Central Texas	Northeastern New York	Northern California & Northern Nevada	Northwest Ohio	Oklahoma	Orange County	Oregon	Rhode Island
Revenues, gains and other support											
Contributions	\$ 1,244	\$ 1,278	\$ 3,701	\$ 2,161	\$ 1,973	\$ 11,559	\$ 908	\$ 2,726	\$ 807	\$ 1,428	\$ 820
Conference registration, contributed services and other	97	188	3	141	152	552	182	199	1	30	183
Dividends and interest	-	11	-	83	2	23	3	18	-	-	3
Total revenues, gains and other support	1,341	1,477	3,704	2,385	2,127	12,134	1,093	2,943	808	1,458	1,006
Expenses											
Program services											
Research	-	-	-	-	-	-	-	-	-	-	-
Public awareness and education	368	454	563	783	520	3,642	320	874	442	512	255
Chapter services	14	17	21	29	19	134	12	32	16	19	9
Public policy	64	79	98	137	91	636	56	153	77	89	44
Family and healthcare professional services	581	717	890	1,237	822	5,755	505	1,381	699	808	403
Total program services	1,027	1,267	1,572	2,186	1,452	10,167	893	2,440	1,234	1,428	711
Supporting services											
Management and general	46	57	70	98	65	455	40	109	55	64	32
Fundraising	254	314	389	541	360	2,518	221	604	306	354	176
Total supporting services	300	371	459	639	425	2,973	261	713	361	418	208
Total expenses	1,327	1,638	2,031	2,825	1,877	13,140	1,154	3,153	1,595	1,846	919
(Deficiency) excess from operations	14	(161)	1,673	(440)	250	(1,006)	(61)	(210)	(787)	(388)	87
Other changes in net assets											
Net realized and unrealized gains (losses) in value of investments	-	12	-	209	6	33	7	96	-	-	6
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	(1)	(1)	18	(1)	(15)	-	(4)	-
Total other changes in net assets	-	12	-	208	5	51	6	81	-	(4)	6
TOTAL (DEFICIENCY) EXCESS	<u>\$ 14</u>	<u>\$ (149)</u>	<u>\$ 1,673</u>	<u>\$ (232)</u>	<u>\$ 255</u>	<u>\$ (955)</u>	<u>\$ (55)</u>	<u>\$ (129)</u>	<u>\$ (787)</u>	<u>\$ (392)</u>	<u>\$ 93</u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Rochester & Finger Lakes Region	San Antonio & South Texas	San Diego & Imperial	South Carolina	South Central Wisconsin	South Dakota	Southeast Florida	Southeastern Virginia	Southeastern Wisconsin	St. Louis
Revenues, gains and other support										
Contributions	\$ 2,623	\$ 1,114	\$ 497	\$ 2,921	\$ 364	\$ 249	\$ 2,742	\$ 1,137	\$ 2,499	\$ 4,790
Conference registration, contributed services and other	74	15	1,861	23	36	-	22	142	225	134
Dividends and interest	43	-	-	13	-	-	148	-	27	88
Total revenues, gains and other support	2,740	1,129	2,358	2,957	400	249	2,912	1,279	2,751	5,012
Expenses										
Program services										
Research	-	-	-	-	-	-	-	-	-	-
Public awareness and education	784	300	271	814	91	77	709	281	802	1,074
Chapter services	29	11	10	30	3	3	26	10	30	40
Public policy	137	52	47	142	16	13	124	49	140	188
Family and healthcare professional services	1,239	473	428	1,286	144	122	1,121	443	1,267	1,697
Total program services	2,189	836	756	2,272	254	215	1,980	783	2,239	2,999
Supporting services										
Management and general	98	37	34	102	11	10	89	35	100	134
Fundraising	542	207	187	563	63	53	490	194	554	743
Total supporting services	640	244	221	665	74	63	579	229	654	877
Total expenses	2,829	1,080	977	2,937	328	278	2,559	1,012	2,893	3,876
(Deficiency) excess from operations	(89)	49	1,381	20	72	(29)	353	267	(142)	1,136
Other changes in net assets										
Net realized and unrealized gains (losses) in value of investments	58	-	-	28	-	-	240	-	48	41
Change in value of split-interest agreements	-	-	-	-	-	-	-	124	-	24
Change in value of perpetual trusts	-	-	-	-	-	-	-	-	-	166
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(1)	(2)	-	-	-	-	(8)	(3)	(22)	(95)
Total other changes in net assets	57	(2)	-	28	-	-	232	121	26	136
TOTAL (DEFICIENCY) EXCESS	<u>\$ (32)</u>	<u>\$ 47</u>	<u>\$ 1,381</u>	<u>\$ 48</u>	<u>\$ 72</u>	<u>\$ (29)</u>	<u>\$ 585</u>	<u>\$ 388</u>	<u>\$ (116)</u>	<u>\$ 1,272</u>

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Utah	Vermont	Washington State	West Texas	West Virginia	Western Carolina	Western New York	Wyoming
Revenues, gains and other support								
Contributions	\$ 561	\$ 494	\$ 3,663	\$ 767	\$ 593	\$ 3,250	\$ 2,120	\$ 90
Conference registration, contributed services and other	1	31	98	13	88	55	57	-
Dividends and interest	-	-	-	-	-	11	15	-
Total revenues, gains and other support	562	525	3,761	780	681	3,316	2,192	90
Expenses								
Program services								
Research	-	-	-	-	-	-	-	-
Public awareness and education	243	144	858	228	300	459	463	38
Chapter services	9	5	32	8	11	17	17	1
Public policy	42	25	150	40	52	80	81	7
Family and healthcare professional services	385	227	1,356	360	473	725	732	61
Total program services	679	401	2,396	636	836	1,281	1,293	107
Supporting services								
Management and general	30	18	107	28	37	57	58	5
Fundraising	168	99	593	157	207	317	320	27
Total supporting services	198	117	700	185	244	374	378	32
Total expenses	877	518	3,096	821	1,080	1,655	1,671	139
(Deficiency) excess from operations	(315)	7	665	(41)	(399)	1,661	521	(49)
Other changes in net assets								
Net realized and unrealized gains (losses) in value of investments	-	-	-	-	-	22	41	-
Change in value of split-interest agreements	-	-	-	-	-	-	-	-
Change in value of perpetual trusts	-	-	-	-	-	-	-	-
Acquisition of dissolved and merged chapters	-	-	-	-	-	-	-	-
Bad debt expense	(3)	-	(3)	-	(1)	-	(13)	-
Total other changes in net assets	(3)	-	(3)	-	(1)	22	28	-
TOTAL (DEFICIENCY) EXCESS	\$ (318)	\$ 7	\$ 662	\$ (41)	\$ (400)	\$ 1,683	\$ 549	\$ (48)

Alzheimer's Association
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2017
(In thousands)

	Alzheimer's Association Total	AIM	AIMPAC	Alzheimer's Association International	Coalition of New York State Alzheimer's Association Chapters	Eliminations	Consolidated
Revenues, gains and other support							
Contributions	\$ 308,441	\$ 1,987	\$ 159	\$ -	\$ 5,149	\$ (5,095)	\$ 310,641
Conference registration, contributed services and other	18,310	-	-	-	73	(70)	18,313
Dividends and interest	4,804	-	-	-	1	-	4,805
Total revenues, gains and other support	331,555	1,987	159	-	5,223	(5,165)	333,759
Expenses							
Program services							
Research	43,514	-	-	-	-	-	43,514
Public awareness and education	89,127	-	-	-	-	-	89,127
Chapter services	11,956	-	-	-	-	-	11,956
Public policy	15,996	1,743	97	-	-	(1,476)	16,360
Family and healthcare professional services	95,966	-	-	-	4,674	(3,689)	96,951
Total program services	256,559	1,743	97	-	4,674	(5,165)	257,908
Supporting services							
Management and general	19,404	9	-	7	541	-	19,961
Fundraising	57,799	-	-	-	-	-	57,799
Total supporting services	77,203	9	-	7	541	-	77,760
Total expenses	333,762	1,752	97	7	5,215	(5,165)	335,668
(Deficiency) excess from operations	(2,207)	235	62	(7)	8	-	(1,909)
Other changes in net assets							
Net realized and unrealized gains (losses) in value of investments	7,131	-	-	-	-	-	7,131
Change in value of split-interest agreements	379	-	-	-	-	-	379
Change in value of perpetual trusts	1,493	-	-	-	-	-	1,493
Acquisition of dissolved and merged chapters	130,859	-	-	-	-	-	130,859
Bad debt expense	(1,618)	-	-	-	-	-	(1,618)
Total other changes in net assets	138,244	-	-	-	-	-	138,244
TOTAL (DEFICIENCY) EXCESS	<u><u>\$ 136,037</u></u>	<u><u>\$ 235</u></u>	<u><u>\$ 62</u></u>	<u><u>\$ (7)</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 136,335</u></u>