

**ALZHEIMER'S DISEASE AND RELATED
DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER**

FINANCIAL STATEMENTS

June 30, 2014 and 2013

**ALZHEIMER’S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER**

TABLE OF CONTENTS

Independent Auditor’s Report.....	2 – 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities.....	5 – 6
Statements of Functional Expenses	7 – 8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10 – 17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alzheimer's Disease and Related Disorders Association, Inc.
Mid South Chapter
Nashville, Tennessee

We have audited the accompanying financial statements of Alzheimer's Disease and Related Disorders Association, Inc. - Mid South Chapter (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Disease and Related Disorders Association, Inc. - Mid South Chapter as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Frasier Dent Hard, PLLC

Nashville, Tennessee
September 22, 2014

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 551,975	\$ 745,476
Certificates of deposit	212,373	314,200
Investments	292,727	-
Grants and other receivables	173,229	92,035
Due from National Organization	99,016	87,067
Prepaid expenses	4,591	3,316
Total current assets	<u>1,333,911</u>	<u>1,242,094</u>
Property and equipment, net	<u>12,374</u>	<u>16,103</u>
Total assets	<u><u>\$ 1,346,285</u></u>	<u><u>\$ 1,258,197</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 49,004	\$ 35,652
Due to National Organization	81,250	82,038
Total current liabilities	<u>130,254</u>	<u>117,690</u>
Net assets:		
Unrestricted	932,027	859,619
Temporarily restricted	284,004	280,888
Total net assets	<u>1,216,031</u>	<u>1,140,507</u>
Total liabilities and net assets	<u><u>\$ 1,346,285</u></u>	<u><u>\$ 1,258,197</u></u>

See accompanying notes to financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions and memorials	\$ 1,490,189	\$ 9,291	\$ 1,499,480
Corporate and workplace gifts	120,880	-	120,880
Bequests	47,455	-	47,455
Fundraising and special events	80,350	150	80,500
	<u>1,738,874</u>	<u>9,441</u>	<u>1,748,315</u>
Total contributions	1,738,874	9,441	1,748,315
Transfers from the National Organization	532,031	-	532,031
Less transfers to the National Organization	(698,559)	-	(698,559)
	<u>1,572,346</u>	<u>9,441</u>	<u>1,581,787</u>
Net contribution revenue	1,572,346	9,441	1,581,787
Grants	83,263	5,000	88,263
Program income	30,737	25,000	55,737
Donated materials and services	24,544	-	24,544
Miscellaneous	20,857	-	20,857
Realized and unrealized gain on investments	10,203	-	10,203
Interest income	3,060	-	3,060
Net assets released from restrictions	36,325	(36,325)	-
	<u>1,781,335</u>	<u>3,116</u>	<u>1,784,451</u>
Total revenue and other support	1,781,335	3,116	1,784,451
Expenses:			
Program services	1,284,153	-	1,284,153
Fundraising	331,594	-	331,594
Management and general	93,180	-	93,180
	<u>1,708,927</u>	<u>-</u>	<u>1,708,927</u>
Total expenses	1,708,927	-	1,708,927
Change in net assets	72,408	3,116	75,524
Net assets, beginning of year	859,619	280,888	1,140,507
	<u>859,619</u>	<u>280,888</u>	<u>1,140,507</u>
Net assets, end of year	<u>\$ 932,027</u>	<u>\$ 284,004</u>	<u>\$ 1,216,031</u>

See accompanying notes to financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Contributions and memorials	\$ 1,547,153	\$ 25,000	\$ 1,572,153
Bequests	204,028	-	204,028
Corporate and workplace gifts	92,585	-	92,585
Fundraising and special events	40,978	-	40,978
	<hr/>	<hr/>	<hr/>
Total contributions	1,884,744	25,000	1,909,744
Transfers from the National Organization	451,478	-	451,478
Less transfers to the National Organization	(762,802)	-	(762,802)
	<hr/>	<hr/>	<hr/>
Net contribution revenue	1,573,420	25,000	1,598,420
Donated materials and services	42,577	-	42,577
Grants	42,025	-	42,025
Program income	39,626	-	39,626
Miscellaneous	4,933	-	4,933
Interest income	4,228	-	4,228
Net assets released from restrictions	40,805	(40,805)	-
	<hr/>	<hr/>	<hr/>
Total revenue and other support	1,747,614	(15,805)	1,731,809
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	1,282,423	-	1,282,423
Fundraising	305,427	-	305,427
Management and general	74,700	-	74,700
	<hr/>	<hr/>	<hr/>
Total expenses	1,662,550	-	1,662,550
	<hr/>	<hr/>	<hr/>
Change in net assets	85,064	(15,805)	69,259
Net assets, beginning of year	774,555	296,693	1,071,248
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 859,619</u>	<u>\$ 280,888</u>	<u>\$ 1,140,507</u>

See accompanying notes to financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	Program Services	Fundraising	Management and General	Total
Salaries and wages	\$ 632,275	\$ 168,884	\$ 30,782	\$ 831,941
Employee benefits	115,731	30,913	5,634	152,278
 Total salaries and benefits	 748,006	 199,797	 36,416	 984,219
 Conferences and meeting	 78,865	 36,424	 3,659	 118,948
Advertising	88,491	20,384	5,668	114,543
Occupancy	81,138	19,675	6,060	106,873
Staff travel	59,587	11,917	2,979	74,483
Professional fees	25,248	858	26,107	52,213
Supplies	39,373	8,711	2,430	50,514
Telephone	28,381	6,561	1,456	36,398
Nonstaff travel	27,339	5,127	1,708	34,174
Printing and publications	21,759	4,958	826	27,543
Assessments and grants	22,904	-	-	22,904
Other occupancy related costs	14,083	3,339	1,128	18,550
Postage	13,123	2,897	1,023	17,043
Insurance	11,765	2,408	1,016	15,189
Publications and subscriptions	6,448	910	227	7,585
Miscellaneous	5,142	370	1,830	7,342
Staff development	5,301	994	331	6,626
Bad debt	1,522	5,000	-	6,522
Depreciation	3,294	770	214	4,278
Volunteer and staff training	2,384	494	102	2,980
	<u>\$ 1,284,153</u>	<u>\$ 331,594</u>	<u>\$ 93,180</u>	<u>\$ 1,708,927</u>

See accompanying notes to financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services	Fundraising	Management and General	Total
Salaries and wages	\$ 625,385	\$ 152,296	\$ 32,403	\$ 810,084
Employee benefits	101,516	24,721	5,260	131,497
 Total salaries and benefits	 726,901	 177,017	 37,663	 941,581
 Occupancy	 79,757	 19,310	 5,877	 104,944
Conferences and meeting	80,450	16,714	3,524	100,688
Advertising	69,773	15,207	4,473	89,453
Supplies	55,593	12,787	3,072	71,452
Professional fees	41,899	20,391	7,306	69,596
Travel	41,467	9,569	2,127	53,163
Telephone	27,591	5,757	1,755	35,103
Respite payments	34,540	-	-	34,540
Other occupancy related costs	21,784	5,159	1,720	28,663
Non staff travel	21,072	4,863	1,081	27,016
Postage	19,635	4,293	1,473	25,401
Printed material and publications	13,867	2,984	702	17,553
Bad debt	7,305	4,870	-	12,175
Insurance	9,036	2,141	713	11,890
Miscellaneous	9,260	352	2,109	11,721
Publications and subscriptions	5,814	1,251	294	7,359
Staff development	5,388	920	263	6,571
Depreciation	4,517	1,027	315	5,859
Volunteer development	4,774	815	233	5,822
Research	2,000	-	-	2,000
	<u>\$ 1,282,423</u>	<u>\$ 305,427</u>	<u>\$ 74,700</u>	<u>\$ 1,662,550</u>

See accompanying notes to financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 75,524	\$ 69,259
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,278	5,859
Unrealized gain	(10,203)	-
(Increase) decrease in grants and other receivables	(81,194)	246,764
Increase in due from National Organization	(11,949)	(6,032)
Increase in prepaid expenses	(1,275)	(325)
Increase (decrease) in accounts payable and accrued expenses	13,352	(27,546)
Decrease in due to National Organization	(788)	(6,193)
	<u>(12,255)</u>	<u>281,786</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Redemption of certificates of deposit, net	101,827	205,319
Purchase of fixed assets	(549)	(15,391)
Purchase of investments	(282,524)	-
	<u>(181,246)</u>	<u>189,928</u>
Net cash (used in) provided by investing activities		
Net (decrease) increase in cash and cash equivalents	(193,501)	471,714
Cash and cash equivalents, beginning of year	<u>745,476</u>	<u>273,762</u>
Cash and cash equivalents, end of year	<u>\$ 551,975</u>	<u>\$ 745,476</u>

See accompanying notes to financial statements.

ALZHEIMER’S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

The Alzheimer’s Disease and Related Disorders Association, Inc. - Mid South Chapter (the “Chapter”) is a not-for-profit organization with offices in Nashville, Tullahoma, Chattanooga, Johnson City, and Memphis, Tennessee and Huntsville, Alabama. The Chapter is an affiliate of the Alzheimer’s Disease and Related Disorders Association, Inc. (the “National Organization”). The mission of the Chapter is 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 Chapter is supported primarily through donor contributions in Tennessee and Northern Alabama.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with standards of accounting and reporting prescribed for not-for-profit organizations. Under these standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Chapter and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Chapter. Generally, donors of these assets permit the Chapter to use all or part of the income earned for unrestricted or restricted purposes. The Chapter does not have any permanently restricted net assets recorded at June 30, 2014 or 2013.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Donated materials that are usable for program services, fundraising, support of management and general functions are recorded at their fair values in the period received.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Chapter considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Certificates of Deposit

Certificates of deposit are reported at cost, which approximates market value at June 30, 2014 and 2013.

Investments

Investments are stated at fair market value. Unrealized gains and losses, as well as appreciation or depreciation in market value are reflected in the accompanying consolidated financial statements.

Fair Value

The Chapter has established a process for determining fair values. Fair values are based upon quoted market prices, where available. If listed prices or quotes are not available, fair values are based upon market-based or independently-sourced market data. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Chapter believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Accounting principles generally accepted in the United States of America have a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of the fair value hierarchy are described below:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

Level 2 inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Grants and Other Receivables

Grants and other receivables consist of the amounts described in Note 2 and are considered by management to be fully collectible. Accordingly, an allowance has not been recorded at June 30, 2014 or 2013.

Property and Equipment

Purchases of property and equipment are recorded at cost and donated items are recorded at fair market value. The Chapter capitalizes all property and equipment with a cost or fair market value of \$500 or more. Depreciation is provided over the estimated useful lives of assets ranging from three to ten years and computed on a straight-line basis.

Contributions and Other Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Other Support (Continued)

For the years ended June 30, 2014 and 2013, the Chapter has recognized \$1,347,660 and \$1,229,343, respectively, from their Walk to End Alzheimer's which has been included in contributions and memorials in the accompanying statements of activities.

Federal Income Taxes

No provision for federal income taxes is made in the accompanying financial statements, as the Chapter is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Chapter follows Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Chapter has no tax penalties or interest reported in the accompanying financial statements. Tax years that remain open for examination include years ended June 30, 2011 through June 30, 2014.

Advertising

The Chapter's advertising is non-direct and the costs are expensed as incurred. The Chapter incurred \$114,543 and \$89,453 of advertising expense during the years ended June 30, 2014 and 2013, respectively.

Reclassifications

Certain reclassifications have been made to the 2013 balances to conform with the 2014 presentation.

Subsequent Events

The Chapter evaluated subsequent events through September 22, 2014, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the accompanying financial statements.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 2 – GRANTS AND OTHER RECEIVABLES

Grants and other receivables consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Due from National Organization	\$ 134,294	\$ 779
Contributions	<u>38,935</u>	<u>91,256</u>
	<u><u>\$ 173,229</u></u>	<u><u>\$ 92,035</u></u>

NOTE 3 – INVESTMENTS

Investments are stated at fair value determined based on active markets (Level 1), and consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Mutual funds	\$ 284,367	\$ -
Common stocks	4,453	-
Money market	<u>3,907</u>	<u>-</u>
	<u><u>\$ 292,727</u></u>	<u><u>\$ -</u></u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 28,727	\$ 28,727
Office equipment	48,280	67,639
Software	7,602	7,602
Vehicle	<u>15,391</u>	<u>15,391</u>
	100,000	119,359
Less accumulated depreciation	<u>(87,626)</u>	<u>(103,256)</u>
	<u><u>\$ 12,374</u></u>	<u><u>\$ 16,103</u></u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

The Chapter receives contributions for expenses associated with specific programs of the mission of the Chapter. These contributions are classified as temporarily restricted net assets until the restricted purpose has been fulfilled. The following represents a summary of the activity for the year ended June 30:

Purpose	Balance at July 1, 2013	Contributions received from July 1, 2013 to June 30, 2014	Expended and/or released by specific purpose being fulfilled	Balance at June 30, 2014
Cleveland, Tennessee Chapter	\$ 245,000	\$ 9,291	\$ -	\$ 254,291
Community Caregiver Awareness and Education Project	31,457	-	20,539	10,918
Respite	4,431	25,000	15,786	13,645
Education grant	-	5,000	-	5,000
Research due National Organization	-	150	-	150
	<u>\$ 280,888</u>	<u>\$ 39,441</u>	<u>\$ 36,325</u>	<u>\$ 284,004</u>

Purpose	Balance at July 1, 2012	Contributions received from July 1, 2012 to June 30, 2013	Expended and/or released by specific purpose being fulfilled	Balance at June 30, 2013
Cleveland, Tennessee Chapter	\$ 245,000	\$ -	\$ -	\$ 245,000
Community Caregiver Awareness And Education Project	43,693	-	12,236	31,457
Respite	8,000	25,000	28,569	4,431
	<u>\$ 296,693</u>	<u>\$ 25,000</u>	<u>\$ 40,805</u>	<u>\$ 280,888</u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 6 – DONATED MATERIALS AND SERVICES

Donated materials and services included in the statement of activities are as follows at June 30, 2014:

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 4,818	\$ 234	\$ 823	\$ 5,875
Supplies	7,834	382	1,338	9,554
Conferences and meetings	<u>7,474</u>	<u>365</u>	<u>1,276</u>	<u>9,115</u>
	<u>\$ 20,126</u>	<u>\$ 981</u>	<u>\$ 3,437</u>	<u>\$ 24,544</u>

Donated materials and services included in the statement of activities are as follows at June 30, 2013:

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 15,076	\$ 735	\$ 2,574	\$ 18,385
Supplies	8,426	411	1,439	10,276
Conferences and meetings	6,995	341	1,194	8,530
Professional fees	3,998	195	683	4,876
Printing	<u>418</u>	<u>21</u>	<u>71</u>	<u>510</u>
	<u>\$ 34,913</u>	<u>\$ 1,703</u>	<u>\$ 5,961</u>	<u>\$ 42,577</u>

NOTE 7 – EMPLOYEE BENEFIT PROGRAM

Effective January 1, 2013, the Chapter adopted a 401(k) Savings Plan (the "Plan"). Employees are eligible to participate in the Plan upon their date of hire and are eligible to receive matching contributions from the Chapter after one year of service. Eligible participant contributions are matched by the Chapter equal to a uniform percentage of the participant's salary deferrals. The Chapter incurred expenses related to the Plan in the amount of \$5,440 and \$4,915 for the years ended June 30, 2014 and 2013, respectively.

NOTE 8 – LEASE COMMITMENTS

The Chapter leases various office space under noncancellable operating leases. Rent expense amounted to \$95,925 and \$77,048 for the years ended June 30, 2014 and 2013, respectively. Future minimum rental payments required under all operating leases in effect at June 30, 2014 are as follows:

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.
MID SOUTH CHAPTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 8 – LEASE COMMITMENTS (Continued)

Year ending June 30:	
2015	\$ 84,097
2016	71,727
2017	48,135
2018	7,001
2019	800
Thereafter	<u>-</u>
	<u>\$ 211,760</u>

NOTE 9 – SHARED FUNDRAISING

As stated in Note 1, the Chapter is affiliated with the National Organization. A formal Statement of Relationship outlines the rights and responsibilities of the National Organization and the Chapter. These responsibilities include that the Chapter comply with policies. These policies include Shared Fundraising ("SFR"), which unifies and coordinates fundraising efforts within the Chapter's territory.

SFR requires that the National Organization, the Chapter and a Mission Fund, to be used for the benefit of the whole National Organization, share unrestricted contributed revenue raised in the territory. For the years ended June 30, 2014 and 2013 revenue was split as follows: Chapter 60%, National Organization 30%, and the Mission Fund 10%.

As of June 30, 2014 and 2013, the net amounts due from the National Organization from the SFR amounted to \$17,766 and \$5,029 respectively. Subsequent to June 30, 2014, the Chapter received \$31,736 from the National Organization

NOTE 10 – CONCENTRATION OF CREDIT RISK

Cash balances are maintained in excess of Federal Deposit Insurance Corporation insured amounts. The Chapter has not experienced any losses in such accounts. In management's opinion, risk related to such concentration is minimal based upon the credit rating of its depositories.