



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

ATLANTA, GEORGIA

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2009 AND 2008**

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
INDEX TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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**Jones and Kolb
Certified Public Accountants
Atlanta, Georgia**

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Governors
Alzheimer's Disease and Related Disorders
Association, Georgia Chapter, Inc.
Atlanta, Georgia

We have audited the accompanying statements of financial position of Alzheimer's Disease and Related Disorders Association, Georgia Chapter, Inc. (the "Association") as of June 30, 2009 and 2008, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Disease and Related Disorders Association, Georgia Chapter, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 6, 2009

Jones and Kolb

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 132,578	\$ 404,825
Investments	2,223,489	2,687,243
Grants and other receivables	205,116	692,830
Due from National Association (shared fundraising)	191,031	
Prepaid expenses	43,253	42,029
	2,795,467	3,826,927
 PROPERTY AND EQUIPMENT		
Building	95,701	95,701
Leasehold improvements	25,575	25,575
Equipment	104,949	104,252
Furniture	90,694	87,959
Computer hardware	129,344	108,354
Computer software	69,648	69,648
	515,911	491,489
Total	515,911	491,489
Less accumulated depreciation	350,218	293,932
	165,693	197,557
 OTHER ASSET		
Long-term bequest receivable	2,104,268	1,831,204
	\$ 5,065,428	\$ 5,855,688
Total assets	\$ 5,065,428	\$ 5,855,688

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES		
Accounts payable	\$ 65,954	\$ 148,943
Accrued expenses	70,302	66,729
Due to National Association (shared fundraising)	104,418	
Due to National Association (for research)	100,000	140,000
	<u>340,674</u>	<u>355,672</u>
OTHER LIABILITIES		
Due to National Association (shared fundraising of long term bequest receivable)	70,997	
	<u>411,671</u>	<u>355,672</u>
NET ASSETS		
Undesignated net assets	97,150	889,175
Board designated net assets - endowment	2,223,489	2,235,515
	<u>2,320,639</u>	<u>3,124,690</u>
Temporarily restricted net assets	2,333,118	2,375,326
	<u>4,653,757</u>	<u>5,500,016</u>
Total liabilities and net assets	<u>\$ 5,065,428</u>	<u>\$ 5,855,688</u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>			<u>Total</u>
	<u>Undesignated</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	
REVENUES AND OTHER SUPPORT				
Total amounts raised	\$ 1,442,607	\$ -	\$ 287,597	\$ 1,730,204
Amounts designated by donors for specific organizations (for research)	(19,927)			(19,927)
Contributions shared with the National Association	(774,439)			(774,439)
Special events, gross	2,716,861			2,716,861
Grants	472,456		197,147	669,603
Memorials/tributes	163,828		150	163,978
Educational programs	28,619		758	29,377
Investment income (loss)	(105,191)	(148,374)		(253,565)
In-kind rent and other donations	26,950			26,950
Other income	2,592			2,592
Publication sales	3,273			3,273
Total revenues and other support	3,957,629	(148,374)	485,652	4,294,907
NET ASSETS RELEASED FROM RESTRICTIONS	391,512	136,348	(527,860)	
EXPENSES				
Programs and services	3,414,746			3,414,746
Management and general	327,380			327,380
Fundraising	864,839			864,839
Direct costs of special events	534,201			534,201
Total expenses	5,141,166			5,141,166
CHANGE IN NET ASSETS	(792,025)	(12,026)	(42,208)	(846,259)
NET ASSETS				
Beginning of year	889,175	2,235,515	2,375,326	5,500,016
NET ASSETS				
End of year	<u>\$ 97,150</u>	<u>\$ 2,223,489</u>	<u>\$ 2,333,118</u>	<u>\$ 4,653,757</u>

The accompanying notes to financial statements
are an integral part of this statement.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Board Designated</u>		
REVENUES AND OTHER SUPPORT				
Total amounts raised	\$ 939,467	\$ -	\$ 619,576	\$ 1,559,043
Amounts designated by donors for specific organizations (for research)	(6,460)		(44,680)	(51,140)
Special events, gross	2,954,767		11,000	2,965,767
Grants	501,670		175,564	677,234
Memorials/tributes	221,512			221,512
Educational programs	44,621			44,621
Investment income (loss)	39,578	(52,512)		(12,934)
In-kind rent	21,600			21,600
Other income	6,995			6,995
Publication sales	1,348			1,348
 Total revenues and other support	 4,725,098	 (52,512)	 761,460	 5,434,046
NET ASSETS RELEASED FROM RESTRICTIONS				
	376,166	1,181,105	(1,557,271)	
EXPENSES				
Programs and services	3,285,169			3,285,169
Management and general	353,127			353,127
Fundraising	844,698			844,698
Direct costs of special events	679,556			679,556
 Total expenses	 5,162,550			 5,162,550
CHANGE IN NET ASSETS	(61,286)	1,128,593	(795,811)	271,496
NET ASSETS				
Beginning of year	950,461	1,106,922	3,171,137	5,228,520
NET ASSETS				
End of year	\$ 889,175	\$ 2,235,515	\$ 2,375,326	\$ 5,500,016

The accompanying notes to financial statements
are an integral part of this statement.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Programs and Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 1,649,905	\$ 276,959	\$ 593,743	\$ 2,520,607
Program payments	420,230			420,230
Printing, promotion and publications	290,460	1,150	8,053	299,663
Conferences and event planning	206,419	3,139	6,330	215,888
Occupancy	155,137	9,206	31,193	195,536
Professional fees	177,224	3,206	6,413	186,843
Advertising for special events			152,286	152,286
Travel and training	112,716	1,470	4,126	118,312
Telephone	98,149	5,395	10,791	114,335
Equipment repair and rental	77,095	3,492	4,161	84,748
Supplies	79,867	603	4,223	84,693
Depreciation	46,183	5,562	4,539	56,284
Postage and shipping	44,775	405	5,433	50,613
Other expenses	19	16,077	31,823	47,919
In-kind expenses	26,950			26,950
Insurance	20,353	658	1,316	22,327
Volunteer programs	9,264	58	409	9,731
Total	<u>\$ 3,414,746</u>	<u>\$ 327,380</u>	<u>\$ 864,839</u>	<u>\$ 4,606,965</u>

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are an integral part of this statement.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Programs and Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 1,690,081	\$ 76,739	\$ 300,035	\$ 2,066,855
Program payments	400,234	112		400,346
Professional fees	158,031	103,528	46,170	307,729
Printing, promotion and publications	183,833	3,833	110,202	297,868
Conferences and event planning	144,305	2,507	76,468	223,280
Occupancy	138,962	6,842	37,475	183,279
National dues	162,603			162,603
Travel and training	89,456	31,225	41,377	162,058
Postage and shipping	92,710	3,418	41,025	137,153
Advertising for special events			109,260	109,260
Telephone	79,015	3,547	24,689	107,251
Equipment repair and rental	54,101	22,593	11,228	87,922
Supplies	43,217	18,457	14,301	75,975
Depreciation	20,305	34,330		54,635
Other expenses	1,568	26,276	24,971	52,815
In-kind expenses	16,320		5,280	21,600
Insurance	698	18,105		18,803
Volunteer programs	9,730	1,615	2,217	13,562
Total	<u>\$ 3,285,169</u>	<u>\$ 353,127</u>	<u>\$ 844,698</u>	<u>\$ 4,482,994</u>

The accompanying notes to financial statements
are an integral part of this statement.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (846,259)	\$ 271,496
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	56,284	54,635
Net unrealized/realized losses on investments	355,830	138,587
Payments received from beneficial interest in charitable remainder trust		218,380
(Increase) decrease in receivables	214,650	500,547
(Increase) decrease in shared fundraising due from National Association	(191,031)	
(Increase) decrease in prepaid expenses	(1,224)	(4,201)
Increase (decrease) in accounts payable	(82,989)	19,170
Increase (decrease) in accrued expenses	3,573	17,194
Increase (decrease) in due to National Association	135,415	44,680
Total adjustments	<u>490,508</u>	<u>988,992</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>(355,751)</u>	<u>1,260,488</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for the purchases of investments	(305,080)	(1,557,484)
Proceeds from the sales of investments	413,004	306,175
Payments for the purchases of property and equipment	(24,420)	(155,693)
Net cash and cash equivalents provided by (used in) investing activities	<u>83,504</u>	<u>(1,407,002)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(272,247)	(146,514)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>404,825</u>	<u>551,339</u>
CASH AND CASH EQUIVALENTS		
End of year	<u>\$ 132,578</u>	<u>\$ 404,825</u>

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Alzheimer's Disease and Related Disorders Association, Georgia Chapter, Inc. (the "Association") is a Georgia nonprofit organization affiliated with the National Alzheimer's Disease and Related Disorders Association, Inc. (the "National Association"). The Association's purpose is to educate lay and professional people, agencies and groups. The Association provides guidance and support for patients, their families and caregivers. They encourage and support research into causes, improved diagnosis, therapy, cures for and prevention of Alzheimer's disease and related disorders. Also, the Association advocates for the varied needs of patients, families and caregivers.

Effective July 1, 2000, the Northwest Georgia Chapter was merged with the Atlanta Area Chapter to form the Greater Georgia Chapter of the Alzheimer's Association. On January 1, 2002, the Southeast Georgia Chapter was merged with the Greater Georgia Chapter. With the goal of creating one seamless organization to better serve persons affected by Alzheimer's disease, the Greater Georgia, the Central Georgia and the Augusta Chapters agreed to combine collective resources and join together as a single Alzheimer's Association chapter called the Georgia Chapter effective July 1, 2002. The Association now serves all counties in Georgia.

The Association sponsors several fundraising events each year and solicits contributions in order to fund its activities. Education is provided through training institutes, family workshops and conferences, which also generate income.

B. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

C. The financial statements have been prepared in accordance with the AICPA Audit and Accounting Guide, "Not-for-Profit Organizations," and Statements of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" and No. 117, "Financial Statements of Not-for-Profit Organizations." Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

ALZHEIMER'S DISEASE AND RELATED DISORDERS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. The Association's Board of Governors has designated a portion of the unrestricted net assets for an endowment (see Note 10).

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes.

D. Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give, including bequests, that are expected to be collected within one year are recorded at estimated realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on the long-term bequest receivable was computed using risk-free interest rates applicable to the year in which the Organization was notified of the bequest. Amortization of the discount is included in contribution revenue.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Net Assets as net assets released from restrictions.

As of June 30, 2009 and 2008, temporarily restricted net assets consisted of the following:

	<u>2009</u>	<u>2008</u>
Donor restricted	\$ 191,350	\$ 148,591
United Way	37,500	34,282
Time restricted	<u>2,104,268</u>	<u>2,192,453</u>
Total temporarily restricted net assets	<u>\$2,333,118</u>	<u>\$2,375,326</u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

E. Grants and other receivables are recorded at the amount of cash estimated as realizable. The Association provides reserves for uncollectible accounts when specific accounts are deemed uncollectible. At June 30, 2009 and 2008, the Association considers all accounts receivable collectible; therefore, an allowance for doubtful accounts has not been recorded.

F. Property and equipment are stated at cost, or if donated, at the fair value on the date of the donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. Additions and replacements which are greater than \$2,000 are charged to the property and equipment accounts, while repairs and maintenance are charged to expense as incurred.

G. The Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is considered a publicly supported charity.

H. The costs of providing the Association's various programs and other activities have been summarized on a functional basis in the Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

I. The Association considers all highly liquid debt instruments, except for endowment funds, with an original maturity of less than three months to be cash equivalents.

J. Subsequent events have been evaluated by management through October 6, 2009, the date these financial statements were issued.

2. CONCENTRATIONS OF CREDIT RISK

The Association's support is composed principally of public (individual and corporate) contributions, grants and special fundraising events. Two types of special events provide over half of the support generated from special events as follows: Memory Walk 60% and 55% and golf tournaments 22% and 19% as of June 30, 2009 and 2008, respectively. The Association held twenty-one and twenty-three Memory Walk events for the years ended June 30, 2009 and 2008, respectively, and five and four golf tournaments for the years ended June 30, 2009 and 2008, respectively.

At June 30, 2009 and 2008, bequests receivable consisted of \$2,104,268 and \$1,831,204 respectively, due in one to five years from one estate. These receivables are recorded net of an unamortized discount of \$453,483 and \$394,636 at June 30, 2009 and 2008, respectively.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

3. CASH AND CASH EQUIVALENTS

As of June 30, 2009 and 2008, cash and cash equivalents consisted of the following:

	<u>2009</u>	<u>2008</u>
Money market funds	\$ 66,781	\$ 337,526
Demand deposits	64,297	65,799
Cash on hand	<u>1,500</u>	<u>1,500</u>
Total cash and cash equivalents	<u>\$ 132,578</u>	<u>\$ 404,825</u>

4. INVESTMENTS

The Association's investments, which are reported at fair market value based on quoted market values, consisted of the following as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Mutual funds	\$ 1,979,183	\$ 2,394,314
Money market funds	<u>244,306</u>	<u>292,929</u>
Total investments	<u>\$ 2,223,489</u>	<u>\$ 2,687,243</u>

All investment income (loss) is unrestricted and included in revenue in the Statements of Activities and Net Assets. Investment income (loss) is summarized as follows for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 102,265	\$ 125,653
Unrealized gain (loss)	(438,635)	(160,540)
Realized gain (loss)	<u>82,805</u>	<u>21,953</u>
Total investment income (loss)	<u>\$ (253,565)</u>	<u>\$ (12,934)</u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
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5. OPERATING LEASES

On January 1, 2004, the Association entered into a seven-year lease for office space and training facilities in Atlanta, Georgia, which will expire December 31, 2010. The Association also has four leases at other locations. One is month-to-month and the others expire between October 2010 and March 2011. The Association has several equipment leases at different locations for periods from twelve to sixty months. The Association's expenses for office and training facilities were approximately \$190,000 and \$175,000 for the years ended June 30, 2009 and 2008, respectively. The future four-year aggregate minimum payments for all non-cancelable operating leases with terms that are in excess of one year are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 206,346
2011	\$ 122,809
2012	\$ 37,175
2013	\$ 273

6. RETIREMENT PLAN

Effective July 1, 1999, the Association adopted a defined contribution plan under which it contributes an amount equal to four percent of the employee's compensation. The plan requires one year of service for an employee to be eligible and employees are 100% vested when they become eligible. Employee contributions to this plan are elective and such election does not affect the Association's contribution. The Association contributed approximately \$58,000 and \$46,000 to the plan for the years ended June 30, 2009 and 2008, respectively.

7. NATIONAL ASSOCIATION ASSESSMENT

Through June 30, 2008, the National Association assessed dues to its constituent chapters based on the fundraising capability within the chapter's boundaries, referred to as Effective Buying Income ("EBI"). EBI equals income less personal income tax and non-tax payments, also known as disposable or after-tax income. Chapters were allowed to take credits of 40% of amounts designated by donors for research, limited to a total of 50% of the annual dues amount, which were collected by the Association then remitted to the National Association. The assessment was calculated as follows for the year ended June 30, 2008:

	<u>2008</u>
Gross dues calculation	\$ 224,398
Less credits for research donations	<u>61,795</u>
Net dues paid	<u><u>\$ 162,603</u></u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS
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The payment of dues to the National Association was eliminated in the shared fundraising agreement (see Note 8).

8. SHARED FUNDRAISING AGREEMENT

Effective July 1, 2008, the Association entered into an agreement with the National Association to share unrestricted contributions generated in the State of Georgia. The sharing arrangement, based on historical financial information, for fiscal year 2009 was 76% to the Association, 22% to the National Association and 2% into the national Mission Fund designed to pay expenses that benefit all chapters and the National Association alike. The sharing arrangement will change on an annual basis with the eventual split being 60% to the Association, 30% to the National Association and 10% to the Mission Fund. The amount of shared fundraising recorded on the Statement of Activities and Net Assets is as follows for the year ended June 30, 2009:

	<u>2009</u>
Association unrestricted contributions	
shared with the National Association	\$ (774,439)
National Association unrestricted	
contributions shared with the Association,	
included in total amounts raised	<u>816,090</u>
Net contributions from shared fundraising	<u><u>\$ 41,651</u></u>

9. DONATIONS

The Association occasionally receives donations of securities. The policy of the Association, unless otherwise restricted by the donor, is to liquidate any donated assets as soon as possible after receipt of the donation. The approximate fair market value based on quoted market prices as of the date of donation is recorded as a contribution. For years ended June 30, 2009 and 2008, the value of contributed stock was approximately \$55,900 and \$13,600, respectively.

The Association received in-kind donations for advertising and other expenses relating to the Memory Walk during the years ended June 30, 2009 and 2008 of \$198,715 and \$138,985, respectively. During the years ended June 30, 2009 and 2008, the Association held silent auctions during a golf tournament and a wine event. In-kind donations of \$176,394 and \$160,042 were recorded for these events for the years ended June 30, 2009 and 2008, respectively. Additionally, the Association received in-kind donations of \$105,997 and \$256,424 during the years ended June 30, 2009 and 2008, respectively, for expenses related to other events.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

In-kind revenue and rent expense of \$21,600 were also recorded for the years ended June 30, 2009 and 2008 for the lease of the Savannah office.

The Association uses numerous volunteers to assist in its programs, special events and fundraising activities. The value of the assistance received from volunteers has not been recognized as contribution revenue in the financial statements, since the recognition criteria under SFAS No. 116 were not met.

10. BOARD DESIGNATED ENDOWMENT

The Association's endowment consists of a quasi-endowment, board designated fund established to provide a cash flow source for the Association's capital projects and program-related activities. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Governors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions. The Board of Governors of the Association has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as allowing additions to the quasi-endowment fund to be spent in accordance with the Association's allocation policy absent explicit donor stipulations to the contrary. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate quasi-endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Association and the quasi-endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Association; and,
- (7) The investment policies of the Association.

The Association's investment policy is intended to produce a total annual return adequate to cover expenditures from the fund, inflation and growth of the fund. To achieve its primary objective of a reasonable return on assets, the Association targets a diversified asset allocation of 60% equities and 40% fixed income with a 10% allowable variation. The Association's allocation policy allows for distributions from the quasi-endowment fund upon written request of the Association's President for special purposes or upon the Board of Governor's approval of extraordinary initiatives. The allocation policy states that funds available for distribution during any one year will be limited to a designated percentage of the market value of the portfolio based on a three-year rolling average. The value of the quasi-endowment, board designated fund was \$2,223,489 and \$2,235,515 at June 30, 2009 and 2008, respectively.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
SCHEDULES OF SPECIAL EVENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	Memory Walk	Golf Tournaments	Galas	Concerts	Other Fundraising	2009 Total	2008 Total
REVENUES							
Contributions	\$ 1,219,996	\$ 143,271	\$ 108,930	\$ 38,170	\$ 129,976	\$ 1,640,343	\$ 1,609,186
Sponsorships	212,271	290,132	23,250	75,111		600,764	801,130
Subtotal	1,432,267	433,403	132,180	113,281	129,976	2,241,107	2,410,316
In-kind donations/ other income	198,715	166,077	62,089	30,055	18,818	475,754	555,451
Total revenues	1,630,982	599,480	194,269	143,336	148,794	2,716,861	2,965,767
EXPENSES							
Promotions	26,562	5,650	10,597	600	5,105	48,514	189,900
Catering	26,481	212,627	30,233	7,555	1,345	278,241	59,247
Facilities	10,650	74,740	41,802	30,150	5,000	162,342	142,174
Entertainment	4,750	1,080	6,744		500	13,074	246,129
Other	22,430		3,700	5,900		32,030	42,106
Total expenses	90,873	294,097	93,076	44,205	11,950	534,201	679,556
Revenues over expenses	\$ 1,540,109	\$ 305,383	\$ 101,193	\$ 99,131	\$ 136,844	\$ 2,182,660	\$ 2,286,211

See Independent Accountants' Report.

ALZHEIMER'S DISEASE AND RELATED DISORDERS
ASSOCIATION, GEORGIA CHAPTER, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Program Title	Agency Number	Receipts	Expenditures	Amount Due From (To) Agency
Atlanta Regional Commission	AG0915	\$ 140,379	\$ 165,348	\$ 24,969
Central Savannah River Area Regional Development Center	09-08-0029	32,090	40,000	7,910
Coosa Valley Regional Development Center Area Agency on Aging of Northwest Georgia	ALZ-ASSOC-NFCSP FY 2009	32,240	34,240	2,000
Lower Chattahoochee Regional Development Center Area Agency on Aging	00-006	27,074	35,347	8,273
State of Georgia Department of Human Resources, through its Division of Aging Services	DHR-427-93-09091118-99	16,000	16,000	
State of Georgia Department of Human Resources, through its Division of Aging Services	DHR-427-93-09091119-99	78,536	85,536	7,000
State of Georgia Department of Human Resources, through its Division of Aging Services	DHR-427-93-08080679-99	18,766	14,950	(3,816)
Total state awards		<u>\$ 345,085</u>	<u>\$ 391,421</u>	<u>\$ 46,336</u>

See Independent Accountants' Report.