

# Alzheimer's Disease International

Consolidated Financial Statements

Years Ended June 30, 2024 and 2023

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**WIPFLI**

## **Independent Auditor's Report**

To the Board of Directors  
Alzheimer's Disease International  
London, United Kingdom

### ***Opinion***

We have audited the accompanying consolidated financial statements of Alzheimer's Disease International (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alzheimer's Disease International as of June 30, 2024 and 2023, 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 ("GAAP").

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of Alzheimer's Disease International and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alzheimer's Disease International's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Alzheimer's Disease International's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alzheimer's Disease International's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

*Wipfli LLP*

Wipfli LLP

Lincolnshire, Illinois  
May 14, 2025

# Alzheimer's Disease International

## Consolidated Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Current assets:		
Cash	\$ 939,729	\$ 1,316,716
Accounts receivable	94	739
Grants and contributions receivable - net	46,160	39,952
Current portion of pledge receivable	-	50,000
Prepaid expenses	82,944	30,551
Total current assets	1,068,927	1,437,958
Property and equipment:		
Furniture and equipment	85,303	78,285
Less: Accumulated depreciation	(55,557)	(36,627)
Net property and equipment	29,746	41,658
Other assets:		
ROU asset - operating	51,027	100,368
Rent security deposit	11,981	27,160
Website development, net of amortization	-	8,767
Pledge receivable, net of current portion	-	50,000
Total other assets	63,008	186,295
Total assets	\$ 1,161,681	\$ 1,665,911

See accompanying notes to consolidated financial statements.

# Alzheimer's Disease International

## Consolidated Statements of Financial Position (Continued)

<i>June 30,</i>	2024	2023
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 182,799	\$ 101,030
Deferred revenue	63,000	88,379
Current portion of operating lease liability	45,511	67,413
Total current liabilities	291,310	256,822
Long-term liabilities:		
Operating lease liability, net of current portion	10,257	45,774
Total liabilities	301,567	302,596
Net assets:		
Without donor restrictions	529,705	829,698
With donor restrictions	330,409	533,617
Total net assets	860,114	1,363,315
Total liabilities and net assets	\$ 1,161,681	\$ 1,665,911

See accompanying notes to consolidated financial statements.

# Alzheimer's Disease International

## Consolidated Statements of Activities and Changes in Net Assets

Years Ended June 30,	2024				2023			
	Without Donor Restrictions	With Donor Restrictions	Total	Percent of Support & Revenue	Without Donor Restrictions	With Donor Restrictions	Total	Percent of Support & Revenue
Support and revenue:								
Dues	\$ 512,039	\$ -	\$ 512,039	22.65 %	\$ 508,348	\$ -	\$ 508,348	30.53 %
Contributions and grants	600,603	584,335	1,184,938	52.41	535,998	606,524	1,142,522	68.61
Conference	567,363	-	567,363	25.10	-	-	-	-
Institutional funding	23,031	-	23,031	1.02	-	-	-	-
Accreditation fees	5,061	-	5,061	0.22	33,469	-	33,469	2.01
Interest and other	193	-	193	0.01	2	-	2	-
In-kind contributions	33	-	33	-	535	-	535	0.03
Loss on currency exchange transactions	(31,211)	-	(31,211)	(1.38)	(19,610)	-	(19,610)	(1.18)
Loss on disposition of property and equipment	(591)	-	(591)	(0.03)	-	-	-	-
Net assets released from restrictions	787,543	(787,543)	-	-	700,108	(700,108)	-	-
<b>Total support and revenue</b>	<b>2,464,064</b>	<b>(203,208)</b>	<b>2,260,856</b>	<b>100.00</b>	<b>1,758,850</b>	<b>(93,584)</b>	<b>1,665,266</b>	<b>100.00</b>
Expenses:								
Program	1,528,915	-	1,528,915	67.63	1,294,843	-	1,294,843	77.76
General and administrative	972,904	-	972,904	43.03	371,660	-	371,660	22.32
Fund raising	262,238	-	262,238	11.60	222,906	-	222,906	13.39
<b>Total expenses</b>	<b>2,764,057</b>	<b>-</b>	<b>2,764,057</b>	<b>122.26</b>	<b>1,889,409</b>	<b>-</b>	<b>1,889,409</b>	<b>113.47</b>
Changes in net assets	(299,993)	(203,208)	(503,201)	(22.26)%	(130,559)	(93,584)	(224,143)	(13.47)%
Net assets, beginning of year	829,698	533,617	1,363,315		960,257	627,201	1,587,458	
Net assets, end of year	\$ 529,705	\$ 330,409	\$ 860,114		\$ 829,698	\$ 533,617	\$ 1,363,315	

See accompanying notes to consolidated financial statements.

# Alzheimer's Disease International

## Consolidated Statement of Functional Expenses

Year Ended June 30,

2024

	Program Services				Support Services			
	Conference	Member Support & Development	Promotion and Awareness	Research	Total Program Services	General Administration	Fund Raising	Total
Salaries and related expenses	\$ 134,043	\$ 158,807	\$ 332,528	\$ 42,696	\$ 668,074	\$ 396,705	\$ 198,752	\$ 1,263,531
Grants to members	51,338	20,500	6,442	-	78,280	49,961	-	128,241
Regional office support	-	-	-	-	-	12,820	-	12,820
Dues forgiveness - Hardship	-	540	-	-	540	4,525	-	5,065
Occupancy	10,099	11,966	25,055	3,217	50,337	23,329	14,965	88,631
Printing	7,781	-	261	-	8,042	15,202	-	23,244
Postage and delivery	-	-	-	-	-	650	-	650
Insurance	1,347	732	1,533	197	3,809	3,822	916	8,547
Office expense and miscellaneous	16,002	-	-	10,306	26,308	22,643	2,776	51,727
Telephone and internet	3,033	3,593	7,524	966	15,116	71,895	4,494	91,505
Professional fees	45,181	85,787	94,560	2,442	227,970	234,605	32,451	495,026
Provision for credit loss	-	-	-	-	-	1,670	-	1,670
Conferences and meetings, including travel and accommodations	406,780	21,134	19,798	2,727	450,439	106,560	7,884	564,883
<b>Total expenses before depreciation and amortization</b>	<b>675,604</b>	<b>303,059</b>	<b>487,701</b>	<b>62,551</b>	<b>1,528,915</b>	<b>944,387</b>	<b>262,238</b>	<b>2,735,540</b>
Depreciation and amortization	-	-	-	-	-	28,517	-	28,517
<b>Totals</b>	<b>\$ 675,604</b>	<b>\$ 303,059</b>	<b>\$ 487,701</b>	<b>\$ 62,551</b>	<b>\$ 1,528,915</b>	<b>\$ 972,904</b>	<b>\$ 262,238</b>	<b>\$ 2,764,057</b>

See accompanying notes to consolidated financial statements.

# Alzheimer's Disease International

## Consolidated Statement of Functional Expenses

Year Ended June 30,

2023

	Program Services					Support Services			
	Conference	Member Support & Development	Promotion and Awareness	Research	Total Program Services	General Administration	Fund Raising	Total	
Salaries and related expenses	\$ 74,462	\$ 111,694	\$ 363,005	\$ 37,231	\$ 586,392	\$ 187,461	\$ 186,156	\$ 960,009	
Grants to members	-	26,993	8,594	-	35,587	-	-	35,587	
Regional office support	-	11,616	4,000	-	15,616	-	-	15,616	
Dues forgiveness - Hardship	-	1,325	-	-	1,325	-	-	1,325	
Occupancy	5,403	8,105	26,340	2,702	42,550	11,482	13,508	67,540	
Printing	-	701	21,393	-	22,094	4,135	-	26,229	
Postage and delivery	-	1,009	12	-	1,021	2,166	-	3,187	
Insurance	-	-	-	-	-	6,042	-	6,042	
Office expense and miscellaneous	-	2,157	4,804	-	6,961	15,701	-	22,662	
Telephone and internet	2,428	4,284	17,011	1,374	25,097	6,077	6,875	38,049	
Professional fees	-	133,490	251,840	-	385,330	67,586	7,823	460,739	
Provision for credit loss	2,551	4,220	-	-	6,771	-	-	6,771	
Conferences and meetings, including travel and accommodations	4,826	80,622	75,894	4,757	166,099	29,701	8,544	204,344	
<b>Total expenses before depreciation and amortization</b>	<b>89,670</b>	<b>386,216</b>	<b>772,893</b>	<b>46,064</b>	<b>1,294,843</b>	<b>330,351</b>	<b>222,906</b>	<b>1,848,100</b>	
Depreciation and amortization	-	-	-	-	-	41,309	-	41,309	
<b>Totals</b>	<b>\$ 89,670</b>	<b>\$ 386,216</b>	<b>\$ 772,893</b>	<b>\$ 46,064</b>	<b>\$ 1,294,843</b>	<b>\$ 371,660</b>	<b>\$ 222,906</b>	<b>\$ 1,889,409</b>	

See accompanying notes to consolidated financial statements.



# Alzheimer's Disease International

## Consolidated Statements of Cash Flows

Years Ended June 30,	2024	2023
Cash flows from operating activities:		
Changes in net assets	\$ (503,201)	\$ (224,143)
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	28,517	41,309
Provision for credit loss	1,670	6,771
Loss on disposition of property and equipment	591	-
Noncash Lease Expense	49,341	32,020
Changes in operating assets and liabilities:		
Accounts receivable	645	(229)
Grants and contributions receivable	(7,878)	226,096
Pledge receivable	100,000	-
Prepaid expenses	(52,393)	54,743
Accounts payable and accrued liabilities	81,769	(27,882)
Grants payable	-	(10,000)
Deferred revenue	(25,379)	(54,628)
Operating lease liability	(57,419)	(19,201)
Total adjustments	119,464	248,999
Net cash from operating activities	(383,737)	24,856
Cash flows from investing activities:		
Purchase of property and equipment	(8,429)	(42,652)
Rent security deposit	15,179	(12,865)
Net cash from investing activities	6,750	(55,517)
Cash flows from financing activities:		
Repayments on note payable	-	(1,341)
Change in cash	(376,987)	(32,002)
Cash at beginning of year	1,316,716	1,348,718
Cash at end of year	\$ 939,729	\$ 1,316,716

See accompanying notes to consolidated financial statements.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Organization

Alzheimer's Disease International and Subsidiary (Alzheimer's Disease International London Limited) (collectively "ADI"). Alzheimer's Disease International: The International Federation of Alzheimer's Disease and Related Disorders Societies, Inc. was incorporated in 1985 as a world wide organization to advance the well-being of people with dementia, their families and caregivers; provide a world wide forum to foster discussion, research, education and public policy about dementia; foster the development of voluntary associations; and facilitate cooperation among international organizations.

Alzheimer's Disease International London Limited was formed in 2022 to facilitate the accounting and VAT for the London conference.

#### Principles of Consolidation

The consolidated financial statements include the accounts of the Alzheimer's Disease International and Alzheimer's Disease International London Limited. The Organizations are consolidated due to financial interest, and the Organizations have common management. All significant intercompany transactions and accounts have been eliminated in consolidation.

#### Basis of Accounting

The consolidated financial statements of ADI have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

#### Basis of Presentation

ADI is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

**Net Assets Without Donor Restriction** - Net assets available for use in general operations and not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by the board of directors. The governing board has designated, from net assets without donor restrictions, a board-designated reserve.

**Net Assets With Donor Restriction** - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Estimates

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

#### Accounts Receivable

Accounts receivable consists of advances and outstanding membership dues which are due within a year or less. Receivables are continuously monitored and are considered fully collectible. Accounts receivable are collateralized customer obligations due on normal trade terms requiring payment within 30 days from the invoice date. Collections of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Beginning July 1, 2023, the carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. An allowance for credit losses was not considered necessary at June 30, 2024 and 2023.

#### Grants and Contributions Receivable

Grants and contributions receivable consist of amounts receivable from organizations and individuals. Grants and contributions receivable is stated at the amount due less an allowance for doubtful accounts.

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restriction. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restriction and reclassified to net assets without donor restriction when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

The allowance for doubtful accounts is based on management's assessment of the ability to collect contributions and grants receivable based upon historical collection. As of June 30, 2024 and 2023, the allowance for doubtful accounts was \$10,000.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property and Equipment

Property and equipment are carried at cost or at estimated value on date of donation. All purchases in excess of \$632 (£500 British Pounds) are capitalized while lesser amounts are charged to expense. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Gains and losses from the sale of property and equipment are included in income. Maintenance and repairs are charged to operations.

#### Website

ADI capitalized website costs totaling \$52,612 and amortized it using the straight-line method over an estimated life of three years.

#### Deferred Revenue

For 2024 deferred revenue relates to accreditation fees, World Alzheimer's Month for 2024, and regional conferences. For 2023, deferred revenue relates to accreditation fees, World Alzheimer's Month for 2023, and regional conferences. Amounts were \$94, \$739 and \$510 as of June 30, 2024, 2023, and 2022 respectively.

#### Donated Services and Materials

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

A nominal amount in expenses for postage and mailing were contributed in the year ended June 30, 2024. A significant amount of donated services are contributed to ADI by various members to support ADI's program and supporting services. These volunteer activities include participation on the Board of Directors and numerous other committees. The value of these services has not been included in the consolidated financial statements as they do not meet the criteria for recognition under GAAP.

#### Revenue Recognition

##### Contributions and Grants

##### Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized as income when notice of the gift or pledge is received. Contributions received with donor stipulations that limit the use of the donated assets are recorded in net assets with donor restrictions when they are received and transferred to net assets without donor restrictions when expenditures satisfying the restriction are made or when a stipulated time restriction ends and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the contributions are received.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

##### Grants Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

*Grant Awards That Are Contributions* - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

*Grant Awards That Are Exchange Transactions* - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. Contributions, including unconditional promises to give, are recognized as revenue when received. Conditional contributions and promises to give are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Assets received for which the condition has not been satisfied are recorded as deferred revenue.

Donated services are recognized as contributions if the services either (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ADI. Donations of other items such as space, supplies, food and printing are recorded at their estimated fair value at the date of donation.

#### Membership dues

Revenue as it pertains to membership dues is recognized throughout the calendar year in accordance with the agreements with members. Dues, fees, and assessments received during the year that relate to the subsequent calendar year are recorded as deferred revenue. As such, the performance obligation is satisfied over time. ADI has determined that the transaction price is based on the size of the member organization. For 2024 and 2023 minimum dues ranged from \$265 to \$13,700 with the four largest members paying significantly more based on a historic percentage of their revenues. Dues are payable at the beginning of the year on July 31 for the fiscal year and are based on the prior year-end consolidated financial statements. ADI computes the dues based upon the prior year dues plus the agreed upon increase (4% for 2024 and 2023). Funds received in advance for the following year are recorded as deferred revenue.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue Recognition** (Continued)

##### **Conference**

###### *Registration Fees*

Registration fees revenue is recorded when the services are completed. The performance obligation is providing the education and entertainment at various events throughout the year. As such, the performance obligation is satisfied at a point in time, at the completion of the event. ADI has determined that the transaction price is the price stated in the registration application for the event.

###### *Sponsorships*

Sponsorships revenue is recorded when the services are completed. The performance obligation is hosting various events throughout the year and providing services as stated in the contract. As such, the performance obligation is satisfied at a point in time, at the completion of the event. ADI has determined that the transaction price is the price stated in the contract.

##### **Institutional funding**

Institutional funding revenue consists of overhead and joint costs for research projects. ADI bills the institution on a quarterly basis as the work is being performed. The transaction price charged to the institution is determined based on a percentage of overhead and joint costs for the quarter. Revenue is recognized over time based on the transaction price.

##### **Accreditation**

Accreditation and certification revenue consists of four distinct performance obligations – accreditation and certification application acceptance and processing, accreditation and certification pre-accreditation fee, accreditation and certification visit, and an accreditation and certification annual fee. Accreditation and certification revenue is reported at the transaction price which reflects the consideration to which the ADI expects to be entitled in exchange for fulfilling the three performance obligations. ADI receives consideration for accreditation and certification applications upon submission of the application. ADI receives consideration for the accreditation and certification prior to the on-site visit. ADI determines the total transaction price based on the agreement. A typical accreditation and certification cycle is three years with the application submitted prior to the accreditation. ADI requires each customer to complete an extensive application to begin the accreditation and certification process. Upon submission, ADI charges and collects a fee related to the acceptance and review of the application and recognizes revenue. Once the certificate has been awarded to the customer, they must pay an annual fee that is recognized over 12 months from the award date.

Over time revenue from membership dues, institutional funding, and accreditation was \$540,131 and \$541,817 for the year ended June 30, 2024 and 2023, respectively.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, costs have been allocated among the programs and supporting services benefited, based on either a direct functional method, when applicable, or on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on time and effort. Rent, utilities, depreciation and amortization, and insurance are allocated based on square footage.

#### ASC 842 Lease Accounting

ADI is a lessee in a noncancelable operating lease. If the contract provides ADI the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ADI has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, ADI has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that ADI is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. ADI recognizes short-term lease cost on a straight-line basis over the lease term.

#### Income Taxes

ADI is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. ADI continues to operate in compliance with its tax exempt purpose. Management does not believe that its consolidated financial statements include uncertain tax positions.

Alzheimer's Disease International London Limited is a for-profit corporation and file tax return in United Kingdom. This subsidiary's income tax returns are available for examination for the statutory period.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Foreign Currency Translation

The consolidated financial statements of foreign operations where the local currency is the functional currency are translated using exchange rates in effect at year-end for assets and liabilities and average exchange rates during the year for the results of operations. A foreign currency translation adjustment loss of \$31,211 and \$19,610 for the year ended June 30, 2024 and 2023, respectively, is included in consolidated statement of activities and changes in net assets.

#### Change in Accounting Principle

Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, requires ADI to present financial assets measured at amortized cost (including accounts receivables) at the net amount expected to be collected over their remaining contractual lives. Estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts.

ADI adopted ASU No. 2016-13 on July 1, 2023. The net impact to net assets would have been immaterial, thus no adjustment was made to net assets. Results for the year ended June 30, 2024, are presented under Accounting Standards Codification (ASC) 326 while prior period amounts continue to be reported in accordance with previously applicable accounting standards generally accepted in the United States (US GAAP). See Accounts Receivable for changes to accounting policies.

#### Subsequent Events

ADI has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through May 14, 2025, which is the date the consolidated financial statements were available to be issued.

### Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>June 30,</i>	2024	2023
Cash	\$ 939,729	\$ 1,316,716
Accounts receivable	94	739
Grants and contributions receivable	46,160	39,952
Pledge receivable	-	50,000
<b>Total financial assets</b>	<b>985,983</b>	<b>1,407,407</b>
<b>Less: Donor restricted assets</b>	<b>(330,409)</b>	<b>(533,617)</b>
<b>Financial assets available to meet general expenditures within one year</b>	<b>\$ 655,574</b>	<b>\$ 873,790</b>



# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 2: Liquidity and Availability of Financial Resources (Continued)

The Board of Directors has determined that a reserve of approximately three months of total expenditure excluding the conference is desirable. Current expenses results in a desired reserve of approximately \$690,000.

### Note 3: Pledge Receivable

Pledges receivable consisted of the following:

<i>June 30,</i>	2024	2023
Pledge receivable	\$ -	\$ 100,000
Less - Noncurrent portion, net	-	(50,000)
Non-current portion	\$ -	\$ 50,000

### Note 4: Website Development

ADI's website consisted of the following:

<i>Years Ended June 30,</i>	2024	2023
Website development	\$ 52,612	\$ 52,612
Less: Accumulated amortization	(52,612)	(43,845)
Website development, net	\$ -	\$ 8,767

Amortization expense for the year ended June 30, 2024 and 2023, was \$8,767 and \$17,538.

### Note 5: Programs

The major activities of ADI include a biennial international conference; production of educational materials (newsletter, website, reports); assistance to members; development of new Alzheimer associations, including the Alzheimer University - a program designed to strengthen the work of Alzheimer associations - and World Alzheimer's Month. The international conference is coordinated and planned by the association.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### Note 6: Net Assets with Donor Restrictions

At June 30, 2024 and 2023, net assets with donor restriction net assets, which have either purpose or time restrictions, consisted of the following:

	2024	2023
Restricted grants for:		
Alzheimer University	\$ -	\$ 70,706
Accreditation	50,000	142,300
Travel	-	20,000
Regional support	-	52,039
Global alliances and other	-	17,526
Website and communications	-	83,638
Future periods	280,409	147,408
Totals	\$ 330,409	\$ 533,617

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Purpose	\$ 617,843	\$ 518,072
Passage of time	169,700	182,036
Totals	\$ 787,543	\$ 700,108

### Note 7: Leases

On December 22, 2022, ADI entered into a lease agreement for its office space classified as an operating lease expiring on December 22, 2025. Minimum annual rentals are \$47,649. The monthly rent includes a service charge for cleaning, maintenance and utilities.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise

ADI's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contract include fixed payments plus variable payments. ADI's office space lease requires it to make variable payments for the ADI's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

### Note 7: Leases (Continued)

Components of lease expense were as follows:

Years Ended June 30,	2024	2023
Lease cost		
Operating lease cost	\$ 49,304	\$ 35,705
Variable lease cost	24,537	10,323
<b>Total lease cost</b>	<b>\$ 73,841</b>	<b>\$ 46,028</b>

Supplemental cash flow information related to leases is as follows:

Years Ended June 30,	2024	2023
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 45,511	\$ 22,887
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ -	\$ 132,388

Years Ended June 30,	2024	2023
Weighted-average remaining lease term - Operating leases	1.3 years	2.3 years
Weighted-average discount rate - Operating leases	4.02%	4.02%

Maturities of lease liabilities are as follows as of June 30, 2024:

<i>Years Ending June 30,</i>		
2025	\$	45,511
2026		11,378
<b>Total lease payments</b>		<b>56,889</b>
<b>Less imputed interest</b>		<b>(1,121)</b>
<b>Total</b>	<b>\$</b>	<b>55,768</b>

# Alzheimer's Disease International

## Notes to Consolidated Financial Statements

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### **Note 8: Related Parties Transactions**

Grant expense includes total payments of \$10,000 to two organizations with common board members for the years ended June 30, 2024 and 2023.

### **Note 9: Concentration of Cash**

ADI maintains its cash in several separate accounts at two different financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each US financial institution and by the Financial Services Compensation Scheme (FSCS) up to £85,000 at each UK financial institution. At certain times during the year, cash balances may be in excess of FDIC and/or FSCS coverage. ADI has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

### **Note 10: Revenue Concentration**

ADI received approximately 11% and 14% in 2024 and 2023 of its total revenue from one member organization's dues.