

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research
Foundation**

Financial Statements

December 31, 2020



Independent Auditors' Report

Board of Trustees

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

We have audited the accompanying financial statements of The Zachary and Elizabeth M. Fisher Center for Alzheimer's Research Foundation, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 The Zachary and Elizabeth M. Fisher Center for Alzheimer's Research Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Zachary and Elizabeth M. Fisher Center for Alzheimer's Research Foundation's December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

September 22, 2021

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Statement of Financial Position
December 31, 2020
(with comparative amounts at December 31, 2019)

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 6,476,525	\$ 7,045,712
Pledges receivable from federated campaigns	229,416	304,851
Contributions receivable	443,271	212,583
Investments	27,626,607	23,941,098
Other assets	21,853	14,851
Furniture and equipment, net of accumulated depreciation of \$10,728 and \$9,941 in 2020 and 2019	2,078	2,865
	\$ 34,799,750	\$ 31,521,960
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 240,532	\$ 79,748
Grants payable, net of discount	2,204,998	2,810,985
Total Liabilities	2,445,530	2,890,733
Net Assets		
Without donor restrictions	32,129,483	28,326,376
With donor restrictions	224,737	304,851
Total Net Assets	32,354,220	28,631,227
	\$ 34,799,750	\$ 31,521,960

See notes to financial statements

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Statement of Activities
Year Ended December 31, 2020
(with summarized totals for the year ended December 31, 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
SUPPORT AND REVENUE				
Contributions and grants	\$ 5,851,667	\$ 434,014	\$ 6,285,681	\$ 6,161,447
Bequests	1,173,493	-	1,173,493	848,193
In-kind contributions	311,438	-	311,438	300,811
Net assets released from restrictions	514,128	(514,128)	-	-
Total Support and Revenue	<u>7,850,726</u>	<u>(80,114)</u>	<u>7,770,612</u>	<u>7,310,451</u>
EXPENSES				
Program services	5,999,955	-	5,999,955	4,123,503
Management and general	387,343	-	387,343	551,259
Fundraising	427,475	-	427,475	239,899
Total Expenses	<u>6,814,773</u>	<u>-</u>	<u>6,814,773</u>	<u>4,914,661</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Non-Operating Activity	1,035,953	(80,114)	955,839	2,395,790
NON-OPERATING ACTIVITY				
Interest and dividends, net of investment advisory fees	309,940	-	309,940	416,992
Realized and unrealized appreciation of investments	<u>2,457,214</u>	<u>-</u>	<u>2,457,214</u>	<u>3,152,722</u>
Total Non-Operating Income	<u>2,767,154</u>	<u>-</u>	<u>2,767,154</u>	<u>3,569,714</u>
Change in Net Assets	3,803,107	(80,114)	3,722,993	5,965,504
NET ASSETS				
Beginning of year	<u>28,326,376</u>	<u>304,851</u>	<u>28,631,227</u>	<u>22,665,723</u>
End of year	<u>\$ 32,129,483</u>	<u>\$ 224,737</u>	<u>\$ 32,354,220</u>	<u>\$ 28,631,227</u>

See notes to financial statements

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Statement of Functional Expenses
Year Ended December 31, 2020
(with summarized totals for the year ended December 31, 2019)

	2020			2019	
	Program Services	Management and General	Fundraising	Total	Total
Grant expenses - research	\$4,959,013	\$ -	\$ -	\$4,959,013	\$3,430,534
Payroll and related benefits	359,391	68,379	159,973	587,743	550,982
Magazine publication and other contracted services	305,275	-	16,093	321,368	-
Travel and production costs (film)	-	-	-	-	950
Website expenses (including \$131,438 and \$120,811 of in-kind for 2020 and 2019)	131,837	3,223	392	135,452	182,594
Office expenses and supplies	-	15,972	18,185	34,157	36,765
Legal	-	12,392	-	12,392	17,465
Professional fees	-	157,906	58,160	216,066	107,982
Temporary help	30,508	3,997	125,772	160,277	191,506
Telephone and internet	-	6,449	1,133	7,582	15,767
Occupancy (including \$180,000 of in-kind for 2020 and 2019)	124,200	16,181	43,205	183,586	180,000
Postage	16,121	-	-	16,121	15,047
Travel, food and lodging	-	1,232	126	1,358	7,591
Advertising	70,711	76	853	71,640	12,388
Insurance	-	1,670	-	1,670	11,119
Subscription, representation and credit card processing fees	2,899	98,927	3,583	105,409	139,931
Depreciation	-	787	-	787	846
Miscellaneous	-	152	-	152	13,194
Total Expenses	<u>\$5,999,955</u>	<u>\$ 387,343</u>	<u>\$ 427,475</u>	<u>\$6,814,773</u>	<u>\$4,914,661</u>

See notes to financial statements

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Statement of Cash Flows
Year Ended December 31, 2020
(with comparative amounts for the year ended December 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,722,993	\$ 5,965,504
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	787	846
Donation of marketable securities	(430,439)	(200,481)
Realized and unrealized appreciation of investments	(2,457,214)	(3,152,722)
Changes in operating assets and liabilities		
Pledges receivable from federated campaigns	75,435	70,236
Contributions receivable	(230,688)	165,337
Other assets	(7,002)	(6,991)
Accounts payable and accrued liabilities	160,784	(91,455)
Grants payable	<u>(605,987)</u>	<u>(562,376)</u>
Net Cash from Operating Activities	<u>228,669</u>	<u>2,187,898</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	5,760,042	6,710,717
Purchases of investments	(6,833,726)	(6,792,092)
Change in investment cash	<u>275,828</u>	<u>(280,518)</u>
Net Cash from Investing Activities	<u>(797,856)</u>	<u>(361,893)</u>
Net Change in Cash and Cash Equivalents	(569,187)	1,826,005
 CASH AND CASH EQUIVALENTS		
Beginning of year	<u>7,045,712</u>	<u>5,219,707</u>
 End of year	<u>\$ 6,476,525</u>	<u>\$ 7,045,712</u>

See notes to financial statements

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer’s Research Foundation**

Notes to Financial Statements
December 31, 2020

1. Organization and Tax Status

The Zachary and Elizabeth M. Fisher Center for Alzheimer’s Research Foundation (the “Foundation”) was incorporated under the laws of the State of New York on October 24, 1995 and operates as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is an exempt public foundation under Section 509(a)(1); accordingly, contributions made to the Foundation qualify for the maximum charitable deduction for federal income tax purposes.

Program Services

The Foundation was formed primarily to support research to be conducted at the Zachary and Elizabeth M. Fisher Center for Research on Alzheimer’s Disease at The Rockefeller University in New York City (the “Research Center”), for the purpose of finding the cause(s) and developing a cure for Alzheimer’s disease. In addition, the Foundation’s objectives are:

- To solicit support for its charitable purpose from the general public and governmental agencies; to receive, hold, and administer funds, securities, gifts and bequests; and to use, disburse or donate the income and principal thereof, exclusively for charitable, scientific and educational purposes.
- To provide a source of funding for research activities into the cause, cure and/or care of Alzheimer’s disease sufferers at other research facilities.

Management and General

Management and general expenses consist of the costs associated with the direction of the overall affairs of the Foundation, including finance, accounting and administrative services.

Fundraising

Fundraising expenses consist of the costs associated with the direct solicitation of contributions to the Foundation.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to not-for-profit organizations.

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Notes to Financial Statements
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and the reported amounts of support and revenue and expenses during the period then ended. Actual results could differ from those estimates.

Fair Value Measurements

The Foundation follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Cash and Cash Equivalents

The Foundation considers all cash deposited with banks and short-term investments with a maturity of three months or less at the time of purchase to be cash equivalents, except cash managed as a component of the Foundation's investment portfolio.

Measure of Operations

The Foundation includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting activities and excludes investment return including realized and unrealized gains and losses within the investment portfolio.

Contributions and Pledges Receivable

Contributions, including unconditional commitments to give, are recorded as made or pledged at their present value. Pledges receivable represent contribution commitments made by various individuals who annually elect to participate in a payroll deduction program at their place of employment. The contributions are deducted from the employee payroll checks and remitted to the Foundation on a monthly basis. All pledges are expected to be received within the two year period following the year in which the pledge is made. All contributions are available for use without donor restrictions unless specifically restricted by the donor.

Contributions received and unconditional promises to give are measured at their net realizable values and are classified as support without or with donor restrictions. Unconditional promises to give due in subsequent years are recorded at their net present value of estimated future cash flows using risk-adjusted interest rates.

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Notes to Financial Statements
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Allowance for Uncollectible Pledges

An allowance for uncollectible pledges is estimated based on a combination of collection history and aging analysis. Management has recorded bad debt expense for pledges where collections are doubtful. The remaining pledges receivable are considered collectible and accordingly no allowance for uncollectible pledges is deemed necessary at December 31, 2020 and 2019.

Investments Valuation and Income Recognition

Investments, other than certificates of deposit and temporary cash investments, are carried at fair value. Cash investments are valued at cost plus accrued interest. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Furniture and Equipment

Furniture and equipment are carried at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, which is generally five years. Purchases of \$400 or less are expensed. The Foundation charges repairs and maintenance to expense as incurred.

Net Assets

The Foundation's net assets and changes therein are classified as without or with donor restrictions based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. Net assets with donor restrictions represent contributions with donor imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Functional Allocation of Expenses

The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are recorded according to their natural expenditure classification; these expenses include grant expenses – research and magazine publication and other contracted services. Costs that are common to several functions are allocated among the program and supporting services based on time and effort records and estimates made by the Foundation's management; these include payroll and related benefits, website expenses and subscription, representation and credit card processing fees.

**The Zachary and Elizabeth M. Fisher
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Notes to Financial Statements
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial 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. In 2020 and 2019, the Foundation received pro bono website services valued at \$131,438 and \$120,811. Additionally, the use of office space, land line telephones and various auxiliary services valued at \$180,000 has been provided free of charge for 2020 and 2019.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for 2020 and 2019 were \$71,640 and \$12,388.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for tax years prior to 2017.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 22, 2021.

Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended December 31, 2019 from which the summary comparative information was derived.

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer’s Research Foundation**

Notes to Financial Statements
December 31, 2020

3. Credit Risk Concentration

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and cash equivalents, investments, pledges and contributions receivable. At times cash balances held at financial institutions may be in excess of federally insured limits. The Foundation has not experienced any losses on its cash deposits. The investment portfolio is diversified by type of investment and industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk. Concentrations of credit risk with respect to pledges and contributions receivable are generally diversified due to the large number of individuals composing the Foundation’s donor base.

4. Pledges Receivable from Federated Fund-Raising Agreements

The Foundation has agreements with various federated campaigns across the United States to participate in solicitations for contributions from employees of businesses and industrial communities. The amount the Foundation recognizes as support from these federated campaigns is based primarily upon formulas contained in these agreements, net of the federated campaigns’ fundraising expenses.

During 2020 and 2019, \$210,659 and \$247,000 were estimated to be pledged through federated campaigns. These amounts have been recorded as contribution revenue in the statement of activities and are expected to be fully collected.

Pledges receivable from current and prior year federated campaigns at December 31, 2020 and 2019 amounted to \$229,416 and \$304,851 and were due within one year.

5. Investments and Investment Return

All of the Foundation’s investments, other than certificates of deposit and temporary cash investments, bought, sold and held were valued using Level 1 inputs under the fair value hierarchy. Investments consist of the following at December 31:

	2020	2019
Measured at Fair Value		
Equity securities	\$ 10,203,063	\$ 9,392,047
Mutual funds and exchange-traded funds	<u>11,564,371</u>	<u>8,429,691</u>
Total at Fair Value	21,767,434	17,821,738
Cash Investments, at Cost Plus Accrued Interest		
Temporary cash investments	408,103	683,931
Certificates of deposit	<u>5,451,070</u>	<u>5,435,429</u>
Total Investments	<u>\$ 27,626,607</u>	<u>\$ 23,941,098</u>

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer’s Research Foundation**

Notes to Financial Statements
December 31, 2020

5. Investments and Investment Return (continued)

Investment return for 2020 and 2019 consists of the following:

	2020	2019
Interest and dividends	\$ 383,515	\$ 480,283
Net realized and unrealized appreciation	2,457,214	3,152,722
Direct investment advisory fees	(73,575)	(63,291)
	\$ 2,767,154	\$ 3,569,714

6. Related Party Transactions

A member of the Foundation’s Board is an officer in a bank wherein the Foundation holds approximately \$6.7 million in assets as of December 31, 2020. The Foundation’s Board and management recognize the nature of the related party relationship and have implemented a special review and approval policy for all transactions with this bank. Accordingly, the bank’s performance and financial strength is reviewed regularly and each transaction with the bank is explicitly approved by the Foundation’s Investment Committee and Board.

7. Grants Payable

In October 2016, the Foundation entered into a gift agreement to provide \$5 million to The Rockefeller University to establish the Paul Greengard Professorship in Neuroscience to recognize Nobel Laureate Dr. Paul Greengard, Director of the Fisher Center for Alzheimer’s Research. The purpose of the Greengard Professorship is to ensure a continued commitment to the outstanding research by the Fisher Center for Alzheimer’s Research Lab. The gift will be fulfilled over a seven year period, with the first payment made in 2017.

The Foundation has recorded a grant payable, net of discounts to present value, for this commitment. Gross payments of \$1,425,000 due in 2022 and later, were discounted to present value using a discount rate of 2.92%. Grants payable in the accompanying statement of financial position are due as follows at December 31, 2020:

Less than one year	\$ 840,000
Greater than one year	1,425,000
	2,265,000
Discount to present value	(60,002)
Total	\$ 2,204,998

**The Zachary and Elizabeth M. Fisher
Center for Alzheimer's Research Foundation**

Notes to Financial Statements
December 31, 2020

8. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions consist of the following during 2020 and 2019:

<u>Purpose / Restriction</u>	<u>Balance at December 31, 2019</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance at December 31, 2020</u>
Research	\$ -	\$ 205,980	\$ (205,980)	\$ -
Time restrictions	<u>304,851</u>	<u>228,034</u>	<u>(308,148)</u>	<u>224,737</u>
	<u>\$ 304,851</u>	<u>\$ 434,014</u>	<u>\$ (514,128)</u>	<u>\$ 224,737</u>

<u>Purpose / Restriction</u>	<u>Balance at December 31, 2018</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance at December 31, 2019</u>
Research	\$ -	\$ 353,560	\$ (353,560)	\$ -
Time restrictions	<u>381,411</u>	<u>247,000</u>	<u>(323,560)</u>	<u>304,851</u>
	<u>\$ 381,411</u>	<u>\$ 600,560</u>	<u>\$ (677,120)</u>	<u>\$ 304,851</u>

9. Retirement Plan

The Foundation has a Section 401(k) plan for all eligible full time employees. Plan expense for 2020 and 2019 amounted to \$15,865 and \$5,655.

10. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 6,476,525	\$ 7,045,712
Pledges receivable from federated campaigns	229,416	304,851
Contributions receivable	443,271	212,583
Investments	<u>27,626,607</u>	<u>23,941,098</u>
Total Financial Assets	34,775,819	31,504,244
Less donor restricted amounts	(224,737)	(304,851)
Add next year's release of donor restrictions	<u>167,729</u>	<u>243,101</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 34,718,811</u>	<u>\$ 31,442,494</u>

The Foundation relies primarily on contributions and grants and investment income to cover annual expenses.

**The Zachary and Elizabeth M. Fisher
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Notes to Financial Statements
December 31, 2020

11. Contingencies

The Coronavirus ("COVID-19") pandemic may continue to have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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