

**THE ASSOCIATION FOR  
FRONTOTEMPORAL  
DEMENTIAS**

**Financial Statement**

**December 31, 2006**

***O'Hara, Ward and Associates***  
***Certified Public Accountants***

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**DECEMBER 31, 2006**

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**REPORT OF INDEPENDENT ACCOUNTANT**

To the Board of Directors  
The Association for Frontotemporal Dementias  
Philadelphia, Pennsylvania

We have audited the accompanying statement of financial position of The Association for Frontotemporal Dementias as of December 31, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 The Association for Frontotemporal Dementias as of December 31, 2006, the results of operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Information for the year ended December 31, 2005 is presented for comparative purposes only and was extracted from the financial statements presented for that year, on which an unqualified opinion dated March 2, 2006 was expressed.

*O'Hara, Ward & Associates*

March 19, 2007

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 127,099	\$122,598
Marketable Securities	1,994	-0-
Prepaid Insurance	<u>640</u>	<u>659</u>
<b>TOTAL CURRENT ASSETS</b>	<u>129,733</u>	<u>123,257</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 129,733</u></u>	<u><u>\$123,257</u></u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 4,739	\$ 18,674
Research Grant Payable	<u>50,000</u>	<u>17,500</u>
<b>TOTAL CURRENT LIABILITIES</b>	54,739	36,174
<b>NET ASSETS</b>		
Unrestricted	<u>74,994</u>	<u>87,083</u>
<b>TOTAL NET ASSETS</b>	<u>74,994</u>	<u>87,083</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 129,733</u></u>	<u><u>\$123,257</u></u>

See Notes to Financial Statements

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>UNRESTRICTED NET ASSETS</b>		
Support		
Contributions	\$ 149,761	\$ 133,397
Investment Income	4,604	1,407
Other Income	<u>1,383</u>	<u>189</u>
<b>TOTAL UNRESTRICTED SUPPORT</b>	155,748	134,993
<b>EXPENSES</b>		
Program Services	134,200	68,936
Management and General	<u>33,637</u>	<u>19,967</u>
<b>TOTAL EXPENSES</b>	<u>167,837</u>	<u>88,903</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(12,089)	46,090
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>87,083</u>	<u>40,993</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 74,994</u>	<u>\$ 87,083</u>

See Notes to Financial Statements



**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>2006</u>	<u>2005</u>
Salaries & Wages	\$25,581	\$ 9,329	\$34,910	\$0
Payroll Taxes	2,396	874	3,270	-
Consultants	-	182	\$182	7,229
Supplies	-	2,387	2,387	368
Printing and Copying	15,008	2,642	17,650	1,726
Postage	-	948	948	1,042
Professional Fees	-	4,688	4,688	4,300
Travel	-	218	218	1,049
Conferences & Meetings	25,048	4,390	29,438	7,282
Grants	55,229	-	55,229	52,400
Insurance	-	1,968	1,968	922
Miscellaneous	141	1,081	1,222	1,356
Bank Charges	-	1,150	1,150	227
Rent	-	2,300	2,300	1,650
Telephone	-	1,480	1,480	1,432
Equipment Expenses	-	-	-	1,754
Newsletter	7,255	-	7,255	4,376
Website	3,542	-	3,542	1,790
	<u>\$134,200</u>	<u>\$33,637</u>	<u>\$167,837</u>	<u>\$88,903</u>

See Accompanying Notes

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u><b>2006</b></u>	<u><b>2005</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (12,089)	\$ 46,090
(Increase) Decrease in Operating Assets		
Prepaid Insurance	19	(659)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(13,935)	36,174
Research Grants Payable	<u>32,500</u>	<u>-0-</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	6,495	81,605
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Marketable Securities	<u>(1,994)</u>	<u>-0-</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	(1,994)	-0-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-0-</u>	<u>-0-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,501	81,605
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>122,598</u>	<u>40,993</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 127,099</u>	<u>\$ 122,598</u>

See Notes to Financial Statements

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

**NOTE 1.     NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The AFTD is a nationwide non-profit organization whose mission is to promote and fund research into finding the cause and cure for the frontotemporal dementias; to provide information, education and support to persons diagnosed with FTD and their families and caregivers; and to educate physicians and allied health professionals about FTD.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate value at the date of donation. Depreciation is computed using primarily the straight-line method.



**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

**NOTE 1.     NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

Revenue Recognition

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

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Organization receives a substantial amount of services donated by its members in carrying out its ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

**NOTE 2.     MARKETABLE SECURITIES**

Marketable securities are stated at market value and consist of the following at December 31, 2006:

	<u>2006</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Marketable Securities	<u>\$1,994</u>	<u>\$1,994</u>	<u>\$-0-</u>

**NOTE 3.     FUNCTIONAL ALLOCATION OF EXPENSE**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 4.     LEASING ARRANGEMENTS**

The Association for Frontotemporal Dementias is obligated under a month-to-month lease for office space at a rate of \$200 per month. Total rental expense under this lease for the years ended December 31, 2006 and 2005 was \$2,300. and \$1,650., respectively.