

**THE ASSOCIATION FOR
FRONTOTEMPORAL
DEMENTIAS**

Financial Statement

December 31, 2008

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

Have been audited every year for past 3 years

**THE ASSOCIATION FOR
FRONTOTEMPORAL
DEMENTIAS**

Financial Statement

December 31, 2008

O'Hara, Ward and Associates
Certified Public Accountants

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
DECEMBER 31, 2008

C O N T E N T S

	PAGE
REPORT OF INDEPENDENT ACCOUNTANT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and changes in Net Assets	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10

O'HARA, WARD & ASSOCIATES

Certified Public Accountants

**1036 Mill Creek Drive
Feasterville, PA 19053**

TEL (215) 322-5558

FAX (215) 322-5624

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, 2008, 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, 2008, 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, 2007 is presented for comparative purposes only and was extracted from the financial statements presented for that year, on which an unqualified opinion dated March 26, 2008 was expressed.

O'Hara, Ward & Associates

May 21, 2009

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents (includes restricted cash of \$365,897 in 2008, and \$185,314 in 2007)	\$ 768,003	\$415,487
Marketable Securities	-0-	1,809
Accounts Receivable	2,411	-0-
Prepaid Insurance	<u>678</u>	<u>-0-</u>
TOTAL CURRENT ASSETS	<u>771,092</u>	<u>417,296</u>
Security Deposit	<u>950</u>	<u>-0-</u>
TOTAL ASSETS	<u>\$ 772,042</u>	<u>\$417,296</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 3,582	\$ 32,156
Research Grant Payable	<u>60,000</u>	<u>60,000</u>
TOTAL CURRENT LIABILITIES	<u>63,582</u>	<u>92,156</u>
NET ASSETS		
Unrestricted	342,563	139,826
Temporarily Restricted	<u>365,897</u>	<u>185,314</u>
TOTAL NET ASSETS	<u>708,460</u>	<u>325,140</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 772,042</u>	<u>\$417,296</u>

See Notes to Financial Statements

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
UNRESTRICTED NET ASSETS		
Support		
Contributions	\$ 503,904	\$ 455,364
Investment Income	10,398	4,580
Other Income	<u>891</u>	<u>563</u>
TOTAL UNRESTRICTED SUPPORT	515,193	460,507
Net Assets Released from Restrictions	<u>124,770</u>	<u>-0-</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS	639,963	460,507
EXPENSES		
Program Services	353,607	337,881
Management and Fundraising	<u>83,619</u>	<u>57,794</u>
TOTAL EXPENSES	<u>437,226</u>	<u>395,675</u>
INCREASE IN UNRESTRICTED NET ASSETS	202,737	64,832
TEMPORARILY RESTRICTED NET ASSETS		
Support Designated for Future Period	305,353	185,314
Net Assets Released from Restrictions	<u>(124,770)</u>	<u>-0-</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>180,583</u>	<u>185,314</u>
INCREASE IN NET ASSETS	383,320	250,146
NET ASSETS AT BEGINNING OF YEAR	<u>325,140</u>	<u>74,994</u>
NET ASSETS AT END OF YEAR	<u>\$ 708,460</u>	<u>\$ 325,140</u>

See Notes to Financial Statements

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2008</u>	<u>Memorandum Only 2007</u>
Salaries and Wages	\$68,112	\$13,698	\$9,100	\$90,910	\$44,248
Payroll Taxes	5,733	1,154	765	7,652	3,955
Supplies		2,781		2,781	1,132
Printing and Copying		3,514		3,514	2,480
Postage		2,331		2,331	1,920
Professional Fees	3,211	9,440		12,651	5,219
Travel	762			762	286
Conferences and Meetings	14,842	12,073		26,915	40,959
Grants	232,546			232,546	249,880
Insurance		1,635		1,635	2,510
Miscellaneous	2,689	1,388		4,077	2,614
Bank Charges		970		970	776
Rent	5,160	5,160		10,320	3,875
Telephone	1,580	2,656		4,236	5,154
Office Expense		1,984		1,984	1,441
Newsletter	6,128			6,128	8,042
Informational Materials	4,298			4,298	0
Fundraising Costs			14,970	14,970	15,910
Website	8,546			8,546	5,274
	<u>\$353,607</u>	<u>\$58,784</u>	<u>\$24,835</u>	<u>\$437,226</u>	<u>\$395,675</u>

See Notes to Financial Statements

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 383,320	\$ 250,146
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,411)	-0-
Prepaid Insurance	(678)	640
Security Deposit	(950)	-0-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(28,574)	27,417
Research Grants Payable	<u>-0-</u>	<u>10,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	350,707	288,203
CASH FLOWS FROM INVESTING ACTIVITIES		
Donated Marketable Securities	-0-	(1,809)
Sale of Donated Marketable Securities	<u>1,809</u>	<u>1,994</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,809	185
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-0-</u>	<u>-0-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	352,516	288,388
BEGINNING CASH AND CASH EQUIVALENTS	<u>415,487</u>	<u>127,099</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 768,003</u>	<u>\$ 415,487</u>

See Notes to Financial Statements

**THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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. The Organization's major source of support is contributions.

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.

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 FINACIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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

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.

Contributions – SFAS 116

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.

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.

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.

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3), and state income taxes under the provisions of Pennsylvania Nonprofit Corporation Law.

Management has elected to defer the application of FAS Interpretation 48, Accounting for Uncertainty in Income Taxes, in accordance with FSP FIN 48-3. The organization will continue to follow FAS 5, Accounting for Contingencies, until it adopts FIN-48.

NOTE 2. MARKETABLE SECURITIES

Marketable securities are stated at market value and consist of the following at December 31, 2007:

	<u>2007</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Marketable Securities	<u>\$1,809</u>	<u>\$1,809</u>	<u>\$-0-</u>

For disclosure purposes, fair market value is calculated using the fair market value of the securities.

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Alzheimer's Drug Discovery Project	\$108,345	\$ 73,652
Research – Laden Family Fellowship	110,052	110,052
Susan Grant Film	-0-	1,610
Research – other	<u>147,500</u>	<u>-0-</u>
	<u>\$365,897</u>	<u>\$185,314</u>

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS (Continued)

Temporarily restricted net assets were released from restrictions during the years ended December 31, 2008 and 2007 for the following purposes:

	<u>2008</u>	<u>2007</u>
Alzheimer's Drug		
Discovery Project	\$100,000	\$ -0-
Susan Grant Film	1,610	-0-
Research-Other	<u>23,160</u>	<u>-0-</u>
	<u>\$124,770</u>	<u>\$ -0-</u>

NOTE 4. LEASING ARRANGEMENTS

The Association for Frontotemporal Dementias is obligated under an annual lease for office space at a rate of \$950 per month. The lease contains an option to extend on a month-to-month basis upon expiration of the initial term. Total rental expense for the years ended December 31, 2008 and 2007 was \$10,320 and \$3,875, respectively. Future minimum lease payments are as follows:

December 31, 2009	<u>\$ 1,900</u>
	<u>\$ 1,900</u>

NOTE 5. FUNDRAISING EXPENSES

Total fundraising expenses for the years ended December 31, 2008 and 2007 were approximately \$25,000 and \$16,000, respectively, representing 3% and 2% of total support revenue. The ratio of expenses to amounts raised is computed using actual expenses and related support on an accrual basis.

THE ASSOCIATION FOR FRONTOTEMPORAL DEMENTIAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 6. CONCENTRATIONS

From time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Organization deposits its cash with credit worthy institutions and has not experienced any losses on such amounts and believes it is not exposed to any significant credit risk on cash.

During the year ended December 31, 2008, contributions from two contributors was \$328,000.

During the year ended December 31, 2007, contributions from two contributors was \$264,000.