

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

**CONNECTICUT CHAPTER**

**Financial Statements**

**June 30, 2006 and 2005**



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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

**CONNECTICUT CHAPTER**

**Financial Statements**

**June 30, 2006 and 2005**

**Table of Contents**

Independent Auditors' Report .....	1
Statements of Financial Position - June 30, 2006 and 2005 .....	2
Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2006 .....	4
Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2005 .....	5
Statement of Functional Expenses for the Year Ended June 30, 2006 .....	6
Statement of Functional Expenses for the Year Ended June 30, 2005 .....	7
Statements of Cash Flows for the Years Ended June 30, 2006 and 2005.....	8
Notes to Financial Statements .....	10



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To The Board of Directors  
Alzheimer's Disease and Related Disorders Association, Inc.  
Connecticut Chapter  
Hartford, Connecticut

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Alzheimer's Disease and Related Disorders Association, Inc. - Connecticut Chapter as of June 30, 2006 and 2005, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Alzheimer's Disease and Related Disorders Association, Inc. - Connecticut Chapter's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 misstatements. 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 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, Inc. - Connecticut Chapter as of June 30, 2006 and 2005, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
August 21, 2006

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

**CONNECTICUT CHAPTER**

**Statements of Financial Position**

**June 30, 2006 and 2005**

	2006	2005
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 44,669	\$ 51,200
Investments	1,158,146	173,501
Accounts receivable	26,442	6,132
Grants receivable	16,051	43,997
Contributions receivable	549,000	152,826
Inventory	7,569	5,326
Prepaid expenses	9,785	4,587
	<hr/>	<hr/>
Total current assets	1,811,662	437,569
	<hr/>	<hr/>
<b>Property and equipment:</b>		
Computers and equipment	171,017	282,889
Furniture	2,986	17,661
Leasehold improvements	-	5,371
	<hr/>	<hr/>
	174,003	305,921
Less: accumulated depreciation	112,497	200,317
	<hr/>	<hr/>
	61,506	105,604
	<hr/>	<hr/>
<b>Other asset:</b>		
Security deposit	6,418	6,418
	<hr/>	<hr/>
	\$ 1,879,586	\$ 549,591
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statements of Financial Position

June 30, 2006 and 2005

	2006	2005
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 15,090	\$ 18,192
Accounts payable - related parties	30,323	30,344
Accrued expenses	-	31,185
Refundable advances	-	4,000
Capital lease obligations, current portion	5,254	6,587
Total current liabilities	<u>50,667</u>	<u>90,308</u>
<b>Long-term liability:</b>		
Capital lease obligations, less current portion	1,179	6,693
Total liabilities	<u>51,846</u>	<u>97,001</u>
<b>Net assets:</b>		
Unrestricted net assets	1,751,012	410,241
Temporarily restricted net assets	76,728	42,349
Total net assets	<u>1,827,740</u>	<u>452,590</u>
Total liabilities and net assets	<u>\$ 1,879,586</u>	<u>\$ 549,591</u>

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statement of Activities and Changes in Net Assets

For The Year Ended June 30, 2006

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue:</b>			
Direct public support:			
Contributions - individual	\$ 180,280	\$ 35,077	\$ 215,357
Contributions - corporate	34,760	40,000	74,760
Contributions - foundation	1,000	1,510	2,510
Memorials	199,418	-	199,418
Bequests	96,116	-	96,116
Trust	1,519,674	-	1,519,674
Other	56,033	-	56,033
Indirect public support:			
United Way	21,848	-	21,848
Combined Health Appeal	360,013	-	360,013
Government grants	89,453	-	89,453
Local grants	30,790	-	30,790
Other	61,460	-	61,460
Investment income	21,826	-	21,826
Special fundraising events	497,350	34,334	531,684
Program service revenue	10,186	-	10,186
Conferences	87,723	-	87,723
Sales of books and material	6,439	-	6,439
Loss on disposals of property and equipment	(11,668)	-	(11,668)
Net assets released from restrictions	76,542	(76,542)	-
	<u>3,339,243</u>	<u>34,379</u>	<u>3,373,622</u>
<b>Expenses:</b>			
Program services:			
Patient and family services	594,280	-	594,280
Public awareness and education	698,974	-	698,974
Public policy	234,977	-	234,977
Research	95,632	-	95,632
	<u>1,623,863</u>	<u>-</u>	<u>1,623,863</u>
Total program services	1,623,863	-	1,623,863
Management and general	123,008	-	123,008
Fundraising - events and other	251,601	-	251,601
	<u>1,998,472</u>	<u>-</u>	<u>1,998,472</u>
Changes in net assets	1,340,771	34,379	1,375,150
Net assets, beginning of year	410,241	42,349	452,590
Net assets, end of year	<u>\$ 1,751,012</u>	<u>\$ 76,728</u>	<u>\$ 1,827,740</u>

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statement of Activities and Changes in Net Assets

For The Year Ended June 30, 2005

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue:</b>			
Direct public support:			
Contributions - individual	\$ 227,066	\$ 11,350	\$ 238,416
Contributions - corporate	26,681	-	26,681
Memorials	208,224	-	208,224
Bequests	207,433	-	207,433
Other	48,580	-	48,580
Indirect public support:			
United Way	26,939	-	26,939
Combined Health Appeal	266,421	-	266,421
Grants from National	1,500	-	1,500
Government grants	64,363	28,090	92,453
Local grants	61,965	-	61,965
Other	19,808	-	19,808
Investment income	10,374	-	10,374
Special fundraising events	405,522	16,107	421,629
Program service revenue	9,170	-	9,170
Conferences	85,813	-	85,813
Sales of books and material	3,689	-	3,689
Foundation grants	14,000	60,501	74,501
Net assets released from restrictions	179,935	(179,935)	-
	<u>1,867,483</u>	<u>(63,887)</u>	<u>1,803,596</u>
<b>Expenses:</b>			
Program services:			
Patient and family services	609,756	-	609,756
Public awareness and education	479,962	-	479,962
Public policy	206,441	-	206,441
Research	83,730	-	83,730
Total program services	<u>1,379,889</u>	<u>-</u>	<u>1,379,889</u>
Management and general	139,535	-	139,535
Fundraising - events and other	160,944	-	160,944
	<u>1,680,368</u>	<u>-</u>	<u>1,680,368</u>
Changes in net assets	187,115	(63,887)	123,228
Net assets, beginning of year	223,126	106,236	329,362
Net assets, end of year	<u>\$ 410,241</u>	<u>\$ 42,349</u>	<u>\$ 452,590</u>

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statement of Functional Expenses

For The Year Ended June 30, 2006

	Program Services					Support Services		Total
	Patient and Family Services	Public Awareness and Education	Public Policy	Research	Program Expenses	Management and General	Fundraising	
Salaries and wages:	\$ 19,080	\$ 44,521	\$ 25,440	\$ -	\$ 89,041	\$ 19,081	\$ 19,080	\$ 127,202
Officers and directors	253,244	264,210	87,973	22,979	628,406	13,079	105,062	746,547
Others	5,962	6,877	2,367	526	15,732	963	2,758	19,453
Pension plan contributions	20,882	24,084	8,292	1,841	55,099	3,371	9,661	68,131
Payroll taxes	26,049	30,044	10,343	2,296	68,732	4,206	12,051	84,989
Other employee benefits	70	81	28	6	185	12	32	229
Legal fees	-	-	-	-	-	38,372	-	38,372
Accounting fees	16,980	19,584	6,742	1,497	44,803	2,741	7,856	55,400
Contract labor/consultants	9,251	10,669	3,673	816	24,409	1,493	4,280	30,182
Office supplies	9,137	10,538	3,628	805	24,108	1,475	4,227	29,810
Telephone	11,023	12,713	4,377	972	29,085	1,779	5,099	35,963
Postage	35,503	40,947	14,097	3,130	93,677	5,731	16,425	115,833
Occupancy	6,763	7,800	2,685	596	17,844	1,091	3,129	22,064
Equipment rental and maintenance	20,187	23,283	8,016	1,780	53,266	3,259	9,339	65,864
Printing and publications	818	944	325	72	2,159	132	379	2,670
Books and library	44,501	51,325	17,670	3,923	117,419	7,184	20,588	145,191
Conferences, conventions and meetings	2,675	3,085	1,062	236	7,058	431	1,237	8,726
Staff development, dues and subscriptions	21,885	25,241	8,690	1,929	57,745	3,533	10,125	71,403
Travel	19,897	575	-	-	20,472	-	-	20,472
Specific assistance to individuals	26,553	71,913	12,170	-	110,636	-	-	110,636
National dues	-	-	-	48,365	48,365	-	-	48,365
Research	31,381	36,193	12,460	2,766	82,800	5,067	14,518	102,385
Miscellaneous	-	-	-	-	-	8,000	-	8,000
Bad debt	-	-	-	-	-	2,008	-	2,008
Depreciation	12,439	14,347	4,939	1,097	32,822	-	5,755	40,585
	\$ 594,280	\$ 698,974	\$ 234,977	\$ 95,632	\$ 1,623,863	\$ 123,008	\$ 251,601	\$ 1,998,472

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statement of Functional Expenses

For The Year Ended June 30, 2005

	Program Services				Support Services			Total
	Patient and Family Services	Public Awareness and Education	Public Policy	Research	Program Expenses	Management and General	Fundraising	
Salaries and wages:								
Officers and directors	\$ 52,250	\$ 37,263	\$ 17,600	\$ 6,463	\$ 113,576	\$ 9,350	\$ 14,574	\$ 137,500
Others	240,588	171,577	81,040	29,757	522,962	43,053	67,111	633,126
Pension plan contributions	7,431	5,299	2,503	919	16,152	1,330	2,072	19,554
Payroll taxes	24,808	17,692	8,356	3,068	53,924	4,439	6,920	65,283
Other employee benefits	21,756	15,515	7,328	2,691	47,290	3,893	6,069	57,252
Legal fees	130	93	44	16	283	23	36	342
Accounting fees	-	-	-	-	-	36,288	-	36,288
Contract labor/consultants	25,248	18,006	8,505	3,123	54,882	4,518	7,042	66,442
Office supplies	9,265	6,607	3,121	1,146	20,139	1,230	1,917	23,286
Telephone	9,911	7,068	3,338	1,226	21,543	1,774	2,764	26,081
Postage	8,222	5,864	2,770	1,017	17,873	1,471	2,294	21,638
Occupancy	40,874	29,150	13,768	5,055	88,847	7,314	11,402	107,563
Equipment rental and maintenance	10,079	7,188	3,395	1,247	21,909	1,804	2,811	26,524
Printing and publications	15,973	11,391	5,380	1,976	34,720	2,858	4,455	42,033
Books and library	2,909	2,074	980	360	6,323	520	811	7,654
Conferences, conventions and meetings	28,718	20,481	9,673	3,552	62,424	5,139	8,011	75,574
Staff development, dues and subscriptions	3,170	2,261	1,068	392	6,891	567	885	8,343
Travel	23,988	17,107	8,080	2,967	52,142	4,293	6,692	63,127
Specific assistance to individuals	5,763	85	-	-	5,848	-	-	5,848
National dues	24,626	66,697	11,287	-	102,610	-	-	102,610
Research	-	-	-	12,070	12,070	-	-	12,070
Miscellaneous	36,000	25,674	12,126	4,453	78,253	6,442	10,043	94,738
Depreciation	18,047	12,870	6,079	2,232	39,228	3,229	5,035	47,492
	\$ 609,756	\$ 479,962	\$ 206,441	\$ 83,730	\$ 1,379,889	\$ 139,535	\$ 160,944	\$ 1,680,368

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statements of Cash Flows

For The Years Ended June 30, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Cash received from contributors	\$ 1,770,694	\$ 699,585
Cash received from fees and grants	567,200	424,212
Cash received from campaigns	531,684	421,629
Cash received from program services	10,186	9,170
Interest and dividends received	13,133	4,062
Other collections	94,162	89,502
Cash paid to employees	(904,934)	(767,801)
Cash paid to vendors	<u>(1,097,702)</u>	<u>(880,300)</u>
Cash flows provided by operating activities	<u>984,423</u>	<u>59</u>
Cash flows from investing activities:		
Investment purchases	(1,060,000)	(203,761)
Proceeds from sales of investments	84,048	225,000
Purchase of furniture and equipment	<u>(8,155)</u>	<u>(2,225)</u>
Cash flows provided by (used in) investing activities	<u>(984,107)</u>	<u>19,014</u>
Cash flows used in financing activities:		
Repayment of capital lease obligations	<u>(6,847)</u>	<u>(5,983)</u>
Net increase (decrease) in cash and cash equivalents	(6,531)	13,090
Cash and cash equivalents, beginning of year	<u>51,200</u>	<u>38,110</u>
Cash and cash equivalents, end of year	<u>\$ 44,669</u>	<u>\$ 51,200</u>

The accompanying notes are an integral part of the financial statements

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Statements of Cash Flows

For The Years Ended June 30, 2006 and 2005

	2006	2005
Reconciliation of changes in net assets to cash flows provided by operating activities:		
Changes in net assets	\$ 1,375,150	\$ 123,228
Adjustments to reconcile changes in net assets to cash flows provided by operating activities:		
Depreciation	40,585	47,492
Realized and unrealized gains	(8,693)	(6,312)
Loss on disposal of property and equipment	11,668	-
(Increase) decrease in:		
Accounts receivable	(20,310)	(4,877)
Grants receivable	27,946	(43,997)
Contributions receivable	(396,174)	(104,250)
Inventory	(2,243)	1,402
Prepaid expenses and security deposits	(5,198)	(732)
Increase (decrease) in:		
Accounts payable and accrued expenses	(34,308)	(15,895)
Refundable advances	(4,000)	4,000
Cash flows provided by operating activities	<u>\$ 984,423</u>	<u>\$ 59</u>

The accompanying notes are an integral part of the financial statements

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

**CONNECTICUT CHAPTER**

**Notes to Financial Statements**

**For The Years Ended June 30, 2006 and 2005**

**Note 1 - Summary of Significant Accounting Policies:**

Nature of Activities

The Alzheimer's Disease and Related Disorders Association, Inc. - Connecticut Chapter (the "Association") is a Connecticut nonstock corporation dedicated to enhancing the quality of life of all people affected by Alzheimer's disease and related disorders in Connecticut through advocacy, education and support systems, while promoting research efforts. The Association's primary source of support is contributions.

Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes. The Association did not have any permanently restricted funds at June 30, 2006 and 2005.

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

*Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statements of Cash Flows

For purpose of the statements of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and investments in debt securities are carried at fair value in the statement of financial position. Realized and unrealized gains and losses on these investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

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

**CONNECTICUT CHAPTER**

**Notes to Financial Statements**

**For The Years Ended June 30, 2006 and 2005**

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

**Inventory**

The Association's inventory consists of publications, which are presented at cost.

**Property and Equipment**

Property and equipment greater than \$500 are recorded at cost, if purchased, or fair value at the date of donation and are depreciated on a straight-line basis over three to five years.

**Contributions**

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value. The Association reports contributions and nongovernmental grants of cash and other assets as temporarily restricted support, if they are received with donor stipulations that limit their use. When a donor 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Association reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. In the absence of donor stipulations about how long those assets must be maintained, the Association reports expirations of donor restrictions when the assets are placed in service. Contributed goods recorded at June 30, 2006 and 2005 totaled \$13,107 and \$11,000, respectively.

Contributed services are recognized in the financial statements if they enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition. However, many volunteers have donated significant amounts of time in supporting the Association's mission and fundraising campaigns. Contributed services recorded at June 30, 2006 and 2005 totaled \$81,195 and \$28,564, respectively.

**Functional Expenses**

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

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Notes to Financial Statements

For The Years Ended June 30, 2006 and 2005

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

Income Taxes

The Association has been granted tax-exempt status by the Internal Revenue Service under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal or State income taxes has been recorded in the accompanying financial statements.

Advertising

Advertising and media costs are expensed as incurred. Total advertising and media for the years ended June 30, 2006 and 2005 was \$12,854 and \$24,082, respectively.

**Note 2 - Concentrations:**

Cash and Cash Equivalents

During the years ended June 30, 2006 and 2005, the Association had amounts in excess of \$100,000 in a single bank. Amounts over \$100,000 are not insured by the Federal Deposit Insurance Corporation. These balances fluctuate greatly during the year and can exceed this \$100,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

Investments

The Association maintains an account with a brokerage firm. The account contains cash and securities, which are insured by the Securities Investor Protection Corporation. The Association's investments include a diversified portfolio of securities managed by professional investment advisors, designed to minimize market concentration risks.

**Note 3 - Investments:**

Investments as of June 30, 2006 and 2005 consist of the following:

	2006	2005
Cost of pooled income fund	\$ 1,149,975	\$ 166,178
Fair market value of pooled income fund	<u>1,158,146</u>	<u>173,501</u>
Unrealized gains	<u>\$ 8,171</u>	<u>\$ 7,323</u>

Investment income consists of the following:

	2006	2005
Interest and dividends	\$ 11,326	\$ 4,062
Capital gain distributions	1,807	--
Realized gains (losses)	522	( 1,011)
Unrealized gains	<u>8,171</u>	<u>7,323</u>
	<u>\$ 21,826</u>	<u>\$ 10,374</u>

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

**CONNECTICUT CHAPTER**

**Notes to Financial Statements**

**For The Years Ended June 30, 2006 and 2005**

**Note 4 - Temporarily Restricted Net Assets:**

Temporarily restricted net assets as of June 30, 2006 and 2005 are available for the following time periods or purposes:

	2006	2005
Time period:		
Memory Walk	\$ 16,284	\$ 9,789
Purpose:		
Respite services	5,635	15,000
Support groups	1,510	--
Outreach -- Faith in Action	5,836	--
Tree of Life Memorial	19,963	--
Early Onset Services	20,000	--
Multicultural program	--	11,560
Safe Return program	3,000	--
Eastern region	4,500	--
Care consultation	--	6,000
	<u>          </u>	<u>          </u>
Total Temporarily Restricted Net Assets	<u>\$ 76,728</u>	<u>\$ 42,349</u>

Temporarily restricted net assets were released from restrictions during the years ended June 30, 2006 and 2005 by incurring expenses satisfying the following purpose restrictions:

	2006	2005
Gala fundraising	\$ 18,050	\$ --
Respite services	12,465	2,056
Help Line	20,000	--
Program support	3,227	--
New Haven programs	1,250	--
Tree of Life Memorial	37	--
Support services	--	2,000
Journey program	--	10,000
Memories in the Making	--	6,000
Multicultural program	--	70,342
Care consultation	6,000	10,000
Memory Walk	9,788	37,597
Safe Return	--	7,500
Newcomers & Neighbors of Seymour & Oxford	--	350
Strategic planning	--	5,000
DDS/MCI Grant	--	28,090
SBC Greater New Haven Community	--	1,000
Unspent funds returned	5,725	--
	<u>          </u>	<u>          </u>
	<u>\$ 76,542</u>	<u>\$ 179,935</u>

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Notes to Financial Statements

For The Years Ended June 30, 2006 and 2005

**Note 5 - Employee Benefit Plan:**

The Association maintains a defined contribution retirement plan. Association contributions under the plan are made as matching contributions to employee contributions to the Association's tax deferred annuity plan, subject to certain Internal Revenue Service limitations. Association contributions totaled \$19,453 and \$19,554 for the years ended June 30, 2006 and 2005, respectively.

**Note 6 - Special Fundraising Events:**

The following is a summary of the income and expenses for the Association's special fundraising events, which are reported gross in the statement of activities. Funds raised in advance for the subsequent year's Memory Walk of \$21,750 that are temporarily restricted are not included below.

**June 30, 2006**

	Revenue	Expenses	Net
Memory Walk	\$ 386,539	\$ 130,783	\$ 255,756
Gala	83,849	55,457	28,392
Golf Tournament	16,335	12,634	3,701
John Clark Bike Ride	<u>10,627</u>	<u>1,737</u>	<u>8,890</u>
Total Special Events	<u>\$ 497,350</u>	<u>\$ 200,611</u>	<u>\$ 296,739</u>

**June 30, 2005**

	Revenue	Expenses	Net
Memory Walk	\$ 342,716	\$ 82,582	\$ 260,134
Golf Tournament	38,472	27,906	10,566
John Clark Bike Ride	<u>24,334</u>	<u>5,356</u>	<u>18,978</u>
Total Special Events	<u>\$ 405,522</u>	<u>\$ 115,844</u>	<u>\$ 289,678</u>

**Note 7 - Related Party Transactions:**

The Association is a Chapter of Alzheimer's Disease and Related Disorders Association, Inc. (National). As a Chapter of National, the Association is required to remit a portion of all unrestricted and certain restricted revenues to National. Dues for the years ended June 30, 2006 and 2005 were \$159,001 and \$114,680, respectively. The balance due at June 30, 2006 and 2005 was \$30,323 and \$30,344, respectively. National provides its chapters with certain administrative services and materials for educational and fundraising purposes.

ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

CONNECTICUT CHAPTER

Notes to Financial Statements

For The Years Ended June 30, 2006 and 2005

Note 8 - Lease Commitments:

Operating Leases

The Association leases various facilities under operating leases with various expiration dates through June 1, 2010. Rent expense under these leases totaled \$67,319 and \$71,044 for the years ended June 30, 2006 and 2005, respectively.

Future minimum lease payments under operating leases are as follows:

Year Ended June 30:	
2007	\$ 62,400
2008	50,000
2009	50,000
2010	50,000

Capital Leases

The Association financed the cost of certain equipment with notes, payable in various monthly installments through 2008. The interest rates on these capital leases vary from 7.9% to 10.9%. At June 30, 2006, the cost of the equipment held under capital leases and the related accumulated depreciation was \$22,347 and \$11,082, respectively. Depreciation of assets under capital leases of \$4,469 is included in the depreciation expense for 2006. The future minimum lease payments under the capital lease agreements are as follows:

Year Ended June 30:	
2007	\$ 5,296
2008	<u>1,504</u>
Total minimum lease payments	6,800
Less: amount representing interest	<u>367</u>
Total present value of future minimum lease payments	6,433
Less: current portion	<u>5,254</u>
Long-term portion	<u>\$ 1,179</u>