

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

**FINANCIAL STATEMENTS FOR THE YEARS ENDED
JUNE 30, 2007 AND 2006
AND
INDEPENDENT AUDITORS' REPORT**

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Independent Auditors' Report

Board of Directors
Alzheimer's Disease and Related Disorders Association,
St. Louis Chapter, Inc.
St. Louis, Missouri

We have audited the accompanying statements of financial position of Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc. as of June 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association'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 misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, St. Louis Chapter, Inc. as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Anders Minkler & Diehl LLP

September 21, 2007

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2007	2006
CURRENT ASSETS		
Cash and cash equivalents	\$ 148,897	\$ 298,863
Accounts receivable	12,056	15,425
Unconditional promises to give	246,046	191,440
Inventory	3,677	3,186
Prepaid expenses	26,336	25,793
Total Current Assets	437,012	534,707
 LONG-TERM UNCONDITIONAL PROMISES TO GIVE	 5,000	 50,000
 INVESTMENTS	 1,910,500	 1,830,933
 PERMANENTLY RESTRICTED ASSETS	 112,604	 112,604
 FURNITURE, FIXTURES AND EQUIPMENT - Net of accumulated depreciation of \$106,264 in 2007 and \$84,066 in 2006	 45,756	 40,661
Total Assets	\$ 2,510,872	\$ 2,568,905

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 53,954	\$ 39,020
Refundable advances	-	44,760
Accrued payroll and related items	74,501	68,501
Total Current Liabilities	128,455	152,281
 NET ASSETS		
Unrestricted	1,958,093	1,985,694
Temporarily restricted	311,720	318,326
Permanently restricted	112,604	112,604
Total Net Assets	2,382,417	2,416,624
Total Liabilities and Net Assets	\$ 2,510,872	\$ 2,568,905

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENT OF ACTIVITIES

	For The Year Ended June 30, 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:				
Support:				
Individual contributions and memorials	\$ 606,753	\$ 4,338	\$ -	\$ 611,091
Bequests and planned giving	155,529	100,000	-	255,529
Corporate support	92,024	2,500	-	94,524
Foundations	46,700	-	-	46,700
Government contracts	301,302	-	-	301,302
Special events	451,406	38,046	-	489,452
Other organizations	168,125	103,466	-	271,591
Total Support	1,821,839	248,350	-	2,070,189
Revenue:				
Investment income	207,040	-	-	207,040
Education workshop/seminars	77,234	-	-	77,234
Card, book and tape sales	5,084	-	-	5,084
Other income	12,246	-	-	12,246
Total Revenue	301,604	-	-	301,604
Net assets released from restrictions:				
Satisfaction of time and usage restrictions	254,956	(254,956)	-	-
Total Support and Revenue	2,378,399	(6,606)	-	2,371,793
Expenses:				
Program Services:				
Family services	805,167	-	-	805,167
Education and information	1,061,276	-	-	1,061,276
Research	10,342	-	-	10,342
Public policy	108,890	-	-	108,890
Total Program Services	1,985,675	-	-	1,985,675
Supporting Activities:				
Fundraising	258,368	-	-	258,368
Management and general	161,957	-	-	161,957
Total Supporting Activities	420,325	-	-	420,325
Total Expenses	2,406,000	-	-	2,406,000
Change in Net Assets	(27,601)	(6,606)	-	(34,207)
Net Assets, Beginning of year	1,985,694	318,326	112,604	2,416,624
Net Assets, End of year	\$ 1,958,093	\$ 311,720	\$ 112,604	\$ 2,382,417

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENT OF ACTIVITIES

	For The Year Ended June 30, 2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:				
Support:				
Individual contributions and memorials	\$ 659,441	\$ 34,707	\$ -	\$ 694,148
Bequests and planned giving	344,422	21,402	-	365,824
Corporate support	77,112	-	-	77,112
Foundations	50,810	150,000	-	200,810
Government contracts	193,593	-	-	193,593
Special events	367,780	52,712	-	420,492
Other organizations	130,541	100,038	-	230,579
Total Support	1,823,699	358,859	-	2,182,558
Revenue:				
Investment income	137,000	-	-	137,000
Education workshop/seminars	82,160	-	-	82,160
Card, book and tape sales	2,739	-	-	2,739
Other income	2,939	-	-	2,939
Total Revenue	224,838	-	-	224,838
Net assets released from restrictions:				
Satisfaction of time and usage restrictions	313,403	(313,403)	-	-
Total Support and Revenue	2,361,940	45,456	-	2,407,396
Expenses:				
Program Services:				
Family services	771,959	-	-	771,959
Education and information	999,607	-	-	999,607
Public policy	138,166	-	-	138,166
Total Program Services	1,909,732	-	-	1,909,732
Supporting Activities:				
Fundraising	200,257	-	-	200,257
Management and general	140,577	-	-	140,577
Total Supporting Activities	340,834	-	-	340,834
Total Expenses	2,250,566	-	-	2,250,566
Change in Net Assets	111,374	45,456	-	156,830
Net Assets, Beginning of year	1,874,320	272,870	112,604	2,259,794
Net Assets, End of year	\$ 1,985,694	\$ 318,326	\$ 112,604	\$ 2,416,624

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2007

	PROGRAM SERVICES					SUPPORTING ACTIVITIES			Total Expenses
	Family Services	Education and Information	Research	Public Policy	Total	Fundraising	Management and General	Total	
Salaries	\$ 380,516	\$ 585,667	\$ -	\$ 62,031	\$ 1,028,214	\$ 105,242	\$ 85,049	\$ 190,291	\$ 1,218,505
Pension plan contributions	16,822	22,212	-	2,618	41,652	2,068	3,099	5,167	46,819
Employee benefits	27,815	42,554	-	4,526	74,895	7,512	6,171	13,683	88,578
Payroll taxes	31,495	48,183	-	5,124	84,802	8,506	6,987	15,493	100,295
Family respite	122,511	-	-	-	122,511	-	-	-	122,511
Professional fees and outside services	27,678	32,537	-	794	61,009	4,260	20,625	24,885	85,894
Supplies	24,247	23,652	-	989	48,888	5,460	1,181	6,641	55,529
Telephone	7,696	20,827	-	1,462	29,985	2,501	1,425	3,926	33,911
Postage and shipping	17,492	14,891	-	1,004	33,387	29,689	643	30,332	63,719
Occupancy	44,998	52,630	-	5,625	103,253	9,000	6,750	15,750	119,003
Equipment rental and maintenance	17,234	49,742	-	2,903	69,879	6,732	3,631	10,363	80,242
Printing and publications	10,246	28,390	-	1,207	39,843	39,108	1,474	40,582	80,425
Advertising	2,010	18,781	-	-	20,791	1,753	-	1,753	22,544
Travel	5,287	29,508	-	6,006	40,801	5,502	3,631	9,133	49,934
Miscellaneous	1,166	7,657	500	203	9,526	868	16,474	17,342	26,868
Training	738	2,630	-	109	3,477	1,085	137	1,222	4,699
National programs	14,148	31,371	9,842	6,151	61,512	-	-	-	61,512
Programs, events and volunteers	10,339	39,404	-	7,251	56,994	27,087	3,763	30,850	87,844
Scholarships and caregiver support grants	34,970	-	-	-	34,970	-	-	-	34,970
Total Expense Before Depreciation	<u>797,408</u>	<u>1,050,636</u>	<u>10,342</u>	<u>108,003</u>	<u>1,966,389</u>	<u>256,373</u>	<u>161,040</u>	<u>417,413</u>	<u>2,383,802</u>
Depreciation	<u>7,759</u>	<u>10,640</u>	<u>-</u>	<u>887</u>	<u>19,286</u>	<u>1,995</u>	<u>917</u>	<u>2,912</u>	<u>22,198</u>
Total Expenses	<u>\$ 805,167</u>	<u>\$ 1,061,276</u>	<u>\$ 10,342</u>	<u>\$ 108,890</u>	<u>\$ 1,985,675</u>	<u>\$ 258,368</u>	<u>\$ 161,957</u>	<u>\$ 420,325</u>	<u>\$ 2,406,000</u>

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2006

	PROGRAM SERVICES				SUPPORTING ACTIVITIES			Total Expenses
	Family Services	Education and Information	Public Policy	Total	Fundraising	Management and General	Total	
Salaries	\$ 417,228	\$ 537,184	\$ 68,902	\$ 1,023,314	\$ 51,754	\$ 77,732	\$ 129,486	\$ 1,152,800
Pension plan contributions	16,185	20,838	2,673	39,696	2,008	3,015	5,023	44,719
Employee benefits	27,214	47,677	11,290	86,181	3,967	5,047	9,014	95,195
Payroll taxes	34,942	48,460	5,670	89,072	2,893	5,397	8,290	97,362
Family respite	108,866	-	-	108,866	-	-	-	108,866
Professional fees and outside services	23,614	26,873	837	51,324	2,112	16,882	18,994	70,318
Supplies	10,456	19,948	3,962	34,366	6,652	4,969	11,621	45,987
Telephone	9,360	23,651	1,543	34,554	2,564	1,504	4,068	38,622
Postage and shipping	10,790	11,821	849	23,460	29,167	1,681	30,848	54,308
Occupancy	49,497	61,229	5,682	116,408	9,772	7,116	16,888	133,296
Equipment rental and maintenance	13,326	40,262	2,016	55,604	4,598	1,751	6,349	61,953
Printing and publications	6,510	38,034	1,895	46,439	51,200	1,564	52,764	99,203
Advertising	2,946	20,090	-	23,036	7,135	-	7,135	30,171
Travel	3,738	27,230	17,784	48,752	3,856	1,237	5,093	53,845
Miscellaneous	699	3,039	174	3,912	264	11,778	12,042	15,954
Training	781	1,285	281	2,347	900	129	1,029	3,376
National programs	14,389	38,970	6,595	59,954	-	-	-	59,954
Programs, events and volunteers	8,871	25,847	7,416	42,134	20,126	123	20,249	62,383
Scholarships and caregiver support grants	7,320	-	-	7,320	-	-	-	7,320
Total Expenses Before Depreciation	<u>766,732</u>	<u>992,438</u>	<u>137,569</u>	<u>1,896,739</u>	<u>198,968</u>	<u>139,925</u>	<u>338,893</u>	<u>2,235,632</u>
Depreciation	<u>5,227</u>	<u>7,169</u>	<u>597</u>	<u>12,993</u>	<u>1,289</u>	<u>652</u>	<u>1,941</u>	<u>14,934</u>
Total Expenses	<u>\$ 771,959</u>	<u>\$ 999,607</u>	<u>\$ 138,166</u>	<u>\$ 1,909,732</u>	<u>\$ 200,257</u>	<u>\$ 140,577</u>	<u>\$ 340,834</u>	<u>\$ 2,250,566</u>

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
STATEMENTS OF CASH FLOWS

	For The Years Ended June 30,	
	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Individual contributions and memorials	\$ 636,882	\$ 711,071
Bequests and planned giving	252,282	344,422
Corporate support	94,524	77,112
Foundations	382,521	375,450
Special events	489,452	420,491
Other contributions	271,531	230,557
Other revenue	<u>198,375</u>	<u>166,298</u>
	<u>2,325,567</u>	<u>2,325,401</u>
Cash paid to:		
Employees	(1,260,197)	(1,192,180)
Vendors	(918,609)	(838,998)
National Organization	(165,676)	(258,054)
Respite care	<u>(122,511)</u>	<u>(108,866)</u>
	<u>(2,466,993)</u>	<u>(2,398,098)</u>
 Net Cash Used In Operating Activities	 <u>(141,426)</u>	 <u>(72,697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net transfers of investments and proceeds from sales	98,598	281,860
Purchase of investments	(79,844)	(833,876)
Purchase of equipment	(27,294)	(35,487)
Proceeds from sale of equipment	<u>-</u>	<u>100</u>
 Net Cash Used In Investing Activities	 <u>(8,540)</u>	 <u>(587,403)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 <u>(149,966)</u>	 <u>(660,100)</u>
 CASH AND CASH EQUIVALENTS, Beginning of year	 <u>298,863</u>	 <u>958,963</u>
 CASH AND CASH EQUIVALENTS, End of year	 <u>\$ 148,897</u>	 <u>\$ 298,863</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net assets	\$ (34,207)	\$ 156,830
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	22,198	14,934
Unrealized gains on investments	(98,320)	(65,730)
Gain on sale of equipment	-	(100)
(Increase) decrease in assets:		
Accounts receivable	3,369	7,629
Unconditional promises to give	(9,606)	(30,583)
Inventory	(491)	(690)
Prepaid expenses	(543)	2,908
Increase (decrease) in liabilities:		
Accounts payable	14,934	16,996
Research payable - National	-	(169,232)
Refundable advances	(44,760)	(15,016)
Accrued payroll and related items	<u>6,000</u>	<u>9,357</u>
 NET CASH USED IN OPERATING ACTIVITIES	 <u>\$ (141,426)</u>	 <u>\$ (72,697)</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc. (the "Association") is a voluntary health agency serving the St. Louis metropolitan area, eastern Missouri and western Illinois. The Association is dedicated to providing leadership to eliminate Alzheimer's disease through the advancement of research while enhancing care and support services for all affected and to reduce the risk of dementia through the promotion of brain health.

The Association is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified into three categories of net assets, as applicable, and reported as follows:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. The income earned on any related investments would also be subject to donor-imposed stipulations.

Public Support and Revenue

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Donor restricted contributions in which the restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

Donor Designations

Donors to the Association sometimes designate all or part of their contributions to research activities. The Association follows certain development policies established by its related national organization, the Alzheimer's Disease and Related Disorders Association, Inc., ("National") regarding such gifts. In accordance with Financial Accounting Standards Board Statement No. 136, *Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* ("Statement No. 136"), these restricted amounts are not considered to be part of the Association's activities and are forwarded directly to National. During the years ended June 30, 2007 and 2006, designated research funds of approximately \$102,000 and \$200,000, respectively, were distributed to National.

Investments

The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Inventory

Inventory of educational materials is stated at the lower of cost or market, with the cost determined on a first-in, first-out basis.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment is stated at cost or fair value for purchased and donated assets, respectively. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Donated Services

A large number of volunteers have given significant amounts of their time to the Association's programs and management. No amounts have been reflected in the accompanying financial statements for these donated services because recognition is not required due to the nature of the services provided.

Functional Allocation of Expenses

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

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

Pension Plan

The Association maintains a 403(b) pension plan for all employees meeting certain eligibility requirements.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Association to concentration of credit risk, consist principally of cash and cash equivalents and investments. The Association places its cash and cash equivalents and investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution or investment type.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. CASH AND CASH EQUIVALENTS

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2007 and 2006, cash and cash equivalents consists of the following:

	<u>2007</u>	<u>2006</u>
Cash	\$ 48,661	\$ 277,663
Money market funds	<u>100,236</u>	<u>21,200</u>
Total Cash and Cash Equivalents	<u>\$ 148,897</u>	<u>\$ 298,863</u>
Money market funds and certificates of deposit allocated to permanent restrictions	<u>\$ 112,604</u>	<u>\$ 112,604</u>

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2007 and 2006

C. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following as of June 30, 2007 and 2006:

	2007	2006
United Way	\$ 101,046	\$ 100,038
Grant awards	50,000	120,000
Bequests	100,000	21,402
Net Unconditional Promises to Give	\$ 251,046	\$ 241,440
Amounts due in:		
Less than one year	\$ 246,046	\$ 191,440
One to five years	5,000	50,000
	\$ 251,046	\$ 241,440

Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate of 5 percent each year.

United Way of Greater St. Louis, Inc.

The Association contracts with the United Way of Greater St. Louis, Inc. to carry out programs which meet community health and human service needs. The Association receives an allocation from the United Way for its participation in these programs.

Grant Awards

The Association has grant awards from the current and prior years that are being received in periodic payments through August 2008.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

D. INVESTMENTS

Investments consist of the Operating Reserve and Equalization Funds and other investments and are invested pursuant to the Association's investment policy in a balanced portfolio of equity mutual funds, fixed income securities, and money market funds. The Board of Directors has designated that the Operating Reserve and Equalization Funds be set aside as a means of providing long-term stability to the Association's operations. The Board must approve all transfers of these designated funds in excess of \$50,000 in any fiscal year.

The Board designated Equalization Fund is a special reserve fund used to balance the wide variance in annual unrestricted support. All unrestricted contributions greater than or equal to \$50,000 are set aside in the Equalization Fund, and 20 percent of such amounts are available for the current budget year, with the balance being utilized equally over the succeeding four years.

Investments included the following, stated at fair value, as of June 30, 2007 and 2006:

	<u>2007</u>	
	<u>Cost</u>	<u>Market Value</u>
Other investments in money market, equity mutual funds, and certificates of deposit	\$ 706,977	\$ 878,154
Operating Reserve Fund invested in money market funds and fixed income securities	639,133	639,133
Equalization Fund invested in money market funds and certificates of deposit	<u>393,213</u>	<u>393,213</u>
	<u>\$ 1,739,323</u>	<u>\$ 1,910,500</u>
	<u>2006</u>	
	<u>Cost</u>	<u>Market Value</u>
Other investments in equity mutual funds	\$ 658,867	\$ 731,723
Operating Reserve Fund invested in money market funds and fixed income securities	607,399	607,399
Equalization Fund invested in money market funds and certificates of deposit	<u>491,811</u>	<u>491,811</u>
	<u>\$ 1,758,077</u>	<u>\$ 1,830,933</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

Unrestricted investment income of the Association is summarized as follows:

	For The Years Ended June 30,	
	<u>2007</u>	<u>2006</u>
Investment income - undesignated	\$ 108,720	\$ 68,881
Interest income - board designated	-	2,389
Net unrealized gains - board designated	<u>98,320</u>	<u>65,730</u>
Total Unrestricted Investment Income	<u>\$ 207,040</u>	<u>\$ 137,000</u>

E. RELATED PARTY TRANSACTIONS

National Dues

The Association remits dues to National, based upon the Association's total support and revenue, as defined by National. As an incentive to help in achieving research goals, National established a dues offset program ("Program"). This Program allows a credit against annual dues of 50 percent of certain research funds raised and donated for research through National, with limitations as defined by the Program. Annual dues paid to National were \$61,512 and \$59,954 for the years ended June 30, 2007 and 2006, respectively. The Association also received dues credits amounting to \$61,512 and \$59,954 for the years ended June 30, 2007 and 2006, respectively.

F. AGREEMENTS AND CONTRACTS

Government Contracts

The Association contracts with the St. Louis Area Agency on Aging (the "Agency") to provide financial assistance to the primary care givers of those afflicted with Alzheimer's Disease and related disorders. The Association remits funds to primary care givers and is then reimbursed by the Agency. Support from this contract amounted to \$31,691 and \$23,235 for the years ended June 30, 2007 and 2006, respectively.

The Association contracts with the Missouri Department of Social Services to provide information, training and financial assistance for persons with memory loss and their families. Support from the contract amounted to \$196,862 and \$99,626 for the years ended June 30, 2007 and 2006, respectively.

The Association also contracts with the Missouri Department of Health and Senior Services to provide outreach services that are used primarily to increase access to core services in under-utilized areas. Support from the contract amounted to \$56,756 for each of the years ended June 30, 2007 and 2006.

Alzheimer's Disease and Related Disorders Association, St. Louis Chapter, Inc.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2007 and 2006

G. OPERATING LEASE COMMITMENTS

The Association is the lessee under noncancellable operating leases for office facilities, equipment, software and support.

The following is a schedule of future minimum lease payments as of June 30, 2007.

<u>Year Ending June 30,</u>	
2008	\$ 178,981
2009	178,315
2010	185,476
2011	127,702
2012	<u>12,692</u>
	<u>\$ 683,166</u>

Lease expense was \$190,920 and \$190,031 for the years ended June 30, 2007 and 2006, respectively.

H. RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	June 30,	
	<u>2007</u>	<u>2006</u>
United Way allocations to be received in the following year	\$ 101,046	\$ 100,038
Uncollected pledges	-	15,000
Uncollected bequests	100,000	21,402
Unexpended gifts with specific use designated by donor	22,628	24,174
Receipts for future special events	38,046	52,712
Grants to be received in the future	50,000	105,000
	<u>\$ 311,720</u>	<u>\$ 318,326</u>

Permanently restricted net assets consist of funds designated by the donor to be held in perpetuity by the Association. The income from the assets is designated for research activities and forwarded to National. Permanently restricted net assets totaled \$112,604 for each of the years ended June 30, 2007 and 2006.