

**MALIGNANT HYPERTHERMIA ASSOCIATION  
OF THE UNITED STATES, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2006, 2005 AND 2004**



# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

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# Cwynar & Company

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## Independent Auditors' Report

To the Board of Directors  
Malignant Hyperthermia Association of the United States, Inc.  
Sherburne, New York

We have audited the accompanying statements of financial position of Malignant Hyperthermia Association of the United States, Inc. as of September 30, 2006, 2005 and 2004, and the related statements of activities, functional expenses, and cash flow for the years 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 generally accepted auditing standards. 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 Malignant Hyperthermia Association of the United States, Inc. as of September 30, 2006, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The information included in the accompanying supplementary charts and graphs, referenced on the table of contents, is presented only for supplementary analysis purposes. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The logo for Cwynar & Company is written in a cursive, handwritten-style font. The word "Cwynar" is larger and more prominent than "Company", which is written in a smaller, similar script.

Norwich, New York  
November 16, 2006

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# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## STATEMENT OF FINANCIAL POSITION

At September 30,	2006	2005	2004
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and equivalents	\$ 364,884	327,322	322,279
Investment in marketable securities	368,230	236,753	180,014
Pledges receivable, net	206	4,857	2,024
Inventories	49,629	45,201	49,985
Prepaid expenses	43,600	12,738	5,915
Total current assets	826,549	626,871	560,217
ENDOWMENT INVESTMENTS			
Cash and equivalents	140,027	128,811	124,098
Investment in marketable securities	19,711	20,502	15,940
Total endowment investments	159,738	149,313	140,038
FIXED ASSETS			
Equipment	28,857	36,019	35,157
Furniture and fixtures	11,080	21,754	19,465
Accumulated depreciation	(28,236)	(44,091)	(38,449)
Total net fixed assets	11,701	13,682	16,173
Total assets	\$ 997,988	789,866	716,428
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Accounts payable	\$ 18,401	16,539	3,805
Accrued liabilities	4,390	3,655	4,427
Total current liabilities	22,791	20,194	8,232
<b>NET ASSETS</b>			
Unrestricted	714,246	605,360	568,158
Temporarily restricted	125,341	34,121	15,665
Permanently restricted	135,610	130,191	124,373
Total net assets	975,197	769,672	708,196
Total liabilities and net assets	\$ 997,988	789,866	716,428

See independent auditors' report

See accompanying notes to the financial statements

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## STATEMENT OF ACTIVITIES

For the years ended September 30,	2006	2005	2004
<b>UNRESTRICTED NET ASSETS</b>			
UNRESTRICTED REVENUE AND GAINS			
CONTRIBUTIONS			
General public	\$ 158,860	108,185	107,737
PROGRAM SERVICE FEES			
General public	86,850	45,601	42,777
Business community	58,437	68,180	46,569
INVESTMENT TRANSACTIONS			
Interest income	18,885	10,428	2,441
Dividend income	1,549	1,265	254
Unrealized gains (losses) on investments	4,614	3,783	548
Realized gains (losses) on investments	395	-	-
Other gains (losses)	(97)	125	(172)
Total unrestricted revenue and gains	329,493	237,567	200,154
Net assets released from donor restrictions	407,138	395,468	412,727
Total unrestricted revenues, gains and other support	736,631	633,035	612,881
FUNCTIONAL EXPENSES			
PROGRAM SERVICES			
Education	282,194	255,156	227,499
Research & clinical	142,269	152,155	141,005
Patient	38,396	33,506	29,831
Neuroleptic Malignant Syndrome	60,428	54,501	82,327
Total program services	523,287	495,318	480,662
SUPPORTING SERVICES			
General & Administrative	56,318	55,218	52,137
Fundraising	48,140	45,297	35,952
Total supporting services	104,458	100,515	88,089
Total functional expenses	627,745	595,833	568,751
Change in unrestricted net assets	108,886	37,202	44,130
Beginning of the year	605,360	568,158	524,028
End of the year	\$ 714,246	605,360	568,158

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For the years ended September 30,	2006	2005	2004
<b>TEMPORARILY RESTRICTED NET ASSETS</b>			
Grants	\$ 51,500	66,450	65,500
Contributions	433,285	336,500	302,500
Contributions from general public	7,871	7,517	10,229
Interest income	5,991	3,030	980
Dividend income	-	107	-
Unrealized gains (losses) on investments	(289)	320	-
Net assets released from donor restrictions	(407,138)	(395,468)	(412,727)
Change in temporarily restricted net assts	91,220	18,456	(33,518)
Beginning of the year	34,121	15,665	49,183
End of the year	\$ 125,341	34,121	15,665

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For the years ended September 30,	2006	2005	2004
<b>PERMANENTLY RESTRICTED NET ASSETS</b>			
Contributions from general public	\$ 5,419	5,818	4,290
Net assets released from donor restrictions	-	-	-
Change in permanently restricted net assets	5,419	5,818	4,290
Beginning of the year	130,191	124,373	120,083
End of the year	\$ 135,610	130,191	124,373

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# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## STATEMENT OF CASH FLOW

For the years ended September 30,	2006	2005	2004
<b>OPERATING ACTIVITIES</b>			
Change in net assets	\$ 205,525	61,476	14,902
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	4,791	5,642	4,886
Unrealized (Gain)Loss on marketable securities	(4,325)	(4,103)	(548)
(Gain)Loss on disposal of assets	42	-	225
Accounts receivable	4,651	(2,833)	(1,754)
Prepaid expenses	(30,862)	(6,823)	(3,749)
Inventories	(4,428)	4,783	21,815
Accounts payable	1,862	12,734	(2,037)
Accrued liabilities	735	(772)	593
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>177,991</b>	<b>70,104</b>	<b>34,333</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of equipment	(3,247)	(3,151)	(10,021)
Proceeds from sale of marketable securities	99,637	64,000	-
Purchase of marketable securities	(225,603)	(117,138)	(199,466)
Net change in endowment cash investments	(11,216)	(8,772)	14,729
<b>CASH USED FOR INVESTING ACTIVITIES</b>	<b>(140,429)</b>	<b>(65,061)</b>	<b>(194,758)</b>
<b>INCREASE (DECREASE) IN CASH DURING YEAR</b>	<b>37,562</b>	<b>5,043</b>	<b>(160,425)</b>
Cash at the beginning of the year	327,322	322,279	482,704
Cash at the end of the year	\$ 364,884	327,322	322,279
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES</b>			
Bank charges	\$ (456)	(423)	(508)

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See accompanying notes to the financial statements

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

### PROGRAM SERVICES

For the year ended September 30, 2006	Education	Research & Clinical	Patient	Neuroleptic Malignant Syndrome	Total
Salaries & Wages	\$ 112,302	26,424	19,818	22,020	\$ 180,564
Payroll expenses	26,498	6,235	4,676	5,196	42,605
Materials	18,469	4,346	3,259	3,621	29,695
Telephone	3,390	797	598	665	5,450
Postage & Shipping	11,176	2,630	1,972	2,191	17,969
Insurance	1,000	-	-	1,000	2,000
Occupancy	-	-	-	-	-
Bank charges	-	-	-	-	-
Professional fees	5,008	-	-	544	5,552
Contracted services	20,034	4,714	3,535	3,928	32,211
Printing & Publications	32,050	5,740	4,305	4,784	46,879
Conferences & Meetings	23,724	4,249	-	3,541	31,514
Awards & Honors	-	1,922	-	5,233	7,155
Research grants	-	84,902	-	-	84,902
Travel	27,225	-	-	7,447	34,672
Other	1,318	310	233	258	2,119
Depreciation	-	-	-	-	-
<b>Total program services</b>	<b>\$ 282,194</b>	<b>142,269</b>	<b>38,396</b>	<b>60,428</b>	<b>\$ 523,287</b>

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## SUPPORTING SERVICES

For the year ended September 30, 2006	<b>General &amp; Administrative</b>	<b>Fundraising</b>	<b>Total</b>	<b>2006</b>
Salaries & Wages	\$ 15,414	24,222	\$ 39,636	<b>\$ 220,200</b>
Payroll expenses	3,637	5,715	9,352	<b>51,957</b>
Materials	2,535	3,983	6,518	<b>36,213</b>
Telephone	465	731	1,196	<b>6,646</b>
Postage & Shipping	1,534	2,411	3,945	<b>21,914</b>
Insurance	3,118	-	3,118	<b>5,118</b>
Occupancy	11,455	-	11,455	<b>11,455</b>
Bank charges	456	-	456	<b>456</b>
Professional fees	6,919	2,121	9,040	<b>14,592</b>
Contracted services	2,750	4,321	7,071	<b>39,282</b>
Printing & Publications	500	457	957	<b>47,836</b>
Conferences & Meetings	-	3,895	3,895	<b>35,409</b>
Awards & Honors	-	-	-	<b>7,155</b>
Research grants	-	-	-	<b>84,902</b>
Travel	2,563	-	2,563	<b>37,235</b>
Other	181	284	465	<b>2,584</b>
Depreciation	4,791	-	4,791	<b>4,791</b>
<b>Total supporting services</b>	<b>\$ 56,318</b>	<b>48,140</b>	<b>\$ 104,458</b>	<b>\$ 627,745</b>

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## STATEMENT OF NATURAL EXPENSES

For the years ended September 30,	2006	2005	2004
Salaries & Wages	\$ 220,200	200,347	168,522
Payroll expenses	51,957	51,748	38,912
Copywriting	-	4,000	8,400
Materials	36,213	21,092	18,572
Telephone	6,646	6,018	5,718
Postage & Shipping	21,914	14,782	21,344
Insurance	5,118	6,253	6,269
Occupancy	11,455	11,980	11,199
Bank charges	456	423	508
Professional fees	14,592	19,429	16,977
Contracted services	39,282	36,993	33,983
Printing & Publications	47,836	35,980	35,573
Conferences & Meetings	35,409	37,376	27,721
Symposium	-	987	17,252
Awards & Honors	7,155	7,500	8,713
Research grants	84,902	99,500	87,856
Travel	37,235	34,456	55,919
Other	2,584	1,327	426
Depreciation	4,791	5,642	4,886
Total natural expenses	\$ 627,745	595,833	568,750

See independent auditors' report

See accompanying notes to the financial statements

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1

#### Nature of Activities and Significant Accounting Policies

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The Malignant Hyperthermia Association of the United States, Inc. (MHAUS or the Organization) is a not-for-profit corporation that was formed for the purpose of increasing the medical professions' and the general public's awareness and understanding of the syndrome, malignant hyperthermia (MH). MHAUS is dedicated to reducing the morbidity and mortality of MH by improving medical care related to MH, providing support information for patients and improving the scientific understanding and research related to MH. It performs these objectives by publishing newsletters and articles, hosting educational seminars, attending appropriate professional and public seminars to disseminate information about the syndrome and performing such other functions as required to increase the knowledge of the syndrome.

#### Basis of Presentation

The Organization reports 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

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent liabilities, and the reported revenue and expenses.

#### Inventory

Consists of educational materials. Videotapes, audio tapes, brochures, pamphlets, etc. in inventory are stated at the lower of cost or market, cost being determined using the first-in, first-out (FIFO) method.

#### Investments

Investments are carried at fair value. Unrealized gains and losses, if any, are included in the change in net assets.

#### Securities Transactions

The Organization records securities transactions and recognizes related revenues on a trade date basis. Investment banking fees and expenses are recorded on an accrual basis.

#### Promises to Give

Contributions from the public are recognized when the donor makes an unconditional promise to give cash (or any other valuable asset) to the Organization. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine collectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

At the balance sheet date, there are no significant promises to give.

# **MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Cash and Cash Equivalents**

The Organization considers cash in operating bank accounts, cash on hand, and certificates of deposit, U.S. Treasury Bills and other highly liquid debt instruments purchased with maturity of three months or less to be cash and cash equivalents.

### **Pledges Receivable**

The Organization uses the allowance for doubtful accounts method for valuing accounts receivable. This reduces the current balance of pledges receivable by the estimated bad debts expected to occur based on previous experience.

### **Property and Equipment**

The Organization capitalizes all expenditures for land and land improvements, buildings, and equipment costing \$500 or more at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and furniture	2-10 years
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Contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. If the donor does not stipulate how long those assets must be maintained, the Organization reports expirations of donor restrictions when the acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### **Restricted and Unrestricted Revenue and Support**

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

Support that is restricted by the donor 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.

### **Donated Materials and Services**

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contribution of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided. No amounts have been reflected in the financial statements for those services.

### **Advertising**

Advertising costs are generally charged to operations as incurred.

### **Income Taxes**

MHAUS has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

### **Functional Classification of Expenses**

Functional expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on units of



# **MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

service and support costs are allocated to a program based on total program costs. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function.

### **Education**

The Malignant Hyperthermia Association of the United States, Inc provides a variety of educational support services for medical professionals and patients susceptible to malignant hyperthermia. These include videos, audio tapes, literature, monographs, professional conferences, special meetings, Web site, and newsletters.

### **Research & Clinical**

This includes all activities that support the Malignant Hyperthermia Hotline, North American Malignant Hyperthermia Registry of MHAUS (located at the University of Pittsburgh Medical School, Pennsylvania) and research programs.

### **Patient**

This includes programs directed to educate and support Malignant Hyperthermia Susceptible (MHS) patients and their families. The programs include all the materials mentioned under the education section but with the expansion emphasis on a patient educational conference and seminars, a patient identification tag program, a patient news bulletin and a patient liaison committee program where MHS patients work together to provide local and national support.

### **Neuroleptic Malignant Syndrome (NMS)**

This category includes formation of a NMS hotline, educational support services and a database for medical professionals and patients' involvement in this syndrome caused by antipsychotic drugs.

### **General & Administrative**

Expenditures associated with the overall operation of the Organization. These expenditures are not directly part of the program services operating at the Organization. They are indirect and necessary for the Organization's existence.

### **Fundraising**

Expenditures associated with fundraising activities of the Organization. These expenditures are not directly part of the program services operating at the Organization.

### **Compensated Absences and Employee Benefits**

Employees of the Organization are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors.

There are no unfunded health care or retirement plans.

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2

#### Restrictions on Net Assets

The Organization's unrestricted net assets:

September 30,		2006
Designated for property and equipment	\$	11,701
Undesignated		702,545
Unrestricted net assets	\$	714,246

Restricted net assets are available for the following purposes or periods:

September 30, 2006	Permanent	Temporary	Total
Lila and Jerry Lewis Memorial Fund	\$ 74,901	15,052	\$ 89,953
Rosenberg Research Fund	43,304	7,404	50,708
Shah Educational Awareness Fund	17,405	1,806	19,211
P&GP Specific Project Grant	-	91,079	91,079
Janssen Medical Affairs, LLC Grant	-	10,000	10,000
Restricted net assets	\$ 135,610	125,341	\$ 260,951

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

September 30, 2006	Permanent	Temporary	Total
Procter & Gamble Pharmaceuticals	\$ -	342,206	\$ 342,206
American Society of Anesthesiologists	-	19,500	19,500
American Association of Nurse Anesthetists	-	5,000	5,000
Sharn	-	3,000	3,000
Vanguard Anesthesia Associates	-	5,000	5,000
Daniel Massik Memorial Fund	-	3,000	3,000
Janssen Medical Affairs, LLC	-	10,000	10,000
AstraZeneca LP	-	10,000	10,000
Bristol-Myers Squibb Co.	-	5,000	5,000
Wal-Mart	-	1,000	1,000
Napolitano Fund	-	435	435
Neuroleptic Malignant Syndrome Donors	-	2,436	2,436
Rosenberg Fund	-	561	561
Total net assets released from restrictions	\$ -	407,138	\$ 407,138

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3

#### Endowment Funds and Trusts

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##### LILA & JERRY LEWIS MEMORIAL FUND

During fiscal 1987, the Organization became the recipient of this memorial fund. Use of monies contributed to this fund and any earnings are restricted for use in special programs, as designated and approved by the Board of Directors. The programs increase the general understanding of malignant hyperthermia. The fund is further restricted in that the Board may not use more than 20% of the corpus in any one fiscal year for such programs. It may, however, use any and all of the earnings from the fund for these programs.

##### ROSENBERG RESEARCH FUND

During fiscal 1995, the Organization became the recipient of this research fund. Use of monies contributed to this fund and any earnings are restricted for use in support of any type of research related to malignant hyperthermia or allied syndromes. The Board of Directors has ultimate authority on the use of the funds. However, the fund is further restricted in that the Board may not use more than 20% of the corpus at any one time. It may, however, use any and all of the earnings from the fund for these purposes.

##### SHAH EDUCATIONAL AWARENESS FUND

During fiscal 2000, the Organization established this fund. The purpose of the fund is to alert and educate medical professionals, assist patients, and disseminate new knowledge about Neuroleptic Malignant Syndrome. NMSIS will use publications, educational brochures, conferences and other methods for increasing awareness and ensuring that patients with NMS are recognized and treated efficiently and effectively. The Board of Directors has ultimate authority on the use of the funds.

### NOTE 4

#### Investments in Marketable Securities

---

A Board of Directors governs the Organization's investment policies. The Organization has entered into an investment management agreement with a local financial institution in order to maximize return on their idle cash.

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

Investments in marketable securities are summarized as follows:

September 30, 2006	Cost	Market	Unrealized Gain(Loss)
Domestic Equity Securities	\$ 72,535	\$ 82,323	\$ 9,788
Mutual Funds	6,412	7,622	1,210
Fixed Income Securities	280,018	278,285	(1,733)
	<u>\$ 358,965</u>	<u>\$ 368,230</u>	<u>\$ 9,265</u>

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

The investments are sold when cash needs develop or when good investment management dictates a change in the securities held. The difference between the net proceeds from sale and cost represents the realized gain or loss on the sale of securities. The unrealized gain or loss for a year is the relative change in the market values from the beginning to the end of the year for securities that were not sold.

For the years ended September 30,	2006	2005	2004
<b>Capital Gains</b>			
Realized gains (loss)	\$ 395	-	-
Unrealized gains (loss)	4,325	4,103	548
Capital gain distributions	259	-	-
<b>Interest earned</b>			
Fixed income securities	7,017	4,726	18
Government obligations	16,103	7,034	3,403
Insurance company CD	1,756	1,698	-
<b>Dividends</b>			
Equities	1,549	1,372	254
	<u>\$ 31,404</u>	<u>18,933</u>	<u>4,223</u>

The Organization may, at times throughout the year, maintain certain bank accounts in excess of the FDIC insured limits.

### NOTE 5 Post Employment Employee Benefits

The Organization currently has no retirement plan or post employment benefit package.

### NOTE 6 Economic Dependency

A major part of the Organization's contributions come from Procter & Gamble. Procter & Gamble's Pharmaceuticals division produces the drug, dantrolene sodium (Dantrium). Dantrium has been found to be a fast acting, effective treatment of malignant hyperthermia. A loss of the Procter & Gamble contribution would have a materially adverse effect on the Organization.

**MALIGNANT HYPERTHERMIA ASSOCIATION  
OF THE UNITED STATES, INC.**

**SUPPLEMENTARY CHARTS AND GRAPHS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## SUPPLEMENTARY CHARTS AND GRAPHS

Figure 1

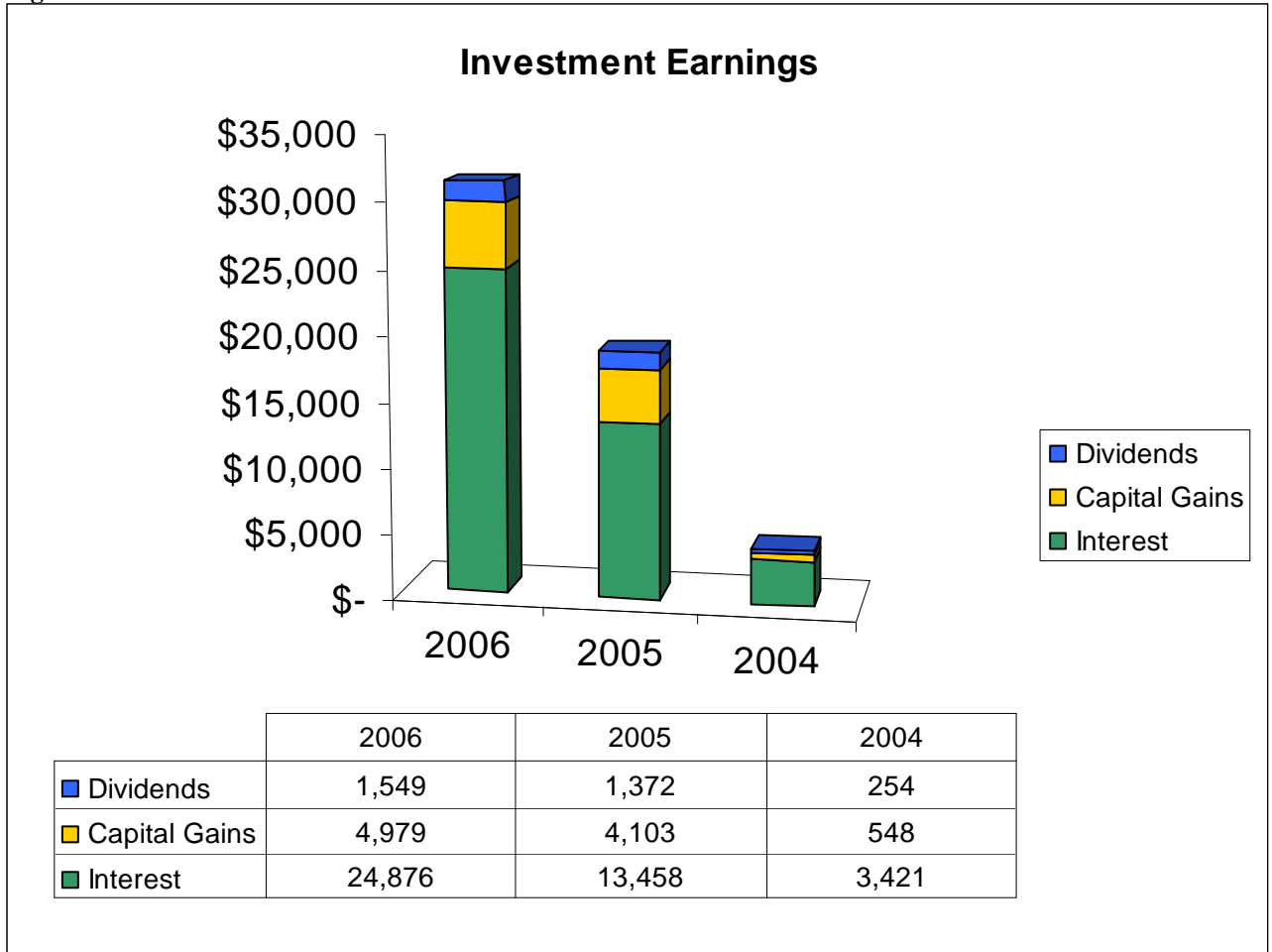


Figure 1 represents a yearly comparison of earnings on investments broken down into three categories of income.

The majority of investments are held by MHAUS are fixed income securities. On September 30, 2006, investments in government obligations represented 49% of total investments held. Certificates of deposit accounted for 40% of the investment portfolio. The remaining investments are comprised of common stock and mutual funds.

Earnings on investments continue to increase as idle cash is being moved from checking accounts into investment accounts. The value of investment accounts as of September 30, 2006 is approximately \$150,000 higher than the balance one year prior.

Figure 2

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## SUPPLEMENTARY CHARTS AND GRAPHS

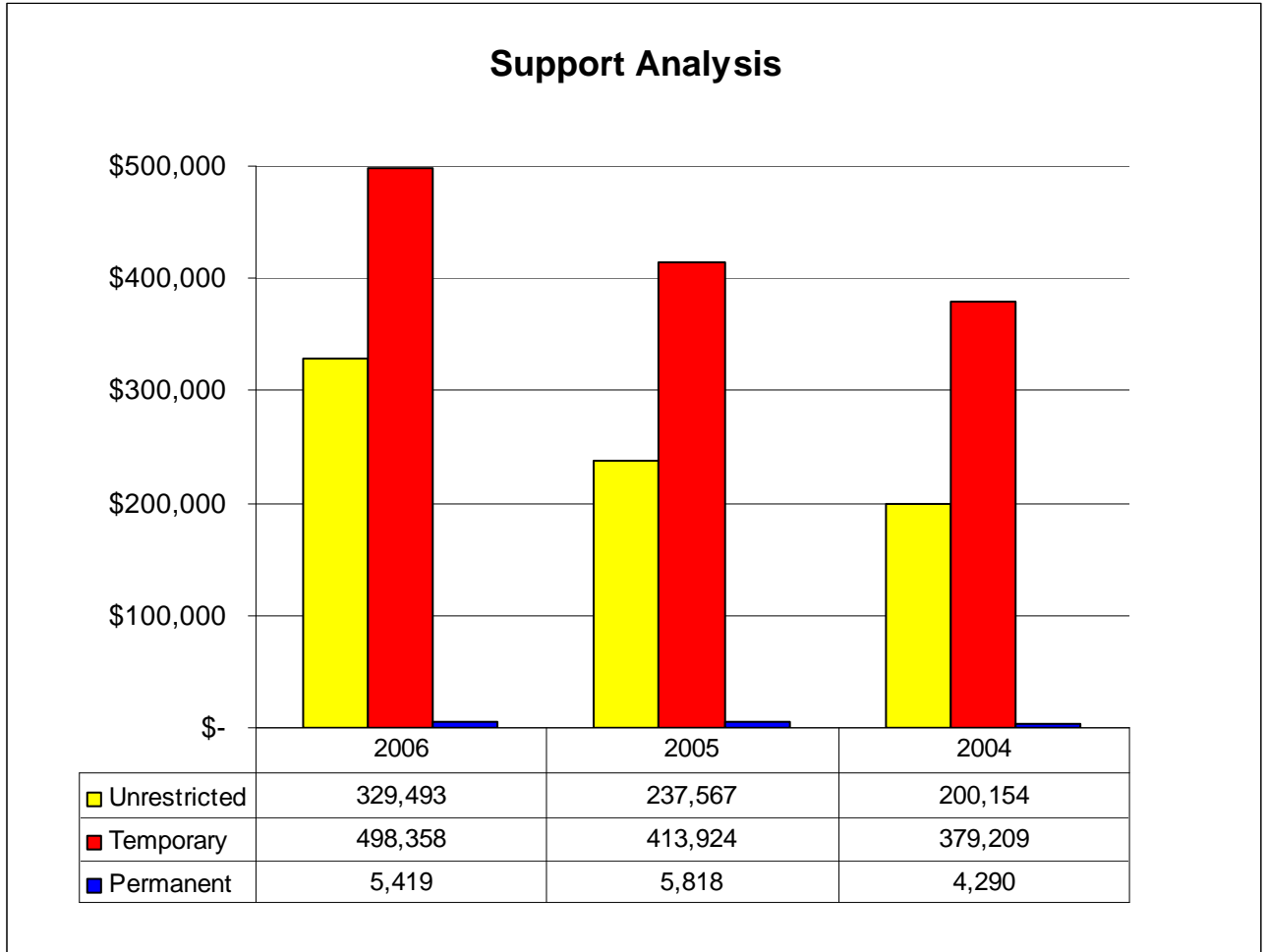


Figure 2 provides an analysis of support over a three year period. Support is classified into three categories: Unrestricted, temporarily restricted, and permanently restricted.

Unrestricted support increase at a higher rate than it did in the previous year. The increase was slightly more than \$90,000. This can be attributed to a \$50,000 rise in contributions received from the general public and a \$40,000 rise in revenues derived from inquiry fulfillment service fees.

The boost in temporarily restricted revenue was also significant. A grant for \$100,000 was received close to the fiscal year end, but the majority of the funds were to be used for the 2006-07 fiscal year. This forced the remaining funds of the grant to be recorded as temporarily restricted revenue. Had the funds been received in the 06-07 fiscal year, temporarily restricted revenue would have remained approximately the same as the prior year.

Permanently restricted revenue remained at a normal level with only a very slight decrease.

# MALIGNANT HYPERTHERMIA ASSOCIATION OF THE UNITED STATES, INC.

## SUPPLEMENTARY CHARTS AND GRAPHS

Figure 3

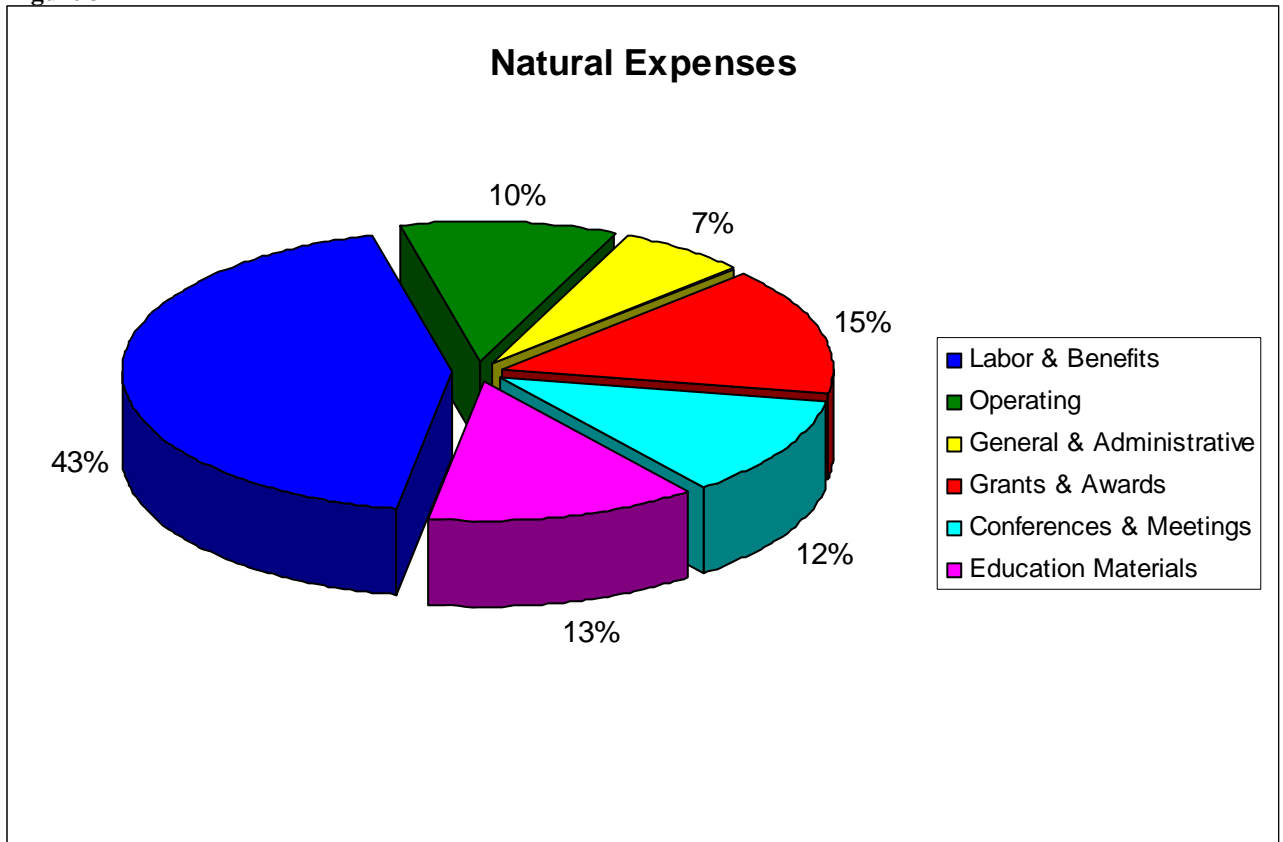


Figure 3 breaks down total expenses into natural expense categories.

Expenses for educational materials increased more than \$25,000 due to increased spending on printing, publications, and audio/visual materials used for promoting and supporting public awareness and education. In 2005, educational materials only accounted for 10% of expenses.

Labor and benefits always account for the majority of expenses in this type of service organization. Historically, labor and benefits accounted for 37% of total expenses. In 2005, labor and benefits were 42% of total expenses. This percentage continues to increase as salaries and payroll taxes rise. Salary and wage expenses increased \$20,000 in 2006.

Grants and awards were \$15,000 less than the prior year, so the percentage decreased from 18% to 15% of total expenses. Historically, grants and awards expenses have been closer to 10% of total expenses.