

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning , 2005, and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization THE COSMETIC, TOILETRY AND FRAGRANCE ASSOCIATION, INC.		D Employer identification number 13-1390920
		Number and street (or P O box if mail is not delivered to street address) Room/suite		E Telephone number
		1101 17TH STREET, NW 300		(202) 331-1770
		City or town, state or country, and ZIP + 4		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶
		WASHINGTON, DC 20036-4702		

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website. WWW.CTFA.ORG

J Organization type (check only one) ☒ 501(c) (6) (insert no) 4947(a)(1) or 527

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? (If "No," attach a list. See instructions.) ☐ Yes ☐ NoH(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12. 16,177,376.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a		
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ noncash \$)	1d		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	3,685,751.	
	3	Membership dues and assessments	3	8,947,412.	
	4	Interest on savings and temporary cash investments	4	590,526.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
Expenses	b	Less: rental expenses	6b		
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
	7	Other investment income (describe ▶)	7		
	8a	Gross amount from sales of assets other than inventory	(A) Securities 8a (B) Other		
	b	Less: cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
Net Assets	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
	11	Other revenue (from Part IV, line 103)	11	2,953,687.	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 8d, 9c, 10c, and 11)	12	16,177,376.	
	13	Program services (from line 44, column (B))	13		
	14	Management and general (from line 44, column (C))	14		
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	20,352,998.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-4,175,622.		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	11,891,701.		
20	Other changes in net assets or fund balances (attach explanation) STMT. 1	20	-946,151.		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	6,769,928.		

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2005)

SCANNED NOV 20 2006

RECEIVED
NOV 20 2006
OPEN UNIT

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	6,280,715.		
26	Other salaries and wages	26	4,337,408.		
27	Pension plan contributions	27	1,197,361.		
28	Other employee benefits	28	755,742.		
29	Payroll taxes	29	451,488.		
30	Professional fundraising fees	30			
31	Accounting fees	31	81,234.		
32	Legal fees	32	378,512.		
33	Supplies	33	145,507.		
34	Telephone	34	54,029.		
35	Postage and shipping	35	50,972.		
36	Occupancy	36	722,260.		
37	Equipment rental and maintenance	37	109,631.		
38	Printing and publications	38	893,690.		
39	Travel	39	353,482.		
40	Conferences, conventions, and meetings	40	1,192,185.		
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42	158,141.		
43	Other expenses not covered above (itemize)		STMT 2		
a	MISCELLANEOUS	43a	35,877.		
b	INTERESTED PARTIES	43b	729,134.		
c	SPECIAL ASSESSMENTS	43c	1,433,904.		
d	CONSULTING	43d	224,191.		
e	REGULATORY PROGRAMS	43e	536,880.		
f	RESEARCH	43f	230,655.		
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44	20,352,998.		

Joint Costs: Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a RESEARCH: CONDUCT SCIENTIFIC STUDIES ON SUBJECTS & INTERESTS OF THE INDUSTRY.

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

b MEETINGS & CONVENTIONS: PROVIDE EDUCATIONAL OPPORTUNITIES TO LEARN OF NEW OR PROPOSED DEVELOPMENTS & REGULATIONS AFFECTING THE INDUSTRY.

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

c LEGISLATIVE: REPRESENT THE INDUSTRY'S POSITION & PRACTICES TO REGULATORY & LEGISLATIVE BODIES.

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

d PUBLICATIONS: PUBLISH REFERENCE BOOKS & MATERIALS REGARDING INGREDIENTS, RESOURCES, COLOR & SAFETY FOR THE BENEFIT OF THE INDUSTRY.

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

e Other program services (attach schedule)
(Grants and allocations \$) If this amount includes foreign grants, check here ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services). ☐

Form 990 (2005)

Part IV Balance Sheets (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	3,828,205.	45	400,892.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 119,817.		
	b Less allowance for doubtful accounts	47b	143,267.	47c 119,817.
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use	482,046.	52	500,499.
	53 Prepaid expenses and deferred charges	258,472.	53	495,506.
	54 Investments - securities (attach schedule) STMT 4. <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	20,821,919.	54	10,493,766.
	55a Investments - land, buildings, and equipment basis	55a		
b Less accumulated depreciation (attach schedule)	55b		55c	
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment basis STMT 5. 57a 1,608,969.				
b Less accumulated depreciation (attach schedule)	57b 1,288,527.	285,492.	57c 320,442.	
58 Other assets (describe <input type="checkbox"/> STMT 6)	417,448.	58	1,458,096.	
59 Total assets (must equal line 74) Add lines 45 through 58	26,236,849.	59	13,789,018.	
Liabilities	60 Accounts payable and accrued expenses	1,726,356.	60	3,938,383.
	61 Grants payable		61	
	62 Deferred revenue	3,616,890.	62	2,844,832.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
65 Other liabilities (describe <input type="checkbox"/> STMT 7)	9,001,902.	65	235,875.	
66 Total liabilities. Add lines 60 through 65	14,345,148.	66	7,019,090.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	7,918,865.	67	6,769,928.
	68 Temporarily restricted	3,972,836.	68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	11,891,701.	73	6,769,928.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	26,236,849.	74	13,789,018.

Part IV-A **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	16,000,157.
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	-177,219.
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	-177,219.
c	Subtract line b from line a	c	16,177,376.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12) Add lines c and d	e	16,177,376.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	20,768,979.
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) — SEE STATEMENT 8	b4	415,981.
	Add lines b1 through b4	b	415,981.
c	Subtract line b from line a	c	20,352,998.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) —	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	20,352,998.

Part V **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

[illegible]

Yes	No
-----	----

--	--	--	--

75b	X
-----	---

75c	x
-----	---

75d	X	
-----	---	--

[illegible]

	Yes	No
--	-----	----

76		X
----	--	---

77		X
----	--	---

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

78a	X
-----	---

78b	X	
-----	---	--

79		X

--	--	--	--

80a	X	
-----	---	--

1104

--	--	--

81b	X
-----	---

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82 b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III).		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	X	
84 b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	X	
85 a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?		X
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
85 c	Dues, assessments, and similar amounts from members	7,973,412.	
85 d	Section 162(e) lobbying and political expenditures	1,070,232.	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	398,671.	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	671,561.	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		X
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	X	
86 a	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87 a	501(c)(12) orgs Enter a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 N/A, section 4912 N/A, section 4955 N/A		
89 b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	N/A	
89 c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	N/A	
89 d	Enter Amount of tax on line 89c, above, reimbursed by the organization	N/A	
90 a	List the states with which a copy of this return is filed DC		
90 b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	43	
91 a	The books are in care of THE CORPORATION Telephone no 202-331-1770		
	Located at 1101 17TH ST., NW, SUITE 300 WASHINGTON, DC ZIP + 4 20036-4702		
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	If "Yes," enter the name of the foreign country		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
91 c	At any time during the calendar year, did the organization maintain an office outside of the United States?		X
	If "Yes," enter the name of the foreign country		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here		
	and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a MEETINGS & CONF.					1,314,169.
b PUBLICATIONS	541800	288,595.			1,353,853.
c INT. PARTIES PROG.					729,134.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					8,947,412.
95 Interest on savings and temporary cash investments			14	590,526.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b STMT 10				1,433,904.	1,519,783.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		288,595.		2,024,430.	13,864,351.
105 Total (add line 104, columns (B), (D), and (E))					16,177,376.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge	
	Signature of officer 	Date 11/2/06
Paid Preparer's Use Only	Type or print name and title PAMELA G. BAILEY PRESIDENT	
	Preparer's signature 	Date 11/1/06
	Firm's name (or yours if self-employed), address, and ZIP + 4 GRANT THORNTON LLP 2010 CORPORATE RIDGE, SUITE 400 MCLEAN, VA 22102	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See Gen. Inst. W) EIN 703-847-7500

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES
=====DESCRIPTION
-----AMOUNT

NET UNREALIZED LOSS ON INVESTMENT
CHANGE IN MINIMUM PENSION LIABILITY
PRIOR PERIOD ADJUSTMENT

177,219.

415,981.

352,951.

TOTAL

946,151.
=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

REPRESENT INTEREST OF COSMETIC, TOILETRY & FRAGRANCE INDUSTRY

FORM 990, PART IV - INVESTMENTS - SECURITIES
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	COST OR FMV -----
CASH & CASH EQUIVALENTS	1,491,546.	FMV
GOVERNMENT SECURITIES	6,905,108.	FMV
EQUITY MUTUAL FUNDS	2,023,509.	FMV
ACCRUED INTEREST	73,603.	FMV

TOTALS	10,493,766.	
	=====	

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

=====

FIXED ASSET DETAIL

ACCUMULATED DEPRECIATION DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
FIXED ASSETS		1,608,969.			1,608,969.	1,130,386.	158,141.		1,288,527.
		-----			-----	-----			-----
TOTALS		1,608,969.			1,608,969.	1,130,386.			1,288,527.
		=====			=====	=====			=====

THE COSMETIC, TOILETRY AND

13-1390920

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION

ENDING
BOOK VALUE

DUE FROM AFFILIATE
PREPAID PENSION

84,653.
1,373,443.

TOTALS

1,458,096.
=====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
SUPPLEMENTAL RETIREMENT LIAB.	235,875.

TOTALS	235,875.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN
=====DESCRIPTION
-----AMOUNT

CHANGE IN MINIMUM PENSION LIAB

415,980.

TOTAL

415,980.
=====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
PAMELA G. BAILEY 1101 17TH STREET, NW 300 WASHINGTON, DC 20036-4702	PRESIDENT 36	1,099,219.	462,034.	NONE
EDWARD KAVANAUGH 1101 17TH STREET, NW 300 WASHINGTON, DC 20036-4702	PRESIDENT 35	4,573,922.	8,579,323.	NONE
	GRAND TOTALS	----- 5,673,141. =====	----- 9,041,357. =====	----- NONE =====

FORM 990, PART VII - OTHER REVENUE

=====

DESCRIPTION -----	BUSINESS CODE -----	AMOUNT -----	EXCLUSION CODE -----	AMOUNT -----	RELATED OR EXEMPT FUNCTION INCOME -----
MISCELLANEOUS					59,300.
FREE SALE CERT.					1,421,672.
INTERESTED PARTY					30,843.
WORK YOUR IMAGE					7,968.
CALIFORNIA ASSESS.			01	1,421,653.	
SPECIAL ASSESSMENT			01	12,251.	
		-----		-----	-----
TOTALS		=====		=====	=====
				1,433,904.	1,519,783.

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES
=====

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
93A	EDUCATES INDUSTRY ON NEW OR PROPOSED REGULATORY ACTIONS, PRACTICES SCIENTIFIC ADVANCES
93B	PROVIDES RECOGNIZED SOURCE FOR TECHNICAL/SCIENTIFIC DATA, REGULATORY REQUIRMENTS, ETC.
93C	REPRESENTS RESEARCH PROGRAMS CONDUCTED ON BEHALF OF A SPECIFIC MEMBER OR GROUP OF MEMBERS AT SUCH MEMBER'S REQUEST
94	PROVIDES MEMBER BENEFITS SUCH AS TECHNICAL REGULATION NOTES, PROMOTION OF SAFE PRODUCTS, EDUCATIONAL MATERIALS, SCIENTIFIC NEEDS & INTERESTS, EFFECTS THE INTERNATIONAL ACTIVITIES, ETC
103A	PROVIDES SOURCE OF MATERIALS, ETC
103B	PROVIDES FOREIGN REGULATORY ASSISTANCE TO THE INDUSTRY
103C	FACILITATES MEMBERS TO ENGAGE IN INITIATIVES THAT ARE OF MUTUAL INTEREST TO INDUSTRY PARTICIPANTS
103D	PUBLIC AWARENESS PROGRAM ON THE IMPORTANCE OF WORK AND IMAGE

CTFA BOARD OF DIRECTORS

Harvey Alstodt
President Del Cosmetics
Del Laboratories

Laurent Attal
President/CEO
L'Oreal USA, Inc.

E. Scott Beattie
Chairman/CEO
Elizabeth Arden

Jess A. Bell, Jr.
Chairman/CEO
Bonne Bell, Inc.

Howard Bernick
President/CEO
Alberto-Culver Co.

Daniel J. Brestle
Chief Operating Officer
Estee Lauder Companies

Lori Bush
President
Nu Skin Enterprises

Daniel J. Carey
General Manager
Noville, Division of
Firmenich

Bradley Casper
President & CEO
The Dial Corporation

Maureen Chiquet
President/COO
Chanel, Inc.

Maggie Ciafardini
CEO/Managing Director
YSL Beaute

Christopher Combe
Chairman and President
Combe Inc.

Ian Cook
President, Colgate US
Colgate-Palmolive

Neil DeFeo
President & CEO
Playtex Products, Inc.

William Fox
President/CEO
LQ Corporation

William Gentner
President/CEO
Kao Brands Company

Francine Gingras
Director, External
Relations
Procter & Gamble Beauty

Colleen Goggins
Worldwide Chairman
Consumer and Personal
Care Group
Johnson & Johnson

Richard Goldstein
Chairman/CEO
International Flavors &
Fragrances

Jill Granoff
President & COO
Victoria's Secret

John Hewson
President
Kolmar Labs, OSG

Jeffrey S. Himmel
Chairman & CEO
Himmel Hair Care
Products

David Holl
President & COO
Mary Kay, Inc.

Eric Horowitz
President, Clarins Brand
Groupe Clarins USA

Robert Julius
CEO
Nice-Pak Products

Andrea Jung
Chairman/CEO
Avon Products, Inc.

James Kenton
President, Beiersdorf NA
Beiersdorf, Inc.

Edward Lewis
Chairman/CEO
Essence Communications

James Mackey
Senior Vice President
Schering-Plough
Healthcare Products

Thomas Malafronte
President/General Mgr
Chemron Lubrizol/Noveon

Heidi Manheimer
Chief Executive Officer
Shiseido Cosmetics (Am)

Linda Marshall
President
Elysee Scientific Cos.

Robert McEwan
VP, Global Planning &
Performance Mgt
Firmenich SA

Michael McNamara
Global President
Neutrogena

Jean-Claude Moreau
Director
Pochet of America

Jack Nethercutt
Vice Chairman
Merle Norman

Colin O'Neill
President, Fragrances NA
Givaudan Fragrances

Robert Phillips
Managing Director
Clarecastle Group

Michael Polk
President, Unilever US
Unilever

Michael Powell
President
Colomer Group

*Marc S. Pritchard
President, Global
Cosmetics & Retail Hair
Colorants
Procter & Gamble

George Quesnelle
President, Consumer
Healthcare
GlaxoSmithKline

Stephen I. Sadove
Vice Chairman/COO
Saks Incorporated

George Schaeffer
President/CEO
OPI Products, Inc.

Gary Schmidt
Sr. VP/General Counsel
Alberto-Culver

Elizabeth Smith
Executive Vice President/
Brand President
Avon Products, Inc.

Arthur Spiro
President
Liz Claiborne Cosmetics

Jack Stahl
President/CEO
Revlon, Inc.

Janice Teal
Group VP & CSO
Avon Products

Damas Thoman
President
Quest International
Fragrances Co.

Eric Thoreux
President, Coty Beauty
Americas
Coty, Inc.

Lucille Van Baaren
Exec. Dir- Regulatory Aff.
Estee Lauder

Kenneth Wessel
President
Wessel Fragrances

*Chair

PAGE 6 - PART VI - QUESTION 80B

=====

The Cosmetic, Toiletry, and Fragrance Association, Inc. (the Foundation),
The Cosmetic, Toiletry, and Fragrance Political Action Committee (the Federal PAC),
The Cosmetic, Toiletry, and Fragrance California Political Action Committee (the State
PAC).

EXHIBIT 2

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box. ☒ **X**

Note: Only complete **Part II** if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <u>THE COSMETIC, TOILETRY AND FRAGRANCE ASSOCIATION, INC.</u>	Employer identification number <u>13-1390920</u>
	Number, street, and room or suite no. If a P.O. box, see instructions <u>1101 17TH STREET, NW 300</u>	For IRS use only
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions <u>WASHINGTON, DC 20036-4702</u>	

Check type of return to be filed (File a separate application for each return)

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T(sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 4720	

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ☒ THE CORPORATION

Telephone No. 202 331-1770

FAX No.

• If the organization does **not** have an office or place of business in the United States, check this box. ☐

• If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) . If this is for the **whole group**, check this box ☐. If it is for **part** of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 11/15/2006

5 For calendar year 2005, or other tax year beginning and ending

6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS REQUESTED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and that I am authorized to prepare this form.

Signature David Cottone

Title CPA/Agent

Date 8/14/06

Notice to Applicant - To Be Completed by the IRS

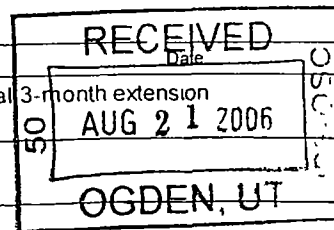
<input checked="" type="checkbox"/>	We have approved this application. Please attach this form to the organization's return.
<input type="checkbox"/>	We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
<input type="checkbox"/>	We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
<input type="checkbox"/>	We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
<input type="checkbox"/>	Other <u></u>

Director

By

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name <u>GRANT THORNTON LLP ATTN: DAVID COTTONE</u>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <u>2010 CORPORATE RIDGE, SUITE 400</u>
	City or town, province or state, and country (including postal or ZIP code) <u>MCLEAN, VA 22102</u>



Application for Extension of Time To File an
Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ X
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only. ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns.

Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization	THE COSMETIC, TOILETRY AND	Employer identification number
		FRAGRANCE ASSOCIATION, INC.	13-1390920
	Number, street, and room or suite no. If a P.O. box, see instructions		
	1101 17TH STREET, NW	300	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
	WASHINGTON, DC 20036-4702		

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ▶ THE CORPORATION

Telephone No. ▶ 202 331-1770

FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until 08/15, 2006, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ ☒ calendar year 2005 or
- ▶ ☐ tax year beginning, and ending

2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ -0-

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 12-2004)