

**DOWN SYNDROME ASSOCIATION  
OF GREATER SAINT LOUIS**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2011**



DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Down Syndrome Association of Greater Saint Louis

We have audited the accompanying statement of financial position of the Down Syndrome Association of Greater Saint Louis (a non-profit organization) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Down Syndrome Association of Greater Saint Louis as of June 30, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fick, Eggemeyer & Williamson, CPA's  
October 20, 2011

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF FINANCIAL POSITION

-----  
June 30, 2011

| <u>ASSETS</u>                                   |                              |
|---|------------------------------|
| <b>CURRENT ASSETS</b>                           |                              |
| Cash and cash equivalents                       | \$ 494,055                   |
| Pledges receivable                              | 1,000                        |
| Prepaid expenses                                | 1,175                        |
| Total current assets                            | <u>496,230</u>               |
| <br><b>PROPERTY AND EQUIPMENT</b>               |                              |
| Furniture                                       | 4,033                        |
| Equipment                                       | 8,936                        |
| Software  | 5,198                        |
| Less: accumulated depreciation and amortization | <u>(16,204)</u>              |
| Total property and equipment                    | <u>1,963</u>                 |
| <br>Total assets                                | <br><u><u>\$ 498,193</u></u> |
| <br><b>LIABILITIES AND NET ASSETS</b>           |                              |
| <b>CURRENT LIABILITIES</b>                      |                              |
| Accounts payable                                | \$ 6,165                     |
| Accrued payroll                                 | 9,957                        |
| Accrued payroll taxes                           | 6,457                        |
| Unearned revenue                                | 43,675                       |
| Total current liabilities                       | <u>66,254</u>                |
| <br>Total liabilities                           | <br><u>66,254</u>            |
| <br><b>NET ASSETS</b>                           |                              |
| Unrestricted                                    | 418,676                      |
| Temporarily restricted                          | 13,263                       |
| Permanently restricted                          | -                            |
| Total net assets                                | <u>431,939</u>               |
| <br>Total liabilities and net assets            | <br><u><u>\$ 498,193</u></u> |

See accompanying notes and auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF ACTIVITIES

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| For the year ended June 30,                 |                   |                           |                           | 2011              |
|---|-------------------|---------------------------|---------------------------|-------------------|
|   | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
| <b>Support and revenue</b>                  |                   |                           |                           |                   |
| Fundraising income                          | \$ 384,693        | \$ 26,525                 | \$ -                      | \$ 411,218        |
| Grant income                                | -                 | 36,305                    | -                         | 36,305            |
| Contributions                               | 268,799           | -                         | -                         | 268,799           |
| Conference                                  | 2,754             | -                         | -                         | 2,754             |
| Memorials                                   | 7,819             | -                         | -                         | 7,819             |
| Merchandise sales, net                      | 7,496             | -                         | -                         | 7,496             |
| Non-cash contributions                      | 46,789            | -                         | -                         | 46,789            |
| Program income                              | 26,468            | -                         | -                         | 26,468            |
| Interest income                             | 1,433             | -                         | -                         | 1,433             |
| Other income                                | 98                | -                         | -                         | 98                |
| <b>Total support and revenue</b>            | <b>746,349</b>    | <b>62,830</b>             | <b>-</b>                  | <b>809,179</b>    |
| <b>Net assets released from restriction</b> | <b>59,984</b>     | <b>(59,984)</b>           | <b>-</b>                  | <b>-</b>          |
| <b>Total</b>                                | <b>806,333</b>    | <b>2,846</b>              | <b>-</b>                  | <b>809,179</b>    |
| <b>Program expenses</b>                     | <b>334,938</b>    | <b>-</b>                  | <b>-</b>                  | <b>334,938</b>    |
| <b>Total program expenses</b>               | <b>334,938</b>    | <b>-</b>                  | <b>-</b>                  | <b>334,938</b>    |
| <b>Support expenses</b>                     |                   |                           |                           |                   |
| Administration                              | 63,932            | -                         | -                         | 63,932            |
| Fundraising                                 | 98,190            | -                         | -                         | 98,190            |
| <b>Total support expenses</b>               | <b>162,122</b>    | <b>-</b>                  | <b>-</b>                  | <b>162,122</b>    |
| <b>Total expenses</b>                       | <b>497,060</b>    | <b>-</b>                  | <b>-</b>                  | <b>497,060</b>    |
| <b>Change in net assets</b>                 | <b>309,273</b>    | <b>2,846</b>              | <b>-</b>                  | <b>312,119</b>    |
| <b>Net assets, beginning of year</b>        | <b>109,403</b>    | <b>10,417</b>             | <b>-</b>                  | <b>119,820</b>    |
| <b>Net assets, end of year</b>              | <b>\$ 418,676</b> | <b>\$ 13,263</b>          | <b>\$ -</b>               | <b>\$ 431,939</b> |

See accompanying notes and auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF CASH FLOWS

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| For the year ended June 30,  | 2011                     |
|--|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                          |
| Changes in net assets  | \$ 312,119               |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities: |                          |
| Depreciation and amortization  | 1,858                    |
| Changes in assets and liabilities:   |                          |
| (Increase) decrease in pledges receivable  | 8,000                    |
| (Increase) decrease in prepaid expenses  | (769)                    |
| Increase (decrease) in accounts payable  | 2,359                    |
| Increase (decrease) in accrued payroll   | 178                      |
| Increase (decrease) in accrued payroll taxes   | 1,113                    |
| Increase (decrease) in unearned revenue  | <u>43,675</u>            |
| Net cash provided by (used in) operating activities  | <u>368,533</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |
| None   | <u>-</u>                 |
| Net cash provided by (used in) investing activities  | <u>-</u>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                          |
| None   | <u>-</u>                 |
| Net cash provided by (used in) financing activities  | <u>-</u>                 |
| Net increase (decrease) in cash and cash equivalents   | 368,533                  |
| Cash and cash equivalents - beginning of year  | <u>125,522</u>           |
| Cash and cash equivalents - end of year  | <u><u>\$ 494,055</u></u> |

See accompanying notes and auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The mission of the Down Syndrome Association of Greater St. Louis (the Association) is to benefit the lives of people with Down Syndrome and their families through individual and family support, education, public awareness and advocacy.

The Association runs 22 programs under three core service areas. A program listing follows:

Family Support

- Expectant & New Parent Support
- Children's Hospital Down Syndrome Clinic Volunteers
- Helpline-hotline featuring the experience of over 70 professionals and parents
- Information packets for 25 area hospitals
- Social activities such as a Picnic and Holiday Party
- Thirteen Community/Support Groups
- Lose the Training Wheels Bike Clinic

Education

- Annual Family Conference Series, hosting nationally recognized and local presenters
- Lending Resource Library
- In-Service Training for Professionals
- Bi-weekly electronic newsletter
- Quarterly print newsletter
- Speakers Bureau
- Informational website
- Down Syndrome Specialist Program

Public Awareness and Advocacy

- Step Up for Down Syndrome
- Walk In The Park awareness event
- Advocacy training from Missouri Parents Act (Parent Training and Information Center)

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets, receipts, and disbursements are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

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

Temporarily restricted net assets - Net assets that are subject to donor-imposed stipulations that may be satisfied either by actions of the Association 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. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes. The Association presently has no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.



DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Promises to Give

Contributions are recognized when certain donors make unconditional promises to give to the Association. Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. Promises to give are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are determined to be uncollectible.

Furniture and Equipment

Furniture and equipment are stated at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over periods ranging from five to ten years. Software is amortized using the straight-line method over a three year period.

Contributions and Support

Program service revenues are recorded as unrestricted support when earned. Contributions and unconditional promises to give are recorded as temporarily restricted, permanently restricted, or unrestricted support depending on the existence or nature of any donor restrictions. When restrictions expire, restricted net assets are reclassified to unrestricted net assets. The Association records restricted contributions whose restrictions are met in the same reporting period as unrestricted.

Tax Status

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a).

On July 1, 2010, the Association adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The implementation of FIN 48 had no impact on the Association's statement of financial position or statement of activities. The Association does not believe its financial statements include any uncertain tax positions. The Association's tax returns filed prior to fiscal 2008 are closed.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 2 - 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. Costs are allocated between fundraising, administration or the appropriate program based on evaluations of the related benefits. Administrative expenses include those expenses which were not directly identifiable with any other specific functions but provide for the overall support and direction of the Association.

**NOTE 3 - PROPERTY AND EQUIPMENT**

The Association maintained the following property and equipment as of June 30, 2011:

|   | <u>2011</u>            |
|---|------------------------|
| Furniture                                       | \$ 4,033               |
| Equipment                                       | 8,936                  |
| Software  | <u>5,198</u>           |
|   | 18,167                 |
| Less: accumulated depreciation and amortization | <u>(16,204)</u>        |
| Total   | <u><u>\$ 1,963</u></u> |

Depreciation and amortization charged against income was \$1,858 for fiscal year 2011.

**NOTE 4 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 20, 2011, the date which the financial statements were available for issue.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 5 - LEASES**

In 2010, the Association entered into a lease agreement with US Bank Office Equipment Finance Services for a Ricoh copier. The lease period ends December 2011 with payments of \$60 per month.

In September 2008, the Association entered into a lease agreement with Toshiba American Business Solutions, Inc. for a copier. The lease period is for 60 months with payments of \$125 per month.

In September 2008, the Association entered into a lease agreement with Coast to Coast for a postage machine. The lease period is for 36 months with payments of \$43 per quarter.

In January 2009, the Association renewed an office space lease agreement with University Terrace Associates. The lease period is for 60 months with payments of \$2,102 per month.

In March 2011, the Association entered into a credit card equipment lease agreement with First Data, Inc. The lease period is for 48 months with payments of \$18 per month.

Minimum future lease payments under the above leases are as follows:

| <u>Year ended June 30,</u> | <u>Amount</u>    |
|----------------------------|------------------|
| 2012                       | \$ 27,343        |
| 2013                       | 25,815           |
| 2014                       | 12,828           |
| 2015                       | 162              |
|                            | <u>\$ 66,148</u> |

Expenses associated with these leases for the year ended June 30, 2011 was \$27,670.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted assets as of June 30, 2011 consisted of the following:

|                           |                  |
|---------------------------|------------------|
| Step Up for Down Syndrome | \$ 13,263        |
| Total                     | <u>\$ 13,263</u> |

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 7 - NON-CASH CONTRIBUTIONS**

The Association receives donations of professional services and products from various sources. During the fiscal year 2011, the Association received donated radio and television air-time ,and other professional services, which has been recognized as revenue and expense in the financial statements at a fair market value of \$46,789.

A significant number of volunteer hours were contributed to the Association. However, those activities have not been recognized as revenue because the criteria for recognition of volunteer efforts under SFAS No. 116 has not been satisfied.

**NOTE 8 - CONCENTRATION OF CREDIT RISK**

The Association had depository accounts with PNC Bank totaling \$501,584 as of June 30, 2011. This total cash balance is in excess of the federally insured limit of \$250,000 per depositor.

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES

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For the year ended June 30, 2011

|                               | Program<br>Expenses | General &<br>Administration | Fundraising      | Total             |
|-------------------------------|---------------------|-----------------------------|------------------|-------------------|
| Salaries                      | \$ 102,592          | \$ 47,759                   | \$ 26,533        | \$ 176,884        |
| Payroll taxes                 | 9,139               | 4,254                       | 2,363            | 15,756            |
| Advertising                   | 23,082              | -                           | 23,081           | 46,163            |
| Advocacy                      | 83,682              | -                           | -                | 83,682            |
| Fundraising                   | -                   | -                           | 35,864           | 35,864            |
| Bank fees                     | 419                 | 52                          | 52               | 523               |
| Credit card fees              | 3,078               | 385                         | 385              | 3,848             |
| Depreciation and amortization | 1,208               | 557                         | 93               | 1,858             |
| Dues and subscriptions        | 3,510               | 439                         | 437              | 4,386             |
| Equipment rental              | 2,417               | 302                         | 302              | 3,021             |
| Insurance                     | 2,568               | 321                         | 321              | 3,210             |
| Miscellaneous expense         | 6,762               | 845                         | 845              | 8,452             |
| Other program expense         | 26,829              | -                           | -                | 26,829            |
| Postage                       | 5,190               | 649                         | 648              | 6,487             |
| Printing                      | 4,788               | 598                         | 598              | 5,984             |
| Professional fees             | 24,189              | 3,024                       | 2,023            | 29,236            |
| Rent                          | 21,861              | 2,733                       | 2,732            | 27,326            |
| Supplies                      | 8,295               | 1,568                       | 1,568            | 11,431            |
| Telephone                     | 2,773               | 345                         | 345              | 3,463             |
| Travel                        | 1,653               | -                           | -                | 1,653             |
| Training                      | 903                 | 101                         | -                | 1,004             |
| <b>TOTAL</b>                  | <b>\$ 334,938</b>   | <b>\$ 63,932</b>            | <b>\$ 98,190</b> | <b>\$ 497,060</b> |

See accompanying notes and auditor's report