



**Fick, Eggemeyer  
& Williamson**

**Certified Public Accountants, PC**

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MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

August 6, 2012

Down Syndrome Association  
of Greater St. Louis  
Attn: Diane Schuch  
8420 Delmar Blvd., Suite 200  
St. Louis, MO 63124

Ms. Schuch:


We have completed a draft version of your fiscal 2012 financial statements

Please review the financial statements, and call us with any errors you may find or questions you may have. When you are satisfied that the statements are correct, please contact me to verify that they are ready to finalize. (Please let us know how many bound copies of the financial statements to produce for the board.) After finalization, we will prepare the Federal Form 990

Please also see the management representation letter. The letter is your representation to us that you have shown us all of the records and that you have told us about any fraud or other situations that could materially impact the financial statements. Please copy the letter onto your letterhead; then sign and return the letter to us.

Thank you for all of your help.

Sincerely,

  
Shawn Williamson, CPA



# Fick, Eggemeyer & Williamson

Certified Public Accountants, PC

CPA  
MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Down Syndrome Association of Greater Saint Louis

We have audited the statement of financial position and the related statements of activities, functional expenses, and cash flows as of and for the year ended June 30, 2012, and have issued our report thereon dated August 6, 2012. Professional standards require that we provide you with the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 31, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 23, 2012.

### Significant Audit Findings

*Qualitative Aspects of Accounting Practices* Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Down Syndrome Association of Greater Saint Louis are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal 2012. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is the depreciation calculation.

Management's estimate of depreciation is based on the straight line method. We evaluated the key factors and assumptions used to develop depreciation in determining that they are reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 6, 2012.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. This information is intended solely for the use of the Board of Directors and management of Down Syndrome Association of Greater Saint Louis and is not intended to be and should not be used by anyone other than these specified parties.

*Fick, Eggemeyer & Williamson*  
Fick, Eggemeyer & Williamson, CPA's  
August 6, 2012

Down Syndrome Association of Greater Saint Louis  
 Journal Entries Report : Adjusting Entries  
 June 30, 2012

Pa  
 Prepared by:  
 Reviewed by:

8/6/2012 8h36AM

*Be sure to get all entries recorded with this date.*

Entry #	Status	Account/Code	Description	Workpaper	Misstate	Debit	Credit
AJE 1	Posted	390 555	Retained Earnings Rent	K-1		2102.00	2102.00
			to adjust equity to actual				
AJE 2	Posted	1209 4900	Program Receivable Individual Donations	C-1		1000.00	1000.00
			to adjust receivables to actual				
AJE 3	Posted	140 537 515 144	Computer Equipment Office Supplies Equipment Rental Copier	F-1		934.64 621.22	934.64 621.22
			to adjust fixed assets to actual				
AJE 4	Posted	150 511	Accumulated Depreciation Depreciation Expense	F-1		2890.57	2890.57
			to record current year depreciation				
AJE 5	Posted	200 545 526	Account Payable Professional Fees Insurance	H-1		700.00 475.00	1175.00
			to adjust AP to actual				
AJE 6	Posted	210 560	Accrued Payroll Salary/Wages	I-1		8358.56	8358.56
			to adjust accrued payroll to actual				
AJE 7	Posted	526 13000	Insurance Prepaid Expenses	E-1		760.19	760.19
			to adjust prepaid insurance to actual				
AJE 8	Posted	250 4030	Deferred Revenue Birdies and Bass Golf	I-1		80917.00	80917.00
			to record deferred revenue to current year				
AJE 9	Posted	220 230 240 561	Federal Tax Payable State Tax Payable City Tax Payable Payroll Tax Expense	I-1		207.30 240.55 2987.58	3435.43
			to adjust payroll taxes to actual				
AJE 10	Posted	4900 5506	Non-Cash Contributions Non-Cash Expense	X-1		42900.00	42900.00
			to record non cash contributions and expense for fiscal year				
TOTALS						145094.61	145094.61

**DOWN SYNDROME ASSOCIATION OF  
GREATER SAINT LOUIS**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2012**

***DRAFT***

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, 2012, 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, 2012 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 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  
August 6, 2012

**DRAFT**

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF FINANCIAL POSITION

-----  
June 30, 2011

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 694,497
Prepaid expenses	415
Total current assets	694,912
PROPERTY AND EQUIPMENT	
Furniture	4,033
Equipment	11,484
Software	32,203
Less: accumulated depreciation and amortization	(19,095)
Total property and equipment	28,625
Total assets	\$ 723,537
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 1,413
Accrued payroll	2,744
Accrued payroll taxes	8,195
Unearned revenue	80,917
Current maturities of long-term debt - note 7	9,002
Total current liabilities	102,271
LONG-TERM DEBT, less current maturities - note 7	15,003
Total liabilities	117,274
NET ASSETS	
Unrestricted	583,463
Temporarily restricted	22,800
Permanently restricted	-
Total net assets	606,263
Total liabilities and net assets	\$ 723,537

See accompanying notes and independent auditor's report



DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF ACTIVITIES

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For the year ended June 30,				2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Fundraising income	\$ 510,544	\$ 45,600	\$ -	\$ 556,144
Grant income	-	4,467	-	4,467
Contributions	38,317	-	-	38,317
Conference	5,987	-	-	5,987
Memorials	17,662	-	-	17,662
Merchandise sales, net	3,851	-	-	3,851
Non-cash contributions	42,900	-	-	42,900
Program income	17,025	-	-	17,025
Interest income	1,413	-	-	1,413
Total support and revenue	637,699	50,067	-	687,766
Net assets released from restriction	40,530	(40,530)	-	-
Total	678,229	9,537	-	687,766
Program expenses	329,666	-	-	329,666
Total program expenses	329,666	-	-	329,666
Support expenses				
Administration	71,268	-	-	71,268
Fundraising	112,508	-	-	112,508
Total support expenses	183,776	-	-	183,776
Total expenses	513,442	-	-	513,442
Change in net assets	164,787	9,537	-	174,324
Net assets, beginning of year	418,676	13,263	-	431,939
Net assets, end of year	\$ 583,463	\$ 22,800	\$ -	\$ 606,263

See accompanying notes and independent auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS  
STATEMENT OF CASH FLOWS

-----

For the year ended June 30,	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Changes in net assets	\$ 174,324
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	2,891
Changes in assets and liabilities:	
(Increase) decrease in pledges receivable	1,000
(Increase) decrease in prepaid expenses	760
Increase (decrease) in accounts payable	(4,752)
Increase (decrease) in accrued payroll	(7,213)
Increase (decrease) in accrued payroll taxes	1,739
Increase (decrease) in unearned revenue	<u>37,241</u>
Net cash provided by (used in) operating activities	<u>205,990</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(29,553)</u>
Net cash provided by (used in) investing activities	<u>(29,553)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from new borrowings	27,005
Principal payments on long-term debt	<u>(3,000)</u>
Net cash provided by (used in) financing activities	<u>24,005</u>
Net increase (decrease) in cash and cash equivalents	200,442
Cash and cash equivalents - beginning of year	<u>494,055</u>
Cash and cash equivalents - end of year	<u><u>\$ 694,497</u></u>

See accompanying notes and independent auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**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 27 programs under five core service areas. A program listing follows:

**Family Support**

- New Parent Support
- Medical Outreach
- Down Syndrome Center at Children's Hospital
- Information and Referral
- Community Groups
- Family Picnic
- Holiday Party

**Education**

- "Lose the Training Wheels" Bike Camp
- Down Syndrome Education Specialist Training
- Conference
- Community Outreach and Diversity Training
- Resource Library

**Self-Advocate Leadership Development and Training**

- DSAGSL Word Master Toastmasters Club

**Awareness & Advocacy**

- Step Up For Down Syndrome (SUDS)
- Walk in the Park
- Calendar
- Genes Day
- Awareness Bracelets and Bookmarks

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

Member Outreach

- Volunteer of the Year Awards
- Volunteer Appreciation Breakfast
- Third-Party Event Awards
- Website
- Friday E-Blasts
- Facebook and Twitter
- Newsletters
- Annual Report
- Annual Meeting

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.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

Cash and Cash Equivalents

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

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).

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on July 1, 2010. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of June 30, 2012, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to 2009 are closed.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**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, 2012:

	<u>2012</u>
Furniture	\$ 4,033
Equipment	11,484
Software	<u>32,203</u>
	47,720
Less: accumulated depreciation and amortization	<u>(19,095)</u>
Total	<u>\$ 28,625</u>

Depreciation and amortization charged against income was \$2,891 for fiscal year 2012.

**NOTE 4 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 6, 2012, the date which the financial statements were available for issue.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 5 - LEASES**

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.

In April 2012, the Association entered into a lease agreement with GFI Digital, Inc. The lease period is for 60 months with payments of \$220 per month.

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

<u>Year ended June 30,</u>	<u>Amount</u>
2013	\$ 28,455
2014	15,468
2015	2,802
2016	2,640
2017	1,980
	<u>\$ 51,345</u>

Expenses associated with these leases for the year ended June 30, 2012 was \$28,027.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted assets as of June 30, 2012 consisted of the following:

Step Up for Down Syndrome	<u>\$ 22,800</u>
Total	<u>\$ 22,800</u>

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 7 - NOTES PAYABLE**

In February 2012, the Association entered into an zero interest finance agreement with LEAF Capital Funding, LLC. The purpose of the agreement was to finance software. The balance at June 30, 2012 was \$24,005.

Future maturities of long term debt:

Year ending June 30,	2013	\$ 9,002
	2014	9,002
	2015	<u>6,001</u>
		<u>\$ 24,005</u>

**NOTE 8 - 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 9 - CONCENTRATION OF CREDIT RISK**

The Association had depository accounts with PNC Bank totaling \$696,185 as of June 30, 2012. Total cash balance is in excess of the federally insured limit of \$250,000 per depositor. At fiscal year end the Organization was in the process of transferring funds to minimize the credit risk.



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

-----  
For the year ended June 30, 2011

	Program Expenses	General & Administration	Fundraising	Total
Salaries	\$ 104,546	\$ 46,355	\$ 26,610	\$ 177,511
Payroll taxes	11,625	4,771	3,254	19,650
Advertising	* 21,450	-	* 21,450	* 42,900
Advocacy	112,859	-	-	112,859
Fundraising	-	-	48,369	48,369
Credit card and bank fees	2,659	3,502	605	6,766
Depreciation and amortization	1,879	867	145	2,891
Dues and subscriptions	1,045	658	512	2,215
Equipment rental	5,977	810	802	7,589
Insurance	3,310	1,309	291	4,910
Miscellaneous expense	6,901	3,758	1,135	11,794
Other program expense	5,972	-	-	5,972
Postage	4,290	1,481	3,253	9,024
Printing	4,428	488	556	5,472
Professional fees	12,166	1,433	1,907	15,506
Rent	18,082	2,520	2,520	23,122
Supplies	6,874	2,809	778	10,461
Telephone	2,666	327	321	3,314
Travel	89	-	-	89
Training	2,848	180	-	3,028
<b>TOTAL</b>	<b>\$ 329,666</b>	<b>\$ 71,268</b>	<b>\$ 112,508</b>	<b>\$ 513,442</b>

\* In-Kind Contributions

See accompanying notes and independent auditor's report