

Financial Statements

**DOWN SYNDROME ASSOCIATION OF
CENTRAL FLORIDA, INC.**

July 31, 2006

DOWN SYNDORME ASSOCIATION OF CENTRAL FLORIDA, INC.

Financial Statements

July 31, 2006

(With Independent Auditors' Report Thereon)

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Financial Statements

December 31, 2006

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Independent Auditors' Report

The Board of Directors
Down Syndrome Association of Central Florida, Inc.:

We have audited the accompanying statement of financial position of Down Syndrome Association of Central Florida, Inc. (the Organization) as of July 31, 2006, and the related statements of activities and changes in net assets, 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 Central Florida, Inc. at July 31, 2006, 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.

Tschopp, Whitcomb & Orr, P.A.

December 4, 2006

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Financial Position

July 31, 2006

Assets

Current assets	
Cash and cash equivalents	\$ 178,268
Investments (note 2)	1,390,335
Total current assets	<u>1,568,603</u>
Total assets	<u>\$ 1,568,603</u>

Liabilities and Net Assets

Current liabilities:	
Accrued expenses	\$ 2,735
Total current liabilities	<u>2,735</u>
Net assets:	
Unrestricted	1,464,568
Temporarily restricted	101,300
Total net assets	<u>1,565,868</u>
Total liabilities and net assets	<u>\$ 1,568,603</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Activities and Changes in Net Assets

Year ended July 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions	20,417	45,000	65,417
Special events	131,738	-	131,738
Less benefits to donors	(20,872)	-	(20,872)
Revenue:			
Investment income	52,172	-	52,172
Membership dues	2,082	-	2,082
Other income	3,555	-	3,555
	<u>189,092</u>	<u>45,000</u>	<u>234,092</u>
Net assets release from restriction	<u>15,200</u>	<u>(15,200)</u>	<u>-</u>
Total support and revenue	<u>204,292</u>	<u>29,800</u>	<u>234,092</u>
Expenses:			
Program services	138,718	-	138,718
Supporting services:			
Management and general	26,576	-	26,576
Fund raising	8,958	-	8,958
Total expenses	<u>174,252</u>	<u>-</u>	<u>174,252</u>
Change in net assets	30,040	29,800	59,840
Net assets at beginning of year	<u>1,434,528</u>	<u>71,500</u>	<u>1,506,028</u>
Net assets at end of year	<u>\$ 1,464,568</u>	<u>101,300</u>	<u>1,565,868</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended July 31, 2006

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 81,873	4,548	4,548	90,969
Travel	1,157	-	-	1,157
Conferences	2,927	1,647	-	4,574
Telephone	-	2,890	-	2,890
Service charges and fees	-	9,402	-	9,402
Dues	-	575	-	575
Newsletter	6,682	-	-	6,682
Insurance	-	4,389	-	4,389
Office supplies	-	1,466	-	1,466
Scholarships	15,200	-	-	15,200
Hurricane relief to other chapters	4,000	-	-	4,000
Resource development	4,524	-	-	4,524
Board development	-	795	-	795
Benefit performance expense	1,182	-	-	1,182
Family emergency fund	1,330	-	-	1,330
Employee benefits	6,705	-	-	6,705
MIS	-	470	-	470
Community outreach and awareness	2,628	-	-	2,628
Meeting expense	1,250	-	-	1,250
Lending library and literature	6,428	-	-	6,428
Sign language and clinics	2,582	-	-	2,582
Special events	-	-	4,410	4,410
Other	250	394	-	644
	<u>\$ 138,718</u>	<u>26,576</u>	<u>8,958</u>	<u>174,252</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Cash Flows

Year ended July 31, 2006

Cash flows from operating activities:	
Change in net assets	\$ 59,840
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized loss on investment	27,605
Change in operating assets and liabilities:	
Accrued expenses	<u>543</u>
Net cash provided by operating activities	<u>87,988</u>
Cash flows from investing activities:	
Purchase of securities	<u>(74,029)</u>
Net cash used in investing activities	<u>(74,029)</u>
Change in cash and cash equivalents	13,959
Cash and cash equivalents at beginning of year	<u>164,309</u>
Cash and cash equivalents at end of year	<u>\$ 178,268</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2006

(1) **Summary of Significant Accounting Policies**

(a) **General**

Down Syndrome Association of Central Florida, Inc. (the Organization) is a not-for-profit Florida corporation, incorporated in 1992. Down Syndrome Association of Central Florida, Inc. is organized and operated exclusively for educational, scientific, and charitable purposes. The mission of the Organization is to be the leading voice for individuals with Down syndrome and their families. We offer hope, encouragement and acceptance through advocacy, education and awareness so that each may realize their potential as members of our community.

(b) **Basis of Presentation**

The Organization has adopted the provisions of Statements of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made (SFAS No. 116) and Statement of Financial Accounting Standards No. 117, Financial Statements for Not-for-Profit Organizations, (SFAS No. 117).

SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenue and requires the Organization to distinguish between promises received for each net asset category in accordance with donor restrictions, if any.

Under SFAS No. 117, net assets and revenue, expenses; gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Unrestricted net assets---Net assets that are not subject to donor-imposed stipulations.
- ◆ Temporarily restricted net assets---Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
- ◆ Permanently restricted net assets---Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization. Donors of these assets permit the Organization to use all, or part of, the earnings on related investments for general or specific purposes.

(Continued)

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2006

(1) **Summary of Significant Accounting Policies - Continued**

(c) **Property and Equipment**

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$500 are capitalized; maintenance and renewals are charged to expense as incurred.

(d) **Public Support and Revenue**

All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor.

(e) **Contributions**

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

(f) **Long-Lived Assets**

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

(g) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(h) **Functional Allocation of Expenses**

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

(Continued)

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2006

(1) **Summary of Significant Accounting Policies – Continued**

(i) **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(j) **Income Taxes**

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

(k) **Financial Instruments Fair Value, Concentration of Business and Credit Risks**

The carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable, and accrued expenses approximates fair value because of the immediate or short-term maturity of these financial instruments.

(2) **Investments**

Investments held by the Organization are classified as trading securities and consist of equity securities, mutual funds, certificate of deposits and certain government and corporate fixed income securities and are stated at market value.

Unrealized gains and losses associated with trading securities are included in earnings on a current basis. There were \$3,028 realized losses associated with trading securities at July 31, 2006. The Organization determines cost on the specific identification basis. The following table summarizes the Organization's investments at July 31, 2006.

	Fair Value	Cost	Unrealized Gains (Losses)
Mortgage backed securities	\$ 189,339	197,823	(8,484)
Government bonds	694,776	725,832	(31,056)
Mutual funds	41,423	31,500	9,923
Common stock	464,797	371,605	93,192
	<u>\$ 1,390,335</u>	<u>1,326,760</u>	<u>63,575</u>

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2006

(3) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at July 31, 2006:

Scholarships	<u>\$101,300</u>
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