

Financial Statements

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

July 31, 2007

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Financial Statements

July 31, 2007

(With Independent Auditors' Report Thereon)



TSCHOPP, WHITCOMB & ORR, P.A.

Certified Public Accountants

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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, 2007, 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, 2007, 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.

November 19, 2007

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Financial Position

July 31, 2007

Assets

Current assets	
Cash and cash equivalents	\$ 224,524
Investments (note 2)	<u>1,488,289</u>
Total current assets	<u>1,712,813</u>
Total assets	<u>\$ 1,712,813</u>

Liabilities and Net Assets

Current liabilities:	
Accrued expenses	<u>\$ 2,332</u>
Total current liabilities	<u>2,332</u>
Net assets:	
Unrestricted	1,635,921
Temporarily restricted (note 3)	<u>74,560</u>
Total net assets	<u>1,710,481</u>
Total liabilities and net assets	<u>\$ 1,712,813</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, 2007

	Unrestricted	Temporarily Restricted	Total
Public support and revenue:			
Public support:			
Contributions	\$ 37,795	25,000	62,795
Special events	217,010	-	217,010
Less benefits to donors	(30,037)	-	(30,037)
Revenue:			
Investment income	137,756	-	137,756
Membership dues	6,464	-	6,464
Other income	5,000	-	5,000
	<u>373,988</u>	<u>25,000</u>	<u>398,988</u>
Net assets released from restriction	<u>51,740</u>	<u>(51,740)</u>	<u>-</u>
Total support and revenue	<u>425,728</u>	<u>(26,740)</u>	<u>398,988</u>
Expenses:			
Program services	197,738	-	197,738
Supporting services:			
Management and general	35,226	-	35,226
Fund raising	21,411	-	21,411
Total expenses	<u>254,375</u>	<u>-</u>	<u>254,375</u>
Change in net assets	171,353	(26,740)	144,613
Net assets at beginning of year	<u>1,464,568</u>	<u>101,300</u>	<u>1,565,868</u>
Net assets at end of year	<u>\$ 1,635,921</u>	<u>74,560</u>	<u>1,710,481</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended July 31, 2007

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 95,684	5,316	5,316	106,316
Conferences	5,343	3,434	-	8,777
Telephone	-	4,928	-	4,928
Service charges and fees	-	7,781	-	7,781
Dues	-	538	-	538
Newsletter	16,489	-	-	16,489
Insurance	-	4,902	-	4,902
Office supplies	-	2,161	-	2,161
Scholarships	51,740	-	-	51,740
Resource development	4,302	-	-	4,302
Board development	-	251	-	251
Family emergency fund	4,785	-	-	4,785
Employee benefits	7,711	-	-	7,711
Professional fees	-	5,700	-	5,700
Meeting expense	4,411	-	-	4,411
Lending library and literature	1,465	-	-	1,465
Subscriptions	420	-	-	420
Evaluation	1,320	-	-	1,320
Education consult	1,720	-	-	1,720
Workshops	2,126	-	-	2,126
Special events	-	-	16,095	16,095
Other	222	215	-	437
	<u>\$ 197,738</u>	<u>35,226</u>	<u>21,411</u>	<u>254,375</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Statement of Cash Flows

Year ended July 31, 2007

Cash flows from operating activities:	
Change in net assets	\$ 144,613
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gain on investments	(54,785)
Change in operating assets and liabilities:	
Accrued expenses	<u>(403)</u>
Net cash provided by operating activities	<u>89,425</u>
Cash flows from investing activities:	
Purchase of securities	<u>(43,169)</u>
Net cash used in investing activities	<u>(43,169)</u>
Change in cash and cash equivalents	46,256
Cash and cash equivalents at beginning of year	<u>178,268</u>
Cash and cash equivalents at end of year	<u>\$ 224,524</u>

See accompanying notes to financial statements.

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2007

(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. The Organization offers 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, 2007

(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.

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DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2007

(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 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 investments are included in earnings on a current basis. There were \$5,237 realized gains associated with trading securities at July 31, 2007. The Organization determines cost on the specific identification basis. The following table summarizes the Organization's investments at July 31, 2007.

	Fair Value	Cost	Unrealized Gains (Losses)
Mortgage backed securities	\$ 139,273	138,776	497
Government bonds	754,699	767,507	(12,808)
Mutual funds	50,589	44,989	5,600
Common stock	543,728	475,875	67,853
	<u>\$ 1,488,289</u>	<u>1,427,147</u>	<u>61,142</u>

DOWN SYNDROME ASSOCIATION OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

July 31, 2007

(3) **Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at July 31, 2007:

Scholarships	<u>\$ 74,560</u>
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