

**Down Syndrome Organization of
Southern Nevada**

Years Ended December 31, 2021 and 2020

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
YEARS ENDED DECEMBER 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Down Syndrome Organization of Southern Nevada
Las Vegas, Nevada

We have audited the accompanying financial statements of Down Syndrome Organization of Southern Nevada (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2021 and 2020, and the related statements of receipts, disbursements, and changes in net assets—modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Down Syndrome Organization of Southern Nevada as of December 31, 2021 and 2020, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Down Syndrome Organization of Southern Nevada and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Down

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Nevada Society of Certified Public Accountants

Syndrome Organization of Southern Nevada's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

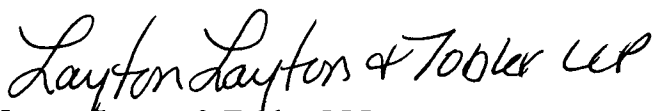
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Down Syndrome Organization of Southern Nevada's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Down Syndrome Organization of Southern Nevada's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Layton Layton & Tobler, LLP
Las Vegas, Nevada
May 2, 2022

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS
DECEMBER 31, 2021 AND 2020

See Independent Auditors' Report

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents		
Cash in checking	\$ 15,834	\$ 103,719
Cash in checking-Speech therapy	472	5,544
Cash in checking-Cool's 21	8,926	10,300
Cash in checking-Learning program	18,945	19,398
Petty cash	250	350
Total cash and cash equivalents	44,427	139,311
Investments		
Mutual funds	176,499	176,525
Total current assets	220,926	315,836
Property and Equipment:		
Land	100,000	100,000
Building	370,212	370,212
Furniture and equipment	38,497	38,497
Total property and equipment	508,709	508,709
Less accumulated depreciation	(233,555)	(222,090)
Net property and equipment	275,154	286,619
Other assets:		
Security deposit	1,000	1,000
Intangible assets	1,500	1,500
Loan origination fees	3,155	3,155
Less accumulated amortization	(3,604)	(3,288)
Total other assets	2,051	2,367
Total assets	\$ 498,131	\$ 604,822

The accompanying notes are an integral
part of these financial statements

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS, CONTINUED
DECEMBER 31, 2021 AND 2020

See Independent Auditors' Report

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
Current liabilities:		
Mortgage payable, current portion	\$ 12,778	\$ 12,126
Total current liabilities	<u>12,778</u>	<u>12,126</u>
 Long-term liabilities:		
Mortgage payable	45,952	58,013
Less current portion	<u>(12,778)</u>	<u>(12,126)</u>
Total long-term liabilities	<u>33,174</u>	<u>45,887</u>
 Net assets:		
With donor restrictions	16,185	21,368
Without donor restrictions	<u>435,994</u>	<u>525,441</u>
Total net assets	<u>452,179</u>	<u>546,809</u>
 Total liabilities and net assets	<u>\$ 498,131</u>	<u>\$ 604,822</u>

The accompanying notes are an integral
part of these financial statements

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2021 AND 2020

See Independent Auditors' Report

Net assets without donor restrictions:	2021	2020
Receipts:		
Memberships and direct public support	\$ 75,985	\$ 16,730
Special events revenue	55,537	115,600
Special events direct costs	(58,400)	(53,503)
In-kind contributions	13,065	20,806
Grants		232,888
Interest income	10	379
Total receipts	86,197	332,900
Disbursements:		
Officers and employees:		
Salaries	57,241	57,133
Employee benefits		3,485
Payroll taxes	6,783	6,427
Membership expenses:		
Member services	5,570	
Operating expenses:		
Office and administrative	66,671	63,309
Other operating expenses	11,736	39,267
In-kind expenses	13,065	20,806
Interest expense	2,797	3,431
Total disbursements	163,863	193,858
Net receipts without donor restriction	(77,666)	139,042
Expenses not requiring the use of cash:		
Depreciation	(11,781)	(12,134)
Increase (decrease) in net assets without donor restriction	(89,447)	126,908

Continued on next page

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**DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN NET ASSETS, CONTINUED
YEARS ENDED DECEMBER 31, 2021 AND 2020**

See Independent Auditor's Report

	2021	2020
Net assets with donor restrictions:		
Restricted grant income	\$ 12,500	\$ 16,500
Program expenses	<u>(17,683)</u>	<u>(17,132)</u>
Increase (decrease) in net assets with donor restrictions	<u>(5,183)</u>	<u>(632)</u>
 Increase (decrease) in net assets	 <u>(94,630)</u>	 <u>126,276</u>
 Net assets:		
Beginning of year	 <u>546,809</u>	 <u>420,533</u>
 End of year	 <u>\$ 452,179</u>	 <u>\$ 546,809</u>

The accompanying notes are an integral
part of these financial statements.

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

DECEMBER 31, 2021 and 2020

1. Nature of activities and significant accounting policies:

Organization:

The Down Syndrome Organization of Southern Nevada is a nonprofit Nevada corporation organized primarily to raise funds from the local community and support people affected by Down Syndrome in Clark County, Nevada. Accordingly, the Organization promotes a positive understanding of Down Syndrome in the community and is a source of support and education for families and individuals affected by Down Syndrome. Major programs include a speech program, learning program, and a social program for adults with Down Syndrome known as Cool 21s.

Basis of accounting:

The Organization's accounts are maintained on the cash basis of accounting and are modified for depreciation on property and equipment and in-kind donations. The modified cash method of accounting differs from United States of America generally accepted accounting principles primarily because revenues are recorded when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

Revenue and support:

The Organization receives substantially all of its financial support from businesses and residents in the Las Vegas, Nevada area.

Donated services, goods and use of facilities:

Certain contributed services, goods and use of facilities are recorded as support and expenses at fair market value when determinable, otherwise at values indicated by the donor. During the year, the Organization recognized contributions of services, goods and use of facilities from various donors in the amount of \$13,065 in 2021 and \$20,806 in 2020. The organization also received a substantial amount of volunteer hours donated by individuals to the major programs and special events that are not reflected in the financial statements since their services do not meet the recognition criteria.

Cash and cash equivalents:

The cash and savings consist of demand deposits. Cash consists of general funds, board designated funds, and donor restricted funds.

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2021 and 2020

Investments:

The Organization holds an investment in a mutual fund. Investments in mutual funds are reported at cost in accordance with the modified cash basis of accounting.

Use of estimates:

The preparation of modified cash basis financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of depreciation during the reporting period. Actual results could differ from those estimates.

Property and equipment:

All acquisition of property and equipment in excess of \$2,500 are capitalized. Property and equipment are carried at cost, or if donated, at the approximated fair value at the date of donation. The Organization's policy is to provide depreciation by use of the straight-line method.

Income tax:

The Organization has received a letter exempting it from federal income taxes under Internal Revenue Code section 501(c)(3) and is a publicly supported organization as described in Internal Revenue Code sections 509(a)(1) and 170(b)(1)(A)(vi). The federal income tax returns of the Organization are subject to examination by the IRC, generally for three years after they were filed.

Contributions with and without donor restrictions:

Contributions received are recorded as increases in net assets with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. As of December 31, 2021, donor restricted funds consisted of \$500 for American sign language learning, \$4,637 for the learning program and \$11,049 for the speech program.

Revenue:

Revenue consists of member donations, general public donations, grants, and in-kind donations. Revenue is recognized when cash is received, or in-kind donation is received, in accordance with the modified cash basis of accounting.

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2021 and 2020

2. Concentration of risk:

The Organization receives its support from the general public. Accordingly, future support and activities could be affected by adverse changes in economic conditions in the Las Vegas area, including public perception of the needs and performance of the Organization.

The Organization holds several fundraising events each year. The Festival of Trees and Lights occurs just before Thanksgiving each year and a substantial amount of the Organization's support is generated from this event.

Cash in the checking did not exceeded the current Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 for the years ended December 31, 2021 and 2020.

3. Property and equipment:

Property and equipment consist of the following:

<u>December 31, 2021</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Estimated Useful Life</u>
Land	\$ 100,000	\$	Indefinite
Building	370,212	(209,401)	40 Years
Furniture and equipment	<u>38,497</u>	<u>(24,154)</u>	5-10 Years
Total:	<u>\$ 508,709</u>	<u>\$ (233,555)</u>	
<u>December 31, 2020</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Estimated Useful Life</u>
Land	\$ 100,000	\$	Indefinite
Building	\$ 370,212	(199,986)	40 Years
Furniture and equipment	<u>\$ 38,497</u>	<u>(22,104)</u>	5-10 Years
Total:	<u>\$ 508,709</u>	<u>\$ (222,090)</u>	

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2021 and 2020

4. Long-term debt

The Organization has a mortgage secured by its land and building. The Organization refinanced the loan for \$115,000 on May 18, 2015 with monthly payments of \$1,238 at 5.25% annual interest for 10 years.

The remaining principal payments due over the life of the loan are:

2022		\$	12,778
2023			13,466
Thereafter			<u>19,708</u>
Total remaining balance:			<u>\$ 45,952</u>

For the year ended December 31, 2021 and 2020 the organization incurred \$2,797 and \$3,431 in interest expense, respectively.

5. Liquidity and availability of resources

The Organization receives support revenues, and considers support restricted for program which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The following table reflects the Organization's financial assets available to meet general expenditures within one year of the statement of assets, liabilities, and net assets date.

	<u>2021</u>	<u>2020</u>
Financial assets at year end without restriction	\$ 176,870	\$ 284,166
Board designated funds for ongoing programs	27,871	10,300
Donor restricted funds for ongoing programs	<u>16,185</u>	<u>21,370</u>
Financial assets available to meet cash needs within one year	<u>\$ 220,926</u>	<u>\$ 315,836</u>

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2021 and 2020

6. Leases:

The Organization leases a copy machine through Wells Fargo Vender Financial Services. The payment is \$99 per month and the lease expires May 28, 2025. \$1,188 is due in the year ending December 31, 2022 and annually thereafter until 2025 when \$495 is due.

7. Functional expenses:

The Organization designates functional expenses as 40% for program services, 20% for general and administrative expenses, and 40% fundraising expenses, except for advertising and professional fundraiser fees which are classified as 100% fundraising expenses, and accounting expenses which are classified as 100% general and administrative expenses. For the year ended December 31, 2021 the Organization reported \$65,110 of fundraising expenses.

8. Subsequent Events:

Subsequent to year end the Covid-19 (Coronavirus) pandemic has continued to cause disruption in the local, national, and global economy. As a result of this global pandemic, which is driving economic uncertainty, the Organization may experience volatility that may impact results and/or impede general operations and/or the value of certain assets. The Organization continues to monitor this situation and evaluate the impact, which is not yet known, of this pandemic on their results.

9. Date of Management's Review:

Management has evaluated subsequent events though May 2, 2022, the date which the financial statements were available to be issued.