

**Down Syndrome Organization of
Southern Nevada**

Years Ended December 31, 2019 and 2018

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
YEARS ENDED DECEMBER 31, 2019 AND 2018

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Independent Auditors' 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, 2019 and 2018, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Members of:

Private Companies Practice Section of the American Institute of Certified Public Accountants
Nevada Society of Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Down Syndrome Organization of Southern Nevada as of December 31, 2019 and 2018, and the receipts, disbursements and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

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.

A handwritten signature in black ink that reads "Layton Layton & Tobler LLP". The signature is written in a cursive, flowing style.

Layton Layton & Tobler, LLP

Las Vegas, Nevada

April 30, 2020

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS
DECEMBER 31, 2019 AND 2018
See Independent Auditors' Report

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents		
Cash in checking	\$ 82,973	\$ 152,961
Cash in checking-Speech therapy	10,955	23,306
Cash in checking-Cool's 21	7,784	7,079
Cash in checking-Learning program	14,328	16,326
Cash in savings		75,069
Petty cash	350	350
Total cash and cash equivalents	116,390	275,091
Accounts receivable		
Total accounts receivable		625
Investments		
Mutual funds	75,596	
Total current assets	191,986	275,716
Property and Equipment:		
Land	100,000	100,000
Building	368,080	363,628
Furniture and equipment	38,497	33,772
Total property and equipment	506,577	497,400
Less accumulated depreciation	(210,271)	(198,722)
Net property and equipment	296,306	298,678
Other assets:		
Intangible assets	1,500	1,500
Loan origination fees	3,155	3,155
Less accumulated amortization	(2,973)	(2,656)
Total other assets	1,682	1,999
Total assets	\$ 489,974	\$ 576,393

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, 2019 AND 2018

See Independent Auditors' Report

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Mortgage payable, current portion	<u>\$ 11,507</u>	<u>\$ 10,920</u>
Total current liabilities	<u>11,507</u>	<u>10,920</u>
 Long-term liabilities:		
Mortgage payable	69,441	80,288
Less current portion	<u>(11,507)</u>	<u>(10,920)</u>
Total long-term liabilities	<u>57,934</u>	<u>69,368</u>
 Net assets:		
With donor restrictions	22,000	44,150
Without donor restrictions	<u>398,533</u>	<u>451,955</u>
Total net assets	<u>420,533</u>	<u>496,105</u>
Total liabilities and net assets	<u>\$ 489,974</u>	<u>\$ 576,393</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, 2019 AND 2018

See Independent Auditors' Report

Net assets without donor restrictions:	2019	2018
Receipts:		
Memberships and direct public support	\$ 19,935	\$ 18,426
Special events revenue	191,829	225,050
Special events direct costs	(82,265)	(77,654)
In-kind contributions	87,575	50,303
Grants	10,500	13,450
Interest income	527	45
Total receipts	228,101	229,620
 Disbursements:		
Officers and employees:		
Salaries	79,639	74,144
Employee benefits	10,740	4,436
Payroll taxes	7,403	5,976
Membership expenses:		
Member services	8,465	9,171
Operating expenses:		
Office and administrative	69,574	51,062
Other operating expenses	2,251	697
In-kind expenses	87,575	50,303
Interest expense	4,012	4,572
Total disbursements	269,659	200,361
Net receipts without donor restriction	(41,558)	29,259
 Expenses not requiring the use of cash:		
Depreciation	(11,864)	(11,531)
Increase in net assets without donor restrictions	(53,422)	17,728

Continued on page 6

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, CONTINUED
YEARS ENDED DECEMBER 31, 2019 AND 2018
See Independent Auditor's Report**

	2019	2018
Net assets with donor restrictions:		
Restricted grant income	\$ 500	\$ 15,000
Program expenses	(22,650)	(23,678)
Increase (decrease) in net assets with donor restrictions	(22,150)	(8,678)
Increase in net assets	(75,572)	9,050
Net assets:		
Beginning of year	496,105	487,055
End of year	\$ 420,533	\$ 496,105

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

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
MODIFIED CASH BASIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

See Independent Auditor's Report

	Supporting			Total
	Program Services	Activities G&A	Fundraising	
Expenses:				
Officers and employees:				
Salaries	\$ 31,856	\$ 15,928	\$ 31,856	\$ 79,639
Employee benefits	4,296	2,148	4,296	10,740
Payroll taxes	2,961	1,481	2,961	7,403
Membership expenses:				
Member services	3,386	1,693	3,386	8,465
Operating expenses:				
Office and administrative	22,712	24,092	22,769	69,574
Other operating expenses	900	450	900	2,251
In-kind expenses	35,030	17,515	35,030	87,575
Interest expense	1,605	802	1,605	4,012
Depreciation	4,746	2,373	4,746	11,864
Program expenses	<u>9,060</u>	<u>4,530</u>	<u>9,060</u>	<u>22,650</u>
Total expenses:	<u>\$ 116,552</u>	<u>\$ 71,012</u>	<u>\$ 116,609</u>	<u>\$ 304,173</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, 2019 AND 2018

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 \$87,575 in 2019 and \$50,303 in 2018. 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, 2019 AND 2018

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 \$200 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, 2019, donor restricted funds consisted of \$500 for American sign language learning and \$21,500 for the speech program.

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2019 AND 2018

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 exceeded the current Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 for the year ended December 31, 2019 and 2018 by \$0 and \$24,924, respectively.

3. Property and equipment:

Property and equipment consist of the following:

<u>December 31, 2019</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Estimated Useful Life</u>
Land	\$ 100,000	\$	Indefinite
Building	368,080	(190,814)	40 Years
Furniture and equipment	<u>38,497</u>	<u>(19,457)</u>	5-10 Years
Total:	<u>\$ 506,577</u>	<u>\$ (210,271)</u>	
<u>December 31, 2018</u>			
Land	\$ 100,000	\$	Indefinite
Building	363,628	(181,687)	40 Years
Furniture and equipment	<u>33,772</u>	<u>(17,035)</u>	5-10 Years
Total:	<u>\$ 497,400</u>	<u>\$ (198,722)</u>	

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2019 AND 2018

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:

2020	\$	11,507
2021		12,126
2022		12,778
2023		13,466
Thereafter		<u>19,491</u>
Total remaining balance:		<u>\$ 69,368</u>

Subsequent to year end, the Organization received a large donation. The Board has approved the use of part of this donation to pay off the remaining balance of the mortgage. The board is waiting on approval from membership before proceeding.

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>2019</u>	<u>2018</u>
Financial assets at year-end without restriction	\$ 147,874	\$ 208,161
Board designated funds for ongoing programs	22,112	23,405
Donor restricted funds for ongoing programs	<u>22,000</u>	<u>44,150</u>
Financial assets available to meet cash needs within one year	<u>\$ 191,986</u>	<u>\$ 275,716</u>

DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA
NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2019 AND 2018

6. Subsequent Events:

Subsequent to year end the Covid-19 (Coronavirus) pandemic has caused 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.

7. Date of Management's Review:

Management has evaluated subsequent events though April 30, 2020, the date which the financial statements were available to be issued.

**DOWN SYNDROME ORGANIZATION OF
SOUTHERN NEVADA**

YEARS ENDED DECEMBER 31, 2019 AND 2018