

**Down Syndrome Organization of  
Southern Nevada**

**Years Ended December 31, 2020 and 2019**

**DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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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, 2020 and 2019, 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.

### **Auditor's 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.

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

Members of:

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

Board of Directors  
Down Syndrome Organization of Southern Nevada  
Las Vegas, Nevada  
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## **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, 2020 and 2019, 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.

*Layton Layton & Tobler LLP*

Layton Layton & Tobler, LLP

Las Vegas, Nevada

March 15, 2021

**DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA**  
**MODIFIED CASH BASIS**  
**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS**  
**DECEMBER 31, 2020 AND 2019**

See Independent Auditors' Report

**ASSETS**

	2020	2019
<b>Current assets:</b>		
Cash and cash equivalents		
Cash in checking	\$ 103,719	\$ 82,973
Cash in checking-Speech therapy	5,544	10,955
Cash in checking-Cool's 21	10,300	7,784
Cash in checking-Learning program	19,398	14,328
Petty cash	350	350
Total cash and cash equivalents	139,311	116,390
Investments		
Mutual funds	176,525	75,596
<b>Total current assets</b>	<b>315,836</b>	<b>191,986</b>
<b>Property and Equipment:</b>		
Land	100,000	100,000
Building	370,212	368,080
Furniture and equipment	38,497	38,497
Total property and equipment	508,709	506,577
Less accumulated depreciation	(222,090)	(210,271)
<b>Net property and equipment</b>	<b>286,619</b>	<b>296,306</b>
<b>Other assets:</b>		
Security deposit	1,000	
Intangible assets	1,500	1,500
Loan origination fees	3,155	3,155
Less accumulated amortization	(3,288)	(2,973)
<b>Total other assets</b>	<b>2,367</b>	<b>1,682</b>
<b>Total assets</b>	<b>\$ 604,822</b>	<b>\$ 489,974</b>

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, 2020 AND 2019**

See Independent Auditors' Report

**LIABILITIES AND NET ASSETS**

	2020	2019
<b>Current liabilities:</b>		
Mortgage payable, current portion	\$ 12,126	\$ 11,507
<b>Total current liabilities</b>	12,126	11,507
<b>Long-term liabilities:</b>		
Mortgage payable	58,013	69,441
Less current portion	(12,126)	(11,507)
<b>Total long-term liabilities</b>	45,887	57,934
<b>Net assets:</b>		
With donor restrictions	21,368	22,000
Without donor restrictions	525,441	398,533
<b>Total net assets</b>	546,809	420,533
<b>Total liabilities and net assets</b>	\$ 604,822	\$ 489,974

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, 2020 AND 2019**

See Independent Auditors' Report

<b>Net assets without donor restrictions:</b>	2020	2019
<b>Receipts:</b>		
Memberships and direct public support	\$ 16,730	\$ 19,935
Special events revenue	115,600	191,829
Special events direct costs	(53,503)	(82,265)
In-kind contributions	20,806	87,575
Grants	232,888	10,500
Interest income	379	527
<b>Total receipts</b>	<b>332,900</b>	<b>228,101</b>
<b>Disbursements:</b>		
Officers and employees:		
Salaries	57,133	79,639
Employee benefits	3,485	10,740
Payroll taxes	6,427	7,403
Membership expenses:		
Member services		230
Operating expenses:		
Office and administrative	63,309	69,574
Other operating expenses	39,267	10,486
In-kind expenses	20,806	87,575
Interest expense	3,431	4,012
<b>Total disbursements</b>	<b>193,858</b>	<b>269,659</b>
<b>Net receipts without donor restriction</b>	<b>139,042</b>	<b>(41,558)</b>
<b>Expenses not requiring the use of cash:</b>		
Depreciation	(12,134)	(11,864)
<b>Increase in net assets without donor restrictions</b>	<b>126,908</b>	<b>(53,422)</b>

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, 2020 AND 2019**  
**See Independent Auditor's Report**

	2020	2019
<b>Net assets with donor restrictions:</b>		
Restricted grant income	\$ 16,500	\$ 500
Program expenses	(17,132)	(22,650)
Increase (decrease) in net assets with donor restrictions	(632)	(22,150)
 <b>Increase in net assets</b>	 126,276	 (75,572)
 <b>Net assets:</b>		
<b>Beginning of year</b>	420,533	496,105
 <b>End of year</b>	 \$ 546,809	 \$ 420,533

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, 2020**

See Independent Auditor's Report

	<b>Supporting</b>			
	<b>Program</b>	<b>Activities</b>		
<b>Expenses:</b>	<b>Services</b>	<b>G&amp;A</b>	<b>Fundraising</b>	
	<b>Services</b>	<b>G&amp;A</b>	<b>Fundraising</b>	<b>Total</b>
Officers and employees:				
Salaries	\$ 22,853	\$ 11,427	\$ 22,853	\$ 57,133
Employee benefits	1,394	697	1,394	3,485
Payroll taxes	2,571	1,285	2,571	6,427
Membership expenses:				
Member services				
Operating expenses:				
Office and administrative	20,158	22,994	20,158	63,310
Other operating expenses	3,707	1,853	33,707	39,267
In-kind expenses	8,322	4,161	8,322	20,805
Interest expense	1,372	686	1,372	3,430
Depreciation	4,854	2,427	4,854	12,135
Program expenses	17,132			17,132
<b>Total expenses:</b>	<b>\$ 82,363</b>	<b>\$ 45,530</b>	<b>\$ 95,231</b>	<b>\$ 223,124</b>

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, 2020 AND 2019**

**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 \$20,806 in 2020 and \$87,575 in 2019. 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, 2020 AND 2019**

**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, 2020, donor restricted funds consisted of \$500 for American sign language learning, \$4,770 for the learning program and \$16,099 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, 2020 AND 2019

### 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, 2020 and 2019 by \$0 and \$24,924, respectively.

### 3. Property and equipment:

Property and equipment consist of the following:

<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>	
<u>December 31, 2019</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>	

**DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA**  
**NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**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:

2021	\$ 12,126
2022	12,778
2023	13,466
Thereafter	<u>19,643</u>
Total remaining balance:	<u>\$ 58,013</u>

For the year ended December 31, 2020 and 2019 the organization incurred \$3,431 and \$4,012 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>2020</u>	<u>2019</u>
Financial assets at year-end without restriction	\$ 284,166	\$ 147,874
Board designated funds for ongoing programs	10,300	22,112
Donor restricted funds for ongoing programs	<u>21,370</u>	<u>22,000</u>
Financial assets available to meet cash needs within one year	<u>\$ 315,836</u>	<u>\$ 191,986</u>

**DOWN SYNDROME ORGANIZATION OF SOUTHERN NEVADA**  
**NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS, CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**5. 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, 2021 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, 2020 the Organization reported \$95,231 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 March 15, 2021, the date which the financial statements were available to be issued.