

*Red River Valley Down  
Syndrome Society*

*Review*

*For the Year Ended  
December 31, 2011*

**Malnory, McNeal & Company, PC**

*Certified Public Accountants*

**RED RIVER VALLEY DOWN SYNDROME SOCIETY  
FINANCIAL STATEMENTS- MODIFIED CASH BASIS  
AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

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# Malnory, McNeal & Company, PC

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### Independent Accountant's Review Report

To the Board of Trustees of  
Red River Valley Down Syndrome Society

We have reviewed the accompanying statement of assets, liabilities, and net assets-modified cash basis of Red River Valley Down Syndrome Society (a nonprofit organization) as of December 31, 2011, the related statement of revenues, expenses and other changes in net assets-modified cash basis, and statement of functional expenses-modified cash basis for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting as described in Note 1.

May 14, 2012  
Paris, Texas

*Malnory, McNeal & Company PC*  
Certified Public Accountants

Red River Valley Down Syndrome Society  
Statement of Assets, Liabilities, and Net Assets-Modified Cash Basis  
December 31, 2011

**ASSETS**

**Current Assets**

Cash	\$ 109,016
Total Cash and Cash Equivalents	<u>109,016</u>
 Total Current Assets	 <u>109,016</u>

**Property, Plant and Equipment**

Equipment	6,404
Accumulated Depreciation	<u>(3,961)</u>
Total Property, Plant and Equipment	<u>2,443</u>

<b>Total Assets</b>	<b>\$ <u>111,459</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Payroll Liabilities	\$ 807
Total Current Liabilities	<u>807</u>

**Net Assets**

Unrestricted Net Assets	99,336
Temporarily restricted	<u>11,316</u>
Total Net Assets	<u>110,652</u>

<b>Total Liabilities and Net Assets</b>	<b>\$ <u>111,459</u></b>
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The accompanying notes are an integral part of these financial statements.

Red River Valley Down Syndrome Society  
Statement of Revenues, Expenses, and Other Changes in Net Assets- Modified Cash Basis  
For the Year Ended December 31, 2011

**REVENUE AND OTHER SUPPORT**

Contributed Support	\$	3,204
Grants		52,500
Memorials		75
PayPal Sales		6,575
Program		15,965
Fundraising		35,808
Miscellaneous Income		2,249
		<u>116,376</u>
Net Assets Released from Restrictions		
Restrictions Satisfied by Spending		1,215
Total Unrestricted Revenue, Support and Net Assets Released from Restrictions		<u>117,591</u>
Total Support and Revenue		<u>117,591</u>
<b>EXPENSES</b>		
Program Services		46,670
Management and General		17,955
Fundraising		15,867
		<u>80,492</u>
Temporarily Restricted Assets		
Grant		9,400
Net Assets Released from Restrictions		
Restrictions Satisfied by Spending		(1,216)
Increase (decrease in Temporarily Restricted Assets)		8,184
Increase (decrease in Net Assets)		45,283
Net Assets at Beginning of the Year		<u>65,369</u>
Net Assets at the End of the Year	\$	<u><u>110,652</u></u>

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

Red River Valley Down Syndrome Society  
Statement of Functional Expenses-Modified Cash Basis  
For the Year Ended December 31, 2011

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
<b>EXPENSES:</b>				
Salaries	\$ 15,422	5,120	3,468	\$ 24,011
	<u>15,422</u>	<u>5,120</u>	<u>3,468</u>	<u>24,011</u>
<b>Administration Expenses:</b>				
PayPal Expenses	77	410	111	598
Fundraising Fees			2,785	2,785
Accounting Fees		750		750
Professional Fees	1,411			1,411
Temporary Help		180		180
Supplies	9,601	1,758	1,977	13,336
Mailing Services		1,187		1,187
Equip. Rental & Maintenance		302		302
Printing and Copying	2,029		4,561	6,590
Books and Subscriptions	400			400
Rent	5,711	389	678	6,778
Utilities	2,343	191	282	2,815
Travel & Meetings	7,778	964		8,742
Insurance		1,966		1,966
Advertising		470		470
Grant & Contract Expense		3,506		3,506
Miscellaneous Expenses	1,898	301	2,006	4,205
	<u>46,670</u>	<u>17,493</u>	<u>15,867</u>	<u>80,030</u>
 Depreciation Expense		462		462
 Total	<u>\$ 46,670</u>	<u>\$ 17,955</u>	<u>\$ 15,867</u>	<u>\$ 80,492</u>

The accompanying notes are integral part of these financial statements.

RED RIVER VALLEY DOWN SYNDROME SOCIETY  
Notes to Financial Statements  
December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Red River Valley Down Syndrome Society ("RRVDSS") is a not-for-profit organization whose mission is to improve the lives of individuals with Down syndrome and other disabilities through support, education, awareness and advocacy. RRVDSS has many programs and resources that are provided for its members.

The financial statements of RRVDSS have been prepared on the modified cash basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, income is recognized when received, expenses are recognized when paid and assets are recognized when received. Modifications to the pure cash basis are made when it is concluded that such reported would be beneficial to the user of the financial statement. RRVDSS has reported depreciation expense and resulting accumulated depreciation as a modification.

Net Assets

RRVDSS reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories is as follows:

**Unrestricted Net Assets** - Represent those whose use is not restricted by donors. All contributions are considered to be available for unrestricted use and available for operations unless specifically restricted by the donor.

**Temporarily Restricted Net Assets** - Represent those net assets whose use has been limited by donor-imposed stipulations that either specify expenditures or expire by passage of time. Net assets in this classification are primarily related to time and program restrictions.

**Permanently Restricted Net Assets** - Represent those net assets that must be maintained in perpetuity, the income from which can be spent for program related expenses.



RED RIVER VALLEY DOWN SYNDROME SOCIETY  
Notes to Financial Statements  
December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Society had \$9,400 of temporarily restricted net asset on December 31, 2011 consisting of \$2,400 from Denver Pyle for the purchase of a HATCH computer for the REACH Center and \$7,000 from St. Joseph of restricted grant money for the REACH Center.

There were no permanently restricted net assets as of December 31, 2011.

Investments

RRVDSS currently has no investments.

Federal Income Taxes

RRVDSS is a non-profit corporation, and a non-private foundation, and is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code.

Accounting Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financials statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates used in the preparation of these financial statements include depreciation.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at the estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted or temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

RED RIVER VALLEY DOWN SYNDROME SOCIETY

Notes to Financial Statements

December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocation

RRVDSS allocates expenses on a functional basis among program, fundraising, and management and general services. Expenses that can be directly associated with a specific program are allocated directly according to their functional expense classification. Other expenses that are common to several functions are allocated by various statistical bases.

2. CONCENTRATION RISKS

RRVDSS maintained cash and investment deposits that did not exceed FDIC or SIPC insured limits during the year ended December 31, 2011.

3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 14, 2012, which is the date the financial statements were available to be issued.