

**SUDDEN INFANT DEATH
SERVICES OF ILLINOIS, INC.**

**FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT AUDITOR
JUNE 30, 2006**

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

Providing Quality Audit and Advisory Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sudden Infant Death Services of Illinois, Inc.

We have audited the statement of financial position of Sudden Infant Death Services of Illinois, Inc. as of June 30, 2006, and the related statements of activities, 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 generally accepted auditing standards. 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 Sudden Infant Death Services of Illinois, Inc. as of June 30, 2006, and its activities, functional expenses, and cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Dickeson & Haney, LLC

October 23, 2006

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006

ASSETS

Cash		\$ 111,770
Certificate of deposit		81,330
Grants receivable		136,434
Deferred expenses		795
Security deposits		1,625
Equipment	\$ 23,502	
Less: Accumulated depreciation	<u>(11,786)</u>	<u>11,716</u>
		<u>\$ 343,670</u>

LIABILITIES AND NET ASSETS

Deferred revenue	\$ 6,400
Accounts payable	<u>96,159</u>
Total Liabilities	<u>102,559</u>
Unrestricted net assets	211,094
Temporarily restricted net assets	<u>30,017</u>
	<u>241,111</u>
	<u>\$ 343,670</u>

See accompanying notes.

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets:			
Revenues:			
Contributions	\$ 158,565	\$ -	\$ 158,565
Grants and contracts	21,241	425,256	446,497
Conference registrations	4,336	-	4,336
Gross profit on special events (see notes)	35,390	-	35,390
Investment income	5,759	-	5,759
	<u>225,291</u>	<u>425,256</u>	<u>650,547</u>
Net assets released from restrictions	<u>424,590</u>	<u>(424,590)</u>	<u>-</u>
	<u>649,881</u>	<u>666</u>	<u>650,547</u>
Expenditures:			
Program services	502,505	-	502,505
General and administration	37,179	-	37,179
Fundraising	86,175	-	86,175
	<u>625,859</u>	<u>-</u>	<u>625,859</u>
Change in net assets	24,022	666	24,688
Net assets at beginning of year	<u>187,072</u>	<u>29,351</u>	<u>216,423</u>
Net assets at end of year	<u>\$ 211,094</u>	<u>\$ 30,017</u>	<u>\$ 241,111</u>

See accompanying notes.

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services					Total	
	Bereavement Support	Education	Research	Total Program Services	General and Administration		Fund Raising
Government outreach	\$ -	\$ 10,500	\$ -	\$ 10,500	\$ -	\$ 31,500	\$ 42,000
Grants	-	-	7,079	7,079	-	-	7,079
Instructional materials	-	86,011	-	86,011	-	-	86,011
Miscellaneous	-	30	-	30	4,239	-	4,269
Occupancy	7,663	14,368	-	22,031	1,437	478	23,946
Office operations	3,796	14,374	-	18,170	1,220	4,847	24,237
Payroll and benefits	75,849	116,211	-	192,060	14,369	5,303	211,732
Professional fees	11,619	27,261	-	38,880	6,001	20,723	65,604
Publications and postage	10,852	59,795	-	70,647	4,549	5,169	80,365
Support groups	2,865	-	-	2,865	-	-	2,865
Telephone	1,619	4,226	-	5,845	494	130	6,469
Travel and conferences	8,279	40,108	-	48,387	4,870	-	53,257
Indirect expenses of special events	-	-	-	-	-	18,025	18,025
Total Expenses	\$ 122,542	\$ 372,884	\$ 7,079	\$ 502,505	\$ 37,179	\$ 86,175	\$ 625,859

See accompanying notes.

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Cash Flows from Operating Activities:

Change in net assets \$ 24,688

Adjustments to Reconcile Change in Net Assets
to Net Cash Provided by Operating Activities:

Depreciation 3,675

Changes in current assets
and current liabilities:

Receivables (111,964)

Deferred expenses and deposits 4,946

Deferred income (5,255)

Payables 89,914

Cash provided by operating activities 6,004

Cash Flows from Investing Activities:

Purchase of equipment (5,570)

Increase in investments (2,978)

Cash used by investing activities (8,548)

Net Decrease in Cash (2,544)

Cash at Beginning of the Year 114,314

Cash at End of the Year \$ 111,770

See accompanying notes.

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

Nature of Organization and Significant Accounting Policies

Organization. The organization was formed in 1992 for the purpose of supporting and assisting families who have lost infants to Sudden Infant Death Syndrome (SIDS). The organization promotes, stimulates, and supports SIDS research and education projects.

The organization's offices are located in Naperville, Illinois.

Income Taxes. The organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

Basis of Accounting. The financial statements have been prepared on the accrual basis.

Cash equivalents consist of resources invested in demand deposit accounts, money market accounts, and other highly liquid deposit accounts.

Unrestricted Net Assets. Unrestricted net assets represent all resources over which the Board of Directors has discretionary control.

Temporarily Restricted Net Assets. Temporarily restricted net assets are those assets whose use is limited by the donor; however, the limitations are not permanent. The requirements for the utilization of these assets can be met by using the assets for specified purposes.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants Receivable

Grants receivable is comprised of amounts due from the following:

Illinois Department of Public Health	\$ 92,779
Chicago Department of Public Health	<u>43,655</u>
Total	\$136,434

SUDDEN INFANT DEATH SERVICES OF ILLINOIS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Fundraising and Special Events

The special events conducted during the fiscal year are summarized below.

	SIDS Sake Raffle	Fashion Show	Roof Sit	Golf Outing	Other Events	Total
Gross receipts	\$48,650	\$44,016	\$33,559	\$67,466	\$30,731	\$224,422
Less: Contributions	<u>1,550</u>	<u>20,575</u>	<u>33,559</u>	<u>41,640</u>	<u>9,396</u>	<u>106,720</u>
Gross revenue	47,100	23,441	0	25,826	21,335	117,702
Less: Donor benefit	<u>35,000</u>	<u>13,586</u>	<u>0</u>	<u>16,024</u>	<u>17,702</u>	<u>82,312</u>
Gross profit	\$12,100	\$9,855	\$0	\$9,802	\$3,633	\$35,390

Total expenses related to special fundraising events totaled \$100,337. This amount consisted of \$82,312 for direct donor benefits and \$18,025 of indirect expenses.

Other fundraising expenses, not related to special events, totaled \$68,150.

Investments

Investments consist of a bank certificate of deposit maturing on June 26, 2007.

Employee Pension Plan

The organization sponsors a tax deferred SIMPLE IRA (Savings Incentive Match Plan for Employees) program for its employees under Internal Revenue Code Section 408(p). The plan allows employees to invest a portion of their salary on a pre-tax basis. The organization then matches the employee contribution (dollar-for-dollar) up to an amount equal to 3% of the employee's annual compensation.

Office Lease

The organization is committed under an office lease through December 31, 2006. The lease calls for the payment of annual rent totaling \$19,500 plus a proportionate share of any increase in real estate taxes.