

**THE VASCULAR DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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HEIDER, TANNER & DIRKS, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD P. HEIDER, CPA  
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
The Vascular Disease Foundation, Inc.  
Denver, Colorado

We have audited the accompanying statements of financial position of The Vascular Disease Foundation, Inc. (a Colorado nonprofit corporation) as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 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 audits provide 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 The Vascular Disease Foundation, Inc. as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Heider, Tanner & Dirks, Inc.*  
HEIDER, TANNER & DIRKS, INC.

March 7, 2011

**THE VASCULAR DISEASE FOUNDATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash	\$ 1,219,842	\$ 1,121,432
Grants and contributions receivable	172,896	164,016
Prepaid expenses	3,829	3,875
Property and equipment, net of accumulated depreciation of \$8,854 and \$7,338	<u>5,240</u>	<u>4,625</u>
<b>Total assets</b>	<b><u>\$ 1,401,807</u></b>	<b><u>\$ 1,293,948</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 68,317	\$ 35,524
Accrued payroll and related expenses	<u>37,248</u>	<u>33,626</u>
<b>Total liabilities</b>	<b><u>105,565</u></b>	<b><u>69,150</u></b>
 <b>Net Assets -</b>		
Unrestricted -		
Undesignated	1,026,962	888,004
Board designated	<u>96,862</u>	<u>97,777</u>
<b>Total unrestricted</b>	<b>1,123,824</b>	<b>985,781</b>
Temporarily restricted	<u>172,418</u>	<u>239,017</u>
<b>Total net assets</b>	<b><u>1,296,242</u></b>	<b><u>1,224,798</u></b>
 <b>Total liabilities and net assets</b>	 <b><u>\$ 1,401,807</u></b>	 <b><u>\$ 1,293,948</u></b>

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

**THE VASCULAR DISEASE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Grants and contributions	\$ 1,351,712	\$ 172,418	\$ 1,524,130
Program fees and support	17,600	-	17,600
Special events, net of expense of \$11,760	27,956	-	27,956
In-kind contributions	40,210	-	40,210
Interest and dividends	4,245	-	4,245
Net assets released from restrictions	239,017	(239,017)	-
Total revenues, gains and other support	1,680,740	(66,599)	1,614,141
 <b>EXPENSES</b>			
Program services	1,379,117	-	1,379,117
Supporting services:			
General and administrative	76,440	-	76,440
Fundraising	87,140	-	87,140
Total expenses	1,542,697	-	1,542,697
<b>CHANGE IN NET ASSETS</b>	138,043	(66,599)	71,444
<b>NET ASSETS, BEGINNING OF PERIOD</b>	985,781	239,017	1,224,798
<b>NET ASSETS, END OF PERIOD</b>	\$ 1,123,824	\$ 172,418	\$ 1,296,242

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

**THE VASCULAR DISEASE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Grants and contributions	\$ 1,202,913	\$ 255,051	\$ 1,457,964
Program fees and support	22,279	-	22,279
Special events, net of expense of \$51,290	10,826	-	10,826
In-kind contributions	102,665	-	102,665
Interest and dividends	7,232	-	7,232
Net assets released from restrictions	91,034	(91,034)	-
	<u>1,436,949</u>	<u>164,017</u>	<u>1,600,966</u>
<b>EXPENSES</b>			
Program services	1,329,873	-	1,329,873
Supporting services:			
General and administrative	70,420	-	70,420
Fundraising	54,485	-	54,485
	<u>1,454,778</u>	<u>-</u>	<u>1,454,778</u>
<b>CHANGE IN NET ASSETS</b>	(17,829)	164,017	146,188
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>1,003,610</u>	<u>75,000</u>	<u>1,078,610</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>\$ 985,781</u>	<u>\$ 239,017</u>	<u>\$ 1,224,798</u>

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

**THE VASCULAR DISEASE FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2010

	Program	General and Administrative	Fundraising	Total
Salaries and wages	\$ 318,702	\$ 26,650	\$ 61,661	\$ 407,013
Employee benefits and payroll taxes	31,699	2,461	6,795	40,955
Total personnel	350,401	29,111	68,456	447,968
Conferences and meetings	57,311	9,799	118	67,228
Travel	28,707	14,470	2,647	45,824
Printing and publications	376,803	-	2,639	379,442
Telephone	12,896	706	1,371	14,973
Postage and shipping	53,212	127	6,690	60,029
Office supplies	7,011	321	431	7,763
Equipment rental and maintenance	899	62	42	1,003
Insurance	2,135	497	139	2,771
Occupancy	29,939	3,142	1,744	34,825
Web site costs	16,474	-	-	16,474
Professional fees and outside services	124,563	16,084	2,191	142,838
Program costs	193,414	83	147	193,644
Public awareness and marketing	120,652	672	143	121,467
Other	3,487	1,139	306	4,932
Total expenses before depreciation	1,377,904	76,213	87,064	1,541,181
Depreciation	1,213	227	76	1,516
Total expenses	\$ 1,379,117	\$ 76,440	\$ 87,140	\$ 1,542,697

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

**THE VASCULAR DISEASE FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2009

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 278,074	\$ 24,704	\$ 35,294	\$ 338,072
Employee benefits and payroll taxes	28,390	2,384	3,248	34,022
<b>Total personnel</b>	<b>306,464</b>	<b>27,088</b>	<b>38,542</b>	<b>372,094</b>
Conferences and meetings	123,673	12,391	51	136,115
Travel	52,743	13,712	465	66,920
Printing and publications	58,054	1,575	-	59,629
Telephone	12,063	759	753	13,575
Postage and shipping	54,442	608	8,239	63,289
Office supplies	3,703	661	945	5,309
Equipment rental and maintenance	839	69	35	943
Insurance	1,533	155	115	1,803
Occupancy	26,194	3,072	1,544	30,810
Web site costs	13,897	-	-	13,897
Professional fees and outside services	114,690	9,154	2,285	126,129
Program costs	277,168	561	233	277,962
Public awareness and marketing	273,494	-	-	273,494
Other	9,541	357	1,192	11,090
<b>Total expenses before depreciation</b>	<b>1,328,498</b>	<b>70,162</b>	<b>54,399</b>	<b>1,453,059</b>
Depreciation	1,375	258	86	1,719
<b>Total expenses</b>	<b>\$ 1,329,873</b>	<b>\$ 70,420</b>	<b>\$ 54,485</b>	<b>\$ 1,454,778</b>

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

**THE VASCULAR DISEASE FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Years Ended December 31, 2010 and 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 71,444	\$ 146,188
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,516	1,719
(Increase) decrease in:		
Accounts receivable	(8,880)	(89,016)
Prepaid expenses	46	(53)
Increase (decrease) in:		
Accounts payable	32,793	(1,683)
Accrued expenses and payroll withholdings	3,622	6,951
Net cash provided (used) by operating activities	100,541	64,106
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,131)	(2,862)
Net cash provided (used) by investing activities	(2,131)	(2,862)
<b>NET INCREASE (DECREASE) IN CASH</b>	98,410	61,244
<b>CASH, BEGINNING OF YEAR</b>	1,121,432	1,060,188
<b>CASH, END OF YEAR</b>	\$ 1,219,842	\$ 1,121,432

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

**THE VASCULAR DISEASE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010 and 2009

**NOTE 1 - ORGANIZATION AND PURPOSE**

Established in 1998, the Vascular Disease Foundation (VDF or "Foundation") is the only national public 501(c)(3) non-profit organization focused on vascular diseases with the sole purpose of providing public education and improving awareness about vascular diseases. VDF leadership includes direction from eleven vascular-focused professional medical societies and advocacy organizations to achieve our mission *to reduce death and disability from vascular diseases and improve vascular health for all Americans.*

In 2010, through its newsletters, web sites, brochures, flyers, meetings and media efforts, including television, radio, press releases, public service announcements and news stories, VDF had over 405,056,000 media impressions to increase awareness about vascular diseases, principally peripheral arterial disease and deep vein thrombosis.

VDF championed an effort to form the national P.A.D. Coalition, as a major program of VDF, by bringing together major health organizations to focus on PAD. Combining our voices with common messages, we can make a greater impact on vascular disease awareness and knowledge. With 15 organizations initially, this effort resulted in getting a commitment from the National Heart, Lung, and Blood Institute, of the National Institutes of Health, to fund a three year, two million dollar campaign to increase public awareness with the "Stay in Circulation: Take Steps to Learn about P.A.D." campaign, which launched in the fall of 2006. The P.A.D. Coalition currently has more than 80 organizations that collectively represent more than 1,020,000 health care professionals and 500,000 consumers. This success in awareness and outreach led to VDF creating a new coalition focusing on venous diseases, which affect many more Americans. The Venous Disease Coalition was created in 2007 and currently has more than 40 organizations that collectively represent over 350,000 health care professionals.

Resources are provided at public and professional meetings and at health screenings and other venues to increase visibility and promote VDF as the first place for obtaining patient resources on vascular disease. We are constantly developing educational information for patients, families, friends, and health care providers on the often ignored, but serious vascular diseases that impact the lives of millions of Americans.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Accounting**

The Foundation's accounting records are maintained on the accrual basis; all records of the P.A.D. Coalition and the Venous Disease Coalition have been included in these financial statements as programs of the Foundation.

**b. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958-205-45, the Foundation is required to report 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.

Unrestricted Net Assets – consists of assets, public support and program revenues, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions, which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets – includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

**THE VASCULAR DISEASE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2010 and 2009

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***c. Fixed Assets and Depreciation***

Fixed assets, consisting generally of furniture and equipment, are capitalized at cost or, if donated, at the fair market value at the time of receipt. Depreciation is calculated on both purchased and donated property, using the straight-line method over the estimated useful lives of the assets. The Foundation capitalizes all assets that exceed \$1,000 in cost or value at the time of acquisition.

***d. In-Kind Contributions***

Contributions of fixed assets and materials are recorded as unrestricted donations at their fair market value at the time of donation, if restrictions on their use are not expressed by the donor. Contributions of services are recorded as unrestricted donations if they meet the criteria for recording as specified by FASB ASC 958-605-55.

***e. Promises to Give***

Grants and contributions receivable arise from unconditional promises to give which are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation had no conditional promises to give as of December 31, 2010 and 2009. No allowance for uncollectible promises to give has been established since all grants and contributions receivable are considered fully collectible.

***f. Functional Allocation***

All expenses have been classified by functional categories according to the activity directly benefited. Certain expenses such as rent, utilities, depreciation and various other expenses have been allocated to the various functions based on estimates of usage and time involved.

***g. Cash and Cash Equivalents***

For the purpose of the statement of cash flows, the Foundation considers its various bank accounts, certificates of deposit, and money market accounts to be cash equivalents.

***h. Use of Estimates***

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates. Accordingly, actual results could differ from those estimates.

***i. Income Taxes***

The Foundation is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code as a "publicly supported" organization which is other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements. The Foundation had no unrelated business income during the years ended December 31, 2010 and 2009, and therefore, no provision for federal or state income taxes has been made in the accompanying financial statements.

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash accounts at various financial institutions. The balances of these accounts occasionally exceed the \$250,000 per depositor insured limit set by the FDIC. Cash accounts therefore may not be completely insured.

~~THE VASCULAR DISEASE FOUNDATION, INC.~~

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

**NOTE 4 - PROPERTY AND EQUIPMENT**

The following represents the Foundation's property and equipment and related amounts of accumulated depreciation at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Computer and office equipment	\$ 9,239	\$ 7,108
Furniture	<u>4,855</u>	<u>4,855</u>
	14,094	11,963
Less: Accumulated depreciation	<u>(8,854)</u>	<u>(7,338)</u>
Net property and equipment	<u>\$ 5,240</u>	<u>\$ 4,625</u>

**NOTE 5 - IN-KIND CONTRIBUTIONS**

In-kind contributions recognized in the financial statements for the years ended December 31, 2010 and 2009 consist of materials, supplies and exhibit space at various events of \$40,210 and \$102,665, respectively.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2010 and 2009 consist of grants and contributions receivable of \$172,418 and \$164,017, respectively, and contributions restricted for purpose of \$0 and \$75,000, respectively.

**NOTE 7 - SUBSEQUENT EVENTS**

Effective June 15, 2009, the Foundation adopted the provisions of FASB ASC 855-10-50. This statement requires management to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Foundation's financial statements were available to be issued on March 24, 2010, and this is the date through which subsequent events were evaluated. The Foundation did not identify any subsequent events requiring disclosure.