DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2013

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Down Syndrome Association of Greater Saint Louis

We have audited the accompanying financial statements of Down Syndrome Association of Greater Saint Louis(a non-profit corporation), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows 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 accounting principles generally accepted in the United States of America; this includes 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 audit. We conducted our audit 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Down Syndrome Association of Greater Saint Louis as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
St. Louis, Missouri
October 2, 2013

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	417,010
Investments - note 9		446,663
Pledges receivable		18,636
Total current assets		882,309
PROPERTY AND EQUIPMENT		
Furniture		3,633
Equipment		8,691
Software		29,005
Less: accumulated depreciation and amortization		(22,749)
Total property and equipment		18,580
Total assets	$	900,889
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$	7,565
Accrued payroll		3,876
Accrued payroll taxes		2,273
Deferred revenue		109,445
Current maturities of long-term debt - note 7		9,002
Total current liabilities		132,161
LONG-TERM DEBT, less current maturities - note 7		6,001
Total liabilities		138,162
NET ASSETS		
Unrestricted		762,727
Temporarily restricted		-
Permanently restricted		-
Total net assets		762,727
Total liabilities and net assets	$	900,889

See accompanying notes and independent auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF ACTIVITIES

For the year ended June 30,				2013
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Fundraising income	$ 518,494	$ -	$ -	$ 518,494
Grant income	-	7,500	-	7,500
Contributions	52,611	-	-	52,611
Conference	3,543	-	-	3,543
Memorials	15,050	-	-	15,050
Merchandise sales, net	4,106	-	-	4,106
Non-cash contributions	89,846	-	-	89,846
Program income	37,354	-	-	37,354
Unrealized gain on investments	7,335	-	-	7,335
Interest income	811	-	-	811
Total support and revenue	729,150	7,500	-	736,650
Net assets released from restriction	30,300	(30,300)	-	-
Total	759,450	(22,800)	-	736,650
Program expenses	387,765	-	-	387,765
Total program expenses	387,765	-	-	387,765
Support expenses				
Administration	85,964	-	-	85,964
Fundraising	106,457	-	-	106,457
Total support expenses	192,421	-	-	192,421
Total expenses	580,186	-	-	580,186
Change in net assets	179,264	(22,800)	-	156,464
Net assets, beginning of year	583,463	22,800	-	606,263
Net assets, end of year	$ 762,727	$ -	$ -	$ 762,727

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF CASH FLOWS

For the year ended June 30,		2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$	156,464
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization		10,045
Changes in assets and liabilities:		
(Increase) decrease in pledges receivable		(18,636)
(Increase) decrease in prepaid expenses		415
Increase (decrease) in accounts payable		6,152
Increase (decrease) in accrued payroll		1,132
Increase (decrease) in accrued payroll taxes		(5,922)
Increase (decrease) in unearned revenue		28,528
Net cash provided by (used in) operating activities		178,178
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(446,663)
Net cash provided by (used in) investing activities		(446,663)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt		(9,002)
Net cash provided by (used in) financing activities		(9,002)
Net increase (decrease) in cash and cash equivalents		(277,487)
Cash and cash equivalents - beginning of year		694,497
Cash and cash equivalents - end of year	$	417,010

See accompanying notes and independent auditor's report

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The mission of the Down Syndrome Association of Greater St. Louis (the Association) is to benefit the lives of people with Down Syndrome and their families through individual and family support, education, public awareness and advocacy.

The Association runs 22 programs under three core service areas. A program listing follows:

Individual and Family Support

- New Parent Support
- First Birthday Program/Celebration Baskets
- Down Syndrome Center at Children's Hospital
- Community Groups
- Family Events (family picnics, holiday party)
- Sharing our Strengths
- Information and Referral

Education

- Lydia Faith Cox Memorial Bike Camp
- Medical Outreach
- Conferences, Seminars & Workshops
- DSA University (DSAGSL WORD Masters Toastmasters and Comic Book Club)
- Resource Library
- Down Syndrome Specialist Program

Awareness & Advocacy

- Step Up For Down Syndrome (SUDS)
- Walk in the Park
- World Down Syndrome Day
- Down Syndrome Awareness Month
- Calendar
- Awareness Bracelets and Apparel
- Social Media
- DSAGSL E-Communications
- DSAGSL Publications

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets, receipts, and disbursements are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets that are subject to donor-imposed stipulations that may be satisfied either by actions of the Association or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes. The Association presently has no permanently restricted net assets.

Use of 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when certain donors make unconditional promises to give to the Association. Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. Promises to give are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are determined to be uncollectible.

Furniture and Equipment

Furniture and equipment are stated at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over periods ranging from five to ten years. Software is amortized using the straight-line method over a three year period.

Contributions and Support

Program service revenues are recorded as unrestricted support when earned. Contributions and unconditional promises to give are recorded as temporarily restricted, permanently restricted, or unrestricted support depending on the existence or nature of any donor restrictions. When restrictions expire, restricted net assets are reclassified to unrestricted net assets. The Association records restricted contributions whose restrictions are met in the same reporting period as unrestricted.

Tax Status

The Association is exempt from federal income taxes under Section 501(c)(3) of the internal revenue code and therefore has made no provision for federal income taxes in the accompanying financial statements.

The Association adopted the provisions of Accounting for Uncertainty in Income Taxes on July 1, 2010. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of June 30, 2013, no amounts have been recognized for uncertain tax positions. The Association's tax returns filed prior to fiscal 2011 are closed.

NOTE 2 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fundraising, administration or the appropriate program based on evaluations of the related benefits. Administrative expenses include those expenses which were not directly identifiable with any other specific functions but provide for the overall support and direction of the Association.

NOTE 3 - PROPERTY AND EQUIPMENT

The Association maintained the following property and equipment as of June 30, 2013:

	2013
Furniture	$ 3,633
Equipment	8,691
Software	29,005
	41,329
Less: accumulated depreciation and amortization	(22,749)
Total	$ 18,580

Depreciation and amortization charged against income was $10,045 for fiscal year 2013.

NOTE 4 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 2, 2013, the date which the financial statements were available for issue.

NOTE 5 - LEASES

In September 2008, the Association entered into a lease agreement with Toshiba American Business Solutions, Inc. for a copier. The lease period is for 60 months with payments of $125 per month.

In January 2009, the Association renewed an office space lease agreement with University Terrace Associates. The lease period is for 60 months with payments of $2,102 per month.

In March 2011, the Association entered into a credit card equipment lease agreement with First Data, Inc. The lease period is for 48 months with payments of $18 per month.

In April 2012, the Association entered into a lease agreement with GFI Digital, Inc. The lease period is for 60 months with payments of $220 per month.

Minimum future lease payments under the above leases are as follows:

Year ended June 30,	Amount
2014	$ 15,468
2015	2,802
2016	2,640
2017	1,980
	$ 22,890

Expenses associated with these leases for the year ended June 30, 2013 was $28,455.

NOTE 6 - CONCENTRATION OF CREDIT RISK

The Association had depository accounts with PNC Bank totaling $410,428 as of June 30, 2013. Total cash balance is in excess of the federally insured limit of $250,000 per depositor.

NOTE 7 - NOTES PAYABLE

In February 2012, the Association entered into an zero interest finance agreement with LEAF Capital Funding, LLC. The purpose of the agreement was to finance software. The balance at June 30, 2013 was $15,003.

Future maturities of long term debt:

Year ending June 30,	2014	$ 9,002
	2015	6,001
		$ 15,003

NOTE 8 - NON-CASH CONTRIBUTIONS

The Association receives donations of professional services and products from various sources. During the fiscal year 2013, the Association received donated radio and television air-time, and other professional services, which has been recognized as revenue and expense in the financial statements at a fair market value of $89,846.

A significant number of volunteer hours were contributed to the Association. However, those activities have not been recognized as revenue because the criteria for recognition of volunteer efforts has not been satisfied.

NOTE 9 - INVESTMENTS

Fair Value Measurements

Financial Accounting Standards Board Statement, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under FASB Statement, *Fair Value Measurements* are described below:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes during 2013 in the methodologies used to value the investments as of June 30, 2013.

Equities, ETFs, and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 9 - INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2013:

	Level 1	Level 2	Level 3	Total
Equities	$ 36,713	$ -	$ -	$ 36,713
Mutual funds & ETFs	409,950	-	-	409,950
Total at fair value	446,663	-	-	446,663

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2013

	Program Expenses	General & Administration	Fundraising	Total
Salaries	$ 102,151	$ 45,849	$ 27,991	$ 175,991
Payroll taxes	7,815	5,911	2,141	15,867
Advertising	* 64,810	-	* 21,604	* 86,414
Advocacy	96,257	-	-	96,257
Fundraising	-	-	32,086	32,086
Credit card and bank fees	876	3,648	-	4,524
Depreciation and amortization	6,529	3,014	502	10,045
Dues and subscriptions	2,275	613	86	2,974
Equipment rental	5,999	4,578	10,185	20,762
Licenses and fees	-	224	-	224
Insurance	4,435	3,687	459	8,581
Miscellaneous expense	3,924	1,388	727	6,039
Other program expense	26,850	-	-	26,850
Postage	1,784	3,620	594	5,998
Printing	7,839	40	2,041	9,920
Professional fees	23,349	8,673	4,054	36,076
Rent	20,184	2,520	2,520	25,224
Supplies	5,179	1,177	882	7,238
Telephone	3,063	631	394	4,088
Travel	1,311	21	21	1,353
Training	3,135	370	170	3,675
TOTAL	$ 387,765	$ 85,964	$ 106,457	$ 580,186

* In-Kind Contributions

See accompanying notes and independent auditor's report