

**DOWN SYNDROME ASSOCIATION OF
GREATER SAINT LOUIS**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2014

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS

CONTENTS

	<u>Pages</u>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Activities	2
Statement of Cash Flows	3
Notes to Financial Statements	4-10
Supplemental Schedule of Functional Expenses	11



**Fick, Eggemeyer
& Williamson**

Certified Public Accountants, PC



MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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, 2014, 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.

Auditors' 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.

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, 2014, 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 11 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

November 6, 2014

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF FINANCIAL POSITION

June 30, 2014

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 403,711
Investments - note 8	623,225
Pledges receivable	2,500
Other assets	3,576
Total current assets	<u>1,033,012</u>
PROPERTY AND EQUIPMENT	
Furniture	5,438
Equipment	12,439
Software	29,005
Less: accumulated depreciation and amortization	<u>(32,170)</u>
Total property and equipment	<u>14,712</u>
Total assets	<u>\$ 1,047,724</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 26,763
Accrued payroll	4,594
Accrued payroll taxes	3,286
Deferred revenue	71,625
Note payable - note 6	6,001
Total current liabilities	<u>112,269</u>
Total liabilities	<u>112,269</u>
NET ASSETS	
Unrestricted	935,455
Temporarily restricted	-
Permanently restricted	-
Total net assets	<u>935,455</u>
Total liabilities and net assets	<u>\$ 1,047,724</u>

See accompanying notes and independent auditors' report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF ACTIVITIES

For the year ended June 30,	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Fundraising income	\$ 605,791	\$ -	\$ -	\$ 605,791
Grant income	-	1,500	-	1,500
Contributions	36,154	-	-	36,154
Conference	10,767	-	-	10,767
Memorials	22,080	-	-	22,080
Merchandise sales, net	6,807	-	-	6,807
Non-cash contributions	56,003	-	-	56,003
Program income	25,126	-	-	25,126
Other income	1,977	-	-	1,977
Realized/unrealized gain on investments, dividend income	30,817	-	-	30,817
Interest income	600	-	-	600
Total support and revenue	796,122	1,500	-	797,622
Net assets released from restriction	1,500	(1,500)	-	-
Total	797,622	-	-	797,622
Program expenses	462,110	-	-	462,110
Total program expenses	462,110	-	-	462,110
Support expenses				
Administration	63,023	-	-	63,023
Fundraising	99,761	-	-	99,761
Total support expenses	162,784	-	-	162,784
Total expenses	624,894	-	-	624,894
Change in net assets	172,728	-	-	172,728
Net assets, beginning of year	762,727	-	-	762,727
Net assets, end of year	\$ 935,455	\$ -	\$ -	\$ 935,455

See accompanying notes and independent auditors' report

DOWN SYNDROME ASSOCIATION OF GREATER SAINT LOUIS
STATEMENT OF CASH FLOWS

For the year ended June 30,	2014
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 172,728
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	10,931
Changes in assets and liabilities:	
(Increase) decrease in pledges receivable	16,136
(Increase) decrease in other assets	(3,576)
Increase (decrease) in accounts payable	19,198
Increase (decrease) in accrued payroll	718
Increase (decrease) in accrued payroll taxes	1,013
Increase (decrease) in unearned revenue	<u>(37,820)</u>
Net cash provided by (used in) operating activities	<u>179,328</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(7,474)
Loss on disposal of fixed assets	411
Purchase of investments	(151,000)
Net Realized/unrealized gain/loss on investment, dividend income	<u>(25,562)</u>
Net cash provided by (used in) investing activities	<u>(183,625)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(9,002)</u>
Net cash provided by (used in) financing activities	<u>(9,002)</u>
Net increase (decrease) in cash and cash equivalents	(13,299)
Cash and cash equivalents - beginning of year	<u>417,010</u>
Cash and cash equivalents - end of year	<u><u>\$ 403,711</u></u>

See accompanying notes and independent auditors' report

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 24 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 Strategies
- Information and Referral
- Friend 2 Friend Mentoring Program

Education

- Lydia Faith Cox Memorial Bike Camp
- Medical Outreach
- Conferences, Seminars & Workshops
- DSA University (DSAGSL WORD Masters Toastmasters, Healthy Start Day Program, Bike Club, Therapeutic Playgroup, Art Club, Chef 4 Life, Stories on Stages, Self Advocates for Greater Experiences)
- Resource Library
- Down Syndrome Specialist Program
- DSA Sports (football camp, hockey camp and summer tennis program)

Awareness & Advocacy

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Cash and Cash Equivalents

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Depreciation and amortization charged against income was \$10,931 for fiscal year 2014.

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, 2014, no amounts have been recognized for uncertain tax positions. The Association's tax returns filed prior to fiscal 2012 are closed.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 6, 2014, the date which the financial statements were available for issue.

NOTE 4 - LEASES

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.

In December 2013, the Association entered into a lease agreement with I-170 Distribution Center II, LLC for the use of office space. The lease period is for 87 months with payments of \$2,570 per month.

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

<u>Year ended June 30,</u>	<u>Amount</u>
2015	\$ 33,642
2016	33,480
2017	32,820
2018	30,840
2019	30,840
2020	30,840
2021	25,700
	<u>\$ 218,162</u>

Expenses associated with these leases for the year ended June 30, 2014 was \$27,796.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Association had depository accounts with PNC Bank totaling \$400,507 as of June 30, 2014. Total cash balance is in excess of the federally insured limit of \$250,000 per depositor.

The Association had cash deposits and securities in a brokerage account with Benjamin F. Edwards & Co. of \$578,655 as of June 30, 2014. This balance is in excess of the Securities Investor Protection Corporation insurance limit of \$500,000 per investor.

NOTE 6 - NOTE PAYABLE

In February 2012, the Association entered into a zero interest finance agreement with LEAF Capital Funding, LLC. The purpose of the agreement was to finance software. The balance at June 30, 2014 was \$6,001.

Future maturities of long term debt:

Year ending June 30,	2015	<u>\$ 6,001</u>
		<u>\$ 6,001</u>

NOTE 7 - NON-CASH CONTRIBUTIONS

The Association receives donations of professional services and products from various sources. During the fiscal year 2014, 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 \$56,003.

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.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 - 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 2014 in the methodologies used to value the investments as of June 30, 2014.

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

Mutual funds: Valued at the net asset value of shares held by the Association at year end.

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.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 - 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, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 31,675	\$ -	\$ -	\$ 31,675
Mutual funds & ETFs	591,550	-	-	591,550
Total at fair value	<u>623,225</u>	<u>-</u>	<u>-</u>	<u>623,225</u>

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

For the year ended June 30, 2014

	Program Expenses	General & Administration	Fundraising	Total
Salaries	\$ 140,002	\$ 30,169	\$ 30,169	\$ 200,340
Payroll taxes	8,920	6,525	2,347	17,792
Advertising	39,000	-	13,000	52,000
Advocacy	97,410	-	-	97,410
Fundraising	-	-	32,470	32,470
Credit card and bank fees	-	3,791	-	3,791
Depreciation and amortization	7,105	3,279	547	10,931
Dues and subscriptions	4,908	514	37	5,459
Equipment rental	8,140	309	4,453	12,902
Loss on disposal of asset	-	412	-	412
Insurance	13,636	1,078	1,023	15,737
Meals	3,615	225	285	4,125
Miscellaneous expense	1,070	983	770	2,823
Moving expense	9,051	-	-	9,051
Other program expenses	34,338	-	-	34,338
Postage	4,454	5,644	997	11,095
Printing	19,841	96	5,596	25,533
Professional fees	24,779	5,473	3,361	33,613
Rent	18,255	2,194	2,881	23,330
Supplies	7,815	1,176	939	9,930
Telephone	3,659	669	369	4,697
Travel	8,370	486	467	9,323
Training	7,742	-	50	7,792
TOTAL	\$ 462,110	\$ 63,023	\$ 99,761	\$ 624,894

See accompanying notes and independent auditors' report