DOWN SYNDROME ASSOCIATION
OF GREATER ST. LOUIS

Audited Financial Statements

For the Year Ended
June 30, 2015

Down Syndrome Association of Greater St. Louis

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HOLT &
PATTERSON, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Down Syndrome Association of Greater St. Louis

We have audited the accompanying financial statements of Down Syndrome Association of Greater St. Louis, which comprise the statements of financial position as of June 30, 2015, 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 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 from 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 St. Louis as of June 30, 2015, 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.

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Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of functional expenses on page 10 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.

Holt & Patterson, LLC

Holt & Patterson, LLC
Chesterfield, MO 63005
2/9/16

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015

ASSETS

		2015
CURRENT ASSETS		
Cash & Equivalents	$	220,002
Investments - Note 8		807,481
Prepaid Expenses		2,954
Pledges Receivable		-
Other Current Assets		2,446
Total Current Assets		1,032,883
PROPERTY AND EQUIPMENT		
Furniture		5,438
Equipment		12,784
Software		29,005
Accumulated Depreciation and Amortization		(42,213)
Total Property and Equipment		5,014
Total Assets	$	1,037,897

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES		
Accounts Payable	$	46,299
Accrued Payroll		6,582
Accrued Payroll Taxes		3,997
Deferred Revenue		7,444
Notes payable -Note 6		-
Total Current Liabilities		64,323
Total Liabilities		64,323
NET ASSETS:		
Unrestricted		973,575
Temporarily Restricted		-
Permanently Restricted		-
Total Net Assets		973,575
Total Liabilities and Net Assets	$	1,037,897

See accompanying notes and independent auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
Support and Revenue				
Fundraising Income	$ 609,841	$ -	$ -	$ 609,841
Grant Income	-	-	-	-
Contributions	30,674	-	-	30,674
Conference	210	-	-	210
Memorials	12,535	-	-	12,535
Merchandise Sales, Net	9,056	-	-	9,056
Non-Cash Contributions	55,850	-	-	55,850
Program Income	76,230	-	-	76,230
Other Income	-	-	-	-
Realized/Unrealized Gain on Investment, Dividend Income	25,598	-	-	25,598
Interest Income	544	-	-	544
Total Support and Revenue	820,538	-	-	820,538
Net Assets Released from Restrictions	-	-	-	-
Total	820,538	-	-	820,538
Program Expenses	(573,821)			(573,821)
Total Program Expenses	(573,821)	-	-	(573,821)
Support Expenses				
Administration	(55,106)	-	-	(55,106)
Fundraising	(153,491)	-	-	(153,491)
Total Support Expenses	(208,597)	-	-	(208,597)
Total Expenses	(782,418)	-	-	(782,418)
Change in Net Assets	38,120	-	-	38,120
Net Assets, Beginning of Year	935,455	-	-	935,455
Net Assets, End of Year	$ 973,575	$ -	$ -	$ 973,575

See accompanying notes and independent auditor's report

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

		2015
Cash flow from operating activities:		
Net income (loss)	$	38,120
Adjustments to reconcile net income to		
net cash provided (used) by operating activities:		
Depreciation		10,043
Changes in operating assets and liabilities:		
Pledge Receivable		2,500
Prepaid expenses		(2,954)
Other Assets (Current & Non-Current)		1,130
Payables		19,536
Accrued Expenses		2,699
Unearned Revenue		(64,181)
Net cash provided (used) by operating activities		6,893
Cash flows from investing activities:		
Purchases of fixed assets		(345)
Disposal of fixed asset		-
Purchase of investments		(184,256)
Net Realized/Unrealized Gain/Loss, Dividend Income		
Net cash provided (used) by investing activities		(184,601)
Cash flows from financing activities:		
Principal Payment on Long Term Debt		(6,001)
Net cash provided (used) by financing activities		(6,001)
Net increase (decrease) in cash		(183,710)
Cash at the beginning of the year		403,711
Cash at the end of the year	$	220,002
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$	-
Taxes	$	-

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 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 (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

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:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Basis of Presentation (continued)

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.

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 $10,043 for fiscal year 2015.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2015, no amounts have been recognized for uncertain tax positions. The Association's tax returns filed prior to fiscal 2013 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 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 9, 2016, the date which the financial statements were available for issue.

NOTE 4 – LEASES

In April 2012, the Association entered into a copier 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:

Year ended June 30,	Amount
2016	$ 33,480
2017	32,820
2018	30,840
2019	30,840
2020	30,840
2021	20,560
	$ 179,380

Expenses associated with these leases for the year ended June 30, 2015 was $34,833.

NOTE 5 – CONCENTRATION OF CREDIT RISK

The Association had depository accounts with PNC Bank totaling $220,002 as of June 30, 2015. Total cash balance is covered by 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 $807,481 as of June 30, 2015. 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 loan was paid in full as of February 2015.

NOTE 7 – NON-CASH CONTRIBUTIONS

The Association receives donations of professional services and products from various sources. During the fiscal year 2015, 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 $55,850. 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 have not been satisfied.

NOTE 8 – INVESTMENTS

Fair Value Measurements
Included in the financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settles in a current transaction between willing parties, that is, other than in a forced or liquidation sale. FASB ASC 820, *Fair Value Measurements and Disclosures,* 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market rates and volatilities, spreads and yield curves. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 8 – INVESTMENTS - Fair Value Measurements (continued)

Level 3: Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Plan's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015.

Common stocks, corporate bonds, and U.S. government bonds and securities – 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 (NAV) of shares held by the Plan 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 Plan believes its valuation methods are appropriate and consistent with other market participants, 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.

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Cash-Equivalent	$ 139,961	-	-	$ 139,961
Equities	81,235	-	-	81,235
Mutual funds & ETFs	586,285	-	-	586,285
Total at fair value	$ 807,481	-	-	$ 807,481

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Expenses	General & Administration	Fundraising	Total
Salaries	171,736	28,043	33,197	232,975
Payroll Taxes	14,543	2,375	2,816	19,733
Advertising	39,000	-	13,000	52,000
Advocacy	160,579	-	-	160,579
Fundraising	-	-	64,043	64,043
Credit card and bank fees	1,866	1,647	10,169	13,682
Depreciation	7,383	1,209	1,451	10,043
Dues and subscriptions	5,351	780	177	6,308
Equipment Rental	13,642	1,052	5,729	20,423
Investments	-	6,850		6,850
Insurance	19,215	2,952	2,357	24,523
Meals	6,553	488	407	7,447
Miscellaneous expense	859	49	64	973
Other program expenses	41,478	-	-	41,478
Postage	10,188	1,570	1,285	13,043
Printing	20,720	494	5,016	26,230
Professional fees	10,343	1,937	7,391	19,671
Rent	24,126	3,804	3,674	31,604
Supplies	4,826	1,105	1,450	7,380
Telephone	4,345	648	392	5,385
Travel	13,480	103	642	14,224
Training	3,588	-	233	3,821
Total	573,821	55,106	153,491	782,418