



**DOWN SYNDROME ASSOCIATION
OF GREATER ST. LOUIS**

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITOR'S REPORT

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 (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

July 1, 2021

SFW Partners, LLC
SFW Partners, LLC

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 222,670	\$ 261,938
Investments	1,014,769	918,956
Prepaid expenses	36,419	22,862
Total current assets	<u>1,273,858</u>	<u>1,203,756</u>
Property and equipment, net of accumulated depreciation	<u>14,439</u>	<u>479</u>
Total assets	<u>\$ 1,288,297</u>	<u>\$ 1,204,235</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 6,725	\$ 29,634
Accrued expenses	11,127	14,198
Total current liabilities	<u>17,852</u>	<u>43,832</u>
Net assets:		
Without donor restrictions (Note 6)	1,263,445	1,120,403
With donor restrictions (Note 7)	7,000	40,000
Total net assets	<u>1,270,445</u>	<u>1,160,403</u>
Total liabilities and net assets	<u>\$ 1,288,297</u>	<u>\$ 1,204,235</u>

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenue:						
Fundraising income	\$ 347,665	\$ -	\$ 347,665	\$ 521,828	\$ -	\$ 521,828
Contributions	118,346	-	118,346	83,214	-	83,214
Investment income, net	108,680	-	108,680	121,640	-	121,640
Paycheck protection program loan	66,000	-	66,000	-	-	-
Grant income	53,428	-	53,428	69,948	50,000	119,948
Memorials	28,459	-	28,459	28,232	-	28,232
Program income	12,321	-	12,321	23,767	-	23,767
Other income	7,586	-	7,586	127	-	127
Merchandise sales	3,274	-	3,274	4,441	-	4,441
Total support and other revenue	<u>745,759</u>	<u>-</u>	<u>745,759</u>	<u>853,197</u>	<u>50,000</u>	<u>903,197</u>
Net assets released from restrictions	33,000	(33,000)	-	10,000	(10,000)	-
Functional expenses:						
Program services	477,150	-	477,150	546,174	-	546,174
General and administrative	57,033	-	57,033	56,522	-	56,522
Fundraising	101,534	-	101,534	132,718	-	132,718
Total functional expenses	<u>635,717</u>	<u>-</u>	<u>635,717</u>	<u>735,414</u>	<u>-</u>	<u>735,414</u>
Change in net assets	143,042	(33,000)	110,042	127,783	40,000	167,783
Net assets, beginning of the year	<u>1,120,403</u>	<u>40,000</u>	<u>1,160,403</u>	<u>992,620</u>	<u>-</u>	<u>992,620</u>
Net assets, end of the year	<u>\$ 1,263,445</u>	<u>\$ 7,000</u>	<u>\$ 1,270,445</u>	<u>\$ 1,120,403</u>	<u>\$ 40,000</u>	<u>\$ 1,160,403</u>

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020**

	Program Services				Supporting Services		Total
	Individual and Family Support	Education	Awareness and Advocacy	Total Program Services	General and Administrative	Fundraising	
Salaries	\$ 76,605	\$ 89,931	\$ 78,607	\$ 245,143	\$ 25,443	\$ 40,153	\$ 310,739
Insurance	21,366	22,625	13,794	57,785	-	4,212	61,997
Rent	10,619	10,619	7,080	28,318	9,898	3,540	41,756
Professional fees	13,470	14,982	9,245	37,697	-	1,549	39,246
Fundraising	-	-	-	-	-	35,318	35,318
Other program expenses	14,113	11,494	7,150	32,757	106	169	33,032
Taxes and benefits	6,341	7,131	6,371	19,843	6,452	3,352	29,647
Equipment rental	4,559	4,708	4,157	13,424	4,277	4,371	22,072
Credit card and bank fees	49	242	1,878	2,169	8,502	3,230	13,901
Advocacy	43	581	11,319	11,943	-	-	11,943
Printing	831	-	5,601	6,432	82	2,974	9,488
Postage	1,884	1,522	1,641	5,047	484	1,101	6,632
Dues and subscriptions	390	970	2,503	3,863	625	266	4,754
Depreciation	1,224	1,224	816	3,264	388	388	4,040
Travel	146	2,115	1,019	3,280	18	312	3,610
Telephone	1,044	1,125	703	2,872	348	367	3,587
Meals	48	476	893	1,417	261	107	1,785
Supplies	440	413	230	1,083	115	115	1,313
Training	-	813	-	813	34	10	857
	<u>\$ 153,172</u>	<u>\$ 170,971</u>	<u>\$ 153,007</u>	<u>\$ 477,150</u>	<u>\$ 57,033</u>	<u>\$ 101,534</u>	<u>\$ 635,717</u>

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services			Supporting Services			Total
	Individual and Family Support	Education	Awareness and Advocacy	Total Program Services	General and Administrative	Fundraising	
Salaries	\$ 48,870	\$ 99,593	\$ 58,899	\$ 207,362	\$ 22,483	\$ 53,808	\$ 283,653
Insurance	6,160	21,430	9,571	37,161	1,669	4,561	43,391
Rent	11,678	11,678	7,785	31,141	3,893	3,893	38,927
Professional fees	3,217	12,914	5,020	21,151	8,185	1,019	30,355
Fundraising	-	-	-	-	-	54,389	54,389
Other program expenses	22,682	20,948	14,366	57,996	17	93	58,106
Taxes and benefits	3,766	7,642	4,506	15,914	6,783	4,116	26,813
Equipment rental	5,703	5,745	9,779	21,227	1,901	2,101	25,229
Credit card and bank fees	212	235	160	607	8,612	210	9,429
Advocacy	-	1,048	99,925	100,973	-	-	100,973
Printing	1,096	1,628	12,612	15,336	296	4,904	20,536
Postage	1,941	2,445	2,770	7,156	850	1,475	9,481
Dues and subscriptions	-	-	4,013	4,013	47	-	4,060
Depreciation	377	377	248	1,002	127	127	1,256
Travel	643	4,049	2,600	7,292	6	209	7,507
Telephone	1,008	1,008	672	2,688	476	336	3,500
Meals	117	907	2,874	3,898	-	5	3,903
Supplies	588	831	375	1,794	117	143	2,054
Training	3,000	4,345	2,118	9,463	1,060	1,329	11,852
	<u>\$ 111,058</u>	<u>\$ 196,823</u>	<u>\$ 238,293</u>	<u>\$ 546,174</u>	<u>\$ 56,522</u>	<u>\$ 132,718</u>	<u>\$ 735,414</u>

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 110,042	\$ 167,783
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	4,040	1,256
Dividends reinvested	(39,884)	(39,977)
Unrealized and realized gain on investments	(123,429)	(58,292)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Prepaid expenses	(13,557)	9,020
Other current assets	-	2,853
(Decrease) increase in liabilities:		
Accounts payable	(22,909)	11,604
Accrued expenses	(3,071)	52
Net cash (used in) provided by operating activities	(88,768)	94,299
Cash flows from investing activities:		
Purchases of property and equipment	(18,000)	-
Purchases of investment securities	(105,828)	(64,844)
Proceeds from sales of investment securities	173,328	38,086
Net cash provided by (used in) investing activities	49,500	(26,758)
Net (decrease) increase in cash and cash equivalents	(39,268)	67,541
Cash and cash equivalents, beginning of the year	261,938	194,397
Cash and cash equivalents, end of the year	\$ 222,670	\$ 261,938

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

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(1) Operations

Down Syndrome Association of Greater St. Louis (the “Organization”) was incorporated in 1976 and is a not-for-profit organization organized under the laws of the State of Missouri. The mission of the Organization is to benefit the lives of people with down syndrome and their families through individual and family support, education, awareness and advocacy. The Organization runs multiple programs under three core service areas. A program listing follows:

Individual and Family Support

- New Parent Support
- First Birthday Program/Celebration Baskets
- Parent to Parent Network and Mentor Program
- Ages and Stages Book Program
- Volunteer Staffing for Down Syndrome Center at Children's Hospital
- Regional Community Groups
- Family Events (family picnics, holiday party)
- Sharing our Strategies Resource Network
- Information and Referral
- Resource Library
- Health Professional Outreach
- Support for Caregivers of Aging Adults with Down Syndrome
- Educational Advocacy and Support

Education

- Small Steps Therapy Camp and Therapeutic Playgroups
- Rock 21 Music Program
- Conferences, Seminars & Workshops
- Steps to Independence Classes for Adults with Down Syndrome
- Down Syndrome Education Specialists Program
- Ready to Work Employment Initiative
- Community Education and Outreach
- Pop Up Snack Shop Social Enterprise and Job Training Program

Awareness and Advocacy

- Step Up for Down Syndrome (SUDS) Awareness Walk
- Walk in the Park
- Run for 21
- World Down Syndrome Day
- Down Syndrome Awareness Month
- Friends for All Seasons Calendar
- Awareness Bracelets and Apparel
- Social Media Campaigns
- DSAGSL E-Communications
- DSAGSL Publications
- Legislative Advocacy

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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.

Investments

Investments are adjusted to market value at year end. Gains or losses on the sale of investments are recognized on a specific identification basis. Unrealized holding gains or losses, realized gains or losses, and interest and dividend income earned on the investments are included in investment income, net of external and direct internal investment expenses on the statement of activities and changes in net assets for the years ended December 31, 2020 and 2019.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value if contributed, less an allowance for depreciation. Major expenditures for property acquisitions and those expenditures which substantially increase useful lives are capitalized. Expenditures for maintenance, repairs, and minor replacements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation

The Organization provides for depreciation using both straight-line and accelerated methods based upon the estimated useful lives of the assets as follows: computer equipment and software, 3 to 5 years; automobile, 5 years; furniture, 7 years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board designation.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies (Continued)

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Gifts of cash and other assets received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Fundraising income, program service fees and payments under cost-reimbursable contracts received in advance of services rendered are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Paycheck Protection Loan Program

The Organization has elected to account for the Paycheck Protection Program ("PPP") Loan, which is a forgivable loan program established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, in accordance with Accounting Standards Codification ("ASC") Topic 958-605, Not-for-Profit Entities-Revenue Recognition. The Organization initially recorded the cash inflow from the PPP loan as a refundable advance liability. As conditions of forgiveness are substantially met or explicitly waived, the Organization reduces the refundable advance liability and recognizes contribution income (see Note 9).

In-Kind Contributions

In-kind contributions include services provided which create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, and facilities provided free of charge that would typically need to be rented if not provided by donation. These services and facilities are recognized in the financial statements at the fair value of the service or facility rental provided. Contributed goods are recorded at fair value at the date of donation. For the years ended December 31, 2020 and 2019, the Organization recorded \$18,200 and \$0, respectively, in donated services.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in its mission. These services are not recognized in the financial statements.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies (Continued)

Program Services

Program services include those expenses for programs and other items that enable the Organization to provide individual and family support, education, and awareness and advocacy for individuals with down syndrome. Major program services are identified on the accompanying statements of functional expenses.

Supporting Services

Supporting services include the general and administrative and fundraising expenses that enable the Organization to coordinate its program strategy, secure proper administrative function of the Board of Directors, and manage the financial and budgetary responsibilities of the Organization.

Functional Allocation of Expenses

The costs associated with providing the Organization's activities have been summarized on the functional basis. Certain expenses represent costs associated with multiple activities and require allocation among the program and supporting services benefited. Such allocations are based on management's estimate of time and effort which include salaries, taxes, and benefits. Certain other expenses are allocated based on a combination of square footage and usage which include insurance, rent, training, and depreciation. All other expenses are allocated based on direct costs.

Income Taxes

The Internal Revenue Service has advised the Organization that it is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's management does not believe that its exempt status has been significantly affected by any changes in its activities since the date of the most recent determination letter received. Accordingly, no provision for income taxes has been included in these financial statements.

The Organization accounts for any uncertain tax positions in accordance with the Income Taxes topic of the Financial Accounting Standards Board ("FASB") ASC. The topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. In evaluating the Organization's exempt status, interpretations and tax planning strategies are considered. The Organization believes it is not exposed to any current or future tax liability based on its current operations.

Concentration of Credit Risk

The Organization, on occasion, maintains cash deposits with banks that include funds greater than the insured limit by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts. The Board believes the Organization is not exposed to any significant credit risk related to cash. The amounts on deposit at December 31, 2020 and 2019 did not exceed the insured limits.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies (Continued)

The Organization maintains cash equivalents and investments with a brokerage firm that includes funds greater than the insured limit by the Securities Investor Protection Corporation (SIPC). SIPC protects against the loss of investments held at a SIPC-member brokerage firm, but does not protect against the decline in value of the investments. The Organization has not experienced any losses beyond normal market fluctuations as of year-end (see Note 13). The Board believes the Organization is not exposed to any significant credit risk beyond normal market fluctuations related to cash equivalents and investments. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets. The brokerage account at December 31, 2020 and 2019 exceeded the insured limit by \$514,769 and \$418,956, respectively.

Statements of Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Subsequent Events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

(3) Investments

Cost and market value of investments consist of the following:

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Market Value
<i>December 31, 2020</i>				
Mutual funds	\$ 716,664	\$ 81,079	\$ (11,151)	\$ 786,592
Equity securities	186,260	58,978	(17,061)	228,177
	<u>\$ 902,924</u>	<u>\$ 140,057</u>	<u>\$ (28,212)</u>	<u>\$ 1,014,769</u>

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(3) Investments (Continued)

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Market Value
<i>December 31, 2019</i>				
Mutual funds	\$ 699,765	\$ 40,641	\$ (13,662)	\$ 726,744
Equity securities	114,898	29,849	(13,321)	131,426
Exchange traded products	60,753	33	-	60,786
	\$ 875,416	\$ 70,523	\$ (26,983)	\$ 918,956

Net unrealized gain in market value of investments was \$79,707 and \$84,706 for the years ended December 31, 2020 and 2019, respectively.

Based on management's evaluation and the Organization's ability and intent to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value (see Note 13), the Organization considers these investments temporarily impaired at December 31, 2020 and 2019. The investments currently in an unrealized holding loss position have a market value of \$281,234 and \$399,644 at December 31, 2020 and 2019, respectively, and have been in an unrealized loss position for less than 12 months.

(4) Fair Value Measurements

Under the Fair Value Measurements and Disclosures topic of the FASB ASC, a guideline is provided for measuring fair value under generally accepted accounting principles. The topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority; Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical or similar assets or liabilities, or inputs that are observable or can be corroborated by observable market data or other means for substantially the full term of the asset or liability; and Level 3 inputs have the lowest priority and are based on prices or valuation techniques that are unobservable and not corroborated by market data. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets and liabilities. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization uses Level 2 inputs when an active market comparable is not available and Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Level 1 Fair Value Measurements

The fair value of the investments is based on quoted market prices.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(4) Fair Value Measurements (Continued)

The Organization's assets reported at fair value in the accompanying statements of financial position consist of the following:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<i>December 31, 2020</i>				
Assets:				
Mutual funds	\$ 786,592	\$ 786,592	\$ -	\$ -
Equity securities	228,177	228,177	-	-
Total investments	<u>\$ 1,014,769</u>	<u>\$ 1,014,769</u>	<u>\$ -</u>	<u>\$ -</u>
<i>December 31, 2019</i>				
Assets:				
Mutual funds	\$ 726,744	\$ 726,744	\$ -	\$ -
Equity securities	131,426	131,426	-	-
Exchange traded products	60,786	60,786	-	-
Total investments	<u>\$ 918,956</u>	<u>\$ 918,956</u>	<u>\$ -</u>	<u>\$ -</u>

(5) Property and Equipment

Property and equipment consists of the following at December 31:

	2020	2019
Computer equipment and software	\$ 37,256	\$ 37,256
Automobile	18,000	-
Furniture	4,347	4,347
	<u>59,603</u>	<u>41,603</u>
Accumulated depreciation	(45,164)	(41,124)
Total property and equipment, net of accumulated depreciation	<u>\$ 14,439</u>	<u>\$ 479</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$4,040 and \$1,256, respectively.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(6) Net Assets Without Donor Restrictions

Net assets without donor restrictions consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Undesignated funds	\$ 135,779	\$ 101,386
Board designated funds	<u>1,127,666</u>	<u>1,019,017</u>
	<u>\$ 1,263,445</u>	<u>\$ 1,120,403</u>

Board designated funds consists of investments and cash equivalents held to provide funding that can be used for emergency needs. Also, the board designated funds may be allocated for operating expenses at the board's discretion.

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose	\$ 7,000	\$ 40,000

Net assets released from donor restrictions consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Purpose restriction accomplished	\$ 33,000	\$ 10,000

(8) Liquidity and Availability

Financial assets available for general expenditures, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise of the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 109,773	\$ 161,877

As part of the Organization's liquidity management, the board adopted an investment policy to create an operating reserve. This reserve, which is included in board designated funds, is intended to support up to twelve months of operating expenses of the organization, and may only be used for operating expenses with the board's approval.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(9) Paycheck Protection Program Loan

On April 29, 2020, the Organization received a PPP loan in the amount of \$66,000. The PPP loan program was created by the United States federal government in response to the economic impact of COVID-19 and is administered by the Small Business Administration in conjunction with the banking industry. Up to 100% of the loan may be forgiven if the Organization meets certain criteria as defined in Section 1106 of the CARES Act. Any loan proceeds not forgiven are payable over two years plus interest at 1% per annum, with payments deferred up to 10 months after the end of the covered period as defined in the CARES Act. There is no stated collateral or guarantees per the loan agreement.

During the year ended December 31, 2020, the Organization recognized \$66,000 of the loan proceeds as other income due to the Organization meeting the PPP's forgiveness criteria for that amount as of year-end.

(10) Leases

The Organization conducts its operations from a leased facility which includes office space. The lease requires monthly rent of \$2,841 and expired in April 2021. Subsequent to year end, the Organization moved offices and entered into a new office lease through August 31, 2024. Additionally, the Organization leases certain office equipment under an operating lease. Total lease expense for the years ended December 31, 2020 and 2019 was \$41,755 and \$41,027, respectively.

Future minimum lease payments required under the leases that have remaining non-cancellable lease terms in excess of one year as of December 31, 2020 are as follows:

Year ending December 31:	
2021	\$ 64,409
2022	69,546
2023	69,546
2024	46,955
	<hr/>
	\$ 250,456

(11) Employee Benefit Plan

The Organization maintains a SIMPLE IRA plan for all eligible employees. Under the terms of the plan, employees may contribute up to the maximum amount allowed by law. The Organization has elected to match employee contributions to the plan up to 3% of the employee's compensation. All contributions made under the plan are fully vested and non-forfeitable. Contributions charged to expense for the year ended December 31, 2020 and 2019 was \$5,212 and \$4,633, respectively.

DOWN SYNDROME ASSOCIATION OF GREATER ST. LOUIS

NOTES TO THE FINANCIAL STATEMENTS

(12) Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). This guidance requires leases be recognized as assets and liabilities arising from all leases with a term greater than 12 months in duration. The changes from this standard will be effective for the Organization for the period ending December 31, 2022.

(13) Risk and Uncertainty Due to COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 virus a worldwide pandemic as the spread of the virus has reached most countries, including the United States. Federal, state, and local governments have taken actions to limit the transmission of this virus, which includes restrictions on travel, dining, and many other non-essential business and consumer activities. The impact of this virus and the government mandated restrictions could have a significant impact on the Organization's future operations. The United States federal government, as well as many state and local governments, are passing stimulus bills to combat the economic impact of the virus. The potential effectiveness of these stimulus bills are currently not known.

The extent of the impact of the COVID-19 pandemic on the Organization's performance, including the Organization's ability to execute strategies and initiatives in the expected time frame, will depend on future developments including the duration and spread of the pandemic, restrictions on travel, impacts on consumer confidence and spending, and the extent of any recession resulting from the pandemic. Currently the Organization cannot reasonably estimate the duration and severity of the COVID-19 pandemic, nor the overall impact of its programs. The accompanying financial statements do not include any adjustments for the risk and uncertainty of COVID-19.

(14) Subsequent Event

Under the Consolidated Appropriations Act of 2021 signed into law on December 27, 2020, the United States federal government extended the PPP loan program. On January 13, 2021, the Small Business Administration began accepting Second Draw PPP loan applications for applicants that met certain criteria. The same forgiveness and payment criteria apply to Second Draw PPP loans as the initial PPP loan, with the exception that any monies required to be paid back would be repaid over five years instead of two. On February 19, 2021, the Organization received a Second Draw PPP loan in the amount of \$77,768. As of the date of the independent auditor's report, management believes that its use of loan proceeds will meet the condition for forgiveness of the loan.