DOWN SYNDROME ASSOCATION OF CENTRAL OHIO
FINANCIAL STATEMENTS
DECEMBER 31, 2022

CONTENTS

holbrook &manter

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Down Syndrome Association of Central Ohio
Columbus, Ohio

Opinion
We have audited the accompanying financial statements of **Down Syndrome Association of Central Ohio** (the Organization), which comprise the statement of financial position as of **December 31, 2022**, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion
We have conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Holbrook & Manter

Certified Public Accountants

August 16, 2023
Columbus, Ohio

DOWN SYNDROME ASSOCIATION OF CENTRAL OHIO
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

		2022
Cash and cash equivalents	$	559,703
Certificates of deposit		580,454
Investments, at fair value		695,280
Accounts receivable		356,763
Prepaid expenses and other assets		233,439
Property and equipment, net		2,799
Beneficial interest in assets held by the Columbus Foundation		118,056
Right of use asset - operating lease		186,997
Total assets	$	2,733,491

LIABILITIES AND NET ASSETS

LIABILITIES:-		
Accounts payable		111,533
Accrued wages and taxes		35,270
Deferred revenue		212,763
Operating lease liability		191,955
Total liabilities		551,521
NET ASSETS:-		
Without donor restriction		2,181,970
Total net assets		2,181,970
Total liabilities and net assets	$	2,733,491

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

DOWN SYNDROME ASSOCIATION OF CENTRAL OHIO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
	Without Donor Restriction
SUPPORT AND REVENUES:-	
Contributions	$ 197,750
Grants	113,825
Fundraising activities	937,554
Programming income	3,691,206
Investment loss	(75,814)
Other income	188,831
Total public support and revenues	5,053,352
EXPENSES:-	
Program expenses:	
Community assistance and support	4,473,755
Support services:	
Fundraising	246,808
Management and general	77,645
Total expenses	4,798,208
Total change in net assets	255,144
Total net assets beginning of year	1,926,826
Total net assets end of year	$ 2,181,970

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

DOWN SYNDROME ASSOCIATION OF CENTRAL OHIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Community Assistance and Support	Fundraising	Management and General	Total Expenses
Salaries	$ 773,743	$ 34,011	$ 42,513	$ 850,267
Payroll taxes	84,640	3,720	4,651	93,011
Programming expense	3,387,335	0	0	3,387,335
Special events	36,024	0	0	36,024
Rent	42,330	5,224	5,232	52,786
Fundraising	0	183,596	0	183,596
Supplies	13,288	1,661	1,661	16,610
Professional fees	58,203	7,275	15,400	80,878
Postage	7,154	894	894	8,942
Board development	19,216	1,489	1,613	22,318
Conferences, meetings and travel	15,424	1,195	1,294	17,913
Website	17,615	2,202	2,202	22,019
Depreciation	3,708	464	464	4,636
Insurance	7,249	906	906	9,061
Miscellaneous	1,300	0	0	1,300
Bank Fees	907	3,469	113	4,489
Telephone	5,619	702	702	7,023
Total	$ 4,473,755	$ 246,808	$ 77,645	$ 4,798,208

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

DOWN SYNDROME ASSOCIATION OF CENTRAL OHIO
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2022

		2022
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in net assets	$	255,144
Adjustments to reconcile the change in total net assets to net cash used by operating activities:-		
Depreciation		4,636
Investment loss		75,814
Changes in assets and liabilities:		
Accounts receivable	(	306,776)
Prepaid expenses	(	219,092)
Accounts payable		108,288
Accrued expenses	(	4,540)
Deferred revenue	(	10,344)
Net cash used by operating activities	(	96,870)
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Purchases of investments	(	225,000)
Purchases of certificates of deposit	(	580,000)
Proceeds from redemption of certificates of deposit		273,194
Net cash used by investing activities	(	531,806)
Net change in cash	(	628,676)
Cash at beginning of the year		1,188,379
Cash at the end of the year	$	559,703
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-		
Cash paid for:-		
Interest	$	0
Taxes	$	0
SUPPLEMENTAL DISCLOSURE FOR NONCASH INVESTING AND FINANCING ACTIVITIES:-		
Assets acquired by operating lease	$	227,361

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Down Syndrome Association of Central Ohio (the Organization) is a not-for-profit organization which provides information, referral and advocacy services for individuals and families affected by Down Syndrome.

Basis of Presentation - The Organization follows the Accounting Standards Codification (ASC) No.958-205-45, "Financial Statements of Not-for-Profit Organizations." Under ASC No. 958-205-45, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

> *Net Assets without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions. This includes amounts from some funding sources that require the funds to be spent on activities that are within the scope of the Organization.
>
> *Net Assets with Donor Restrictions* - Net assets subject to donor-imposed stipulations requiring that they be maintained by the Organization for a specific purpose or period of time. The Organization does not currently have net assets that are restricted.

Use of Estimates - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires use of estimates and assumptions made by management that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization maintains cash deposits in certain financial institutions that may exceed federally insured amounts at times. Cash equivalents include short-term investments that have an original maturity of 90 days or less from the purchase date. For purposes of the statement of cash flows, the Organization considers all highly liquid investments with purchased maturities of three months or less to be cash equivalents.

Certificates of Deposit - The Organization considers certificates of deposit with original maturity date greater than 12 months, to be long-term investments. The Organization considers certificates of deposit with an original maturity date greater than three months but less than 12 months, to be short-term investments.

Investments - Investments purchased by the Organization are initially recorded at their cost, and donated investments are recorded at fair value on the date they are received as a donation. Subsequent to their acquisition, investments in marketable securities with readily determinable fair values and all investments in debt securities are adjusted to their fair values as of the date of the statement of financial position. Unrealized and realized gains and losses are included in the statement of activities and changes in net assets. The Organization reports investment gains and income whose restrictions (if any) are met in the same reporting period as unrestricted support.

Beneficial Interest in Assets Held by the Columbus Foundation (the Foundation) - The Organization records its beneficial interest in the Foundation at fair value. Accordingly, the fair value of the asset was $118,056 as of December 31, 2022 and is considered to be Level 2. See the fair value footnote below.

Revenue and Expense Recognition - In accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers,* revenues are recognized at the time services are provided to the customer including event admission, event sponsorships, fundraising, programming, and other revenues, usually determined by when the actual service is provided, collection of the related receivable is probable, evidence of an arrangement exists, and sales price is determinable. The Organization generally meets its performance obligations related to the services provided within a year of the contract initiation. Payment for the Organization's products and services are due in advance of the event or upon delivery of the service. The sales price for the goods and services are fixed at the amounts established in the contract. There are generally no rights of return or warranties related to the sale of the products and services.

When cash related to a future period or event is received, it is recorded as deferred revenue (a liability) on the statement of financial position. At the time the cash is earned, the liability is eliminated, and revenue is recorded in the statement of activities.

Donations are recorded in accordance with Accounting Standards Codification (ASC) 958-605 as they do not represent a contract with a customer. Revenues are included in activities in the period in which they are earned or, in the case of donations, when an unconditional pledge or contribution is received. Revenues received for specific purposes are used in accordance with donor or grantor restrictions. Expenses are included in activities in the period they are incurred.

Provisions are made for estimated uncollectible accounts receivable. The Organization's estimate is based on historical collection experience and a review of current status of trade receivables and judgement. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. There is no provision for uncollectible accounts receivable as of December 31, 2022. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change.

Property and Equipment - Property and equipment, consisting of furniture, fixtures and equipment, are recorded at cost. Property and equipment disposed of are removed from the asset and accumulated depreciation accounts, and any gain or loss from the disposition is included in the statement of activities and net assets. Repairs and maintenance that do not extend the useful life of the asset are charged to expense as incurred. Depreciation is determined on the straight-line method based on the estimated useful lives (3-10 years) of the related assets.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. An impairment loss would be recognized in operations for the amount that the carrying value of an asset or asset group exceeds its fair value determined using applicable accounting standards. No impairments have been recorded.

Federal Income Taxes - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for taxes is not required. The Organization has adopted ASC No. 740-10 “Accounting for Uncertainty in Income Taxes”. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the year ended December 31, 2022, the Organization did not have any interest or penalties related to taxes. Management believes there are no uncertain tax positions as of December 31, 2022.

Functional Allocation - The financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocations on a reasonable basis that is consistently applied. The Organization’s basis for allocation is based on employee time and effort on programs and activities or square footage of space used, depending on the category of the expense.

Donated Materials and Services - Donated materials and equipment are recorded as contributions in the accompanying financial statements at their estimated fair values at date of receipt if the value can be readily determined.

Leases - The Organization determines if an arrangement is a lease at inception. Right of Use (ROU) assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right of use assets on the accompanying statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to adopt an industry standard rate of 5% when computing the present value of the lease liabilities.

***Recent Accounting* Pronouncements** - In February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (ASU) No. 2016-02. Leases (*Topic 842*), which amends existing accounting standards for lease accounting, including by requiring lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for non-public entities for fiscal years beginning after December 15, 2021 and for interim periods therein with early adoption permitted.

The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization’s ROU assets.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash flow generated by operations for year ended 2022.

Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of the balance sheet date are comprised of the following at December 31:

		2022
Cash and cash equivalents	$	559,703
Accounts receivable		356,763
Investments, at fair value		695,280
Total financial assets	$	1,611,746

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

		2022
Furniture and equipment	$	31,233
Less accumulated depreciation	(	28,434)
Property and equipment, net	$	2,799

Depreciation expense was approximately $4,700 for the year ended December 31, 2022.

NOTE 4 - FAIR VALUE MEASUREMENT

Generally accepted accounting principles provide a framework for measuring fair value and apply to all financial instruments that are being measured and reported on a fair value basis. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. 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 ASC No. 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 identical or 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.

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.

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

Mutual funds: Valued at the quoted market price reported on the applicable exchange (Level 1).

Beneficial Interest in assets held by the Columbus Foundation: The fair value has been established by using the present value of the estimated future cash receipts (an amount approximating the Organization's percentage of the value of the underlying assets of the trusts.) (Level 2).

These methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 results in a different fair value measurement at the reporting date.

The following table sets forth the Organization's investment assets at fair value as of December 31, 2022, by level, within the fair value hierarchy:

	Assets at fair value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by the Columbus Foundation	$ 0	$ 118,056	$ 0	$ 118,056
Equity and bond mutual funds	695,280	0	0	695,280
Total	$ 695,280	$ 118,056	$ 0	$ 813,336

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY THE COLUMBUS FOUNDATION

An Endowment Fund ("the Fund") was established with The Columbus Foundation whereby the principal and earnings could be invested and then transferred to the Organization at the discretion of the Organization. In addition, this Fund collected donations from the general public to support the Organization.

The balance in the Beneficial Interest in Assets Held by the Foundation for the year ended December 31, 2022 was as follows:

	2022
Beneficial Interest at beginning of year	$ 136,586
Unrealized losses	(24,730)
Dividends and income	6,788
Admin fees	(588)
Beneficial Interest at end of year	$ 118,056

NOTE 6 - EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan (403b Plan) for all eligible employees. Eligible employees can contribute up to the maximum statutory amount allowed under the plan. The Plan provides for a discretionary employer match for all eligible employees. There were total employer contributions of approximately $18,000 for the year ended December 31, 2022.

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances in both interest-bearing and noninterest-bearing accounts at various financial institutions located throughout Ohio. Effective January 1, 2013, noninterest-bearing accounts are no longer insured separately from the Organization's other accounts at the same Federal Deposit Insurance Corporation (FDIC) insured depository institution (IDI). Therefore, from time to time, the Organization may have balances that exceed the FDIC insured limit.

During 2022, the Organization maintained in broker accounts investment amounts in excess of the Securities Investment Protection corporation maximum limits.

NOTE 8 - OPERATING LEASE

The Organization has leasing arrangements where the Organization is the lessee. These arrangements create ROU assets and liabilities. These arrangements are described below. The Organization's policy is to not record ROU assets and lease liabilities for leases with terms less than one year.

In February of 2022, the Organization signed a lease for office space. The lease term is 60 months with monthly payments ranging from $3,815 to $4,486.

The following table provides quantitative information concerning the Organization's operating lease for the year ended December 31, 2022:

Lease expense		**2022**
Operating lease expense	$	50,737
Total	$	50,737

Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	45,780
ROU assets obtained in exchange for new operating lease liabilities	$	227,361
Weighted-average remaining lease term in years for operating leases		4.08
Weighted-average discount rate for operating leases		5.00%

A maturity analysis of annual discounted cash flows for lease liabilities as of December 31, 2022 is as follows:

2023	$	49,949
2024		50,328
2025		53,540
2026		53,832
2027		4,486
Total undiscounted cash flows		212,135
Less: present value discount	(	20,180)
Total lease liabilities	$	191,955

NOTE 9 - REVENUE RECOGNITION

The following table shows the Organization's revenue disaggregated according to the timing of the transfer of goods or services for the year ended December 31:

		2022
Revenue Recognized Over Time:		
Programming income	$	3,691,206
Grants		113,825
Revenue Recognized at a Point in Time		
Contributions		197,750
Fundraising activities		937,554
Total Revenue Recognized	$	4,940,335

The Organization's contract liabilities consist of the following as of December 31:

		2022
Contract Liabilities:		
Deferred revenue	$	212,763

Contract liabilities represent payments received prior to the start of the requisite service being paid for. The following table depicts activities for contract liabilities related to owner assessments:

	Balance at December 31, 2021		Refunds Issued		Revenue Recognized included in December 31, 2021 Balance		Cash Received in Advance of Performance		Balance at December 31, 2022
$	223,107	$	0	$	223,107	$	212,763	$	212,763

The balance of contract liabilities at December 31, 2022, less any refunds, will be recognized as revenue over the period services are rendered. The Organization applies practical expedient 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The following table includes disaggregated revenue information by significant fundraising events and program activities during the years ended December 31:

		2022
Fundraising Revenue		
Buddy walk revenue	$	543,529
Golf classic revenue		76,353
Gala revenue		223,398
Third party fundraiser revenue		94,274
Total Fundraising Revenue	$	937,554
Programming Income Revenue		
iCan bike and swim revenue	$	15,820
Program sponsorships and workshops		99,442
Ohio department of disabilities grant		3,567,984
Other programming income revenue		7,960
Total Programming Income Revenue	$	3,691,206

NOTE 10 - CONCENTRATIONS OF REVENUES

During the year ended December 31, 2022, one contributor accounted for approximately 70% of the total revenue.

NOTE 11 - SUBSEQUENT EVENTS

The Organization evaluated all subsequent events through August 16, 2023, the date which the financial statements were available to be issued.