

DOWN SYNDROME CONNECTION OF THE BAY AREA

**AUDITED BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

(WITH AUDITOR'S REPORT THEREON)

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Down Syndrome Connection of the Bay Area
Danville, California

Opinion

We have audited the accompanying financial statements of Down Syndrome Connection of the Bay Area. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, changes in net assets, 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 Down Syndrome Connection of the Bay Area. as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Down Syndrome Connection of the Bay Area. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Down Syndrome Connection of the Bay Area.'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, including omissions, 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 Down Syndrome Connection of the Bay Area.'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 Down Syndrome Connection of the Bay Area.'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.

Gregg S. Bossen, CPA, PC
Atlanta, Georgia
September 9, 2024

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>ASSETS</u>		
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CURRENT ASSETS:			
Cash and Cash Equivalents	\$536,840	\$545,603	\$1,082,443
Grants Receivable	-0-	60,000	60,000
Pledges Receivable	8,339		8,339
Accounts Receivable	1,500		1,500
Investments	509,843	1,289,290	1,799,133
Total Current Assets	<u>1,056,522</u>	<u>1,894,893</u>	<u>2,951,415</u>
LONG-TERM FIXED ASSETS:			
Long-term Fixed Assets	273,087		273,087
Less Accumulated Depreciation	(197,738)		(197,738)
Total Long-term Fixed Assets, net	<u>75,349</u>	<u>-0-</u>	<u>75,349</u>
OTHER ASSETS:			
Right-of-Use Assets, net of amortization	233,424		233,424
Security Deposits	4,244		4,244
Total Other Assets	<u>237,668</u>		<u>237,668</u>
TOTAL ASSETS	<u>\$1,369,539</u>	<u>\$1,894,893</u>	<u>\$3,264,432</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts Payable & Accrued Expenses	31,714		31,714
Deferred Revenue	5,000		5,000
Lease Liabilities, Current Portion	63,393		63,393
Total Current Liabilities	<u>100,107</u>	<u>-0-</u>	<u>100,107</u>
LONG-TERM LIABILITIES			
Lease Liabilities, Long-Term Portion	173,570		173,570
Total Long-Term Liabilities	<u>173,570</u>		<u>173,570</u>
NET ASSETS:			
Without Donor Restrictions - Undesignated	973,750		973,750
Without Donor Restrictions – Board Designated	122,112		122,112
With Donor Restrictions	-0-	1,894,893	1,894,893
Total Net Assets	<u>1,095,862</u>	<u>1,894,893</u>	<u>2,990,755</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,369,539</u>	<u>\$1,894,893</u>	<u>\$3,264,432</u>

See Auditor's Report and Notes to Financial Statements

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
PUBLIC SUPPORT & REVENUE:			
<u>Public Support:</u>			
Contributions – Foundations & Organizations	\$212,124	\$1,805,239	\$2,017,363
Contributions – Individuals & Businesses	173,862		173,862
Special Event Income, Net of Costs	700,616		700,616
Net Assets, Restrictions Met	245,346	(245,346)	
Total Public Support	<u>1,331,948</u>	<u>1,559,893</u>	<u>2,891,841</u>
<u>Earned & Other Revenue:</u>			
Investment Income, Net of Costs	49,076		49,076
Thrive Program Participation Fees	39,637		39,637
Community Event Income	5,160		5,160
Conference Registration Fees	1,640		1,640
School Readiness Academy Fees	1,312		1,312
Miscellaneous Income	1,721		1,721
Merchandise Sales	773		773
Total Earned Revenue & Other Revenue	<u>99,319</u>	<u></u>	<u>99,319</u>
Total Public Support & Revenue	<u>1,431,267</u>	<u>1,559,893</u>	<u>2,991,160</u>
EXPENSES:			
Program Services	1,089,657		1,089,657
Management & General	129,526		129,526
Fundraising	85,560		85,560
Total Expenses	<u>1,304,743</u>	<u>-0-</u>	<u>1,304,743</u>
CHANGES IN NET ASSETS, BEFORE UNREALIZED GAINS ON INVESTMENTS			
	<u>126,524</u>	<u>1,559,893</u>	<u>1,686,417</u>
Unrealized Gains on Investments	109,397		109,397
CHANGES IN NET ASSETS, AFTER UNREALIZED GAINS ON INVESTMENTS			
	<u>\$235,921</u>	<u>\$1,559,893</u>	<u>\$1,795,814</u>

See Auditor's Report and Notes to Financial Statements

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries & Wages	\$584,125	\$86,705	\$52,590	\$723,420
Professional Services	130,776	15,674	25,138	171,588
Contributions to Other Organizations	105,000			105,000
Occupancy	74,230	7,366	1,196	82,792
Payroll Taxes	47,280	10,302		57,582
Education & Advocacy	40,100			40,100
Supplies	18,130	5,255		23,385
Depreciation	25,116			25,116
Communications	18,859	2,299		21,158
Fringe Benefits	11,575	438	48	12,061
Insurance	7,970	864	768	9,602
Staff Development	8,735			8,735
Conferences, Conventions & Meetings	7,424			7,424
Miscellaneous	2,087	165	4,966	7,218
Dues & Subscriptions	4,965		854	5,819
Equipment Rental & Maintenance	3,285	458		3,743
TOTAL EXPENSES	<u><u>\$1,089,657</u></u>	<u><u>\$129,526</u></u>	<u><u>\$85,560</u></u>	<u><u>\$1,304,743</u></u>

See Auditor's Report and Notes to Financial Statements

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
BALANCE, DECEMBER 31, 2022, BEFORE PRIOR PERIOD ADJUSTMENTS	\$844,691	\$205,000	\$1,049,691
PRIOR PERIOD ADJUSTMENTS	15,250	130,000	145,250
BALANCE, DECEMBER 31, 2022, AFTER PRIOR PERIOD ADJUSTMENTS	<hr/> 859,941	<hr/> 335,000	<hr/> 1,194,941
CHANGES IN NET ASSETS	<hr/> 235,921	<hr/> 1,559,893	<hr/> 1,795,814
BALANCE, DECEMBER 31, 2023	<hr/> <hr/> \$1,095,862	<hr/> <hr/> \$1,894,893	<hr/> <hr/> \$2,990,755

See Auditor's Report and Notes to Financial Statements

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in Net Assets	\$1,795,814
Adjustments to reconcile Excess to net cash provided by operating activities:	
Less Unrealized & Realized Gains on Investments	(112,060)
Less Donation of Stock	(1,275,939)
Amortization of Right-of-Use Assets	65,144
Depreciation	25,116
Decrease in Receivables	85,161
Increase in Accounts Payable & Accrued Expenses	14,437
Increase in Deferred Revenue	5,000
Reduction of Lease Liabilities	(61,605)
Net cash provided by operating activities	541,068
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Securities	(643,377)
Sales of Securities	232,243
Net cash (used) by investing activities	(411,134)
NET CHANGE IN CASH	129,934
CASH AT BEGINNING OF YEAR	952,509
CASH AT END OF YEAR	\$1,082,443

See Auditor's Report and Notes to Financial Statements

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(A) Nature of organization:

The Down Syndrome Connection of the Bay Area (DSCBA) was established in 1998 by a group of parents who believed that it was essential to provide support and services to families who have children born with Down Syndrome. The DSCBA's mission is to empower, inspire, and support people with Down syndrome, their families, and the community that serves them while fostering awareness and acceptance in all areas of life. Since 1998, DSCBA has provided services and support to individuals with Down syndrome, family members, caregivers, medical professionals, and educational professionals. In 2023, DSCBA provided the following services, support, and events:

(i) Together Happy Respected Independent Valued Empowered (THRIVE):

THRIVE is a unique program for individuals with Down syndrome. THRIVE is conducted by age group with a focus on developing strong core strength, gross and fine motor, executive functioning, and social and friendship-building skills. These sessions embody a unique combination of strengthening cognitive skills and social/behavioral interactions, all while fostering lifelong friendships and having fun.

(ii) Music Therapy:

Music therapy takes the joy and power of music and combines it with the goals of a traditional therapy session. Music therapy interventions such as singing, instrument playing, music improvisation, songwriting, music and movement, and musical games are used to address speech, physical, academic, cognitive, and behavioral goals. It can also strengthen family connections, as caretakers are encouraged to participate. Music therapy sessions are available for members from infancy to adulthood.

(iii) New and Ongoing Family Support:

Support services for families from the prenatal and/or postnatal diagnosis stage through childhood, school years, and adulthood. DSCBA offers Early Connections groups, where our families and their young children can bring their questions, connect, socialize, and learn. New families can be connected with a mentor family for additional connection and support. As DSCBA members grow older, DSCBA continues to support them with their needs in group settings and one-on-one support as needed.

(iv) Connection Groups:

DSCBA's Connection Groups offer opportunities for families to meet with those who have similar interests and are seeking peer support. Connection Groups available were Early Connections (0-3 years old), Parents with School Aged Children, Spanish Speaking, Parents/Caregivers of Adults with Symptoms of Dementia, Grandparents Group, Dual Diagnosis (Down syndrome and autism spectrum disorder), Black families, Mom's Chat and Dad's Night. The majority, but not all, of DSCBA's support groups were conducted virtually in 2023.

(v) Webinars and Workshops:

Throughout the year, DSCBA provided webinars and workshops to members on a variety of topics for all age groups. Webinars included topics such as education, mental health, caregiver self-care, and safety.

(vi) Communication Readiness Program (CRP):

A six-week intensive summer program for children ages 4-7 with complex communication needs stemming from Down syndrome or dual diagnoses such as Down syndrome and autism. CRP incorporates reading, writing, art, music, obstacle courses, speech, and socialization with communication and school-readiness skills at the program's core. Students are introduced to alternative ways to communicate so they can successfully participate in school, and parents and educational teams are provided with instruction, training, and ongoing support to facilitate successful communication.

See Auditor's Report

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(vii) School Readiness Academy (SRA):

A six-week virtual program that provides comprehensive, individualized training and support for parents who want to develop effective advocacy skills that help maximize their child's educational experience. SRA can support twelve participants from families with children in grade school.

(viii) iCan Shine Bike Camp:

During the summer, DSCBA hosts its weeklong iCan Bike Camp. Riders learn to balance, pedal, steer and take off on their own, by attending 5 days for 75 minutes each day. It is an adapted approach to each individual rider based on the accommodations they may need to benefit the most from the program. The success rate of riders independently riding a bicycle (at least 75 feet with no assistance) by the end of DSCBA's iCan Bike program is approximately 80% and all riders progress and gain skills during the week.

(ix) Mental Health Alliance – Pilot Program:

The Mental Health Alliance (MHA) is a pilot program that began in 2021. The goal of the MHA is to train and support the mental health community in serving those with IDD so that people with Down syndrome and other IDD can better access high-quality mental health services. DSCBA provides training to mental health professionals in working with families with a child with Down syndrome, as well as the communication supports and training clinicians need to effectively serve this population, along with an array of treatment modalities.

(x) Medical Outreach:

Partnership with dozens of Bay Area hospitals and hundreds of healthcare providers that serve people with Down syndrome. The alliance provides accurate, current information about Down syndrome to medical practitioners in new parent packets (in English and Spanish) they can share with their families welcoming a child with Down syndrome. The alliance also provides in-person trainings for doctors, genetic counselors, geneticists, nurses, social workers, and other healthcare workers covering how to deliver a Down syndrome diagnosis, how to support and form a strong team with families who have a member with Down syndrome, the abilities of people with Down syndrome, and the local and national resources available.

(xi) Down Syndrome Education Alliance:

Partnership with dozens of Bay Area schools and districts to provide training, resources, and support for teachers and educational staff who serve students with Down syndrome. The DSEA offers direct training, ability awareness presentations, consultation, research-based materials, and an Alternative and Augmentative Communication (AAC) lending library.

(xii) Ability Awareness Presentations:

DSCBA's ability awareness presentations are a unique way to educate students about Down syndrome and allow them to ask questions. These presentations not only spread awareness in the DSCBA community, but also allows us all to learn that we are more alike than different.

(xiii) Inclusion Resources:

DSCBA Inclusion Resource Directory provides families and educators with resources to guide them to meaningful inclusion.

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(xiv) Expression Connection:

Expression Connection is a program of the DSCBA Educational Alliance. Through this program, DSCBA ensures that children who have communication and speech difficulty due to Down syndrome have access to Augmentative Alternative Communication systems (AAC). It is DSCBA's goal to make sure every individual is empowered and has the ability to communicate. DSCBA offers a lending library for AAC devices, consultations and training presentations. In addition to the lending library, DSCBA offers a Low-Tech Library containing a variety of communication boards.

(xv) Lending Library:

The DSCBA Lending Library contains a vast selection of books and learning resources. Books include topics on prenatal diagnosis, raising a child with Down syndrome, education, Down syndrome and autism spectrum disorder, and so much more. Through DSCBA's Lending Library, learning resources and kits are available to families including Handwriting Without Tears, Whole Child Reading and more.

(xvi) Resource Directory:

A variety of resource directories are available to members through Padlet. Resources listed on the directories are recommendations from members and local disability organizations. Directories available are general resource directories and recreation programs.

(xvii) Community Events:

Throughout the year, DSCBA hosted the following community events for and to benefit DSCBA's members:

- (a) **World Down Syndrome Day Dance Party** - In 2023, DSCBA hosted its first Dance Party to celebrate WDS. It is a free event for all DSCBA members and their families.
- (b) **Holiday Party** - The Danville DSCBA office was transformed into a winter wonderland for DSCBA's annual member Holiday Party. Santa and his elves were on hand to meet families and give out a special gift to kids. A Holiday Boutique featured a wonderful assortment of DS-themed items and other gifts. Guests also enjoyed crafts, special performances by local groups, and a special visit from Olaf.

(B)Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These statements reflect application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these standards, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into two net asset groups. These are:

Without Donor Restrictions:

All assets that either have no imposed restrictions on use or whose restrictions have been met by December 31, 2023.

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(B) Basis of Presentation- (continued):

With Donor Restrictions:

All contributions by foundations, organizations, individuals and businesses with restrictions on use that have not been met by December 31, 2023. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the time and/or purpose of the restrictions, donor restricted net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets, restrictions met.

(C) Support and Revenues:

The Organization recognizes the contributions and exchange transactions based on the FASB ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. Also, ASU 2018-08 clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional.

Additionally, effective January 1, 2020 the Organization adopted Accounting Standards Codification (ASC) 606. *Revenue from Contracts with Customers* and recognizes earned revenue (none in 2022) using the following five-step framework listed below which was used to determine the amount and timing of revenue recognition:

- Identify the contract(s) with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Organization had the following public support and revenue for the year ended December 31, 2023:

Contributions – Organizations & Foundations:

Support from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

Contributions – Individuals & Businesses:

Support from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received). Additionally, contributions with conditions are not recognized until the conditions have been met.

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(C) Support and Revenues – (continued):

Special Event, Net of Costs:

Revenue, net of costs, from this source is recognized in the accounting period when the special event occurred. (See Note 11)

Unrealized Gains on Investments:

Revenue from this source is recognized in the accounting period when the revenues are earned.

Investment Income, Net of Costs:

Revenue from this source, net of investment fees, is recognized in the accounting period when the revenues are earned.

Thrive Program Participation Fees (Exchange Transactions):

Fees received to participate in the Thrive Program. Revenue from this source is recognized in the accounting period when the revenues are earned.

Community Event Income (Exchange Transactions):

Income received from the World Down Syndrome Day Dance Party and the Holiday Party. Revenue from this source is recognized in the accounting period when the revenues are earned.

Conference Registration Fees (Exchange Transactions):

Registration fees for DSCBA's Conferences. Revenue from this source is recognized in the accounting period when the revenues are earned.

Communication Readiness Program Fees (Exchange Transactions):

Fees received to participate in the Communication Readiness Program. Revenue from this source is recognized in the accounting period when the revenues are earned.

Miscellaneous Income:

Revenue from this source is recognized in the accounting period during which the revenues are earned.

Merchandise Sales (Exchange Transactions):

Merchandise Sales are recognized in the accounting period when the merchandise is sold and received.

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(D) Income Taxes:

Down Syndrome Connection of the Bay Area is exempt from income taxes under Section 501 (c) of the United States Internal Revenue Code. During the year, Down Syndrome Connection of the Bay Area had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

Down Syndrome Connection of the Bay Area adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for Down Syndrome Connection of the Bay Area. Down Syndrome Connection of the Bay Area is no longer subject to federal tax examinations if the statute of limitations has expired.

(E) Fixed Assets:

Down Syndrome Connection of the Bay Area follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is being provided on the straight-line method over the useful lives as shown below:

Leasehold Improvements	5 to 9 years
Furniture and Equipment	5 years

(F) Receivables:

Down Syndrome Connection of the Bay Area has pledges receivable which consist of pledged promises to give made by individuals. The accounts receivable consists of the refundable deposit for the space that DSCBA rents for community events. Down Syndrome Connection of the Bay Area carries its pledges receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Down Syndrome Connection of the Bay Area uses the allowance method to determine uncollectible receivables. On a periodic basis, Down Syndrome Connection of the Bay Area evaluates its receivables and establishes an allowance for doubtful accounts based on its past experience and current credit conditions. Based on management's evaluation of the collectability of the receivables, no allowance for doubtful accounts was recorded for the year ended December 31, 2023.

The receivables are expected to be collected as follows as of December 31, 2023:

	<u>Grant Receivable</u>	<u>Pledges Receivable</u>	<u>Accounts Receivable</u>	<u>Total</u>
Due within one year	\$60,000	\$8,339	\$1,500	\$69,839
Total Receivable balances	<u>\$60,000</u>	<u>\$8,339</u>	<u>\$1,500</u>	<u>\$69,839</u>

See Auditor's Report

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(G) Functional Allocation of Expenses:

Down Syndrome Connection of the Bay Area allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated based primarily on salary expenditures and the use of space.

(H) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(I) Concentration of Credit Risk:

The Organization maintains bank accounts with financial institutions whose balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

(J) Concentration of Major Source of Revenue:

DSCBA received contributions of stock and cash of \$1,710,065 from the dissolution of Down Syndrome Association North Bay which is greater than 10% of its total revenue and support of \$3,105,557 including unrealized gains on investments. (See Note 10)

(K) Evaluation of Subsequent Events:

Management considered all events through September 9, 2024, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. Management is not aware of any significant events that occurred subsequent to December 31, 2023, but prior to the issuance of this report, that would have a material impact on the financial statements.

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
-continued-

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following represents Down Syndrome Connection of the Bay Area’s financial assets at December 31, 2023:

Financial assets at year-end, net of current liabilities:	
Cash and Cash Equivalents	\$1,082,443
Grants Receivable	60,000
Pledges Receivable	8,339
Accounts Receivable	1,500
Investments	1,799,133
Less Current Liabilities	<u>(100,107)</u>
Total financial assets, net of current liabilities	2,851,308
Less amounts not available to be used within one year or for projects outside of general operating activities:	
Endowment net assets with donor restrictions (See Note 9)	(1,289,290)
Financial assets available to meet cash needs for general expenditures over the next twelve months	<u>\$1,562,018</u>

Down Syndrome Connection of the Bay Area’s goal is to maintain financial assets to meet 90 days of operating expenses (approximately \$326,000). As a part of its liquidity plan, excess cash is invested in money market funds.

NOTE 3: LONG-TERM FIXED ASSETS:

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. At December 31, 2023, the value of such assets is as follows:

Leasehold Improvements	\$251,841
Furniture & Equipment	21,246
Less: Accumulated Depreciation	<u>(197,738)</u>
Total Long-Term Fixed Assets	<u>\$75,349</u>

DOWN SYNDROME CONNECTION OF THE BAY AREA
DANVILLE, CALIFORNIA
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NOTE 4: FAIR VALUE OF INVESTMENTS:

As required by FASB Accounting Standards Codification (ASC) 820, investments are valued at their fair value in the Statement of Financial Position. In accordance with the statement, fair value is defined as the price that the Organization would receive upon selling an asset in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. A three-tier hierarchy was established by the ASC to maximize the use of the observable market data and minimize the use of unobservable inputs and establish the classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable, including the Organization’s own assumptions in determining the fair value of assets.

In some cases, the inputs used to measure fair value might fall at different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the asset in its entirety falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgment and considers factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization’s perceived risk of the liquidity profile of that asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Large Cap	\$831,993		
Mid Cap	528,625		
Small Cap	418,492		
Fixed Income	20,023		
	<u>\$1,799,133</u>	<u>\$-0-</u>	<u>\$-0-</u>

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DOWN SYNDROME CONNECTION OF THE BAY AREA
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NOTE 5: DEFERRED REVENUE:

For the year ended December 31, 2023, DSCBA received \$5,000 for the 2024 Spring Gala sponsorships. 2024 Gala. In accordance with generally accepted accounting principles, these amounts are considered deferred revenue and are shown on the Statement of Financial Position in current liabilities.

NOTE 6: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES:

(A) Office Space Lease:

On June 13, 2017, DSCBA amended the operating lease agreement with Montair Associates LLC. The office space was sold on June 21, 2022 to Blake Griggs Properties, LLC, and 115 Town & Country Drive Retail JV Member, LLC. The operating lease agreement remains still in effect for office space located at 101 Town & Country Drive Suite J, Danville, CA 94526 consisting of approximately 2,632 rentable square feet. The lease term was extended with Montair Associates LLC for 10 years commencing on July 1, 2017, and ending on June 30, 2027. For the remaining months of the lease, the monthly rent increases are as follows:

<u>For the months ended:</u>	<u>Monthly Rent Amount</u>
January 1, 2024 to June 30, 2024	\$5,656.94
July 1, 2024 to June 30, 2025	5,826.65
July 1, 2025 to June 30, 2026	6,001.45
July 1, 2026 to June 30, 2027	6,181.50

The Organization adopted ASC 842 on January 1, 2023, and recognized a right-of-use asset (the office space) and a corresponding lease liability for the operating lease associated with the use of the office space. Using a 3.75 % discount rate, the net present value of the lease was \$291,606. The discount rate was based on the United States Treasury rate for 4 1/2-year treasury notes on January 1, 2023. The right-of-use asset of \$291,606 is being amortized over 54 months. As of December 31, 2023, the right-of-use asset is \$230,202, net of amortization, and shown on the Statement of Financial Position as part of Right-of-Use assets, net of amortization under Other Assets. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

The lease liability of \$291,606 will be paid over 54 months with an effective interest rate of 3.75%. Under ASC 842, both the interest portion of the lease liability and the amortization of the right-of-asset are considered occupancy expense. As of December 31, 2023, the remaining lease liability of \$233,741 is shown on the Statement of Financial Position in two places: (1) \$61,171 is part of lease liabilities, current portion, and (2) \$172,570 is part of lease liabilities, long-term portion. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

The cash requirements for the office lease for the next 4 1/2 years are as follows:

<u>Year ended</u>	<u>Payment Amount</u>	<u>Discount</u>	<u>Lease Liability</u>
December 31, 2024	\$68,902	\$7,731	\$61,171
December 31, 2025	70,969	5,362	65,607
December 31, 2026	73,098	2,822	70,276
December 31, 2027	37,089	402	36,687
	\$250,058	\$16,317	\$233,741

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NOTE 6: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES – (continued):

(B) Copier Lease:

On April 7, 2021, DSCBA entered into an operating lease agreement with Toshiba Financial Services for a copier. The lease term is 39 months with a monthly payment of \$274.12.

The Organization adopted ASC 842 on January 1, 2023 and recognized a right-of-use asset (the copier) and a lease liability for the operating lease associated with the use of the copier. Using a 4.50 % discount rate, the net present value of the lease was \$4,781. The discount rate was based on the United States Treasury rate for an 18-month treasury note on January 1, 2023. The right-of-use asset of \$4,781 is being amortized over 18 months. As of December 31, 2023, the right-of-use asset for the copier lease, net of amortization, of \$1,623 is shown on the Statement of Financial Position as part of Right-of-Use assets. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

The lease liability of \$4,781 will be paid over the 18-month period with an effective interest rate of 4.50%. Under ASC 842 both the interest portion of the lease liability and the amortization of the right-of-asset are considered equipment rental & maintenance expense. As of December 31, 2023, the remaining lease liability of \$1,623 is shown on the Statement of Financial Position as part of the current portion of lease liabilities. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

The cash requirement for the copier lease for the next year is as follows:

<u>Year ended</u>	<u>Payment Amount</u>	<u>Discount</u>	<u>Lease Liability</u>
December 31, 2024	\$1,644	\$21	\$1,623
	\$1,644	\$21	\$1,623

(C) Postage Meter Lease:

On May 1, 2022, DSCBA entered into an operating lease agreement with Pitney Bowes for a postage meter. The lease term was 51 months with a monthly payment of \$54.37. On January 1, 2023, there was 43 remaining months left on the postage meter lease.

The Organization adopted ASC 842 on January 1, 2023 and recognized a right-of-use asset (the postage meter) and a lease liability for the operating lease associated with the use of the postage meter. Using a 4% discount rate, the net present value of the lease was \$2,182. The discount rate was based on the United States Treasury rate for a 43-month treasury note on January 1, 2023. The right-of-use asset of \$2,182 is being amortized over 43 months. As of December, 31, 2023, the right-of-use asset for the postage meter lease, net of amortization, of \$1,599 is shown on the Statement of Financial Position as part of Right-of-Use assets under Other Assets. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

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NOTE 6: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES – (continued):

(C) Postage Meter Lease -continued:

The lease liability of \$2,182 will be paid over the 43-month period with an effective interest rate of 4%. Under ASC 842 both the interest portion of the lease liability and the amortization of the right-of-asset are considered equipment rental & maintenance expense. As of December 31, 2023, the lease liability of \$1,599, is shown on the Statement of Financial Position in two places: (1) \$599 is part of lease liabilities, current portion, and (2) \$1,000 is part of lease liabilities, long-term portion. (See Note 6D for a Summary of Right-of-Use Assets and Lease Liabilities)

The cash requirements for the postage meter lease for the next 3 years are as follows:

<u>Year ended</u>	<u>Payment Amount</u>	<u>Discount</u>	<u>Lease Liability</u>
December 31, 2024	\$652	\$53	\$599
December 31, 2025	652	29	624
December 31, 2026	381	5	376
	<u>\$1,685</u>	<u>\$ 87</u>	<u>\$1,599</u>

(D) Summary of all Right-of-Use Assets and Lease Liabilities:

Total Right-of-Use Assets, net of amortization expense, for these above leases as of December 31, 2023, are as follows:

<u>Right-of-Use Assets, net of amortization expense:</u>	
Office Space (see 6A above)	\$230,202
Copier (see 6B above)	1,623
Postage Meter (see 6C above)	1,599
Total Right-of-Use Assets, net of amortization expense	<u>\$233,424</u>

Total Current portion of the Lease Liabilities for these above leases as of December 31, 2023, are as follows:

<u>Current Portion of the Lease Liabilities:</u>	
Office Space (see 6A above)	\$61,171
Copier (see 6B above)	1,623
Postage Meter (see 6C above)	599
Total Current Portion of the Lease Liabilities	<u>\$63,393</u>

Total Long-Term portion of the Lease Liabilities for these above leases as of December 31, 2023, are as follows:

<u>Long-Term portion of the Lease Liabilities:</u>	
Office Space (see 6A above)	\$172,570
Copier (see 6B above)	-0-
Postage Meter (see 6C above)	1,000
Total Long-Term Portion of the Lease Liabilities	<u>\$173,570</u>

Total Lease Liabilities including both the Current & Long-Term Portion are \$236,963 as of December 31, 2023.

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NOTE 7: GOVERNING BOARD DESIGNATION:

The governing board has designated from net assets without donor restrictions which total \$1,095,862 net assets for the following purposes as of December 31, 2023.

For supporting persons with Down syndrome and their families, now and in the future (See Note 9)	\$122,112
Total Net Assets Without Donor Restrictions-Board Designated	\$122,112

NOTE 8: DONOR RESTRICTIONS ON NET ASSETS:

Donor restrictions on net assets are available for the following purposes:

Endowment to support persons with Down Syndrome and their families in perpetuity (See Note 9)	\$1,289,290
To cover transition/legal costs, short-term staffing & program costs and the on-going costs of managing the expanded geography of the North Bay	420,775
General Operating Support for 2024	50,000
Mental Health Alliance Programs	37,967
Communication Readiness Program	35,000
Education Programs	20,000
Contra Costa Programs	20,000
For 2024 Bike Camp	6,000
Music Therapy	5,000
Equipment & Supplies for Programs	3,174
Sonoma Country Programs	3,000
New and Young Families Programs and Connection Groups	3,000
North Bay Expansion	1,687
Total Donor Restrictions on Net assets	\$1,894,893

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NOTE 9: DONOR RESTRICTION ON NET ASSETS - ENDOWMENT:

The Organization established an Endowment during the year ended December 31, 2023. The Endowment consists of donor-restricted funds as well as unrestricted board designated funds and was established to sustain the organization's mission to serve persons with Down Syndrome and their families. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted California's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as donor restricted net assets in perpetuity (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund that is not classified as donor restricted net assets in perpetuity is classified as board designated unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence restricted by the Act. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

After the earlier of the expiration of five years or once the endowment has reached \$3,500,000, the DSCBA Board of Director's Finance Committee, after consultation with the Executive Director, will conduct an at least annual review to determine how endowment distributions of interest and dividends should be made. Expenditure of the interest and dividends will be included in the DSCBA's annual budget, which is subject to DSCBA Board vote.

In the event of extenuating circumstances, such as poor economic performance, resulting in weak or negative revenue growth; unanticipated growth in expenditures driven by cost increases or federal or state requirements; or the loss of a major funding source (i.e. Project Zin), the DSCBA Board of Directors, after recommendation by the DSCBA's Finance Committee and in consultation with the Executive Director, can vote to approve the expenditure of endowment funds prior to the expiration of the earlier of five years or the accumulation of \$3.5 million dollars.

As part of the review process, at least once annually, the DSCBA Finance Committee will access the endowment's investment firm's performance and strategy. The DSCBA Finance Committee will make any recommendations regarding changing firms or investment strategies to the DSCBA Board of Directors.

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NOTE 9: DONOR RESTRICTION ON NET ASSETS – ENDOWMENT – (continued):

General donations, grants awarded, or fundraising dollars given to the DSCBA will not be invested in the endowment unless a donor so designates his/her donation or if the DSCBA solicits specifically for the endowment.

The DSCBA’s primary focus is the needs of its members. As such, DSCBA has a nonprofit zero-based budget and traditionally reinvests all surplus into programs and services. This re-investment strategy aligns with DSCBA’s mission as well as its grantors’ annual funding cycle. In keeping with these financial and operating principles, the DSCBA will develop specific management guidelines for both the expenditure and growth of the endowment.

The endowment growth strategy will include the following potential opportunities:

1. Investment Portfolio – The DSCBA intends to primarily focus on growing the endowment via investment strategy including but not limited to asset allocation, risk allocation, and performance measurement. A long-term rather than short-term investment approach will be utilized. Management of the endowment principal and payout/income will take into consideration the near and long-term financial needs of the DSCBA and will not be solely dictated by short-term spending needs. The factors to be considered will include the duration and preservation of the endowment, general economic conditions, effects of inflation and deflation, the immediate needs of the organization, growth, program sustainability, overall operational strategy, expected total return from income and appreciation, the DSCBA’s other resources, and the endowment growth strategy.
2. Legacy Gifts – (Testamentary or Estate Planning Gifts) Members will be educated about these opportunities via the DSCBA’s newsletter, mass email campaign, and the donor impact report. Further, the DSCBA would add endowment language to the website’s existing donation page.
3. Sustainability Gifts – The DSCBA will review its existing Donor Search research data documenting the wealth status of its donors and create a targeted campaign to educate specific donors about the endowment opportunity, among other giving opportunities.
4. Endowment Foundation Funding – The DSCBA will research the Foundation Center database to determine if there are foundations giving to endowments specifically. If compatible opportunities are found, the DSCBA can send a Letter of Interest.

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Donor Restricted Net Assets in <u>Perpetuity</u>	Unrestricted Board <u>Designated</u>	<u>Total</u>
Endowment net assets – beginning of year	\$-0-	\$-0-	\$-0-
Contributions of cash and stock	1,289,290		1,289,290
Unrealized Gains & Realized Gains		98,093	98,093
Dividend Income		32,180	32,180
Investment Fees		(8,161)	(8,161)
Endowment net assets – end of year	<u>\$1,289,290</u>	<u>\$122,112</u>	<u>\$1,411,402</u>

The Endowment fund is shown as a part of Investments and Cash & Cash Equivalents on the Statement of Financial Position. (See Notes 7 and 8)

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NOTE 10: UNUSUAL CONTRIBUTIONS:

During the months of March, April and May of 2023, DSCBA received unusual contributions of investments and cash valued at \$1,710,065 from Down Syndrome Association North Bay with a similar mission that ceased operations during 2023. This contribution, considered unusual due to its nature and size, is accounted for in accordance with ASC 958-605. The contribution significantly affects the Statement of Activity and is shown as part of Contributions - Foundations & Organizations. \$1,289,290 of the contributions were made up of investments and cash and were donor restricted in perpetuity as part of an endowment (See Note 8 & 9). The remaining amount of \$420,775 was given in cash and was also donor restricted (see Note 8)

NOTE 11: SPECIAL EVENTS:

For the year ended December 31, 2023, DSCBA held four special events.

Project Zin:

The celebratory weekend offered a series of dining events hosted by Chef Palmer, Clay Mauritson, and some of the industry's most elite winemakers. Saturday evening's preeminent event, Project Zin was hosted at the spectacular **Bricoleur Vineyards**. The event gathered some of the most sought-after Zinfandels paired with the food of *Chefs Charlie Palmer* of **Dry Creek Kitchen** as well as top local Sonoma County chefs. All proceeds benefited DSCBA.

Step Up for Down Syndrome Walk:

The 2023 annual Step Up for Down Syndrome Walk & Family Picnic was held on October 7th at Oak Hill Park in Danville. Over 600 participants came out to walk the ¼ mile path and celebrate the vast abilities and accomplishments of DSCBA members. Funds were raised through sponsorships, registration fees and donations through team captain fundraising efforts. Local dignitaries were on hand for the welcome ceremony with local cheer teams and character appearances adding to the fun. Every walker with DS was recognized individually at the finish line. Event activities included an array of lawn games, mini golf, giant Jenga, family picnics, ice cream, balloon twisters and face painting.

T21 Fun Run:

Over 100 participants enjoyed a beautiful early morning walk or run around the Lafayette Reservoir's scenic 3-mile trail. Sponsorships and registrations were sold for this 2nd annual event where families and friends came together for a fun outdoor activity and to share ability awareness while opening conversations about the DSCBA's mission.

Spring Gala:

The 2023 Silver Jubilee Gala marked an extra special milestone for the DSCBA as we celebrated 25 years of serving the Down syndrome community in the greater Bay Area. Sponsorships and admission tickets were sold for the event held on May 6, 2023, at the iconic Claremont Club & Spa in Berkeley. The evening kicked off with a cocktail reception, silent auction, wine tastings, and a wine pull. Guests also had a chance to purchase tickets for the Silver Drawing and a Heads or Tails Game. The evening included dinner, Fund-A-Need paddle raise, a live auction, and dancing to a popular local cover band, Urban Sky.

In accordance with generally accepted accounting principles, these special events are shown net of costs on the Statement of Activities, and the specific revenues and costs are detailed on the following page:

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NOTE 11: SPECIAL EVENTS - continued:

REVENUE:

	<u>Project Zin</u>	Step Up for Down <u>Syndrome Walk</u>	<u>T21 Fun Run</u>	<u>Spring Gala</u>	<u>Total</u>
Sponsorships	\$441,334	\$15,465	4,100	\$40,398	\$501,297
Donations	19,500	155,468	5,570	65,356	245,894
Auction & Raffle Income				56,234	56,234
VIP Tables & Ticket Sales				57,506	57,506
Other Income				3,430	3,430
Total Revenue	460,834	170,933	9,670	222,924	864,361

COSTS:

Venue Rental	61,518	1,015		48,972	111,505
Supplies	7,891	1,248	1,695	3,140	13,974
Entertainment	7,636	4,338		11,445	23,419
Postage & Printing				1,407	1,407
Website Fees		3,900		676	4,576
Credit Card Fees		2,025	110	6,187	8,322
Other		84	68	390	542
Total Costs	77,045	12,610	1,873	72,217	163,745

Special Events Income,
Net of Costs

	\$383,789	\$158,323	\$7,797	\$150,707	\$700,616
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NOTE 12: PRIOR PERIOD ADJUSTMENTS:

For the year ended December 31, 2022, a prior period adjustment was needed to correct the payroll liabilities balance which was understated and resulted in an understatement of expenses. Also, a prior period adjustment was needed to correct the amount of prepaid expenses which was overstated and resulted in an understatement of expenses. A prior period adjustment was needed to correct net assets with donor restrictions which were overstated in 2022. A final prior period adjustment was needed to correct the amount of Grants Receivable which was understated in 2022 and resulted in an understatement of income.

In accordance with Generally Accepted Accounting Principles, the amount of \$140,250 is shown on the Statement of Changes in Net Assets as Prior Period Adjustments and is detailed below.

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Understated Payroll Liabilities in 2022	(\$4,258)	\$-0-	(\$4,258)
Overstated Prepaid Expenses in 2022	(5,492)		(5,492)
Overstatement of Net Assets with Donor Restrictions in 2022	20,000	(20,000)	-0-
Understated Grants Receivable in 2022	5,000	150,000	155,000
Total Prior Period Adjustments	<u>\$15,250</u>	<u>\$130,000</u>	<u>\$145,250</u>