

**DOWN SYNDROME PARTNERSHIP**  
**OF NORTH TEXAS**

**Financial Statements &  
Independent Auditor's Report  
Year Ended December 31, 2022**

Wood, Stephens & O'Neil, L.L.P.  
Certified Public Accountants

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June 20, 2023

Independent Auditor's Report

To the Management and Board of Directors  
Down Syndrome Partnership of North Texas:

Opinion

We have audited the accompanying financial statements of Down Syndrome Partnership of North Texas., a not-for-profit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Down Syndrome Partnership of North Texas, as of December 31, 2022, and the results of its operations 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 (GAAS). 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 the entity 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, 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives of our audit 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 auditing standards generally accepted in the United States of America (GAAS) 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 entity'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 based on the audit evidence obtained and in our judgment, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity'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.

*Wood, Stephens & O'Neil, L.L.P.*

# DOWN SYNDROME PARTNERSHIP OF NORTH TEXAS

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2022

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### **ASSETS:**

Cash and cash equivalents	\$ 340,091
Prepaid expenses and rent deposits	805
<b>TOTAL ASSETS</b>	<b><u><u>\$ 340,896</u></u></b>

### **LIABILITIES:**

Accounts payable and accrued liabilities	4,583
Deferred revenue	30,994
<b>TOTAL LIABILITIES</b>	<b><u><u>35,577</u></u></b>

### **NET ASSETS:**

Without donor restrictions	264,799
With donor restrictions	40,520
<b>TOTAL NET ASSETS</b>	<b><u><u>305,319</u></u></b>

<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>\$ 340,896</u></u></b>
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The accompanying notes are an integral part of these financial statements.

# DOWN SYNDROME PARTNERSHIP OF NORTH TEXAS

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

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### **Changes in net assets without donor restrictions:**

#### **Revenues:**

Contributions	\$	44,986
Special events, net of direct expenses of \$27,570		134,132
Investment income		1,380
Program and miscellaneous income		9,526
Net assets released from restrictions		-
Total revenues without donor restrictions		<u>190,024</u>

#### **Expenses:**

Program services		117,728
Management and general		18,469
Fundraising		25,003
Total expenses		<u>161,200</u>

**Increase (decrease) in net assets without donor restrictions** 28,824

### **Changes in net assets with donor restrictions:**

Contributions with donor restrictions		40,520
Net assets released from restrictions		-

**Increase (decrease) in net assets with donor restrictions** 40,520

**INCREASE (DECREASE) IN NET ASSETS** 69,344

**NET ASSETS, at beginning of year** 235,975

**NET ASSETS, at end of year** \$ 305,319

# DOWN SYNDROME PARTNERSHIP OF NORTH TEXAS

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2022

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022 Expenses</u>
Board meetings and training	\$ 750	\$ 795	\$ -	\$ 1,545
Contract administrative services	-	800	-	800
Facilities and equipment	1,170	167	334	1,671
Insurance	3,213	3,212	-	6,425
Miscellaneous expenses	1,162	1,161	-	2,323
Office supplies and expense	2,365	338	676	3,379
Personnel expenses	81,631	11,661	23,323	116,615
Program education, outreach and activities	25,092	-	-	25,092
Travel and meetings	2,345	335	670	3,350
Totals	<u>\$ 117,728</u>	<u>\$ 18,469</u>	<u>\$ 25,003</u>	<u>\$ 161,200</u>
	73.03%	11.46%	15.51%	

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

# DOWN SYNDROME PARTNERSHIP OF NORTH TEXAS

## STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 69,344
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	-
(Increase) decrease in receivables	-
(Increase) decrease in prepaid expenses and rent deposits	(500)
Increase (decrease) in accounts payable and accrued liabilities	<u>34,202</u>
Net Cash Provided By (Used For) Operating Activities	<u>103,046</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	<u>-</u>
Net Cash Provided By (Used For) Investing Activities	<u>-</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

None	<u>-</u>
Net Cash Provided By (Used For) Financing Activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	103,046
Cash and cash equivalents, beginning of year	237,045
Cash and cash equivalents, end of year	<u>\$ 340,091</u>

### SUPPLEMENTAL DISCLOSURES

None applicable	-
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The accompanying notes are an integral part of these financial statements.

# DOWN SYNDROME PARTNERSHIP OF NORTH TEXAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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### **NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Activities**

The Down Syndrome Partnership of North Texas (the Organization), is a Section 501(c)(3) not-for-profit organization, incorporated under the laws of the State of Texas. The Organization's mission is to benefit the lives of people with Down Syndrome and their families by providing information, social and educational activities and support. The Organization is supported primarily through donor contributions, fundraising events and private grants.

#### **General**

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations. The Organization implemented FASB ASU No. 2016-14 in 2018, applying the changes retrospectively. The Organization's financial statements have been prepared on the accrual basis of accounting. The significant accounting and reporting policies used by the Organization are described below to enhance the usefulness and understandability of the financial statements.

#### **Financial Statement Presentation**

The Organization, in accordance with not-for-profit accounting standards, reports 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. Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purpose specified in its corporate documents, its application for tax-exempt status, and any limits resulting from contractual agreements with creditors or others that are entered into in the course of its operations. Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; consequently, the organization must continue to use these resources in accordance with the donor's instructions. This class would also include any donor-restricted endowment funds and beneficial interests in a perpetual trust. When donor restrictions are satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying to net assets without donor restrictions. Any net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expense and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.



### **Functional Expenses**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that can be identified with a specific program are charged directly to that program. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. Management has determined these allocations based on personnel activity percentage breakdowns and levels of effort analysis. Physical space percentage breakdowns are used to allocate certain occupancy and supporting expenses as deemed appropriate. Whenever new space or programs are added, the cost allocation bases and methods are evaluated as deemed necessary.

Management and general activities include the functions necessary to provide support for the organization's program activities. This includes activities that provide governance, oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting ongoing fundraising campaigns, maintaining donor lists, conducting special fundraising events, and other activities involved with soliciting contributions from donors.

### **Management Estimates and Assumptions**

Management uses estimates and assumptions in preparing statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates that are used.

### **Property and Equipment**

Property and equipment is reported at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000.

### **Contributions & Grants Receivable**

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. When deemed necessary, the Organization uses an allowance method to determine the uncollectible portion, based on prior years' experience and management's analysis of the promises made. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. Fair value is measured as the present value of the discounted future cash flows. The discounts on these contributions are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

### **Gifts-in-Kind Contributions**

The Organization receives gifts-in-kind contributions in connection with the various fundraising events which are held during the year. The Organization records the value of these

contributions when these are material and when there is an objective basis available to measure their value.

No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in the Organization's program services and fundraising events during the year.

### **Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization would be subject to tax on income unrelated to its exempt purpose.

### **Investments**

Any investments held by the Organization are reported at fair value, with any unrealized gains and losses resulting from fluctuations in fair value included in the statement of activities. Unless specifically restricted by the donor, all income, including realized and unrealized gains and losses, from investments is generally included in unrestricted net assets and used for general operating purposes. The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value, in accordance with accounting principles generally accepted in the United States. This requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Organization uses Level 1 inputs to measure fair value for all of its investments. Level 1 inputs are used when quoted prices for identical assets or liabilities in active markets are present to which an entity has access at the measurement date.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all unrestricted short-term, highly liquid investments, with original maturities of three months or less to be cash equivalents.

### **Liquidity and Availability**

At December 31, 2022, \$294,988 of the financial assets of the Organization are available for general expenditure, that is, without donor restrictions limiting their use within one year.

### **Concentrations of Credit Risk**

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash investments. The Organization places its cash investments with high quality financial institutions and limits the amount of credit exposure to any one institution.

### **Subsequent Events**

Management has evaluated subsequent events through June 20, 2023 the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

## **NOTE B - NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2022, net assets with donor restrictions consisted of \$40,520 of funds that are specifically designated to be used to fund certain Organization program services for the subsequent year.