



Dup 15q Alliance

Audited Financial Statements

For the Years Ended December 31, 2021 and 2020

Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 12



**Davies, Goldstein
& Associates CPA's PLLC**
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Dup 15q Alliance:

Opinion

We have audited the accompanying financial statements of Dup 15q Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Dup 15q Alliance as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Dup 15q Alliance 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 Dup 15q Alliance'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 Dup 15q Alliance'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 Dup 15q Alliance'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.

December 31, 2020 Financial Statements

The financial statements of Dup 15q Alliance as of and for the year ended December 31, 2020, were audited by other auditors whose report, dated September 13, 2021, expressed an unmodified opinion on those statements.



Matthews, North Carolina

June 7, 2022

Dup 15q Alliance
Statements of Financial Position
As of December 31, 2021 and 2020

Assets	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 223,846	\$ 233,300
Investments	300,170	399,815
Accounts Receivable (Note 2)	37,290	39,442
Other current assets	33,735	2,859
Total Current Assets	<u>595,041</u>	<u>675,416</u>
Property and Equipment, net	<u>-</u>	<u>2,692</u>
Total Assets	<u><u>\$ 595,041</u></u>	<u><u>\$ 678,108</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 6,873	\$ 4,864
Accrued Expenses	3,107	15,636
Deferred Revenue (Note 8)	18,730	-
Paycheck Protection Program Grant (Note 5)	-	32,139
Total Current Liabilities	<u>28,710</u>	<u>52,639</u>
Total Liabilities	<u>28,710</u>	<u>52,639</u>
Net Assets		
Net Assets without Donor Restrictions	566,331	625,469
Net Assets with Donor Restrictions	-	-
Total Net Assets	<u>566,331</u>	<u>625,469</u>
Total Liabilities and Net Assets	<u><u>\$ 595,041</u></u>	<u><u>\$ 678,108</u></u>

The accompanying notes are an integral part of these financial statements

Dup 15q Alliance
Statements of Activities
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenues and Other Support						
Contribution Income	\$ 472,686	\$ -	\$ 472,686	\$ 451,690	\$ -	\$ 451,690
Family Conference Income	140,346	-	140,346	-	-	-
Education and Outreach	2,491	-	2,491	30,829	-	30,829
Investment Income	46,544	-	46,544	34,337	-	34,337
In-kind Donations	2,328	-	2,328	307	-	307
Other Operating Income	-	-	-	6,052	-	6,052
Total Revenues and Other Support	<u>664,395</u>	<u>-</u>	<u>664,395</u>	<u>523,215</u>	<u>-</u>	<u>523,215</u>
Covid Relief Income (Note 5)	112,840	-	112,840	-	-	-
Net Assets Released from Restrictions	-	-	-	15,992	(15,992)	-
Expenses						
Program Expenses	659,074	-	659,074	375,146	-	375,146
Administrative Expenses	140,288	-	140,288	121,924	-	121,924
Fundraising Expenses	37,011	-	37,011	27,677	-	27,677
Total Expenses	<u>836,373</u>	<u>-</u>	<u>836,373</u>	<u>524,747</u>	<u>-</u>	<u>524,747</u>
Change in Net Assets	<u>\$ (59,138)</u>	<u>\$ -</u>	<u>\$ (59,138)</u>	<u>\$ 14,460</u>	<u>\$ (15,992)</u>	<u>\$ (1,532)</u>
Net Assets, Beginning of Year	\$ 625,469	\$ -	\$ 625,469	\$ 611,009	\$ 15,992	\$ 627,001
Change in Net Assets	(59,138)	-	(59,138)	14,460	(15,992)	(1,532)
Net Assets, End of Year	<u>\$ 566,331</u>	<u>\$ -</u>	<u>\$ 566,331</u>	<u>\$ 625,469</u>	<u>\$ -</u>	<u>\$ 625,469</u>

The accompanying notes are an integral part of these financial statements

Dup 15q Alliance
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program	Administrative	Fundraising	Total
Compensation	\$ 171,511	\$ 116,292	\$ 15,000	\$ 302,803
Research Grants	226,732	-	-	226,732
Family Conference Expenses	181,312	-	-	181,312
Clinic Support	42,151	-	-	42,151
Miscellaneous Expenses	11,380	12,613	13,556	37,549
Professional Services	9,784	10,203	-	19,987
Printing and Copying	13,512	-	-	13,512
Registry	-	-	7,099	7,099
Depreciation Expense	2,692	-	-	2,692
Office Expenses	-	1,180	1,356	2,536
	<u>\$ 659,074</u>	<u>\$ 140,288</u>	<u>\$ 37,011</u>	<u>\$ 836,373</u>

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

Dup 15q Alliance
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program	Administrative	Fundraising	Total
Compensation	\$ 167,555	\$ 81,678	\$ 5,200	\$ 254,433
Research Grants	80,251	-	-	80,251
Family Conference Expenses	10,775	-	-	10,775
Clinic Support	80,000	-	-	80,000
Miscellaneous Expenses	12,512	17,897	10,589	40,998
Professional Services	4,263	9,475	-	13,738
Printing and Copying	2,634	92	4,250	6,976
Registry	-	-	7,599	7,599
Depreciation Expense	-	1,059	-	1,059
Office Expenses	17,156	2,157	39	19,352
Insurance	-	3,116	-	3,116
Rent	-	6,450	-	6,450
Total Functional Expenses	375,146	121,924	27,677	524,747

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

Dup 15q Alliance
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in Net Assets	\$ (59,138)	\$ (1,532)
Depreciation	2,692	1,059
Forgiveness of Paycheck Protection Program Grant	(32,139)	-
Adjustments to reconcile Change in Net Assets to net cash flows from operating activities:		
Decrease in Accounts Receivable	2,152	1,885
(Increase) Decrease in Other Current Assets	(30,876)	479
Increase (Decrease) in Accounts Payable	2,009	(8,060)
(Decrease) in Accrued Expenses	(12,529)	(3,774)
Increase in Deferred Revenue	18,730	-
Net Cash (Used In) Operating Activities	(109,099)	(9,943)
Investing Activities		
Realized gain on investments	(11,967)	(2,768)
Unrealized gain on investments	(33,830)	(27,251)
Reinvestment income from investments, net	145,442	(4,265)
Net Cash Provided by (Used in) Investing Activities	99,645	(34,284)
Financing Activities		
Proceeds from Paycheck Protection Program Grant	-	32,139
Net Cash Provided by Financing Activities	-	32,139
Net change in Cash and Cash Equivalents	\$ (9,454)	\$ (12,088)
Cash and Cash Equivalents, January 1	233,300	245,388
Cash and Cash Equivalents, December 31	\$ 223,846	\$ 233,300

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

Dup 15q Alliance
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 1 - The Organization

Dup 15q Alliance (the Organization) is a non-profit corporation organized in the State of Oregon to empower individuals living with dup15q syndrome and other related rare diseases to reach their full potential by advancing breakthrough research and life-changing therapeutic treatments, supporting families affected by dup15q, and promoting advocacy.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (US GAAP).

The financial statements are presented in accordance with the provisions of ASU 2016-14: *Presentation of Financial statements of Not-for-Profit Entities*. Under the ASU, net assets are to be presented in two categories: net assets with donor restrictions and net assets without donor restrictions. The ASU also contains disclosure requirements related to net assets, liquidity and availability of resources, and functional expenses which were considered in the preparation of these financial statements.

Use of Estimates

The accompanying financial statements have been prepared in accordance with US GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization maintains cash balances at several financial institutions. All highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash equivalents with the exception of amounts held in the investment portfolio.

Cash balances did not exceed Federal Deposit Insurance Corporation (FDIC) limits as of December 31, 2021 and 2020. Amounts held by 3rd party processors (PayPal, Facebook, etc.) are not subject to FDIC protection however, the amounts held on any given day are minimal.

Investments

The Organization has investments which are reported at fair value in the accompanying Statements of Financial Position with unrealized gains and losses reported in the statements of activities and changes in net assets as investment income.

Accounts Receivable

The Organization recognizes unconditional promises to give as support in the period the promise is received including contributions from private donors and grants. Accounts receivable consist primarily of amounts held by 3rd party processors that have not yet been remitted as of December 31, 2021 and 2020. Management has determined that no allowance for doubtful accounts is necessary at December 31, 2021 and 2020.

Dup 15q Alliance
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and Equipment are recorded at cost if purchased and estimated fair value at the time of donation if received as a donation. Depreciation is computed using the straight-line method over the 3 to 5 year useful life for equipment.

Maintenance and repairs of property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any gain or loss is included in operations. Total depreciation expense for the years ended December 31, 2021 and 2020 was \$2,692 and \$1,059, respectively.

Net Assets

Net assets without donor restrictions are comprised of all resources without donor-imposed restrictions at the date of the contribution. Donor restricted contributions that are received and expended in the same year are classified as net assets without donor restrictions. Additionally, net assets without donor restrictions include the total carrying value of all property and equipment used in the Organization.

Net assets with donor restrictions carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. When a donor restriction expires, the net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. If the restrictions are met within the same reporting period as the support is received, the income is reported without donor restrictions. There were no net assets with donor restrictions as of December 31, 2021 and 2020.

Donated Services

Contributed services for voluntary donation of services are recognized in the financial statements when those services: (1) create or enhance non-financial assets; or (2) require specialized skills provided by individuals possessing those skills and are services that would be typically purchased if not provided by donation. The Organization records those services as contributions and expenses in the Statement of Activities at their estimated value. During the year ended December 31, 2021, \$1,125 of travel costs and \$1,203 of professional services were donated. During the year ended December 31, 2020, \$307 of goods were donated.

In addition, a substantial number of unpaid volunteers, including the Board of Directors, have made significant contributions of their time to provide services to the Organization which do not meet the criteria for recognition described above. The estimated value of their contributed time is not reflected in the financial statements; however, the Organization is heavily reliant on the continued support of volunteers in the community to maintain operations.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized and allocated on a functional basis in the accompanying Statement of Functional Expenses. Direct expenses are first charged to program, administrative, and fundraising categories based on specific identification. The remaining expenses are allocated to respective categories. These allocations are based on management's best estimate of time and funds spent across program, management, and fundraising activities. Expenses are tracked by management according to the program that they benefit and any allocation across functions is performed using an estimate of the time and effort spent in each area.

Dup 15q Alliance
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and the state jurisdictions for which it has nexus. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 3 – Commitments

The Organization, in line with its mission, provides funds to various research organizations and projects in the form of grants. At December 31, 2021, there was one grant outstanding with up to \$77,000 remaining in the original grant unpaid to the recipient. The recipient must meet certain conditions in order to receive the funds. Management determined that it was uncertain as to whether they would be met and therefore this amount has not been accrued in the accompanying statements of financial position.

Note 4 – Investments and Fair Value Measurements

The Organization measures investments at fair value on a recurring basis which primarily consists of exchange-traded mutual funds and money-market accounts. The fair value is estimated using valuations provided by Merrill (Bank of America), the financial advisor for the portfolio. The fair value of a financial instrument is the amount that would be received to sell an asset in an orderly transaction between willing, able and knowledgeable market participants at the measurement date.

The degree of judgment used in measuring the fair value of financial instruments generally correlates with the level of pricing observability. Financial instruments with quoted prices in active markets generally have more observable pricing and less judgment in measuring fair value.

The investments are measured and classified using a hierarchy for disclosure purposes as required under ASC 820, *Fair Value Measurements and Disclosures*, consisting of three levels based on the observability of inputs available in the marketplace as described below:

- *Level 1:* Fair value measurements that are quoted prices (unadjusted) in active markets that the Organization has the ability to access for identical assets.
- *Level 2:* Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets or other observable inputs such as interest rates and yield curves.
- *Level 3:* Fair value measurements based on valuation techniques that use significant inputs that are unobservable.

Dup 15q Alliance
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 4 – Investments and Fair Value Measurements (continued)

The investments in exchange-traded mutual funds and money-market funds are classified as level 1 assets given that quoted prices in active markets are readily available. These investments are received as donations and are typically sold within the year of receipt.

The investments are made with the intention of supporting the ongoing mission and operations of the Organization. All investments are exposed to various risks, including interest rate risk, credit risk and unexpected volatility in market conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least possible that changes in value attributed to the associated risk in the near term could materially affect the amounts reported.

Note 5 – Covid Relief Income

The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) created the Paycheck Protection Program (PPP) as an extension of the Small Business Administration’s loan program. Under this program, small businesses can obtain funding to keep workers on payroll and maintain operations. PPP grants are eligible for forgiveness provided that certain requirements are met, primarily related to the types of expenditures for which the funds are used. The Organization received \$32,139 in 2020 which was forgiven and taken into income in 2021. In addition, a second award of \$49,825 was received and forgiven in 2021 and recorded in income in 2021.

In 2021, the Company filed amended Form 941s to claim the Employee Retention Credit on eligible wages as permitted under the Infrastructure Investment and Jobs Act enacted November 2021. A receivable of \$30,876 is included in other current assets and the related COVID-19 relief income is recorded in 2021.

Note 6 – Liquidity and Availability of Resources

The following reflects the Organization’s financial assets as of December 31, 2021, reduced by amounts not available for general use because of restrictions as indicated:

Financial assets, at December 31, 2021	\$524,016
Less: assets unavailable for general expenditures within one year due to:	
Restrictions by Donors with time or purpose restrictions	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$524,016</u>

The financial assets available to meet cash needs for general expenditures within one year represents approximately 6 months of cash expenditures. The Organization has a multi-faceted revenue structure that includes corporate grants, individual donations, and events. Management believes that the resources available combined with the future receipts will be sufficient to meet operating cash needs in the next year.

Dup 15q Alliance
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 – Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 3, 2022, the date the financial statements were available to be issued. The Organization has no knowledge of significant subsequent events as of this date other than those previously disclosed.

Note 8 – Family Conference

In 2022, the Organization hosted the Moving Mountains Conference in conjunction with 2 other partner organizations. Reimbursements for the share of expenses paid by the partner organizations are netted against the expenses recorded in the accompanying statements of activities and functional expenses. The conference is not a fundraising event but rather a program for families with presentations from medical professionals, break out groups, and other activities. As such, all of the related expenses are categorized as program activities.

Due to the COVID-19 pandemic and related restrictions on travel and gatherings there were no conferences or special events held during the year 2020.

\$18,730 was received at the end of 2021 related to a conference planned for 2022 and is recorded as deferred revenue in the accompanying statements of financial position as of December 31, 2021.