

**LUMIND RESEARCH DOWN SYNDROME FOUNDATION**  
**(Formerly Down Syndrome Research and Treatment Foundation, Inc.)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

**R.A. HALL & CO., LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**LUMIND RESEARCH DOWN SYNDROME FOUNDATION**  
**(Formerly Down Syndrome Research and Treatment Foundation, Inc.)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
LuMind Research Down Syndrome Foundation  
Marlborough, Massachusetts

***Report on the Financial Statements***

We have audited the accompanying financial statements of LuMind Research Down Syndrome Foundation (formerly Down Syndrome Research and Treatment Foundation), a California nonprofit corporation, which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LuMind Research Down Syndrome Foundation as of September 30, 2016 and 2015, 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.



Boston, Massachusetts  
March 1, 2017

**LuMind Research Down Syndrome Foundation**

(Formerly Down Syndrome Research and Treatment Foundation, Inc.)

STATEMENTS OF FINANCIAL POSITION

September 30, 2016 and 2015

	<u>ASSETS</u>		<u>LIABILITIES AND NET ASSETS</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>	
Cash and cash equivalents	\$ 1,850,519	\$ 1,911,544	Accounts payable and accrued expenses	\$ 48,092 \$ 45,417
Investments	-	888	Compensation and related taxes payable	47,204 65,783
Unconditional promises to give, net of allowance: \$0	298,855	301,500	Grant awards payable	1,323,750 1,261,250
Accounts receivable	32,762	21,409	Deferred revenue	42,554 63,186
Prepaid expenses	56,845	51,069	Other current liabilities	9,276 -
Other current assets	8,803	1,344	<u>Total current liabilities</u>	<u>1,470,876 1,435,635</u>
<u>Total current assets</u>	<u>2,247,784</u>	<u>2,287,754</u>		
<b>EQUIPMENT:</b>			<b>NET ASSETS:</b>	
Office equipment	9,936	9,936	Unrestricted	751,908 802,118
Accumulated depreciation	(9,936)	(9,936)	Temporarily restricted	25,000 50,000
Equipment - net	-	-	<u>Total net assets</u>	<u>776,908 852,118</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,247,784</u>	<u>\$ 2,287,754</u>	<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,247,784 \$ 2,287,754</u>

See auditors' report and accompanying notes to financial statements.

## **LuMind Research Down Syndrome Foundation**

(Formerly Down Syndrome Research and Treatment Foundation, Inc.)

### STATEMENTS OF ACTIVITIES

For the years ended September 30, 2016 and 2015

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>REVENUES AND SUPPORT:</b>						
Campaign:						
Annual appeal	\$ 165,762	\$ -	\$ 165,762	\$ 133,867	\$ -	\$ 133,867
Major donor	1,064,500	-	1,064,500	997,491	-	997,491
Grassroots	246,989	-	246,989	194,210	-	194,210
Workplace giving / federated	98,899	-	98,899	97,484	-	97,484
Total campaign	1,576,150	-	1,576,150	1,423,053	-	1,423,053
Special events:						
Special event revenue	1,258,083	-	1,258,083	1,044,911	-	1,044,911
Less direct expenses	(324,710)	-	(324,710)	(240,335)	-	(240,335)
Total special events, net	933,373	-	933,373	804,576	-	804,576
Other revenue:						
Investment income	152	-	152	306	-	306
Other income	-	-	-	976	-	976
Total other revenue	152	-	152	1,282	-	1,282
Reclassification of net assets:						
Net assets released from restriction	25,000	(25,000)	-	25,600	(25,600)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,534,675</b>	<b>(25,000)</b>	<b>2,509,675</b>	<b>2,254,511</b>	<b>(25,600)</b>	<b>2,228,911</b>
<b>EXPENSES:</b>						
Program services	2,283,536	-	2,283,536	2,078,837	-	2,078,837
Support services:						
Management and general	44,919	-	44,919	98,274	-	98,274
Fundraising	256,431	-	256,431	169,862	-	169,862
<b>TOTAL EXPENSES</b>	<b>2,584,886</b>	<b>-</b>	<b>2,584,886</b>	<b>2,346,973</b>	<b>-</b>	<b>2,346,973</b>
Change in net assets resulting before acquisition income	(50,211)	(25,000)	(75,211)	(92,462)	(25,600)	(118,062)
Excess of fair value of net assets over consideration in acquisition of the acquired entity	-	-	-	246,573	-	246,573
<b>CHANGE IN NET ASSETS</b>	<b>(50,211)</b>	<b>(25,000)</b>	<b>(75,211)</b>	<b>154,111</b>	<b>(25,600)</b>	<b>128,511</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>802,118</b>	<b>50,000</b>	<b>852,118</b>	<b>648,007</b>	<b>75,600</b>	<b>723,607</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 751,908</b>	<b>\$ 25,000</b>	<b>\$ 776,908</b>	<b>\$ 802,118</b>	<b>\$ 50,000</b>	<b>\$ 852,118</b>

See auditors' report and accompanying notes to financial statements.

## **LuMind Research Down Syndrome Foundation**

(Formerly Down Syndrome Research and Treatment Foundation, Inc.)

### STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended September 30, 2016 and 2015

	2016				2015	
	Program Services	Management and General	Fundraising	Total Supporting Services	Total	Total
Distributions:						
Research Grants	\$ 1,615,000	\$ -	\$ -	\$ -	\$ 1,615,000	\$ 1,427,500
Wages, related costs and benefits:						
Wages	447,177	33,553	85,829	119,383	566,560	498,973
Recruitment expenses	-	-	-	-	-	2,845
Payroll taxes	35,743	2,514	6,860	9,374	45,118	42,926
Workers compensation and health insurance	6,905	826	1,369	2,195	9,100	8,503
Payroll service expense	4,090	288	785	1,073	5,163	7,130
	493,916	37,181	94,844	132,024	625,940	560,376
Services, supplies and other expenses						
Professional fees	29,857	2,020	86,219	88,240	118,096	71,999
Marketing and communications	11,800	317	28,473	28,790	40,590	19,441
Rebranding and merger expenses	-	-	-	-	-	54,658
Website	6,460	454	6,490	6,944	13,404	19,501
Printing	556	-	5,823	5,823	6,379	1,000
Office expenses	7,572	701	3,622	4,322	11,894	11,966
Software and internet	1,174	430	6,117	6,547	7,721	13,552
Occupancy	19,890	2,081	3,896	5,977	25,867	25,377
Travel	34,934	-	8,815	8,815	43,749	59,593
Conferences, conventions and meetings	30,733	175	5,846	6,021	36,753	39,524
Insurance	4,138	291	794	1,085	5,224	4,304
Bank fees and credit card processing fees	20,191	754	73	827	21,019	20,601
State filing fees	4,483	315	920	1,236	5,719	7,700
Postage and shipping	2,676	188	4,470	4,658	7,334	9,881
Telephone	157	11	30	41	198	-
	174,620	7,739	161,588	169,326	343,946	359,097
<b>TOTAL EXPENSES</b>	<b>\$ 2,283,536</b>	<b>\$ 44,919</b>	<b>\$ 256,431</b>	<b>\$ 301,350</b>	<b>\$ 2,584,886</b>	<b>\$ 2,346,973</b>

See auditors' report and accompanying notes to financial statements.

## LuMind Research Down Syndrome Foundation

(Formerly Down Syndrome Research and Treatment Foundation, Inc.)

### STATEMENTS OF CASH FLOWS

For the years ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (75,211)	\$ 128,511
Adjustments to reconcile change in net assets		
Changes in operating assets and liabilities		
(Increase) decrease in assets:		
Unconditional promises to give	2,645	31,500
Accounts receivable	(11,353)	(21,409)
Prepaid expenses	(5,777)	(24,138)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,675	(3,168)
Compensation and related taxes payable	(18,579)	23,242
Grants awards payable	62,500	248,750
Deferred revenue	(20,632)	11,005
Other current liabilities	9,276	-
Net cash provided (used) by operating activities	(61,913)	394,293
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	0	(888)
Proceeds from sales of investments	888	4,306
Net cash provided by (used for) investing activities	888	3,418
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(61,025)	397,711
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,911,544	1,513,833
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,850,519	\$ 1,911,544

See auditors' report and accompanying notes to financial statements.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

**Organization and Nature of Activities** – LuMind Research Down Syndrome Foundation (“LuMind” or the “Foundation”), formerly Down Syndrome Research and Treatment Foundation, Inc., is a California non profit corporation, founded on November 21, 2003 with the primary purpose to support medical research that will result in treatments to significantly improve cognition and prevent early cognitive decline in persons with Down Syndrome.

The Foundation receives its funding primarily from public contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting. The Foundation adheres to accounting policies generally accepted in the United States of America (“U.S. GAAP”).

**Financial Statement Presentation** – LuMind prepares its financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Foundation reports information regarding its financial position and statement of activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classifications are related to the existence or absence of donor imposed restrictions as indicated below.

*Unrestricted Net Assets* – consists of assets and program revenues which are available and used for operations and programs. Unrestricted net assets represent the portion of net assets of the Foundation that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Foundation include funds which represent unrestricted resources designated by the Board of Directors.

*Temporarily Restricted Net Assets* – consists of funds with donor-imposed restrictions which permit the donor to expend the assets as specified and is satisfied either by the passage of time or by actions of the Foundation. When a stipulated time restriction ends or purpose restriction is accomplished, such temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – consists of resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Foundation to expend part or all of the income derived from the donated assets. For the years presented the Foundation did not have any assets of this nature.

**Support and Revenue Recognition** – LuMind follows FASB ASC 958-605 “*Accounting for Contributions Received and Contributions Made*”. FASB ASC 958-605 requires that contributions be recorded as receivables and revenues and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material.

See auditors’ report.



LUMIND RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction, until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Permanently restricted net assets include only the historical dollar amounts of gifts which are required by donors to be permanently retained, and adjusted for the impact of unrealized gains and losses. Temporarily restricted net assets include contributions with restrictions that will either expire with the passage of time or be fulfilled by actions of the Foundation.

**Donated Goods and Services** – Donated goods are recorded at their fair market value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. Donations of professional services are recorded as both unrestricted contributions and as expenses in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*. Donated services for the years ended September 30, 2016 and 2015 were \$0 and \$46,802, respectively.

**Cash and Cash Equivalents** – For the purpose of these financial statements, LuMind considers equivalent to cash, all money market funds and savings deposits which can be and are intended to be converted to cash within ninety days of issuance. Fair value approximates carrying value due to the short maturities of those instruments. The Foundation maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Investments** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. The investment income is reported net of investments fees.

**Pledges Receivable** – Contributions are recognized and recorded at net realizable value when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are not included in support until the conditions are substantially met. Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. As of September 30, 2016 and 2015, management determined that no allowance for uncollectible pledges receivable was necessary.

**Equipment** – Equipment is stated at cost if purchased (or at the fair market value on the date of a gift if donated) less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Foundation provides for depreciation of equipment using the straight-line method over the useful life of the asset. The Foundation capitalized equipment purchases in excess of \$1,000, lesser amounts are expensed. Repairs, maintenance and renewals are charged to expense, as incurred, except those expenditures which result in a substantial improvement are capitalized.

**Deferred Revenue** – Deferred revenue represents registration and related fees paid in advance of the related event.

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Concentrations of Credit Risk** – Financial instruments that potentially subject the Foundation to concentration of credit risk primarily consist of cash and cash equivalents. The Foundation maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. As of September 30, 2016 and 2015, the Foundation had \$1,136,542 and \$1,496,356 in excess of the federally insured limits, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Fair Value Measurement** – Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels as reported in Note 3.

**Advertising Expenses** - The Foundation charges its non-direct response advertising costs to expense as incurred. Advertising expenses for the years ended September 30, 2016 and 2015 were \$41,276 and \$12,005, respectively.

**Income Taxes** - The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and Section 23701d of the Revenue and Taxation Code of California for its charitable purpose.

**Use of Estimates in the Preparation of the Financial statements** - The preparation of financial statements in conformity with U.S. GAAP 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. Accordingly, actual results could differ from those estimates included in the financial statements.

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporary restrictions on net assets as of September 30, 2016 and 2015 are related to contributions received designated for campaigns occurring after the year end.

Temporarily restricted net assets are available for the following purposes or periods as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
For subsequent periods:		
DeNoble Family	\$ 25,000	\$ 50,000
Total temp restricted net assets	<u>\$ 25,000</u>	<u>\$ 50,000</u>

NOTE 4 – INVESTMENTS

**Fair Value of Financial Instruments** – The Foundation follows FASB ASC 820, “Fair Value Measurements and Disclosures”, and has applied its provisions to financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis (at least annually).

Investments held by the Foundation at September 30, 2016 and 2015 are summarized at fair value as follows:

See auditors' report.

**LUMIND RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 4 – INVESTMENTS (CONTINUED)**

Marketable securities:	<u>2016</u>	<u>2015</u>
Bank of America Corp – common stock	\$ -	\$ 888
Total investments	<u>\$ -</u>	<u>\$ 888</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30, 2016 and 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Year ended September 30, 2016:</b>				
Dividends and interest	\$ 420	\$ -	\$ -	\$ 420
Realized and unrealized gains (losses)	<u>(268)</u>	<u>-</u>	<u>-</u>	<u>(268)</u>
Total investment return	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152</u>
 <b>Year ended September 30, 2015:</b>				
Dividends and interest	\$ 150	\$ -	\$ -	\$ 150
Realized and unrealized gains (losses)	<u>156</u>	<u>-</u>	<u>-</u>	<u>156</u>
Total investment return	<u>\$ 306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306</u>

FASB ASC 820, "Fair Value Measurements", establishes a single definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. FASB ASC 820 describes three levels of inputs used to measure fair value. The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level one measurements), and the lowest priority to unobservable inputs (level three measurements). The three levels of the fair value hierarchy are:

**Level one** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the foundation has the ability to access.

**Level two** - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified or contractual term, the level two inputs must be observable for substantially the full term of the asset or liability.

**Level three** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2016 AND 2015

NOTE 4 – INVESTMENTS (CONTINUED)

The following is the basis for the fair value determination of the investments:

- Mutual funds, money market funds, hedge funds: Valued at fair value based on the net asset value (“NAV”) of shares held by the foundation at the end of the year.
- Assets held in trust by others: Valued at fair value based on the net asset value (“NAV”) of shares held by the Foundation at the end of the year.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s investments at fair value as of September 30, 2016:

	Total	Level one Quoted prices in active markets for identical assets	Level two Significant other observable inputs	Level three Significant unobservable inputs
Assets:				
U.S. Equities	\$ -	\$ -	\$ -	\$ -
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – GRANTS AND ALLOCATIONS

Grants made by the Foundation during the year ended September 30, 2016 to further the Organization’s mission were \$1,615,000, as follows.

Recipient:	
University of California, San Diego	\$ 325,000
Emory University School of Medicine	275,000
University of Arizona	250,000
John Hopkins University	250,000
Stanford University	200,000
AC Immune UCSD	200,000
Palo Alto Health Care System	<u>115,000</u>
Total grants and allocations	<u>\$ 1,615,000</u>

NOTE 6 – ACQUISITION OF RESEARCH DOWN SYNDROME

On May 11, 2015, The Foundation acquired Research Down Syndrome, an Illinois nonprofit public benefit corporation. Under the merger document, Research Down Syndrome, the “merging corporation” was merged into Down Syndrome Research and Treatment Foundation, the “surviving corporation”. The surviving corporation acquired the merging corporation’s equity consisting of the unrestricted net assets of \$246,573 on the date the transaction was effective. The acquisition included all of the assets of Research Down Syndrome, consisting of cash: \$242,212, pledges receivable: \$8,464 and accrued liabilities: \$4,103. The excess of fair value of net assets over consideration in acquisition of the acquired entity of \$246,573 has been included in the statement of activity below operating activities.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 1, 2017, the date on which the financial statements were available to be issued. There were no subsequent events through March 1, 2017, that required adjustment of or disclosure in the financial statements.