

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

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

**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, 2015 AND 2014**

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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, 2015 and 2014, 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, 2015 and 2014, 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  
April 6, 2016

*R. A. Hall & Co LLC*

***LuMind-Research Down Syndrome Foundation***

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

STATEMENTS OF FINANCIAL CONDITION

September 30, 2015 and 2014

<u>ASSETS</u>			<u>LIABILITIES AND NET ASSETS</u>		
	<u>2015</u>	<u>2014</u>		<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
Cash and cash equivalents	\$ 1,911,544	\$ 1,513,833	Accounts payable and accrued expenses	\$ 45,417	\$ 48,585
Investments	888	4,306	Compensation and related taxes payable	65,783	42,541
Pledges receivable, net of allowance: \$0	301,500	333,000	Grant awards payable	1,261,250	1,012,500
Other receivables	21,409	-	Deferred revenue	63,188	52,181
Prepaid expenses	51,069	26,931	<u>Total current liabilities</u>	<u>1,435,635</u>	<u>1,155,807</u>
Other current assets	1,344	1,344			
<u>Total current assets</u>	<u>2,287,754</u>	<u>1,879,414</u>			
<b>EQUIPMENT:</b>			<b>NET ASSETS:</b>		
Office equipment	9,936	9,936	Unrestricted	802,119	648,007
Accumulated depreciation	(9,936)	(9,936)	Temporarily restricted	50,000	75,600
Equipment - net	-	-	<u>Total net assets</u>	<u>852,119</u>	<u>723,607</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,287,754</u>	<u>\$ 1,879,414</u>	<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,287,754</u>	<u>\$ 1,879,414</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, 2015 and 2014

	2015			2014		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>REVENUES AND SUPPORT:</b>						
Campaign:						
Annual appeal	\$ 133,887	\$ -	\$ 133,887	\$ 133,447	\$ -	\$ 133,447
Major donor	997,491	-	997,491	1,087,000	-	1,087,000
Grassroots	194,210	-	194,210	166,279	-	166,279
Workplace giving / federated	97,484	-	97,484	106,130	-	106,130
Total campaign	1,423,053	-	1,423,053	1,492,856	-	1,492,856
Special events:						
Special event revenue	1,044,911	-	1,044,911	919,765	37,935	957,700
Loss direct expenses	(240,335)	-	(240,335)	(248,855)	-	(248,855)
Total special events, net	804,576	-	804,576	670,910	37,935	708,845
Other revenue:						
Investment income	306	-	306	1,793	-	1,793
Other income	976	-	976	-	-	-
Total other revenue	1,282	-	1,282	1,793	-	1,793
Reclassification of net assets:						
Net assets released from restriction	25,600	(25,600)	-	-	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,228,911</b>	<b>(25,600)</b>	<b>2,228,911</b>	<b>2,165,559</b>	<b>37,935</b>	<b>2,203,494</b>
<b>EXPENSES:</b>						
Program services	2,078,837	-	2,078,837	1,802,376	-	1,802,376
Support services:						
Management and general	98,274	-	98,274	34,042	-	34,042
Fundraising	169,861	-	169,861	169,763	-	169,763
<b>TOTAL EXPENSES</b>	<b>2,346,973</b>	<b>-</b>	<b>2,346,973</b>	<b>2,006,180</b>	<b>-</b>	<b>2,006,180</b>
Change in net assets resulting before acquisition						
Income	(118,062)	(25,600)	(118,062)	159,378	37,935	197,313
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>128,511</b>	<b>(25,600)</b>	<b>128,511</b>	<b>159,378</b>	<b>37,935</b>	<b>197,313</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>648,007</b>	<b>75,600</b>	<b>723,607</b>	<b>488,629</b>	<b>37,665</b>	<b>526,294</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 776,519</b>	<b>\$ 50,000</b>	<b>\$ 852,119</b>	<b>\$ 648,007</b>	<b>\$ 75,600</b>	<b>\$ 723,607</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, 2015 and 2014

	2015				2014	
	Program Services	Management and General	Fundraising	Total Supporting Services	Total	Total
Distributions:						
Research Grants	\$ 1,427,500	\$ -	\$ -	\$ -	\$ 1,427,500	\$ 1,250,000
Wages, related costs and benefits:						
Wages	426,125	28,955	45,892	72,847	498,973	407,441
Recruitment expenses	-	2,845	-	2,845	2,845	-
Payroll taxes	36,659	2,319	3,948	6,267	42,926	30,197
Workers compensation and health insurance	7,261	459	782	1,241	8,503	11,772
Payroll service expense	6,089	385	656	1,041	7,130	2,750
	476,135	32,984	51,278	84,242	560,376	452,159
Services, supplies and other expenses						
Professional fees	34,185	2,055	35,750	37,804	71,989	75,494
Marketing and communications	5,172	3,680	10,589	14,269	19,441	6,169
Rebranding and merger expenses	-	54,658	-	54,658	54,658	30,598
Website	786	50	18,666	18,715	19,501	24,524
Printing	500	-	500	500	1,000	9,519
Office expenses	10,022	592	1,353	1,945	11,966	6,373
Software and internet	10,503	664	2,385	3,049	13,552	16,836
Occupancy	19,983	2,073	3,321	5,395	25,377	18,191
Travel	53,873	850	4,870	5,720	59,593	44,840
Conferences, conventions and meetings	34,074	-	5,450	5,450	39,524	36,275
Insurance	3,675	232	396	628	4,303	4,174
Bank fees and credit card processing fees	-	360	20,241	20,601	20,601	21,112
State filing fees	1,272	80	6,347	6,427	7,700	6,664
Postage and shipping	1,148	17	8,716	8,733	9,881	3,251
	175,203	65,311	118,583	183,894	359,096	304,022
<b>TOTAL EXPENSES</b>	<b>\$ 2,078,837</b>	<b>\$ 98,274</b>	<b>\$ 169,861</b>	<b>\$ 268,135</b>	<b>\$ 2,346,973</b>	<b>\$ 2,006,180</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 128,511	\$ 197,313
Adjustments to reconcile change in net assets		
Changes in operating assets and liabilities		
(Increase) decrease in assets:		
Pledges receivable	31,500	429,000
Other receivables	(21,409)	-
Prepaid expenses	(24,138)	1,077
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(3,168)	26,631
Compensation and related taxes payable	23,242	11,680
Grants awards payable	248,750	155,000
Deferred revenue	11,005	19,231
<b>Net cash provided by operating activities</b>	<b>394,293</b>	<b>839,933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(888)	(4,829)
Proceeds from sales of investments	4,306	1,716
<b>Net cash provided by (used for) investing activities</b>	<b>3,418</b>	<b>(3,113)</b>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<b>397,710</b>	<b>836,820</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,513,833</b>	<b>677,013</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,911,544</b>	<b>\$ 1,513,833</b>

See auditors' report and accompanying notes to financial statements.

**LUMIND-RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**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.

See auditors’ report.



LUMIND-RESEARCH DOWN SYNDROME FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2015 and 2014, were \$46,802 and \$11,143, 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, 2015 and 2014, management determined that no allowance for uncollectible pledges receivable was necessary.

See auditors' report.

**LUMIND-RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2015 and 2014, the Foundation had \$1,496,356 and \$991,969 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, 2015 and 2014 were \$12,005 and \$12,079, 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, 2015 and 2014 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, 2015 and 2014:

For subsequent periods:		
Funding Futures	<u>2015</u>	<u>2014</u>
DeNoble Family	\$ -	\$ 600
	<u>50,000</u>	<u>75,000</u>
	<u>\$ 50,000</u>	<u>\$ 75,600</u>

See auditors' report.

**LUMIND-RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**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, 2015 and 2014 are summarized at fair value as follows:

Marketable securities:	<u>2015</u>	<u>2014</u>
Pepsico, Inc – common stock	\$ -	\$ 1,396
Alexion Pharms Inc – common stock	-	1,658
Finish Line Inc – common stock	-	1,252
Bank of America Corp – common stock	<u>888</u>	<u>-</u>
Total investments	<u>\$ 888</u>	<u>\$ 4,306</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30, 2015 and 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Year ended September 30, 2015</b>				
Dividends and interest	\$ 150	\$ 0	\$ 0	\$ 150
Realized and unrealized gains (losses)	<u>156</u>	<u>0</u>	<u>0</u>	<u>156</u>
Total investment return	<u>\$ 306</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 306</u>
<b>Year ended September 30, 2014:</b>				
Dividends and interest	\$ 77	\$ 0	\$ 0	\$ 77
Realized and unrealized gains (losses)	<u>1,716</u>	<u>0</u>	<u>0</u>	<u>1,716</u>
Total investment return	<u>\$ 1,793</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,793</u>

See auditors' report.

**LUMIND-RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 4 – INVESTMENTS (CONTINUED)**

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.

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, 2015:

	<u>Total</u>	Level one Quoted prices in active markets for identical assets	Level two Significant other observable inputs	Level three Significant unobservable inputs
<b>Assets:</b>				
U.S. Equities	\$ 888	\$ 888	\$ -	\$ -
Total investments	<u>\$ 888</u>	<u>\$ 888</u>	<u>\$ -</u>	<u>\$ -</u>

See auditors' report.

**LUMIND-RESEARCH DOWN SYNDROME FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 5 – GRANTS AND ALLOCATIONS**

Grants made by the Foundation during the year ended September 30, 2015 to further the Organization's mission were \$1,427,500, 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	227,500
Stanford University	197,500
AC Immune UCSD	12,500
Palo Alto Health Care System	<u>140,000</u>
Total grants and allocations	<u>\$ 1,427,500</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.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 6, 2016, the date on which the financial statements were available to be issued. There were no subsequent events through April 6, 2016, that required adjustment of or disclosure in the financial statements.

See auditors' report.