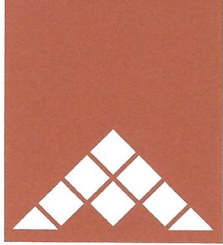


**AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA
FOUNDATION, INC.
COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018 AND 2017**

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED FINANCIAL STATEMENTS

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Ad3ptus

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Autism Society of America, Inc. and Autism Society of America Foundation, Inc.

Report on Financial Statements

We have audited the accompanying combined statements of financial position of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. (nonprofit organizations) as of December 31, 2018 and 2017, and the related combined statements of activities and changes in net assets, 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.

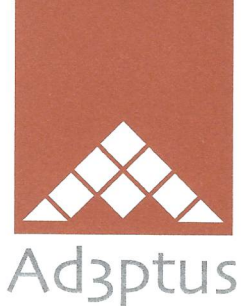
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

Offices:
Maryland
New York City
Long Island
New Jersey



INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. as of December 31, 2018 and 2017, and the combined changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position as of December 31, 2018 on page 19, combining statement of activities and changes in net assets, and schedules of functional expenses for the year then ended on pages 20, 21, and 22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Adeptus Partners, LLC
ADEPTUS PARTNERS, LLC
Certified Public Accountants

Olney, Maryland
July 9, 2019

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS		
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 522,438	\$ 557,332
Accounts receivable	25,712	98,425
Promises to give, net	217,241	253,379
Prepaid expenses	9,369	13,620
Total current assets	774,760	922,756
PROPERTY AND EQUIPMENT, net	3,337	4,377
OTHER ASSETS		
Investments in perpetuity	50,742	50,392
Beneficial interests in charitable remainder trust	314,215	358,135
Deposits	12,576	12,576
Total other assets	377,533	421,103
TOTAL ASSETS	\$ 1,155,630	\$ 1,348,236
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 135,589	\$ 146,824
Deferred revenue	-	25,000
Total current liabilities	135,589	171,824
OTHER LIABILITIES		
Rent abatement	27,794	47,464
TOTAL LIABILITIES	163,383	219,288
NET ASSETS		
Without donor restrictions	318,627	437,248
With donor restrictions (Note 8)	673,620	691,700
TOTAL NET ASSETS	992,247	1,128,948
TOTAL LIABILITIES AND NET ASSETS	\$ 1,155,630	\$ 1,348,236

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 1,906,282	\$ 243,060	\$ 2,149,342
Fundraising	257,750	-	257,750
Annual and regional conferences	225,502	-	225,502
Other income	34,055	89,952	124,007
In-kind contributions	26,328	-	26,328
Merchandise sales, net	3,160	-	3,160
Investment return, net	1,767	-	1,767
Beneficial interest bequests income (loss)	24,236	(43,920)	(19,684)
Net assets released from restrictions	<u>307,172</u>	<u>(307,172)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>2,786,252</u>	<u>(18,080)</u>	<u>2,768,172</u>
EXPENSES			
Program services			
Autism core services	1,131,533	-	1,131,533
Education and awareness	750,315	-	750,315
Advocacy	387,812	-	387,812
Supporting services			
Fundraising	493,245	-	493,245
Management and general	<u>141,968</u>	<u>-</u>	<u>141,968</u>
TOTAL EXPENSES	<u>2,904,873</u>	<u>-</u>	<u>2,904,873</u>
CHANGES IN NET ASSETS	(118,621)	(18,080)	(136,701)
NET ASSETS, BEGINNING OF YEAR	<u>437,248</u>	<u>691,700</u>	<u>1,128,948</u>
NET ASSETS, END OF YEAR	<u>\$ 318,627</u>	<u>\$ 673,620</u>	<u>\$ 992,247</u>

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 1,569,160	\$ 159,621	\$ 1,728,781
Annual and regional conferences	293,120	-	293,120
Beneficial interest bequests	151,229	86,635	237,864
Fundraising	222,375	-	222,375
Other income	21,625	-	21,625
In-kind contributions	21,580	-	21,580
Merchandise sales, net	4,285	-	4,285
Investment return, net	(381)	-	(381)
Net assets released from restrictions	475,890	(475,890)	-
	<u>2,758,883</u>	<u>(229,634)</u>	<u>2,529,249</u>
TOTAL SUPPORT AND REVENUE			
EXPENSES			
Program services			
Autism core services	761,805	-	761,805
Education and awareness	839,833	-	839,833
Advocacy	415,359	-	415,359
Supporting services			
Fundraising	442,990	-	442,990
Management and general	127,679	-	127,679
	<u>2,587,666</u>	<u>-</u>	<u>2,587,666</u>
TOTAL EXPENSES			
CHANGES IN NET ASSETS	171,217	(229,634)	(58,417)
NET ASSETS, BEGINNING OF YEAR	<u>266,031</u>	<u>921,334</u>	<u>1,187,365</u>
NET ASSETS, END OF YEAR	<u>\$ 437,248</u>	<u>\$ 691,700</u>	<u>\$ 1,128,948</u>

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Total
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	
Payroll expense	\$ 678,938	\$ 413,412	\$ 281,150	\$ 1,373,500	\$ 193,262	\$ 114,276	\$ 1,681,038
Meetings and conferences	12,941	192,065	4,731	209,737	43,807	1,927	255,471
Grant expense	224,516	-	-	224,516	-	-	224,516
Occupancy	75,734	44,936	30,506	151,176	21,007	12,421	184,604
Contractual services	25,593	5,518	5,480	36,591	109,282	33	145,906
Technology and communication	25,387	28,369	34,013	87,769	21,029	3,253	112,051
Travel expense	31,109	15,665	4,493	51,267	44,740	1,278	97,285
Professional services	21,857	13,431	8,875	44,163	6,479	3,586	54,228
Dues, fees, memberships	8,648	7,933	6,882	23,463	15,689	895	40,047
Marketing	10,073	15,994	3,653	29,720	6,485	1,486	37,691
Postage	5,029	4,337	4,030	13,396	12,404	265	26,065
Interest expense and bank fees	1,162	3,249	468	4,879	14,683	189	19,751
Insurance	5,591	2,342	1,590	9,523	1,095	648	11,266
Office expenses	3,272	2,039	1,245	6,556	1,673	1,428	9,657
Depreciation and amortization	1,683	1,025	696	3,404	479	283	4,166
Event expenses	-	-	-	-	1,131	-	1,131
TOTALS	<u>\$ 1,131,533</u>	<u>\$ 750,315</u>	<u>\$ 387,812</u>	<u>\$ 2,269,660</u>	<u>\$ 493,245</u>	<u>\$ 141,968</u>	<u>2,904,873</u>

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	Total
Payroll expense	\$ 587,026	\$ 367,849	\$ 295,847	\$ 1,250,722	\$ 177,794	\$ 104,224	\$ 1,532,740
Meetings and conferences	6,787	337,897	29,092	373,776	88,635	1,205	463,616
Occupancy	70,345	44,080	35,448	149,873	21,305	12,489	183,667
Travel expense	22,764	19,567	5,056	47,387	51,541	1,477	100,405
Technology and communication	16,561	25,030	13,561	55,152	22,170	2,622	79,944
Contractual services	8,314	8,268	8,253	24,835	34,361	22	59,218
Professional services	16,730	11,144	8,423	36,297	5,703	2,928	44,928
Grant expense	17,376	5,118	2,531	25,025	2,410	778	28,213
Postage	4,808	4,245	4,024	13,077	11,764	238	25,079
Bank fees	1,085	6,275	547	7,907	15,549	191	23,647
Dues, fees, memberships	1,903	1,361	8,701	11,965	7,421	293	19,679
Insurance	3,474	2,177	1,751	7,402	1,052	617	9,071
Marketing and publications	866	4,887	134	5,887	2,215	47	8,149
Office expense	2,103	893	1,153	4,149	566	253	4,968
Depreciation and amortization	1,663	1,042	838	3,543	504	295	4,342
TOTALS	\$ 761,805	\$ 839,833	\$ 415,359	\$ 2,016,997	\$ 442,990	\$ 127,679	\$ 2,587,666

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (136,701)	\$ (58,417)
Adjustments to reconcile changes in net assets to net cash used for operating activities:		
Provision for uncollectible promises to give	(24,108)	(60,661)
Depreciation and amortization	4,166	4,342
Loss on disposal of property and equipment	-	962
Beneficial interests in charitable remainder trust	43,920	(86,635)
(Increase) decrease in assets:		
Accounts receivable	72,713	(98,130)
Promises to give	60,246	288,999
Prepaid expenses	4,251	11,688
Investments in perpetuity	(350)	(76)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(11,235)	(23,534)
Deferred revenue	(25,000)	24,550
Rent abatement	(19,670)	(14,250)
	(31,768)	(11,162)
Net cash used for operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,126)	(1,324)
	(3,126)	(1,324)
Net cash used for investing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,894)	(12,486)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	557,332	569,818
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 522,438	\$ 557,332

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – NATURE OF ACTIVITIES

Nature of Activities

Autism Society of America, Inc. (the “Society”) was incorporated in the District of Columbia in 1965, to promote the general welfare, education, and training of individuals with autism; to further the advancement of all study, research, therapy, and care of children and adults with autism; and to serve as a clearing house for gathering and disseminating information on a national basis.

The Autism Society of America Foundation, Inc. (the “Foundation”) was organized under the laws of the District of Columbia in 1996, as a not-for-profit corporation. The purpose of the Foundation is to promote research and education relating to the causes and treatment of autism.

Description of Programs:

Autism Core Services: The Autism Society offers support to individuals and families affected by autism with information and referral services provided by trained professionals through its National Contact Center and Autism Source, a unique national database which aligns people with support and services in their local communities. The Society has also developed standards of performance for its local grassroots network of approximately 90 affiliates and provides oversight and support to those affiliates to advance the quality and efficacy of services people receive at the local level. The Society also has specific initiatives to advance inclusiveness in the community for those affected by autism, including its Safe and Sound, Inclusive Faith and Sensory Friendly Films initiatives.

Education and Awareness: The Society and Foundation provide education and training about autism and promote awareness and acceptance of individuals affected by autism. Key efforts in this area are the annual National Conference, outreach materials, programs and toolkits for Autism Awareness Month in April, and a wide variety of published materials and website resources providing easy-to-understand, practical information related to the autism spectrum for a broad audience.

Advocacy: The advocacy programs inform public policy at the federal, state, and local levels in collaboration with the greater disability and health communities. The Society and Foundation advocate for multi-disciplined approaches to autism research and for the inclusion, participation, and self-determination in all aspects of life for individuals on the autism spectrum and their families.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The combined financial statements include the accounts of Society and Foundation, collectively, the Organizations. All significant intercompany transactions have been eliminated.

Use of Estimates

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

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recent Accounting Pronouncements

ASU 2016-02 Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This update requires an entity to recognize lease assets and lease liabilities on the statement of financial position and to disclose key information about the entity's leasing arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, with early adoption permitted. A modified retrospective approach is required. Management is currently evaluating the impact of adoption of ASU 2016-02 on the Organization's financial statements.

ASU 2016-14 Presentation of Financial Statements of Not-for-Profit Entities

The Financial Accounting Standards Board ("FASB") added a project to its agenda to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's ("NFP's") liquidity, financial performance, and cash flows. The main provisions of this update, which amends the requirement for financial statements and notes in Topic 958, *Not-for-Profit Entities*, require an NFP to:

- 1) Report amounts for net assets with restrictions and net assets without restrictions, as well as the currently required amount for total net assets.
- 2) Presents on the face of the statement of activities the amount of the change in each of the two classes of net assets.
- 3) Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer requires the presentation or disclosure of the indirect method if using the direct method.
- 4) Provide enhanced disclosures about a number of qualitative and quantitative items.
- 5) Report investment return net of external and direct internal investment expenses and no longer requires disclosure of those netted expenses.
- 6) Use, in the absence of explicit stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with restrictions to net assets without restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption.

The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 31, 2018. The Organization has adopted the update and applied its provisions retrospectively. As permitted under the update, disclosures about the liquidity and availability of resources for 2017 have been omitted.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Organization. These net assets are shown separately on the statement of financial position.

Net assets with donor restrictions – Net assets subject to stipulations that will be met either by actions of the Organization and/or the passage of time.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Concentrations of Credit Risk

The Organizations place their cash and cash equivalents with high-quality institutions and at times the balances may exceed federally insured limits. However, management believes the Organizations are not exposed to any significant credit risk related to cash.

Cash and Cash Equivalents

The Organizations consider all unrestricted cash and highly liquid investments, with an initial maturity of three months or less, to be considered cash.

Accounts Receivable

Accounts receivable are stated at their net realizable values. Management evaluates the collectability of its accounts receivable based on certain factors such as historical collection and aging categories. Accounts receivable are written off when deemed uncollectible. In management's opinion, all receivables at December 31, 2018 and 2017 are considered fully collectible and, accordingly, no allowance for doubtful accounts is deemed necessary.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions that are unrestricted by the donor are reported as increases in net assets without donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, either by satisfaction of purpose or by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises to Give

Promises to give which are to be received in future periods beyond twelve months of the statement of financial position date are classified as long term and are discounted to their net present value at the time the revenue is recorded. The Organizations' promises to give are generally receivable over a five-year period and are discounted at rates ranging from 3.5% to 4.5% per annum, depending on the timing of the revenue. The allowance for uncollectible promises to give is based on management's experience with prior campaigns and its analysis of specific promises to give.

Property and Equipment

Property and equipment are stated at cost or, if contributed, the fair market value on the date of the contribution. The Organizations capitalize expenditures and contributions of furnishings and equipment in excess of \$1,000. Depreciation is calculated using the straight-line method based on the property's estimated useful lives of three to seven years.

Revenue Recognition

The Organizations record all membership dues as contributions, therefore, all membership dues are immediately recognized as unrestricted revenue in the period received. Other revenue is recorded as services are performed. Revenue collected in advance for the annual conference is initially recorded as deferred revenue and recognized as revenue at the time of the conference.

Donated Materials, Equipment and Services

Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. The Organizations recognize donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

AUTISM SOCIETY OF AMERICA, INC. AND
 AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 NOTES TO COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program. Other costs have been allocated to program services and to support services based upon management's best estimates.

Income Taxes

The Organizations have received tax determination letters from the Internal Revenue Service stating that they qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and are thus exempt from Federal and State income taxes. The Organizations do not have any unrelated business income and accordingly, do not have any uncertain tax positions that require recognition or disclosure in the financial statements.

The Organizations' management evaluates tax positions and recognizes a tax liability (or asset) if the Organizations have taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organizations' management has analyzed its tax positions, and has concluded that as of December 31, 2018, there are no uncertain tax positions that would require recognition or disclosure. The Organizations are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Reclassifications

Certain reclassifications have been made to 2017 financial statements to conform to the 2018 presentation.

Subsequent Event Evaluation

The Organizations have evaluated events and transactions for potential recognition or disclosure through July 9, 2019, the date the financial statements were available to be issued.

NOTE 3 – PROMISES TO GIVE

As of December 31, 2018, the Organizations had \$301,724 in promises to give from the Combined Federal Campaign. Promises to give for this campaign consist of temporarily restricted gifts. While these gifts are unrestricted as to purpose, they have been reported as having donor restriction due to the inherent time restriction associated with the fact that promises to give are to be paid over a period of one year.

At December 31, 2018 and 2017, the anticipated receipt of promises to give for the Combined Federal Campaign is as follows:

	2018	2017
One year	\$ 301,724	\$ 361,970
Less: allowance for doubtful promises to give	(84,483)	(108,591)
Estimated net realizable value	<u>\$ 217,241</u>	<u>\$ 253,379</u>

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consists of the following:

	<u>2018</u>	<u>2017</u>
Furnishings and fixtures	\$ 69,999	\$ 69,999
Website	3,575	3,575
Computers and other equipment	<u>26,527</u>	<u>23,402</u>
Total property and equipment	100,101	96,976
Less: accumulated depreciation and amortization	<u>(96,764)</u>	<u>(92,599)</u>
Total property and equipment, net	<u>\$ 3,337</u>	<u>\$ 4,377</u>

Depreciation and amortization expense for the years ended December 31, 2018 and 2017 was \$4,166 and \$4,342, respectively.

NOTE 5 – CHARITABLE REMAINDER TRUSTS

The Organizations have been named as beneficiaries of various Estates and Trusts. The estimated cash flow from the various Estates and Trusts will be \$722,820 in 2048. A noncurrent asset for the charitable remainder trusts has been recognized at the present value of the expected future cash flow payments discounted at a rate of 2.74%. Changes in the value of the trust have been reported in the statement of activities as decreases in net assets with donor restrictions.

Interests in charitable remainder trusts reported on the combined statement of financial position as of December 31 consist of the following:

	<u>2018</u>	<u>2017</u>
Interest in charitable remainder trusts	\$ 722,820	\$ 805,812
Less: discount to net present value	<u>(408,605)</u>	<u>(447,677)</u>
Net interest in charitable remainder trusts	<u>\$ 314,215</u>	<u>\$ 358,135</u>

NOTE 6 – LEASE COMMITMENTS

The Organizations have a non-cancelable operating lease for office space in Bethesda, Maryland. The lease expires on January 31, 2020 and contains annual escalation clauses for property taxes and general operating and maintenance costs of the landlord, as well as annual rental increases. Under the terms of the lease, the Organizations were not required to make rental payments until February 1, 2010. As of December 31, 2018 and 2017, the Organizations had a rent abatement liability of \$27,794 and \$47,464, respectively.

Future minimum lease payments under the operating lease are as follows:

<u>Year ending December 31</u>	
2019	\$ 191,654
2020	16,409
Total	<u>\$ 208,063</u>

Office rent expenses for the years ended December 31, 2018 and 2017 were \$168,052 and \$166,402, respectively.

AUTISM SOCIETY OF AMERICA, INC. AND
 AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 NOTES TO COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

NOTE 7 – IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions, in the form of legal and other professional services, of \$26,328 and \$21,580, for the years ended December 31, 2018 and 2017, respectively.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2018	2017
<u>Subject to the passage of time:</u>		
Federal Campaign pledges	\$ 217,241	\$ 253,379
Beneficial interests in charitable remainder trusts	314,215	358,135
Total	531,456	611,514
<u>Subject to expenditure for specified purpose:</u>		
Hudson Valley Services	67,004	-
Ireland Employment Initiative	25,000	25,000
Robokind School Grants	160	160
Hussman Community Services	-	3,000
Ireland Affiliate Travel	-	2,026
Total	92,164	30,186
<u>Subject to appropriation and expenditure when a specific event occurs:</u>		
Investment in perpetuity, investment income is expendable to support scholarships	50,000	50,000
Total net assets with donor restrictions	\$ 673,620	\$ 691,700

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by the donor, for the years ended December 31:

	2018	2017
<u>Time restrictions expired:</u>		
Federal Campaign pledges	\$ 204,693	\$ 275,299
<u>Purpose restrictions accomplished:</u>		
Keystone Autism Fund	74,505	87,661
Hudson Valley Services	22,948	-
Hussman Community Services	3,000	-
Ireland Affiliate Travel	2,026	14,449
Ireland VP Differential	-	72,846
Jason Cherry Sibling Fund	-	25,635
Total	102,479	200,591
Total restrictions released	\$ 307,172	\$ 475,890

AUTISM SOCIETY OF AMERICA, INC. AND
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DECEMBER 31, 2018 AND 2017

NOTE 9 – DONOR-RESTRICTED ENDOWMENT FUND

Interpretation of Law:

The Society has interpreted the Maryland-enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets:

- a) the original value of gifts donated to the permanent endowment,
- b) the original value of subsequent gifts to the permanent endowment, and
- c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is classified as donor-restricted assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

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

Investment Policy:

The Society's objective is to manage investment risk and to optimize investment returns within acceptable risk parameters. The Society's investment policy in general is long-term. The goals of the investment policy are to provide for the ongoing income needs, financial stability, and conservative growth of capital to meet future needs of the Society and to enhance the purchasing power of funds held for future expenditures. The Society has established a portfolio policy, which can be adjusted from time to time, and is designed to serve for long-term horizons based upon long-term expected returns.

Spending Policy:

The Organizations have adopted spending policies for donor-restricted endowment fund that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from this fund are reflected as net assets without donor restrictions.

The Organizations' endowment fund consists of a donor-restricted endowment of \$50,000 restricted to investment in perpetuity, the income from which is expendable to support the Society's scholarships.

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 NOTES TO COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

NOTE 9 – DONOR-RESTRICTED ENDOWMENT FUND *(continued)*

For the years ended December 31, 2018 and 2017, the Society had the following endowment-related activities:

Year ended December 31, 2018:

<u>Collins Scholarship Fund</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 392	\$ 50,000	\$ 50,392
Investment income:			
Interest and dividends	<u>350</u>	<u>-</u>	<u>350</u>
Endowment net assets, end of year	<u>\$ 742</u>	<u>\$ 50,000</u>	<u>\$ 50,742</u>

Year ended December 31, 2017:

<u>Collins Scholarship Fund</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 316	\$ 50,000	\$ 50,316
Investment income:			
Interest and dividends	<u>76</u>	<u>-</u>	<u>76</u>
Endowment net assets, end of year	<u>\$ 392</u>	<u>\$ 50,000</u>	<u>\$ 50,392</u>

NOTE 10 – RETIREMENT PLAN

The Organizations adopted a 401(k) retirement plan (the “Plan”) in 2014. The Plan covers all employees who are at least eighteen (18) years of age. The Plan also provides employer matching contributions and employer discretionary contributions to all eligible employees. The Organizations reserve the right to modify or discontinue the Plan at any time. For the years ended December 31, 2018 and 2017, the employer matching contributions were up to 6%, and the total employer contributions were \$43,508 and \$39,586, respectively.

NOTE 11 – CASH IN BANKS

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. Deposits held in a noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least \$250,000. At December 31, 2018, the Organizations combined had approximately \$74,500 in excess of FDIC insured limits.

AUTISM SOCIETY OF AMERICA, INC. AND
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 NOTES TO COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

NOTE 12 – LINE OF CREDIT

At December 31, 2018 and 2017, the Organizations had a line of credit agreement with Eagle Bank for \$150,000, secured by substantially all assets of the Organizations. The line of credit accrues interest on the unpaid principal balance, calculated at a variable rate which is the greater of 5.00% or the U.S. Prime Rate plus 1%. The accrued interest is payable monthly, with principal due the earlier of demand or reaffirmation. Borrowings under the line of credit are subject to certain financial covenants. As of December 31, 2018 and 2017, the outstanding balances on the line of credit were \$0.

NOTE 13 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

The Organizations' financial assets available within one year of the accompanying statement of financial position for general expenditures are as follows:

Financial assets, at year-end	
Cash and cash equivalents	\$ 522,438
Accounts receivable	25,712
Promises to give, net	50,742
Investment in perpetuity	217,241
Beneficial interests in charitable remainder trust	<u>314,215</u>
Financial assets available at December 31, 2018	1,130,348

Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:

Restricted by donor for specific purpose (Note 8)	(92,164)
Restricted by donor for time (Note 8)	(217,241)
Investment in perpetuity (Note 9)	(50,742)
Beneficial interests in charitable remainder trust (Note 5)	<u>(314,215)</u>

Financial assets available for general expenditures within one year \$ 455,986

The Organizations are substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organizations' liquidity management, they have a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, in the event of an unanticipated liquidity need, the Organizations also could draw upon \$150,000 of the available line of credit (as further discussed in Note 12).

NOTE 14 – ALLOCATION OF JOINT COSTS

For the years ended December 31, 2018 and 2017, Autism Society of America, Inc. and Autism Society of America Foundation, Inc. incurred joint costs of \$67,369 and \$83,878, respectively, of which \$52,669 and \$69,178, respectively, were for direct mail communication materials and activities and \$14,700 and \$14,700, respectively, were for electronic mail communications that included fundraising appeals. For the years ended December 31, 2018 and 2017, joint costs of \$33,690, and \$41,946, respectively, were allocated to education and \$33,679 and \$41,932, respectively, were allocated to fundraising.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 15 – SUBSEQUENT EVENTS

Subsequent to year end, the Organization received a contribution of approximately \$794,000, without donor restrictions, as the beneficiary of a class action settlement fund.

NOTE 16 – CONTINGENCIES

From time to time, the Organizations may become involved in legal claims arising in the ordinary course of their activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Organizations' insurance policies subject to normal deductibles, and accordingly, would not have a material effect on their combined financial position or changes in net assets.

SUPPLEMENTARY INFORMATION

AUTISM SOCIETY OF AMERICA, INC. AND AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 COMBINING STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2018

	<u>Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 317,082	\$ 205,356	\$ -	\$ 522,438
Accounts receivable, net	25,712	-	-	25,712
Promises to give, net	100,936	116,305	-	217,241
Due from affiliate	-	39,016	(39,016)	-
Prepaid expenses	8,969	400	-	9,369
Total current assets	452,699	361,077	(39,016)	774,760
PROPERTY AND EQUIPMENT				
Furniture, fixtures and equipment	96,526	3,575	-	100,101
Less: Accumulated depreciation	(93,189)	(3,575)	-	(96,764)
Net property and equipment	3,337	-	-	3,337
OTHER ASSETS				
Investments in perpetuity	50,742	-	-	50,742
Interests in charitable remainder trusts, net	314,215	-	-	314,215
Deposits	12,576	-	-	12,576
Total other assets	377,533	-	-	377,533
TOTAL ASSETS	\$ 833,569	\$ 361,077	\$ (39,016)	\$ 1,155,630
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 131,899	\$ 3,690	\$ -	\$ 135,589
Due to affiliate	39,016	-	(39,016)	-
Total current liabilities	170,915	3,690	(39,016)	135,589
OTHER LIABILITIES				
Rent abatement	27,794	-	-	27,794
TOTAL LIABILITIES	198,709	3,690	(39,016)	163,383
NET ASSETS				
Without donor restrictions	77,544	241,083	-	318,627
With donor restrictions	557,316	116,304	-	673,620
TOTAL NET ASSETS	634,860	357,387	-	992,247
TOTAL LIABILITIES AND NET ASSETS	\$ 833,569	\$ 361,077	\$ (39,016)	\$ 1,155,630

See independent auditor's report.

AUTISM SOCIETY OF AMERICA, INC. AND AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
 COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Autism Society of America, Inc.			Autism Society of America Foundation, Inc.			Eliminations	Combined
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
SUPPORT AND REVENUE								
Contributions	\$ 2,309,914	\$ 86,506	\$ 2,396,420	\$ 9,623	\$ 156,554	\$ 166,177	\$ (413,255)	\$ 2,149,342
Annual and regional conferences	225,502	-	225,502	-	-	-	-	225,502
Beneficial interest bequests income (loss)	24,236	(43,920)	(19,684)	-	-	-	-	(19,684)
Fundraising	257,750	-	257,750	-	-	-	-	257,750
Merchandise sales, net	3,160	-	3,160	-	-	-	-	3,160
Investment income	167	-	167	1,600	-	1,600	-	1,767
Investment return, net	26,328	-	26,328	-	-	-	-	26,328
Other income	32,835	89,952	122,787	1,220	-	1,220	-	124,007
Net assets released from restrictions	111,222	(111,222)	-	195,950	(195,950)	-	-	-
TOTAL REVENUES AND SUPPORT	2,991,114	21,316	3,012,430	208,393	(39,396)	168,997	(413,255)	2,768,172
EXPENSES								
Program services								
Autism core services	1,124,642	-	1,124,642	190,882	-	190,882	(183,991)	1,131,533
Education and awareness	745,744	-	745,744	103,856	-	103,856	(99,285)	750,315
Advocacy	385,457	-	385,457	53,513	-	53,513	(51,158)	387,812
Supporting services								
Fundraising	450,744	-	450,744	102,375	-	102,375	(59,874)	493,245
Management and general	140,170	-	140,170	20,745	-	20,745	(18,947)	141,968
TOTAL EXPENSES	2,846,757	-	2,846,757	471,371	-	471,371	(413,255)	2,904,873
CHANGES IN NET ASSETS	144,357	21,316	165,673	(262,978)	(39,396)	(302,374)	-	(136,701)
NET ASSETS, BEGINNING OF YEAR	(66,813)	536,000	469,187	504,061	155,700	659,761	-	1,128,948
NET ASSETS, END OF YEAR	\$ 77,544	\$ 557,316	\$ 634,860	\$ 241,083	\$ 116,304	\$ 357,387	\$ -	\$ 992,247

See independent auditor's report.

AUTISM SOCIETY OF AMERICA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	Total
Payroll expense	\$ 678,938	\$ 413,412	\$ 281,150	\$ 1,373,500	\$ 193,262	\$ 114,276	\$ 1,681,038
Grant expense	224,516	-	-	224,516	-	-	224,516
Meetings and conferences	12,941	192,065	4,731	209,737	4,060	1,927	215,724
Occupancy	75,734	44,936	30,506	151,176	21,007	12,421	184,604
Contractual services	25,593	5,518	5,480	36,591	109,282	33	145,906
Technology and communication	25,387	28,369	34,013	87,769	21,029	3,253	112,051
Travel expense	31,109	15,665	4,493	51,267	44,740	1,278	97,285
Professional services	19,623	11,949	8,112	39,684	5,586	3,303	48,573
Marketing	10,073	15,994	3,653	29,720	6,485	1,486	37,691
Dues, fees, memberships	4,169	4,962	5,351	14,482	13,899	328	28,709
Postage	5,029	4,337	4,030	13,396	12,404	265	26,065
Interest expense and bank fees	984	3,131	407	4,522	14,612	166	19,300
Insurance	5,591	2,342	1,590	9,523	1,095	648	11,266
Office expenses	3,272	2,039	1,245	6,556	1,673	503	8,732
Depreciation and amortization	1,683	1,025	696	3,404	479	283	4,166
Event expenses	-	-	-	-	1,131	-	1,131
TOTALS	\$ 1,124,642	\$ 745,744	\$ 385,457	\$ 2,255,843	\$ 450,744	\$ 140,170	\$ 2,846,757

See independent auditor's report.

AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	Total
Grant expenses	\$ 183,991	\$ 99,285	\$ 51,158	\$ 334,434	\$ 59,874	\$ 18,947	\$ 413,255
Meetings and conferences	-	-	-	-	39,747	-	39,747
Dues, fees, memberships	4,479	2,971	1,531	8,981	1,790	567	11,338
Professional services	2,234	1,482	763	4,479	893	283	5,655
Office expenses	-	-	-	-	-	925	925
Credit card and bank charges	178	118	61	357	71	23	451
TOTALS	\$ 190,882	\$ 103,856	\$ 53,513	\$ 348,251	\$ 102,375	\$ 20,745	\$ 471,371

See independent auditor's report.