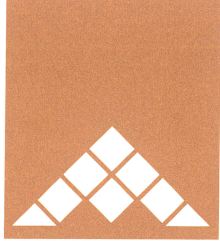


**AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA  
FOUNDATION, INC.  
COMBINED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2022 AND 2021**

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.  
Rockville, MD

### ***Opinion***

We have audited the accompanying combined financial statements of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. (nonprofit organizations), which comprise the combined statements of financial position as of December 31, 2022 and 2021, 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 combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. as of December 31, 2022 and 2021, and the combined changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Autism Society of America, Inc. and Autism Society of America Foundation, Inc.'s ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Offices:

Maryland

New York City

Long Island

New Jersey



## INDEPENDENT AUDITOR'S REPORT (continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Autism Society of America, Inc. and Autism Society of America Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.





## INDEPENDENT AUDITOR'S REPORT (continued)

### *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 statements of financial position as of December 31, 2022 on page 24, combining statements of activities and changes in net assets, and schedules of functional expenses for the year then ended on pages 25, 26, and 27 are presented for purposes of additional analysis and are not a required part of the combined 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 as a whole.

*Adeptus Partners, LLC*

ADEPTUS PARTNERS, LLC  
Certified Public Accountants

Olney, Maryland  
June 12, 2023

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
COMBINED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,022,582	\$ 1,230,570
Accounts receivable	305,340	379,348
Promises to give, net	146,852	136,997
Prepaid expenses	86,278	68,672
Total current assets	3,561,052	1,815,587
PROPERTY AND EQUIPMENT, net	175,043	161,816
<b>OTHER ASSETS</b>		
Investments	475,126	542,744
Endowment investments	50,089	51,380
Beneficial interest in charitable remainder trust	463,029	575,730
Deposits	12,655	12,655
Operating lease right-of-use asset, net of accumulated amortization	661,373	-
Total other assets	1,662,272	1,182,509
<b>TOTAL ASSETS</b>	<b>\$ 5,398,367</b>	<b>\$ 3,159,912</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 489,683	\$ 368,400
Notes payable - current portion	63,071	7,300
Operating lease liabilities - current portion	90,534	-
Total current liabilities	643,288	375,700
<b>OTHER LIABILITIES</b>		
Lease incentives	-	287,161
Notes payable - noncurrent portion	2,380,972	285,064
Operating lease liabilities - noncurrent portion	838,854	-
Total noncurrent liabilities	3,219,826	572,225
<b>TOTAL LIABILITIES</b>	<b>3,863,114</b>	<b>947,925</b>
<b>NET ASSETS</b>		
Without donor restrictions	274,067	973,759
With donor restrictions (Note 10)	1,261,186	1,238,228
<b>TOTAL NET ASSETS</b>	<b>1,535,253</b>	<b>2,211,987</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,398,367</b>	<b>\$ 3,159,912</b>

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 1,745,887	\$ 787,073	\$ 2,532,960
Bequests income	199,918	-	199,918
Fee for service and other income	158,765	-	158,765
In-kind contributions	60,743	69,223	129,966
Annual and regional conferences	5,490	-	5,490
Merchandise sales, net	28	-	28
Investment loss, net	(66,097)	-	(66,097)
Change in value of split interest agreement	-	(112,701)	(112,701)
Net assets released from restrictions	<u>720,637</u>	<u>(720,637)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>2,825,371</u>	<u>22,958</u>	<u>2,848,329</u>
<b>EXPENSES</b>			
Program services			
Autism core services	1,694,683	-	1,694,683
Education and awareness	706,721	-	706,721
Advocacy	340,703	-	340,703
Supporting services			
Fundraising	492,966	-	492,966
Management and general	<u>289,990</u>	<u>-</u>	<u>289,990</u>
TOTAL EXPENSES	<u>3,525,063</u>	<u>-</u>	<u>3,525,063</u>
CHANGES IN NET ASSETS	(699,692)	22,958	(676,734)
NET ASSETS, BEGINNING OF YEAR	<u>973,759</u>	<u>1,238,228</u>	<u>2,211,987</u>
NET ASSETS, END OF YEAR	<u>\$ 274,067</u>	<u>\$ 1,261,186</u>	<u>\$ 1,535,253</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 2,157,864	\$ 713,456	\$ 2,871,320
Bequests income	491,832	-	491,832
In-kind contributions	98,696	-	98,696
Fee for service and other income	75,102	-	75,102
Investment return, net	70,448	-	70,448
Change in value of split interest agreement	-	63,918	63,918
Annual and regional conferences	3,325	-	3,325
Merchandise sales, net	34	-	34
Net assets released from restrictions	518,821	(518,821)	-
 TOTAL SUPPORT AND REVENUE	 3,416,122	 258,553	 3,674,675
 <b>EXPENSES</b>			
Program services			
Autism core services	1,026,491	-	1,026,491
Education and awareness	1,001,399	-	1,001,399
Advocacy	403,699	-	403,699
 Supporting services			
Fundraising	412,449	-	412,449
Management and general	114,293	-	114,293
 TOTAL EXPENSES	 2,958,331	 -	 2,958,331
 CHANGES IN NET ASSETS	 457,791	 258,553	 716,344
 NET ASSETS, BEGINNING OF YEAR	 515,968	 979,675	 1,495,643
 NET ASSETS, END OF YEAR	 \$ 973,759	 \$ 1,238,228	 \$ 2,211,987

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, 2022

	Program Services			Supporting Services			Total
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	
Payroll expense	\$ 1,205,814	\$ 373,616	\$ 261,013	\$ 1,840,443	\$ 112,719	\$ 241,217	\$ 2,194,379
Contractual and consulting services	100,898	138,445	6,230	245,573	180,931	5,757	432,261
Meetings and conferences	18,777	36,994	3,895	59,666	96,454	3,477	159,597
Technology and communication	44,883	27,807	30,577	103,267	17,673	7,520	128,460
Occupancy	62,552	19,381	13,540	95,473	5,847	12,514	113,834
Grant expense	95,000	-	-	95,000	-	-	95,000
Marketing	36,962	44,355	2,944	84,261	2,545	2,720	89,526
Travel Expense	38,263	15,549	1,767	55,579	8,970	734	65,283
Dues, fees, memberships	20,283	10,943	5,022	36,248	24,588	2,977	63,813
Interest expense and bank fees	20,017	6,288	4,289	30,594	14,676	3,729	48,999
Professional services	26,046	8,119	5,613	39,778	3,111	5,204	48,093
Postage	4,554	18,751	188	23,493	23,266	175	46,934
Depreciation and amortization	10,932	3,387	2,366	16,685	1,022	2,188	19,895
Insurance	6,407	1,985	1,387	9,779	599	1,281	11,659
Office expense	3,295	1,101	1,872	6,268	565	497	7,330
<b>TOTALS</b>	<b><u>\$ 1,694,683</u></b>	<b><u>\$ 706,721</u></b>	<b><u>\$ 340,703</u></b>	<b><u>\$ 2,742,107</u></b>	<b><u>\$ 492,966</u></b>	<b><u>\$ 289,990</u></b>	<b><u>\$ 3,525,063</u></b>

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, 2021

	Program Services			Supporting Services			Total
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	
Payroll expense	\$ 753,160	\$ 505,530	\$ 324,088	\$ 1,582,778	\$ 189,179	\$ 93,225	\$ 1,865,182
Marketing	-	278,104	-	278,104	-	-	278,104
Contractual and consulting services	31,115	96,970	9,193	137,278	75,118	2,673	215,069
Occupancy	45,025	29,578	19,393	93,996	11,319	5,637	110,952
Grant expense	98,300	-	-	98,300	-	-	98,300
Technology and communication	21,957	33,827	27,984	83,768	9,102	1,969	94,839
Dues, fees, memberships	12,379	16,984	5,301	34,664	23,440	1,309	59,413
Meetings and conferences	250	-	500	750	54,651	-	55,401
Professional services	19,724	12,957	8,496	41,177	4,958	6,940	53,075
Travel Expense	24,377	5,598	164	30,139	14,387	43	44,569
Interest expense and bank fees	4,012	2,635	1,727	8,374	14,725	504	23,603
Postage	788	8,196	340	9,324	11,677	99	21,100
Depreciation and amortization	8,148	5,353	3,509	17,010	2,048	1,021	20,079
Insurance	4,060	2,667	1,749	8,476	1,021	508	10,005
Office expense	3,196	3,000	1,255	7,451	824	365	8,640
<b>TOTALS</b>	<b><u>\$ 1,026,491</u></b>	<b><u>\$ 1,001,399</u></b>	<b><u>\$ 403,699</u></b>	<b><u>\$ 2,431,589</u></b>	<b><u>\$ 412,449</u></b>	<b><u>\$ 114,293</u></b>	<b><u>\$ 2,958,331</u></b>

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (676,734)	\$ 716,344
Adjustments to reconcile changes in net assets to net cash (used for) provided by operating activities:		
Provision (credit) for uncollectible promises to give	4,224	(5,613)
Realized/unrealized losses (gains) on investments	65,447	(51,681)
Donated securities	(25,275)	-
Depreciation and amortization	19,895	20,079
Operating lease right-of-use asset amortization	69,696	-
Change in value of beneficial interest in charitable remainder trust	112,701	(63,918)
(Increase) decrease in assets:		
Accounts receivable	74,008	(306,979)
Promises to give	(14,079)	26,104
Prepaid expenses	(17,606)	(7,905)
Endowment investments	1,291	(156)
Operating lease right-of-use asset	(731,069)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	121,283	141,907
Lease incentives	(287,161)	30,438
Operating lease liabilities	<u>929,388</u>	<u>-</u>
Net cash (used for) provided by operating activities	<u>(353,991)</u>	<u>498,620</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(33,122)	-
Purchases of investments	(126,608)	(36,314)
Sales of investments	<u>154,054</u>	<u>21,314</u>
Net cash used for investing activities	<u>(5,676)</u>	<u>(15,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable - Economic Disaster Relief	2,184,300	-
Payments on notes payable - Economic Disaster Relief	<u>(32,621)</u>	<u>(5,336)</u>
Net cash provided by (used for) financing activities	<u>2,151,679</u>	<u>(5,336)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,792,012	478,284
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,230,570</u>	<u>752,286</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,022,582</u>	<u>\$ 1,230,570</u>
SUPPLEMENTAL CASH FLOWS INFORMATION:		
Cash paid during the year for interest	<u>\$ 36,280</u>	<u>\$ -</u>
Non-cash investing and financing activities:		
Right-of-use asset obtained in exchange for new lease liabilities	<u>\$ 731,069</u>	<u>\$ -</u>

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, 2022 AND 2021

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 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 70 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 and acceptance in the community for those affected by autism, including employment, first responder training and water and wandering safety.

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 its semi-monthly Facebook live webinars, Vaccine Education Initiative, outreach materials, programs and toolkits for Autism Acceptance 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 (“GAAP”). 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, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*Basis of Presentation*

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

Nets 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 Organizations. These net assets, if any, 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 Organizations and/or the passage of time. Other donors impose restrictions that are perpetual.

*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 equivalents.

*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, 2022 and 2021 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 annual rates ranging from 3.5% to 4.5%, 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 \$2,000. Depreciation is calculated using the straight-line method based on the property's estimated useful lives of three to seven years.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*Property and Equipment (continued)*

Amortization for leasehold improvements is calculated using the straight-line method based over the leasehold improvements estimated life not to exceed the term of the property lease agreement.

*Revenue Recognition*

The Organizations record all membership dues as contributions, therefore, all membership dues are immediately recognized as unrestricted revenue in the period earned. 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.

*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 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, 2022, 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.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*Leases, changes in accounting policy/recently adopted accounting pronouncements*

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. The Organizations adopted FASB ASC 842, with a date of initial application of January 1, 2022 by applying the modified retrospective transition approach and using the additional and optional transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements. The Organizations did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of \$731,069 of operating lease right-of-use assets and a total of \$1,018,230 of current and long-term operating lease liabilities on the balance sheet as of January 1, 2022. There was no cumulative effect adjustment to net assets as of January 1, 2022.

As part of the transition, the Organizations implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases
- Election not to reassess the lease classification for any expired or existing leases
- Election not to reassess initial direct costs on any existing leases

Other practical expedients:

- Election whereby the lease and nonlease components will not be separated for leases of office space and office equipment.
- Election not to record right-of-use assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than 1 month. Leases of 1 month or less are not included in short-term lease costs.

*Leases*

The Organizations are a lessee of noncancellable operating leases for office space and office equipment. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organizations determine if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organizations determine if an arrangement conveys the right to use an identified asset and whether the Organizations obtain substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organizations recognize a lease liability and right-of-use asset at the commencement date of the lease.

Beginning January 1, 2022, operating lease right-of-use assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheet.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*continued*)

*Leases (continued)*

*Lease liabilities.* A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organizations use their incremental borrowing rate. The implicit rates of the Organizations' leases are not readily determinable; accordingly, the Organizations use their incremental borrowing rate based on the information available at the commencement date for each lease. The Organizations' incremental borrowing rate for a lease is the rate of interest they would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organizations determines their incremental borrowing rates by starting with the interest rates on recent borrowings and observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

*Right-of-use assets.* A right-of-use asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the right-of-use asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease right-of-use assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

*Accounting policy election for short-term leases.* The Organizations have elected for all underlying classes of assets, to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organizations are reasonably certain to exercise. The Organizations recognize lease cost associated with their short-term leases on a straight-line basis over the lease term.

*Subsequent Event Evaluation*

The Organizations have evaluated events and transactions for potential recognition or disclosure through June 12, 2023, the date the financial statements were available to be issued.

NOTE 3 – PROMISES TO GIVE

As of December 31, 2022 and 2021, the Organizations had \$209,789 and \$195,710 in promises to give from the Combined Federal Campaign, respectively. Promises to give for this campaign consist of donor 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.



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NOTE 3 – PROMISES TO GIVE *(continued)*

At December 31, 2022 and 2021, the anticipated receipt of promises to give for the Combined Federal Campaign is as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 209,789	\$ 195,710
Less: allowance for doubtful promises to give	(62,937)	(58,713)
Estimated net realizable value	<u>\$ 146,852</u>	<u>\$ 136,997</u>

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 194,853	\$ 194,853
Land	30,300	-
Furnishings and fixtures	29,581	31,215
Computers and other equipment	26,922	24,100
Website	-	3,575
Total property and equipment	<u>281,656</u>	<u>253,743</u>
Less: accumulated depreciation and amortization	(106,613)	(91,927)
Property and equipment, net	<u>\$ 175,043</u>	<u>\$ 161,816</u>

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was \$19,895 and \$20,079, respectively.

NOTE 5 – INVESTMENTS

GAAP provides a framework for measuring fair value. That 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 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical asset or liabilities in active markets that the Organizations have the ability to access.

Level 2: Inputs to the valuation methodology include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; and (d) 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 (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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NOTE 5 – INVESTMENTS (*continued*)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021:

Mutual funds: Valued using the daily closing price reported by the fund. These funds are required to publish their daily net asset value and transact at that price.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations' management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organizations' investments at fair value as of December 31, 2022 and 2021:

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds				
International	\$ 56,125	\$ -	\$ -	\$ 56,125
Short term government bonds	119,192	-	-	119,192
US equity	179,367	-	-	179,367
Emerging markets equity	28,027	-	-	28,027
Real estate	27,818	-	-	27,818
Short term bonds	64,597	-	-	64,597
Total	\$ 475,126	\$ -	\$ -	\$ 475,126

Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds				
International	\$ 64,873	\$ -	\$ -	\$ 64,873
Short term government bonds	21,710	-	-	21,710
US equity	216,717	-	-	216,717
Emerging markets equity	30,482	-	-	30,482
Real estate	42,582	-	-	42,582
Intermediate bonds	82,889	-	-	82,889
Short term bonds	83,491	-	-	83,491
Total	\$ 542,744	\$ -	\$ -	\$ 542,744

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NOTE 6 – CHARITABLE REMAINDER TRUST

The Society has been named as one third beneficiary of a charitable remainder trust. The estimated cash flow is estimated to be \$1,178,694 in 2048. A noncurrent asset for this agreement has been recognized at the present value of the expected future cash flow payments discounted at a rate of 3.97%. Changes in the value of the trust have been reported in the statement of activities as increase or decrease 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:

	2022	2021
Interest in charitable remainder trust	\$ 1,178,694	\$ 928,473
Less: discount to net present value	(715,665)	(352,743)
Net interest in charitable remainder trust	\$ 463,029	\$ 575,730

NOTE 7 – NOTES PAYABLE

*Paycheck Protection Program Loan*

In February 2021, the Organizations obtained a loan in the amount of \$269,400 under the Second Draw Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Management filed an application for complete loan forgiveness under the Program and obtained approval and, accordingly, the loan has been recorded as grant income in the accompanying statement of activities and changes in net assets for the year ended December 31, 2021.

*Economic Injury Disaster Loan (EIDL)*

In May 2020, the Society and the Foundation obtained two loans in the amount of \$150,000 and \$147,700, respectively, under the EIDL program with the U.S. Small Business Administration. The Society and the Foundation took second draws on each note in March 2022 for \$350,000 and \$334,300, respectively. The Society took a third draw on the note in August 2022 for \$1,500,000. The total principal received for the Society and the Foundation was \$2,000,000 and \$482,000, respectively.

Notes payable consisted of the following as of December 31:

	2022	2021
EIDL notes payable: The term for both loans is 30 years with interest fixed at 2.75% per year. Principal and interest payments are deferred 30 months with a combined payment of \$10,794 due monthly beginning 30 months from May 2020, the commencement of the loan.	\$ 2,444,043	\$ 292,364
Less: current portion	(63,071)	(7,300)
Note payable – noncurrent portion	\$ 2,380,972	\$ 285,064

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NOTE 7 – NOTES PAYABLE (*continued*)

Minimum annual principal payments on the notes payable are as follows:

<u>Year ending December 31</u>	
2023	\$ 62,946
2024	64,516
2025	66,496
2026	68,348
2027	70,251
Thereafter	<u>2,111,486</u>
Total	<u>\$ 2,444,043</u>

NOTE 8 – LEASE COMMITMENTS

Effective February 1, 2020, the Organizations have a non-cancelable operating lease agreement for office space in Rockville, Maryland. The lease expires on November 30, 2030, 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 are not required to pay 50% of the monthly base rent for the twenty-month period starting on the lease commencement date. As of December 31, 2021, before adoption of ASC 842, the Organizations had a lease incentive liability of \$287,161.

In addition, the landlord granted the Organizations a leasehold improvements allowance.

The Organizations also have a non-cancelable operating lease agreement for office equipment that expires April 30, 2023. Under the terms of the lease, monthly payments are \$195.

Payments due under lease contracts include fixed payments and variable payments. The variable lease payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

The components of lease cost and functional expense caption allocation for the year ended December 31, 2022, are as follows:

	<u>Expense</u>	
Operating lease costs:	Occupancy costs	\$ 105,241
	Technology and communication	<u>2,340</u>
Total lease costs		<u>\$ 107,581</u>

Maturities of lease liabilities as of December 31, 2022, were as follows:

2023	\$ 128,277
2024	130,685
2025	133,952
2026	137,301
2027	140,733
Thereafter	<u>431,008</u>
Total lease payments	1,101,956
Less: present value adjustment	<u>(172,568)</u>
Present value of lease liabilities	<u>\$ 929,388</u>

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NOTE 8 – LEASE COMMITMENTS (continued)

The following information was used in the calculation of the lease liabilities, right of use assets and the related impact on the financial statements for the year ended December 31, 2022:

Weighted-average remaining lease term (years)	7.91
Weighted-average discount rate	4.25%
Cash paid for amount included in the measurement of lease liabilities:	
Operating cash flows paid for operating leases	\$ 126,728

Total rent expense under these agreements for the years ended December 31, 2022 and 2021 was \$107,581 and \$113,292, respectively.

NOTE 9 – IN-KIND CONTRIBUTIONS

The Organizations received in-kind contributions, in the form of legal and other professional services and stock donations, of \$129,966 and \$98,696, for the years ended December 31, 2022 and 2021, respectively.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets restricted for the following purposes or periods at December 31:

	2022	2021
<u>Subject to the passage of time:</u>		
Federal Campaign pledges	\$ 146,852	\$ 136,997
Beneficial interest in charitable remainder trust	463,029	575,730
Other	-	-
Total	609,881	712,727
<u>Subject to expenditure for specified purpose:</u>		
Make Waves Multiple Programs	250,000	250,000
Ireland Employment Initiative	125,000	125,000
Bike To The Beach Safety On The Spectrum	97,660	160
Hudson Valley Services	75,280	73,239
Affiliate Emergency Fund	14,285	14,286
VER Dorn Scholarship	13,450	-
Advocacy Training	10,630	12,816
EMC Foundation Safety On The Spectrum	10,000	-
Hussman Foundation Community Service Grants	5,000	-
Total	601,305	475,501
<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	\$ 1,261,186	\$ 1,238,228

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NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS *(continued)*

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:

	2022	2021
<u>Time restrictions expired:</u>		
Federal Campaign pledges	\$ 103,873	\$ 105,773
 <u>Purpose restrictions accomplished:</u>		
Make Waves Employment	250,000	50,000
Keystone Autism Fund	238,770	138,480
Ireland Employment Initiative	125,000	100,000
Advocacy Training	2,187	2,234
Hudson Valley Services	807	837
Hussman Community Services	-	98,000
Saudi Autism Programs	-	23,197
Affiliate Emergency Fund	-	300
Total	616,764	413,048
Total restrictions released	\$ 720,637	\$ 518,821

NOTE 11 – DONOR-RESTRICTED ENDOWMENT FUND

Interpretation of Law:

The Organizations have 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 Organizations classify as net assets with donor restrictions:

- a) the original value of gifts donated to the restricted endowment,
- b) the original value of subsequent gifts to the restricted endowment, and
- c) accumulation to the restricted 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 Organizations in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organizations consider 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



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NOTE 11 – DONOR-RESTRICTED ENDOWMENT FUND (*continued*)

Investment Policy:

The Organizations' objective is to manage investment risk and to optimize investment returns within acceptable risk parameters. The Organizations' 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 Organizations and to enhance the purchasing power of funds held for future expenditures. The Organizations' have 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.

For the years ended December 31, 2022 and 2021, the Organizations had the following endowment-related activities:

Year ended December 31, 2022:

<u>Collins Scholarship Fund</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,380	\$ 50,000	\$ 51,380
Funds spent - current year	(1,380)	-	(1,380)
Investment income: Interest and dividends	<u>89</u>	<u>-</u>	<u>89</u>
Endowment net assets, end of year	<u>\$ 89</u>	<u>\$ 50,000</u>	<u>\$ 50,089</u>

Year ended December 31, 2021:

<u>Collins Scholarship Fund</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,224	\$ 50,000	\$ 51,224
Investment income: Interest and dividends	<u>156</u>	<u>-</u>	<u>156</u>
Endowment net assets, end of year	<u>\$ 1,380</u>	<u>\$ 50,000</u>	<u>\$ 51,380</u>

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NOTE 12 – RETIREMENT AND OTHER PLANS

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, 2022 and 2021, the employer matching contributions were up to 6%, and the total employer contributions were \$78,684 and \$56,841, respectively.

The Organizations adopted a 457(b) deferred compensation plan in 2020. The deferred compensation plan provides nonelective contributions to all eligible employees. For the years ended December 31, 2022 and 2021, the total employer contributions were \$11,812 and \$23,146, respectively.

NOTE 13 – 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, 2022 and 2021, the Organizations combined had approximately \$2,184,600 and \$746,300, respectively, in excess of FDIC insured limits.

NOTE 14 – LINE OF CREDIT

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 accrued interest on the unpaid principal balance, calculated at a variable rate which is the greater of 5% 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 were subject to certain financial covenants. During 2021, the Organizations closed the line of credit agreement with Eagle Bank. Accordingly, as of December 31, 2022 and 2021, there were no outstanding balances on the line of credit.

On February 22, 2022, the Organizations signed a new line of credit agreement with John Marshall Bank for \$150,000, secured by substantially all assets of the Organizations. The line of credit accrued interest on the unpaid principal balance, calculated at a variable rate which is the greater of 4.25% or The Wall Street Journal Prime Rate plus 1%, which was 8.5% at December 31, 2022. The accrued interest is payable monthly, with principal due the earlier of demand or reaffirmation. Borrowings under the line of credit were subject to certain financial covenants. As of December 31, 2022, there were no outstanding balances on the line of credit.

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NOTE 15 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

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

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 3,016,452	\$ 1,230,570
Accounts receivable	305,340	379,348
Promises to give, net	146,852	136,997
Investments	475,126	542,744
Endowment investments	56,219	51,380
Beneficial interest in charitable remainder trust	<u>463,029</u>	<u>575,730</u>
Financial assets available at December 31	<u>4,463,018</u>	<u>2,916,769</u>
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor for specific purpose (Note 10)	(601,306)	(475,501)
Restricted by donor for time (Note 10)	(146,852)	(136,997)
Endowment investments (Note 11)	(56,219)	(51,380)
Beneficial interest in charitable remainder trust (Note 6)	<u>(463,029)</u>	<u>(575,730)</u>
Financial assets available for general expenditures within one year	<u>\$ 3,195,612</u>	<u>\$ 1,677,161</u>

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 their financial assets to be available as their 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 their available credit line (as further discussed in Note 14).

NOTE 16 – ALLOCATION OF JOINT COSTS

For the years ended December 31, 2022 and 2021, Autism Society of America, Inc. and Autism Society of America Foundation, Inc. incurred joint costs of \$120,189 and \$54,101, respectively, of which \$120,189 and \$54,101, respectively, were for direct mail communication materials and activities and \$0 and \$0, respectively, were for electronic mail communications that included fundraising appeals. For the years ended December 31, 2022 and 2021, joint costs of \$60,095, and \$27,050, respectively, were allocated to education and \$60,094 and \$27,051, respectively, were allocated to fundraising.

NOTE 17 – 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, 2022

	Society	Foundation	Eliminations	Combined
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,323,417	\$ 699,165	\$ -	\$ 3,022,582
Accounts receivable, net	304,311	1,029	-	305,340
Promises to give, net	69,510	77,342	-	146,852
Due from affiliate	30,006	-	(30,006)	-
Prepaid expenses	86,278	-	-	86,278
	<u>2,813,522</u>	<u>777,536</u>	<u>(30,006)</u>	<u>3,561,052</u>
<b>PROPERTY AND EQUIPMENT</b>				
Furniture, fixtures and equipment	281,656	3,575	-	285,231
Less: Accumulated depreciation and amortization	<u>(106,613)</u>	<u>(3,575)</u>	<u>-</u>	<u>(110,188)</u>
Net property and equipment	<u>175,043</u>	<u>-</u>	<u>-</u>	<u>175,043</u>
<b>OTHER ASSETS</b>				
Investments	-	475,126	-	475,126
Endowment investments	50,089	-	-	50,089
Beneficial interest in charitable remainder trust	463,029	-	-	463,029
Deposits	12,655	-	-	12,655
Operating lease right-of-use asset, net of accumulated amortization	<u>661,373</u>	<u>-</u>	<u>-</u>	<u>661,373</u>
Total other assets	<u>1,187,146</u>	<u>475,126</u>	<u>-</u>	<u>1,662,272</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,175,711</u></u>	<u><u>\$ 1,252,662</u></u>	<u><u>\$ (30,006)</u></u>	<u><u>\$ 5,398,367</u></u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 488,888	\$ 795	\$ -	\$ 489,683
Notes payable - current portion	51,228	11,843	-	63,071
Operating lease liabilities - current portion	90,534	-	-	90,534
Due to affiliate	-	30,006	(30,006)	-
	<u>630,650</u>	<u>42,644</u>	<u>(30,006)</u>	<u>643,288</u>
Total current liabilities	<u>630,650</u>	<u>42,644</u>	<u>(30,006)</u>	<u>643,288</u>
<b>OTHER LIABILITIES</b>				
Notes payable - noncurrent portion	1,922,607	458,365	-	2,380,972
Operating lease liabilities - noncurrent portion	<u>838,854</u>	<u>-</u>	<u>-</u>	<u>838,854</u>
Total noncurrent liabilities	<u>2,761,461</u>	<u>458,365</u>	<u>-</u>	<u>3,219,826</u>
<b>TOTAL LIABILITIES</b>	<u>3,392,111</u>	<u>501,009</u>	<u>(30,006)</u>	<u>3,863,114</u>
<b>NET ASSETS</b>				
Without donor restrictions	(386,794)	660,861	-	274,067
With donor restrictions	<u>1,170,394</u>	<u>90,792</u>	<u>-</u>	<u>1,261,186</u>
<b>TOTAL NET ASSETS</b>	<u>783,600</u>	<u>751,653</u>	<u>-</u>	<u>1,535,253</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,175,711</u></u>	<u><u>\$ 1,252,662</u></u>	<u><u>\$ (30,006)</u></u>	<u><u>\$ 5,398,367</u></u>

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, 2022

	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		
<b>SUPPORT AND REVENUE</b>								
Contributions and grants	\$ 1,847,088	\$ 546,447	\$ 2,393,535	\$ 8,617	\$ 240,626	\$ 249,243	\$ (109,818)	\$ 2,532,960
Bequests income	199,918	-	199,918	-	-	-	-	199,918
Fee for service and other income	136,624	-	136,624	22,141	-	22,141	-	158,765
In-kind contributions	60,743	-	60,743	-	69,223	69,223	-	129,966
Annual and regional conferences	5,490	-	5,490	-	-	-	-	5,490
Merchandise sales, net	28	-	28	-	-	-	-	28
Net assets released from restrictions	426,132	(426,132)	-	294,505	(294,505)	-	-	-
Investment loss, net	(5,542)	-	(5,542)	(60,555)	-	(60,555)	-	(66,097)
Change in value of split interest agreement	-	(112,701)	(112,701)	-	-	-	-	(112,701)
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,670,481</b>	<b>7,614</b>	<b>2,678,095</b>	<b>264,708</b>	<b>15,344</b>	<b>280,052</b>	<b>(109,818)</b>	<b>2,848,329</b>
<b>EXPENSES</b>								
Program services								
Autism core services	1,680,972	-	1,680,972	123,529	-	123,529	(109,818)	1,694,683
Education and awareness	670,009	-	670,009	36,712	-	36,712	-	706,721
Advocacy	337,849	-	337,849	2,854	-	2,854	-	340,703
Supporting services								
Fundraising	391,831	-	391,831	101,135	-	101,135	-	492,966
Management and general	287,972	-	287,972	2,018	-	2,018	-	289,990
<b>TOTAL EXPENSES</b>	<b>3,368,633</b>	<b>-</b>	<b>3,368,633</b>	<b>266,248</b>	<b>-</b>	<b>266,248</b>	<b>(109,818)</b>	<b>3,525,063</b>
<b>CHANGES IN NET ASSETS</b>	<b>(698,152)</b>	<b>7,614</b>	<b>(690,538)</b>	<b>(1,540)</b>	<b>15,344</b>	<b>13,804</b>	<b>-</b>	<b>(676,734)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>311,358</b>	<b>1,162,780</b>	<b>1,474,138</b>	<b>662,401</b>	<b>75,448</b>	<b>737,849</b>	<b>-</b>	<b>2,211,987</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (386,794)</b>	<b>\$ 1,170,394</b>	<b>\$ 783,600</b>	<b>\$ 660,861</b>	<b>\$ 90,792</b>	<b>\$ 751,653</b>	<b>\$ -</b>	<b>\$ 1,535,253</b>

See independent auditor's report.



AUTISM SOCIETY OF AMERICA, INC.  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			Supporting Services			Total
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	
Payroll expense	\$ 1,205,814	\$ 373,616	\$ 261,013	\$ 1,840,443	\$ 112,719	\$ 241,217	\$ 2,194,379
Contractual and consulting services	100,898	138,445	6,230	245,573	180,931	5,757	432,261
Technology and communication	44,883	27,807	30,577	103,267	17,673	7,520	128,460
Occupancy	62,552	19,381	13,540	95,473	5,847	12,514	113,834
Grant expense	95,000	-	-	95,000	-	-	95,000
Marketing	36,962	44,355	2,944	84,261	2,545	2,720	89,526
Travel Expense	38,263	15,172	1,767	55,202	7,838	734	63,774
Dues, fees, memberships	14,711	9,125	3,862	27,698	22,792	2,157	52,647
Postage	4,554	18,500	188	23,242	22,513	175	45,930
Professional Services	23,092	7,155	4,998	35,245	2,159	4,769	42,173
Interest expense and bank fees	14,832	4,596	3,210	22,638	13,004	2,966	38,608
Meetings and conferences	18,777	5,384	3,895	28,056	1,624	3,477	33,157
Depreciation and amortization	10,932	3,387	2,366	16,685	1,022	2,188	19,895
Insurance	6,407	1,985	1,387	9,779	599	1,281	11,659
Office expense	3,295	1,101	1,872	6,268	565	497	7,330
<b>TOTALS</b>	<b>\$ 1,680,972</b>	<b>\$ 670,009</b>	<b>\$ 337,849</b>	<b>\$ 2,688,830</b>	<b>\$ 391,831</b>	<b>\$ 287,972</b>	<b>\$ 3,368,633</b>

See independent auditor's report.

AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Programs	Fundraising	Management and General	Total
Meetings and conferences	\$ -	\$ 31,610	\$ -	\$ 31,610	\$ 94,830	\$ -	\$ 126,440
Grant expenses	109,818	-	-	109,818	-	-	109,818
Dues, fees, memberships	5,572	1,818	1,160	8,550	1,796	820	11,166
Interest expense	5,185	1,692	1,079	7,956	1,672	763	10,391
Professional services	2,954	964	615	4,533	952	435	5,920
Travel expense	-	377	-	377	1,132	-	1,509
Postage and delivery	-	251	-	251	753	-	1,004
TOTALS	<u>\$ 123,529</u>	<u>\$ 36,712</u>	<u>\$ 2,854</u>	<u>\$ 163,095</u>	<u>\$ 101,135</u>	<u>\$ 2,018</u>	<u>\$ 266,248</u>

See independent auditor's report.