

**AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA  
FOUNDATION, INC.  
COMBINED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016, and the related combined statements of activities and changes in net assets 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



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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, 2017 and 2016, 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, 2017 on page 16, combining statement of activities, and changes in net assets, and schedules of functional expenses for the year then ended on pages 17, 18 and 19 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 10, 2018

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
COMBINED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017 AND 2016

ASSETS	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 557,332	\$ 569,818
Accounts receivable	98,425	295
Promises to give, net	253,379	481,717
Prepaid expenses	<u>13,620</u>	<u>25,308</u>
 Total current assets	 <u>922,756</u>	 <u>1,077,138</u>
 PROPERTY AND EQUIPMENT, net	 <u>4,377</u>	 <u>8,357</u>
<b>OTHER ASSETS</b>		
Escrows	50,392	50,316
Interests in charitable remainder trusts - noncurrent portion	358,135	271,500
Deposits	<u>12,576</u>	<u>12,576</u>
 Total other assets	 <u>421,103</u>	 <u>334,392</u>
 TOTAL ASSETS	 <u><u>\$ 1,348,236</u></u>	 <u><u>\$ 1,419,887</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 146,824	\$ 170,358
Deferred revenue	<u>25,000</u>	<u>450</u>
 Total current liabilities	 <u>171,824</u>	 <u>170,808</u>
 OTHER LIABILITIES		
Rent abatement	<u>47,464</u>	<u>61,714</u>
 TOTAL LIABILITIES	 <u>219,288</u>	 <u>232,522</u>
<b>NET ASSETS</b>		
Unrestricted	437,248	266,031
Temporarily restricted	641,700	871,334
Permanently restricted	<u>50,000</u>	<u>50,000</u>
 TOTAL NET ASSETS	 <u>1,128,948</u>	 <u>1,187,365</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,348,236</u></u>	 <u><u>\$ 1,419,887</u></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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
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 income	21,580	-	-	21,580
Merchandise sales, net	4,285	-	-	4,285
Investment loss	(381)	-	-	(381)
Net assets released from restriction	475,890	(475,890)	-	-
	<u>2,758,883</u>	<u>(229,634)</u>	<u>-</u>	<u>2,529,249</u>
<b>TOTAL SUPPORT AND REVENUE</b>				
<b>EXPENSES</b>				
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>-</u>	<u>2,587,666</u>
<b>TOTAL EXPENSES</b>				
CHANGES IN NET ASSETS	171,217	(229,634)	-	(58,417)
NET ASSETS, BEGINNING OF YEAR	<u>266,031</u>	<u>871,334</u>	<u>50,000</u>	<u>1,187,365</u>
NET ASSETS, END OF YEAR	<u>\$ 437,248</u>	<u>\$ 641,700</u>	<u>\$ 50,000</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 ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 1,356,495	\$ 597,658	\$ -	\$ 1,954,153
Annual and regional conferences	319,963	-	-	319,963
Other income	91,010	25,000	-	116,010
In-kind income	50,297	-	-	50,297
Merchandise sales, net	21,760	-	-	21,760
Investment income	12,687	-	-	12,687
Beneficial interest bequests	439	-	-	439
Net assets released from restriction	570,158	(570,158)	-	-
 TOTAL SUPPORT AND REVENUE	 2,422,809	 52,500	 -	 2,475,309
 <b>EXPENSES</b>				
Program services				
Autism core services	671,496	-	-	671,496
Education and awareness	756,605	-	-	756,605
Advocacy	476,452	-	-	476,452
 Supporting services				
Fundraising	379,740	-	-	379,740
Management and general	137,411	-	-	137,411
 TOTAL EXPENSES	 2,421,704	 -	 -	 2,421,704
 CHANGES IN NET ASSETS	 1,105	 52,500	 -	 53,605
 NET ASSETS, BEGINNING OF YEAR	 264,926	 818,834	 50,000	 1,133,760
 NET ASSETS, END OF YEAR	 \$ 266,031	 \$ 871,334	 \$ 50,000	 \$ 1,187,365

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, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (58,417)	\$ 53,605
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Change in provision for uncollectible promises to give	(60,661)	2,639
Depreciation and amortization	4,342	13,915
Loss on disposal of property and equipment	962	-
(Increase) decrease in assets:		
Accounts receivable	(98,130)	1,257
Promises to give	288,999	15,486
Prepaid expenses	11,688	4,022
Interests in charitable remainder trusts	(86,635)	(25,000)
Escrows	(76)	(75)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(23,534)	18,015
Deferred revenue	24,550	(6,975)
Rent abatement	(14,250)	(8,988)
	(11,162)	67,901
Net cash provided by (used for) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,324)	(1,310)
Net cash used for investing activities	(1,324)	(1,310)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,486)	66,591
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	569,818	503,227
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 557,332	\$ 569,818

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, 2017 AND 2016

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.

*Basis of presentation*

Net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Organizations. The Organizations had no board designated unrestricted net assets as of December 31, 2017 and 2016.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organizations and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on related investments for general or specific purposes.

*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.

*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, 2017 and 2016 are considered fully collectible and, accordingly, no allowance for doubtful accounts is deemed necessary.

*Promises to Give*

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 unrestricted net assets. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

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.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*continued*)

*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.

*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, 2017, 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. Management believes the Organizations are no longer subject to income tax examination for years prior to 2014.

*Subsequent Event Evaluation*

The Organizations have evaluated events and transactions for potential recognition or disclosure through July 10, 2018, the date the financial statements were available to be issued.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 3 – PROMISES TO GIVE

As of December 31, 2017, the Organizations had \$361,970 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 temporarily restricted net assets 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, 2017 and 2016, the anticipated receipt of promises to give for the Combined Federal Campaign is as follows:

	<u>2017</u>	<u>2016</u>
One year	\$ 361,970	\$ 650,971
Less: allowance for doubtful promises to give	<u>(108,591)</u>	<u>(169,254)</u>
Estimated net realizable value	<u>\$ 253,379</u>	<u>\$ 481,717</u>

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2017</u>	<u>2016</u>
Furnishings and fixtures	\$ 69,999	\$ 69,999
Website	3,575	3,575
Computers and other equipment	<u>23,402</u>	<u>23,387</u>
Total property and equipment	96,976	96,961
Less: accumulated depreciation and amortization	<u>(92,599)</u>	<u>(88,604)</u>
Total property and equipment, net	<u>\$ 4,377</u>	<u>\$ 8,357</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$4,342 and \$13,915, 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 \$805,812 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 temporarily restricted net assets.

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

	<u>2017</u>	<u>2016</u>
Interests in charitable remainder trusts	\$ 805,812	\$ 670,616
Less: discount to net present value	<u>(447,677)</u>	<u>(399,116)</u>
Net realizable value	358,135	271,500
Less: current portion of interests in charitable remainder trusts	<u>-</u>	<u>-</u>
Interests in charitable remainder trusts – noncurrent portion	<u>\$ 358,135</u>	<u>\$ 271,500</u>

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 6 – OTHER ASSETS

The Organizations had one escrow account being held by trustees on behalf of the Organizations. The escrow account is being held in accordance with the Organizations' permanently restricted net asset restrictions. As of December 31, 2017 and 2016, escrow account balances held by trustees on behalf of the Organizations were \$50,392 and \$50,316, respectively.

NOTE 7 – LEASE COMMITMENTS

During the year ended December 31, 2009, the Organizations entered into an 11-year non-cancelable operating lease for new 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, 2017 and 2016, the Organizations had a rent abatement liability of \$47,464 and \$61,714, respectively.

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

<u>Year ending December 31</u>	
2018	\$ 186,072
2019	191,654
2020	<u>16,409</u>
Total	<u>\$ 394,135</u>

Office rent expenses for the years ended December 31, 2017 and 2016 were \$166,402 and \$180,319, respectively.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
<u>Time restricted:</u>		
Federal Campaign pledges	\$ 253,379	\$ 481,717
Beneficial interests in charitable remainder trusts	<u>358,135</u>	<u>271,500</u>
Total time restricted	<u>611,514</u>	<u>753,217</u>
 <u>Purpose restricted:</u>		
Ireland Employment Initiative	\$ 25,000	\$ -
Hussman Community Services	3,000	3,000
Ireland Affiliate Travel	2,026	16,476
Robokind School Grants	160	160
Ireland VP Differential	-	72,846
Jason Cherry Sibling Fund	<u>-</u>	<u>25,635</u>
Total purpose restricted	<u>30,186</u>	<u>118,117</u>
Total temporarily restricted net assets	<u>\$ 641,700</u>	<u>\$ 871,334</u>

AUTISM SOCIETY OF AMERICA, INC. AND  
 AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 DECEMBER 31, 2017 AND 2016

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS *(continued)*

Temporarily restricted net assets released from restrictions consist of the following for the years ended December 31:

	2017	2016
<u>Time restricted:</u>		
Federal Campaign pledges	\$ 275,299	\$ 288,393
Total releases of time restrictions	275,299	288,393
<u>Purpose restricted:</u>		
Keystone Autism Fund	87,661	98,488
Ireland VP Differential	72,846	52,154
Jason Cherry Sibling Fund	25,635	2,621
Ireland Affiliate Travel	14,449	30,502
Hussman Community Services	-	98,000
Total releases of purpose restrictions	200,591	281,765
Total released from restrictions	\$ 475,890	\$ 570,158

NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS

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 not classified in permanently restricted net assets is classified as temporarily restricted net 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 funds:

- 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

AUTISM SOCIETY OF AMERICA, INC. AND  
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NOTES TO COMBINED FINANCIAL STATEMENTS  
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NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS *(continued)*

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 Society has adopted spending policies for permanently restricted cash contributions that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from these funds are reflected as unrestricted net assets.

For the years ended December 31, 2017 and 2016, the Society had the following endowment-related activities:

Year ended December 31, 2017:

<u>Collins Scholarship Fund</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,897	\$ -	\$ 50,000	\$ 56,897
Investment income:				
Interest and dividends	<u>76</u>	<u>-</u>	<u>-</u>	<u>76</u>
Endowment net assets, end of year	<u>\$ 6,973</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,973</u>

Year ended December 31, 2016:

<u>Collins Scholarship Fund</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,821	\$ -	\$ 50,000	\$ 56,821
Investment income:				
Interest and dividends	<u>76</u>	<u>-</u>	<u>-</u>	<u>76</u>
Endowment net assets, end of year	<u>\$ 6,897</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,897</u>

Permanently restricted net assets of \$50,000 are restricted to investment in perpetuity, the income from which is expendable to support the Society's scholarships. For the years ended December 31, 2017 and 2016, the total amounts appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA were \$6,973 and \$6,897, respectively.

AUTISM SOCIETY OF AMERICA, INC. AND  
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

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, 2017 and 2016, the employer matching contributions were up to 6%, and the total employer contributions were \$39,586 and \$39,180, respectively.

NOTE 11 – OTHER COMMITMENTS

The Organizations have entered into various agreements with hotels and other vendors for its 2018 annual conferences. The total commitment under the agreements is not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled through the event date. The amount of the cancellation penalties increases through the date of the event. The maximum amount due under these commitments totaled \$60,774 as of December 31, 2017.

NOTE 12 – ALLOCATION OF JOINT COSTS

For the years ended December 31, 2017 and 2016, Autism Society of America, Inc. and Autism Society of America Foundation, Inc. incurred joint costs of \$83,878 and \$101,414, respectively, of which \$69,178 and \$90,389, respectively, were for direct mail communication materials and activities and \$14,700 and \$11,025, respectively, were for electronic mail communications that included fundraising appeals. For the years ended December 31, 2017 and 2016, joint costs of \$41,946, and \$50,715, respectively, were allocated to education and \$41,932 and \$50,699, respectively, were allocated to fundraising.

NOTE 13 – IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions, in the form of legal and other professional services, of \$21,580 and \$21,760, for the years ended December 31, 2017 and 2016, respectively.

NOTE 14 – 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 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, 2017, the Organizations combined had approximately \$20,000 in excess of FDIC insured limits.

NOTE 15 – LINE OF CREDIT

At December 31, 2017 and 2016, 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, 2017 and 2016, the outstanding balances on the line of credit were \$0.



AUTISM SOCIETY OF AMERICA, INC. AND  
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NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

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, 2017

	ASA	ASAF	Eliminations	Combined
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 343,784	\$ 213,548	\$ -	\$ 557,332
Accounts receivable, net	98,425	-	-	98,425
Promises to give, net	97,679	155,700	-	253,379
Due from affiliate	-	289,588	(289,588)	-
Prepaid expenses	12,695	925	-	13,620
Total current assets	552,583	659,761	(289,588)	922,756
<b>PROPERTY AND EQUIPMENT</b>				
Furniture, fixtures and equipment	93,401	3,575	-	96,976
Less: Accumulated depreciation	(89,024)	(3,575)	-	(92,599)
Net property and equipment	4,377	-	-	4,377
<b>OTHER ASSETS</b>				
Escrows	50,392	-	-	50,392
Interests in charitable remainder trusts, net	358,135	-	-	358,135
Deposits	12,576	-	-	12,576
Total other assets	421,103	-	-	421,103
<b>TOTAL ASSETS</b>	<b>\$ 978,063</b>	<b>\$ 659,761</b>	<b>\$ (289,588)</b>	<b>\$ 1,348,236</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 146,824	\$ -	\$ -	\$ 146,824
Deferred revenue	25,000	-	-	25,000
Due to affiliate	289,588	-	(289,588)	-
Total current liabilities	461,412	-	(289,588)	171,824
<b>OTHER LIABILITIES</b>				
Rent abatement	47,464	-	-	47,464
<b>TOTAL LIABILITIES</b>	<b>508,876</b>	<b>-</b>	<b>(289,588)</b>	<b>219,288</b>
<b>NET ASSETS</b>				
Unrestricted	(66,813)	504,061	-	437,248
Temporarily restricted	486,000	155,700	-	641,700
Permanently restricted	50,000	-	-	50,000
<b>TOTAL NET ASSETS</b>	<b>469,187</b>	<b>659,761</b>	<b>-</b>	<b>1,128,948</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 978,063</b>	<b>\$ 659,761</b>	<b>\$ (289,588)</b>	<b>\$ 1,348,236</b>

See accompanying notes to financial statements.

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, 2017

	Autism Society of America, Inc.			Autism Society of America Foundation, Inc.			Eliminations	Combined	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted			Total
<b>REVENUES AND SUPPORT</b>									
Contributions	\$ 1,593,487	\$ 53,850	\$ -	\$ 1,647,337	\$ 17,407	\$ 105,771	\$ 123,178	\$ (41,734)	\$ 1,728,781
Annual and regional conferences	293,120	-	-	293,120	-	-	-	-	293,120
Beneficial interest bequests	151,229	86,635	-	237,864	-	-	-	-	237,864
Fundraising	222,375	-	-	222,375	-	-	-	-	222,375
Merchandise sales, net	4,285	-	-	4,285	-	-	-	-	4,285
Investment gain (loss)	(886)	-	-	(886)	505	-	505	-	(381)
In-kind income	21,580	-	-	21,580	-	-	-	-	21,580
Other income	20,552	-	-	20,552	1,073	-	1,073	-	21,625
Net assets released from restrictions	192,254	(192,254)	-	-	283,636	(283,636)	-	-	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,497,996</b>	<b>(51,769)</b>	<b>-</b>	<b>2,446,227</b>	<b>302,621</b>	<b>(177,865)</b>	<b>124,756</b>	<b>(41,734)</b>	<b>2,529,249</b>
<b>EXPENSES</b>									
Program services									
Autism core services	746,230	-	-	746,230	38,822	-	38,822	(23,247)	761,805
Education and awareness	832,726	-	-	832,726	15,838	-	15,838	(8,731)	839,833
Advocacy	411,809	-	-	411,809	7,868	-	7,868	(4,318)	415,359
Supporting services									
Fundraising	392,107	-	-	392,107	54,994	-	54,994	(4,111)	442,990
Management and general	126,589	-	-	126,589	2,417	-	2,417	(1,327)	127,679
<b>TOTAL EXPENSES</b>	<b>2,509,461</b>	<b>-</b>	<b>-</b>	<b>2,509,461</b>	<b>119,939</b>	<b>-</b>	<b>119,939</b>	<b>(41,734)</b>	<b>2,587,666</b>
<b>CHANGES IN NET ASSETS</b>	<b>(11,465)</b>	<b>(51,769)</b>	<b>-</b>	<b>(63,234)</b>	<b>182,682</b>	<b>(177,865)</b>	<b>4,817</b>	<b>-</b>	<b>(58,417)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>(55,348)</b>	<b>537,769</b>	<b>50,000</b>	<b>532,421</b>	<b>321,379</b>	<b>333,565</b>	<b>654,944</b>	<b>-</b>	<b>1,187,365</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (66,813)</b>	<b>\$ 486,000</b>	<b>\$ 50,000</b>	<b>\$ 469,187</b>	<b>\$ 504,061</b>	<b>\$ 155,700</b>	<b>\$ 659,761</b>	<b>\$ -</b>	<b>\$ 1,128,948</b>

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC.  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Program	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	44,665	1,205	419,646
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	49,584	1,477	98,448
Technology and communication	16,561	25,030	13,561	55,152	20,891	2,622	78,665
Contractual services	8,314	8,268	8,253	24,835	34,361	22	59,218
Professional services	14,989	9,393	7,553	31,935	4,540	2,661	39,136
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	1,695	1,123	8,552	11,370	7,317	248	18,935
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 expense	1,663	1,042	838	3,543	504	295	4,342
Grant expense	3,750	-	-	3,750	-	-	3,750
<b>TOTALS</b>	<b>\$ 746,230</b>	<b>\$ 832,726</b>	<b>\$ 411,809</b>	<b>\$ 1,990,765</b>	<b>\$ 392,107</b>	<b>\$ 126,589</b>	<b>\$ 2,509,461</b>

See accompanying notes to financial statements.

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

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Program Services	Fundraising	Management and General	Total
Grant expense	\$ 36,873	\$ 13,849	\$ 6,849	\$ 57,571	\$ 6,521	\$ 2,105	\$ 66,197
Meetings and conferences	-	-	-	-	43,970	-	43,970
Professional services	1,741	1,751	870	4,362	1,163	267	5,792
Travel	-	-	-	-	1,957	-	1,957
Technology	-	-	-	-	1,279	-	1,279
Registration fees	208	238	149	595	104	45	744
<b>TOTALS</b>	<b>\$ 38,822</b>	<b>\$ 15,838</b>	<b>\$ 7,868</b>	<b>\$ 62,528</b>	<b>\$ 54,994</b>	<b>\$ 2,417</b>	<b>\$ 119,939</b>

See accompanying notes to financial statements.