

**FINANCIAL STATEMENTS**



**ORGANIZATION FOR AUTISM RESEARCH**

**FOR THE YEAR ENDED JUNE 30, 2015  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2014**

# ORGANIZATION FOR AUTISM RESEARCH

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Organization for Autism Research  
Arlington, Virginia

We have audited the accompanying financial statements of the Organization for Autism Research (OAR), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OAR as of June 30, 2015, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### **Report on Summarized Comparative Information**

We have previously audited OAR's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

November 19, 2015

**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2015**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,281,101	\$ 835,180
Pledges receivable, net of allowance for doubtful accounts of \$34,976 in 2015 and \$42,968 in 2014	84,950	139,413
Other receivables	4,583	3,708
Inventory	38,445	26,930
Prepaid expenses	<u>59,994</u>	<u>37,861</u>
Total current assets	<u>1,469,073</u>	<u>1,043,092</u>
<b>FURNITURE, EQUIPMENT AND WEBSITE</b>		
Furniture	47,831	47,411
Computer equipment and software	37,662	35,473
Website	<u>47,487</u>	<u>-</u>
	132,980	82,884
Less: Accumulated depreciation and amortization	<u>(60,991)</u>	<u>(52,281)</u>
Net furniture, equipment and website	<u>71,989</u>	<u>30,603</u>
<b>OTHER ASSETS</b>	<u>9,674</u>	<u>8,474</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,550,736</u></b>	<b><u>\$ 1,082,169</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 69,357	\$ 22,231
Accrued salaries and related benefits	2,487	2,946
Deferred rent	<u>5,101</u>	<u>2,219</u>
Total current liabilities	<u>76,945</u>	<u>27,396</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent, net of current portion	<u>35,730</u>	<u>40,831</u>
Total liabilities	<u>112,675</u>	<u>68,227</u>
<b>NET ASSETS</b>		
Unrestricted	903,540	708,461
Temporarily restricted	<u>534,521</u>	<u>305,481</u>
Total net assets	<u>1,438,061</u>	<u>1,013,942</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,550,736</u></b>	<b><u>\$ 1,082,169</u></b>

See accompanying notes to financial statements.

## ORGANIZATION FOR AUTISM RESEARCH

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE</b>				
Contributions	\$ 486,763	\$ 430,000	\$ 916,763	\$ 522,306
Foundation grants	-	15,000	15,000	41,500
Merchandise and publications	1,604	-	1,604	1,288
Donated services	9,888	-	9,888	14,109
Special events, net of related expenses of \$181,289 in 2015 and \$179,260 in 2014	645,959	-	645,959	532,493
Interest income	709	-	709	792
Net assets released from donor restrictions	<u>215,960</u>	<u>(215,960)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,360,883</u>	<u>229,040</u>	<u>1,589,923</u>	<u>1,112,488</u>
<b>EXPENSES</b>				
Program Services:				
Research	415,658	-	415,658	417,567
Information	338,573	-	338,573	315,545
Education	<u>202,066</u>	<u>-</u>	<u>202,066</u>	<u>182,409</u>
Total program services	<u>956,297</u>	<u>-</u>	<u>956,297</u>	<u>915,521</u>
Supporting Services:				
Management	49,442	-	49,442	59,129
Fundraising	<u>160,065</u>	<u>-</u>	<u>160,065</u>	<u>146,246</u>
Total supporting services	<u>209,507</u>	<u>-</u>	<u>209,507</u>	<u>205,375</u>
Total expenses	<u>1,165,804</u>	<u>-</u>	<u>1,165,804</u>	<u>1,120,896</u>
Change in net assets	195,079	229,040	424,119	(8,408)
Net assets at beginning of year	<u>708,461</u>	<u>305,481</u>	<u>1,013,942</u>	<u>1,022,350</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 903,540</u></b>	<b><u>\$ 534,521</u></b>	<b><u>\$1,438,061</u></b>	<b><u>\$1,013,942</u></b>

**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<b>2015</b>			
	<b>Program Services</b>			
	<b>Research</b>	<b>Information</b>	<b>Education</b>	<b>Total Program Services</b>
Research and information grants	\$ 251,210	\$ 93,313	\$ 63,269	\$ 407,792
Salaries and benefits	88,438	151,432	43,801	283,671
Occupancy	32,661	32,661	16,330	81,652
Professional fees	12,855	17,222	6,326	36,403
Scholarship program	-	-	54,000	54,000
Office expense	7,109	7,189	3,554	17,852
Bad debt expense	6,409	6,409	3,205	16,023
Postage and delivery	4,700	6,082	2,513	13,295
Travel	3,218	3,260	1,289	7,767
Conference and meetings	-	11,947	3,250	15,197
Depreciation and amortization	2,787	2,787	1,394	6,968
Telephone and internet	2,123	2,123	1,062	5,308
Advertising	243	243	121	607
Printing	1,750	1,750	875	4,375
Registrations	-	-	-	-
Equipment, repairs and maintenance	1,637	1,637	818	4,092
Fundraising	-	-	-	-
Insurance	518	518	259	1,295
<b>TOTAL</b>	<b>\$ 415,658</b>	<b>\$ 338,573</b>	<b>\$ 202,066</b>	<b>\$ 956,297</b>

<b>2014</b>				
<b>Supporting Services</b>				
<b>Management</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
\$ 168	\$ 168	\$ 336	\$ 408,128	\$ 377,294
5,316	107,800	113,116	396,787	371,739
10,207	10,206	20,413	102,065	99,812
17,129	14,200	31,329	67,732	59,598
-	-	-	54,000	95,500
4,194	2,388	6,582	24,434	28,054
2,003	2,003	4,006	20,029	14,717
1,469	2,870	4,339	17,634	12,870
791	7,160	7,951	15,718	7,462
-	78	78	15,275	16,280
871	871	1,742	8,710	8,395
663	663	1,326	6,634	7,531
156	5,006	5,162	5,769	7,775
715	515	1,230	5,605	1,532
5,087	450	5,537	5,537	4,695
511	511	1,022	5,114	2,448
-	5,014	5,014	5,014	3,579
162	162	324	1,619	1,615
<b>\$ 49,442</b>	<b>\$ 160,065</b>	<b>\$ 209,507</b>	<b>\$ 1,165,804</b>	<b>\$ 1,120,896</b>



**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 424,119	\$ (8,408)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	8,710	8,395
Allowance for doubtful accounts	(7,992)	(16,194)
(Increase) decrease in:		
Pledges receivable	62,455	(15,117)
Other receivables	(875)	9,394
Inventory	(11,515)	4,722
Prepaid expenses	(22,133)	(13,703)
Other assets	(1,200)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	47,126	(12,884)
Accrued salaries and related benefits	(459)	(2,192)
Deferred rent	<u>(2,219)</u>	<u>34,503</u>
Net cash provided (used) by operating activities	<u>496,017</u>	<u>(11,484)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture, equipment and website	<u>(50,096)</u>	<u>(17,517)</u>
Net cash used by investing activities	<u>(50,096)</u>	<u>(17,517)</u>
Net increase (decrease) in cash and cash equivalents	445,921	(29,001)
Cash and cash equivalents at beginning of year	<u>835,180</u>	<u>864,181</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,281,101</u></b>	<b><u>\$ 835,180</u></b>

## ORGANIZATION FOR AUTISM RESEARCH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The Organization for Autism Research (OAR) is a non-profit organization, established in 2001 and organized to operate exclusively for charitable, scientific, literary and/or educational purposes within the meaning of the Internal Revenue Code. Specifically, the purpose of OAR is to use applied research to answer questions that parents, families, individuals with autism, teachers, and caregivers raise daily.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with OAR's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

##### Cash and cash equivalents -

OAR considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, OAR maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Pledges receivable -

Pledges receivable are stated at their net realizable value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. During the year ended June 30, 2015, OAR management did a detailed analysis of all outstanding receivables. Based on its analysis, OAR adjusted the allowance balance accordingly.

##### Furniture, equipment and Website -

Furniture, equipment and Website in excess of \$1,000 are capitalized and stated at cost. Furniture, equipment and Website are depreciated and amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred.

##### Income taxes -

OAR is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. OAR is not a private foundation.

##### Uncertain tax positions -

For the year ended June 30, 2015, OAR has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

## ORGANIZATION FOR AUTISM RESEARCH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Uncertain tax positions (continued) -

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

##### Inventory -

Inventory consists of publications, which are recorded at the lower of cost or market value using the first-in, first-out method of inventory.

##### Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of OAR and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of OAR and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

##### Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

##### Donated services -

Donated services consist of pro bono legal counsel. Donated services are recorded at their fair market value as of the date the services were performed.

##### 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**ORGANIZATION FOR AUTISM RESEARCH**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**2. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2015:

Research	\$ 15,000
Autism Tuned In	20,000
Research Information	13,150
Conference Sponsorships	21,308
Scholarships	183,063
Other restricted programs	12,000
Job Portal	<u>270,000</u>
	<b><u>\$ 534,521</u></b>

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

Research	\$ 45,000
Research Information	2,275
Conference Sponsorship	5,000
Scholarships	55,315
Other restricted programs	66,728
Job Portal	<u>41,642</u>
	<b><u>\$ 215,960</u></b>

**3. LEASE COMMITMENTS**

OAR entered into an 75-month lease, originating in June 2013. Base rent is \$8,479 per month, plus a proportionate share of expenses, increasing by a factor of 2.75% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Statement of Financial Position.

The following is a schedule of the future minimum lease payments:

<u>Year Ending June 30</u>	
2016	\$ 107,669
2017	110,630
2018	113,413
2019	116,532
2020	<u>19,956</u>
	<b><u>\$ 468,200</u></b>

Rent expense for the year ended June 30, 2015 totaled \$102,065. Deferred rent at June 30, 2015 totaled \$40,831.

## ORGANIZATION FOR AUTISM RESEARCH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

#### 4. RETIREMENT PLAN

OAR provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with six months of eligible experience. OAR matches participating employees' contributions, up to 3% of gross wages, up to \$3,000 per year. Contributions to the plan during the year ended June 30, 2015 totaled \$9,267.

#### 5. ADVERTISING

OAR incurs certain costs related to advertising. It is OAR's policy to expense these costs as incurred. During the year ended June 30, 2015, advertising costs totaled \$15,070. Of that amount, \$9,301 is being netted against special events revenue on the Statement of Activities and Change in Net Assets.

#### 6. COMMITMENTS

During the year ended June 30, 2015, OAR entered into contracts to fund research projects. As of June 30, 2015, OAR's remaining obligation under these arrangements totaled \$80,514. These obligations are contingent upon certain deliverables and therefore have not been accrued as of June 30, 2015.

#### 7. RELATED PARTY

During the year ended June 30, 2015, legal services in the amount of \$9,888 were donated by a law firm in which OAR's Chairman has an ownership interest. The costs associated with the donated legal services are included in professional fees on the accompanying Statement of Functional Expenses.

Board members' cash contributions totaled \$168,875 for the year ended June 30, 2015.

#### 8. SUBSEQUENT EVENTS

In preparing these financial statements, OAR has evaluated events and transactions for potential recognition or disclosure through November 19, 2015, the date the financial statements were issued.