

FINANCIAL STATEMENTS



ORGANIZATION FOR AUTISM RESEARCH

**FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2018**

ORGANIZATION FOR AUTISM RESEARCH

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CPAs & ADVISORS

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, 2019, 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, 2019, 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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Emphasis of Matter Regarding Restatement of Prior Year Financial Statements

As discussed in Note 10 to the financial statements, the 2018 financial statements have been restated.

Report on Summarized Comparative Information

We have previously audited OAR's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 & Freedman".

January 9, 2020

ORGANIZATION FOR AUTISM RESEARCH
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,713,420	\$ 1,768,299
Investments	6,749	3,852
Pledges receivable, net of allowance for doubtful accounts of \$30,607 in 2019 and \$32,032 in 2018	92,266	58,206
Inventory	59,373	69,370
Prepaid expenses	<u>148,871</u>	<u>182,997</u>
Total current assets	<u>2,020,679</u>	<u>2,082,724</u>
FIXED ASSETS		
Furniture	42,500	47,831
Computer equipment and software	24,694	39,182
Website	<u>192,961</u>	<u>183,711</u>
	260,155	270,724
Less: Accumulated depreciation and amortization	<u>(240,441)</u>	<u>(197,518)</u>
Net fixed assets	<u>19,714</u>	<u>73,206</u>
OTHER ASSETS	<u>51,918</u>	<u>9,674</u>
TOTAL ASSETS	<u>\$ 2,092,311</u>	<u>\$ 2,165,604</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 44,098	\$ 32,403
Accrued salaries and related benefits	13,799	10,344
Deferred rent	<u>2,861</u>	<u>13,963</u>
Total current liabilities	60,758	56,710
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	<u>-</u>	<u>2,861</u>
Total liabilities	<u>60,758</u>	<u>59,571</u>
NET ASSETS		
Without donor restrictions	1,271,373	1,129,586
With donor restrictions	<u>760,180</u>	<u>976,447</u>
Total net assets	<u>2,031,553</u>	<u>2,106,033</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,092,311</u>	<u>\$ 2,165,604</u>

See accompanying notes to financial statements.

ORGANIZATION FOR AUTISM RESEARCH
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions and grants	\$ 823,555	\$ 185,125	\$ 1,008,680	\$ 1,036,293
Merchandise and publications	687	-	687	1,101
Donated services	12,847	-	12,847	13,429
Special events, net of related expenses of \$300,734 in 2019 and \$355,441 in 2018	626,789	-	626,789	573,919
Interest income	15,348	-	15,348	11,816
Investment gain (loss), net	460	-	460	(11)
Net assets released from donor restrictions	<u>401,392</u>	<u>(401,392)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,881,078</u>	<u>(216,267)</u>	<u>1,664,811</u>	<u>1,636,547</u>
EXPENSES				
Program Services:				
Research	555,986	-	555,986	408,402
Information	611,535	-	611,535	553,635
Education	<u>248,986</u>	<u>-</u>	<u>248,986</u>	<u>227,900</u>
Total program services	<u>1,416,507</u>	<u>-</u>	<u>1,416,507</u>	<u>1,189,937</u>
Supporting Services:				
Management	56,857	-	56,857	59,747
Fundraising	<u>265,927</u>	<u>-</u>	<u>265,927</u>	<u>212,086</u>
Total supporting services	<u>322,784</u>	<u>-</u>	<u>322,784</u>	<u>271,833</u>
Total expenses	<u>1,739,291</u>	<u>-</u>	<u>1,739,291</u>	<u>1,461,770</u>
Change in net assets	141,787	(216,267)	(74,480)	174,777
Net assets at beginning of year	<u>1,129,586</u>	<u>976,447</u>	<u>2,106,033</u>	<u>1,931,256</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,271,373</u>	<u>\$ 760,180</u>	<u>\$ 2,031,553</u>	<u>\$ 2,106,033</u>

ORGANIZATION FOR AUTISM RESEARCH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	Program Services			2019
	Research	Information	Education	Total Program Services
Salaries and benefits	\$ 145,818	\$ 312,307	\$ 57,606	\$ 515,731
Research and information grants	298,059	1,170	-	299,229
Scholarship program	-	-	147,000	147,000
Professional fees	16,330	71,490	7,281	95,101
Occupancy	36,219	36,223	18,110	90,552
Office expense	21,391	51,636	8,744	81,771
Depreciation and amortization	3,175	55,996	1,588	60,759
Postage and delivery	2,313	33,816	902	37,031
Conference and meetings	15,680	2,030	18	17,728
Printing	1,271	26,321	636	28,228
Bad debt expense	6,278	6,278	3,139	15,695
Telephone and internet	3,311	3,911	1,655	8,877
Travel	2,521	5,293	496	8,310
Advertising	666	2,111	333	3,110
Registrations	2	1	2	5
Equipment, repairs and maintenance	1,710	1,710	855	4,275
Insurance	1,242	1,242	621	3,105
TOTAL	\$ 555,986	\$ 611,535	\$ 248,986	\$ 1,416,507

					2018
Supporting Services					
Management	Fundraising	Total Supporting Services	Total Expenses	Total Expenses	
\$ 10,216	\$ 174,577	\$ 184,793	\$ 700,524	\$ 597,339	
-	-	-	299,229	129,844	
-	-	-	147,000	115,500	
22,859	23,882	46,741	141,842	128,262	
11,318	15,309	26,627	117,179	117,688	
7,582	15,731	23,313	105,084	105,619	
992	992	1,984	62,743	65,284	
521	6,088	6,609	43,640	54,425	
11	13,201	13,212	30,940	16,396	
381	855	1,236	29,464	54,413	
872	872	1,744	17,439	36,481	
633	1,035	1,668	10,545	9,968	
317	997	1,314	9,624	7,792	
208	4,072	4,280	7,390	8,030	
25	6,813	6,838	6,843	8,304	
534	1,115	1,649	5,924	4,348	
388	388	776	3,881	2,077	
\$ 56,857	\$ 265,927	\$ 322,784	\$ 1,739,291	\$ 1,461,770	

ORGANIZATION FOR AUTISM RESEARCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (74,480)	\$ 174,777
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	62,743	65,284
Unrealized (gain) loss	(1,123)	43
Realized loss	755	-
Change in allowance for doubtful accounts	(1,425)	(5,316)
Donated stock	-	(3,895)
(Increase) decrease in:		
Pledges receivable	(32,635)	94,470
Other receivables	-	10
Inventory	9,997	5,545
Prepaid expenses	34,126	(4,903)
Other assets	(42,244)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	11,695	(9,710)
Accrued salaries and related benefits	3,455	4,156
Deferred rent	<u>(13,963)</u>	<u>(10,844)</u>
Net cash (used) provided by operating activities	<u>(43,099)</u>	<u>309,617</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,251)	(9,250)
Purchase of investments	<u>(2,529)</u>	<u>-</u>
Net cash used by investing activities	<u>(11,780)</u>	<u>(9,250)</u>
Net (decrease) increase in cash and cash equivalents	(54,879)	300,367
Cash and cash equivalents at beginning of year	<u>1,768,299</u>	<u>1,467,932</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,713,420</u>	<u>\$ 1,768,299</u>
SUPPLEMENTAL INFORMATION:		
Donated Stock	<u>\$ 6,353</u>	<u>\$ -</u>

ORGANIZATION FOR AUTISM RESEARCH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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 the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted during the year ended June 30, 2019 and applied retrospectively.

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, 2018, 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.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment gain (loss), which is presented net of investment expenses paid by external investment advisors in the accompanying Statement of Activities and Change in Net Assets.

Fair value measurement -

OAR adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. OAR accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Pledges receivable -

Pledges receivable are stated at their net realizable value, which approximates fair 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.

ORGANIZATION FOR AUTISM RESEARCH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Pledges receivable (continued) -

During the year ended June 30, 2019, OAR management did a detailed analysis of all outstanding receivables. Based on its analysis, OAR adjusted the allowance balance accordingly.

Inventory -

Inventory consists of publications and apparel. OAR adopted FASB ASU 2015-11 *Simplifying the Measurement of Inventory*, and as such, inventory is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets and the 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.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

OAR is exempt from federal income taxes under Section 501(c) 3 of the Internal Revenue Code. Beginning January 1, 2018, it is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees. OAR is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2019, 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.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

ORGANIZATION FOR AUTISM RESEARCH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Net asset classification (continued) -

- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Grant funding received in advance of incurring the related expenses is recorded as "net assets with donor restrictions".

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. Expenses directly attributed to a specific functional area of OAR are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

ORGANIZATION FOR AUTISM RESEARCH

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Reclassification (continued) -

The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of June 30, 2018 as unrestricted net assets in the amount of \$1,129,586 are now classified as "net assets without donor restrictions". Net assets previously classified as temporarily restricted net assets in the amount of \$976,447 and are now classified as "net assets with donor restrictions".

New accounting pronouncements not yet adopted -

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by one year; thus, the effective date is for fiscal years beginning after December 15, 2018. Early adoption is permitted. OAR has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

OAR plans to adopt the new ASUs at the respective required implementation dates.

2. INVESTMENTS

Investments consisted of the following at June 30, 2019:

	<u>Fair Value</u>
Equities	<u>\$ 6.749</u>

ORGANIZATION FOR AUTISM RESEARCH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

2. INVESTMENTS (Continued)

Included in investment income are the following:

Interest and dividends	\$	127
Unrealized gain		1,123
Realized loss		(755)
Investment fees		<u>(35)</u>
TOTAL INVESTMENT INCOME, NET	\$	<u>460</u>

In accordance with FASB ASC 820, *Fair Value Measurement*, OAR has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market OAR has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2019. Transfers between levels are recorded at the end of the reporting period, if applicable.

Equities - Valued at the closing price reported on the active market in which the individual securities are traded.

OAR's equities in the amount of \$6,749 are considered Level 1.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2019:

Employment initiative	\$	439,085
Scholarships		121,500
Brophy Fund		70,000
Special programs		49,600
Research		40,000
Information		30,125
Conference sponsorships		<u>9,870</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	<u>760,180</u>

ORGANIZATION FOR AUTISM RESEARCH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

Employment initiative	\$ 178,413
Scholarships	148,190
Information	41,389
Research	30,000
Conference sponsorship	<u>3,400</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 401,392</u>

4. LEASE COMMITMENTS

OAR entered into a 75-month lease, originating in June 2013 and expiring in August 2019. Base rent is \$8,479 per month, plus a proportionate share of expenses, increasing by a factor of 2.75% per year.

In March 2019, OAR entered into a 90-month lease agreement commencing on September 1, 2019 and expiring on February 28, 2027. Base rent is \$10,561 per month, plus a proportionate share of expenses, increasing by a factor of 2.5% 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>	
2020	\$ 125,565
2021	129,384
2022	132,619
2023	135,942
2024	139,332
Thereafter	<u>389,013</u>
	<u>\$ 1,051,855</u>

Rent expense for the year ended June 30, 2019 totaled \$117,179. Deferred rent at June 30, 2019 totaled \$2,861.

5. 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 and up to \$3,000 per year. Contributions to the Plan during the year ended June 30, 2019 totaled \$24,684.

ORGANIZATION FOR AUTISM RESEARCH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,713,420
Investments	6,749
Pledges receivable	<u>92,266</u>
Subtotal financial assets available within one year	1,812,435
Less: Donor restricted funds	<u>(760,180)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,052,255</u>
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OAR has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2019, OAR has financial assets equal to approximately eight months of operating expenses.

7. 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, 2019, advertising costs totaled \$10,268. Of that amount, \$2,565 is being netted against special events revenue on the Statement of Activities and Change in Net Assets.

8. COMMITMENTS

During the year ended June 30, 2019, OAR entered into contracts to fund research projects. As of June 30, 2019, OAR's remaining obligation under these arrangements totaled \$109,125. These obligations are contingent upon certain deliverables and therefore have not been accrued as of June 30, 2019.

9. RELATED PARTY

During the year ended June 30, 2019, legal services in the amount of \$12,847 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 \$182,768 for the year ended June 30, 2019.

10. NET ASSET RESTATEMENT

In 2019, OAR restated a portion of its net assets presented in the 2018 audited financial statements. OAR's net assets without donor restrictions, prepaid expenses and special events revenue were restated in accordance with GAAP.

ORGANIZATION FOR AUTISM RESEARCH

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

10. NET ASSET RESTATEMENT (Continued)

Following is a reconciliation of OAR's financial statement account balances (as previously stated and as restated) in connections with the corrections:

	<u>Prepaid Expenses</u>	<u>Special Events Revenue</u>	<u>Net Assets Without Donor Restrictions</u>
June 30, 2018 balance, as previously stated	\$ 135,972	\$ 526,894	\$ 1,082,561
Adjustment to correct prepaid expenses and total expenses	<u>47,025</u>	<u>47,025</u>	<u>47,025</u>
JUNE 30, 2018 BALANCE, AS RESTATED	<u>\$ 182,997</u>	<u>\$ 573,919</u>	<u>\$ 1,129,586</u>

11. SUBSEQUENT EVENTS

In preparing these financial statements, OAR has evaluated events and transactions for potential recognition or disclosure through January 9, 2020, the date the financial statements were issued.