

**FINANCIAL STATEMENTS**



**ORGANIZATION FOR AUTISM RESEARCH**

**FOR THE YEAR ENDED JUNE 30, 2022  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2021**

# ORGANIZATION FOR AUTISM RESEARCH

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OAR as of June 30, 2022, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 OAR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 OAR's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OAR'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.

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

We have previously audited OAR's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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". The signature is written in black ink on a light-colored background.

June 14, 2023

**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2022**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,604,952	\$ 2,230,862
Investments	22,469	16,876
Pledges receivable, net of allowance for doubtful accounts of \$37,198 in 2022	73,677	61,095
Other assets	-	-
Inventory	57,061	75,855
Prepaid expenses	<u>177,088</u>	<u>245,001</u>
Total current assets	<u>2,935,247</u>	<u>2,629,689</u>
<b>FIXED ASSETS</b>		
Furniture	22,515	22,515
Computer equipment and software	10,715	10,715
Website development	<u>297,911</u>	<u>192,961</u>
	331,141	226,191
Less: Accumulated depreciation and amortization	<u>(222,118)</u>	<u>(208,325)</u>
Net fixed assets	<u>109,023</u>	<u>17,866</u>
<b>OTHER ASSETS</b>		
Deposit	22,288	22,288
Right-of-use asset, net	<u>528,412</u>	<u>625,297</u>
Total other assets	<u>550,700</u>	<u>647,585</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,594,970</u></b>	<b><u>\$ 3,295,140</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Note payable	\$ -	\$ 133,249
Accounts payable and accrued liabilities	43,781	21,721
Accrued salaries and related benefits	20,195	20,892
Lease liability	<u>108,901</u>	<u>100,336</u>
Total current liabilities	172,877	276,198
<b>LONG-TERM LIABILITIES</b>		
Lease liability, net of current	<u>481,154</u>	<u>590,086</u>
Total liabilities	<u>654,031</u>	<u>866,284</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,486,917	1,856,254
With donor restrictions	<u>454,022</u>	<u>572,602</u>
Total net assets	<u>2,940,939</u>	<u>2,428,856</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,594,970</u></b>	<b><u>\$ 3,295,140</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, 2022**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Contributions and grants	\$ 1,381,349	\$ 300,300	\$ 1,681,649	\$ 1,272,448
Events revenue, net of related expenses of \$392,197 in 2022	460,736	-	460,736	295,948
Donated services	12,890	-	12,890	13,126
Merchandise and publications	1,359	-	1,359	1,829
Investment income, net	15,077	728	15,805	17,435
Other revenue	5,772	-	5,772	8,551
Net assets released from donor restrictions	<u>419,608</u>	<u>(419,608)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,296,791</u>	<u>(118,580)</u>	<u>2,178,211</u>	<u>1,609,337</u>
<b>EXPENSES</b>				
Program Services:				
Research	505,139	-	505,139	342,638
Information	670,015	-	670,015	489,126
Education	<u>261,869</u>	<u>-</u>	<u>261,869</u>	<u>194,811</u>
Total program services	<u>1,437,023</u>	<u>-</u>	<u>1,437,023</u>	<u>1,026,575</u>
Supporting Services:				
Management	142,860	-	142,860	130,924
Fundraising	<u>219,494</u>	<u>-</u>	<u>219,494</u>	<u>226,470</u>
Total supporting services	<u>362,354</u>	<u>-</u>	<u>362,354</u>	<u>357,394</u>
Total expenses	<u>1,799,377</u>	<u>-</u>	<u>1,799,377</u>	<u>1,383,969</u>
Change in net assets, before other item	497,414	(118,580)	378,834	225,368
<b>OTHER ITEM</b>				
Extinguishment of debt	<u>133,249</u>	<u>-</u>	<u>133,249</u>	<u>134,995</u>
Change in net assets	630,663	(118,580)	512,083	360,363
Net assets at beginning of year	<u>1,856,254</u>	<u>572,602</u>	<u>2,428,856</u>	<u>2,068,493</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,486,917</u></b>	<b><u>\$ 454,022</u></b>	<b><u>\$ 2,940,939</u></b>	<b><u>\$ 2,428,856</u></b>

**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022						2021		
	Program Services			Supporting Services			Total Expenses	Total Expenses	
	Research	Information	Education	Total Program Services	Management	Fundraising			Total Supporting Services
Salaries and benefits	\$ 157,075	\$ 372,252	\$ 67,644	\$ 596,971	\$ 12,012	\$ 177,595	\$ 189,607	\$ 786,578	\$ 692,816
Research and information grants	278,666	10,948	4,078	293,692	-	-	-	293,692	132,438
Scholarship program	-	-	161,000	161,000	-	-	-	161,000	103,000
Occupancy	37,233	69,794	15,623	122,650	2,776	17,106	19,882	142,532	134,009
Office expense	15,756	33,280	6,868	55,904	66,802	6,230	73,032	128,936	130,108
Professional fees	240	39,181	120	39,541	49,193	3,748	52,941	92,482	80,388
Postage and delivery	1,436	58,006	803	60,245	928	1,731	2,659	62,904	44,038
Printing	465	45,849	202	46,516	126	2,357	2,483	48,999	23,259
Information Technology	1,169	21,603	584	23,356	365	365	730	24,086	-
Depreciation and amortization	2,392	2,392	1,196	5,980	7,481	332	7,813	13,793	8,736
Telephone and internet	3,212	4,633	1,606	9,451	1,003	1,004	2,007	11,458	10,917
Travel	3,425	3,427	673	7,525	421	2,417	2,838	10,363	251
Registrations	-	-	-	-	1,265	8,752	10,017	10,017	8,712
Advertising	-	4,586	-	4,586	-	4,750	4,750	9,336	4,744
Insurance	1,477	1,477	738	3,692	462	462	924	4,616	4,574
Equipment, repairs and maintenance	1,437	1,437	718	3,592	446	449	895	4,487	3,900
Conference and meetings	1,156	1,150	16	2,322	10	359	369	2,691	-
Bad debt (recovery) expense	-	-	-	-	(430)	(8,163)	(8,593)	(8,593)	2,079
<b>TOTAL</b>	<b>\$ 505,139</b>	<b>\$ 670,015</b>	<b>\$ 261,869</b>	<b>\$ 1,437,023</b>	<b>\$ 142,860</b>	<b>\$ 219,494</b>	<b>\$ 362,354</b>	<b>\$ 1,799,377</b>	<b>\$ 1,383,969</b>

See accompanying notes to financial statements.

**ORGANIZATION FOR AUTISM RESEARCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 512,083	\$ 360,363
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	13,793	8,736
Unrealized gain on investments	(1,908)	(4,642)
Change in allowance for doubtful accounts	12,698	(21,185)
Forgiveness of debt	(133,249)	(134,995)
Amortization of right-of-use asset	96,885	92,086
(Increase) decrease in:		
Pledges receivable	(25,280)	14,064
Inventory	18,794	7,744
Prepaid expenses	67,913	(17,750)
Other assets	-	10,561
Increase (decrease) in:		
Accounts payable and accrued liabilities	22,060	9,485
Accrued salaries and related benefits	(697)	2,038
Deferred rent	<u>(100,367)</u>	<u>(92,332)</u>
Net cash provided by operating activities	<u>482,725</u>	<u>234,173</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(104,950)	-
Purchase of investments	<u>(3,685)</u>	<u>(3,609)</u>
Net cash used by investing activities	<u>(108,635)</u>	<u>(3,609)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	<u>-</u>	<u>133,249</u>
Net cash provided by financing activities	<u>-</u>	<u>133,249</u>
Net increase in cash and cash equivalents	374,090	363,813
Cash and cash equivalents at beginning of year	<u>2,230,862</u>	<u>1,867,049</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,604,952</u></b>	<b><u>\$ 2,230,862</u></b>



# ORGANIZATION FOR AUTISM RESEARCH

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### 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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor 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.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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, 2021, from which the summarized information was derived.

#### New accounting pronouncement adopted -

During the year ended June 30, 2022, OAR adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

# ORGANIZATION FOR AUTISM RESEARCH

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

#### 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. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. OAR's policy is to liquidate all gifts of investments as soon as possible after the gift.

#### 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.

#### Inventory -

Inventory consists of publications and apparel and is measured at the lower of cost and net realizable value using the first-in, first-out method.

#### Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets 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. Depreciation and amortization expense for the year ended June 30, 2022 totaled \$13,793.

#### Income taxes -

OAR is exempt from Federal income taxes under Section 501(c)3 of the Internal Revenue Code. OAR is not a private foundation.

# ORGANIZATION FOR AUTISM RESEARCH

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

#### Uncertain tax positions -

For the year ended June 30, 2022, 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.

#### Revenue and support -

##### Contributions and grants -

OAR receives contributions and grants from individuals, organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. OAR performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have 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.

Contributions and grants qualifying as conditional contributions contain a right of return from obligation provision that limits OAR on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. OAR did not have any unrecognized conditional awards as of June 30, 2021.

##### Events revenue -

Events revenue is classified as an exchange transaction and follow ASU 2014-09, *Revenue from Contracts With Customers*. Revenue is recorded at a point in time when the performance obligation is met which is when the related event has occurred. Transaction price is based on cost. OAR has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

##### Merchandise and publications -

Merchandise and publication revenue is recognize as revenue when the performance obligation is met, which is when the merchandise and publication is delivered to customers.

##### Donated services -

Donated services consist of pro bono legal counsel. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by OAR.

# ORGANIZATION FOR AUTISM RESEARCH

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

#### 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.

#### Advertising -

OAR expenses advertising costs as incurred. Advertising expense was \$9,336 for the year ended June 30, 2022.

#### 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.

#### Risks and uncertainties -

OAR invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

#### Reclassification -

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

#### New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for OAR for the year ending June 30, 2022 but early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

OAR plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

## ORGANIZATION FOR AUTISM RESEARCH

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### 2. INVESTMENTS

Investments consisted of the following at June 30, 2022:

	<u>Fair Value</u>
<b>Equities</b>	<b>\$ <u>22,469</u></b>

Included in investment income are the following:

Interest and dividends	\$ 13,947
Unrealized gain	1,908
Investment fees	<u>(50)</u>
<b>TOTAL INVESTMENT INCOME, NET</b>	<b>\$ <u>15,805</u></b>

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.

There have been no changes in the methodologies used at June 30, 2022. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable. Following is a description of the valuation methodology used for investments measured at fair value.

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

As of June 30, 2022 OAR's equities in the amount of \$22,469 are considered Level 1.

#### 3. NOTE PAYABLE

On February 2, 2021, OAR applied for and received a second loan from the Small Business Administration under the Payroll Protection Program in the amount of \$133,249. On July 13, 2021, OAR applied for and received forgiveness in the amount \$133,249.

**ORGANIZATION FOR AUTISM RESEARCH**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2022:

Scholarships	\$ 169,000
Employment initiative	79,593
Brophy fund	73,570
Research	72,000
Veterans and families	15,000
UK Operations	15,000
Information	14,559
Wisconsin programs	9,509
Kits for Kids	3,090
Programs - general	<u>2,701</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 454,022</u></b>

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	\$ 169,626
Scholarships	155,000
Research	41,750
Programs - general	25,730
Kits for Kids	16,911
Information	10,441
Wisconsin programs	<u>150</u>
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b><u>\$ 419,608</u></b>

**5. LEASE COMMITMENTS**

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.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-01 related to *Leases* (Topic 842), in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements for operating leases that are greater than one year in duration. The ASU specifically requires an organization to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments in the Statement of Financial Position and recognize a single lease cost, calculated so the cost of the lease is allocated over the lease term on a straight line basis. The guidance in the ASU is effective for non public entities beginning after December 15, 2021 and early adoption is permitted.

OAR elected to early adopt during the year ended June 30, 2020. As a result, OAR recorded a right-of-use asset in the amount of \$791,651. OAR recorded an operating lease liability in the amount of \$791,651 by calculating the net present value using the discount rate of 5%. The right-of-use asset and the operating lease liability are being amortized over the life of the lease agreement. As of June 30, 2022, the unamortized operating lease liability was \$590,055.

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**5. LEASE COMMITMENTS (Continued)**

The lease cost, including imputed interest and amortization of the right-of-use asset plus the straight-line rent expense for the year ended June 30, 2022 was \$142,532. Total payments on the lease during the year ended June 30, 2022 were \$132,619. The future minimum lease payments (shown below) reflect the rental payments through the termination date. The following is a schedule of the future minimum lease payments:

<u>Year Ending June 30</u>	
2023	\$ 135,942
2024	139,332
2025	142,809
2026	146,379
2027	<u>99,824</u>
Total payments	664,286
Less: imputed interest	<u>(74,231)</u>
<b>TOTAL PRINCIPAL</b>	<b><u>\$ 590,055</u></b>

**6. 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, 2022 totaled \$21,779.

**7. 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	\$ 2,604,952
Investments	22,469
Pledges receivable	<u>73,677</u>
Subtotal financial assets available within one year	2,701,098
Less: Donor restricted funds	<u>(454,022)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 2,247,076</u></b>

OAR has a policy to structure its financial assets to be available and liquid as its obligations become due.

**8. COMMITMENTS**

During the year ended June 30, 2022, OAR entered into contracts to fund research projects. As of June 30, 2022, OAR's remaining obligation under these arrangements totaled \$130,000. These obligations are contingent upon certain deliverables and therefore have not been accrued as of June 30, 2022.

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**9. RELATED PARTY**

During the year ended June 30, 2022, legal services in the amount of \$12,890 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. These services did not have restrictions attached to them and were charged to management. Board Members' cash contributions to the organization totaled \$155,057 for the year ended June 30, 2022.

**10. SUBSEQUENT EVENTS**

In preparing these financial statements, OAR has evaluated events and transactions for potential recognition or disclosure through June 14, 2023, the date the financial statements were issued.