

**AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA
FOUNDATION, INC.
COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2015 AND 2014**

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED FINANCIAL STATEMENTS

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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 statement of financial position of Autism Society of America, Inc. and Autism Society of America Foundation, Inc. (nonprofit organizations) as of December 31, 2015, and the related combined statements of activities and changes in net assets 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.

Offices:

Maryland

New York City

Long Island

New Jersey



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, 2015, and the combined changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Autism Society of America, Inc. and Autism Society of America Foundation, Inc.'s 2014 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated May 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position, activities, and changes in net assets on pages 15 and 16, and schedules of functional expenses on pages 17 and 18 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 audit 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
June 27, 2016

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 503,227	\$ 939,839
Accounts receivable	1,552	2,374
Promises to give, net	499,841	546,704
Interests in charitable remainder trusts, net - current portion	-	7,167
Prepaid expenses	29,330	23,832
Total current assets	1,033,950	1,519,916
PROPERTY AND EQUIPMENT, net	20,963	34,716
OTHER ASSETS		
Escrows	50,241	50,165
Restricted cash under agency agreement	-	23,763
Interests in charitable remainder trusts, net - noncurrent portion	246,500	253,000
Deposits	12,576	12,576
Total other assets	309,317	339,504
TOTAL ASSETS	\$ 1,364,230	\$ 1,894,136
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 152,343	\$ 210,489
Deferred revenue	7,425	601
Total current liabilities	159,768	211,090
OTHER LIABILITIES		
Funds due under agency agreement	-	23,763
Rent abatement	70,702	74,582
Total noncurrent liabilities	70,702	98,345
TOTAL LIABILITIES	230,470	309,435
NET ASSETS		
Unrestricted	264,926	481,196
Temporarily restricted	818,834	1,053,505
Permanently restricted	50,000	50,000
TOTAL NET ASSETS	1,133,760	1,584,701
TOTAL LIABILITIES AND NET ASSETS	\$ 1,364,230	\$ 1,894,136

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, 2015
 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
SUPPORT AND REVENUE					
Contributions	\$ 1,556,250	\$ 716,414	\$ -	\$ 2,272,664	\$ 2,142,234
Provision for					
uncollectible promises to give	-	(446)	-	(446)	65,292
Annual and regional conferences	298,801	-	-	298,801	324,691
Beneficial interest bequests	2,029	(6,500)	-	(4,471)	71,792
Merchandise sales, net	5,701	-	-	5,701	-
Investment income	549	-	-	549	1,316
In-kind income	24,400	-	-	24,400	15,487
Other income	72,450	-	-	72,450	88,962
Net assets released from restriction	944,139	(944,139)	-	-	-
TOTAL SUPPORT AND REVENUE	2,904,319	(234,671)	-	2,669,648	2,709,774
EXPENSES					
Program services					
Autism core services	1,157,538	-	-	1,157,538	930,190
Education and awareness	793,029	-	-	793,029	702,630
Advocacy	529,431	-	-	529,431	481,558
Supporting services					
Fundraising	555,995	-	-	555,995	381,216
Management and general	84,596	-	-	84,596	87,228
TOTAL EXPENSES	3,120,589	-	-	3,120,589	2,582,822
CHANGES IN NET ASSETS	(216,270)	(234,671)	-	(450,941)	126,952
NET ASSETS, BEGINNING OF YEAR	481,196	1,053,505	50,000	1,584,701	1,457,749
NET ASSETS, END OF YEAR	\$ 264,926	\$ 818,834	\$ 50,000	\$ 1,133,760	\$ 1,584,701

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, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (450,941)	\$ 126,952
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Change in provision for uncollectible promises to give	(6,029)	(65,292)
Depreciation and amortization	15,210	14,172
(Increase) decrease in assets:		
Accounts receivable	822	113,069
Promises to give	52,892	100,540
Inventory	-	4,791
Prepaid expenses	(5,498)	7,889
Interests in charitable remainder trusts	13,667	45,833
Escrows	(76)	50,029
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(58,146)	1,863
Deferred revenue	6,824	601
Rent abatement	(3,880)	1,079
	(435,155)	401,526
Net cash provided by (used for) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,457)	(20,622)
	(1,457)	(20,622)
Net cash used for investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease obligations	-	(5,238)
	-	(5,238)
Net cash used for financing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(436,612)	375,666
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	939,839	564,173
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 503,227	\$ 939,839
SUPPLEMENTAL CASH FLOWS INFORMATION:		
Interest paid	\$ -	\$ 254

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, 2015 AND 2014

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, care, and cure 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 over 100 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, the Autism Advocate digital magazine, 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, 2015 and 2014.

AUTISM SOCIETY OF AMERICA, INC. AND
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NOTES TO COMBINED FINANCIAL STATEMENTS
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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, 2015 and 2014 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, 2015 AND 2014

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, 2015, 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 2012.

Summarized Prior Year Financial Information

The combined statement of activities and changes in net assets includes 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended December 31, 2014 from which the summarized information was derived.

Subsequent Event Evaluation

The Organizations have evaluated events and transactions for potential recognition or disclosure through June 27, 2016, 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, 2015 AND 2014

NOTE 3 – PROMISES TO GIVE

As of December 31, 2015, the Organizations had \$666,454 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, 2015 and 2014, the anticipated receipt of promises to give for the Combined Federal Campaign is as follows:

	<u>2015</u>	<u>2014</u>
One year	\$ 666,454	\$ 719,346
Less: allowance for doubtful promises to give	(166,613)	(172,642)
Net realizable value	<u>\$ 499,841</u>	<u>\$ 546,704</u>

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2015</u>	<u>2014</u>
Furnishings and fixtures	\$ 69,999	\$ 53,182
Website	3,575	3,575
Equipment financed with capital lease	-	24,772
Computers and other equipment	<u>22,079</u>	<u>28,515</u>
Total property and equipment	95,653	110,044
Less: accumulated depreciation and amortization	(74,690)	(75,328)
Total property and equipment, net	<u>\$ 20,963</u>	<u>\$ 34,716</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$15,210 and \$14,172, respectively. The accumulated amortization amounts related to equipment financed with capital lease as of December 31, 2015 and 2014 were \$0 and \$19,214, 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 \$618,127 in 2046. 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 3.01%. 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>2015</u>	<u>2014</u>
Interests in charitable remainder trusts	\$ 618,127	\$ 533,463
Less: discount to net present value	(371,627)	(273,296)
Net realizable value	246,500	260,167
Less: current portion of interests in charitable remainder trusts	-	(7,167)
Interests in charitable remainder trusts – noncurrent portion	<u>\$ 246,500</u>	<u>\$ 253,000</u>

AUTISM SOCIETY OF AMERICA, INC. AND
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 NOTES TO COMBINED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

NOTE 6 – OTHER ASSETS

The Organizations had two escrow accounts being held by trustees on behalf of the Organizations. The escrow account that served as collateral for the Organizations' line of credit was released during the year ended December 31, 2014. The remaining escrow account is being held in accordance with the Organizations' permanently restricted net asset restrictions. As of December 31, 2015 and 2014, escrows held by trustees on behalf of the Organizations were \$50,241 and \$50,165, 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, 2015 and 2014, the Organizations had a rent abatement liability of \$70,702 and \$74,582, respectively.

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

<u>Year ending December 31</u>		
2016	\$	175,390
2017		180,652
2018		186,072
2019		191,654
2020		<u>16,409</u>
Total	\$	<u>750,177</u>

Office rent expenses for the years ended December 31, 2015 and 2014 were \$175,627 and \$173,536, respectively.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
<u>Time restricted:</u>		
Federal Campaign pledges	\$ 499,841	\$ 546,704
Beneficial interests in charitable remainder trusts	<u>246,500</u>	<u>260,167</u>
Total time restricted	<u>746,341</u>	<u>806,871</u>
<u>Purpose restricted:</u>		
Ireland Affiliate Travel	\$ 46,978	\$ -
Keystone Autism Fund	15,209	11,376
Jason Cherry Sibling Fund	7,306	2,106
Hussman Community Services	3,000	20,108
QBE First Grant	-	211,044
Fiddle Foundation Fund	<u>-</u>	<u>2,000</u>
Total purpose restricted	<u>72,493</u>	<u>246,634</u>
Total temporarily restricted net assets	<u>\$ 818,834</u>	<u>\$ 1,053,505</u>

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NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS *(continued)*

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

	2015	2014
<u>Time restricted:</u>		
Federal Campaign pledges	\$ 339,649	\$ 385,458
Bequests receivable	7,167	162,443
Total releases of time restrictions	346,816	547,901
 <u>Purpose restricted:</u>		
QBE First Grant	215,046	113,091
Keystone Autism Fund	166,514	32,591
Hussman Community Services	100,000	89,300
Hussman Community Living Fund	62,740	52,260
Ireland Affiliate Travel	53,023	-
Total releases of purpose restrictions	597,323	287,242
 Total released from restrictions	 \$ 944,139	 \$ 835,143

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, 2015 and 2014, the Society had the following endowment-related activities:

Year ended December 31, 2015:

<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	\$ 6,746	\$ -	\$ 50,000	\$ 56,746
Investment income:				
Interest and dividends	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Endowment net assets, end of year	<u>\$ 6,821</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,821</u>

Year ended December 31, 2014:

<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	\$ 6,671	\$ -	\$ 50,000	\$ 56,671
Investment income:				
Interest and dividends	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Endowment net assets, end of year	<u>\$ 6,746</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,746</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, 2015 and 2014, the total amounts appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA were \$6,821 and \$6,746, respectively.

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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, 2015 and 2014, the employer matching contributions were up to 6% and 2.5%, respectively, and the total employer contributions were \$39,745 and \$16,072, respectively.

NOTE 11 – OTHER COMMITMENTS

The Organizations have entered into various agreements with hotels and other vendors for its 2016 annual conferences. These agreements stipulate that if the conferences are cancelled or services not needed that the Organizations will be required to pay various costs associated with the contracts, the amounts of which are dependent on various factors.

NOTE 12 – ALLOCATION OF JOINT COSTS

For the years ended December 31, 2015 and 2014, Autism Society of America, Inc. and Autism Society of America Foundation, Inc. incurred joint costs of \$155,704 and \$241,448, respectively, of which \$139,575 and \$218,680, respectively, were for direct mail communication materials and activities and \$16,129 and \$17,256, respectively, were for electronic mail communications that included fundraising appeals. For the years ended December 31, 2015 and 2014, joint costs of \$77,852 and \$120,724, respectively, were allocated to education and \$77,852 and \$120,724, 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 \$24,400 and \$15,487, for the years ended December 31, 2015 and 2014, 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, 2015, the Organizations combined had approximately \$25,500 in excess of FDIC insured limits.

NOTE 15 – LINE OF CREDIT

At December 31, 2015, the Organizations had a line of credit agreement with Eagle Bank for \$150,000, secured by substantially all assets of the Organizations. The line of credit accrued interest on the unpaid principal balance is 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, 2015, the outstanding balance on the line of credit was \$0.

AUTISM SOCIETY OF AMERICA, INC. AND
AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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 is 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, 2015

	ASA	ASAF	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 359,495	\$ 143,732	\$ -	\$ 503,227
Accounts receivable, net	1,552	-	-	1,552
Promises to give, net	196,718	303,123	-	499,841
Due from affiliate	-	21,621	(21,621)	-
Prepaid expenses	29,330	-	-	29,330
	587,095	468,476	(21,621)	1,033,950
PROPERTY AND EQUIPMENT				
Furniture, fixtures and equipment	92,078	3,575	-	95,653
Less: Accumulated depreciation	(71,115)	(3,575)	-	(74,690)
	20,963	-	-	20,963
OTHER ASSETS				
Escrows	50,241	-	-	50,241
Interests in charitable remainder trusts, net	246,500	-	-	246,500
Deposits	12,576	-	-	12,576
	309,317	-	-	309,317
TOTAL ASSETS	\$ 917,375	\$ 468,476	\$ (21,621)	\$ 1,364,230
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 152,343	\$ -	\$ -	\$ 152,343
Deferred revenue	7,425	-	-	7,425
Due to affiliate	21,621	-	(21,621)	-
	181,389	-	(21,621)	159,768
OTHER LIABILITIES				
Rent abatement	70,702	-	-	70,702
	70,702	-	-	70,702
TOTAL LIABILITIES	252,091	-	(21,621)	230,470
NET ASSETS				
Unrestricted	122,088	142,838	-	264,926
Temporarily restricted	493,196	325,638	-	818,834
Permanently restricted	50,000	-	-	50,000
	665,284	468,476	-	1,133,760
TOTAL LIABILITIES AND NET ASSETS	\$ 917,375	\$ 468,476	\$ (21,621)	\$ 1,364,230

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, 2015

	Autism Society of America, Inc.			Autism Society of America Foundation, Inc.					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Eliminations	Combined
REVENUES AND SUPPORT									
Contributions	\$ 2,092,275	\$ 368,838	\$ -	\$ 2,461,113	\$ 28,975	\$ 347,576	\$ 376,551	\$ (565,000)	\$ 2,272,664
Provision for uncollectible promises to give Annual and regional conferences	-	(446)	-	(446)	-	-	-	-	(446)
Beneficial interest bequests	298,801	-	-	298,801	-	-	-	-	298,801
Merchandise sales, net	2,029	(6,500)	-	(4,471)	-	-	-	-	(4,471)
Investment gain (loss)	5,701	-	-	5,701	853	-	853	-	5,701
In-kind income	(304)	-	-	(304)	-	-	-	-	549
Other income	24,400	-	-	24,400	1,045	-	1,045	-	24,400
Net assets released from restrictions	71,405	-	-	71,405	375,888	(375,888)	-	-	72,450
TOTAL REVENUES AND SUPPORT	<u>3,062,558</u>	<u>(568,251)</u>	<u>-</u>	<u>2,856,199</u>	<u>406,761</u>	<u>(28,312)</u>	<u>378,449</u>	<u>(565,000)</u>	<u>2,669,648</u>
EXPENSES									
Program services									
Autism core services	1,063,194	-	-	1,063,194	298,070	-	298,070	(203,726)	1,157,538
Education and awareness	791,553	-	-	791,553	153,152	-	153,152	(151,676)	793,029
Advocacy	528,445	-	-	528,445	102,246	-	102,246	(101,260)	529,431
Supporting services									
Fundraising	480,944	-	-	480,944	167,209	-	167,209	(92,158)	555,995
Management and general	84,439	-	-	84,439	16,337	-	16,337	(16,180)	84,596
TOTAL EXPENSES	<u>2,948,575</u>	<u>-</u>	<u>-</u>	<u>2,948,575</u>	<u>737,014</u>	<u>-</u>	<u>737,014</u>	<u>(565,000)</u>	<u>3,120,589</u>
CHANGES IN NET ASSETS	113,983	(206,359)	-	(92,376)	(330,253)	(28,312)	(358,565)	-	(450,941)
NET ASSETS, BEGINNING OF YEAR	8,105	699,555	50,000	757,660	473,091	353,950	827,041	-	1,584,701
NET ASSETS, END OF YEAR	<u>\$ 122,088</u>	<u>\$ 493,196</u>	<u>\$ 50,000</u>	<u>\$ 665,284</u>	<u>\$ 142,838</u>	<u>\$ 325,638</u>	<u>\$ 468,476</u>	<u>\$ -</u>	<u>\$ 1,133,760</u>

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services			Supporting Services			
	Autism Core Services	Education and Awareness	Advocacy	Total Program	Fundraising	Management and General	Total
Payroll expense	\$ 494,253	\$ 315,181	\$ 328,419	\$ 1,137,853	\$ 187,408	\$ 64,923	\$ 1,390,184
Grant expense	377,326	-	-	377,326	-	-	377,326
Meetings and conferences	8,880	308,729	13,823	331,432	1,480	513	333,425
Occupancy	63,720	40,644	42,351	146,715	24,167	8,372	179,254
Contractual services	14,506	14,474	77,475	106,455	69,521	12	175,988
Marketing and publications	249	41,363	165	41,777	83,672	33	125,482
Technology and communication	34,492	20,896	22,037	77,425	12,780	4,304	94,509
Postage	11,208	10,458	10,117	31,783	40,932	251	72,966
Travel expense	22,772	13,689	10,712	47,173	17,273	2,080	66,526
Professional services	18,402	10,478	10,920	39,800	6,230	2,158	48,188
Interest expense and bank fees	1,728	7,796	1,148	10,672	21,322	227	32,221
Dues, fees, memberships	5,332	1,258	4,414	11,004	11,639	210	22,853
Depreciation expense	5,406	3,449	3,594	12,449	2,051	710	15,210
Insurance	3,093	1,973	2,055	7,121	1,173	406	8,700
Office expense	1,827	1,165	1,215	4,207	1,296	240	5,743
TOTALS	\$ 1,063,194	\$ 791,553	\$ 528,445	\$ 2,383,192	\$ 480,944	\$ 84,439	\$ 2,948,575

See accompanying notes to financial statements.

AUTISM SOCIETY OF AMERICA FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services			Total Program Services	Supporting Services			Total
	Autism Core Services	Education and Awareness	Advocacy		Fundraising	Management and General		
Grant expense	\$ 296,086	\$ 151,676	\$ 101,260	\$ 549,022	\$ 92,158	\$ 16,180	\$ 657,360	
Meetings and conferences	-	-	-	-	74,154	-	74,154	
Professional services	1,894	1,409	941	4,244	856	150	5,250	
Registration fees	90	67	45	202	41	7	250	
TOTALS	\$ 298,070	\$ 153,152	\$ 102,246	\$ 553,468	\$ 167,209	\$ 16,337	\$ 737,014	

See accompanying notes to financial statements.