

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**Autism Speaks, Inc.**

March 31, 2022 and 2021

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
Autism Speaks, Inc.

**Opinion**

We have audited the accompanying consolidated financial statements of Autism Speaks, Inc. (a nonprofit organization) (“AS”), which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Autism Speaks, Inc. as of March 31, 2022 and 2021, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (“US GAAS”). 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 Autism Speaks and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS will always detect a material misstatement when it exists. 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 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

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

*Grant Thornton LLP*

Philadelphia, Pennsylvania  
October 20, 2022

**Autism Speaks, Inc.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**March 31,**

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
| <b>ASSETS</b>  |               |               |
| Cash and cash equivalents                              | \$ 40,860,946 | \$ 41,700,075 |
| Pledges receivable, net                                | 5,996,030     | 6,747,913     |
| Other contributions and miscellaneous receivables, net | 4,363,717     | 4,016,763     |
| Prepaid expenses and other assets                      | 1,001,886     | 1,057,226     |
| Property, equipment and computer software, net         | 994,593       | 723,937       |
| Total assets   | \$ 53,217,172 | \$ 54,245,914 |
| <b>LIABILITIES AND NET ASSETS</b>                      |               |               |
| <b>Liabilities</b>                                     |               |               |
| Grants payable   | \$ 286,669    | \$ 1,421,654  |
| Accounts payable and accrued expenses                  | 2,912,747     | 4,630,488     |
| Other liabilities                                      | 311,665       | 622,476       |
| Total liabilities                                      | 3,511,081     | 6,674,618     |
| <b>Net assets</b>                                      |               |               |
| Without donor restrictions                             | 30,321,710    | 31,322,983    |
| With donor restrictions                                | 19,384,381    | 16,248,313    |
| Total net assets                                       | 49,706,091    | 47,571,296    |
| Total liabilities and net assets                       | \$ 53,217,172 | \$ 54,245,914 |

The accompanying notes are an integral part of these consolidated financial statements.

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2022

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Public support, revenue, and reclassifications</b>                          |                               |                            |                      |
| Walk program and retail partners   | \$ 15,352,738                 | \$ 839,488                 | \$ 16,192,226        |
| Major gifts and other contributions  | 15,006,323                    | 6,913,241                  | 21,919,564           |
| Special and community events   | 5,189,820                     | 33,350                     | 5,223,170            |
| Government grants  | 2,000,000                     | 135,419                    | 2,135,419            |
| In-kind contributions and donated services (Note B)                            | 45,911,508                    | -                          | 45,911,508           |
| Other income   | 3,565,125                     | 52,718                     | 3,617,843            |
| Net assets released from restrictions  | 4,838,148                     | (4,838,148)                | -                    |
|  | <u>91,863,662</u>             | <u>3,136,068</u>           | <u>94,999,730</u>    |
| <b>Expenses</b>  |                               |                            |                      |
| Program services   |                               |                            |                      |
| Science (including in-kind contributions of \$222,037)                         | 12,948,493                    | -                          | 12,948,493           |
| Services and support (including in-kind contributions of \$272,459)            | 15,667,238                    | -                          | 15,667,238           |
| Understanding and acceptance (including in-kind contributions of \$44,825,991) | 53,537,321                    | -                          | 53,537,321           |
|  | <u>82,153,052</u>             | <u>-</u>                   | <u>82,153,052</u>    |
| Supporting services  |                               |                            |                      |
| Management and general (including in-kind contributions of \$83,387)           | 3,218,391                     | -                          | 3,218,391            |
| Fundraising (including in-kind contributions of \$507,634)                     | 7,493,492                     | -                          | 7,493,492            |
|  | <u>10,711,883</u>             | <u>-</u>                   | <u>10,711,883</u>    |
| Total expenses   | <u>92,864,935</u>             | <u>-</u>                   | <u>92,864,935</u>    |
| <b>CHANGE IN NET ASSETS</b>  | (1,001,273)                   | 3,136,068                  | 2,134,795            |
| <b>Net assets, beginning of period</b>   | <u>31,322,983</u>             | <u>16,248,313</u>          | <u>47,571,296</u>    |
| <b>Net assets, end of period</b>   | <u>\$ 30,321,710</u>          | <u>\$ 19,384,381</u>       | <u>\$ 49,706,091</u> |

The accompanying notes are an integral part of this consolidated financial statement.

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2021

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|--|---------------------------------------|------------------------------------|----------------------|
| <b>Revenue</b>   |                                       |                                    |                      |
| Walk program and retail partners   | \$ 11,519,583                         | \$ 1,042,793                       | \$ 12,562,376        |
| Major gifts and other contributions  | 18,854,569                            | 7,481,607                          | 26,336,176           |
| Special and community events   | 3,232,160                             | 25,000                             | 3,257,160            |
| Government grants  | 3,293,680                             | 303,007                            | 3,596,687            |
| In-kind contributions and donated services (Note B)                            | 30,271,164                            | -                                  | 30,271,164           |
| Other income   | 1,389,533                             | 281,532                            | 1,671,065            |
| Net assets released from restrictions  | 5,634,564                             | (5,634,564)                        | -                    |
|  | <u>74,195,253</u>                     | <u>3,499,375</u>                   | <u>77,694,628</u>    |
| <b>Expenses</b>  |                                       |                                    |                      |
| Program services   |                                       |                                    |                      |
| Science (including in-kind contributions of \$378,841)                         | 10,867,129                            | -                                  | 10,867,129           |
| Services and support (including in-kind contributions of \$301,875)            | 15,003,899                            | -                                  | 15,003,899           |
| Understanding and acceptance (including in-kind contributions of \$29,008,856) | 36,790,174                            | -                                  | 36,790,174           |
|  | <u>62,661,202</u>                     | <u>-</u>                           | <u>62,661,202</u>    |
| Supporting services  |                                       |                                    |                      |
| Management and general (including in-kind contributions of \$95,919)           | 3,708,730                             | -                                  | 3,708,730            |
| Fundraising (including in-kind contributions of \$485,673)                     | 6,947,406                             | -                                  | 6,947,406            |
|  | <u>10,656,136</u>                     | <u>-</u>                           | <u>10,656,136</u>    |
|  | <u>73,317,338</u>                     | <u>-</u>                           | <u>73,317,338</u>    |
| <b>CHANGE IN NET ASSETS</b>  | 877,915                               | 3,499,375                          | 4,377,290            |
| <b>Net assets, beginning of period</b>   | <u>30,445,068</u>                     | <u>12,748,938</u>                  | <u>43,194,006</u>    |
| <b>Net assets, end of period</b>   | <u>\$ 31,322,983</u>                  | <u>\$ 16,248,313</u>               | <u>\$ 47,571,296</u> |

The accompanying notes are an integral part of this consolidated financial statement.

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2022

|   | Program Services     |                        |                              |                        | Supporting Services    |                     |                           | Total                |
|---|----------------------|------------------------|------------------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|
|   | Science              | Services and Resources | Understanding and Acceptance | Total Program Services | Management and General | Fundraising         | Total Supporting Services |                      |
| Salaries and related benefits               | \$ 3,690,350         | \$ 7,510,840           | \$ 3,127,872                 | \$ 14,329,062          | \$ 2,281,317           | \$ 3,680,642        | \$ 5,961,959              | \$ 20,291,021        |
| Science grants, awards, and science         | 5,909,244            | 24,291                 | 6,797                        | 5,940,332              | -                      | -                   | -                         | 5,940,332            |
| Family services grants, awards, and science | 10,637               | 937,082                | 262,019                      | 1,209,738              | -                      | -                   | -                         | 1,209,738            |
| Media and media services (donated)          | -                    | -                      | 44,711,696                   | 44,711,696             | -                      | 386,324             | 386,324                   | 45,098,020           |
| Professional and legal fees                 | 1,037,770            | 1,328,515              | 481,729                      | 2,848,014              | 196,755                | 439,488             | 636,243                   | 3,484,257            |
| Events, meetings, and conferences           | 75,469               | 1,134,137              | 1,069,593                    | 2,279,199              | 8,491                  | 564,471             | 572,962                   | 2,852,161            |
| Printing and promotion                      | 76,893               | 364,179                | 1,659,291                    | 2,100,363              | 6,872                  | 1,552,067           | 1,558,939                 | 3,659,302            |
| Occupancy                                   | 88,053               | 332,435                | 223,949                      | 644,437                | 67,482                 | 156,961             | 224,443                   | 868,880              |
| Software and website                        | 326,138              | 552,680                | 275,741                      | 1,154,559              | 124,538                | 263,893             | 388,431                   | 1,542,990            |
| Advertising                                 | 1,137,798            | 2,225,690              | 989,328                      | 4,352,816              | 3,142                  | 88,610              | 91,752                    | 4,444,568            |
| Other                                       | 507,955              | 1,137,499              | 679,207                      | 2,324,661              | 503,711                | 330,109             | 833,820                   | 3,158,481            |
| Depreciation and amortization               | 88,186               | 119,890                | 50,099                       | 258,175                | 26,083                 | 30,927              | 57,010                    | 315,185              |
|   | <u>\$ 12,948,493</u> | <u>\$ 15,667,238</u>   | <u>\$ 53,537,321</u>         | <u>\$ 82,153,052</u>   | <u>\$ 3,218,391</u>    | <u>\$ 7,493,492</u> | <u>\$ 10,711,883</u>      | <u>\$ 92,864,935</u> |

The accompanying notes are an integral part of this consolidated financial statement.



Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2021

|   | Program Services     |                      |                              | Supporting Services    |                        |                     | Total                |                           |
|---|----------------------|----------------------|------------------------------|------------------------|------------------------|---------------------|----------------------|---------------------------|
|   | Science              | Services and Support | Understanding and Acceptance | Total Program Services | Management and General | Fundraising         |                      | Total Supporting Services |
| Salaries and related benefits               | \$ 3,047,196         | \$ 7,631,126         | \$ 3,250,577                 | \$ 13,928,899          | \$ 2,556,430           | \$ 4,061,128        | \$ 6,617,558         | \$ 20,546,457             |
| Science grants, awards, and science         | 4,023,120            | 562,636              | 555,107                      | 5,140,863              | -                      | -                   | -                    | 5,140,863                 |
| Family services grants, awards, and science | -                    | 393,656              | 393,656                      | 787,312                | -                      | -                   | -                    | 787,312                   |
| Media and media services (donated)          | -                    | -                    | 28,883,465                   | 28,883,465             | -                      | 333,608             | 333,608              | 29,217,073                |
| Professional and legal fees                 | 1,421,112            | 1,355,017            | 436,816                      | 3,212,945              | 210,082                | 437,073             | 647,155              | 3,860,100                 |
| Events, meetings, and conferences           | 95,589               | 258,266              | 237,806                      | 591,661                | 1,283                  | 226,423             | 227,706              | 819,367                   |
| Printing and promotion                      | 39,721               | 363,574              | 1,111,557                    | 1,514,852              | 36,817                 | 1,068,439           | 1,105,256            | 2,620,108                 |
| Occupancy                                   | 115,220              | 574,960              | 383,400                      | 1,073,580              | 181,606                | 268,874             | 450,480              | 1,524,060                 |
| Software and website                        | 839,195              | 547,458              | 281,630                      | 1,668,283              | 124,410                | 271,105             | 395,515              | 2,063,798                 |
| Advertising                                 | 803,716              | 2,460,970            | 854,138                      | 4,118,824              | 161,608                | 35,157              | 196,765              | 4,315,589                 |
| Other                                       | 427,541              | 792,641              | 372,530                      | 1,592,712              | 415,360                | 210,462             | 625,822              | 2,218,534                 |
| Depreciation and amortization               | 54,719               | 63,595               | 29,492                       | 147,806                | 21,134                 | 35,137              | 56,271               | 204,077                   |
|   | <u>\$ 10,867,129</u> | <u>\$ 15,003,899</u> | <u>\$ 36,790,174</u>         | <u>\$ 62,661,202</u>   | <u>\$ 3,708,730</u>    | <u>\$ 6,947,406</u> | <u>\$ 10,656,136</u> | <u>\$ 73,317,338</u>      |

The accompanying notes are an integral part of this consolidated financial statement.

**Autism Speaks, Inc.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years ended March 31,**

|  | <b>2022</b>          | <b>2021</b>          |
|--|----------------------|----------------------|
| <b>Cash flows from operating activities:</b>   |                      |                      |
| Change in net assets   | \$ 2,134,795         | \$ 4,377,290         |
| Adjustments to reconcile change in net assets to net cash<br>(used in) provided by operating activities: |                      |                      |
| Depreciation and amortization  | 315,185              | 204,077              |
| Net loss (gain) on foreign currencies  | 894                  | (4,860)              |
| Changes in operating assets and liabilities:   |                      |                      |
| Pledges receivable, net  | 751,883              | (4,048,100)          |
| Other contributions and miscellaneous receivables, net   | (346,954)            | 1,054,255            |
| Prepaid expenses and other assets  | 55,340               | 43,602               |
| Grants payable   | (1,134,985)          | 566,439              |
| Accounts payable and accrued expenses  | (1,717,741)          | (1,465,717)          |
| Refundable advance   | -                    | 2,000,000            |
| Other liabilities  | (310,811)            | (281,022)            |
|  | <u>(252,394)</u>     | <u>2,445,964</u>     |
| <b>Net cash (used in) provided by operating activities</b>   |                      |                      |
| <b>Cash flows from investing activities:</b>   |                      |                      |
| Payments for property, equipment and computer software   | (585,841)            | (345,674)            |
|  | <u>(585,841)</u>     | <u>(345,674)</u>     |
| <b>Net cash used in investing activities</b>   |                      |                      |
| Effect of exchange rate changes on cash  | (894)                | 4,860                |
|  | <u>(894)</u>         | <u>4,860</u>         |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>  | (839,129)            | 2,105,150            |
| <b>Cash and cash equivalents, beginning of period</b>  | <u>41,700,075</u>    | <u>39,594,925</u>    |
| <b>Cash and cash equivalents, end of period</b>  | <u>\$ 40,860,946</u> | <u>\$ 41,700,075</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2022 and 2021**

**NOTE A - ORGANIZATION**

Autism Speaks, Inc. ("AS"), a not-for-profit corporation, was formed in 2005. It is dedicated to promoting solutions, across the spectrum and throughout the life span, for the needs of individuals with autism and their families through advocacy and support; increasing understanding and acceptance of people with autism spectrum disorder; and advancing research into causes and better interventions for autism spectrum disorder and related conditions. Through partnership and collaboration, AS is committed to increasing global understanding and acceptance of autism, being a catalyst for research breakthroughs, increasing early-childhood screening and timely interventions, improving the transition to adulthood, and ensuring access to reliable information and services throughout the life span.

Canadian operations are incorporated under Canadian law as a separate entity (Autism Speaks Canada), which is controlled by AS.

The financial statements of Autism Speaks Canada have been included in the accompanying consolidated financial statements in United States Dollars ("USD"). All interorganizational transactions have been eliminated.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

***Net Assets***

The classification of AS's net assets and its revenue and expenses is based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets that are either not subject to donor-imposed stipulations or have been reclassified from net assets with donor restrictions because donor restrictions have either expired or been met.

With Donor Restrictions

Net assets that contain donor-imposed restrictions that permit AS to use or expend the assets for particular purposes or in specific time periods. The restrictions are satisfied either by the passage of time or by actions of AS.

***Revenue Recognition***

Contributions are recorded as revenue upon the receipt of cash, securities, a gift or an unconditional pledge. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions received are recorded as available for unrestricted use unless specifically restricted by the donor, in which case they are classified as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

Exchange transactions are recognized as 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 these goods and services.

***Pledges and Other Contributions Receivable***

Promises to give are recorded as pledges receivable or other contributions receivable at their fair values when received. Fair values are measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows, and other specific factors that would be considered by market participants.

Other receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of any allowance for doubtful accounts, represents their estimated net realizable value. As of March 31, 2022 and 2021, no allowance for doubtful accounts has been established against receivables.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash Equivalents***

For financial reporting purposes, AS considers all money market funds and highly-liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Funds with donor restrictions are included in cash and cash equivalents in the accompanying consolidated statements of financial position.

***Property, Equipment and Computer Software, Net***

Equipment and property are stated at their costs at the dates of acquisition for purchases of \$5,000 or greater. Computer software costs are capitalized at their costs and are amortized, when placed in service, over the estimated useful lives of the assets of three to four years. Website development costs are also capitalized at their costs and are amortized, when placed in service, over the estimated useful lives of the assets of five to six years.

Computer hardware and equipment and furniture and fixtures are depreciated using the straight-line method over the estimated useful lives of the assets of three to four years. Leasehold improvements are amortized over the term of the lease or the useful life of the improvements, whichever is less.

***Grants***

AS recognizes grant expenses as grantees meet the conditions stipulated in the awards. Conditional promises to give are not recorded as grant expense until the conditions upon which they are based have been met.

***In-Kind Contributions and Donated Services***

For the year ending March 31, 2022, AS adopted Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increased the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

AS receives various types of contributed nonfinancial assets on an annual basis such as donated goods and services from other organizations. Donated goods and services consist of donated media, professional advertising and services related to such donated media, and other donated services, such as legal and consulting. Donated goods and services that meet the requirements for recognition are recorded as revenue and expenses in the accompanying consolidated statements of activities at their fair values. The majority of the donated services are directly related to efforts to increase understanding and acceptance of people with autism spectrum disorder, which are included in program services in the accompanying consolidated statements of functional expenses. Contributed nonfinancial assets do not have donor-imposed restrictions.

The fair values of the donated media are determined based on consideration of the cost typically incurred by buyers for similar advertising and media, standard discounts given for similarly placed media, the media type and placement, and other considerations. Donated services related to donated media are recorded based upon the fair values determined by the donors based on typical costs incurred in the market when they provide similar services to buyers. All other donated services such as legal and consulting are also recorded based on the fair market values determined by donors who have provided similar services to purchasers.

Many volunteers have made significant contributions of time to AS's programs and supporting functions. These contributed services do not meet the criteria for recognition and, accordingly, are not recognized in the accompanying consolidated financial statements.

For the years ended March 31, 2022 and 2021, in-kind contributions and donated services consisted of the following:

|                                       | <u>2022</u>          | <u>2021</u>          |
|---------------------------------------|----------------------|----------------------|
| Donated media                         | \$ 44,420,871        | \$ 28,249,355        |
| Professional advertising and services | 677,149              | 967,718              |
| Other donated services                | 813,488              | 1,054,091            |
|                                       | <u>\$ 45,911,508</u> | <u>\$ 30,271,164</u> |

***Advertising***

Advertising expenses are recorded as expense once incurred. Such expenses consist primarily of professional media and advertising services utilized as part of AS's understanding and acceptance programmatic activities.

***Foreign Currency Translation***

Revenue and expenses of Autism Speaks Canada are translated at the average exchange rates for the year. Gains and losses from foreign currency translation are included in other income in the accompanying consolidated statements of activities.

***Functional Allocation of Expenses***

The cost of providing AS's programs and supporting services has been summarized on a functional basis in the accompanying consolidated statements of activities. Expenses directly attributable to a specific functional area of AS are reported as expenses of that functional area. Expenses attributable to more than one functional area are allocated using a variety of cost allocation techniques such as an analysis of staff time and effort.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

***Revenue Share Arrangements - Special Events***

AS shares revenue and expenses with partners in certain events (see Note H for further details). AS employs collaborative arrangement accounting for these arrangements, which prescribes that, for costs incurred and revenue generated from third parties, the partner that is deemed to be the principal participant for a given transaction should record that transaction on a gross basis in the consolidated financial statements. AS accounts for payments made to partners for their share of net event proceeds as grant awards in the accompanying consolidated financial statements.

***Recently Issued Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases*, which requires that most leased assets be recognized on the balance sheet as assets and liabilities for the rights and obligations created by these leases. ASU 2016-02 is effective for years beginning after December 15, 2021. An entity is required to apply the amendments in ASU 2016-02 under the modified retrospective transition approach. This approach includes a number of optional practical expedients, which are described in the final standard. Under these practical expedients, an organization will continue to account for leases that commence before the effective date in accordance with current U.S. GAAP, unless the lease is modified. However, lessees are required to recognize on the balance sheet leased assets and liabilities for operating leases at each reporting date. AS does not anticipate that the adoption of ASU 2016-02 will have a significant effect on the consolidated financial statements.

***Impact of COVID-19***

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which has had significant impact on business and the economy throughout the United States. Impacts of the pandemic were experienced throughout the fiscal year; AS deferred certain fundraising events and changed other fundraising events from in-person to virtual, to safeguard the health of community members. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. AS cannot reasonably estimate the length or severity of this pandemic.

AS received Paycheck Protection Program (“PPP”) loans in the amount of \$3,293,680 and \$2,000,000 on May 1, 2020 and February 1, 2021, respectively, granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). PPP loans are considered conditional contributions, subject to a right-of-return in the form of an obligation to repay the funds if a barrier to entitlement is not met. The barrier is that PPP funds must be used to maintain employee headcount, related compensation costs, and other qualifying expenses incurred following receipt of the funds. For the PPP funds received in May 2020 and February 2021, AS recognized the amount received as grant revenue as qualified expenses occurred/barriers to entitlement were met. For the year ended March 31, 2021, this resulted in PPP grant revenue of \$3,293,680 being recognized in the consolidated statement of activities within government grants. Notification of forgiveness of the entire amount of the PPP loan received in May 2020 was received on June 3, 2021. For the year ended March 31, 2022, PPP grant revenue of \$2,000,000 was recognized in the consolidated statement of activities within government grants. Notification of forgiveness of the entire amount of the PPP loan received in February 2021 was received on January 10, 2022.

The Employee Retention Credit under the CARES Act encourages businesses to keep employees on their payroll. The refundable tax credit is 70% for calendar quarters in 2021 of up to \$10,000 in wages per employee paid by an eligible employer whose business has been financially impacted by COVID-19. AS claimed credits of \$2,129,017 and \$1,002,790 for the years ended March 31, 2022 and 2021, respectively. These credits are recognized within other income in the consolidated statements of activities.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

**NOTE C - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject AS to concentration of credit risk consist primarily of cash and cash equivalents, accounts receivable and pledges receivable.

AS has cash deposits at financial institutions in excess of the Federal Deposit Insurance Corporation limit; however, management does not believe that there is any significant risk of loss on any uninsured amounts. AS's management has assessed the credit risk at March 31, 2022 and has determined that an allowance for the potential loss due to credit risk is not necessary.

Pledges receivable at March 31, 2022 and 2021 are due from various individuals, corporations, institutions and foundations. AS's management has assessed the credit risk associated with these receivable balances in determining the fair value of pledges receivable (see Note D).

**NOTE D - PLEDGES RECEIVABLE, NET**

AS's pledges receivable, net consisted of unconditional promises to give as follows as of March 31:

|                                       | 2022         | 2021         |
|---------------------------------------|--------------|--------------|
| Receivable in less than one year      | \$ 2,743,133 | \$ 3,263,057 |
| Receivable in one to five years       | 3,012,554    | 3,579,739    |
| Receivable in greater than five years | 341,136      | -            |
| Total future value                    | 6,096,823    | 6,842,796    |
| Less: amount to reduce to fair value  | (100,793)    | (94,883)     |
| Pledges receivable, net               | \$ 5,996,030 | \$ 6,747,913 |

The discount rate used to determine the fair value of pledges receivable was 1.25% and 1.33% in 2022 and 2021, respectively.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

**NOTE E - AVAILABILITY OF FINANCIAL ASSETS**

The following reflects AS's financial assets reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

|   | 2022          | 2021          |
|---|---------------|---------------|
| Financial assets:   |               |               |
| Cash and cash equivalents   | \$ 40,860,946 | \$ 41,700,075 |
| Pledges receivable, net   | 5,996,030     | 6,747,913     |
| Other contributions and receivables   | 4,363,717     | 4,016,763     |
| Total financial assets  | 51,220,693    | 52,464,751    |
| Less: amounts unavailable for general expenditures within one year  |               |               |
| Pledges receivable collectible beyond one year  | (3,353,690)   | (3,579,739)   |
| Other contributions and receivables collectible beyond one year   | (600,000)     | (459,000)     |
| Restricted by donors with purpose restrictions  | (12,357,554)  | (7,955,451)   |
| Total amounts unavailable for general expenditures  | (16,311,244)  | (11,994,190)  |
| Less: Finance and Investment Committee designated operating reserve   | (25,000,000)  | (21,019,026)  |
| Total financial assets available to management for general expenditure, payment of current liabilities, future grant commitments, and operating lease commitments within one year | \$ 9,909,449  | \$ 19,451,535 |

AS has future grant commitments and lease commitments as disclosed in Notes I and J, respectively.

**NOTE F - PROPERTY, EQUIPMENT AND COMPUTER SOFTWARE, NET**

Property, equipment and computer software, net consisted of the following for the years ended March 31:

|   | 2022        | 2021        |
|---|-------------|-------------|
| Computer hardware and equipment                 | \$ 811,132  | \$ 724,096  |
| Furniture and fixtures                          | 141,143     | 141,143     |
| Computer software                               | 2,611,962   | 2,113,157   |
| Leasehold improvements                          | 562,330     | 562,330     |
|   | 4,126,567   | 3,540,726   |
| Less: accumulated depreciation and amortization | (3,131,974) | (2,816,789) |
| Property, equipment and computer software, net  | \$ 994,593  | \$ 723,937  |



**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

**NOTE G - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at March 31:

|                                    | 2022          | 2021          |
|------------------------------------|---------------|---------------|
| Purpose restrictions:              |               |               |
| Science                            | \$ 7,529,159  | \$ 5,376,058  |
| Services and support               | 4,827,304     | 2,576,502     |
| Other programs                     | 1,091         | 2,891         |
|                                    | 12,357,554    | 7,955,451     |
| Time restricted                    | 7,026,827     | 8,292,862     |
| Net assets with donor restrictions | \$ 19,384,381 | \$ 16,248,313 |

As of March 31, 2022 and 2021, \$5,185,163 and \$7,461,707, respectively, of time-restricted net assets were also program restricted.

Net assets were released from restrictions as follows during the years ended March 31:

|                      | 2022         | 2021         |
|----------------------|--------------|--------------|
| Time restrictions    | \$ 303,284   | \$ 215,843   |
| Science              | 2,862,946    | 2,678,827    |
| Services and support | 1,671,918    | 2,739,894    |
|                      | \$ 4,838,148 | \$ 5,634,564 |

**NOTE H - SPECIAL EVENTS - COLLABORATIVE ARRANGEMENTS**

AS has arrangements to grant a portion of the net proceeds of certain events to partners. Amounts representing the partners' share of net event proceeds as described below are reflected as grants in the accompanying consolidated financial statements.

| Event        | Partner              | Grants              |
|--------------|----------------------|---------------------|
| Atlanta Walk | The Marcus Institute | 50% of net proceeds |

**NOTE I - GRANTS**

Unconditional obligations for science grants and awards were \$286,669 and \$1,421,654 for the years ended March 31, 2022 and 2021, respectively, and are reflected in grants payable in the accompanying consolidated statements of financial position. In addition, at March 31, 2022, grants and awards commitments of \$4,349,063 are subject to discretionary approval, pending the satisfactory progress of research and the availability of funds. If satisfactory progress is achieved and funds are available, payments of the commitments outstanding at March 31, 2022 are scheduled as follows: \$2,688,103 in 2023 and \$1,660,960 in 2024.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

**NOTE J - OPERATING COMMITMENTS**

***Leasing Commitments***

AS leases office space in various locations across the United States, which require minimum annual rents plus additional payments for operating expenses. The leases expire through February 2023.

As of March 31, 2022, future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year are as follows:

| Year ending March 31, | Amount     |
|-----------------------|------------|
| 2023                  | \$ 612,181 |

For the years ended March 31, 2022 and 2021, rent expense was \$837,248 and \$1,506,598, respectively.

During 2013, AS abandoned part of a leasehold for office space. Rental payments to be made attributable to the abandoned space for the remaining lease term, less estimated sublease rentals, is recorded as a liability at a net present value of \$203,691 at March 31, 2022. This liability is included in other liabilities in the accompanying consolidated statements of financial position.

**NOTE K - ALLOCATION OF JOINT COSTS**

AS incurred joint costs to promote solutions, across the spectrum and throughout the life span, for the needs of individuals with autism and their families through advocacy and support; and increasing understanding and acceptance of people with autism spectrum disorder. Costs were allocated as follows for the years ended March 31:

|                        | 2022          | 2021          |
|------------------------|---------------|---------------|
| Fundraising            | \$ 5,128,632  | \$ 4,545,794  |
| Management and general | 1,105,323     | 1,397,414     |
| Program services       | 8,782,489     | 6,985,654     |
| Total                  | \$ 15,016,444 | \$ 12,928,862 |

**NOTE L - RETIREMENT PLAN**

AS implemented the Autism Speaks 401(k) Plan (AS 401(k) Plan), effective January 1, 2007. Under the AS 401(k) Plan, AS will make annual contributions ranging from 3% to 4% of an employee's salary to individual employee accounts for eligible employees, subject to Internal Revenue Service rules and limitations. Employer contributions for the years ended March 31, 2022 and 2021 were \$507,745 and \$509,330, respectively.

**NOTE M - LINE OF CREDIT**

In July 2014, AS entered into an amended line of credit agreement, under which it can borrow up to \$1,500,000 through December 31, 2022. Borrowings bear interest at the Bloomberg Short-Term Bank Yield Index ("BSBY") daily floating rate plus 1.25 percentage points and are unsecured. The balance outstanding at both March 31, 2022 and 2021 was \$0.

**Autism Speaks, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**March 31, 2022 and 2021**

**NOTE N - INCOME TAX STATUS**

AS follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. Guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

AS is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. AS has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Canadian entity, exempt from Canadian income taxes, is organized without share under the Canadian Corporations Act. AS has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**NOTE O - SUBSEQUENT EVENTS**

AS has evaluated events and transactions occurring through October 20, 2022, which is the date that the consolidated financial statements were available to be issued, for disclosure and recognition. AS is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.