

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Autism Speaks, Inc.

March 31, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Autism Speaks, Inc.

Report on the financial statements**Opinion**

We have audited the consolidated financial statements of Autism Speaks, Inc. (the Entity), which comprise the consolidated statements of financial position as of March 31, 2023 and 2022, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of March 31, 2023 and 2022, and the changes in its 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 the Entity 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date the consolidated 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 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 the Entity'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity'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.

Grant Thornton LLP

Philadelphia, Pennsylvania
September 22, 2023

Autism Speaks, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31,

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 31,144,732	\$ 40,860,946
Pledges receivable, net	8,861,909	5,996,030
Other contributions and receivables, net	3,201,952	4,363,717
Prepaid expenses and other assets	1,445,318	1,001,886
Property, equipment and computer software, net	656,047	994,593
Total assets	\$ 45,309,958	\$ 53,217,172
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 168,243	\$ 286,669
Accounts payable and accrued expenses	3,229,568	2,912,747
Other liabilities	158,976	311,665
Total liabilities	3,556,787	3,511,081
Net assets		
Without donor restrictions	23,467,919	30,321,710
With donor restrictions	18,285,252	19,384,381
Total net assets	41,753,171	49,706,091
Total liabilities and net assets	\$ 45,309,958	\$ 53,217,172

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

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Walk program and retail partners	\$ 12,265,738	\$ 1,176,692	\$ 13,442,430
Major gifts and other contributions	12,876,706	4,956,964	17,833,670
Special and community events	6,347,071	185,100	6,532,171
Government grants	-	378,253	378,253
In-kind contributions and donated services (Note B)	34,905,325	-	34,905,325
Other income	779,943	58,453	838,396
Net assets released from restrictions	7,854,591	(7,854,591)	-
	<u>75,029,374</u>	<u>(1,099,129)</u>	<u>73,930,245</u>
Total revenue			
Expenses			
Program services			
Science (including in-kind contributions of \$171,363)	14,531,726	-	14,531,726
Services and support (including in-kind contributions of \$270,792)	14,656,684	-	14,656,684
Understanding and acceptance (including in-kind contributions of \$33,379,669)	41,413,133	-	41,413,133
	<u>70,601,543</u>	<u>-</u>	<u>70,601,543</u>
Total program services			
Supporting services			
Management and general (including in-kind contributions of \$81,548)	3,304,786	-	3,304,786
Fundraising (including in-kind contributions of \$1,001,953)	7,976,836	-	7,976,836
	<u>11,281,622</u>	<u>-</u>	<u>11,281,622</u>
Total supporting services			
Total expenses	<u>81,883,165</u>	<u>-</u>	<u>81,883,165</u>
CHANGE IN NET ASSETS	(6,853,791)	(1,099,129)	(7,952,920)
Net assets, beginning of period	<u>30,321,710</u>	<u>19,384,381</u>	<u>49,706,091</u>
Net assets, end of period	<u>\$ 23,467,919</u>	<u>\$ 18,285,252</u>	<u>\$ 41,753,171</u>

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

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support, revenue, and reclassifications			
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>
Expenses			
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>
CHANGE IN NET ASSETS	(1,001,273)	3,136,068	2,134,795
Net assets, beginning of period	<u>31,322,983</u>	<u>16,248,313</u>	<u>47,571,296</u>
Net assets, end of period	<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 FUNCTIONAL EXPENSES

Year ended March 31, 2023

	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	\$ 3,694,132	\$ 7,758,483	\$ 3,229,475	\$ 14,682,090	\$ 2,459,648	\$ 3,804,647	\$ 6,264,295	\$ 20,946,385
Science grants, awards, and science	7,096,898	-	35,861	7,132,759	-	-	-	7,132,759
Family services grants, awards, and science	4,370	332,440	96,849	433,659	-	-	-	433,659
Media and media services (donated)	-	-	33,264,514	33,264,514	-	874,004	874,004	34,138,518
Professional and legal fees	1,597,577	1,110,812	390,372	3,098,761	154,482	517,251	671,733	3,770,494
Events, meetings, and conferences	209,671	1,260,287	1,069,670	2,539,628	16,997	565,468	582,465	3,122,093
Printing and promotion	58,670	437,980	1,500,910	1,997,560	11,835	1,363,080	1,374,915	3,372,475
Occupancy	65,891	163,449	88,604	317,944	44,395	82,443	126,838	444,782
Software and website	651,522	539,330	274,788	1,465,640	129,396	272,100	401,496	1,867,136
Advertising	772,638	1,943,373	822,567	3,538,578	524	118,093	118,617	3,657,195
Other	300,317	965,963	583,052	1,849,332	463,797	345,627	809,424	2,658,756
Depreciation and amortization	80,040	144,567	56,471	281,078	23,712	34,123	57,835	338,913
	<u>\$ 14,531,726</u>	<u>\$ 14,656,684</u>	<u>\$ 41,413,133</u>	<u>\$ 70,601,543</u>	<u>\$ 3,304,786</u>	<u>\$ 7,976,836</u>	<u>\$ 11,281,622</u>	<u>\$ 81,883,165</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, 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 STATEMENTS OF CASH FLOWS

Years ended March 31,

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (7,952,920)	\$ 2,134,795
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	338,913	315,185
Net (gain) loss on foreign currencies	(184,094)	894
Changes in operating assets and liabilities:		
Pledges receivable, net	(2,865,879)	751,883
Other contributions and receivables, net	1,161,765	(346,954)
Prepaid expenses and other assets	(443,432)	55,340
Grants payable	(118,426)	(1,134,985)
Accounts payable and accrued expenses	316,821	(1,717,741)
Other liabilities	(152,689)	(310,811)
	(9,899,941)	(252,394)
Cash flows from investing activities		
Purchases of property, equipment and computer software	(18,996)	(585,841)
	(18,996)	(585,841)
Effect of exchange rate changes on cash	202,723	(894)
	(9,716,214)	(839,129)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents, beginning of period	40,860,946	41,700,075
Cash and cash equivalents, end of period	\$ 31,144,732	\$ 40,860,946

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

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023 and 2022

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

AS follows Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. 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

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

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. As of both March 31, 2023 and 2022, no allowance for doubtful accounts has been established against other contributions receivable.

Other Receivables

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 the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when internal collection efforts have been unsuccessful. As of March 31, 2023 and 2022, no allowance for doubtful accounts has been established against other 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.

Property, Equipment and Computer Software, Net

Computer software costs are capitalized at cost and are amortized, when placed in service, over the estimated useful lives of the assets of three to four years.

Equipment and property are stated at cost at the dates of acquisition for purchases of \$5,000 or greater. 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.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

In-Kind Contributions and Donated Services

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, 2023 and 2022, in-kind contributions and donated services consisted of the following:

	<u>2023</u>	<u>2022</u>
Donated media	\$ 33,474,338	\$ 44,420,871
Professional advertising and services	664,180	677,149
Other donated services	<u>766,807</u>	<u>813,488</u>
Total	<u>\$ 34,905,325</u>	<u>\$ 45,911,508</u>

Advertising

Advertising expenses have been 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 statement 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 statement 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 and square footage.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

Leases

AS adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*, effective April 1, 2022. All leases are recorded in the consolidated statement of financial position except for leases with an initial term less than 12 months for which AS made the short-term lease election. Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term using a risk-free rate (the U.S. Treasury Rate with a comparable term for each operating lease). ROU assets also include adjustments related to lease payments made before the commencement date. Operating lease expense is recognized on a straight-line basis over the lease term within the appropriate functional category in the statement of activities. Lease terms may include options to extend or terminate the lease when it is reasonably certain AS will exercise the option.

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, 2023 and has determined that an allowance for the potential loss due to credit risk is not necessary.

Pledges and other receivables at March 31, 2023 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, 2023 and 2022:

	2023	2022
Receivable in less than one year	\$ 5,631,719	\$ 2,743,133
Receivable in one to five years	3,228,764	3,012,554
Receivable in greater than five years	240,403	341,136
Total future value	9,100,886	6,096,823
Less: amount to reduce to fair value	(238,977)	(100,793)
Pledges receivable, net	\$ 8,861,909	\$ 5,996,030

The discount rate used to determine the fair value of pledges receivable was 6.15% and 1.25% in 2023 and 2022, respectively.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE E - AVAILABILITY OF FINANCIAL ASSETS

The following reflects AS's financial assets as of the consolidated statement of financial position date of March 31, 2023 and 2022, 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.

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 31,144,732	\$ 40,860,946
Pledges receivable, net	8,861,909	5,996,030
Other contributions and receivables	3,201,952	4,363,717
Total financial assets	43,208,593	51,220,693
Less amounts unavailable for general expenditures within one year:		
Pledges receivable collectible beyond one year	(3,230,190)	(3,353,690)
Other contributions and receivables collectible beyond one year	-	(600,000)
Restricted by donors with purpose restrictions	(9,720,741)	(12,357,554)
Total amounts unavailable for general expenditures	(12,950,931)	(16,311,244)
Less: Finance and Investment Committee designated operating reserve	(25,000,000)	(25,000,000)
Total financial assets available to management for general expenditure, payment of current liabilities, future grant commitments, and operating lease commitments within one year	\$ 5,257,662	\$ 9,909,449

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

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE F - PROPERTY, EQUIPMENT AND COMPUTER SOFTWARE, NET

As of March 31, 2023, property, equipment and computer, net consisted of the following:

	2023	2022
Computer hardware and equipment	\$ 826,866	\$ 811,132
Furniture and fixtures	141,143	141,143
Computer software	2,583,185	2,611,962
Leasehold improvements	562,330	562,330
	4,113,524	4,126,567
Less: accumulated depreciation and amortization	(3,457,477)	(3,131,974)
Property, equipment and computer software, net	\$ 656,047	\$ 994,593

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Purpose restrictions:		
Science	\$ 5,548,777	\$ 7,529,159
Services and support	4,170,257	4,827,304
Other programs	1,707	1,091
Total purpose restrictions	9,720,741	12,357,554
Time restricted	8,564,511	7,026,827
Net assets with donor restrictions	\$ 18,285,252	\$ 19,384,381

As of March 31, 2023, \$6,810,988 of time-restricted net assets were also purpose restricted.

During the years ended March 31, 2023 and 2022, net assets were released from restrictions as follows:

	2023	2022
Time restrictions	\$ 419,233	\$ 303,284
Science	5,442,570	2,862,946
Services and support	1,981,695	1,671,918
Other programs	11,093	-
	\$ 7,854,591	\$ 4,838,148

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE H - GRANTS

Unconditional obligations for science grants and awards were \$168,243 and \$286,669 for the years ended March 31, 2023 and 2022, respectively, and are reflected in grants payable in the accompanying consolidated statements of financial position. In addition, at March 31, 2023, grants and awards commitments of approximately \$2,786,557 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, 2023 are scheduled as follows: \$2,220,686 in FY24 and \$565,871 in FY25.

NOTE I - OPERATING COMMITMENTS

Lease Commitments

AS previously leased office space in various locations across the United States, which required minimum annual rents plus additional payments for operating expenses. All such leases expired in February 2023.

During the year ended March 31, 2023, AS entered into a new lease agreement for office space in Washington DC with a commencement date of August 1, 2023. In accordance with FASB ASC 842, AS determined this arrangement to be a lease at inception (the date when the contract containing the lease was executed), and operating lease right-of-use asset (ROU) and lease liability will be recognized at the lease commencement date based on the present value of the lease payments over the lease term using a risk-free rate. Refer to Note N, *Subsequent Events*, for details.

As of March 31, 2023, future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms more than one year are as follows:

<u>Years Ending March 31,</u>	<u>Amount</u>
2024	\$ 59,869
2025	91,301
2026	93,583
2027	95,923
2028	98,321
	<u>\$ 438,997</u>

For the years ended March 31, 2023 and 2022, rent expense was \$499,829 and \$837,248, respectively.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE J - 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:

	<u>2023</u>	<u>2022</u>
Fundraising	\$ 4,925,988	\$ 5,128,632
Management and general	1,181,016	1,105,323
Program services	<u>8,614,414</u>	<u>8,782,489</u>
Total	<u>\$ 14,721,418</u>	<u>\$ 15,016,444</u>

NOTE K - 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 year ended March 31, 2023 and 2022 were \$539,188 and \$507,745, respectively.

NOTE L - LINE OF CREDIT

AS entered into an amended line of credit agreement, under which it can borrow up to \$1,500,000 through January 31, 2028. Borrowings bear interest at the Bloomberg Short-Term Bank Yield Index (BSBY) daily floating rate plus 1.25 percentage points and are unsecured. There was no balance outstanding at March 31, 2023 and 2022.

NOTE M - 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 consolidated financial statements.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2023 and 2022

NOTE N - SUBSEQUENT EVENTS

AS has evaluated events and transactions occurring through September 22, 2023, which is the date that the consolidated financial statements were available to be issued, for disclosure and recognition.

As mentioned in Note I, during the year ended March 31, 2023, AS entered into a new lease agreement for office space in Washington DC which commenced August 1, 2023. In accordance with FASB ASC 842, AS determined this arrangement to be a lease at inception (the date when the contract containing the lease was executed), and an operating lease right-of-use asset (ROU) and lease liability were recognized at the lease commencement date in August 2023. Based on the present value of the lease payments over the lease term using a risk-free rate of 6.15%, a right-of-use asset and corresponding lease liability of \$479,023 were recorded.