

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Autism Speaks, Inc.

March 31, 2021 and 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	5
Consolidated statements of activities	6
Consolidated statements of functional expenses	8
Consolidated statements of cash flows	10
Notes to consolidated financial statements	11

GRANT THORNTON LLP

Two Commerce Square
2001 Market Street, Suite 700
Philadelphia, PA 19103

D +1 215 561 4200

F +1 215 561 1066

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Autism Speaks, Inc.

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, 2021 and 2020, 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.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Autism Speaks, Inc. as of March 31, 2021 and 2020, 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.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 28, 2021

Autism Speaks, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31,

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 41,700,075	\$ 39,594,925
Pledges receivable, net	6,747,913	2,699,813
Other contributions and receivables	4,016,763	5,071,018
Prepaid expenses and other assets	1,057,226	1,100,828
Property, equipment and computer software, net	723,937	582,340
Total assets	\$ 54,245,914	\$ 49,048,924
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 1,421,654	\$ 855,215
Accounts payable and accrued expenses	2,630,488	4,096,205
Refundable advance	2,000,000	-
Other liabilities	622,476	903,498
Total liabilities	6,674,618	5,854,918
Net assets		
Without donor restrictions	31,322,983	30,445,068
With donor restrictions	16,248,313	12,748,938
Total net assets	47,571,296	43,194,006
Total liabilities and net assets	\$ 54,245,914	\$ 49,048,924

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

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended March 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
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	<u>5,634,564</u>	<u>(5,634,564)</u>	<u>-</u>
Total revenue	<u>74,195,253</u>	<u>3,499,375</u>	<u>77,694,628</u>
Expenses			
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)	<u>36,790,174</u>	<u>-</u>	<u>36,790,174</u>
Total program services	62,661,202	-	62,661,202
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)	<u>6,947,406</u>	<u>-</u>	<u>6,947,406</u>
Total supporting services	<u>10,656,136</u>	<u>-</u>	<u>10,656,136</u>
Total expenses	<u>73,317,338</u>	<u>-</u>	<u>73,317,338</u>
Change in net assets	877,915	3,499,375	4,377,290
Net assets, beginning of period	<u>30,445,068</u>	<u>12,748,938</u>	<u>43,194,006</u>
Net assets, end of period	<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 ACTIVITIES

Year ended March 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Walk program and retail partners	\$ 24,161,832	\$ 4,360,714	\$ 28,522,546
Major gifts and other contributions	19,977,119	2,617,999	22,595,118
Special and community events	6,107,071	50,000	6,157,071
Government grants	6,949	199,107	206,056
In-kind contributions and donated services (Note B)	36,985,271	-	36,985,271
Other income	292,822	12,990	305,812
Net assets released from restrictions	<u>4,645,922</u>	<u>(4,645,922)</u>	<u>-</u>
Total revenue	<u>92,176,986</u>	<u>2,594,888</u>	<u>94,771,874</u>
Expenses			
Program services			
Science (including in-kind contributions of \$638,008)	12,788,408	-	12,788,408
Services and support (including in-kind contributions of \$280,586)	18,161,102	-	18,161,102
Understanding and acceptance (including in-kind contributions of \$35,540,657)	<u>45,006,630</u>	<u>-</u>	<u>45,006,630</u>
Total program services	75,956,140	-	75,956,140
Supporting services			
Management and general (including in-kind contributions of \$109,430)	4,485,319	-	4,485,319
Fundraising (including in-kind contributions of \$416,590)	<u>8,475,556</u>	<u>-</u>	<u>8,475,556</u>
Total supporting services	<u>12,960,875</u>	<u>-</u>	<u>12,960,875</u>
Total expenses	<u>88,917,015</u>	<u>-</u>	<u>88,917,015</u>
Change in net assets	3,259,971	2,594,888	5,854,859
Net assets, beginning of period	<u>27,185,097</u>	<u>10,154,050</u>	<u>37,339,147</u>
Net assets, end of period	<u>\$ 30,445,068</u>	<u>\$ 12,748,938</u>	<u>\$ 43,194,006</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	
Salaries and related benefits	\$ 3,047,196	\$ 7,631,126	\$ 3,250,577	\$ 13,928,899	\$ 2,556,430	\$ 4,061,128	\$ 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	29,217,073
Professional and legal fees	1,421,112	1,355,017	436,816	3,212,945	2,10,082	437,073	647,155
Events, meetings, and conferences	95,589	258,266	237,806	591,661	1,283	226,423	819,367
Printing and promotion	39,721	363,574	1,111,557	1,514,852	36,817	1,068,439	2,620,108
Occupancy	115,220	574,960	383,400	1,073,580	181,606	268,874	1,524,060
Software and website	839,195	547,458	281,630	1,668,283	124,410	271,105	395,515
Advertising	803,716	2,460,970	854,138	4,118,824	161,608	35,157	4,315,589
Other	427,541	792,641	372,530	1,592,712	415,360	210,462	2,218,534
Depreciation and amortization	54,719	63,595	29,492	147,806	21,134	35,137	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>\$ 73,317,338</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, 2020

	Program Services			Supporting Services			Total
	Science	Services and Support	Understanding and Acceptance	Management and General	Fundraising	Supporting Services	
Salaries and related benefits	\$ 3,386,002	\$ 7,744,841	\$ 3,377,817	\$ 3,084,016	\$ 4,560,234	\$ 7,644,250	\$ 22,152,910
Science grants, awards, and science	5,057,182	263,158	263,158	-	-	-	5,583,498
Family services grants, awards, and science	-	871,610	491,229	-	-	-	1,362,839
Media and media services (donated)	-	-	35,416,519	-	214,069	214,069	35,630,588
Professional and legal fees	933,028	1,338,675	452,012	219,843	435,926	655,769	3,379,484
Events, meetings, and conferences	634,749	1,556,107	1,356,096	36,348	990,535	1,026,883	4,573,835
Printing and promotion	79,997	667,372	1,005,801	30,260	806,558	836,818	2,589,988
Occupancy	157,761	585,237	434,599	128,619	293,040	421,659	1,599,256
Software and website	985,237	532,727	277,663	153,751	321,951	475,702	2,271,329
Advertising	1,055,182	3,224,221	1,107,345	111,361	310,342	421,703	5,808,451
Other	445,899	1,287,436	782,362	685,136	488,324	1,173,460	3,689,157
Depreciation and amortization	53,371	89,718	42,029	35,985	54,577	90,562	275,680
	<u>\$ 12,788,408</u>	<u>\$ 18,161,102</u>	<u>\$ 45,006,630</u>	<u>\$ 4,485,319</u>	<u>\$ 8,475,556</u>	<u>\$ 12,960,875</u>	<u>\$ 88,917,015</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,

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 4,377,290	\$ 5,854,859
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	204,077	275,680
Net (gain) loss on foreign currencies	(4,860)	256,421
Changes in operating assets and liabilities:		
Pledges receivable, net	(4,048,100)	236,906
Other contributions and receivables	1,054,255	(2,166,702)
Prepaid expenses and other assets	43,602	(3,495)
Grants payable	566,439	258,328
Accounts payable and accrued expenses	(1,465,717)	1,888,212
Refundable advance	2,000,000	-
Other liabilities	(281,022)	(218,121)
	2,445,964	6,382,088
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property, equipment and computer software	(345,674)	(175,470)
	(345,674)	(175,470)
Net cash used in investing activities		
Effect of exchange rate changes on cash	4,860	(256,421)
	2,105,150	5,950,197
Net increase in cash and cash equivalents		
Cash and cash equivalents, beginning of period	39,594,925	33,644,728
Cash and cash equivalents, end of period	\$ 41,700,075	\$ 39,594,925

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

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020

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, 2021 and 2020

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 Receivable, Other Contributions and Receivables

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, 2021 and 2020, 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 and 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

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 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 five 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

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.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

In-kind contributions and donated services include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at \$28,249,355 and \$34,541,575 for the years ended March 31, 2021 and 2020, respectively. Professional advertising and other services related to such media were valued at \$967,718 and \$1,089,013 for the years ended March 31, 2021 and 2020, respectively. 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.

AS also received other donated goods and services valued at \$1,054,091 and \$1,354,683 for the years ended March 31, 2021 and 2020, respectively.

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.

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 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 and square footage.

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.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

Recently Issued Accounting Pronouncements

In February 2016, the 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.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The guidance requires contributed nonfinancial assets to be presented as a separate line item on the consolidated statements of activities, apart from cash and other financial asset contributions. The guidance also requires disclosure of the types of contributed nonfinancial assets and, for each category, information about whether the assets were monetized or utilized, a description of the policies to monetize or utilize such assets, a description of donor-imposed restrictions associated with the contributions, and a description of the valuation techniques and principal market used to arrive at a fair value measure at initial recognition. ASU 2020-07 is effective for years beginning after June 15, 2021. Organizations are required to apply the guidance on a retrospective basis, and early adoption is permitted. AS is evaluating the effect adoption of this standard may have 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, 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 and the remaining portion of the PPP proceeds of \$2,000,000 included within refundable advance in the consolidated statement of financial position. Notification of forgiveness of the entire amount of the PPP loan received in May 2020 was received on June 3, 2021. Application for forgiveness of the PPP loan received in February 2021 will be made only after the applicable 24-week period for use of those funds has expired.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

The Employee Retention Credit under the CARES Act encourages businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages per employee paid by an eligible employer whose business has been financially impacted by COVID-19. For the year ended March 31, 2021, AS claimed credits of \$1,002,790, which are recognized within other income in the consolidated statement of activities for the year ended March 31, 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, 2021 and has determined that an allowance for the potential loss due to credit risk is not necessary.

Pledges receivable at March 31, 2021 and 2020 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:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 3,263,057	\$ 779,786
Receivable in one to five years	3,579,739	1,609,936
Receivable in greater than five years	<u>-</u>	<u>398,880</u>
Total future value	6,842,796	2,788,602
Less: Amount to reduce to fair value	<u>(94,883)</u>	<u>(88,789)</u>
Pledges receivable, net	<u>\$ 6,747,913</u>	<u>\$ 2,699,813</u>

The discount rate used to determine the fair value of pledges receivable was 1.33% in 2021 and 1.44% in 2020.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

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.

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 41,700,075	\$ 39,594,925
Pledges receivable, net	6,747,913	2,699,813
Other contributions and receivables	4,016,763	5,071,018
Total financial assets	52,464,751	47,365,756
Less: amounts unavailable for general expenditures within one year:		
Pledges receivable collectible beyond one year	(3,579,739)	(2,008,816)
Other contributions and receivables collectible beyond one year	(459,000)	(625,000)
Restricted by donors with purpose restrictions	(7,955,451)	(6,396,470)
Total amounts unavailable for general expenditures	(11,994,190)	(9,030,286)
Less: Finance and Investment Committee designated operating reserve	(21,019,026)	(22,800,000)
Total financial assets available to management for general expenditure, payment of current liabilities, future grant commitments, and operating lease commitments within one year	\$ 19,451,535	\$ 15,535,470

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 consisted of the following for the years ended March 31:

	2021	2020
Computer hardware and equipment	\$ 724,096	\$ 723,417
Furniture and fixtures	141,143	141,143
Computer software	2,113,157	1,709,871
Leasehold improvements	562,330	567,674
Computer software under development	-	52,947
	3,540,726	3,195,052
Less: Accumulated depreciation and amortization	(2,816,789)	(2,612,712)
Property, equipment and computer software, net	\$ 723,937	\$ 582,340

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Purpose restrictions:		
Science	\$ 5,376,058	\$ 4,458,148
Services and support	2,576,502	1,935,431
Other programs	2,891	2,891
Total purpose restrictions	7,955,451	6,396,470
Time restricted	8,292,862	6,352,468
Net assets with donor restrictions	\$ 16,248,313	\$ 12,748,938

As of March 31, 2021 and 2020, \$7,461,707 and \$5,299,412, respectively, of time-restricted net assets were also program restricted.

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

	2021	2020
Time restrictions	\$ 215,843	\$ 820,373
Science	2,678,827	2,626,765
Services and support	2,739,894	1,198,784
	\$ 5,634,564	\$ 4,645,922

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
Phoenix Walk	The Southwest Autism Research & Resource Center (SARRC)	50% of net proceeds
Westchester/Fairfield Walk	Center for Autism and the Developing Brain at New York Presbyterian Hospital	15% of net proceeds

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

NOTE I - GRANTS

Unconditional obligations for science grants and awards were \$1,421,654 and \$855,215 for the years ended March 31, 2021 and 2020, respectively, and are reflected in grants payable in the accompanying consolidated statements of financial position. At March 31, 2021, grants and awards commitments of \$5,828,323 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, 2021 are scheduled as follows: \$4,377,875 in fiscal year 2022, \$1,327,183 in fiscal year 2023, and \$123,265 in fiscal year 2024.

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 March 2023.

As of March 31, 2021, 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:

<u>Years Ending March 31,</u>	<u>Amount</u>
2022	\$ 894,686
2023	<u>553,375</u>
Total	<u>\$ 1,448,061</u>

For the years ended March 31, 2021 and 2020, rent expense was \$1,506,598 and \$1,517,410, respectively.

Rent expense under operating leases that provide for rent abatements and fixed non-contingent escalations is recognized on a straight-line basis over the term of each individual underlying lease. The cumulative net excess of recorded rent expense over lease payments made is reflected in the consolidated statements of financial position in other liabilities. As of March 31, 2021 and 2020, deferred rent was \$35,963 and \$134,761, respectively, and is reflected in other liabilities in the accompanying consolidated statements of financial position.

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 \$425,899 at March 31, 2021. This liability is included in other liabilities in the accompanying consolidated statements of financial position.

Autism Speaks, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

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:

	<u>2021</u>	<u>2020</u>
Fundraising	\$ 4,545,794	\$ 5,560,372
Management and general	1,397,414	1,657,950
Program services	<u>6,985,654</u>	<u>10,691,792</u>
Total	<u>\$ 12,928,862</u>	<u>\$ 17,910,114</u>

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, 2021 and 2020 were \$509,330 and \$521,393, 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 September 30, 2021. Borrowings bear interest at the BBA LIBOR daily floating rate plus 1.25 percentage points and are unsecured. The balance outstanding at March 31, 2021 and 2020 was \$0.

NOTE N - INCOME TAX STATUS

AS is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under comparable laws. The Canadian entity, exempt from Canadian income taxes, is organized without share capital under the Canadian Corporations Act. All significant tax positions have been considered by management, and it has been determined that all tax positions would be sustained upon examination by taxing authorities. There are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements or further disclosure in the notes to the consolidated financial statements. AS is subject to audits by taxing jurisdictions; however, no audits for any periods are currently in progress.

NOTE O - SUBSEQUENT EVENTS

AS has evaluated events and transactions occurring through October 28, 2021, 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 except as previously disclosed in Note B, *Impact of COVID-19*.