

TALK ABOUT CURING AUTISM
(A California Not-for-Profit Corporation)

***FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT***

DECEMBER 31, 2009 and 2008


To the Audit Committee of
Talk About Curing Autism
Costa Mesa, California

Independent Auditor's Report

We have audited the accompanying statements of financial position of Talk About Curing Autism as of December 31, 2009 and 2008, and the related statements of activities and cash flow for the years then ended. These financial statements are the responsibility of Talk About Curing Autism's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Talk About Curing Autism as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Los Angeles, California

August 6, 2010

TALK ABOUT CURING AUTISM

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 329,774	\$ 377,165
Restricted Cash	113,673	136,000
Accounts Receivable	29	29
Prepaid Expenses	721	610
Total Current Assets	<u>444,197</u>	<u>513,804</u>
 Property and Equipment		
Furniture and Fixtures	10,102	7,780
Equipment	28,147	17,395
Software	1,893	1,319
Patents		3,122
Total Property and Equipment	<u>40,142</u>	<u>29,616</u>
Less: Accumulated Depreciation	<u>(15,732)</u>	<u>(9,142)</u>
Total Property and Equipment, Net	<u>24,410</u>	<u>20,474</u>
 Other Assets		
Deposits	10,314	12,225
Total Other Assets	<u>10,314</u>	<u>12,225</u>
Total Assets	<u><u>\$ 478,921</u></u>	<u><u>\$ 546,503</u></u>
 LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,888	\$ 3,317
Total Current Liabilities	<u>1,888</u>	<u>3,317</u>
 Commitments (Note 3)		
 NET ASSETS		
Unrestricted Net Assets	363,360	407,186
Temporarily Restricted Net Assets (Note 4)	113,673	136,000
Total Net Assets	<u>477,033</u>	<u>543,186</u>
 Total Liabilities and Net Assets	<u><u>\$ 478,921</u></u>	<u><u>\$ 546,503</u></u>

The accompanying notes are an integral part of the financial statements.

TALK ABOUT CURING AUTISM

STATEMENT OF ACTIVITIES For The Years Ended December 31,

	<u>2009</u>	<u>2008</u>
Change In Unrestricted Net Assets		
Revenues		
Contributions	\$ 567,947	\$ 271,313
Program Revenues	42,819	66,357
Product Sales	4,085	86,510
Fundraising	247,165	524,449
Total Revenues	<u>862,016</u>	<u>948,629</u>
Expenses		
Program Expenses	586,319	633,721
Fundraising	193,297	411,500
General and Administrative	116,909	92,814
Total Expenses	<u>896,525</u>	<u>1,138,035</u>
Excess of Unrestricted Revenues Over Expenses Before Other Income and (Expenses)	<u>(34,509)</u>	<u>(189,406)</u>
Other Income and (Expenses)		
Interest Income	1,284	2,357
(Loss) on Sale	(2,855)	
Depreciation Expense	(7,746)	(4,119)
Total Other Income and (Expenses)	<u>(9,317)</u>	<u>(1,762)</u>
(Decrease) in Unrestricted Net Assets	<u>(43,826)</u>	<u>(191,168)</u>
Increase (Decrease) in Temporarily Restricted Assets	<u>(22,327)</u>	<u>136,000</u>
(Decrease) in Net Assets	<u>(66,153)</u>	<u>(55,168)</u>
Net Assets-Beginning of the Year	<u>543,186</u>	<u>598,354</u>
Net Assets-End of the Year	<u>\$ 477,033</u>	<u>\$ 543,186</u>

The accompanying notes are an integral part of the financial statements.

TALK ABOUT CURING AUTISM

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2009

	Program Services	Fundraising	General & Administrative	Total	Total 2008
Salaries	\$ 172,831	\$ 49,290	\$ 57,028	\$ 279,149	\$ 131,713
Employee Benefits & Taxes	24,190	6,308	6,295	36,793	16,794
Independent Contractors	84,439	64,124		148,563	199,923
Recruiting	477			477	910
Rent	49,945	32,791	19,953	102,689	32,145
Supplies	5,604	2,097	87	7,788	13,771
Conferences & meetings	28,937			28,937	39,894
Parent Education seminars	7,094			7,094	2,429
Event expenses		261,019		261,019	7,622
Catering - Education meetings & special events	17,773	520		18,293	95,225
Printing - Educational	35,056			35,056	50,954
Printing - other	1,654	5,724		7,378	16,791
Telephone & Communication	10,881			10,881	10,729
Website	21,741			21,742	5,241
Postage & Delivery	3,306	4,108	1,434	8,848	19,022
Copies	1,151		9	1,160	3,663
Fees & Permits	2,701	358	693	3,752	1,194
Books & Videos	2,808			2,808	3,245
Recognition & Awards	3,933	2,257		6,190	12,448
Scholarships, grants to members	31,621			31,621	29,267
Professional Services	6,500	13,000	13,940	33,440	17,709
Credit Card & Bank Fees			2,012	2,012	9,282
Online Transaction Fees			7,675	7,675	9,743
Fund Research & Outside Autism Related Programs	16,334			16,334	82,843
Meals, Lodging, & Transportation	47,645	40	132	47,817	75,106
Insurance - D&O, Liability, Property	189		7,475	7,664	4,688
Dues & Subscriptions	294	1,307		1,601	5,154
Media and Awareness	1,954			1,954	29,498
Publicity		67		67	20,548
Cost of Goods Sold - TACA products	16,423			16,423	50,418
Venue & equipment rentals	7,195	692		7,887	45,293
Decorations/Entertainment - special events		1,067		1,067	13,354
Auction - management/presentation		213		213	66,769
Speaker fees				0	5,000
Photography/Videography				0	3,348
Incentives		3,990		3,990	-
Other	66	180	176	421	6,302
Total	\$ 602,742	\$ 449,152	\$ 116,909	\$ 1,168,803	\$ 1,138,035

The accompanying notes are an integral part of the financial statements.

TALK ABOUT CURING AUTISM

STATEMENT OF CASH FLOWS

December 31,

	2009	2008
Cash Flows From Operating Activities:		
Net Income (Loss)	<u>\$ (66,153)</u>	<u>\$ (55,168)</u>
Adjustments to Reconcile Net Income		
To Net Cash Provided By Operating Activities:		
Depreciation Expense	7,746	4,119
Loss on Sale	2,855	
Prepaid Expenses	(111)	(610)
Deposits	1,911	(12,158)
Accounts Payable	<u>(1,429)</u>	<u>3,287</u>
Total Adjustments	<u>10,972</u>	<u>(5,362)</u>
Net Cash (Used in) Operating Activities	<u>(55,181)</u>	<u>(60,530)</u>
Cash Flows from Investing Activities:		
Purchase of Equipment	<u>(14,538)</u>	<u>(20,814)</u>
Net Cash (Used in) Investing Activities	<u>(14,538)</u>	<u>(20,814)</u>
Net (Decrease) in Cash	(69,719)	(81,344)
Cash, Beginning of the Year	<u>513,166</u>	<u>594,510</u>
Cash, End of the Year	<u><u>\$ 443,447</u></u>	<u><u>\$ 513,166</u></u>

The accompanying notes are an integral part of the financial statements.

TALK ABOUT CURING AUTISM

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The mission of Talk About Curing Autism (TACA) is to help families with autism and the public by providing information, resources and support. This is done through monthly meetings in California and 17 other states. Services provided include one on one mentors for parents, social events for children and parents, newsletters, books, audio and video tapes on current updates in the field, medical assistance for children with autism, and training to local physicians. TACA's primary source of income is from donations from the public, corporations, foundations and various fundraisers held at various times during the year.

Basis of Accounting

TACA prepares its financial statements using the cash basis of accounting.

Income Taxes

TACA is exempt from Federal income taxes under the Internal Revenue Code Section 501 (c) (3), as well as State income taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, TACA considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

TALK ABOUT CURING AUTISM

NOTES TO FINANCIAL STATEMENTS

Property & Equipment

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets in excess of \$500 are capitalized. Property & equipment is stated at cost. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Computer Equipment & Software – 3 years;

Meeting Equipment – 5 years;

Furniture & Fixtures – 7 years.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

TACA receives a substantial amount of services donated by its members in carrying out TACA's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The total cash held by TACA at December 31, 2009 and 2008 included \$0 and \$127,165 respectively that was not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

TALK ABOUT CURING AUTISM

NOTES TO FINANCIAL STATEMENTS

NOTE 3-COMMITMENTS

TACA leases office space under an operating lease agreement expiring in August 2011. They are obligated to pay a base rent along with a percentage of operating expenses. Minimum future rental payments under the lease are summarized as follows:

<u>Year Ending December 31:</u>	<u>June 30, 2009</u> <u>Amount</u>	<u>June 30, 2008</u> <u>Amount</u>
2009		\$95,490
2010	\$95,490	95,490
2011	63,660	63,660
Total	<u>\$159,150</u>	<u>\$254,640</u>

Rent expense including charges for common area costs was \$103,426 and \$32,136 for the year ended December 31, 2009 and 2008 respectively.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

The Temporarily Restricted Net Assets balance was \$111,126 and \$136,000 as of December 31, 2009 and 2008 respectively. These funds have been designated to support the Spanish Family Outreach Program, the Parent Advocacy and Training Program and the Parent Independent Assessment Scholarship Program.

NOTE 5 – RELATED PARTY TRANSACTION

TACA uses the services of a company that is owned by the president of the board of directors. This company provides services that maintains the website and provides web hosting. The cost of these services was \$14,222 and \$9,646 as of December 31, 2009 and 2008 respectively.