TACA

TALK ABOUT CURING AUTISM

FINANCIAL STATEMENTS

DECEMBER 31, 2015

WITH SUMMARY COMPARATIVE INFORMATION FOR 2014

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Talk About Curing Autism:

We have audited the accompanying financial statements of Talk About Curing Autism (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Auditors' Responsibility *(continued)*

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 financial statements referred to above present fairly, in all material respects, the financial position of Talk About Curing Autism as of December 31, 2015, and the changes in its net assets, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

The financial statements for the year ended December 31, 2014 were audited by a predecessor auditor who expressed an unmodified opinion on those statements dated May 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent in all material respects, with the audited financial statements from which it has been derived.

YH Advisors
Huntington Beach, California
July 7, 2016

TALK ABOUT CURING AUTISM
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 282,562	$ 212,414
Accounts receivable	82,464	115,212
Prepaid expenses	12,495	5,842
Investments	2,941	3,733
Inventory	--	2,000
Total Current Assets	380,462	339,201
PROPERTY AND EQUIPMENT, NET	14,337	18,991
OTHER ASSETS		
Intangible assets, net	19,233	--
Deposits	8,251	8,461
Total Other Assets	27,484	8,461
TOTAL ASSETS	$ 422,283	$ 366,653
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 50,577	$ 27,405
Accrued payroll	31,260	29,212
Deferred revenue	17,000	13,300
Note payable to related party, current portion	1,230	1,230
Total Current Liabilities	100,067	71,147
NON CURRENT LIABILITIES		
Note payable to related party, net of current portion	1,743	2,973
Total Non Current Liabilities	1,743	2,973
COMMITMENTS (Note 8)		
TOTAL LIABILITIES	101,810	74,120
NET ASSETS		
Unrestricted	243,919	232,176
Temporarily restricted	76,554	60,357
TOTAL NET ASSETS	320,473	292,533
TOTAL LIABILITIES AND NET ASSETS	$ 422,283	$ 366,653

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

TALK ABOUT CURING AUTISM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARY COMPARATIVE TOTALS FOR 2014

	Unrestricted	Temporarily Restricted	December 31, 2015	December 31, 2014
REVENUE AND SUPPORT				
Contributions	$ 731,558	$ 88,500	$ 820,058	$ 861,141
Program revenue	75,623	--	75,623	49,259
In-kind contributions	250,931	--	250,931	280,215
Interest	571	--	571	381
Net assets released from restrictions	72,303	(72,303)	--	--
TOTAL REVENUE AND SUPPORT	1,130,986	16,197	1,147,183	1,190,996
SPECIAL EVENTS				
Special events revenue	575,442	--	575,442	537,788
Direct special events expense	(183,995)	--	(183,995)	(145,904)
TOTAL SPECIAL EVENTS	391,447	--	391,447	391,884
PRODUCT SALES				
Product sales	22,673	--	22,673	20,838
Cost of goods sold	(16,165)	--	(16,165)	(16,615)
TOTAL PRODUCT SALES	6,508	--	6,508	4,223
TOTAL REVENUE AND SUPPORT	1,528,941	16,197	1,545,138	1,587,103
EXPENSES				
Program services	1,139,759	--	1,139,759	1,118,321
Supporting services:				
Management and general	110,879	--	110,879	107,531
Fundraising	266,560	--	266,560	270,907
TOTAL EXPENSES	1,517,198	--	1,517,198	1,496,759
CHANGE IN NET ASSETS	11,743	16,197	27,940	90,344
NET ASSETS AT BEGINNING OF YEAR	232,176	60,357	292,533	202,189
NET ASSETS AT END OF YEAR	$ 243,919	$ 76,554	$ 320,473	$ 292,533

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

TALK ABOUT CURING AUTISM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	December 31, 2015	December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 27,940	$ 90,344
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	13,212	10,257
Donated property and equipment	(1,764)	--
Property and equipment transferred to recipients	4,200	--
Unrealized loss on investments	792	--
Realized gain on investments	(146)	--
Donated securities	(17,091)	(3,733)
Change in operating assets and liabilities:		
Accounts receivable	32,748	(22,820)
Prepaid expenses	(6,653)	(5,257)
Inventory	2,000	39,600
Deposits	210	(100)
Accounts payable and accrued expenses	23,172	(22,923)
Accrued payroll	2,048	(573)
Deferred revenue	3,700	13,300
Deferred rent	--	(1,500)
Net Cash Provided By Operating Activities	84,368	96,595
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	17,237	
Purchases of property and equipment	(30,227)	(643)
Net Cash Used In Investing Activities	(12,990)	(643)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable to related party	(1,230)	(1,127)
Net Cash Used In Financing Activities	(1,230)	(1,127)
NET CHANGE IN CASH AND CASH EQUIVALENTS	70,148	94,825
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	212,414	117,589
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 282,562	$ 212,414
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 3,033	$ 1,745
Income taxes paid	NONE	NONE
Noncash investing and financing transactions	NONE	NONE

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

TALK ABOUT CURING AUTISM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARY COMPARATIVE TOTALS FOR 2014

	Program Services	Management and General	Fundraising	December 31, 2015	December 31, 2014
PERSONNEL EXPENSES					
Salaries and wages	$ 385,262	$ 47,251	$ 136,121	$ 568,634	$ 580,124
Employee benefits and taxes	74,061	7,638	19,959	101,658	98,242
TOTAL PERSONNEL EXPENSES	459,323	54,889	156,080	670,292	678,366
OTHER EXPENSES					
Annual conference	205,235	--	5,109	210,344	154,709
Depreciation and amortization	9,881	1,048	2,283	13,212	10,257
Facility rentals	1,000	--	6,306	7,306	7,464
Insurance	10,126	765	1,814	12,705	10,045
Meeting expenses	2,425	--	8,142	10,567	11,695
Merchant processing fees	--	24,561	--	24,561	27,970
Occupancy	75,931	8,099	17,211	101,241	89,458
Office supplies	7,636	1,188	3,598	12,422	17,897
Parent and mentor support	184,488	--	--	184,488	167,968
Postage and shipping - educational	4,114	--	--	4,114	4,211
Postage and shipping - general	--	1,692	1,443	3,135	4,642
Printing - educational	9,185	--	--	9,185	22,074
Printing - general	17	--	6,397	6,414	8,021
Professional fees	62,473	11,018	48,923	122,414	139,369
Scholarships	69,984	--	--	69,984	62,344
Staff training and development	3,706	1,025	2,281	7,012	8,348
Telephone and internet	6,167	546	1,268	7,981	8,426
Travel	16,407	897	3,295	20,599	21,805
Website	9,010	--	--	9,010	5,793
Other	2,651	5,151	2,410	10,212	35,897
TOTAL OTHER EXPENSES	680,436	55,990	110,480	846,906	818,393
TOTAL EXPENSES	$ 1,139,759	$ 110,879	$ 266,560	$ 1,517,198	$ 1,496,759

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

TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR 2014

NOTE 1 – Nature of Activities

Talk About Curing Autism (the Organization) is a national non-profit dedicated to educating, empowering and supporting families affected by autism. For families who have just received the autism diagnosis, the Organization aims to speed up the cycle time from the autism diagnosis to effective treatments. The Organization also helps to strengthen the autism community by connecting families and the professionals who can help them, allowing them to share stories and information to help improve the quality of life for people with autism. This is done through monthly meetings in California and 23 other states. Services provided include one-on-one mentoring for parents, social events for children and parents, newsletters, books, webinars, medical assistance for children with autism, and training to local physicians. The Organization's primary source of income is from donations from the public, corporations, foundations and various fundraisers held at various times during the year.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Liquidity

Assets are presented according to their proximity to cash and liabilities are presented according to their nearness of payment or use of cash.

Classification of Net Assets

The Organization reports its information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets – includes unrestricted funds for general operations and support used in operations after meeting initial grantor or donor restrictions. Restricted funds whose donor-imposed restrictions were released in the same year as receipt of funds have been reported as unrestricted net assets.

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Classification of Net Assets (continued)

Temporarily restricted net assets – includes funds subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When donor-imposed restrictions expire due to accomplishing the stipulated purpose or through passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – are subject to donor-imposed restrictions that do not expire. Funds are held in perpetuity, while the income is available for general or designated program use.

At December 31, 2015 and 2014, the Organization did not have any permanently restricted net assets.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Significant estimates include valuation of accounts receivable and the useful lives of property and equipment. Actual results could differ from such estimates.

Revenue Recognition

The Organization recognizes contributions received and unconditional promises to give as revenues in the period received or pledged. Contributions of assets other than cash are recorded at their estimated fair value on the date of donation. Contributions received are reported as unrestricted support, temporarily restricted support or permanently restricted support. Temporarily restricted net assets become unrestricted when donor imposed time restrictions expire or when the contributions are used for their restricted purpose, at which time they are reported in the Statement of Activities as satisfied of restrictions. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

All highly liquid cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents. As of December 31, 2015, and at various times during the year, the Organization maintained cash balances in excess of federally insured limits. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk of cash or cash equivalents maintained in financial institutions.

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Accounts Receivable

Accounts receivable are stated at the amount the Organization expects to collect from balances outstanding at year end.

Fair Value of Financial Instruments

Generally accepted accounting principles require nonprofit organizations to report certain investments at fair value. In accordance with that guidance, the Organization accounts for its equity securities that have readily determinable market values by recording and reporting those securities at fair value. Information about the fair value of investments are discussed in Note 3.

Property and Equipment

Property and equipment are stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation has been provided on the straight-line method over the useful lives of the assets, which are generally three to seven years. The Organization's policy is to capitalize asset purchases where the asset has an estimated useful life greater than one-year.

Intangible Assets

The Organization capitalized major modifications to it's website as intangible assets. Intangible assets are carried at cost or, if donated, at the fair market value of the date received. Amortization is recognized on the straight-line method over an estimated useful life of three years. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized. Normal maintenance and updates are expensed as incurred.

Deferred Revenue

Income received for various projects is deferred and recognized as services are rendered to fulfill the terms outlined in the grant agreement.

Product Sales and Cost of Goods Sold

The Organization sells various products including autism educational materials, TACA apparel and accessories, and various other products. The Organization does not record an inventory for such products as management believes the total value is not material to the financial statements. Products are expensed in the year they are purchased.

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Donated Goods and Services

Donated goods and services received during the year ended December 31, 2015 and 2014 totaled $267,990 and $280,215, respectively. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Donated goods included food and resource materials and were utilized as part of fundraising events and general and administrative needs. Donated services included legal, design and other consultations and were utilized as part of program support services and the development of the website.

In addition, over 500 volunteers have donated 30,128 hours of their time to the Organization and its programs during 2015. The donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Donated Securities

The Organization recognizes contributions of donated securities at the fair market value on the date they are received. It is the Organization's policy to liquidate donated securities upon receipt. During the years ended December 31, 2015 and 2014, the Organization received $17,091 and $3,733 in donated securities, respectively.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Tax Status

The Organization has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and under Revenue and Taxation Code Section 23701(d), respectively.

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through July 7, 2016 which is the date the financial statements were available to be issued for the fiscal year ended December 31, 2015 and determined there are no other items to disclose.

NOTE 3 – Investments

The Organization reports its investments using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of the Organization's investments at December 31, 2015:

	Fair Value Measurements		
	(Level 1)	(Level 2)	(Level 3)
Securities	$ 2,941	$ --	$ --
Total	$ 2,941	$ --	$ --

NOTE 3 – Investments (*continued*)

The following table summarizes the valuation of the Organization's investments at December 31, 2014:

	Fair Value Measurements		
	(Level 1)	(Level 2)	(Level 3)
Securities	3,733	--	--
Total	$ 3,733	$ --	$ --

NOTE 4 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	2015	2014
Furniture	$ 19,910	$ 20,541
Equipment	19,081	15,750
Computer equipment	38,021	37,761
Leasehold improvements	3,170	3,170
	80,182	77,222
Less accumulated depreciation and amortization	(65,845)	(58,231)
Total	$ 14,337	$ 18,991

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 was $8,570 and $10,257, respectively.

NOTE 5 – Intangible Assets

Intangible assets are summarized as follows at December 31:

	2015	2014
Patents	$ 550	$ --
Website	23,325	20,000
	23,875	20,000
Less accumulated amortization	(4,642)	(20,000)
Total	$ 19,233	$ --

Amortization expense for the year ended December 31, 2015 was $4,642. There was no amortization expense for the year ended December 31, 2014.

NOTE 6 – Line of Credit

During March 2015, the Organization obtained a line of credit from a financial institution for up to $60,000 bearing an interest rate of 5.5%. The line of credit is secured by substantially all of the Organization's assets. As of December 31, 2015, the balance of the line of credit was $0.

NOTE 7 – Note Payable

The Organization has a noninterest bearing note payable to a board member, that matures in April 2018. The proceeds were used to purchased office equipment and is payable in monthly payments of $102.50. Future maturities of the note payable are as follows:

For the year ending December 31,		
2016	$	1,230
2017		1,230
2018		513
Total	$	2,973

NOTE 8 – Commitments

Operating Lease

The Organization is committed under a facility lease agreement through December 2017 which requires monthly payment of $7,501. The future minimum payments due on the lease agreements are as follows:

For the year ending December 31,		
2016	$	90,010
2017		90,010
Total	$	180,020

Lease expense for the years ended December 31, 2015 and 2014 was $101,241 and $89,458, respectively.

NOTE 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31:

	2015	2014
Blueprint project	$ 16,500	$ 25,000
OC swim program	15,200	--
Medical scholarships	15,000	--
State of California – family scholarships	11,000	10,000
State of Georgia – family scholarships	2,729	--
State of Hawaii – family scholarships	16,125	25,357
Total	$ 76,554	$ 60,357

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. All net assets released from restrictions were for the benefit of the Organization.

NOTE 10 – Related Party Transactions

The Organization uses information technology services provided by a company that is owned by a member of the board of directors. The Organization purchases computer and phone equipment from the company at a discounted rate and receives in-house information technology maintenance and monitoring services and donated equipment. For the years ended December 31, 2015 and 2014, the Organization paid for services of approximately $5,809 and $1,838, respectively, and recognized in-kind revenues and expenses of approximately $30,407 and $24,902, respectively.

The Organization uses event planning services from an individual who is married to a board member. For the years ended December 31, 2015 and 2014, payments were made of approximately $21,421 and $16,600, respectively.