



FINANCIAL STATEMENTS

DECEMBER 31, 2016

WITH SUMMARY COMPARATIVE INFORMATION FOR 2015

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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, 2016, 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, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the Talk About Curing Autism 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

YH Advisors, Inc.

Huntington Beach, California
May 25, 2017

**TALK ABOUT CURING AUTISM
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015**

	December 31,	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 445,576	\$ 282,562
Pledges receivable	30,745	77,739
Accounts receivable	4,670	4,725
Prepaid expenses	7,726	12,495
Investments	2,780	2,941
Inventory	2,955	--
Total Current Assets	494,452	380,462
PROPERTY AND EQUIPMENT, NET	10,950	14,337
OTHER ASSETS		
Intangible assets, net	42,791	19,233
Deposits	8,251	8,251
Total Other Assets	51,042	27,484
TOTAL ASSETS	\$ 556,444	\$ 422,283
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 62,901	\$ 50,577
Accrued payroll and related expenses	23,181	20,870
Accrued paid time off	12,283	10,390
Deferred revenue	12,335	17,000
Note payable to related party, current portion	--	1,230
Total Current Liabilities	110,700	100,067
NON CURRENT LIABILITIES		
Note payable to related party, net of current portion	--	1,743
Total Non Current Liabilities	--	1,743
COMMITMENTS (Note 9)		
TOTAL LIABILITIES	110,700	101,810
NET ASSETS		
Unrestricted	382,078	243,919
Temporarily restricted	63,666	76,554
TOTAL NET ASSETS	445,744	320,473
TOTAL LIABILITIES AND NET ASSETS	\$ 556,444	\$ 422,283

**TALK ABOUT CURING AUTISM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARY COMPARATIVE TOTALS FOR 2015**

			December 31,	
	Unrestricted	Temporarily Restricted	2016	2015
REVENUE AND SUPPORT				
Contributions	\$ 731,041	\$ 97,271	\$ 828,312	\$ 820,058
In-kind contributions	284,000	--	284,000	250,931
Program revenue	86,351	--	86,351	58,718
Membership dues	13,350	--	13,350	16,905
Interest income	724	--	724	571
Net assets released from restrictions	110,159	(110,159)	--	--
TOTAL REVENUE AND SUPPORT	1,225,625	(12,888)	1,212,737	1,147,183
SPECIAL EVENTS				
Special events revenue	950,702	--	950,702	575,442
Direct special events expense	(397,385)	--	(397,385)	(183,995)
TOTAL SPECIAL EVENTS	553,317	--	553,317	391,447
PRODUCT SALES				
Product sales	13,761	--	13,761	22,673
Cost of goods sold	(4,337)	--	(4,337)	(16,165)
TOTAL PRODUCT SALES	9,424	--	9,424	6,508
TOTAL REVENUE AND SUPPORT	1,788,366	(12,888)	1,775,478	1,545,138
EXPENSES				
Program services	1,248,007	--	1,248,007	1,139,759
Supporting services:				
Management and general	136,989	--	136,989	110,879
Fundraising	265,211	--	265,211	266,560
TOTAL EXPENSES	1,650,207	--	1,650,207	1,517,198
CHANGE IN NET ASSETS	138,159	(12,888)	125,271	27,940
NET ASSETS AT BEGINNING OF YEAR	243,919	76,554	320,473	292,533
NET ASSETS AT END OF YEAR	\$ 382,078	\$ 63,666	\$ 445,744	\$ 320,473

**TALK ABOUT CURING AUTISM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 125,271	\$ 27,940
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	22,265	13,212
Donated property and equipment	(1,176)	(1,764)
Property and equipment transferred to recipients	--	4,200
Donated inventory	(2,955)	--
Unrealized loss on investments	--	792
Realized gain on investments	--	(146)
Donated securities	(17,250)	(17,091)
Change in operating assets and liabilities:		
Pledges receivable	46,994	32,748
Accounts receivable	55	--
Prepaid expenses	4,769	(6,653)
Inventory	--	2,000
Deposits	--	210
Accounts payable and accrued expenses	12,322	23,172
Accrued payroll and related expenses	2,312	(1,526)
Accrued paid time off	1,894	3,574
Deferred revenue	(4,665)	3,700
Net Cash Provided By Operating Activities	189,836	84,368
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	17,411	17,237
Purchases of property and equipment	(1,054)	(30,227)
Purchases of intangible assets	(40,206)	--
Net Cash Used In Investing Activities	(23,849)	(12,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable to related party	(2,973)	(1,230)
Net Cash Used In Financing Activities	(2,973)	(1,230)
NET CHANGE IN CASH AND CASH EQUIVALENTS	163,014	70,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	282,562	212,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 445,576	\$ 282,562

**TALK ABOUT CURING AUTISM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARY COMPARATIVE TOTALS FOR 2015**

	Program Services	Management and General	Fundraising	December 31,	
				2016	2015
PERSONNEL EXPENSES					
Salaries and wages	\$ 373,369	\$ 53,133	\$ 128,152	\$ 554,654	\$ 568,634
Employee benefits and taxes	75,415	13,009	24,160	112,584	97,707
TOTAL PERSONNEL EXPENSES	448,784	66,142	152,312	667,238	666,341
OTHER EXPENSES					
Annual conference	222,985	--	7,766	230,751	210,344
Bad debt expense	--	14,015	--	14,015	--
Depreciation and amortization	16,302	2,222	3,741	22,265	13,212
Facility rentals	--	--	--	--	7,306
Insurance	12,278	1,389	3,851	17,518	16,656
Meeting expenses	1,868	--	10,207	12,075	10,567
Merchant processing fees	--	30,630	--	30,630	24,561
Occupancy	75,932	8,099	17,211	101,242	101,241
Office supplies	17,045	2,819	4,679	24,543	12,422
Parent and mentor support	241,492	--	--	241,492	184,488
Postage and shipping - educational	6,961	--	--	6,961	4,114
Postage and shipping - general	--	1,959	1,782	3,741	3,135
Printing - educational	34,493	--	--	34,493	9,185
Printing - general	--	--	676	676	6,414
Professional fees	65,681	6,290	55,356	127,327	122,414
Scholarships	68,990	--	--	68,990	69,984
Staff training and development	8,513	1,181	2,498	12,192	7,012
Telephone and internet	6,033	569	1,516	8,118	7,981
Travel	8,754	639	1,284	10,677	20,599
Website	9,210	--	--	9,210	9,010
Other	2,686	1,035	2,332	6,053	10,212
TOTAL OTHER EXPENSES	799,223	70,847	112,899	982,969	850,857
TOTAL EXPENSES	\$ 1,248,007	\$ 136,989	\$ 265,211	\$ 1,650,207	\$ 1,517,198

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

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 26 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 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.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

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, 2016 and 2015, 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, 2016, 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.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

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

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. For the years ended December 31, 2016 and 2015, the Organization did not receive any conditional promises to give.

Accounts Receivable

Accounts receivable consists of outstanding membership dues receivable and 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 is discussed in Note 3.

Inventory

Inventory consists of apparel and accessories held for resale. Purchased inventory is stated at cost and donated inventory is valued at its fair market value on the date of receipt.

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 its website as intangible assets. Intangible assets are carried at cost or, if donated, at the fair market value as 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.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

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

Deferred Revenue

Event income is recognized as revenue in the year the event takes place. Accordingly, amounts received in advance are deferred and recognized once the event takes place.

Donated Goods and Services

Donated goods and services received during the years ended December 31, 2016 and 2015 totaled \$507,649 and \$267,990, respectively. Donated goods included food, supplies and resource materials and were utilized as part of programmatic and general and administrative needs and fundraising events. 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 services included IT monitoring as well as the design, editing and necessary updates made to the website. Additionally, donated services included autism related professionals such as doctors, therapists and lawyers who regularly speak at chapter meetings, conferences, legal clinics and via webinars in support of the Organization's mission.

In addition, 693 volunteers donated 15,636 hours of their time to the Organization and its programs during 2016. 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, 2016 and 2015, the Organization received \$17,250 and \$17,091 in donated securities, respectively, which are included in the total donated goods and services figures noted above.

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.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

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

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.

Subsequent Events

The Organization has evaluated subsequent events through May 25, 2017 which is the date the financial statements were available to be issued for the fiscal year ended December 31, 2016 and determined there are no other items to disclose other than what is discussed in Notes 9 and 14.

Reclassifications

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

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.

TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015

NOTE 3 – Investments (continued)

The following table summarizes the valuation of the Organization’s investments at December 31, 2016:

	Fair Value Measurements		
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Securities	\$ 2,780	\$ --	\$ --
Total	<u>\$ 2,780</u>	<u>\$ --</u>	<u>\$ --</u>

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

	Fair Value Measurements		
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Securities	\$ 2,941	\$ --	\$ --
Total	<u>\$ 2,941</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 4 – Pledges Receivable

Pledges receivable are summarized as follows at December 31:

	<u>2016</u>	<u>2015</u>
Unconditional contributions expected to be collected in:		
Less than one year	\$ 30,745	\$ 77,739
Total	<u>\$ 30,745</u>	<u>\$ 77,739</u>

The Organization recognized bad debt expense of \$14,015 during the year ending December 31, 2016. There was no bad debt expense during the year ending December 31, 2015. There was no allowance for uncollectible amounts deemed necessary by management for the years ended December 31, 2016 and 2015.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

NOTE 5 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2016</u>	<u>2015</u>
Furniture	\$ 19,700	\$ 19,910
Equipment	15,951	19,081
Computer equipment	29,312	38,021
Leasehold improvements	<u>3,170</u>	<u>3,170</u>
	68,133	80,182
Less accumulated depreciation	<u>(57,183)</u>	<u>(65,845)</u>
Total	<u>\$ 10,950</u>	<u>\$ 14,337</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$5,616 and \$8,570, respectively.

NOTE 6 – Intangible Assets

Intangible assets are summarized as follows at December 31:

	<u>2016</u>	<u>2015</u>
Patents	\$ 550	\$ 550
Website	<u>63,531</u>	<u>23,325</u>
	64,081	23,875
Less accumulated amortization	<u>(21,290)</u>	<u>(4,642)</u>
Total	<u>\$ 42,791</u>	<u>\$ 19,233</u>

Amortization expense for the years ended December 31, 2016 and 2015 was \$16,649 and \$4,642, respectively.

NOTE 7 – 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. The line of credit had no outstanding balance during or as of the year ending December 31, 2016. The line of credit had no outstanding balance as of the year ending December 31, 2015.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

NOTE 8 – Note Payable

The Organization had a noninterest bearing note payable to a board member that was scheduled to mature in April 2018. The proceeds were used to purchase office equipment. The balance was paid in full as of December 31, 2016. The outstanding balance due as of December 31, 2015 was \$2,973.

NOTE 9 – Commitments

Operating Lease

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

<u>For the year ending December 31,</u>	
2017	\$ <u>90,010</u>
Total	\$ <u><u>90,010</u></u>

Lease expense for the years ended December 31, 2016 and 2015 was \$101,242 and \$101,241, respectively.

Subsequent to December 31, 2016 the Organization renewed the facility lease agreement which extended the term through December 2020.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

NOTE 10 – Net Assets Released from Restrictions

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. Net assets released from restrictions consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Blueprint project	\$ 16,500	\$ 8,500
Journey guides	27,720	--
MAPS scholarships	4,160	--
Medical scholarships	12,600	3,300
OC swim programs	12,875	--
State of California – family scholarships	10,000	9,000
State of Georgia – family scholarships	1,229	2,271
State of Hawaii – family scholarships	15,575	41,108
Texas scholarships	9,500	--
Other programmatic activities	<u>--</u>	<u>8,124</u>
Total	<u>\$ 110,159</u>	<u>\$ 72,303</u>

NOTE 11 – Temporarily Restricted Net Assets

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

	<u>2016</u>	<u>2015</u>
Blueprint project	\$ --	\$ 16,500
Board development	7,500	--
Journey guides	5,000	--
MAPS scholarships	2,341	--
Medical scholarships	30,400	15,000
OC swim programs	2,325	15,200
State of California – family scholarships	11,000	11,000
State of Georgia – family scholarships	1,500	2,729
State of Hawaii – family scholarships	550	16,125
Texas scholarships	<u>3,050</u>	<u>--</u>
Total	<u>\$ 63,666</u>	<u>\$ 76,554</u>

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

NOTE 12 – Related Party Transactions

The Organization used information technology services provided by a company that was owned by a member of the board of directors through July 2016. The Organization purchased computer and phone equipment from the company at a discounted rate and received in-house information technology maintenance and monitoring services and donated equipment. For the years ended December 31, 2016 and 2015, the Organization paid for services of approximately \$2,262 and \$5,809, respectively, and recognized in-kind revenues and expenses of approximately \$14,102 and \$30,407, respectively.

The Organization used event planning services from an individual who is married to a board member. For the years ended December 31, 2016 and 2015, payments were made of approximately \$17,113 and \$21,421, respectively.

NOTE 13 – Supplemental Disclosure of Cash Flow Information

Interest

The Organization paid no interest expense during the year ended December 31, 2016. During the year ended December 31, 2015, the Organization paid \$3,033 in interest expense.

Income Taxes

The Organization paid no income tax expense during the years ended December 31, 2016 and 2015.

Noncash Investing Activities

During the year ended December 31, 2016, the Organization received donated property and equipment totaling \$1,176. The Organization did not receive donated property and equipment during the year ended December 31, 2015.

Noncash Financing Activities

During the year ended December 31, 2016, the Organization made improvements to their website totaling \$10,413, which was not paid until subsequent to year end and was recoded as accounts payable at December 31, 2016. There were payments for capitalized assets included in accounts payable at December 31, 2015.

**TALK ABOUT CURING AUTISM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

NOTE 14 – Risks and Uncertainties

Subsequent to December 31, 2016, the Organization underwent a California Employment Development Department (EDD) audit to reassess payroll tax payments for the period of January 1, 2016 to December 31, 2016. The Organization is confident that, upon final resolution of the issue, no further assessments will be due or payable. No provision has been made in the financial statements for any proposed additional taxes and interest because the ultimate liability cannot be reasonably estimated at this time.