



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Autism Community in Action:

We have audited the accompanying financial statements of The Autism Community in Action (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows 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. 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 The Autism Community in Action as of December 31, 2020, and the changes in its net assets 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 Autism Community in Action's 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Evergreen Alliance*

Los Alamitos, California

July 13, 2021

**THE AUTISM COMMUNITY IN ACTION  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019**

	December 31,	
	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 613,354	\$ 395,733
Contributions receivable	55,877	63,630
Accounts receivable	5,066	87,897
Accounts receivable from related parties	--	8,500
Prepaid expenses	194,123	97,851
Investments	33,338	257,540
Total Current Assets	901,758	911,151
<b>PROPERTY AND EQUIPMENT, NET</b>	19,656	8,581
<b>OTHER ASSETS</b>		
Beneficial interest in assets held by community foundation	59,844	55,613
Deposits	8,251	8,251
Total Other Assets	68,095	63,864
<b>TOTAL ASSETS</b>	\$ 989,509	\$ 983,596
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 20,467	\$ 12,789
Accrued employee related expenses	43,790	66,376
Deferred revenue	47,105	83,023
Line of credit payable	60,000	--
Total Current Liabilities	171,362	162,188
<b>COMMITMENTS (NOTE 11)</b>		
<b>TOTAL LIABILITIES</b>	171,362	162,188
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	647,480	585,482
Board designated endowment	59,844	55,613
Total without donor restrictions	707,324	641,095
With donor restrictions	110,823	180,313
<b>TOTAL NET ASSETS</b>	818,147	821,408
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 989,509	\$ 983,596

**THE AUTISM COMMUNITY IN ACTION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE TOTALS FOR 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>December 31,</u>	
			<u>2020</u>	<u>2019</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 743,389	\$ 118,577	\$ 861,966	\$ 1,176,647
In-kind contributions	102,765	--	102,765	354,744
Program revenue	73,835	--	73,835	138,987
Membership dues	26,750	--	26,750	26,500
Investment income	19,985	--	19,985	14,620
Other income	2,971	--	2,971	3,461
Net assets released from restrictions	<u>188,067</u>	<u>( 188,067)</u>	<u>--</u>	<u>--</u>
	1,157,762	( 69,490)	1,088,272	1,714,959
<b>SPECIAL EVENTS</b>				
Special events revenue	662,769	--	662,769	1,053,632
Special events expense	<u>( 171,251)</u>	<u>--</u>	<u>( 171,251)</u>	<u>( 421,322)</u>
	491,518	--	491,518	632,310
<b>PRODUCT SALES</b>				
Product sales	7,849	--	7,849	28,219
Cost of sales	<u>( 9,385)</u>	<u>--</u>	<u>( 9,385)</u>	<u>( 22,994)</u>
	<u>( 1,536)</u>	<u>--</u>	<u>( 1,536)</u>	<u>5,225</u>
<b>TOTAL REVENUE AND SUPPORT</b>	1,647,744	( 69,490)	1,578,254	2,352,494
<b>EXPENSES</b>				
Program services	1,127,918	--	1,127,918	1,789,952
Supporting services:				
Management and general	157,815	--	157,815	174,783
Fundraising	<u>295,782</u>	<u>--</u>	<u>295,782</u>	<u>402,868</u>
<b>TOTAL EXPENSES</b>	<u>1,581,515</u>	<u>--</u>	<u>1,581,515</u>	<u>2,367,603</u>
<b>CHANGE IN NET ASSETS</b>	66,229	( 69,490)	( 3,261)	( 15,109)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>641,095</u>	<u>180,313</u>	<u>821,408</u>	<u>836,517</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 707,324</u>	<u>\$ 110,823</u>	<u>\$ 818,147</u>	<u>\$ 821,408</u>

**THE AUTISM COMMUNITY IN ACTION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE TOTALS FOR 2019**

				<u>December 31,</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020</u>	<u>2019</u>
<b>PERSONNEL EXPENSES</b>					
Salaries and wages	\$ 503,573	\$ 64,701	\$ 181,794	750,068	\$ 839,508
Employee benefits and taxes	<u>98,531</u>	<u>13,616</u>	<u>44,013</u>	<u>156,160</u>	<u>184,507</u>
<b>TOTAL PERSONNEL EXPENSES</b>	602,104	78,317	225,807	906,228	1,024,015
<b>OTHER EXPENSES</b>					
Annual conference	54,698	--	--	54,698	375,633
Bad debt expense	--	30,250	--	30,250	518
Depreciation and amortization	5,708	596	1,372	7,676	16,804
Dues and subscriptions	16,809	4,512	5,745	27,066	69,632
Insurance	14,120	1,560	4,006	19,686	20,823
Interest	--	2,503	--	2,503	--
Meetings expense	1,033	--	2,044	3,077	11,161
Merchant processing fees	--	21,857	--	21,857	41,399
Occupancy	67,832	9,112	24,298	101,242	101,241
Office supplies	4,568	767	1,972	7,307	16,996
Outreach and advertising	5,595	--	5,790	11,385	5,090
Parent and mentor support	84,980	--	--	84,980	172,122
Postage and shipping - educational	3,618	--	--	3,618	7,425
Postage and shipping - general	--	228	983	1,211	1,273
Printing - educational	28,317	--	--	28,317	27,510
Printing - general	234	--	2,540	2,774	4,096
Professional fees	38,853	5,391	13,210	57,454	278,041
Scholarships	178,748	--	--	178,748	153,183
Staff training and development	5,741	1,297	5,354	12,392	14,549
Telephone and internet	6,058	738	2,096	8,892	10,003
Travel	816	193	421	1,430	9,131
Website	4,984	--	--	4,984	5,638
Other	<u>3,102</u>	<u>494</u>	<u>144</u>	<u>3,740</u>	<u>1,320</u>
<b>TOTAL OTHER EXPENSES</b>	<u>525,814</u>	<u>79,498</u>	<u>69,975</u>	<u>675,287</u>	<u>1,343,588</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,127,918</u>	<u>\$ 157,815</u>	<u>\$ 295,782</u>	<u>\$ 1,581,515</u>	<u>\$ 2,367,603</u>

**THE AUTISM COMMUNITY IN ACTION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	(\$ 3,261)	(\$ 15,109)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated securities	( 49,195)	( 119,717)
Realized gain on investments	( 14,267)	( 4,350)
Unrealized loss (gain) on investments	501	( 8,218)
Depreciation and amortization	7,676	16,804
Forgiveness of Paycheck Protection Program (PPP) loan	( 200,400)	--
Change in operating assets and liabilities:		
Contributions receivable	7,753	82,192
Accounts receivable	82,831	( 40,409)
Accounts receivable from related parties	8,500	( 8,500)
Prepaid expenses	( 96,272)	( 24,398)
Accounts payable and accrued expenses	7,678	( 6,554)
Accrued employee related expenses	( 22,586)	( 8,135)
Deferred revenue	( 35,918)	( 29,315)
Net Cash Used In Operating Activities	( 306,960)	( 165,709)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of securities	633,793	281,369
Purchase of securities	( 350,861)	( 393,244)
Purchase of beneficial interest in assets held by community foundation	--	( 26,610)
Purchases of property and equipment	( 18,751)	( 1,532)
Net Cash Provided By (Used In) Investing Activities	264,181	( 140,017)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from draws on line of credit	60,000	--
Proceeds from Paycheck Protection Program (PPP) loan	200,400	--
Net Cash Provided By Financing Activities	260,400	--
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	217,621	( 305,726)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	395,733	701,459
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 613,354	\$ 395,733
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 2,503	NONE
Cash paid for income taxes	NONE	NONE
Noncash investing transactions	NONE	\$ 119,717
Noncash financing transactions	NONE	NONE

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

**NOTE 1 – Nature of Activities**

The Autism Community in Action (“TACA” or the Organization) is a national non-profit established in 2000 in Orange County, California. What began as a local support group for families navigating their autism journey has grown to become one of the leading autism support organizations across the United States. Today, TACA is a family-centered, health education, and advocacy organization whose mission is to provide education, support, and hope to families living with autism. TACA’s vision is for every individual diagnosed with autism to lead an independent life. TACA offers monthly meetings in California and 26 other states. Services provided include one-on-one mentoring for parents, social events for families in safe supportive environments, educational webinars and conferences, and medical scholarships for children with autism. All the programs and services are provided at little or no cost to families. 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.

***Comparative Financial Information***

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparison of operations year over year. Accordingly, these comparative financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

***Cash and Cash Equivalents***

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

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

***Contributions 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. The Organization determines the allowance for doubtful contributions based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectible. Conditional promises to give are not included as support until the conditions are substantially met. For the years ended December 31, 2020 and 2019, the Organization did not receive any conditional promises to give.

***Accounts Receivable***

Accounts receivable consist primarily of payments due from governmental agencies under various contracts and from certain event participants and sponsors, and are stated at the amount that management expects to collect from outstanding balances. Accounts receivable are written off when they are determined to be uncollectable.

***Investments***

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

***Property and Equipment***

The Organization's policy is to capitalize asset additions over \$500. 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. Expenditures for repairs and maintenance are expensed as incurred.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

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

***Beneficial Interest in Assets Held by Community Foundation***

The Organization's Board of Directors established an endowment fund whereby certain contributions would remain intact. In 2018, the Organization established The TACA Autism Endowment Fund under the Orange County Community Foundation (OCCF). The funds are invested in an allocated investment pool. Net income from the fund may be distributed annually to the Organization upon request. The Organization granted OCCF variance power over the funds at the time of the transfer, but since the Organization is a nonprofit organization, who specified themselves as the beneficiary, the Organization may recognize at fair value the beneficial interest in the assets held by OCCF. Also see Note 9.

***Intangible Assets***

Intangible assets are related to website development and related expenses are stated at cost. The cost of website development is for internal use software and is capitalized. Amortization is computed on the straight-line basis over the estimated useful life of the asset, which is currently three years.

***Classification of Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or grantor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example contributed asset that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating that resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

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

***Revenue Recognition***

Revenue is recognized when earned. Program service fees and event sponsorships are received in advance are deferred to the applicable period in which the related services are performed or event occurs. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

***In-Kind Goods and Services***

Contributed goods are recorded at fair value at the date of donation. During the years ended December 31, 2020 and 2019, contributed goods totaled \$242,856 and \$699,839, respectively and included food, supplies and resource materials that were utilized as part of programmatic, 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 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, approximately 742 volunteers donated approximately 8,285 hours of their time to the Organization and its programs during 2020. The reduction of volunteers and hours from 2019 is due to COVID restrictions in place during most of 2020. All family events, fundraisers, and monthly meetings were held virtually between March and December of 2020. 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, 2020 and 2019, the Organization received \$49,195 and \$119,717 in donated securities, respectively, which are included in the total donated goods and services figures noted above.

***Outreach and Advertising***

The Organization uses advertising to promote its programs and fundraising among the audiences it serves. Outreach and advertising expenses are charged to operations when incurred. Outreach and advertising expense was \$11,385 and \$5,090 for the years ended December 31, 2020 and 2019, respectively.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

**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 23701d, 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.

***Estimates***

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates and those differences could be material.

***Financial Instruments and Credit Risk***

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable are considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors supportive of the mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although fair values of investments are subject to fluctuations on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

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

***Accounting Pronouncements Adopted***

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments to Topic 820 makes changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. ASU 2018-13 became effective for nonpublic business entities for the annual reporting period beginning after December 15, 2019.

***Recent Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 is effective for nonpublic business entities for the annual reporting period beginning after December 15, 2021. The Organization is in the process of evaluating the impact of this statement and potential effects on the financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is aimed to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. ASU 2020-07 is effective for nonpublic business entities for the annual reporting period beginning after June 15, 2021. The Community is in the process of evaluating the impact of this statement and potential effects on the financial statements.

***Subsequent Events***

The Organization has evaluated subsequent events through July 13, 2021, which is the date the financial statements were available to be issued for the year ended December 31, 2020. See Note 16.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

**NOTE 3 – Liquidity and Availability**

Financial assets available within one year of the statement of financial position date for general expenditures as of December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 613,354	\$ 395,733
Contributions receivable	55,877	63,630
Accounts receivable	5,066	87,897
Accounts receivable from related parties	--	8,500
Investments	<u>33,338</u>	<u>257,540</u>
Total financial assets	707,635	813,300
Less: contractual or donor-imposed restrictions	( <u>110,823</u> )	( <u>180,313</u> )
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 596,812</u>	<u>\$ 632,987</u>

To help manage unanticipated liquidity needs, the Organization has a line of credit with a commercial bank. As of December 31, 2020, there was no available balance on line of credit due to borrowings necessary during the year. See Notes 11 and 16.

Additionally, the Organization has an endowment fund held at a community foundation and the accumulative net income may be distributed annually upon request. See Note 9.

**NOTE 4 – Contributions Receivable**

Contributions receivable are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Unconditional promises expected to be collected in less than one year	\$ 55,877	\$ 63,630

There was no allowance for doubtful accounts or net present value discount deemed necessary by management at December 31, 2020 or 2019 as all items are expected to be collected within one year. Bad debt expense was \$30,250 and \$518 for the years ended December 31, 2020 and 2019, respectively.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
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WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

**NOTE 5 – Accounts Receivable**

Accounts receivable are summarized as follows at December 31:

	2020	2019
Accounts expected to be collected in less than one year	\$ 5,066	\$ 96,397

There was no allowance for doubtful accounts deemed necessary by management at December 31, 2020 or 2019.

**NOTE 6 - Fair Value Measurements and Disclosures**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Input may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets that the Organization 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, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

**THE AUTISM COMMUNITY IN ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
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WITH SUMMARY COMPARATIVE INFORMATION FOR 2019**

**NOTE 6 – Fair Value Measurement and Disclosures (continued)**

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2020:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments				
Fixed Income	\$ 20,088	\$ 20,088	\$ --	\$ --
Equities	13,250	13,250	--	--
Beneficial interest in assets held by Community Found.	<u>59,844</u>	<u>--</u>	<u>--</u>	<u>59,844</u>
Total investments	<u>\$ 93,182</u>	<u>\$ 33,338</u>	<u>\$ --</u>	<u>\$ 59,844</u>

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2019:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments				
Fixed Income	\$ 249,991	\$ 249,991	\$ --	\$ --
Equities	7,549	7,549	--	--
Beneficial interest in assets held by Community Found.	<u>55,613</u>	<u>--</u>	<u>--</u>	<u>55,613</u>
Total investments	<u>\$ 313,153</u>	<u>\$ 257,540</u>	<u>\$ --</u>	<u>\$ 55,613</u>

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**NOTE 7 – Property and Equipment**

Property and equipment are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Furniture	\$ 22,855	\$ 20,780
Equipment	18,857	19,716
Computer equipment	39,818	23,823
Leasehold improvements	<u>3,170</u>	<u>3,170</u>
	84,700	67,489
Less accumulated depreciation and amortization	( <u>65,044</u> )	( <u>58,908</u> )
Total	<u>\$ 19,656</u>	<u>\$ 8,581</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$7,676 and \$11,771, respectively.

**NOTE 8 – Intangible Assets**

Intangible assets are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Patents	\$ 550	\$ 550
Website	<u>40,206</u>	<u>40,206</u>
	40,756	40,756
Less accumulated amortization	( <u>40,756</u> )	( <u>40,756</u> )
Total	<u>\$ --</u>	<u>\$ --</u>

Amortization expense for the year ended December 31, 2019 was \$5,033. There was no amortization expense recognized for the year ended December 31, 2020.

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**NOTE 9 – Endowment**

The Organization established the TACA Autism Endowment Fund (Endowment) and designated \$25,000 as the initial contribution. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds designated by the Board are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment balance is included in the beneficial interest in assets held by a community foundation on the statement of financial position. The Board has interpreted the State of California enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies net assets with donor restrictions in perpetuity as (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that are not classified as net assets with donor restrictions in perpetuity are classified as net assets with donor-restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. The investment of the Organization's endowment funds is governed by Board policy. The portfolio is to be managed in a way that provides ongoing financial support for the operations of the Organization while protecting and increasing the value of the endowment through careful investment.

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**NOTE 9 – Endowment (continued)**

The changes in endowment net assets for the year ended December 31, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 55,613	\$ --	\$ 55,613
Contributions	--	--	--
Investment return, net	<u>4,231</u>	<u>--</u>	<u>4,231</u>
Endowment net assets, ending	<u>\$ 59,844</u>	<u>\$ --</u>	<u>\$ 59,844</u>

The changes in endowment net assets for the year ended December 31, 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 25,000	\$ --	\$ 25,000
Contributions	26,610	--	26,610
Investment return, net	<u>4,003</u>	<u>--</u>	<u>4,003</u>
Endowment net assets, ending	<u>\$ 55,613</u>	<u>\$ --</u>	<u>\$ 55,613</u>

**NOTE 10 – Paycheck Protection Program (PPP) Loan**

In April 2020, the Organization received loan proceeds under the Paycheck Protection Program (the PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organizations. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its full time equivalent (FTE) headcount levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty-four-week period following loan funding. In November 2020, the Organization’s application for forgiveness was approved and the full amount of the PPP loan was recognized as debt forgiveness revenue on the Statement of Activities.

While the Organization currently believes that the loan forgiveness was based on meeting the eligibility criteria, the Small Business Administration (SBA) reserves the right to re-review the loan application and subsequent forgiveness within six years following the date of loan forgiveness.

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**NOTE 11 – Commitments**

*Line of Credit*

The Organization has a \$60,000 revolving line of credit with a bank, secured by substantially all of the Organization’s assets. Borrowings under the line bear interest at 5.25%. The line of credit matures in October of 2021. The line of credit had an outstanding balance of \$60,000 as of the year ended December 31, 2020. As noted in Note 16, the Organization paid off the outstanding balance subsequent to December 31, 2020. There was no outstanding balance during or as of the years ended December 31, 2019.

*Operating Lease*

The Organization is committed under a facility lease agreement through December 2023 and requires monthly payments of \$8,563. The future minimum payments due on the lease agreements are as follows:

**For the year ending December 31,**

2021	\$ 102,760
2022	102,760
2023	<u>102,760</u>
	<u>\$ 308,280</u>

Lease expense for both the years ended December 31, 2020 and 2019 was \$101,241.

*Contractual Obligations*

The Organization has entered into contracts with various hotels and event venues in connection with their annual conference and fundraising events. The Organization is committed to meeting certain minimums for the selected dates and is subject to certain fees if the minimums are not obtained. Termination of the contracts may result in cancellation fees. Cancellation fees under these agreements vary depending on the date of cancellation. The future minimum payments due on the contracts range as follows:

**For the year ending December 31,**

2021	\$ 126,818
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**NOTE 12 – Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Journey Guides	\$ --	\$ 4,637
Doctor’s Training Scholarships	5,522	5,522
Medical Scholarships	47,273	104,373
OC Swim Program	1,681	1,681
Other programmatic activities	470	470
Contributions receivable, the proceeds from which have been restricted by donors for:		
Journey Guides	--	21,540
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	<u>55,877</u>	<u>42,090</u>
 Total	 <u>\$ 110,823</u>	 <u>\$ 180,313</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or the passage of time or other events specified by donors.

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions	\$ 42,090	\$ 115,072
Subject to expenditure for specified purpose:		
Journey Guides	26,177	11,893
Doctor’s Training Scholarships	--	2,170
Medical Scholarships	119,800	159,311
State of CA - Family Scholarships	--	9,500
Other programmatic activities	<u>--</u>	<u>822</u>
 Total	 <u>\$ 188,067</u>	 <u>\$ 298,768</u>

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**NOTE 13 – Concentrations**

*Contributions Receivable*

Contributions receivable from two and three donors comprises 54% and 64% of the balance at December 31, 2020 and 2019, respectively.

*Accounts Receivable*

Accounts receivable from one and four accounts comprises 79% and 64% of the balance at December 31, 2020 and 2019, respectively.

**NOTE 14 – Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural and functional classification detail of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits and taxes, depreciation and amortization, dues and subscriptions, insurance, meeting expenses, occupancy, office supplies, postage and shipping - general, printing - general, professional fees, staff training and development, telephone and internet, travel, and other, which are allocated on the basis of estimates of time and effort.

**NOTE 15 – Related Party Transactions**

The Organization had accounts receivable due from management and members of the Board of Directors related to their special events. The balance due at December 31, 2019 was \$8,500. There was no balance due at December 31, 2020.

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**NOTE 16 – Subsequent Events and Economic Uncertainty**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, where the Organization is headquartered, have declared a state of emergency.

As COVID-19 restrictions are beginning to lift, TACA continues virtual meetings and is preparing for two hybrid family support events and one conference for 2021 in Costa Mesa, California. The Organization is concentrating on creating the best balance of in-person and virtual resources to achieve the greatest outcomes for the families served. ***Lessons learned from COVID-19 will be applied going forward to reach even more families virtually and adding back in community events as restrictions are lifted.***

COVID-19 continues to impact certain revenue and fundraising efforts. TACA's National Autism Conference and Ante Up for Autism will be hybrids and have less attendees than in prior years. The 2021 Autism Action Month (April) resulted in individuals, companies, and community organizations conduct fundraising events (online and in-person) raising more than \$60,000, a 100% increase from the previous year of zero funds. The Family & Friends campaign that occurs annually in April had a 92% increase from 2020 raising over \$125,000.

Through it all, the focus and goal of TACA's Autism Education and Support programs remain dedicated to empowering parents and providing them with education, financial resources, and support services to help their children.

Additionally, COVID-19 could continue to adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect funding streams. Any of the foregoing could harm the Organization and it cannot anticipate all of the ways in which health epidemics such as COVID-19 could adversely impact the business model. Although the Organization is continuing to monitor and assess the effects of the COVID-19 pandemic on the Organization, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Subsequent to the year ended December 31, 2020, the Organization was awarded a second PPP loan in the amount of \$174,047. Additionally, subsequent to the year ended December 31, 2020, the Organization paid off the balance of the line of credit outstanding as of December 31, 2020.