



FINANCIAL STATEMENTS

DECEMBER 31, 2021

WITH SUMMARY COMPARATIVE INFORMATION FOR 2020

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Autism Community in Action and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Autism Community in Action's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Autism Community in Action's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Autism Community in Action's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Autism Community in Action's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Alamitos, California
June 9, 2022

**THE AUTISM COMMUNITY IN ACTION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 955,054	\$ 613,354
Contributions receivable, current	58,211	55,877
Accounts receivable	46,757	5,066
Other receivables	33,840	--
Prepaid expenses	69,803	194,123
Investments	<u>81,564</u>	<u>33,338</u>
Total Current Assets	1,245,229	901,758
PROPERTY AND EQUIPMENT, NET	22,672	19,656
OTHER ASSETS		
Contributions receivable, net of current portion	58,333	--
Beneficial interest in assets held by community foundation	94,709	59,844
Deposits	<u>8,251</u>	<u>8,251</u>
Total Other Assets	<u>161,293</u>	<u>68,095</u>
TOTAL ASSETS	<u>\$ 1,429,194</u>	<u>\$ 989,509</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 16,810	\$ 20,467
Accrued employee related expenses	60,733	43,790
Deferred revenue	5,900	47,105
Line of credit payable	<u>--</u>	<u>60,000</u>
Total Current Liabilities	<u>83,443</u>	<u>171,362</u>
COMMITMENTS (NOTE 11)		
TOTAL LIABILITIES	83,443	171,362
NET ASSETS		
Without donor restrictions:		
Undesignated	1,060,212	647,480
Board designated endowment	<u>94,709</u>	<u>59,844</u>
Total without donor restrictions	1,154,921	707,324
With donor restrictions	<u>190,830</u>	<u>110,823</u>
TOTAL NET ASSETS	<u>1,345,751</u>	<u>818,147</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,429,194</u>	<u>\$ 989,509</u>

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

**THE AUTISM COMMUNITY IN ACTION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE TOTALS FOR 2020**

			<u>December 31,</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT				
Contributions	\$ 1,140,180	\$ 287,577	\$ 1,427,757	\$ 861,966
In-kind contributions	91,892	--	91,892	102,765
Program revenue	64,185	--	64,185	73,835
Membership dues	29,110	--	29,110	26,750
Investment income	16,795	--	16,795	19,985
Other income	3,173	--	3,173	2,971
Net assets released from restrictions	<u>207,570</u>	<u>(207,570)</u>	<u>--</u>	<u>--</u>
	1,552,905	80,007	835,482	1,088,272
SPECIAL EVENTS				
Special events revenue	1,196,208	--	1,196,208	662,769
Special events expense	<u>(455,767)</u>	<u>--</u>	<u>(455,767)</u>	<u>(171,251)</u>
	740,441	--	740,441	491,518
PRODUCT SALES				
Product sales	12,411	--	12,411	7,849
Cost of sales	<u>(17,270)</u>	<u>--</u>	<u>(17,270)</u>	<u>(9,385)</u>
	<u>(4,859)</u>	<u>--</u>	<u>(4,859)</u>	<u>(1,536)</u>
TOTAL REVENUE AND SUPPORT	2,288,487	80,007	2,368,494	1,578,254
EXPENSES				
Program services	1,345,108	--	1,345,108	1,127,918
Supporting services:				
Management and general	190,772	--	190,772	157,815
Fundraising	<u>305,010</u>	<u>--</u>	<u>305,010</u>	<u>295,782</u>
TOTAL EXPENSES	<u>1,840,890</u>	<u>--</u>	<u>1,840,890</u>	<u>1,581,515</u>
CHANGE IN NET ASSETS	447,597	80,007	527,604	(3,261)
NET ASSETS AT BEGINNING OF YEAR	<u>707,324</u>	<u>110,823</u>	<u>818,147</u>	<u>821,408</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,154,921</u>	<u>\$ 190,830</u>	<u>\$ 1,345,751</u>	<u>\$ 818,147</u>

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

**THE AUTISM COMMUNITY IN ACTION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE TOTALS FOR 2020**

				<u>December 31,</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021</u>	<u>2020</u>
PERSONNEL EXPENSES					
Salaries and wages	\$ 576,690	\$ 66,983	\$ 176,584	820,257	\$ 750,068
Employee benefits and taxes	<u>97,953</u>	<u>9,686</u>	<u>38,864</u>	<u>146,503</u>	<u>156,160</u>
TOTAL PERSONNEL EXPENSES	674,643	76,669	215,448	966,760	906,228
OTHER EXPENSES					
Annual conference	82,244	--	--	82,244	54,698
Bad debt expense	--	4,850	--	4,850	30,250
Depreciation and amortization	6,001	624	1,440	8,065	7,676
Dues and subscriptions	23,380	3,017	10,239	36,636	27,066
Insurance	12,692	940	3,103	16,735	19,686
Interest	--	233	--	233	2,503
Meetings	3,008	52	9,534	12,594	3,077
Merchant processing fees	--	22,942	--	22,942	21,857
Occupancy	70,376	8,153	24,231	102,760	101,242
Office supplies	6,952	962	2,704	10,618	7,307
Outreach and advertising	12,401	--	7,029	19,430	11,385
Parent and mentor support	122,727	--	--	122,727	84,980
Postage and shipping - educational	7,632	--	--	7,632	3,618
Postage and shipping - general	--	206	396	602	1,211
Printing - educational	341	--	--	341	28,317
Printing - general	--	--	1,984	1,984	2,774
Professional fees	22,838	5,512	20,321	48,671	57,454
Scholarships	264,209	--	--	264,209	178,748
Staff training and development	23,041	4,992	6,503	34,536	12,392
Telephone and internet	7,153	1,501	1,953	10,607	8,892
Travel	164	222	125	511	1,430
Venue cancellation fee	--	59,317	--	59,317	--
Website	5,306	--	--	5,306	4,984
Other	--	580	--	580	3,740
TOTAL OTHER EXPENSES	<u>670,465</u>	<u>114,103</u>	<u>89,562</u>	<u>874,130</u>	<u>675,287</u>
TOTAL EXPENSES	<u>\$ 1,345,108</u>	<u>\$ 190,772</u>	<u>\$ 305,010</u>	<u>\$ 1,840,890</u>	<u>\$ 1,581,515</u>

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

THE AUTISM COMMUNITY IN ACTION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 527,604	(\$ 3,261)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated securities	(42,579)	(49,195)
Realized (gain) on investments	--	(14,267)
Unrealized (gain) loss on investments	(15,512)	501
Depreciation and amortization	8,065	7,676
Forgiveness of Paycheck Protection Program (PPP) loan	(174,047)	(200,400)
Change in operating assets and liabilities:		
Contributions receivable	(60,667)	7,753
Accounts receivable	(41,691)	82,831
Accounts receivable from related parties	--	8,500
Other receivables	(33,840)	--
Prepaid expenses	124,320	(96,272)
Accounts payable and accrued expenses	(3,657)	7,678
Accrued employee related expenses	16,943	(22,586)
Deferred revenue	(41,205)	(35,918)
Net Cash Provided By (Used In) Operating Activities	263,734	(306,960)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of securities	--	633,793
Purchase of securities	--	(350,861)
Purchase of beneficial interest in assets held by community foundation	(25,000)	--
Purchases of property and equipment	(11,081)	(18,751)
Net Cash (Used In) Provided By Investing Activities	(36,081)	264,181
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from draws on line of credit	--	60,000
Proceeds from Paycheck Protection Program (PPP) loan	174,047	200,400
Repayments on line of credit	(60,000)	--
Net Cash Provided By Financing Activities	114,047	260,400
NET CHANGE IN CASH AND CASH EQUIVALENTS	341,700	217,621
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>613,354</u>	<u>395,733</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 955,054</u>	<u>\$ 613,354</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 233	\$ 2,503
Cash paid for income taxes	NONE	NONE
Noncash investing transactions	\$ 42,579	\$ 49,195
Noncash financing transactions	NONE	NONE

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

**THE AUTISM COMMUNITY IN ACTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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. In 2021, 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 a variety of virtual and in-person educational and support meetings each month across the US. Services provided include one-on-one mentoring for parents, social events for families in safe supportive environments, educational webinars and conferences, free printed journey guides, answers to support inquiries and scholarships for people 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, 2020, 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, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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, 2021 and 2020, 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, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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 TACA 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, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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

Revenue Recognition

Revenue is recognized when earned. Program service fees and event sponsorships that 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, 2021 and 2020, contributed goods totaled \$299,788 and \$242,856, 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 571 volunteers donated approximately 5,794 hours of their time to the Organization and its programs during 2021. The reduction of volunteers and hours that started in 2020 is due to COVID continued through 2021. The Organization started having some in-person events and meetings in September 2021. Most of TACA's volunteers have children diagnosed with autism and have had to resume full-time care during the pandemic. The donated volunteer time 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, 2021 and 2020, the Organization received \$42,579 and \$49,195 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 \$19,430 and \$11,385 for the years ended December 31, 2021 and 2020, respectively.

**THE AUTISM COMMUNITY IN ACTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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 is 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, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

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

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 Organization 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 June 9, 2022, which is the date the financial statements were available to be issued for the year ended December 31, 2021. See Note 15.

THE AUTISM COMMUNITY IN ACTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020

NOTE 3 – Liquidity and Availability

Financial assets available to meet cash needs for general expenditures within one year as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 955,054	\$ 613,354
Contributions receivable	116,544	55,877
Accounts receivable	46,757	5,066
Other receivables	33,840	--
Investments	<u>81,564</u>	<u>33,338</u>
Total financial assets	1,233,759	707,635
Less: contractual or donor-imposed restrictions	(<u>190,830</u>)	(<u>110,823</u>)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,042,929</u>	<u>\$ 596,812</u>

To help manage unanticipated liquidity needs, the Organization had a line of credit with a commercial bank. As of December 31, 2021, there was no outstanding balance on the line of credit. See Notes 11 and 15.

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>2021</u>	<u>2020</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 58,211	\$ 55,877
Greater than one year	<u>58,333</u>	<u>--</u>
Total	<u>\$ 116,544</u>	<u>\$ 55,877</u>

There was no allowance for doubtful accounts deemed necessary by management at December 31, 2021 or 2020 as all items are expected to be collected in full. There was no discount to net present value for amounts expected in greater than one year at December 31, 2021 or 2020 as management believes the discount would be immaterial to the financial statements as a whole. Bad debt expense was \$4,850 and \$30,250 for the years ended December 31, 2021 and 2020, respectively.

**THE AUTISM COMMUNITY IN ACTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARY COMPARATIVE INFORMATION FOR 2020**

NOTE 5 – Accounts Receivable

Accounts and other receivables are summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
Accounts expected to be collected in less than one year	\$ 80,597	\$ 5,066

There was no allowance for doubtful accounts deemed necessary by management at December 31, 2021 or 2020.

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.

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

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2021:

		<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>
	<u>Fair Value</u>			
Investments				
Fixed income	\$ 62,759	\$ 62,759	\$ --	\$ --
Equities	18,805	18,805	--	--
Beneficial interest in assets held by community foundation	<u>94,709</u>	<u>--</u>	<u>--</u>	<u>94,709</u>
Total	<u>\$ 176,273</u>	<u>\$ 81,564</u>	<u>\$ --</u>	<u>\$ 94,709</u>

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

		<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>
	<u>Fair Value</u>			
Investments				
Fixed income	\$ 20,088	\$ 20,088	\$ --	\$ --
Equities	13,250	13,250	--	--
Beneficial interest in assets held by community foundation	<u>59,844</u>	<u>--</u>	<u>--</u>	<u>59,844</u>
Total	<u>\$ 93,182</u>	<u>\$ 33,338</u>	<u>\$ --</u>	<u>\$ 59,844</u>

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

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 59,844	\$ 55,613
Contributions	25,000	--
Investment income, net	10,565	4,776
Administrative fees	(700)	(545)
Ending balance	<u>\$ 94,709</u>	<u>\$ 59,844</u>

NOTE 7 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
Furniture	\$ 16,703	\$ 22,855
Equipment	19,639	18,857
Computer equipment	43,975	39,818
Leasehold improvements	<u>3,170</u>	<u>3,170</u>
	83,487	84,700
Less accumulated depreciation and amortization	(60,815)	(65,044)
Total	<u>\$ 22,672</u>	<u>\$ 19,656</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$8,065 and \$7,676, respectively.

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NOTE 8 – Intangible Assets

Intangible assets are summarized as follows at December 31:

	<u>2021</u>	<u>2020</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>

There were no amortization expenses recognized for the years ended December 31, 2021 or 2020.

NOTE 9 – Quasi-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 changes in the quasi- endowment net assets are as follows for the year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 59,844	\$ --	\$ 59,844
Additions	25,000	--	25,000
Investment return, net	10,565	--	10,565
Administrative fees	(<u>700</u>)	<u>--</u>	(<u>700</u>)
Endowment net assets, ending	<u>\$ 94,709</u>	<u>\$ --</u>	<u>\$ 94,709</u>

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NOTE 9 – Quasi-Endowment (*continued*)

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

	<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	4,776	--	4,776
Administrative fees	(545)	--	(545)
Endowment net assets, ending	<u>\$ 59,844</u>	<u>\$ --</u>	<u>\$ 59,844</u>

NOTE 10 – Paycheck Protection Program (PPP) Loan

In March 2021 and 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. In October 2021 and November 2020, the Organization's applications for forgiveness were approved and the full amounts of the PPP loans were recognized in contributions 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 applications and subsequent forgiveness within six years following the date of loan forgiveness.

NOTE 11 – Commitments

Line of Credit

The Organization had 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 March 2022. There was no outstanding balance as of the year ended December 31, 2021. As noted in Note 15, the Organization closed the account subsequent to December 31, 2021. The line of credit had an outstanding balance of \$60,000 as of the year ended December 31, 2020.

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NOTE 11 – Commitments *(continued)*

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,

2022	\$ 102,760
2023	<u>102,760</u>
	<u>\$ 205,520</u>

Lease expense for the years ended December 31, 2021 and 2020 was \$102,760 and \$101,242, respectively.

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 are as follows:

For the year ending December 31,

2022	\$ 125,150
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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>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Doctor's training scholarships	\$ 5,522	\$ 5,522
Medical scholarships	67,083	47,273
OC swim program	1,681	1,681
Other programmatic activities	--	470
Contributions receivable, the proceeds from which have been restricted by donors for:		
Newly diagnosed programs	91,667	--
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	<u>24,877</u>	<u>55,877</u>
Total	<u>\$ 190,830</u>	<u>\$ 110,823</u>

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NOTE 12 – Net Assets With Donor Restrictions *(continued)*

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>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 55,877	\$ 42,090
Subject to expenditure for specified purpose:		
Journey Guides	--	26,177
Medical scholarships	76,890	119,800
Adult program	11,000	--
Newly diagnosed program	8,333	--
State of GA - family scholarships	55,000	--
Other programmatic activities	<u>470</u>	<u>--</u>
Total	<u>\$ 207,570</u>	<u>\$ 188,067</u>

NOTE 13 – Concentrations

Contributions Receivable

Contributions receivable from one and three donors comprises 71% and 54% of the balance at December 31, 2021 and 2020, respectively.

Accounts Receivable

Accounts receivable from two and four accounts comprises 53% and 79% of the balance at December 31, 2021 and 2020, 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, meetings, occupancy, office supplies, outreach and advertising, postage and shipping - general, professional fees, staff training and development, telephone and internet, and travel, which are allocated on the basis of estimates of time and effort.

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NOTE 15 – Subsequent Events and Economic Uncertainty

Lessons learned during COVID-19 are being applied this year to reach even more families virtually and add back in-person community events in California and other states as possible. In 2022, TACA will have 2 Autism Conferences – one virtual and one in-person and family events in multiple states. Management is concentrating on creating the best balance of in-person and virtual resources to achieve the greatest outcomes for the families served.

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.

Subsequent to the year ended December 31, 2021, the Organization closed their line of credit effective.