Consolidated Financial Statements and Report of Independent Certified Public Accountants

Autism Speaks, Inc.

December 31, 2018 and 2017

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Autism Speaks, Inc.

Report on the financial statements
We have audited the accompanying financial statements of Autism Speaks, Inc. (a nonprofit organization) ("AS"), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated 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.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the AS'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 AS'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 Autism Speaks, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matter
Report on 2017 summarized comparative information
The financial statements of Autism Speaks as of and for the year ended December 31, 2017 were audited by other auditors. Those auditors expressed an unmodified opinion on those 2017 financial statements in their report dated May 25, 2018.

Grant Thornton LLP

Philadelphia, Pennsylvania
August 22, 2019

Autism Speaks, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS	2018	2017
Cash and cash equivalents	$ 32,092,699	$ 14,472,408
Pledges receivable, net	3,188,075	5,861,799
Other contributions and miscellaneous receivables	4,042,752	2,864,317
Prepaid expenses and other assets	541,969	610,848
Property, equipment and computer software, net	749,815	365,277
Total assets	$ 40,615,310	$ 24,174,649
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	$ 687,474	$ 1,323,561
Accounts payable and accrued expenses	1,743,103	3,336,266
Other liabilities	1,228,257	1,475,292
Total liabilities	3,658,834	6,135,119
Net assets		
Without donor restrictions	27,662,940	9,958,017
With donor restrictions	9,293,536	8,081,513
Total net assets	36,956,476	18,039,530
Total liabilities and net assets	$ 40,615,310	$ 24,174,649

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

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2018

(with comparative totals for December 31, 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support, revenue, and reclassifications				
Walk program and retail partners	$ 27,706,826	$ 952,434	$ 28,659,260	$ 28,379,550
Major gifts and other contributions	22,490,303	5,557,750	28,048,053	17,667,133
Special and community events	6,854,106	75,000	6,929,106	7,370,834
Government grants	15,157	243,693	258,850	160,314
In-kind contributions and donated services (Note B)	30,373,941	-	30,373,941	43,128,660
Interest income, foreign exchange gains and losses, and other income	247,288	2,020	249,308	92,486
Net assets released from restrictions	5,618,874	(5,618,874)	-	-
	93,306,495	1,212,023	94,518,518	96,798,977
Expenses				
Program services				
Science (including in-kind contributions of $397,600 in 2018 and $504,578 in 2017)	12,018,285	-	12,018,285	13,646,873
Services and support (including in-kind contributions of $108,072 in 2018)	15,470,068	-	15,470,068	18,618,426
Understanding and acceptance (including in-kind contributions of $29,563,434 in 2018 and $41,456,732 in 2017)	36,748,174	-	36,748,174	43,876,743
Total program services	64,236,527	-	64,236,527	76,142,042
Supporting services				
Management and general (including in-kind contributions of $120,421 in 2018 and $64,010 in 2017)	4,156,939	-	4,156,939	4,318,464
Fundraising (including in-kind contributions of $184,414 in 2018 and $1,103,340 in 2017)	7,208,106	-	7,208,106	8,991,744
Total supporting services	11,365,045	-	11,365,045	13,310,208
Total expenses	75,601,572	-	75,601,572	89,452,250
Change in net assets	17,704,923	1,212,023	18,916,946	7,346,727
Net assets, beginning of year	9,958,017	8,081,513	18,039,530	10,692,803
Net assets, end of year	$ 27,662,940	$ 9,293,536	$ 36,956,476	$ 18,039,530

The accompanying notes are an integral part of this consolidated financial statement.

Autism Speaks, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018

(with comparative totals for December 31, 2017)

	2018								2017
	Program Services				Supporting Services				
	Science	Services and Support	Understanding and Acceptance	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Total
Salaries and related benefits	$ 3,310,979	$ 7,645,528	$ 3,134,636	$ 14,091,143	$ 2,821,529	$ 3,870,971	$ 6,692,500	$ 20,783,643	$ 19,782,667
Science grants, awards, and research	5,828,497	-	-	5,828,497	-	-	-	5,828,497	8,862,406
Family services grants, awards, and research	-	2,013,974	-	2,013,974	-	-	-	2,013,974	1,958,123
Media and media services (donated)	-	-	29,515,816	29,515,816	-	129,618	129,618	29,645,434	42,123,089
Professional and legal fees	355,525	1,079,400	419,334	1,854,259	246,714	309,098	555,812	2,410,071	2,636,931
Events, meetings, and conferences	711,767	1,613,095	1,385,958	3,710,820	41,469	1,067,088	1,108,557	4,819,377	4,424,119
Printing and promotion	56,482	615,416	801,247	1,473,145	20,433	591,630	612,063	2,085,208	1,872,807
Occupancy	165,095	562,675	408,158	1,135,928	132,639	276,363	409,002	1,544,930	1,566,074
Software and website	1,073,960	491,700	210,582	1,776,242	152,262	253,440	405,702	2,181,944	2,321,037
Other	472,925	1,350,435	830,311	2,653,671	705,319	658,568	1,363,887	4,017,558	3,527,817
Depreciation and amortization	43,055	97,845	42,132	183,032	36,574	51,330	87,904	270,936	377,180
	$ 12,018,285	$ 15,470,068	$ 36,748,174	$ 64,236,527	$ 4,156,939	$ 7,208,106	$ 11,365,045	$ 75,601,572	$ 89,452,250

The accompanying notes are an integral part of this consolidated financial statement.

Autism Speaks, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31,

	2018	2017
Cash flows from operating activities		
Change in net assets	$ 18,916,946	$ 7,346,727
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	299,667	-
Depreciation and amortization	270,936	377,180
Fixed asset write-off	-	100,000
Deferred rent	(92,870)	(77,060)
Lease abandonment costs and amortization of lease abandonment liability	(170,104)	(164,253)
Net loss (gain) on foreign currencies	87,399	(78,549)
Changes in operating assets and liabilities		
Pledges receivable, net	2,374,057	(2,284,513)
Other contributions and miscellaneous receivables	(1,178,435)	(433,374)
Prepaid expenses and other assets	68,879	14,747
Grants payable	(636,087)	(2,518,044)
Accounts payable and accrued expenses	(1,593,163)	474,869
Other liabilities	15,939	(6,000)
Net cash provided by operating activities	18,363,164	2,751,730
Cash flows from investing activities		
Payments for property, equipment and computer software	(655,474)	(210,728)
Net cash used in investing activities	(655,474)	(210,728)
Effect of exchange rate changes on cash	(87,399)	78,549
Net increase in cash and cash equivalents	17,620,291	2,619,551
Cash and cash equivalents, beginning of year	14,472,408	11,852,857
Cash and cash equivalents, end of year	$ 32,092,699	$ 14,472,408

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

NOTE A - ORGANIZATION

Autism Speaks, Inc. (AS), a not-for-profit corporation, was formed in 2005. It is dedicated to promoting solutions, across the spectrum and throughout the life span, for the needs of individuals with autism and their families through advocacy and support; increasing understanding and acceptance of people with autism spectrum disorder; and advancing research into causes and better interventions for autism spectrum disorder and related conditions. Through partnership and collaboration, AS is committed to increasing global understanding and acceptance of autism, being a catalyst for research breakthroughs, increasing early-childhood screening and timely interventions, improving the transition to adulthood, and ensuring access to reliable information and services throughout the life span.

Canadian operations are incorporated under Canadian law as a separate entity (Autism Speaks Canada), which is controlled by AS. Advancing Futures for Adults with Autism (AFAA), a not-for-profit corporation formed in the United States, is controlled by AS. In October 2012, AS established Delivering Scientific Innovation for Autism (DELSIA) as a not-for-profit affiliate.

The financial statements of Autism Speaks Canada, AFAA and DELSIA have been included in the accompanying consolidated financial statements in United States Dollars (USD). All interorganizational transactions have been eliminated.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations.

2. Net Assets

The classification of AS's net assets and its public support and revenue and expenses is based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets that are either not subject to donor-imposed stipulations or have been reclassified from net assets with donor restrictions because donor restrictions have either expired or been met.

With Donor Restrictions

Net assets that contain donor-imposed restrictions that permit AS to use or expend the assets for particular purposes or in specific time periods. The restrictions are satisfied either by the passage of time or by actions of AS.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Revenue Recognition

Contributions are recorded as revenue upon the receipt of cash, securities, a gift or an unconditional pledge. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions received are recorded as available for unrestricted use unless specifically restricted by the donor, in which case they are classified as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

4. Functional Allocation of Expenses

The cost of providing AS's programs and supporting services has been summarized on a functional basis in the accompanying consolidated statement of activities. Expenses directly attributable to a specific functional area of AS are reported as expenses of that functional area. Expenses attributable to more than one functional area are allocated using a variety of cost allocation techniques such as an analysis of staff time and effort and square footage.

5. Pledges/Contributions Receivable

Promises to give are recorded as pledges receivable or other contributions receivable at their fair values when received. Fair values are measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants.

6. Other Receivables

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when internal collection efforts have been unsuccessful. As of December 31, 2018 and 2017, no allowance for doubtful accounts has been established against other contributions and miscellaneous receivables.

7. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Cash Equivalents

For financial reporting purposes, AS considers all money market funds and highly-liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Funds with donor restrictions are included in cash and cash equivalents in the accompanying consolidated statements of financial position.

9. Property, Equipment and Computer Software

Computer software costs are capitalized at their costs and are amortized, when placed in service, over the estimated useful lives of the assets of three years.

Equipment and property are stated at their costs at the dates of acquisition for purchases of $5,000 or greater. Computer hardware and equipment and furniture and fixtures are being depreciated using the straight-line method over the estimated useful lives of the assets of three years to five years. Leasehold improvements are amortized over the term of the lease or the useful life of the improvements, whichever is less.

10. Grants

AS recognizes grant expenses as grantees meet the conditions stipulated in the awards. Conditional promises to give are not recorded as grant expense until the conditions upon which they are based have been met.

11. Donated Goods and Services

Donated goods and services that meet the requirements for recognition are recorded as revenue and expenses in the accompanying consolidated statement of activities at their fair values. The majority of the donated services are directly related to efforts to increase understanding and acceptance of people with autism spectrum disorder, which are included in program services in the accompanying consolidated statement of functional expenses.

In-kind contributions and donated services include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at $28,701,135 and $40,842,024 and professional advertising and other services related to such media valued at $944,299 and $1,281,065 for the years ended December 31, 2018 and 2017, respectively.

The fair values of the donated media are determined based on consideration of the cost typically incurred by buyers for similar advertising and media, standard discounts given for similarly placed media, the media type and placement and other considerations.

AS also received other donated goods and services valued at $728,507 and $1,005,571 for the years ended December 31, 2018 and 2017, respectively.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In July 2017, the Ad Council changed the method of valuation related to public service announcements broadcast on radio stations. The valuation had previously been determined by a combination of third-party radio monitoring services and an extrapolation of the value of support on stations unmonitored by third-party services. As of July 2017, the Ad Council moved to a new radio monitoring service, offering an increase in service coverage and accounting for the majority of radio listenership. Had the Ad Council implemented the new methodology as of January 1, 2017, the value of donated media would have decreased $6,269,330 for the year ended December 31, 2017.

Many volunteers have made significant contributions of time to AS's programs and supporting functions. These contributed services do not meet the criteria for recognition and, accordingly, are not recognized in the accompanying consolidated financial statements.

12. Advertising

Advertising expenses have been recorded as expense once incurred. Such expenses consist primarily of professional media and advertising services utilized as part of AS's understanding and acceptance programmatic activities.

13. Foreign Currency Translation

Public support, revenue and expenses of Autism Speaks Canada are translated at the average exchange rates for the year. Gains and losses from foreign currency translation are included in interest income, foreign exchange gains and losses and other income in the accompanying consolidated statement of activities.

14. Revenue Share Arrangements - Special Events

AS shares revenue and expenses with partners in certain events (see Note H for further details). AS employs collaborative arrangement accounting for these arrangements, which prescribes that, for costs incurred and revenue generated from third parties, the partner that is deemed to be the principal participant for a given transaction should record that transaction on a gross basis in the consolidated financial statements. AS accounts for payments made to partners for their share of net event proceeds as grant awards in the accompanying consolidated financial statements.

15. 2017 Summarized Financial Information

The consolidated 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 presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with AS's consolidated financial statements for the year ended December 31, 2017, from which the summarized information was derived.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. Adopted Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard intends to make certain improvements to the current reporting requirements for not-for-profit entities including: (1) the presentation for two classes of net assets at the end of the period, rather than the previously required three classes, as well as the annual change in each of the two classes; (2) the removal of the requirement to present or disclose the indirect method (reconciliation) when using the direct method for the statement of cash flows; and (3) the requirement to provide various enhanced disclosures relating to various not-for-profit specific topics. The new standard is effective for annual financial statements beginning after December 15, 2017. AS implemented the pronouncement during the year ended December 31, 2018.

17. Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to improve financial reporting by creating common revenue recognition guidance. The core principle of this guidance is that an entity should recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services at the date the performance obligation has occurred. ASU 2014-09 is effective for periods beginning after December 15, 2018. An entity will apply this update using either a full retrospective application, which applies the standard to each prior period presented, or under the modified retrospective application, in which an entity recognizes the cumulative effect of initially applying the new standard as an adjustment to the opening statement of financial position at the date of initial application. AS is currently evaluating the impact of this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires that most leased assets be recognized on the balance sheet as assets and liabilities for the rights and obligations created by these leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early application is permitted. An entity is required to apply the amendments in the standard under the modified retrospective transition approach. This approach includes a number of optional practical expedients, which are described in the final standard. Under these practical expedients, an organization will continue to account for leases that commence before the effective date in accordance with current U.S. GAAP, unless the lease is modified. However, lessees are required to recognize on the balance sheet leased assets and liabilities for operating leases at each reporting date. AS is currently evaluating the impact of this guidance on its consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance will help entities evaluate whether transactions should be accounted for as contributions, or exchange transactions subject to other guidance. The guidance will also help in determining whether a contribution is conditional. The guidance is effective for resource providers for fiscal years beginning after December 15, 2019 and for resource recipients for fiscal years beginning after December 15, 2018. AS is currently evaluating the impact of this guidance on its consolidated financial statements.

18. Reclassifications

Certain information from the prior year consolidated financial statements has been reclassified to conform to the current year presentation format.

NOTE C - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject AS to concentration of credit risk consist primarily of cash and cash equivalents, certificates of deposits, accounts receivable and pledges receivable.

AS has cash deposits at financial institutions in excess of the Federal Deposit Insurance Corporation limit; however, management does not believe that there is any significant risk of loss on any uninsured amounts. AS's management has assessed the credit risk with money market funds held at December 31, 2018 and 2017 and has determined that an allowance for the potential loss due to credit risk is not necessary.

Pledges and other receivables at December 31, 2018 and 2017 are due from various individuals, corporations, institutions and foundations. AS's management has assessed the credit risk associated with these receivable balances in determining the fair value of pledges receivable (see Note D).

NOTE D - PLEDGES RECEIVABLE, NET

AS's pledges receivable, net consisted of unconditional promises to give as follows as of December 31, 2018 and 2017:

	2018	2017
Receivable in less than one year	$ 1,304,307	$ 4,255,856
Receivable in one to five years	1,566,332	1,102,468
Receivable in greater than five years	438,811	590,952
Total future value	3,309,450	5,949,276
Less: Amount to reduce to fair value	(121,375)	(87,477)
Pledges receivable, net	$ 3,188,075	$ 5,861,799

The discount rate used to determine the fair value of pledges receivable was 3.7% in 2018 and 2.7% in 2017.

Other contributions receivable due in less than one year, including receivables from other organizations collecting contributions on AS's behalf, are reflected within other contributions and miscellaneous receivables in the accompanying consolidated statements of financial position at December 31, 2018 and 2017.

NOTE E - AVAILABILITY OF FINANCIAL ASSETS

The following reflects AS's financial assets as of the consolidated statement of financial position date of December 31, 2018, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Financial assets:	
Cash and cash equivalents	$ 32,092,699
Pledges receivable, net	3,188,075
Other contributions and miscellaneous receivables	4,042,752
Total financial assets	39,323,526
Less amounts unavailable for general expenditures, within one year:	
Pledges receivable, collectible beyond one year	(2,005,100)
Other contributions and miscellaneous receivables, beyond one year	(225,000)
Restricted by donors with purpose restrictions	(4,971,180)
Pledges receivable, collectible within one year with purpose restrictions	(1,093,333)
Other contributions and miscellaneous receivables, collectible within one year with purpose restrictions	(1,014,694)
Total amounts unavailable for general expenditures	(9,309,307)
Less Finance and Investment Committee designated operating reserve:	(19,500,000)
Total financial assets available to management for general expenditure, payment of current liabilities, future grant commitments, and operating lease commitments within one year	$ 10,514,219

AS has future grant commitments and lease commitments as disclosed in Notes I and J, respectively.

NOTE F - PROPERTY, EQUIPMENT AND COMPUTER SOFTWARE, NET

As of December 31, 2018 and 2017, property, equipment and computer software consisted of the following:

	2018	2017
Computer hardware and equipment	$ 708,514	$ 634,997
Furniture and fixtures	141,143	245,103
Computer software	1,582,841	1,292,618
Leasehold improvements	567,674	563,974
Computer software under development	19,410	-
	3,019,582	2,736,692
Less: Accumulated depreciation and amortization	(2,269,767)	(2,371,415)
Property, equipment and computer software, net	$ 749,815	$ 365,277

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2018 and 2017, net assets with donor restrictions consisted of the following:

	2018	2017
Purpose restrictions		
Science	$ 2,251,501	$ 656,793
Services and support	2,494,195	1,197,209
Other programs	225,484	103,327
	4,971,180	1,957,329
Time restricted	4,322,356	6,124,184
	$ 9,293,536	$ 8,081,513

As of December 31, 2018, and 2017, $3,517,732 and $5,362,585, respectively, of time-restricted net assets were also program restricted.

(Continued)

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS - Continued

During 2018 and 2017, net assets were released from restrictions as follows:

	2018	2017
Time restrictions	$ 102,168	$ 100,000
Science	3,247,027	2,513,759
Services and support	2,170,079	1,833,680
Other programs	99,600	83,528
	$ 5,618,874	$ 4,530,967

NOTE H - SPECIAL EVENTS - COLLABORATIVE ARRANGEMENTS

AS has arrangements to grant a portion of the net proceeds of certain events to partners. Amounts representing the partners' share of net event proceeds as described below are reflected as grants in the accompanying consolidated financial statements.

Event	Partner	Grants
Atlanta Walk	The Marcus Institute	50% of net proceeds
Phoenix Walk	The Southwest Autism Research & Resource Center (SARRC)	50% of net proceeds
Westchester/Fairfield Walk	Center for Autism and the Developing Brain at New York Presbyterian Hospital	15% of net proceeds

NOTE I - GRANTS

Unconditional obligations for science grants and awards were $687,474 and $1,323,561 and are reflected in grants payable in the accompanying consolidated statements of financial position as of December 31, 2018 and 2017, respectively. In addition, at December 31, 2018 and 2017, grants and awards commitments of $3,780,061 and $5,385,000, respectively, are subject to discretionary approval, pending the satisfactory progress of research and the availability of funds. If satisfactory progress is achieved and funds are available, approximate payments of the commitments outstanding at December 31, 2018 are scheduled as follows: $2,513,678 in 2019 and $1,266,383 in 2020.

NOTE J - OPERATING COMMITMENTS

Leasing Commitments

AS leases office space in various locations across the United States, which require minimum annual rents plus additional payments for operating expenses. The leases expire through February 2023. In addition, AS has equipment leases and service agreements expiring through March 2023.

As of December 31, 2018, future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year are as follows:

Years ending December 31,	Amount
2019	$ 1,479,551
2020	1,104,993
2021	742,830
2022	512,544
2023	85,154
	$ 3,925,072

For the years ended December 31, 2018 and 2017, rent expense was $1,330,675 and $1,323,362, respectively.

Rent expense under operating leases that provide for rent abatements and fixed non-contingent escalations is recognized on a straight-line basis over the term of each individual underlying lease. The cumulative net excess of recorded rent expense over lease payments made is reflected on the consolidated statements of financial position in other liabilities. As of December 31, 2018 and 2017, deferred rent was $244,450 and $337,320, respectively, and is reflected in other liabilities in the accompanying consolidated statements of financial position.

During 2013, AS abandoned part of a leasehold for office space. Rental payments to be made attributable to the abandoned space for the remaining lease term, less estimated sublease rentals, is recorded as a liability at a net present value of $925,868 and $1,095,972 at December 31, 2018 and 2017, respectively. This liability is included in other liabilities in the accompanying consolidated statements of financial position.

NOTE K - ALLOCATION OF JOINT COSTS

In 2018 and 2017, AS incurred joint costs of $16,734,423 and $16,430,734, respectively, to promote solutions, across the spectrum and throughout the life span, for the needs of individuals with autism and their families through advocacy and support; increasing understanding and acceptance of people with autism spectrum disorder; and advancing research into causes and better interventions for autism spectrum disorder and related conditions. In 2018 and 2017, respectively, $4,941,195 and $5,991,369 of costs were allocated to fundraising expenses, $1,714,155 and $1,106,136 of costs were allocated to management and general expenses, and $10,079,073 and $9,333,229 were allocated to program services.

NOTE L - RETIREMENT PLAN

AS implemented the Autism Speaks 401(k) Plan (AS 401(k) Plan), effective January 1, 2007. Under the AS 401(k) Plan, AS will make annual contributions ranging from 3% to 4% of an employee's salary to individual employee accounts for eligible employees, subject to Internal Revenue Service rules and limitations. Employer contributions for 2018 and 2017 were $440,219 and $451,483, respectively.

NOTE M - LINE OF CREDIT

In July 2014, AS entered into an amended line of credit agreement. AS has a line of credit with a bank, which has never been used, under which it can borrow up to $1,500,000 through September 30, 2019. Borrowings bear interest at the BBA LIBOR daily floating rate plus 1.25 percentage points and are unsecured.

NOTE N - INCOME TAX STATUS

AS, AFAA and DELSIA are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under comparable laws. The Canadian entity, exempt from Canadian income taxes, is organized without share capital under the Canadian Corporations Act. All significant tax positions have been considered by management, and it has been determined that all tax positions would be sustained upon examination by taxing authorities. There are no uncertain tax positions that require recognition in the accompanying consolidated financial statements or further disclosure in the notes to the consolidated financial statements. AS is required to file Form 990 (Return of Organization Exempt from Income Tax). AS is subject to audits by taxing jurisdictions; however, no audits for any periods are currently in progress.

NOTE O - SUBSEQUENT EVENTS

AS has evaluated events and transactions occurring on August 22, 2019, which is the date that the consolidated financial statements were available to be issued, for disclosure and recognition.

There were no events or transactions during the subsequent event period requiring disclosure or recognition in the consolidated financial statements.