



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## AUTISM RESEARCH INSTITUTE Audited Financial Statements Year Ended December 31, 2018

	<u>Page</u>
CONTENTS	
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14



# Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**AUTISM RESEARCH INSTITUTE**

We have audited the accompanying financial statements of Autism Research Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Autism Research Institute as of December 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

***Report on Summarized Comparative Information***

We have previously audited Autism Research Institute's December 31, 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

May 31, 2019



Sonnenberg & Company, CPAs

**AUTISM RESEARCH INSTITUTE**  
**Statement of Financial Position**  
**December 31, 2018**  
(With Comparative Information for December 31, 2017)

ASSETS:	<u>2018</u>	<u>2017</u>
Cash & cash equivalents	\$ 439,614	\$ 526,093
Accounts and contributions receivable	53,859	1,950
Prepaid expenses	1,172	1,383
Inventory	4,313	4,582
Investments	2,401,913	2,629,371
Property & equipment (net)	<u>15,279</u>	<u>14,256</u>
Total Assets	<u>\$ 2,916,150</u>	<u>\$ 3,177,635</u>
LIABILITIES:		
Accounts payable & accrued liabilities	<u>\$ 33,682</u>	<u>\$ 33,384</u>
Total Liabilities	33,682	33,384
NET ASSETS:		
Without donor restrictions	2,808,547	3,077,246
With donor restrictions	<u>73,921</u>	<u>67,005</u>
Total Net Assets	<u>2,882,468</u>	<u>3,144,251</u>
Total Liabilities & Net Assets	<u>\$ 2,916,150</u>	<u>\$ 3,177,635</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**AUTISM RESEARCH INSTITUTE**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**  
(With Summarized Comparative Information for the Year Ended December 31, 2017)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Totals</u>	<u>2017 Totals</u>
<b>SUPPORT &amp; REVENUE:</b>				
Contributions	\$ 673,981	\$ 53,569	\$ 727,550	\$ 676,254
Special event	74,881		74,881	86,221
Less: direct special event expenses	(38,286)		(38,286)	(48,631)
Membership dues	5,293		5,293	5,628
Book sales	739		739	841
Interest & dividends	25,722		25,722	19,875
Gain (loss) on investments	(134,902)		(134,902)	234,441
Other income	366		366	1,144
Net assets released from restrictions:				
Satisfaction of program restrictions	46,653	(46,653)	-	-
<b>Total Support &amp; Revenue</b>	<u>654,447</u>	<u>6,916</u>	<u>661,363</u>	<u>975,773</u>
<b>EXPENSES:</b>				
Program Services	805,431		805,431	781,903
Supporting Services				
Management & general	79,428		79,428	99,395
Fund raising	38,287		38,287	29,553
<b>Total Supporting Services</b>	<u>117,715</u>	<u>-</u>	<u>117,715</u>	<u>128,948</u>
<b>Total Expenses</b>	<u>923,146</u>	<u>-</u>	<u>923,146</u>	<u>910,851</u>
<b>Change in Net Assets</b>	<u>(268,699)</u>	<u>6,916</u>	<u>(261,783)</u>	<u>64,922</u>
Net Assets, Beginning of Year	<u>3,077,246</u>	<u>67,005</u>	<u>3,144,251</u>	<u>3,079,329</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,808,547</u>	<u>\$ 73,921</u>	<u>\$ 2,882,468</u>	<u>\$ 3,144,251</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**AUTISM RESEARCH INSTITUTE**  
Statement of Functional Expenses  
For the Year Ended December 31, 2018  
(With Summarized Comparative Information for the Year Ended December 31, 2017)

	<u>SUPPORTING SERVICES</u>				
	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>2018 Totals</u>	<u>2017 Totals</u>
<b>Personnel &amp; Related</b>					
Salaries & wages	\$ 261,720	\$ 24,346	\$ 18,260	\$ 304,326	\$ 310,774
Payroll taxes	14,245	1,325	994	16,564	19,632
Employee benefits	4,607	318	280	5,205	7,979
<b>Total Personnel &amp; Related</b>	<u>280,572</u>	<u>25,989</u>	<u>19,533</u>	<u>326,095</u>	<u>338,385</u>
<b>Other Expenses</b>					
Accounting & payroll services	3,526	24,288	246	28,060	30,732
Bank & merchant fees	6,456	91		6,547	5,018
Contract services	26,394			26,394	33,215
Fundraising			2,241	2,241	1,246
Insurance		8,146		8,146	8,173
Legal fees		6,816		6,816	1,792
Miscellaneous	7,291	3,807		11,098	11,355
Special projects	9,322			9,322	4,060
Office expenses	14,936	1,389	1,042	17,367	21,471
Physicians' training program	28,096			28,096	25,253
Postage & delivery	6,839	360	483	7,682	5,552
Printing & dissemination	14,867	3,134	8,533	26,534	16,144
Rent	25,903	2,410	1,807	30,120	30,215
Research grants	257,923			257,923	278,414
Retreat	8,300			8,300	-
Telephone/internet/utilities	9,452	879	659	10,991	8,763
Think tanks	37,929			37,929	42,427
Travel	14,970		3,743	18,713	16,676
Webinars	6,653			6,653	4,250
Website	46,002			46,002	25,551
<b>Total Other Expenses</b>	<u>524,860</u>	<u>51,320</u>	<u>18,754</u>	<u>594,934</u>	<u>570,307</u>
<b>Depreciation</b>		<u>2,118</u>		<u>2,118</u>	<u>2,159</u>
<b>Total Expenses</b>	<u>\$ 805,431</u>	<u>\$ 79,428</u>	<u>\$ 38,287</u>	<u>\$ 923,147</u>	<u>\$ 910,851</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**AUTISM RESEARCH INSTITUTE**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2018**  
(With Comparative Information for the Year Ended December 31, 2017)

	2018	2017
<b>CASH FLOWS FROM:</b>		
<b>Operating Activities:</b>		
Change in net assets	\$ (261,783)	\$ 64,922
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,118	2,159
(Gain) Loss on investments	134,915	(196,215)
(Increase) / Decrease in:		
Contributions receivable	(51,909)	8,131
Prepaid expenses	211	8,169
Inventory	269	150
Increase / (Decrease) in:		
Accounts payable	298	(12,423)
Net Cash Used by Operating Activities	(175,881)	(125,107)
<b>Investing Activities:</b>		
Reinvestment of interest	(25,457)	(33,156)
Sale of investments	118,000	2,472,556
Purchase of investments	-	(2,400,000)
Purchase of equipment	(3,141)	-
Net Cash Provided by Investing Activities	89,402	39,400
Net Decrease in Cash & Cash Equivalents	(86,479)	(85,707)
Cash & Cash Equivalents at:		
Beginning of Year	526,093	611,800
End of Year	\$ 439,614	\$ 526,093
Cash paid for interest	\$ 91	\$ 1,033

The Accompanying Notes are an Integral Part of the Financial Statements

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 1.      Nature of Organization**

The Autism Research Institute (ARI), a non-profit organization, is the hub of a worldwide network of parents and professionals concerned with autism. ARI was founded in 1967 to conduct and foster scientific research designed to improve the methods of diagnosing, treating, and preventing autism. This is accomplished by the following activities:

- Funding, conducting and facilitating cutting-edge research on underlying cause(s) and effective treatments.
- Maintaining autism.org website, that provides medical, biomedical, nutritional, and educational information on autism.
- Maintaining the ARI data bank, one of the world's largest, contains over 42,000 detailed case histories of autism from over 60 countries.
- Collaborating with the National Institute of Child Health and Human Development Brain and Tissue Bank and Massachusetts General Hospital gastrointestinal tissue bank to provide research material for scientists investigating the systemic causes and effects of autism.
- Offering in joint providership with the Cleveland Clinic complimentary AMA, PRA Category 1 Credit to physicians and the general public on gastrointestinal, medical, metabolic, and neurological comorbidities in autism.
- Sponsoring popular Internet webcasts focused on cutting-edge research and evidence-based interventions, with over 400,000 views on YouTube.
- Compiling parent surveys to determine which treatments for autism are beneficial and which are ineffective or even harmful.
- Publishing several e-newsletters with over 114,000 subscribers and a quarterly (hardcopy) science newsletter.
- Creating and “growing” a powerful network of parents and professionals involved in identifying and exploring new treatment avenues.
- Sponsoring a national multidisciplinary think tank involving researchers and experienced clinicians.
- Running the Autism Resource Call Center. This service provides free information and support for parents.
- Translating materials into 20 different languages.
- Investigating accurate ways to diagnose autism and its relationship to treatment efficacy.

ARI is supported primarily by contributions.

**Note 2.      Summary of Significant Accounting Policies**

***Basis of Presentation:*** The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles. Essentially, all revenue is recognized when earned and expenses are recognized when incurred. Pledges for contributions are recorded as received.



## AUTISM RESEARCH INSTITUTE

Notes to Financial Statements

Year Ended December 31, 2018

### Note 2. Summary of Significant Accounting Policies, continued

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 restrictions. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released 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.

Cash and Cash Equivalents: ARI has defined cash and cash equivalents as cash in banks and highly liquid investments with an initial maturity of three months or less.

Inventories: Inventories, which consist primarily of Autism Spectrum Disorder books, are valued at lower of cost or net realizable value.

Fair Value Measurements: ARI measures fair value at the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

Property and Equipment: Property and equipment is recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred. Property and equipment is capitalized if the cost of an asset is greater than or equal to \$2,000 and the useful life is greater than one year. Depreciation is computed using the straight-line method over the useful lives of the assets, which are seven years for furniture and five years for equipment. Depreciation expense for the year ended December 31, 2018 amounted to \$2,118.

Compensated Absences: Compensated absences for vacation and personal time off have not been accrued since they cannot be reasonably estimated. ARI's policy is to recognize these costs when actually paid.

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 2. Summary of Significant Accounting Policies, continued**

**Contributions:** Contributions are recognized when the donor makes a promise to give to ARI that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Donated Assets and Services:** Assets received as donations are recorded at their fair market value. Donated services are recognized as contributions, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ARI. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Functional Allocation of Expenses:** The costs of providing various services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ARI.

**Comparative Financial Information:** The accompanying financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with ARI's audited financial statements for the year ended December 31, 2017 from which the summarized information was derived. Some items may have been reclassified for purposes of overall comparability and consistency of presentation.

**Adoption of New Accounting Pronouncement:** ARI adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 2. Summary of Significant Accounting Policies, continued**

*Use of Estimates:* The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

**Note 3. Income Tax Status**

ARI is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California State Revenue and Taxation Code. ARI may be subject to tax on income which is not related to its exempt purposes. ARI's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

**Note 4. Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets at year end:

Cash	\$ 439,614
Accounts and contributions receivable	53,859
Investments	<u>2,401,913</u>
Total financial assets	<u>2,895,386</u>
Funds subject to donor-imposed restrictions	<u>(73,921)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 2,821,465</u></u>

ARI receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. ARI must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year.

As part of ARI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. ARI invests cash in excess of daily requirements in money market funds as well as fixed income and equity securities.

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 5. Cash and Cash Equivalents**

At December 31, 2018, cash and cash equivalents consisted of the following:

Petty Cash	\$ 16
Cash in Checking Accounts	305,547
Bank Deposit Sweep	134,051
Total	\$ 439,614

**Note 6. Concentrations**

Financial instruments that potentially subject ARI to concentrations of credit risk consist principally of cash deposits. Cash balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, ARI's uninsured cash balance was \$65,257.

Concentration of credit risk with respect to contributions receivable is limited due to the large number of contributors comprising ARI's contributor base and their dispersion across different geographic areas. The balances were collected in full after year end.

For the year ended December 31, 2018, approximately 15% of ARI's support and revenue was from one donor.

**Note 7. Investments**

Investments consist primarily of assets invested in marketable equity and debt securities. Cash and cash equivalents that are not used for operations are treated as investments due to their nature as long-term investments. Investments are carried at fair value based on quoted market prices in active market (all level 1 measurements). The realized and unrealized gains and losses on investments are reflected in the statement of activities. Investment revenues are reported net of related investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

At December 31, 2018, investments consisted of the following:

Cash and cash equivalents held for long-term investments	\$ 93,458
Equities	1,564,923
Fixed income	743,532
Total	\$ 2,401,913

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 8. Property and Equipment**

Property and equipment consist of the following at December 31, 2018:

Leasehold improvements	\$ 18,018
Media equipment	58,451
Office equipment	8,698
Vehicle	24,500
	<u>109,667</u>
Less: accumulated depreciation	(94,388)
Net property and equipment	<u>\$ 15,279</u>

**Note 9. Net Assets With Donor Restrictions**

Net assets with donor restrictions at December 31, 2018 are as follows:

	January 1, 2018	Addition	Released	Dec 31, 2018
Oxalate Study	\$ 8,005	\$ 460		\$ 8,465
Webinars	19,000		(6,653)	12,347
Neuropathology of Autism and Neurometabolism in Autism Studies	40,000		(40,000)	-
Time restrictions-pledges receivable		53,109		53,109
Total	<u>\$ 67,005</u>	<u>\$ 53,569</u>	<u>\$ (46,653)</u>	<u>\$ 73,921</u>

**Note 10. Contributions from Charitable Lead Trust**

ARI is a beneficiary of two irrevocable trusts. Trust distributions of \$1,000 and \$500 are to be received annually from the trusts. No receivable has been recorded in the accompanying financial statements in relation to the trusts.

**Note 11. Employee Benefits**

ARI maintains 403(b)(7) retirement plan for its employees. Employees may defer part of their compensation each year up to a maximum amount allowed by the Internal Revenue Code. No employer contributions to the plan were made during the year ended December 31, 2018.

ARI also maintains Section 125 Premium Only Plan. The plan allows employees to pay health insurance premiums on a pre-tax basis.

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 12. Operating Leases**

ARI has entered into operating leases as follows:

- Office space and art gallery at 4182, 4184, 4186, and 4186 1/2 Adams Avenue under a month to month rental agreement. The monthly rent was \$2,800 during the year ended December 31, 2018 for a total of \$33,600. ARI received \$9,000 for sublease of the office space.
- Storage space under a month to month agreement. The monthly rent is \$460; the total expense for the year ended December 31, 2018 is \$5,520.

**Note 13. Functionalized Expenses**

Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel and related expenses, office expenses, postage, occupancy, telephone, internet, and utilities, which are allocated on the basis of estimates of time and effort.

**Note 14. Service Contracts and Commitments**

During the year ended December 31, 2018, ARI entered into a contract for website development services for a total fee of \$28,750. ARI paid \$14,400 during the year ended December 31, 2018. The remaining obligation under the contract is \$14,350.

During the year ended December 31, 2018, ARI renewed the agreement with The Cleveland Clinic Foundation for physicians' training webcast program originally entered into in September 2014. Physicians receive continuing medical education credit for viewing online videos produced by ARI. The videos are available on Cleveland Clinic Center for Continuing Education website. ARI reimburses The Cleveland Clinic Foundation for all related expenses. As of December 31, 2018, ARI fulfilled its obligations related to the September 2014 contract. ARI's future obligations are \$44,770 under the March 5, 2018 agreement and \$1,700 under December 8, 2018 agreement to be fulfilled in accordance with the budget and payment schedule.

**Note 15. Related Parties**

ARI paid \$10,250 in 2018 to the Board Chair for developing curriculum and moderating several continuing education webcasts for licensed medical professionals. The Board Chair also serves as Activity Director for physicians' training webcast program (see Note 14).

In 2018, ARI awarded a grant in the amount of \$30,200 to The Cleveland Clinic Foundation to support the research study conducted by the Board Chair.

**AUTISM RESEARCH INSTITUTE**  
Notes to Financial Statements  
Year Ended December 31, 2018

**Note 16.      Fundraising Event**

ARI organizes an annual fundraising event, “Zoowalk for Autism Research” jointly with the Autism/Asperger’s Research Program at Arizona State University (the Program). Under the agreement, ARI handles all the accounting and the Program is in charge of all aspects of organizing and running the event. Ninety percent of the event’s profit is to be used for autism/Asperger’s research at Arizona State University and ten percent for ARI’s administrative costs. In 2018, the event raised \$74,881. Direct fundraising expenses were \$38,286 excluding administrative costs.

**Note 17.      Subsequent Events**

ARI’s management has evaluated subsequent events through May 31, 2019, the date the financial statements were available to be issued.

Subsequent to the year end, ARI entered into an employment agreement for Executive Director services. The agreement is for one year commencing January 1, 2019 and continuing through December 31, 2019 and may be renewed for successive one year period. An annual base compensation in accordance with the agreement is \$167,000 plus \$15,000 for disability, life insurance, and retirement contributions.

Subsequent to the year end, in accordance with a binding contract, ARI agreed to purchase all rights to the Internet Domain Name, autism.org from the Executive Director for \$10,000 and lease Internet Domain Name autism.com exclusively for its use as a re-direct to autism.org for one year at \$500 per month with an option to extend the lease for an additional six months at \$500 per month.