



**AUTISM RESEARCH
INSTITUTE**

Advancing Science & Education

(A California Not-for-Profit)

**Financial Statements
and
Independent Accountants' Review Report**

For the Six Months Ended June 30, 2025



smithmarion

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**The Governing Body of
Autism Research Institute**
San Diego, CA

Independent Accountants' Review Report

We have reviewed the accompanying financial statements of Autism Research Institute, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the six months then ended, and the related notes to financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Autism Research Institute, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Smith Marion & Co." in a cursive script.

March 3, 2026
Redlands, CA

Autism Research Institute

Statement of Financial Position

June 30, 2025

Assets

Current assets

Cash and equivalents - operating	\$ 906,379
Contributions receivable	269,402
Investments	4,294,842
Prepays and deposits	<u>3,906</u>
Total current assets	<u>5,474,529</u>

Property and equipment, at cost

Furniture and equipment	10,000
Leasehold improvements	<u>18,018</u>
Total acquisition costs	<u>28,018</u>
Less accumulated depreciation	<u>(12,917)</u>
Property and equipment, net	<u>15,101</u>

Total Assets**\$ 5,489,630****Liabilities and Net Assets**

Current liabilities

Accounts payable	\$ 121,682
Accrued liabilities	<u>72,764</u>
Total current liabilities	<u>194,446</u>

Total Liabilities**194,446**

Net assets

Without donor restrictions

Undesignated	<u>4,524,628</u>
Total without donor restrictions	<u>4,524,628</u>

With donor restrictions

Total with donor restrictions	<u>770,556</u>
Total net assets	<u>5,295,184</u>

Total Liabilities and Net Assets**\$ 5,489,630**

Autism Research InstituteStatement of Activities
For the Six Months Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contracts and grants	\$ 197,348	\$ 3,171	\$ 200,519
Investment return, net	286,920	-	286,920
Membership dues	2,532	-	2,532
Net assets released from restrictions	1,726	(1,726)	-
Total revenue, support, and gains	488,526	1,445	489,971
Expenses and Losses			
Program services expense	453,136	-	453,136
Supporting services expense			
Management and general	123,036	-	123,036
Fundraising	47,372	-	47,372
Total supporting services expense	170,408	-	170,408
Loss of disposition of assets	-	-	-
Total expenses and losses	623,544	-	623,544
Change in net assets	(135,018)	1,445	(133,573)
Net assets, beginning of year	5,418,646	10,111	5,428,757
Reclassification	(759,000)	759,000	-
Net assets, restated	4,659,646	769,111	5,428,757
Net Assets, End of Year	\$ 4,524,628	\$ 770,556	\$ 5,295,184

Autism Research Institute
Statement of Functional Expenses
For the Six Months Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Payroll	\$ 229,982	\$ 67,246	\$ 39,000	\$ 336,228
Printing	5,551	1,388	-	6,939
Insurance	3,125	781	-	3,906
Contract services	32,454	8,114	-	40,568
Accounting and payroll	15,908	3,977	-	19,885
Professional development	1,587	397	-	1,984
Office expense	5,715	1,429	-	7,144
Bank charges and PayPal fees	1,778	444	-	2,222
Training and development	15,442	3,861	-	19,303
Advertising and promotion	1,594	399	-	1,993
Webinars	12,039	3,010	-	15,049
Fundraising	-	-	8,372	8,372
Facilities	19,153	4,788	-	23,941
Website	21,494	5,374	-	26,868
Travel	19,536	4,884	-	24,420
Think Tanks/ conferences	66,406	16,601	-	83,007
Postage and delivery	774	194	-	968
Depreciation	361	90	-	451
Other	237	59	-	296
Total Expenses by Function	\$ 453,136	\$ 123,036	\$ 47,372	\$ 623,544

Autism Research InstituteStatement of Cash Flows
For the Six Months Ended June 30, 2025**Cash Flows from Operating Activities**

Change in net assets	\$ (133,573)
<i>Adjustments to reconcile change in net assets to net cash provided by operations</i>	
<i>Noncash items:</i>	
Depreciation	451
Unrealized (gain) loss	(243,768)
<i>(Increase) decrease in cash due to:</i>	
Accounts receivable	774,873
Prepays and deposits	(3,906)
<i>Increase (decrease) in cash due to:</i>	
Accounts payable	(385,949)
Accrued wages payable	(6,656)
Net cash from (used for) operating activities	<u>1,472</u>

Cash Flows from Investing Activities

Purchases of investments	(245,156)
Realized (gain) loss	<u>6,587</u>
Net cash from (used for) investing activities	<u>(238,569)</u>

Cash Flows from Financing Activities

Net cash from (used for) financing activities	<u>-</u>
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Net change in cash and equivalents	(237,097)
Cash and equivalents, beginning of year	<u>1,143,476</u>
Cash and Equivalents, End of Year	<u>\$ 906,379</u>

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

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 deigned to improve the methods of diagnosing, treating, and preventing autism. This is accomplished through ARI's mission to advance the health of autistic people through biomedical research and free education. ARI's programs include the following activities:

Basis of Presentation

ARI reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The following provides an explanation of net assets categories included in the accompanying financial statements:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ARI. These net assets may be used at the discretion of ARI’s management and the board of directors.

Net Assets With Donor Restriction – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of ARI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

ARI considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors (which includes grantors, as applicable, throughout) for long-term purposes, to be cash and cash equivalents.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose ARI to concentrations of credit and market risk consist primarily of cash and cash equivalents investments. ARI maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. ARI’s cash and cash equivalent accounts have been placed with high credit quality financial institutions. ARI has not experienced, nor does it anticipate, any losses with respect to such accounts.

ARI maintains cash at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC fully insures all funds up to \$250,000.

Investments with brokers are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of which \$250,000 may be cash. Insurance protects assets in the case of broker-dealer insolvency and not against decline in market values.

As of June 30, 2025, ARI had \$605,114 in cash and \$3,794,842 in investments in excess of the insured limits.

Contributions Receivable

ARI records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Based on historical collection experience, the nature of the receivables, and current economic conditions, management has determined that expected credit losses, if any, would be immaterial; therefore, no allowance of credit losses has been recorded as of June 30, 2025.

Investments

Investments are recorded at cost, if purchased or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statements of activities. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). ARI groups assets at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in non-active markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Property and Equipment, Net

Property and equipment are stated at cost at date of purchase or estimated fair market value at the date of donation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to twenty years. ARI's policy is to capitalize renewals and betterments acquired for greater than \$2,000, with useful life greater than one year, and expense normal repairs and maintenance as incurred. ARI's management periodically evaluates whether events or circumstances have occurred, indicating the carrying amount of long-lived assets may not be recovered. The useful life estimates used by the organization are as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Leasehold improvements	20

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Leases

ARI determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. ARI does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. At June 30, 2025, ARI did not have any leases with remaining terms greater than 12 months or leases that were expected to be renewed.

Compensated Absences

Unpaid employee leave benefits are recognized as liabilities of ARI. The accrued vacation liability of \$23,139 is included in accrued liabilities on the statement of financial position as of June 30, 2025.

Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. ARI recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Payments are required at the time of sale or start of the membership period; amounts received in advance are deferred to the applicable period. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. ARI recognizes special events revenue equal to fair value of direct benefits to donors when the special event takes place. ARI recognizes the contribution element of special events revenue immediately, unless there is a right of return if the special event does not take place. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of 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 present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Autism Research Institute is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code. ARI qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii) and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that ARI is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the year ended June 30, 2025. Management has evaluated its tax position and related income tax contingencies and does not believe that any material uncertain tax positions exist.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of 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 those estimates, and those differences could be material.

Note 2 - Liquidity and Availability

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

Cash and equivalents - operating	\$ 906,379
Accounts receivable	269,402
Investments	<u>4,294,842</u>
Total	<u>\$ 5,470,623</u>

ARI regularly monitors liquidity required to meet its ongoing operating needs and other contractual commitments.

Note 3 - Investments

Investments consist of the following at June 30, 2025:

	FMV	Cost	Unrealized Appreciation/ (Depreciation)
Cash	\$ 298,556	\$ 298,556	\$ -
Equities	2,643,458	2,156,793	486,665
Fixed income & preferreds	1,163,256	1,196,678	(33,422)
Alternatives	189,572	155,636	33,936
	<u>\$ 4,294,842</u>	<u>\$ 3,807,663</u>	<u>\$ 487,179</u>

The following table sets forth by level, within the fair value hierarchy, ARI's investments at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Cash	\$ 298,556	\$ -	\$ -	\$ 298,556
Equities	2,643,458	-	-	2,643,458
Fixed income & preferreds	1,163,256	-	-	1,163,256
Alternatives	-	-	189,572	189,572
	<u>\$ 4,105,270</u>	<u>\$ -</u>	<u>\$ 189,572</u>	<u>\$ 4,294,842</u>

Note 4 - Property and Equipment

As of June 30, 2025, the balances of property and equipment were:

Nondepreciable Assets:

Trade name & domain	\$ 10,000
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Depreciable Assets:

Leasehold improvements	18,018
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Subtotal	28,018
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Accumulated depreciation	(12,917)
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Total	\$ 15,101
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Depreciation expense for the six months ended, amounted to:	\$ 451
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Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions for the following purposes as of June 30, 2025:

	Beginning Balances	Additions	Release	Ending Balance
Oxalate Study	\$ 8,585	\$ -	\$ -	\$ 8,585
Cohen Education	379,500	-	-	379,500
Cohen Research	379,500	-	-	379,500
Research Grants	-	2,971	-	2,971
Online Webinars	-	25	(25)	-
Thank Tanks/Research	185	25	(210)	-
Continuing Education	1,341	150	(1,491)	-
	\$ 769,111	\$ 3,171	\$ (1,726)	\$ 770,556

Note 6 - Leases

ARI evaluated current contracts to determine which met the criteria of a lease. ARI does not report right-of-use (ROU) assets or lease liabilities for its short-term leases (leases with a term of 12 months or less).

ARI has entered into month-to-month lease agreements for office space and storage space.

For the six months ended June 30, 2025, total short-term lease costs were \$23,100.

Note 7 - Employee Benefit Plan

ARI maintains 403(b)(7) retirement plan for its employees. Employees may defer part of their compensation each year up to the maximum amount allowed by the Internal Revenue Code. No employer contributions to the plan were made during the year ended June 30, 2025.

Note 8 - Related Party

ARI paid \$900 during the six months ended June 30, 2025, to the Board Chair and Board Vice Chair for moderating several continuing education webcasts for licensed medical professionals. ARI also paid the Board secretary \$3,050 for consulting services provided for scientific programs.

Note 9 - Subsequent Events

Management has evaluated subsequent events through March 3, 2026, the date the financial statements were available to be issued. During this period, Autism Research Institute did not have any material recognizable events that required recognition or disclosure in the June 30, 2025, financial statements.

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