Southwest Autism Research and Resource Center

Financial Statements

December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
Southwest Autism Research and Resource Center

Opinion

We have audited the financial statements of Southwest Autism Research and Resource Center (the Center), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 GAAP, 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 Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Center'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 Center'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.

Baker Tilly US, LLP

Tempe, Arizona
May 15, 2024

Southwest Autism Research and Resource Center

Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 2,252,548	$ 887,845
Employee Retention Tax Credit receivable	-	1,274,329
Promises to give, current portion, net of allowance of $32,077 and $15,068, respectively	1,056,159	1,127,789
Contracts and insurance receivable	3,269,279	2,389,651
Prepaid expenses and other assets	329,660	290,545
Total current assets	6,907,646	5,970,159
Promises to Give, Net of Current Portion, Unamortized Discount of $61,729 and $52,007, respectively, and allowance of $40,657 and $14,827, respectively	819,071	637,590
Assets Restricted for Long-Term Purposes		
Cash	2,165,850	1,363,630
Promises to give, net of current portion, unamortized discount of $161,471 and $203,893, respectively, and allowance of $150,730 and $76,970, respectively	3,103,918	3,375,923
	5,269,768	4,739,553
Investments		
Endowments	4,883,789	4,474,034
Other	2,670,003	2,581,490
	7,553,792	7,055,524
Operating Leases Right-of-Use Assets	329,281	448,501
Property and Equipment, Net	10,045,640	4,300,236
Total assets	$ 30,925,198	$ 23,151,563
Liabilities		
Current Liabilities		
Accounts payable	$ 201,855	$ 150,187
Insurance overpayments	91,288	70,785
Accrued expenses	1,182,612	1,085,226
Deferred revenue	157,888	140,390
Current portion of note payable	250,000	-
Current portion of operating lease liabilities	134,378	135,757
Total current liabilities	2,018,021	1,582,345
Note Payable, Net of Current Portion	1,254,570	-
Operating Lease Liabilities, Net of Current Portion	196,869	313,191
Total liabilities	3,469,460	1,895,536
Net Assets		
Without donor restrictions:		
Undesignated	10,626,751	9,693,114
Board designated	1,421,697	1,225,779
	12,048,448	10,918,893
With donor restrictions	15,407,290	10,337,134
Total net assets	27,455,738	21,256,027
Total liabilities and net assets	$ 30,925,198	$ 23,151,563

See notes to financial statements

Southwest Autism Research and Resource Center

Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022 *		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and Revenues						
Net patient services	$ 10,671,476	$ -	$ 10,671,476	$ 8,927,591	$ -	$ 8,927,591
Research contract revenue	1,527,745	-	1,527,745	1,081,625	-	1,081,625
Residential contract revenue	507,002	-	507,002	915,079	-	915,079
Community school tuition	554,979	-	554,979	410,109	-	410,109
Other program revenue	9,622	-	9,622	32,041	-	32,041
Government grants	51,810	883,944	935,754	723,836	1,743,089	2,466,925
Contributions	1,603,128	2,071,082	3,674,210	154,840	6,401,743	6,556,583
In-kind support	44,735	3,545,430	3,590,165	97,843	-	97,843
Miscellaneous revenue	17,160	-	17,160	38,597	-	38,597
Net assets released:						
Purpose restrictions	1,670,399	(1,670,399)	-	1,167,895	(1,167,895)	-
Time restrictions	850,010	(850,010)	-	4,126,805	(4,126,805)	-
Time and purpose restrictions	194,413	(194,413)	-	100,000	(100,000)	-
	17,702,479	3,785,634	21,488,113	17,776,261	2,750,132	20,526,393
Special events contributions	949,104	1,070,686	2,019,790	397,616	2,020,706	2,418,322
Special events revenue	-	-	-	261,002	-	261,002
Direct donor benefits	(243,740)	-	(243,740)	(317,506)	-	(317,506)
	705,364	1,070,686	1,776,050	341,112	2,020,706	2,361,818
Total support and revenues	18,407,843	4,856,320	23,264,163	18,117,373	4,770,838	22,888,211

See notes to financial statements

Southwest Autism Research and Resource Center

Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022 *		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Expenses						
Program services:						
Research	$ 2,351,680	$ -	$ 2,351,680	$ 1,943,177	$ -	$ 1,943,177
Clinical services	10,562,317	-	10,562,317	10,024,572	-	10,024,572
Residential	510,872	-	510,872	833,892	-	833,892
	13,424,869	-	13,424,869	12,801,641	-	12,801,641
Support services:						
Management and general	3,251,681	-	3,251,681	3,302,635	-	3,302,635
Fundraising	1,430,402	-	1,430,402	1,564,765	-	1,564,765
	4,682,083	-	4,682,083	4,867,400	-	4,867,400
Total expenses	18,106,952	-	18,106,952	17,669,041	-	17,669,041
Change in net assets before investment return (loss)	300,891	4,856,320	5,157,211	448,332	4,770,838	5,219,170
Investment Return (Loss)	828,664	213,836	1,042,500	(532,622)	(813,509)	(1,346,131)
Change in net assets	1,129,555	5,070,156	6,199,711	(84,290)	3,957,329	3,873,039
Net Assets, Beginning	10,918,893	10,337,134	21,256,027	11,003,183	6,379,805	17,382,988
Net Assets, Ending	$ 12,048,448	$ 15,407,290	$ 27,455,738	$ 10,918,893	$ 10,337,134	$ 21,256,027

* Reclassified to conform to current year presentation

Southwest Autism Research and Resource Center

Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services					Supporting Services			
	Research	Clinical Services	Social Enterprise	Residential Transition Academy	Total Program	Management and General	Fundraising	Direct Donor Benefits	Total
Salaries and wages	$ 1,159,217	$ 7,507,101	$ -	$ 358,473	$ 9,024,791	$ 1,806,486	$ 801,213	$ -	$ 11,632,490
Payroll taxes	89,230	564,275	-	28,427	681,932	130,134	57,521	-	869,587
Employee benefits	128,617	940,382	-	25,451	1,094,450	387,691	80,185	-	1,562,326
Total personnel costs	1,377,064	9,011,758	-	412,351	10,801,173	2,324,311	938,919	-	14,064,403
Contract labor	277,170	1,850	-		279,020	17,550	31,593	-	328,163
Professional services	242,075	6,840	8,400	-	257,315	163,961	29,443	-	450,719
Business and travel	11,283	92,143	-	13,814	117,240	26,906	16,558	-	160,704
Occupancy and communication	42,601	495,133	-	13,071	550,805	85,619	48,112	-	684,536
Postage, supplies and printing	9,323	28,078	-	800	38,201	47,215	61,037	-	146,453
Marketing and subscriptions	54,799	244,790	-	23,720	323,309	138,656	31,892	-	493,857
Staff development	6,237	67,865	-	4,103	78,205	33,986	6,565	-	118,756
Program supplies and other expenses	205,598	109,942	-	7,336	322,876	88,771	62,642	-	474,289
Cost of goods sold	-	-	7,747	-	7,747	-	-	-	7,747
Other operational services	4,664	5,477	-	1,603	11,744	151,962	11,636	-	175,342
Insurance	6,388	25,545	-	-	31,933	103,244	6,388	-	141,565
Special events venue, meals and supplies	-	-	-	-	-	-	94,576	243,740	338,316
Depreciation	63,004	464,496	-	11,529	539,029	69,500	25,119	-	633,648
Bad debt expense	51,474	-	-	22,545	74,019	-	65,922	-	139,941
	2,351,680	10,553,917	16,147	510,872	13,432,616	3,251,681	1,430,402	243,740	18,358,439
Amounts included in revenue on the statement activities									
Cost of goods sold	-	-	(7,747)	-	(7,747)	-	-	-	(7,747)
Direct donor benefits	-	-	-	-	-	-	-	(243,740)	(243,740)
Total expenses	$ 2,351,680	$ 10,553,917	$ 8,400	$ 510,872	$ 13,424,869	$ 3,251,681	$ 1,430,402	$ -	$ 18,106,952

See notes to financial statements

Southwest Autism Research and Resource Center

Statement of Functional Expenses
Year Ended December 31, 2022 *

	Program Services					Supporting Services			
	Research	Clinical Services	Social Enterprise	Residential Transition Academy	Total Program	Management and General	Fundraising	Direct Donor Benefits	Total
Salaries and wages	$ 1,046,014	$ 7,190,664	$ -	$ 582,151	$ 8,818,829	$ 1,844,975	$ 817,825	$ -	$ 11,481,629
Payroll taxes	76,285	547,540	-	45,592	669,417	132,794	56,636	-	858,847
Employee benefits	109,953	866,333	-	128,575	1,104,861	389,263	73,222	-	1,567,346
Total personnel costs	1,232,252	8,604,537	-	756,318	10,593,107	2,367,032	947,683	-	13,907,822
Contract labor	220,763	6,655	-	-	227,418	2,500	35,894	-	265,812
Professional services	200,143	32,945	-	1,750	234,838	201,544	119,596	-	555,978
Business and travel	8,827	89,329	-	8,125	106,281	36,406	12,266		154,953
Occupancy and communication	34,964	424,934	-	27,139	487,037	76,082	46,871	-	609,990
Postage, supplies and printing	10,599	24,559	-	635	35,793	67,919	41,688	-	145,400
Marketing and subscriptions	39,725	130,397	-	12,217	182,339	126,790	40,159	-	349,288
Staff development	5,983	94,759	-	3,799	104,541	50,221	9,294	-	164,056
Program supplies and other expenses	82,656	119,753	-	1,592	204,001	80,423	110,805	-	395,229
Cost of goods sold	-	-	647	-	647	-	-	-	647
Other operational services	2,658	6,691	-	974	10,323	126,442	32,638	-	169,403
Insurance	9,520	28,108	-	-	37,628	98,592	9,369	-	145,589
Special events venue, meals and supplies	-	-	-	-	-	-	64,201	317,506	381,707
Depreciation	59,087	461,905	-	21,343	542,335	68,684	26,528	-	637,547
Bad debt expense	36,000	-	-	-	36,000	-	67,773	-	103,773
	1,943,177	10,024,572	647	833,892	12,802,288	3,302,635	1,564,765	317,506	17,987,194
Amounts included in revenue on the statement activities									
Cost of goods sold	-	-	(647)	-	(647)	-	-		(647)
Direct donor benefits	-	-	-	-	-	-	-	(317,506)	(317,506)
Total expenses	$ 1,943,177	$ 10,024,572	$ -	$ 833,892	$ 12,801,641	$ 3,302,635	$ 1,564,765	$ -	$ 17,669,041

* Reclassified to conform to current year presentation

See notes to financial statements

Southwest Autism Research and Resource Center

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

		2023		2022 *
Cash Flows From Operating Activities				
Change in net assets	$	6,199,711	$	3,873,039
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation		633,648		637,547
Amortization of operating leases right-of-use assets		119,220		112,915
Donation of building		(3,545,430)		-
Net realized/unrealized (gain) loss on investments		(874,529)		1,488,056
Provision for credit losses		51,474		36,000
Provision for uncollectible promises to give		65,922		67,773
Change in discount on long-term promises to give		(32,700)		231,506
(Increase) decrease in:				
Employee Retention Tax Credit receivable		1,274,329		(1,274,329)
Contracts and insurance receivable		(931,102)		(920,038)
Promises to give		128,932		(3,798,719)
Prepaid expenses and other assets		(39,115)		(40,967)
Deposits		-		69,493
Increase (decrease) in:				
Accounts payable		51,668		9,943
Insurance overpayments		20,503		578
Accrued expenses		97,386		(7,404)
Deferred revenue		17,498		(98,570)
Operating lease liabilities		(117,701)		(112,468)
Net cash provided by (used in) operating activities		3,119,714		274,355
Cash Flows From Investing Activities				
Purchases of property and equipment		(1,329,052)		(238,495)
Purchases of investments		(167,971)		(235,705)
Sales of investments		544,232		422,325
Net cash provided by (used in) investing activities		(952,791)		(51,875)
Net increase (decrease) in cash		2,166,923		222,480
Cash and Cash Equivalents, Beginning		2,251,475		2,028,995
Cash and Cash Equivalents, Ending	$	4,418,398	$	2,251,475
Reconciliation to Statements of Financial Position				
Cash and cash equivalents	$	2,252,548	$	887,845
Cash restricted for long-term purposes		2,165,850		1,363,630
	$	4,418,398	$	2,251,475
Supplemental Disclosure of Cash Flow Information:				
Noncash investing and financing activities:				
Issuance of long term debt for the purchase of building	$	1,504,570	$	-

* Reclassified to conform to current year presentation

See notes to financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Southwest Autism Research and Resource Center (the Center) is incorporated as a nonprofit corporation in the State of Arizona. Founded in 1997 with a mission designed to advance research and provide a lifetime of support for individuals with autism and their families.

The Center currently has four locations in Arizona and provides several programs to further its mission, including but not limited to the following:

Research

The research department focuses on three areas of interest: 1) Sponsored pharmaceutical trials: the Center is contracted by pharmaceutical companies to execute their protocol and collect safety and efficacy data for their investigational product; 2) Independent research: the Center's staff prepares grant applications (independently or with collaborators) to study methods to improve screening and diagnosis, measure the efficacy of clinical programs, and to develop and measure the efficacy of novel intervention approaches; and 3) A fee-for-service diagnostic evaluations for autism spectrum disorder (ASD) for the community.

Clinical Services

The Center models and promotes best practices that enhance the quality of life for children and adults with autism spectrum disorders through outreach and education, empowering children, families, and professionals with information training and programs. The Center provides research, individualized intervention, and educational experiences to children, teens and adults with autism spectrum disorders. The Center also provides support services to parents, family members, typical peers, and community members, as well as training and education to educational and medical professionals. The Center operates a Vocational & Life Skills Academy, established by the Center to maximize the independence, productivity, and quality of life of young adults and adults with autism and related developmental disorders.

Residential Transition Academy

The First Place AZ Transition Academy (First Place AZ) operated by the Center, is a two-year intensive and comprehensive community program designed to transition young adults with autism to living independently in the community. Through this partnership between First Place AZ and the Center, students live in their own apartments within the community while learning essential skills in employment, independent living and community engagement.

Social Enterprise

The social enterprise program is committed to creating sustainable businesses owned by the Center that increase community awareness and employment opportunities for adults with autism.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities.*

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Center considers all highly liquid debt instruments with an original maturity of three months or less at date of acquisition to be cash equivalents. Cash and money market funds held in accounts with stock brokerage firms are reported as investments as they represent accounts used for the purchase and sales of investments and are excluded from this definition. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are also excluded from this definition.

Contracts and Insurance Receivable

Contracts and insurance receivable consist of amounts due for contract services and insurance billings and are stated at the amount management expects to collect under the terms of the service contracts and agreements. Contracts and insurance receivable are carried at the outstanding balances less an allowance for credit losses, if applicable.

Allowance for Credit Losses

The Center recognizes an allowance for credit losses for its receivables arising from reciprocal transactions to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events. The Center pools these receivables based on similar risk characteristics in estimating expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Center measures those receivables individually. Receivables are written off when the Center determines that such receivables are deemed uncollectible.

The Center utilizes the loss rate method in determining its lifetime expected credit losses on accounts receivable. In determining its loss rates, the Center evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: assessment of the current status of individual contracts and a historical percentage of uncollectible amounts past due receivables, payor type, customer creditworthiness, and the effect of other external forces, such as economic conditions and legal and regulatory requirements, on the level of estimated credit losses in the existing receivables. The Center provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance.

Promises to Give

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give that are 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 the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates as determined by management applicable to the years in which the promises are received. Amortization of the discounts is included in contributions. In circumstances where it is aware of a specific amount where there may be an inability to meet the financial obligation, and for balances for which a scheduled payment was not received in the prior year, the Center records a specific reserve to reduce the amounts recorded to what it believes will be collected. Promises are charged off against the allowance when they are deemed to be uncollectible. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Allowance for Uncollectible Promises

The Center also recognizes an allowance for uncollectible promises to give for receivables arising from nonreciprocal revenue. The allowance for doubtful accounts was $223,464 and $106,864 as of December 31, 2023 and 2022, respectively.

Fair Value Measurements

A framework for measuring fair value has been established by the ASC and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect the Center's own assumptions about the assumptions that market participants would use in pricing the assets (i.e., real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments

Investments are measured at fair value in the statements of financial position. Investment return or loss is included in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Risk and Uncertainty

The Center invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes, could materially affect the amount reported in the statements of financial position.

Property and Equipment

Acquisitions of property and equipment in excess of $5,000 are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is calculated using the straight-line method over the estimated useful lives of the respective assets.

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in operations.

Impairment of Long-Lived Assets

The Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

Endowment Funds

The Center's endowments consist of funds established to support a variety of charitable efforts of the Center. Its endowments consist of donor-restricted endowment funds and one board designated endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Income from the endowment fund assets can be used to support general activities of the Center.

The Center follows Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Center to spend an amount that is prudent, consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continues in perpetuity.

The Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The donor-restricted endowment funds also include accumulated earnings in the funds that are also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center's Board.

In accordance with MCFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds,(3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) the Center's other resources, and (7) the Center's investment policies.

Investment Return Objectives, Risk Parameters and Spending Policy. The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments while also maintaining the purchasing power of those endowment assets over the long term. The endowment assets are invested in a manner that is intended to emphasize long-term capital appreciation with consideration for current income to provide liquidity as needed. The investment objective is to achieve a 4% to 6% real rate of return over a market cycle (five or more years). The annual spending target from the endowment is 4% of the three-year average value of the fund. The annual spending range is 2% to 6% as approved by the board.

Revenue Recognition for Program Services

The majority of the Center's revenue arrangements generally consist of a single performance obligation to transfer promised services.

Net patient services revenue is recognized in the period in which the Center satisfies performance obligations under contracts by transferring services to its patients. Clinical patient services revenue is recognized at a point in time, in the period the services are provided. Net clinical patient services revenue is principally for patients covered by various health plans, as well as uninsured patients, and includes amounts due from patients and third-party payers. This revenue is recognized in the amounts to which the Center expects to be entitled, based on contracted rates with funding sources. Payments are due upon receipt.

Research contract revenue mainly includes the Center's participation in pharmaceutical trials and the performance of screenings of patients. Pharmaceutical trial contracts are entered into with research study sponsors, collaborating research institutions and private donors and are performed based on a contract term that extends over a period of time. Amounts are earned as services and screenings are performed and are recorded as revenue in the period the performance obligations for these services are met. The contracts include payment terms which are based on certain milestones being met throughout the contract term. Amounts received in advance for tuition are recorded as contract liabilities which are included in deferred revenue on the accompanying statements of financial position.

Residential program revenue includes revenue from the Center's operation of a comprehensive community residential program to transition young adults with autism to living independently. The Center's performance obligation is to provide services at the residential facility. Revenue is earned at a point in time on a direct cost reimbursement basis and is recorded in the period the services are rendered, which is in the period the associated costs are incurred. Payment terms are due upon receipt.

Community school tuition is billed as the performance obligation is satisfied, which is as the Center provides educational services to children. Daily tuition fees are billed either to parents directly at published rates or to third party insurance payers at contracted rates and are due upon receipt. The monthly amount billed is based on the number of days of attendance at the school. The Center records the revenue in the period the service is provided based on the amount expected to be collected, which is the amount billed, with a reduction for the private payer billings based on historical experience of collections with this payer source. Amounts received in advance for tuition are recorded as contract liabilities which are included in deferred revenue on the accompanying statements of financial position.

Contract balances as of December 31 are as follows:

	2023	2022	2021
Contracts and insurance receivable, net			
Net patient services	$ 2,524,344	$ 2,006,483	$ 1,178,302
Research contract revenue	607,453	253,029	233,999
Residential contract revenue	14,200	18,000	46,750
Community school tuition	123,282	112,139	46,562
Total	$ 3,269,279	$ 2,389,651	$ 1,505,613
Contract liabilities, net			
Research contract revenue	$ 5,000	$ -	$ -
Community school deposits	107,416	84,360	151,430
Total	$ 112,416	$ 84,360	$ 151,430

Contributions

Contributions and grants, including promises to give, are received and recorded as income and net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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 statements of activities as net assets released from restrictions. The Center has several cost reimbursement contracts with federal and state agencies. The Center has determined that these contracts are conditional contributions and therefore revenue is recognized when the conditions are met, which is as allowable costs are incurred.

In-Kind Support

In-kind materials and other noncash assets are recorded at fair value in the period received. In-kind services are recorded at their estimated fair value if they create or enhance the Center's nonfinancial assets or require specialized skills that the Center would normally purchase if not provided by donation. No amounts have been reflected in the financial statements for certain donated volunteer services because they did not qualify for recording under the generally accepted accounting principles guidelines; however, a substantial number of volunteers have donated significant amounts of their time to the Center's program services and fundraising campaigns.

Net Assets

The Center reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions or required to be held in perpetuity. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Functional Expenses

The costs of providing the various programs and activities have been presented on a functional basis in the statements of functional expenses. Certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on actual employee activities based on time and effort, and indirect expenses are allocated based on the percentage of personnel costs in a particular program or area compared to total personnel costs for the Center. Occupancy and depreciation expense are allocated based on square footage utilized by the function.

Leasing Activities

The Center recognizes the assets and liabilities arising from leases on the statements of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. The Center does not separate lease and nonlease components for all asset classes when determining the measurement of the right-of-use assets and lease liabilities. When the rate implicit in the lease is not determinable, rather than use the Center's incremental borrowing rate, the Center uses a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes. In addition, the Center does not apply the recognition requirements to any leases with an original term of 12 months or less, for which the Center is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather short-term leases are recorded on a straight-line basis over the lease term.

Income Tax Status

Southwest Autism Research and Resource Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), and accordingly, there is no provision for corporate income taxes in the accompanying financial statements. In addition, the Center qualifies for the charitable contribution deduction under Section 170 of the IRC and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Center follows accounting standards for uncertainty in income taxes, which require that tax positions initially need to be recognized in the financial statements when it is more likely-than-not that the positions will not be sustained upon examination by the tax authorities. As of December 31, 2023 and 2022, the Center had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Center recognizes interest and penalties associated with income tax in operating expenses. During the years ended December 31, 2023 and 2022, the Center did not have any income tax related interest and penalty expense.

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Adoption of New Accounting Standard

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13*, Measurement of Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. For financial instruments included in the scope, the CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The methodology replaces the multiple existing impairment methods in current accounting principles generally accepted in the United States of America, which generally require that a loss be incurred before it is recognized. On January 1, 2023, the Center adopted the ASU using the modified retrospective approach. The adoption of ASU 2016-13 had no impact on the financial statements for the year ended December 31, 2023.

Date of Management's Review

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through May 15, 2024, the date the financial statements were available to be issued.

2. Liquidity and Availability

The following reflects the Center's financial assets as of December 31, reduced by amounts not available for general use within one year because of donor-imposed or other restrictions or internal designations. Amounts available include an estimate of the appropriation from the endowment funds for the following year as well as donor-restricted amounts that are available for expenditure in the following year for program activities. Amounts not available include amounts set aside as a board designated endowment that could be drawn upon if the Center approves that action.

	2023	2022
Total current assets	$ 6,907,646	$ 5,970,159
Less prepaid expenses and other assets	(329,660)	(290,545)
Add nonendowed liquid investments	2,670,003	2,581,490
Add endowment spending appropriation	459,993	448,241
Financial assets available for expenditures	$ 9,707,982	$ 8,709,345

The Center's endowment funds consist of donor-restricted endowments and a fund designated by the board as an endowment. Income from donor-restricted endowments is available for general use, subject to the Center's spending policy. Donor-restricted endowment principal amounts are not available for general expenditure. The Center's endowments are subject to an annual spending rate of 2% to 6% as approved by the board. Although the Center does not intend to spend in excess of the annual appropriation from the board designated endowment, totaling approximately $1,422,000, this amount could be made available if necessary.

The Center's working capital and cash flows have seasonal variations during the year attributable to annual special event fundraisers and a concentration of contributions received near calendar year end. The Center maintains a line of credit with maximum available borrowings of $1,400,000 as of December 31, 2023.

3. Concentration of Credit Risk

Financial instruments that subject the Center to potential concentrations of credit risk consist principally of cash and cash equivalents, contracts receivable and promises to give. The Center maintains its cash in bank accounts with financial institutions which at times may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

Gross promises to give include amounts from three donors which makes up 40% of total promises to give at December 31, 2023 and two donors which makes up 25% of total gross promises to give at December 31, 2022. Gross contracts receivable includes amounts from three payer sources that makes up 48% of total contracts receivable as of December 31, 2023 and two payer sources that makes up 33% of total contracts receivable as of December 31, 2022. Concentrations of credit risk with respect to receivables are limited due to the collection history and relationships with these donors and payer sources.

4. Promises To Give

Promises to give consist of the following unconditional promises to give at December 31:

	2023	2022
Receivable in less than one year	$ 2,039,420	$ 2,141,516
Receivable in two to five years	3,386,392	3,362,550
Total promises to give	5,425,812	5,504,066
Discount to present value	(223,200)	(255,900)
Allowance for uncollectible promises	(223,464)	(106,864)
Net promises to give	4,979,148	5,141,302
Current portion	(1,088,236)	(1,127,789)
Noncurrent portion	$ 3,890,912	$ 4,013,513
Promises to give, current	$ 1,056,159	$ 1,127,789
Promises to give, net of current	819,071	637,590
Promises to give restricted for long-term purposes	3,103,918	3,375,923
Total	$ 4,979,148	$ 5,141,302

The estimated cash flows for promises to give were discounted over the collection period using a discount of 3.84% and 3.99% for the years ended December 31, 2023 and 2022, respectively, as determined by management.

5. Conditional Promises to Give and Contributions

The Center received conditional promises to give totaling $45,000 and $50,000 for the years ended December 31, 2023 and 2022 for sponsorships for future special events. Other amounts received from various donors in advance of the future special events totaled $45,472 and $55,000 at December 31, 2023 and 2022, respectively, and are included in deferred revenue on the accompanying statements of financial position and will subsequently be recognized as special event contributions when the event occurs.

The Center has several cost reimbursable grant agreements, which are considered conditional contributions. As of December 31, 2023 and 2022, these grants included conditional promises to give in the amount of approximately $3,309,000 and $717,000, which represents unspent amounts included in these grant agreements and are expected to be spent over the remaining term of the agreement.

6. Investments

Investments consist of the following at December 31:

	2023	2022
Cash and money market	$ 725,509	$ 451,407
Fixed income funds	1,843,351	2,004,343
Equity funds	4,201,420	3,788,492
Preferred stock (other investments)	6,908	7,590
Real estate exchange traded funds	328,624	372,067
Funds held at Arizona Community Foundation	447,980	431,625
Total investments	$ 7,553,792	$ 7,055,524

Investment return (loss) is summarized as follows for the years ended December 31:

	2023	2022
Interest and dividends	$ 209,013	$ 185,219
Realized gain	23,892	212,561
Unrealized gain (loss)	850,637	(1,700,617)
Investment fees	(41,042)	(43,294)
Investment return	$ 1,042,500	$ (1,346,131)

7. Fair Value Measurements

The following table presents assets measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2023:

	2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Operating investments:				
Cash and money market	$ 229,326	$ 229,326	$ -	$ -
Fixed income funds	706,202	706,202	-	-
Equity funds	1,584,327	1,584,327	-	-
Preferred stock (other investments)	6,908	-	6,908	-
Real estate exchange traded funds	143,240	143,240	-	-
Total assets at fair value	2,670,003	2,663,095	6,908	-
Endowment investments:				
Cash and money market	496,183	496,183	-	-
Fixed income funds	1,137,149	1,137,149	-	-
Equity funds	2,617,093	2,617,093	-	-
Real estate exchange traded funds	185,384	185,384	-	-
Funds held at Arizona Community Foundation	447,980	-	-	447,980
Total assets at fair value	4,883,789	4,435,809	-	447,980
Total investments	$ 7,553,792	$ 7,098,904	$ 6,908	$ 447,980

The following table presents assets measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2022:

	2022			
	Total	Level 1	Level 2	Level 3
Operating investments:				
Cash and money market	$ 169,836	$ 169,836	$ -	$ -
Fixed income funds	744,158	744,158	-	-
Equity funds	1,493,062	1,493,062	-	-
Preferred stock (other investments)	7,590	-	7,590	-
Real estate exchange traded funds	166,844	166,844	-	-
Total assets at fair value	2,581,490	2,573,900	7,590	-
Endowment investments:				
Cash and money market	281,571	281,571	-	-
Fixed income funds	1,260,185	1,260,185	-	-
Equity funds	2,295,430	2,295,430	-	-
Real estate exchange traded funds	205,223	205,223	-	-
Funds held at Arizona Community Foundation	431,625	-	-	431,625
Total assets at fair value	4,474,034	4,042,409	-	431,625
Total investments	$ 7,055,524	$ 6,616,309	$ 7,590	$ 431,625

Investments with readily determinable fair values are measured at fair value in the statements of financial position as determined by quoted market prices in active markets (Level 1). Investments in preferred stock are valued based on observable inputs, which include a yield-based building block approach and call price of the preferred stock (Level 2). Investments in an investment pool including hedge funds and private equity funds with the Arizona Community Foundation (ACF) are valued based on unobservable inputs, which include the fair value of the underlying assets held by ACF and the Center's percentage interest in ACF's investments (Level 3).

The following is a reconciliation of beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended December 31, 2023 and 2022:

Balance, December 31, 2021	$ 508,956
Interest income	6,768
Realized and unrealized losses	(79,732)
Investment fees	(4,367)
Balance, December 31, 2022	431,625
Interest income	7,072
Realized and unrealized gains	40,083
Investment fees	(4,164)
Amounts appropriated for expenditures	(26,636)
Balance, December 31, 2023	$ 447,980

8. Property and Equipment

Property and equipment consist of the following at December 31:

	2023	2022
Land	$ 821,969	$ 821,969
Buildings and improvements	5,915,516	5,759,499
Leasehold improvements	995,919	995,919
Vehicles	51,847	51,847
Office furniture and equipment	1,017,035	827,961
	8,802,286	8,457,195
Accumulated depreciation	(4,813,040)	(4,179,392)
	3,989,246	4,277,803
Construction and software in progress	6,056,394	22,433
Total	$ 10,045,640	$ 4,300,236

Depreciation expense was $633,648 and $637,547 for the years ended December 31, 2023 and 2022, respectively.

Construction and software in progress at December 31, 2023 and 2022, includes building and software. These costs will be transferred to the appropriate property and equipment category and will be depreciated over their useful life once placed in service.

9. Line of Credit

At December 31, 2023, the Center has a revolving line of credit with a financial institution which provides for maximum borrowings of $1,400,000. The line of credit is payable upon demand and bears interest at the one-month prime rate minus 1.25%. The line of credit is collateralized by securities held by the Center and classified as investments. The line of credit was not utilized during the years ended December 31, 2023 and 2022.

10. Note Payable

Note payable consisted of the following at December 31:

	2023	2022
Note payable to an unrelated Arizona limited liability company with interest at 5.00%, due in annual payments of $250,000 plus interest from July 2024 through July 2026 and a balloon payment of approximately $755,000 including interest due on July 1, 2027. The note is secured by a deed of trust.	$ 1,504,570	$ -
Current portion	(250,000)	-
Total	$ 1,254,570	$ -

Annual principal maturities on the note payable as of December 31, 2023 are as follows:

Years ending December 31:	
2024	$ 250,000
2025	250,000
2026	250,000
2027	754,570
Total	$ 1,504,570

11. Leasing Activities

The Center leases office space and equipment under operating lease agreements that expire at various dates through September 2026. The agreements require monthly payments ranging from approximately $992 to $5,485.

Right-of-use assets represent the Center's right to use an underlying asset for the lease term, while lease liabilities represent the Center's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Center's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Center's sole discretion. The Center regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Center includes such options in the lease term. Additionally, the Center makes judgments regarding lease terms for certain of its real property leases that are in month-to-month status or that contain auto-renewal clauses. The Center estimated a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Center uses the rate implicit in the lease, or if not readily available, the Center uses a risk-free rate based on U.S. Treasury note or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Center's long-lived asset policy. The Center reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC Topic 842.

The Center made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Center:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Center obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.

- Determined whether contracts contain embedded leases.

The Center does not have any material leasing transactions with any related parties.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of December 31:

	2023	2022
Operating lease right-of-use assets	$ 329,281	$ 448,501
Operating lease liabilities:		
Current	$ 134,378	$ 135,757
Long-term	196,869	313,191
Total operating lease liabilities	$ 331,247	$ 448,948

Below is a summary of expense incurred pertaining to leases during the year ended December 31:

	2023	2022
Operating lease expense	$ 128,247	$ 119,917
Short-term lease expense	20,317	24,429
Total lease expense	$ 148,564	$ 144,346

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 2.31% and 2.28% for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022 the weighted average remaining lease term was 2.66 years and 3.65 years, respectively.

The table below summarizes the Center's approximate future minimum lease payments for years ending after December 31, 2023:

Years ending December 31:	
2024	$ 128,031
2025	129,495
2026	84,483
Total lease payments	342,009
Less present value discount	(10,762)
Total lease liabilities	331,247
Less current portion	(134,378)
Long-term lease liabilities	$ 196,869

The following table includes supplemental cash flow and noncash information related to the leases for the year ended December 31:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 126,729	$ 112,036

12. Employee Retention Tax Credit

On March 27, 2020, in response to the COVID-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief and Economic Security Act, which among other things, contains an employee retention tax credit (ERTC). On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed into law, which among other things, provides the retroactive ability for entities that received PPP loans to also obtain the ERTC. The ERTC allows, based on certain eligibility rules, for a credit against certain payroll taxes based on a percentage of wages paid to each employee commencing on March 13, 2020, and through September 30, 2021, to be paid by the Internal Revenue Service (IRS).

Eligibility and the amount of the credit is determined on a quarter-by-quarter basis throughout 2020 and through the third quarter of 2021 based on various factors including, the number of full-time employees employed during 2019, whether there was a partial or full shutdown of the business due to government orders and/or whether a certain percentage decline of gross receipts occurred during each quarter in 2020 or 2021 versus the same quarter in 2019. The Center has determined that it has qualified for the credit for certain quarters in the available time period. As a result, the Center received wage credit in the amount of $1,274,329 during the years ended December 31, 2022, and is included in government grant income on the accompanying statement of activities. This income was determined to meet the definition of a conditional contribution where the income is recognized when the conditions are substantially met. This amount is also included in Employer Retention Tax Credit receivable on the accompanying statements of financial position as of December 31, 2022 which was received in full during the year ended December 31, 2023. The Center is subject to possible audit or investigation by the IRS to determine whether the tax credit amounts were used for allowable purposes and whether the Center met the eligibility requirements relating to decreased revenue or required shutdown per government orders.

13. Endowment Funds

Endowment net asset composition as of December 31, 2023 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment fund	$ 1,421,697	$ -	$ 1,421,697
Donor restricted endowment funds:			
Original donor-restricted amount	-	2,630,000	2,630,000
Accumulated investments earnings	-	832,092	832,092
Total	$ 1,421,697	$ 3,462,092	$ 4,883,789

Endowment funds composition as of December 31, 2022 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment fund	$ 1,225,779	$ -	$ 1,225,779
Donor restricted endowment funds:			
Original donor-restricted amount	-	2,630,000	2,630,000
Accumulated investments earnings	-	618,255	618,255
Total	$ 1,225,779	$ 3,248,255	$ 4,474,034

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment funds, December 31, 2021	$ 1,526,091	$ 4,061,765	$ 5,587,856
Realized and unrealized losses	(264,814)	(666,463)	(931,277)
Interest income	32,834	81,697	114,531
Amounts appropriated for expenditures	(61,397)	(207,388)	(268,785)
Investment fees	(6,935)	(21,356)	(28,291)
Endowment funds, December 31, 2022	1,225,779	3,248,255	4,474,034
Board designation	97,349	-	97,349
Realized and unrealized gains	138,576	355,314	493,890
Interest income	39,085	91,122	130,207
Amounts appropriated for expenditures	(72,646)	(212,606)	(285,252)
Investment fees	(6,446)	(19,993)	(26,439)
Endowment funds, December 31, 2023	$ 1,421,697	$ 3,462,092	$ 4,883,789

Donor-restricted endowment funds include the following as of December 31:

	2023	2022
Harrington Endowment	$ 1,343,305	$ 1,267,943
Helios Endowment	1,255,333	1,174,183
Stardust Endowment	863,454	806,129
Total donor-restricted endowments	$ 3,462,092	$ 3,248,255

14. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2023	2022
Subject to the passage of time:		
Promises to give	$ 1,232,334	$ 1,088,967
Portion of donor-restricted endowment funds subject to time restriction under MCFA	832,092	618,255
	2,064,426	1,707,222
Subject to purpose restrictions:		
ASD screenings	-	246,573
Capital campaign	6,717,674	1,263,630
Community school expansion	12,621	14,846
Employment services	50,000	-
Individualized services	110,000	-
Intensive training and community outreach	90,000	23,689
Jumpstart program	70,390	157,979
Lecture series	-	4,500
Milestones program	-	1,961
Mindfulness study	15,184	123,607
Research	2,995	25,000
Residential	359	6,759
Technology expansion/consultant fees	-	197
Think Autism	225,563	415,227
Other programs	35,895	45,608
	7,330,681	2,329,576
Subject to both time and purpose restrictions (included in promises to give):		
Capital campaign	3,135,256	3,375,923
Intensive training and community outreach	-	180,000
Telehealth	100,000	100,000
Vocational and life skills academy	100,000	-
Other programs	46,927	14,413
	3,382,183	3,670,336
Donor-restricted endowments	2,630,000	2,630,000
Total	$ 15,407,290	$ 10,337,134

15. Board Designated Net Assets

Board designated net assets include a board designated endowment in the amount of $1,421,697 and $1,225,779 as of December 31, 2023 and 2022, respectively, set aside by the board as a reserve.

16. Retirement Plan

The Center sponsors a 401(k) retirement plan (the Plan) for its eligible employees. Under the terms of the Plan, employees may make voluntary contributions, subject to Internal Revenue Service limitations. The Center matches 50% of the employee contributions up to a maximum of 3% of eligible compensation subject to certain eligibility criteria as stated in the Plan document. The Center recorded contribution expense of $228,802 and $179,453 during the years ended December 31, 2023 and 2022, respectively.

17. Deferred Compensation Agreement

The Center adopted a deferred compensation plan for the benefit of an eligible employee on June 25, 2021, which qualifies under Section 457(f) of the Internal Revenue Code. Beginning in December 2021, the Center began crediting the participant's account. Annual contributions in an amount equal to 10% of the eligible employee's total compensation for the prior plan year are required under the plan and vest 25% per year. The Center recorded contribution expense of approximately, $30,400 and $27,200 during the years ended December 31, 2023 and 2022, respectively.

18. In-Kind Support

In-kind support is as follows for the years ended December 31:

Nonfinancial Asset	Revenue Recognized as of December 31, 2023	Revenue Recognized as of December 31, 2022	Utilization in Program / Activities	Donor Restrictions	Valuation Techniques and Inputs
Supplies and material	$ 36,335	$ 97,843	Program and Support Services	None	Estimate based on current cost of the products provided by the retail vendors operating in the greater Phoenix metropolitan area
Capitalized asset	3,545,430	-	Program Services	Capital Campaign	Estimate based on fair value of asset provided by certified appraiser operating in the greater Phoenix metropolitan area
Professional services	8,400	-	Program and Support Services	None	Estimate based on current cost of the products provided by the retail vendors operating in the greater Phoenix metropolitan area
Total	$ 3,590,165	$ 97,843			

19. Related-Party Transactions

During the year ended December 31, 2023, the Foundation received approximately $85,000 in contributions from board members. During the year ended December 31, 2022, the Foundation received approximately $63,000 in contributions from board members.

20. Subsequent Events

Subsequent to the year ended December 31, 2023, the Center entered into a contract with a contractor for building improvements related to the new community school in Mesa, Arizona totaling approximately $337,000.