

# **Southwest Autism Research and Resource Center**

Financial Statements

December 31, 2024 and 2023

# Southwest Autism Research and Resource Center

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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, 2024 and 2023, 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, 2024 and 2023, 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  
June 17, 2025

# Southwest Autism Research and Resource Center

## Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,662,995	\$ 2,252,548
Promises to give, current portion, net of allowance of \$39,173 and \$32,077, respectively	1,027,806	1,056,159
Contracts and insurance receivable, net	2,849,425	3,269,279
Prepaid expenses and other assets	434,787	329,660
Total current assets	9,975,013	6,907,646
<b>Promises to Give, Net of Current Portion, Discount of \$75,554 and \$61,729, Respectively, and Allowance of \$50,358 and \$40,657, Respectively</b>	925,332	819,071
<b>Assets Restricted for Long-Term Purposes- Capital Campaign</b>		
Cash	566,881	2,165,850
Promises to give, net of discount of \$218,013 and \$161,471, respectively and allowance of \$283,631 and \$150,730, respectively	5,419,126	3,103,918
	5,986,007	5,269,768
<b>Investments</b>		
Endowments	5,155,464	4,883,789
Other	2,762,420	2,670,003
	7,917,884	7,553,792
<b>Operating Leases Right-of-Use Assets</b>	260,952	329,281
<b>Property and Equipment, Net</b>	12,897,831	10,045,640
Total assets	\$ 37,963,019	\$ 30,925,198
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 262,617	\$ 201,855
Insurance overpayments	161,570	91,288
Accrued expenses	1,458,186	1,182,612
Deferred revenue	440,611	157,888
Current portion of note payable	305,014	250,000
Current portion of operating lease liabilities	124,911	134,378
Total current liabilities	2,752,909	2,018,021
<b>Note Payable, Net of Current Portion</b>	2,449,556	1,254,570
<b>Operating Lease Liabilities, Net of Current Portion</b>	138,224	196,869
Total liabilities	5,340,689	3,469,460
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	11,539,307	10,626,751
Board designated endowment fund	1,546,415	1,421,697
	13,085,722	12,048,448
With donor restrictions	19,536,608	15,407,290
Total net assets	32,622,330	27,455,738
Total liabilities and net assets	\$ 37,963,019	\$ 30,925,198

See notes to financial statements

# Southwest Autism Research and Resource Center

## Statements of Activities

Years Ended December 31, 2024 and 2023

	2024			2023 *		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Support and Revenues</b>						
Net patient services	\$ 12,028,856	\$ -	\$ 12,028,856	\$ 10,671,476	\$ -	\$ 10,671,476
Research contract revenue	1,339,319	-	1,339,319	1,527,745	-	1,527,745
Residential contract revenue	788,849	-	788,849	507,002	-	507,002
Community school tuition	618,407	-	618,407	554,979	-	554,979
Other program revenue	-	-	-	9,622	-	9,622
Government grants	943,154	-	943,154	51,810	883,944	935,754
Contributions	151,330	6,227,760	6,379,090	1,603,128	2,071,082	3,674,210
Special events contributions	678,365	1,407,721	2,086,086	949,104	1,070,686	2,019,790
In-kind support	10,922	337,575	348,497	44,735	3,545,430	3,590,165
Miscellaneous revenue	23,515	-	23,515	17,160	-	17,160
Net assets released:						
Purpose restrictions	1,344,091	(1,344,091)	-	1,670,399	(1,670,399)	-
Time restrictions	2,617,177	(2,617,177)	-	850,010	(850,010)	-
Time and purpose restrictions	29,427	(29,427)	-	194,413	(194,413)	-
Total support and revenues	20,573,412	3,982,361	24,555,773	18,651,583	4,856,320	23,507,903

See notes to financial statements

## Southwest Autism Research and Resource Center

### Statements of Activities

Years Ended December 31, 2024 and 2023

	2024			2023 *		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Expenses</b>						
Program services:						
Research	\$ 2,020,986	\$ -	\$ 2,020,986	\$ 2,351,680	\$ -	\$ 2,351,680
Clinical services	12,315,781	-	12,315,781	10,562,317	-	10,562,317
Residential	596,527	-	596,527	510,872	-	510,872
	14,933,294	-	14,933,294	13,424,869	-	13,424,869
Support services:						
Management and general	3,469,680	-	3,469,680	3,251,681	-	3,251,681
Fundraising	1,945,498	-	1,945,498	1,674,142	-	1,674,142
	5,415,178	-	5,415,178	4,925,823	-	4,925,823
Total expenses	20,348,472	-	20,348,472	18,350,692	-	18,350,692
Change in net assets before investment return (loss)	224,940	3,982,361	4,207,301	300,891	4,856,320	5,157,211
<b>Investment Return (Loss)</b>	812,334	146,957	959,291	828,664	213,836	1,042,500
Change in net assets	1,037,274	4,129,318	5,166,592	1,129,555	5,070,156	6,199,711
<b>Net Assets, Beginning</b>	12,048,448	15,407,290	27,455,738	10,918,893	10,337,134	21,256,027
<b>Net Assets, Ending</b>	<u>\$ 13,085,722</u>	<u>\$ 19,536,608</u>	<u>\$ 32,622,330</u>	<u>\$ 12,048,448</u>	<u>\$ 15,407,290</u>	<u>\$ 27,455,738</u>

\*Reclassified to confirm to current year presentation

See notes to financial statements

## Southwest Autism Research and Resource Center

### Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services					Supporting Services		
	Research	Clinical Services	Social Enterprise	Residential Transition Academy	Total Program	Management and General	Fundraising	Total
Salaries and wages	\$ 1,097,575	\$ 8,712,957	\$ -	\$ 407,119	\$ 10,217,651	\$ 2,028,881	\$ 916,755	\$ 13,163,287
Payroll taxes	80,827	642,816	-	30,886	754,529	138,327	63,980	956,836
Employee benefits	122,153	1,050,090	-	23,870	1,196,113	387,793	110,847	1,694,753
Total personnel costs	1,300,555	10,405,863	-	461,875	12,168,293	2,555,001	1,091,582	15,814,876
Contract labor	253,802	4,777	-	-	258,579	26,625	33,511	318,715
Professional services	124,159	10,602	3,400	-	138,161	101,104	32,113	271,378
Business and travel	3,792	125,044	-	11,982	140,818	40,739	18,666	200,223
Occupancy and communication	45,196	588,207	-	23,854	657,257	77,677	53,895	788,829
Postage, supplies and printing	2,430	12,157	-	1,973	16,560	10,503	53,317	80,380
Marketing and subscriptions	33,770	182,275	-	16,470	232,515	122,117	55,721	410,353
Staff development	3,560	45,513	-	2,063	51,136	31,764	14,482	97,382
Program supplies and other expenses	151,465	403,180	-	18,846	573,491	117,613	38,634	729,738
Cost of goods sold	-	-	3,172	-	3,172	-	-	3,172
Other operational services	3,041	35,119	-	320	38,480	210,687	43,030	292,197
Insurance	7,143	28,573	-	-	35,716	111,852	7,143	154,711
Special events venue, meals and supplies	-	-	-	-	-	-	331,382	331,382
Depreciation	56,073	471,071	-	12,418	539,562	63,998	26,531	630,091
Bad debt expense	36,000	-	-	46,726	82,726	-	145,491	228,217
	2,020,986	12,312,381	6,572	596,527	14,936,466	3,469,680	1,945,498	20,351,644
Amounts included in revenue on the statements of activities								
Cost of goods sold	-	-	(3,172)	-	(3,172)	-	-	(3,172)
Total expenses	\$ 2,020,986	\$ 12,312,381	\$ 3,400	\$ 596,527	\$ 14,933,294	\$ 3,469,680	\$ 1,945,498	\$ 20,348,472

See notes to financial statements



# 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	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	4,664	5,477	7,747	-	17,888	-	-	17,888
Other operational services	6,388	25,545	-	1,603	33,536	151,962	11,636	197,134
Insurance	-	-	-	-	-	103,244	6,388	109,632
Special events venue, meals and supplies	-	-	-	-	-	-	338,316	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	1,674,142	18,358,439
Amounts included in revenue on the statement activities								
Cost of goods sold	-	-	(7,747)	-	(7,747)	-	-	(7,747)
Total expenses	\$ 2,351,680	\$ 10,553,917	\$ 8,400	\$ 510,872	\$ 13,424,869	\$ 3,251,681	\$ 1,674,142	\$ 18,350,692

See notes to financial statements

# Southwest Autism Research and Resource Center

## Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 5,166,592	\$ 6,199,711
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	630,091	633,648
Amortization of operating leases right-of-use assets	214,595	119,220
Donation of property and equipment	(337,826)	(3,545,430)
Net realized/unrealized (gain) loss on investments	(563,023)	(874,529)
Provision for credit losses	36,000	51,474
Provision for uncollectible promises to give	145,491	65,922
Change in discount on long-term promises to give	70,457	(32,700)
(Increase) decrease in:		
Employee Retention Tax Credit receivable	-	1,274,329
Contracts and insurance receivable	383,854	(931,102)
Promises to give	(2,609,064)	128,932
Prepaid expenses and other assets	(105,127)	(39,115)
Increase (decrease) in:		
Accounts payable	60,762	51,668
Insurance overpayments	70,282	20,503
Accrued expenses	275,574	97,386
Deferred revenue	282,723	17,498
Operating lease liabilities	(214,378)	(117,701)
Net cash provided by (used in) operating activities	<u>3,507,003</u>	<u>3,119,714</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(3,144,456)	(1,329,052)
Purchases of investments	(199,368)	(167,971)
Sales of investments	<u>398,299</u>	<u>544,232</u>
Net cash provided by (used in) investing activities	<u>(2,945,525)</u>	<u>(952,791)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from note payable	1,500,000	-
Principal payments on note payable	<u>(250,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>1,250,000</u>	<u>-</u>
Net increase (decrease) in cash	1,811,478	2,166,923
<b>Cash and Cash Equivalents, Beginning</b>	<u>4,418,398</u>	<u>2,251,475</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 6,229,876</u></u>	<u><u>\$ 4,418,398</u></u>

See notes to financial statements

## Southwest Autism Research and Resource Center

### Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Reconciliation to Statements of Financial Position</b>		
Cash and cash equivalents	\$ 5,662,995	\$ 2,252,548
Cash restricted for long-term purposes	<u>566,881</u>	<u>2,165,850</u>
	<u>\$ 6,229,876</u>	<u>\$ 4,418,398</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Noncash investing and financing activities:		
Issuance of long term debt for the purchase of building	<u>\$ -</u>	<u>\$ 1,504,570</u>

See notes to financial statements

# Southwest Autism Research and Resource Center

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Notes to Financial Statements

December 31, 2024 and 2023

## 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) 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, a separate nonprofit organization) 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.

#### **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.

## Southwest Autism Research and Resource Center

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Notes to Financial Statements

December 31, 2024 and 2023

### 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.

## Southwest Autism Research and Resource Center

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### Notes to Financial Statements

December 31, 2024 and 2023

*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. Amounts are billed after the service is provided and 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 are recorded as contract liabilities which is 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.



## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

Contract balances as of December 31 are as follows:

	2024	2023	2022
Contracts and insurance receivable, net:			
Net patient services	\$ 2,370,895	\$ 2,524,344	\$ 2,006,483
Research contract revenue	382,395	607,453	253,029
Residential contract revenue	42,755	14,200	18,000
Community school tuition	53,380	123,282	112,139
Total	<u>\$ 2,849,425</u>	<u>\$ 3,269,279</u>	<u>\$ 2,389,651</u>
Contract liabilities, net:			
Research revenue	\$ -	\$ 5,000	\$ -
Clinical deferred revenue	28,500	-	-
Community school deposits	55,356	107,416	84,360
Total	<u>\$ 83,856</u>	<u>\$ 112,416</u>	<u>\$ 84,360</u>

### 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 and are performed by individuals with those specialized skills. 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 released from restrictions 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.

# Southwest Autism Research and Resource Center

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## Notes to Financial Statements

December 31, 2024 and 2023

### 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.

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.

### 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.

### 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, 2024 and 2023, 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, 2024 and 2023, 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.

# Southwest Autism Research and Resource Center

## Notes to Financial Statements

December 31, 2024 and 2023

### Date of Management's Review

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through June 17, 2025, 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.

	2024	2023
Total current assets	\$ 9,975,013	\$ 6,907,646
Less prepaid expenses and other assets	(434,787)	(329,660)
Add non-endowed liquid investments	2,762,420	2,670,003
Add endowment spending appropriation	290,365	459,993
Financial assets available for expenditures	<u>\$ 12,593,011</u>	<u>\$ 9,707,982</u>

The Center's endowment funds consist of donor-restricted endowments and a fund designated by the board as an endowment fund. 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 \$1,546,000 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, 2024 and 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 an amount from one donor which makes up 10% of total promises to give at December 31, 2024. Gross promises to give include amounts from three donors which makes up 40% of total promises to give at December 31, 2023. Gross contracts receivable includes amounts from three payer sources that make up 54% of total contracts receivable as of December 31, 2024 and three payer sources that make up 48% of total contracts receivable as of December 31, 2023. Concentrations of credit risk with respect to receivables are limited due to the collection history and relationships with these donors and payer sources.

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

#### 4. Promises To Give

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

	2024	2023
Receivable in less than one year	\$ 3,584,220	\$ 2,039,420
Receivable in two to five years	4,454,863	3,386,392
Total promises to give	8,039,083	5,425,812
Discount to present value	(293,657)	(223,200)
Allowance for uncollectible promises	(373,162)	(223,464)
Net promises to give	7,372,264	4,979,148
Current portion	(3,584,220)	(2,039,420)
Noncurrent portion	\$ 3,788,044	\$ 2,939,728
Promises to give, current	\$ 1,027,806	\$ 1,056,159
Promises to give, net of current	925,332	819,071
Promises to give restricted for long-term purposes	5,419,126	3,103,918
Total	\$ 7,372,264	\$ 4,979,148

The estimated cash flows for promises to give were discounted over the collection period using a discount of 4.38% and 3.99% for the years ended December 31, 2024 and 2023, respectively, as determined by management.

#### 5. Conditional Promises to Give and Contributions

The Center received conditional promises to give totaling \$33,000 and \$45,000 for the years ended December 31, 2024 and 2023 for sponsorships for future special events. Other amounts received from various donors in advance of the future special events totaled \$157,188 and \$45,472 at December 31, 2024 and 2023, 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, 2024 and 2023, these grants included conditional promises to give in the amount of approximately \$5,211,000 and \$3,309,000, which represents unspent amounts included in these grant agreements and are expected to be spent over the remaining term of the agreement.

## Southwest Autism Research and Resource Center

Notes to Financial Statements

December 31, 2024 and 2023

### 6. Investments

Investments consist of the following at December 31:

	2024	2023
Cash and money market	\$ 716,662	\$ 725,509
Fixed income funds	2,684,889	1,843,351
Equity funds	4,045,874	4,201,420
Preferred stock (other investments)	6,908	6,908
Real estate exchange traded funds	-	328,624
Funds held at Arizona Community Foundation	463,551	447,980
Total investments	<u>\$ 7,917,884</u>	<u>\$ 7,553,792</u>

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

	2024	2023
Interest and dividends	\$ 441,570	\$ 209,013
Realized gains	367,892	23,892
Unrealized gains	195,131	850,637
Investment fees	(43,664)	(41,042)
Investment return	<u>\$ 959,291</u>	<u>\$ 1,042,500</u>

### 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, 2024:

	2024			
	Total	Level 1	Level 2	Level 3
Operating investments:				
Cash and money market	\$ 320,345	\$ 320,345	\$ -	\$ -
Fixed income funds	1,063,667	1,063,667	-	-
Equity funds	1,371,500	1,371,500	-	-
Preferred stock (other investments)	6,908	-	6,908	-
Total assets at fair value	<u>2,762,420</u>	<u>2,755,512</u>	<u>6,908</u>	<u>-</u>
Endowment investments:				
Cash and money market	396,317	396,317	-	-
Fixed income funds	1,621,223	1,621,223	-	-
Equity funds	2,674,374	2,674,374	-	-
Funds held at Arizona Community Foundation	463,551	-	-	463,551
Total assets at fair value	<u>5,155,465</u>	<u>4,691,913</u>	<u>-</u>	<u>463,551</u>
Total investments	<u>\$ 7,917,884</u>	<u>\$ 7,447,426</u>	<u>\$ 6,908</u>	<u>\$ 463,551</u>

## Southwest Autism Research and Resource Center

Notes to Financial Statements  
December 31, 2024 and 2023

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

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, 2024 and 2023:

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
Interest income	7,059
Realized and unrealized gains	40,092
Investment fees	(4,262)
Amounts appropriated for expenditures	(27,318)
Balance, December 31, 2024	\$ 463,551

## Southwest Autism Research and Resource Center

Notes to Financial Statements  
December 31, 2024 and 2023

### 8. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Land	\$ 821,969	\$ 821,969
Buildings and improvements	6,058,699	5,915,516
Leasehold improvements	995,919	995,919
Vehicles	51,847	51,847
Office furniture and equipment	1,023,335	1,017,035
	8,951,769	8,802,286
Accumulated depreciation	(5,443,131)	(4,813,040)
	3,508,638	3,989,246
Construction in progress	9,389,193	6,056,394
Total	\$ 12,897,831	\$ 10,045,640

Depreciation expense was \$630,091 and \$633,648 for the years ended December 31, 2024 and 2023, respectively.

Construction in progress at December 31, 2024 and 2023 includes the purchase of a building and renovation construction costs for the building. These costs will be transferred to the appropriate property and equipment category and will be depreciated over their useful lives once placed in service which occurred subsequent to December 31, 2024.

### 9. Line of Credit

At December 31, 2024 and 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, 2024 and 2023.

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

#### 10. Note Payable

Note payable consisted of the following at December 31:

	2024	2023
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.	\$ 1,254,570	\$ 1,504,570
Note payable to Arizona Community Foundation with interest at 4.50%, due in monthly payments of \$16,546 from August 2025 through October 2034. The note is secured by a deed of trust.	1,500,000	-
	2,754,570	1,504,570
Current portion	(305,014)	(250,000)
Total	\$ 2,449,556	\$ 1,254,570

Annual principal maturities on the note payable as of December 31, 2024 are as follows:

Years ending December 31:	
2025	\$ 305,014
2026	386,311
2027	897,143
2028	149,122
2029	155,973
Thereafter	861,007
Total	\$ 2,754,570

#### 11. Leasing Activities

The Center leases office space and equipment under operating lease agreements that expire at various dates through November 2029. 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.



## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

The Center made significant assumptions and judgments in applying the requirements for leases. 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 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:

	<b>2024</b>	<b>2023</b>
Operating lease right-of-use assets	<u>\$ 260,952</u>	<u>\$ 329,281</u>
Operating lease liabilities:		
Current	\$ 124,911	\$ 134,378
Long-term	<u>138,224</u>	<u>196,869</u>
Total operating lease liabilities	<u>\$ 263,135</u>	<u>\$ 331,247</u>

Below is a summary of expenses incurred pertaining to leases during the years ended December 31:

	<b>2024</b>	<b>2023</b>
Operating lease expense	\$ 119,822	\$ 128,247
Short-term lease expense	<u>61,829</u>	<u>20,317</u>
Total lease expense	<u>\$ 181,651</u>	<u>\$ 148,564</u>

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 2.96% and 2.31% for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023 the weighted average remaining lease term was 2.59 years and 2.66 years, respectively.

The table below summarizes the Center's approximate future minimum lease payments for years ending after December 31, 2024:

Years ending December 31:	
2025	\$ 134,034
2026	91,998
2027	13,701
2028	13,701
2029	13,701
Thereafter	<u>8,220</u>
Total lease payments	275,355
Less present value discount	<u>(12,220)</u>
Total lease liabilities	263,135
Less current portion	<u>(124,911)</u>
Long-term lease liabilities	<u>\$ 138,224</u>

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

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

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 128,031	\$ 126,729

## 12. Endowment Funds

Endowment net asset composition as of December 31, 2024 is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Board designated endowment fund	\$ 1,546,415	\$ -	\$ 1,546,415
Donor restricted endowment funds:			
Original donor-restricted amounts	-	2,630,000	2,630,000
Accumulated investments earnings	-	979,049	979,049
Total	<u>\$ 1,546,415</u>	<u>\$ 3,609,049</u>	<u>\$ 5,155,464</u>

Endowment funds composition as of December 31, 2023 is as follows:

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

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

Changes in endowment net assets for the years ended December 31 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
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 expenditure	(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
Board designation	61,694	-	61,694
Realized and unrealized gains	100,485	274,385	374,870
Interest income	48,623	105,207	153,830
Amounts appropriated for expenditure	(78,953)	(211,412)	(290,365)
Investment fees	(7,131)	(21,224)	(28,355)
Endowment funds, December 31, 2024	\$ 1,546,415	\$ 3,609,049	\$ 5,155,464

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

	2024	2023
Harrington Endowment	\$ 1,399,350	\$ 1,343,305
Helios Endowment	1,307,253	1,255,333
Stardust Endowment	902,446	863,454
Total donor-restricted endowments	\$ 3,609,049	\$ 3,462,092

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

### 13. Net Assets With Donor Restrictions

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

	2024	2023
Subject to the passage of time:		
Promises to give	\$ 380,315	\$ 1,232,334
Portion of donor-restricted endowment funds subject to time restriction under MCFA	979,049	832,092
	<u>1,359,364</u>	<u>2,064,426</u>
Subject to purpose restrictions:		
Capital campaign	9,056,054	6,717,674
Jumpstart program	153,691	70,390
Telehealth	100,000	-
Education, training and Consultation	45,000	-
Residential	25,359	359
Employment services	19,000	50,000
Community school expansion	10,000	12,621
Individualized services	-	110,000
Intensive training and community outreach	-	90,000
Mindfulness study	-	15,184
Research	-	2,995
Think Autism	-	225,563
Other programs	44,595	35,895
	<u>9,453,699</u>	<u>7,330,681</u>
Subject to both time and purpose restrictions (included in promises to give):		
Capital campaign	5,946,045	3,135,256
Telehealth	-	100,000
Vocational and life skills academy	100,000	100,000
Other programs	47,500	46,927
	<u>6,093,545</u>	<u>3,382,183</u>
Donor-restricted endowments	<u>2,630,000</u>	<u>2,630,000</u>
Total	<u>\$ 19,536,608</u>	<u>\$ 15,407,290</u>

### 14. Board Designated Net Assets

Board designated net assets include a board designated endowment in the amount of \$1,546,415 and \$1,421,697 as of December 31, 2024 and 2023, respectively, set aside by the board as a reserve.

## Southwest Autism Research and Resource Center

### Notes to Financial Statements

December 31, 2024 and 2023

#### 15. 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 \$218,952 and \$228,802 during the years ended December 31, 2024 and 2023, respectively.

#### 16. 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, \$29,800 and \$30,400 during the years ended December 31, 2024 and 2023, respectively.

#### 17. In-Kind Support

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

Nonfinancial Asset	Revenue Recognized as of December 31, 2024	Revenue Recognized as of December 31, 2023	Utilization in Program / Activities	Donor Restrictions	Valuation Techniques and Inputs
Supplies and material	\$ 212,485	\$ 36,335	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	132,612	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	3,400	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	<u>\$ 348,497</u>	<u>\$ 3,590,165</u>			

#### 18. Related-Party Transactions

During the years ended December 31, 2024 and 2023, the Center received approximately \$300,800 and \$85,000 in contributions from board members, respectively.