

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

AUTISM INSPIRED, INC.
DBA: AUTISM INSPIRED ACADEMY

June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Autism Inspired, Inc.
DBA: Autism Inspired Academy

Opinion

We have audited the accompanying financial statements of Autism Inspired, Inc., DBA: Autism Inspired Academy (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited Organizations 2022 financial statements, and our report dated September 19, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tampa, Florida
September 18, 2023

A handwritten signature in cursive script that reads "Buco, Gordinier & Company, P.A.".

Autism Inspired, Inc.
DBA: Autism Inspired Academy

STATEMENT OF FINANCIAL POSITION

June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 393,777	\$ 173,660
Prepaid expenses and other assets	37,771	20,221
Total current assets	<u>431,548</u>	<u>193,881</u>
Right of use operating lease asset (note D)	<u>869,487</u>	<u>-</u>
Property and equipment, net (note C)	<u>212,554</u>	<u>147,061</u>
TOTAL ASSETS	<u>\$ 1,513,589</u>	<u>\$ 340,942</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 18,418	\$ 21,821
Deferred revenue	44,566	36,609
Current portion of lease liability (note D)	186,814	-
Current portion of note payable (note E)	5,824	-
Total current liabilities	<u>255,622</u>	<u>58,430</u>
NON-CURRENT LIABILITIES		
Lease liability, less current portion (note D)	684,872	-
Note payable, less current portion (note E)	20,680	-
Total non-current liabilities	<u>705,552</u>	<u>-</u>
TOTAL LIABILITIES	<u>961,174</u>	<u>58,430</u>
NET ASSETS		
Without donor restrictions	552,415	282,512
With donor restrictions	-	-
Total net assets	<u>552,415</u>	<u>282,512</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,513,589</u>	<u>\$ 340,942</u>

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

Autism Inspired, Inc.
DBA: Autism Inspired Academy

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023
(With summarized comparative totals for June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
PUBLIC SUPPORT AND REVENUE				
Contributions and grants	\$ 171,061	\$ -	\$ 171,061	\$ 83,922
Scholarship funded tuition	929,223	-	929,223	706,030
Parent tuition	250,113	-	250,113	159,885
Special events, net of expenses of \$15,682	50,762	-	50,762	26,257
Program service revenue	92,086	-	92,086	87,682
Interest income	148	-	148	105
Gain on forgiveness of debt	-	-	-	49,000
Total public support and revenue	1,493,393	-	1,493,393	1,112,881
Net assets released from restrictions	-	-	-	-
Total public support, revenue and net assets released from restrictions	1,493,393	-	1,493,393	1,112,881
EXPENSES				
Program services				
Camp	20,029	-	20,029	34,069
School	1,121,729	-	1,121,729	848,322
Total program services	1,141,758	-	1,141,758	882,391
Supporting services				
General and administrative	58,379	-	58,379	34,685
Fundraising	23,353	-	23,353	11,472
Total supporting services	81,732	-	81,732	46,157
Total expenses	1,223,490	-	1,223,490	928,548
CHANGE IN NET ASSETS	269,903	-	269,903	184,333
Net assets at beginning of year	282,512	-	282,512	98,179
Net assets at end of year	\$ 552,415	\$ -	\$ 552,415	\$ 282,512

The accompanying notes are an integral part of this statement.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023
(With summarized comparative totals for June 30, 2022)

	Program Services			Supporting Services		Total	
	Camp	School	Total	General and Administrative	Fundraising	2023	2022
Salaries and wages	\$ 18,260	\$ 590,194	\$ 608,454	\$ 32,713	\$ 13,085	\$ 654,252	\$ 511,261
Taxes and benefits	729	132,013	132,742	7,137	2,855	142,734	80,938
Total salaries and related expenses	18,989	722,207	741,196	39,850	15,940	796,986	592,199
Administrative and office supplies	-	38,663	38,663	2,079	831	41,573	12,419
Depreciation	-	19,556	19,556	1,051	421	21,028	11,704
Facility repairs and maintenance	-	71,727	71,727	3,856	1,543	77,126	66,385
Insurance	-	2,255	2,255	121	49	2,425	8,385
Miscellaneous	-	6,337	6,337	341	136	6,814	8,584
Professional fees	-	18,050	18,050	970	388	19,408	22,623
Rent expense	-	157,102	157,102	8,446	3,379	168,927	144,174
Student supplies	1,040	54,870	55,910	-	-	55,910	39,495
Utilities	-	30,962	30,962	1,665	666	33,293	22,580
Total expenses	\$ 20,029	\$ 1,121,729	\$ 1,141,758	\$ 58,379	\$ 23,353	\$ 1,223,490	\$ 928,548

The accompanying notes are an integral part of this statement.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

Cash flows from operating activities	
Change in net assets	\$ 269,903
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	21,028
Gain on loan forgiveness	-
Amortization of right of use asset	105,728
Increase in prepaid expenses and other assets	(17,550)
Decrease in accounts payable and accrued expenses	(3,403)
Increase in deferred revenue	7,957
Payments on lease liability	(103,529)
Total adjustments	<u>10,231</u>
Net cash provided by operating activities	<u>280,134</u>
Cash used by investing activities	
Acquisition of property and equipment	<u>(86,521)</u>
Net cash used by investing activities	<u>(86,521)</u>
Cash flows used by financing activities	
Proceeds from notes payable	31,095
Principal payments on note payable	<u>(4,591)</u>
Net cash provided by financing activities	<u>26,504</u>
Net change in cash and cash equivalents	220,117
Cash and cash equivalents at beginning of year	<u>173,660</u>
Cash and cash equivalents at end of year	<u><u>\$ 393,777</u></u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ 1,374</u>
Income taxes	<u>\$ -</u>
Schedule of non-cash activities	
Non-cash operating	
Right of use asset and lease obligation recognized	<u><u>\$ 975,215</u></u>

The accompanying notes are an integral part of this statement.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

A description of the organization and a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

Autism Inspired, Inc. (The "Organization") was incorporated in the State of Florida on May 10, 2017, as a tax-exempt 501(c)(3) nonprofit organization and began operations in February 2018. The Organization is an education-based organization that applies character education and social-skill development as the foundation of student growth. The Organization provides education, camp programs, support and advocacy to families with children on the Autism Spectrum.

Beyond academics, the Organization offers supportive and therapeutic services to help their children thrive. These services include applied behavior analysis (ABA) and occupational therapy, speech, language and communication therapy, and extended day (before and after-school) program.

The mission of Autism Inspired, Inc. is to empower children with autism to have lives of meaning, purpose, and joy. The Organization exists to build self-confidence, self-awareness, and social abilities while exposing students to a developmentally appropriate academic program.

2. Basis of Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions. Accordingly, the Organization has classified its net assets and changes therein as follows:

- *Net Assets Without Donor Restrictions* - Net assets that are not subject to donor- or grantor- imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and/or board of trustees.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

- *Net Assets With Donor Restrictions* - Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. If a restriction is satisfied in the same period in which the contribution is received, it is reported as support without donor restrictions.

3. Financial Accounting Standards

The Organization follows the provisions of the Financial Accounting Standards Boards Accounting Standards Codification ("FASB ASC").

FASB ASC 958-605 requires the Organization to distinguish between contributions that are subject to donor-imposed restrictions and those that are not subject to donor-imposed restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities, and a statement of cash flows.

FASB ASC 606 establishes standards for recognizing revenue to depict the transfer of goods or services transferred to customers at a point in time and revenue from goods or services transferred to customers over time.

4. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Cash and Cash Equivalents

The Organization places its cash in high-credit, quality institutions. From time to time throughout the year ended June 30, 2023, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts. The Organization had no restricted cash at June 30, 2023.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

6. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 30 years. The Organization capitalizes all purchases that exceed \$1,000.

7. Deferred Revenue

Deferred revenue represents registration, re-enrollment fees, and camp program costs received prior to the period to which they relate. Such amounts are recognized as revenue in the applicable school year.

8. Contributions and Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction. When a restriction expires, restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

9. Program Service Revenue

Program service revenue includes funds received for camp programs, extended day (before and after-school) programs, and registration and re-enrollment fees. Program service revenue and related receivables are recognized at the point in time in which the related educational instruction/service is performed. Registration and re-enrollment fees are recognized as revenue in the applicable school year. For amounts received in advance, the revenue is deferred until the applicable school year commences.

10. Tuition

During the year ended June 30, 2023, the Organization qualified for \$943,698 of scholarship tuition. The tuition was funded entirely by scholarships awarded to the parents/guardians of the Organization's students by Step Up for Students, AAA Scholarship Foundation, and John M. McKay Scholarships for Students with disabilities.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

Parent tuition consists of funding received from the parents/guardians of the Organization's students to cover remaining tuition costs.

11. Functional Expense Allocations

The costs of providing programs and supporting services activities have been detailed in the statements of functional expenses and summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification.

12. Income Tax Status

The Organization has received a determination of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2019 remain subject to examination by federal and state taxing authorities.

13. Accounting Standard Adopted

In February 2016, the FASB established Accounting Standards Codification 842, "Leases", which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard established a right-of-use model that requires the lessee to recognize a right-of-use asset and lease liability for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations.

The standard was adopted effective July 1, 2022 using a modified retrospective transition method. Accordingly, the summary comparative information presented has not been restated and continues to be reported under the accounting standards in effect for those periods. Adoption of the standard did not have a cumulative effect on net assets.

NOTE B - AVAILABILITY AND LIQUIDITY

At June 30, 2023, the Organization had \$393,777 of financial assets available within one year of the date of the statement of financial position. This consists of cash and cash equivalents. The Organization has a revolving line of credit with a financial institution with a borrowing limit of \$50,000 available to meet future cash needs if determined to be necessary at the discretion of management. None of the financial assets are subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE B - AVAILABILITY AND LIQUIDITY - Continued

The Organization keeps cash and cash equivalents on hand at the level needed to satisfy its financial obligations as they are due.

NOTE C - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2023:

Leasehold improvements	\$ 176,537
Equipment	10,954
Computers	21,875
Furniture & fixtures	8,929
Signs	1,425
Vehicles	<u>33,266</u>
	252,986
Less: accumulated depreciation	<u>(40,432)</u>
	<u><u>\$ 212,554</u></u>

Depreciation expense was \$21,028 for the year ended June 30, 2023.

NOTE D - OPERATING LEASE

The Organization leases office space in Clearwater, Florida that is affiliated with a current board member under a non-cancelable operating lease agreement that expires in 2028. Rent expense totaled approximately \$168,000 for the year ended June 30, 2023. Prior to entering the lease agreement with the related party, board members of the Organization reviewed, discussed, and approved the lease for the school property while the related party abstained from vote to approve. Additionally, an independent analysis report was prepared by a commercial real estate agency.

The Organization's lease does not provide an implicit rate, and accordingly has chosen to use a discount rate of 6.25%, which represents the Organization's borrowing rate at lease commencement. As of June 30, 2023, the operating right of use asset, net of accumulated amortization, was \$869,487 and the related liability was \$871,686.

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE D - OPERATING LEASE

Maturities relating to the operating lease are as follows:

<u>Year ending June 30,</u>	
2024	\$ 186,814
2025	193,621
2026	199,434
2027	205,453
2028	211,599
2029	<u>17,676</u>
Total future minimum payments	1,014,597
Discounted to present value	<u>(142,911)</u>
Lease liability	<u><u>\$ 871,686</u></u>

NOTE E - NOTE PAYABLE

Note payable at June 30, 2023 consist of the following:

Note payable to a financial institution for \$31,095 maturing August 2027, monthly payments of principal and interest of \$597 at 5.6% interest. Secured by a vehicle.	\$ 26,504
Less current portion	<u>(5,824)</u>
Total long-term portion	<u><u>\$ 20,680</u></u>

Current maturities of note payable are as follows:

<u>Year ending June 30,</u>	
2024	\$ 5,824
2025	6,158
2026	6,512
2027	6,887
2028	<u>1,123</u>
	<u><u>\$ 26,504</u></u>

Autism Inspired, Inc.
DBA: Autism Inspired Academy

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE F - LINE OF CREDIT

The Organization has a \$50,000 revolving line of credit with a financial institution. The note is unsecured. The interest rate on this note is subject to change from time to time based on changes in an independent index which is the U.S. Prime Rate. The Organization had no borrowings under the note as of June 30, 2023.

NOTE G - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2023 as of September 18, 2023 which is the date the financial statements were available to be issued.