

**AUTISM SOCIETY OF MINNESOTA**  
**AUDITED FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Autism Society of Minnesota  
St. Paul, Minnesota

We have audited the accompanying financial statements of Autism Society of Minnesota (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Autism Society of Minnesota as of December 31, 2020 and 2019, 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.

*Hamington Langer & Associates*

July 13, 2021

**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 632,320	\$ 272,322
Psychology accounts receivable, net	49,250	59,332
Promises to give	15,603	99,495
Book inventory	30,843	26,396
Prepaid expenses	-	2,070
<b>TOTAL CURRENT ASSETS</b>	<b>728,016</b>	<b>459,615</b>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
CRM Database	23,085	23,085
Website development	16,000	16,000
Furniture and equipment	33,119	76,882
Accumulated depreciation	(36,823)	(64,556)
<b>TOTAL PROPERTY AND EQUIPMENT, net</b>	<b>35,381</b>	<b>51,411</b>
<b>OTHER ASSETS</b>		
Lease deposits	895	895
<b>TOTAL OTHER ASSETS</b>	<b>895</b>	<b>895</b>
<b>TOTAL ASSETS</b>	<b>\$ 764,292</b>	<b>\$ 511,921</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 13,611	\$ 14,407
Accrued expenses	21,432	3,679
Deferred revenue	67,065	37,697
<b>TOTAL CURRENT LIABILITIES</b>	<b>102,108</b>	<b>55,783</b>
<b>NET ASSETS</b>		
Without donor restrictions	607,936	415,240
With donor restrictions	54,248	40,898
<b>TOTAL NET ASSETS</b>	<b>662,184</b>	<b>456,138</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 764,292</b>	<b>\$ 511,921</b>

**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020  
(with comparative totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
<b>SUPPORT AND REVENUE</b>				
Program service fees				
Camp revenue	\$ 43,472	\$ -	\$ 43,472	\$ 415,986
Net psychology services	503,487	-	503,487	526,873
Educational revenue, net of expenses	165,338	-	165,338	224,604
Membership dues	30,823	-	30,823	45,030
Book sales and related materials, net of expenses	10,130	-	10,130	9,476
Total program service fees	<u>753,250</u>	<u>-</u>	<u>753,250</u>	<u>1,221,969</u>
General support and other income				
PPP loan forgiveness	240,700	-	240,700	-
Special events, net of expenses	182,060	-	182,060	262,613
Contributions	269,771	30,886	300,657	296,751
Multi-cultural grant	189,496	-	189,496	172,725
Grants	163,329	-	163,329	10,674
Interest income	151	-	151	882
Other income	342	-	342	-
Loss on sale of fixed asset	(1,916)	-	(1,916)	-
Net assets released from restrictions	17,536	(17,536)	-	-
Total general support and other income	<u>1,061,469</u>	<u>13,350</u>	<u>1,074,819</u>	<u>743,645</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,814,719</u>	<u>13,350</u>	<u>1,828,069</u>	<u>1,965,614</u>
<b>EXPENSES</b>				
Program services				
ACCS	1,057,280	-	1,057,280	942,842
Camp	42,747	-	42,747	389,972
Education	55,630	-	55,630	111,431
Advocacy	46,510	-	46,510	45,637
Member services	36,645	-	36,645	35,709
Book store	4,253	-	4,253	31,061
Total program services	<u>1,243,065</u>	<u>-</u>	<u>1,243,065</u>	<u>1,556,652</u>
Management and general	235,416	-	235,416	264,157
Fundraising	143,542	-	143,542	170,568
<b>TOTAL EXPENSES</b>	<u>1,622,023</u>	<u>-</u>	<u>1,622,023</u>	<u>1,991,377</u>
<b>CHANGE IN NET ASSETS</b>	192,696	13,350	206,046	(25,763)
<b>NET ASSETS, BEGINNING</b>	<u>415,240</u>	<u>40,898</u>	<u>456,138</u>	<u>481,901</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 607,936</u>	<u>\$ 54,248</u>	<u>\$ 662,184</u>	<u>\$ 456,138</u>

**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Program service fees			
Camp revenue	\$ 415,986	\$ -	\$ 415,986
Net psychology services	526,873	-	526,873
Educational revenue, net of expenses	224,604	-	224,604
Membership dues	45,030	-	45,030
Book sales and related materials, net of expenses	9,476	-	9,476
Total program service fees	<u>1,221,969</u>	<u>-</u>	<u>1,221,969</u>
General support and other income			
Special events, net of expenses	262,613	-	262,613
Contributions	268,237	28,514	296,751
Multi-cultural grant	172,725	-	172,725
Grants	10,674	-	10,674
Interest income	882	-	882
Net assets released from restrictions	51,517	(51,517)	-
Total general support and other income	<u>766,648</u>	<u>(23,003)</u>	<u>743,645</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,988,617</u>	<u>(23,003)</u>	<u>1,965,614</u>
<b>EXPENSES</b>			
Program services			
ACCS	942,842	-	942,842
Camp	389,972	-	389,972
Education	111,431	-	111,431
Advocacy	45,637	-	45,637
Member services	35,709	-	35,709
Book store	31,061	-	31,061
Total program services	<u>1,556,652</u>	<u>-</u>	<u>1,556,652</u>
Management and general	264,157	-	264,157
Fundraising	170,568	-	170,568
TOTAL EXPENSES	<u>1,991,377</u>	<u>-</u>	<u>1,991,377</u>
<b>CHANGE IN NET ASSETS</b>	(2,760)	(23,003)	(25,763)
NET ASSETS, BEGINNING	<u>418,000</u>	<u>63,901</u>	<u>481,901</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 415,240</u>	<u>\$ 40,898</u>	<u>\$ 456,138</u>

**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 206,046	\$ (25,763)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	14,114	7,773
Loss on sale of fixed asset	1,916	
Bad debt expense	20,653	-
PPP loan forgiveness	(240,700)	-
(Increase) decrease in:		
Psychology accounts receivable, net	(10,571)	(64,123)
Promises to give	83,892	(55,980)
Book inventory	(4,447)	1,752
Prepaid expenses	2,070	(1,684)
Lease deposits	-	(215)
Increase (decrease) in:		
Accounts payable	(796)	14,407
Accrued expenses	17,753	(1,730)
Deferred revenue	29,368	37,697
	119,298	(87,866)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(42,169)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from advance on PPP loan	240,700	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	359,998	(130,035)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	272,322	402,357
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 632,320	\$ 272,322

**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2020  
(with comparative totals for 2019)

	Program Services	Management and General	Fundraising	Total 2020	Total 2019
Salaries	\$ 747,582	\$ 149,517	\$ 99,678	\$ 996,777	\$ 1,156,538
Payroll taxes	52,973	10,595	7,063	70,631	89,958
Employee benefits	30,250	6,050	4,033	40,333	29,820
<b>Total personnel expenses</b>	<b>830,805</b>	<b>166,162</b>	<b>110,774</b>	<b>1,107,741</b>	<b>1,276,316</b>
Camp expenses	8,292	-	-	8,292	269,524
Rent	106,671	11,852	-	118,523	118,973
Contract services	214,228	-	-	214,228	219,836
Professional fees	9,008	6,005	-	15,013	14,419
Insurance	4,601	6,134	4,601	15,336	16,570
Equipment and computers	16,971	16,972	3,772	37,715	35,572
Postage and mailing	9,305	1,551	4,652	15,508	20,800
Supplies	2,573	3,432	2,574	8,579	17,641
Processing fees	19,787	19,786	20,386	59,959	69,032
Depreciation	14,114	-	-	14,114	7,773
Travel and vehicle	670	-	670	1,340	11,777
Utilities	3,812	424	-	4,236	4,921
Training	25,400	-	-	25,400	714
Dues and subscriptions	8,114	-	-	8,114	32,655
Miscellaneous	5,820	-	-	5,820	6,185
Marketing	5,222	-	-	5,222	17,645
Bad debt	17,555	3,098	-	20,653	-
<b>Total Expenses by Function</b>	<b>1,302,948</b>	<b>235,416</b>	<b>147,429</b>	<b>1,685,793</b>	<b>2,140,353</b>
Less expenses included with revenues on the statement of activities					
Special events	-	-	(3,887)	(3,887)	(6,484)
Educational revenue	(55,630)	-	-	(55,630)	(111,431)
Book sales	(4,253)	-	-	(4,253)	(31,061)
<b>Total expenses included in expense section on the statement of activities</b>	<b>\$ 1,243,065</b>	<b>\$ 235,416</b>	<b>\$ 143,542</b>	<b>\$ 1,622,023</b>	<b>\$ 1,991,377</b>



**AUTISM SOCIETY OF MINNESOTA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 867,403	\$ 173,481	\$ 115,654	\$ 1,156,538
Payroll taxes	67,468	13,494	8,996	89,958
Employee benefits	22,365	4,473	2,982	29,820
<b>Total personnel expenses</b>	<b>957,236</b>	<b>191,448</b>	<b>127,632</b>	<b>1,276,316</b>
Camp expenses	269,524	-	-	269,524
Rent	107,076	11,897	-	118,973
Contract services	219,836	-	-	219,836
Professional fees	8,651	5,768	-	14,419
Insurance	4,971	6,628	4,971	16,570
Equipment and computers	16,008	16,007	3,557	35,572
Postage and mailing	12,480	2,080	6,240	20,800
Supplies	5,293	7,056	5,292	17,641
Processing fees	22,780	22,781	23,471	69,032
Depreciation	7,773	-	-	7,773
Travel and vehicle	5,888	-	5,889	11,777
Utilities	4,429	492	-	4,921
Training	714	-	-	714
Dues and subscriptions	32,655	-	-	32,655
Miscellaneous	6,185	-	-	6,185
Marketing	17,645	-	-	17,645
<b>Total Expenses by Function</b>	<b>1,699,144</b>	<b>264,157</b>	<b>177,052</b>	<b>2,140,353</b>
Less expenses included with revenues on the statement of activities				
Special events	-	-	(6,484)	(6,484)
Educational revenue	(111,431)	-	-	(111,431)
Book sales	(31,061)	-	-	(31,061)
<b>Total expenses included in expense section on the statement of activities</b>	<b>\$ 1,556,652</b>	<b>\$ 264,157</b>	<b>\$ 170,568</b>	<b>\$ 1,991,377</b>

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization:**

The Autism Society of Minnesota (the Organization) is a Minnesota non-profit corporation organized to improve the lives of people with autism. The Organization uses education, support, collaboration, and advocacy to further its mission.

**Pending Accounting Pronouncements:**

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842) that requires lessees to recognize a right-of-use asset and lease liability on the statement of financial position and disclose key information about leasing arrangements, the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current U.S. GAAP. ASU 2016-02 is effective for annual periods beginning after December 15, 2021. The Organization is in the process of assessing the impact of adoption of ASU 2016-02 on its financial statements.

**Basis of presentation:**

The financial statements of Autism Society of Minnesota have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue Recognition:**

The Organization recognizes revenue from government contracts and program service fees when the services are provided. Special event revenue is recognized equal to the cost of direct benefit to donors, and contribution revenue for the difference.

Net psychology services revenues are recognized at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients and third-party payors and includes variable consideration for retroactive revenue adjustments due to settlements of audits, reviews and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized at a point in time as the services are provided.

The Organization determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third-party payors. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements and historical experience.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 statement of activities as net assets released from restrictions.

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

**Cash and Cash Equivalents:**

For the purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. From time to time, the Organization's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as the result of other concentrations of credit risk.

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Psychology Accounts Receivable:**

Accounts receivable are recorded at net realizable value at the transaction price based on standard charges for the services, reduced by contractual adjustments provided by third-party payors. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to psychology revenue in the period of the change. Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. At December 31, 2020 and 2019, there was an allowance for doubtful accounts of \$21,548 and \$14,870, respectively.

**Promises to Give:**

Promises to give are recorded at the time the Organization receives the notification of the promise of a donation.

**Book Inventory:**

Inventory consists primarily of books and other reading material relating to autism and is carried at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

**Property and Equipment:**

Property and equipment are stated at cost, if purchased. Donated equipment is recorded at the fair market value as of the date of the donation. Expenditures for repairs and maintenance are charged to expense. Depreciation expense is calculated on the straight-line method over the estimated useful lives of the assets:

	<u>Years</u>
CRM database	5
Website development	5
Furniture and equipment	3 - 5

Depreciation expense was \$14,114 and \$7,773 for the years ended December 31, 2020 and 2019, respectively.

**Functional Allocation of Expenses:**

Expenses are allocated to program and support services directly whenever possible and indirectly using predetermined percentages derived from payroll and occupancy statistics.

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes:**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of state income tax laws, with the exception of certain business activities that are not related to the Organization's exempt purpose. For the years ended December 31, 2020 and 2019, the financial statements reflect no provision for unrelated business income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

**Subsequent Events:**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 13, 2021, the date the financial statements were available to be issued and noted the following item for disclosure:

In February 2021 the Organization received an additional PPP loan for \$223,000.

**Reclassifications:**

Certain numbers in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets.

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets available for general expenditure within one year as of December 31, 2020 and 2019:

	2020	2019
Financial Assets at Year-End		
Cash and cash equivalents	\$ 632,320	\$ 272,322
Psychology accounts receivable, net	49,250	59,332
Promises to give	15,603	99,495
Total financial assets	697,173	431,149
Less amounts not available to be used within one year		
Net assets with donor restrictions	54,248	40,898
Less net assets with restrictions to be met in less than one year	(54,248)	(40,898)
Financial assets available to meet general expenditures within one year	\$ 697,173	\$ 431,149

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses.

**NOTE 3. AFFILIATION**

In March 2018, the Organization received a stock donation of 100,000 shares of a startup company. Due to the startup nature of the company, these shares currently have no readily determined fair value and therefore are not recorded in the accompanying financial statements. Under the agreement with the company, the Organization will receive a 10% partner fee as compensation for all clients the Organization refers to the company.

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are as follows at December 31, 2020 and 2019:

	2020	2019
Specific Purpose:		
Education and Advocacy	\$ 37,949	\$ 28,268
Camperships/Scholarships	16,299	12,630
	\$ 54,248	\$ 40,898

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Specific Purpose:		
Education and Advocacy	\$ 16,336	\$ 9,679
Camperships/Scholarships	1,200	24,768
EP Translation	-	9,000
Arts Learning	-	8,070
	\$ 17,536	\$ 51,517

**NOTE 5. LINE OF CREDIT**

The Organization obtained a line of credit on April 8, 2020, for \$100,000 with Sunrise Banks, N.A. The line of credit is secured by substantially all Organization assets. Interest is payable monthly and accrues at the US Bank prime rate plus 1.00%, with a floor of 3.00% (effective borrowing rate of 4.25% at December 31, 2020). At December 31, 2020, the Organization had no outstanding balance on the line of credit. The line of credit agreement expired July 7, 2021, but was extended 90 days by the Sunrise Banks, N.A.

The Organization is required to comply with various financial and non-financial covenants in connection with the line of credit. On December 31, 2020 the Organization was in violation of a certain covenant. Subsequent to year end, the covenant was waived.

**AUTISM SOCIETY OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. OPERATING LEASES**

The Organization leases equipment, office space, storage space and some additional space for its psychology services under non-cancelable operating leases that expire through December 2021. Rent expense for the years ended December 31, 2020 and 2019 was \$118,523 and \$118,973, respectively.

Minimum future lease payments on the above leases as of December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	<u>\$ 124,429</u>
	<u><u>\$ 124,429</u></u>

**NOTE 7. NOTE PAYABLE - PPP LOAN**

On April 9, 2020, the Organization received loan proceeds in the amount of \$240,700 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses. The loans and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its staffing levels during the specified period.

Any portions not deemed forgivable are to be repaid over two years at an interest rate of 1%. Payments are deferred for ten months from the date the borrower receives the proceeds. The Organization has recognized the full amount of the loan proceeds of \$240,700 as PPP loan forgiveness, which is recorded in contribution revenue in the accompanying financial statements, as it has used the proceeds for eligible expenses and received confirmation that the loan has been forgiven as of May 14, 2021.