

**THE DOUG FLUTIE, JR.  
FOUNDATION FOR AUTISM, INC.  
AND SUBSIDIARY**

**Consolidating Financial Statements**

**December 31, 2016 and 2015**

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC.  
AND SUBSIDIARY**

**December 31, 2016 and 2015**

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## **Independent Auditor's Report**

The Board of Directors  
The Doug Flutie, Jr. Foundation for Autism, Inc.  
and Subsidiary  
Framingham, Massachusetts

We have audited the accompanying consolidating financial statements of The Doug Flutie, Jr. Foundation for Autism, Inc. (a not-for-profit organization) and Subsidiary, which comprise the consolidating statements of financial position as of December 31, 2016 and 2015, and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows for the year ended December 31, 2016 and for the period March 13, 2015 (inception of the Subsidiary) to December 31, 2015, respectively, 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of The Doug Flutie, Jr. Foundation for Autism, Inc., and Subsidiary as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the year ended December 31, 2016 and for the period March 13, 2015 (inception of the Subsidiary) to December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

*Edelstein & Company LLP*

Boston, Massachusetts  
July 24, 2017

**THE DOUG FLUTIE, JR. FOUNDATION FOR  
AND SUBSIDIARY**

**Consolidating Statements of Financial Position  
December 31,**

|   | 2016                |                   |                |                       | 2015                |                  |                 |                       |
|---|---------------------|-------------------|----------------|-----------------------|---------------------|------------------|-----------------|-----------------------|
|   | The<br>Foundation   | FSE               | Eliminations   | Consolidated<br>Total | The<br>Foundation   | FSE              | Eliminations    | Consolidated<br>Total |
| <b>Assets</b>                           |                     |                   |                |                       |                     |                  |                 |                       |
| Cash and cash equivalents               | \$ 384,716          | \$ 100,509        | \$ -           | \$ 485,225            | \$ 593,028          | 61,617           | \$ -            | \$ 654,645            |
| Unconditional promises to give          | 191,759             | 77                | (77)           | 191,759               | 329,082             | 612              | (612)           | 329,082               |
| Interest receivable                     | 4,678               | -                 | -              | 4,678                 | 5,475               | -                | -               | 5,475                 |
| Prepaid expenses                        | 15,116              | -                 | -              | 15,116                | 14,737              | -                | -               | 14,737                |
| Security deposit                        | 4,000               | -                 | -              | 4,000                 | 4,000               | -                | -               | 4,000                 |
| Investments                             | 2,298,530           | -                 | -              | 2,298,530             | 2,112,917           | -                | -               | 2,112,917             |
| Intangible assets, net                  | 14,222              | -                 | -              | 14,222                | 8,456               | -                | -               | 8,456                 |
| Office equipment, net                   | 1,260               | 5,159             | -              | 6,419                 | -                   | 6,566            | -               | 6,566                 |
| <b>Total assets</b>                     | <b>\$ 2,914,281</b> | <b>\$ 105,745</b> | <b>\$ (77)</b> | <b>\$ 3,019,949</b>   | <b>\$ 3,067,695</b> | <b>\$ 68,795</b> | <b>\$ (612)</b> | <b>\$ 3,135,878</b>   |
| <b>Liabilities and net assets</b>       |                     |                   |                |                       |                     |                  |                 |                       |
| <b>Liabilities:</b>                     |                     |                   |                |                       |                     |                  |                 |                       |
| Accounts payable                        | \$ 16,412           | \$ 1,716          | \$ (77)        | \$ 18,051             | \$ 17,818           | \$ 1,157         | \$ (612)        | \$ 18,363             |
| Grants payable                          | 472,158             | -                 | -              | 472,158               | 429,998             | -                | -               | 429,998               |
| Refundable advances                     | 31,172              | -                 | -              | 31,172                | 37,826              | -                | -               | 37,826                |
| <b>Total liabilities</b>                | <b>519,742</b>      | <b>1,716</b>      | <b>(77)</b>    | <b>521,381</b>        | <b>485,642</b>      | <b>1,157</b>     | <b>(612)</b>    | <b>486,187</b>        |
| <b>Net assets:</b>                      |                     |                   |                |                       |                     |                  |                 |                       |
| Unrestricted                            | 2,046,181           | 104,029           | -              | 2,150,210             | 2,224,619           | 67,638           | -               | 2,292,257             |
| Temporarily restricted                  | 348,358             | -                 | -              | 348,358               | 357,434             | -                | -               | 357,434               |
| <b>Total net assets</b>                 | <b>2,394,539</b>    | <b>104,029</b>    | <b>-</b>       | <b>2,498,568</b>      | <b>2,582,053</b>    | <b>67,638</b>    | <b>-</b>        | <b>2,649,691</b>      |
| <b>Total liabilities and net assets</b> | <b>\$ 2,914,281</b> | <b>\$ 105,745</b> | <b>\$ (77)</b> | <b>\$ 3,019,949</b>   | <b>\$ 3,067,695</b> | <b>\$ 68,795</b> | <b>\$ (612)</b> | <b>\$ 3,135,878</b>   |

The accompanying notes are an integral part of these financial statements.

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC.  
AND SUBSIDIARY**

**Consolidating Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2016**

|                                       | The Foundation      |                           |                     | FSE               |                  | Consolidated<br>Total |
|---------------------------------------|---------------------|---------------------------|---------------------|-------------------|------------------|-----------------------|
|                                       | Unrestricted        | Temporarily<br>Restricted | Total               | Unrestricted      | Eliminations     |                       |
| <b>Support and revenue:</b>           |                     |                           |                     |                   |                  |                       |
| Contributions and grants              | \$ 627,130          | \$ 136,409                | \$ 763,539          | \$ 100,000        | \$ (100,000)     | \$ 763,539            |
| Special events                        | 331,663             | -                         | 331,663             | -                 | -                | 331,663               |
| In-kind support                       | 20,344              | -                         | 20,344              | 12,605            | (11,199)         | 21,750                |
| Investment return                     | 132,329             | -                         | 132,329             | -                 | -                | 132,329               |
| Other income                          | 1,501               | -                         | 1,501               | 17,755            | (1,501)          | 17,755                |
| Net assets released from restrictions | 145,485             | (145,485)                 | -                   | -                 | -                | -                     |
| <b>Total support and revenue</b>      | <u>1,258,452</u>    | <u>(9,076)</u>            | <u>1,249,376</u>    | <u>130,360</u>    | <u>(112,700)</u> | <u>1,267,036</u>      |
| <b>Expenses:</b>                      |                     |                           |                     |                   |                  |                       |
| Program expenses:                     |                     |                           |                     |                   |                  |                       |
| Grants                                | 647,470             | -                         | 647,470             | -                 | (100,000)        | 547,470               |
| Other programs                        | 328,110             | -                         | 328,110             | 57,560            | (12,284)         | 373,386               |
|                                       | <u>975,580</u>      | <u>-</u>                  | <u>975,580</u>      | <u>57,560</u>     | <u>(112,284)</u> | <u>920,856</u>        |
| Support services:                     |                     |                           |                     |                   |                  |                       |
| Management and general                | 133,040             | -                         | 133,040             | 29,096            | (269)            | 161,867               |
| Fundraising                           | 188,483             | -                         | 188,483             | 7,313             | (147)            | 195,649               |
| Special events                        | 139,787             | -                         | 139,787             | -                 | -                | 139,787               |
|                                       | <u>461,310</u>      | <u>-</u>                  | <u>461,310</u>      | <u>36,409</u>     | <u>(416)</u>     | <u>497,303</u>        |
| <b>Total expenses</b>                 | <u>1,436,890</u>    | <u>-</u>                  | <u>1,436,890</u>    | <u>93,969</u>     | <u>(112,700)</u> | <u>1,418,159</u>      |
| <b>Change in net assets</b>           | (178,438)           | (9,076)                   | (187,514)           | 36,391            | -                | (151,123)             |
| <b>Net assets, beginning of year</b>  | <u>2,224,619</u>    | <u>357,434</u>            | <u>2,582,053</u>    | <u>67,638</u>     | <u>-</u>         | <u>2,649,691</u>      |
| <b>Net assets, end of year</b>        | <u>\$ 2,046,181</u> | <u>\$ 348,358</u>         | <u>\$ 2,394,539</u> | <u>\$ 104,029</u> | <u>\$ -</u>      | <u>\$ 2,498,568</u>   |

The accompanying notes are an integral part of these financial statements.

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC.  
AND SUBSIDIARY**

**Consolidating Statement of Activities and Changes in Net Assets**

**For the Year Ended December 31, 2015 and for the Period March 13, 2015 (Inception of Subsidiary) to December 31, 2015**

|                                       | The Foundation      |                           |                     | FSE              |                  | Consolidated<br>Total |
|---------------------------------------|---------------------|---------------------------|---------------------|------------------|------------------|-----------------------|
|                                       | Unrestricted        | Temporarily<br>Restricted | Total               | Unrestricted     | Eliminations     |                       |
| <b>Support and revenue:</b>           |                     |                           |                     |                  |                  |                       |
| Contributions and grants              | \$ 940,707          | \$ 328,485                | \$ 1,269,192        | \$ 108,960       | \$ (102,000)     | \$ 1,276,152          |
| Special events                        | 359,670             | -                         | 359,670             | -                | -                | 359,670               |
| In-kind support                       | 38,688              | -                         | 38,688              | 27,883           | -                | 66,571                |
| Investment loss                       | (10,296)            | -                         | (10,296)            | -                | -                | (10,296)              |
| Other income                          | -                   | -                         | -                   | 3,216            | -                | 3,216                 |
| Net assets released from restrictions | 52,967              | (52,967)                  | -                   | -                | -                | -                     |
| <b>Total support and revenue</b>      | <b>1,381,736</b>    | <b>275,518</b>            | <b>1,657,254</b>    | <b>140,059</b>   | <b>(102,000)</b> | <b>1,695,313</b>      |
| <b>Expenses:</b>                      |                     |                           |                     |                  |                  |                       |
| Program expenses:                     |                     |                           |                     |                  |                  |                       |
| Grants                                | 591,365             | -                         | 591,365             | -                | (102,000)        | 489,365               |
| Other programs                        | 305,166             | -                         | 305,166             | 25,063           | -                | 330,229               |
|                                       | 896,531             | -                         | 896,531             | 25,063           | (102,000)        | 819,594               |
| Support services:                     |                     |                           |                     |                  |                  |                       |
| Management and general                | 108,565             | -                         | 108,565             | 39,273           | -                | 147,838               |
| Fundraising                           | 151,556             | -                         | 151,556             | 8,085            | -                | 159,641               |
| Special events                        | 118,590             | -                         | 118,590             | -                | -                | 118,590               |
|                                       | 378,711             | -                         | 378,711             | 47,358           | -                | 426,069               |
| <b>Total expenses</b>                 | <b>1,275,242</b>    | <b>-</b>                  | <b>1,275,242</b>    | <b>72,421</b>    | <b>(102,000)</b> | <b>1,245,663</b>      |
| <b>Change in net assets</b>           | <b>106,494</b>      | <b>275,518</b>            | <b>382,012</b>      | <b>67,638</b>    | <b>-</b>         | <b>449,650</b>        |
| <b>Net assets, beginning of year</b>  | <b>2,118,125</b>    | <b>81,916</b>             | <b>2,200,041</b>    | <b>-</b>         | <b>-</b>         | <b>2,200,041</b>      |
| <b>Net assets, end of year</b>        | <b>\$ 2,224,619</b> | <b>\$ 357,434</b>         | <b>\$ 2,582,053</b> | <b>\$ 67,638</b> | <b>\$ -</b>      | <b>\$ 2,649,691</b>   |

The accompanying notes are an integral part of these financial statements.

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM,  
AND SUBSIDIARY**

**Consolidating Statement of Cash Flows  
For the Year Ended December 31, 2016**

|  | <u>The<br/>Foundation</u> | <u>FSE</u>        | <u>Eliminations</u> | <u>Consolidated<br/>Total</u> |
|--|---------------------------|-------------------|---------------------|-------------------------------|
| <b>Cash flows (used in) provided by operating activities:</b>  |                           |                   |                     |                               |
| Change in net assets   | \$ (187,514)              | \$ 36,391         | \$ -                | \$ (151,123)                  |
| Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities: |                           |                   |                     |                               |
| Depreciation and amortization  | 4,793                     | 1,407             | -                   | 6,200                         |
| Net realized gains on investments  | (25)                      | -                 | -                   | (25)                          |
| Net unrealized gains on investments  | (92,275)                  | -                 | -                   | (92,275)                      |
| Changes in operating assets and liabilities:   |                           |                   |                     |                               |
| Unconditional promises to give   | 136,788                   | 535               | (535)               | 136,788                       |
| Interest receivable  | 797                       | -                 | -                   | 797                           |
| Security deposit   | (11,116)                  | -                 | -                   | (11,116)                      |
| Prepaid expenses   | 10,737                    | -                 | -                   | 10,737                        |
| Accounts payable   | (871)                     | 559               | 535                 | 223                           |
| Grants payable   | 42,160                    | -                 | -                   | 42,160                        |
| Refundable advance   | (6,654)                   | -                 | -                   | (6,654)                       |
| <b>Net cash (used in) provided by operating activities</b>   | <u>(103,180)</u>          | <u>38,892</u>     | <u>-</u>            | <u>(64,288)</u>               |
| <b>Cash flows used in investing activities:</b>  |                           |                   |                     |                               |
| Purchase of intangible assets  | (10,313)                  | -                 | -                   | (10,313)                      |
| Purchase of office equipment   | (1,506)                   | -                 | -                   | (1,506)                       |
| Purchases of investments   | (1,129,781)               | -                 | -                   | (1,129,781)                   |
| Proceeds from sales of investments   | 1,036,468                 | -                 | -                   | 1,036,468                     |
| <b>Net cash used in investing activities</b>   | <u>(105,132)</u>          | <u>-</u>          | <u>-</u>            | <u>(105,132)</u>              |
| <b>Net (decrease) increase in cash and cash equivalents</b>  | (208,312)                 | 38,892            | -                   | (169,420)                     |
| <b>Cash and cash equivalents, beginning of year</b>  | <u>593,028</u>            | <u>61,617</u>     | <u>-</u>            | <u>654,645</u>                |
| <b>Cash and cash equivalents, end of year</b>  | <u>\$ 384,716</u>         | <u>\$ 100,509</u> | <u>\$ -</u>         | <u>\$ 485,225</u>             |



**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM,  
AND SUBSIDIARY**

**Consolidating Statement of Cash Flows**

**For the Year Ended December 31, 2015 and for the Period March 13, 2015 (Inception of Subsidiary) to December 31, 2015**

|  | <b>The<br/>Foundation</b> | <b>FSE</b>       | <b>Eliminations</b> | <b>Consolidated<br/>Total</b> |
|--|---------------------------|------------------|---------------------|-------------------------------|
| <b>Cash flows provided by operating activities:</b>  |                           |                  |                     |                               |
| Change in net assets   | \$ 382,012                | \$ 67,638        | \$ -                | \$ 449,650                    |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: |                           |                  |                     |                               |
| Depreciation and amortization  | 7,186                     | 469              | -                   | 7,655                         |
| Net realized gains on investments  | (145,513)                 | -                | -                   | (145,513)                     |
| Net unrealized losses on investments   | 207,093                   | -                | -                   | 207,093                       |
| Changes in operating assets and liabilities:   |                           |                  |                     |                               |
| Unconditional promises to give   | (311,648)                 | (612)            | 612                 | (311,648)                     |
| Interest receivable  | 1,787                     | -                | -                   | 1,787                         |
| Prepaid expenses   | (7,691)                   | -                | -                   | (7,691)                       |
| Accounts payable   | 12,187                    | 1,157            | (612)               | 12,732                        |
| Grants payable   | (27,100)                  | -                | -                   | (27,100)                      |
| Refundable advance   | 11,376                    | -                | -                   | 11,376                        |
| Deferred revenue   | (21,600)                  | -                | -                   | (21,600)                      |
| <b>Net cash provided by operating activities</b>   | <b>108,089</b>            | <b>68,652</b>    | <b>-</b>            | <b>176,741</b>                |
| <b>Cash flows provided by (used in) investing activities:</b>                                |                           |                  |                     |                               |
| Purchase of intangible assets  | (8,291)                   | -                | -                   | (8,291)                       |
| Purchase of office equipment   | -                         | (7,035)          | -                   | (7,035)                       |
| Purchase of long-term investments  | (543,177)                 | -                | -                   | (543,177)                     |
| Proceeds from sales of long-term investments   | 862,347                   | -                | -                   | 862,347                       |
| <b>Net cash provided by (used in) investing activities</b>                                   | <b>310,879</b>            | <b>(7,035)</b>   | <b>-</b>            | <b>303,844</b>                |
| <b>Net increase in cash and cash equivalents</b>   | <b>418,968</b>            | <b>61,617</b>    | <b>-</b>            | <b>480,585</b>                |
| <b>Cash and cash equivalents, beginning of year</b>  | <b>174,060</b>            | <b>-</b>         | <b>-</b>            | <b>174,060</b>                |
| <b>Cash and cash equivalents, end of year</b>  | <b>\$ 593,028</b>         | <b>\$ 61,617</b> | <b>\$ -</b>         | <b>\$ 654,645</b>             |

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC. AND SUBSIDIARY**

**Consolidating Statements of Functional Expenses  
For the Year Ended December 31, 2016**

|                                 | The Foundation    |                        |                   |                   |                     | FSE              |                        |                 |                |                  | Eliminations        | Consolidated Total  |
|---------------------------------|-------------------|------------------------|-------------------|-------------------|---------------------|------------------|------------------------|-----------------|----------------|------------------|---------------------|---------------------|
|                                 | Programs          | Management and General | Fundraising       | Special Events    | Total               | Programs         | Management and General | Fundraising     | Special Events | Total            |                     |                     |
| Grants                          | \$ 647,470        | \$ -                   | \$ -              | \$ -              | \$ 647,470          | \$ -             | \$ -                   | \$ -            | \$ -           | \$ -             | \$ (100,000)        | \$ 547,470          |
| Other expenses:                 |                   |                        |                   |                   |                     |                  |                        |                 |                |                  |                     |                     |
| Salary and related costs        | 182,904           | 37,350                 | 112,677           | -                 | 332,931             | 39,151           | 10,483                 | 5,384           | -              | 55,018           | -                   | 387,949             |
| Depreciation and amortization   | -                 | 4,793                  | -                 | -                 | 4,793               | -                | 1,407                  | -               | -              | 1,407            | -                   | 6,200               |
| Computer and software costs     | 9,714             | 12,952                 | 9,714             | -                 | 32,380              | -                | -                      | -               | -              | -                | -                   | 32,380              |
| Consulting                      | 3,000             | -                      | -                 | -                 | 3,000               | -                | -                      | -               | -              | -                | -                   | 3,000               |
| Credit card processing fees     | -                 | 14,939                 | -                 | -                 | 14,939              | -                | 95                     | -               | -              | 95               | -                   | 15,034              |
| Facilities use and meals        | 825               | 353                    | -                 | 67,873            | 69,051              | 2,258            | 554                    | 309             | -              | 3,121            | (1,501)             | 70,671              |
| Insurance                       | 3,667             | 703                    | 5,408             | -                 | 9,778               | -                | -                      | -               | -              | -                | -                   | 9,778               |
| Licenses and permits            | -                 | 321                    | -                 | -                 | 321                 | -                | -                      | -               | -              | -                | -                   | 321                 |
| Materials and supplies          | 21,248            | 3,667                  | 28,653            | 51,484            | 105,052             | -                | -                      | -               | -              | -                | -                   | 105,052             |
| Materials and supplies, in-kind | -                 | -                      | -                 | 3,000             | 3,000               | -                | -                      | -               | -              | -                | -                   | 3,000               |
| Professional services           | -                 | 37,985                 | -                 | -                 | 37,985              | -                | 6,000                  | -               | -              | 6,000            | -                   | 43,985              |
| Professional services, in-kind  | -                 | -                      | -                 | -                 | -                   | 11,199           | 158                    | -               | -              | 11,357           | (11,199)            | 158                 |
| Office expense                  | 8,905             | 14,446                 | 17,811            | -                 | 41,162              | -                | 10,180                 | 145             | -              | 10,325           | -                   | 51,487              |
| Promotion and marketing         | 24,000            | -                      | -                 | 17,430            | 41,430              | -                | -                      | -               | -              | -                | -                   | 41,430              |
| Rent                            | 16,200            | 2,700                  | 8,100             | -                 | 27,000              | -                | -                      | -               | -              | -                | -                   | 27,000              |
| Retirement plan administration  | -                 | 2,583                  | -                 | -                 | 2,583               | -                | -                      | -               | -              | -                | -                   | 2,583               |
| Retirement plan contributions   | 3,165             | 248                    | 400               | -                 | 3,813               | 613              | 219                    | 43              | -              | 875              | -                   | 4,688               |
| Sponsorships                    | 36,500            | -                      | -                 | -                 | 36,500              | 1,000            | -                      | -               | -              | 1,000            | -                   | 37,500              |
| Technology costs                | 4,386             | -                      | 1,880             | -                 | 6,266               | -                | -                      | -               | -              | -                | -                   | 6,266               |
| Technology costs, in-kind       | 4,922             | -                      | 2,109             | -                 | 7,031               | 984              | -                      | 422             | -              | 1,406            | -                   | 8,437               |
| Travel and meetings             | 8,674             | -                      | 1,731             | -                 | 10,405              | 2,355            | -                      | 1,010           | -              | 3,365            | -                   | 13,770              |
|                                 | <u>\$ 975,580</u> | <u>\$ 133,040</u>      | <u>\$ 188,483</u> | <u>\$ 139,787</u> | <u>\$ 1,436,890</u> | <u>\$ 57,560</u> | <u>\$ 29,096</u>       | <u>\$ 7,313</u> | <u>\$ -</u>    | <u>\$ 93,969</u> | <u>\$ (112,700)</u> | <u>\$ 1,418,159</u> |

The accompanying notes are an integral part of these financial statements.

**THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC. AND SUBSIDIARY**

**Consolidating Statement of Functional Expenses**

**For the Year Ended December 31, 2015 and for the Period March 13, 2015 (Inception of Subsidiary) to December 31, 2015**

|                                 | The Foundation    |                        |                   |                   |                     | FSE              |                        |                 |                |                  | Elimination         | Consolidated Total  |
|---------------------------------|-------------------|------------------------|-------------------|-------------------|---------------------|------------------|------------------------|-----------------|----------------|------------------|---------------------|---------------------|
|                                 | Programs          | Management and General | Fundraising       | Special Events    | Total               | Programs         | Management and General | Fundraising     | Special Events | Total            |                     |                     |
| Grants                          | \$ 591,365        | \$ -                   | \$ -              | \$ -              | \$ 591,365          | \$ -             | \$ -                   | \$ -            | \$ -           | \$ -             | \$ (102,000)        | \$ 489,365          |
| Other expenses:                 |                   |                        |                   |                   |                     |                  |                        |                 |                |                  |                     |                     |
| Salary and related costs        | 162,849           | 27,445                 | 81,262            | -                 | 271,556             | 23,514           | 2,010                  | 7,799           | -              | 33,323           | -                   | 304,879             |
| Depreciation and amortization   | -                 | 7,186                  | -                 | -                 | 7,186               | -                | 469                    | -               | -              | 469              | -                   | 7,655               |
| Computer and software costs     | 6,793             | 8,032                  | 6,024             | -                 | 20,849              | -                | -                      | -               | -              | -                | -                   | 20,849              |
| Consulting                      | 4,600             | -                      | -                 | -                 | 4,600               | -                | -                      | -               | -              | -                | -                   | 4,600               |
| Credit card processing fees     | -                 | 12,674                 | -                 | -                 | 12,674              | -                | 517                    | -               | -              | 517              | -                   | 13,191              |
| Facilities use and meals        | -                 | 1,586                  | 104               | 59,648            | 61,338              | -                | -                      | -               | -              | -                | -                   | 61,338              |
| Insurance                       | 3,231             | 538                    | 1,615             | -                 | 5,384               | -                | -                      | -               | -              | -                | -                   | 5,384               |
| Licenses and permits            | -                 | 284                    | -                 | -                 | 284                 | -                | -                      | -               | -              | -                | -                   | 284                 |
| Materials and supplies          | 17,834            | 1,937                  | 35,224            | 39,425            | 94,420              | -                | -                      | -               | -              | -                | -                   | 94,420              |
| Materials and supplies, in-kind | -                 | -                      | -                 | 15,000            | 15,000              | -                | -                      | -               | -              | -                | -                   | 15,000              |
| Professional services           | -                 | 36,400                 | -                 | -                 | 36,400              | -                | 4,000                  | -               | -              | 4,000            | -                   | 40,400              |
| Professional services, in-kind  | -                 | -                      | -                 | -                 | -                   | -                | 27,883                 | -               | -              | 27,883           | -                   | 27,883              |
| Office expense                  | 6,561             | 7,393                  | 11,008            | -                 | 24,962              | -                | 4,038                  | -               | -              | 4,038            | -                   | 29,000              |
| Promotion and marketing         | 24,231            | -                      | -                 | 4,517             | 28,748              | -                | -                      | -               | -              | -                | -                   | 28,748              |
| Rent                            | 15,480            | 2,580                  | 7,740             | -                 | 25,800              | 1,055            | 356                    | 74              | -              | 1,485            | -                   | 27,285              |
| Retirement plan administration  | -                 | 1,825                  | -                 | -                 | 1,825               | -                | -                      | -               | -              | -                | -                   | 1,825               |
| Retirement plan contributions   | 2,484             | 217                    | 321               | -                 | 3,022               | -                | -                      | -               | -              | -                | -                   | 3,022               |
| Sponsorships                    | 39,250            | -                      | -                 | -                 | 39,250              | -                | -                      | -               | -              | -                | -                   | 39,250              |
| Technology costs                | 4,895             | 468                    | 1,630             | -                 | 6,993               | -                | -                      | -               | -              | -                | -                   | 6,993               |
| Technology costs, in-kind       | 10,778            | -                      | 4,619             | -                 | 15,397              | -                | -                      | -               | -              | -                | -                   | 15,397              |
| Travel and meetings             | 6,180             | -                      | 2,009             | -                 | 8,189               | 494              | -                      | 212             | -              | 706              | -                   | 8,895               |
|                                 | <u>\$ 896,531</u> | <u>\$ 108,565</u>      | <u>\$ 151,556</u> | <u>\$ 118,590</u> | <u>\$ 1,275,242</u> | <u>\$ 25,063</u> | <u>\$ 39,273</u>       | <u>\$ 8,085</u> | <u>\$ -</u>    | <u>\$ 72,421</u> | <u>\$ (102,000)</u> | <u>\$ 1,245,663</u> |

The accompanying notes are an integral part of these financial statements.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

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### 1. Organizational Purpose

The Doug Flutie, Jr. Foundation for Autism, Inc. is a not-for-profit organization incorporated on November 10, 2000, under the laws of the Commonwealth of Massachusetts. The Organization's mission is to help families affected by autism live life to the fullest. Through its programs and partnerships, the Foundation helps people with autism get access to care; lead more active lifestyles; and grow toward adult independence. The Foundation's revenues are derived from contributions and by conducting fundraising events, including golf tournaments, road races and other athletic events.

The consolidating financial statements include the accounts of the Doug Flutie, Jr. Foundation for Autism, Inc. (the "Foundation") as well as Flutie Spectrum Enterprises, LLC ("FSE"), a wholly-owned subsidiary. These organizations are collectively referred to as the "Organization" in these financial statements. Balances and transactions between the two organizations have been eliminated in consolidation.

FSE was formed on March 13, 2015 as a social enterprise, utilizing business principles to fulfill its mission of employing adults with autism.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions.

The net assets of the Organization are reported in categories as follows:

- (1) Unrestricted resources are those available for support of the Organization's general operations.
- (2) Temporarily restricted resources are those restricted by donors for a specific purpose or the passage of time.
- (3) Permanently restricted resources are those where the donor has specified that only income generated from the principal may be spent.

The Organization had no permanently restricted net assets as of or for the years ended December 31, 2016 and 2015.

#### *Cash and Cash equivalents*

Cash and cash equivalents consist of a checking account at a bank and highly liquid debt instruments with initial maturities of three months or less.

#### *Office Equipment*

Furniture and equipment consists of office equipment. Office equipment is reported at cost. Expenditures for major improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Depreciation of furniture and equipment is computed using the straight line method over the estimated useful lives of five years.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### *Intangible Assets*

Intangible assets consist of website development costs, a trademark, and software, which are capitalized if future benefits are deemed to exist beyond one year from the statement of financial position date. Intangible assets are amortized using the straight-line method over the estimated useful lives of the assets as follows:

|                           |          |
|---------------------------|----------|
| Website development costs | 3 years  |
| Trademark                 | 15 years |
| Software                  | 3 years  |

#### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### *Revenue and Support*

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. Contributions and grants that are classified as temporarily restricted support are reclassified to unrestricted net assets upon satisfaction of the restriction or expiration of the time restriction. The Organization elects to report contributions and grants whose restrictions are met within the same year as unrestricted contributions.

Unconditional promises to give are primarily from corporate and individual donors and are expected to be collected within one year. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization conducts special events, including the “Night to Shine” gala, the Flutie 5K, and the Golf Classic. Revenues from special events are presented as unrestricted support on the statement of activities and changes in net assets. Related expenses are presented in the statement of functional expenses.

The Organization receives various types of in-kind support in the form of contributed services and other assets. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. Contributed assets are recorded at their fair market value on the date of contribution. Numerous volunteers have donated significant amounts of time to the Foundation's special events and fund-raising campaign and program services. The value of this contributed time has not been reflected in these financial statements since it does not meet the criteria described above.

Other income represents office solution service revenues provided by FSE as well as reimbursement of costs by FSE to Flutie Foundation pursuant to a management services agreement. Revenues are recognized as the services are provided.

Changes in fair market value of securities and realized gains and losses have been reflected in the statement of activities and change in net assets. Interest, dividends, realized and unrealized gains and losses on investments are recorded as revenue and support of unrestricted net assets unless the income and gains and losses are restricted by donor or law.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### *Fair Value Measurements*

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable over unobservable inputs is used to measure fair value into three broad levels, as follows:

*Level 1* - Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to *Level 1* inputs.

*Level 2* - Observable inputs other than *Level 1* inputs such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with market data.

*Level 3* - Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to *Level 3* inputs.

In determining the fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and determines the use of unobservable inputs to the extent possible.

Fair values of mutual funds are reported at their published net asset values. Common stock holdings are reported at quoted market prices.

#### *Grants*

Grants are recorded when the disbursement is authorized by management and the Board of Directors.

#### *Refundable Advances*

Refundable advances consist of sponsorships restricted for subsequent year events. Support for special events is recognized in the period in which the events take place absent explicit donor representations that support is not contingent on the occurrence of the event.

#### *Use of Estimates and Subsequent Events*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures. Actual results could vary from the estimates that were used.

The Organization's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on July 24, 2017, the date these financial statements became available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of evaluation that meet the criteria required for disclosure or accrual.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### *Income Taxes*

The Organization operates as a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and its income is exempt from income taxes. The Organization is also exempt from Massachusetts income taxes under Massachusetts General Law Chapter 180. Tax returns for tax years beginning with those filed for the year ended December 31, 2013 are open to examination.

#### *Reclassifications*

Certain amounts from 2015 have been reclassified on these financial statements in order to conform to current year presentation.

### 3. Pledges Receivable

The Foundation's pledges receivable balance at December 31, 2016 and 2015 consisted of:

|                                     | <u>2016</u>       | <u>2015</u>       |
|-------------------------------------|-------------------|-------------------|
| Receivable in less than one year:   |                   |                   |
| Individuals                         | \$ 41,759         | \$ 29,377         |
| Foundations                         | <u>150,000</u>    | <u>154,220</u>    |
|                                     | <u>191,759</u>    | <u>183,597</u>    |
| Receivables in one to three years:  |                   |                   |
| Foundations                         | -                 | 150,000           |
| Less- discount to net present value | -                 | (4,515)           |
|                                     | <u>-</u>          | <u>145,485</u>    |
|                                     | <u>\$ 191,759</u> | <u>\$ 329,082</u> |

Pledges expected to be collected within one year are reported at their net realizable value. Pledges that are expected to be collected in future years are recorded at the net present value of estimated future cash flows. The present value estimated future cash flows was measured utilizing a discount rate of approximately 3%.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

### 4. Fair Value Measurements - Investments

The following table is a summary of the fair value hierarchy for the Foundation's investments measured at fair value as of December 31, 2016 and 2015:

|                        | <u>2016</u>         |                   | <u>2015</u>         |                   |
|------------------------|---------------------|-------------------|---------------------|-------------------|
|                        | <u>Level 1</u>      | <u>Level 2</u>    | <u>Level 1</u>      | <u>Level 2</u>    |
| Corporate bonds        | \$ -                | \$ 634,550        | \$ -                | \$ 586,319        |
| Small cap mutual funds | 63,608              | -                 | 35,645              | -                 |
| Exchange traded funds  | 444,999             | -                 | 462,605             | -                 |
| Common stock:          |                     |                   |                     |                   |
| Consumer discretionary | 177,214             | -                 | 136,922             | -                 |
| Consumer staples       | 117,070             | -                 | 104,489             | -                 |
| Energy                 | 102,584             | -                 | 59,761              | -                 |
| Financial services     | 169,411             | -                 | 189,818             | -                 |
| Healthcare             | 166,909             | -                 | 157,479             | -                 |
| Industrials            | 123,190             | -                 | 109,292             | -                 |
| Information technology | 215,769             | -                 | 210,098             | -                 |
| Materials              | 28,706              | -                 | 12,815              | -                 |
| Telecommunications     | 22,793              | -                 | 19,228              | -                 |
| Utilities              | 31,726              | -                 | 28,446              | -                 |
| Total common stock     | <u>1,155,373</u>    | <u>-</u>          | <u>1,028,348</u>    | <u>-</u>          |
|                        | <u>\$ 1,663,980</u> | <u>\$ 634,550</u> | <u>\$ 1,526,598</u> | <u>\$ 586,319</u> |

### 5. Investment Return (Loss)

The Foundation's investment return (loss) consisted of the following during the years ended December 31, 2016 and 2015:

|                           | <u>2016</u>       | <u>2015</u>        |
|---------------------------|-------------------|--------------------|
| Interest and dividends    | \$ 57,073         | \$ 65,023          |
| Realized gains            | 25                | 145,513            |
| Unrealized gains/(losses) | 92,275            | (207,093)          |
| Investment advisory fees  | <u>(17,044)</u>   | <u>(13,739)</u>    |
|                           | <u>\$ 132,329</u> | <u>\$ (10,296)</u> |



# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

### 6. Intangible Assets

The Foundation's intangible assets consisted of the following at December 31, 2016 and 2015:

|                           | <u>2016</u>      | <u>2015</u>     |
|---------------------------|------------------|-----------------|
| Website development costs | \$ 30,354        | \$ 20,041       |
| Trademark                 | 965              | 965             |
| Software                  | <u>21,368</u>    | <u>21,368</u>   |
|                           | 52,687           | 42,374          |
| Accumulated amortization  | <u>(38,465)</u>  | <u>(33,918)</u> |
|                           | <u>\$ 14,222</u> | <u>\$ 8,456</u> |

Estimated amortization expense for the next three years is as follows:

|      |          |
|------|----------|
| 2017 | \$ 6,266 |
| 2018 | 6,238    |
| 2019 | 1,718    |

### 7. Office Equipment

The Organization's office equipment consisted of the following at December 31, 2016 and 2015:

|                          | <u>2016</u>       |                 |                 | <u>2015</u>       |                 |                 |
|--------------------------|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                          | <u>Flutie</u>     |                 | <u>Total</u>    | <u>Flutie</u>     |                 | <u>Total</u>    |
|                          | <u>Foundation</u> | <u>FSE</u>      |                 | <u>Foundation</u> | <u>FSE</u>      |                 |
| Office equipment         | \$ 12,488         | \$ 7,035        | \$ 19,523       | \$ 10,982         | 7,035           | \$ 18,017       |
| Accumulated depreciation | <u>(11,228)</u>   | <u>(1,876)</u>  | <u>(13,104)</u> | <u>(10,982)</u>   | <u>(469)</u>    | <u>(11,451)</u> |
|                          | <u>\$ 1,260</u>   | <u>\$ 5,159</u> | <u>\$ 6,419</u> | <u>\$ -</u>       | <u>\$ 6,566</u> | <u>\$ 6,566</u> |

### 8. Temporarily Restricted Net Assets

Temporarily restricted net assets for the Foundation were available for the following purposes as of December 31, 2016 and 2015:

|                        | <u>2016</u>       | <u>2015</u>       |
|------------------------|-------------------|-------------------|
| iPad program           | \$ 116,599        | \$ 61,949         |
| Time-restricted grants | <u>231,759</u>    | <u>295,485</u>    |
|                        | <u>\$ 348,358</u> | <u>\$ 357,434</u> |

Net assets released from time restrictions for the year ended December 31, 2016 amounted to \$145,485. Net assets released from restrictions for the iPad program for the year ended December 31, 2016 was \$52,967.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

### 9. In-Kind Gifts

In-kind contributions for the years ended December 31, 2016 and 2015 consisted of the following:

|  | 2016                      |                 |                  | 2015                      |                 |                 |
|--|---------------------------|-----------------|------------------|---------------------------|-----------------|-----------------|
|  | <u>The<br/>Foundation</u> | <u>FSE</u>      | <u>Total</u>     | <u>The<br/>Foundation</u> | <u>FSE</u>      | <u>Total</u>    |
| Legal services<br>(subsidiary formation)       | \$ -                      | \$ -            | \$ -             | \$ -                      | \$27,883        | \$27,883        |
| Special event venue, food<br>and entertainment | 3,000                     | -               | 3,000            | 15,000                    | -               | 15,000          |
| Professional services<br>(capitalized)         | -                         | 11,199          | 11,199           | -                         | -               | -               |
| Website development<br>costs (capitalized)     | 10,312                    | -               | 10,312           | 8,291                     | -               | 8,291           |
| Web<br>hosting/maintenance and<br>IT services  | 7,032                     | 1,406           | 8,438            | 15,397                    | -               | 15,397          |
|  | <u>20,344</u>             | <u>12,605</u>   | <u>32,949</u>    | <u>38,688</u>             | <u>27,883</u>   | <u>66,571</u>   |
| Less amounts eliminated<br>in consolidation    | -                         | (11,199)        | (11,199)         | -                         | -               | -               |
|  | <u>\$ 20,344</u>          | <u>\$ 1,406</u> | <u>\$ 21,750</u> | <u>\$ 38,688</u>          | <u>\$27,883</u> | <u>\$66,571</u> |

In-kind professional services represents the time spent by the executive director on FSE affairs pursuant to a management service agreement.

### 10. Retirement Plan

The Foundation has an employee benefit plan that is qualified under Internal Revenue Service Code Section 401(k) which covers substantially all of its eligible employees. Contributions to the plan are discretionary and subject to a maximum allowed by the Internal Revenue Service. The Foundation contributed \$3,813 and \$3,022 to the plan for the years ended December 31, 2016 and 2015, respectively.

### 11. Related Party Transactions

The Foundation paid \$24,000 to a firm owned by an officer of the Foundation for financial management and outsourced accounting services provided throughout each of the years ended December 31, 2016 and 2015. In addition, FSE paid \$6,000 and \$4,000 to this firm during the year ended December 31, 2016 and the period March 13, 2015 (inception) to December 31, 2015, respectively.

# THE DOUG FLUTIE, JR. FOUNDATION FOR AUTISM, INC., AND SUBSIDIARY

## Notes to Consolidating Financial Statements

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### 12. Lease

In June 2013, a lease agreement for a new office in Framingham, Massachusetts was executed for a 42-month term from July 1, 2013 through December 31, 2016. An agreement made on September 9, 2016 extended the lease for 24 months, starting January 1, 2017 through December 31, 2018. Future minimum lease payments of \$32,400 and \$33,000 are due in 2017 and 2018, respectively.

Total rent expense for the Foundation for the years ended December 31, 2016 and 2015 was \$27,000 and \$25,800, respectively.

### 13. Concentration Risk

Contributions from one foundation comprised 78% and 90% of pledges receivable at December 31, 2016 and 2015, respectively. Contributions from one foundation comprised 26% of total revenues for the year ended December 31, 2016.

The Foundation has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is \$250,000 for interest-bearing accounts, which is applied per depositor, per insured depository institution for each account ownership category.