

**FAMILIES FOR EFFECTIVE AUTISM  
TREATMENT - HOUSTON**

**Audited Financial Statements**

**December 31, 2009**

**Families for Effective Autism Treatment - Houston**  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Families for Effective Autism Treatment - Houston

We have audited the accompanying statement of financial position of Families for Effective Autism Treatment - Houston (a Texas nonprofit corporation) as of December 31, 2009, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families for Effective Autism Treatment - Houston as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Richard Fuller & Company PLLC*

Humble, Texas  
March 31, 2010

**Families for Effective Autism Treatment - Houston**  
**Statement of Financial Position**  
**December 31, 2009**

<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 95,098
Promises to give	9,835
Total current assets	<u>104,933</u>
 Total Assets	 <u><u>\$ 104,933</u></u>
 <b>Liabilities and Net Assets</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 6,500
 Net Assets	
Unrestricted	94,575
Temporarily restricted	3,858
Permanently restricted	-
Total net assets	<u>98,433</u>
 Total Liabilities and Net Assets	 <u><u>\$ 104,933</u></u>

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

**Families for Effective Autism Treatment - Houston**  
**Statement of Activities**  
**Year Ended December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and other support</b>			
Contributions	\$ 53,300	3,858	\$ 57,158
Program income	10,440	-	10,440
Net assets released from restrictions:			
Satisfied by program payments	-	-	-
Total revenues and other support	<u>63,740</u>	<u>3,858</u>	<u>67,598</u>
 <b>Expenses</b>			
Program services:	73,847	-	73,847
Supporting services	11,249	-	11,249
Fundraising activities	<u>2,651</u>	<u>-</u>	<u>2,651</u>
Total expenses	<u>87,747</u>	<u>-</u>	<u>87,747</u>
 <b>Change in net assets</b>	(24,007)	3,858	(20,149)
 <b>Net assets at beginning of year</b>	<u>118,582</u>		<u>118,582</u>
 <b>Net assets at end of year</b>	<u>\$ 94,575</u>	<u>\$ 3,858</u>	<u>\$ 98,433</u>

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

**Families for Effective Autism Treatment - Houston**  
**Statement of Cash Flows**  
**Year Ended December 31, 2009**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (20,149)
Adjustments to reconcile decrease in net assets to net cash (provided) used by operating activities:	
(Increase) decrease in promises to give	(9,835)
Increase (decrease) in accounts payable	<u>6,500</u>
Net cash provided by operating activities	<u>(23,484)</u>
<b>Cash flows from investing activities:</b>	
None	<u>-</u>
<b>Cash flows from financing activities:</b>	
None	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	(23,484)
<b>Cash and cash equivalents at beginning of year</b>	<u>118,582</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 95,098</u></u>
 <u>Supplemental disclosures:</u>	
Cash paid during the year for:	
Interest	<u><u>\$ -</u></u>
Income Taxes	<u><u>\$ -</u></u>

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

**Families for Effective Autism Treatment - Houston**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2009**

	<u>Program Activities</u>	<u>Supporting Services</u>	<u>Fundraising Activities</u>	<u>Total</u>
Payroll expenses	37,044	3,877	2,154	43,075
Travel	750	153	62	965
Professional Fees	-	-	-	-
ABA Education and Awareness	471	-	-	471
Translation Expenses	-	-	-	-
Training Projects	23,483	-	-	23,483
Workshops	6,966	-	-	6,966
Dues and Subscriptions	-	-	99	99
Meeting Expenses	532	-	-	532
Postage	96	24	27	147
Printing	-	-	-	-
Professional Fees	-	6,500	-	6,500
Repairs	-	-	-	-
Insurance	325	337	-	662
Bank Fees	-	49	-	49
Newsletter	3,045	-	251	3,296
Office Supplies	262	212	15	489
Rent	344	36	20	400
Special Events	-	-	-	-
Telephone Expenses	501	41	23	565
Miscellaneous	28	20	-	48
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 73,847</u>	<u>\$ 11,249</u>	<u>\$ 2,651</u>	<u>\$ 87,747</u>

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

**Families for Effective Autism Treatment - Houston**  
**Notes to the Financial Statements**  
**December 31, 2009**

**Note 1: Nature of Organization**

Families for Effective Autism Treatment – Houston (FEAT – Houston or the Organization) is a 501(c)(3) nonprofit organization chartered in Texas in June, 1995. The Organization’s mission is to improve the quality of life of those affected by developmental disabilities by increasing resources and providing information about Applied Behavior Analysis (ABA). Intensive programming using ABA is the primary, scientifically validated treatment methodology for early autism intervention. The Organization is governed by a Board of Directors that manages the organization’s support activities, including regular informational meetings for families and professionals, seminars, a parent-manned telephone information line, newsletter and other support activities.

Families for Effective Autism Treatment - Houston is supported primarily through donations received from individuals and United Way employee designated contributions.

**Note 2: Summary of Significant Accounting Policies**

**Financial Statement Presentation:**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Contributions and Promises to Give:**

Contributions are recognized as revenue when they are received, or when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are classified as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are satisfied during the fiscal year they are received either due to time or usage. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.



**Families for Effective Autism Treatment - Houston**  
**Notes to the Financial Statements**  
**December 31, 2009**

**Contributed Services:**

Contributions are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. FEAT - Houston is the beneficiary of many volunteers who donate their time and perform a variety of tasks that assist the Organization; however, these services do not meet the criteria for recognition as contributed services.

**Cash and Cash Equivalents:**

Cash and cash equivalents consist of cash held in the Organization's checking account.

**Concentrations of Credit Risk:**

At December 31, 2009, the Organization's cash balance was not in excess of the current FDIC insurable limit.

**Property and Equipment and Depreciation:**

The Organization has office furniture and equipment which were donated. The value is minimal and is not recorded on the Organization's accounting records due to immateriality.

**Income Taxes:**

The Organization is a Texas nonprofit corporation whose revenue is derived from contributions and has qualified for tax exemption under 501(c)(3) of the Internal Revenue Code and accordingly pays no federal income taxes.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Functional Allocation of Estimates:**

The costs providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The Organization employs personnel whose time is divided among program, management and general and fundraising activities. Management estimates the amount of salaries and related payroll costs that are allocable to program, administrative, and fundraising based on an analysis of their activities.

**Families for Effective Autism Treatment - Houston**  
**Notes to the Financial Statements**  
**December 31, 2009**

**Note 3: Pledges Receivable**

Pledges receivable are promises made by donors to contribute specified amounts subsequent to December 31, 2009. They are recognized as income upon receipt of the pledge and recorded at net realizable value. They were received shortly after year end.

**Note 4: Lease Commitments**

The Organization rents its office space on a monthly basis subject to a sixty day notice by either party. There are no additional lease commitments.

**Note 5: Program Commitments**

The Organization has committed to provide \$7,500 in funding during 2010 to an organization for community workshops providing parent training and concurrent childcare, interactive group for the children with autism and a sibling support group.

**Note 6: Unrestricted Net Assets Designation**

The Board of Directors has designated \$40,311 of the unrestricted net assets at December 31, 2009 to be reserved for anticipated budget shortfalls.