RESEARCH HOPE COMMITMENT

2003 annual report

NATIONAL ALLIANCE FOR AUTISM RESEARCH

Autism & America

The National Alliance for Autism Research conducted a comprehensive poll in Fiscal Year 2003 to gauge America's awareness of autism and determine what concerns the general public has regarding the disorder and the state of autism research.

Our poll identified that a gap exists in autism awareness and knowledge among the American public, even though many Americans either have autism in their family or have a close friend with autism in the family. Basic autism awareness is high, but Americans generally have a low "Autism IQ."

For example, most Americans are not aware how prevalent the disorder is, who it affects and how to identify its warning signs, but do recognize that autism affects people of all backgrounds. Our poll revealed that Americans are anxious to learn more about autism from a source they can trust and view the disorder as an extremely serious problem that is increasing. Fear of autism strikes close to home: many Americans worry that their child or a friend's or relative's child may have or develop the disorder. Also, most Americans believe autism research should be awarded a much higher priority and want both the government and the private sector to increase research funding to develop better methods to diagnose and treat autism and to find a cure.

According to our findings, almost a fifth of the U.S. population knows someone affected by an autism spectrum disorder; however, three in ten Americans cannot identify a single warning sign or symptom of autism.

The poll also shows that Americans strongly support an increase in funding for research and information sharing that enables the U.S. medical community to address autism at the level it deserves. A majority of Americans (53%) think the Federal government should play a major role in ensuring that this increase occurs, and a large majority of Americans (81%) would like private corporations, including pharmaceutical companies, to play a larger role in autism research funding.

The poll was conducted by Global Strategy Group in conjunction with Widmeyer Communications for the National Alliance for Autism Research. The margin of error for the study is +/- 4.4% at the 95th percent confidence interval level. For the purposes of this poll, autism refers to all autism spectrum disorders, including Asperger Syndrome, Autistic Disorder, Childhood Disintegrative Disorder (CDD), Pervasive Developmental Disorder-Not Otherwise Specified (PDD-NOS) and Rett Syndrome.

What is Autism?

Autism is a complex brain disorder that often impairs a person's ability to communicate, respond to surroundings, or form relationships with others. Autism is considered a spectrum disorder because symptoms and severity vary from individual to individual. Few disorders are as devastating to a child and his or her family. While some children are mildly affected, most people with autism will require lifelong supervision and care and the most severely affected will never be able to tell their parents they love them. Currently, the causes of autism are unknown, and there are no specific medical treatments or cure.

NATIONAL ALLIANCE FOR AUTISM RESEARCH

On the Cover:
Southern New England Walk Chair Sammi Robertson and her son, Bailey, the main inspiration behind her work as a NAAR volunteer.

Message from the Chair & Chief Executive Officer

Dear Friend of Autism Research:

On behalf of the Board of Trustees of the National Alliance for Autism Research, we are honored to present you NAAR's annual report for Fiscal Year 2003. As we prepare to celebrate our 10th year of accelerating research, NAAR continues to involve more volunteers in more communities while expanding our ability to fund the finest research in the world.

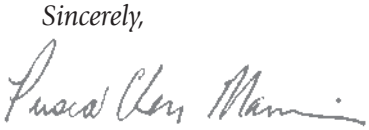
Driven by the success of our development initiatives, NAAR's research programs are growing both in number and in scope. Our ongoing growth is taking place at perhaps the most exciting time in NAAR's brief history. Advances in biomedical research, including many initially funded by NAAR, continue to provide scientists with new tools and technologies that help investigators focusing on autism to better understand why our children develop this devastating disorder.

NAAR is fostering important collaborations with federal health agencies and academic research consortiums that pool our collective resources and focus energies on the larger picture of determining the causes of autism, developing methods to diagnose earlier than ever and developing effective medical treatments.

So many people have contributed to NAAR's accomplishments. In June 2003, NAAR committed nearly $5 million to autism research—a record-breaking allocation made possible, in large part, through the success of our **Walk F.A.R. for NAAR** autism walkathon program. The Walk was held in 17 cities this fiscal year and we look forward to the continued expansion of the program in new cities across North America. NAAR also expresses its deep appreciation to its many partners. Some of the private foundations and national corporations that have supported NAAR throughout the fiscal year include the Nancy Lurie Marks Family Foundation, the Allerton Foundation, the Dan Marino Foundation, the Doug Flutie, Jr., Foundation for Autism, the Neiman Marcus Group, Inc., the Autism Coalition for Research & Education, Office Depot, Ermenegildo Zegna and the TJX Companies.

In 2003, NAAR provided more money for autism research than any non-governmental agency in the world. With your continued help and support, together we will solve the mysteries of autism, one step at a time.

With our gratitude for your continued support,
Sincerely,



Prisca Chen Marvin
Chair, Board of Trustees

Glenn R. Tringali
Chief Executive Officer

NATIONAL ALLIANCE FOR AUTISM RESEARCH

The National Alliance for Autism Research (NAAR) is the first organization in the country dedicated to funding and accelerating biomedical research to unlock the mysteries of autism and find a cure. Founded in 1994 by parents of children with autism concerned about the limited amount of funding available for autism research, NAAR was created in a spirit of optimism and excitement over the opportunities for accelerating the pace of autism research. This spirit continues to inspire and guide the organization today, enabled by recent advances in the neurosciences and other scientific fields. NAAR is a non-profit 501 (c) (3) organization.

Our Mission

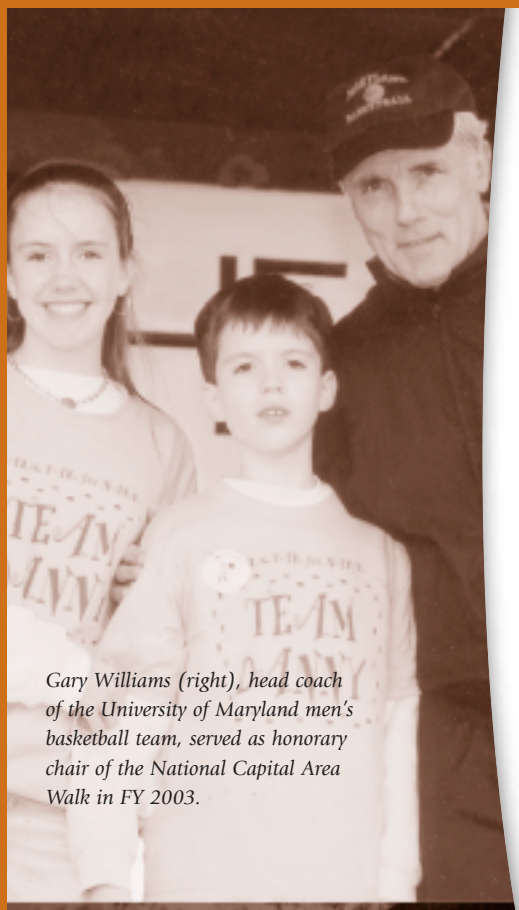
Our mission is to fund, promote and accelerate biomedical research and science-based approaches that seek to determine the causes, prevention, effective treatments and, ultimately, a cure for autism spectrum disorders. This mission includes providing grants to researchers for innovative pilot studies; mentor-based fellowships to recruit new investigators to focus on autism; and funding larger, collaborative research programs that have the potential to yield major scientific advances in autism research.

Why Support Autism Research?

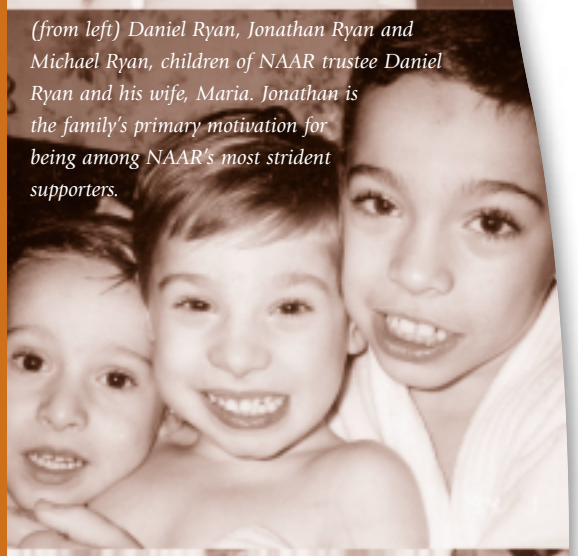
Currently, the causes of autism are unknown and there are no specific medical treatments or cures for autism. Physicians have no blood test or diagnostic scan to diagnose the disorder. The diagnosis of an autism spectrum disorder is based solely on the observation of behaviors.

Funding and accelerating quality autism research is critical because research is the only way we will ever understand what causes autism, develop methods to diagnose autism earlier, develop better, more targeted interventions and specific medical treatments for autism spectrum disorders and, someday, find a cure.

69% of Americans worry about autism going undiagnosed because there is no reliable (biological) test to diagnose the disorder.



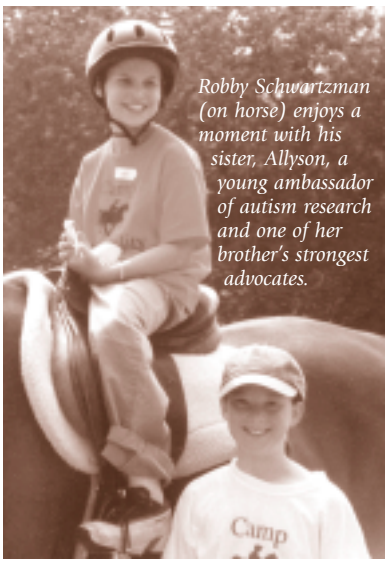
Gary Williams (right), head coach of the University of Maryland men's basketball team, served as honorary chair of the National Capital Area Walk in FY 2003.



(from left) Daniel Ryan, Jonathan Ryan and Michael Ryan, children of NAAR trustee Daniel Ryan and his wife, Maria. Jonathan is the family's primary motivation for being among NAAR's most strident supporters.

Dr. David Skuse (left), of the Institute of Psychiatry in London, discusses his NAAR-funded autism genetics research with American investigators at this year's meeting of the Autism Genetics Cooperative.

Our Accomplishments



Robby Schwartzman (on horse) enjoys a moment with his sister, Allyson, a young ambassador of autism research and one of her brother's strongest advocates.

Quite simply, NAAR has transformed the autism research landscape. To date, NAAR has committed $14.9 million to fund 169 autism research projects and fellowships worldwide—more than any other non-governmental organization.

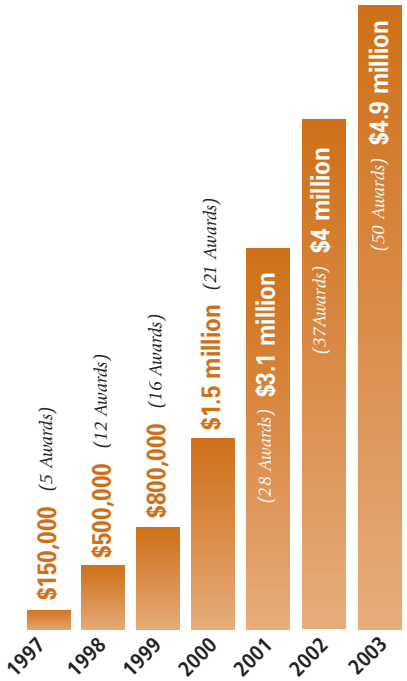
NAAR is continuing to be the catalyst that is accelerating the pace of research, expanding the field and elevating the caliber of the science. NAAR's ongoing funding of pilot studies, mentor-based fellowships and collaborative research programs as well as its legislative advocacy, have contributed to a significant increase in funding for autism research projects at the National Institutes of Health (NIH) and the Centers for Disease Control & Prevention (CDC).

In 2003, NAAR's incredibly fast growth has again enabled us to reach new heights as we continued our momentum with the development of our research program.

NAAR has achieved many milestones in its brief history, but our work is far from finished. Despite national interest in autism and strikingly high prevalence, autism research still remains one of the lowest funded areas of research by both private and public sources.

Research & Programs: Accelerating & Enhancing the Science

In Fiscal Year 2003, NAAR committed $4.9 million to fund 50 autism research projects and fellowships in the United States, Canada, England, Scotland, Spain and Denmark. The 2003 awards represent an increase of nearly $1 million over NAAR's 2002 research awards and mark the third consecutive year that NAAR has increased its research funding allocations by approximately $1 million.



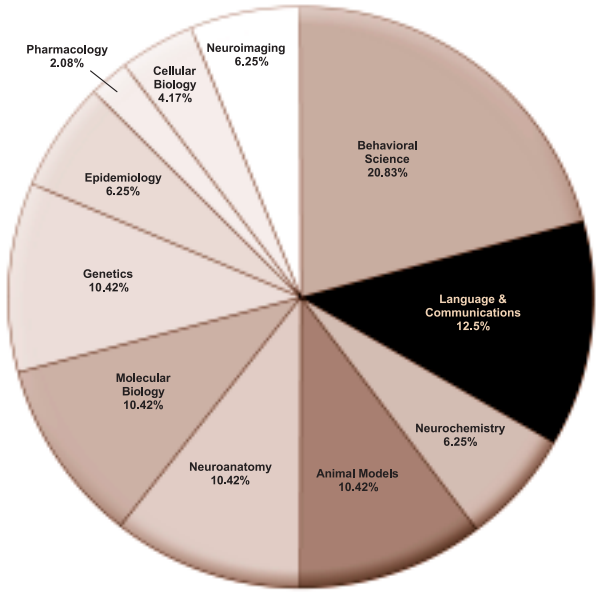
Total: $14.9 million for autism research.

The research initially funded by NAAR has made a dramatic impact on autism research throughout the world and has been leveraged to attract more than $43 million in autism research awards by the National Institutes of Health and other funding sources.

In other words, every $1 NAAR has committed to research has resulted in approximately $8 invested by the federal government and other funding sources in large autism research projects.*

2003 Research Awards—Supporting a Broad Range of Scientific Disciplines

In FY 2003, NAAR's funding for pilot studies and fellowships represented a wide range of research, including: behavioral sciences, language and communication, neurochemistry, epidemiology, molecular biology, cellular biology, neuroimaging, neuroanatomy, pharmacology and genetics.



The above graph illustrates what percentages of scientific disciplines are represented in NAAR's 2003 Research Awards and Fellowships. The above graph does not include the Training Programs in Autism Research funded by NAAR and the Canadian Institutes of Autism Research, a multi-faceted program encompassing many different fields of research.

*Based on NAAR research awards from 1997 - 2001 that have been leveraged into larger grants from the NIH and other sources. Most researchers funded in 2002 and 2003 are still conducting their NAAR-funded studies and have not yet applied for additional funding from governmental sources.

Pilot Studies

At the core of NAAR's mission is funding grants that enable researchers to conduct pilot studies in autism research, which can then be leveraged into larger, multi-year grants from the National Institutes of Health and other sources. While NAAR has expanded the scope of its research agenda, the ongoing funding of pilot studies remains central to its mission. These important grants—up to $60,000 for one year; up to $120,000 for two years—cover a wide range of research topics. In FY 2003, NAAR committed $3.92 million to fund 35 pilot studies being conducted in the United States, Canada, England, Scotland and Denmark.

Susan Birren, Ph.D.
Brandeis University (Waltham, MA)
Regulation of Cortical Synaptogenesis by Basal Forebrain Cholinergic Neurons
Two-year award - $120,000
2003 Research Partner:
Richard & Susan Smith Family Foundation

Patrick Bolton, Ph.D.
The Institute of Psychiatry at King's College (London, England)
Speech & Language Impairments and Autism Spectrum Disorders: A Twin Study of the Links
Two-year award - $119,083

Patrick Bolton, Ph.D.
The Institute of Psychiatry at King's College (London, England)
Event Related Potential & Behavioral Investigations of Face Processing in Individuals with Tuberous Sclerosis and Autism
Two-year award - $113,011

Kenneth Campbell, Ph.D.
Children's Hospital Research Foundation (Cincinnati, OH)
Genetic Control of Mammalian Amygdalar Development
Two-year award - $120,000

Alice Carter, Ph.D.
University of Massachusetts (Boston, MA)
Maternal Sensitivity, Joint Attention and Gains in Language Acquisition in Toddlers Diagnosed with Autism
Two-year award - $103,096

Manuel Casanova, M.D.
Medical College of Georgia (Augusta, GA)
Macroscopic Correlates of Minicolumnar Abnormalities in Autism
Two-year award - $120,000
2003 Research Partner:
Nancy Lurie Marks Family Foundation
Dr. Casanova was on the faculty of the Medical College of Georgia at the time of his award, but has since left that institution and joined the faculty at the University of Louisville.

Susan Christian, Ph.D.
University of Chicago (Chicago, IL)
Identifying Small Chromosomal Rearrangements in Autism Using Microarrays
Two-year award - $118,845
2003 Research Partners:
Autism Coalition for Research & Education
and Solving the Mystery of Autism

Antonio Convit, M.D.
New York University School of Medicine (New York, NY)
Social Cognition and Brain Volumes in Asperger Syndrome
Two-year award - $112,900

Thomas Cook, Ph.D.
Rutgers University (Piscataway, NJ)
Placental Metabolism & Fatty Acid Homeostasis in Fetal Imprinting of Autism and Autism Spectrum Disorders
Two-year award - $120,000

Michael Cuccaro, Ph.D.
Duke University Medical Center (Durham, NC)
Retrospective Association Analysis of Children with Idiopathic Autism Spectrum Disorders Treated with Fluoxetine
Two-year award - $109,703

Mirella Dapretto, Ph.D.
University of California at Los Angeles (Los Angeles, CA)
Language & Prosody in Autism: Evidence from fMRI
Two-year award - $120,000

Michelle Dunn, Ph.D.
Albert Einstein College of Medicine (Bronx, NY)
Understanding Cortical Auditory Processing Abnormalities in Children with Autism
Two-year award - $119,912
2003 Research Partner:
Nancy Lurie Marks Family Foundation

Michelle Dunn, Ph.D.
Albert Einstein College of Medicine (Bronx, NY)
Mapping Lexical Organization in Children with Autism
Two-year award - $119,912

Nicole Gage, Ph.D.
University of California at Irvine (Irvine, CA)
MEG Investigations of Cortical Auditory Processing in Children with Autism
Two-year award - $109,788

H. Hill Goldsmith, Ph.D.
University of Wisconsin at Madison (Madison, WI)
A Birth Register-based Twin Study of Autism Spectrum Disorders
Two-year award - $118,910

Eli Hatchwell, Ph.D.
Cold Spring Harbor Laboratory (Cold Spring Harbor, NY)
Genomic Copy Number Variation in Autism
One-year award - $60,000

Karl Herrup, Ph.D.
Case Western Reserve University (Cleveland, OH)
The Engrailed-2 Mutant as a Model of the Neuropathology of Autism
Two-year award - $120,000
2003 Research Partner:
Autism Coalition for Research & Education

Laura Hewitson, Ph.D.
University of Pittsburgh (Pittsburgh, PA)
Autism in Primates: Genetics vs Environment
Two-year award - $118,825
Roland D. Ciaranello, M.D., Memorial Award in Basic Research

Jana Iverson, Ph.D.
University of Missouri at Columbia (Columbia, MO)
Early Identification of Autism: A Prospective Study
Two-year award - $119,861
Dr. Iverson was on the faculty of the University of Missouri at the time of her award, but has since left that institution and joined the faculty at the University of Pittsburgh.

Russell Margolis, M.D.
Johns Hopkins School of Medicine (Baltimore, MD)
Genetic Mutations Associated with Autism in Unexplored Regions of FOXP2
One-year award - $56,063

James Millonig, Ph.D.
University of Medicine & Dentistry of New Jersey/
Robert Wood Johnson Medical School (Piscataway, NJ)
Studying Mouse Cerebellar Development as a Tool to Identify Autism Susceptibility Genes
Two-year award - $120,000
2003 Research Partner:
Autism Coalition for Research & Education

Sherie Novotny, M.D.
Mt. Sinai School of Medicine (New York, NY)
Galantamine vs Placebo in Childhood & Adolescent Autism
Two-year award - $118,526

Payam Rezaie, Ph.D.
The Open University (Milton Keynes, England)
Assessment of the Glial Response Within the Cerebral Cortex in Autism
Two-year award - $119,973

Timothy Roberts, Ph.D.
University of Toronto (Toronto, Ontario)
MEG Correlates of Linguistic Processing at and Below the Word Level in Autism
Two-year award - $119,918
2003 Research Partner:
Nancy Lurie Marks Family Foundation

Peter Scheiffele, Ph.D.
Columbia University (New York, NY)
Frequency & Functional Characterization of Neuroligin Mutations
Two-year award - $119,998

Stephen Sheinkopf, Ph.D.
Brown Medical School (Providence, RI)
Vagal Tone & Social Behaviors in Children with Autistic Disorder
Two-year award - $116,952

Elise Temple, Ph.D.
Cornell University (Ithaca, NY)
Neural Mechanisms Underlying "Theory of Mind": fMRI Studies of Normally Developing and Autistic Children
Two-year award - $112,916

Poul Thorsen, M.D., Ph.D.
NANEA at Department of Epidemiology and Social Medicine/Aarhus University (Denmark)
Exposure to Pharmaceuticals in Pregnancy & Development of Autistic Disorder
Two-year award - $118,454
2003 Research Partner:
Autism Coalition for Research & Education

Jochen Triesch, Ph.D.
University of California at San Diego (La Jolla, CA)
The MESA Project: Modeling the Emergence of Shared Attention
Two-year award - $120,000

Michael Ullman, Ph.D.
Georgetown University (Washington, DC)
Neurocognitive Correlates of Language in Autism
Two-year award - $118,575

John Welsh, Ph.D.
Oregon Health & Science University (Portland, OR)
Inferior Olive & Autism: Electrical Synapses, Neuronal Synchrony & Cognition
Two-year award - $101,639
2003 Research Partner:
Nancy Lurie Marks Family Foundation

Justin Williams, M.B.B.S., MSc
University of Aberdeen (Aberdeen, Scotland)
Functional Neuroimaging Studies of Action, Facial and Object-directed Imitation
Two-year award - $119,977

Peter Zandi, Ph.D.
Johns Hopkins School of Public Health (Baltimore, MD)
Maternal-fetal Incompatibility and Autism Risk
One-year award - $59,998

Xiaoxi Zhuang, Ph.D.
University of Chicago (Chicago, IL)
Behavioral Effects of Hyper- and Hypo-Serotonergic Function in Transgenic Mouse Models
Two-year award - $120,000

Lonnie Zwaigenbaum, M.D.
McMaster University (Hamilton, Ontario)
Investigating the Emergence of Familial Traits in Autism
Two-year award - $120,000
2003 Research Partner:
Dan Marino Foundation

NAAR-funded Research Published in Major Journals

The following is a partial listing of researchers who have had their NAAR-funded studies published in major scientific journals during FY 2003:

- **Ami Klin, Ph.D.,** (lead author), **Robert Schultz, Ph.D., and Fred Volkmar, M.D.** (co-authors)
  Yale Child Study Center
  "Visual Fixation Patterns During Viewing of Naturalistic Social Situations as Predictors of Social Competence in Individuals with Autism."
  Archives of General Psychiatry,
  September 2002 - 59: 809-816.

- **Poul Thorsen, M.D., Ph.D.** (co-author)
  Aarhus University
  "A Population-Based Study of Measles, Mumps, and Rubella Vaccination and Autism"
  New England Journal of Medicine,
  November 7, 2002 - 347(19): 1477-82.

- **Gleb Shumyatsky, Ph.D.** (lead author)
  Columbia University
  "Identification of a Signaling Network in Lateral Nucleus of Amygdala Important for Inhibiting Memory Specifically Related to Learned Fear."
  Cell, Dec. 31, 2002 - 111(6): 905-918.

- **Margaret Pericak-Vance, Ph.D.** (co-author)
  Duke University Medical Center
  "Behavioral Comparisons in Autistic Individuals from Multiplex and Singleton Families."
  Journal of Autism and Developmental Disabilities,
  February 2003 - 33(1):87-91.

- **Margaret Pericak-Vance, Ph.D.** (co-author)
  Duke University Medical Center
  "Fine Mapping of Autistic Disorder to Chromosome 15q11-q13 by Use of Phenotypic Subtypes."
  American Journal of Human Genetics,
  March 2003 - 72(3):539-48.

- **Pradeep G. Bhide, Ph.D.** (co-author)
  Massachusetts General Hospital/Harvard Medical School
  "Dopamine Modulates Cell Cycle in the Lateral Ganglionic Eminence."
  Neuroscience, April 2003 - 23(7):2840-50.

NATIONAL ALLIANCE FOR AUTISM RESEARCH

70% of Americans are unaware there is no medical test to biologically diagnose autism.

Dr. Steve Foote, of the National Institute of Mental Health (NIMH) reviews autism research initiatives at the NIH and praised NAAR for its efforts to foster research collaborations.

NATIONAL ALLIANCE FOR AUTISM RESEARCH

Dr. Helen Tager-Flusberg (left), of Boston University School of Medicine, provides professional guidance as a mentor to a NAAR Post-Doctoral Fellow.

(from left) Dr. Joseph Coyle, of Harvard Medical School, chairs NAAR's 2003 Scientific Advisory Board meeting as Dr. Eric London, NAAR's co-founder, looks on.

Mentor-Based Fellowships

In FY 2003, NAAR continued to expand its Mentor-Based Fellowship Program by investing nearly $1 million in mentor-based fellowships for both pre- and post-doctoral candidates, including a partnership with the Canadian Institutes of Health Research to sponsor a pair of interdisciplinary autism training programs for young investigators in Canada. This commitment marks the second consecutive year that NAAR has made such an unprecedented investment to attract the best and brightest young investigators to the field of autism research.

The inspiration for this investment is simple: All across North America and Europe, both parents and researchers have come to realize the difficulty in finding experts in autism in both clinical and research settings. There are currently not enough specialists in autism. NAAR's Mentor-based Fellowship Program provides the additional, valuable resources to support and encourage the development of young scientists who benefit from the mentorship of prominent researchers. We believe our investment in autism research training will grow exponentially as many of our fellows become experienced clinicians, launch independent research, assume teaching roles and join departments around the world that presently have no representation in autism research.

Pre-Doctoral Fellowships

- Centre for Molecular Medicine & Therapeutics - Vancouver, British Columbia
  Mentor: Elizabeth Simpson, Ph.D.
  Fellow: K.Y. Bibiana Wong
  Mouse Models of Autism: Behavior and Genetics

- Vanderbilt University - Nashville, TN
  Mentor: James Sutcliffe, Ph.D.
  Fellow: Jacob McCauley
  Genetic Analysis of Serotonergic and GABA-ergic Genes in Autism

- University of Massachusetts - Boston, MA
  Mentor: Alice Carter, Ph.D.
  Fellow: Chantal Jennifer Kuhn
  The Impact of Parental Autism-related Cognitions on Interventions

- Johns Hopkins School of Public Health - Baltimore, MD
  Mentor: Craig Newschaffer, Ph.D.
  Fellow: Keely Cheslack-Postava
  Epidemiology of Autism Spectrum Disorders

- Universidad Miguel Hernandez - San Juan de Alicante (Spain)
  Mentor: Jorge J. Prieto, M.D., Ph.D.
  Fellow: Edith Lopez Hurtado
  Immuncytochemical and Morphometrical Analysis of Double Bouquet Cells Microcircuitry in the Cerebral Cortex of Autistic Patients

- Princeton University - Princeton, NJ
  Mentor: Samuel Wang, Ph.D.
  Fellow: Megan Sullivan
  Multiphoton Investigation of Sensory Encoding in the Mammalian Cerebellum

Post-Doctoral Fellowships

- Cambridge University - Cambridge (England)
  Mentor: Simon Baron-Cohen, Ph.D.
  Fellow: Christopher D. Ashwin, Ph.D.
  Social Emotional Processing
- University of Michigan - Ann Arbor, MI
  Mentor: Jeffrey Hutsler, Ph.D.
  Fellow: Hong Zhang, Ph.D.
  Quantitative Neuroanatomical Training: New Methods to Reveal Structural Changes in the Cortex of Individuals with Autism
- University of California at San Francisco - San Francisco, CA
  Mentor: Michael Merzenich, Ph.D.
  Fellow: Haruka Nakahara, Ph.D.
  The Primary Auditory & Visual Cortex in Children with Autism and Animal Models
- University of Medicine & Dentistry of New Jersey/ Robert Wood Johnson Medical School - Piscataway, NJ
  Mentor: Emanuel DiCicco-Bloom, M.D.
  Fellow: Kristina Sennvik, Ph.D.
  Neurodevelopmental Origins of Autism Brain Abnormalities
- Yale University School of Medicine - New Haven, CT
  Mentor: Paul Bloom, Ph.D.
  Fellow: Melissa Allen Preissler, Ph.D.
  Symbolic Understanding in Children with Autism
- Columbia University College of Physicians and Surgeons - New York, NY
  Mentor: Carol Mason, Ph.D.
  Fellow: Phillip Buttery, Ph.D.
  Regulation of the Purkinje Cell, Dendritic Growth, Spine Formation and Synaptogenesis
- Vanderbilt University - Nashville, TN
  Mentor: Wendy Stone, Ph.D.
  Fellow: Lynnette M. Henderson, Ph.D.
  Autism Screening in Children Under Two Months

Dr. Remi Quirion, director of the Canadian Institute of Neurosciences, Mental Health and Addiction, discusses the autism research landscape in Canada at the Canadian Autism Research Workshop held in Toronto in FY 2003 and co-sponsored by NAAR.

Training Programs in Autism Research

As part of its Fellowship commitments in FY 2003, NAAR is collaborating with the Canadian Institute of Neurosciences, Mental Health and Addiction to co-sponsor a pair of six-year, interdisciplinary autism training programs, known as the *Training Programs in Autism Research*. In FY 2003, NAAR committed $200,000 as a co-sponsor of these unique programs, which are based at McGill University in Montreal, led by Eric Fombonne, M.D., and Queen's University in Kingston, led by Jeannette Holden, Ph.D.

Additional Research Programs

In FY 2003, NAAR sponsored two scientific consortiums focusing on autism research. Funding for these programs are in addition to NAAR's 2003 research awards and fellowships.

Canadian Autism Research Workshop:
NAAR and the Canadian Institutes of Health Research co-sponsored this inaugural workshop held in October 2002 in Toronto that united North America's leading autism researchers, government health officials and autism organizations to present the "state of the science" in autism research and begin to develop a plan to increase and enhance autism research in Canada.

Autism Genetics Cooperative:
NAAR and the Nancy Lurie Marks Family Foundation sponsored this annual retreat for a fourth consecutive year held in March 2003 at Callaway Gardens, Pine Mountain, GA. The retreat provides one of the only venues for the world's leading autism genetics researchers to share information and combine data with the hopes of accelerating the search for autism susceptibility genes.

FY 2003 Research Highlights:

Building Bridges & Research Partnerships

NAAR made significant strides in building research partnerships with governmental health agencies and research institutions in the U.S. and Canada in FY 2003. These collaborative programs are uniting researchers working toward a common goal, whether it is based in genetics, behavioral sciences or another field of research.

Training Programs in Autism Research

NAAR is partnering with the Canadian Institute of Neurosciences, Mental Health and Addiction to co-sponsor two innovative programs designed to foster the development of the next generation of autism researchers in Canada. NAAR is investing $200,000 annually for the next six years as co-sponsor of this unique program, the first of its kind in Canada to focus on autism. The mentor-based programs, principally based at McGill University in Montreal, Quebec, and Queen's University in Kingston, Ontario, take a multi-disciplinary approach to foster investigations into the genetics underlying autism and the epidemiology of the disorder. They will also address the importance of delivering effective treatment options to those with autism spectrum disorders and their families. This initiative is part of the Canadian government's **2003 Strategic Training Initiative in Health Research,** which includes funding for 33 innovative research training projects in Canada.

NIH Research Partnerships

In FY 2003, NAAR laid the foundations for research partnerships with the National Institutes of Health focusing on genetics and behavioral science, which have resulted in two new collaborations designed to further the medical community's understanding of autism in a way that has not been done before. These public/private collaborations between NAAR and the NIH concentrate on building and fostering research consortiums—a major theme of the recently announced *NIH Roadmap Initiative for Medical Research*. NAAR provided the initial support and infrastructure for the collaborations. The NIH has now brought its support and expertise to the partnerships, which has elevated each project to the next stage and illustrates how the public and private sector can best work together to enhance investments in medical research. These partnerships, the *NAAR Autism Genome Project* and the *High Risk Baby Siblings Autism Research Project*, were announced at the Autism Summit Conference in Washington in November 2003.

Leveraging Research & Hope: The Fruits of Our Labor

Historically, NAAR funding for biomedical research has been leveraged into tens of millions of larger autism research grants from the National Institutes of Health and other sources. Perhaps nowhere is the importance of NAAR funding more evident than with the NIH's awarding of multi-million dollar grants as part of the STAART (Studies to Advance Autism Research and Treatment) program to establish Centers of Excellence in autism research throughout the country. During FY 2003, the NIH announced the formation of eight STAART centers. NAAR funding was instrumental for three of the winning proposals.

Yale University Child Study Center - New Haven, CT

Led by principal investigator Fred Volkmar, M.D., the Yale team leveraged data from three NAAR-funded pilot studies that helped form its STAART grant application. Dr. Volkmar and his colleagues were notified in November 2002 that they had become one of the country's first STAART centers. The NAAR-funded pilot studies relevant to their STAART proposal included, *Visual Scanning Patterns and Mental Representations of Social Interactions in Infants and Toddlers Suspected of Having Autism*, a 2000 award; *Precursors of Joint Attention Skills in Autism and Related Conditions*, also funded in 2000; and *The Development of Prosody in Young Children with Autism and Related Conditions*, awarded in 2001. These pilot studies were led by Ami Klin, Ph.D., Fred Volkmar, M.D., Warren Jones, Kasia Chawarska, Ph.D., and Rhea Paul, Ph.D. Additionally, Yale's participation in NAAR's Mentor-based Fellowship program enhanced the group's center, as the STAART program also emphasizes the training of new researchers.

"Our initial awards from NAAR were instrumental in building an important line of research, which we could capitalize upon for the STAART application. We are particularly pleased with this support since it reaffirms our notion that high quality research and patient care go hand in hand."

— Fred Volkmar, M.D., Yale Child Study Center

University of Rochester School of Medicine - Rochester, NY

Led by principal investigator Patricia Rodier, M.D., the University of Rochester team leveraged data from a NAAR-funded pilot study that helped form its STAART grant application. Dr. Rodier and her colleagues were notified in May 2003 that they had become STAART grant recipients. The NAAR-funded pilot study relevant to their STAART proposal was *The Influence of HOX Genes and Cranial Nerve Abnormalities on Impaired Facial and Vocal Expression in Autism*, awarded in 2001 to Loisa Bennetto, Ph.D. In addition, Rochester's STAART center has two other connections to NAAR. Christopher J. Stodgell, Ph.D., a 1999 NAAR fellow—under Dr. Rodier's mentorship—is working on the STAART project with a focus on genetics. Also, Susan Hyman, M.D., a founding member of NAAR's Scientific Advisory Board, is leading a diet therapy study that is a part of the STAART project.

Kennedy Krieger Institute - Baltimore, MD

Led by principal investigator Rebecca Landa, Ph.D., one of the first researchers NAAR ever funded, this STAART center also involves Children's National Medical Center and Georgetown University in Washington, D.C., and Johns Hopkins University and Morgan State University in Baltimore. Three NAAR-funded pilot studies were relevant to the team's STAART grant proposal, including one of NAAR's first grants, *Core Deficits of Autism: Evidence from Infant Siblings of Autistic Probands*, awarded in 1997 and again in 1998 to Dr. Landa, as well as *Serotonin as a Regulator of Cortical Development and Function*, awarded to Christine Hohmann, Ph.D., of Morgan State in 2001; and *Using Functional MRI to Examine Social & Nonsocial Attention Regulation in Autism*, awarded in 2002 to Chandan Vaidya, Ph.D., of Children's National Medical Center.

What is the STAART program?

The Studies to Advance Autism Research and Treatment (STAART) program was established in response to the Children's Health Act of 2000. The research issues addressed by the STAART program include causes, diagnosis, early detection, prevention, and treatment, with approaches such as developmental neurobiology, genetics, and psychopharmacology. STAART centers are designed to use innovative research designs and state-of-the-art technologies that support cohesive teams of accomplished investigators focused on basic and clinical issues related to autism. This type of multi-disciplinary, multi-faceted research is of paramount importance in elucidating the etiology, pathophysiology, and evidence-based treatment of autism and producing innovative, high-impact approaches to fundamental research problems and attracting outstanding investigators who have not previously been part of the autism field. NAAR played a pivotal role in the development and eventual passage of the Children's Health Act of 2000, which made the STAART program possible.

National Alliance for Autism Research, Inc.

Financial Statements

June 30, 2003 and 2002

Independent Auditors' Report

Board of Trustees
National Alliance for Autism Research, Inc.
Princeton, New Jersey

We have audited the accompanying statements of financial position of the National Alliance for Autism Research, Inc. (the "Corporation") as of June 30, 2003 and 2002, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of the National Alliance for Autism Research, Inc. as of June 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Eisner LLP

New York, New York
August 7, 2003

Statements of Financial Position

	June 30, 2003	June 30, 2002
ASSETS		
Cash and cash equivalents	$ 5,603,831	$ 5,055,065
Investments	189,467	440,972
Pledges receivable, net	560,147	852,360
Prepaid expenses and other receivables	13,113	5,364
Security deposit	6,550	2,260
Property and equipment, net	23,368	31,745
	$ 6,396,476	$ 6,387,766
LIABILITIES AND NET ASSETS		
Liabilities:		
Research grants and fellowship awards payable	$ 4,114,145	$ 3,257,069
Accounts payable and accrued expenses	265,113	290,804
Total liabilities	4,379,258	3,547,873
Commitments (Notes E and F)		
Net assets:		
Unrestricted	1,870,678	2,445,935
Temporarily restricted	146,540	393,958
Total net assets	2,017,218	2,839,893
	$ 6,396,476	$ 6,387,766

Statements of Activities

	Year Ended June 30, 2003			Year Ended June 30, 2002		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Contributions (including in-kind contributions of $173,000 in 2002)	$ 1,889,807	$ 373,932	$ 2,263,739	$ 1,191,643	$ 333,975	$ 1,525,618
Walk F.A.R. for NAAR Walkathon (including in-kind contributions of $17,315 in 2002)	5,166,552		5,166,552	4,202,232		4,202,232
Other special events (net of direct benefit to participants of $132,345 in 2003 and $128,851 in 2002)	457,328		457,328	565,318		565,318
Investment income	53,712		53,712	81,531		81,531
Total public support and revenue before release of restrictions	7,567,399	373,932	7,941,331	6,040,724	333,975	6,374,699
Net assets released from restriction	621,350	(621,350)	0	337,609	(337,609)	0
Total public support and revenue	8,188,749	(247,418)	7,941,331	6,378,333	(3,634)	6,374,699
Expenses:						
Program services	6,848,510		6,848,510	4,386,985		4,386,985
Supporting services:						
Management and general	348,002		348,002	326,466		326,466
Fund-raising	1,567,494		1,567,494	1,181,450		1,181,450
Total supporting services	1,915,496		1,915,496	1,507,916		1,507,916
Total expenses	8,764,006		8,764,006	5,894,901		5,894,901
Change in net assets	(575,257)	(247,418)	(822,675)	483,432	(3,634)	479,798
Net assets - July 1	2,445,935	393,958	2,839,893	1,962,503	397,592	2,360,095
Net assets - June 30	$ 1,870,678	$ 146,540	$ 2,017,218	$ 2,445,935	$ 393,958	$ 2,839,893

Statements of Functional Expenses

Year Ended June 30, 2003
(with summarized financial information for 2002)

	Program Services					Supporting Services				
	Autism Tissue Program	Scientific Advisory Board	Public Education	Grants and Other Programs	Total	Management and General	Fund-Raising	Total	2003 Total Expenses	2002 Total Expenses
Salaries	$ 116,350		$ 63,525	$ 430,139	$ 610,014	$ 179,527	$ 403,039	$ 582,566	$1,192,580	$ 881,114
Employee benefits and payroll taxes	20,677		14,517	76,897	112,091	32,987	74,056	107,043	219,134	117,695
Research and fellowship awards	55,548			4,669,731	4,725,279				4,725,279	3,038,845
Consulting and professional services	26,239	$ 586	170,355	93,289	290,469	18,915	138,603	157,518	447,987	264,059
Occupancy				37,046	37,046	22,193	57,532	79,725	116,771	87,275
Printing	6,702	145	83,138	76,517	166,502	2,974	206,714	209,688	376,190	368,135
Travel and transportation	26,124	15,044	25,127	62,347	128,642	6,127	57,389	63,516	192,158	120,575
Meals and lodging	24,112	10,031	346	15,344	49,833	4,345	9,256	13,601	63,434	59,052
Catering and entertainment	978	8,671	55,509	31,268	96,426	3,103	72,958	76,061	172,487	77,562
Meetings and conferences	14,359		41,013	48,374	103,746	3,254	13,178	16,432	120,178	179,422
Telephone	8,467	248	58	36,870	45,643	17,056	41,766	58,822	104,465	63,039
Postage and shipping	7,464	820	21,266	51,098	80,648	5,723	115,500	121,223	201,871	111,302
Equipment rental and maintenance	1,392	1,726	142	39,590	42,850	12,869	66,774	79,643	122,493	58,821
Computer programming	42,677	219	6,125	146,061	195,082	8,078	75,082	83,160	278,242	49,912
Supplies	4,902		2,552	16,872	24,326	7,816	30,852	38,668	62,994	63,715
Filing fees			300	7,349	7,649	4,833	17,148	21,981	29,630	13,382
Recognition	468		748	51,739	52,955	2,209	117,052	119,261	172,216	191,735
Administrative services	14,612			19,436	34,048		35,513	35,513	69,561	28,485
Research materials	15,552			1,326	16,878		133	133	17,011	8,382
Insurance				5,047	5,047	5,047	5,047	10,094	15,141	16,008
Dues and subscriptions	205			650	855	688	350	1,038	1,893	5,845
Depreciation				7,646	7,646	7,647	7,647	15,294	22,940	32,248
Miscellaneous	522	12	428	13,873	14,835	2,611	21,905	24,516	39,351	58,293
	$ 387,350	$ 37,502	$ 485,149	$5,938,509	$6,848,510	$ 348,002	$1,567,494	$1,915,496	$8,764,006	$5,894,901

Statements of Functional Expenses

Year Ended June 30, 2002

	Program Services				Supporting Services			
	Autism Tissue Program	Scientific Advisory Board	Grants and Other Programs	Total	Management and General	Fund-Raising	Total	2002 Total Expenses
Salaries	$ 100,314	$ 30,000	$ 383,555	$ 513,869	$ 137,362	$ 229,883	$ 367,245	$ 881,114
Employee benefits and payroll taxes	15,614		44,915	60,529	21,382	35,784	57,166	117,695
Research and fellowship awards			3,038,845	3,038,845				3,038,845
Consulting and professional services	4,600		143,271	147,871	37,237	78,951	116,188	264,059
Occupancy			28,329	28,329	21,457	37,489	58,946	87,275
Printing	34,778		101,519	136,297	2,747	229,091	231,838	368,135
Travel and transportation	21,049	25,528	31,198	77,775	5,663	37,137	42,800	120,575
Meals and lodging	36,602	1,866	11,686	50,154	1,508	7,390	8,898	59,052
Catering and entertainment	7,744		448	8,192	1,260	68,110	69,370	77,562
Meetings and conferences	10,634	60,038	62,886	133,558		45,864	45,864	179,422
Telephone	6,019	93	18,375	24,487	12,967	25,585	38,552	63,039
Postage and shipping	9,183	814	31,797	41,794	3,867	65,641	69,508	111,302
Equipment rental and maintenance	1,438	209	17,742	19,389	5,887	33,545	39,432	58,821
Computer programming	3,196		9,420	12,616	29,865	7,431	37,296	49,912
Supplies	7,335	99	15,225	22,659	11,847	29,209	41,056	63,715
Filing fees			1,992	1,992	6,741	4,649	11,390	13,382
Recognition	14	1,939		1,953		189,782	189,782	191,735
Administrative services	10,340		7,610	17,950	4,861	5,674	10,535	28,485
Research materials	6,804		1,578	8,382				8,382
Insurance			5,266	5,266	4,636	6,106	10,742	16,008
Dues and subscriptions	1,621		380	2,001	3,500	344	3,844	5,845
Depreciation			11,287	11,287	10,964	9,997	20,961	32,248
Miscellaneous	10		21,780	21,790	2,715	33,788	36,503	58,293
	$ 277,295	$ 120,586	$3,989,104	$4,386,985	$ 326,466	$1,181,450	$1,507,916	$5,894,901

Statements of Cash Flows

	Year Ended June 30, 2003	2002
Cash flows from operating activities:		
Change in net assets	$ (822,675)	$ 479,798
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,940	32,248
Net realized/unrealized losses on investments	1,459	2,613
Donated investments	(9,581)	
Changes in:		
Pledges receivable	292,213	437,028
Prepaid expenses and other receivables	(7,749)	2,345
Security deposits	(4,290)	
Research grants and fellowship awards payable	857,076	1,058,823
Accounts payable and accrued expenses	(25,691)	232,609
Net cash provided by operating activities	303,702	2,245,464
Cash flows from investing activities:		
Purchases of investments	(189,954)	(443,585)
Proceeds from sales of investments	449,581	480,000
Purchases of property and equipment	(14,563)	(15,114)
Net cash provided by investing activities	245,064	21,301
Net change in cash and cash equivalents	548,766	2,266,765
Cash and cash equivalents - July 1	5,055,065	2,788,300
Cash and cash equivalents - June 30	$ 5,603,831	$ 5,055,065

Notes to Financial Statements

June 30, 2003 and 2002

NOTE A - THE CORPORATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Corporation:

The National Alliance for Autism Research, Inc. (the "Corporation") is a not-for-profit entity founded in 1994 to fund, promote and support biomedical research and science-based approaches that seek to determine the causes, prevention, effective treatment and, eventually, a cure for autism spectrum disorders.

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under comparable laws.

[2] Financial reporting:

(a) Accrual basis financial statements:

The financial statements of the Corporation have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

(b) Functional allocation of expenses:

The cost of providing the Corporation's program and supporting services has been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program and supporting services in ratios determined by management.

(c) 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 amount of assets and liabilities and revenues and expenses. Actual results could differ from those estimates.

(d) Cash equivalents:

For financial reporting purposes, the Corporation considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents.

(e) Investments:

Investments in certificate of deposits are reported at their stated values. Donated securities are initially recorded at their market values on the dates of gift. It is the Corporation's policy to sell donated securities upon receipt.

(f) Contributions and pledges receivable:

Contributions are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use, unless specifically restricted by the donor.

The Corporation reports contributions in the temporarily or permanently restricted net asset classification if they are received with donor stipulations or time considerations as to their use. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(g) Property and equipment:

Property and equipment are stated at their costs at the dates of acquisition. Depreciation of property and equipment is provided using the straight-line method over estimated useful lives of three to five years.

(h) Research grants and fellowship awards:

The Corporation records appropriations for research grants and fellowship awards as a liability and expense following review by its Scientific Advisory Board and selection by the Board of Trustees. Certain grants and awards initially cover a period of one year and may then be subject to renewal for an additional year after certain conditions are met.

(i) Net assets:

Net assets of the Corporation are classified and reported as follows:

(i) Unrestricted:

Unrestricted net assets represent those resources for which there are no restrictions by donors as to their use.

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Corporation and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes.

(j) Prior-year reclassifications:

Certain prior-year amounts have been reclassified to conform with the current year's presentation.

Note B - Pledges Receivable

Pledges of contributions are estimated to be collected as follows:

	June 30, 2003	2002
2003		$ 657,144
2004	$ 583,212	234,000
2005	54,000	24,000
2006	24,000	4,000
	661,212	919,144
Less allowance for doubtful pledges receivable	92,600	40,500
	568,612	878,644
Reduction of pledges due in excess of one year to present value, using a discount rate of 5%	8,465	26,284
	$ 560,147	$ 852,360

Note C - Investments

At June 30, 2003, investments consisted of certificates of deposit with a cost and market value of $189,954 and $189,467, respectively. At June 30, 2002, the certificates of deposit had a cost and market value of $443,585 and $440,972, respectively.

Note D - Property and Equipment

At each fiscal year-end, property and equipment consisted of the following:

	June 30, 2003	2002
Computer hardware and software	$ 117,037	$ 102,474
Office furniture and fixtures	10,711	10,711
	127,748	113,185
Less accumulated depreciation	(104,380)	(81,440)
	$ 23,368	$ 31,745

Note E - Research Grants and Fellowship Awards Payable

The accompanying statements of financial position include pre-committed research and fellowship grants and awards aggregating $4,114,145 and $3,257,069 for the fiscal years ended June 30, 2003 and 2002, respectively. The grants and awards are generally payable within one year.

In addition to the above amounts, research and fellowship grants and awards of approximately $2,970,476 are subject to discretionary renewal as described in Note A[2](h), and are scheduled to be disbursed through June 30, 2004, pending the satisfactory progress of research and the availability of funds.

Note F - Commitments

During the fiscal year ended June 30, 2003, the Corporation entered into three new leases for offices in the states of Connecticut, Massachusetts and Washington which expire on December 31, 2005, October 31, 2003 and February 28, 2004, respectively. The Washington lease converts to a month-to-month lease in which either party may cancel with sufficient notice. In addition, the Corporation leases office equipment through non-cancelable operating leases expiring through September 2007. Future minimum rental payments, including amounts for office equipment leases, are as follows:

Year Ending June 30,	
2004	$ 199,694
2005	68,790
2006	37,206
2007	5,505
2008	340
	$ 311,535

Rent expense was $116,771 and $87,275 for each of the fiscal years ended June 30, 2003 and 2002, respectively.

Note G - Temporarily Restricted Net Assets

At each fiscal year-end, temporarily restricted net assets were restricted for the following:

	June 30, 2003	2002
Autism Tissue Program	$ 80,482	$ 170,027
Time-restricted	66,058	223,931
	$ 146,540	$ 393,958

Net assets released from restrictions were for the following:

	June 30, 2003	2002
Autism Tissue Program	$ 387,350	$ 157,609
Time-restricted	234,000	180,000
	$ 621,350	$ 337,609

Note H - Donated Services

The Corporation received donated services in connection with its programs and operations. There were no donated services received in the fiscal year ending June 30, 2003. The fair value of these items, consisting of salaries and rent, is recorded in the accompanying financial statements for the fiscal year ending June 30, 2002 as follows:

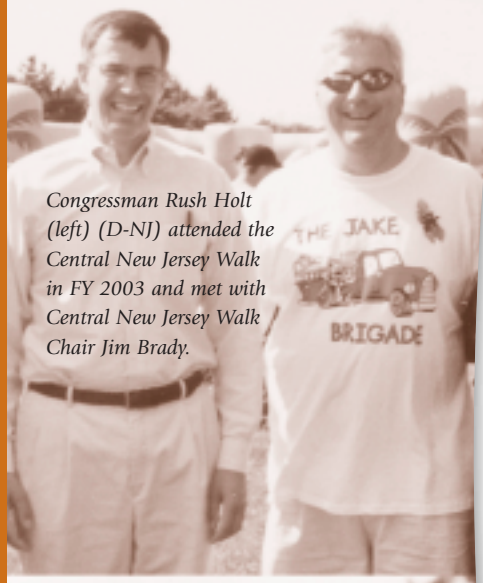
Salaries	$ 125,000
Professional fees and consulting	67,225
Occupancy	2,333
	$ 194,558

Note I - Credit Risk

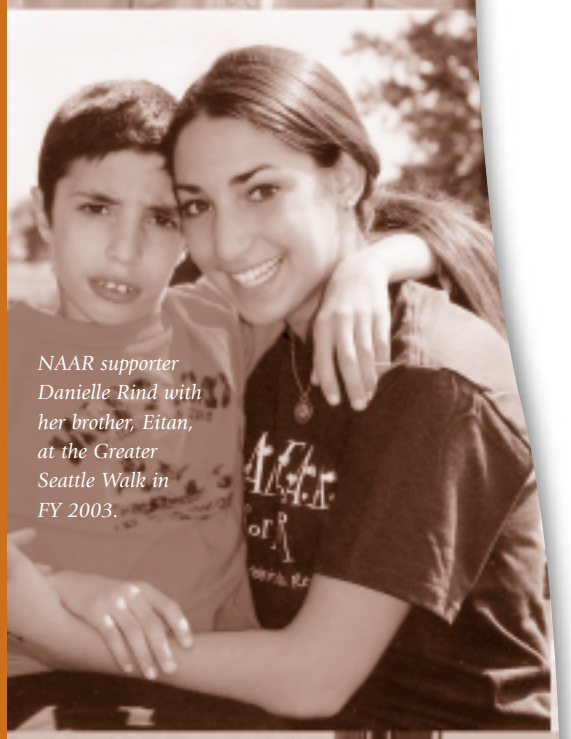
Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash and cash-equivalent accounts which are deposited in financial institutions and which, from time to time, may exceed federal insurance limits. However, management believes that the Corporation does not face a significant risk of loss on these accounts due to the failure of these financial institutions.

Note J - Allocation of Joint Costs

The Corporation incurred joint costs of $1,082,042 for informational materials and activities that included fund-raising appeals. Of those costs, $757,429 was allocated to fund-raising expense and $324,613 was allocated to program expense.



Congressman Rush Holt (left) (D-NJ) attended the Central New Jersey Walk in FY 2003 and met with Central New Jersey Walk Chair Jim Brady.



NAAR supporter Danielle Rind with her brother, Eitan, at the Greater Seattle Walk in FY 2003.

Dr. Isabelle Rapin, of Albert Einstein College of Medicine, served as a guest reviewer at this year's Scientific Advisory Board meeting.

Our Volunteers: Blazing New Trails in Autism Research

(from left) NAAR co-founder Karen London congratulates Dolores Rezendes and Margie Pascetta, 2003 recipients of the London Award with her husband, Eric London, M.D. The London Award is given each year to volunteers who make significant contributions advancing autism research and NAAR's mission.

Our volunteers bring NAAR to life. These talented and dedicated individuals put forth extraordinary efforts to raise millions of dollars for autism research, secure in the knowledge that NAAR is investing in the finest autism research in the world. NAAR volunteers serve in many different capacities throughout the organization and are critical to its many achievements.

Volunteers serve as:

- Trustees, providing vision, guidance and oversight to the organization
- Members of the Scientific Advisory Board and Medical Affairs, Program Initiative and Lay Review committees, developing NAAR's research agenda and evaluating requests for funding
- Fundraisers, establishing contacts, chairing and working on **Walk F.A.R. for NAAR** walkathons and gala dinners and helping enhance NAAR's public relations efforts
- Government relations advocates, rallying for increased spending for autism research on both the federal and state level

NATIONAL ALLIANCE FOR AUTISM RESEARCH

77% of Americans undercount the number of the people in the U.S. who have autism.

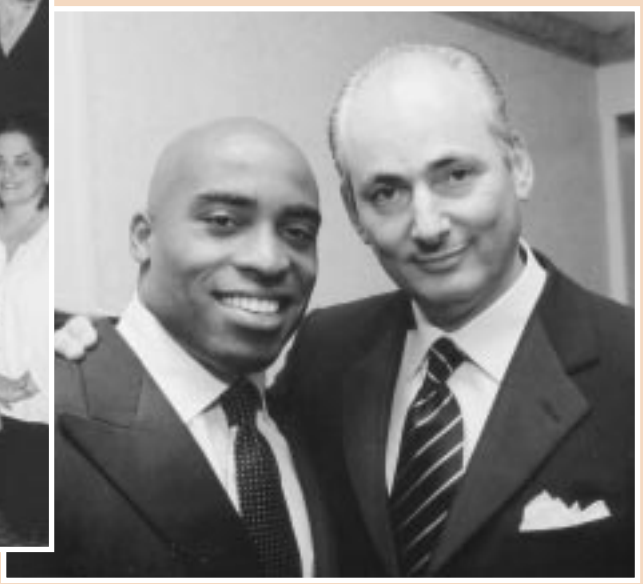
Volunteer Spotlights

Superstars in New England

NAAR's volunteers in New England (above) greatly expanded that chapter's impact on raising money for autism research in FY 2003. The New England **Walk F.A.R. for NAAR** raised a new NAAR record of $875,000, the most successful walk of the fiscal year. NAAR's New England volunteers leveraged the success from that extraordinary event into three new Walk events that currently take place throughout New England. Led by Margie Pascetta, Dolores Rezendes and Larry Cancro, volunteers established NAAR's New England chapter in FY 2003. In addition, Ms. Pascetta was instrumental in recruiting Ted English, president and CEO of the TJX Companies, to join the NAAR New England Board of Directors.

Incredible Individual

Richard Cohen, president & CEO of Ermenegildo Zegna North America, played an instrumental role in supporting NAAR in 2003, both in the areas of development and government relations. At the 2003 NAAR Award Dinner, Mr. Cohen (below, right) poses with New York Giants Running Back Tiki Barber before taking the podium as Master of Ceremonies for the event.



Extraordinary Support

The Nancy Lurie Marks Family Foundation continued its historic, groundbreaking support of NAAR in FY 2003, both as a Research Partner and in securing Burton Tansky, president and CEO of the Neiman Marcus Group, Inc., as NAAR's honoree at the 2003 Award Dinner. Honorary Board Member Nancy Lurie Marks and NAAR Trustee Jeffrey Lurie (below) both spoke about the promise of research at the gala.

Astonishing Commitment

The support given to NAAR from Trustee Andy Cerise and his wife, Karen and their family is nothing short of astonishing. In FY 2003, Karen served as chair of the Long Island Walk, which raised an incredible $830,000. The Cerise family, in partnership with Dan and Maria Ryan and their family, led Owen & Johnny's Team to raise a record $250,000—the highest producing team in NAAR history. NAAR Treasurer Mark Krinsky congratulates Karen for her remarkable efforts on behalf of NAAR.

Supporters Par Excellence

In addition to greatly expanding the Pittsburgh **Walk F.A.R. for NAAR**, volunteers in the Pittsburgh community organized a magnificent golf tournament in FY 2003—the *Shoot Par for NAAR Golf Classic*, held on May 5 at the St. Clair Country Club in Upper St. Clair, PA. Chaired by John Zotter and David Fitzsimmons, this first-year event was a sell-out that netted more than $50,000 for NAAR and drew from a base of constituents that had not previously supported the Pittsburgh Walk.

Government Affairs

NAAR's government advocacy efforts reached new heights in FY 2003, highlighted by the organization's first Hill Day event, held in April 2003. The event brought together dozens of dedicated NAAR volunteers from across the country who advocated for increased federal funding for autism research in Washington, D.C.

(from left) NAAR Trustee Ann Gibbons, Senator Mike DeWine (R-Ohio) and NAAR supporter Tina Woskobunik, discuss autism research.

In preparation for the day, Capitol Associates—NAAR's government relations counsel—reviewed appropriate protocol for volunteers meeting their elected officials and coordinated each congressional visit. On April 1, more than 60 volunteers and staff from NAAR kicked off National Autism Awareness Month by meeting with legislators and congressional staff members to ask for their support in increasing federal funding for autism research.

NAAR asked Congress to support specific language that calls on the National Institutes of Health to expand its basic and applied research portfolios, to coordinate and finance a tissue bank and to work more closely with the Interagency Autism Coordinating Committee to develop, implement and fund research. NAAR volunteers also asked their legislators to support an additional $7 million to expand the Centers for Disease Control and Prevention's autism epidemiology program. In addition, NAAR volunteers explained the critical role that research plays in the quest to understand and effectively treat autism spectrum disorders and encouraged legislators to join the Congressional Autism Caucus.

While NAAR did not get Congress to approve as significant an increase for autism research as it had requested, it does appear the Legislature is moving in the right direction in terms of autism research funding.

(from left) U.S. Representative John Spratt (D-S.C.) meets with NAAR volunteer Rebecca Newman and her father, Tim, co-chair of the Carolina Walk in FY 2003.

The House approved FY 2004 Omnibus Appropriations bill (H.R. 2673), which includes increased allocations for autism surveillance and education. The Senate did not vote on the measure by the end of 2003. The bill includes $3 million above the fiscal year 2003 level for the support and expansion of the CDC's autism surveillance program. In addition, $2.2 million is provided to establish a national awareness and education program that will widely disseminate information regarding autism identification and diagnosis to both families and health care providers as authorized by Sec. 103 of the Children's Health Act of 2000.

(from left) Frank and Nancy D'Amico, co-chairs of the Greater Delaware Valley Walk in FY 2003, talk about autism research funding with U.S. Representative Rob Andrews (D-N.J.)

Walk F.A.R. for NAAR continues to find homes in professional sports venues throughout the country, such as Giants Stadium, home to the Northern New Jersey Walk in FY 2003.

The Philadelphia Eagles were among many professional sports teams to support NAAR in FY 2003. (from left) U.S. Rep. Robert Andrews (D-NJ), Eagles offensive lineman John Welbourn and Eagles mascot, Swoop, greet supporters of the 2003 Greater Delaware Valley Walk as Jordan Schmidt and his mother, co-chair Debbie Schmidt, look on.

Development - Leaving a Lasting Imprint

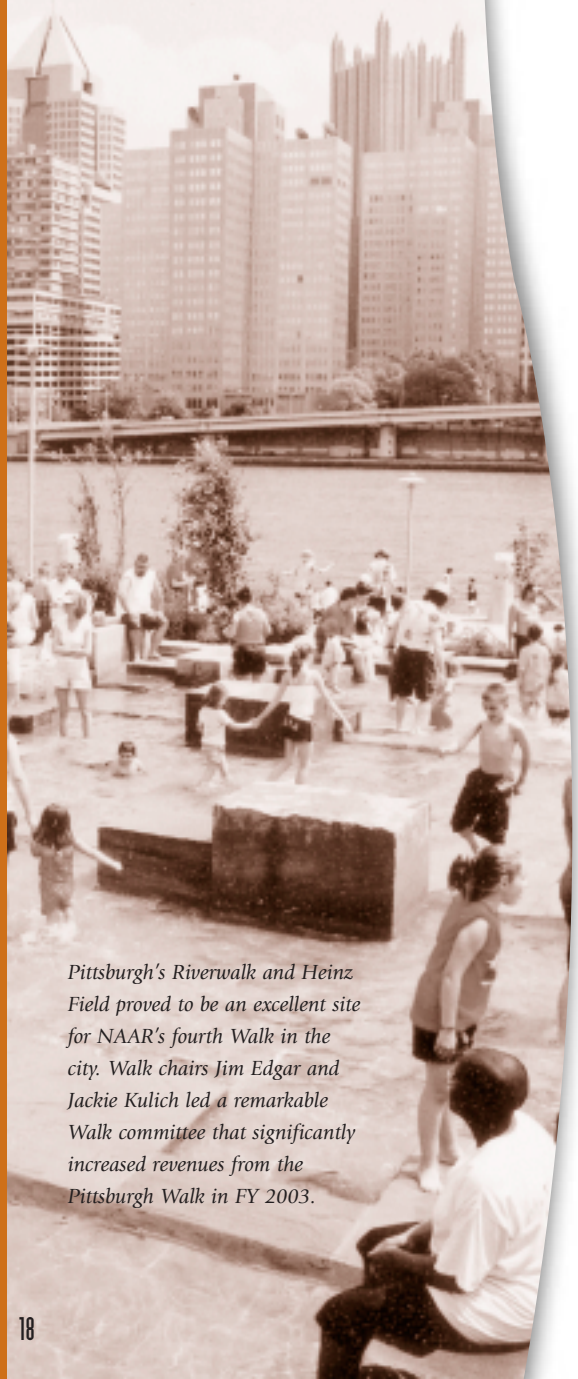
NAAR's development efforts expanded in FY 2003, with **Walk F.A.R. for NAAR** taking place in more markets, a successful black-tie gala and a new partnership with Office Depot.

Walk F.A.R. for NAAR

Without a doubt, the single most important development initiative of NAAR has been the evolution of **Walk F.A.R. for NAAR**, which has enabled the organization to become the nation's leading non-governmental funder of autism research projects. The first program of its kind, **Walk F.A.R. for NAAR** is a national, grassroots autism research walk program dedicated to funding and accelerating autism research. It is the signature fundraising and autism awareness event of NAAR. We are honored to have NFL legend Dan Marino and his wife, Claire, serving as National Honorary Chairs of **Walk F.A.R. for NAAR**.

In FY 2003, **Walk F.A.R. for NAAR** continued its steady expansion into new markets, attracting nearly 50,000 walkers at 17 events and raising approximately $5.2 million to support autism research. New markets for FY 2003 included Buffalo, NY; Cumberland, MD; and Charlotte, N.C.

Walk F.A.R. for NAAR gives families and friends of people with autism an opportunity to take charge and directly contribute to the search for the causes, treatments, prevention and cure for autism spectrum disorders. The Walks enable family and friends of people with autism spectrum disorders to contribute directly to the search for causes, effective treatments and a cure and are an excellent example of what collaborative efforts on behalf of the autism community can achieve.



Pittsburgh's Riverwalk and Heinz Field proved to be an excellent site for NAAR's fourth Walk in the city. Walk chairs Jim Edgar and Jackie Kulich led a remarkable Walk committee that significantly increased revenues from the Pittsburgh Walk in FY 2003.

2003 NAAR Award Dinner

Supporting autism research was certainly "in style" at the Waldorf = Astoria on June 3, as the National Alliance for Autism Research honored Burton M. Tansky, President and CEO of the Neiman Marcus Group, Inc., at NAAR's 2003 Award Dinner.

(from left) Longtime NAAR supporter Josh Needleman and NAAR Treasurer Mark Krinsky at the 2003 NAAR Award Dinner.

(from left) Fashion model Patti Hansen, NAAR supporter Melena Sorena, NAAR Trustee Debbie Hilibrand and NAAR supporter Robin Morris at the 2003 NAAR Award Dinner.

More than 450 guests, including many leaders of the retail and fashion magazine industries, attended the event, helping to raise more than $500,000 for autism research. Since 2000, NAAR's three Award Dinners have collectively raised nearly $2 million for autism research.

(from left) Prisca Chen Marvin, chair of the NAAR Board of Trustees, congratulates Neiman Marcus President & CEO Burton M. Tansky and his wife, Rita.

Richard Cohen, president & CEO of Ermenegildo Zegna North America, served as Master of Ceremonies for the evening as well as Executive Vice Chair of the Dinner Committee. Dinner chairs of the event were Stephanie George, President of *InStyle* Magazine, and Steven Kornajcik, Senior Vice President, Marketing & Creative Services at Neiman Marcus. Honorary Chair of the event was Joe Torre, manager of the New York Yankees. Also key to the success of the event were NAAR Honorary Board Member Nancy Lurie Marks and her family, including Richard A. Smith, chairman of the Neiman Marcus Group.

"We all know someone who deals with the challenges of autism every day, whether it is a family member, friend or colleague. The work of NAAR is so important. Through research, advances are being made that are beginning to shed light on the darkness of this disorder."

— Burton Tansky, president & CEO of the Neiman Marcus Group, Inc.

Office Depot

In honor of National Autism Awareness Month, Office Depot, Inc. teamed up with NAAR to launch an in-store awareness campaign in the company's more than 860 retail stores across North America. NAAR's new partnership with Office Depot is a result of the work of Diane Orr, co-chair of the Broward Walk, who worked with her colleagues at Office Depot and NAAR staff to bring the organizations together. Office Depot's point-of-purchase program, which ran in April and May 2003, provided customers throughout North America with the opportunity to support biomedical research focusing on autism spectrum disorders and marked NAAR's first national retail partnership. This educational campaign also included an awareness component, with each store featuring informational brochures, posters and video presentations that informed customers and employees about autism and NAAR.

"Despite the strikingly high prevalence and significant national interest in autism, research remains considerably under-funded. We are pleased to lend our support to NAAR as they seek to find a cure for autism and improve the quality of life for those struggling with it."

— Bruce Nelson, Chairman and CEO of Office Depot

Allerton Foundation

NAAR learned just how important its Autism Lecture Series is in FY 2003, after several representatives from the Allerton Foundation attended a Philadelphia event featuring NAAR co-founder Eric London, M.D. In the weeks following the lecture, Allerton representatives met with NAAR staff and volunteers to discuss current and future research objectives, which culminated in NAAR receiving an unrestricted $1 million gift—the largest single-payment gift the organization has ever received. NAAR is extremely grateful for the Allerton Foundation's support and for its embrace of NAAR's mission.

NAAR Board of Trustees

The NAAR Board of Trustees includes a wide range of physicians, attorneys and business leaders composed mostly of parents and family members of people with autism. The Board guides long-term planning strategies, organizational oversight and development.

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Honorary Board

The National Alliance for Autism Research is honored to have a wide array of influential supporters throughout the country, including actors, sports figures, musicians, politicians, authors and artists, many who have a family member with autism. These extraordinary individuals have contributed their time, effort and influence to further NAAR's mission by serving as Honorary Board Members.

Lisa & Will Clark

Audrey Flack

Laurie & Doug Flutie

Temple Grandin, Ph.D.

Lisa & Dustin Hoffman

Arlene & Joe Mantegna

Claire & Dan Marino

Branford Marsalis

Wynton Marsalis

Sue and Scott Mellanby

Nancy Lurie Marks

Elizabeth & Aidan Quinn

The Honorable Barbara Roberts

Lynn & Bret Saberhagen

Oliver Sacks, M.D.

Scientific Advisory Board

NAAR's esteemed Scientific Advisory Board, the first of its kind ever to be assembled to guide a research agenda for autism, provides ongoing expert guidance in developing an aggressive and far-reaching program of research for autism spectrum disorders and convenes yearly to review and recommend grant applications.

Melissa Down Begg, Ph.D., Sc.D.
Columbia University

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Massachusetts General Hospital & Harvard Medical School

Joseph T. Coyle, M.D.
Harvard Medical School

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St. Jude Children's Research Hospital

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Martha Bridge Denckla, M.D.
The Kennedy Krieger Institute & The Johns Hopkins University School of Medicine

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Emory University

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Centers for Disease Control and Prevention

NATIONAL ALLIANCE
FOR AUTISM RESEARCH

Facts About Autism Spectrum Disorders

- Autism affects people of all racial, ethnic and socioeconomic backgrounds and occurs in as many as one in every 250 births. Some studies place the prevalence even higher.
- Recent prevalence studies suggest that more than one million Americans are living with an autism spectrum disorder, such as Asperger Syndrome, Autistic Disorder, Childhood Disintegrative Disorder (CDD), Pervasive Developmental Disorder – Not Otherwise Specified (PDD-NOS) or Rett Syndrome.
- Autism spectrum disorders are the second most common developmental disability, after mental retardation.
- There are no biological markers, specific medical treatments or cure for autism. Currently, the diagnosis of autism is based solely on the observation of behavior.
- Most people with autism spectrum disorders require lifelong supervision and care—and the most severely affected may never be able to speak.
- Autism is four times more prevalent in boys than in girls.

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NATIONAL ALLIANCE FOR AUTISM RESEARCH

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