

THE AUTISM SOCIETY OF COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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Independent Auditor's Report

Board of Directors
The Autism Society of Colorado

We have audited the accompanying statements of financial position of The Autism Society of Colorado as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of The Autism Society of Colorado's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 referred to above present fairly, in all material respects, the financial position of The Autism Society of Colorado as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Poysti & Adams, LLC

February 28, 2011

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THE AUTISM SOCIETY OF COLORADO
STATEMENTS OF FINANCIAL POSITION

December 31,	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 125,211	\$ 108,598
Grants receivable	4,755	26,856
Promises to give	5,273	10,057
Prepaid expenses	<u>2,444</u>	<u>28,449</u>
Total current assets	<u>137,683</u>	<u>173,960</u>
Property and equipment		
Computer equipment	7,317	16,614
Office furniture	<u>673</u>	<u>673</u>
	7,990	17,287
Less: accumulated depreciation	<u>(7,990)</u>	<u>(17,287)</u>
Net property and equipment	<u>0</u>	<u>0</u>
Security deposits	<u>738</u>	<u>738</u>
Total Assets	<u>\$ 138,421</u>	<u>\$ 174,698</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Credit card payable	\$ 3,163	\$ 869
Accrued liabilities	17,847	19,038
Deferred revenue	<u>0</u>	<u>19,300</u>
Total current liabilities	<u>21,010</u>	<u>39,207</u>
Net assets		
Unrestricted	98,969	81,265
Temporarily restricted	<u>18,442</u>	<u>54,226</u>
Total net assets	<u>117,411</u>	<u>135,491</u>
Total Liabilities and Net Assets	<u>\$ 138,421</u>	<u>\$ 174,698</u>

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

THE AUTISM SOCIETY OF COLORADO
STATEMENT OF ACTIVITIES

For the Year Ended December 31,	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenue, and other gains</u>			
Contributions	\$ 147,756	\$ 31,310	\$ 179,066
Government grant	0	73,393	73,393
Special events, net of \$98,160 of expenses	229,500	0	229,500
Membership dues	2,680	0	2,680
Investment income	69	0	69
Miscellaneous income	18,409	0	18,409
Net assets released from restriction – satisfaction of donor restrictions	<u>140,487</u>	<u>(140,487)</u>	<u>0</u>
Total support, revenue, and other gains	<u>538,901</u>	<u>(35,784)</u>	<u>503,117</u>
<u>Expenses</u>			
Program	448,516		448,516
General and administrative	36,646		36,646
Fundraising	<u>36,035</u>		<u>36,035</u>
Total expenses	<u>521,197</u>		<u>521,197</u>
Changes in net assets	17,704	(35,784)	(18,080)
Net assets at beginning of year	<u>81,265</u>	<u>54,226</u>	<u>135,491</u>
Net assets at end of year	<u>\$ 98,969</u>	<u>\$ 18,442</u>	<u>\$ 117,411</u>

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

THE AUTISM SOCIETY OF COLORADO
STATEMENT OF ACTIVITIES

<u>For the Year Ended December 31,</u>	<u>2009</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenue, and other gains</u>			
Contributions	\$ 127,985	\$ 72,095	\$ 200,080
Government grant	0	75,534	75,534
Special events, net of \$89,783 of expenses	166,641	0	166,641
Membership dues	1,656	0	1,656
Investment income	131	0	131
Miscellaneous income	7,000	0	7,000
Net assets released from restriction – satisfaction of donor restrictions	<u>117,760</u>	<u>(117,760)</u>	<u>0</u>
Total support, revenue, and other gains	<u>421,173</u>	<u>29,869</u>	<u>451,042</u>
<u>Expenses</u>			
Program	372,227		372,227
General and administrative	29,877		29,877
Fundraising	<u>22,452</u>		<u>22,452</u>
Total expenses	<u>424,556</u>		<u>424,556</u>
Changes in net assets	(3,383)	29,869	26,486
Net assets at beginning of year	<u>84,648</u>	<u>24,357</u>	<u>109,005</u>
Net assets at end of year	<u>\$ 81,265</u>	<u>\$ 54,226</u>	<u>\$ 135,491</u>

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

THE AUTISM SOCIETY OF COLORADO
STATEMENTS OF CASH FLOWS

<u>For the Years Ended December 31,</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Contributions and grants	\$ 271,594	\$ 231,626
Investment income received	69	131
Miscellaneous income	21,089	8,656
Special events income	308,360	275,724
Cash paid to suppliers and employees	<u>(584,499)</u>	<u>(518,273)</u>
Net cash provided by (used for) operating activities	<u>16,613</u>	<u>(2,136)</u>
Net increase (decrease) in cash and cash equivalents	16,613	(2,136)
Cash and cash equivalents at beginning of year	<u>108,598</u>	<u>110,734</u>
Cash and cash equivalents at end of year	<u>\$ 125,211</u>	<u>\$ 108,598</u>
Reconciliation of changes in net assets to net cash provided by (used for) operating activities:		
Changes in net assets	\$ (18,080)	\$ 26,486
Reconciling adjustments:		
Depreciation	0	517
(Increase) decrease in receivables	26,884	(35,739)
(Increase) decrease in prepaid expense	26,006	(28,449)
Increase (decrease) in accrued liabilities	(1,191)	17,516
Increase (decrease) in credit card payable	2,294	(1,767)
Increase (decrease) in deferred revenue	<u>(19,300)</u>	<u>19,300</u>
Net cash provided by (used for) operating activities	<u>\$ 16,613</u>	<u>\$ (2,136)</u>

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

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Autism Society of Colorado (the Organization) is a not-for-profit established in 1970 to provide information, support and advocacy for individuals with autism and related syndromes and their families through a variety of ongoing activities. The Autism Society of Colorado is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code. The Organization had no significant uncertain tax positions for the years ended December 31, 2010 and 2009.

Classes of Net Assets

The financial statements report amounts separately by class of net assets:

- a) Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in The Autism Society of Colorado programs, and those resources invested in property and equipment.
- b) Temporarily restricted amounts are those which are restricted by donors for specific operating purposes or for the acquisition of property and equipment.

The significant accounting policies are described below.

Support and Revenue Recognition

The Organization reports gifts (the major source of revenue) of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Program and Support Activities

Program activities describe the activities directly related to the purposes for which the Organization exists. Supporting activities describe those costs which do not relate directly to the Organization's exempt purpose, but are indispensable to the conduct of those activities and to the Organization's existence, including overall direction, business management, general record keeping, budgeting and related purposes.

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

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents, and investment securities. The Organization places its cash and cash equivalents with creditworthy, high-quality financial institutions.

Deferred Revenue

Deferred revenue consists of monies received for special events prior to year end for events held subsequent to year end.

Property and Equipment

Property and equipment of \$1,500 or more are capitalized at cost, if purchased or if donated, at the fair market value of the asset at the time of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Compensation payable

Employees of the Organization are now entitled to paid vacation depending on length of service. Employees are allowed to accumulate sick leave but are capped and, upon separation, sick leave is not paid out and therefore no liability is accrued. Employees can carry over earned vacation. The accrued vacation as of December 31, 2010 and 2009 are \$10,113 and \$0, respectively.

The Organization is now paying payroll bi-weekly. The accrued wages as of December 31, 2010 and 2009 are \$6,393 and 0, respectively.

In-Kind Contributions

Contributions of services shall be 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. In kind contributions for the years ended December 31, 2010 and 2009 was \$7,749 and \$8,249.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Other Matters

Advertising costs are expensed as incurred.

Subsequent Events

The provisions of FASB ASC 855, *Subsequent Events*, requires management to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's financial statements were available to be issued on March 9, 2011, and this is the date through which subsequent events were evaluated. The Organization did not identify any subsequent events requiring disclosure.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – PROMISES TO GIVE

Promises to give totaled \$5,273 and \$10,057 at December 31, 2010 and 2009. Promises to give are recorded at the net present value, determined using a discount rate commensurate with the IRS Applicable Federal Rate on the date of the promise, as receivables in the year made. Management believes all promises to give will be received in one year from the financial statement date. In addition, management believes all promises to give will be collected. As a result, no allowance for doubtful accounts has been recorded.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31,

	<u>2010</u>	<u>2009</u>
TREAT	\$ 2,127	\$ 2,127
Autism Workshop	0	2,092
Give Me a Break	192	10,007
Respite Training	0	30,000
Competent Care	0	10,000
Down Syndrome/Autism Connection	11,123	0
Opening Doors	5,000	0
	<u>\$ 18,442</u>	<u>\$ 54,226</u>

NOTE 4 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows at December 31,

	<u>2010</u>	<u>2009</u>
Respite Training	\$ 30,000	\$ 10,283
Policy Grant	0	22,500
Give Me a Break	14,814	5,268
Community Events	4,500	4,000
CDPHE grant	2,000	0
Autism Workshop	2,092	175
Statewide Strategic Use Funds	73,393	75,534
Competent Care	10,000	0
Down Syndrome/Autism Connection	3,688	0
	<u>\$ 140,487</u>	<u>\$ 117,760</u>

NOTE 5 – OPERATING LEASE COMMITMENTS

The Organization leases office under a lease agreement which expires in May, 2010. The lease agreement calls for monthly rent payments of \$920. The Organization also has office space that is donated. The Organization has a copier lease that expires April 2013. Rent expense for the years ended December 31, 2010 and 2009 was \$19,868 and \$19,521, of which \$7,749 was an in-kind donation each year.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – OPERATING LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments are as follows:

2011	\$	11,112
2012		11,112
2013		3,878

NOTE 6 – CONCENTRATIONS

For the year ended December 31, 2010 and 2009, 48% and 50% of contributions were received from two and three donors, respectively. In addition, one donor provided approximately 19% of special event income for the year ended December 31, 2009. The Organization monitors its cash flow so that it does not rely on these large donations to perform its exempt purpose.

NOTE 7 – CONTINGENCIES

The Organization recognizes as revenue grant monies received as reimbursement for costs incurred in certain State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.