

THE AUTISM SOCIETY OF COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2012

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Independent Auditor's Report

Board of Directors
The Autism Society of Colorado
Lakewood, Colorado

We have audited the accompanying financial statements of The Autism Society of Colorado which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

June 12, 2013
Denver, Colorado

Payton & Adams, LLC

THE AUTISM SOCIETY OF COLORADO
STATEMENTS OF FINANCIAL POSITION

December 31,	2012	2011
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 21,532	\$ 93,500
Grants receivable	9,720	19,792
Promises to give	0	31,920
Prepaid expenses	738	2,539
Total current assets	<u>31,990</u>	<u>147,751</u>
Property and equipment		
Computer equipment	7,317	7,317
Office furniture	673	673
	<u>7,990</u>	<u>7,990</u>
Less: accumulated depreciation	<u>(7,990)</u>	<u>(7,990)</u>
Net property and equipment	<u>0</u>	<u>0</u>
Security deposits	<u>738</u>	<u>738</u>
Total Assets	<u>\$ 32,728</u>	<u>\$ 148,489</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Credit card payable	\$ 9,865	\$ 1,584
Accounts payable and accrued liabilities	38,305	23,607
Note payable	2,500	0
Total current liabilities	<u>50,670</u>	<u>25,191</u>
Net assets (deficit)		
Unrestricted	(35,696)	86,861
Temporarily restricted	17,754	36,437
Total net assets (deficit)	<u>(17,942)</u>	<u>123,298</u>
Total Liabilities and Net Assets	<u>\$ 32,728</u>	<u>\$ 148,489</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>2012</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenue, and other gains</u>			
Contributions	\$ 121,068	\$ 0	\$ 121,068
Government grant	0	240,276	240,276
Special events, net of \$42,535 of expenses	35,709	0	35,709
Investment income	7	0	7
Miscellaneous income	1,595	0	1,595
Net assets released from restriction - satisfaction of donor restrictions	<u>258,959</u>	<u>(258,959)</u>	<u>0</u>
Total support, revenue, and other gains	<u>417,338</u>	<u>(18,683)</u>	<u>398,655</u>
 Expenses			
Program	431,704		431,704
General and administrative	42,130		42,130
Fundraising	<u>46,130</u>		<u>46,130</u>
Total expenses	<u>519,964</u>		<u>519,964</u>
Changes in net assets before extraordinary item	(102,626)	(18,683)	(121,309)
Extraordinary item	<u>(19,931)</u>	<u>0</u>	<u>(19,931)</u>
Changes in net assets	(122,557)	(18,683)	(141,240)
Net assets at beginning of year	<u>86,861</u>	<u>36,437</u>	<u>123,298</u>
Net assets at end of year	<u>\$ (35,696)</u>	<u>\$ 17,754</u>	<u>\$ (17,942)</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>2011</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenue, and other gains</u>			
Contributions	\$ 155,872	\$ 81,745	\$ 237,617
Government grant	0	48,385	48,385
Special events, net of \$82,944 of expenses	162,750	0	162,750
Membership dues	2,296	0	2,296
Investment income	46	0	46
Miscellaneous income	20,588	0	20,588
Net assets released from restriction - satisfaction of donor restrictions	<u>112,135</u>	<u>(112,135)</u>	<u>0</u>
Total support, revenue, and other gains	<u>453,687</u>	<u>17,995</u>	<u>471,682</u>
 Expenses			
Program	381,842		381,842
General and administrative	41,709		41,709
Fundraising	<u>42,244</u>		<u>42,244</u>
Total expenses	<u>465,795</u>		<u>465,795</u>
Changes in net assets	(12,108)	17,995	5,887
Net assets at beginning of year	<u>98,969</u>	<u>18,442</u>	<u>117,411</u>
Net assets at end of year	<u>\$ 86,861</u>	<u>\$ 36,437</u>	<u>\$ 123,298</u>

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

THE AUTISM SOCIETY OF COLORADO
STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	2012	2011
Cash flows from operating activities		
Contributions and grants	\$ 394,868	\$ 218,116
Investment income received	7	46
Miscellaneous income	1,595	22,884
Special events income	78,244	245,694
Cash paid to suppliers and employees	<u>(549,182)</u>	<u>(518,451)</u>
Net cash used for operating activities	<u>(74,468)</u>	<u>(31,711)</u>
Cash flows from financing activities		
Issuance of debt	<u>2,500</u>	<u>0</u>
Decrease in cash and cash equivalent	(71,968)	(31,711)
Cash and cash equivalents at beginning of year	<u>93,500</u>	<u>125,211</u>
Cash and cash equivalents at end of year	<u>\$ 21,532</u>	<u>\$ 93,500</u>
Reconciliation of changes in net assets to net cash used for operating activities:		
Changes in net assets	\$ (141,240)	\$ 5,887
Reconciling adjustments:		
(Increase) decrease in receivables	41,992	(41,683)
(Increase) decrease in prepaid expense	1,801	(96)
Increase in accrued liabilities	14,698	5,760
Increase (decrease) in credit card payable	<u>8,281</u>	<u>(1,579)</u>
Net cash used for operating activities	<u>\$ (74,468)</u>	<u>\$ (31,711)</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 did not have any material unrelated business income tax liability for the years ended December 31, 2012 and 2011. The Organization's tax filings are subject to audit by various taxing authorities. The Organization's ending open audit periods are December 31, 2009, 2010, 2011, and 2012. The Organization believes it has no significant uncertain tax positions for the periods ended December 31, 2012 and 2011.

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.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, if any, 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 to the subsequent year. The accrued vacation as of December 31, 2012 and 2011 is \$5,261 and \$10,172, respectively.

The Organization's payroll is bi-weekly. The accrued wages as of December 31, 2012 and 2011 are \$0 and \$5,226, 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, 2012 and 2011 was \$8,468 and \$26,203.

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.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management is required 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 June 20, 2013 and this is the date through which subsequent events were evaluated. The Organization did not identify any subsequent events requiring disclosure.

NOTE 2 – PROMISES TO GIVE

Promises to give totaled \$0 and \$31,920 at December 31, 2012 and 2011. 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 within 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 – NOTE PAYABLE

During October 2012 a notes payable in the amount of \$2,500 was issued by a board member. The note is payable in October 2013 with no stated interest rate and is secured to an intangible property.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

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

	2012	2011
TREAT	\$ 2,127	\$ 2,127
Give Me a Break	15,122	31,404
Opening Doors	505	2,906
	\$ 17,754	\$ 36,437

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

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

	2012	2011
AMCHP grant	\$ 0	\$ 15,000
Give Me a Break	16,283	14,809
Opening Doors	2,400	2,094
Americorp	0	5,000
DHHS – Parent Monitoring Grant	0	9,024
DHHS – Cascade	240,276	34,360
Down Syndrome/Autism Connection	0	31,848
	\$ 258,959	\$ 112,135

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – OPERATING LEASE COMMITMENTS

The Organization leases office space under a lease agreement which expires in May 2013. The lease agreement calls for monthly rent payments of \$738. The Organization also has office space that is donated. The Organization has a copier lease that expires in April 2013. Rent expense for the years ended December 31, 2012 and 2011 was \$20,074 and \$14,116, of which \$7,749 was an in-kind donation each year.

Future minimum lease payments are as follows:

2013	\$ 3,878
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NOTE 7 – CONCENTRATIONS

For the year ended December 31, 2012 and 2011, 17% and 48% of contributions were received from one and two donors, respectively. The Organization monitors its cash flow so that it does not rely on these large donations to perform its exempt purpose.

NOTE 8 – 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.

NOTE 9 – EXTRAORDINARY ITEM

On March 5, 2012 a separation agreement was signed between The Organization and the former executive director. The agreement stated a severance amount of \$13,500 would be paid to the executive director during 2012. Also legal costs amounted to \$6,431. The total loss due to the transition from the executive director to the new chief executive officer was \$19,931 for the year ended December 31, 2012.

NOTE 10 – GOING CONCERN MATTERS AND MANAGEMENT PLANS

These financial statements have been prepared on a going concern basis, which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Organization is unable to continue as a going concern. During the year ended December 31, 2012 the Organization experienced a change in net assets of (\$141,240) thus bringing unrestricted net asset to (\$35,696) at December 31, 2012. If Organization operations continue in this manner, these results could impact the Organization's ability to continue on a going concern basis. Due to results from operations during the year ended December 31, 2012, management has developed the following plans to operate at least at a surplus budget on an ongoing basis as follows:

- The Organization initiated two new funding campaigns, Walk and Gala. The Walk generated over \$72,000 in gross proceeds. The Gala is on pace to generate up to \$200,000 in gross proceeds.

THE AUTISM SOCIETY OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – GOING CONCERN MATTERS AND MANAGEMENT PLANS (CONTINUED)

- The Organization has been awarded two grants that total \$60,000. In addition, has received promises to give for additional \$20,000.
- The Organization is in the second year of the CASCADE Federal grant which has increased from \$230,000 to \$300,000.
- The Organization has reduced staffing significantly but in such a way as to not affect Organization quality.
- The Organization has increased the Board by five new influential members of the community since January 1, 2013 and plans to add two additional members.
- The Organization has hired a new CEO with over 35 years of experience in the non-profit field.