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ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Financial Statements

June 30, 2010

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

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June 30, 2010

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Independent Auditors' Report

To the Board of Directors of
Asperger's Association of New England, Inc.

We have audited the accompanying statement of financial position of Asperger's Association of New England, Inc. (a nonprofit organization) (the Agency), as of June 30, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Kevin P. Martin & Associates, P.C." in a cursive script.

Braintree, Massachusetts
January 25, 2011

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Financial Position

As of June 30, 2010

Current Assets

Cash and cash equivalents	\$	216,561
Accounts receivable		27,066
Deposits		6,206
Prepaid expenses		19,374
Investments		<u>4,118</u>
Total current assets		<u>273,325</u>

Fixed Assets

Furniture and equipment		<u>36,920</u>
Total fixed assets		36,920
Less: accumulated depreciation		<u>(24,502)</u>
Total net fixed assets		<u>12,418</u>

Total Assets \$ 285,743

Current Liabilities

Accounts payable	\$	1,524
Accrued expenses		76,218
Line of credit		25,000
Deferred revenue		<u>8,920</u>
Total current liabilities		<u>111,662</u>

Total liabilities 111,662

Net Assets

Unrestricted		126,528
Temporarily restricted		<u>47,553</u>
Total net assets		<u>174,081</u>

Total Liabilities and Net Assets \$ 285,743

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

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ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Activities

For the Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Special events revenue	\$ 425,877	\$ -	\$ 425,877
Less: direct cost of event	<u>(71,479)</u>	<u>-</u>	<u>(71,479)</u>
	354,398	-	354,398
Conference fees	204,425	-	204,425
Contributions	202,894	-	202,894
Grant revenue	6,000	80,675	86,675
Membership dues	82,744	-	82,744
Coaching revenues	53,740	-	53,740
Workshops and seminars	39,274	-	39,274
Newsletter	32,300	-	32,300
Consultation and training services	31,571	-	31,571
Other	<u>10,129</u>	<u>-</u>	<u>10,129</u>
Sub-total revenue and support	1,017,475	80,675	1,098,150
Net assets released from restrictions	<u>121,118</u>	<u>(121,118)</u>	<u>-</u>
Total revenue and support	<u>1,138,593</u>	<u>(40,443)</u>	<u>1,098,150</u>
Expenses			
Program services	879,425	-	879,425
Administration	166,700	-	166,700
Fundraising	<u>74,417</u>	<u>-</u>	<u>74,417</u>
Total expenses	<u>1,120,542</u>	<u>-</u>	<u>1,120,542</u>
Change in Net Assets Before Loss	18,051	(40,443)	(22,392)
Loss due to misappropriation of assets	<u>40,699</u>	<u>-</u>	<u>40,699</u>
Change in Net Assets	(22,648)	(40,443)	(63,091)
Net Assets at Beginning of Year	<u>149,176</u>	<u>87,996</u>	<u>237,172</u>
Net Assets at End of Year	<u>\$ 126,528</u>	<u>\$ 47,553</u>	<u>\$ 174,081</u>

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

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ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Cash Flows

For the Year Ended June 30, 2010

Cash Flows from Operating Activities

Change in Net Assets	\$ (63,091)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	7,320
Unrealized loss on investments	1,038
Donated stock	(5,156)
Decrease (increase) in assets	
Accounts receivable	5,961
Prepaid expenses	(9,746)
Increase (decrease) in liabilities	
Accounts payable	(12,605)
Accrued expenses	27,618
Deferred revenue	<u>7,260</u>
Net Cash Used in Operating Activities	<u>(41,401)</u>

Cash Flows from Financing Activities

Advances on line of credit	<u>25,000</u>
Net Cash Provided by Financing Activities	<u>25,000</u>

Net Decrease in Cash and Cash Equivalents (16,401)

Cash and Cash Equivalents - Beginning 232,962

Cash and Cash Equivalents - Ending \$ 216,561

Supplement Disclosure of Cash Flow Information

Cash paid during the year for interest \$ 528

Supplement Data for Noncash Investing and Financing Activities

Donated stock \$ 5,156

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2010

(I) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

Asperger's Association of New England, Inc. (the Agency) is committed to improving the quality of life for people with Asperger's Syndrome (AS) throughout New England. The Agency's mission is to foster awareness, respect, assistance, and support of individuals with AS and their families. The Agency serves adults, teenagers, families of children with AS, educators and other professionals. The majority of the Agency's services are provided to New England residents.

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in unrestricted net assets from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Agency's ongoing efforts.

(c) Revenue Recognition

The Agency earns revenue as follows:

Special Events - Special events revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Fundraising contributions and fees are recognized as income when received. The majority of special event revenue is derived from the Laugh Out Loud Gala. Revenue derived from this event for the year ended June 30, 2010 totaled approximately \$396,063.

Conference Fees, Workshops and Seminars - The Agency recognizes conference fee, workshop and seminar revenue when fees are collected for admission to various Agency sponsored conferences.

Contributions - Contributions are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Grants - Grants are recorded as revenue as costs related to the services provided are incurred.

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ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies - continued

(e) *Standards of Accounting and Reporting*

The Agency's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (temporarily restricted and unrestricted) and the statement of activities displays the amounts of change in each of those classes of net assets.

The two classes of net assets applicable to the Agency are presented as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions and investment income whose restrictions are met in the same reporting period are recorded as temporarily restricted income and as net assets released from restrictions.

(f) *Income Taxes*

The Agency qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to income tax. The Agency is not a private foundation under Section 509(a)(1). Certain unrelated business income, as defined in the Internal Revenue Code, is subject to federal income tax. For the year ended June 30, 2010, there was no liability for tax on unrelated business income.

Effective July 1, 2009, the provisions of U.S. generally accepted accounting principles require that a tax position be recognized or derecognized based on a more-likely-than-not threshold. This applies to tax positions taken or expected to be taken in a tax return. The implementation of these provisions had no impact on the Agency's financial statements. The Agency does not believe its financial statements include any uncertain tax positions.

All tax years prior to 2006 are closed via the passing of the Statute of Limitations. No notices have been received from either the Internal Revenue Service or Commonwealth of Massachusetts addressing any subsequent year.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2010

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(1) Summary of Significant Accounting Policies - continued

(g) Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Agency and promoting special events. Fundraising expenses as a percentage of total contribution, special events and grants was 12% for the year ended June 30, 2010. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

(h) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency. Payroll and associated costs and occupancy costs are allocated to functions based upon time studies.

(i) Advertising Costs

The Agency expenses advertising costs when they are incurred. Advertising expense was immaterial for the year ended June 30, 2010.

(j) Use of Estimates

In preparing the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Subsequent Events

The Agency has performed an evaluation of subsequent events through January 25, 2011, which is the date the Agency's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2010 that required recognition or disclosure in these financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2010

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(1) Summary of Significant Accounting Policies - continued

(p) *Donated Items and Services*

Many individuals volunteer their time and perform a variety of tasks that assist the Agency with specific educational programs, administrative, clerical, and maintenance functions as well as various committee assignments. The Agency would not have paid for these volunteered services if they had not been donated and therefore, they have not been reflected in the financial statements.

(2) Investments

Investments are comprised of the following as of June 30, 2010:

	<u>Fair Value</u>
Marketable equity securities	\$ 4,118
Total	\$ <u>4,118</u>
Investment return consisted of the following for the year ended June 30, 2010:	
Unrealized losses	\$ (1,038)
Interest and dividends	<u>117</u>
Total loss on investments	\$ <u>(921)</u>

Total loss on investments of \$921 is included with other income on the statement of activities.

(3) Line of Credit

The Agency has available a demand line of credit with Village Bank (a Massachusetts bank) of \$25,000 to be drawn upon as needed, with interest at 2% above the prime rate, or 5.25% as of June 30, 2010. The line is secured by the Agency's general business assets. Borrowings outstanding amounted to \$25,000 as of June 30, 2010. Subsequent to year end, the demand line of credit was increased to \$50,000.

Interest expense on all debt amounted to \$528 for year ended June 30, 2010.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2010

(7) Related Party Transactions

During the year ended June 30, 2010, the Agency paid \$1,528 to one board member for workshop services and expense reimbursements.

(8) Loss Due to Misappropriation of Assets

It was determined that a theft of cash amounting to \$40,699 had occurred during the year ended June 30, 2010 and is included in loss due to misappropriation of assets on the statement of activities. The total amount recoverable has not been determined at this time. Subsequent to year end, the Agency recovered \$15,000 of the loss through its insurance policy.

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