

2009
Audit

038224

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

(With Independent Auditors' Report Thereon)

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

**FINANCIAL STATEMENTS
JUNE 30, 2009**

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Bruce D. Norling, CPA, P.C.

2009
AUDIT
038124

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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. ("AANE") as of June 30, 2009 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of AANE. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AANE as of June 30, 2009 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bruce D. Norling, CPA, P.C.

~~May 11, 2010~~

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2009

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ASSETS

CURRENT ASSETS

Cash	\$ 232,962
Accounts Receivable - Net	33,027
Deposits	6,206
Prepaid Expenses	<u>9,627</u>

TOTAL CURRENT ASSETS	<u><u>281,822</u></u>
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FIXED ASSETS

Equipment	36,921
Less: Accumulated Depreciation	<u>(17,182)</u>

NET FIXED ASSETS	<u>19,739</u>
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TOTAL ASSETS	<u><u>\$ 301,561</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Deferred Revenue	\$ 1,660
Accounts Payable & Accrued Expenses	<u>62,729</u>

TOTAL CURRENT LIABILITIES	<u>64,389</u>
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NET ASSETS

Unrestricted Net Assets	149,176
Temporarily Restricted Net Assets	<u>87,996</u>

TOTAL NET ASSETS	<u>237,172</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 301,561</u></u>
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See accompanying notes to financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
Consultation Services	\$ 27,370	\$ -	\$ 27,370
Conference Fees	147,726	-	147,726
Contributions	195,595	-	195,595
Fundraising Revenue	503,985	-	503,985
Grant Revenue	5,400	211,728	217,128
Membership Dues	81,531	-	81,531
Other Revenues	84,537	-	84,537
Investment Income	670	-	670
Net Assets Released from Restrictions	<u>212,830</u>	<u>(212,830)</u>	<u>-</u>
TOTAL REVENUES	1,259,644	(1,102)	1,258,542
EXPENSES			
Program & Other	796,561	-	796,561
Fundraising	192,997	-	192,997
Administration	<u>148,631</u>	<u>-</u>	<u>148,631</u>
TOTAL OPERATING EXPENSES	<u>1,138,189</u>	<u>-</u>	<u>1,138,189</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE LOSS	121,455	(1,102)	120,353
LOSS (See Footnote 10)	<u>97,673</u>	<u>-</u>	<u>97,673</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	23,782	(1,102)	22,680
NET ASSETS - Beginning of Year	<u>125,394</u>	<u>89,098</u>	<u>214,492</u>
NET ASSETS - End of Year	<u>\$ 149,176</u>	<u>\$ 87,996</u>	<u>\$ 237,172</u>

See accompanying notes to financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

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CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	22,680
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation		7,312
Changes in Operating Assets & Liabilities:		
(Increase) Decrease in Accounts Receivable		(22,582)
(Increase) Decrease in Deposits		2,500
(Increase) Decrease in Prepaid Expenses		(3,421)
Increase (Decrease) in Deferred Revenue		(3,925)
Increase (Decrease) in Accounts Payable & Accrued Expenses		<u>13,837</u>
Net Cash Provided By (Used In) Operating Activities		<u>16,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) of Capital Assets		<u>(1,367)</u>
Net Cash Provided By (Used In) Investing Activities		<u>(1,367)</u>
NET INCREASE (DECREASE) IN CASH		15,034
CASH - Beginning of Year		<u>217,928</u>
CASH - End of Year	\$	<u><u>232,962</u></u>

See accompanying notes to financial statements.

**ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

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EXPENSES	<u>PROGRAM & OTHER</u>	<u>FUND- RAISING</u>	<u>ADMIN</u>	<u>TOTAL</u>
Conference Expenses	129,009	-	-	129,009
Dues & Subscriptions	500	-	600	1,100
Equipment Rental	3,067	-	1,023	4,090
Fundraising Activities	-	108,566	-	108,566
Grant Expenses	65,615	-	-	65,615
Insurance	-	-	2,715	2,715
Newsletters	13,161	-	-	13,161
Office Expenses	72,592	1,435	1,870	75,897
Payroll & Related	400,136	69,357	64,021	533,514
Postage & Delivery	7,061	1,223	1,130	9,414
Printing & Reproduction	15,242	-	1,892	17,134
Professional Fees	-	-	60,352	60,352
Telephone	693	120	111	924
Occupancy Costs	62,285	10,796	9,966	83,047
Other	27,200	1,500	4,951	33,651
OPERATING EXPENSES	<u>\$ 796,561</u>	<u>\$ 192,997</u>	<u>\$ 148,631</u>	<u>\$ 1,138,189</u>

See accompanying notes to financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

1. SUMMARY OF OPERATIONS AND NON-PROFIT STATUS

Asperger's Association of New England, Inc. (AANE) is a non-profit AANE founded in 1996 by a small group of parents and professionals dedicated to improving the quality of life for people with Asperger's Syndrome throughout New England. AANE's mission is to foster awareness, respect, acceptance and support of individuals with Asperger's Syndrome and their families.

TAX EXEMPT STATUS

AANE is exempt from Federal income taxes as a non-profit organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to AANE within the requirements of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of AANE have been prepared on the accrual basis. The significant accounting policies followed by AANE are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

AANE considers highly liquid investments with a maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others. The allowance for doubtful accounts at June 30, 2009 was \$500.

FIXED ASSETS

~~Purchases of furniture and equipment over \$1,000 are capitalized at cost.~~
Depreciation of furniture and equipment is on a straight-line basis over the asset's useful life.

DEFERRED REVENUE

Membership fees may cover multiple years. AANE only recognizes membership fee revenue for the current year. Future years' membership revenue is treated as Deferred Revenue.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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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. Actual results may differ from estimates.

NET ASSETS

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by AANE.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of AANE and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Expenses are reported as decreases in unrestricted net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Unconditional promises to give with due dates scheduled after the balance sheet date are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the related purpose or time restrictions are met. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair market value at the date of the gift.

3. CONCENTRATION OF CREDIT AND MARKET RISK

AANE invests its operating funds at a bank in amounts which are insured by the federal and/or state government. Management believes the related credit risk is minimal.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Financial instruments that potentially expose AANE to concentrations of credit and market risk consist primarily of money market funds held at Fidelity Investments, which are insured by SPIC. Management believes the related credit risk is minimal.

4. RELATED PARTY TRANSACTIONS

Two Board members received payment for teaching services in 2009:

Elsa Abele:	\$25,482
Nancy Schwartz:	\$ 1,100

Both members are experts in the field of Asperger's education. Payments reflect market rates.

5. LEASE EXPENSE AND RELATED COMMITMENTS

In October, 2007, AANE relocated to premises at 85 Main Street, Watertown, Massachusetts and entered into an operating lease with a term of three years expiring on October 31, 2010. At the end of the lease term, AANE has the option of extending the lease for three (3) years. Rent expense for 2009 was \$75,739.

Minimum future rental payments under operating leases at June 30, 2009 are as follows, including the option years of the facility's lease:

	Facilities	Office Equipment	Total
2010	\$ 77,291	\$ 3,288	\$ 80,579
2011	77,855	3,288	81,143
2012	77,855	3,288	81,143
2013	77,855	1,096	78,951
2014	25,952	-	25,952
Total	<u>\$ 336,808</u>	<u>\$ 10,960</u>	<u>\$ 347,768</u>

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. SUBSEQUENT EVENTS

AANE did not have any recognized or non-recognized subsequent events after June 30, 2009, the date of the statement of financial position, except for the Unauthorized Disbursements described in Note 10. Subsequent events have been evaluated through May 11, 2010, the date the financial statements were issued.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of amounts donated to AANE to assist AANE in fulfilling its mission of providing programs and services to foster awareness, respect, acceptance and support for individuals with Asperger's Syndrome and their families.

Following is a summary of temporarily restricted net assets at June 30, 2009:

	<u>2009</u>
Autism Speaks	\$ 12,392
Butler Foundation	25,000
Edwin Philips Foundation	30,454
John Alden Trust	12,650
Persky Trust	1,500
The Charlotte Home	1,000
TJX Foundation	5,000
	<u>\$ 87,996</u>

8. ACCOUNTING FOR INCOME TAXES

AANE may be subject to a new accounting pronouncement, Financial Accounting Standards Board Interpretation Number 48 "Accounting for Uncertainty in Income Taxes" (FIN 48). The purpose of FIN 48 is to clarify whether organizations may include tax benefits from uncertain tax positions in their financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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AANE is a not for profit organization and therefore is not subject to income taxes. As such, it may not be affected by FIN 48. AANE is in the process of identifying areas in its activities which might be subject to actions by the Internal Revenue Service or state taxing authorities. AANE has elected to defer the application of FIN 48, as recently permitted by the Financial Accounting Standards Board Staff Position FIN 48-3, until the fiscal year ending June 30, 2010. This will allow AANE to benefit from the guidance on implementation currently being developed by the Financial Accounting Standards Board.

9. RESTATEMENT OF NET ASSETS

For fiscal year 2008, AANE restated certain accrued payroll and related costs for \$35,989. In addition, accounts receivable were restated to reflect a reduction of \$7,297 for bad debt expense at June 30, 2008. The net effect of these restated expenses were to reduce unrestricted net assets at July 1, 2008 by \$43,286.

10. UNAUTHORIZED DISBURSEMENTS

In 2010, it was determined that a theft of cash had occurred. The total amount of the theft was approximately \$98,000 in 2009 and is included as "Loss" on the Statement of Activities. The amount stolen was approximately \$32,000 for fiscal year 2008. Subsequent to June 30, 2009, an additional loss from theft of approximately \$46,000 was incurred. Therefore, the total loss from theft for the three fiscal years affected was approximately \$176,000.

Since discovering the problem, AANE has developed and begun to institute a stronger system of controls designed to prevent theft. Further, AANE will pursue recovery of the lost funds. The amount recoverable cannot be determined at this time.