

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Financial Statements

June 30, 2012

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

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June 30, 2012

Independent Auditors' Report

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Kevin P. Martin & Associates, P.C.

ASSURANCE | TAX | RISK MANAGEMENT | IT ADVISORY

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, 2012 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. The prior year summarized comparative information has been derived from the Agency's 2011 financial statements and, in our report dated October 27, 2011, we expressed an unqualified opinion on those financial statements. The prior year comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

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, 2012, 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.

Kevin P. Martin & Associates, P.C.

Braintree, Massachusetts
February 23, 2013

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Financial Position

As of June 30, 2012

With Comparative Totals as of June 30, 2011

Current Assets	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 357,181	\$ 233,998
Accounts receivable	26,188	44,499
Prepaid expenses	<u>19,560</u>	<u>24,116</u>
Total current assets	<u>402,929</u>	<u>302,613</u>
 Fixed Assets		
Furniture and equipment	<u>37,920</u>	<u>36,920</u>
Total fixed assets	37,920	36,920
Less: accumulated depreciation	<u>(35,067)</u>	<u>(31,162)</u>
Total net fixed assets	<u>2,853</u>	<u>5,758</u>
 Other Assets		
Deposits	<u>13,000</u>	<u>13,000</u>
Total other assets	<u>13,000</u>	<u>13,000</u>
 Total Assets	 <u>\$ 418,782</u>	 <u>\$ 321,371</u>
 Current Liabilities		
Accounts payable	\$ 288	\$ 12,044
Accrued expenses	78,183	68,350
Line of credit	-	50,000
Deferred revenue	<u>42,494</u>	<u>6,253</u>
Total current liabilities	<u>120,965</u>	<u>136,647</u>
Total liabilities	<u>120,965</u>	<u>136,647</u>
 Net Assets		
Unrestricted	251,723	144,970
Temporarily restricted	<u>46,094</u>	<u>39,754</u>
Total net assets	<u>297,817</u>	<u>184,724</u>
 Total Liabilities and Net Assets	 <u>\$ 418,782</u>	 <u>\$ 321,371</u>

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

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Activities

For the Year Ended June 30, 2012

With Comparative Totals for the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
Revenue and Support				
Special events revenue	\$ 453,461	\$ -	\$ 453,461	\$ 423,359
Less: direct cost of events	<u>(110,413)</u>	<u>-</u>	<u>(110,413)</u>	<u>(103,668)</u>
	343,048	-	343,048	319,691
Contributions	272,130	-	272,130	285,999
Coaching revenues	184,351	-	184,351	135,677
Conference fees	130,261	-	130,261	153,174
Workshops and seminars	94,719	-	94,719	96,939
Other	92,988	-	92,988	43,980
Grant revenue	10,997	78,000	88,997	87,332
Membership dues	80,515	-	80,515	88,901
Consultation and training services	30,247	-	30,247	24,243
Newsletter	<u>24,003</u>	<u>-</u>	<u>24,003</u>	<u>21,600</u>
Sub-total revenue and support	1,263,259	78,000	1,341,259	1,257,536
Net assets released from restrictions	<u>71,660</u>	<u>(71,660)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,334,919</u>	<u>6,340</u>	<u>1,341,259</u>	<u>1,257,536</u>
Expenses				
Program services	953,420	-	953,420	971,244
Administration	197,357	-	197,357	191,071
Fundraising	<u>77,389</u>	<u>-</u>	<u>77,389</u>	<u>84,578</u>
Total expenses	<u>1,228,166</u>	<u>-</u>	<u>1,228,166</u>	<u>1,246,893</u>
Change in Net Assets	106,753	6,340	113,093	10,643
Net Assets at Beginning of Year	<u>144,970</u>	<u>39,754</u>	<u>184,724</u>	<u>174,081</u>
Net Assets at End of Year	<u>\$ 251,723</u>	<u>\$ 46,094</u>	<u>\$ 297,817</u>	<u>\$ 184,724</u>

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

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Cash Flows

For the Year Ended June 30, 2012

With Comparative Totals for the Year Ended June 30, 2011

Cash Flows from Operating Activities	<u>2012</u>	<u>2011</u>
Change in Net Assets	\$ 113,093	\$ 10,643
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,905	6,660
Donated stock	(4,980)	(5,043)
Realized gain on investments	(122)	(1,089)
Decrease (increase) in assets		
Accounts receivable	18,311	(17,433)
Prepaid expenses	4,556	(4,742)
Deposits	-	(6,794)
Increase (decrease) in liabilities		
Accounts payable	(11,756)	10,520
Accrued expenses	9,833	(7,868)
Deferred revenue	<u>36,241</u>	<u>(2,667)</u>
Net Cash Provided by (Used in) Operating Activities	<u>169,081</u>	<u>(17,813)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	5,102	10,250
Purchase of equipment	<u>(1,000)</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>4,102</u>	<u>10,250</u>
Cash Flows from Financing Activities		
Advances on line of credit	-	25,000
Payment of line of credit	<u>(50,000)</u>	<u>-</u>
Net Cash (Used in) Provided by Financing Activities	<u>(50,000)</u>	<u>25,000</u>
Net Increase in Cash and Cash Equivalents	123,183	17,437
Cash and Cash Equivalents - Beginning	<u>233,998</u>	<u>216,561</u>
Cash and Cash Equivalents - Ending	\$ <u>357,181</u>	\$ <u>233,998</u>
Supplement Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ <u>1,485</u>	\$ <u>1,905</u>
Supplement Data for Noncash Investing and Financing Activities		
Donated stock	\$ <u>4,980</u>	\$ <u>5,043</u>

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

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2012

With Comparative Totals for the Year Ended June 30, 2011

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2012 Total</u>	<u>2011 Total</u>
Functional Expenses					
Salaries and benefits	\$ 508,042	\$ 147,598	\$ 52,830	\$ 708,470	\$ 672,237
Grant awards to individuals and families	118,889	-	-	118,889	132,136
Conference expenses	104,878	-	-	104,878	126,073
Occupancy	69,820	12,532	7,161	89,513	83,571
Office expenses	59,675	14,384	13,357	87,416	127,048
Workshop and seminars	52,712	-	-	52,712	45,437
Newsletters	13,684	2,456	1,404	17,544	16,816
Professional fees	-	15,771	-	15,771	15,396
Technology	8,797	1,579	902	11,278	12,622
Equipment rental	5,435	975	557	6,967	4,874
Insurance	4,943	887	507	6,337	5,078
Postage and delivery	3,816	685	391	4,892	4,264
Printing and reproduction	<u>2,729</u>	<u>490</u>	<u>280</u>	<u>3,499</u>	<u>1,341</u>
Total Functional Expenses	<u>\$ 953,420</u>	<u>\$ 197,357</u>	<u>\$ 77,389</u>	<u>\$ 1,228,166</u>	<u>\$ 1,246,893</u>

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

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). 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, 2012 totaled approximately \$442,362.

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.

Coaching, Consultation and Training Services - Coaching, consultation and training services revenue is earned and recognized by the Agency when units or services are provided.

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

Other - The Agency recognized other revenue as it is received. A loss recovery of \$89,200 is included in other revenue for the year ended June 30, 2012.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies - continued

(c) Revenue Recognition - continued

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

Membership Dues - Membership revenue is earned and recognized by the Agency over the membership term.

Newsletter - The Agency derives advertising income from publishing newsletters. Revenue is recognized when the newsletter is distributed.

Deferred revenue represents membership dues and conference fees received prior to year-end for the following fiscal period. These amounts are recognized as income during subsequent fiscal period.

Substantially all of the Agency's revenue is derived from its activities in Massachusetts.

(d) Accounts Receivable

The Agency carries its accounts receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts receivable from clients outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Agency evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of June 30, 2012, management has determined the allowance to be immaterial.

The Agency does not have a policy to accrue interest on accounts receivable.

The Agency has no policies requiring collateral or other security to secure the accounts receivable. During 2012, certain clients paid a refundable deposit of \$375 upon enrollment in the LifeMAP program. As of June 30, 2012, these deposits amounted to \$14,925 and are included in deferred revenue on the accompanying statement of financial position. As of June 30, 2012, 80% of the Agency's receivables are due from individual coaching clients and the remaining 20% is due from schools, mental health organizations, and other sources.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(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 (IRC) 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 IRC, is subject to federal income tax. For the year ended June 30, 2012, there was no liability for tax on unrelated business income.

GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2012, the Agency does not believe its financial statements include any uncertain tax positions. The Agency recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

Generally, the Agency's information (or tax) returns remain open for federal income tax examination for three years from the filing date. 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, 2012

(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 11% for the year ended June 30, 2012. The ratio of expenses to amounts raised is computed using actual expenses and related revenue, net of direct cost of benefit to donors, 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 are allocated to functions based upon time studies and occupancy costs allocations are based upon use.

(i) Advertising Costs

The Agency expenses advertising costs when they are incurred. Advertising expense was immaterial for the year ended June 30, 2012.

(j) Use of Estimates

In preparing the Agency's financial statements in conformity with GAAP, 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 February 23, 2013, which is the date the Agency's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2012 that required recognition or disclosure in these financial statements.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies - continued

(l) *Cash and Cash Equivalents*

The Agency considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Agency maintains its cash deposit balances in banks located in Massachusetts. The Agency did not maintain interest bearing cash and deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) insured limits as of June 30, 2012. The Agency also has a interest bearing cash deposit balance which is subject to Securities Investor Protection Corporation (SIPC) regulations. The Agency did not maintain interest bearing cash balances in excess of SIPC insured limits as of June 30, 2012.

(m) *Investments*

The Agency carries investments in marketable securities with readily determinable values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

The Agency occasionally receives donations in the form of securities. It is the policy of the Agency to immediately sell these donated securities. Donated securities are recorded at market value on the date of donation.

(n) *Fair Value Measurements*

Recurring Measurements

The Agency determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the following fair value hierarchy established in accordance with GAAP.

Level 1: Quoted prices in active markets for identical assets or liabilities the Agency has the ability to access. The Agency currently has no Level 1 assets or liabilities that are measured at fair value on a recurring basis as of June 30, 2012.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Agency currently has no Level 2 assets or liabilities that are measured at fair value on a recurring basis as of June 30, 2012.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation. The Agency currently has no Level 3 assets or liabilities that are measured at fair value on a recurring basis as of June 30, 2012.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies - continued

(n) Fair Value Measurements - continued

Recurring Measurements - continued

The Agency's policy is to recognize transfers into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the year ended June 30, 2012.

Non-recurring Measurements

The Agency is also required to apply the provisions of GAAP to fair value measurements for non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. The Agency has no non-financial assets or liabilities required to be accounted for on a non-recurring basis as of June 30, 2012.

Financial Instruments

The Agency's financial instruments include cash and cash equivalents, accounts receivables, deposits, line of credit, accounts payable, accrued expenses and deferred revenue. The carrying amount of these financial instruments approximates their fair value due to their short maturities.

(o) Fixed Assets and Depreciation

Furniture and equipment are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Agency computes depreciation using the straight-line method over the following estimated lives:

Furniture and equipment	3-5 years
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Depreciation amounted to \$3,905 for the year ended June 30, 2012.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(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.

(q) Summarized Financial Information for 2011

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of activities and functional expenses, as certain prior year summarized comparative information is presented in total but not by classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

(2) Investments

Investment return consisted of the following for the year ended June 30, 2012:

Realized gain	\$ <u>122</u>
Total gain on investments	\$ <u>122</u>

Total gain on investments is included with other income on the statement of activities.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(3) Line of Credit

The Agency has available a demand line of credit with Village Bank (a Massachusetts bank) of \$50,000 to be drawn upon as needed, with interest at 2% above the prime rate, or 5.25% as of June 30, 2012. The line is secured by the Agency's general business assets. As of June 30, 2012, borrowings outstanding amounted to zero.

Interest expense on all debt amounted to \$1,485 for year ended June 30, 2012.

(4) Operating Lease Commitments

The Agency occupies office space and equipment under non-cancelable, operating lease agreements with various expiration dates through 2016. The Agency is also liable for certain real estate tax increases and operating cost adjustments under the office lease terms. The minimum annual operating non-cancelable lease commitments on property for the Agency are as follows:

	<u>Facilities</u>	Office <u>Equipment</u>	<u>Total</u>
2013	\$ 81,750	\$ 3,700	\$ 85,450
2014	84,750	2,604	87,354
2015	87,750	2,604	90,354
2016	<u>67,500</u>	<u>1,953</u>	<u>69,453</u>
	\$ <u>321,750</u>	\$ <u>10,861</u>	\$ <u>332,611</u>

Rent expense for the year ended June 30, 2012 was \$86,760 and is included with occupancy on the statement of functional expenses.

(5) Employee Benefits

The Agency participates in a SIMPLE IRA retirement plan that allows employees to contribute to the plan on a pre-tax basis. Eligible employees, as defined in the plan, participate in this plan. The Agency matches up to 3% of employee contributions. Pension plan expense was \$9,295 for the year ended June 30, 2012 and is included with salaries and benefits on the statement of functional expenses.

ASPERGER'S ASSOCIATION OF NEW ENGLAND, INC.

Notes to Financial Statements

June 30, 2012

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. Donor restrictions limit the use of the resources within the particular purposes listed below.

<u>Nature of Restriction</u>	<u>Amount</u>
Child coordinator	\$ 25,000
Plymouth County	14,269
Other	<u>6,825</u>
Total	\$ <u>46,094</u>