

AUTISM SOCIETY OF MINNESOTA
AUDITED FINANCIAL STATEMENTS
December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Autism Society of Minnesota
St. Paul, Minnesota

We have audited the accompanying financial statements of Autism Society of Minnesota (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, cash flows and functional expenses 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 audits to obtain reasonable assurance about whether the financial statements are free from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Autism Society of Minnesota as of December 31, 2017 and 2016, 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.

Harrington Junger & Associates

June 22, 2018

AUTISM SOCIETY OF MINNESOTA
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 459,811	\$ 453,646
Accounts and grants receivable, net of allowance of \$19,000 and \$12,000, respectively	47,785	180,542
Book inventory	30,885	11,085
Prepaid expenses	1,933	386
TOTAL CURRENT ASSETS	540,414	645,659
PROPERTY AND EQUIPMENT, at cost		
Furniture and equipment	69,589	61,556
Accumulated depreciation	(50,939)	(45,892)
TOTAL PROPERTY AND EQUIPMENT, net	18,650	15,664
OTHER ASSETS		
Lease deposits	680	680
TOTAL ASSETS	\$ 559,744	\$ 662,003

	<u>2017</u>	<u>2016</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	<u>\$ 495</u>	<u>1,227</u>
NET ASSETS		
Unrestricted	433,641	597,344
Temporarily restricted	<u>125,608</u>	<u>60,166</u>
TOTAL NET ASSETS	<u>559,249</u>	<u>657,510</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 559,744</u></u>	<u><u>\$ 662,003</u></u>

AUTISM SOCIETY OF MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017
(with comparative totals for 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2017</u>	<u>Total 2016</u>
SUPPORT AND REVENUE				
Camp revenue	\$ 378,769	\$ -	\$ 378,769	\$ 355,259
Special events	167,625	-	167,625	224,571
Psychology services	350,299	-	350,299	435,390
Contributions	218,597	-	218,597	216,387
Educational revenue	192,032	-	192,032	152,834
Membership dues	46,124	-	46,124	47,956
Book sales and related materials, net of expenses of \$25,477 and \$28,834, respectively	44,660	-	44,660	44,341
Grants	187,332	69,832	257,164	44,478
Interest income	249	-	249	267
Net assets released from restrictions	4,390	(4,390)	-	-
	<u>1,590,077</u>	<u>65,442</u>	<u>1,655,519</u>	<u>1,524,283</u>
TOTAL SUPPORT AND REVENUE				
EXPENSES				
Program services	1,557,012	-	1,557,012	1,298,353
Management and general	111,265	-	111,265	93,626
Fundraising	85,503	-	85,503	70,386
	<u>1,753,780</u>	<u>-</u>	<u>1,753,780</u>	<u>1,462,365</u>
TOTAL EXPENSES				
CHANGE IN NET ASSETS	(163,703)	65,442	(98,261)	61,918
NET ASSETS, BEGINNING	<u>597,344</u>	<u>60,166</u>	<u>657,510</u>	<u>595,592</u>
NET ASSETS, ENDING	<u>\$ 433,641</u>	<u>\$ 125,608</u>	<u>\$ 559,249</u>	<u>\$ 657,510</u>

AUTISM SOCIETY OF MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Camp revenue	\$ 355,259	\$ -	\$ 355,259
Special events	224,571	-	224,571
Psychology services	435,390	-	435,390
Contributions	216,387	-	216,387
Educational revenue	152,834	-	152,834
Membership dues	47,956	-	47,956
Book sales and related materials, net of expenses of \$28,834	44,341	-	44,341
Grants	13,224	31,254	44,478
Interest income	267	-	267
Rental income	2,800	-	2,800
Net assets released from restrictions	56,384	(56,384)	-
	<u>1,549,413</u>	<u>(25,130)</u>	<u>1,524,283</u>
TOTAL SUPPORT AND REVENUE			
EXPENSES			
Program services	1,298,353	-	1,298,353
Management and general	93,626	-	93,626
Fundraising	70,386	-	70,386
	<u>1,462,365</u>	<u>-</u>	<u>1,462,365</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	87,048	(25,130)	61,918
NET ASSETS, BEGINNING	<u>510,296</u>	<u>85,296</u>	<u>595,592</u>
NET ASSETS, ENDING	<u>\$ 597,344</u>	<u>\$ 60,166</u>	<u>\$ 657,510</u>

AUTISM SOCIETY OF MINNESOTA
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (98,261)	\$ 61,918
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,047	3,674
Bad debt expense	129,277	-
(Increase) decrease in:		
Accounts and grants receivable	3,480	(75,064)
Book inventory	(19,800)	(3,341)
Prepaid expenses	(1,547)	-
Increase (decrease) in:		
Accounts payable	(3,266)	(12)
Accrued expenses	(732)	284
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	14,198	(12,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,033)	(5,349)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,165	(17,890)
CASH AND CASH EQUIVALENTS, BEGINNING	453,646	471,536
CASH AND CASH EQUIVALENTS, ENDING	\$ 459,811	\$ 453,646

AUTISM SOCIETY OF MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017
(with comparative totals for 2016)

	Program Services	Management and General	Fundraising	Total 2017	Total 2016
Salaries	\$ 792,033	\$ 44,002	\$ 44,002	\$ 880,037	\$ 811,702
Payroll taxes	53,715	2,984	2,984	59,683	60,552
Employee benefits	21,391	1,188	1,188	23,767	14,411
Total personnel expenses	867,139	48,174	48,174	963,487	886,665
Camp expenses	304,107	-	-	304,107	295,365
Rent	85,801	9,534	-	95,335	80,616
Contract services	77,143	-	-	77,143	67,792
Professional fees	14,048	9,366	-	23,414	25,327
Insurance	4,443	5,923	4,442	14,808	13,709
Equipment and computers	12,736	12,735	2,830	28,301	24,184
Postage and mailing	6,113	1,019	3,056	10,188	11,443
Supplies	9,798	13,063	9,797	32,658	17,711
Bank fees	10,946	10,946	11,278	33,170	18,608
Depreciation	5,047	-	-	5,047	3,674
Travel and vehicle	5,925	-	5,926	11,851	8,896
Utilities	4,543	505	-	5,048	3,627
Training	1,507	-	-	1,507	2,652
Dues and subscriptions	5,321	-	-	5,321	1,812
Miscellaneous	8,818	-	-	8,818	284
Marketing	4,300	-	-	4,300	-
Bad debt	129,277	-	-	129,277	-
Total Expenses	\$ 1,557,012	\$ 111,265	\$ 85,503	\$ 1,753,780	\$ 1,462,365

AUTISM SOCIETY OF MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 730,532	\$ 40,585	\$ 40,585	\$ 811,702
Payroll taxes	54,496	3,028	3,028	60,552
Employee benefits	12,969	721	721	14,411
Total personnel expenses	797,997	44,334	44,334	886,665
Camp expenses	295,365	-	-	295,365
Rent	72,554	8,062	-	80,616
Contract services	67,792	-	-	67,792
Professional fees	15,196	10,131	-	25,327
Insurance	4,112	5,484	4,113	13,709
Equipment and computers	10,883	10,883	2,418	24,184
Postage and mailing	6,866	1,144	3,433	11,443
Supplies	5,314	7,084	5,313	17,711
Bank fees	6,140	6,141	6,327	18,608
Depreciation	3,674	-	-	3,674
Travel and vehicle	4,448	-	4,448	8,896
Utilities	3,264	363	-	3,627
Training	2,652	-	-	2,652
Dues and subscriptions	1,812	-	-	1,812
Miscellaneous	284	-	-	284
Total Expenses	<u>\$ 1,298,353</u>	<u>\$ 93,626</u>	<u>\$ 70,386</u>	<u>\$ 1,462,365</u>

**AUTISM SOCIETY OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Autism Society of Minnesota (the Organization) is a Minnesota non-profit corporation organized to improve the lives of people with autism. The Organization uses education, support, collaboration, and advocacy to further its mission.

Basis of Accounting and Presentation:

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Classes of Net Assets:

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

Unrestricted

Amounts are those currently available at the discretion of the Board for use in the Organization's operations.

Temporarily Restricted

Amounts are those that are restricted by donor stipulations for specific purposes. As of December 31, 2017 and 2016, the Organization had \$125,608 and \$60,166, respectively, in temporarily restricted net assets (see footnote 2).

Cash and Cash Equivalents:

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash balances at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). At December 31, 2017 and 2016, the Organization had no uninsured cash balances.

Accounts Receivable:

Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. At December 31, 2017 and 2016, there was an allowance for doubtful accounts of \$19,000 and \$12,000, respectively.

AUTISM SOCIETY OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Book Inventory:

Inventory consists primarily of books and other reading material relating to autism and is carried at the lower of cost or market value. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment:

Property and equipment are stated at cost, if purchased. Donated equipment is recorded at the fair market value as of the date of the donation. Expenditures for repairs and maintenance are charged to expense. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to forty years. Depreciation expense was \$5,047 and \$3,674 for the years ended December 31, 2017 and 2016, respectively.

Contributions, Support and Expenses:

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods 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.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Functional Allocation of Expenses:

Expenses are allocated to program and support services directly whenever possible and indirectly using predetermined percentages derived from payroll and occupancy statistics.

AUTISM SOCIETY OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes:

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to any extent it has taxable income that is not related to its tax-exempt purpose.

Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 22, 2018, the date the financial statements were available to be issued.

NOTE 2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted as follows at December 31, 2017 and 2016:

	2017	2016
Education and Advocacy	\$ 81,448	\$ 13,225
Camperships/Scholarships	27,090	29,871
EP Translation	9,000	9,000
Arts Learning	8,070	8,070
	\$ 125,608	\$ 60,166

NOTE 3. OPERATING LEASES

The Organization leases office space, storage space and some additional space for its psychology services under a non-cancelable operating lease that expires in December 2021. Rent expense for the years ended December 31, 2017 and 2016 was \$95,335 and \$80,616, respectively.

AUTISM SOCIETY OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. OPERATING LEASES (continued)

Minimum future lease payments on the above leases as of December 31, 2017 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2018	\$ 115,788
2019	117,648
2020	119,520
2021	<u>121,380</u>
	<u>\$ 474,336</u>