

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
MADISON, WISCONSIN

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2017 AND 2016

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
MADISON, WISCONSIN

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# KRAUSE & ASSOCIATES, S.C.

CERTIFIED PUBLIC ACCOUNTANT

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## Independent Auditor's Report

Board of Directors  
Autism Society of South Central Wisconsin, Inc.  
Madison, Wisconsin

We have audited the accompanying financial statements of Autism Society of South Central Wisconsin, Inc. (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 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.

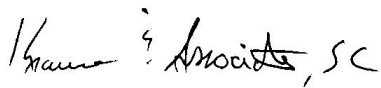
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 South Central Wisconsin, Inc. 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.

A handwritten signature in black ink that reads "Krause & Associates, SC". The signature is written in a cursive style with a small flourish at the end.

Krause & Associates, SC  
Grafton, Wisconsin  
August 22, 2018

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 43,840	\$ 47,032
Certificates of deposit	33,115	32,900
Contributions receivable	1,100	1,515
Prepaid expenses	<u>1,155</u>	<u>1,690</u>
TOTAL ASSETS	<u>\$ 79,210</u>	<u>\$ 83,137</u>

LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>		
Deferred revenue	\$ 58	\$ -
Payroll and payroll taxes payable	<u>1,673</u>	<u>2,575</u>
TOTAL LIABILITIES	<u>1,731</u>	<u>2,575</u>
<b>NET ASSETS</b>		
Unrestricted	<u>77,479</u>	<u>80,562</u>
TOTAL NET ASSETS	<u>77,479</u>	<u>80,562</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 79,210</u>	<u>\$ 83,137</u>

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

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>REVENUE AND SUPPORT</b>		
Contributions and grants	\$ 29,119	\$ 36,079
Memberships	2,949	3,902
Education and outreach events	708	1,810
Interest	278	285
Fundraising events:		
Revenue	\$ 15,839	\$ 16,637
Expenses	<u>(6,410)</u>	<u>(6,652)</u>
Total revenue and support	<u>42,483</u>	<u>52,061</u>
<b>EXPENSES</b>		
Program	29,790	38,659
Administrative	11,415	18,383
Fundraising	<u>4,361</u>	<u>3,392</u>
Total expenses	<u>45,566</u>	<u>60,434</u>
Change in net assets	(3,083)	(8,373)
NET ASSETS, beginning of year	<u>80,562</u>	<u>88,935</u>
NET ASSETS, end of year	<u>\$ 77,479</u>	<u>\$ 80,562</u>

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

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (3,083)	\$ (8,373)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
(Increase) decrease in contributions receivable	415	(1,515)
(Increase) decrease in prepaid expenses	535	(144)
Increase in deferred revenue	58	-
Increase in payroll and payroll taxes payable	(902)	2,349
Net cash used in operating activities	(2,977)	(7,683)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in certificates of deposit	(215)	(216)
Net cash used in investing activities	(215)	(216)
Net decrease in cash and cash equivalents	(3,192)	(7,899)
Cash and cash equivalents at beginning of year	47,032	54,931
Cash and cash equivalents at end of year	\$ 43,840	\$ 47,032
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ -	\$ -
In-kind contributions received	\$ -	\$ -

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

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			
	Program	Administrative	Fundraising	Total
<b>OPERATING EXPENSES</b>				
Payroll salaries and wages	\$ 16,783	\$ 3,715	\$ 2,409	\$ 22,907
Payroll taxes	1,209	267	173	1,649
Grants and assistance to individuals	1,000	-	-	1,000
Advertising and promotion	460	497	-	957
Insurance	647	269	647	1,563
Memberships	139	500	-	639
Miscellaneous	-	42	-	42
Occupancy	774	1,549	774	3,097
Office and administrative	1,073	2,146	358	3,577
Professional fees	-	1,500	-	1,500
Programs and workshops	6,776	-	-	6,776
Travel	929	930	-	1,859
Total expenses	\$ 29,790	\$ 11,415	\$ 4,361	\$ 45,566

	2016			
	Program	Administrative	Fundraising	Total
<b>OPERATING EXPENSES</b>				
Payroll salaries and wages	\$ 13,063	\$ 6,373	\$ 3,164	\$ 22,600
Payroll taxes	939	458	228	1,625
Grants and assistance to individuals	1,000	-	-	1,000
Advertising and promotion	530	994	-	1,524
Insurance	-	1,503	-	1,503
Memberships	145	500	-	645
Miscellaneous	-	517	-	517
Occupancy	-	3,008	-	3,008
Office and administrative	-	3,971	-	3,971
Programs and workshops	21,722	-	-	21,722
Travel	1,260	1,059	-	2,319
Total expenses	\$ 38,659	\$ 18,383	\$ 3,392	\$ 60,434

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



AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 and 2016

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization and business activity

Autism Society of South Central Wisconsin, Inc. (ASSCW) is incorporated under the laws of the State of Wisconsin. ASSCW is a non-profit organization. Since 1969, ASSCW has worked to address areas of need, while providing and expanding support for the autism community in ten Southern Wisconsin counties.

ASSCW is a largely volunteer run organization that focuses on educational outreach, public policy advocacy, support groups for all family members and building awareness through numerous marketing and social events. We recognize that each person has special attributes with ways to contribute, and that's why we are committed to societal inclusion in hope of earning respect and tolerance for all individuals on the spectrum from diagnosis through the life span.

2. Accounting method

ASSCW follows the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America, wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ASSCW are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed restrictions.

**Temporarily Restricted net assets** - Net assets subject to donor-imposed restrictions that may or may not be met, either by actions of ASSCW and/or the passage of time. When a restriction is met, restricted net assets are transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. As of December 31, 2017 and 2016, ASSCW has no temporarily restricted net assets.

**Permanently Restricted net assets** – Net assets subject to a donor imposed restriction that they be maintained permanently by ASSCW. As of December 31, 2017 and 2016, ASSCW has no permanently restricted net assets.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017 and 2016

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Cash and cash equivalents

For purposes of the statements of cash flows, the ASSCW considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Investments

Investments are presented at fair market value in the statements of financial position. All interest and dividend income is recorded in the unrestricted fund, unless a donor restricts that money. Investment income or loss is included in income (loss) from operations.

Investment securities, in general, are inherently subject to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

5. Property and Equipment

Property and equipment are recorded at cost or fair market value if donated. The ASSCW capitalizes all new expenditures for fixed assets in excess of \$1,000. Maintenance and repairs are expensed currently. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. ASSCW has not had any expenditures or donations that met the capitalization threshold. Accordingly, ASSCW did not have any depreciation expense for the years ended December 31, 2017 and 2016.

6. Prepaid expenses

Prepaid expenses represent disbursements paid in advance for the subsequent fiscal year.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017 and 2016

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Advertising

Advertising costs are expensed when paid. Advertising expense for the years ended December 31, 2017 and 2016 amounted to \$957 and \$1,524, respectively.

8. Income taxes

ASSCW is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

ASSCW evaluates its tax positions and assesses their uncertainty, if any, through review and application of various sources of tax authority including statutes, regulations, rulings, court cases and widely held administrative practices.

ASSCW informational returns are subject to examination by the IRS, generally for three years after they were filed. Management believes that no uncertain tax positions exist for the ASSCW at December 31, 2017 and 2016. ASSCW has not incurred any interest or penalties for income taxes for the years ended December 31, 2017 and 2016.

9. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

10. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through August 22, 2018, which is the date that the financial statements were available to be issued.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 DECEMBER 31, 2017 and 2016

**B – FAIR VALUE MEASUREMENT**

ASSCW adopted fair value measurement guidance for financial assets and financial liabilities. The guidance defines fair value, establishes a framework for measuring value in generally accepted accounting principles and expands disclosure about fair value measurements.

The guidance permits an entity to choose to measure eligible financial instruments and other items at fair value. ASSCW has not made any fair value elections as of December 31, 2017.

Fair value is defined to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy has been established for fair value measurements based upon the inputs to the valuation of an asset or a liability.

Level 1 – Valuation is based on quoted prices for identical assets and liabilities in active markets.

Level 2 – Valuation is derived from inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 – Valuation is derived from unobservable inputs that are not corroborated by market data.

Assets that were accounted for at fair value on a recurring basis as of December 31, 2017 and 2016 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2017</u>				
Investments –				
certificates of deposit	<u>\$ 33,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,115</u>
<u>2016</u>				
Investments –				
certificates of deposit	<u>\$ 32,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,900</u>

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017 and 2016

C - PROMISES TO GIVE/CONTRIBUTION RECEIVABLE

Contributions are recognized when the donor makes a promise to give to ASSCW that is, in substance, unconditional. Contributions received are recorded as restricted or unrestricted depending on the existence and nature of any donor imposed restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction is met, restricted net assets are transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the promise is expected to be received. Management believes that the amount is fully collectible, and as such, no allowance for bad debts has been recorded. As of December 31, 2017 and 2016, maturities of contributions receivable are as follows:

Gross contributions receivable due:	
In less than one year	\$ 1,100
In one to five years	-
In more than five years	<u>-</u>
	1,100
Less unamortized discount	<u>-</u>
Present value of gross contributions receivable	1,100
Less allowance for uncollectible contributions	<u>-</u>
Contributions receivable, net	<u><u>\$ 1,100</u></u>

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 and 2016

D – DONATED SERVICES AND PERSONAL PROPERTY

ASSCW receives various types of contributed goods and services support, including professional services and auction items. Donated services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation.

A substantial number of unpaid volunteers have made significant contributions of their time to develop ASSCW programs. No amounts have been recognized in the statements of activities because the criteria for recognition under U.S. GAAP have not been satisfied.

ASSCW received donated personal property which ASSCW used as auction and raffle items and supplies for the charity events held during the years ended December 31, 2017 and 2016. Revenue received from the sale of the auction and raffle items is reflected in the statements of activities and no amounts have been reflected for the donation of supplies for the charity events in the statements of activities.

E - LEASE COMMITMENTS

ASSCW leases its office facilities under an operating lease through July 31, 2020. Rent expense was \$3,097 and \$3,008 for the years ended December 31, 2017 and 2016, respectively. Future minimum lease payments are as follows:

2018	\$ 3,191
2019	3,287
2020	1,950