

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

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018 AND 2017

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

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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, 2018 and 2017, 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.

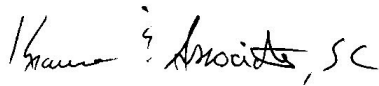
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2018 and 2017, 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 above the "i" in "Associates".

Krause & Associates, SC
Grafton, Wisconsin
August 29, 2019

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 54,578	\$ 43,840
Certificates of deposit	31,104	33,115
Contributions receivable	2,381	1,100
Prepaid expenses	<u>1,715</u>	<u>1,155</u>
TOTAL ASSETS	<u>\$ 89,778</u>	<u>\$ 79,210</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 467	\$ -
Deferred revenue	73	58
Payroll and payroll taxes payable	<u>2,049</u>	<u>1,673</u>
TOTAL LIABILITIES	<u>2,589</u>	<u>1,731</u>
 NET ASSETS		
Without donor restrictions	<u>87,189</u>	<u>77,479</u>
TOTAL NET ASSETS	<u>87,189</u>	<u>77,479</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 89,778</u>	<u>\$ 79,210</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, 2018 AND 2017

	2018	2017
	Without Donor Restrictions	Without Donor Restrictions
REVENUE AND SUPPORT		
Contributions and grants	\$ 23,863	\$ 29,119
Memberships	2,478	2,949
Education and outreach events	661	708
Interest and other	526	278
Fundraising events:		
Revenue	\$ 27,118	\$ 15,839
Expenses	<u>(7,788)</u>	<u>(6,410)</u>
Total revenue and support	<u>46,858</u>	<u>42,483</u>
EXPENSES		
Program services:		
Autism education and outreach	24,850	29,790
Supporting services:		
Administrative	9,286	11,415
Fundraising	<u>3,012</u>	<u>4,361</u>
Total expenses	<u>37,148</u>	<u>45,566</u>
Change in net assets	9,710	(3,083)
NET ASSETS, beginning of year	<u>77,479</u>	<u>80,562</u>
NET ASSETS, end of year	<u>\$ 87,189</u>	<u>\$ 77,479</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 9,710	\$ (3,083)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
(Increase) decrease in contributions receivable	(1,281)	415
(Increase) decrease in prepaid expenses	(560)	535
Increase (decrease) in accounts payable	467	-
Increase (decrease) in deferred revenue	15	58
Increase (decrease) in payroll and payroll taxes payable	<u>376</u>	<u>(902)</u>
 Net cash provided by (used in) operating activities	 8,727	 (2,977)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in certificates of deposit	<u>2,011</u>	<u>(215)</u>
 Net cash provided by (used in) investing activities	 <u>2,011</u>	 <u>(215)</u>
 Net increase (decrease) in cash and cash equivalents	 <u>10,738</u>	 <u>(3,192)</u>
 Cash and cash equivalents at beginning of year	 <u>43,840</u>	 <u>47,032</u>
 Cash and cash equivalents at end of year	 <u>\$ 54,578</u>	 <u>\$ 43,840</u>
 Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
 In-kind contributions received	 <u>\$ 500</u>	 <u>\$ -</u>

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, 2018 AND 2017

	<u>Program Services</u>	<u>Supporting services</u>		<u>Total</u>
	<u>Autism education and outreach</u>	<u>Administrative</u>	<u>Fundraising</u>	
	2018			
OPERATING EXPENSES				
Payroll salaries and wages	\$ 11,719	\$ 4,507	\$ 1,803	\$ 18,029
Payroll taxes	1,067	410	164	1,641
Grants and assistance to individuals	675	-	-	675
Advertising and promotion	50	-	-	50
Insurance	1,218	468	187	1,873
Memberships	120	46	19	185
Miscellaneous	-	5	-	5
Occupancy	2,074	798	319	3,191
Office and administrative	3,380	1,302	520	5,202
Professional fees	-	1,500	-	1,500
Programs and workshops	4,547	250	-	4,797
Travel	-	-	-	-
Total expenses	<u>\$ 24,850</u>	<u>\$ 9,286</u>	<u>\$ 3,012</u>	<u>\$ 37,148</u>

	<u>Program Services</u>	<u>Supporting services</u>		<u>Total</u>
	<u>Autism education and outreach</u>	<u>Administrative</u>	<u>Fundraising</u>	
	2017			
OPERATING EXPENSES				
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	<u>\$ 29,790</u>	<u>\$ 11,415</u>	<u>\$ 4,361</u>	<u>\$ 45,566</u>

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

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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. Cash and cash equivalents

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

3. Contributions receivables

ASSCW determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At December 31, 2018 and 2017, management determined that no allowance for uncollectible accounts receivable was required.

4. 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, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Investments

ASSCW records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investment income is reported in the statements of activities and consists of interest income.

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.

6. Property and equipment

Property and equipment are recorded at cost or fair market value if donated. ASSCW's policy is to capitalize all tangible assets which separately or in the aggregate have an acquisition cost of \$1,000 or greater. Major additions and improvements are capitalized. Property and equipment are depreciated over the estimated useful lives of the assets, ranging from 3 to 5 years, using the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. 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, 2018 and 2017.

7. Deferred revenue

Deferred revenue consists of unearned revenue related to advance program fees received for the subsequent fiscal year.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Net assets

ASSCW follows the accrual method of accounting wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

ASSCW reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

9. Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and rental payments received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. ASSCW records donated professional services at the respective fair values of the services received (see Note F).

11. Advertising

Advertising costs are expensed when incurred. Advertising expense for the year ended December 31, 2018 and 2017 amounted to \$50 and \$957, respectively.

12. Allocation of functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, supplies, insurance, and other, which are allocated on the basis of estimates of time and effort.

13. Use of estimates

The preparation of the financial statements in conformity with U.S. 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.

14. 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.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Income taxes - continued

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, 2018 and 2017. ASSCW has not incurred any interest or penalties for income taxes for the years ended December 31, 2018 and 2017.

15. Change in accounting principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASSCW has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

16. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through August 29, 2019, which is the date that the financial statements were available to be issued.

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date of December 31, 2018, comprise the following:

Cash and cash equivalents	\$ 54,578
Certificates of deposit	31,104
Contributions receivable	<u>2,381</u>
	<u>\$ 88,063</u>

As part of its liquidity plan, ASSCW invests cash in excess of daily requirements in short-term money market funds.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

C – FAIR VALUE MEASUREMENT AND DISCLOSURES

ASSCW reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

All of ASSCW's investment assets are classified within Level 1 because they comprise certificates of deposits with readily determinable fair values based on daily redemption values.

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2018 AND 2017

C – FAIR VALUE MEASUREMENT AND DISCLOSURES - CONTINUED

Assets that were accounted for at fair value on a recurring basis as of December 31, 2018 and 2017 are as follows:

<u>2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments –				
certificates of deposit	<u>\$ 31,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,104</u>
<u>2017</u>				
Investments –				
certificates of deposit	<u>\$ 33,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,115</u>

D - CONTRIBUTIONS RECEIVABLE

At December 31, 2018 and 2017, contributions receivable consists of outstanding donations to ASSCW and total \$2,381 and \$1,100, respectively. ASSCW considers all contributions receivable to be fully collectible; accordingly, no provision for doubtful accounts is included. If amounts become uncollectible, they will be charged to operations when that determination is made. All contributions receivable amounts are due within 12 months of the year end.

E - LEASE COMMITMENTS

ASSCW leases its office facilities under an operating lease through July 31, 2020. Rent expense was \$3,191 and \$3,097 for the years ended December 31, 2018 and 2017, respectively. Future minimum lease payments are as follows:

2019	\$ 3,287
2020	1,950

AUTISM SOCIETY OF SOUTH CENTRAL WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

F – 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. The approximate fair value of donated goods and services totaled \$500 and \$0 for the years ended December 31, 2018 and 2017, respectively.

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, 2018 and 2017. 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.