

~~2009~~  
2010

**AUTISM SERVICES CENTER, INC.  
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION**

**FOR THE YEARS ENDED  
JUNE 30, 2010 AND 2009**

**DHHR - Finance**

**JUL 22 2010**

**Date Received**

**AUTISM SERVICES CENTER, INC.  
FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION  
YEARS ENDED JUNE 30, 2010 AND 2009**

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**AUTISM SERVICES CENTER, INC.  
FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION  
YEARS ENDED JUNE 30, 2010 AND 2009**

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# Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3<sup>rd</sup> Avenue  
Post Office Box 819, Huntington, West Virginia 25712-0819  
Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA  
William L. Hall, CPA

Members of  
American Institute of  
Certified Public Accountants  
WV Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Autism Services Center, Inc.  
Huntington, West Virginia

We have audited the accompanying statements of financial position of Autism Services Center, Inc., (a non-profit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Autism Services Center, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2010, on our consideration of Autism Services Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Autism Services Center, Inc. taken as a whole. The accompanying Schedules of State Awards, Office of Behavioral Health Services Funding Status, Property and Equipment Purchased with OBHS Funding, and OBHS Standardized Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Ware & Hall PLLC*

Huntington, West Virginia  
October 8, 2010

AUTISM SERVICES CENTER, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (including interest-bearing accounts of \$288,954 and \$288,737, respectively)	\$ 2,055,094	\$ 1,804,269
Certificates of deposit	695,435	993,371
Investments	1,177,175	849,646
Accounts receivable:		
Medicaid, net of allowance for doubtful accounts of \$-0- and \$567, respectively	1,104,263	1,158,144
Grant awards	88,838	129,433
Affiliate	6,022	11,333
Other, net of allowance for doubtful accounts of \$-0- and \$10,000, respectively	<u>53,801</u>	<u>53,685</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	1,252,924	1,352,595
Prepaid expenses	55,780	62,820
Deposits	<u>39,800</u>	<u>40,332</u>
<b>TOTAL CURRENT ASSETS</b>	<u>5,276,208</u>	<u>5,103,033</u>
<b>FIXED ASSETS</b>		
Land	218,661	178,661
Buildings and improvements	2,104,568	1,832,436
Furniture and equipment	584,188	463,630
Vehicles	143,779	151,233
Property held under capital leases	<u>274,712</u>	<u>-0-</u>
	3,325,908	2,625,960
Less: Accumulated depreciation	<u>(1,676,308)</u>	<u>(1,514,190)</u>
<b>NET FIXED ASSETS</b>	<u>1,649,600</u>	<u>1,111,770</u>
<b>TOTAL ASSETS</b>	\$ <u>6,925,808</u>	\$ <u>6,214,803</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**AUTISM SERVICES CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2010 AND 2009**

**LIABILITIES AND NET ASSETS**

	<u>2010</u>	<u>2009</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 416,347	\$ 434,186
Accounts payable - affiliate	4,610	4,610
Current portion of obligations under capital leases	74,189	-0-
Accrued payroll	337,854	280,298
Accrued and withheld taxes	136,931	177,797
Provider tax payable	107,227	56,528
Accrued compensated absences	262,964	275,878
Other accrued liabilities	2,270	632
Client trust funds payable	37,258	37,642
Deferred revenue	<u>5,607</u>	<u>11,320</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,385,257</u>	<u>1,278,891</u>
<b>NONCURRENT LIABILITIES</b>		
Obligations under capital leases	<u>174,997</u>	<u>-0-</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>174,997</u>	<u>-0-</u>
<b>TOTAL LIABILITIES</b>	<u>1,560,254</u>	<u>1,278,891</u>
<b>NET ASSETS</b>		
Unrestricted net assets		
Operations	3,868,874	3,694,982
Designated by board for employee scholarships	46,136	10,114
Designated by board for client services	6,607	9,479
Fixed assets	1,400,414	1,111,770
Temporarily restricted net assets	<u>43,523</u>	<u>109,567</u>
<b>TOTAL NET ASSETS</b>	<u>5,365,554</u>	<u>4,935,912</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,925,808</u>	<u>\$ 6,214,803</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AUTISM SERVICES CENTER, INC  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010			
	Unrestricted			
	Operations	Fixed Assets	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>				
<b>SUPPORT</b>				
West Virginia Department of Health and Human Resources - Grants	\$ 413,674	\$ -0-	\$ -0-	\$ 413,674
Other grants	4,023	-0-	-0-	4,023
Donations	31,382	-0-	-0-	31,382
Contributions from clients	193,961	-0-	-0-	193,961
Net assets released from restrictions:				
Satisfaction of purpose restrictions	<u>66,044</u>	<u>-0-</u>	<u>(66,044)</u>	<u>-0-</u>
<b>TOTAL SUPPORT</b>	<u>709,084</u>	<u>-0-</u>	<u>(66,044)</u>	<u>643,040</u>
<b>REVENUE</b>				
Medicaid ICF/MR	971,779	-0-	-0-	971,779
Medicaid Waiver	<u>10,928,971</u>	<u>-0-</u>	<u>-0-</u>	<u>10,928,971</u>
<b>TOTAL MEDICAID</b>	11,900,750	-0-	-0-	11,900,750
Other	<u>431,350</u>	<u>-0-</u>	<u>-0-</u>	<u>431,350</u>
<b>TOTAL REVENUE</b>	<u>12,332,100</u>	<u>-0-</u>	<u>-0-</u>	<u>12,332,100</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>13,041,184</u>	<u>-0-</u>	<u>(66,044)</u>	<u>12,975,140</u>
<b>EXPENSES</b>				
<b>PROGRAM SERVICES</b>				
Residential programs	4,789,628	105,667	-0-	4,895,295
Community programs	5,122,440	23,493	-0-	5,145,933
Day programs	562,682	6,053	-0-	568,735
Service Coordination	<u>791,391</u>	<u>1,401</u>	<u>-0-</u>	<u>792,792</u>
<b>TOTAL PROGRAM SERVICES</b>	11,266,141	136,614	-0-	11,402,755
<b>SUPPORT SERVICES</b>				
General and administrative	<u>1,078,422</u>	<u>64,321</u>	<u>-0-</u>	<u>1,142,743</u>
<b>TOTAL EXPENSES</b>	<u>12,344,563</u>	<u>200,935</u>	<u>-0-</u>	<u>12,545,498</u>
<b>CHANGE IN NET ASSETS</b>	696,621	(200,935)	(66,044)	429,642
<b>NET ASSETS, BEGINNING OF YEAR</b>	3,714,575	1,111,770	109,567	4,935,912
<b>TRANSFER IN (OUT)</b>	<u>(489,579)</u>	<u>489,579</u>	<u>-0-</u>	<u>-0-</u>
<b>NET ASSETS, END OF YEAR</b>	\$ <u>3,921,617</u>	\$ <u>1,400,414</u>	\$ <u>43,523</u>	\$ <u>5,365,554</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



2009

	Unrestricted		Temporarily	Total
Operations	Fixed	Assets	Restricted	
\$ 447,174	\$ -0-		\$ -0-	\$ 447,174
30,029	-0-		-0-	30,029
36,622	-0-		112,191	148,813
177,266	-0-		-0-	177,266
<u>124,046</u>	<u>-0-</u>		<u>(124,046)</u>	<u>-0-</u>
<u>815,137</u>	<u>-0-</u>		<u>(11,855)</u>	<u>803,282</u>
965,841	-0-		-0-	965,841
<u>10,305,121</u>	<u>-0-</u>		<u>-0-</u>	<u>10,305,121</u>
11,270,962	-0-		-0-	11,270,962
<u>143,020</u>	<u>-0-</u>		<u>-0-</u>	<u>143,020</u>
<u>11,413,982</u>	<u>-0-</u>		<u>-0-</u>	<u>11,413,982</u>
<u>12,229,119</u>	<u>-0-</u>		<u>(11,855)</u>	<u>12,217,264</u>
4,281,170	83,332		-0-	4,364,502
4,956,982	20,548		-0-	4,977,530
533,206	13,972		-0-	547,178
<u>780,641</u>	<u>-0-</u>		<u>-0-</u>	<u>780,641</u>
10,551,999	117,852		-0-	10,669,851
<u>1,159,864</u>	<u>43,668</u>		<u>-0-</u>	<u>1,203,532</u>
<u>11,711,863</u>	<u>161,520</u>		<u>-0-</u>	<u>11,873,383</u>
517,256	(161,520)		(11,855)	343,881
2,984,658	1,485,951		121,422	4,592,031
<u>212,661</u>	<u>(212,661)</u>		<u>-0-</u>	<u>-0-</u>
\$ <u>3,714,575</u>	\$ <u>1,111,770</u>		\$ <u>109,567</u>	\$ <u>4,935,912</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AUTISM SERVICES CENTER, INC.  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 429,642	\$ 343,881
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	200,935	161,520
Bad debts	-0-	567
Donated assets	-0-	(105,215)
(Gain) loss on disposal of fixed assets	(632)	92,063
Unrealized/realized (gain) loss on investments	(92,962)	200,503
(Increase) decrease in operating assets:		
Receivables	99,671	(86,382)
Prepaid expenses	7,040	(12,247)
Deposits	532	(40,332)
Increase (decrease) in operating liabilities:		
Accounts payable	(17,839)	13,076
Accounts payable - affiliate	-0-	(6,630)
Accrued payroll	57,556	12,001
Accrued and withheld taxes	(40,866)	(17,604)
Provider tax payable	50,699	1,513
Accrued compensated absences	(12,914)	(98,938)
Other accrued liabilities	1,638	(49,456)
Client trust funds payable	(384)	4,567
Deferred revenue	<u>(5,713)</u>	<u>(5,209)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>676,403</u>	<u>407,678</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase and construction of fixed assets	(464,921)	(54,953)
Proceeds from sale of fixed assets	1,500	175,551
Purchase of investments	(238,962)	(47,096)
Proceeds from sale of investments	4,395	113,381
Net (increase) decrease in long term certificates of deposit	<u>297,936</u>	<u>(501,117)</u>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(400,052)</u>	<u>(314,234)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**AUTISM SERVICES CENTER, INC.**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on obligations under capital leases	\$ <u>(25,526)</u>	\$ <u>-0-</u>
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<u>(25,526)</u>	<u>-0-</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 250,825	 93,444
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>1,804,269</u>	 <u>1,710,825</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 \$ <u>2,055,094</u>	 \$ <u>1,804,269</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ <u>6,057</u>	\$ <u>494</u>

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:**

In the fiscal year ended June 30, 2010, capital lease obligations totaling \$274,712 were incurred when the Organization entered into leases for new equipment and vehicles.

AUTISM SERVICES CENTER, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2010 AND 2009

2010

	Residential Programs	Community Programs	Day Programs	Service Coordination	Total Program Services	General and Administrative	Total Expenses
Salaries	\$ 3,030,317	\$ 1,921,085	\$ 367,582	\$ 473,131	\$ 5,792,115	\$ 556,738	\$ 6,348,853
Employee benefit expense	<u>915,966</u>	<u>575,608</u>	<u>106,979</u>	<u>144,484</u>	<u>1,743,037</u>	<u>189,845</u>	<u>1,932,882</u>
<b>TOTAL PERSONNEL</b>	3,946,283	2,496,693	474,561	617,615	7,535,152	746,583	8,281,735
Contracted services	14,413	2,116,231	17,723	13,534	2,161,901	-0-	2,161,901
Contracted general and administrative	10,067	750	1,067	212	12,096	68,279	80,375
Family and client assistance	-0-	9,539	-0-	63,630	73,169	-0-	73,169
Travel and transportation	119,965	163,021	21,185	22,716	326,887	715	327,602
Household and maintenance	64,701	6,553	3,320	37	74,611	733	75,344
Dietary supplies	148,155	187	641	55	149,038	140	149,178
Medical and personal supplies	29,980	200	391	80	30,651	401	31,052
Miscellaneous	9,530	1,670	345	841	12,386	31,825	44,211
Educational costs	6,266	939	111	437	7,753	42,364	50,117
Furniture and equipment	3,024	10,692	301	873	14,890	2,733	17,623
Rent	29,016	10,381	35	20,970	60,402	68,723	129,125
Office expenses	2,739	10,997	563	5,492	19,791	23,468	43,259
Education and training	14	56	139	-0-	209	-0-	209
Recruiting/advertising	2,049	141	227	1,473	3,890	741	4,631
Telephone and utilities	102,060	27,257	11,329	8,844	149,490	16,249	165,739
Health care and business privilege tax	264,166	264,950	30,016	34,249	593,381	(416)	592,965
Insurance	20,928	2,183	728	333	24,172	75,684	99,856
Contributions	-0-	-0-	-0-	-0-	-0-	200	200
Broh House operational fees	16,272	-0-	-0-	-0-	16,272	-0-	16,272
Bad debt expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Loss on Asset Dispositions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	4,789,628	5,122,440	562,682	791,391	11,266,141	1,078,422	12,344,563
Depreciation	<u>105,667</u>	<u>23,493</u>	<u>6,053</u>	<u>1,401</u>	<u>136,614</u>	<u>64,321</u>	<u>200,935</u>
<b>TOTAL EXPENSES</b>	<u>\$ 4,895,295</u>	<u>\$ 5,145,933</u>	<u>\$ 568,735</u>	<u>\$ 792,792</u>	<u>\$ 11,402,755</u>	<u>\$ 1,142,743</u>	<u>\$ 12,545,498</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

2009

<u>Residential Programs</u>	<u>Community Programs</u>	<u>Day Programs</u>	<u>Service Coordination</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
\$ 2,660,625	\$ 1,728,694	\$ 344,357	\$ 446,269	\$ 5,179,945	\$ 548,988	\$ 5,728,933
<u>824,145</u>	<u>546,838</u>	<u>100,583</u>	<u>136,332</u>	<u>1,607,898</u>	<u>181,139</u>	<u>1,789,037</u>
3,484,770	2,275,532	444,940	582,601	6,787,843	730,127	7,517,970
14,622	2,183,398	14,606	21,651	2,234,277	-0-	2,234,277
6,062	568	3,968	-0-	10,598	48,547	59,145
-0-	(3,911)	-0-	66,043	62,132	152	62,284
131,212	176,734	22,409	27,368	357,723	725	358,448
45,580	7,921	3,016	28	56,545	1,784	58,329
130,640	249	557	50	131,496	81	131,577
35,392	435	91	-0-	35,918	-0-	35,918
6,048	1,110	387	258	7,803	35,436	43,239
8,311	2,019	305	967	11,602	42,070	53,672
2,824	3,668	376	8,135	15,003	2,523	17,526
32,003	12,281	41	21,455	65,780	79,583	145,363
2,623	10,613	625	5,589	19,450	23,469	42,919
190	47	57	-0-	294	-0-	294
2,555	789	274	765	4,383	3,389	7,772
101,757	25,639	10,582	9,459	147,437	11,098	158,535
239,740	257,365	29,698	35,636	562,439	(500)	561,939
20,526	2,094	1,274	500	24,394	88,766	113,160
43	-0-	-0-	-0-	43	-0-	43
16,272	-0-	-0-	-0-	16,272	-0-	16,272
-0-	431	-0-	136	567	-0-	567
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>92,614</u>	<u>92,614</u>
4,281,170	4,956,982	533,206	780,641	10,551,999	1,159,864	11,711,863
<u>83,332</u>	<u>20,548</u>	<u>13,972</u>	<u>-0-</u>	<u>117,852</u>	<u>43,668</u>	<u>161,520</u>
\$ <u>4,364,502</u>	\$ <u>4,977,530</u>	\$ <u>547,178</u>	\$ <u>780,641</u>	\$ <u>10,669,851</u>	\$ <u>1,203,532</u>	\$ <u>11,873,383</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DESCRIPTION OF ORGANIZATION**

Autism Services Center, Inc is a nonprofit corporation incorporated in 1979. The Organization provides developmental disabilities services with a specialty in autism primarily to individuals in Cabell, Lincoln, Mason and Wayne Counties in West Virginia.

**BASIS OF ACCOUNTING**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**SUPPORT AND REVENUE**

Autism Services Center, Inc. receives the majority of its support and revenue under third party contractual arrangements with the West Virginia Department of Health and Human Resources for services provided to Medicaid and Medicaid waiver eligible clients. The Organization recognized these fees as income when earned. Autism Services Center, Inc. also receives grant funding from the West Virginia Department of Health and Human Resources - Office of Behavioral Health Services to reimburse the Entity for allowable costs incurred in carrying out specified programs. The Organization recognizes this funding as revenue when the related expenses are incurred.

**CHARITY CARE**

Autism Services Center, Inc. has a policy of providing charity care to clients who are unable to pay. Such clients are identified based on financial information obtained and subsequent analysis. Since the Organization does not expect payment, estimated charges for charity care are not included in revenue.

**CONTRIBUTIONS**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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.

**CASH AND CASH EQUIVALENTS**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ACCOUNTS RECEIVABLE**

Accounts receivable 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, Medicaid and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. The allowance for doubtful accounts at June 30, 2010 and 2009 was \$-0- and \$10,567, respectively.

**FIXED ASSETS**

Fixed assets purchased are stated at cost. Fixed assets donated to the organization are stated at the estimated fair market value at the date of receipt. Maintenance, repairs and minor renewals are charged to operations when incurred. When fixed assets are sold or otherwise disposed of, the asset account and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

Fixed assets acquired by Autism Services Center, Inc. are considered to be owned by Autism Services Center, Inc. However, state funding sources may maintain an equitable interest in the property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The state has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year.

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

**DEPRECIATION**

The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method. The useful life for all acquisitions after June 30, 1988 are determined in accordance with the American Hospital Association Guidelines "Guide for Estimated Useful Lives". The useful lives of fixed assets for purposes of computing depreciation are:

Buildings and improvements	4 - 25 years
Leasehold improvements	5 - 25 years
Furniture, equipment and vehicles	2 - 10 years

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

AUTISM SERVICES CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**INVESTMENTS**

Investments consist of equity securities, and mutual funds, which are valued at fair value in the statement of financial position. Unrealized gains and losses are included in the change in unrestricted net assets.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**INCOME TAXES**

Income taxes have not been provided for as the organization is a non-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore no provision is necessary.

**ADVERTISING COSTS**

Advertising costs totaling \$4,632 and \$7,772 for 2010 and 2009, respectively, are charged to operations when incurred.

NOTE 2 - INVESTMENTS

Investments as of June 30, 2010 and 2009, are summarized as follows:

	2010		Unrealized
Unrestricted:	<u>Cost</u>	<u>Fair Value</u>	<u>Gain (Loss)</u>
Mutual Funds	\$ 1,300,527	\$ 1,177,061	\$ (123,466)
Equity Securities	<u>217</u>	<u>114</u>	<u>(103)</u>
Total	<u>\$ 1,300,744</u>	<u>\$ 1,177,175</u>	<u>\$ (123,569)</u>



**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 2 - INVESTMENTS (CONTINUED)**

	2009		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Unrestricted:			
Mutual Funds	\$ 1,065,688	\$ 849,526	\$ (216,162)
Equity Securities	<u>217</u>	<u>120</u>	<u>(97)</u>
Total	\$ <u>1,065,905</u>	\$ <u>849,646</u>	\$ <u>(216,259)</u>

Investment return, inclusive of income on cash and certificates of deposit, is summarized as follows for the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 60,162	\$ 80,949
Unrealized gain (loss)	92,690	(206,745)
Realized gain	272	6,242
Investment fees	<u>(4,853)</u>	<u>(4,511)</u>
Total Investment Return	\$ <u>148,271</u>	\$ <u>(124,065)</u>

**NOTE 3 - FIXED ASSETS**

Fixed assets at June 30, 2010 and 2009 consists of:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Net</u>	<u>Cost</u>	<u>Net</u>
Land		\$ 218,661		\$ 178,660
Buildings	\$ 1,016,640		\$ 792,107	
Accumulated depreciation	<u>(457,638)</u>	559,002	<u>(418,469)</u>	373,638
Building improvements	1,029,644		982,046	
Accumulated depreciation	<u>(645,324)</u>	384,320	<u>(582,271)</u>	399,775
Leasehold improvements	58,284		58,284	
Accumulated depreciation	<u>(46,999)</u>	11,285	<u>(44,881)</u>	13,403
Furniture and fixtures	80,692		83,854	
Accumulated depreciation	<u>(77,502)</u>	3,190	<u>(78,195)</u>	5,659
Equipment	503,496		379,775	
Accumulated depreciation	<u>(314,674)</u>	188,822	<u>(264,932)</u>	114,843
Vehicles	143,779		151,233	
Accumulated depreciation	<u>(103,073)</u>	40,706	<u>(125,441)</u>	25,792
Property held under capital leases	274,712		-0-	
Accumulated depreciation	<u>(31,098)</u>	243,614	<u>(-0-)</u>	-0-
<b>NET FIXED ASSETS</b>		\$ <u>1,649,600</u>		\$ <u>1,111,770</u>

Depreciation expense for the years ended June 30, 2010 and 2009 totaled \$200,935 and \$161,520, respectively.

AUTISM SERVICES CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010 AND 2009

**NOTE 3 - FIXED ASSETS (CONTINUED)**

The following information relates to fixed assets purchased wholly or partially with funds provided by the Office of Behavioral Health Services for the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Cost	\$ <u>490,658</u>	\$ <u>418,868</u>
Accumulated depreciation	\$ <u>330,647</u>	\$ <u>306,923</u>
Depreciation expense	\$ <u>23,724</u>	\$ <u>16,487</u>

**NOTE 4 - LINE OF CREDIT**

As of June 30, 2010 and 2009, the Organization had \$1,000,000 of an unused line of credit with a local bank to be drawn upon as needed with a variable interest rate based on the bank's prime rate.

Interest expense on the line of credit for the years ended June 30, 2010 and 2009 totaled \$-0-

**NOTE 5 - OBLIGATIONS UNDER CAPITAL LEASES**

The Organization is the lessee of equipment and vehicles under capital leases expiring in various years through 2014. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of the assets under capital leases is included in depreciation expense.

Following is a summary of property held under capital leases as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Equipment	\$ 97,363	\$ -0-
Vehicles	<u>177,349</u>	<u>-0-</u>
	274,712	-0-
Less: Accumulated depreciation	<u>(31,098)</u>	<u>(-0-)</u>
Net	\$ <u>243,614</u>	\$ <u>-0-</u>

**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 5 - OBLIGATIONS UNDER CAPITAL LEASES (CONTINUED)**

Minimum future lease payments under capital leases as of June 30, 2010 for each of the next four years and in the aggregate are:

<u>Year Ended June 30,</u>		
2011	\$	76,583
2012		76,583
2013		71,783
2014		<u>38,472</u>
Total minimum lease payments		263,421
Less: Amount representing interest		<u>(14,235)</u>
Present value of net minimum lease payments	\$	<u>249,186</u>

Interest rates on capitalized leases vary from 5.85% to 6.0% and are imputed based on the lower of the Organization's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

Interest expense on capital leases for the years ended June 30, 2010 and 2009 totaled \$6,057 and \$-0-, respectively.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2010</u>	<u>2009</u>
Scholarship	\$ 25,246	\$ 56,726
Construction of office building	-0-	22,564
Senior DCS	18,000	30,000
Signage and office equipment	<u>277</u>	<u>277</u>
Total temporarily restricted net assets	\$ <u>43,523</u>	\$ <u>109,567</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors or returning unused funds as follows:

Purpose restriction accomplished:

	<u>2010</u>	<u>2009</u>
Scholarships	\$ 31,479	\$ 24,363
Senior DCS	12,000	6,000
Construction of office building - restrictions revoked	<u>22,465</u>	<u>-0-</u>
Total purpose restriction accomplished	65,944	30,363
Contributions forfeited	<u>100</u>	<u>93,683</u>
Total restrictions released	\$ <u>66,044</u>	\$ <u>124,046</u>

AUTISM SERVICES CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010 AND 2009

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Management abandoned its plan to construct an office building and parking lot in fiscal year ended June 30, 2008. On October 8, 2008, the Organization sold the land which was acquired by the Organization through a combination purchase/donation. Parcel A was donated to the Organization and was valued at \$93,683, which was the fair market value at the date of gift. Parcel B was purchased for \$175,000. The Donor stipulated that the donation/sale of the property was restricted for the purpose of constructing the office facility and parking lot. Upon abandoning the construction plans, the donor authorized the sale of the property with the stipulation that any proceeds realized by the Organization over its original purchase price of \$175,000 be remitted to the donor. Therefore, \$93,683 has been reported as net assets released from restrictions in conjunction with the sale of the land. During the fiscal year ended June 30, 2010, all donors who contributed to the construction project revoked their restriction except one donor whose contributions totaled \$100. Therefore, \$22,465 and \$100 has been reported as net assets released from restrictions.

**NOTE 7 - OPERATING LEASES**

The Organization leases office facilities under an operating lease expiring in March, 2011. Total lease expense charged to operations for fiscal years ended June 30, 2010 and 2009 amounted to \$72,888 and \$74,750, respectively. The terms of the lease agreement provides for two more successive two year renewal options. In the normal course of business, operating leases are generally renewed or replaced by other leases.

The Organization leases office equipment under operating leases expiring in various years through fiscal year June 30, 2014. Total lease expense charged to operations for fiscal years ended June 30, 2010 and 2009 amounted to \$18,747 and \$22,037, respectively.

The Organization leases other property and equipment under operating leases on a monthly, weekly or daily basis. Lease expense charged to operations for fiscal years ended June 30, 2010 and 2009 amounted to \$37,491 and \$48,577, respectively.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2010 for each of the next two years and in the aggregate are:

Year Ended June 30,	<u>Amount</u>
2011	\$ 62,193
2012	<u>4,123</u>
Total	\$ <u>66,316</u>

**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 8 - PENSION PLAN**

The Organization sponsors a tax-sheltered annuity deferred compensation plan (403(b) Plan). The Organization's contribution to the plan for the years ended June 30, 2010 and 2009 totaled \$81,502 and \$69,651, respectively.

**NOTE 9 - CONCENTRATION OF CREDIT RISK**

Autism Services Center, Inc is a non-profit organization that provides case management, housing assistance and clinical services primarily to individuals with developmental disabilities in Cabell, Lincoln, Mason and Wayne Counties in West Virginia. The Organization provides services that are reimbursed by third parties without requiring collateral or any other security. Accounts receivable have been adjusted for all known uncollectible accounts.

The Organization maintains cash balances at a local financial institution. As of June 30, 2010, the accounts were insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had gross bank balances of \$2,135,556 at this financial institution at June 30, 2010. As of June 30, 2009, substantially all of the Organization's cash balances at this institution were insured by the Federal Deposit Insurance Corporation under the Transaction Account Guarantee Program.

**NOTE 10 - RELATED PARTIES**

Certain members of the Board of Directors of Autism Services Center, Inc. also serve as board members of Betsy Broh House, Inc.

Autism Services Center, Inc. provides management services for Betsy Broh House, Inc. Management fee income for the years ended June 30, 2010 and 2009 amounted to \$2,346 and \$1,943, respectively. Total management fees due from Betsy Broh House, Inc. as of June 30, 2010 and 2009 amounted to \$6,022 and \$11,333, respectively.

Autism Services Center, Inc. also pays Betsy Broh House, Inc. \$1,356 per month out of its Medicaid waiver per diem reimbursement for maintenance and utilities. Total amounts expensed during fiscal years ended June 30, 2010 and 2009 amounted to \$16,272 per year. Total per diem due to Betsy Broh House, Inc. as of June 30, 2010 and 2009 amounted to \$4,610 and \$4,610, respectively.

**NOTE 11 - FAIR VALUE MEASUREMENT**

The Organization determines the fair values of its financial instruments based on the fair value hierarchy established by the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification which specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. The three levels of the fair value hierarchy based on these two types of inputs are as follows:

AUTISM SERVICES CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009

NOTE 11 - FAIR VALUE MEASUREMENT (CONTINUED)

Level 1 - Valuation is based on quoted prices in an active market for identical assets and liabilities at the measurement date

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

The hierarchy requires the use of observable market data when available. When determining fair value measurements, the Organization utilizes active and observable market prices for identical assets and liabilities whenever possible and classifies such items as Level 1. When identical assets and liabilities are not traded in active markets, the Organization utilizes market observable data for similar assets and liabilities in an active market, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market and classifies such items as Level 2. When observable data is not available, the Organization uses alternative valuation techniques using unobservable inputs to determine a fair value and classifies such items as Level 3. Items valued using such internally generated valuation techniques are based on the lowest level of input that is significant to the valuation.

Fair values of assets measured on a recurring basis at June 30, 2010 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>ASSETS</b>				
Investments				
Mutual funds	\$ 1,177,061	\$ 1,177,061	\$ -0-	\$ -0-
Equity Securities	114	114	-0-	-0-
Total Assets	\$ <u>1,177,175</u>	\$ <u>1,177,175</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**AUTISM SERVICES CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 11 - FAIR VALUE MEASUREMENT (CONTINUED)**

Fair values of assets measured on a recurring basis at June 30, 2009 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>ASSETS</b>				
Investments				
Mutual funds	\$ 849,526	\$ 849,526	\$ -0-	\$ -0-
Equity Securities	120	120	-0-	-0-
Total Assets	\$ <u>849,646</u>	\$ <u>849,646</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The Organization utilizes the services of an independent third party (brokerage firm) to value their instruments. The following describes the valuation methodologies used to measure financial instruments at fair value:

**Investments**

The Organization uses quoted market prices in an active market when available. These investments consist of mutual funds and equity securities and are included in Level 1. Quoted market prices are provided by an independent brokerage firm.

**NOTE 12 - CONTINGENCIES**

Management has been made aware of a potential claim against the Organization on behalf of the family of a deceased client. Outside counsel for the Organization has indicated that they do not believe that counsel has been assigned, and have no information indicating a lawsuit has been filed. At this stage, they are unable to provide an opinion as to the potential financial exposure, if any, to the Organization.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has reviewed events occurring subsequent to June 30, 2010 through October 8, 2010 (the date the financial statements were available to be issued) for possible adjustment to, or disclosure in, the accompanying financial statements as required by the Subsequent Events Topic of the FASB Accounting Standards Codification. The following event occurred after June 30, 2010:

On September 24, 2010, the Organization sold one of its group homes for \$78,681. The transaction resulted in a gain of \$32,482 which will be included in operations in fiscal year ending June 30, 2011.

**ADDITIONAL INFORMATION**



AUIISM SERVICES CENTER, INC.  
 SCHEDULE OF STATE AWARDS  
 YEAR ENDED JUNE 30, 2010

<u>Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Federal Program Type</u>	<u>Agency/ Pass Through Number</u>
State Financial Assistance			
State of West Virginia-			
Department of Health and Human Resources			
OBHS - Core Services *	N/A	B	0525-2010-2870-219-258
OBHS - Family Support	N/A	B	0525-2010-2870-221-258
OBHS - Colin Anderson Community Placement	N/A	B	0525-2010-2870-803-258
OBHS - MR/DD Support Services	N/A	B	0525-2010-3041-219-258
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
West Virginia Division of Rehabilitation Services			
Supported Employment Services	N/A	B	N/A
<b>TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES</b>			
<b>TOTAL STATE AWARDS</b>			

\* Treated as a major program per OBHS Guidelines.

Program or Award Amount	Unexpended Balance at <u>June 30, 2009</u>	<u>Billings</u>	<u>Expenditures/ Disbursements</u>	Unexpended Balance at <u>June 30, 2010</u>
\$ 190,689	\$ -0-	\$ 190,689	\$ 190,689	\$ -0-
82,285	-0-	82,285	82,285	-0-
65,700	-0-	65,700	65,700	-0-
75,000	<u>-0-</u>	<u>75,000</u>	<u>75,000</u>	<u>-0-</u>
	<u>-0-</u>	<u>413,674</u>	<u>413,674</u>	<u>-0-</u>
4,236	<u>-0-</u>	<u>4,236</u>	<u>4,236</u>	<u>-0-</u>
	<u>-0-</u>	<u>4,236</u>	<u>4,236</u>	<u>-0-</u>
	\$ <u>-0-</u>	\$ <u>417,910</u>	\$ <u>417,910</u>	\$ <u>-0-</u>

AUTISM SERVICES CENTER, INC.  
 SCHEDULE OF OFFICE OF BEHAVIORAL HEALTH SERVICES  
 FUNDING STATUS  
 YEAR ENDED JUNE 30, 2010

	(A) State Assigned <u>Account Number</u>	(B) Amount of <u>Award</u>
Core Services	0525-2010-2870-219-258	\$ 190,689
Family Support	0525-2010-2870-221-258	82,285
Colin Anderson Community Placement	0525-2010-2870-803-258	65,700
MR/DD Support Services	0525-2010-3041-219-258	<u>75,000</u>
<b>TOTAL</b>		<b><u>\$ 413,674</u></b>

(C) Amount Earned and Billed	(D) Amount Not Earned But Billed	(E) Amount Not Billed as of June 30, 2010	(F) Amount Collected as of June 30, 2010
\$ 190,689	\$ -0-	\$ -0-	\$ 158,908
82,285	-0-	-0-	68,871
65,700	-0-	-0-	38,325
<u>75,000</u>	<u>-0-</u>	<u>-0-</u>	<u>59,497</u>
\$ <u>413,674</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>325,601</u>

AUTISM SERVICES CENTER, INC  
SCHEDULE OF PROPERTY AND EQUIPMENT PURCHASED  
WITH OBHS FUNDING  
AS OF JUNE 30, 2010

<u>ID#</u>	<u>New Category</u>	<u>DESCRIPTION</u>	<u>VENDOR NAME</u>	<u>DATE OF ACQUISITION</u>	<u>COST</u>
3	2002	839 9TH STREET	M L SILL	12/05/90	\$39,760 00
5	2003	900 10TH AVENUE	BLAZEK & TWEEL	01/12/93	\$56,558 00
1001	2007	1005-B ST RT 10 N	CURTIS HAGER	07/26/92	\$40,345 91
1002	2008	1402 COMMERCE AVE	DUDLEY ESTATE	11/14/94	\$161,000 00
5022	5007	OFFICE-CHAIRS	COLONIAL FOODS	03/27/91	\$1,092 00
5026	5011	OFFICE-DESK	STATIONER'S	07/14/92	\$2,094 00
5031	5015	OFFICE-CHAIRS	COLONIAL FOODS	11/30/92	\$1,335 00
5033	5016	OFFICE-DESK	STATIONER'S	07/07/93	\$1,047 00
5044	5026	OFFICE-CHAIRS	COLONIAL FOODS	09/15/95	\$1,098 02
5045	5027	OFFICE-CHAIRS	COLONIAL FOODS	04/15/96	\$3,249 19
6038	5052	10TH AVE SOFA, CHAIR & TABLE	WOOD'S END	02/11/93	\$1,655 00
6045	5055	10TH AVE-CHAIRS	COLONIAL FOODS	05/04/93	\$1,089 32
6066	5070	OAK TABLE	PAUL'S SPECIALITIES	08/09/96	\$1,230 00
6067	5071	OAK TABLE	PAUL'S SPECIALITIES	08/09/96	\$1,230 00
7000	5074	GUYAN-VISUAL DIVIDERS	AARON'S	03/17/89	\$1,075 50
7042	5099	SULLIVAN-SOFA & 2 CHAIRS	THIS END UP	05/25/99	\$1,919 64
8002	6010	OFFICE-TV	MACK & DAVE'S	06/30/87	\$1,200 00
8029	6015	OFFICE-CHECK SIGNING	HALEY EQUIPMENT	05/01/92	\$1,695 00
8030	6016	OFFICE-SOFTWARE	COMPUTER STORE	05/01/92	\$8,005 00
8055	6022	OFFICE-CPR DOLLS	MEDICAL PLASTICS LAB.	02/01/94	\$1,125 75
8063	6026	OFFICE-FAX MACHINE	AARON'S	09/09/95	\$1,650 00
8064	6027	GUYAN-SHREDDER	AARON'S	01/31/96	\$1,638 40
8065	6028	OFFICE-COMPUTER/SOFTWARE	CMHC	05/25/96	\$49,355 00
8066	6029	OFFICE-COMPUTER SOFTWARE INSTA	CMHC	05/31/96	\$1,182 50
9064	6044	OFFICE-TENMAST SOFTWARE	TENMAST SOFTWARE	08/05/98	\$2,093 96
9087	6049	OFFICE-FILE SERVER UPGRADE	COMPUTER STORE	01/25/99	\$3,655 00
9102	6055	OKIDATA PRINTERS-OFFICE	THE COMPUTER STORE	11/09/99	\$1,345 00
9103	6056	OKIDATA PRINTERS-OFFICE	THE COMPUTER STORE	11/09/99	\$1,345 00
9112	6060	CHMC LICENSE UPGRADE-OFFICE	CMHC, INC	1/1/2000	\$9,148 00
9116	6063	CHMC LICENSE UPGRADE-OFFICE	CMHC, INC	3/1/2000	\$8,750 00

AUTISM SERVICES CENTER, INC  
 SCHEDULE OF PROPERTY AND EQUIPMENT PURCHASED  
 WITH OBHS FUNDING  
 AS OF JUNE 30, 2010

9123	6067	PROJECTOR AND SCREEN	COMPUTER STORE	7/01/00	\$3,266.47
N/A	6101	VIDEO CONFERENCING SYSTEM	GLOBAL INTERACTIVE SOLUT	07/01/06	\$7,634.29
N/A	6105	ELECTRONIC DOCUMENT MGMT	AARON'S PRODUCTS	10/01/09	\$71,790.22
					\$490,658.17

Depreciation Expense FY 09-10	23,724.01
Disposed Assets 09-10	0.00
Prior Year Accumulated Depreciation	<u>306,922.69</u>
Total Accumulated Depreciation 09-10	330,646.70

**OFFICE OF BEHAVIORAL HEALTH  
STANDARDIZED FINANCIAL STATEMENTS - BALANCE SHEET  
FOR COMPREHENSIVE AND MR/DD FACILITIES  
ACCRUAL BASIS**

ASSETS	4th Quarter (YEAR-TO-DATE)
1 Cash	2,055,094
2 Short Term Investments	1,872,610
3 Accounts Receivable - OBHS	88,073
4 Accounts Receivable - Client	
5 Accounts Receivable - Medicaid	
6 Accounts Receivable - Medicaid MR/DD Waiver	1,104,263
7 Accounts Receivable - Other	60,588
8 Inventory	
9 Prepaid/Other	95,580
10 TOTAL CURRENT ASSETS (Total of lines 1-9)	5,276,208
 NON-CURRENT ASSETS:	
FIXED ASSETS	
11 Property, Land and Equipment - OBHS	490,658
12 Less Accumulated Depreciation	(330,647)
13 Property Land and Equipment - Other	2,835,250
14 Less Accumulated Depreciation	(1,345,661)
15 Total Property Land and Equipment (NET)	1,649,600
 OTHER NON CURRENT ASSETS	
16 Long-Term Investments	
17 Other	
18 TOTAL ASSETS (Total of lines 10 15 16 and 17)	6,925,808
 LIABILITIES	
CURRENT LIABILITIES:	
19 Accounts Payable	420,957
20 Taxes Payable	244,158
21 Line of Credit - Payable	
22 Short-Term Notes Payable	
23 Accrued Expenses	603,088
24 Other current liabilities	117,054
25 TOTAL CURRENT LIABILITIES (Total of lines 19 through 24)	1,385,257
 LONG-TERM LIABILITIES	
26 Long-Term Notes Payable	
27 Other Long-Term Liabilities	174,997
28 TOTAL LIABILITIES (Total of lines 25 26 and 27)	1,560,254
 NET ASSETS	
29 Unrestricted Net Assets	5,322,031
30 Temporarily Restricted Net Assets	43,523
31 Permanently Restricted Net Assets	
32 TOTAL LIABILITIES AND NET ASSETS (Total of lines 28 through 31)	6,925,808

Prepared by \_\_\_\_\_

Date \_\_\_\_\_

**OFFICE OF BEHAVIORAL HEALTH  
STANDARDIZED FINANCIAL STATEMENTS - INCOME STATEMENT  
FOR COMPREHENSIVE AND MR/DD FACILITIES  
ACCRUAL BASIS**

REVENUE AND SUPPORT		4thQTR Ending (YEAR-TO-DATE)
1	Charity Care	
1a	Charity Care 4311 1	
1b	Charity Care 4311 2	
1c	Charity Care 4312 1	
1d	Charity Care 4312 2	
1e	Charity Care 4314 1	
1f	Charity Care 4314 2	
1g	Charity Care 4315	
1h	Contra Non BHHF Charity	
1i	Charity Care Revenue 4329	
1j	Support/Alternative Svcs Rev Account 4358	
	Total should be equal to zero	
2	Gross Client Service Revenue	11,900,750
3	Contractual Adjustments (Target Funds)	
3a	Contractual Adjustments (Non-Target Funds)	
5	Net Client Service Revenue	11,900,750
	Net Client Service Revenue	
6	Medicaid (Target Funds)	
6a	Medicaid (Non-Target Funds)	
7	Medicaid MR/DD Waiver (Non-Target Funds)	10,928,971
8	ICF/MR (Non-Target Funds)	971,779
9	Private Pay (Non-Target Funds)	
9a	Private Pay (OBHS Target Funds)	
9b	Private Pay (OBHS Non-Target Funds)	
10	Other Client Service Revenue (Target Funds)	
10a	Other Client Service Revenue (Non-Target Funds)	
11	Total Net Client Service Revenue	11,900,750
	(Line 11 must agree with line 5)	
12	OBHS Support	413,674
13	Other/Public Support	229,366
14	Other	431,350
15	TOTAL REVENUE AND SUPPORT	12,975,140
	(Total of line 11 through line 14)	
	<b>EXPENSES</b>	
16	Salaries	6,348,853
17	Fringe Benefits	1,932,882
18	Contractual Services	2,242,276
19	Provider Tax	592,965
20	Depreciation Expense	200,935
21	Other Expenses	1,227,587
22	TOTAL EXPENSES	12,545,498
	(Total of line 16 through line 21)	
23	NET INCOME (LOSS)	429,642
	(Line 15 minus line 22)	

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_



**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL AND COMPLIANCE**

# Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3<sup>rd</sup> Avenue  
Post Office Box 819, Huntington, West Virginia 25712-0819  
Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA  
William L. Hall, CPA

Members of  
American Institute of  
Certified Public Accountants  
WV Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Autism Services Center, Inc.  
Huntington, West Virginia

We have audited the financial statements of Autism Services Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Autism Services Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Autism Services Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 10-1 and 10-2 to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Autism Services Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Autism Services Center, Inc.'s response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit Autism Services Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Ware & Hall PLLC*

Huntington, West Virginia  
October 8, 2010

**SCHEDULE OF FINDINGS**

**AUTISM SERVICES CENTER, INC.**  
**SCHEDULE OF FINDINGS**  
**YEAR ENDED JUNE 30, 2010**

■ **Material Weaknesses**

**10-1 Capital Leases**

**Condition:** The Organization entered into four equipment lease contracts during the year which were being accounted for as operating leases. Our procedures, however, indicate that they met the criteria for treatment as capital leases and, therefore, should be accounted for as such.

**Criteria:** Generally accepted accounting principles require capital leases to be recorded as an asset and an obligation in an amount equal to the lesser of the fair value of the asset or the present value of the future minimum lease payments.

**Cause:** Policies and procedures have not been established to effectively address the accounting for capital leases. In two instances, the leases were executed by the administrative staff. Copies of the executed lease contracts were not forwarded to the accounting department and, therefore, no analysis was performed to determine if the leases met the criteria for capital lease treatment. In two instances, the analysis was either not performed, or if performed, the resulting treatment as an operating lease as opposed to a capital lease was incorrect.

**Effect:** Fixed assets were understated by \$94,167 and obligations under capital leases were understated by \$95,630 at June 30, 2010. The financial statements were corrected for these misstatements.

**Recommendation:** Establish policies and procedures to ensure lease agreements are forwarded to the accounting department for analysis for capital lease criteria and strengthen the review procedures to ensure leases are accounted for in accordance with generally accepted accounting principles.

A portion of this finding was also noted in the prior year.

**10-2 Recording of Investments**

**Condition:** Errors were made in recording the market value adjustment of the investment accounts in the Organization's general ledger.

**Criteria:** Debt and equity securities are required to be reported at fair value by generally accepted accounting principles. The internal controls over financial reporting should be suitably designed and operated to ensure transactions are recorded accurately to allow for the preparation of financial statements in accordance with generally accepted accounting principles.

**Effect:** Investments and the related unrealized gain on investments were overstated by \$58,311 at June 30, 2010. The financial statements were corrected for these misstatements.

**Recommendation:** Strengthen the review procedures over recording the market value adjustment of the investment account to ensure that it is recorded properly.

**CORRECTIVE ACTION PLAN**

# AUTISM SERVICES CENTER

The Keith Albee Building  
929 Fourth Avenue • P.O. Box 507  
Huntington, West Virginia 25710-0507

Telephone: 304-525-8014  
Fax: 304-525-8026  
www.autismservicescenter.org

## BOARD OF DIRECTORS

Ralph N. Bentley II

Mary Calhoun Brown

Michael J. Grady M.A.

Elaine M. Harvey

Derek Hyman

Tim Irr

Gary A. Matthews

Ruth C. Sullivan Ph.D.

## Autism Services Center Response to Material Weaknesses:

### Condition 10-1 Capital Leases

In response to the error in recording capital leases, Autism Services Center will establish a written policy that ensures office administration forwards all contracts, purchase requisitions and equipment renewal agreements to the CFO for capital lease analysis. A check log will be developed to ensure that the analysis is performed, the correct accounting treatment is noted, and the leased asset is incorporated into the fixed asset listing. Additionally, the long term lease account balance will be reconciled against each lease to ensure recording in accordance with generally accepted accounting principles.

### Condition 10-2 Recording of Investments

In response to the error in recording of investments, review of the proper treatment with Autism Services Center's CPA resulted in a better understanding of the proper accounting treatment. Monthly analysis will be completed by the Assistant Director of Finance and reviewed by the CFO prior to financial statement presentation.