

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**

FINANCIAL STATEMENTS

December 31, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Adaptive Community Approach Program, Inc.  
Waukesha, Wisconsin

We have audited the accompanying financial statements of Adaptive Community Approach Program, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Adaptive Community Approach Program, Inc. as of December 31, 2019 and 2018, 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.

**Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, Adaptive Community Approach Program, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequently issued clarifying ASUs and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019. Our opinion is not modified with respect to this matter.



Wegner CPAs, LLP  
Waukesha, Wisconsin  
June 12, 2020

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 329,717	\$ 210,505
Certificates of deposit	31,168	20,522
Accounts receivable	64,731	71,096
Unconditional promises to give	7,730	6,225
Prepaid expenses	4,016	13,399
Total current assets	437,362	321,747
EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Vehicles	167,215	167,215
Equipment	17,821	17,821
Leasehold improvements	12,539	12,539
Website	8,145	8,145
Total equipment and leasehold improvements	205,720	205,720
Accumulated depreciation	(97,596)	(62,915)
Equipment and leasehold improvements, net	108,124	142,805
OTHER ASSETS		
Long-term certificates of deposit	21,536	31,743
Investments	354,696	311,690
Beneficial interest in assets held by Waukesha County Community Foundation	19,769	16,793
Security deposit	1,000	1,000
Total other assets	397,001	361,226
<b>Total assets</b>	<b>\$ 942,487</b>	<b>\$ 825,778</b>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 2,206	\$ 946
Accrued payroll	31,605	33,384
Total current liabilities	33,811	34,330
NET ASSETS		
Without donor restrictions	887,718	781,073
With donor restrictions	20,958	10,375
Total net assets	908,676	791,448
<b>Total liabilities and net assets</b>	<b>\$ 942,487</b>	<b>\$ 825,778</b>

See accompanying notes.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions						
General donations and grants	\$ 190,615	\$ 20,958	\$ 211,573	\$ 209,999	\$ 10,375	\$ 220,374
Special events (less costs of direct benefits to donors of \$2,821 and \$2,084, respectively)	94,398	-	94,398	69,374	-	69,374
Program service contracts	766,958	-	766,958	715,339	-	715,339
Program fees	41,020	-	41,020	46,432	-	46,432
Investment return, net	43,488	-	43,488	(2,227)	-	(2,227)
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	2,976	-	2,976	(1,489)	-	(1,489)
<b>Total support and revenue</b>	<b>1,139,455</b>	<b>20,958</b>	<b>1,160,413</b>	<b>1,037,428</b>	<b>10,375</b>	<b>1,047,803</b>
<b>EXPENSES</b>						
Community programs	829,228	-	829,228	775,475	-	775,475
Management and general	168,920	-	168,920	180,032	-	180,032
Fundraising	45,037	-	45,037	62,781	-	62,781
<b>Total expenses</b>	<b>1,043,185</b>	<b>-</b>	<b>1,043,185</b>	<b>1,018,288</b>	<b>-</b>	<b>1,018,288</b>
<b>OTHER CHANGES</b>						
Gain on trade-in of vehicles	-	-	-	29,000	-	29,000
Gain on sale of vehicle	-	-	-	700	-	700
<b>Total other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,700</b>	<b>-</b>	<b>29,700</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions	5,350	(5,350)	-	2,900	(2,900)	-
Expiration of time restrictions	5,025	(5,025)	-	4,497	(4,497)	-
<b>Change in net assets</b>	<b>106,645</b>	<b>10,583</b>	<b>117,228</b>	<b>56,237</b>	<b>2,978</b>	<b>59,215</b>
Net assets at beginning of year	781,073	10,375	791,448	724,836	7,397	732,233
<b>Net assets at end of year</b>	<b>\$ 887,718</b>	<b>\$ 20,958</b>	<b>\$ 908,676</b>	<b>\$ 781,073</b>	<b>\$ 10,375</b>	<b>\$ 791,448</b>

See accompanying notes.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	Community Programs	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Expenses
Personnel	\$ 677,406	\$ 138,995	\$ 37,451	\$ -	\$ 853,852
Occupancy	39,603	4,883	1,196	-	45,682
Professional fees	-	13,738	-	-	13,738
Office expenses	8,702	3,876	475	-	13,053
Telephone	3,310	408	100	-	3,818
Printing and postage	3,885	479	117	-	4,481
Insurance	11,857	1,462	358	-	13,677
Conferences and meetings	130	16	4	-	150
Repairs and maintenance	7,880	971	238	-	9,089
Events fees and supplies	-	-	4,140	2,821	6,961
Travel	5,905	-	-	-	5,905
Program supplies	38,585	-	-	-	38,585
Depreciation	30,066	3,707	908	-	34,681
Miscellaneous	1,899	385	50	-	2,334
<b>Total expenses</b>	<b>829,228</b>	<b>168,920</b>	<b>45,037</b>	<b>2,821</b>	<b>1,046,006</b>
Less expenses netted against support and revenue on the statement of activities	-	-	-	(2,821)	(2,821)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 829,228</b>	<b>\$ 168,920</b>	<b>\$ 45,037</b>	<b>\$ -</b>	<b>\$ 1,043,185</b>

See accompanying notes.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2018

	Community Programs	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Expenses
Personnel	\$ 640,094	\$ 146,766	\$ 56,146	\$ -	\$ 843,006
Occupancy	31,939	3,084	1,317	-	36,340
Professional fees	-	20,528	-	-	20,528
Office expenses	12,287	5,445	1,078	-	18,810
Telephone	3,268	315	135	-	3,718
Printing and postage	3,471	336	143	-	3,950
Insurance	11,533	1,114	475	-	13,122
Conferences and meetings	1,734	168	72	-	1,974
Repairs and maintenance	1,018	98	42	-	1,158
Events fees and supplies	-	-	2,478	2,084	4,562
Travel	10,169	-	-	-	10,169
Grants and scholarships	2,647	-	-	-	2,647
Program supplies	35,341	-	-	-	35,341
Depreciation	19,949	1,927	822	-	22,698
Miscellaneous	2,025	251	73	-	2,349
<b>Total expenses</b>	<b>775,475</b>	<b>180,032</b>	<b>62,781</b>	<b>2,084</b>	<b>1,020,372</b>
Less expenses netted against support and revenue on the statement of activities	-	-	-	(2,084)	(2,084)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 775,475</b>	<b>\$ 180,032</b>	<b>\$ 62,781</b>	<b>\$ -</b>	<b>\$ 1,018,288</b>

See accompanying notes.



**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 117,228	\$ 59,215
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net unrealized and realized (gains) losses on investments	(34,788)	9,049
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	(2,976)	1,489
Depreciation	34,681	22,698
Gain on trade-in of vehicles	-	(29,000)
Gain on sale of vehicle	-	(700)
(Increase) decrease in assets		
Accounts receivable	6,365	(21,350)
Unconditional promises to give	(1,505)	107,980
Prepaid expenses	9,383	(5,110)
Increase (decrease) in liabilities		
Accounts payable	1,260	(1,271)
Accrued payroll	(1,779)	10,114
Net cash flows from operating activities	127,869	153,114
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and leasehold improvements	-	(90,924)
Proceeds from sale of vehicle	-	700
Purchase of investments	-	(20,547)
Interest and dividends reinvested	(8,218)	(6,174)
Redemption of certificate of deposit	-	20,547
Interest on certificates of deposit reinvested	(439)	(268)
Contributions to beneficial interest in assets held by Waukesha County Community Foundation	-	(150)
Net cash flows from investing activities	(8,657)	(96,816)
<b>Change in cash</b>	119,212	56,298
Cash at beginning of year	210,505	154,207
<b>Cash at end of year</b>	<u>\$ 329,717</u>	<u>\$ 210,505</u>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Noncash investing and financing transactions		
Cost of equipment and leasehold improvements, net of trade-in	\$ -	\$ 119,924
Gain on trade-in of vehicles	-	(29,000)
Cash paid for equipment and leasehold improvements	<u>\$ -</u>	<u>\$ 90,924</u>

See accompanying notes.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Adaptive Community Approach Program, Inc. (ACAP) is a nonprofit corporation that teaches life-long skills to people with disabilities to help achieve their individual potential and further enable them to become contributing and valued members within the community.

**Accounts Receivable**

Accounts receivable primarily represents amounts due from government agencies, managed care organizations, and individuals for recreational services, personal assistance services, and other similar services provided by ACAP. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2019 and 2018, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Equipment and Leasehold Improvements**

All acquisitions of equipment and leasehold improvements in excess of \$5,000 are capitalized. Equipment and leasehold improvements are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

**Investments**

ACAP reports investments in marketable equity securities with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

**Contributions**

Contributions that are restricted by the donor are reported 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. 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.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ACAP. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Revenue Recognition**

ACAP provides recreational services, personal assistance services, and other similar services to people with developmental disabilities. Revenue from these services is recognized at the point in time when ACAP provides the particular service. ACAP generally bills the individual or third party payor on a daily, monthly, or hourly basis based on approved unit rates in program service contracts. For program fees paid directly by individuals, ACAP generally bills the individual at the time of service. For services reimbursed by third party payors, ACAP generally bills the managed care organization or other payor on a monthly basis.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort, as well as occupancy, telephone, printing and postage, insurance, conferences and meetings, repairs and maintenance, depreciation, and miscellaneous, which are allocated on a square-footage basis.

**Estimates**

The preparation of 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.

**Adoption of New Accounting Guidance**

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersedes the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACAP adopted the requirements of the new guidance as of January 1, 2019, using the modified retrospective method of transition. In applying the new guidance, ACAP elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.

The majority of ACAP's revenue from contracts with customers is recognized at a point in time based on the transfer of control. In addition, the majority of ACAP's contracts do not contain variable consideration and contract modifications are generally minimal.

The adoption of the new guidance did not have a significant impact on ACAP's financial statements. The majority of ACAP's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on ACAP's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

Also, on June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions (that is, revenue from contracts with customers) or contributions. The ASU also assists entities in determining whether a contribution is conditional. ACAP adopted the requirements of the ASU as of January 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of January 1, 2019, or entered into after that date.

**Income Tax Status**

ACAP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through June 12, 2020, the date which the financial statements were available to be issued.

NOTE 2—INVESTMENTS

Investments are comprised of the following:

	2019	2018
Exchange traded funds	\$ 319,903	\$ 285,115
Money market funds	34,793	26,575
	\$ 354,696	\$ 311,690

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

**NOTE 3—ENDOWMENT**

At December 31, 2019 and 2018, ACAP's board of directors has designated \$19,769 and \$16,793, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of ACAP. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

ACAP established a component fund at the Waukesha County Community Foundation (Foundation) to invest and administer its endowment assets. The Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy.

The Foundation's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including nonmarketable, illiquid alternatives.

Composition of and changes in endowment net assets for the years ended December 31, 2019 and 2018, were as follows:

	2019	2018
Board-designated endowment net assets at beginning of year	\$ 16,793	\$ 18,132
Contributions	-	150
Change in value of beneficial interest	2,976	(1,489)
Board-designated endowment net assets at end of year	\$ 19,769	\$ 16,793

**NOTE 4—FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of December 31, 2019				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds	\$ 319,903	\$ 319,903	\$ -	\$ -
Beneficial interest in assets held by WCCF	19,769	-	-	19,769
	\$ 339,672	\$ 319,903	\$ -	\$ 19,769

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

NOTE 4—FAIR VALUE MEASUREMENTS (continued)

Assets at Fair Value as of December 31, 2018				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds	\$ 285,115	\$ 285,115	\$ -	\$ -
Beneficial interest in assets held by WCCF	16,793	-	-	16,793
	\$ 301,908	\$ 285,115	\$ -	\$ 16,793

Fair values for exchange traded funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

ACAP's beneficial interest in assets held by Waukesha County Community Foundation represents an agreement between ACAP and the Foundation in which ACAP transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to ACAP by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

The table below presents a reconciliation from the beginning balance to the ending balance of the beneficial interest in assets held by Waukesha County Community Foundation measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31, 2019 and 2018:

	2019	2018
Beginning balance	\$ 16,793	\$ 18,132
Contributions	-	150
Change in value of beneficial interest	2,976	(1,489)
Ending balance	\$ 19,769	\$ 16,793

NOTE 5—CONCENTRATIONS OF CREDIT RISK

ACAP maintains its cash balances in one financial institution located in southeastern Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019 and 2018, ACAP's uninsured cash balances total approximately \$135,200 and \$9,200, respectively.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

**NOTE 6—NET ASSETS**

ACAP's board of directors has designated net assets without donor restrictions for the following purposes:

	2019	2018
Board-designated endowment	\$ 19,769	\$ 16,793
Undesignated	867,949	764,280
	\$ 887,718	\$ 781,073

Net assets with donor restrictions are restricted for the following purposes or periods:

	2019	2018
Future years' operations	\$ 4,246	\$ 5,025
Art Links expansion	16,712	-
ACAP Playmakers	-	4,000
Woodworking supplies	-	1,350
	\$ 20,958	\$ 10,375

**NOTE 7—OPERATING LEASES**

ACAP leases studio space in Waukesha, Wisconsin, under a non-cancellable operating lease that expires in May 2023. The lease requires monthly payments of \$1,870. ACAP also has a year-to-year agreement with First United Methodist Church of Waukesha (Church) for use of rooms with no required payment necessary under the agreement. The fair value of the rent less the amount of contributions made by ACAP to the Church is considered an in-kind contribution. ACAP made payments to the Church during the years ended December 31, 2019 and 2018 of \$24,335 and \$22,020, respectively, which represented, at a minimum, the fair value of the use of the space.

ACAP leases a copier under a non-cancellable operating lease that expires in September 2023 and requires monthly payments of \$190.

Future minimum lease payments for the years ending December 31 are:

2020	\$ 24,718
2021	24,718
2022	24,718
2023	11,059

Lease expense for the years ended December 31, 2019 and 2018 was \$45,381 and \$36,750, respectively.

**ADAPTIVE COMMUNITY APPROACH PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

**NOTE 8—LIQUIDITY AND AVAILABILITY**

The following reflects ACAP's financial assets at December 31, 2019 and 2018, reduced by amounts not available for general expenditures within one year of the dates of the statements of financial position:

	2019	2018
Financial assets at end of year:		
Cash	\$ 329,717	\$ 210,505
Certificates of deposit	52,704	52,265
Accounts receivable	64,731	71,096
Unconditional promises to give	7,730	6,225
Investments	354,696	311,690
Beneficial interest in assets held by Waukesha County Community Foundation	19,769	16,793
Total financial assets at end of year	829,347	668,574
Less amounts unavailable for general expenditures within one year:		
Board-designated endowment	(19,769)	(16,793)
Restricted by donors with purpose restrictions	(16,712)	(5,350)
Financial assets available to meet cash needs for general expenditures within one year	\$ 792,866	\$ 646,431

As part of ACAP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets not available for general expenditures at December 31, 2019 and 2018 include \$19,769 and \$16,793, respectively, set aside for long-term purposes; however, amounts could be made available if necessary.

**NOTE 9—SUBSEQUENT EVENTS**

In 2019, ACAP received from a donor a restricted contribution of \$5,000 for the purpose of the Art Links expansion. In 2020, ACAP was notified by the donor that this contribution was repurposed for general operations. The satisfaction of the purpose restriction will occur in 2020.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could impact investments, contributions, and operating results. The related financial impact and duration cannot be reasonably estimated at this time.