

AUTISM NEW JERSEY, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

**AUTISM NEW JERSEY, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

**To The Board of Trustees
Autism New Jersey, Inc.
Robbinsville, New Jersey**

Report on the Financial Statements

We have audited the accompanying financial statements of Autism New Jersey, Inc., which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and changes in net assets, 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 misstatements, whether due to fraud or error.

Auditors' 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 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 from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 New Jersey, Inc. as of September 30, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion of the financial statements as a whole. The accompanying schedule of expenditures of State Awards as required by State of New Jersey Circular 04-04 and Circular 15-08, effective December 26, 2015, Single Audit Policy for Recipients of State Grants, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019, on our consideration of Autism New Jersey, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Autism New Jersey, Inc.'s internal control over financial reporting and compliance.

Leaf, Miele, Manganello, Fortunato & Engel, LLC
LEAF, MIELE, MANGANELLI, FORTUNATO & ENGEL, LLC

Fairfield, New Jersey
February 21, 2019

AUTISM NEW JERSEY, INC.
STATEMENTS OF
FINANCIAL POSITION
SEPTEMBER 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 312,987	\$ 392,666
Investments	1,654,834	1,592,768
State Grant Receivable	57,500	55,142
Accounts Receivable	7,590	8,255
Prepaid expenses and other current assets	94,457	47,826
Property and Equipment, Net	30,158	13,404
Security Deposit	<u>35,000</u>	<u>35,000</u>
Total Assets	<u>\$2,192,526</u>	<u>\$2,145,061</u>
<u>Liabilities and Net Assets</u>		
Accounts Payable and accrued expenses	\$ 54,932	\$ 135,790
Deferred revenue	372,562	274,689
Deferred Rent Liability	<u>8,433</u>	<u>6,447</u>
Total Liabilities	<u>435,927</u>	<u>416,926</u>
<u>Net Assets</u>		
Without donor restrictions	1,756,599	1,728,135
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>1,756,599</u>	<u>1,728,135</u>
Total Liabilities and Net Assets	<u>\$2,192,526</u>	<u>\$2,145,061</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENTS OF
ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2018 and 2017

	<u>2018</u>			<u>2017</u>		
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Support and Revenues						
Government Grants	\$ 712,357	\$ -	\$ 712,357	\$ 700,000	\$ -	\$ 700,000
Other Government Grant	-	-	-	(5,445)	-	(5,445)
Contributions and Bequests	533,315	-	533,315	419,286	-	419,286
Inkind Contributions	212,718	-	212,718	130,205	-	130,205
Conference Fees	407,889	-	407,889	429,846	-	429,846
Special Events	277,377	-	277,377	282,496	-	282,496
Membership Dues	93,020	-	93,020	94,167	-	94,167
Program Fees and Other Income	90,990	-	90,990	106,165	-	106,165
Investment Income, net	64,342	-	64,342	110,916	-	110,916
Total Support and Revenues	<u>2,392,008</u>	<u>-</u>	<u>2,392,008</u>	<u>2,267,636</u>	<u>-</u>	<u>2,267,636</u>
Expenses						
Program Services	1,636,185	-	1,636,185	1,547,380	-	1,547,380
Management and General	225,289	-	225,289	197,898	-	197,898
Fund Raising	502,070	-	502,070	490,521	-	490,521
Total Expenses	<u>2,363,544</u>	<u>-</u>	<u>2,363,544</u>	<u>2,235,799</u>	<u>-</u>	<u>2,235,799</u>
Changes in Net Assets	28,464	-	28,464	31,837	-	31,837
Net Assets						
Beginning Balance	<u>1,728,135</u>	<u>-</u>	<u>1,728,135</u>	<u>1,696,298</u>	<u>-</u>	<u>1,696,298</u>
Ending Balance	<u>\$1,756,599</u>	<u>\$ -</u>	<u>\$1,756,599</u>	<u>\$1,728,135</u>	<u>\$ -</u>	<u>\$1,728,135</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENT OF
FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting/Legal	\$ -	\$ 18,920	\$ -	\$ 18,920
Advertising	4,949	-	55	5,004
Bank Charges	9,574	689	10,040	20,303
Board Expense	-	-	-	-
Computer Expenses	36,520	1,890	5,835	44,245
Conferences	28,423	747	2,813	31,983
Contract Services/Consulting	84,440	37,321	23,667	145,428
Depreciation and Amortization	6,710	594	1,189	8,493
Dues and Subscriptions	2,973	-	325	3,298
Employee Insurance	67,915	8,488	14,421	90,824
Equipment and Maintenance	49,232	10,732	11,511	71,475
Event Costs	190,968	352	226,653	417,973
Insurance	15,402	1,268	2,826	19,496
Occupancy Costs	95,388	11,292	16,949	123,629
Other Program Expenses	14,447	78,418	3,971	96,836
Payroll Taxes	70,157	2,779	13,516	86,452
Pension	21,415	1,028	3,252	25,695
Postage	7,573	3,108	3,514	14,195
Printing	43,374	64	7,082	50,520
Salaries	848,267	36,087	148,273	1,032,627
Staff Expense	-	2,221	50	2,271
Supplies	5,580	7,760	1,501	14,841
Telephone	5,202	461	922	6,585
Travel, Meals and Entertainment	15,603	-	1,565	17,168
Utilities	<u>12,073</u>	<u>1,070</u>	<u>2,140</u>	<u>15,283</u>
Total	<u>\$1,636,185</u>	<u>\$ 225,289</u>	<u>\$ 502,070</u>	<u>\$2,363,543</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENT OF
FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting/Legal	\$ -	\$ 30,388	\$ -	\$ 30,388
Advertising	2,249	75	-	2,324
Bank Charges	10,013	-	11,245	21,258
Board Expense	-	-	-	-
Computer Expenses	32,837	2,530	4,682	40,049
Conferences	25,412	1,438	1,972	28,822
Contract Services/Consulting	89,204	10,359	23,459	123,022
Depreciation and Amortization	4,507	5,315	856	10,678
Dues and Subscriptions	2,129	-	325	2,454
Employee Insurance	61,407	4,628	11,494	77,529
Equipment and Maintenance	52,008	10,098	9,272	71,378
Event Costs	158,939	4,251	222,802	385,992
Insurance	9,072	989	1,613	11,674
Occupancy Costs	99,865	11,802	14,940	126,607
Other Program Expenses	26,790	31,811	2,470	61,071
Payroll Taxes	71,027	6,202	13,409	90,638
Pension	16,548	934	5,053	22,535
Postage	11,889	-	4,326	16,215
Printing	32,092	549	9,299	41,940
Salaries	803,712	71,589	147,411	1,022,712
Staff Expense	-	1,732	-	1,732
Supplies	4,961	1,784	1,006	7,751
Telephone	5,027	386	924	6,337
Travel, Meals and Entertainment	15,789	136	1,947	17,872
Utilities	<u>11,903</u>	<u>902</u>	<u>2,016</u>	<u>14,821</u>
Total	<u>\$1,547,380</u>	<u>\$ 197,898</u>	<u>\$ 490,521</u>	<u>\$2,235,799</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 28,464	\$ 31,837
Adjustments to reconcile changes in Net Assets to		
Net Cash provided by (used in) operating activities:		
Depreciation and Amortization	8,493	10,678
Net Unrealized Losses (Gains) on Investments	3,511	(57,587)
Realized Gain on Sale of Investments	(46,365)	(27,926)
 Change in Operating Assets and Liabilities:		
State Grant Receivable	(57,500)	(55,142)
State Grant Received	55,142	60,588
Decrease in Accounts Receivable	665	2,155
Contribution Receivable Received	-	10,000
Program Supplies	-	15,382
Decrease (Increase) in Prepaid Expenses and Other		
Current Assets	(46,631)	3,788
Increase (Decrease) in Accounts Payable and Accrued		
Expenses	(80,858)	132,670
Increase in Deferred Revenue	97,873	1,357
Increase in Deferred Rent Liability	1,986	1,986
Net Cash Provided by (Used In) Operating Activities	<u>(35,220)</u>	<u>129,786</u>
 Cash Flows From Investing Activities		
Purchases of Property and Equipment	(25,247)	-
Purchases of Investments	(246,510)	(238,487)
Proceeds from Sale of Investments	227,298	213,261
Net Cash provided by (Used In) Investing Activities	<u>(44,459)</u>	<u>(25,226)</u>
 Cash Flows From Financing Activities		
Net Cash Provided By (Used In) Financial Activities	-	-
 Net Increase (Decrease) in Cash and Cash Equivalents	(79,679)	104,560
 Cash and Cash Equivalents - Beginning of Year	<u>\$ 392,666</u>	<u>\$ 288,106</u>
 Cash and Cash Equivalents - End of Year	<u>\$ 312,987</u>	<u>\$ 392,666</u>
 Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest and Taxes	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 1 **Nature of Organization**

Autism New Jersey, Inc. (“ANJ”) was incorporated to assist families, individuals and agencies concerned with the welfare and education of children and adults with autism. Funding for ANJ is derived from contributions and State of New Jersey contracts. ANJ provides a variety of programs including information and advocacy, parent and professional education and support services, which promote the general well-being of individuals with autism living in New Jersey.

Note 2 **Summary of Significant Accounting Policies**

Basis of Accounting

The accompanying financial statements of ANJ have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to not-for-profit entities.

Basis of Presentation

In 2018, the Organization has early implemented the requirements of the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-14-Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 requires certain changes to the presentation of financial statements of not-for-profit entities and additional new disclosures. There was no material impact on the Organization’s reported total assets, liabilities, or net assets or change in net assets upon adoption of the new standard.

Financial reporting by nonprofit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions as follows:

Net Assets Without Donor Restrictions- are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its’ corporate documents and its’ application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions- are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor’s instructions. The organization has no Net Assets With Donor Restrictions

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 2 **Summary of Significant Accounting Policies (cont'd)**

Cash and Cash Equivalents

ANJ considers highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Investments

Investments are reported at fair value. ASC 820, Fair Value Measurements, provides a framework for measuring fair value under GAAP, and applies to all financial instruments that are being measured and reported on a fair value basis.

ASC 820 sets out a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fair value hierarchy is defined as follows:

Level 1: Inputs that reflect unadjusted quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to 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. Level 2 inputs include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets in markets that are not active;

Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and

Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimates.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in Net Assets Without Donor Restrictions unless the use was restricted by explicit donor stipulations or by law.

Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment assets reported in the Statements of Financial Position.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 2 **Summary of Significant Accounting Policies (cont'd)**

Property and Equipment:

Property and equipment is recorded at cost. Depreciation is being provided for over the estimated useful lives of the assets of three to seven years utilizing the straight-line method.

Maintenance and repairs are charged to operations when incurred. Expenditures that substantially increase estimated useful lives are capitalized. When property and equipment is sold or otherwise disposed of, the asset accounts and related accumulated depreciation account is relieved and any gain or loss is included in the statements of activities and changes in net assets.

Contributed property and equipment is recorded at fair value at the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as support With Donor Restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support Without Donor Restrictions.

Allowance for Doubtful Accounts:

ANJ reviews the collectability of its Accounts Receivable annually. At September 30, 2018 and 2017, no allowance for doubtful accounts was deemed necessary.

Revenue and Support Recognition:

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities and changes in net assets as net assets released from restrictions.

Contributions, including unconditional promises to give, are recorded when made at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows, discounted at a rate commensurate with the risks involved. Amortization of the discount is included as an offset against contributions revenue.

Conference fees, community events, membership dues and program fees are recognized during the period in which they are earned. Conference fees, community events, membership dues and program fees received in advance are deferred until earned and reflected as deferred revenue in the statement of financial position. The primary components of Deferred Revenue for the years ended September 30, 2018 and 2017 are advanced receipts associated with ANJ's 36th and 35th annual Education Conference held in October 2018 and 2017.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 2 **Summary of Significant Accounting Policies (cont'd)**

The organization receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded at fair value at the date of gift and as expenses when the donated items are placed into service or distributed. Other noncash contributions include assets auctioned off in their special events. Auction proceeds in excess of fair value previously recorded are included in special events in the statements of activities and changes in net assets. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received. During the years ended September 30, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Revenue from the Federal grant is recorded when expenditures are incurred and are billable to the government. The State grant is a monthly electronic funds transfer, which is paid in twelve increments.

Allocation of Expenses:

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support services. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

Employee costs, which include salaries, payroll tax, and benefits are allocated based on historical time studies.

Occupancy, depreciation, amortization, utilities, telephone, insurance, supplies, equipment and maintenance that cannot be directly identified are allocated using the proportionate employee cost for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Income Taxes:

The Internal Revenue Service ("IRS") has determined that ANJ is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the "Code") and from state and local income taxes under comparable laws. As a not-for-profit entity, ANJ is subject to unrelated business income tax ("UBIT"), if applicable. For the tax years ended September 30, 2018 and 2017, the ANJ did not owe any UBIT.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 2 **Summary of Significant Accounting Policies (cont'd)**

Management has evaluated ANJ's tax positions for all open tax years and has concluded that ANJ had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of GAAP.

Estimates:

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

Advertising:

Advertising costs for the years ended September 30, 2018 and 2017 amounted to \$5,004 and \$2,324 respectively, and were expensed as incurred.

Concentration of Market and Credit Risks:

Financial instruments that potentially subject ANJ to concentrations of credit risk consist principally of cash and cash equivalents and investments.

ANJ maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. ANJ has not experienced any credit risk-related losses. At September 30, 2018, the balance at the Financial Institution exceeded the FDIC insured limit by \$43,363. In order to control market risk, ANJ has an investment committee that oversees its investment portfolio and performs an ongoing evaluation of its investment manager. In the fiscal years ended September 30, 2018 and 2017, approximately 100% of ANJ's investments were held by one investment manager.

Recently Issued Accounting Standard Update Not Presently Effective:

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending September 30, 2021. ANJ is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 2 **Summary of Significant Accounting Policies (cont'd)**

Subsequent Events:

ANJ evaluated subsequent events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through February 21, 2019, the date the financial statements were available for issuance.

Note 3 **Fair Value Measurements**

The Organization has provided fair value disclosure information for relevant assets and liabilities in these financial statements. For applicable assets and liabilities, the Organization values such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible (Level 1). To the extent that such market prices are not available, the Organization will value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization develops measurement criteria based on the best information available (Level 2 or Level 3).

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of September 30, 2018 and 2017, along with the basis for the determination of fair value:

	September 30, 2018		September 30, 2017	
	Total	Level 1	Total	Level 1
Equities	\$ 597,514	\$ 597,514	\$ 545,563	\$ 545,563
Equity Mutual Funds	214,555	214,555	233,120	233,120
Intermediate term Bond Funds	842,765	842,765	814,085	814,085
	\$ 1,654,834	\$ 1,654,834	\$ 1,592,768	\$ 1,592,768

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 3 **Fair Value Measurements (cont'd)**

Investment results related to these investments at September 30, were comprised of the following:

	<u>2018</u>	<u>2017</u>
Interest and Dividends	\$ 32,572	\$ 36,108
Net Realized Gains	46,365	27,926
Net Unrealized Gains (Losses)	<u>(3,511)</u>	<u>57,587</u>
Investment Income	75,426	121,621
Less Investment Management Fees	<u>(11,084)</u>	<u>(10,705)</u>
Net Investment Income	<u>\$ 64,342</u>	<u>\$ 110,916</u>

Note 4 **Contribution Receivable**

In February 2015, the Organization received an Unrestricted Pledge amount of \$35,000, payable in three installments. In September 2016 and November 2015, \$10,000 and \$15,000 of the Pledge was received. The final \$10,000 payment was received in September 2017.

ANJ has elected not to record the remaining pledge using present value of estimated cash flows at a discounted rate. This amount has been deemed immaterial to the financial statements taken as a whole.

Note 5 **Property and Equipment**

Property and equipment at September 30, 2018 and 2017 consists of the following:

	Estimated Useful Life (Years)	<u>2018</u>	<u>2017</u>
Office Equipment	3 & 7	\$ 316,769	\$ 291,522
Furniture and Fixtures	5	<u>81,586</u>	<u>81,586</u>
		398,355	373,108
Less Accumulated Depreciation		<u>368,197</u>	<u>359,704</u>
		<u>\$ 30,158</u>	<u>\$ 13,404</u>

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 6 **Defined Contribution Plan**

ANJ maintains a Simple IRA plan that covers all employees who have attained age 18 and completed one year of service with ANJ. The plan provides that eligible employees may defer payment of taxes on a portion of their salary as allowed by Section 401(k) of the Code. The employer's matching contributions are equal to 100% of the participant's elective deferrals up to 3% of the employee's eligible compensation. For the years ended September 30, 2018 and 2017, Pension expense was \$25,695 and \$22,535, respectively.

Note 7 **Commitments and Contingencies**

In February 2010, the Organization entered into an operating lease agreement (the "Lease") for new building space with monthly lease payments of \$7,926 that commenced August 1, 2010 and expired February 29, 2016. The lease is also subject to escalation clauses for taxes and other building operating expenses. The lease provides for seven months of free rent throughout the duration of the lease term. Deferred rent payable of \$8,433 and \$6,447 is the difference between the cumulative amounts recorded for occupancy costs on a straight-line basis over the term of the lease, as compared to the cumulative required amounts paid under the lease as of September 30, 2018 and 2017, respectively.

Rent expense was approximately \$95,388 and \$89,200 for the years ended September 30, 2018 and 2017, respectively. In addition, ANJ leases equipment under various non-cancellable operating leases, \$2,545 monthly, that expire on various dates through fiscal year 2023.

Future minimum payments on all non-cancellable lease obligations are as follows:

<u>Year Ending September 30,</u>	
2019	\$ 103,786
2020	108,924
2021	85,146
2022	13,812
2023	<u>13,812</u>
	<u>\$325,480</u>

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 7 Commitments and Contingencies (cont'd)

In June 2015, the Organization agreed to a Third Amendment to Lease to extend the Term of the Lease effective March 1, 2016 and expiring June 30, 2021, at an annual rate of \$95,112 (monthly installments of \$7,926), with no obligation to pay rent for four of the months throughout the lease term.

ANJ has received funds from the State of New Jersey that may be subject to audit by the funding sources. Such audit might result in disallowance of costs submitted for reimbursements. Management is of the opinion that such cost disallowance, if any, will not have a material effect on the accompanying financial statements for such potential claims.

Note 8 Concentration of Revenue

During the years ended September 30, 2018 and 2017, the Organization received approximately 19% and 20%, respectively, of its support and revenues from the State of New Jersey, Department of Children and Families. That grant was effective January 1, 2013, and will renew annually starting July 1, 2013, totaling \$450,000. Any significant reduction in the level of support from the State of New Jersey, and the Treasury and Department of Children and Families could have a material adverse effect on the Organization's programs.

On January 2, 2014, ANJ was approved by the New Jersey Department of Health for a new Grant for Autism, up to a total of \$250,000, for the period July 1, 2014 through June 30, 2015. This contract has renewed effective July 1, 2017 through June 30, 2018 up to a total of \$260,000. During the years ended September 30, 2018 and 2017, approximately 11% and 11% respectively, of its support and revenues was received from this Agency. For the years ended September 30, 2018 and 2017, the \$57,500 and \$55,142 State Grant Receivable was recorded as Government Grants on the Statement of Activities and Changes in Net Assets.

Note 9 Other Matter

In October and November 2015, the Organization entered into a Memorandum of Understanding, an Assignment and Assumption Agreement and a Bill of Sale, with Ride for Autism, Inc., to assign and transfer to the Organization an event known as Ride for Autism, which is a one-day charity bicycle tour, whose purposes include raising funds for the Organization and also raising community awareness about autism. Under the terms of the above documents, the Organization agrees to operate and run the event, including assumption of liabilities, and continue its mission of fundraising and community awareness. The events were held on June 9, 2018 and June 10, 2017, and recognized a net profit of \$42,840 and \$45,974 on gross revenues of \$90,311 and \$96,412, for the years ended September 30, 2018 and 2017, respectively.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

Note 10 Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year of September 30, 2018 are:

Cash and cash equivalents	\$ 312,987
State Grant Receivable	57,500
Accounts Receivable	7,590
Investments	<u>1,654,834</u>
 Total financial assets	 2,032,911

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of its' liquidity management plan, the organization invests cash in excess of daily requirements in short term investments.

**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**

INDEPENDENT AUDITORS' REPORT

**To The Board of Trustees
Autism New Jersey, Inc.
Robbinsville, New Jersey**

We have audited, in accordance with the 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, the financial statements of Autism New Jersey, Inc. ("ANJ") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise ANJ's basic financial statements, and have issued our report thereon dated February 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ANJ's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ANJ's internal control. Accordingly, we do not express an opinion on the effectiveness of ANJ's internal control.

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 ANJ's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ANJ's financial statements are free from 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leaf, Miele, Manganello, Fortunato & Engel, LLC
LEAF, MIELE, MANGANELLI, FORTUNATO & ENGEL, LLC

Fairfield, New Jersey
February 21, 2019

Report on Compliance with Requirements Applicable That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with the State of New Jersey, Department of the Treasury, OMB Circular 04-04 and 15-08

INDEPENDENT AUDITORS' REPORT

**To The Board of Trustees
Autism New Jersey, Inc.
Robbinsville, New Jersey**

Compliance

We have audited the compliance of Autism New Jersey, Inc. with the types of compliance requirements described in the *New Jersey State Grants Compliance Supplement*, that could have a direct and material effect on its major state programs for the year ended September 30, 2018. ANJ's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Company's management. Our responsibility is to express an opinion on ANJ's compliance for each major state program based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and New Jersey OMB Circular 04-04 and 15-08. Those standards and New Jersey OMB Circular 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Autism New Jersey, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Autism New Jersey, Inc.'s compliance with those requirements.

In our opinion, Autism New Jersey, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2018. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with New Jersey OMB Circular 04-04 and 15-08 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

Management of Autism New Jersey, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our compliance audit, we considered ANJ's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance for each major state program, and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ANJ's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 04-04. Accordingly, this communication is not suitable for any other purpose.

Leaf, Miele, Manganello, Fortunato & Engel, LLC
LEAF, MIELE, MANGANELLI, FORTUNATO & ENGEL, LLC

Fairfield, New Jersey

February 21, 2019

AUTISM NEW JERSEY, INC
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2018
(SEE NOTE 9)

State Grantor/ Pass-Through Grantor/ Program Title	State Contract Number	Grant Period	Total Award Received	Expenditures
State Award:				
State of NJ, Department of Children And Families, Division of CSOC	18LMLR	10/01/17-6/30/18	\$337,500	\$363,756
	19LMLR	7/01/18-9/30/18	<u>\$112,500</u>	<u>\$114,573</u>
			<u>\$450,000</u>	N <u>\$478,329</u>
State of NJ, Department of Health	18EIM003	10/01/17-6/30/18	\$203,633	\$204,857
	19EIM002	7/01/18-9/30/18	<u>\$ 56,367</u>	<u>\$ 57,500</u>
			<u>\$260,000</u>	N <u>\$262,357</u>

M = Denotes a Major Program
N = Denotes a Non-Major Program

Note 1. Basis of Accounting

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of ANJ under programs of the State of New Jersey for the year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of the State of New Jersey, Department of Treasury, OMB Circular 15-08-OMB. Because the schedule presents only a selection portion of the operations of ANJ, it is not intended to and does not present the financial position, changes in net assets or cash flows of ANJ.

**AUTISM NEW JERSEY, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified ___ Yes X No
- Significant deficiency(s) identified ___ Yes X None reported
- Noncompliance material to financial statement noted? ___ Yes X No

State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? ___ Yes X None reported

Type of auditors= report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 15-08?

___ Yes X No

Identification of major Program:

State Contract Number

18LMLR

Name of State Program or Cluster

State of New Jersey, Department of Children and Families

Dollar threshold used to distinguish between type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes X No

AUTISM NEW JERSEY, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018

II - Financial Statement Findings

Current year Findings:

No matters reported in the current year.

III - State Award Findings and Questioned Costs

No matters reported in the current year.

AUTISM NEW JERSEY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2017

X There Were No Audit Findings For This Year.

AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDCF GRANT # 18LMLR
YEAR ENDED SEPTEMBER 30, 2018

<u>Budget Category</u>	<u>Budget Amount</u> <u>10/1/17-6/30/18</u>	<u>Actual</u> <u>Expenditures</u> <u>10/1/17-6/30/18</u>	<u>Budget</u> <u>Variance</u>
Personnel	\$237,336	\$246,136	\$ 8,800
Consultants and Professional Fees	6,146	4,952	(1,194)
Material and Supplies	2,968	2,549	(419)
Facility Cost	35,940	36,120	180
Other	33,535	49,298	15,763
General and Administrative	<u>24,049</u>	<u>24,701</u>	<u>652</u>
	339,974	363,756	23,782
Revenue	<u>(2,474)</u>	<u>-</u>	<u>2,474</u>
	<u>\$ 337,500</u>	<u>\$363,756</u>	<u>\$ 26,256</u>

Note: This grant is for the period July 1, 2017 through June 30, 2018, in the total amount of \$450,000, (See Note 9).

AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDCF GRANT # 19LMLR
YEAR ENDED SEPTEMBER 30, 2018

<u>Budget Category</u>	<u>Budget Amount 7/1/18 -9/30/18</u>	<u>Actual Expenditures 7/1/18 -9/30/18</u>	<u>Budget Variance</u>
Personnel	\$ 82,696	\$ 86,810	\$ 4,114
Consultants and Professional Fees	2,049		(2,049)
Material and Supplies	989	840	(149)
Facility Cost	11,980	12,997	1,017
Other	11,648	4,972	(6,676)
General and Administrative	<u>6,002</u>	<u>8,954</u>	<u>2,952</u>
	115,364	114,573	(791)
Revenue	<u>(2,864)</u>	<u>-</u>	<u>2,864</u>
	<u>\$ 112,500</u>	<u>\$ 114,573</u>	<u>\$ 2,073</u>

Note: This grant is for the period July 1, 2018 through June 30, 2019, in the total amount of \$450,000, (See Note 9).

AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDOH GRANT # 18EIM003
YEAR ENDED SEPTEMBER 30, 2018

<u>Budget Category</u>	<u>Budget Amount</u> <u>10/1/17- 6/30/18</u>	<u>Actual</u> <u>Expenditures</u> <u>10/1/17- 6/30/18</u>	<u>Budget</u> <u>Variance</u>
Personnel	\$ 159,147	\$ 163,424	\$ 4,277
Office Expense & Related Cost	14,066	11,505	(2,561)
Program Expense & Related Cost	3,690	5,348	1,658
Travel, Conference & Meetings	795	3,404	2,609
Facility Cost	20,115	21,176	1,061
Other	-	-	-
	<u>\$ 197,813</u>	<u>\$ 204,857</u>	<u>\$ 7,044*</u>

Note: This Grant is for the Period July 1, 2017 through June 30, 2018, in the total amount of \$260,000, (See Note 9).

* Receivable at September 30, 2017 was \$55,142.

AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDOH GRANT # 19EIM002
YEAR ENDED SEPTEMBER 30, 2018

<u>Budget Category</u>	<u>Budget Amount 7/1/18 -9/30/18</u>	<u>Actual Expenditures 7/1/18 -9/30/18</u>	<u>Budget Variance</u>
Personnel	\$ 50,198	\$ 43,840	\$ (6,358)
Office Expense & Related Cost	2,500	2,124	(376)
Consultants and Professional Fees	308	-	(308)
Facility Cost	7005	9,389	2,384
Travel, Conference and Meetings	500	550	50
Materials and Supplies	<u>1,989</u>	<u>1,597</u>	<u>(392)</u>
	<u>\$ 62,500</u>	<u>\$ 57,500*</u>	<u>\$ (5,000)</u>

Note: This Grant is for the Period July 1, 2018 through June 30, 2019, in the total amount of \$250,000, (See Note 9).

* Receivable at September 30, 2018.

AUTISM NEW JERSEY, INC.
ADDITIONAL INFORMATION REQUIRED BY
STATE OF NEW JERSEY
YEAR ENDED SEPTEMBER 30, 2018

1. All Federal and State payroll tax returns were filed timely and all required tax payments were made.
2. The IRS 990 tax return for the years ended September 30, 2018 and 2017 will be timely filed and was filed in compliance with statutory requirements.
3. The CRI-300R, New Jersey tax return for the years ended September 30, 2018 and 2017 will be timely filed and was filed in compliance with statutory requirements.
4. There were no questioned costs as a result of this audit.