

AUTISM NEW JERSEY, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

**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, 2019 and 2018, 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, 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.

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 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, 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 January 8, 2020, 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
Certified Public Accountants

Fairfield, New Jersey
January 8, 2020

AUTISM NEW JERSEY, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 488,156	\$ 312,987
Investments	1,748,032	1,654,834
State grants receivable	122,449	57,500
Accounts receivable	19,926	7,590
Prepaid expenses	90,745	94,457
Total Current Assets	2,469,308	2,127,368
PROPERTY AND EQUIPMENT, NET	18,533	30,158
DEPOSITS	35,000	35,000
TOTAL ASSETS	\$ 2,522,841	\$ 2,192,526
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 158,596	\$ 54,932
Deferred revenue	441,291	372,562
Total Current Liabilities	599,887	427,494
DEFERRED RENT	10,416	8,433
TOTAL LIABILITIES	610,303	435,927
NET ASSETS WITHOUT DONOR RESTRICTIONS	1,912,538	1,756,599
TOTAL LIABILITIES AND NET ASSETS	\$ 2,522,841	\$ 2,192,526

AUTISM NEW JERSEY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<i>Without Donor Restrictions</i>		
PUBLIC SUPPORT AND REVENUE		
Government grants	\$ 699,111	\$ 712,357
Conference	642,622	407,889
Contributions	576,628	533,315
Non-cash contributions	389,633	212,718
Fundraising events	253,921	277,377
Membership dues	88,119	93,020
Program services	<u>34,796</u>	<u>90,990</u>
Total public support and revenue	<u>2,684,830</u>	<u>2,327,666</u>
EXPENSES:		
Program services:		
Provide education, advocacy and support for individuals with autism	<u>1,949,942</u>	<u>1,636,185</u>
Total program services	<u>1,949,942</u>	<u>1,636,185</u>
Supporting services:		
Management and general	105,687	225,289
Fundrasing	292,281	275,417
Costs of direct benefit to donors	<u>271,213</u>	<u>226,653</u>
Total supporting services	<u>669,181</u>	<u>727,359</u>
Total expenses	<u>2,619,123</u>	<u>2,363,544</u>
Changes in net assets before non-operating income (loss)	<u>65,707</u>	<u>(35,878)</u>
NON-OPERATING INCOME		
Investment income	<u>90,232</u>	<u>64,342</u>
Total non-operating income	<u>90,232</u>	<u>64,342</u>
CHANGES IN NET ASSETS	155,939	28,464
NET ASSETS AT BEGINNING OF YEAR	<u>1,756,599</u>	<u>1,728,135</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,912,538</u>	<u>\$ 1,756,599</u>

AUTISM NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Autism Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donors</u>	<u>2019</u>
Personnel costs:					
Salaries and wages	\$ 872,510	\$ 15,814	\$ 157,716	\$ -	\$ 1,046,040
Fringe benefits	88,332	1,260	16,734	-	106,326
Payroll taxes	73,074	3,656	13,808	-	90,538
Total Personnel costs	1,033,916	20,730	188,258	-	1,242,904
Advertising and marketing	3,979	26	81	-	4,086
Consultants	79,968	49,822	21,172	-	150,962
Dues and subscriptions	1,066	340	325	-	1,731
Equipment, repairs and maintenance	20,661	1,008	3,528	-	25,197
Insurance	13,624	665	2,326	-	16,615
Licenses, registrations and fees	10,615	217	9,546	-	20,378
Meeting and conferences	207,579	349	2,119	271,213	481,260
Occupancy	121,485	5,926	20,741	-	148,152
Printing and postage	40,677	699	11,951	-	53,327
Professional fees	-	19,000	-	-	19,000
Supplies	19,407	912	3,416	-	23,735
Technology and communications	80,548	2,603	18,552	-	101,703
Travel, meals and entertainment	15,944	6	1,341	-	17,291
Utilities	12,794	624	2,184	-	15,602
Other	278,147	2,295	5,114	-	285,556
Total expenses before depreciation	1,940,410	105,222	290,654	271,213	2,607,499
Depreciation	9,532	465	1,627	-	11,624
Total expenses	\$ 1,949,942	\$ 105,687	\$ 292,281	\$ 271,213	\$ 2,619,123

See independent auditors' report and accompanying notes to the financial statements

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

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Autism Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donors</u>	<u>2018</u>
Personnel costs:					
Salaries and wages	\$ 848,267	\$ 36,087	\$ 148,273	\$ -	\$ 1,032,627
Fringe benefits	89,330	9,516	17,673	-	116,519
Payroll taxes	70,157	2,779	13,516	-	86,452
Total Personnel costs	1,007,754	48,382	179,462	-	1,235,598
Advertising and marketing	4,949	-	55	-	5,004
Consultants	84,440	37,321	23,667	-	145,428
Dues and subscriptions	2,973	-	325	-	3,298
Equipment, repairs and maintenance	49,232	10,732	11,511	-	71,475
Insurance	15,402	1,268	2,826	-	19,496
Licenses, registrations and fees	9,574	689	10,040	-	20,303
Meeting and conferences	219,391	1,099	2,813	226,653	449,956
Occupancy	95,388	11,292	16,949	-	123,629
Printing and postage	50,947	3,172	10,596	-	64,715
Professional fees	-	18,920	-	-	18,920
Supplies	5,580	9,981	1,551	-	17,112
Technology and communications	41,722	2,351	6,757	-	50,830
Travel, meals and entertainment	15,603	-	1,565	-	17,168
Utilities	12,073	1,070	2,140	-	15,283
Other	14,447	78,418	3,971	-	96,836
Total expenses before depreciation	1,629,475	224,695	274,228	226,653	2,355,051
Depreciation	6,710	594	1,189	-	8,493
Total expenses	\$ 1,636,185	\$ 225,289	\$ 275,417	\$ 226,653	\$ 2,363,544

**AUTISM NEW JERSEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 155,939	\$ 28,464
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities		
Depreciation expense	11,624	8,493
Unrealized (gain) loss on investments	(38,583)	3,511
Realized (gain) on investments	(20,408)	(46,365)
(Increase) decrease in operating assets		
State grants receivable	(64,949)	(2,358)
Accounts receivable	(12,336)	665
Prepaid expenses	3,712	(46,631)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	103,664	(80,858)
Deferred revenue	68,729	97,873
Deferred rent	1,983	1,986
Net Cash Provided By Operating Activities	<u>209,375</u>	<u>(35,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(25,247)
Purchases of investments	(191,932)	(246,510)
Proceeds from sale of investments	157,726	227,298
Net Cash Used In Investing Activities	<u>(34,206)</u>	<u>(44,459)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	175,169	(79,679)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>312,987</u>	<u>392,666</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 488,156</u>	<u>\$ 312,987</u>

**AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018**

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”).

Basis of Presentation

The financial statements are prepared using guidance provided by the American Institute of Certified Public Accountants’ Audit and Accounting Guide, *Nonprofit Organizations* and New Jersey 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and other pronouncements applicable to nonprofit organizations.

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, 2019 and 2018

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

Cash and Cash Equivalents

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

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements, provides a framework for measuring fair value under GAAP, and applies to all assets and liabilities that are being reported.

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.

Unless otherwise noted, the fair values of financial instruments approximate their carrying values. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

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

Investments

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.

Accounts Receivable

Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable.

ANJ reviews the collectability of its accounts receivable annually. At September 30, 2019 and 2018, no allowance for doubtful accounts was deemed necessary.

Prepaid Expenses

Prepaid expenses consist of expenses paid in advance for fundraising and conference events which will take place in the next fiscal year.

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. ANJ's policy is to capitalize property and equipment with a purchase price of \$5,000 or more.

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.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

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

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 events, 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, 2019 and 2018 are advanced receipts associated with ANJ's 37th and 36th annual Conference held in October 2019 and 2018, respectively.

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, 2019 and 2018, 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 State 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.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

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

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 estimates of time and effort and historical time studies. Both the direct and indirect labor cost pool serves as the basis for allocating all other indirect expenses.

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, 2019 and 2018, the ANJ did not owe any UBIT.

The Organization adheres to FASB ASC Topic 740, *Income Taxes*, which provides guidance and clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. For the years ended September 30, 2019 and 2018, the Organization has no material uncertain tax positions to be accounted for in the financial statements.

Annually, ANJ files a federal informational tax return with the United States Internal Revenue Service and also files registrations with various states where they solicit contributions. ANJ is subject to tax examinations generally for three years since their latest filing.

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.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

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

Advertising

Advertising costs for the years ended September 30, 2019 and 2018 amounted to \$4,086 and \$5,004, 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, 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, 2019, the balance at the Financial Institution exceeded the FDIC insured limit by \$197,609. 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, 2019 and 2018, approximately 100% of ANJ's investments were held by one investment manager.

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.

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.

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, 2019 and 2018

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 January 8, 2020, 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, 2019 and 2018, along with the basis for the determination of fair value:

	September 30, 2019		September 30, 2018	
	Total	Level 1	Total	Level 1
Equities	\$ 620,342	\$ 620,342	\$ 597,514	\$ 597,514
Equity Mutual Funds	206,614	206,614	214,555	214,555
Intermediate term Bond Funds	921,076	921,076	842,765	842,765
	<u>\$ 1,748,032</u>	<u>\$ 1,748,032</u>	<u>\$ 1,654,834</u>	<u>\$ 1,654,834</u>

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

	<u>2019</u>	<u>2018</u>
Interest and Dividends	\$ 42,796	\$ 32,572
Net Realized Gains	20,408	46,365
Net Unrealized Gains (Losses)	<u>38,583</u>	<u>(3,511)</u>
Investment Income	101,787	75,426
Less Investment Management Fees	<u>(11,555)</u>	<u>(11,084)</u>
Net Investment Income	<u>\$ 90,232</u>	<u>\$ 64,342</u>

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

Note 4 **Property and Equipment**

Property and equipment at September 30, 2019 and 2018 consists of the following:

	Estimated Useful Life (Years)	<u>2019</u>	<u>2018</u>
Office Equipment	3 & 7	\$ 316,769	\$ 316,769
Furniture and Fixtures	5	<u>81,586</u>	<u>81,586</u>
		398,355	398,355
Less Accumulated Depreciation		<u>379,822</u>	<u>368,197</u>
		<u>\$ 18,533</u>	<u>\$ 30,158</u>

Note 5 **Defined Contribution Plan**

ANJ maintains a Simple IRA plan that covers all employees who have attained age 18 and completed two months 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, 2019 and 2018, retirement plan expense was \$28,601 and \$25,695, respectively.

Note 6 **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 provides for seven months of free rent throughout the duration of the lease term. In June of 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. The lease is also subject to escalation clauses for taxes and other building operating expenses. Deferred rent payable of \$10,416 and \$8,433 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, 2019 and 2018, respectively.

Rent expense was approximately \$95,112 and \$95,388 for the years ended September 30, 2019 and 2018, respectively. In addition, ANJ leases equipment under various non-cancellable operating leases, \$1,174 monthly, that expire on various dates through fiscal year 2023.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

Note 6 **Commitments and Contingencies (cont'd)**

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

<u>Year Ending September 30,</u>	
2020	\$ 109,201
2021	85,421
2022	13,669
2023	<u>1,401</u>
	<u>\$209,692</u>

As of the date of the Report, the Organization was in negotiations to extend the term of the lease effective July 1, 2021 and expiring November 30, 2026, at a monthly rate ranging from \$8,124 to \$9,192, including five months of free rent from July through November 2021. It is likely that a new agreement will be finalized.

Note 7 **Concentration of Revenue**

Annually, the Organization receives \$450,000 and \$250,000, from the State of New Jersey Department of Children and Families and the State of New Jersey Department of Health, respectively. For the years ended September 30, 2019 and 2018, State Grants Receivable of \$122,449 and \$57,500 were due from the State of New Jersey Department of Health.

Government assistance accounted for approximately 26% and 31% of Public Support and Revenue for the years ended September 30, 2019 and 2018. Any significant reduction in the level of funding from government assistance could have a material adverse effect on the Organization's programs.

Note 8 **Non-Cash Contributions**

A listing of total non-cash donations meeting the recognition criteria and included in Revenue on the Statement of Activities for the year ending September 30, 2019 and 2018 is as follows.

	<u>2019</u>	<u>2018</u>
Program donated items	\$ 237,402	\$ 99,509
Donated prizes and gifts	119,232	61,845
Donated auction items	<u>19,343</u>	<u>46,300</u>
	375,977	204,654
Office supplies used internally	<u>13,656</u>	<u>5,064</u>
Non-cash contributions	<u>\$ 389,633</u>	<u>\$ 212,718</u>

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 and 2018

Note 8 Non-Cash Contributions (cont'd)

Accordingly, expenses related to these noncash contributions are recognized at their fair market value as follows on the Statement of Functional Expenses as of September 30, 2019:

<u>Natural Classification</u>	<u>Functional Allocation</u>	<u>2019</u>
Other	Program	\$ 254,108
Meeting and Conferences	Cost of Direct Benefit to Donors	135,101
Professional Fees	Fundraising	<u>424</u>
Total		<u>\$ 389,633</u>

Note 9 Other Matter

Annually, the Organization assists in the execution of 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. The fundraiser is a joint event. 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 8, 2019 and June 9, 2018, and recognized a net profit of \$26,204 and \$42,840 on gross revenues of \$73,360 and \$90,311, for the years ended September 30, 2019 and 2018, respectively.

Note 10 Liquidity and Availability

As part of ANJ'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. Long term obligations of the Organization are detailed in Note 6. Management anticipates meeting general expenditures within one year of the date of the statement of financial position with the funding provided by state grants, contributions and other events.

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year of September 30, 2019 are:

Cash and cash equivalents	\$ 488,156
State Grant Receivable	122,449
Accounts Receivable	19,926
Investments	<u>1,748,032</u>
Total financial assets	<u>\$ 2,378,563</u>

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, 2019, and the related notes to the financial statements, which collectively comprise ANJ's basic financial statements, and have issued our report thereon dated January 8, 2020.

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, Manganelli, Fortunato & Engel, LLC
Certified Public Accountants

Fairfield, New Jersey
January 8, 2020

AUTISM NEW JERSEY, INC
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2019
(SEE NOTE 7)

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	19LMLR	10/01/18-6/30/19	\$337,500	\$335,427
	20LMLR	7/01/19-9/30/19	<u>\$112,500</u>	<u>\$ 89,239</u>
			<u>\$450,000</u>	<u>\$424,666</u>
State of NJ, Department of Health	19EIM002	10/01/18-6/30/19	\$187,500	\$192,503
	20EIM003	7/01/19-9/30/19	<u>\$ 62,500</u>	<u>\$ 56,610</u>
			<u>\$250,000</u>	<u>\$249,113</u>

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, 2019. 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, 2019**

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

**AUTISM NEW JERSEY, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

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, 2018**

X There Were No Audit Findings For This Year.