

AUTISM NEW JERSEY, INC.

**Independent Auditors' Report,
Financial Statements
for the Year Ended September 30, 2020,
and Supplemental Schedules**

AUTISM NEW JERSEY, INC.

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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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Autism New Jersey, Inc. as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on 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 29, 2021, 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, Manganelli, Fortunato & Engel, LLC
Certified Public Accountants

Fairfield, New Jersey
January 29, 2021

AUTISM NEW JERSEY, INC.

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	535,975
Investments		1,649,893
State grants receivable		61,300
Contributions receivable		30,551
Unconditional promises to give		11,500
Other receivables		1,956
Prepaid expenses		50,459
Total current assets		<u>2,341,634</u>

PROPERTY AND EQUIPMENT, NET 9,587

DEPOSITS 35,000

TOTAL ASSETS \$ 2,386,221

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	87,639
Accrued expenses		39,703
Deferred revenue		129,485
Total current liabilities		<u>256,827</u>

PAYCHECK PROTECTION PROGRAM LOAN 213,875

DEFERRED RENT 4,476

TOTAL LIABILITIES 475,178

NET ASSETS WITHOUT DONOR RESTRICTIONS 1,911,043

TOTAL LIABILITIES AND NET ASSETS \$ 2,386,221

AUTISM NEW JERSEY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2020

PUBLIC SUPPORT AND REVENUE:

Government grants	\$	704,689
Conference		709,723
Contributions		363,607
Non-cash contributions		122,141
Fundraising events		136,573
Membership dues		74,251
Program service fees		32,601

Total public support and revenue 2,143,585

EXPENSES:

Program services:		
Autism services		1,629,624
Total program services		<u>1,629,624</u>

Supporting services:		
Management and general		186,934
Fundraising		266,964
Costs of direct benefit to donors		174,324
Total supporting services		<u>628,222</u>

Total expenses 2,257,846

Changes in net assets before non-operating income (loss) (114,261)

NON-OPERATING INCOME:

Investment income		<u>112,774</u>
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Total non-operating income 112,774

CHANGES IN NET ASSETS (1,487)

NET ASSETS AT BEGINNING OF YEAR 1,912,530

NET ASSETS AT END OF YEAR \$ 1,911,043

AUTISM NEW JERSEY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2020

	Program Services		Supporting Services			Total
	Autism Services	Management and General	Fundraising	Costs of Direct Benefit to Donors		
Personnel costs:						
Salaries and wages	\$ 886,907	\$ 47,756	\$ 155,697	\$ -	\$ 1,090,360	
Fringe benefits	87,823	7,278	20,978	-	116,079	
Payroll taxes	73,775	3,677	13,593	-	91,045	
Total personnel costs	<u>1,048,505</u>	<u>58,711</u>	<u>190,268</u>	<u>-</u>	<u>1,297,484</u>	
Meetings and conferences	262,441	2,747	1,852	174,324	441,364	
Occupancy	130,445	8,015	24,628	-	163,088	
Consultants	53,142	51,715	23,507	-	128,364	
Technology and communications	49,351	2,615	11,829	-	63,795	
Printing and postage	36,969	3,889	7,400	-	48,258	
Equipment, repairs and maintenance	14,517	2,798	2,364	-	19,679	
Insurance	8,244	11,970	1,444	-	21,658	
Travel, meals and entertainment	8,012	-	852	-	8,864	
Advertising and marketing	5,171	81	66	-	5,318	
Supplies	3,143	20,302	1,482	-	24,927	
Dues and subscriptions	2,527	-	20	-	2,547	
Professional fees	-	23,554	-	-	23,554	
Total expenses before depreciation	<u>1,622,467</u>	<u>186,397</u>	<u>265,712</u>	<u>174,324</u>	<u>2,248,900</u>	
Depreciation	7,157	537	1,252	-	8,946	
Total expenses	<u>\$ 1,629,624</u>	<u>\$ 186,934</u>	<u>\$ 266,964</u>	<u>\$ 174,324</u>	<u>\$ 2,257,846</u>	

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

AUTISM NEW JERSEY, INC.

STATEMENTS OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (1,487)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation expense	8,946
Unrealized (gain) on investments	(64,211)
Realized loss on investments	23,200
(Increase) decrease in operating assets	
State grants receivable	61,149
Contributions receivable	(10,625)
Unconditional promises to give	(11,500)
Other receivables	(1,956)
Prepaid expenses	40,286
Increase (decrease) in operating liabilities	
Accounts payable	(46,920)
Accrued expenses	15,666
Deferred revenue	(311,806)
Deferred rent	(5,940)
Net cash (used in) operating activities	<u>(305,198)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	-
Purchases of investments	(289,099)
Proceeds from sale of investments	428,241
Net cash used in investing activities	<u>139,142</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from paycheck protection program	213,875
Net cash provided by financing activities	<u>213,875</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 47,819

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 488,156

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 535,975

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. NATURE OF ACTIVITIES

Autism New Jersey, Inc. (the "Organization") was incorporated to assist families, individuals and agencies concerned with the welfare and education of children and adults with autism. Funding for the Organization is derived from contributions and State of New Jersey contracts. The Organization 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting --- The financial statements are prepared on the accrual basis of accounting in accordance with 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, Government Audit Standards, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, the *Contract Policy and Information Manuals* of the State of New Jersey Department of Children and Families and the State of New Jersey Department of Health and other pronouncements applicable to not-for-profit 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 did not have any net assets with donor restrictions as of September 30, 2020.

Cash and cash equivalents --- For cash flow purposes, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. There were no restricted cash components as of September 30, 2020.

Fair value of financial assets and liabilities --- 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.

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fair value of financial assets and liabilities (cont.) — The Fair value hierarchy is defined as follows:

Level 1 – Inputs are quotes prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

Level 3 – Inputs are unobservable inputs for the assets and liabilities. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

Unless otherwise noted, the fair values of financial instruments (except investments) 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.

The Organization uses the income approach to reflect the fair value of unconditional promises to give. The fair value measurement reflects the current market expectations about those future amounts. The present value of those promises is reduced by a discount rate adjustment to arrive at an estimate of future cash flows for the asset.

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. Annually, the Organization performs an assessment of its individual accounts and provides for probable uncollectible amounts through an allowance for doubtful accounts. 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.

As of September 30, 2020, the assessment revealed that the allowance, if any would be trivial in nature and therefore, no allowance has been applied.

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Prepaid expenses --- Prepaid expenses consist of amounts paid in advance for items that had not yet occurred as of the end of the year.

Property and Equipment --- Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, generally three to seven years. The Organization's policy is to capitalize fixed assets with a purchase price of \$5,000 or more. Expenditures for maintenance, repairs and renewals of minor items are charged to operations as incurred. 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 statement of activities.

Contributed property and equipment is recorded at fair value at the date of donation. When a donor stipulation accompanies the donated asset, the contribution is recorded as support with donor restrictions. Annually, the depreciation portion is released from restriction. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Revenue and support recognition --- Contributions, including unconditional promises to give, are recorded as received. All contributions are available for use without restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Management assesses the time value of money based on material pledges to the Organization and the length of time to be received. For immaterial amounts, management does not apply a discount factor. Material unconditional promises to give due in subsequent years are reported on the Statement of Financial Position at the present value of their net realizable value, using interest rates consistent with investment rates applicable to the years in which the promises are to be received.

To the extent that grant revenue and program service fees contain both a barrier of entry and right of return of the asset, the Organization recognizes the revenue in the statements of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Grant revenue and program service fees without such stipulations are treated as contributions or are recognized at the time of service delivery. In applying these concepts, the legal and contractual requirements of each individual program are used as a guideline.

Membership dues are recognized as unconditional contributions and not as exchange transactions.

Conference and fundraising revenue received in advance of events are accounted for as deferred revenue in the statement of financial position.

Donated Services --- The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Net assets with donor restrictions --- Contributions that are restricted by the donor are reported as increases in the fund balance "Without Donor Restriction", if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in the fund balance "With Donor Restriction" When a restriction expires, the balance of that restriction in "With Donor Restriction" is reclassified to "Without Donor Restriction".

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income taxes — The Organization is a not-for-profit organization described under Section 501(c)(3) of the Internal Revenue Code (“I.R.C.”) and is therefore exempt from federal income taxes under Section 501(a) of the I.R.C. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not for Profit Act*. Accordingly, no provision for Federal or State income taxes has been presented in the accompanying financial statements.

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 year ended September 30, 2020, the Organization has no material uncertain tax positions to be accounted for in the financial statements.

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

Use of 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.

Advertising expenses — The Organization expenses costs of advertising when incurred. Total advertising costs for the year ended September 30, 2020 was \$5,318.

Functional allocation of expenses — Expenses are charged to the program or supporting service based on direct expenditures incurred. Any program or supporting service expenditure not directly chargeable is allocated based on an indirect cost pool that is reasonable and consistently applied. Program expenses are those related to the Organization’s autism services. Management and general relate to administrative expenses related to that programs. Fundraising includes direct costs of cultivating donors.

Allocated indirect expenditures include salaries and related payroll expenses, which are allocated on the basis of estimates of time and effort, supported by labor distribution reports, time sheets and time analysis. The direct and indirect labor hours cost pool serves as the basis for allocating all other indirect expenses.

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

3. RISKS AND UNCERTAINTIES

Arising from Cash Deposits in Excess of Insured Limits: The Organization maintains its cash in bank deposit accounts, with no account exceeding the federally insured limits, currently \$250,000. Management believes that the Organization has no significant risk of loss on these amounts due to the failure of the institution.

Investments: Investments are exposed to various risks, such as interest rate, market and credit risk. 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.

Funding dependence: Approximately 30% of the funding for the Organization comes from state assistance annually. This funding is dependent upon monies from state funding programs and accordingly, there is no guarantee that such funding will continue.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following descriptions of the valuation techniques applied to the Organization's major categories of assets measured at fair value on a recurring basis:

Fixed income: Investments in fixed income holdings are valued based on market data and/or quoted market prices from active markets.

Equities: Valued based on market data and/or quoted market prices from active markets.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs.

The following tables present the Organization's financial assets which are measured and recorded at fair value on a recurring basis as of September 30, 2020.

	Fair Value (Level 1)
Fixed income	\$ 841,041
Equities	<u>808,852</u>
Total Investments	<u>\$ 1,649,893</u>

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

5. INVESTMENTS

The cost basis and estimated fair value of investments by the Organization at September 30, 2020 are as follows:

	<u>Cost</u>	<u>Gross unrealized holdings gains</u>	<u>Gross unrealized holdings losses</u>	<u>Estimated Fair Value</u>
Fixed Income	\$ 807,634	\$ 33,407	\$ -	\$ 841,041
Equities	652,076	185,651	(28,875)	808,852
Total	<u>\$ 1,459,710</u>	<u>\$ 219,058</u>	<u>\$ (28,875)</u>	<u>\$ 1,649,893</u>

The composition of investment returns included in net assets in the statement of activities for the year ended September 30, 2020 is as follows:

Interest and dividend income	\$ 36,801
Net realized gains (losses) on investments	23,200
Investment fees	(11,438)
Change in net unrealized gains/(losses)	<u>64,211</u>
Total	<u>\$ 112,774</u>

In evaluating unrealized losses for other-than-temporary impairment, management considers the severity of the unrealized loss for the individual securities and the duration of the loss. All unrealized losses were less than one year, and there were no investments that experienced declines in value that management believes are other than temporary in nature.

6. UNCONDITIONAL PROMISES TO GIVE

Total unconditional promises to give as of September 30, 2020, consist of amounts due in less than one year of \$11,500. Amounts due to the Organization are considered to be fully collectible and therefore, no allowance was applied.

7. PREPAID EXPENSES

Prepaid expenses consisted of the following as of September 30, 2020:

Insurance	\$ 15,111
Information Technology and Communications	12,882
Occupancy	12,215
Conferences	9,158
Printing and postage	<u>1,093</u>
Total	<u>\$ 50,459</u>

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

8. PROPERTY AND EQUIPMENT

A Summary of the Organization's assets as of September 30, 2020 are as follows:

Equipment	\$ 302,819
Furniture	81,586
Website development	<u>13,950</u>
Total	398,355
Less: accumulated depreciation	<u>388,768</u>
Total	<u>\$ 9,587</u>

The total depreciation expense charged to operations for the year ended September 30, 2020 was \$8,946.

9. DEFERRED REVENUE

Deferred revenue consisted of the following at September 30, 2020:

Conference	\$ 107,918
Memberships	<u>21,567</u>
Total	<u>\$ 129,485</u>

10. PAYCHECK PROTECTION PROGRAM LOAN

On April 15, 2020 the Organization obtained a Paycheck Protection Program loan in the amount of \$213,875, pursuant to the terms of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") enacted March 27, 2020. So long as the Organization incurs certain qualifying expenses, they may apply for the loan to be forgiven by the Small Business Administration ("SBA"). Any loan balance remaining following forgiveness by the SBA will be fully amortized over the remaining term of the loan. Unless otherwise forgiven, the loan is due April 15, 2022. Interest is specified at a rate of 1.00%. The funding is uncollateralized. As of September 30, 2020, the Organization has included in long term liabilities \$213,875, the total amount of the loan. Management expects the entire amount will be forgiven and has elected to recognize the forgiveness of the loan as revenue at such time the loan is legally forgiven.

11. COMMITMENTS

Building lease --- In June of 2015, the Organization extended the term of its building lease, which houses the program, management and fundraising functions of Organization. The lease became effective March 1, 2016 and expires June 30, 2021 (monthly installments of approximately \$8,000). On February 4, 2020, the Organization extended the current lease by sixty-five (65) months, commencing on July 1, 2021 and terminating on November 30, 2026 (monthly installments of approximately \$9,500), with no obligation to pay rent from July 1, 2021 through November 30, 2021. The contract details escalation clauses for taxes and other building operating expenses (monthly installments of approximately \$4,300). Deferred rent payable of \$4,476 is the difference between the cumulative amounts recorded for rent 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, 2020. Rent expense for the year ended September 30, 2020 was approximately \$96,000.

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

11. COMMITMENTS (CONT.)

Equipment leases — The Organization also leases copiers and various other equipment for program and business use expiring in various years through 2023. Future minimum payments due under all operating leases in effect at September 30, 2020 are as follows:

2021	\$	136,863
2022		131,063
2023		119,701
2024		118,300
2025		118,300
Thereafter		<u>118,300</u>
	\$	<u>742,527</u>

Other contracts — On December 13, 2019, the Organization entered into a long term commitment with the host of its annual conference for both the October 2021 and October 2022 conferences. Certain cancellation fees and clauses are stipulated in the contract including, if at any time prior to August 1st of the year of the conference, should the Organization experience substantial financial losses (>20% of typical annual revenue) subsequent to the COVID-19 pandemic, cancellation is permitted without financial penalty. The total annual amount of the commitment is approximately \$145,000.

12. NON-CASH CONTRIBUTIONS

Various non-cash items are donated to the Organization. These amounts are reflected in revenue as non-cash contributions on the Statement of Activities and in expenses on the Statement of Functional Expenses in the following categories. Total non-cash contributions as of September 30, 2020 were:

<u>Functional Classification:</u>	<u>Natural Classification:</u>	<u>Amount</u>
Costs of Direct Benefit to Donor	Meetings and conferences	\$ 107,590
Management and General	Supplies	11,551
Management and General	Professional fees	<u>3,000</u>
	Total non-cash contributions	<u>\$ 122,141</u>

13. RETIREMENT PLAN

The Organization maintains a Simple IRA plan (the "Plan"), that covers all employees who have attained the age of 18 years and who have completed two months of service. 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 Internal Revenue 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 year ended September 30, 2020, retirement plan expenses were \$32,244.

AUTISM NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 (CONTINUED)

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization'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. The Organization has in place material long-term contractual commitments, detailed in Note 11. Total annual expenditures from those contracts are included in the general expenditures of the Organization. Unconditional promises to give are subject to implied time restrictions but are expected to be collected within one year.

Management anticipates meeting general expenditures within one year of the date of the statement of financial position with the funding provided by anticipated contributions from the general public and government grant funds.

The following reflects the Organization's financial assets as of September 30, 2020, reduced by amounts not available for general use:

Financial assets at year-end	\$ 2,341,634
Less those unavailable for general expenditures within one year, due to:	
Prepaid expenses	<u>50,459</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,291,175</u>

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 29, 2021, the date on which the financial statements were available to be issued, and have determined that there are no subsequent events that require disclosure.

COVID-19 --- The Organization is evaluating the impact of COVID-19 and its pervasive impact to the overall economy and has determined it cannot reasonably estimate the financial impact, if any, on its operations, assets and material accounting estimates at this time.

**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, 2020, and the related notes to the financial statements, which collectively comprise ANJ's basic financial statements, and have issued our report thereon dated January 29, 2021.

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 29, 2021

**AUTISM NEW JERSEY, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

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, 2020

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, 2019

X There Were No Audit Findings For This Year.

AUTISM NEW JERSEY, INC.

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Grantor/Program title/Pass-through grantor/Program Title	State Contract Number	Contract Period	Grant Award	Current Year Expenditures
New Jersey Department of Children and Families				
Staff and parent training	20LMLR	10/1/19-6/30/20	\$ 337,500	\$ 360,761
Staff and parent training	21LMLR	7/1/20-9/30/20	112,500	93,264
<i>Total New Jersey Department of Children and Families</i>			<u>450,000</u>	<u>454,025</u>
New Jersey Department of Health				
Early Identification and Monitoring	20EIM002	10/1/19-6/30/20	\$ 138,565	\$ 193,390
Early Identification and Monitoring	21EIM003	7/1/20-9/30/20	116,124	61,458
<i>Total New Jersey Department of Health</i>			<u>254,689</u>	<u>254,848</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 704,689	\$ 708,873

AUTISM NEW JERSEY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the audit requirements of *New Jersey 15-08-OMB, Government Audit Standards, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Because the schedule presents only a selected portion of the operations of Autism New Jersey, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Autism New Jersey, Inc. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of state financial assistance are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *New Jersey 15-08-OMB*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has not elected to use the 10-percent de minimus indirect cost rate allowed under *New Jersey 15-08-OMB*.

3. NEW JERSEY STATE SINGLE AUDIT POLICY

The State of New Jersey requires all organizations that disburse federal grant, state grant or state aid funds to recipients that expend \$750,000 or more in federal or state financial assistance within their fiscal year to have annual single audits or program-specific audits performed in accordance with the Uniform Guidance.

All organizations that disburse federal grant, state grant or state aid funds to recipients that expend less than \$750,000 in federal or state financial assistance within their fiscal year, but expend \$100,000 or more in state and/or federal financial assistance within their fiscal year must have either a financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) or a program-specific audit performed in accordance the Uniform Guidance.