

AUTISM NEW JERSEY, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

**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, 2017 and 2016, 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 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 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, 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.

Prior Period Financial Statements

The financial statements as of September 30, 2016 were audited by Simontachi, Miller & DeAngelis, PA who merged with Leaf, Miele, Manganelli, Fortunato & Engel, LLC as of November 1, 2017, and whose report dated January 12, 2017, expressed an unmodified opinion on those statements.

Other Matters

Our audits 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 January 31, 2018, 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
LEAF, MIELE, MANGANELLI, FORTUNATO & ENGEL, LLC

Rockaway, New Jersey
January 31, 2018

AUTISM NEW JERSEY, INC.
STATEMENTS OF
FINANCIAL POSITION
SEPTEMBER 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Current Assets		
Cash and Cash Equivalents	\$ 392,666	\$ 288,106
Investments		
Unrestricted	1,592,768	1,482,029
State Grant Receivable	55,142	60,588
Accounts Receivable	8,255	20,410
Program Supplies	-	15,382
Prepaid expenses and other current assets	<u>47,826</u>	<u>51,614</u>
Total Current Assets	2,096,657	1,918,129
Property and Equipment, Net	13,404	24,082
Security Deposit	<u>35,000</u>	<u>35,000</u>
Total Assets	<u>\$2,145,061</u>	<u>\$1,977,211</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts Payable and accrued expenses	\$ 135,790	\$ 3,120
Deferred revenue	<u>274,689</u>	<u>273,332</u>
Total Current Liabilities	410,479	276,452
Deferred Rent Liability	<u>6,447</u>	<u>4,461</u>
Total Liabilities	<u>416,926</u>	<u>280,913</u>
Commitments and Contingencies		
<u>Net Assets</u>		
Unrestricted net assets	1,728,135	1,696,298
Temporarily restricted net assets	-	-
Total Net Assets	<u>1,728,135</u>	<u>1,696,298</u>
Total Liabilities and Net Assets	<u>\$2,145,061</u>	<u>\$1,977,211</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENTS OF
ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2017 and 2016

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues						
Government Grants	\$ 700,000	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ 700,000
Other Government Grant	(5,445)	-	(5,445)	2,372	-	2,372
Contributions and Bequests	549,491	-	549,491	647,519	-	647,519
Conference Fees	429,846	-	429,846	450,717	-	450,717
Special Events	282,496	-	282,496	419,524	-	419,524
Membership Dues	94,167	-	94,167	83,821	-	83,821
Program Fees and Other Income	106,165	-	106,165	122,058	-	122,058
Investment Income	<u>121,621</u>	<u>-</u>	<u>121,621</u>	<u>117,678</u>	<u>-</u>	<u>117,678</u>
Total Support and Revenues	<u>2,278,341</u>	<u>-</u>	<u>2,278,341</u>	<u>2,543,689</u>	<u>-</u>	<u>2,543,689</u>
Expenses						
Program Services	1,547,380	-	1,547,380	1,438,036	-	1,438,036
Management and General	208,603	-	208,603	170,339	-	170,339
Fund Raising	<u>490,521</u>	<u>-</u>	<u>490,521</u>	<u>646,246</u>	<u>-</u>	<u>646,246</u>
Total Expenses	<u>2,246,504</u>	<u>-</u>	<u>2,246,504</u>	<u>2,254,621</u>	<u>-</u>	<u>2,254,621</u>
Changes in Net Assets	31,837	-	31,837	289,068	-	289,068
Net Assets						
Beginning Balance	<u>1,696,298</u>	<u>-</u>	<u>1,696,298</u>	<u>1,407,230</u>	<u>-</u>	<u>1,407,230</u>
Ending 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>

See Notes to Financial Statements

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

SUPPORTING SERVICES

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Accounting/Legal	\$ -	\$ 30,388	\$ -	\$ 30,388	\$ 30,388
Advertising	2,249	75	-	75	2,324
Bank Charges	10,013	10,705	11,245	21,950	31,963
Board Expense	-	-	-	-	-
Computer Expenses	32,837	2,530	4,682	7,212	40,049
Conferences	25,412	1,438	1,972	3,410	28,822
Contract Services/Consulting	89,204	10,359	23,459	33,818	123,022
Depreciation and Amortization	4,507	5,315	856	6,171	10,678
Dues and Subscriptions	2,129	-	325	325	2,454
Employee Insurance	61,407	4,628	11,494	16,122	77,529
Equipment and Maintenance	52,008	10,098	9,272	19,370	71,378
Event Costs	158,939	4,251	222,802	227,053	385,992
Insurance	9,072	989	1,613	2,602	11,674
Occupancy Costs	99,865	11,802	14,940	26,742	126,607
Other Program Expenses	26,790	31,811	2,470	34,281	61,071
Payroll Taxes	71,027	6,202	13,409	19,611	90,638
Pension	16,548	934	5,053	5,987	22,535
Postage	11,889	-	4,326	4,326	16,215
Printing	32,092	549	9,299	9,848	41,940
Salaries	803,712	71,589	147,411	219,000	1,022,712
Staff Expense	-	1,732	-	1,732	1,732
Supplies	4,961	1,784	1,006	2,790	7,751
Telephone	5,027	386	924	1,310	6,337
Travel, Meals and Entertainment	15,789	136	1,947	2,083	17,872
Utilities	<u>11,903</u>	<u>902</u>	<u>2,016</u>	<u>2,918</u>	<u>14,821</u>
Total	<u>\$1,547,380</u>	<u>\$ 208,603</u>	<u>\$ 490,521</u>	<u>\$ 699,124</u>	<u>\$2,246,504</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENT OF
FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

SUPPORTING SERVICES

	<u>Program</u>	<u>Management</u>		<u>Total</u>	
	<u>Services</u>	<u>and General</u>	<u>Fund Raising</u>	<u>Supporting</u>	<u>Total</u>
				<u>Services</u>	<u>Expenses</u>
Accounting/Legal	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ 20,000
Advertising	6,256	-	-	-	6,256
Bank Charges	8,898	8,316	19,150	27,466	36,364
Board Expense	-	-	-	-	-
Computer Expenses	42,579	3,958	14,528	18,486	61,065
Conferences	31,692	666	1,157	1,823	33,515
Contract Services/Consulting	93,251	6,609	75,078	81,687	174,938
Depreciation and Amortization	8,406	764	1,747	2,511	10,917
Dues and Subscriptions	2,235	145	691	836	3,071
Employee Insurance	65,427	6,354	15,542	21,896	87,323
Equipment and Maintenance	51,163	14,104	12,787	26,891	78,054
Event Costs	121,122	-	289,291	289,291	410,413
Insurance	3,500	289	693	982	4,482
Occupancy Costs	90,021	10,210	18,243	28,543	118,474
Other Program Expenses	16,851	17,658	18,970	36,628	53,479
Payroll Taxes	71,826	6,425	14,260	20,685	92,511
Pension	16,455	1,656	4,389	6,045	22,500
Postage	13,415	685	5,335	6,040	19,455
Printing	37,451	608	9,808	10,416	47,867
Salaries	722,098	65,426	136,172	201,598	923,696
Staff Expense	-	436	39	475	475
Supplies	7,085	4,796	1,692	6,488	13,573
Telephone	4,972	343	1,010	1,353	6,325
Travel, Meals and Entertainment	13,167	20	3,595	3,615	16,782
Utilities	10,166	871	2,049	2,920	13,086
Total	<u>\$1,438,036</u>	<u>\$ 170,339</u>	<u>\$ 646,246</u>	<u>\$ 816,585</u>	<u>\$2,254,621</u>

See Notes to Financial Statements

AUTISM NEW JERSEY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 31,837	\$ 289,068
Adjustments to reconcile changes in Net Assets to Net Cash provided by (used in) operating activities:		
Depreciation and Amortization	10,678	10,917
Net Unrealized Losses (Gains) on Investments	(57,587)	(65,002)
Realized Gain on Sale of Investments	(27,926)	(16,455)
 Change in Operating Assets and Liabilities:		
State Grant Receivable	(55,142)	(60,588)
State Grant Received	60,588	58,216
Decrease (Increase) in Accounts Receivable	2,155	38,090
Contribution Receivable Received	10,000	10,000
Program Supplies	15,382	(15,382)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	3,788	76,359
Increase (Decrease) in Accounts Payable and Accrued Expenses	132,670	(20,540)
Increase (Decrease) in Deferred Revenue	1,357	(166,093)
Increase (Decrease) in Deferred Rent Liability	<u>1,986</u>	<u>4,461</u>
Net Cash Provided by (Used In) Operating Activities	<u>129,786</u>	<u>143,051</u>
 Cash Flows From Investing Activities		
Purchases of Investments	(238,487)	(498,605)
Proceeds from Sale of Investments	213,261	269,602
Proceeds from Liquidation of Investment	<u>-</u>	<u>-</u>
Net Cash provided by (Used In) Investing Activities	<u>(25,226)</u>	<u>(229,003)</u>
 Cash Flows From Financing Activities		
Net Cash Provided By (Used In) Financial Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	104,560	(85,952)
 Cash and Cash Equivalents - Beginning of Year	<u>\$ 288,106</u>	<u>\$ 374,058</u>
 Cash and Cash Equivalents - End of Year	<u>\$ 392,666</u>	<u>\$ 288,106</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, 2017 and 2016

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.

Autism New Jersey Charitable Foundation, Inc. is an affiliated organization formed during 2005 to promote the interests of people with autism exclusively by raising funds on behalf of and distributing funds to ANJ. These entities are collectively referred to as the "Organization" for the year ended September 30, 2013.

Effected on September 13, 2013, by written consent of all its members entitled to vote thereon, Autism New Jersey Charitable Foundation, Inc. elected to dissolve. A Plan of Dissolution was duly adopted by the Corporation on September 25, 2013. All assets of the Corporation have been fairly applied, to the extent possible, to pay the liabilities. The Certificate of Dissolution was filed and recorded with the State of New Jersey on October 15, 2013. The remaining assets of \$826,442 were transferred over to ANJ by September 30, 2013.

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

The financial statement presentation follows the requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, Financial Statements of Not-For-Profit Organizations. Under ASC 958, ANJ is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. ANJ has no permanently restricted net assets, and its unrestricted net assets represent resources over which the board of trustees has discretionary control to use for operations, and are not subject to donor composed restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, ANJ considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

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

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 Association 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, including inputs in markets that are not considered to be active.

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.

Realized and unrealized gains and losses are included in investment income in the statements of activities and changes in net assets. Purchases and sales of securities are recorded on a trade-date basis. In calculating realized gains and losses, the cost of securities sold is determined by the specific-identification method. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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.

Program Supplies:

In August 2016, the Organization entered into three Donation of Property Agreements with Amazon.com for the Organization to distribute and/or use, but not resell, the products in accordance with its charitable mission. Each item was priced by Amazon, recorded by the Organization at 80% of the value provided by Amazon and recorded as Program Supplies (Current Asset) with a corresponding charge to specific program Revenue. Items donated or used by the Organization are recorded as specific program Expense and Office Supplies, respectively.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

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 five 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 restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Allowance for Doubtful Accounts:

ANJ reviews the collectability of its Accounts Receivable annually. At September 30, 2017 and 2016, no allowance for doubtful accounts was deemed necessary.

Revenue and Support Recognition:

In accordance with ASC 958, Financial Statements of Not-For-Profit Organizations, ANJ reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. However, restricted contributions whose restrictions expire or are otherwise satisfied within the period of receipt are reported as unrestricted revenues in the statements of activities and changes in net assets.

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, 2017 and 2016 are advanced receipts associated with ANJ's 35th and 34th annual Education Conference held in October 2017 and 2016, and a Gala function held on November 5, 2015 to commemorate the Organization's 50th anniversary.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

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

Revenue and Support Recognition (cont'd)

Contributions of donated noncash assets to be used to raise funds at the annual auction are recorded at their fair values in the period received. These items are donated and then sold at the annual auction, and the proceeds of this auction in excess of the 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, 2017 and 2016, 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:

Expenses are allocated between program services, management and general, and fund-raising based on historical percentages using the direct cost method, or other reasonable basis consistent with the benefit derived.

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, 2017 and 2016, the ANJ did not owe any UBIT.

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. Generally, ANJ is no longer subject to income tax examinations by U.S. Federal, State or Local tax authorities for years before 2013, which is the standard statute of limitations look-back period.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

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

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, 2017 and 2016 amounted to \$2,324 and \$6,256 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, 2017, the balance at the Financial Institution exceeded the FDIC insured limit by \$129,520. 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, 2017 and 2016, approximately 100% of ANJ's investments were held by one investment manager.

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 31, 2018, the date the financial statements were available for issuance.

Note 3 **Investments**

The following table summarizes ANJ's investments measured at fair value on a recurring basis segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value as of September 30, 2017 and 2016 :

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

Note 3 Investments

2017
Fair Value Measurements Using

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 545,563	\$ 545,563	\$ -	\$ -
Equity Funds	233,120	-	233,120	-
Intermediate-term Bond Fund	<u>814,085</u>	<u>-</u>	<u>814,085</u>	<u>-</u>
	<u>\$ 1,592,768</u>	<u>\$ 545,563</u>	<u>\$ 1,047,205</u>	<u>\$ -</u>

2016
Fair Value Measurements Using

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 473,338	\$ 473,338	\$ -	\$ -
Equity Funds	197,584	-	197,584	-
Intermediate-term Bond Fund	<u>811,107</u>	<u>-</u>	<u>811,107</u>	<u>-</u>
	<u>\$ 1,482,029</u>	<u>\$ 473,338</u>	<u>\$ 1,008,691</u>	<u>\$ -</u>

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

Note 3 Investments (cont'd)

Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. Investments in regulated investment companies or collective investment funds that do not trade on an exchange are valued at the net asset value per share/unit on the valuation date. U.S. government debt and corporate bonds are valued based on the last reported bid provided by broker-dealers. Certificates of deposit are valued using a matrix based on interest rates.

For the years ended September 30, 2017 and 2016, investment income consists of the following:

	<u>2017</u>	<u>2016</u>
Interest and Dividends	\$ 36,108	\$ 36,221
Net Realized Gains	27,926	16,455
Net Unrealized Gains (Losses)	<u>57,587</u>	<u>65,002</u>
Investment Income	121,621	117,678
Less Investment Management Fees	<u>(10,705)</u>	<u>(8,316)</u>
Net Investment Income	<u>\$ 110,916</u>	<u>\$ 109,362</u>

Note 4 Contribution Receivable

In January 2011, the Charitable Foundation was awarded a \$50,000 unrestricted gift pledge payable over a five year period at \$10,000 per year. As of September 30, 2016 and 2015, \$50,000 and \$40,000, respectively, was received. The Donor paid the remaining \$10,000 in November 2015.

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.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

Note 5 **Property and Equipment**

Property and equipment at September 30, 2017 and 2016 consists of the following:

	Estimated Useful Life (Years)	<u>2017</u>	<u>2016</u>
Office Equipment	7	\$ 291,522	\$ 291,522
Furniture and Fixtures	5	<u>81,586</u>	<u>81,586</u>
		373,108	373,108
Less Accumulated Depreciation		<u>359,704</u>	<u>349,026</u>
		<u>\$ 13,404</u>	<u>\$ 24,082</u>

Note 6 **Defined Contribution Plan**

ANJ maintains an incentive savings Section 403(b) defined contribution plan for substantially all employees. The plan provides that eligible employees may defer payments of taxes on a portion of their salary as allowed by Section 403(b) of the Code. Participants vest immediately in their contribution. ANJ does not contribute funds to this plan.

ANJ also 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, 2017 and 2016, Pension expense was \$22,535 and \$22,500, 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 \$6,447 and \$4,461 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, 2017 and 2016, respectively.

Rent expense was approximately \$89,200 and \$92,000 for the years ended September 30, 2017 and 2016, respectively. In addition, ANJ leases equipment under various non-cancellable operating leases, \$2,545 monthly, that expire on various dates through fiscal year 2023.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

Note 7 **Commitments and Contingencies (cont'd)**

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

Year Ending September 30,

2017	\$ 117,726
2018	117,726
2019	103,786
2020	108,924
2021	85,146
2022	<u>13,812</u>
	<u>\$547,120</u>

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 **Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$ - 0 - at September 30, 2017, are comprised of amounts that are restricted for education and time-restricted to future periods.

Note 9 **Concentration of Revenue**

During the years ended September 30, 2017 and 2016, the Organization received approximately 20% and 18%, 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 \$248,750. During the years ended September 30, 2017 and 2016, approximately 11% and 10%, respectively, of its support and revenues was received from this Agency. For the years ended September 30, 2017 and 2016, the \$55,142 and \$60,588 State Grant Receivable was recorded as Government Grants on the Statement of Activities and Changes in Net Assets.

AUTISM NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 and 2016

Note 10 **Other Matter**

During the year that ended September 30, 2015, ANJ initiated a fundraising campaign (Campaign), which continued through the year ending September 30, 2016 to commemorate its 50th anniversary. ANJ raised contributions, net of expenses, of \$23,322 and \$65,473 related to this Campaign for the year ended September 30, 2016 and 2015, respectively. In conjunction with the Campaign, ANJ held a 50th anniversary dinner/dance (The Gala) on November 5, 2015 as a means to raise additional funds in recognition of this 50th anniversary milestone. \$205,600 was received during the year for the Gala and was classified as Deferred Revenue at September 30, 2015. Furthermore, \$81,328 was spent during the year for the Gala and was classified as Prepaid Expenses at September 30, 2015. The Organization recorded a net profit from the Gala of \$190,143, on gross revenues of \$375,217, for the year ended September 30, 2016 .

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 10, 2017 and June 11, 2016, and recognized a net profit of \$45,974 and \$38,560 on gross revenues of \$96,412 and \$83,863, for the years ended September 30, 2017 and 2016, respectively.

**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, 2017, and the related notes to the financial statements, which collectively comprise ANJ's basic financial statements, and have issued our report thereon dated January 31, 2018.

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, Manganello, Fortunato & Engel, LLC
Rockaway, New Jersey
January 31, 2018

AUTISM NEW JERSEY, INC
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2017
(SEE NOTE 9)

<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>State Contract Number</u>	<u>Grant Period</u>	<u>Total Award Received</u>	<u>Expenditures</u>
State Award:				
State of NJ, Department of Children And Families, Division of CSOC	17LMLR	10/01/16-6/30/17	\$337,500	\$347,939
	18LMLR	7/01/17-9/30/17	<u>\$112,500</u>	<u>\$ 86,244</u>
			<u>\$450,000</u>	N <u>\$434,183</u>
State of NJ, Department of Health	17EIM003	10/01/16-6/30/17	\$168,819	\$189,412
	18EIM003	7/01/17-9/30/17	<u>\$ 81,181</u>	<u>\$ 55,143</u>
			<u>\$250,000</u>	N <u>\$244,555</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, 2017. 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, 2017**

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
17LMLR

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, 2017

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, 2016**

- There Were No Audit Findings For This Year.

**AUTISM NEW JERSEY, INC.
 BUDGET TO EXPENSE SCHEDULE
 NJDCF GRANT # 17LMLR
 YEAR ENDED SEPTEMBER 30, 2017**

<u>Budget Category</u>	<u>Budget Amount</u> <u>10/1/16-6/30/17</u>	<u>Actual</u> <u>Expenditures</u> <u>10/1/16-6/30/17</u>	<u>Budget</u> <u>Variance</u>
Personnel	\$228,530	\$220,712	\$ (7,818)
Consultants and Professional Fees	6,372	9,326	2,954
Material and Supplies	3,601	2,968	(633)
Facility Cost	40,324	43,728	3,404
Other	34,315	43,995	9,680
General and Administrative	<u>26,661</u>	<u>27,210</u>	<u>549</u>
	339,803	347,939	8,136
Revenue	<u>(2,303)</u>	<u>-</u>	<u>2,303</u>
	<u>\$ 337,500</u>	<u>\$347,939</u>	<u>\$ 10,439</u>

Note: This grant is for the period July 1, 2016 through June 30, 2017, in the total amount of \$450,000, (See Note 9).

AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDCF GRANT # 18LMLR
YEAR ENDED SEPTEMBER 30, 2017

<u>Budget Category</u>	<u>Budget Amount 7/1/17 -9/30/17</u>	<u>Actual Expenditures 7/1/17 -9/30/17</u>	<u>Budget Variance</u>
Personnel	\$ 79,112	\$ 61,435	\$ (17,677)
Consultants and Professional Fees	2,049	2,465	416
Material and Supplies	989	556	(433)
Facility Cost	11,980	12,856	876
Other	11,178	2,671	(8,507)
General and Administrative	<u>8,017</u>	<u>6,261</u>	<u>(1,756)</u>
	113,325	86,244	(27,081)
Revenue	<u>(825)</u>	<u>-</u>	<u>825</u>
	<u>\$ 112,500</u>	<u>\$ 86,244</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
 NJDOH GRANT # 17EIM003
 YEAR ENDED SEPTEMBER 30, 2017**

<u>Budget Category</u>	<u>Budget Amount</u> <u>10/1/16- 6/30/17</u>	<u>Actual</u> <u>Expenditures</u> <u>10/1/16- 6/30/17</u>	<u>Budget</u> <u>Variance</u>
Personnel	\$ 143,784	\$ 141,627	\$ (2,157)
Office Expense & Related Cost	18,159	16,559	(1,600)
Program Expense & Related Cost	3,690	4,920	1,230
Travel, Conference & Meetings	21,315	1,891	(19,424)
Facility Cost	552	19,176	18,624
Other	<u>-</u>	<u>5,239</u>	<u>5,239</u>
	<u>\$ 187,500</u>	<u>\$ 189,412</u>	<u>\$ 1,912*</u>

Note: This Grant is for the Period July 1, 2016 through June 30, 2017, in the total amount of \$250,000, (See Note 9).

* Receivable at September 30, 2016 was \$60,588.

**AUTISM NEW JERSEY, INC.
BUDGET TO EXPENSE SCHEDULE
NJDOH GRANT # 18EIM003
YEAR ENDED SEPTEMBER 30, 2017**

<u>Budget Category</u>	<u>Budget Amount 7/1/17 -9/30/17</u>	<u>Actual Expenditures 7/1/17 -9/30/17</u>	<u>Budget Variance</u>
Personnel	\$ 49,545	\$ 44,338	\$ (5,207)
Office Expense & Related Cost	4,442	3,649	(793)
Program Expense & Related Cost	1,230	-	(1,230)
Facility Cost	6,706	7,155	449
Travel, Conference and Meetings	265	-	(265)
Other	-	-	-
	<u>\$ 62,188</u>	<u>\$ 55,142*</u>	<u>\$ (7,046)</u>

Note: This Grant is for the Period July 1, 2017 through June 30, 2018, in the total amount of \$248,750, (See Note 9).

* Receivable at September 30, 2017.

AUTISM NEW JERSEY, INC.
ADDITIONAL INFORMATION REQUIRED BY
STATE OF NEW JERSEY
YEAR ENDED SEPTEMBER 30, 2017

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, 2017 and 2016 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, 2017 and 2016 will be timely filed and was filed in compliance with statutory requirements.
4. There were no questioned costs as a result of this audit.