

Autism New Jersey, Inc. and Affiliate

Consolidated Financial Report

September 30, 2009

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Independent Auditor's Report

To the Boards of Trustees
Autism New Jersey, Inc. and Affiliate
Robbinsville, New Jersey

We have audited the accompanying consolidated statement of financial position of Autism New Jersey, Inc. and Affiliate (the "Organization") as of September 30, 2009 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of the Organization for the year ended September 30, 2008 were audited by other auditors whose report, dated June 18, 2009, expressed an unqualified opinion on those statements.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 2009 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Autism New Jersey, Inc. and Affiliate as of September 30, 2009 and the changes in their net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating supplementary information contained on pages 14 to 17 is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities. The consolidating supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

New York New York
March 18, 2011

Autism New Jersey, Inc. and Affiliate

**Consolidated Statements of Financial Position
September 30, 2009 and 2008**

	2009	2008
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 111,347	\$ 1,506,731
Investments	2,748,272	-
Grant receivable	-	13,631
Accounts receivable	44,008	14,444
Unconditional promise to give, net	6,335	16,335
Prepaid expenses and other current assets	32,668	24,122
Total current assets	2,942,630	1,575,263
Property and Equipment, net	369,508	390,013
Total assets	\$ 3,312,138	\$ 1,965,276
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 103,760	\$ 35,553
Accrued expenses	116,598	167,014
Deferred revenue	52,702	-
Current portion of mortgage payable	6,160	5,745
Total current liabilities	279,220	208,312
Long-Term Liability - mortgage payable, net of current portion	115,084	120,618
Commitments and Contingencies		
Net Assets:		
Unrestricted net assets	2,911,499	1,620,011
Temporarily restricted net assets	6,335	16,335
Total net assets	2,917,834	1,636,346
Total liabilities and net assets	\$ 3,312,138	\$ 1,965,276

See Notes to Consolidated Financial Statements.

Autism New Jersey, Inc. and Affiliate

**Consolidated Statements of Activities
Years Ended September 30, 2009 and 2008**

	2009			2008		
	<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	\$ 618,003	\$ -	\$ 618,003	\$ 983,090	\$ -	\$ 983,090
Contributions and bequests	2,559,026	-	2,559,026	477,507	-	477,507
Conference fees	122,915	-	122,915	378,824	-	378,824
Special events	151,205	-	151,205	171,938	-	171,938
Community events	-	-	-	263,757	-	263,757
Membership dues	114,700	-	114,700	128,640	-	128,640
Program fees and other income	17,558	-	17,558	53,773	-	53,773
Investment income	32,545	-	32,545	45,598	-	45,598
Subtotal	3,615,952	-	3,615,952	2,503,127	-	2,503,127
Net Assets Released Due to Satisfaction of Time and Purpose Restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>36,572</u>	<u>(36,572)</u>	<u>-</u>
Total support and revenues	3,625,952	(10,000)	3,615,952	2,539,699	(36,572)	2,503,127
Expenses:						
Program services	1,382,675	-	1,382,675	1,796,042	-	1,796,042
Management and general	598,765	-	598,765	422,490	-	422,490
Fund-raising	353,024	-	353,024	356,209	-	356,209
Total expenses	2,334,464	-	2,334,464	2,574,741	-	2,574,741
Changes in Net Assets	1,291,488	(10,000)	1,281,488	(35,042)	(36,572)	(71,614)
Net Assets:						
Beginning	<u>1,620,011</u>	<u>16,335</u>	<u>1,636,346</u>	<u>1,655,053</u>	<u>52,907</u>	<u>1,707,960</u>
Ending	<u>\$ 2,911,499</u>	<u>\$ 6,335</u>	<u>\$ 2,917,834</u>	<u>\$ 1,620,011</u>	<u>\$ 16,335</u>	<u>\$ 1,636,346</u>

See Notes to Consolidated Financial Statements.

Autism New Jersey, Inc. and Affiliate

**Consolidated Statement of Functional Expenses
Year Ended September 30, 2009**

	<u>Supporting Services</u>				<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Supporting Services</u>	
Accounting	\$ -	\$ 14,312	\$ -	\$ 14,312	\$ 14,312
Advertising	-	10,838	-	10,838	10,838
Conferences	22,476	3,096	1,869	4,965	27,441
Contract services/consulting	97,122	90,031	21,199	111,230	208,352
Donations	-	2,000	43	2,043	2,043
Depreciation and amortization	19,806	8,255	3,939	12,194	32,000
Dues and subscriptions	4,250	637	-	637	4,887
Equipment and maintenance	74,425	7,678	16,057	23,735	98,160
Events cost	23,751	21,875	71,346	93,221	116,972
Employee insurance	79,018	32,932	15,715	48,647	127,665
Insurance	16,361	6,819	3,254	10,073	26,434
Interest	5,728	2,387	1,139	3,526	9,254
Miscellaneous	12,247	6,799	2,485	9,284	21,531
Other program expenses	16,526	6,799	2,485	9,284	25,810
Payroll taxes	66,307	27,635	13,187	40,822	107,129
Pension	11,938	4,976	2,374	7,350	19,288
Postage	39,507	-	11,127	11,127	50,634
Printing	86,183	-	22,255	22,255	108,438
Rent	11,075	4,642	2,947	7,589	18,664
Salaries	743,123	309,715	147,789	457,504	1,200,627
Supplies	6,294	21,595	788	22,383	28,677
Travel, meals and entertainment	29,646	8,512	8,904	17,416	47,062
Utilities	16,892	7,232	4,122	11,354	28,246
Total	\$ 1,382,675	\$ 598,765	\$ 353,024	\$ 951,789	\$ 2,334,464

See Notes to Consolidated Financial Statements.

Autism New Jersey, Inc. and Affiliate

**Consolidated Statement of Functional Expenses
Year Ended September 30, 2008**

	<u>Supporting Services</u>				<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Total Supporting Services</u>	
Accounting	\$ 8,100	\$ 3,900	\$ -	\$ 3,900	\$ 12,000
Advertising	6,126	-	-	-	6,126
Conferences	17,648	6,936	10,445	17,381	35,029
Contract services/consulting	150,062	53,381	13,208	66,589	216,651
Donations	2,450	-	2,749	2,749	5,199
Depreciation and amortization	19,225	23,071	-	23,071	42,296
Dues and subscriptions	3,215	1,415	-	1,415	4,630
Equipment and maintenance	48,602	21,442	25,769	47,211	95,813
Events cost	161,814	6,625	117,908	124,533	286,347
Employee insurance	62,292	12,698	6,629	19,327	81,619
Insurance	15,719	-	5,641	5,641	21,360
Interest	6,067	1,379	1,747	3,126	9,193
Miscellaneous	3,744	27,004	8,348	35,352	39,096
Other program expenses	64,001	13,929	5,023	18,952	82,953
Payroll taxes	70,811	14,434	7,536	21,970	92,781
Pension	13,423	6,557	3,575	10,132	23,555
Postage	34,228	1,448	14,280	15,728	49,956
Printing	152,239	359	17,328	17,687	169,926
Rent	13,604	2,185	2,781	4,966	18,570
Salaries	869,126	177,164	92,491	269,655	1,138,781
Supplies	17,045	34,349	10,002	44,351	61,396
Travel, meals and	39,416	9,751	6,253	16,004	55,420
Utilities	17,085	4,463	4,496	8,959	26,044
Total	<u>\$ 1,796,042</u>	<u>\$ 422,490</u>	<u>\$ 356,209</u>	<u>\$ 778,699</u>	<u>\$ 2,574,741</u>

See Notes to Consolidated Financial Statements

Autism New Jersey, Inc. and Affiliate

**Consolidated Statements of Cash Flows
Years Ended September 30, 2009 and 2008**

	2009	2008
Cash Flows From Operating Activities:		
Changes in net assets	\$ 1,281,488	\$ (71,614)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	32,000	42,296
Unrealized gain in sale of investments	(45,460)	-
Realized gain on sale of investments	(749)	-
Change in operating assets and liabilities:		
Decrease in grant receivable	13,631	36,855
(Increase) decrease in accounts receivable	(29,564)	28,251
Decrease in unconditional promise to give, net	10,000	11,047
Increase in prepaid expenses and other current assets	(8,546)	(6,826)
Increase in accounts payable	68,207	26,764
(Decrease) increase in accrued expenses	(50,416)	125,178
Increase (decrease) in deferred revenue	52,702	(14,950)
	<u>1,323,293</u>	<u>177,001</u>
Net cash provided by operating activities	1,323,293	177,001
Cash Flows From Investing Activities		
Purchases of property and equipment	(11,495)	(10,634)
Purchases of investments	(2,784,221)	-
Proceeds from sale of investments	82,158	-
	<u>(2,713,558)</u>	<u>(10,634)</u>
Net cash used in investing activities	(2,713,558)	(10,634)
Cash Flows Used in Financing Activities - principal payments on long-term debt	(5,119)	(5,179)
	<u>(5,119)</u>	<u>(5,179)</u>
Net (decrease) increase in cash and cash equivalents	(1,395,384)	161,188
Cash and Cash Equivalents:		
Beginning	<u>1,506,731</u>	<u>1,345,543</u>
Ending	<u>\$ 111,347</u>	<u>\$ 1,506,731</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 8,657</u>	<u>\$ 9,193</u>

See Notes to Consolidated Financial Statements.

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Organizations

Autism New Jersey, Inc. ("ANJ") is incorporated to assist families, individuals and agencies concerned with the welfare and education of children and adults with autism. Funding for ANJ 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. During the year ended September 30, 2008, this entity changed its name from The New Jersey Center for Outreach and Services for the Autism Community, Inc. to Autism New Jersey, Inc.

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".

Note 2. Summary of Significant Accounting Policies

The Financial Accounting Standards Board (the "FASB") Accounting Standards Codification (the "Codification" or "ASC") became effective July 1, 2009, at which point all then-existing non-SEC accounting and reporting standards were superseded. As a result of the adoption of the Codification, the Organization changed the way it references accounting principles generally accepted in the United States of America throughout the notes to the financial statements. This standard did not have an impact on the consolidated financial statements.

Principles of Consolidation: The consolidated financial statements include accounts of Autism New Jersey, Inc. and Affiliate (Autism New Jersey Charitable Foundation, Inc.), which have been consolidated. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting: The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Basis of Presentation: The Organization reports contributions received, including promises to give cash and other assets, as unrestricted, temporarily restricted or permanently restricted revenue depending on the existence and/or nature of any donor restrictions.

Information regarding the Organization's financial position and activities are reported in three classes of net assets – permanently restricted, temporarily restricted and unrestricted. As of and for the years ended September 30, 2009 and 2008, the Organization had no permanently restricted net assets.

Revenue and Support Recognition: In accordance with ASC 958, *Accounting for Contributions Received and Contributions Made*, the Organization 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 statement of activities 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 consolidated statement of activities.

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.

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 consolidated statement of financial position.

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 on the consolidated statement of activities. Contributions of donated services that create or enhance non-financial 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, 2009 and 2008, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was not material and has not been recorded.

Revenue from government grants is recorded when expenditures are incurred and are billable to the government.

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 Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly, no provision for federal or state income taxes has been recorded in the financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* - an interpretation of FASB Statement No. 109 (now referred to as ASC 740). ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes*. ASC 740 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. ASC 740 also provides guidance on derecognition of tax benefits, classification on the statement of financial position, interest and penalties, accounting in interim periods, disclosure and transition.

In December 2008, the FASB provided for a deferral of the effective date of ASC 740 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected this deferral and, accordingly, will be required to adopt ASC 740 in its 2010 annual financial statements. Prior to adoption of ASC 740, the Organization will continue to evaluate its uncertain tax positions and related income tax contingencies under FASB SFAS No. 5, *Accounting for Contingencies* (now referred to as ASC 450). ASC 450 requires the Organization to accrue for losses it believes are probable and can be reasonably estimated. Management has not assessed the impact of ASC 740 on its consolidated financial position and change in net assets.

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 forty 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 consolidated statement of activities.

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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.

Cash and Cash Equivalents: For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Estimates: The preparation of consolidated 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.

Allowance for Doubtful Accounts: The Organization reviews the collectibility of its receivables annually. At September 30, 2009 and 2008, no allowance for doubtful accounts was deemed necessary.

Advertising: Advertising costs for the years ended September 30, 2009 and 2008 amounted to \$10,838 and \$6,126, respectively and were expensed as incurred.

Concentration of Market and Credit Risks: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any credit risk-related losses. In order to control market risk, the Organization has an investment committee that oversees its investment portfolio and performs an ongoing evaluation of its investment manager. Approximately 91% of the Organization's investments are held by one investment manager.

Note 3. Grant Receivable

The Organization operates its programs under various grants and contracts. At September 30, 2008 the Organization was due certain amounts from funding sources for expenditures incurred or services rendered in excess of payments received. No amounts were due from these funding sources at September 30, 2009. The following details the grant receivable balance at September 30, 2008:

<u>Funding Organization</u>	<u>2008</u>
State of New Jersey, Department of Human Services: Division of Developmental Disabilities - Operating contract	<u>\$ 13,631</u>

Note 4. Fair Value Measurements

The Organization reports its investments under ASC 820 (formerly SFAS No. 157), *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. Fair value is 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. ASC 820 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under ASC 820, fair value measurements are disclosed by level within that hierarchy.

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

The Organization determines the fair values of its investments based on the fair value hierarchy established in ASC 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value, which are 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 assess at the measurement date.

Level 2: Inputs other than quoted prices for identical assets or liabilities which 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.

The following table summarizes investments measured at fair value on a recurring basis as of September 30, 2009 segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Description	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 731,278	\$ 731,278	\$ -	\$ -
Short-term bond fund	313,085	313,085	-	-
Intermediate-term bond fund	1,199,054	1,199,054	-	-
Certificates of Deposit	210,000	-	210,000	-
U.S. Treasury Bills	294,855	-	294,855	-
	<u>\$ 2,748,272</u>	<u>\$ 2,243,417</u>	<u>\$ 504,855</u>	<u>\$ -</u>

Investments are reported at fair value. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

Autism New Jersey, Inc. and Affiliate**Notes to Consolidated Financial Statements**

Note 5. Property and Equipment

Property and equipment at September 30, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Land and building	\$ 485,910	\$ 485,910
Office equipment	220,933	209,438
Improvements	32,014	32,014
Furniture and fixtures	<u>31,913</u>	<u>31,913</u>
	770,770	759,275
Less accumulated depreciation	<u>401,262</u>	<u>369,262</u>
	<u>\$ 369,508</u>	<u>\$ 390,013</u>

Note 6. Line of Credit

On March 5, 2009, the Organization entered into a \$200,000 revolving line of credit with a financial institution that matures on March 5, 2010. Borrowings under this credit facility are for general operating needs of the Organization. Interest charged on the unpaid principle balance on the Line is at prime plus .75%. There was no outstanding balance on the revolving line of credit at September 30, 2009.

Note 7. Mortgage Payable

Mortgage payable is secured by the land and building located at 1450 Parkside Avenue, with interest at the rate of 7.00% per annum. Monthly payments of \$1,198 of principal and interest are payable until maturity in August 2022.

Mortgage payable	\$ 121,244
Less current portion	<u>6,160</u>
Mortgage payable - long-term	<u><u>\$ 115,084</u></u>

Required principal payments subsequent to September 30, 2009 are as follows:

Year ending September 30,

2010	\$ 6,160
2011	6,606
2012	7,083
2013	7,595
2014	8,144
Thereafter	<u>85,656</u>
	<u><u>\$ 121,244</u></u>

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 8. Defined Contribution Plan

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

The Organization also maintains a Simple IRA plan that covers all employees who have attained age 18 and completed one year of service with the Organization. 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, 2009 and 2008 pension expense was \$19,288 and \$23,555, respectively.

Note 9. Commitments and Contingencies

The Organization leases equipment and subsequent to year end leases office space under various noncancelable operating leases which expire on various dates through 2015. In connection with these leases, rent expense amounted to \$18,664 and \$18,570 for the years ended September 30, 2009 and 2008, respectively.

Future minimum lease obligations for the equipment and vehicles as of September 30, 2009 are as follows:

Year ending September 30,

2010	\$ 50,665
2011	109,557
2012	108,361
2013	95,196
2014	95,196
Thereafter	<u>111,089</u>
	<u>\$ 570,064</u>

In February 2010, the Organization entered into an operating lease agreement (the "lease") for new building space with a sixty-seven month term with monthly lease payments of \$7,926. 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.

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

The Organization has previously received funds from the State of New Jersey, Division of Developmental Disabilities (DDD) for the purchase of certain equipment. Title to all equipment purchased in whole or in part under a DDD contract is held by the Organization. The State, however, maintains an equitable interest in this equipment. For equipment having an acquisition cost of \$5,000 or more for which the purchase price was entirely paid by DDD funds, DDD has the right to require transfer of the equipment and title to the State or to an eligible non-state party named by DDD. This transfer may occur at any time.

Autism New Jersey, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$6,335 and \$16,335 at September 30, 2009 and 2008, respectively, are comprised of amounts which are time restricted to future periods.

Note 11. Concentration of Revenue

During the years ended September 30, 2009 and 2008, the Organization received approximately 18% and 39%, respectively, of its support and revenues from the State of New Jersey, Departments of Human Services and the Treasury, with contracts that are renewed annually. Any significant reduction in the level of support from the State of New Jersey, Departments of Human Services and Treasury could have a material adverse effect on the Organization's programs.

The Organization was a beneficiary of a will and trust agreement. Its share of the bequest amounting to \$1,837,929 was recorded in the consolidated statement of activities for the year ended September 30, 2009 as the probate courts declared the testamentary instrument valid and the proceeds were measurable and received. This bequest comprised approximately 51% of the Organization's support and other revenues for the year ended September 30, 2009.

Note 12. Subsequent Event

In February 2010, the Organization sold two of its condominium units located at 1450 Parkside Avenue to an unrelated third party for approximately \$342,000. Proceeds received net of initial deposit, and other closing costs amounted to approximately \$312,000. Additionally, the Organization entered into a noncancellable operating lease agreement for new building space (See Note 9).

The Organization evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the consolidated financial statements. Such evaluation is performed through the date the consolidated financial statements are available for issuance, which was March 18, 2011 for these consolidated financial statements.

Autism New Jersey, Inc. and Affiliate

**Consolidating Statement of Financial Position
September 30, 2009**

	<u>ANJ</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 74,983	\$ 36,364	\$ -	\$ 111,347
Investments	2,138,660	609,612	-	2,748,272
Accounts receivable	44,008	-	-	44,008
Unconditional promise to give, net	-	6,335	-	6,335
Prepaid expenses and other current assets	32,668	-	-	32,668
Total current assets	2,290,319	652,311	-	2,942,630
Property and Equipment, net	369,508	-	-	369,508
Total assets	<u>\$ 2,659,827</u>	<u>\$ 652,311</u>	<u>\$ -</u>	<u>\$ 3,312,138</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 50,469	\$ 53,291	\$ -	\$ 103,760
Accrued expenses	116,598	-	-	116,598
Deferred revenue	52,702	-	-	52,702
Current portion of mortgage payable	6,160	-	-	6,160
Total current liabilities	225,929	53,291	-	279,220
Long-Term Liability - mortgage payable, net of current portion	115,084	-	-	115,084
Commitments and Contingencies				
Net Assets:				
Unrestricted net assets	2,318,814	592,685	-	2,911,499
Temporarily restricted net assets	-	6,335	-	6,335
Total net assets	2,318,814	599,020	-	2,917,834
Total liabilities and net assets	<u>\$ 2,659,827</u>	<u>\$ 652,311</u>	<u>\$ -</u>	<u>\$ 3,312,138</u>

Autism New Jersey, Inc. and Affiliate

**Consolidating Statement of Financial Position
September 30, 2008**

	<u>ANJ</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 796,977	\$ 709,754	\$ -	\$ 1,506,731
Grant receivable	13,631	-	-	13,631
Accounts receivable	14,444	-	-	14,444
Unconditional promise to give, net	-	16,335	-	16,335
Prepaid expenses and other current assets	24,122	-	-	24,122
Total current assets	849,174	726,089	-	1,575,263
Property and Equipment, net	390,013	-	-	390,013
Total assets	<u>\$ 1,239,187</u>	<u>\$ 726,089</u>	<u>\$ -</u>	<u>\$ 1,965,276</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 35,553	\$ -	\$ -	\$ 35,553
Accrued expenses	167,014	-	-	167,014
Current portion of mortgage payable	5,745	-	-	5,745
Total current liabilities	208,312	-	-	208,312
Long-Term Liability - mortgage payable, net of current portion	120,618	-	-	120,618
Commitments and Contingencies				
Net Assets:				
Unrestricted net assets				
Temporarily restricted net assets	910,257	709,754	-	1,620,011
	-	16,335	-	16,335
Total net assets	910,257	726,089	-	1,636,346
Total liabilities and net assets	<u>\$ 1,239,187</u>	<u>\$ 726,089</u>	<u>\$ -</u>	<u>\$ 1,965,276</u>

Autism New Jersey, Inc. and Affiliate

Consolidating Statement of Activities and Changes in Net Assets
Year Ended September 30, 2009

	ANJ		Foundation		Elimination	Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		
Support and Revenues:						
Government grants	\$ 618,003	\$ -	\$ -	\$ -	\$ -	\$ 618,003
Contributions and bequests	2,712,306	-	15,385	-	(168,665)	2,559,026
Conference income	122,915	-	-	-	-	122,915
Special events	151,205	-	-	-	-	151,205
Membership income	114,700	-	-	-	-	114,700
Program fees and other income	17,558	-	-	-	-	17,558
Investment income	6,334	-	26,211	-	-	32,545
Subtotal	3,743,021	-	41,596	-	(168,665)	3,615,952
Net Assets Released from Restrictions Upon Satisfaction of Time and Purpose Restrictions	-	-	10,000	(10,000)	-	-
Total support and revenues	3,743,021	-	51,596	(10,000)	(168,665)	3,615,952
Expenses:						
Program services	1,382,675	-	168,665	-	(168,665)	1,382,675
Management and general	598,765	-	-	-	-	598,765
Fund-raising	353,024	-	-	-	-	353,024
Total expenses	2,334,464	-	168,665	-	(168,665)	2,334,464
Changes in net assets	1,408,557	-	(117,069)	(10,000)	-	1,281,488
Net Assets:						
Beginning	910,257	-	709,754	16,335	-	1,636,346
Ending	<u>\$ 2,318,814</u>	<u>\$ -</u>	<u>\$ 592,685</u>	<u>\$ 6,335</u>	<u>\$ -</u>	<u>\$ 2,917,834</u>

Autism New Jersey, Inc. and Affiliate

Consolidating Statement of Activities and Changes in Net Assets
Year Ended September 30, 2008

	<u>ANJ</u>		<u>Foundation</u>		<u>Elimination</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		
Support and Revenues:						
Government grants	\$ 983,090	\$ -	\$ -	\$ -	\$ -	\$ 983,090
Contributions	480,608	-	16,818	-	(19,919)	477,507
Conference income	378,824	-	-	-	-	378,824
Special events	171,938	-	-	-	-	171,938
Community events	263,757	-	-	-	-	263,757
Membership income	128,640	-	-	-	-	128,640
Program fees and other income	53,773	-	-	-	-	53,773
Investment income	<u>22,384</u>	<u>-</u>	<u>23,214</u>	<u>-</u>	<u>-</u>	<u>45,598</u>
Subtotal	2,483,014	-	40,032	-	(19,919)	2,503,127
Net Assets Released From Restrictions Upon Satisfaction of Time and Purpose Restrictions	<u>25,525</u>	<u>(25,525)</u>	<u>11,047</u>	<u>(11,047)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>2,508,539</u>	<u>(25,525)</u>	<u>51,079</u>	<u>(11,047)</u>	<u>(19,919)</u>	<u>2,503,127</u>
Expenses:						
Program services	1,796,042	-	-	-	-	1,796,042
General and administrative	422,490	-	-	-	-	422,490
Fund-raising	<u>347,220</u>	<u>-</u>	<u>28,908</u>	<u>-</u>	<u>(19,919)</u>	<u>356,209</u>
Total expenses	<u>2,565,752</u>	<u>-</u>	<u>28,908</u>	<u>-</u>	<u>(19,919)</u>	<u>2,574,741</u>
Changes in net assets	(57,213)	(25,525)	22,171	(11,047)	-	(71,614)
Net Assets:						
Beginning	<u>967,470</u>	<u>25,525</u>	<u>687,583</u>	<u>27,382</u>	<u>-</u>	<u>1,707,960</u>
Ending	<u>\$ 910,257</u>	<u>\$ -</u>	<u>\$ 709,754</u>	<u>\$ 16,335</u>	<u>\$ -</u>	<u>\$ 1,636,346</u>