

**AUTISM NEW JERSEY, INC.
AND AFFILIATE**

CONSOLIDATED FINANCIAL REPORT

SEPTEMBER 30, 2011 AND 2010

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL REPORT**

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INDEPENDENT AUDITORS' REPORT

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

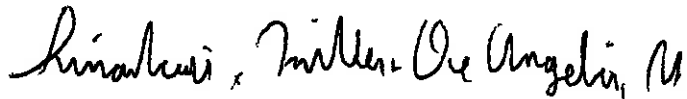
We have audited the accompanying consolidated statement of financial position of Autism New Jersey, Inc. and Affiliate (the "Organization") as of September 30, 2011, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then 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 Autism New Jersey, Inc. and Affiliate as of September 30, 2010 were audited by other auditors whose opinion dated April 30, 2012 expressed an unqualified opinion on those consolidated 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 opinion.

In our opinion, the 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, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit for September 30, 2011 was conducted for the purpose of forming an opinion on the Organization's basic consolidated financial statements taken as a whole.

The accompanying consolidating supplementary information contained on Pages 19 through 22 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.



Simontacchi, Miller & DeAngelis, PA
Rockaway, NJ 07866
August 7, 2012

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010**

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and Cash Equivalents	\$ 108,993	\$ 48,755
Investments		
Unrestricted	1,419,039	1,889,831
Restricted for line of credit	216,938	215,929
Accounts Receivable	37,431	42,577
Current Portion of Contribution Receivable	10,000	-
Prepaid expenses and other current assets	<u>35,505</u>	<u>17,015</u>
Total Current Assets	1,827,906	2,214,107
Contribution Receivable, Net of Current Portion	30,000	-
Property and Equipment, Net	230,043	256,598
Security Deposit	<u>35,000</u>	<u>35,000</u>
Total Assets	<u>\$2,122,949</u>	<u>\$2,505,705</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Bank Line of Credit	\$ 50,000	\$ -
Accounts Payable and accrued expenses	86,716	55,637
Deferred revenue	179,659	78,365
Current portion of mortgage payable	<u>7,083</u>	<u>6,606</u>
Total Current Liabilities	323,458	140,608
Long-term Liability - mortgage payable, net of current portion	101,266	108,709
Deferred Rent Liability	<u>14,659</u>	<u>5,409</u>
Total Liabilities	<u>439,383</u>	<u>254,726</u>
Commitments and Contingencies		
<u>Net Assets</u>		
Unrestricted net assets	1,669,436	2,236,849
Temporarily restricted net assets	<u>14,130</u>	<u>14,130</u>
Total Net Assets	<u>1,683,566</u>	<u>2,250,979</u>
Total Liabilities and Net Assets	<u>\$2,122,949</u>	<u>\$2,505,705</u>

See Notes to Consolidated Financial Statements

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF
ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	2011		2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues					
Government Grants	\$ 560,578	-	\$ 463,502	-	\$ 463,502
Contributions and Bequests	623,279	-	523,234	14,130	537,364
Conference Fees	178,315	-	235,361	-	235,361
Special Events	126,120	-	108,121	-	108,121
Membership Dues	38,267	-	90,060	-	90,060
Program Fees and Other Income	89,676	-	19,032	-	19,032
Investment Income	(11,493)	-	151,535	-	151,535
Gain on Sale of Condominium	-	-	<u>151,191</u>	-	<u>151,191</u>
Subtotal	<u>1,604,742</u>	<u>-</u>	<u>1,742,036</u>	<u>14,130</u>	<u>1,756,166</u>
Net Assets Released from Restrictions Upon Satisfaction of Time and Purpose Restrictions	<u>-</u>	<u>-</u>	<u>6,335</u>	<u>(6,335)</u>	<u>-</u>
Total Support and Revenues	<u>1,604,742</u>	<u>-</u>	<u>1,748,371</u>	<u>7,795</u>	<u>1,756,166</u>
Expenses					
Program Services	1,266,030	-	1,392,513	-	1,392,513
Management and General	534,567	-	427,294	-	427,294
Fund Raising	371,558	-	308,088	-	308,088
Total Expenses	<u>2,172,155</u>	<u>-</u>	<u>2,127,895</u>	<u>-</u>	<u>2,127,895</u>
Changes in Net Assets	<u>(567,413)</u>	<u>-</u>	<u>(379,524)</u>	<u>7,795</u>	<u>(371,729)</u>
Net Assets					
Beginning Balance	<u>2,236,849</u>	<u>14,130</u>	<u>2,616,373</u>	<u>6,335</u>	<u>2,622,708</u>
Ending Balance	<u>\$1,669,436</u>	<u>\$ 14,130</u>	<u>\$2,236,849</u>	<u>\$ 14,130</u>	<u>\$2,250,979</u>

See Notes to Consolidated Financial Statements

AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF
FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2011

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	\$ -	\$ 18,457	\$ -	\$ 18,457	\$ 18,457
Advertising	-	3,140	-	3,140	3,140
Bank Charges	5,434	10,561	5,987	16,548	21,982
Board Expense	-	1,415	-	1,415	1,415
Computer Expenses	25,135	10,068	3,568	38,771	38,771
Condo Fees	-	5,099	-	5,099	5,099
Conferences	12,890	4,671	3,360	20,921	20,921
Contract Services/Consulting	83,450	42,468	4,029	129,947	129,947
Depreciation and Amortization	-	30,144	-	30,144	30,144
Dues and Subscriptions	4,338	2,049	-	6,387	6,387
Employee Insurance	84,548	19,559	10,650	114,757	114,757
Equipment and Maintenance	35,663	17,850	12,736	66,249	66,249
Event Costs	54,829	-	128,821	183,650	183,650
Insurance	7,884	3,379	2,816	14,079	14,079
Interest	-	13,214	-	13,214	13,214
Legal	-	6,671	-	6,671	6,671
Occupancy Costs	43,511	40,043	15,540	99,094	99,094
Other Program Expenses	34,437	7,277	3,810	45,524	45,524
Payroll Taxes	55,976	20,939	12,310	89,225	89,225
Pension	14,851	8,264	3,710	26,825	26,825
Postage	11,948	2,595	9,927	24,470	24,470
Printing	113,179	594	9,248	123,021	123,021
Salaries	631,998	240,863	136,884	1,009,745	1,009,745
Supplies	5,951	13,065	591	19,607	19,607
Telephone	4,359	1,783	1,564	7,706	7,706
Travel, Meals and Entertainment	24,046	4,377	1,862	30,285	30,285
Utilities	11,603	6,022	4,145	21,770	21,770
Total	\$ 1,266,030	\$ 534,567	\$ 371,558	\$ 906,125	\$ 2,172,155

See Notes to Consolidated Financial Statements

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF
FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2010**

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	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ 23,000
Advertising	2,848	1,482	77	1,559	4,407
Bank Charges	2,698	7,597	12,872	20,469	23,167
Board Expense	-	524	-	524	524
Computer Expenses	22,297	13,226	8,419	21,645	43,942
Condo Fees	5,930	1,213	961	2,174	8,104
Conferences	16,880	536	1,114	1,650	18,530
Contract Services/Consulting	142,678	50,296	2,758	53,054	195,732
Depreciation and Amortization	-	26,508	-	26,508	26,508
Dues and Subscriptions	2,579	1,094	99	1,193	3,772
Employee Insurance	95,131	24,499	22,450	46,949	142,080
Equipment and Maintenance	28,241	18,386	10,220	28,606	56,847
Event Costs	113,046	34,895	12,291	47,186	160,232
Insurance	6,375	2,746	2,257	5,003	11,378
Interest	3,985	3,009	1,449	4,458	8,443
Occupancy Costs	16,656	3,676	4,167	7,843	24,499
Other Program Expenses	15,899	16,698	6,702	23,400	39,299
Payroll Taxes	60,517	15,913	15,540	31,453	91,970
Pension	14,114	6,888	3,463	10,351	24,465
Postage	20,004	3,864	12,300	16,164	36,168
Printing	108,721	7,163	11,792	18,955	127,676
Salaries	655,189	147,688	167,464	315,152	970,341
Supplies	6,965	7,524	1,111	8,635	15,600
Telephone	6,985	4,106	2,081	6,187	13,172
Travel, Meals and Entertainment	37,988	1,942	6,660	8,602	46,590
Utilities	6,787	2,821	1,841	4,662	11,449
Total	<u>\$1,392,513</u>	<u>\$ 427,294</u>	<u>\$ 308,088</u>	<u>\$ 735,382</u>	<u>\$2,127,895</u>

See Notes to Consolidated Financial Statements

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF
CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ (567,413)	\$ (371,729)
Adjustments to reconcile changes in Net Assets to Net Cash provided by (used in) operating activities:		
Depreciation and Amortization	30,144	26,508
Net Unrealized Losses (Gains) on Investments	109,714	(52,920)
Realized Gain on Sale of Investments	(43,377)	(34,062)
Gain on Sale of Condominium	-	(151,191)
Deferred Rent Liability	-	5,409
Change in Operating Assets and Liabilities:		
Decrease in Accounts Receivable	5,146	1,431
Contribution Receivable	(40,000)	-
Decrease in Unconditional Promise to Give, Net	-	6,335
Decrease (Increase) in Prepaid Expenses and Other Current Assets	(18,490)	15,653
Increase in Security Deposit	-	(35,000)
Increase (Decrease) in Accounts Payable and Accrued Expenses	31,079	(164,721)
Increase in Deferred Revenue	101,294	25,663
Increase in Deferred Rent Liability	9,250	-
Net Cash Provided by (Used In) Operating Activities	<u>(382,653)</u>	<u>(728,624)</u>
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(3,590)	(84,146)
Proceeds from Sale of Condominium	-	321,739
Purchases of Investments	(319,714)	(469,677)
Proceeds from Sale of Investments	723,161	909,190
Net Cash provided by (Used In) Investing Activities	<u>399,857</u>	<u>677,106</u>
Cash Flows Used In Financing Activities - Principal		
Net Utilization of Bank Line of Credit	50,000	-
Payments on Long-Term Debt	(6,966)	(5,929)
Net Cash Provided By (Used In) Financial Activities	<u>43,034</u>	<u>(5,929)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,238	(57,447)
Cash and Cash Equivalents - Beginning of Year	<u>\$ 48,755</u>	<u>\$ 106,202</u>
Cash and Cash Equivalents - End of Year	<u>\$ 108,993</u>	<u>\$ 48,755</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest	<u>\$ 13,214</u>	<u>\$ 8,443</u>

See Notes to Consolidated Financial Statements

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

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".

Note 2 **Summary of Significant Accounting Policies**

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 inter-company accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements of the Organization 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, the Organization 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. The Organization 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.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

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

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.

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 consolidated 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.

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.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

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

Property and Equipment (cont'd):

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 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:

The Organization reviews the collectibility of its receivables annually. At September 30, 2011 and 2010, no allowance for doubtful accounts was deemed necessary.

Revenue and Support Recognition:

In accordance with ASC 958, Financial Statements of Not-For-Profit Organizations, 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 consolidated 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 consolidated 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 consolidated statement of financial position.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

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 consolidated 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, 2011 and 2010, 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 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 the Organization 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, the Organization is subject to unrelated business income tax ("UBIT"), if applicable. For the tax years ended September 30, 2011 and 2010, the Organization did not owe any UBIT.

Management has evaluated the Organization's tax positions for all open tax years and has concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of GAAP. Generally, the Organization is no longer subject to income tax examinations by U.S. Federal, State or Local tax authorities for years before 2007, which is the standard statute of limitations look-back period.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

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

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.

Advertising:

Advertising costs for the years ended September 30, 2011 and 2010 amounted to \$3,140 and \$4,407, 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. In the fiscal years ended September 30, 2011 and 2010, approximately 87% and 90% of the Organization's investments were held by one investment manager, respectively.

Subsequent Events:

The Organization evaluated subsequent events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the consolidated financial statements. Such evaluation is performed through August 7, 2012, the date the consolidated financial statements were available for issuance.

Note 3 Investments

The following table summarize the Organization'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, 2011 and 2010:

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

Note 3 Investments

2011

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	\$ 271,561	\$271,561	\$ -	\$ -
Equity Funds	359,660	-	359,660	-
Short-term Bond Fund	878	-	878	-
Intermediate-term Bond Fund	786,940	-	786,940	-
Certificate of Deposit	<u>216,938</u>	<u>-</u>	<u>216,938</u>	<u>-</u>
	<u>\$1,635,977</u>	<u>\$271,561</u>	<u>\$1,364,416</u>	<u>\$ -</u>

2010

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	\$ 290,521	\$290,521	\$ -	\$ -
Equity Funds	400,854	-	400,854	-
Short-term Bond Fund	70,942	-	70,942	-
Intermediate-term Bond Fund	1,127,514	-	1,127,514	-
Certificate of Deposit	<u>215,929</u>	<u>-</u>	<u>215,929</u>	<u>-</u>
	<u>\$2,105,760</u>	<u>\$290,521</u>	<u>\$1,815,239</u>	<u>\$ -</u>

AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

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, 2011 and 2010, investment income consists of the following:

	<u>2011</u>	<u>2010</u>
Interest and Dividends	\$ 54,844	\$ 64,553
Net Realized Gains	43,377	34,062
Net Unrealized Gains (Losses)	<u>(109,714)</u>	<u>52,920</u>
Investment Income	(11,493)	151,535
Less Investment Management Fees	<u>(9,986)</u>	<u>(10,606)</u>
Net Investment Income	<u>\$ (21,479)</u>	<u>\$ 140,929</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, 2011, \$10,000 has been received. The Donor has stated that the remaining \$40,000 will be paid during the following years:

2012	\$10,000
2013	10,000
2014	10,000
2015	<u>10,000</u>
	<u>\$40,000</u>

The Charitable Foundation 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. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Note 5 Property and Equipment

Property and equipment at September 30, 2011 and 2010 consists of the following:

	Estimated Useful Life (Years)	<u>2011</u>	<u>2010</u>
Condominium	40	\$ 201,660	\$ 201,660
Office Equipment	7	258,996	256,587
Improvements	40	32,014	32,014
Furniture and Fixtures	5	<u>81,586</u>	<u>80,405</u>
		574,256	570,666
Less Accumulated Depreciation		<u>344,213</u>	<u>314,068</u>
		<u>\$ 230,043</u>	<u>\$ 256,598</u>

Note 6 Bank Line of Credit

On March 5, 2009, the Organization entered into a \$200,000 revolving line of credit with a financial institution that matured in March 2010. This line of credit was subsequently renewed through April annually upon its expiration, and was automatically renewed through April 2013. Borrowings under this credit facility are for general operating needs of the Organization. Interest charged on the unpaid principal balance on the line of credit is at prime plus .50% with a minimum rate of 4.25%. There was an outstanding balance on the revolving line of credit of \$50,000 and \$-0- at September 30, 2011 and 2010, respectively. The line of credit is secured by a certificate of deposit that is reported as an investment restricted for line of credit on the consolidated statements of financial position.

Note 7 Mortgage Payable

The mortgage payable is secured by the condominium 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 at September 30, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Mortgage Payable	\$108,349	\$ 115,315
Less Current Portion	<u>7,083</u>	<u>6,606</u>
Mortgage Payable - Long-term	<u>\$101,266</u>	<u>\$ 108,709</u>

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

Note 7 Mortgage Payable (cont'd)

Required principal payments subsequent to September 30, 2011 are as follows:

<u>Year Ending September 30,</u>	
2012	\$ 7,083
2013	7,595
2014	8,144
2015	8,733
Thereafter	<u>69,711</u>
	<u>\$101,266</u>

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 payments 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, 2011 and 2010, pension expense was \$26,825 and \$24,465, respectively.

Note 9 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 expires 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 \$14,659 and \$5,409 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, 2011 and 2010, respectively.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

Note 9 **Commitments and Contingencies (cont'd)**

Rent expense was approximately \$78,000 and \$21,000 for the years ended September 30, 2011 and 2010, respectively. In addition, the Organization leases equipment under various noncancellable operating leases that expire on various dates through fiscal year 2015.

Future minimum payments on all noncancellable lease obligations are as follows:

<u>Year Ending September 30,</u>	
2012	\$109,191
2013	94,830
2014	102,756
2015	97,136
2016	<u>39,630</u>
	<u>\$443,543</u>

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 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 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.

Note 10 **Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$14,130 at both September 30, 2011 and 2010, are comprised of amounts that are restricted for education and time-restricted to future periods.

**AUTISM NEW JERSEY, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010**

Note 11 **Concentration of Revenue**

During the years ended September 30, 2011 and 2010, the Organization received approximately 31% and 26 %, 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 the Treasury could have a material adverse effect on the Organization's programs.

AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

	<u>ANJ</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
<u>Assets</u>				
Current Assets				
Cash and Cash Equivalents	\$ 85,542	\$ 23,451	\$ -	\$ 108,993
Investments:				
Unrestricted	732,142	686,897	-	1,419,039
Restricted for Line of Credit	216,938	-	-	216,938
Accounts Receivable	37,431	-	-	37,431
Current portion of Contribution Receivable	-	10,000	-	10,000
Due from Affiliate	53,291	-	(53,291)	-
Prepaid Expenses and Other Current Assets	<u>35,505</u>	<u>-</u>	<u>-</u>	<u>35,505</u>
Total Current Assets	1,160,849	720,348	(53,291)	1,827,906
Contribution Receivable, Net of Current Portion	-	30,000	-	30,000
Property and Equipment, Net	230,043	-	-	230,043
Security Deposit	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total Assets	<u>\$1,425,892</u>	<u>\$ 750,348</u>	<u>\$(53,291)</u>	<u>\$2,122,949</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Bank Line of Credit	\$ 50,000	\$ -	\$ -	\$ 50,000
Accounts Payable and Accrued Expenses	86,716	-	-	86,716
Due from Affiliate	-	53,291	(53,291)	-
Deferred Revenue	179,659	-	-	179,659
Current Portion of Mortgage Payable	<u>7,083</u>	<u>-</u>	<u>-</u>	<u>7,083</u>
Total Current Liabilities	323,458	53,291	(53,291)	323,458
Long-term Liability - Mortgage Payable, Net of Current Portion	101,266	-	-	101,266
Deferred Rent Liability	<u>14,659</u>	<u>-</u>	<u>-</u>	<u>14,659</u>
Total Liabilities	<u>439,383</u>	<u>53,291</u>	<u>(53,291)</u>	<u>439,383</u>
Commitments and Contingencies				
Net Assets:				
Unrestricted Net Assets	972,379	697,057	-	1,669,436
Temporarily Restricted Net Assets	<u>14,130</u>	<u>-</u>	<u>-</u>	<u>14,130</u>
Total Net Assets	<u>986,509</u>	<u>697,057</u>	<u>-</u>	<u>1,683,566</u>
Total Liabilities and Net Assets	<u>\$1,425,892</u>	<u>\$ 750,348</u>	<u>\$ -</u>	<u>\$2,122,949</u>

See Auditors' Report

**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010**

	<u>ANJ</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
<u>Assets</u>				
Current Assets				
Cash and Cash Equivalents	\$ 35,058	\$ 13,697	\$ -	\$ 48,755
Investments:				
Unrestricted	1,205,416	684,415	-	1,889,831
Restricted for Line of Credit	215,929	-	-	215,929
Accounts Receivable	42,577	-	-	42,577
Due from Affiliate	53,291	-	(53,291)	-
Prepaid Expenses and Other Current Assets	<u>17,015</u>	<u>-</u>	<u>-</u>	<u>17,015</u>
Total Current Assets	1,569,286	698,112	(53,291)	2,214,107
Property and Equipment, Net	256,598	-	-	256,598
Security Deposit	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total Assets	<u>\$1,860,884</u>	<u>\$ 698,112</u>	<u>\$ (53,291)</u>	<u>\$2,505,705</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 55,637	\$ -	\$ -	\$ 55,637
Due from Affiliate	-	53,291	(53,291)	-
Deferred Revenue	78,365	-	-	78,365
Current Portion of Mortgage Payable	<u>6,606</u>	<u>-</u>	<u>-</u>	<u>6,606</u>
Total Current Liabilities	140,608	53,291	(53,291)	140,608
Long-term Liability - Mortgage Payable, Net of Current Portion	108,709	-	-	108,709
Deferred Rent Liability	<u>5,409</u>	<u>-</u>	<u>-</u>	<u>5,409</u>
Total Liabilities	<u>254,726</u>	<u>53,291</u>	<u>(53,291)</u>	<u>254,726</u>
Commitments and Contingencies				
Net Assets:				
Unrestricted Net Assets	1,592,028	644,821	-	2,236,849
Temporarily Restricted Net Assets	<u>14,130</u>	<u>-</u>	<u>-</u>	<u>14,130</u>
Total Net Assets	<u>1,606,158</u>	<u>644,821</u>	<u>-</u>	<u>2,250,979</u>
Total Liabilities and Net Assets	<u>\$1,860,884</u>	<u>\$ 698,112</u>	<u>\$ (53,291)</u>	<u>\$2,505,705</u>

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AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	A N J FOUNDATION					
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Elimination	Total
Support and Revenues:						
Government Grants	\$ 560,578	-	\$ -	-	-	\$ 560,578
Contributions and Bequests	573,279	-	50,000	-	-	623,279
Conference Fees	178,315	-	-	-	-	178,315
Special Events	126,120	-	-	-	-	126,120
Membership Dues	38,267	-	-	-	-	38,267
Program Fees and Other Income	89,676	-	-	-	-	89,676
Investment Income	<u>(16,995)</u>	<u>-</u>	<u>5,502</u>	<u>-</u>	<u>-</u>	<u>(11,493)</u>
Total Support and Revenues	<u>1,549,240</u>	<u>-</u>	<u>55,502</u>	<u>-</u>	<u>-</u>	<u>1,604,742</u>
Expenses:						
Program Services	1,266,030	-	-	-	-	1,266,030
Management and General Fund-Raising	531,301	-	3,266	-	-	534,567
	<u>371,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,558</u>
Total Expenses	<u>2,168,889</u>	<u>-</u>	<u>3,266</u>	<u>-</u>	<u>-</u>	<u>2,172,155</u>
Changes in Net Assets	(619,649)	-	52,236	-	-	(567,413)
Net Assets:						
Beginning Balance	<u>1,592,028</u>	<u>14,130</u>	<u>644,821</u>	<u>-</u>	<u>-</u>	<u>2,250,979</u>
Ending Balance	<u>\$ 972,379</u>	<u>\$ 14,130</u>	<u>\$ 697,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,683,566</u>

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**AUTISM NEW JERSEY, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2010**

	ANJ FOUNDATION					
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Elimination	Total
Support and Revenues:						
Government Grants	\$ 463,502	-	\$ -	-	\$ -	\$ 463,502
Contributions and Bequests	515,634	14,130	7,600	-	-	537,364
Conference Fees	235,361	-	-	-	-	235,361
Special Events	108,121	-	-	-	-	108,121
Membership Dues	90,060	-	-	-	-	90,060
Program Fees and Other Income	19,032	-	-	-	-	19,032
Investment Income	106,939	-	44,596	-	-	151,535
Gain and Sale of Condominium	<u>151,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,191</u>
Subtotal	1,689,840	14,130	52,196	-	-	1,756,166
Net Assets Released from Restrictions Upon Satisfaction of Time and Purpose Restrictions	-	-	6,335	(6,335)	-	-
Total Support and Revenues	<u>1,689,840</u>	<u>14,130</u>	<u>58,531</u>	<u>(6,335)</u>	<u>-</u>	<u>1,756,166</u>
Expenses:						
Program Services	1,392,513	-	-	-	-	1,392,513
Management and General Fund-Raising	420,899	-	6,395	-	-	427,294
	<u>308,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,088</u>
Total Expenses	<u>2,121,500</u>	<u>-</u>	<u>6,395</u>	<u>-</u>	<u>-</u>	<u>2,127,895</u>
Changes in Net Assets	(431,660)	14,130	52,136	(6,335)	-	(371,729)
Net Assets:						
Beginning Balance	<u>2,023,688</u>	<u>-</u>	<u>592,685</u>	<u>6,335</u>	<u>-</u>	<u>2,622,708</u>
Ending Balance	<u>\$ 1,592,028</u>	<u>\$ 14,130</u>	<u>\$ 644,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250,979</u>

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