

**NEW JERSEY CENTER
FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**

June 30, 2020



**NEW JERSEY CENTER
FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**

For the Year Ended June 30, 2020

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Certified Public Accountants, PC

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Independent Auditors' Report

To the Board of Directors of
New Jersey Center for Tourette Syndrome and Associated Disorders
Somerville, New Jersey

We have audited the accompanying financial statements of New Jersey Center for Tourette Syndrome and Associated Disorders (a non-profit organization) which comprise the Statement of Financial Position as of June 30, 2020, and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related Notes to the Financial Statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 of 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 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 New Jersey Center for Tourette Syndrome and Associated Disorders as of June 30, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the New Jersey Center for Tourette Syndrome and Associated Disorders' June 30, 2019 financial statements and we expressed an unmodified audit opinion on those audited statements in our report dated February 20, 2020. In our opinion, the summarized comparative information presented herein as of and for four months ending June 30, 2019, is consistent, in all material respects, with the audited financial statements for which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Budgeted and Incurred Costs are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and is also 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, except for the portion marked unaudited on which we express no opinion, 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, except for the portion of these schedules marked unaudited, 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 21, 2021, on our consideration of New Jersey Center for Tourette Syndrome and Associated Disorders 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 New Jersey Center for Tourette Syndrome and Associated Disorders internal control over financial reporting and compliance.


BKC, CPAs, PC

January 21, 2021
Flemington, New Jersey

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Statement of Financial Position
June 30,
With Summarized Financial Information as of June 30, 2019

ASSETS		
	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 761,085	\$ 612,842
Certificate of deposits	649,739	722,193
Investments	123,765	121,333
Grant receivable	66,666	66,666
Related party receivable	2	-
Prepaid expenses and other current assets	16,027	20,416
Total current assets	<u>1,617,284</u>	<u>1,543,450</u>
Property and equipment, net of accumulated depreciation of \$30,761 and \$29,781, respectively	855	1,835
Other non-current assets	<u>2,960</u>	<u>2,800</u>
Total assets	<u><u>\$ 1,621,099</u></u>	<u><u>\$ 1,548,085</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 11,249	\$ 5,058
Accrued expenses	18,076	55,014
Total liabilities - all current	<u>29,325</u>	<u>60,072</u>
Net assets		
Without donor restrictions	1,311,839	1,211,567
With donor restrictions	279,935	276,446
Total net assets	<u>1,591,774</u>	<u>1,488,013</u>
Total liabilities and net assets	<u><u>\$ 1,621,099</u></u>	<u><u>\$ 1,548,085</u></u>

See accompanying notes to the financial statements.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**

Statement of Activities

For the Year Ended June 30, 2020

With Summarized Financial Information for the Four Months Ending June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Public support, revenue and reclassifications				
Government - grant revenue	\$ 800,000	\$ -	\$ 800,000	\$ 302,166
Contributions	150,648	-	150,648	23,456
Foundation donations	5,500	-	5,500	-
Program revenue	11,460	-	11,460	9,975
Interest and dividends	25,959	-	25,959	4,220
Unrealized gain on investments	1,261	-	1,261	6,119
Net assets released from restrictions	(3,489)	3,489	-	-
Total public support, revenue and reclassifications	991,339	3,489	994,828	345,936
Expenses				
Program expenses	690,678	-	690,678	275,606
Management and general	183,442	-	183,442	73,273
Fundraising	16,947	-	16,947	7,299
Total expenses	891,067	-	891,067	356,178
Increase (decrease) in net assets	100,272	3,489	103,761	(10,242)
Net assets - beginning of year	1,211,567	276,446	1,488,013	1,498,255
Net assets - end of year	<u>\$ 1,311,839</u>	<u>\$ 279,935</u>	<u>\$ 1,591,774</u>	<u>\$ 1,488,013</u>

See accompanying notes to the financial statements.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**

Statement of Functional Expenses

For the Year Ended June 30, 2020

With Summarized Financial Information for the Four Months Ending June 30, 2019

	Program Expenses	Management and General	Fundraising	Total	
				2020	2019
Salaries and wages	\$ 423,244	\$ 137,158	\$ 13,021	\$ 573,423	\$ 185,030
Payroll taxes	33,458	10,842	1,029	45,329	13,367
Sub-grants	70,978	-	-	70,978	50,769
Public education and awareness	35,554	-	-	35,554	26,647
Consulting expense	20,735	-	-	20,735	27,553
Postage and shipping	1,992	-	-	1,992	802
Conferences and seminars	3,962	-	-	3,962	3,299
Rent expense	20,155	6,532	620	27,307	9,268
Fundraising expenses	-	-	651	651	1,098
Scholarships	5,000	-	-	5,000	7,750
Professional fees	18,638	6,938	-	25,576	7,226
Office expense	17,366	5,628	534	23,528	7,459
Meal/refreshments	2,791	905	86	3,782	-
Offsite bulk printed & give away	4,113	-	-	4,113	-
Dues and fees	-	4,845	-	4,845	890
Telephone expense	2,008	651	62	2,721	1,091
Repairs and maintenance	4,351	1,410	134	5,895	2,281
Insurance	25,609	8,299	788	34,696	11,321
Depreciation expense	724	234	22	980	327
Total functional expenses	<u>\$ 690,678</u>	<u>\$ 183,442</u>	<u>\$ 16,947</u>	<u>\$ 891,067</u>	<u>\$ 356,178</u>

See accompanying notes to the financial statements.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**

Statement of Cash Flows

For The Year Ended June 30, 2020

With Summarized Financial Information for the Four Months Ending June 30, 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 103,761	\$ (10,242)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	980	327
Unrealized gain on investments	(1,261)	(6,119)
Reinvested dividends	(1,171)	(416)
(Increase) decrease in assets		
Grant receivable	-	(66,666)
Related party receivable	(2)	85
Prepaid expenses	4,389	(2,850)
Deposit	(160)	10
Increase (decrease) in liabilities		
Accounts payable	6,191	(145)
Accrued expenses	(36,938)	16,454
Deferred revenue	-	(103,169)
Total adjustments	<u>(27,972)</u>	<u>(162,489)</u>
Net cash provided by (used in) operating activities	75,789	(172,731)
 Cash flows from investing activities		
Cash redemptions of (deposits in) in certificate of deposits	<u>72,454</u>	<u>(175,503)</u>
Net cash provided by (used in) investing activities	<u>72,454</u>	<u>(175,503)</u>
 Net increase (decrease) in cash	148,243	(348,234)
 Cash and cash equivalents - beginning of year	<u>612,842</u>	<u>961,076</u>
 Cash and cash equivalents - end of year	<u><u>\$ 761,085</u></u>	<u><u>\$ 612,842</u></u>

See accompanying notes to the financial statements.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

Nature of organization

The New Jersey Center for Tourette Syndrome and Associated Disorders (the Organization), is a not-for-profit organization committed to the advocacy of children and families with Tourette Syndrome and its associated disorders. Dedicated to delivering high quality services to these individuals, the Organization recognizes the importance of educating the public, medical professionals, and teachers about this disorder through programs and affiliations with public schools, health centers, and universities. To ensure that individuals with Tourette Syndrome are contributing members of their communities and society at large, the Organization is committed to leading the promotion and development of diagnostic and treatment therapies and actively supporting research for a cure.

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Prior year summarized financial information

The financial statements included certain prior year summarized comparative information in total but not by net asset class or by functional expenses. Such information does not include the information necessary to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements as of and for four months ending June 30, 2019, from which the summarized information was derived.

Financial presentation

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standard Update ASU 2018-08 *Not for Profit Entities*. This update provided additional guidance on determining whether a transaction is a contribution or an exchange transaction. Management has determined that there was no material change required to be compliant with this standard.

Organization status

The Organization has been notified by the Internal Revenue Service that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The most significant tax positions of the Organization are its assertions that it is exempt from income taxes and its determination that no amounts are subject to unrelated business income tax (UBIT). Income generated by activities that would be considered unrelated to the Organization mission would be subject to income tax.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

The Organization follows the guidance of FASB's Accounting Standards Codification (ASC) Topic 740, *Accounting for Income Taxes*, related to uncertain income tax provisions, which prescribes a threshold of more likely than not, for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Management has determined that it is more likely than not, that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

The Organization files a Form 990 Return of Organization Exempt Form Tax, annually with the Internal Revenue Service, as well as a State equivalent filing. Both filings are subject to audit by the appropriate authority. The Organization returns prior to 2016 are no longer subject to examination by Federal or State authorities due to the statute of limitations.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimate is that of the functional allocation of costs which is based upon management's estimate of personnel utilization.

Cash and cash equivalents

The Organization considers all short-term investments, except certificates of deposit and treasury obligations, with an original maturity of three months or less to be cash equivalents.

Grants receivable

In evaluating the collectability of grant fees receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provisions for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

Property and equipment

Property and equipment are stated at cost and depreciated over the estimated useful lives of each asset. The estimated useful lives of the property and equipment range between three and five years. Depreciation is computed using the straight-line method.

Additions and improvements, which extend the useful lives of the respective assets, are charged to the asset accounts and are depreciated accordingly, while general repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gains or losses are included in the change in net assets.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Net asset classifications

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Net assets without donor restrictions - net assets not subject to donor-imposed stipulations, and therefore, are expendable for operating purposes.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or by the passage of time.

Contributions, support, and revenue recognition

Contributions of cash and other assets, including unconditional promises to give, are considered to be available for unrestricted use, unless specifically restricted by the donor and are recognized as support in the period the unconditional promise is given.

Conditional promises to give are recognized when the conditions on which they are dependent are substantially satisfied.

Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the periods received. 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 periods received.

Special events and conference revenue are recognized when the event or conference occurs.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Contributions of cash and other assets, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor and are recognized as support in the period the unconditional promise is given. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Gifts of cash and other noncapital assets are reported as net assets with donor restrictions if the gifts 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as unrestricted.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and services benefited. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization. Indirect expenses have been allocated based on salary expenditures.

Note 2 - Concentration of credit risk

The Organization maintains its cash in bank deposit accounts which are insured by the Federal Deposit Insurance Corporation. From time to time, the Organization's cash balance may exceed the federally insured limit. At June 30, 2020, the Organization's uninsured cash totaled approximately \$15,200.

The Organization received approximately 80% of its revenue from government grants for the year ended June 30, 2020. The balance of the Organization's revenue is comprised of contributions and other income. Revenue from government grants and contracts is received in regular monthly payments. Additionally, revenue from dues and contributions is subject to the continued support of members and donors.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Notes to the Financial Statements

Note 3 - Fair value and instruments

Financial Accounting Standards Board Codification ASC Topic 820, Fair Value Measurements and Disclosures establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described in the following:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within fair value hierarchy, the Organization's assets at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$ 123,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,765</u>

Note 4 - Property and equipment

Property and equipment consist of the following on June 30, 2020:

Office equipment	\$ 5,585
Furniture and fixtures	6,289
Computer equipment	<u>19,742</u>
Total property and equipment	31,616
Less: accumulated depreciation	<u>(30,761)</u>
Property and equipment, net	<u>\$ 855</u>

Depreciation expense for the year ended June 30, 2020 was \$980.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Notes to the Financial Statements

Note 5 - Net assets with donor restrictions

A portion of the Organization's fund balance is restricted by the donors for the following purposes for the year ended June 30, 2020:

Memorial	\$ 85,420
Leadership academy	158,030
Other	36,485
Total net assets with donor restrictions	<u>\$ 279,935</u>

Note 6 - Commitments

The Organization has contracted with Rutgers, The State University of New Jersey under two grant agreements to fund two Tourette Syndrome family services and research programs. Under the agreements, the Organization will reimburse up to \$50,000 and \$25,000 of costs incurred by the sub-grantee under the programs. As of June 30, 2020, the remaining commitments under the agreements were \$3,944.

Note 7 - Operating lease

The Organization rents office space under an operating lease expiring in August 2022. Rent is due in monthly installments of \$2,123 through August 2020. The remainder of the lease the monthly installments will be \$2,248. The Organization also leases a storage facility for \$150 a month on a month-to-month basis. Rent expense for the year ended June 30, 2020 was \$27,307.

The remaining future lease payments under the operating lease is as follows for the year ended June 30:

2021	\$ 26,724
2022	26,973
2023	4,496

Note 8 - Availability of financial assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets on June 30, 2020:

Cash and cash equivalents	\$ 761,085
Certificates of deposits	649,739
Accounts receivable	66,666
Investments	123,765
Total financial assets	<u>1,601,255</u>

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Notes to the Financial Statements

Note 8 - Availability of financial assets (continued)

Less those unavailable for general expenditures within one year, due to:

Donor-restricted for fundraising and general operations	\$ 279,935
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,321,320</u>

Note 9 - Change in accounting standards

ASU 2016-02: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. This ASU recognizes as a liability, non-cancellable leases. The liability is offset by an amortizable asset called a right to use. This ASU will be effective to the Organization (Company) in the year ending June 30, 2021. Management has not completed its assessment of the impact of this change.

Note 10 - Risks and uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for the year ended June 30, 2021.

Note 11 - Subsequent events

As a result of the pandemic, the Organization applied for and received a Paycheck Protection Program Loan in the amount of \$122,325. The Organization intends to use the proceeds primarily to offset the Organization’s personnel, rent, and utility costs.

The Organization renewed the office rental agreement effective September 1, 2020. The rental agreement is for 36 months and requires monthly rental payment \$2,248. The Organization’s management has determined that no other material events or transactions occurred subsequent to June 30, 2020 and through January 21, 2021, the date of the Organization’s financial statement issuance, which require additional disclosure in the Organization’s financial statements



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' 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*

To the Board of Directors of
New Jersey Center for Tourette Syndrome and Associated Disorders
Somerville, 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 New Jersey Center for Tourette Syndrome and Associated Disorders (a non-profit organization), which comprise the Statement of Financial Position as of June 30, 2020, and the related Statements of Activities, and Cash Flows for the year then ended June 30, 2020, and the related Notes to the Financial Statements, and have issued our report thereon dated January 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New Jersey Center for Tourette Syndrome and Associated Disorders' 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 New Jersey Center for Tourette Syndrome and Associated Disorders' internal control. Accordingly, we do not express an opinion on the effectiveness of the New Jersey Center for Tourette Syndrome and Associated Disorders' 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 the entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 the New Jersey Center for Tourette Syndrome and Associated Disorders' 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.


BKC, CPAs, PC

January 21, 2021
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform
Guidance and New Jersey OMB Circular Letter 15-08**

To the Board of Directors of
New Jersey Center for Tourette Syndrome and Associated Disorders
Somerville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited New Jersey Center for Tourette Syndrome and Associated Disorders', compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* that could have a direct and material effect on each the organization's major state program for the year ended June 30, 2020. The organization's major state program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state award applicable to its state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and the OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal and State Program

In our opinion, New Jersey Center for Tourette Syndrome and Associated Disorders complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of New Jersey Center for Tourette Syndrome and Associated Disorders is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the New Jersey Center for Tourette Syndrome and Associated Disorders' internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Jersey Center for Tourette Syndrome and Associated Disorders' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

BKC, CPAs, PC
BKC, CPAs, PC

January 21, 2021
Flemington, New Jersey

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2020

<u>Grant Program Title</u>	<u>Grant Award Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Grant Expenditures</u>
New Jersey Department of Health and Human Services				
Tourette Syndrome				
Education & Awareness	MGMT-20-GIA004	07/01/19 - 06/30/20	\$ 800,000	<u>\$ 800,000</u>
				<u>\$ 800,000</u>

See accompanying notes to the schedule of expenditures of state financial assistance.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Notes to the Schedule of Expenditures of State Financial Assistance

Note 1 - General

The accompanying Schedules of Expenditures of State Financial Assistance present the activity of all State financial assistance programs of New Jersey Center for Tourette Syndrome and Associated Disorders. All State financial assistance received directly from State agencies, as well as State grant and State aid financial assistance programs passed through other government agencies, is included on the Schedule of Expenditures of State Financial Assistance.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

New Jersey Center for Tourette Syndrome and Associated Disorders has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NEW JERSEY CENTER FOR TOURETTE SYNDROME
Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?

☐ Yes ☒ No

2. Were significant deficiencies identified?

☐ Yes ☒ None reported

Noncompliance material to basic
financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☐ No

2. Were significant deficiencies identified?

☐ Yes ☐ None reported

What was the type of auditor's report issued on compliance for
major programs?

Unmodified

Were any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200 Section .516(a)?

☐ Yes ☐ No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

What was the dollar threshold used to distinguish between Type
A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

☐ Yes ☒ No

NEW JERSEY CENTER FOR TOURETTE SYNDROME
Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

☐ Yes ☒ No

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☒ No

2. Were there significant deficiencies identified that are not considered to be material weaknesses?

☐ Yes ☒ None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?

☐ Yes ☒ No

Identification of Major Programs:

State Grant/Project Numbers

MGMT-20-GIA004

Name of State Program

Tourette Syndrome Education and Awareness

**NEW JERSEY CENTER FOR TOURETTE SYNDROME
AND ASSOCIATED DISORDERS**
Schedule of Budgeted and Incurred Costs
Education & Awareness - Grant Award Number MGMT-20-GIA004
For the Grant Period July 1, 2019 through June 30, 2020
For the Year Ended June 30, 2020

<u>Category</u>	<u>Final Approved Budget (unaudited)</u>	<u>Audited Expenditures</u>	<u>Questioned Costs</u>
Salaries and wages	\$ 540,947	\$ 546,167	\$ -
Fringe benefits	69,576	69,576	-
Consultants and professional fees	35,855	35,855	-
Office expense and related costs	20,000	20,000	-
Program expense and related costs	31,460	31,460	-
Facility costs	30,562	30,275	-
Staff training and education costs	500	320	-
Travel, conferences and meetings	9,500	9,500	-
Equipment and other capital expenditures	1,600	1,600	-
Sub-grant	75,000	66,707	-
Program income	<u>(15,000)</u>	<u>(11,460)</u>	<u>-</u>
Total	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ -</u>

See independent auditors' report.