

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

**February 28, 2017**

**BEDARD, KUROWICKI & CO., CPA'S, PC  
CERTIFIED PUBLIC ACCOUNTANTS**

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

**For the Year Ended February 28, 2017**

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## **Independent Auditors' Report**

To the Board of Trustees 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 February 28, 2017, 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 February 28, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated October 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended February 29, 2016, is consistent, in all material respects, with the audited financial statements from 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 DATE, 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.

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

November 8, 2017  
Flemington, New Jersey

**NEW JERSEY CENTER FOR TOURETTE SYNDROME  
AND ASSOCIATED DISORDERS**  
**Statement of Financial Position**  
**February 28, 2017**  
**With Summarized Financial Information at February 29, 2016**

<b>ASSETS</b>			
		<u>2017</u>	<u>2016</u>
Current assets			
Cash		\$ 1,144,256	\$ 1,291,201
Investments		96,511	76,718
Grant receivable		16,157	-
Related party receivable		43	63
Prepaid expenses and other current assets		17,363	12,742
Total current assets		<u>1,274,330</u>	<u>1,380,724</u>
Property and equipment, net of accumulated depreciation of \$27,065 and \$25,779, respectively		<u>4,551</u>	<u>3,313</u>
Total assets		<u><u>\$ 1,278,881</u></u>	<u><u>\$ 1,384,037</u></u>

<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable		\$ 8,489	\$ 10,681
Accrued expenses		34,007	32,371
Deferred revenue		-	2,759
Total liabilities - all current		<u>42,496</u>	<u>45,811</u>
Net assets			
Unrestricted		995,418	1,068,385
Temporarily restricted		240,967	269,841
Total net assets		<u>1,236,385</u>	<u>1,338,226</u>
Total liabilities and net assets		<u><u>\$ 1,278,881</u></u>	<u><u>\$ 1,384,037</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 February 28, 2017**

**With Summarized Financial Information for the Year Ended February 29, 2016**

	Unrestricted	Temporarily Restricted	Total 2017	Total 2016
Public support, revenue and reclassifications				
Government - grant revenue	\$ 418,583	\$ -	\$ 418,583	\$ 512,196
Contributions	40,441	150,184	190,625	452,703
Foundation donations	11,600	-	11,600	1,000
Program revenue	9,675	-	9,675	19,613
Interest and dividends	8,861	-	8,861	10,487
Unrealized gain (loss) on investments	13,703	-	13,703	(13,293)
Net assets released from restrictions	179,058	(179,058)	-	-
Total public support, revenue and reclassifications	681,921	(28,874)	653,047	982,706
Expenses				
Program expenses	548,438	-	548,438	588,553
Management and general	145,602	-	145,602	151,975
Fundraising	60,848	-	60,848	83,431
Total expenses	754,888	-	754,888	823,959
(Decrease) increase in net assets	(72,967)	(28,874)	(101,841)	158,747
Net assets - beginning of year	1,068,385	269,841	1,338,226	1,179,479
Net assets - end of year	\$ 995,418	\$ 240,967	\$ 1,236,385	\$ 1,338,226

See accompanying notes to the financial statements.

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

**Statement of Functional Expenses**

**For the Year Ended February 28, 2017**

**With Summarized Financial Information for the Year Ended February 29, 2016**

	Program Expenses	Management and General	Fundraising	Total	
				2017	2016
Salaries and wages	\$ 279,399	\$ 115,308	\$ 30,300	\$ 425,007	\$ 398,367
Payroll taxes	23,030	9,505	2,498	35,033	33,660
Sub-grants	71,595	-	-	71,595	72,699
Public education and awareness	45,870	-	-	45,870	66,273
Consulting expense	49,162	-	17,358	66,520	106,132
Postage and shipping	2,878	-	-	2,878	3,383
Conferences and seminars	4,243	-	-	4,243	2,329
Rent expense	16,749	6,912	1,816	25,477	25,477
Fundraising expenses	-	-	6,220	6,220	20,370
Scholarships	2,923	-	-	2,923	3,669
Professional fees	28,093	1,479	-	29,572	41,658
Office expense	9,544	3,939	1,035	14,518	19,984
Dues and fees	-	2,289	-	2,289	2,468
Telephone expense	2,836	1,170	307	4,313	4,141
Repairs and maintenance	1,929	796	209	2,934	5,745
Insurance	9,342	3,855	1,013	14,210	16,356
Depreciation expense	845	349	92	1,286	1,248
Total functional expenses	<u>\$ 548,438</u>	<u>\$ 145,602</u>	<u>\$ 60,848</u>	<u>\$ 754,888</u>	<u>\$ 823,959</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 February 28, 2017**

**With Summarized Financial Information for the Year Ended February 29, 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (101,841)	\$ 158,747
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities		
Depreciation	1,286	1,247
Unrealized (gain) loss on investments	(13,703)	13,293
(Increase) decrease in assets		
Grant receivable	(16,157)	-
Related party receivable	20	(53)
Prepaid expenses and other current assets	(4,621)	(32)
Increase (decrease) in liabilities		
Accounts payable	(2,192)	(7,213)
Accrued expenses	1,636	15,901
Deferred revenue	(2,759)	(140,632)
Total adjustments	<u>(36,490)</u>	<u>(117,489)</u>
Net cash (used in) provided by operating activities	(138,331)	41,258
Cash flows from investing activities		
Purchase of marketable securities	(6,090)	(8,648)
Purchase of fixed assets	<u>(2,524)</u>	<u>(2,374)</u>
Net cash used in investing activities	<u>(8,614)</u>	<u>(11,022)</u>
Net (decrease) increase in cash	(146,945)	30,236
Cash - beginning of year	<u>1,291,201</u>	<u>1,260,965</u>
Cash - end of year	<u><u>\$ 1,144,256</u></u>	<u><u>\$ 1,291,201</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.

Organization status

The Organization is a non-profit organization exempt from income taxes under the Internal Revenue Code Section 501(c)(3) and similar provisions for New Jersey. Therefore, no provision for income taxes has been made. The Organization's information returns before 2013 are no longer subject to examination by either Federal or New Jersey authorities.

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.

Prior year summarized information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended February 29, 2016, from which the summarized information was derived.

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

Note 1 - Summary of significant accounting policies (continued)

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.

Net asset classifications

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

Unrestricted net assets are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired.

Temporarily restricted net assets include assets for which donor-imposed restrictions have not been met.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Revenue recognition

Revenues are reported as increases in unrestricted net assets upon receipt or pledge unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Amounts collected in advance of incurring specified costs are reflected as deferred revenue.



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

Note 1 - Summary of significant accounting policies (continued)

Contributions

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 temporarily restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets 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.

For the year ended February 28, 2017, program expenses were 73% of total expenses, management and general expenses were 19% of total expenses, and fundraising expenses were 8% of total expenses.

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 February 28, 2017, the Organization's uninsured cash totaled approximately \$155,000.

The Organization received approximately 64% of its revenue from government grants for the year ended February 28, 2017. 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 Statement 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.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

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

The following is a description of the valuation methodologies used for assets measured at fair value at February 28, 2017:

The Organization's investments are reported at their fair value at the measurement date using the market approach. The fair value of investments is measured at quoted prices in active markets for identical assets.

The method described above may produce a fair value calculation that may not be indicative of new realizable value or reflective of future fair values.

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

Note 3 - Fair value and instruments (continued)

Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within fair value hierarchy, the Organization's assets at fair value as of February 28, 2017:

	Level 1	Level 2	Level 3	Total
Mutual Funds	<u>\$ 96,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,511</u>

Note 4 - Property and equipment

Property and equipment consists of the following at February 28, 2017:

Office equipment	\$ 5,585
Furniture and fixtures	6,289
Computer equipment	19,742
Total property and equipment	31,616
Less: accumulated depreciation	(27,065)
Property and equipment, net	<u>\$ 4,551</u>

Depreciation expense for the year ended February 28, 2017 was \$1,286.

Note 5 - Temporarily restricted net assets

Temporarily restricted net assets are assets available for the following purposes for the year ended February 28, 2017:

In-service	\$ 26,311
Memorial	80,000
Leadership academy	95,210
Other	39,446
Total temporarily restricted net assets	<u>\$ 240,967</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 \$25,000 and \$50,000 of costs incurred by the sub-grantee under the programs. As of February 28, 2017, the remaining commitments under the agreements were \$32,882 and \$20,000, respectively.

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

Note 7 - Contributions in kind

The Organization received in-kind contributions of legal services during the year ended February 28, 2017. The value of the legal services was \$19,600.

Note 8 - Operating lease

The Organization rents office space under an operating lease expired in December 2016. As of February 28, 2017, rent is paid month to month. Rent is due in monthly installments of \$2,123. Rent expense for the year ended February 28, 2017 was \$25,477.

Note 9 - Subsequent events

The Organization renewed the office rental agreement effective September 1, 2017. The rental agreement is for 36 months and requires monthly rental payments of \$2,123. The Organization's management has determined that no material events or transactions other than the renewal of the rental agreement occurred subsequent to February 28, 2017 and through November 8, 2017, the date of the Organization's financial statement issuance, which require additional disclosure in the Organization's financial statements.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME  
AND ASSOCIATED DISORDERS**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended February 28, 2017**

<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	DFHS-16-TOU001	07/01/15 - 06/30/16	\$ 400,000	\$ 136,091
Tourette Syndrome				
Education & Awareness	DFHS-17-TOU001	07/01/16 - 06/30/17	400,000	<u>282,492</u>
				<u>\$ 418,583</u>

See independent auditors' report.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME  
AND ASSOCIATED DISORDERS**  
**Schedule of Budgeted and Incurred Costs**  
**Education & Awareness - Grant Award Number DFHS-16-TOU001**  
**For the Grant Period July 1, 2015 through June 30, 2016**  
**For the Year Ended February 28, 2017**

<u>Category</u>	<u>Final Approved Budget (unaudited)</u>	<u>Audited Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Questioned Costs</u>
Salaries and wages	\$ 287,163	\$ 287,735	\$ 287,735	\$ -
Fringe benefits	31,588	31,588	31,588	-
Consultants and professional fees	27,667	27,667	27,667	-
Office expense and related costs	12,975	12,418	12,418	-
Program expense and related costs	13,450	13,450	13,450	-
Facility costs	<u>27,157</u>	<u>27,142</u>	<u>27,142</u>	<u>-</u>
Total	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>

See independent auditors' report.

**NEW JERSEY CENTER FOR TOURETTE SYNDROME  
AND ASSOCIATED DISORDERS**  
**Schedule of Budgeted and Incurred Costs (continued)**  
**Education & Awareness - Grant Award Number DFHS-17-TOU001**  
**For the Grant Period July 1, 2016 through June 30, 2017**  
**For the Year Ended February 28, 2017**

<u>Category</u>	<u>Final Approved Budget (unaudited)</u>	<u>Audited Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Questioned Costs</u>
Salaries and wages	\$ 290,343	\$ 201,281	\$ 201,281	\$ -
Fringe benefits	31,150	22,125	22,125	-
Consultants and professional fees	27,715	24,830	24,830	-
Office expense and related costs	11,160	8,787	8,787	-
Program expense and related costs	12,725	7,372	7,372	-
Facility costs	<u>26,907</u>	<u>18,097</u>	<u>18,097</u>	<u>-</u>
Total	<u>\$ 400,000</u>	<u>\$ 282,492</u>	<u>\$ 282,492</u>	<u>\$ -</u>

See independent auditors' report.





Certified Public Accountants, PC  
[www.bkc-cpa.com](http://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 Trustees 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 (the Organization), which comprise the Statement of Financial Position as of February 28, 2017, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related Notes to the Financial Statements, and have issued our report thereon dated November 8, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 opinion 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 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 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

November 8, 2017  
Flemington, New Jersey