

JUDITH CREED HORIZONS
FOR ACHIEVING INDEPENDENCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE

JUNE 30, 2023 AND 2022

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Independent Auditor's Report

To: The Board of Directors
Judith Creed Horizons for Achieving Independence
Bryn Mawr, PA

Opinion

We have audited the accompanying financial statements of ***Judith Creed Horizons for Achieving Independence*** (a non-profit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of ***Judith Creed Horizons for Achieving Independence*** as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ***Judith Creed Horizons for Achieving Independence*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Judith Creed Horizons for Achieving Independence's*** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ***Judith Creed Horizons for Achieving Independence's*** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Judith Creed Horizons for Achieving Independence's*** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The financial statements of ***Judith Creed Horizons for Achieving Independence*** as of June 30, 2022, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated January 4, 2023.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of ***Judith Creed Horizons for Achieving Independence's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ***Judith Creed Horizons for Achieving Independence's*** internal control over financial reporting and compliance.

Baratz & Associates, P.A.

Cherry Hill, NJ
December 6, 2023

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	2023	2022
Current assets		
Cash	\$ 751,156	\$ 889,022
Client fees receivable	815,862	361,425
Grants receivable, current portion	130,000	130,000
Prepaid expenses	74,077	100,101
Total current assets	1,771,095	1,480,548
Property and equipment, net	4,710,737	4,887,736
Other assets		
Grants receivable, net of current portion	-	151,666
Security deposits and other	51,122	32,625
	51,122	184,291
Total assets	\$ 6,532,954	\$ 6,552,575

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 129,274	\$ 51,871
Accrued wages	117,604	203,063
Deferred revenue	12,934	10,930
Long term debt, current portion	10,128	9,582
Total current liabilities	269,940	275,446
Long-term liabilities		
Long term debt, net of current portion	46,381	56,446
Total long-term liabilities	46,381	56,446
Total liabilities	316,321	331,892
Net assets		
Without donor restrictions	6,008,065	5,882,115
With donor restrictions	208,568	338,568
Total net assets	6,216,633	6,220,683
Total liabilities and net assets	\$ 6,532,954	\$ 6,552,575

The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Client fees - private pay, net of scholarships awarded of \$416,249	\$ 1,295,165	\$ -	\$ 1,295,165
Client fees - Commonwealth of Pennsylvania	1,068,366	-	1,068,366
- Montgomery County	163,304	-	163,304
Contributions and grants	757,930	-	757,930
Fundraising	446,432	-	446,432
Other	11,190	-	11,190
Net assets released from restrictions: Satisfaction of program restrictions	<u>130,000</u>	<u>(130,000)</u>	<u>-</u>
Total revenue and support	<u>3,872,387</u>	<u>(130,000)</u>	<u>3,742,387</u>
 <u>EXPENSES</u>			
Program services	<u>3,290,214</u>	<u>-</u>	<u>3,290,214</u>
Supporting services			
Management and general	599,618	-	599,618
Fundraising and development	<u>188,663</u>	<u>-</u>	<u>188,663</u>
Total supporting services	<u>788,281</u>	<u>-</u>	<u>788,281</u>
Total expenses	<u>4,078,495</u>	<u>-</u>	<u>4,078,495</u>
Changes in net assets before other income and expenses	(206,108)	(130,000)	(336,108)
 <u>OTHER INCOME AND EXPENSES</u>			
Gain on sale of fixed asset	<u>332,058</u>	<u>-</u>	<u>332,058</u>
Changes in net assets	125,950	(130,000)	(4,050)
Net assets, beginning of fiscal year	<u>5,882,115</u>	<u>338,568</u>	<u>6,220,683</u>
Net assets, end of fiscal year	<u>\$ 6,008,065</u>	<u>\$ 208,568</u>	<u>\$ 6,216,633</u>

The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Client fees - private pay, net of scholarships awarded of \$493,687	\$ 1,321,893	\$ -	\$ 1,321,893
Client fees - Commonwealth of Pennsylvania	804,495	-	804,495
- Montgomery County	165,622	-	165,622
Contributions and grants	450,438	438,586	889,024
Fundraising	499,589	-	499,589
In-kind revenue	214,078	-	214,078
Other	4,848	-	4,848
Net assets released from restrictions: Satisfaction of program restrictions	<u>546,919</u>	<u>(546,919)</u>	<u>-</u>
Total revenue and support	<u>4,007,882</u>	<u>(108,333)</u>	<u>3,899,549</u>
 <u>EXPENSES</u>			
Program services	<u>2,807,219</u>	<u>-</u>	<u>2,807,219</u>
Supporting services			
Management and general	1,011,391	-	1,011,391
Fundraising and development	<u>138,296</u>	<u>-</u>	<u>138,296</u>
Total supporting services	<u>1,149,687</u>	<u>-</u>	<u>1,149,687</u>
Total expenses	<u>3,956,906</u>	<u>-</u>	<u>3,956,906</u>
Changes in net assets before other income and expenses	50,976	(108,333)	(57,357)
 <u>OTHER INCOME AND EXPENSES</u>			
Gain on sale of fixed asset	<u>190,081</u>	<u>-</u>	<u>190,081</u>
Changes in net assets	241,057	(108,333)	132,724
Net assets, beginning of fiscal year	<u>5,641,058</u>	<u>446,901</u>	<u>6,087,959</u>
Net assets, end of fiscal year	<u>\$ 5,882,115</u>	<u>\$ 338,568</u>	<u>\$ 6,220,683</u>

The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Supporting Services			Total
	Program Services	Management and General	Fundraising and Development	
Salaries	\$ 1,499,661	\$ 281,186	\$ 93,729	\$ 1,874,576
Payroll taxes	111,218	20,853	6,951	139,022
Employee benefits	100,528	18,849	6,283	125,660
Total personnel costs	1,711,407	320,888	106,963	2,139,258
Credit card and bank fees	-	19,038	-	19,038
Depreciation	142,170	-	-	142,170
Dues and subscriptions	-	9,538	-	9,538
Food and supplies	206,941	-	-	206,941
Fundraising expense	-	-	50,073	50,073
IT Services	-	111,821	-	111,821
Insurance	141,516	-	-	141,516
Interest expense	3,928	-	-	3,928
Miscellaneous	30,267	-	-	30,267
Office expense	-	11,824	-	11,824
Professional fees	-	126,509	31,627	158,136
Program expenses	810,562	-	-	810,562
Repairs and maintenance	174,272	-	-	174,272
Training expense	13,046	-	-	13,046
Travel and mileage	56,105	-	-	56,105
Total expenses	\$ 3,290,214	\$ 599,618	\$ 188,663	\$ 4,078,495

The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Supporting Services			Total
	Program Services	Management and General	Fundraising and Development	
Salaries	\$ 1,396,934	\$ 350,730	\$ 81,781	\$ 1,829,445
Payroll taxes	101,282	26,348	6,067	133,697
Employee benefits	112,051	6,272	3,150	121,473
Total personnel costs	1,610,267	383,350	90,998	2,084,615
Credit card and bank fees	59	21,864	-	21,923
Depreciation	45,713	87,945	-	133,658
Dues and subscriptions	2,438	4,574	-	7,012
Equipment lease	-	5,735	-	5,735
Food and supplies	184,207	19,521	-	203,728
Fundraising expense	-	-	38,849	38,849
IT Services	32,689	23,249	4,851	60,789
Insurance	118,947	7,256	-	126,203
Interest expense	4,001	-	-	4,001
Miscellaneous	8,962	2,464	579	12,005
Office expense	1,316	3,667	2,566	7,549
Professional fees	-	375,615	-	375,615
Program expenses	701,705	23,554	453	725,712
Repairs and maintenance	53,438	46,678	-	100,116
Training expense	10,117	730	-	10,847
Travel and mileage	33,360	5,189	-	38,549
Total expenses	\$ 2,807,219	\$ 1,011,391	\$ 138,296	\$ 3,956,906

The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
Changes in net assets	\$ (4,050)	\$ 132,724
Adjustments to reconcile changes in net assets to net cash (used in) operating activities:		
Depreciation and amortization expense	142,170	133,658
Forgiveness of PPP loan	-	(299,954)
Gain on sale of fixed asset	(332,058)	(190,081)
Decrease (increase) in:		
Client fees receivable	(454,437)	3,541
Grants receivable	-	115,000
Prepaid expenses	26,024	700
Grants receivable, long term portion	151,666	108,334
Security deposits and other	(18,497)	68,570
Increase (decrease) in:		
Accounts payable and accrued expenses	77,403	(66,130)
Accrued wages	(85,459)	(63,514)
Deferred revenue	2,004	(18,066)
Net cash (used in) operating activities	(495,234)	(75,218)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(93,113)	(39,060)
Proceeds from sale of fixed asset	460,000	330,360
Net cash provided by investing activities	366,887	291,300

CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of long term debt	(9,519)	(8,998)
Net cash (used in) investing activities	(9,519)	(8,998)
Net (decrease) increase in cash	(137,866)	207,084
Cash, beginning of fiscal year	889,022	681,938
Cash, end of fiscal year	\$ 751,156	\$ 889,022

SUPPLEMENTAL INFORMATION

Interest paid	\$ 3,928	\$ 4,001
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The accompanying notes are an integral part of this statement.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

1. NATURE OF ACTIVITIES

Judith Creed Horizons for Achieving Independence (the “Organization”), founded in 1987, is a not-for-profit organization under Pennsylvania Nonprofit Corporation Law. The Organization was created to provide people with developmental disabilities a place to live independently.

The Organization’s vision is to provide a supportive environment that helps adults with developmental disabilities live and flourish in the community. This is done through supportive living, transition programs, and opportunities to teach and strengthen vocational and independent living skills.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The Organization capitalizes all equipment expenditures over \$1,000. Major renewals and betterments are charged to the capital accounts while maintenance and repairs which do not improve or extend the life of the respective assets are expensed.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a purpose restriction is accomplished or the stipulated time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. For multiyear grants, the entire amount is recognized in the year received and released from restriction during the remaining years. The result is a sharp increase in revenue the year the grant is received followed by no change during the ensuing years. The Organization received a three-year grant from the Jewish Federation during the year ended June 30, 2021. The full amount of the grant was recognized in that year. The grant will be released from restriction over the next three fiscal years, FY 2022, FY 2023, FY 2024.

Contributions of Donated Assets

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased, are recorded at fair value based on current rates for similar skills.

Program Service Fees

The Organization recognizes program revenue as the services are performed.

Deferred Revenue

Deferred revenue consists of payments received in advance for upcoming events. Revenue will be recognized once the event has occurred.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and Cash Equivalents

Cash and cash equivalents represent cash in bank and short-term certificates of deposit. For purposes of the statement of cash flows, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization had no cash equivalents for the years ended June 30, 2023 and 2022.

Advertising Costs

All costs associated with advertising and promotions are expensed in the year incurred. There was no advertising expense for the years ended June 30, 2023 and 2022.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management has adopted the accounting standard, "Accounting for Uncertainty in Income Taxes." This standard clarifies the accounting and reporting for uncertainties in income tax positions taken or expected to be taken in filings with taxing jurisdictions, using minimum recognition and measurement thresholds.

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These tax filings are subject to examination, generally for three years after they are filed.

Should settlement of an examination or other event result in a change in management's evaluation of a tax position taken or expected to be taken in filings that have not been closed by statute or examination, any interest and penalties related to the unrecognized tax benefit because of the uncertain tax position would be included in interest expense and administrative expenses, respectively.

Credit and Market Risk

Financial instruments which subject the Organization to concentrations of credit and market risk consist principally of cash and receivables. From time to time, the Organization may have amounts on deposit more than the federally insured deposit limit at one bank. The Organization places its cash with high quality financial institutions.

Allocation of Functional Expenses

Directly identifiable expenses are charged to programs, supporting services and fundraising. Any expenditures not directly chargeable have been allocated among program and supporting services based on employees' time records and estimates made by the Organization's management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

3. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year for general expenditures are as follows:

	2023	2022
Cash	\$ 751,156	\$ 889,022
Client fees receivable	815,862	361,425
Grants receivable	130,000	130,000
 Total financial assets	 1,697,018	 1,380,447
 Donor-imposed restrictions:		
Restricted funds	(208,568)	(338,568)
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,488,450</u>	 <u>\$ 1,041,879</u>

The Organization manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. During the years ended June 30, 2023 and 2022, the Organization has been able to meet cash needs for general expenditures within each respective year.

In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues, including grant and contract income, fundraising events, and other income.

4. GRANTS RECEIVABLE

Grants receivable consist of the following at June 30:

	2023	2022
Receivable in less than one year	\$ 130,000	\$ 130,000
Receivable in one to five years	-	151,666
 Total grants receivable	 <u>\$ 130,000</u>	 <u>\$ 281,666</u>

Grants receivable have not been discounted due to the immateriality of the adjustment.

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30 consist of the following:

	2023	2022
Land	\$ 29,000	\$ 52,500
Buildings and improvements	4,947,186	5,293,973
Furniture, fixtures, and equipment	405,316	478,106
Automobiles	71,719	56,928
	5,453,221	5,881,507
Less: accumulated depreciation	(742,484)	(993,771)
Property and equipment, net	\$ 4,710,737	\$ 4,887,736

Depreciation expense for the years ended June 30, 2023 and 2022 was \$142,170 and \$133,658 respectively.

6. LONG TERM DEBT

The Organization has a mortgage payable with a local bank. The loan is collateralized by the property at 1090 Welsh Road, Philadelphia, PA. Terms call for repayment in 240 monthly installments. Every 60th month the loan interest rate will be adjusted to 2.5% above the Federal Home Loan Bank rate. Effective July 2018 the interest rate is 5.6%.

Long-term debt as of June 30 is as follows:

	2023
Mortgage payable, bank, due in monthly installments of \$1,083, including interest at 5.6%	\$ 56,509
Total	56,509
Less: current maturities	(10,128)
Long-term debt	\$ 46,381

JUDITH CREED HORIZONS FOR ACHIEVING INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022

6. LONG TERM DEBT (CONT'D)

Maturities of long-term debt are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2024	\$ 10,128
2025	10,706
2026	11,317
2027	11,962
2028	<u>12,396</u>
Total	<u>\$ 56,509</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

A summary of net assets with donor restrictions at June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 56,901	\$ 56,901
Time Restricted	<u>151,667</u>	<u>281,667</u>
Total	<u>\$ 208,568</u>	<u>\$ 338,568</u>

8. EMPLOYEE RETIREMENT PLAN

In 1998, the Organization adopted a 403(b) retirement plan providing eligible participants the ability to invest pretax dollars into selected variable annuities. There is no obligation for the Organization to make contributions to the plan. For the years ended June 30, 2023 and 2022, no contributions were made by the Organization.

9. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through December 6, 2023, the date the financial statements were available to be issued. The Organization had no significant or material subsequent events through December 6, 2023.

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance Required by the Montgomery County Department of
Behavioral Health/Developmental Disabilities Program

To: The Board of Directors
Judith Creed Horizons for Achieving Independence
Bryn Mawr, Pennsylvania

We have audited **Judith Creed Horizons for Achieving Independence** (the "Organization") for compliance with the requirements described in the agreement dated July 1, 2022 with the **Montgomery County Department of Behavioral Health/Developmental Disabilities Program** that could have a direct and material effect on the Organization's program for the year ended June 30, 2023.

The compliance requirements for the **Montgomery County Department of Behavioral Health/Developmental Disabilities Program** are as follows:

- Verification of fee for service contract
- Invoicing based on the terms and conditions in the contract
- Authorized services
- Progress notes
- Evaluation of accounting and administrative controls
- Reimbursement from the county for the fiscal year will not exceed \$163,304

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its agreement with the **Montgomery County Department of Behavioral Health/Developmental Disabilities Program**.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's 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 and the audit requirements of the agreement with the **Montgomery County Department of Behavioral Health/Developmental Disabilities Program**.

Those standards 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 program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing other procedures as we considered necessary.

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

Opinion on Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its program with the ***Montgomery County Department of Behavioral Health/Developmental Disabilities Program*** for the year ended June 30, 2023.

Report on Internal Control Over Compliance

Management of the Organization 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each program and to test and report on internal control over compliance in accordance with the agreement with the ***Montgomery County Department of Behavioral Health/Developmental Disabilities Program***, 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 Organization's 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 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 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 program that is less severe than a material

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 **Montgomery County Department of Behavioral Health/Developmental Disabilities Program**. Accordingly, this report is not suitable for any other purpose.

Baratz & Associates, P.A.

Cherry Hill, NJ
December 6, 2023