

INTENSIVE THERAPEUTICS, INC.
FINANCIAL STATEMENTS
Year Ended December 31, 2023

INTENSIVE THERAPEUTICS, INC.

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-10

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Intensive Therapeutics, Inc.
[a Non-Profit Organization]

We have audited the accompanying financial statements of Intensive Therapeutics, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Intensive Therapeutics, Inc. as of December 31, 2023 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Intensive Therapeutics and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 Intensive Therapeutic'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 generally accepted auditing standards 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 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 Intensive Therapeutic'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 Intensive Therapeutic'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.

Levine, Jacobs, & Company, L.L.C.

Parsippany, New Jersey
May 16, 2024

INTENSIVE THERAPEUTICS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

Cash and Cash Equivalents		\$	470,409
Property and Equipment			
Equipment			84,125
Furniture & Fixtures			11,373
Leasehold Improvements			12,541
Land Improvements			56,332
Accumulated Depreciation & Amortization			(141,351)
Property and Equipment - Net			<u>23,020</u>
Total Assets		\$	<u><u>493,429</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities			
Line of Credit		\$	<u>3,366</u>
Total Liabilities			3,366
Net Assets			<u>490,063</u>
Total Liabilities and Net Assets		\$	<u><u>493,429</u></u>

INTENSIVE THERAPEUTICS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2023

	Without Donor Restrictions	2023 Total
Revenues		
Program Revenue	\$ 1,152,070	\$ 1,152,070
Contributions	56,287	56,287
Other Income	3,891	3,891
Total Revenues	<u>1,212,248</u>	<u>1,212,248</u>
Expenses		
Program Services	910,725	910,725
Supporting Services		
General and Administrative	225,235	225,235
Fundraising	22,822	22,822
Total Expenses	<u>1,158,782</u>	<u>1,158,782</u>
Change in Net Assets	53,466	53,466
Net Assets at Beginning of Year	<u>436,597</u>	<u>436,597</u>
Net Assets at End of Year	<u>\$ 490,063</u>	<u>\$ 490,063</u>

INTENSIVE THERAPEUTICS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 569,770	\$ 146,095	\$ 14,609	\$ 730,474
Payroll Expenses	112,900	28,949	2,895	144,743
Facility Expenses	79,277	12,042	1,204	92,523
Facility Maintenance	24,036	6,163	616	30,816
Other Supplies	19,012	4,875	487	24,374
Travel and Entertainment	4,207	1,079	108	5,394
Communications/Computer Expense	20,126	5,161	516	25,803
Insurance	18,863	4,837	484	24,183
Other Expenses	39,290	10,074	1,007	50,372
Interest/Bank Fees	23,244	5,960	596	29,800
Fundraising	-	-	300	300
Total	<u>\$ 910,725</u>	<u>\$ 225,235</u>	<u>\$ 22,822</u>	<u>\$ 1,158,782</u>

INTENSIVE THERAPEUTICS, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

Cash Flows from Operating Activities:	
Change in Net Assets	\$ 53,466
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation and Amortization	32,314
Pre-Funded Payroll	17,516
Net Cash Provided by Operating Activities	103,297
Cash Flows from Investing Activities:	
Purchase of Equipment	(22,793)
Purchase of Furniture & Fixtures	(6,812)
Net Cash Used by Investing Activities	(29,605)
Cash Flows from Financing Activities:	
Payment of Line of Credit	3,232
Net Cash Used by Financing Activities	3,232
Net Increase in Cash	76,924
Cash and Cash Equivalents, Beginning of Year	393,485
Cash and Cash Equivalents, End of Year	\$ 470,409

INTENSIVE THERAPEUTICS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2023

NOTE 1 – NATURE OF ACTIVITIES

Intensive Therapeutics, Inc., is a 501(c)(3) nonprofit organization formed on January 30, 2005, in West Caldwell, New Jersey.

The Company is a leading organization providing a collaborative therapeutic program for children and young adults with special needs. With child-first, expert services utilizing established practices to focus on autism, hemiplegia, prevocational and independent living.

Intensive Therapeutics, Inc. aims to create and provide comprehensive, evidence-based therapy services to children with special needs with and/or within their own community. The company is focused on understanding each child and young adult and integrating the services and experiences needed to maximize the child's potential all under one roof.

The company is dedicated to becoming the premier, cost-effective, evidence-based, innovative provider of intensive therapy services meeting the needs of all children and young adults with special needs in unison with the family and community.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting used for federal income tax purposes required under generally accepted accounting principles.

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which the Organization has adopted for the years ending after December 31, 2022.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Intensive Therapeutics and changes therein are classified as follows:

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 Intensive Therapeutics. Intensive Therapeutics board may designate assets without restrictions for specific operational purposes from time to time.

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 Intensive Therapeutics or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses.

INTENSIVE THERAPEUTICS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intensive Therapeutics, Inc. has the majority of its expense allocation go to Program Services. Expenses are recorded directly to either program, management and general, or fundraising whenever possible. However, certain categories of expenditures are attributable to more than one function and therefore require allocation on a reasonable basis that is consistently applied.

These expenditures are allocated based on time and effort estimates made by management of the organization. Accordingly, certain costs have been allocated based on the estimated amount of time employees spend between program and support activities.

Cash and Cash Equivalents

Intensive Therapeutics, Inc. considers all cash and money market funds on deposit with the bank and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Property and Equipment

Intensive Therapeutic, Inc. capitalizes equipment over \$1,500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of equipment are recorded as contributions at their estimated fair value on the date of the donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Intensive Therapeutics, Inc. reports expirations of donor restrictions when the donated or acquired assets are placed in service. Intensive Therapeutic Inc. reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives:

	Estimated Useful Life <u>(Years)</u>
Furniture and Equipment	5-10
Software	3-5

Depreciation and amortization expense for the year ended December 31, 2023 was \$32,314.

Contributions

Donations are recognized when received and recorded as contributions without donor restrictions or contributions with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

INTENSIVE THERAPEUTICS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net revenues released from restrictions.

Income Taxes

Intensive Therapeutics, Inc. is exempt from federal income taxes under section 501(c)(3) of the United States Internal Revenue Code and from state and local taxes under comparable laws. However, any unrelated business income may be subject to taxation. Currently, Intensive Therapeutics, Inc. has no obligation for any unrelated business income tax. Accordingly, no provision for income taxes is included in the financial statements.

The Intensive Therapeutics, Inc.'s Form 990 Return of Organization Exempt from Income Tax, for the years ending, December 31, 2023, 2022, and 2021 are subject to examination by the IRS, generally for three years after it has been filed.

In compliance with IRS regulations, Intensive Therapeutics, Inc.'s Board of Directors reviews the federal exempt organization return, Form 990, before it is filed.

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Estimates

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

Recent Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The pronouncement addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Intensive Therapeutics has adjusted the presentation of these statements accordingly.

NOTE 3 – CONCENTRATIONS

In the current year, a significant amount of contributions were provided by a small number of contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

INTENSIVE THERAPEUTICS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2023

NOTE 3 – CONCENTRATIONS (Continued)

Intensive Therapeutics, Inc. maintains accounts at a financial institution located in northern New Jersey. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The company had an uninsured cash balance of \$175,821 as of December 31, 2023.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

There were no donor restricted net assets noted for the calendar year ended December 31, 2023.

NOTE 5 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their uses, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 470,409
Prepaid Expenses and Other Assets	<u>0</u>
	470,409
Less: Donor restricted for purpose	<u>0</u>
Financial assets available for general expenditures	<u>\$ 470,409</u>

In addition to these available financial assets, a significant portion of Intensive Therapeutic Inc.'s annual expenditure will be funded by the current year's operating contributions.

As part of Intensive Therapeutic Inc. liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the company's liquidity management plan, cash in excess of daily requirements for general expenditures is invested in short-term investments.

NOTE 6 – RELATED PARTY TRANSACTION

There were no related party transactions for the calendar year ended December 31, 2023.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 16, 2024, the date on which the financial statements were available to be issued.