

**INTENSIVE THERAPEUTICS, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2024**

INTENSIVE THERAPEUTICS, INC.

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## Ott, Shore & Co. LLC

### INDEPENDENT AUDITORS' REPORT

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

#### **Opinion**

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, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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, 2024 and the changes in its net assets and its cash flows for the year 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. 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.

#### **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.



## Ott, Shore & Co. LLC

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

*Ott, Shore, & Company, L.L.C.*

June 11, 2025

INTENSIVE THERAPEUTICS, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2024

ASSETS

Cash and Cash Equivalents	\$	453,419
Accounts Receivable		182,881
Property and Equipment		
Equipment		84,125
Furniture & Fixtures		11,373
Leasehold Improvements		12,541
Land Improvements		56,332
Accumulated Depreciation & Amortization		(129,729)
Property and Equipment - Net		34,642
Other Assets		
Prepaid Expense		2,040
Right of Use Asset, Net of Amortization		69,504
Total Other Asset		71,544
Total Assets	\$	742,486

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$	1,988
Line of Credit		3,534
Payroll Payable		40,051
Unearned Service Revenue		7,240
Total Current Liabilities		52,813
Long-term Liabilities		
Lease Liability		80,095
Total Long-term Liabilities		80,095
Net Assets Without Donor Restrictions		609,578
Total Liabilities and Net Assets	\$	742,486

See accompanying Notes to Financial Statements

INTENSIVE THERAPEUTICS, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
Year Ended December 31, 2024

	Without Donor Restrictions
Revenues	
Program Revenue	\$ 1,211,856
Contributions	60,573
Other Income	422
Total Revenues	1,272,851
Expenses	
Program Services	1,004,643
Supporting Services	
General and Administrative	246,355
Fundraising	25,183
Total Expenses	1,276,181
Change in Net Assets	(3,330)
Net Assets at Beginning of Year	612,908
Net Assets at End of Year	\$ 609,578

See accompanying Notes to Financial Statements

INTENSIVE THERAPEUTICS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2024

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 654,536	\$ 167,830	\$ 16,783	\$ 839,149
Payroll Expenses	136,673	35,045	3,504	175,222
Facility Expenses	65,181	5,467	547	71,194
Facility Maintenance	29,465	7,555	756	37,776
Other Supplies	3,737	958	96	4,791
Travel and Entertainment	6,717	1,722	172	8,611
Communications/Computer Expense	16,818	4,312	431	21,562
Insurance	19,495	4,999	500	24,993
Other Expenses	45,413	11,644	1,712	58,770
Interest/Bank Fees	26,608	6,823	682	34,113
Total	<u>\$ 1,004,643</u>	<u>\$ 246,355</u>	<u>\$ 25,183</u>	<u>\$ 1,276,181</u>

See accompanying Notes to the Financial Statements

INTENSIVE THERAPEUTICS, INC.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2024

Cash Flows from Operating Activities:	
Change in Net Assets	\$ (3,330)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	11,466
Amortization, Right of Use	32,395
(Increase) Decrease in Assets:	
Accounts Receivable	(45,626)
Prepaid Expense	680
Increase (Decrease) in Liabilities:	
Accounts Payable	(8,137)
Payroll Payable	20,219
Unearned Service Revenue	7,240
Lease Liability	(32,066)
Net Cash Used by Operating Activities	<u>(17,159)</u>
Cash Flows from Financing Activities:	
Proceeds from Line of Credit	<u>168</u>
Net Cash Provided by Financing Activities	<u>168</u>
Net Decrease in Cash	(16,991)
Cash and Cash Equivalents, Beginning of Year	<u>470,410</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 453,419</u></u>

See accompanying Notes to Financial Statements.

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**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 accrual basis of accounting.

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.

Revenue Recognition and Deferred Revenue

Intensive Therapeutics is subject to the provisions of the authoritative guidance issued by the FASB for revenue recognition. The authoritative guidance establishes a five-step framework that requires an entity to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition and Deferred Revenue - Continued

be entitled in exchange for those services. This will require Intensive Therapeutics to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when services transfer to a customer. Intensive Therapeutics' revenue streams are recognized at a point in time as well as over time.

Intensive Therapeutics adopted ASC 606, Revenue from Contracts with Customers, which amended the existing accounting standards for revenue recognition. The adoption of this new revenue standard does not have a significant impact on the amount and timing of revenue recognized in Intensive Therapeutics' financial statements.

Therapy service revenues are recognized in the period the related services are performed. Payments received in excess of or prior to the start of the service sessions are deferred until service commences.

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.

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. 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.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. Intensive Therapeutics determines the allowance for doubtful accounts by considering a number of factors, including the length of time receivables are past due, the company's previous loss history, each payer's current ability to pay their obligation, and the general economy as a whole. Intensive Therapeutics writes off receivables when they are determined to be uncollectible.

Due to the regular nature of the company's collections health insurance agencies and government services allowance for doubtful accounts was zero as of December 31, 2024.

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Credit Losses

Intensive Therapeutics has adopted Financial Accounting Standards Board (FASB), Accounting Standards Update (ASU) 2016-13: Financial Instruments – Credit Losses (Topic 326) for the year ended December 31, 2024. In accordance with the new standard, management establishes an allowance for credit losses based on the current expected credit loss (“CECL”) model, which is based on expected losses rather than incurred losses. The standard requires that expected credit losses are measured through the entire life of the financial asset.

The Company recorded credit losses in the amount of \$7,788 from customer receivables for the year ended December 31, 2024.

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 (Years)
Furniture and Equipment	5-10
Software	3-5

Depreciation expense for the year ended December 31, 2024 was \$11,466.

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.

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2024, 2023, and 2022 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.

Leases

Intensive Therapeutics determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) Intensive Therapeutics obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. Intensive Therapeutics also considers whether its service arrangements include the right to control the use of an asset.

Intensive Therapeutics adopted Topic 842 in January 2024. Intensive Therapeutics has elected not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, Intensive Therapeutics has elected to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Leases - Continued

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

Right of Use amortization expense for the year ended December 31, 2024 was \$32,395.

**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. 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 \$120,000 as of December 31, 2024.

**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS**

There were no donor restricted net assets noted for the calendar year ended December 31, 2024.

**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	\$ 453,419
Prepaid Expenses and Other Assets	<u>2,040</u>
	455,459
Less: Donor restricted for purpose	<u>0</u>
Financial assets available for general expenditures	<u>\$ 455,459</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.

INTENSIVE THERAPEUTICS, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2024

**NOTE 6 – Leases**

Intensive Therapeutics has two operating leases for real estate that both have an initial term of five years that started from the same date. Both operating leases have fixed monthly payments for the duration of the lease.

Statement of activities supplemental information

Operating lease cost	\$ 36,300
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Cash flow statement supplemental information

Cash paid for amounts included in measurement of lease liabilities:

Operating cash outflows - payments on operating leases	\$ 36,300
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Right-of-use assets obtained in exchange for new lease obligations:

Operating leases	\$ 133,012
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Statement of financial position supplemental information

Operating leases:

Operating lease right-of-use assets	\$ 69,504
Operating lease liabilities, current	37,187
Operating lease liabilities, non-current	42,908
Total operating lease liabilities	\$ 80,095

Weighted average terms and discount rates

Weighted-average remaining lease term:

Operating leases	2 years
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Weighted-average discount rate:

Operating leases	4.34%
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	Operating Lease
Future Lease Payments	
2025	\$ 39,930
2026	43,922
Total lease payments	83,852
Less imputed interest	3,757
Total present value of lease liabilities	\$ 80,095

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 11, 2025, the date on which the financial statements were available to be issued.