Eden Autism Services, Inc. and Affiliate
(A New Jersey Nonprofit Corporation)

Combined Financial Statements and
Supplemental Information

June 30, 2023

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Eden Autism Services, Inc. and Affiliate
Table of Contents
June 30, 2023

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ
973.298.8500
nisivoccia.com
Independent Member
BKR International

Independent Auditors' Report

To the Board of Trustees of
Eden Autism Services, Inc. and Affiliate
Princeton, New Jersey

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Eden Autism Services, Inc. and Affiliate (a not-for-profit organization) (the "Organization"), which comprise the combined statements of financial position as of June 30, 2023, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Eden Autism Services, Inc. and Affiliate as of June 30, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eden Autism Services, Inc. and Affiliate, 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.

Change in Accounting Principle

As discussed in Notes 2 and 12 to the combined financial statements, the Organization changed its method of accounting for leases as of July 1, 2022 due to the adoption of Accounting Standard Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

.

To the Board of Trustees
Eden Autism Services, Inc. and Affiliate

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eden Autism Services, Inc. and Affiliate's ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Eden Autism Services, Inc. and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eden Autism Services, Inc. and Affiliate'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.

To the Board of Trustees
Eden Autism Services, Inc. and Affiliate

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements.

The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined 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 October 31, 2023, on our consideration of the Organization'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 solely 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 the effectiveness of 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 Eden Autism Services, Inc.'s internal control over financial reporting and compliance.

Nisivoccia LLP

October 31, 2023
Bridgewater, New Jersey

Eden Autism Services, Inc. and Affiliate
Combined Statement of Financial Position
June 30, 2023

ASSETS	
Cash and cash equivalents	$ 26,480,144
Restricted cash	58,525
Investments	8,588,598
Accounts receivable, net	2,546,674
Contribution and trust receivables, current portion	80,613
Prepaid expenses and other assets	552,304
Total current assets	38,306,858
Property and equipment, net	19,180,147
Contribution and trust receivables, noncurrent portion	254,656
Right-of-use asset, net present value - operating leases	2,647,520
Total assets	$ 60,389,181
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	$ 290,281
Accrued expenses and other liabilities	2,652,814
Deferred income	37,844
Lease liability - current portion - operating lease	336,360
Notes payable - current portion	428,025
Total current liabilities	3,745,324
Client fund liability	58,525
Lease liability net of current portion	2,200,418
Notes payable - long-term, net of issuance costs	9,396,552
Total liabilities	15,400,819
Net Assets:	
Without donor restrictions	42,045,062
With donor restrictions	2,943,300
Total net assets	44,988,362
Total liabilities and net assets	$ 60,389,181

See Accompanying Notes to Combined Financial Statements

Eden Autism Services, Inc. and Affiliate
Combined Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Tuition	$ 11,153,954		$ 11,153,954
Government grants	257,937		257,937
Contributions	800,557	$ 273,051	1,073,608
Program service fees and other revenues	31,555,901		31,555,901
Contributed nonfinancial assets	2,995		2,995
Merchandise, net of cost of goods sold	978		978
Other income	13,801		13,801
Net assets released from restrictions	384,118	(384,118)	
Total support and revenue	44,170,241	(111,067)	44,059,174
Expenses:			
Program services	38,043,548		38,043,548
Management and general	4,467,826		4,467,826
Fundraising	749,321		749,321
Total expenses	43,260,695		43,260,695
Change in net assets from operations	909,546	(111,067)	798,479
Non-operating activities:			
Net investment income	2,302,716		2,302,716
Total non-operating activities	2,302,716		2,302,716
Change in net assets	3,212,262	(111,067)	3,101,195
Net assets, beginning of year	38,832,800	3,054,367	41,887,167
Net assets, end of year	$ 42,045,062	$ 2,943,300	$ 44,988,362

Eden Autism Services, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended June 30, 2023

	Program	Management and General	Fundraising	Total
Salaries and wages	$ 24,438,662	$ 2,778,508	$ 210,193	$ 27,427,363
Payroll taxes and employee benefits	6,315,447	758,229	53,816	7,127,492
Total salaries and related benefits	30,754,109	3,536,737	264,009	34,554,855
Consultants and professional fees	576,005	195,503	79,324	850,832
Material and supplies	1,409,897	12,240	13,542	1,435,679
Facility cost	1,862,616	148,400	41,029	2,052,045
Depreciation	690,694	3,458	74	694,226
Interest	243,418		631	244,049
Transportation	804,274	52,807	1	857,082
Information technology	759,090	183,983	27,487	970,560
Communication	154,038	30,848	4,594	189,480
Travel and employee services	306,842	104,244	4,037	415,123
Community experience and specific assistance	312,048			312,048
Marketing and recruitment	103,770	129,043	11,358	244,171
Covid-19 expenses	47,713	4,422	19	52,154
Bad debt expense (recovery)	(62,574)			(62,574)
Other	79,601	66,141	46,751	192,493
Special event expense	2,007		256,465	258,472
Total expenses	$ 38,043,548	$ 4,467,826	$ 749,321	$ 43,260,695

Eden Autism Services, Inc. and Affiliate
Combined Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ 3,101,195
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	694,226
Amortization of deferred financing fees	7,291
Realized and unrealized gain on investments	(1,633,392)
Dividends reinvested	(584,784)
Bad debt recovery	(62,574)
Changes in operating assets and liabilities:	
Accounts receivable	1,226,158
Contribution and trust receivable	(141,372)
Prepaid expenses and other current assets	(162,466)
Accounts payable	(265,972)
Accrued expenses and other liabilities	108,139
Deferred income	(7,652)
Client fund liability	(22,129)
Right of use asset	(110,742)
Cash flows provided by operating activities	2,145,926
Cash flows from investing activities:	
Purchase of property, plant and equipment	(1,580,258)
Purchase of investments	(644,119)
Proceeds from sale of investments	16,224,136
Cash flows provided by investing activities	13,999,759
Cash flows from financing activities:	
Principal payable on note payable	(424,427)
Reinvestment of dividents	584,784
Cash flows provided by financing activities	160,357
Net increase in cash and cash equivalents	16,306,042
Cash and cash equivalents, beginning of year	10,232,627
Cash and cash equivalents, end of year	$ 26,538,669
Supplemental disclosures of cash activity:	
Cash paid for interest	$ 244,049
Supplemental disclosures of noncash activity:	
Unrealized gain on investments	$ 2,109,568

1. Nature of Activities

Eden Autism Services, Inc. ("Eden"), is a nonprofit organization that provides education and services to individuals living with autism and behavioral disorders, provides day program services and maintains residential care facilities for individuals living with autism located primarily in the State of New Jersey, and also provides training and development of practical skills to individuals with autism. Eden was approved by the Department of Education, State of New Jersey (the "DOE") to serve students classified as autistic from various public school districts. The affiliate, Eden Autism Services Foundation, Inc. (the "Foundation"), formerly Eden Institute Foundation, Inc., is a nonprofit organization whose principal function is to raise funds to support the affiliate organization Eden.

Eden and the Foundation share the same management team as well as the same Board of Trustees (the "Board").

The combined financial statements of Eden Autism Services, Inc. and Affiliate (collectively the "Organization") represent the combined financial position, activities and cash flows of Eden and the Foundation. All significant intercompany accounts and transactions, as detailed below, have been eliminated in combination.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying combined financial statements is set forth below:

The Organization prepares its combined financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Accounting for Contributions Received and Made*, and FASB ASC, *Presentation of Financial Statements of Not-for-Profit Entities*. *Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction 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 restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the combined financial statements and/or in the notes to the combined financial statements.

Accounting for Contributions Received and Made requires that unconditional promises to give be recorded as receivables and revenue and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Net Assets Without Donor Restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed restrictions. Net assets without donor restrictions also include those expendable resources which may have been designated for special use by the Board of Trustees.

Net Assets With Donor Restrictions are 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities in net assets released from restrictions. Net assets with donor restrictions as of June 30, 2023, which were subject to purpose restrictions amounted to $2,943,300.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable values. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of future cash flows, using risk-adjusted interest rates (approximately 7.5%) applicable to the years in which the promises were received. Conditional promises to give are recognized when the conditions on which they are dependent are substantially satisfied.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

The Organization's revenue consists primarily of fees from Medicaid, tuition revenue from school districts for education services, contributions and other small miscellaneous revenue sources relating to program revenues.

Tuition for public school students in the State of New Jersey, is billed to their respective school districts based upon a tentative public school placement tuition rate determined by the DOE. The billing is then adjusted at year end when the actual tuition rate is determined based upon actual allowable costs plus provision for working capital needs. Tuition for school students outside the State of New Jersey, is billed and recognized as unrestricted support based upon agreed-upon rates and is not adjusted based upon actual expenditures.

Income received from program fees and services is recognized when the related program services are provided. State grant awards are classified recognized when expended for the purpose of the grants. Cash received prior to services being provided or awards expended is deferred.

Client service fees consist primarily of Medicaid, which is recognized based on considerations specified in contracts with third parties. Generally, these contracts establish the terms of the client relationship and set the broad range of terms for services to be performed at a stated rate. The contracts do not give rise to rights and obligations until the Organization is engaged to provide services by the state agency or the individual being serviced.

When the services are authorized, it creates a performance obligation to provide services over a defined period of time that can range from one day to multiple months. The types of service offerings vary by individual; however, these offerings are not distinct within the contract. The performance obligation is satisfied once the service is provided to the consumer, at which point revenue is recognized.

Medicaid services are billed and paid on a fee-for-service basis when the service is provided. The transaction price under these contracts is based on standard rates or a set of rates for a particular service usually dependent on the acuity of the individual being served, established by the payors. These rates are the same for all agencies providing the services.

Client fees, including client rent and contribution to care, are recognized as the performance obligation of providing housing and individual care to consumers on a monthly basis as outlined in the care and rental contracts between the Organization and consumers is met.

The Organization has elected to apply the portfolio approach as a practical expedient to account for Medicaid contracts as a collective group, rather than individually as the financial statement effects are not expected to materially differ from an individual contract approach. These types of contracts are subject to review by the third-party payors and may be subject to retroactive adjustment if in performing the services, the Organization has not adhered to the terms of the contract or did not document the services as specified by the payor.

Income received from local and other revenue sources is deferred and recognized when the related services are provided.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Amounts received prior to the event taking place are recorded as deferred revenue in the accompanying combined statements of financial position.

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the year ended June 30, 2023:

Performance obligations satisfied at a point in time	$ 42,968,770

Revenue from performance obligations satisfied at a point in time are comprised of tuition - public school placement, tuition – private placement, tuition - other, tuition - extraordinary services, and client housing revenue, program service fees, and other revenues.

Accounts Receivable and Allowances for Uncollectible Accounts

Accounts and grants receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. The Organization has recorded an allowance for uncollectible amounts of $111,571, as of June 30, 2023.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line method over the lesser of the useful life of the asset or the remaining lease term.

In accordance with FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization periodically evaluates property and equipment for impairment, relying on a number of factors including operating results, and future business plans. Recoverability of property is evaluated by a comparison of the carrying amount of an asset or asset group to estimated future recoverability of the carrying amount of the asset or asset group. No impairment losses have been recorded for the year ended June 30, 2023. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the estimated fair value.

Tax-exempt Status

The Organization is recognized as a charitable, nonprofit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Organization is an exempt entity under Title 15 of the State of New Jersey, Corporations and Associations Not-for-Profit Act. Accordingly, no provision for federal or state income tax has been presented in the accompanying combined financial statements. Management has stated that all tax returns have been filed and applicable taxes paid in a timely manner.

The Organization follows the provisions of FASB ASC, *Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the combined financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition as they relate to those tax positions.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the fiscal year ended June 30, 2023. However, the Organization is subject to regular audit by tax authorities, including a review of its nonprofit status, which the Organization believes would be upheld upon examination. The Organization believes that it has appropriate support for the positions taken on its tax returns.

Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

As required by law, the Organization files informational returns with both the United States federal and State of New Jersey jurisdictions on an annual basis - Form 990 with the Internal Revenue Service, and Form CRI-300R with the State. These returns are subject to examination by these authorities within certain statutorily defined periods for both Federal and the State of New Jersey.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments convertible to known amounts of cash with original maturity dates of three months or less.

For purposes of the combined statements of cash flows, assets whose use is limited is considered to be restricted cash. Assets whose use is limited consists of funds held by the Organization in trust for participants in their personal needs accounts.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the combined statements of financial position and combined statements of cash flows.

Cash and cash equivalents	$ 26,480,144
Restricted Cash	58,525
Total cash, cash equivalents and restricted cash	$ 26,538,669

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Beneficial Interest in Trust

The Organization's beneficial interest in trust is recorded when received at the present value of the anticipated future cash flows. Present values are determined using appropriate discount rates and are revalued annually. The net revaluations, after all trust or gift obligations have been satisfied, are recorded as contribution income.

Contributed Nonfinancial Assets

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values based on the standard rates for those services provided charged to others in the period received. For the years ended June 30, 2023, $2,995, of contributions of nonfinancial assets are recognized in the combined statement of activities for donations pertaining to special events and an equipment donation to benefit Services. Such donations are reported as increases in net assets without donor restriction, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their uses and contributions of cash that must be used to acquire property and equipment are reported as donor-restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Leases

In February 2016, the FASB issued guidance ASC 842, *Leases* to increase transparency and comparability among companies by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted FASB ASC 842, with a date of initial application of July 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 842): *Targeted Improvements.* The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of July 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842.

The Organization recognized and measured leases existing at, July 1, 2022, (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The Organization elected the available practical expedients to account for existing operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

ROU assets represent the Organization’s right to use leased assets over the term of the lease. Lease liabilities represent the Organization’s contractual obligation to make lease payments and are measured at the present value of the future lease payments over the lease term. ROU assets are calculated as the present value of the future lease payments adjusted by any deferred rent liability and lease incentives. ROU assets and lease liabilities are recognized at the lease commencement date. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building class of assets.

When the rate implicit in the lease is not determinable, the Organization uses the risk-free rate at the lease commencement date to determine the present value of the future minimum lease payments.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of $2,962,750 which represents the present value of the remaining operating lease payments of $3,643,701, discounted using the risk-free rate of 3.30%, and a right-of-use asset of $2,962,750.

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

The standard had a material impact on the Organization’s balance sheet and statement of support and revenue, expenses and changes in fund balances.

Fair Value of Financial Instruments

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The *Fair Value Measurements Topic* of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable.

As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

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 input 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. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:.

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information might not be available.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Mutual funds: The carrying amounts are stated at the net asset value of shares held by the Organization at year end.

Fixed Income: The carrying amounts are stated at fair value of the units held by the Organization at year end.

<u>Investments</u>

The Organization follows FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with this accounting standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investment income or loss (including interest, dividends and realized gains and losses on the sale of investments) are included in the combined statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by the donor or law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the combined statement of activities and a new cost basis would be established. For the year ended June 30, 2023, the Organization did not record any impairment charge in the combined statement of activities.

Deferred Loan Costs

Costs incurred in connection with obtaining financing, such as origination fees, commitment fees, legal, and other third-party costs, are capitalized and amortized over the life of the related debt using a method that approximated the effective interest method.

The Organization follows the provisions of FASB issued ASU 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the presentation of Debt Issue Costs*. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Amortization of these costs have been reported as interest expense in the consolidated statement of functional expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The combined statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The combined financial statements may report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated based on estimates made by management, based upon time spend. Program expenses are those related to public school, private placement education, and other program services. Support services are those related to general administration which include direct costs of special events on methods considered by management to be reasonable.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after June 30, 2023 through the date of the independent auditors' report and the date the combined financial statements were available to be issued, October 31, 2023. The combined financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles in the United States of America. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

3. Liquidity and Availability

The adoption of FASB Update No. 2016-14 requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the combined statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the combined financial statement and/or in the notes to the combined financial statements.

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

Financial assets at year end:	
Cash and cash equivalents	$ 26,480,144
Accounts receivable, net	2,546,674
Contributions receivable, current portion	80,613
Total financial assets	29,107,431
Less:	
Net assets with donor restrictions	2,943,300
Financial assets available for general expenditure	$ 26,164,131

The Organization receives tuition income from New Jersey public school sending districts and considers this funding restricted due to New Jersey State law regarding public school tuition funds. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a goal to maintain financial assets on hand to meet three months of normal operating expenses. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $2,500,000 upon which it could draw, if required, to meet its financial obligations.

4. Concentrations

For the year ended June 30, 2023, three sending districts represent approximately 29% of the Organization's tuition revenue and Medicaid receivables represent 48% of accounts receivable.

5. Investments

The Organization invests in mutual funds comprised of equity and fixed income securities. Fair values for investments are determined by reference to quoted market values for similar investments. There were no changes in valuation techniques for the year ended June 30, 2023.

Investments at June 30, 2023, are summarized as follows:

	Cost	Fair Market Value (Level 1)	Unrealized Appreciation (Depreciation)
Fixed income	$ 1,572,190	$ 2,734,009	$ 1,161,819
Mutual funds	4,375,820	5,854,589	1,478,769
Total	$ 5,948,010	$ 8,588,598	$ 2,640,588

Investment activity for the year ended June 30, 2023, is comprised of the following:

Fair value, beginning of year	$ 22,535,223
Sales	(16,224,136)
Dividend income reinvested	605,481
Realized gain on investments	(476,176)
Unrealized gain on investments	2,109,568
Purchases	59,335
Management fees	(20,697)
Fair value, end of year	$ 8,588,598

6. Contribution and Trust Receivables

Contribution and trust receivables consist of the following as of June 30, 2023:

Due in one year or less	$ 80,613
Due in more than one year	306,401
Total contribution and trust receivables	387,014
Less: discount to net present value	(25,320)
Less: allowance for uncollectible amounts	(26,425)
Ending balance	$ 335,269

7. Accrued Salary and Wages

All employees earned compensation in June 2023, but were not paid until July 2023. The Organization recognizes compensation over the fiscal year as an expense and records the unpaid amounts as accrued payroll. At June 30, 2023, the compensation earned, but not paid, amounted to $1,643,433 for the Organization.

8. Line of Credit

In December 2009, the Foundation entered into an amended revolving line of credit facility with a bank for a total availability of $1,500,000. In February 2022, the available borrowings were increased to $2,500,000.

There were no balances outstanding on the line of credit at June 30, 2023. Interest is charged at a rate equal to the daily Bloomberg Short-Term Bank Yield Index rate plus 2.50%. The line of credit is secured by certain property of the Foundation.

9. Property and Equipment

Property and equipment as of June 30, 2023, are as follows:

Assets	Estimated Useful Life (Years)	
Land		$ 3,073,807
Building and building improvements	15-40	23,445,624
Furniture and equipment	5-10	1,047,802
Vehicles	5-10	229,786
Construction in progress		614,876
		28,411,895
Less: accumulated depreciation		(9,231,748)
Property and equipment, net		$ 19,180,147

The total depreciation and amortization expense for the year ended June 30, 2023, amounted to $694,226.

10. Long-term Debt

In July 2010, the Foundation issued, with a guarantee from the trustees of Princeton University, tax-exempt bonds by the New Jersey Economic Development Authority in the amount of $12,000,000 for the construction of a new school building in the Princeton Forrestal Village. The bond indenture and guarantee agreement with Princeton University contained certain financial and other covenants. These bonds were scheduled to mature on the dates and in the amounts and bear interest at the rates set forth in the agreement which specifies interest rates and terms based on each bond Committee on Uniform Security Identification Procedures ("CUSIP"). Interest rates varied between 1.300% and 4.125%, with maturities in the calendar years 2014 through 2040. Interest on the bonds were payable semi-annually.

On February 22, 2022, the Foundation entered into a loan agreement with a bank for borrowings in the amount of $9,665,000. The proceeds from the loan were primarily used to repay the total outstanding amount of the tax-exempt bonds. Under the terms of the new loan agreement, monthly payments of principal and interest in the amount of $56,014 are due through July 1, 2040. The loan bears interest at a fixed rate of 2.71% per annum.

The new loan is also guaranteed by the trustees of Princeton University. Unamortized debt issuance costs associated with the tax-exempt bonds of $426,413 were expensed during the year ended June 30, 2022, and were reflected as interest expense on the statement of activities.

In addition, notes payable also include consists of three (3) mortgages collateralized by three (3) properties located in New Jersey. One mortgage, totaling $240,000 has ten annual payments of $5,000 from January 2017 through January 2026, interest-free. The remaining balance of $190,000 will be forgiven by the County of Mercer after the payment of these ten installments. The second mortgage is also issued by the County of Mercer, totaling $240,000, and has ten annual payments of $5,000 from January 2018 through January 2026, interest-free. The remaining balance of $190,000 will also be forgiven by the County of Mercer after the payment of these ten installments. The third mortgage is from the New Jersey Housing and Mortgage Finance Agency. This loan is a 30-year interest-free loan with repayment subject to available cash flow as defined in the mortgage documents. The loan will be repaid from 25% of the available cash flow remaining after the payment of operating expenses on the Schenk Place group home. As a result, management determined for the year ended June 30, 2023, that $1,035 is due to HMFA.

The combined aggregate amounts of maturities for all long-term borrowings for each of the next five years are as follows:

Year Ended June 30,	Future Minimum Payments	Unamortized Loan Issuance Cost	Total
2024	$ 435,286	$ (7,261)	$ 428,025
2025	447,792	(7,261)	440,531
2026	454,974	(7,261)	447,713
2027	462,495	(7,261)	455,234
2028	488,579	(7,261)	481,318
Thereafter	7,660,104	(88,348)	7,571,756
Total	$ 9,949,230	$ (124,653)	$ 9,824,577

Interest expense on this long-term debt amounted to $244,049 during the year ended June 30, 2023.

As part of the loan agreement entered into during the year ended June 30, 2023, the Organization is subject to certain financial covenants by Princeton University and TD Bank. As of and for the year ended June 30, 2023, the Organization was in compliance with these covenants.

11. Defined Contribution Retirement Plan

The Organization provides a defined contribution retirement plan (the "Plan") covering substantially all employees under arrangements with Principal Financial Group; this plan provides for the purchase of investments for employees. The Plan was established July 1, 1983, and amended January 1, 2009, and is a qualified plan under and in conformity with the Employee Retirement Income Security Act of 1974 and its successor legislations. An employee becomes eligible for the Plan after completing one year of service of at least 1,000 hours and attaining the age of 21.

Plan matching contributions are based on a discretionary match. For the year ended June 30, 2023, the Organization made contributions to the Plan of $419,738. Beginning during the year ended June 30, 2020, the Organization sponsors a 457(f) plan for certain employees. Total contributions to the 457(f) plan were $38,425 for the year ended June 30, 2023. Of these amounts, $111,946 is recognized in the Certified Actual Cost per Student calculation.

12. Lease Commitments

Operating Leases

The Organization has operating leases for most of its fleet of vehicles and three office facilities where it operates two-day programs and one school/administrative office. The leases have remaining terms expiring between November 30, 2023 and October 31, 2041.

The Organization's lease expense under these non-cancellable leases amounted to $321,103 during the year ended June 30, 2023.

The future minimum lease payments required under the lease are as follows:

For the year ended June 30:	
2024	$ 621,766
2025	531,996
2026	409,961
2027	256,469
2028	188,900
Thereafter	829,093
Total undiscounted cash flows	2,838,185
Less: present value discount	(301,707)
Total lease liabilities	$ 2,536,478

Other information related to the Organization's operating leases as of and for the year ended June 30, 2023, are as follows:

Operating cash flows from operating leases	$ 679,784
ROU assets obtained in exchange for new operating lease liabilities	$ 3,224,884
Weighted-average remaining lease term in years for operating leases	7
Weighted-average discount rate for operating leases	3.16%

13. Contingencies

The Organization receives financial assistance from the State of New Jersey, in the form of grants. Entitlement to these resources is conditional upon compliance with the terms and conditions of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes.

Substantially all grants are subject to financial and compliance audits by the grantors. Additionally, the Organization is subject to audits by the DOE for tuition and fees generated from public school students in the State of New Jersey. Entitlement to public school revenues in the State of New Jersey is based upon compliance with various mandates of the DOE, including allowable cost and maintenance of various records. As of June 30, 2023, management estimates that no liability will result from such audits.

In the event that any of the residential facilities purchased with state funds, cease to function as residential care facilities, the Organization will be liable to the State of New Jersey, Department of Human Services, for grants of $4,216,681, made to purchase land, buildings and equipment, and the return of such property or proceeds therefrom would revert to the State of New Jersey.

The Organization is a party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the Organization's financial position.

14. Operating Environment

The Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including but not limited to, the State of New Jersey, Department of Education, and the New Jersey Department of Human Resources. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by the Division of Finance and Business Services, Department of Education, State of New Jersey, and the New Jersey Department of Human Services.

15. Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash and cash equivalents.

Credit risk as it relates to accounts receivable has been determined by management to be minimal since it is spread out among numerous public school sending districts and amounts are contractually provided for in executed tuition contracts.

16. Endowment

The Organization has received contributions to establish endowment funds. Earnings, such as interest and dividends, from the endowment are expendable, but restricted in use to support programs.

The endowments may consist of domestic equity, international equity, fixed income and cash equivalents. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. In June 2009, the State of New Jersey enacted a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which replaced the prior Uniform Management of Institutional Funds Act ("UMIFA"). During 2010, the Board interpreted the new act as allowing the Organization the powers to manage and invest the funds in good faith and with the care an ordinarily prudent person, in a like position, would exercise under similar circumstances. As a result of this interpretation, the Organization has not changed the way donor-restricted net assets are classified. The original value of all gifts donated to the Endowment Fund is classified as net assets with donor restrictions while the endowment earnings and capital appreciation are classified as net assets without donor restrictions subject to Board appropriation for expenditure.

At this time, earnings are reinvested within the respective endowment, however, such earnings are reflected within net assets without donor restrictions for financial reporting purposes. A spending policy was adopted on November 20, 2012, which provided for a 2% spend on the three-year average market value of the endowment, subject to annual budgetary approval. Once the endowment reaches $5 million, the spend percentage will increase to 4.5%. For the year ended June 30, 2023, no amounts were appropriated or spent on program support as a result of this endowment spending policy.

The Organization adopted an investment policy on September 11, 2006, as revised and approved on November 20, 2012, that establishes the criteria for matching long-term objectives to an appropriate investment plan. It provides a frame of reference that will help keep it focused on long-term objectives. This focus is especially valuable during periods of market volatility, when there may be a tendency to focus on short-term factors. It establishes the criteria against which progress can be measured.

In accordance with U.S. GAAP, underwater endowments are reported within the net assets with donor restrictions rather than reducing net assets without donor restrictions for the amounts by which endowment funds are underwater. An endowment fund that has become "underwater" will therefore, result in decreases in net assets with donor restrictions, despite the absence of any legal obligation to restore the endowment fund for such losses. Net assets with donor restrictions that have been reduced because of this requirement will be restored from future gains from the endowment.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	$ 1,899,505	$ 2,676,910	$ 4,576,415
Investment return:			
Investment income	103,653		103,653
Net appreciation	390,407		390,407
Total investment return	494,060		494,060
Contributions		44,800	44,800
Less broker fees	(14,404)		(14,404)
Endowment net assets, June30, 2023	$ 2,379,161	$ 2,721,710	$ 5,100,871

17. Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of net assets restricted for the following purpose at June 30, 2023:

Residential Program	$ 6,610
Adult Services	30,000
Eden School	3,610
Alexis Kate Scholarship Fund	8,900
Reserves for Charitable Gift Annuity	150,000
Total subject to expenditure for specified purpose	199,120
Adult Services Endowment principal restricted in perpetuity	2,744,180
Net assets with donor restrictions	$ 2,943,300

Net assets released from purpose restrictions specified by donors for the year ended June 30, 2023 are comprised of the following:

Residential Program	$ 105,876
Adult Services	163,007
Eden School	3,731
Day program	111,004
Alexis Kate Scholarship Fund	500
	$ 384,118

SUPPLEMENTARY INFORMATION

Eden Autism Services and Affiliate
Combining Statement of Activities
Year Ended June 30, 2023

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.	Eliminations	Total
ASSETS				
Cash and cash equivalents	$ 13,545,301	$ 12,934,843		$ 26,480,144
Restricted cash	58,525			58,525
Investments	3,001,380	5,587,218		8,588,598
Accounts receivable, net	2,546,674			2,546,674
Contribution and trust receivables, current portion		80,613		80,613
Prepaid expenses and other assets	538,117	14,187		552,304
Due from related entity	441,701		$ (441,701)	
Total current assets	20,131,698	18,616,861	(441,701)	38,306,858
Property and equipment, net	9,688,514	9,491,633		19,180,147
Contribution and trust receivables, noncurrent portion		254,656		254,656
Right-of-use asset, net present value - operating leases	9,003,861		(6,356,341)	2,647,520
Total assets	$ 38,824,073	$ 28,363,150	$ (6,798,042)	$ 60,389,181
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 289,906	$ 375		$ 290,281
Due to related entity		441,701	$ (441,701)	
Accrued expenses and other liabilities	2,617,031	35,783		2,652,814
Deferred income	20,765	17,079		37,844
Lease liability - current portion - operating leaes	919,021		(582,661)	336,360
Notes payable - current portion	10,000	418,025		428,025
Total Current Liabilities	3,856,723	912,963	(1,024,362)	3,745,324
Client fund liability	58,525			58,525
Lease liability net of current portion	7,974,098		(5,773,680)	2,200,418
Notes payable - long-term, net of issuance costs	784,880	8,611,672		9,396,552
Total liabilities	12,674,226	9,524,635	(6,798,042)	15,400,819
Net Assets:				
Without donor restrictions	26,149,847	15,895,215		42,045,062
With donor restrictions		2,943,300		2,943,300
Total net assets	26,149,847	18,838,515		44,988,362
Total liabilities and net assets	$ 38,824,073	$ 28,363,150	$ (6,798,042)	$ 60,389,181

Eden Autism Services and Affiliate
Combining Statement of Activities
Year Ended June 30, 2023

	Eden Austism Services, inc.	Eden Autism Services Foundation, Inc.			
	Without Donor Restrictions	**Without Donor Restrictions**	**With Donor Restrictions**	**Eliminations**	**Total**
Support and revenue:					
Tuition	$ 11,153,954				$ 11,153,954
Government grants	257,937				257,937
Contributions	400,277	$ 800,557	$ 273,051	$ (400,277)	1,073,608
Program service fees and other revenues	31,555,901				31,555,901
Contributed nonfinancial assets		2,995			2,995
Rental income		729,272		(729,272)	
Merchandise, net of cost of goods sold		978			978
Other income		13,801			13,801
Net assets released from restrictions		384,118	(384,118)		
Total support and revenue	43,368,069	1,931,721	(111,067)	(1,129,549)	44,059,174
Expenses:					
Program services	38,239,216	929,804		(1,129,549)	38,039,471
Management and general	4,409,505	58,321			4,467,826
Fundraising		753,398			753,398
Total expenses	42,648,721	1,741,523		(1,129,549)	43,260,695
Change in net assets from operations	719,348	190,198	(111,067)		798,479
Non-operating activities:					
Net investment income	684,573	1,618,143			2,302,716
Total non-operating activities	684,573	1,618,143			2,302,716
Change in net assets	1,403,921	1,808,341	(111,067)		3,101,195
Net assets, beginning of year	24,745,926	14,086,874	3,054,367		41,887,167
Net assets, end of year	$ 26,149,847	$ 15,895,215	$ 2,943,300		$ 44,988,362

Eden Autism Services and Affiliate
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Account Number	Grant Account Number	Grant Period	Award Amount	Current Year Program Disbursements	Current Year Cash Received
NJ Department of Agriculture - Division of Food and Nutrition						
Child and Adult Care Food Program	10.558	2023/AD-010480-MRC	07/01/2022-06/30/2023	$ 96,806	$ 96,806	$ 87,869
Total federal awards				$ 96,806	$ 96,806	$ 87,869

See Independent Auditors' Report and Accompanying Notes on the Schedules of Expenditures of Federal and State Awards

Eden Autism Services and Affiliate
Schedule of Expenditures of State Awards
Year Ended June 30, 2023

State Grantor/Pass-Through Grantor/Program Title	State Grant Account Number	State Account Number	Grant Period	Award Amount	Current Year Program Disbursements	Current Year Cash Received
State of NJ Department of Health						
Outreach/Early Intervention	N/A	N/A	07/01/2022-6/30/2023	$ 25,728	$ 25,728	$ 24,261
N.J. Department of Children and Families						
Children's System of Care	20 BGLR	N/A	01/01/2000-12/31/2024	$ 145,092	135,403	145,092
Total state awards				$ 170,820	$ 161,131	$ 169,353

See Independent Auditors' Report and Accompanying Notes on the Schedules of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards present the activity of all federal and state financial assistance programs of Eden Autism Services, Inc.. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey State Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic combined financial statements. All federal and state financial assistance received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included in the schedules of expenditures of federal and state awards. Because the schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Principles

The accompanying schedules of expenditures of federal and state awards are presented using the accrual basis of accounting which is described in Note 2 to the combined financial statements. Such expenditures are recognized following the cost principles contained in the New Jersey State Circular 15-08-OMB, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Sub-recipients

No federal or state awards were provided to sub-recipients.

4. Relationship to State Financial Reports

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying schedule of expenditures of federal and state awards, which is prepared on the accrual basis of accounting explained in Note 2.

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

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
Eden Autism Services, Inc. and Affiliate

We have audited in accordance with 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 combined financial statements of Eden Autism Services, Inc. and Affiliate, which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Eden Autism Services, Inc. and Affiliate's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eden Autism Services, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Eden Autism Services, Inc. and Affiliate's 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 combined 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 or significant deficiencies may exist that were not identified.

To the Board of Trustees of
Eden Autism Services, Inc. and Affiliate

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eden Autism Services, Inc. and Affiliate's combined 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 combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nisivoccia LLP

Bridgewater, New Jersey
October 31, 2023

Summary of Auditors' Results:

- An unmodified report was issued on Eden Autism Services, Inc. and Affiliate's combined financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal control of Eden Autism Services, Inc. and Affiliate.
- The audit did not disclose any noncompliance which is material in relation to the combined financial statements of Eden Autism Services, Inc. and Affiliate.

Findings Relating to the Combined Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Responses for Federal and State Awards:

- The audit did not disclose any findings and responses for federal and state award programs.

No audit findings in the prior year.