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

Combined Financial Statements and
Supplemental Information

June 30, 2024
(With Summarized Comparative Financial
Information For the Year Ended June 30, 2023)

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Eden Autism Services, Inc. and Affiliate
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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, 2024, 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.

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, 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 (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 Combined 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.

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.

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

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 combined financial statements, and we expressed an unmodified opinion on those combined financial statements in our report dated October 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

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 November 5, 2024, 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. and Affiliate's internal control over financial reporting and compliance.

Nisivoccia LLP

Bridgewater, New Jersey
November 5, 2024

Eden Autism Services, Inc. and Affiliate
Combined Statement of Financial Position
June 30, 2024 and 2023

ASSETS	2024	2023
Cash and cash equivalents	$ 10,599,671	$ 26,480,144
Restricted cash	60,338	58,525
Investments	27,624,382	8,588,598
Accounts receivable, net	3,415,026	2,546,674
Contribution and trust receivables, current portion	129,306	80,613
Prepaid expenses and other assets	660,174	552,304
Total current assets	42,488,897	38,306,858
Property, plant, and equipment, net	19,683,009	19,180,147
Contribution and trust receivables, noncurrent portion	152,292	254,656
Operating lease - right of use asset	2,867,452	2,647,520
Total assets	$ 65,191,650	$ 60,389,181

LIABILITIES AND NET ASSETS	2024	2023
Liabilities:		
Accounts payable and accrued expenses	$ 3,836,180	$ 2,943,095
Deferred revenue	171,557	37,844
Operating lease liability - current portion	697,700	336,360
Notes payable - current portion, net of deferred loan costs	440,501	428,025
Total current liabilities	5,145,938	3,745,324
Client fund liability	60,338	58,525
Operating lease liability - net of current portion	1,956,685	2,200,418
Notes payable - net of current portion, net of deferred loan costs	9,651,022	9,396,552
Total liabilities	16,813,983	15,400,819
Net Assets:		
Without donor restrictions		
General purposes	29,406,544	28,164,076
Board designated	16,002,278	13,880,986
Total without donor restrictions	45,408,822	42,045,062
With donor restrictions	2,968,845	2,943,300
Total net assets	48,377,667	44,988,362
Total liabilities and net assets	$ 65,191,650	$ 60,389,181

Eden Autism Services, Inc. and Affiliate
Combined Statement of Activities
Year Ended June 30, 2024
(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support and revenue:				
Tuition	$ 11,854,609		$ 11,854,609	$ 11,153,954
Government grants	268,707		268,707	257,937
Other state and county grants	132,000		132,000	
Contributions	1,076,575	$ 221,523	1,298,098	1,073,608
Program service fees and other revenues	34,834,351		34,834,351	31,555,901
Contributed nonfinancial assets				2,995
Merchandise, net of cost of goods sold	8,207		8,207	978
Other income	1,258		1,258	13,801
Net assets released from restrictions	195,978	(195,978)		
Total support and revenue	48,371,685	25,545	48,397,230	44,059,174
Expenses:				
Program services	42,379,786		42,379,786	38,039,471
Management and general	4,810,145		4,810,145	4,467,826
Fundraising	807,375		807,375	753,398
Total expenses	47,997,306		47,997,306	43,260,695
Change in net assets from operations	374,379	25,545	399,924	798,479
Non-operating activities:				
Net investment income	2,989,381		2,989,381	2,302,716
Total non-operating activities	2,989,381		2,989,381	2,302,716
Change in net assets	3,363,760	25,545	3,389,305	3,101,195
Net assets, beginning of year	42,045,062	2,943,300	44,988,362	41,887,167
Net assets, end of year	$ 45,408,822	$ 2,968,845	$ 48,377,667	$ 44,988,362

Eden Autism Services, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended June 30, 2024
(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	Program	Management and General	Fundraising	2024 Total	2023 Total
Salaries and wages	$ 26,859,526	$ 2,927,836	$ 232,105	$ 30,019,467	$ 27,427,363
Payroll taxes and employee benefits	7,509,708	855,275	65,656	8,430,639	7,127,492
Total salaries and related benefits	34,369,234	3,783,111	297,761	38,450,106	34,554,855
Facility cost	2,233,538	122,352	35,962	2,391,852	2,052,045
Material and supplies	1,369,231	13,392	13,989	1,396,612	1,435,679
Information technology	964,544	232,448	28,506	1,225,498	970,560
Transportation	912,473	50,814		963,287	857,082
Depreciation	755,728	3,827		759,555	694,226
Consultants and professional fees	467,660	202,111	47,417	717,188	850,832
Travel and employee services	350,824	190,707	5,356	546,887	415,123
Marketing and recruitment	144,113	128,039	20,564	292,716	244,171
Community experience and specific assistance	289,573			289,573	312,048
Interest	254,188			254,188	244,049
Special event expense			252,560	252,560	258,472
Other	92,731	52,553	101,285	246,569	192,493
Communication	175,949	30,791	3,975	210,715	189,480
Covid-19 expenses					52,154
Credit loss recovery					(62,574)
Total expenses	$ 42,379,786	$ 4,810,145	$ 807,375	$ 47,997,306	$ 43,260,695

Eden Autism Services, Inc. and Affiliate
Combined Statement of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 3,389,305	3,101,195
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	759,555	694,226
Amortization of deferred financing fees	7,291	7,291
Realized and unrealized gain on investments	(2,067,993)	(1,633,392)
Dividends reinvested	(359,281)	(584,784)
Change in allowance for credit losses	(5,172)	(62,574)
Changes in operating assets and liabilities:		
Accounts receivable	(863,175)	1,226,158
Contribution and trust receivable	53,622	(141,372)
Prepaid expenses and other current assets	(107,870)	(162,466)
Accounts payable and accrued expenses	893,085	(157,833)
Deferred revenue	133,713	(7,652)
Client fund liability	1,813	(22,129)
Operating lease assets and liabilities	(102,325)	(110,742)
Cash flows provided by operating activities	1,732,568	2,145,926
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(1,262,341)	(1,580,258)
Purchase of investments	(33,082,338)	(59,335)
Proceeds from sale of investments	16,473,828	16,224,136
Cash flows provided by (used in) investing activities	(17,870,851)	14,584,543
Cash flows from financing activities:		
Proceeds from mortgage payable	695,951	
Principal repayments on notes payable	(436,328)	(424,427)
Cash flows provided by (used in) financing activities	259,623	(424,427)
Net increase (decrease) in cash, restricted cash, and cash equivalents	(15,878,660)	16,306,042
Cash, restricted cash, and cash equivalents, beginning of year	26,538,669	10,232,627
Cash, restricted cash, and cash equivalents, end of year	$ 10,660,009	$ 26,538,669
Supplemental disclosures of cash activity:		
Cash paid for interest	$ 254,188	$ 244,049
Supplemental disclosures of noncash activity:		
Unrealized gain on investments	$ 1,996,843	$ 2,109,568
Contributed nonfinancial assets		$ 2,995

See Accompanying Notes to Combined Financial Statements

1. Nature of Activities

Eden Autism Services Foundation, (the "Foundation"), formerly Eden Institute Foundation, Inc., is a nonprofit organization whose principal function is to raise funds to support Eden Autism Services, Inc.'s ("Services") mission to provide education and services to individuals living with autism.

Eden Autism Services, Inc, (the "Organization") is a nonprofit organization that provides education for autistic or autistic-like language and behavioral disordered individuals, provides and maintains residential care facilities for individuals with autism located primarily in the State of New Jersey, and provides training and development of practical skills to individuals with autism. The Organization was approved by the Department of Education, State of New Jersey (DOE), to service students classified as autistic from various public-school districts.

Services 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 Services 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 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 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.

Accordingly, the net assets and changes there in are classified and reported as follows:

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. As of June 30, 2024 and 2023, net assets designated by the board were $16,002,278 and $13,880,986, respectively.

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, 2024 and 2023, which were subject to purpose restrictions amounted to $2,968,845 and $2,943,300, respectively.

Revenue Recognition

The Organization recognizes contributions and pledges when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue is measured based on consideration specified in a contract with a customer. This occurs with the transfer of control of the sale at a specific point in time. The Organization recognizes tuition, client housing revenue, fee for service revenue, and program revenue when the 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 statement of financial position. There are no multi-year contracts and performance obligations are typically satisfied within one year or less.

A portion of the Organization's revenue is derived from cost reimbursable contracts and grants, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the combined statement of financial position.

Income received from program fees and services is deferred and recognized when the related program services are provided. State grant awards are classified as refundable advances until expended for the purpose of the grants.

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.

There are no multi-year contracts and performance obligations are typically satisfied within one year or less.

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

<u>Disaggregation of Revenue</u>

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30, 2024 and 2023:

	2024	2023
Performance obligations satisfied		
over time	$ 1,258	$ 13,801
at a point in time	46,965,874	42,968,770
Total	$ 46,967,132	$ 42,982,571

Revenue from performance obligations satisfied at a point in time are comprised of tuition, and client housing revenue, program service fees, and special events. Revenue from performance obligations satisfied over time are comprised of other revenues.

Contributions and Trust Receivables and Allowance for Uncollectable Pledges

Contributions are recognized when the donor makes a promise to give to the Organization 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.

Contribution receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable credit losses through a charge to earnings 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 contributions receivable. Uncollectible amounts are determined on a case-by-case basis.

The Organization has recorded an allowance for uncollectible pledges of $62,575 and $26,425 as of June 30, 2024 and 2023, respectively.

Accounts Receivable and Allowances for Credit losses

Accounts 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 credit losses of $102,967 and $111,571, as of June 30, 2024 and 2023, respectively.

Recently Adopted Accounting Guidance

Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

Property, Plant and Equipment

Property, plant, 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. Donations of property, plant and equipment are recorded as support at their estimated fair value on the date of the gift. Such donations are reported as net assets without donor restrictions 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 support. 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 as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Land and buildings acquired by grants or contracts are considered owned by the Foundation while used in the program for which they were purchased or in other future authorized programs; however, the grantors have reversionary interests in certain land and buildings. Disposition of these assets, as well as ownership of any proceeds therefrom, is subject to certain regulation.

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 years ended June 30, 2024 and 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.

Income Taxes

The Organization is recognized as a charitable, nonprofit organizations 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 years ended June 30, 2024 and 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.

	2024	2023
Cash and cash equivalents	$ 10,599,671	$ 26,480,144
Restricted Cash	60,338	58,525
Total cash, cash equivalents, and restricted cash	$ 10,660,009	$ 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, 2024 and 2023, $0 and $2,995, respectively, 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 Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Leases

The Organization applies FASB ASC, *Leases* to determine whether an arrangement is or contains a lease at inception. The Organization leases office space, vehicles, and equipment. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the combined statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Since the Organization's lease does not provide an implicit rate, the Organization uses a weighted average risk-free rate from the date of lease inception of 3.36%, for the year ended June 30, 2024 based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any future lease payments and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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.

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, 2024 and 2023.

Mutual funds: The carrying amounts are stated at the net asset value (NAV) 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.

Exchange traded funds: Valued at the daily closing price on the active market as reported by the fund. The exchange traded funds are assumed to be actively traded.

<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. Fair market value, at acquisition or contribution, as well as at subsequent dates, is determined based on quoted market prices as provided by the investment advisors.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

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 fiscal years ended June 30, 2024 and 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 combined statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the combined 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.

Comparative Information

The accompanying combined statements of activities and functional expenses include certain prior year summarized comparative information in total, but not by net class asset or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2023.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after June 30, 2024 through the date of the independent auditors' report and the date the combined financial statements were available to be issued, November 5, 2024. 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

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:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	$ 10,599,671	$ 26,480,144
Accounts receivable, net	3,415,026	2,546,674
Contribution and trust receivables, current portion	129,306	80,613
Investments	27,624,382	8588598
Total financial assets	41,768,385	37,696,029
Less:		
Net assets with donor restrictions	2,968,845	2,943,300
Board designated	16,002,278	13,880,986
Total amounts unavailable for general expenditures within one (1) year	18,971,123	16,824,286
Financial assets available for general expenditure	$ 22,797,262	$ 20,871,743

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.

In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including contributions, grant income, tuition revenue, program services and special event revenue.

4. Investments

The Organization invests in mutual funds, exchange traded funds, 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 years ended June 30, 2024 and 2023.

Investments at June 30, 2024 and 2023, are summarized as follows:

	2024		
	Cost	Fair Market Value (Level 1)	Unrealized Appreciation (Depreciation)
Fixed income	$ 2,704,945	$ 2,722,730	$ 17,785
Exchange traded funds	2,919,737	3,286,315	366,578
Mutual funds	18,263,174	21,615,337	3,352,163
Total	$ 23,887,856	$ 27,624,382	$ 3,736,526

	2023		
	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 years ended June 30, 2024 and 2023, is comprised of the following:

	2024	2023
Fair value, beginning of year	$ 8,588,598	$ 22,535,223
Purchases	33,082,338	59,335
Sales	(16,473,828)	(16,224,136)
Dividend income reinvested	359,281	584,784
Realized gain (loss) on investments	71,150	(476,176)
Unrealized gain on investments	1,996,843	2,109,568
Fair value, end of year	$ 27,624,382	$ 8,588,598

5. Contribution and Trust Receivables

Contribution and trust receivables consist of the following as of June 30, 2024 and 2023:

	2024	2023
Due in one year or less	$ 129,306	$ 80,613
Due in more than one year	295,510	306,401
Total contribution and trust receivables	424,816	387,014
Less: discount to net present value	(80,643)	(25,320)
Less: allowance for uncollectible amounts	(62,575)	(26,425)
Ending balance	$ 281,598	$ 335,269

6. Accrued Salary and Wages

The Organization allows certain employees to be paid over a twelve-month period (September through August) as opposed to the ten-month school year (September through June). In addition, certain full-time employees earned compensation in June 2024 and June 2023, but were not paid until July 2024 and July 2023. The Organization recognizes compensation over the fiscal year as an expense and records the unpaid amounts as accrued payroll. At June 30, 2024, and 2023 the compensation earned, but not paid, amounted to $1,911,212 and $1,643,433, respectively, for the Organization.

7. Line of Credit

The Organization has a line of credit from PNC Bank in the amount of $2,500,000 with an interest rate of the bank's prime rate plus 2.5%. The line expires on February 28, 2025. The Organization had no outstanding balance at June 30, 2024 and 2023.

8. Property and Equipment

Property and equipment as of June 30, 2024 and 2023, are as follows:

Assets	Estimated Useful Life (Years)	2024	2023
Land		$ 3,073,807	$ 3,073,807
Building and building improvements	15-40	23,558,686	23,445,624
Furniture and equipment	5-10	1,090,664	1,047,802
Vehicles	5-10	229,786	229,786
Construction in progress		1,721,316	614,876
		29,674,259	28,411,895
Less: accumulated depreciation		(9,991,250)	(9,231,748)
Property and equipment, net		$ 19,683,009	$ 19,180,147

The total depreciation expense for the years ended June 30, 2024 and 2023, amounted to $759,555 and $694,226, respectively.

9. 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 vary between 1.300% and 4.125%, with maturities in the calendar years 2014 and 2040. Interest on the bonds is 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 outstanding amount of the tax-exempt bonds. Under the terms of the 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 rate of 2.71% per annum. At June 30, 2024 and 2023 the loan amounted to $8,611,721 and $9,029,697, respectively.

The loan is guaranteed by Princeton University. Unamortized debt issuance costs associated with the tax-exempt bonds of $426,413 were expensed during the year ended June 30, 2022.

Notes payable consists of four (4) mortgages collateralized by four (4) 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. As of June 30, 2024 and 2023, the loan amounted to $195,000 and $200,000, respectively

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 2027, interest-free. The remaining balance of $190,000 will also be forgiven by the County of Mercer after the payment of these ten installments. As of June 30, 2024 and 2023, the loan amounted to $200,000 and $205,000, respectively

The third and fourth mortgages are from the New Jersey Housing and Mortgage Finance Agency ("HMFA"). These loan are a 30-year interest-free loans with repayment subject to available cash flow as defined. 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 and 313 Oak Lane group home. As a result, management determined for the year ended June 30, 2024, that $281 is due to HMFA. As of June 30, 2024 and 2023, the loan amounted to $1,074,802 and $379,880, respectively

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
2025	$ 447,792	$ (7,291)	$ 440,501
2026	459,974	(7,291)	452,683
2027	467,495	(7,291)	460,204
2028	474,828	(7,311)	467,517
2029	488,576	(7,291)	481,285
Thereafter	7,870,200	(80,867)	7,789,333
Total	$ 10,208,865	$ (117,342)	$ 10,091,523

Interest expense on this long-term debt amounted to $254,188 and $244,049 for the years ended June 30, 2024 and 2023, respectively.

As part of the loan agreement entered into during the year ended June 30, 2024, the Organization is subject to certain financial covenants by Princeton University and TD Bank. As of and for the year ended June 30, 2024, the Organization was in compliance with these covenants.

10. 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.

The Organization made contributions to the Plan of $459,302 and $416,499, for the years ended June 30, 2024 and 2023, respectively. Total contributions to the 457(f) plan were $58,816 and $37,923 for the years ended June 30, 2024 and 2023, respectively.

11. 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 July 18, 2024 and October 31, 2041.

The Organization's lease expense under these non-cancellable leases amounted to $1,097,264 and $1,050,375 during the years ended June 30, 2024 and 2023, respectively.

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

For the year ended June 30:	
2025	$ 697,700
2026	575,363
2027	421,871
2028	349,366
2029	219,582
Thereafter	680,844
Total undiscounted cash flows	2,944,726
Less: present value discount	(290,341)
Total lease liabilities	$ 2,654,385

Other information related to the Organization's operating leases as of and for the years ended June 30, 2024 and 2023, are as follows:

	2024	2023
Other Information		
Operating cash flows from operating leases	$ 2,230,004	$ 1,224,524
ROU assets obtained in exchange for new operating lease liabilities	647,664	9,808,974
Weighted-average remaining lease term in years for operating leases	13.94	15.00
Weighted-average discount rate for operating leases	3.36%	3.30%

12. 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, 2024, 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.

13. 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.

14. 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.

For the years ended June 30, 2024 and 2023, three sending districts represent approximately 29% of the Organization's tuition revenue. Accounts receivable is made up of 26% and 48% of Medicaid receivables as of June 30, 2024 and 2023, respectively.

15. Endowment

The Organization's endowment consists of domestic equity, international equity, fixed income and cash equivalents established for a variety of purposes. Its endowment is made up of funds subject to donor restrictions. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Management of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions perpetual in nature is classified as net assets with donor restrictions for time or purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies:

The Organization has adopted an investment policy that establishes the criteria for matching long-term objectives to the investment plan. The criteria provides a frame of reference that will maintain the focus 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.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 2-4.5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 2% annually. Actual returns in any given year may vary from this amount.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy:

The Organization has a policy of appropriating for distribution each year 2% of its endowment fund's average fair value of the prior three years, subject to annual budgetary approval. Once the endowment reaches $5 million, the spending percentage will increase to 4.5%. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

This is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

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.

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	$ 2,379,161	$ 2,744,180	$ 5,123,341
Investment return:			
Investment income	174,142		174,142
Net appreciation	626,120		626,120
Total investment return	800,262		800,262
Contributions	(30,260)	30,260	-
Endowment net assets, June 30, 2024	$ 3,149,163	$ 2,774,440	$ 5,923,603

	2023		
	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		67,270	67,270
Less broker fees	(14,404)		(14,404)
Endowment net assets, June 30, 2023	$ 2,379,161	$ 2,744,180	$ 5,123,341

16. Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of net assets restricted for the following purpose at June 30, 2024 and 2023:

	2024	2023
Residential Program	$ 65,191	$ 6,610
Adult Services		30,000
Eden School	20,314	3,610
Alexis Kate Scholarship Fund	8,900	8,900
Reserves for Charitable Gift Annuity	100,000	150,000
Total subject to expenditure for specified purpose	194,405	199,120
Adult Services Endowment principal restricted in perpetuity	2,774,440	2,744,180
Net assets with donor restrictions	$ 2,968,845	$ 2,943,300

Net assets released from purpose restrictions specified by donors for the years ended June 30, 2024 and 2023 are comprised of the following:

	2024	2023
Residential Program	$ 112,369	$ 105,876
Adult Services	30,000	163,007
Eden School	3,609	3,731
Day program		111,004
Alexis Kate Scholarship Fund	50,000	500
	$ 195,978	$ 384,118

SUPPLEMENTARY INFORMATION

Eden Autism Services Inc., and Affiliate
Combining Statement of Financial Position
Year Ended June 30, 2024

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.	Eliminations	Total
ASSETS				
Cash and cash equivalents	$ 9,044,595	$ 1,555,076		$ 10,599,671
Restricted cash	60,338			60,338
Investments	8,296,040	19,328,342		27,624,382
Accounts receivable, net	3,415,026			3,415,026
Contribution and trust receivables, current portion		129,306		129,306
Prepaid expenses and other assets	660,174			660,174
Due from related entity	765,595		$ (765,595)	
Total current assets	22,241,768	21,012,724	(765,595)	42,488,897
Property, plant, and equipment, net	10,480,106	9,202,903		19,683,009
Contribution and trust receivables, noncurrent portion		152,292		152,292
Operating lease - right of use asset	8,967,656		(6,100,204)	2,867,452
Total assets	$ 41,689,530	$ 30,367,919	$ (6,865,799)	$ 65,191,650
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	$ 3,724,375	$ 111,805		$ 3,836,180
Due to related entity		765,595	$ (765,595)	
Deferred income	20,645	150,912		171,557
Operating lease liability - current portion	1,267,522		(569,822)	697,700
Notes payable - current portion	10,000	430,501		440,501
Total current liabilities	5,022,542	1,458,813	(1,335,417)	5,145,938
Client fund liability	60,338			60,338
Operating lease liability - net of current portion	7,487,067		(5,530,382)	1,956,685
Notes payable - long-term, net of issuance costs	1,469,802	8,181,220		9,651,022
Total liabilities	14,039,749	9,640,033	(6,865,799)	16,813,983
Net Assets:				
Without donor restrictions	27,649,781	17,759,041		45,408,822
With donor restrictions		2,968,845		2,968,845
Total net assets	27,649,781	20,727,886		48,377,667
Total liabilities and net assets	$ 41,689,530	$ 30,367,919	$ (6,865,799)	$ 65,191,650

Eden Autism Services Inc., and Affiliate
Combining Statement of Activities
Year Ended June 30, 2024

	Eden Austism Services, Inc.	Eden Autism Services Foundation, Inc.			
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Support and revenue:					
Program service fees and other revenues	$ 34,834,351				$ 34,834,351
Tuition	11,854,609				11,854,609
Government grants	268,707				268,707
Contributions	294,997	$ 1,076,575	$ 221,523	$ (294,997)	1,298,098
Other state and county grants	132,000				132,000
Rental income		313,502		(313,502)	
Merchandise, net of cost of goods sold		8,207			8,207
Other income		1,258			1,258
Net assets released from donor restrictions		195,978	(195,978)		
Total support and revenue	47,384,664	1,595,520	25,545	(608,499)	48,397,230
Expenses:					
Program services	42,147,989	840,296		(608,499)	42,379,786
Management and general	4,717,320	92,825			4,810,145
Fundraising		807,375			807,375
Total expenses	46,865,309	1,740,496		(608,499)	47,997,306
Change in net assets from operations	519,355	(144,976)	25,545		399,924
Non-operating activities:					
Net investment income	980,579	2,008,802			2,989,381
Total non-operating activities	980,579	2,008,802			2,989,381
Change in net assets	1,499,934	1,863,826	25,545		3,389,305
Net assets, beginning of year	26,149,847	15,895,215	2,943,300		44,988,362
Net assets, end of year	$ 27,649,781	$ 17,759,041	$ 2,968,845		$ 48,377,667

Eden Autism Services, Inc. and Affiliate
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Account Number	Grant Account Number	Grant Period	Award Amount	Cumulative Program Disbursements	Current Year	
						Program Disbursements	Cash Received
U.S. Department of Agriculture							
Child and Adult Care Food Program	10.558	2024/AD-010480-MRC	07/01/2023-06/30/2024	$ 107,688	$ 107,688	$ 107,688	$ 99,316
Total federal awards				$ 107,688	$ 107,688	$ 107,688	$ 99,316

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

Eden Autism Services, Inc. and Affiliate
Schedule of Expenditures of State Awards
Year Ended June 30, 2024

State Grantor/Pass-Through Grantor/Program Title	State Grant 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	07/01/2023-06/30/2024		$ 19,838	$ 19,003
N.J. Department of Children and Families						
Children's System of Care	20 BGLR	N/A	01/01/2000-12/31/2024		141,181	147,614
Total state awards				$	$ 161,019	$ 166,617

1. <u>Basis of Presentation</u>

The accompanying schedules of expenditures of federal and state awards present the activity of all federal and state financial assistance programs of The Organization. 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. <u>Summary of Significant Accounting Principles</u>

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 Uniform Guidance, 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. <u>Sub-recipients</u>

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

4. <u>Relationship to Federal and State Financial Reports</u>

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 schedules of expenditures of federal and state awards, which is prepared on the accrual basis of accounting explained in Note 2.

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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, 2024, 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 November 5, 2024.

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
November 5, 2024

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.