

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

Combined Financial Statements and
Supplemental Information

June 30, 2025
(With Summarized Comparative Financial
Information For the Year Ended June 30, 2024)



NISIVOCCIA
ASSURANCE • TAX • ADVISORY

Eden Autism Services, Inc. and Affiliate**Table of Contents****June 30, 2025 and 2024**

Independent Auditors' Report	1
------------------------------	---

Financial Statements:

Combined Statement of Financial Position	4
Combined Statement of Activities	5
Combined Statement of Functional Expenses	6
Combined Statement of Cash Flows	7
Notes to the Combined Financial Statements	8

Supplementary Information:

Combining Statements of Financial Position	28
Combining Statements of Activities	29
Schedule of Expenditures of State Awards	30
Notes to the Schedules of Expenditures of State Awards	31
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 <i>Government Auditing Standards</i>	32
Schedule of Findings and Responses	34
Summary Schedule of Prior Audit Findings	35

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, 2025, 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, 2025, 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 the Organization 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 the Organization 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 the Organization'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 the Organization'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 2024 combined financial statements, and we expressed an unmodified opinion on those combined financial statements in our report dated November 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 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 accompanying schedules of expenditures of state awards, as required by 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 New Jersey State Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, are presented for purposes of additional analysis and is not a required part of the financial statements. 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 28, 2025, 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 the Organization's internal control over financial reporting and compliance.

Nisivoccia LLP

Bridgewater, New Jersey
October 28, 2025

**Eden Autism Services, Inc. and Affiliate
Combined Statement of Financial Position
June 30, 2025 and 2024**

<u>ASSETS</u>	2025	2024
Cash and cash equivalents	\$ 12,422,211	\$ 10,599,670
Restricted cash	74,314	60,339
Investments	30,261,347	27,624,382
Accounts receivable, net	3,097,709	3,415,026
Contribution and trust receivables, current portion	101,886	129,306
Prepaid expenses and other assets	764,521	660,174
 Total current assets	 46,721,988	 42,488,897
 Property, plant, and equipment, net	 21,756,155	 19,683,009
Contribution and trust receivables, noncurrent portion, net	193,653	152,292
Operating lease - right of use asset	3,238,998	2,867,452
 Total assets	 \$ 71,910,794	 \$ 65,191,650
 <u>LIABILITIES AND NET ASSETS</u>		
 Liabilities:		
Accounts payable and accrued expenses	\$ 3,992,663	\$ 3,836,180
Deferred revenue	320,525	171,557
Operating lease liability - current portion	440,427	349,199
Notes payable - current portion, and net of deferred loan costs	452,683	440,501
 Total current liabilities	 5,206,298	 4,797,437
 Client fund liability	 74,314	 60,338
Operating lease liability - net of current portion	2,173,724	2,305,186
Notes payable - net of current portion, net of deferred loan costs	10,039,047	9,651,022
 Total liabilities	 17,493,383	 16,813,983
 Net Assets:		
Without donor restrictions		
General purposes	32,987,655	29,406,544
Board designated	18,335,969	16,002,278
Total without donor restrictions	51,323,624	45,408,822
With donor restrictions	3,093,787	2,968,845
 Total net assets	 54,417,411	 48,377,667
 Total liabilities and net assets	 \$ 71,910,794	 \$ 65,191,650

See Accompanying Notes to Combined Financial Statements

**Eden Autism Services, Inc. and Affiliate
Combined Statement of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)**

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Support and revenue:				
Tuition	\$ 12,616,768		\$ 12,616,768	\$ 11,854,609
Government grants	166,160		166,160	268,707
Other state and county grants	200,000		200,000	132,000
Contributions	958,263	\$ 124,942	1,083,205	847,680
Special event income	632,359		632,359	450,418
Program service fees and other revenues	37,813,628		37,813,628	34,834,351
Merchandise, net of cost of goods sold	122		122	8,207
Credit loss recovery	46,340		46,340	
Other income	890		890	1,258
Total support and revenue	52,434,530	124,942	52,559,472	48,397,230
Expenses:				
Program services	44,184,400		44,184,400	42,379,786
Management and general	4,896,337		4,896,337	4,810,145
Fundraising	878,221		878,221	807,375
Total expenses	49,958,958		49,958,958	47,997,306
Change in net assets from operations	2,475,572	124,942	2,600,514	399,924
Non-operating activities:				
Net investment income	3,439,230		3,439,230	2,989,381
Total non-operating activities	3,439,230		3,439,230	2,989,381
Change in net assets	5,914,802	124,942	6,039,744	3,389,305
Net assets, beginning of year	45,408,822	2,968,845	48,377,667	44,988,362
Net assets, end of year	\$ 51,323,624	\$ 3,093,787	\$ 54,417,411	\$ 48,377,667

See Accompanying Notes to Combined Financial Statements

Eden Autism Services, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	Program	Management and		2025 Total	2024 Total
		General	Fundraising		
Salaries and wages	\$ 28,448,032	\$ 3,045,652	\$ 292,563	\$ 31,786,247	\$ 30,019,467
Payroll taxes and employee benefits	<u>7,291,919</u>	<u>848,986</u>	<u>76,864</u>	<u>8,217,769</u>	<u>8,430,639</u>
Total salaries and related benefits	35,739,951	3,894,638	369,427	40,004,016	38,450,106
Facility cost	2,365,105	84,535	38,336	2,487,976	2,391,852
Material and supplies	1,340,547	5,718	19,719	1,365,984	1,396,612
Information technology	1,127,715	260,071	30,967	1,418,753	1,225,498
Transportation	840,106	58,779		898,885	963,287
Depreciation and amortization	815,874	7,340		823,214	759,555
Consultants and professional fees	635,908	218,803	40,182	894,893	717,188
Travel and employee services	360,786	169,030	6,484	536,300	546,887
Marketing and recruitment	201,959	119,146	26,804	347,909	292,716
Community experience and specific assistance	301,755			301,755	289,573
Interest	234,373			234,373	254,188
Special event expense			314,243	314,243	252,560
Other	32,566	54,679	28,226	115,471	246,569
Communication	<u>187,755</u>	<u>23,598</u>	<u>3,833</u>	<u>215,186</u>	<u>210,715</u>
Total expenses	<u>\$ 44,184,400</u>	<u>\$ 4,896,337</u>	<u>\$ 878,221</u>	<u>\$ 49,958,958</u>	<u>\$ 47,997,306</u>

See Accompanying Notes to Combined Financial Statements

**Eden Autism Services, Inc. and Affiliate
Combined Statement of Cash Flows
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,039,744	3,389,305
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Credit loss recovery	(46,340)	
Depreciation	815,826	759,555
Amortization of deferred financing fees	7,291	7,291
Realized and unrealized gain on investments	(2,409,163)	(2,067,993)
Dividends reinvested	(710,184)	(359,281)
Change in allowance for credit losses	(16,932)	(5,172)
Changes in operating assets and liabilities:		
Accounts receivable	380,686	(863,175)
Contribution and trust receivable	(13,990)	53,622
Prepaid expenses and other current assets	(104,347)	(107,870)
Accounts payable and accrued expenses	156,523	893,085
Deferred revenue	148,968	133,713
Client fund liability	13,976	1,813
Operating lease assets and liabilities	<u>(411,780)</u>	<u>(102,325)</u>
Cash flows provided by operating activities	<u>3,850,278</u>	<u>1,732,568</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(2,889,060)	(1,262,341)
Purchase of investments	(18,250,991)	(33,082,338)
Proceeds from sale of investments	<u>18,733,373</u>	<u>16,473,828</u>
Cash flows used in investing activities	<u>(2,406,678)</u>	<u>(17,870,851)</u>
Cash flows from financing activities:		
Proceeds from mortgage payable	840,989	695,951
Principal repayments on notes payable	<u>(448,073)</u>	<u>(436,328)</u>
Cash flows provided by financing activities	<u>392,916</u>	<u>259,623</u>
Net increase (decrease) in cash, restricted cash, and cash equivalents	1,836,516	(15,878,660)
Cash, restricted cash, and cash equivalents, beginning of year	<u>10,660,009</u>	<u>26,538,669</u>
Cash, restricted cash, and cash equivalents, end of year	<u>\$ 12,496,525</u>	<u>\$ 10,660,009</u>
Supplemental disclosures of cash activity:		
Cash paid for interest	\$ 234,373	\$ 254,188
Unrealized gain on investments	<u>\$ 1,233,938</u>	<u>\$ 1,996,843</u>

See Accompanying Notes to Combined Financial Statements

**Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024**

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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024, net assets designated by the board were \$18,335,969 and \$16,002,278, 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, 2025 and 2024, which were subject to purpose restrictions amounted to \$3,093,787 and \$2,968,845, 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.

**Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024**

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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Performance obligations satisfied		
at a point in time	<u>\$ 51,062,877</u>	<u>\$ 47,140,636</u>
Total	<u>\$ 51,062,877</u>	<u>\$ 47,140,636</u>

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

Contributions and Pledges 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 \$16,235 and \$62,575 as of June 30, 2025 and 2024, respectively. The Organization's discount on pledge's receivable was \$78,534 and \$65,099 as of June 30, 2025 and 2024, 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 \$23,140 and \$102,967, as of June 30, 2025 and 2024, respectively.

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, 2025 and 2024. 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.

**Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024**

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, 2025 and 2024. 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, Restricted 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.

	2025	2024
Cash and cash equivalents	\$ 12,422,211	\$ 10,599,670
Restricted Cash	<u>74,314</u>	<u>60,339</u>
Total cash, cash equivalents, and restricted cash	\$ 12,496,525	\$ 10,660,009

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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

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.

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 3.61%, for the year ended June 30, 2025 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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024.

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.

Investments

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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024, 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. Amortization of these costs have been recorded with depreciation expense in the statement of activities.

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 spent. 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, 2024.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after June 30, 2025 through the date of the independent auditors' report and the date the combined financial statements were available to be issued, October 28, 2025. 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:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 12,422,211	\$ 10,599,670
Accounts receivable, net	3,097,709	3,415,026
Contribution and trust receivables, current portion	101,886	129,306
Investments	<u>30,261,347</u>	<u>27,624,382</u>
Total financial assets	45,883,153	41,768,384
Less:		
Restricted by donors for Endowment fund	305,195	194,405
Restricted by donors for specific purposes	<u>2,788,592</u>	<u>2,774,440</u>
Total amounts unavailable for general expenditures within one (1) year	<u>3,093,787</u>	<u>2,968,845</u>
Financial assets available for general expenditure	<u>\$ 42,789,366</u>	<u>\$ 38,799,539</u>

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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

4. Investments

The Organization invests in mutual funds, exchange traded funds, and fixed income, which are comprised of equity and fixed 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, 2025 and 2024.

Investments are summarized as follows at June 30:

	2025		
	Fair Market Value (Level 1)		Unrealized Appreciation (Depreciation)
	Cost	(Level 1)	
Fixed income	\$ 56,133	\$ 501,793	\$ 445,660
Exchange traded funds	12,994,520	15,280,748	2,286,228
Mutual funds	14,140,882	14,478,806	337,924
Total	\$ 27,191,535	\$ 30,261,347	\$ 3,069,812
	2024		
	Fair Market Value (Level 1)		Unrealized Appreciation (Depreciation)
	Cost	(Level 1)	
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

Investment activity is comprised of the following for the years ended June 30:

	2025	2024
Fair value, beginning of year	\$ 27,624,382	\$ 8,588,598
Purchases	18,250,991	33,082,338
Sales	(18,733,373)	(16,473,828)
Dividend income reinvested	710,184	359,281
Realized gain on investments	1,175,225	71,150
Unrealized gain on investments	1,233,938	1,996,843
Fair value, end of year	\$ 30,261,347	\$ 27,624,382

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

5. Contribution and Pledges Receivables

Contribution and trust receivables consist of the following as of June 30, 2025 and 2024:

	2025	2024
Due in one year or less	\$ 101,886	\$ 129,306
Due in more than one year	<u>256,070</u>	<u>295,510</u>
 Total contribution and trust receivables	 357,956	424,816
 Less: discount to net present value	 (46,182)	(80,643)
 Less: allowance for uncollectible amounts	 <u>(16,235)</u>	<u>(62,575)</u>
 Ending balance	 <u>\$ 295,539</u>	<u>\$ 281,598</u>

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 2025 and June 2024, but were not paid until July 2025 and July 2024, respectively. The Organization recognizes compensation over the fiscal year as an expense and records the unpaid amounts as accrued payroll. At June 30, 2025, and 2024 the compensation earned, but not paid, amounted to \$2,176,518 and \$1,911,212, 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, 2026. The Organization had no outstanding balance at June 30, 2025 and 2024.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

8. Property and Equipment

Property and equipment as of June 30, 2025 and 2024, are as follows:

<u>Assets</u>	Estimated Useful Life (Years)	<u>2025</u>		<u>2024</u>	
Land		\$ 3,347,607		\$ 3,073,807	
Building and building improvements	15-40	24,878,078		23,558,686	
Furniture and equipment	5-10	1,448,048		1,164,810	
Vehicles	5-10	155,640		155,640	
Construction in progress		2,733,916		1,721,316	
		32,563,289		29,674,259	
Less: accumulated depreciation		(10,807,134)		(9,991,250)	
Property and equipment, net		<u>\$ 21,756,155</u>		<u>\$ 19,683,009</u>	

The total depreciation expense for the years ended June 30, 2025 and 2024, amounted to \$815,826 and \$759,555, 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, 2025 and 2024 the loan amounted to \$8,181,220 and \$8,611,721, 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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

Notes payable consists of five (5) mortgages collateralized by five (5) 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, 2025 and 2024, 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, 2025 and 2024, the loan amounted to \$200,000 and \$205,000, respectively

The third, fourth, and fifth mortgages are from the New Jersey Housing and Mortgage Finance Agency ("HMFA"). These loans 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, the 313 Oak Lane group home and the 2 Tindall Road Robbinsville Group home. As a result, management determined for the year ended June 30, 2025, that \$1,044 is due to HMFA. As of June 30, 2025 and 2024, the loan amounted to \$2,295,510 and \$1,074,802, 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	Total
		Cost	
2026	\$ 459,974	\$ (7,291)	\$ 452,683
2027	467,495	(7,291)	460,204
2028	474,828	(7,291)	467,537
2029	488,576	(7,311)	481,265
2030	502,170	(7,291)	494,879
Thereafter	8,208,738	(73,576)	8,135,162
Total	\$ 10,601,781	\$ (110,051)	\$ 10,491,730

Interest expense on this long-term debt amounted to \$234,373 and \$254,188 for the years ended June 30, 2025 and 2024, respectively.

As part of the loan agreement entered into during the year ended June 30, 2025, the Organization is subject to certain financial covenants by Princeton University and TD Bank. As of and for the years ended June 30, 2025 and 2024, the Organization was in compliance with these covenants.

**Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024**

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 \$481,482 and \$459,302, for the years ended June 30, 2025 and 2024, respectively. Total contributions to the 457(f) plan were \$55,266 and \$58,816 for the years ended June 30, 2025 and 2024, 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 August 31, 2025 and October 31, 2041.

The Organization's lease expense under these non-cancellable leases amounted to \$1,337,768 and \$1,097,264 during the years ended June 30, 2025 and 2024, respectively.

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

<u>For the year ended June 30:</u>	
2026	\$ 715,676
2027	570,784
2028	502,028
2029	372,245
2030	186,556
Thereafter	532,297
Total undiscounted cash flows	<u>2,879,586</u>
Less: present value discount	<u>(265,435)</u>
Total lease liabilities	<u><u>\$ 2,614,151</u></u>

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

Other information related to the Organization's operating leases are as follows for the years ended June 30:

Other Information	2025	2024
Operating cash flows from operating leases	\$ 1,175,070	\$ 709,044
ROU assets obtained in exchange for new operating lease liabilities	1,085,336	647,664
Weighted-average remaining lease term in years for operating leases	5.53	6.15
Weighted-average discount rate for operating leases	3.61%	3.36%

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, 2025, 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.

**Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024**

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, 2025 and 2024, three sending districts represent approximately 28% and 29%, respectively of the Organization's tuition revenue. Accounts receivable is made up of 50% and 26% of Medicaid receivables as of June 30, 2025 and 2024, 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.

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	\$ 3,149,163	\$ 2,774,440	\$ 5,923,603
Investment return:			
Investment income	465,599		465,599
Net appreciation	271,236		271,236
Total investment return	736,835		736,835
Contributions	(14,152)	14,152	
Endowment net assets, June 30, 2025	<u>\$ 3,871,846</u>	<u>\$ 2,788,592</u>	<u>\$ 6,660,438</u>
	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	<u>\$ 3,149,163</u>	<u>\$ 2,774,440</u>	<u>\$ 5,923,603</u>

Eden Autism Services, Inc. and Affiliate
Notes to the Combined Financial Statements
June 30, 2025 and 2024

16. Net Assets with Donor Restrictions

Net assets with donor restrictions for specified purpose are available to fund expenses of certain programs offered by Services.

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

	2025	2024
Residential Program	\$ 110,306	\$ 65,191
Adult Services	35,569	
Day Program	29,353	
Eden School	21,067	20,314
Alexis Kate Scholarship Fund	8,900	8,900
Reserves for Charitable Gift Annuity	<u>100,000</u>	<u>100,000</u>
Total subject to expenditure for specified purpose	305,195	194,405
Adult Services Endowment principal restricted in perpetuity	<u>2,788,592</u>	<u>2,774,440</u>
Net assets with donor restrictions	<u>\$ 3,093,787</u>	<u>\$ 2,968,845</u>

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

	2025	2024
Residential Program	\$ 112,369	
Adult Services	30,000	
Eden School	3,609	
Alexis Kate Scholarship Fund	<u>50,000</u>	
	<u>\$</u>	<u>\$ 195,978</u>

SUPPLEMENTARY INFORMATION

**Eden Autism Services Inc., and Affiliate
Combining Statement of Financial Position
Year Ended June 30, 2025**

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.	Eliminations	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 10,955,208	\$ 1,467,003		\$ 12,422,211
Restricted cash	74,314			74,314
Investments	8,578,333	21,683,014		30,261,347
Accounts receivable, net	3,097,709			3,097,709
Contribution and pledge receivables, current portion		101,886		101,886
Prepaid expenses and other assets	709,766	54,755		764,521
Due from related entity	439,087		\$ (439,087)	
Total current assets	23,854,417	23,306,658	(439,087)	46,721,988
Property, plant, and equipment, net	12,843,934	8,912,221		21,756,155
Contribution and pledge receivables, noncurrent portion, net		193,653		193,653
Operating lease - right of use asset	8,975,313		(5,736,315)	3,238,998
Total assets	\$ 45,673,664	\$ 32,412,532	\$ (6,175,402)	\$ 71,910,794
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,872,956	\$ 119,707		\$ 3,992,663
Due to related entity		439,087	\$ (439,087)	
Deferred revenue	24,750	295,775		320,525
Operating lease liability - current portion	997,763		(557,336)	440,427
Notes payable - current portion, and net of deferred loan costs	10,000	442,683		452,683
Total current liabilities	4,905,469	1,297,252	(996,423)	5,206,298
Client fund liability	74,314			74,314
Operating lease liability - net of current portion	7,352,703		(5,178,979)	2,173,724
Notes payable - long-term, net of current portion, net of deferred loan costs	2,300,510	7,738,537		10,039,047
Total liabilities	14,632,996	9,035,789	(6,175,402)	17,493,383
Net Assets:				
Without donor restrictions	31,040,668	20,282,956		51,323,624
With donor restrictions		3,093,787		3,093,787
Total net assets	31,040,668	23,376,743		54,417,411
Total liabilities and net assets	\$ 45,673,664	\$ 32,412,532	\$ (6,175,402)	\$ 71,910,794

See Independent Auditors' Report

**Eden Autism Services Inc., and Affiliate
Combining Statement of Activities
Year Ended June 30, 2025**

	Eden Autism Services, Inc.		Eden Autism Services Foundation, Inc.			Eliminations	Total
	Without Donor Restrictions		Without Donor Restrictions		With Donor Restrictions		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions			
Support and revenue:							
Program service fees and other revenues	\$ 37,813,628						\$ 37,813,628
Tuition	12,616,768						12,616,768
Government grants	166,160						166,160
Contributions	445,808	\$ 958,263	\$ 124,942	\$ (445,808)			1,083,205
Other state and county grants	200,000						200,000
Special event revenue		632,359					632,359
Rental income		450,044			(450,044)		-
Merchandise, net of cost of goods sold		122					122
Credit loss recovery		46,340					46,340
Other income		890					890
Total support and revenue	51,242,364	2,088,018	124,942	(895,852)			52,559,472
Expenses:							
Program services	44,099,978	980,274			(895,852)		44,184,400
Management and general	4,839,553	56,784					4,896,337
Fundraising		878,221					878,221
Total expenses	48,939,531	1,915,279			(895,852)		49,958,958
Change in net assets from operations	2,302,833	172,739	124,942				2,600,514
Non-operating activities:							
Net investment income	1,088,054	2,351,176					3,439,230
Total non-operating activities	1,088,054	2,351,176					3,439,230
Change in net assets	3,390,887	2,523,915	124,942				6,039,744
Net assets, beginning of year	27,649,781	17,759,041	2,968,845				48,377,667
Net assets, end of year	\$ 31,040,668	\$ 20,282,956	\$ 3,093,787				\$ 54,417,411

See Independent Auditors' Report

Eden Autism Services, Inc. and Affiliate
Schedule of Expenditures of State Awards
Year Ended June 30, 2025

State Grantor/Pass-Through Grantor/Program Title	State Grant Number	State Account Number	Grant Period	Award Amount	Current Year	
					Program Disbursements	Cash Received
<u>State of NJ Department of Health</u>						
Outreach/Early Intervention	N/A	N/A	07/01/2024-06/30/2025		\$ 3,965	\$ 5,492
<u>N.J. Department of Children and Families</u>						
Children's System of Care	25BGLR	N/A	01/01/25-12/31/2029		98,465	96,106
Children's System of Care	20 BGLR	N/A	01/01/2023-12/31/2024		63,730	70,504
Total state awards				\$	\$ 166,160	\$ 172,102

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

Eden Autism Services, Inc. and Affiliate
Notes to the Schedule of Expenditures of State Awards
Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of state awards present the activity of all state financial assistance programs of Eden Autism Services, Inc. The information in this schedule 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 this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other government agencies is included in the schedule of expenditures of state awards. Because the schedule presents 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 schedule of expenditures of state awards is presented using the accrual basis of accounting which is described in Note 2 to the 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 state awards were provided to sub-recipients.

4. Relationship to State Financial Reports

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

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, 2025, 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 28, 2025.

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 28, 2025

Eden Autism Services, Inc. and Affiliate

Schedule of Findings and Responses

June 30, 2025

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.

Eden Autism Services, Inc. and Affiliate
Summary Schedule of Prior Audit Findings
June 30, 2025

No audit findings in the prior year.