Financial Statements and Report of Independent Certified Public Accountants

Eden Autism Services Foundation, Inc.

June 30, 2016 and 2015

Contents

Grant Thornton LLP
Two Commerce Square
2001 Market St., Suite 700
Philadelphia, PA 19103

T 215.561.4200
F 215.561.1066
GrantThornton.com
linked.in/GrantThorntonUS
twitter.com/GrantThorntonUS

Report of Independent Certified Public Accountants

To the Board of Trustees
Eden Autism Services Foundation, Inc.

Report on the financial statements
We have audited the accompanying financial statements of Eden Autism Services Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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 Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eden Autism Services Foundation, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on 2015 summarized comparative information

We have previously audited the Foundation's 2015 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2015. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

Philadelphia, Pennsylvania

October 31, 2016

Eden Autism Services Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	2016	2015
ASSETS		
Cash and cash equivalents	$ 1,541,937	$ 586,673
Restricted cash	512,292	510,149
Investments	4,355,232	4,045,090
Accounts and note receivable	-	1,500
Contribution and trust receivables	660,607	825,879
Due from related entity	2,158,637	477,983
Prepaid expenses and other assets	16,311	32,291
Deferred financing costs, net	557,577	580,809
Property and equipment, net	12,105,343	13,901,708
TOTAL ASSETS	$ 21,907,936	$ 20,962,082
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accrued expenses	$ 224,490	$ 231,179
Note payable	-	447,590
Deferred revenue	50,168	116,558
Bonds payable	11,425,150	11,714,997
Total liabilities	11,699,808	12,510,324
NET ASSETS:		
Unrestricted	2,011,082	2,643,771
Temporarily restricted	5,703,027	3,437,948
Permanently restricted	2,494,019	2,370,039
Total net assets	10,208,128	8,451,758
TOTAL LIABILITIES AND NET ASSETS	$ 21,907,936	$ 20,962,082

The accompanying notes are an integral part of these financial statements.

Eden Autism Services Foundation, Inc.

STATEMENTS OF ACTIVITIES

For the year ended June 30, 2016

(With summarized information for the year ended June 30, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
SUPPORT AND OTHER REVENUES					
Contributions	$ 989,353	$ 2,565,361	$ 123,980	$ 3,678,694	$ 1,395,282
Rental income	1,032,246	-	-	1,032,246	1,181,344
Investment income	2,207	26,435	-	28,642	58,341
Gain on sale of assets	634,518	-	-	634,518	-
Other revenues	10,226	-	-	10,226	27,007
Net assets released from restrictions	326,717	(326,717)	-	-	-
Total support and other revenues	2,995,267	2,265,079	123,980	5,384,326	2,661,974
EXPENSES					
Salaries	280,250	-	-	280,250	237,988
Payroll taxes	28,668	-	-	28,668	21,729
Employee benefits	30,538	-	-	30,538	26,261
Staff relations	1,178	-	-	1,178	5,929
Faculty enhancements	12,049	-	-	12,049	15,269
Materials and supplies	9,608	-	-	9,608	9,385
Computer software/information technology	27,773	-	-	27,773	13,078
Public relations	34,744	-	-	34,744	14,548
Postage	2,879	-	-	2,879	2,718
Printing	15,935	-	-	15,935	6,228
Travel	2,414	-	-	2,414	2,987
Repairs and maintenance	62,752	-	-	62,752	62,010
Telephone	3,111	-	-	3,111	2,514
Utilities	6,497	-	-	6,497	7,120
Insurance	6,809	-	-	6,809	7,564
Special projects and events	288,689	-	-	288,689	210,937
Interest	459,930	-	-	459,930	465,514
Depreciation	601,559	-	-	601,559	677,928
Amortization of deferred financing fees	23,232	-	-	23,232	23,232
Facility costs - leased facilities	153,706	-	-	153,706	74,113
Consulting and professional	59,462	-	-	59,462	78,635
Endowment and planned giving	44,193	-	-	44,193	27,118
Donations	1,326,258	-	-	1,326,258	392,681
Other	145,722	-	-	145,722	150,207
Total expenses	3,627,956	-	-	3,627,956	2,535,693
CHANGE IN NET ASSETS	(632,689)	2,265,079	123,980	1,756,370	126,281
NET ASSETS AT BEGINNING OF YEAR	2,643,771	3,437,948	2,370,039	8,451,758	8,325,477
NET ASSETS AT END OF YEAR	$ 2,011,082	$ 5,703,027	$ 2,494,019	$ 10,208,128	$ 8,451,758

The accompanying notes are an integral part of these financial statements.

Eden Autism Services Foundation, Inc.

STATEMENTS OF CASH FLOWS

For the years ended June 30,

	2016	2015
OPERATING ACTIVITIES:		
Change in net assets	$ 1,756,370	$ 126,281
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	601,559	677,928
Amortization of deferred financing fees	23,232	23,232
Gain on sale of assets	(634,518)	-
Unrealized/realized loss on investments	44,867	18,514
Contributions restricted for long-term purposes	(123,980)	(80,009)
Change in operating assets and liabilities:		
Restricted cash	(2,143)	(3,175)
Contributions and other receivables	166,772	304,741
Prepaid expenses and other assets	15,980	(11,634)
Accounts payable and accrued expenses	(6,689)	(46,998)
Deferred revenues	(66,390)	(17,949)
Net cash provided by operating activities	1,775,060	990,931
INVESTING ACTIVITIES:		
Net purchases/proceeds of investments	(355,009)	(554,561)
Advances to related entities	(1,680,654)	(520,973)
Proceeds from the sale of property and equipment	1,829,324	-
Net cash used in investing activities	(206,339)	(1,075,534)
FINANCING ACTIVITIES:		
Repayment of notes and bonds payable	(737,437)	(297,070)
Contributions restricted for long-term purposes	123,980	80,009
Net cash used in financing activities	(613,457)	(217,061)
Net increase (decrease) in cash and cash equivalents	955,264	(301,664)
Cash and cash equivalents at beginning of year	586,673	888,337
Cash and cash equivalents at end of year	$ 1,541,937	$ 586,673
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 437,309	$ 443,125

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Organization

Eden Autism Services Foundation, Inc. (the "Foundation"), formerly Eden Institute Foundation, Inc., is a nonprofit service organization. The principal function of the Foundation is to raise funds which are to be used to support organizations concerned with autism.

The Foundation is related to Eden Autism Services, Inc. ("Services"), which shares the same management and provides related services to autistic individuals. The financial position and activities of the related organization are not included in the accompanying financial statements.

2. Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

3. Classification and Reporting of Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions:

- Unrestricted net assets - net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets - net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or by the passage of time.
- Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or donor-specified purposes.

4. Cash and cash equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents. The Foundation maintains cash balances which may exceed federally insured limits. The Foundation does not believe it has significant exposure to credit losses. Restricted cash has been restricted per the terms of the bond agreement.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Interest and dividend income is recognized when earned. The Foundation values investments using quoted market prices in active markets for identical investments to the extent possible (Level 1). To the extent that such market prices are not available, the Foundation values such investments using observable measurement criteria, including quoted market prices of similar investments in active markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Foundation will develop measurement criteria based on the best information available (Level 3).

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Interest and dividend income is recognized when earned.

6. Contributions Receivable and Revenue Recognition

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the periods received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the periods received.

Donations of property and equipment are recorded as contributions at their estimated fair values at the dates of donation. Such donations are reported as increases in unrestricted net assets, 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Foundation considers all amounts receivable to be fully collectible; accordingly, no allowances for uncollectible amounts are required.

7. Deferred Financing Costs

Bond issue costs are being amortized using the effective interest method over the life of the bonds.

8. Property and Equipment

Buildings and improvements, equipment, vehicles and leasehold improvements costing over $2,000 are capitalized and are depreciated or amortized on a straight-line basis, based upon an estimated useful life of 5 to 35 years for buildings and improvements and 3 to 7 years for equipment and vehicles. Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred.

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.

9. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

10. Income Taxes

The Foundation received a determination letter from the Internal Revenue Service concluding that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(A).

The Foundation accounts for uncertainty in income taxes recognized in the financial statements using a recognition threshold of more likely than not as to whether the uncertainty will be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined there were no tax uncertainties that met the recognition threshold. The Foundation’s federal exempt organization returns are no longer subject to examination by the Internal Revenue Service for years prior to 2013.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

12. Subsequent Events

Management has evaluated subsequent events that occurred after the statement of financial position date but before October 31, 2016, the date the financial statements were available to be issued.

NOTE B - CONTRIBUTION AND TRUST RECEIVABLES

Contribution and trust receivables consist of the following as of June 30, 2016:

Due in one year or less	$ 272,897
Due in 1-5 years	232,036
Charitable lead annuity trust	394,108
Total contribution and trust receivables	899,041
Less: discount to net present value	(238,434)
Total	$ 660,607

NOTE C - RESTRICTIONS ON NET ASSETS

1. Temporarily Restricted Net Assets

The Foundation is the beneficiary of a charitable lead annuity trust agreement entered into during the fiscal year ended June 30, 2008. The terms of the trust agreement are such that the Foundation will be paid $35,828 annually for a period of twenty years, representing an undiscounted receivable of $394,108 and $429,936 as of June 30, 2016 and 2015, respectively.

Temporarily restricted net assets are available for the following purposes at June 30:

	2016	2015
Charitable lead annuity trust	$ 243,608	$ 255,305
Purpose and time restrictions	5,459,419	3,182,643
Total	$ 5,703,027	$ 3,437,948

(Continued)

NOTE C - RESTRICTIONS ON NET ASSETS - Continued

Net assets were released from donor restrictions as follows for the years ended June 30:

	2016	2015
Adult Residential Program	$ 99,298	$ 137,759
Adult Employment Program	85,097	39,931
Eden School	2,615	14,180
Eden Outreach Program	131,506	170,557
Other	8,201	30,253
Total	$ 326,717	$ 392,680

2. Permanently Restricted Net Assets

Permanently restricted net assets are endowment funds restricted in perpetuity to continue the purpose of the Foundation. Income generated by these assets can be used for operating activities (see Note L).

NOTE D - FAIR VALUE AND INVESTMENTS

Investments carried at fair value as of June 30, 2016, by valuation hierarchy, are as follows:

Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money markets	$ 349,746	$ -	$ -
Mutual funds	2,302,576	-	-
Bond funds	1,403,745	-	-
Other mutual fund	299,165	-	-
	$ 4,355,232	$ -	$ -

(Continued)

NOTE D - FAIR VALUE AND INVESTMENTS - Continued

Investments carried at fair value as of June 30, 2015, by valuation hierarchy, are as follows:

Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money markets	$ 82,352	$ -	$ -
Mutual funds	2,265,522	-	-
Bond funds	1,411,526	-	-
Other mutual fund	285,690	-	-
	$ 4,045,090	$ -	$ -

The following table summarizes the total investment return and its classification in the statements of activities:

	2016	2015
Investment returns:		
Interest and dividends	$ 73,509	$ 76,855
Realized and unrealized losses	(44,867)	(18,514)
Total investment return	$ 28,642	$ 58,341

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2016	2015
Land	$ 1,290,802	$ 2,178,575
Building and improvements	14,180,827	16,915,132
Equipment and vehicles	755,343	766,843
Furniture and fixtures	804,284	804,284
Subtotal	17,031,256	20,664,834
Accumulated depreciation and amortization	(4,925,913)	(6,763,126)
Property and equipment, net	$ 12,105,343	$ 13,901,708

Depreciation expense was $601,559 and $677,928 for the years ended June 30, 2016 and 2015, respectively.

NOTE F - NOTE PAYABLE

The note payable collateralized by property owned in Naples, Florida was paid in full on May 31, 2016 from the proceeds of the sale of that property.

Line of Credit Facility

In August 2009, the Foundation entered into a revolving line of credit facility with a bank for a total availability of $600,000, which was subsequently increased to $1,500,000 through an amended loan agreement in December 2009. There were no balances outstanding on the line of credit at June 30, 2016 and 2015. Interest is charged at the option of the Foundation at either: a) LIBOR plus 1.25%, or b) the base rate, which is defined as the greater of prime or the daily LIBOR rate plus 1.25%. The line of credit is secured by certain property of the Foundation.

NOTE G - RETIREMENT PLAN

The Foundation 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 on July 1, 1983 and amended January 1, 2009 and is a qualified plan under and in conformity with the Employee Retirement Income Security Act of 1974 and its successor legislations. An employee becomes eligible for the Plan after completing one year of service of at least 1,000 hours and attaining the age of 21. Plan matching contributions are based on a discretionary match. For the years ended June 30, 2016 and 2015, the Foundation made contributions to the Plan of $3,281 and $7,264, respectively.

NOTE H - CONCENTRATION OF RISK

The Foundation maintains cash and investment balances that may exceed federally insured limits, but historically has not experienced any credit-related losses.

NOTE I - RELATED ENTITY

On November 1, 2011, the Foundation entered into a 20-year agreement to lease facilities and equipment to Eden Autism Services, Inc. This agreement results in annual rental income of $1,024,656. Required annual rental payments from the Eden School may be reduced due to related-party rental payment limitations imposed by the New Jersey Department of Education. Rental income under the aforementioned lease and sublease agreements totaled $763,260 and $782,341 for the years ended June 30, 2016 and 2015, respectively. The facilities and equipment that are leased have an original cost of $15,890,822 as of both June 30, 2016 and 2015, and are included in property and equipment, net in the accompanying statements of financial position.

During the years ended June 30, 2016 and 2015, the Foundation provided program support to its related entity, which is included in the accompanying statements of activities as donations. For the years ended June 30, 2016 and 2015, the Foundation donated $1,326,258 and $392,681, respectively, to Services. In addition, the Foundation makes payments on behalf of its related entity for which it is reimbursed.

During the year ended June 30, 2014, the Foundation became a guarantor for two mortgages secured in September of 2013 in conjunction with Services purchasing two group homes, in Ewing, NJ and Robbinsville, NJ. The mortgages will be paid by Services with funds from contracts with the State of New Jersey.

(Continued)

NOTE I - RELATED ENTITY - Continued

In addition, the Foundation may advance funds to Services for cash flow purposes, which funds are repaid conditional upon future cash flow availability of Services. No interest has been charged to the Private School for the Disabled on account of these advances. Repayment of amounts due to related parties is conditional upon future cash flow availability of Services.

NOTE J - SPECIAL EVENTS

During the year ended June 30, 2016, the Foundation incurred expenses directly related to certain fundraising events that are included in donations, special projects and special events in the accompanying statement of activities as follows:

Eden Dreams	$ 127,665
Eden Invitational	34,899
Eden Raffle	48,202
Other	77,923
Total	$ 288,689

NOTE K - REVOCABLE CHARITABLE REMAINDER TRUST

The Foundation is the revocable beneficiary of a charitable remainder trust agreement that consists of an estimated value of trust assets of $1,000,000 to be received by the Foundation after the death of the donor and a beneficiary. In the event total assets of such trust are less than $1,000,000, the Foundation will receive 50% of the value of the trust assets at such time. No amounts have been reflected in the accompanying financial statements.

NOTE L - ENDOWMENT POLICY

Over the past several years, the Foundation has received contributions to establish endowment funds. Earnings, such as interest and dividends, from the endowment are expendable but restricted in use to support programs. The change in market value of the invested funds is charged to temporarily restricted net assets.

1. Endowment Description and Interpretation of Relevant Law

The endowments may consist of domestic equity, international equity, fixed income and cash equivalents. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. In June 2009, the State of New Jersey enacted a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which replaced the prior Uniform Management of Institutional Funds Act ("UMIFA"). During 2010, the Board of Trustees (the "Board") interpreted the new act as allowing the Foundation the powers to manage and invest the funds in good faith and with the care an ordinarily prudent person, in a like position, would exercise under similar circumstances. As a result of this interpretation, the Foundation has not changed the way permanently restricted net assets are classified. The original value of all gifts donated to the Endowment Fund will be classified as permanently restricted net assets, with endowment earnings classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

(Continued)

NOTE L - ENDOWMENT POLICY - Continued

2. Endowment Spending Policy

At this time, earnings are reinvested within the respective endowment; however, such earnings are reflected within temporarily restricted net assets for financial reporting purposes. A spending policy was adopted on November 20, 2012 which provided for a 2% spend on the three-year average market value of the endowment, subject to annual budgetary approval. Once the endowment reaches $5 million, the spend percentage will increase to 4.5%. For the years ended June 30, 2016 and 2015, no amounts were appropriated or spent on program support as a result of this endowment spending policy.

3. Endowment Investment Policies

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

Under the provisions of the UPMIFA accounting guidance, losses in the market value of donor-restricted endowment funds are required to be offset by reductions in temporarily restricted net assets or unrestricted net assets, or both. The permanently restricted net assets of such endowment funds should always equal their historic dollar value. An endowment fund that has become “underwater” will therefore result in decreases in temporarily restricted or unrestricted net assets, despite the absence of any legal obligation to restore the endowment fund for such losses. Unrestricted net assets that have been reduced because of this requirement will be restored from future gains from the endowment.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2014	$ -	$ 726,074	$ 2,290,030	$ 3,016,104
Investment return:				
Investment income	-	57,811	-	57,811
Net depreciation	-	(33,300)	-	(33,300)
Total investment return	-	24,511	-	24,511
Contributions	-	-	80,009	80,009
Less broker fees	-	(18,112)	-	(18,112)
Endowment net assets, June 30, 2015	-	732,473	2,370,039	3,102,512

(Continued)

NOTE L - ENDOWMENT POLICY - Continued

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment return:				
Investment income	$ -	$ 53,943	$ -	$ 53,943
Net depreciation	-	(27,508)	-	(27,508)
Total investment return	-	26,435	-	26,435
Contributions	-	-	123,980	123,980
Less broker fees	-	(17,506)	-	(17,506)
Endowment net assets, June 30, 2016	$ -	$ 741,402	$ 2,494,019	$ 3,235,421

NOTE M - BONDS PAYABLE

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 contains certain financial and other covenants. These bonds will 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 through 2040. Interest on the bonds is payable semi-annually.

Sinking fund or principal payment requirements are as follows as of June 30, 2016:

Fiscal year	
2017	$ 305,000
2018	310,000
2019	320,000
2020	330,000
2021	335,000
Thereafter	9,825,150
Total	$ 11,425,150