Eden Autism Services Foundation, Inc. and Affiliate

Combined Financial Statements and Independent Auditors' Report

June 30, 2020 and 2019

Eden Autism Services Foundation, Inc. and Affiliate

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Independent Auditors' Report

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

Report on the Financial Statements
We have audited the accompanying combined financial statements of Eden Autism Services Foundation, Inc. and Affiliate (the "Organization"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 entity'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 combined financial statements.

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

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Independent Auditors' Report (Continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mercadien, P.C.
Certified Public Accountants

November 19, 2020

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 10,817,422	$ 5,431,271
Assets whose use is limited	94,654	64,633
Investments	13,071,688	11,326,697
Accounts receivable, net of allowance for uncollectible accounts of $114,040 (2020) and $0 (2019)	3,371,877	3,155,334
Contribution and trust receivables, current portion net of allowance for uncollectible accounts of $106,425 (2020) and $0 (2019)	89,088	241,703
Prepaid expenses and other assets	251,444	408,651
Total Current Assets	27,696,173	20,628,289
Property and equipment, net	18,931,302	18,899,065
Contribution and trust receivables, noncurrent portion	153,939	143,936
Right of use asset, NPV	2,372,932	3,180,187
Total Non-Current Assets	21,458,173	22,223,188
TOTAL ASSETS	$ 49,154,346	$ 42,851,477
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Current Liabilities		
Accounts payable	$ 365,142	$ 466,376
Accrued expenses and other liabilities	1,720,702	1,731,569
Deferred revenue	214,412	350,422
Lease liability - short term, NPV	610,018	586,907
Notes payable - short term	25,420	24,707
Bonds payable - short term	330,000	320,000
Total Current Liabilities	3,265,694	3,479,981
Client fund liability	94,654	64,633
Lease Liability - long term, NPV	1,762,914	2,593,280
Notes payable - long term	1,228,374	1,253,273
Notes payable to the State of New Jersey	3,458,410	3,458,410
PPP loan payable, including accrued interest of $6,806	4,442,491	-
Bonds payable, long-term - net of bond issuance costs	9,400,351	9,707,119
Total Non-Current Liabilities	20,387,194	17,076,715
TOTAL LIABILITIES	23,652,888	20,556,696
NET ASSETS:		
Without donor restrictions	22,434,219	19,233,479
With donor restrictions	3,067,239	3,061,302
TOTAL NET ASSETS	25,501,458	22,294,781
TOTAL LIABILITIES AND NET ASSETS	$ 49,154,346	$ 42,851,477

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

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OTHER REVENUES			
Medicaid	$ 21,807,330	$ -	$ 21,807,330
State of New Jersey revenue	291,634	-	291,634
COVID-19 assistance payments	2,376,416	-	2,376,416
School district revenue	10,050,693	-	10,050,693
Contributions	1,539,695	158,287	1,697,982
Client housing	1,014,847	-	1,014,847
Other fees and program services	420,143	-	420,143
Investment income, net of investment expenses	653,829	-	653,829
Interest income	44,539	-	44,539
Other revenues	222,218	-	222,218
Gain on sale of assets	24,492	-	24,492
Net assets released from restrictions	152,350	(152,350)	-
Total support and other revenues	38,598,186	5,937	38,604,123
EXPENSES			
Program	30,713,769	-	30,713,769
Management, general and administrative	3,825,560	-	3,825,560
Fundraising	858,117	-	858,117
Total expenses	35,397,446	-	35,397,446
CHANGE IN NET ASSETS	3,200,740	5,937	3,206,677
NET ASSETS AT BEGINNING OF YEAR	19,233,479	3,061,302	22,294,781
NET ASSETS AT END OF YEAR	$ 22,434,219	$ 3,067,239	$ 25,501,458

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

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OTHER REVENUES			
Medicaid	$ 22,085,087	$ -	$ 22,085,087
State of New Jersey revenue	270,196	-	270,196
School district revenue	9,456,653	-	9,456,653
Contributions	741,368	333,191	1,074,559
Client housing	968,181	-	968,181
Other fees and program services	340,722	-	340,722
Rental income	36,156	-	36,156
Investment income, net of investment expenses	697,968	-	697,968
Interest income	1,309	-	1,309
Other revenues	216,944	-	216,944
Gain on sale of assets	173,491	-	173,491
Net assets released from restrictions	608,181	(608,181)	-
Total support and other revenues	35,596,256	(274,990)	35,321,266
EXPENSES			
Program	26,775,866	-	26,775,866
Management, general and administrative	3,548,603	-	3,548,603
Fundraising	826,399	-	826,399
Total expenses	31,150,868	-	31,150,868
CHANGE IN NET ASSETS	4,445,388	(274,990)	4,170,398
NET ASSETS AT BEGINNING OF YEAR	14,788,091	3,336,292	18,124,383
NET ASSETS AT END OF YEAR	$ 19,233,479	$ 3,061,302	$ 22,294,781

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

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

Expenses	Program	Management & General	Fundraising	Total
Salaries & Wages	$ 19,295,957	$ 2,332,128	$ 236,788	$ 21,864,873
Fringe Benefits & Payroll Taxes	4,877,929	621,994	60,559	5,560,482
Consultants & Professional Fees	340,065	154,355	43,616	538,036
Material & Supplies	1,027,995	20,476	9,069	1,057,540
Facility Cost	1,667,956	190,587	46,583	1,905,126
Depreciation	702,966	4,322	783	708,071
Bond & Mortgage Interest	437,610	6,806	2,547	446,963
Transportation	687,461	35,239	-	722,700
Information Technology	461,455	198,065	19,275	678,795
Communications	129,033	21,563	1,950	152,546
Travel & Employee Services	195,830	86,905	5,138	287,873
Community Experience & Specific Assistance	211,111	-	-	211,111
Marketing & Recruitment	59,670	110,857	23,374	193,901
Special Event Expense	-	-	193,726	193,726
Bad Debt	192,793	-	169,168	361,961
Other	425,938	42,263	45,541	513,742
Total	**$ 30,713,769**	**$ 3,825,560**	**$ 858,117**	**$ 35,397,446**

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

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2019

Expenses	Program	Management & General	Fundraising	Total
Salaries & Wages	$ 16,851,497	$ 2,097,064	$ 273,489	$ 19,222,050
Fringe Benefits & Payroll Taxes	4,019,786	549,743	71,724	4,641,253
Consultants & Professional Fees	421,750	234,026	32,864	688,640
Material & Supplies	954,483	17,189	15,671	987,343
Facility Cost	1,402,671	178,785	57,707	1,639,163
Depreciation	649,249	2,765	313	652,327
Bond & Mortgage Interest	470,905	-	-	470,905
Transportation	772,884	7,937	-	780,821
Information Technology	501,587	242,668	47,687	791,942
Communications	62,164	23,088	1,836	87,088
Travel & Employee Services	209,858	84,287	7,054	301,199
Community Experience & Specific Assistance	243,324	-	-	243,324
Marketing & Recruitment	41,342	85,923	17,762	145,027
Special Event Expense	-	-	269,482	269,482
Other	73,743	25,128	30,810	129,681
Total	**$ 26,775,866**	**$ 3,548,603**	**$ 826,399**	**$ 31,150,868**

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

Eden Autism Services Foundation, Inc. and Affiliate

COMBINED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING ACTIVITIES:		
Change in net assets	$ 3,206,677	$ 4,170,398
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	708,071	652,327
Amortization of deferred financing fees	23,232	23,232
Bad debt writeoffs	361,961	-
Gain on disposition of property and equipment	(24,492)	(173,491)
Unrealized gain on investments	(296,866)	(370,659)
Contributions restricted for long-term purposes	(36,305)	(44,428)
Change in operating assets and liabilities:		
Accounts receivable	(409,336)	(533,726)
Contribution and trust receivable	(26,556)	90,575
Prepaid expenses and other assets	157,207	(123,682)
Accounts payable and accrued expenses	(112,101)	921,858
Accrued interest - PPP loan	6,806	-
Deferred revenues	(136,010)	(249,173)
Client fund liability	30,021	64,633
Net cash and cash equivalents from operating activities	3,452,309	4,427,864
INVESTING ACTIVITIES:		
Purchases of investments	(4,092,861)	(11,298,197)
Proceeds from sale of investments	2,644,736	10,974,753
Sale of property and equipment	84,308	173,491
Purchases of property and equipment	(800,124)	(1,016,183)
Net cash and cash equivalents from investing activities	(2,163,941)	(1,166,136)
FINANCING ACTIVITIES:		
Borrowings from PPP loans	4,435,685	-
Contributions restricted for long-term purposes	36,305	44,428
Mortgage principal payments	(24,186)	(24,049)
Repayment of bonds payable	(320,000)	(310,000)
Net cash and cash equivalents from financing activities	4,127,804	(289,621)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,416,172	2,972,107
Cash, cash equivalents and restricted cash at beginning of year	5,495,904	2,523,797
Cash, cash equivalents and restricted cash at end of year	$ 10,912,076	$ 5,495,904
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 416,925	$ 447,673
Supplemental disclosure of Non-Cash Investing and Financing Activities		
Right of use assets acquired through leases	$ 103,087	$ 2,103,409

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

A. NATURE OF ORGANIZATION

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

The Foundation is related to Eden and shares the same management team. Additionally, the same individuals serve on the Foundation and Eden’s Board of Trustees. The combined financial statements of Eden Autism Services Foundation, Inc. and Affiliate (the “Organization”) represent the combined financial position and activities of the Foundation and Eden. All significant intercompany accounts and transactions, as detailed below, have been eliminated in combination.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The combined financial statements of the Organization 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”). Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of trustees. In addition, net assets without donor restrictions includes board designated endowment funds.

- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of 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.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All highly liquid investments with original maturities of ninety days or less are considered to be cash equivalents. The Organization maintains cash balances which may exceed federally insured limits. The Organization does not believe it has significant exposure to credit losses. Restricted cash of $531,809 and $534,176 as of June 30, 2020 and 2019, respectively, has been included in cash and cash equivalents and are restricted per the terms of the bond agreement.

For purposes of the combined statement 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 sum to the total of the same amounts shown in the combined statements of cash flows.

	2020	2019
Cash and cash equivalents	$ 10,817,422	$ 5,431,271
Assets whose use is limited	94,654	64,633
Total cash, cash equivalents and restricted cash shown in the combined statements of cash flows	$ 10,912,076	$ 5,495,904

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the combined statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities. Interest and dividend income is recognized when earned. The Organization 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 Organization 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 Organization will develop measurement criteria based on the best information available (Level 3).

Accounts and Grants Receivable

For accounts receivable, the change in net assets is charged with an allowance for estimated uncollectible accounts based on past experience and an analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. The Organization has recorded an allowance for uncollectible accounts receivable of $114,040 as of June 30, 2020. There was no allowance for uncollectible accounts receivable as of June 30, 2019.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable and Revenue Recognition

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.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the combined statements 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 net assets without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their uses and contributions of cash that must be used to acquire property and equipment are reported as donor-restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

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

The Organization has recorded an allowance for uncollectible contributions receivable of $106,425 as of June 30, 2020. There was no allowance for uncollectible contributions receivable as of June 30, 2019.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Buildings and improvements, equipment, vehicles and leasehold improvements costing $5,000 or more 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. However, if the equipment is exclusively used for school-related activities, then the Organization capitalizes equipment with a fair market value of $2,000 or more in order to comply with regulations from the DOE. 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 Organization 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.

Bond Issuance Costs

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

Underwater Endowment

Underwater endowment funds – a donor-restricted endowment fund for which the fair value of the fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law. As of June 30, 2020 and 2019, there were no underwater endowment funds.

Income Taxes

The Foundation and Eden have received determination letters from the Internal Revenue Service concluding that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Foundation and Eden have been classified as organizations that are not private foundations under Section 509(a)(2) of the Code and qualify for deductible contributions as provided in Section 170(b)(1)(A).

The Organization accounts for uncertainty in income taxes recognized in the combined 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 Organization’s federal exempt organization returns are no longer subject to examination by the Internal Revenue Service for years prior to 2017.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Organization did not record any interest or penalties on uncertain tax positions in the accompanying combined statements of financial position as of June 30, 2020 or 2019, or in the accompanying combined statements of activities for the years then ended. If the Organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

Cost Allocation Methods

The Organization allocates health insurance and other employee benefits as well as payroll taxes based on the direct wages and salaries for each program and cost center. Rental and other facilities costs are allocated based on the square footage utilized by each program or cost center. Management & General Costs (Indirect Costs) are allocated based on the Direct Costs for each program or cost center.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which provides a comprehensive new revenue recognition model that requires a company to recognize revenue in an amount that reflects the consideration it expects to receive for the transfer of promised goods or services to its customers. The standard also requires additional disclosure regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2014-09 making it effective for annual reporting periods beginning after December 15, 2019. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the combined financial statements. The ASU will be effective beginning with the year ended June 30, 2021.

Recently Adopted Accounting Pronouncement

In July 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The FASB is issuing this ASU to improve and clarify existing guidance on revenue recognition of grants and contracts by not-for-profit organizations ("NFPs") because there is diversity in practice among NFPs with characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. This ASU also provides guidance to help determine whether a contribution is conditional or unconditional, and better distinguish a donor-imposed condition from a donor-imposed restriction. The Organization adopted the provisions of ASU 2018-08 during the year ended June 30, 2020. The adoption of this ASU did not have a material impact on the combined financial statements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncement

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the cash flow classification and presentation of changes in restricted cash or restricted cash equivalents. The Organization adopted the provisions of ASU 2016-18 during the year ended June 30, 2020. As a result of the adoption of ASU 2016-18, assets whose use is limited were reclassified on the combined statements of cash flows for the years ended June 30, 2020 and 2019.

Subsequent Events

Management has evaluated subsequent events that occurred after the combined statements of financial position date and through November 19, 2020, the date the combined financial statements were available to be issued. No items were determined by management to require disclosure.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

C. FAIR VALUE AND INVESTMENTS

Investments carried at fair value as of June 30, 2020 and 2019, by valuation hierarchy, are as follows:

	June 30, 2020		
	Level 1	Level 2	Level 3
Mutual Funds/Equity	$ 7,803,395	$ -	$ -
Bond Funds/Fixed Income	5,268,293	-	-
	$ 13,071,688	$ -	$ -

	June 30, 2019		
	Level 1	Level 2	Level 3
Mutual Funds/Equity	$ 6,676,587	$ -	$ -
Bond Funds/Fixed Income	4,650,110	-	-
	$ 11,326,697	$ -	$ -

D. CONTRIBUTION AND TRUST RECEIVABLES

Contribution and trust receivables consist of the following as of June 30, 2020 and 2019:

	2020	2019
Due in one year or less	$ 195,513	$ 241,703
Due in more than one year	214,968	250,796
Total contribution and trust receivables	410,481	492,499
Less: discount to net present value	(61,029)	(106,860)
Less: allowance for uncollectible accounts	(106,425)	-
Total	$ 243,027	$ 385,639

E. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2020 and 2019:

	2020	2019
Land	$ 3,073,807	$ 3,073,807
Building and improvements	21,509,374	20,916,250
Furniture, fixtures, equipment and vehicles	1,815,558	2,123,159
Construction in progress	57,960	108,117
Subtotal	26,456,699	26,221,333
Accumulated depreciation and amortization	(7,525,397)	(7,322,268)
Property and equipment, net	$ 18,931,302	$ 18,899,065

Depreciation expense was $708,071 and $652,327 for the years ended June 30, 2020 and 2019, respectively.

F. LINE OF CREDIT

In December 2009, the Foundation entered into an amended revolving line of credit facility with a bank for a total availability of $1,500,000. There were no balances outstanding on the line of credit at June 30, 2020 and 2019. Interest is charged at a rate of the Daily LIBOR rate plus 1.25%. The line of credit is secured by certain property of the Foundation.

G. NOTES PAYABLE

Notes payable consists of five (5) mortgages collateralized by five (5) properties located in New Jersey. One mortgage has monthly payments of $1,675 through August 2023, with a balloon payment of $213,040 in September 2023, and an interest rate of 4.74%. The second mortgage has monthly payments of $1,262 through August 2023, with a balloon payment of $160,510 in September 2023, and an interest rate of 4.74%. The third mortgage, totaling $240,000, has ten annual payments of $5,000 from January 2017 through January 2026, interest-free. The remaining balance of $190,000 will be forgiven by the County of Mercer after the payment of these ten installments. The fourth 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. The fifth mortgage is from the New Jersey Housing and Mortgage Finance Agency. This loan is a 30-year interest-free loan with repayment subject to available cash flow as defined. 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.

Total maturities of these notes payable as of June 30, 2020, are as follows:

Years Ending June 30:	
2021	$ 25,420
2022	26,168
2023	26,951
2024	386,454
2025	10,000
Thereafter	778,801
Total	$ 1,253,794

H. PAYCHECK PROTECTION PROGRAM (“PPP”) LOAN

As a result of the global pandemic from COVID-19, and the plans to mitigate and protect employees, consumers and others from the virus, the Organization applied for relief funding from the government. On May 4, 2020, the Organization entered into a term note agreement as part of the United States Small Business Administration's (the "SBA") PPP. The funds will be used primarily to retain employees, as well as for rent and utility costs. The loan is for a principal sum of $4,435,685, and bears interest at a rate of 1% per annum. The SBA loan may be forgiven if certain criteria are met. All principal that is not forgiven will convert to an amortizing term loan which will be due on the two-year anniversary date of the note. The PPP Loan has enabled the organization to retain employees in those programs that have fully or partially closed during the Pandemic due to State mandate or voluntary closure due to safety. It has also strengthened the Organization’s cash flow in order to weather the Pandemic for a prolonged period of time. The Organization believes it will have sufficient eligible expenses to comply with the requirements of the SBA PPP and it expects to submit the application for forgiveness during the fiscal year ending June 30, 2021

I. 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, 2020:

Years Ending June 30:		
2021	$	330,000
2022		335,000
2023		350,000
2024		360,000
2025		375,000
Thereafter		8,445,000
Subtotal		10,195,000
Less: Bond issuance costs		(464,649)
Total	$	9,730,351

J. LEASES

The Organization has operating leases for most of its fleet of vehicles and two (2) office facilities where it operates two (2) day programs. The leases have remaining terms for 1 to 12 years, some of which include options to extend the leases for up to ten years.

Future minimum undiscounted lease payments under non-cancellable operating leases as of June 30, 2020, are as follows:

Years Ending June 30:		
2021	$	610,018
2022		524,277
2023		417,762
2024		390,050
2025		334,927
Thereafter		1,375,817
Total	$	3,652,851

J. LEASES (CONTINUED)

The Foundation leases facilities and equipment to Eden under various lease agreements. Rent incurred by Eden and paid to the Foundation under these lease agreements totaled $828,638 and $836,748 for the years ended June 30, 2020 and 2019, respectively. During the year ended June 30, 2020 and 2019, the Foundation donated $156,627 and $720,355, respectively, to Eden. The Foundation makes payments on behalf of Eden for which it is reimbursed, and may advance funds to Eden for cash flow purposes, which are repaid conditional upon the future cash flow availability of Eden. As of June 30, 2020 and 2019, $788,871 and $1,008,744, respectively, was due from Eden to the Foundation.

K. 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, 2020 and 2019, management estimates that no liability will result from such audits.

In the event that any of the residential facilities cease to function as residential care facilities, the Organization will be liable to the State of New Jersey, Department of Human Services, for grants made to purchase land, buildings and equipment, and the return of such property or proceeds therefrom would revert to the State of New Jersey. Amounts due to the State of New Jersey pursuant to various capital funding agreements with the State of New Jersey in the amount of $3,458,410 have been reflected as a component of notes payable to the State of New Jersey in the combined statements of financial position at both June 30, 2020 and 2019.

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.

L. 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 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, 2020 and 2019, the Organization made contributions to the Plan of $322,902 and $272,523, respectively.

M. CONCENTRATION OF RISK

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

The Organization received approximately 26% and 27% of its total support and revenues from New Jersey Public School districts for the years ended June 30, 2020 and 2019, respectively. Tuition revenue is subject to financial and compliance requirements and possible audits by the DOE. The Organization received approximately 56% and 63% of its total support and revenues from Medicaid in the years ended June 30, 2020 and 2019, respectively.

N. SPECIAL EVENTS

During the years ended June 30, 2020 and 2019, the Organization incurred expenses directly related to certain fundraising events that are included in donations, special projects and special events in the accompanying combined statements of activities is as follows:

	2020	2019
Eden Dreams	$ 125,688	$ 153,374
5k Race	63,124	43,260
Eden Raffle	3,190	34,956
Other	1,724	37,892
	$ 193,726	$ 269,482

O. NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions – the part of net assets that is not subject to donor-imposed restrictions as of June 30, 2020 and 2019, is follows:

	2020	2019
Undesignated	$ 19,480,755	$ 16,418,861
Board designated for building improvement and fixed assets	650,051	641,318
Building and other fixed assets (net)	598,286	670,890
Charitable lead trust (NPV)	153,939	197,678
Portion of Adult Services Endowment subject to the Foundation's spending policy and Board appropriation	1,551,188	1,304,732
Total net assets without donor restrictions	$ 22,434,219	$ 19,233,479

O. NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

Net assets with donor restrictions – the part of net assets that is subject to donor-imposed restrictions as of June 30, 2020 and 2019, is as follows:

Subject to expenditure for specified purpose:	2020	2019
Operating and capital expenditure for the Residential Program	$ 77,207	$ 94,260
Operating and capital expenditure for the Day Program	187,489	128,058
Operating and capital expenditure for the Eden School	3,924	66,894
Operating and capital expenditure for the Outreach	1,000	-
Develop a video about Eden Autism Services, Inc.	29,324	50,000
Alexis Kate Scholarship Fund	9,900	-
Reserves for Charitable Gift Annuity	150,000	150,000
Total subject to expenditure for specified purpose	458,844	489,212
Adult Services Endowment principal restricted in perpetuity	2,608,395	2,572,090
Total net assets with donor restrictions	$ 3,067,239	$ 3,061,302

Net assets were released from donor restrictions as follows for the years ended June 30, 2020 and 2019:

	2020	2019
Adult Residential Program	$ 94,735	$ 94,495
Adult Day/Employment Program	10,096	443,798
Eden School	18,223	69,888
Other	29,296	-
Total	$ 152,350	$ 608,181

P. ENDOWMENT POLICY

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

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 Organization the powers to manage and invest the funds in good faith and with the care an ordinarily prudent person, in a like position, would exercise under similar circumstances. As a result of this interpretation, the Organization has not changed the way donor-restricted net assets are classified. The original value of all gifts donated to the Endowment Fund is classified as net assets with donor restrictions while the endowment earnings and capital appreciation are classified as net assets without donor restrictions subject to Board appropriation for expenditure.

2. Endowment Spending Policy

At this time, earnings are reinvested within the respective endowment; however, such earnings are reflected within net assets without donor restrictions for financial reporting purposes. A spending policy was adopted on November 20, 2012, which provided for a 2% spend on the three-year average market value of the endowment, subject to annual budgetary approval. Once the endowment reaches $5 million, the spend percentage will increase to 4.5%. For the years ended June 30, 2020 and 2019, no amounts were appropriated or spent on program support as a result of this endowment spending policy.

3. Endowment Investment Policies

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

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

P. ENDOWMENT POLICY (CONTINUED)

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2018	$ 1,012,362	$ 2,527,662	$ 3,540,024
Investment return:			
Investment income	135,433	-	135,433
Net appreciation	164,611	-	164,611
Total investment return	300,044	-	300,044
Contributions	-	44,428	44,428
Less broker fees	(7,674)	-	(7,674)
Endowment net assets, June 30, 2019	1,304,732	2,572,090	3,876,822
Investment return:			
Investment income	144,189	-	144,189
Net appreciation	109,791	-	109,791
Total investment return	253,980	-	253,980
Contributions	-	36,305	36,305
Less broker fees	(7,524)	-	(7,524)
Endowment net assets, June 30, 2020	$ 1,551,188	$ 2,608,395	$ 4,159,583

Q. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2020 and 2019, financial assets and liquidity resources available within one (1) year for general expenditure, such as operating expenses, are as follows:

	2020	2019
Financial assets:		
Cash and cash equivalents	$ 10,817,422	$ 5,431,271
Investments	13,071,688	11,326,697
Accounts receivable, net	3,371,877	3,155,334
Current portion of contribution and trust receivable, net of allowance for uncollectible accounts	89,088	241,703
Borrowings available under line of credit agreement	1,500,000	1,500,000
Total financial assets available within one (1) year	28,850,075	21,655,005
Less amounts unavailable for general expenditures within one (1) year:		
Restricted by donors for specific purposes	(458,844)	(489,212)
Restricted by donors for Endowment Fund	(2,608,395)	(2,572,090)
Restricted cash to comply with bond's covenants	(531,809)	(534,176)
Accounts receivable related to school districts expected to be collected after one (1) year	(1,005,435)	(1,100,395)
Investment funds unavailable to management without Board's approval	(10,463,293)	(8,754,607)
Total amounts unavailable for general expenditures within one (1) year:	(15,067,776)	(13,450,480)
Total financial assets available within one (1) year	$ 13,782,299	$ 8,204,525

Q. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Organization manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. The timing of cash flows primarily fluctuates based on specials events and collections of donors' pledges. The Organization maintains its surplus operating cash in interest-bearing accounts as well as in liquid investments. In addition, the Organization has available net assets without donor restrictions that, while the Organization does not intend to use these funds, the amounts could be made available for current operations, if necessary, with the approval from the Board of Trustees.

R. CORONAVIRUS OUTBREAK – BUSINESS IMPACT

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has experienced interruptions in its ability to host fundraising events, as well as decreases in contributions. Additionally, it is reasonably possible that estimates made in the combined financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including collectability of receivables.