

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2021 and 2020

EDEN AUTISM SERVICES, INC. AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

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

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Eden Autism Services, Inc. and Affiliate (the "Organization"), which comprise the combined statements of financial position as of June 30, 2021 and 2020, 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 combined 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.

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, 2021 and 2020, 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.

Emphasis of Matter – Prior Period Adjustment

Certain amounts for the year ended June 30, 2020 have been restated as disclosed in Note S. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Mercedien, P.C.

Certified Public Accountants

November 1, 2021

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF FINANCIAL POSITION June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 15,695,403	\$ 10,817,422
Assets whose use is limited	113,689	94,654
Investments	16,550,439	13,071,688
Accounts receivable, net of allowance for uncollectible accounts of \$110,442 (2021) and \$114,040 (2020)	5,353,985	3,371,877
Contribution and trust receivables, current portion net of allowance for uncollectible accounts of \$50,828 (2021) and \$106,425 (2020)	109,663	89,088
Prepaid expenses and other assets	330,487	251,444
Total Current Assets	<u>38,153,666</u>	<u>27,696,173</u>
Property and equipment, net	18,303,047	18,931,302
Contribution and trust receivables, noncurrent portion	143,796	153,939
Right of use asset, NPV	2,591,050	2,372,932
Total Non-Current Assets	<u>21,037,893</u>	<u>21,458,173</u>
Total Assets	<u>\$ 59,191,559</u>	<u>\$ 49,154,346</u>
Liabilities and Net Assets		
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 426,044	\$ 365,142
Accrued expenses and other liabilities	2,461,415	1,720,702
Deferred revenue	27,971	214,412
Lease liability - short term, NPV	588,441	610,018
Notes payable - short term	26,168	25,420
Bonds payable - short term	335,000	330,000
Total Current Liabilities	<u>3,865,039</u>	<u>3,265,694</u>
Client fund liability	113,689	94,654
Lease Liability - long term, NPV	2,002,609	1,762,914
Notes payable - long term	1,201,440	1,228,374
PPP loan payable, including accrued interest of \$51,160 (2021) and \$6,806 (2020)	4,486,845	4,442,491
Bonds payable, long-term - net of bond issuance costs	9,088,583	9,400,351
Total Non-Current Liabilities	<u>16,893,166</u>	<u>16,928,784</u>
Total Liabilities	<u>20,758,205</u>	<u>20,194,478</u>
NET ASSETS		
Without donor restrictions	35,350,115	25,892,629
With donor restrictions	3,083,239	3,067,239
Total Net Assets	<u>38,433,354</u>	<u>28,959,868</u>
Total Liabilities and Net Assets	<u>\$ 59,191,559</u>	<u>\$ 49,154,346</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE**COMBINED STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and Other Revenues			
Medicaid	\$ 21,662,720	\$ -	\$ 21,662,720
State of New Jersey revenue	271,646	-	271,646
COVID-19 assistance payments	5,928,608	-	5,928,608
School district revenue	9,690,742	-	9,690,742
Contributions	987,604	223,895	1,211,499
Client housing	1,046,321	-	1,046,321
Other fees and program services	290,137	-	290,137
Investment income, net of investment expenses	3,322,361	-	3,322,361
Interest income	17,859	-	17,859
Other revenues	4,104,647	-	4,104,647
Net assets released from restrictions	207,895	(207,895)	-
	<u> </u>	<u> </u>	<u> </u>
Total support and other revenues	47,530,540	16,000	47,546,540
	<u> </u>	<u> </u>	<u> </u>
Expenses			
Program	33,683,038	-	33,683,038
Management, general and administrative	3,804,995	-	3,804,995
Fundraising	585,021	-	585,021
	<u> </u>	<u> </u>	<u> </u>
Total expenses	38,073,054	-	38,073,054
	<u> </u>	<u> </u>	<u> </u>
Change in net assets	9,457,486	16,000	9,473,486
Net assets beginning of year	25,892,629	3,067,239	28,959,868
	<u> </u>	<u> </u>	<u> </u>
Net assets end of year	\$ 35,350,115	\$ 3,083,239	\$ 38,433,354
	<u> </u>	<u> </u>	<u> </u>

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

EDEN AUTISM SERVICES, 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)	-
	<u>38,598,186</u>	<u>5,937</u>	<u>38,604,123</u>
Total support and other revenues			
Expenses			
Program	30,713,769	-	30,713,769
Management, general and administrative	3,825,560	-	3,825,560
Fundraising	858,117	-	858,117
	<u>35,397,446</u>	<u>-</u>	<u>35,397,446</u>
Total expenses			
Change in net assets	<u>3,200,740</u>	<u>5,937</u>	<u>3,206,677</u>
Net assets, beginning of year, as previously stated	19,233,479	3,061,302	22,294,781
Prior period adjustment - Note S	3,458,410	-	3,458,410
Net assets, beginning of year, restated	<u>22,691,889</u>	<u>3,061,302</u>	<u>25,753,191</u>
Net assets end of year	<u>\$ 25,892,629</u>	<u>\$ 3,067,239</u>	<u>\$ 28,959,868</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program	Management & General	Fundraising	Total
Salaries & Wages	\$ 21,734,724	\$ 2,484,468	\$ 247,069	\$ 24,466,261
Fringe Benefits & Payroll Taxes	5,440,304	628,800	71,233	6,140,337
Consultants & Professional Fees	368,050	140,625	39,772	548,447
Material & Supplies	982,114	15,909	6,020	1,004,043
Facility Cost	1,555,738	159,938	41,824	1,757,500
Depreciation	926,542	4,976	-	931,518
Bond & Mortgage Interest	481,583	2,099	-	483,682
Transportation	559,102	37,379	-	596,481
Information Technology	596,060	138,712	11,410	746,182
Communications	159,499	26,626	4,216	190,341
Travel & Employee Services	127,547	40,611	1,589	169,747
Community Experience & Specific Assistance	101,384	98	-	101,482
Marketing & Recruitment	43,164	68,488	21,737	133,389
Special Event Expense	-	-	95,149	95,149
Bad Debt	51,107	-	-	51,107
COVID-19 Related Expenses	478,402	15,878	2,496	496,776
Other	77,718	40,388	42,506	160,612
Total	<u>\$ 33,683,038</u>	<u>\$ 3,804,995</u>	<u>\$ 585,021</u>	<u>\$ 38,073,054</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	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	<u>\$ 30,713,769</u>	<u>\$ 3,825,560</u>	<u>\$ 858,117</u>	<u>\$ 35,397,446</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 9,473,486	\$ 3,206,677
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	931,518	708,071
Amortization of deferred financing fees	23,232	23,232
Bad debt write-offs	51,107	361,961
Gain on disposition of property and equipment	-	(24,492)
Unrealized gain on investments	(2,704,698)	(296,866)
Contributions restricted for long-term purposes	(18,215)	(36,305)
Change in operating assets and liabilities:		
Accounts receivable	(2,033,215)	(409,336)
Contribution and trust receivable	(10,432)	(26,556)
Prepaid expenses and other assets	(79,043)	157,207
Accounts payable and accrued expenses	801,615	(112,101)
Accrued interest - PPP loan	44,354	6,806
Deferred revenues	(186,441)	(136,010)
Client fund liability	19,035	30,021
Net cash and cash equivalents from operating activities	<u>6,312,303</u>	<u>3,452,309</u>
Investing Activities		
Purchases of investments	(9,107,932)	(4,092,861)
Proceeds from sale of investments	8,333,879	2,644,736
Sale of property and equipment	133,341	84,308
Purchases of property and equipment	(436,604)	(800,124)
Net cash and cash equivalents from investing activities	<u>(1,077,316)</u>	<u>(2,163,941)</u>
Financing Activities		
Borrowings from PPP loans	-	4,435,685
Contributions restricted for long-term purposes	18,215	36,305
Mortgage principal payments	(26,186)	(24,186)
Repayment of bonds payable	(330,000)	(320,000)
Net cash and cash equivalents from financing activities	<u>(337,971)</u>	<u>4,127,804</u>
Net changes in cash and cash equivalents	4,897,016	5,416,172
Cash, cash equivalents and restricted cash at beginning of year	<u>10,912,076</u>	<u>5,495,904</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 15,809,092</u>	<u>\$ 10,912,076</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 416,104</u>	<u>\$ 416,925</u>
Supplemental disclosure of Non-Cash Investing and Financing Activities		
Right-of-use assets acquired through leases	<u>\$ 234,529</u>	<u>\$ 103,087</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

A. NATURE OF ORGANIZATION

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 affiliate, Eden Autism Services Foundation, Inc. (the “Foundation”), formerly Eden Institute Foundation, Inc., is a nonprofit organization whose principal function is to raise funds to support the affiliate organization.

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, Inc. and Affiliate (the “Organization”) represent the combined financial position and activities of Eden and the Foundation. 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.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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 \$531,893 and \$531,809 as of June 30, 2021 and 2020, respectively, has been included in cash and cash equivalents and is restricted per the terms of the bond agreement.

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

	2021	2020
Cash and cash equivalents	\$ 15,695,403	\$ 10,817,422
Assets whose use is limited	113,689	94,654
Total cash, cash equivalents and restricted cash shown in the combined statements of cash flows	<u>\$ 15,809,092</u>	<u>\$ 10,912,076</u>

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 \$110,442 and \$114,040 as of June 30, 2021 and 2020, respectively.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition

The Organization recognizes certain revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied.

The Organization’s revenue consists primarily of fees from Medicaid, tuition revenue from school districts for education services, COVID-19 assistance payments, contributions and other small, miscellaneous revenue sources relating to program revenues.

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

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.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition (Continued)

During the years ended June 30, 2021 and 2020, the Organization received supplemental COVID-19 assistance payments of \$5,928,608 and \$2,376,416, respectively. These payments are classified as refundable advances until expended for the purposes of the grants since they are considered conditional promises to give.

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.

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 COMBINED FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition (Continued)

The Organization's revenue disaggregated according to the timing of when revenue is recognized is as follows:

	2021	2020
Revenue recognized at a point in time (ASC 606)		
Medicaid	\$ 21,662,720	\$ 21,807,330
School district revenue	9,690,742	10,050,693
Client housing	1,046,321	1,014,847
Other fees and program services	290,137	420,143
Total revenue recognized at a point in time	<u>32,689,920</u>	<u>33,293,013</u>
Contributions and other revenue not subject to ASC 606		
State of New Jersey revenue	271,646	291,634
COVID-19 assistance payments	5,928,608	2,376,416
Contributions	1,211,499	1,697,982
Other revenues	4,104,647	222,218
Investment income, net of investment expenses	3,322,361	653,829
Interest income	17,859	44,539
Gain on sale of assets	-	24,492
Total contributions and other revenue	<u>14,856,620</u>	<u>5,311,110</u>
Total revenue	<u>\$ 47,546,540</u>	<u>\$ 38,604,123</u>

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 40 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.

Leases

The Organization has entered into various noncancelable operating leases for its fleet of vehicles and office facilities. The Organization determines if an arrangement is a lease at inception.

Operating leases (with the exception of leases with a term of twelve months or less) are recorded in operating lease right-of-use assets and obligations under operating leases liabilities in the combined statements of financial position. Leases with a term of twelve months or less are considered short-term leases and are accounted for as an expense in the combined statements of activities as rental payments are incurred.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Operating lease assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, the Organization uses a secured borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The Organization's lease terms may include options to extend if the option is considered reasonably certain to be exercised. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

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, 2021 and 2020, there were no underwater endowment funds.

Income Taxes

The Foundation and Eden have received determination letters from the Internal Revenue Service ("IRS") 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 IRC 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 IRS for years prior to 2018.

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, 2021 or 2020, 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.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Adopted Accounting Pronouncement

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 an organization 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 adopted the provisions of ASU 2014-09 during the year ended June 30, 2021. The adoption of this ASU did not have a material impact on the combined financial statements.

Recently Issued Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to increase the transparency regarding the measurement of contributed nonfinancial assets recognized by not-for-profit entities, as well as the amount of those contributions used in a not-for-profit entity’s programs and other activities. The amendments in this update require that the Organization present contributed nonfinancial assets as a separate line item in the statement of activities by category that depicts the type of contributed nonfinancial assets. The guidance will be effective for the Organization for the year ended June 30, 2022.

Subsequent Events

Management has evaluated subsequent events that occurred after the combined statements of financial position date and through November 1, 2021, the date the combined financial statements were available to be issued. Except for the matter disclosed in Note H, no items were determined by management to require disclosure.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

C. FAIR VALUE AND INVESTMENTS

Investments carried at fair value as of June 30, 2021 and 2020, by valuation hierarchy, are as follows:

	June 30, 2021		
	Level 1	Level 2	Level 3
Mutual Funds/Equity	\$ 10,186,780	\$ -	\$ -
Bond Funds/Fixed Income	6,363,659	-	-
	<u>\$ 16,550,439</u>	<u>\$ -</u>	<u>\$ -</u>

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

D. CONTRIBUTION AND TRUST RECEIVABLES

Contribution and trust receivables consist of the following as of June 30, 2021 and 2020:

	2021	2020
Due in one year or less	\$ 160,491	\$ 195,513
Due in more than one year	193,994	214,968
Total contribution and trust receivables	354,485	410,481
Less: discount to net present value	(50,198)	(61,029)
Less: allowance for uncollectible accounts	(50,828)	(106,425)
Total	<u>\$ 253,459</u>	<u>\$ 243,027</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

E. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2021 and 2020:

	2021	2020
Land	\$ 3,073,807	\$ 3,073,807
Building and improvements	21,796,998	21,509,374
Furniture, fixtures, equipment and vehicles	1,884,656	1,815,558
Construction in progress	4,501	57,960
Subtotal	<u>26,759,962</u>	<u>26,456,699</u>
Accumulated depreciation and amortization	<u>(8,456,915)</u>	<u>(7,525,397)</u>
Property and equipment, net	<u>\$ 18,303,047</u>	<u>\$ 18,931,302</u>

Depreciation expense was \$931,518 and \$708,071 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020. 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.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

G. NOTES PAYABLE (CONTINUED)

Total maturities of these notes payable as of June 30, 2021, are as follows:

<u>Year ending June 30,</u>	
2022	\$ 26,168
2023	26,951
2024	386,454
2025	10,000
2026	5,000
Thereafter	773,035
Total	<u>\$ 1,227,608</u>

H. PAYCHECK PROTECTION PROGRAM 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") Paycheck Protection Program. 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. In August 2021, the entire balance, including all principal and interest, of the Organization's loan was forgiven by the SBA.

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:

<u>Years Ending June 30:</u>	
2022	\$ 335,000
2023	350,000
2024	360,000
2025	375,000
2026	385,000
Thereafter	8,060,000
Subtotal	<u>9,865,000</u>
Less: Bond issuance costs	(441,417)
Total	<u>\$ 9,423,583</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2021, are as follows:

<u>Year ending June 30,</u>	
2022	\$ 588,441
2023	476,609
2024	448,897
2025	393,773
2026	276,012
Thereafter	1,122,338
Total	<u>\$ 3,306,070</u>

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 \$818,643 and \$828,638 for the years ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2021 and 2020, the Foundation donated \$297,670 and \$156,627, 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, 2021 and 2020, \$174,461 and \$788,871, respectively, was due from Eden to the Foundation. These balances are eliminated in combination.

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, 2021 and 2020, 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.

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.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2021 and 2020, the Organization made contributions to the Plan of \$389,014 and \$322,902, 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 20% and 26% of its total support and revenues from New Jersey Public School districts for the years ended June 30, 2021 and 2020, respectively. Tuition revenue is subject to financial and compliance requirements and possible audits by the DOE. The Organization received approximately 46% and 56% of its total support and revenues from Medicaid in the years ended June 30, 2021 and 2020, respectively.

N. SPECIAL EVENTS

During the years ended June 30, 2021 and 2020, 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:

	2021	2020
Eden Dreams	\$ 55,251	\$ 125,688
5k Race	21,543	63,124
Eden Raffle	18,355	3,190
Other	-	1,724
	<u>\$ 95,149</u>	<u>\$ 193,726</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 23,005,552	\$ 22,939,165
Board designated for building improvement and fixed assets	651,196	650,051
Building and other fixed assets (net)	8,879,464	598,286
Charitable lead trust (NPV)	215,452	153,939
Portion of Adult Services Endowment subject to the Foundation's spending policy and Board appropriation	<u>2,598,451</u>	<u>1,551,188</u>
Total net assets without donor restrictions	<u>\$ 35,350,115</u>	<u>\$ 25,892,629</u>

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, 2021 and 2020, is as follows:

<u>Subject to expenditure for specified purpose:</u>	<u>2021</u>	<u>2020</u>
Operating and capital expenditure for the Residential Program	\$ 76,526	\$ 77,207
Operating and capital expenditure for the Day Program	108,737	187,489
Operating and capital expenditure for the Adult Services	105,068	-
Operating and capital expenditure for the Eden School	5,898	3,924
Operating and capital expenditure for the Outreach	1,000	1,000
Develop a video about Eden Autism Services, Inc.	-	29,324
Alexis Kate Scholarship Fund	9,400	9,900
Reserves for Charitable Gift Annuity	<u>150,000</u>	<u>150,000</u>
Total subject to expenditure for specified purpose	456,629	458,844
Adult Services Endowment principal restricted in perpetuity	<u>2,626,610</u>	<u>2,608,395</u>
Total net assets with donor restrictions	<u>\$ 3,083,239</u>	<u>\$ 3,067,239</u>

Net assets were released from donor restrictions as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Adult Residential Program	\$ 15,801	\$ 94,735
Adult Day/Employment Program	162,270	10,096
Eden School	29,324	18,223
Other	500	29,296
Total	<u>\$ 207,895</u>	<u>\$ 152,350</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2021 and 2020, 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.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

P. ENDOWMENT POLICY (CONTINUED)

	Without Donor Restrictions	With Donor Restrictions	Total
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	<u>\$ 1,551,188</u>	<u>\$ 2,608,395</u>	<u>\$ 4,159,583</u>
Investment return:			
Investment income	94,382	-	94,382
Net appreciation	961,295	-	961,295
Total investment return	1,055,677	-	1,055,677
Contributions	-	18,215	18,215
Less broker fees	(8,414)	-	(8,414)
Endowment net assets, June 30, 2021	<u>\$ 2,598,451</u>	<u>\$ 2,626,610</u>	<u>\$ 5,225,061</u>

Q. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one (1) year for general expenditure, such as operating expenses, are as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 15,695,403	\$ 10,817,422
Investments	16,550,439	13,071,688
Accounts receivable, net	5,353,985	3,371,877
Current portion of contribution and trust receivable, net of allowance for uncollectible accounts	109,663	89,088
Borrowings available under line of credit agreement	1,500,000	1,500,000
Total financial assets available within one (1) year	<u>39,209,490</u>	<u>28,850,075</u>
Less amounts unavailable for general expenditures within one (1) year:		
Restricted by donors for specific purposes	(456,629)	(458,844)
Restricted by donors for Endowment Fund	(2,626,610)	(2,608,395)
Restricted cash to comply with bond's covenants	(531,893)	(531,809)
Accounts receivable related to school districts expected to be collected after one (1) year	(214,664)	(1,005,435)
Investment funds unavailable to management without Board's approval	<u>(13,923,829)</u>	<u>(10,463,293)</u>
Total amounts unavailable for general expenditures within one (1) year:	<u>(17,753,625)</u>	<u>(15,067,776)</u>
Total financial assets available within one (1) year	<u>\$ 21,455,865</u>	<u>\$ 13,782,299</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

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.

S. PRIOR PERIOD ADJUSTMENT

Net assets as of July 1, 2019 have been increased by \$3,458,410 as a result of a change in accounting principle related to the recording and recognition of liens on properties acquired during the period from 2002 through 2019 through capital funding agreements and promissory notes with the State of New Jersey, Division of Developmental Disabilities ("DDD"). These capital funding agreements and promissory notes were initially recorded as notes payable to the State of New Jersey on the Organization's statement of financial position. Effective July 1, 2020, the Organization's management elected to reflect the capital funding agreements and promissory notes as a contribution since management believes the conditions contained in the capital funding agreements and promissory notes are deemed to be protective clauses rather than conditions giving rise to a barrier. This change was applied retrospectively as a prior period adjustment. As a result of the adjustment, management began depreciating the underlying properties during the year ended June 30, 2021. Depreciation expense is being recorded on a straight-line basis over the remaining useful lives of the underlying assets.

SUPPLEMENTAL INFORMATION

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2021

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 13,159,259	\$ 2,536,144	\$ -	\$ 15,695,403
Assets whose use is limited	113,689	-	-	113,689
Investments	-	16,550,439	-	16,550,439
Accounts receivable, net of allowance for uncollectible accounts of \$110,442	5,353,985	-	-	5,353,985
Contribution and trust receivables, current portion net of allowance for uncollectible accounts of \$50,828	-	109,663	-	109,663
Prepaid expenses and other assets	321,490	8,997	-	330,487
Due from related entity	-	174,461	(174,461)	-
Total Current Assets	<u>18,948,423</u>	<u>19,379,704</u>	<u>(174,461)</u>	<u>38,153,666</u>
Property and equipment, net	8,278,876	10,024,171	-	18,303,047
Contribution and trust receivables, noncurrent portion	-	143,796	-	143,796
Right-of-use asset, NPV	10,272,570	-	(7,681,520)	2,591,050
Total Non-Current Assets	<u>18,551,446</u>	<u>10,167,967</u>	<u>(7,681,520)</u>	<u>21,037,893</u>
Total Assets	<u>\$ 37,499,869</u>	<u>\$ 29,547,671</u>	<u>\$ (7,855,981)</u>	<u>\$ 59,191,559</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 426,044	\$ -	\$ -	\$ 426,044
Due to related entity	174,461	-	(174,461)	-
Accrued expenses and other liabilities	2,206,305	255,110	-	2,461,415
Deferred revenue	6,461	21,510	-	27,971
Lease liability - short term, NPV	1,358,165	-	(769,724)	588,441
Notes payable - short term	26,168	-	-	26,168
Bonds payable - short term	-	335,000	-	335,000
Total Current Liabilities	<u>4,197,604</u>	<u>611,620</u>	<u>(944,185)</u>	<u>3,865,039</u>
Client fund liability	113,689	-	-	113,689
Lease Liability - long term, NPV	8,914,405	-	(6,911,796)	2,002,609
Notes payable - long term	1,201,440	-	-	1,201,440
PPP loan payable, including accrued interest of \$51,160	4,486,845	-	-	4,486,845
Bonds payable, long-term - net of bond issuance costs	-	9,088,583	-	9,088,583
Total Non-Current Liabilities	<u>14,716,379</u>	<u>9,088,583</u>	<u>(6,911,796)</u>	<u>16,893,166</u>
Total Liabilities	<u>18,913,983</u>	<u>9,700,203</u>	<u>(7,855,981)</u>	<u>20,758,205</u>
NET ASSETS				
Without donor restrictions	18,585,886	16,764,229	-	35,350,115
With donor restrictions	-	3,083,239	-	3,083,239
Total Net Assets	<u>18,585,886</u>	<u>19,847,468</u>	<u>-</u>	<u>38,433,354</u>
Total Liabilities and Net Assets	<u>\$ 37,499,869</u>	<u>\$ 29,547,671</u>	<u>\$ (7,855,981)</u>	<u>\$ 59,191,559</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2020

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 9,101,151	\$ 1,716,271	\$ -	\$ 10,817,422
Assets whose use is limited	94,654	-	-	94,654
Investments	-	13,071,688	-	13,071,688
Accounts receivable, net of allowance for uncollectible accounts of \$114,040	3,371,877	-	-	3,371,877
Contribution and trust receivables, current portion net of allowance for uncollectible accounts of \$106,425	-	89,088	-	89,088
Prepaid expenses and other assets	251,444	-	-	251,444
Due from related entity	-	788,871	(788,871)	-
Total Current Assets	<u>12,819,126</u>	<u>15,665,918</u>	<u>(788,871)</u>	<u>27,696,173</u>
Property and equipment, net	8,602,666	10,328,636	-	18,931,302
Contribution and trust receivables, noncurrent portion	-	153,939	-	153,939
Right-of-use asset, NPV	10,835,258	-	(8,462,326)	2,372,932
Total Non-Current Assets	<u>19,437,924</u>	<u>10,482,575</u>	<u>(8,462,326)</u>	<u>21,458,173</u>
Total Assets	<u>\$ 32,257,050</u>	<u>\$ 26,148,493</u>	<u>\$ (9,251,197)</u>	<u>\$ 49,154,346</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 365,142	\$ -	\$ -	\$ 365,142
Due to related entity	788,871	-	(788,871)	-
Accrued expenses and other liabilities	1,505,370	215,332	-	1,720,702
Deferred revenue	214,412	-	-	214,412
Lease liability - short term, NPV	1,390,825	-	(780,807)	610,018
Notes payable - short term	25,420	-	-	25,420
Bonds payable - short term	-	330,000	-	330,000
Total Current Liabilities	<u>4,290,040</u>	<u>545,332</u>	<u>(1,569,678)</u>	<u>3,265,694</u>
Client fund liability	94,654	-	-	94,654
Lease Liability - long term, NPV	9,444,433	-	(7,681,519)	1,762,914
Notes payable - long term	1,228,374	-	-	1,228,374
PPP loan payable, including accrued interest of \$6,806	4,442,491	-	-	4,442,491
Bonds payable, long-term - net of bond issuance costs	-	9,400,351	-	9,400,351
Total Non-Current Liabilities	<u>15,209,952</u>	<u>9,400,351</u>	<u>(7,681,519)</u>	<u>16,928,784</u>
Total Liabilities	<u>19,499,992</u>	<u>9,945,683</u>	<u>(9,251,197)</u>	<u>20,194,478</u>
NET ASSETS				
Without donor restrictions	12,757,058	13,135,571	-	25,892,629
With donor restrictions	-	3,067,239	-	3,067,239
Total Net Assets	<u>12,757,058</u>	<u>16,202,810</u>	<u>-</u>	<u>28,959,868</u>
Total Liabilities and Net Assets	<u>\$ 32,257,050</u>	<u>\$ 26,148,493</u>	<u>\$ (9,251,197)</u>	<u>\$ 49,154,346</u>

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and Other Revenues					
Medicaid	\$ 21,662,720	\$ -	\$ -	\$ -	\$ 21,662,720
State of New Jersey revenue	271,646	-	-	-	271,646
COVID-19 assistance payments	5,928,608	-	-	-	5,928,608
School district revenue	9,690,742	-	-	-	9,690,742
Contributions	-	987,604	223,895	-	1,211,499
Client housing	1,046,321	-	-	-	1,046,321
Other fees and program services	290,137	-	-	-	290,137
Contributions from related party	297,670	-	-	(297,670)	-
Rental income	-	818,643	-	(818,643)	-
Investment income, net of investment expenses	-	3,322,361	-	-	3,322,361
Interest income	17,859	-	-	-	17,859
Other revenues	4,063,270	41,377	-	-	4,104,647
Net assets released from restrictions	-	207,895	(207,895)	-	-
Total support and other revenues	<u>43,268,973</u>	<u>5,377,880</u>	<u>16,000</u>	<u>(1,116,313)</u>	<u>47,546,540</u>
Expenses					
Program	33,695,008	1,104,343	-	(1,116,313)	33,683,038
Management, general and administrative	3,745,137	59,858	-	-	3,804,995
Fundraising	-	585,021	-	-	585,021
Total expenses	<u>37,440,145</u>	<u>1,749,222</u>	<u>-</u>	<u>(1,116,313)</u>	<u>38,073,054</u>
Change in net assets	5,828,828	3,628,658	16,000	-	9,473,486
Net assets beginning of year	12,757,058	13,135,571	3,067,239	-	28,959,868
Net assets end of year	<u>\$ 18,585,886</u>	<u>\$ 16,764,229</u>	<u>\$ 3,083,239</u>	<u>\$ -</u>	<u>\$ 38,433,354</u>

See independent auditors' report.

EDEN AUTISM SERVICES, INC. AND AFFILIATE

COMBINING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

	Eden Autism Services, Inc.	Eden Autism Services Foundation, Inc.		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
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
Contributions from related party	156,627	-	-	(156,627)	-
Rental income	-	828,638	-	(828,638)	-
Investment income, net of investment expenses	-	653,829	-	-	653,829
Interest income	44,539	-	-	-	44,539
Other revenues	221,873	345	-	-	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	<u>36,408,594</u>	<u>3,174,857</u>	<u>5,937</u>	<u>(985,265)</u>	<u>38,604,123</u>
Expenses					
Program	30,745,485	953,549	-	(985,265)	30,713,769
Management, general and administrative	3,715,920	109,640	-	-	3,825,560
Fundraising	-	858,117	-	-	858,117
Total expenses	<u>34,461,405</u>	<u>1,921,306</u>	<u>-</u>	<u>(985,265)</u>	<u>35,397,446</u>
Change in net assets	<u>1,947,189</u>	<u>1,253,551</u>	<u>5,937</u>	<u>-</u>	<u>3,206,677</u>
Net assets beginning of year, as previously stated	<u>7,351,459</u>	<u>11,882,020</u>	<u>3,061,302</u>	<u>-</u>	<u>22,294,781</u>
Prior period adjustment - Note S	<u>3,458,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,458,410</u>
Net assets beginning of year, restated	<u>10,809,869</u>	<u>11,882,020</u>	<u>3,061,302</u>	<u>-</u>	<u>25,753,191</u>
Net assets end of year	<u>\$ 12,757,058</u>	<u>\$ 13,135,571</u>	<u>\$ 3,067,239</u>	<u>\$ -</u>	<u>\$ 28,959,868</u>

See independent auditors' report.