

The Elwyn Foundation and Subsidiaries

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



The Elwyn Foundation and Subsidiaries

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The Elwyn Foundation and Subsidiaries

Contents

Independent Auditor’s Report	3 - 4
Consolidated Financial Statements	
Consolidated Balance Sheets	6 - 7
Consolidated Statements of Operations and Changes in Net Assets	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 45
Supplemental Material	
Independent Auditor’s Report on Supplementary Material	47
Consolidating Balance Sheet - June 30, 2025	48 - 49
Consolidating Statement of Operations and Changes in Net Assets - Year Ended June 30, 2025	50



Independent Auditor's Report

The Board of Directors
The Elwyn Foundation and Subsidiaries
Elwyn, Pennsylvania

Opinion

We have audited the consolidated financial statements of The Elwyn Foundation and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

October 24, 2025

Consolidated Financial Statements

The Elwyn Foundation and Subsidiaries

Consolidated Balance Sheets

<i>June 30,</i>	2025	2024
Assets		
Current Assets		
Cash and cash equivalents		
Operating funds	\$ 35,877,038	\$ 27,495,430
Restricted cash	1,122,540	1,343,153
Investments		
Operating reserve fund - unrestricted	17,386,391	16,366,443
Current portion of spending policy income and other	3,150,000	3,006,000
Accounts receivable, net	40,029,495	48,223,011
Estimated settlements due from third-party payors	12,556,648	11,385,194
Assets held for sale	447,701	-
Prepaid expenses and other current assets	8,635,095	3,093,206
Contribution receivable	2,971,640	621,983
Total Current Assets	122,176,548	111,534,420
Investments, net of current portion	78,998,615	73,291,564
Assets Limited as to Use	1,668,231	1,844,820
Property and Equipment, net	92,096,292	80,482,962
Operating Lease Assets, net	47,069,010	56,114,863
Other Assets		
Estimated settlements due from third-party payors, net of current portion	3,226,656	3,459,204
Assets held for sale, net of current portion	1,948,768	1,948,768
Other long-term assets	900,922	913,003
Contribution receivable, net of discount and current portion	2,945,047	3,124,604
Total Other Assets	9,021,393	9,445,579
Total Assets	\$ 351,030,089	\$ 332,714,208

(Continued)

The Elwyn Foundation and Subsidiaries

Consolidated Balance Sheets

<i>June 30,</i>	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 1,654,871	\$ 1,478,334
Accounts payable and accrued expenses, salaries and benefits	72,217,394	70,372,312
Deferred revenue and other liabilities	15,724,771	8,273,526
Operating lease liabilities	11,544,562	11,644,311
Deposits held in custody for others	965,357	971,990
Total Current Liabilities	102,106,955	92,740,473
Accrued benefits payable	10,308,635	9,530,500
Postretirement benefit plans	15,980,432	26,527,869
Long-term debt, net of current portion	46,882,250	39,529,403
Deferred revenue and other liabilities, net of current portion	18,376,515	17,826,372
Operating lease liabilities, net of current portion	37,089,858	46,107,175
Total Liabilities	230,744,645	232,261,792
Net Assets		
Without donor restrictions	77,966,809	58,861,117
With donor restrictions	42,318,635	41,591,299
Total Net Assets	120,285,444	100,452,416
Total Liabilities and Net Assets	\$ 351,030,089	\$ 332,714,208

See accompanying notes to consolidated financial statements.

The Elwyn Foundation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

Year Ended June 30,	2025	2024
Net Assets Without Donor Restrictions		
Revenues		
Net client service revenue	\$ 475,357,380	\$ 448,600,394
Other revenue	1,743,067	3,036,313
Contributions	2,081,892	1,242,276
Spending policy income	3,192,000	3,122,557
Net assets released from restrictions for operations	785,427	1,017,969
Total Revenues	483,159,766	457,019,509
Expenses		
Salaries and wages	230,690,538	211,256,570
Fringe benefits	65,105,673	58,407,800
Purchased personnel	86,563,850	91,463,906
Occupancy costs	18,988,761	18,075,408
Operational costs	65,125,955	63,835,838
Interest	1,976,908	1,950,430
Depreciation	8,175,976	7,265,351
Total Expenses	476,627,661	452,255,303
Operating income before other items	6,532,105	4,764,206
Other items:		
Investment return, net of spending policy income	4,290,848	5,016,808
Other components of net periodic benefit cost	(3,572,307)	(4,626,305)
Change in fair value of interest rate swap	(782,797)	-
Net (loss) gain on sale and disposal of property and equipment	(834,525)	937,677
Excess of revenues and other items over expenses	5,633,324	6,092,386
Other changes in net assets without donor restrictions:		
Pension-related changes other than net periodic benefit cost	9,697,357	7,402,601
Net assets released from restrictions not for operations	4,207,029	-
Loss on discontinued and non-operating programs	(432,018)	(674,665)
Increase in Net Assets Without Donor Restrictions	19,105,692	12,820,322
Net Assets with Donor Restrictions		
Contributions and bequests	3,712,661	2,037,317
Investment return, net of spending policy income - Donor Restrictions	2,007,131	2,719,555
Net assets released from restrictions	(4,992,456)	(1,017,969)
Increase in Net Assets With Donor Restrictions	727,336	3,738,903
Increase in Net Assets	19,833,028	16,559,225
Net Assets, beginning of year	100,452,416	83,893,191
Net Assets, end of year	\$ 120,285,444	\$ 100,452,416

See accompanying notes to consolidated financial statements.

The Elwyn Foundation and Subsidiaries

Consolidated Statements of Cash Flows

<i>Year Ended June 30,</i>	2025	2024
Operating Activities		
Increase in net assets	\$ 19,833,028	\$ 16,559,225
Adjustments to reconcile increase in net assets		
to net cash provided by (used in) operating activities:		
Change in additional minimum pension liability	(6,125,050)	(2,776,296)
Depreciation and amortization	8,136,004	7,221,567
Net loss (gain) on sale and disposal of property and equipment	834,525	(937,677)
Net realized and unrealized gain on investments	(7,950,785)	(9,687,783)
Change in fair value of interest rate swap	782,797	-
Contributions and investment return restricted to long-term purposes	(1,106,185)	(986,142)
Changes in operating assets and liabilities:		
Accounts receivable, estimated settlements due from third-party payors and contributions receivable	5,084,510	(16,266,610)
Prepaid expenses and other current assets	(5,541,889)	(1,169,387)
Accounts payable and accrued expenses, salaries and benefits, deferred revenue and other liabilities and deposits held for custody of others	9,225,766	3,542,067
Accrued benefits payable and postretirement benefit plans	(3,644,252)	1,846,675
Net provided by (used in) operating activities	19,528,469	(2,654,361)
Cash Flows from Investing Activities		
Acquisition of property and equipment	(21,299,390)	(16,699,038)
Proceeds from sale of property and equipment	-	3,542,162
Purchases of investments	(10,377,890)	(13,510,181)
Proceeds from sale of investments	11,634,265	15,569,105
Net cash used in investing activities	(20,043,015)	(11,097,952)
Cash Flows from Financing Activities		
Contributions and investment return restricted to long-term purposes	1,106,185	986,142
Proceeds from revolving line of credit	11,000,000	-
Payments on revolving line of credit	(11,000,000)	-
Proceeds from issuance of debt	9,833,914	-
Deferred financing and other costs incurred, net	(786,224)	-
Payment on outstanding debt	(1,478,334)	(1,409,594)
Net cash provided by (used in) financing activities	8,675,541	(423,452)
Net increase (decrease) in Cash and Cash Equivalents	8,160,995	(14,175,765)
Cash and Cash Equivalents, beginning of year	28,838,583	43,014,348
Cash and Cash Equivalents, end of year	\$ 36,999,578	\$ 28,838,583
Supplemental Disclosure of Cash Paid		
Interest	\$ 2,006,767	\$ 2,150,998
Operating leases	14,658,291	14,998,434
Supplemental Disclosure of Cash Flow Information		
Purchases of property and equipment in accounts payable and accrued expenses	\$ 2,732,568	\$ 2,568,853
Right-of-use assets obtained in exchange for new operating lease liabilities	2,950,088	8,899,649
Property and equipment transferred in settlement of refundable capital advance	391,573	-
Write-off of fully depreciated property and equipment	2,222,966	4,794,400

See accompanying notes to consolidated financial statements.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

1. Organization

The Elwyn Foundation (“Elwyn, Inc.”) is a Pennsylvania non-profit corporation and the sole member of the following affiliated entities: Elwyn of Pennsylvania and Delaware, Elwyn New Jersey, a New Jersey Non-Profit Corporation, Elwyn California, Fellowship Health Resources, Inc., and Elwyn Health and Human Services Foundation. The Elwyn Foundation is organized exclusively for charitable, educational, religious, literary, and/or scientific purposes and conducts charitable activities that support or further the purpose of its affiliated entities. In May 2025, the Elwyn Foundation registered and is doing business as “Elwyn, Inc.”.

Elwyn of Pennsylvania and Delaware (“Elwyn PA”) - A Pennsylvania non-profit corporation providing services in Pennsylvania, Delaware and California through three service lines: Intellectual and Developmental Disability Services, Children’s Services, and Adult Behavioral Health Services. Services include residential, day, and work programs for individuals with intellectual and developmental disabilities; behavioral health services for children and adults; early learning programs for children ages three to five; and educational services. Elwyn PA is also the sole member of Provider Enhancement Management Services, Family Support Services, Sleighton School, and owns 100% of Grace Pharmacy, Inc., a for-profit corporation.

- Sleighton School (“Sleighton”) - A Pennsylvania non-profit corporation formerly operated a residential rehabilitative institution for secondary school youth placed by governmental agencies. The school closed in 2002 and is in the process of divesting its real property, its sole asset (see Note 5).
- Inactive Entities: Family Support Services, Provider Enhancement Management Services (“PEMS”), and Grace Pharmacy, Inc. are currently inactive and provided no services during years ended June 30, 2025 and 2024.

Elwyn New Jersey, A Non Profit Corporation (“Elwyn NJ”) - A New Jersey non-profit corporation providing residential and day services to adults with intellectual and developmental disabilities in New Jersey.

Elwyn California (“Elwyn CA”) - A California non-profit corporation providing residential and in-home day services to adults with intellectual and developmental disabilities in California.

Fellowship Health Resources, Inc. (“Elwyn ABHS”) - A Rhode Island non-profit corporation providing adult behavioral health services, including outpatient services, group homes, day programs, social activity programs, and supervised apartments in six states. Fellowship Health Resources, Inc. has registered and is doing business as “Elwyn Adult Behavioral Health Services”. Elwyn ABHS is the sole member of the following subsidiaries:

- Fellowship Realty Corp. (“FRC”) - A Rhode Island non-profit corporation that owns properties in Delaware and Massachusetts leased to Elwyn ABHS.
- Fellowship Realty Corp. of Massachusetts (“FRCM”) - A Massachusetts non-profit corporation that owns property in Massachusetts leased to a non-Elwyn agency.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Elwyn Health and Human Services Foundation (“EHHS Foundation”) - A Pennsylvania non-profit corporation organized and operated exclusively for the benefit of Elwyn. The EHHS Foundation’s primary purpose is to conduct fundraising activities on behalf of the Organization and to manage and administer investment assets for the long-term support of Elwyn’s programs and services. The EHHS Foundation had no financial activity during the years ended June 30, 2025 and 2024.

Elwyn, Inc. and all of the entities described above are collectively referred to as the “Organization.”

2. Financial Assets and Liquidity Resources

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures—such as operating expenses, scheduled principal payments on debt, and capital costs not financed with debt—are as follows:

<i>June 30,</i>	2025	2024
Financial assets and liquidity resources:		
Cash and cash equivalents - Operating funds	\$ 35,877,038	\$ 27,495,430
Accounts receivable, net	40,029,495	48,223,011
Current investments - Operating reserve fund	17,386,391	16,366,443
Current investments - Spending Policy income and other	3,150,000	3,006,000
Total financial assets and liquidity resources available within one year	\$ 96,442,924	\$ 95,090,884
Total liquidity from available revolving line of credit	\$ 39,110,000	\$ 39,490,000

The Organization manages its financial assets to ensure sufficient liquidity to fund operating expenses, strategic initiatives, and other obligations as they come due. At times, the Organization may experience delays in cash receipts from certain program funders due to contractual payment schedules or delays in the passage of a state’s fiscal budget. In these situations, the Organization uses available borrowing capacity under its revolving line of credit to mitigate the impact of such funding delays.

As of June 30, 2025 and 2024, the Organization held \$41,742,647 and \$38,115,144, respectively, in board-designated quasi-endowment funds. While the Organization’s general practice is to limit permanent distributions from these funds to amounts authorized under its annual spending policy, the Board of Directors may authorize temporary borrowings or permanent distributions to support strategic initiatives. Distributions from certain quasi-endowment funds are partially limited by lock-up provisions and redemption notice requirements, as discussed in Note 4.

The Organization maintains a non-endowed board-designated operating reserve investment fund (“Fund”), which was funded, in large part, with proceeds from real estate sales. The Fund’s planned investment allocation is approximately 20% equities and 80% short-duration fixed income securities. This allocation is intended to generate a modest yield while preserving the fund’s capital value. The primary purpose of the fund is to provide a source of capital for the Organization’s strategic initiatives. The balance of the fund totaled \$17,386,391 and \$16,366,443 as of June 30, 2025 and 2024, respectively.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

3. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Organization, which are essential to understanding the accompanying consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization.

All significant intercompany balances and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant management estimates and assumptions include:

- Client service revenue and related receivables;
- Recoverability and useful lives of property and equipment;
- Actuarial estimates for postretirement benefit plans;
- Self-insured reserves for insurance claims, workers’ compensation and healthcare costs;
- Allocation of functional expenses; and
- Reported fair values of certain assets and liabilities.

Actual results may differ from these estimates.

Excess of Revenues and Other Items over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenues and other items over expenses. The following items are excluded from this amount, consistent with industry practice:

- Pension-related changes other than net periodic benefit cost;
- Net assets released from restriction not for operations; and
- The effect of discontinued and non-operating programs, primarily the activity of the Sleighton School.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Fair Value Measurements

The Organization reports certain assets and liabilities at fair value in accordance with U.S. GAAP.

Recurring fair value measurements include investment accounts and interest rate swap derivatives; there were no nonrecurring fair value measurements as of June 30, 2025 and 2024.

U.S. GAAP establishes a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value:

- **Level 1** – Quoted prices in active markets for identical assets or liabilities as of the reporting date.
- **Level 2** – Observable inputs other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or inputs derived from observable market data.
- **Level 3** – Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset or liability.

If multiple levels of inputs are used, the measurement is classified based on the lowest level input that is significant. Instruments valued using quoted market prices require minimal judgment, whereas those requiring unobservable inputs rely heavily on management assumptions.

As a practical expedient, the Organization estimates the fair value of certain alternative investments, including private equity funds, using the net asset value (“NAV”) reported by the investee at the measurement date.

The fair value of beneficial interests in perpetual trusts is based on information provided by the trustee. These amounts are derived from the fair value of the underlying investments, primarily cash, cash equivalents, and marketable securities and are classified as Level 3 within the hierarchy.

The interest rate swap is valued using a market-based approach. The valuation incorporates observable inputs such as forward interest rate curves and discount factors that reflect the terms of the agreement. Because these inputs are derived from active market data but are not quoted prices for identical instruments, the swap is classified within Level 2 of the fair value hierarchy. The resulting fair value represents the amount the Organization would either receive or pay to transfer the contract at the reporting date.

See Note 4 for additional information on the fair value of financial instruments.

Financial Instruments

Financial instruments consist of cash, cash equivalents, accounts receivable, estimated settlements due from third-party payors, investments, assets limited as to use, accounts payable and accrued expenses, lines of credit, long-term debt, refundable capital advances, interest rate swap liability, and lease liabilities under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 842, *Leases* (“ASC 842”).

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Investments, assets limited as to use, and the interest rate swap liability are measured at recurring fair value. All other financial instruments are reported at carrying amounts that approximate fair value due to their short-term nature or interest rates that approximate market rates. Management's estimates of the fair values of certain financial instruments are described elsewhere in the notes to the consolidated financial statements.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less at the date of purchase. The Organization excludes cash and cash equivalents held within investment accounts from amounts reported as '*Cash and cash equivalents*' on the consolidated balance sheets and consolidated statements of cash flows, as those amounts are classified as investments at fair value.

The Organization maintains operating cash and cash equivalents in various accounts with multiple commercial banks. At times, such balances may exceed Federal Deposit Insurance Corporation ("FDIC") limits. To date, the Organization has not experienced any losses related to these balances and does not believe it is exposed to significant credit risk on these amounts.

Restricted cash primarily consists of amounts held in escrow and client funds held by the Organization as representative payee or under other custodial arrangements. The Organization records a liability equal to the amount of restricted cash associated with the custodial arrangements. This liability is classified as '*Deposits held for custody of others*' within current liabilities on the consolidated balance sheets.

Cash and cash equivalents as of June 30, 2025 and 2024 consist of the following:

<i>June 30,</i>	2025	2024
Cash and cash equivalents		
Operating funds	\$ 35,877,038	\$ 27,495,430
Restricted cash	1,122,540	1,343,153
Cash and cash equivalents	\$ 36,999,578	\$ 28,838,583

Investments

Investments consist primarily of cash and cash equivalents, certificates of deposit, fixed income and equity securities, private equity funds, cash surrender value of life insurance policies, and beneficial interests in trust.

Investments are reported at fair value on a recurring basis. Fair value for equity and fixed income securities is based on quoted market prices, when available. Alternative investments, such as private equity funds, are valued using net asset value ("NAV") or other valuation methods provided by fund managers, which management believes represent a reasonable estimate of fair value. Beneficial interests in trusts are valued at fair value based on the fair value of the underlying investments held by the trustee, consistent with applicable accounting guidance.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Investment return includes interest and dividends, realized gains and losses, and changes in the fair value of investments (unrealized gains and losses). Investment return is reported net of external investment expenses. Investment return is included in the statement of activities as increases or decreases in net assets without donor restrictions, unless the use of the investment return is restricted by donor stipulations. When applicable, investment return subject to donor-imposed restrictions is reported as an increase or decrease in net assets with donor restrictions.

See Note 10 for a description of the Organization's spending policy applied to its endowment funds.

Assets Limited as to Use

Assets limited as to use primarily consists of funds held by trustees under bond indenture agreements.

Revenue and Accounts Receivable

In accordance with FASB ASC 606, Revenue from Contracts with Customers ("ASC 606"), the Organization recognizes client service revenue at the amount it expects to be entitled to in exchange for providing care within its programs. Revenue is primarily earned from public payors, including federal, state, and local government agencies, Medicaid and Medicaid managed care organizations, and educational agencies, under both fee-for-service and cost-reimbursed arrangements. Billing to individuals and third-party payors occurs as services are provided, consistent with the terms of applicable agreements.

The Organization applies a portfolio approach to account for categories of payor contracts with similar characteristics, rather than recognizing revenue for each individual contract basis. Portfolios are organized around major program types (e.g., intellectual and developmental disability services, children's services, and adult behavioral health services) and by payor class (e.g., federal, state and local government agencies, Medicaid and Medicaid managed care organizations, and educational agencies). Based on historical collection trends and other analyses, management believes that the portfolio approach reasonably approximates the revenue that would have been recognized under an individual contract model.

Revenue is recognized when performance obligations under contracts are satisfied through the delivery of services to individuals. Performance obligations are identified based on the nature of the services provided:

- **Cost-reimbursed programs:** Revenue is recognized over time, measured by actual costs incurred relative to total expected costs, reflecting the inputs required to fulfill contractual obligations.
- **Fee-for-service programs:** Revenue is recognized at a point in time, generally coinciding with the delivery of daily or unit-based services.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The transaction price for services is determined based on the contracted rates specified in agreements with payors, reduced by variable consideration. Variable consideration primarily consists of contractual allowances and discounts from negotiated payor rates, denials or disallowances of claims, retroactive rate adjustments and cost settlements with government agencies, and implicit or explicit price concessions based on historical collection experience. These estimates are developed using historical trends, contractual terms, and management's policies, and are constrained, when necessary, to avoid significant revenue reversal.

Estimated settlements due from third-party payors are recorded in the period services are rendered and classified as current or noncurrent based on the expected timing of settlement. Retroactive adjustments, including audit settlements, are incorporated into estimated revenue and adjusted in future periods as information becomes known or audit periods close.

Because final settlement of cost reports and audit outcomes may differ from recorded estimates, there is a reasonable possibility that such estimates could change materially in the near term. Management believes that adequate provisions have been made for any potential adjustments, based on historical experience and consideration of implicit price concessions.

For the years ended June 30, 2025 and 2024, the net effect of the Organization's revisions to prior year estimates resulted in an increase in net client service revenue of approximately \$2,759,955 and \$819,247, respectively. These revisions reflect management's ongoing assessment of estimates based on updated information available during the respective periods.

Estimated settlements due from third-party payors as of June 30, 2025 and 2024 are as follows:

	2025	2024
Pennsylvania Department of Human Services	\$ 4,852,972	\$ 5,744,398
Pennsylvania Office of Child Development and Early Learning	10,930,332	9,100,000
Total	\$ 15,783,304	\$ 14,844,398

The Organization has elected the practical expedient permitted under ASC 606 and does not adjust the promised amount of consideration from individuals and third-party payors for the effects of a significant financing component. This election is based on the expectation that the period between the transfer of services and collection of payment will be one year or less. The Organization has also determined that balances due in one year or more do not contain significant financing components, and such financing components have not been recorded, as they are not material to the financial statements.

Disaggregated net client services revenue by service line for the years ended June 30, 2025 and 2024 consists of the following:

	2025	2024
Intellectual and Developmental Disability Services	47%	46%
Children's Services	38%	39%
Adult Behavioral Health Services	15%	15%
Total	100%	100%

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Disaggregated client services revenue by payor type for the years ended June 30, 2025 and 2024 consists of the following:

	2025	2024
Medicaid	45%	43%
State contracts	33%	34%
Managed care organizations	8%	8%
County (local) contracts	4%	5%
Educational agencies	4%	3%
Federal contracts	3%	4%
Other	3%	3%
Total	100%	100%

Allowance for Credit Losses

The Organization evaluates accounts receivable for expected credit losses in accordance with the current expected credit loss (CECL) model under ASC 326. The evaluation considers historical loss experience, current economic conditions, and reasonable and supportable forecasts, as well as other relevant factors such as the aging of receivables, changes in payors' credit ratings, requests for extended payment terms, and indicators of financial distress (e.g., bankruptcy or receivership).

Accounts receivable primarily consist of balances due from highly creditworthy payors, including federal, state, and local governmental agencies, Medicaid managed care organizations, and educational agencies. Credit losses have historically been infrequent and immaterial to total net client service revenue and accounts receivable. Accordingly, no allowance for credit losses was recorded as of and for the years ended June 30, 2025 and 2024.

Disaggregated accounts receivable, net by payor type for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Medicaid	63%	65%
Educational agencies	10%	6%
County (local) contracts	9%	12%
Managed care organizations	8%	8%
State contracts	6%	6%
Federal contracts	3%	1%
Other	1%	2%
Total	100%	100%

Contributions Receivable and Promises to Give

Unconditional promises to give cash or other assets are recognized as contributions at fair value on the date the promise is received, provided the amount is reasonably estimable. The fair value of such promises is determined based on the present value of expected future cash flows, discounted using a risk-adjusted rate that reflects the anticipated timing of receipts.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met, at which point they become unconditional and are recorded at fair value.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Contributions are reported as net assets without donor restrictions unless donor-imposed stipulations specify a purpose or time restriction.

The Organization evaluates contributions receivable for collectability based on historical experience, donor creditworthiness, and other relevant factors. An allowance for uncollectible contributions is recorded when management determines it is probable that amounts due will not be collected. Contributions receivable are reported net of this allowance. Management reviews the adequacy of the allowance regularly and adjusts it as necessary. Historically, credit losses have been minimal, and no allowance was deemed necessary as of June 30, 2025 and 2024.

Contributions receivable as of June 30, 2025 and 2024 are as follows:

<i>June 30,</i>	2025	2024
Amounts due in:		
Less than one year	\$ 2,971,640	\$ 621,983
One to five years	1,747,493	1,979,833
More than five years	1,631,865	1,594,044
	6,350,998	4,195,860
Less: present value discount	(434,311)	(449,273)
Contribution receivable	\$ 5,916,687	\$ 3,746,587

Property and Equipment

Purchased property and equipment with costs exceeding the Organization's capitalization threshold are capitalized and recorded at cost. The capitalization threshold was \$10,000 for both the years ended June 30, 2025 and 2024. Costs for maintenance and repairs are expensed as incurred.

Estimated useful lives of property and equipment are as follows:

- Buildings, building improvements, and leasehold improvements: 5 to 40 years
- Furniture, equipment, and software: 3 to 10 years
- Ground improvements, roadways, and extensions of utilities: 10 to 40 years

The Organization regularly evaluates whether events or changes in circumstances indicate that the remaining estimated useful lives of long-lived assets warrant revision or that the carrying amount of such assets may not be recoverable. When such indicators exist, the Organization assesses recoverability by estimating the undiscounted future operating cash flows expected to be generated by the asset over its remaining useful life. If the carrying amount exceeds the estimated undiscounted cash flows, an impairment loss is recognized based on the amount by which the carrying amount exceeds the asset's fair value.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Capitalized Software Development and Acquisition Costs

The Organization also capitalizes costs related to the development and acquisition of internal-use software. Cost capitalization begins during the application development stage and ends when the software is placed in service. These costs include:

- External direct costs for materials and services related to the development or acquisition of the software
- Payroll and payroll-related costs for employees directly involved in the development or acquisition of the software

Contributed property and equipment are recorded at their estimated fair value at the date of donation and are reflected as contributions to net assets without donor restrictions.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Capitalized software costs are amortized on a straight-line basis over the shorter of the related vendor contract term (including renewals) or seven years.

Net Assets

Net assets and changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are reported in two classes: without donor restrictions and with donor restrictions.

- **Without Donor Restrictions**
Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions. Transactions affecting this class primarily include fees for services provided to individuals, gifts received without restrictions, investment returns on board-designated quasi-endowment funds, other revenues, and expenses incurred by the Organization. Additionally, this class includes gains or losses on disposal of property and equipment, other components of net periodic benefit cost, pension-related changes other than net periodic benefit cost, changes in fair value of interest rate swap, net assets released from restrictions not for operations, and losses related to discontinued or non-operating programs.
- **With Donor Restrictions**
Net assets with donor restrictions are resources subject to donor-imposed stipulations that may be satisfied either by the passage of time or by actions of the Organization. Transactions reported in this category include contributions restricted by donors, contributions to endowment funds, unconditional promises to give (pledges) that are subject to donor-imposed stipulations or are collectible in future periods (which gives rise to an implied time restriction under ASC 958), and investment returns on donor-restricted endowment and other restricted investment funds.

When a donor restriction expires—when the stipulated time period has elapsed, the specified purpose has been fulfilled, or both—the related net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of operations and changes in net assets as ‘*net assets released from restrictions for operations*’.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

When long-lived assets are acquired using donor-restricted resources, the Organization records the related assets as net assets with donor restrictions if the donor restriction limits the use of the asset. The restriction is considered released when the asset is placed in service, unless the donor stipulates otherwise. At that time, the related amount is reclassified to net assets without donor restrictions and reported in the consolidated statement of operations and changes in net assets as ‘Net assets released from restrictions not for operations’.

Income Taxes

The Organization and its affiliated entities, other than FRC discussed below, have been recognized by the Internal Revenue Service (“IRS”) as public charities under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and are generally exempt from federal and state income taxes. FRC has been recognized by the IRS as a 501(c)(2) organization and operates as a title-holding corporation for the benefit of the Elwyn ABHS. Certain affiliated entities were organized as for-profit corporations; however, these entities are inactive and did not have any operations or taxable income during the years ended June 30, 2025 and 2024.

The Organization did not have any unrelated business income during the years ended June 30, 2025 and 2024. Accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements.

Management has evaluated the Organization’s tax positions and determined that there are no uncertain tax positions that require recognition or disclosure as of June 30, 2025 and 2024.

Reclassifications

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation.

Recently Announced Accounting Pronouncements

In July 2025, the FASB issued Accounting Standards Update (“ASU”) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities. The Update simplifies the application of the CECL model for short-term receivables and contract assets arising under ASC 606, allowing a practical expedient to assume current conditions remain constant and, for nonpublic entities, an option to consider subsequent cash collections after the balance sheet date. The amendments are effective for fiscal years beginning after December 15, 2025, with early adoption permitted and prospective application required. The Organization is evaluating the impact of this guidance and does not expect adoption to have a material effect on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU simplifies and modernizes the accounting for internal-use software by eliminating project development stage distinctions, introducing a single capitalization threshold based on management authorization and probable completion, and aligning disclosures with ASC 360-10. The Update is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. Entities may apply the guidance either prospectively or retrospectively. The Organization is evaluating the impact of this guidance and does not expect a material effect on its consolidated financial statements.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Subsequent Events

Management has evaluated subsequent events through October 24, 2025, which was the date the consolidated financial statements were available to be issued. In accordance with applicable accounting standards, management identified no subsequent events requiring recognition or disclosure other than those described below.

Effective July 2025, the Fellowship Health Resources, Inc. 403(b) Plan was merged into the Elwyn Defined Contribution 403(b) Plan, sponsored by Elwyn PA. Beginning with the first July 2025 payroll, Elwyn ABHS employees participate in the Elwyn PA plan and receive employer contributions and matching, in accordance with the plan's eligibility provisions. See Note 8 for further information.

Subsequent to year-end, the Commonwealth of Pennsylvania ("Commonwealth") experienced a budget impasse that delayed the release of certain appropriations and reimbursements to the Organization. In response, the Organization implemented various cash conservation measures and began utilizing its existing revolving line of credit to provide liquidity and maintain normal operations. As of September 2025, the Organization had borrowed approximately \$39.1 million under its line of credit. Management continues to monitor the situation closely and expects that normal funding will resume upon resolution of the Commonwealth's budget impasse. While management does not anticipate any long-term adverse impact on the Organization's financial position, continued delays in Commonwealth appropriations will affect liquidity in the near term.

In September 2025, the Organization was granted a *cy pres* petition by the Orphans' Court of Delaware County, Pennsylvania. The petition was filed in response to the ongoing Commonwealth budget impasse, which has adversely affected the Organization's cash flow. Under the court's order, the Organization is permitted to access the principal balances of certain net assets with donor restrictions endowed investments, initially estimated at approximately \$13.2 million in the petition. Amounts withdrawn under this authority are to be repaid, to the extent feasible, if the Commonwealth's funding is restored to prior levels and such funds are not otherwise required to support the Organization's mission. See Note 10 for additional information regarding the endowed investments.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

4. Fair Value Measurements

The following table summarizes the Organization's investments, assets limited as to use, and derivative instruments that are measured at fair value on a recurring basis, categorized by level within the fair value hierarchy as of June 30. Investments valued using NAV are presented separately and are not included within the hierarchy levels.

Description	Assets (Liabilities) at Fair Value as of June 30, 2025			
	Total	Level 1	Level 2	Level 3
Equity securities:				
Domestic funds and ETFs	\$ 43,988,341	\$ 43,988,341	\$ -	\$ -
International funds and ETFs	15,159,886	15,159,886	-	-
Fixed income securities:				
Corporate bonds	502,089	-	502,089	-
Municipal bonds	815,029	-	815,029	-
Funds and ETFs	13,832,781	13,832,781	-	-
U.S. treasuries and agency bonds	10,327,700	-	10,327,700	-
Other:				
Cash and cash equivalents	2,209,783	2,209,783	-	-
Certificates of deposit	1,988,236	-	1,988,236	-
Cash surrender value of life insurance	3,429,404	-	3,429,404	-
Beneficial interest in perpetual trusts	2,599,242	-	-	2,599,242
Total investments at fair value	94,852,491	75,190,791	17,062,458	2,599,242
Investments measured at NAV	6,350,746	-	-	-
Total investments	\$ 101,203,237	\$ 75,190,791	\$ 17,062,458	\$ 2,599,242
Interest rate swap liability	\$ (782,797)	\$ -	\$ (782,797)	\$ -

Description	Assets at Fair Value as of June 30, 2024			
	Total	Level 1	Level 2	Level 3
Equity securities:				
Domestic funds and ETFs	\$ 41,121,004	\$ 41,121,004	\$ -	\$ -
International funds and ETFs	13,953,567	13,953,567	-	-
Fixed income securities:				
Corporate bonds	988,301	-	988,301	-
Municipal bonds	5,084,091	-	5,084,091	-
Funds and ETFs	12,201,316	12,201,316	-	-
U.S. treasuries and agency bonds	4,308,912	-	4,308,912	-
Other:				
Cash and cash equivalents	3,942,967	3,942,967	-	-
Certificates of deposit	2,221,407	-	2,221,407	-
Cash surrender value of life insurance	3,066,855	-	3,066,855	-
Beneficial interest in perpetual trusts	2,476,903	-	-	2,476,903
Total investments at fair value	89,365,323	71,218,854	15,669,566	2,476,903
Investments measured at NAV	5,143,504	-	-	-
Total investments	\$ 94,508,827	\$ 71,218,854	\$ 15,669,566	\$ 2,476,903

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Investments valued at NAV per share (or equivalent) as of June 30, 2025 and 2024 consist of the following:

	Fair Value 2025	Fair Value 2024	Redemption Frequency	Redemption Notice Period	Unfunded Commitment
Private Equity Co-Investment Partners II (a)	\$ 307,019	\$ 305,291	N/A	N/A	\$ 74,420
Private Equity Co-Investment Partners III (b)	468,866	317,798	N/A	N/A	84,235
Private Equity Managers (2018) Offshore SCSP (c)	924,150	867,745	N/A	N/A	184,674
Private Equity Managers (2019) Offshore SCSP (d)	831,550	751,460	N/A	N/A	133,140
Private Equity Managers (2020) Offshore LP (e)	537,349	428,641	N/A	N/A	93,288
Vintage VIII Offshore SCSP (f) Private Equity Managers (2021) Offshore SCSP (g)	1,010,724	1,057,679	N/A	N/A	662,224
Monarch V Select Opportunities Access Offshore LP (h)	509,348	367,452	N/A	N/A	142,513
West Street Strategic Solutions Offshore Feeder Fund I, LLC (i)	332,438	352,931	N/A	N/A	113,970
Private Equity Managers (2022) Offshore SCSP (j)	260,196	235,686	N/A	N/A	148,124
Vintage IX B Offshore SCSP (k) E&F Private Equity Managers (2023) Offshore LP (l)	405,540	102,012	N/A	N/A	686,553
	689,160	355,769	N/A	N/A	1,279,079
	74,406	1,040	N/A	N/A	919,588
	\$ 6,350,746	\$ 5,143,504			

Investment objectives:

- Funds (a-b): Co-investment vehicles formed to invest in privately negotiated transactions.
- Funds (c-e, g, j): Goldman Sachs annual private equity fund-of-funds vehicles providing globally diversified portfolios of growth equity managers.
- Funds (f, k, l): Secondary funds investing in limited partner interests in existing private equity funds, typically at a discount.
- Fund (h): Opportunistic credit and distressed investments, with a focus on small- to mid-sized capital structures.
- Fund (i): Direct origination of credit and structured equity investments.

The Organization's private equity investments measured at NAV do not permit early redemption. Capital is committed at inception and drawn down through capital calls as investment opportunities are identified by the fund managers. Distributions are made as the underlying portfolio investments are liquidated, refinanced, or otherwise realized. As a result, liquidity is limited and generally uncertain in timing. These funds typically have lifespans ranging from seven to fifteen years, with the possibility of extensions depending on market conditions and investment outcomes.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Investments Reconciliation

Investments are recorded in the following financial statement lines as of June 30:

<i>June 30,</i>	2025	2024
Operating reserve fund - unrestricted	\$ 17,386,391	\$ 16,366,443
Current portion of spending policy income and other	3,150,000	3,006,000
Investments, net of current portion	78,998,615	73,291,564
Assets limited as to use	1,668,231	1,844,820
Total investments	\$ 101,203,237	\$ 94,508,827

Investment Return and Reconciliation

Investment return consists of the following for the years ended June 30:

<i>June 30,</i>	2025	2024
Investment income	\$ 2,493,088	\$ 2,123,259
Net unrealized and realized gains	7,950,785	9,687,783
Investment expenses and fees	(184,428)	(179,443)
Other changes in fair value	(25,913)	(26,630)
Total investment returns	\$ 10,233,532	\$ 11,604,969

Investment return is recorded in the following financial statement lines during the years ended June 30:

<i>June 30,</i>	2025	2024
Spending policy income	\$ 3,192,000	\$ 3,122,557
Other revenue	743,553	746,049
Investment return, net of spending policy income	4,290,848	5,016,808
Investment return, net of spending policy income - Donor Restrictions	2,007,131	2,719,555
Total investment return	\$ 10,233,532	\$ 11,604,969

Fixed Income Securities - Impairment

Each fixed income security in an unrealized loss position is reviewed for impairment. Management assesses whether it intends to sell, or is more likely than not required to sell, a security before recovery of its amortized cost. If neither condition applies, declines in fair value are further evaluated to determine whether the decline is attributable to credit losses or other factors.

Factors considered include the security's credit rating, issuer financial condition, adverse events, and expected future cash flows. If a credit loss is identified, an allowance is recorded for the difference between fair value and amortized cost, and it is reported within 'Other Items' on the consolidated statements of operations.

As of June 30, 2025 and 2024, no allowance for credit losses related to the Organization's fixed income securities was recorded.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Level 3 Reconciliation

The Organization's only Level 3 asset is its beneficial interest in perpetual trusts. A reconciliation of activity is presented below:

Fair Value - July 1, 2023	\$	2,371,087
Changes in fair value, net of distributions		105,816
Fair value - June 30, 2024		2,476,903
Changes in fair value, net of distributions		122,339
Fair value - June 30, 2025	\$	2,599,242

Assets Limited as to Use

Assets limited as to use consist of the following as of June 30:

<i>June 30,</i>	2025	2024
Cash and Cash Equivalents:		
Debt service reserve fund - 2017 bonds	\$ 1,668,231	\$ 1,844,820
	\$ 1,668,231	\$ 1,844,820

5. Property and Equipment

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

<i>June 30,</i>	2025	2024
Land	\$ 2,741,213	\$ 2,741,213
Buildings, building improvements, and leasehold improvements	149,222,951	129,098,736
Furniture, equipment, and software	41,877,472	37,201,508
Ground improvements, roadways, and extension of utilities	10,008,047	9,867,627
	203,849,683	178,909,084
Less: accumulated depreciation and amortization	(117,447,322)	(110,278,362)
	86,402,361	68,630,722
Construction-in-progress	5,693,931	11,852,240
	\$ 92,096,292	\$ 80,482,962

Depreciation expense was \$8,175,976 and \$7,265,351 for the years ended June 30, 2025 and 2024, respectively.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The Organization capitalizes implementation costs related to hosted software arrangements. These costs are included in the *'Furniture, equipment, and software classification'* in the table above.

Amortization expense related to capitalized software implementation costs was \$2,023,203 and \$1,177,392 for the years ended June 30, 2025 and 2024, respectively, and is included in the *'Operational costs'* line on the consolidated statements of operations and changes in net assets.

The capitalized software implementation costs consist of the following as of June 30:

<i>June 30,</i>		2025		2024
Implementation costs for hosted software arrangements	\$	13,044,684	\$	8,004,694
Less: accumulated amortization		(5,016,281)		(2,993,078)
	\$	8,028,403	\$	5,011,616

Assets Held for Sale

Sleighton Property

In June 2020, Sleighton entered into a sale agreement with a private entity for the remaining 200 acres of the Sleighton property. The anticipated sale price is approximately \$17,285,255, with a minimum guaranteed price of \$16,000,000, contingent upon the number of approved housing units. The agreement provides for a maximum environmental remediation credit of up to \$3,000,000, based on the estimated costs of (i) demolition of existing buildings and (ii) remediation of environmental contamination on the property.

The transaction is subject to customary real estate sale contingencies. Closing is contingent upon discretionary zoning amendments and approval of a joint land development plan by two municipalities. The timing and likelihood of these approvals remain uncertain. In addition, several land use litigation matters are pending in the Delaware County, Pennsylvania Court of Common Pleas related to the municipal approvals required for the proposed development. The outcomes of these proceedings cannot be reasonably determined at this time.

As of June 30, 2025 and 2024, assets held for sale related to the Sleighton property totaled \$1,948,768.

Philadelphia Property

In June 2025, the Organization determined it would list for sale a property in Philadelphia, Pennsylvania that is no longer used in operations. The property has a net book value of \$447,701. The Organization is actively marketing the property for sale and expects it will sell for an amount that exceeds the net book value.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

6. Long-term Debt and Revolving Lines of Credit

Long-term debt comprises the following at June 30:

<i>June 30,</i>	2025	2024
Delaware County Industrial Development Authority Revenue Bonds (Elwyn Project) Series of 2017 (tax-exempt)	\$ 14,350,000	\$ 15,210,000
Delaware County Industrial Development Authority Revenue Bonds (Elwyn Project) Series of 2018		
Series 2018A-1 (tax-exempt)	9,159,335	9,404,628
Series 2018A-2 (taxable)	4,600,563	4,708,707
Series 2018B (taxable)	10,955,342	11,220,239
Delaware County Industrial Development Authority Revenue Bonds (Elwyn Project) Series of 2025		
Series 2025A (tax-exempt)	7,500,000	-
Series 2025B (tax-exempt)	2,333,914	-
Notes payable (Non-amortizing)	197,119	197,119
Subtotal	49,096,273	40,740,693
Plus: unamortized original issue premium (Series of 2017)	854,313	983,147
Less: current maturities	(1,654,871)	(1,478,334)
Less: unamortized debt issuance costs	(1,413,465)	(716,103)
Total	\$ 46,882,250	\$ 39,529,403

Revenue Bonds 2017 Series

In December 2017, the Delaware County Industrial Development Authority (the “Authority”) issued its Revenue Bonds, Series 2017 (“2017 Bonds”), in the original aggregate principal amount of \$19,000,000 to refund prior indebtedness and fund capital projects. The 2017 Bonds mature in annual amounts of \$370,000 to \$1,540,000 through June 2037, with interest rates ranging from 3.00% to 5.00%. The bonds are secured by a parity lien on gross revenues and a mortgage lien on the Organization’s campus in Media, Pennsylvania (“Media Campus”). The original issue premium is amortized over the life of the bonds.

Revenue Bonds 2018 Series

In October 2018, the Authority issued its Revenue Bonds, Series 2018 (“2018 Bonds”), in the original aggregate principal amount of \$45,888,331 to refinance lines of credit, finance capital improvements, and fund reserves. The bonds are secured by a parity lien on gross revenues and a parity mortgage lien on the Media Campus. Five series were originally issued while three series remain outstanding:

- **Series 2018A-1:** Original principal totals \$10,295,919. Monthly principal payments range from \$18,251 to \$28,724, with a balloon payment of \$6,711,114 due October 2033. Interest is due monthly and is fixed at 3.74%. Maturity date is October 2033.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

- **Series 2018A-2:** Original principal totals \$5,092,412. Monthly principal payments range from \$7,822 to \$13,784, with a balloon payment of \$3,470,185 due October 2033. Interest is due monthly and is fixed at 4.67%. Maturity date is October 2033.
- **Series 2018B:** Original principal totals \$12,500,000. Monthly principal payments range from \$15,454 to \$33,157, with a balloon payment of \$8,213,858 due October 2033. Interest is due monthly and is fixed at 4.47%. Maturity date is October 2033.

Recent Amendments and Modifications

- **April 2024:** Reinstated certain covenants to the original 2018 terms; revised provisions require the Organization to demonstrate a debt service coverage ratio of at least 1.5x on a pro forma basis for the two years following the issuance of new indebtedness greater than \$5,000,000.
- **June 2025:** Aligned certain covenant provisions with those of the 2017 Bonds, particularly asset dispositions and indebtedness restrictions.

Revenue Bonds 2025 Series

In June 2025, the Authority issued its Revenue Bonds, Series 2025 (“2025 Bonds”), in the original aggregate principal amount of \$45,000,000. The proceeds are being used to finance capital projects on the Media Campus, including the renovation of an existing educational building, the construction of a commercial kitchen and new school building. The 2025 Bonds are secured by a parity lien on gross revenues and a parity mortgage lien on the Media Campus. Two series were issued:

- **Series 2025A:** Original principal of \$7,500,000. Proceeds were used to reimburse capital expenditures for the renovation of existing education buildings and construction of a commercial kitchen on the Media Campus. Monthly principal payments range from \$5,662 to \$17,049, with a balloon payment of \$5,598,805 due June 2037. The bond bears fixed interest at 4.33%, matures in June 2055, and is subject to a mandatory tender in June 2037.
- **Series 2025B:** Original principal of \$37,500,000. As of June 30, 2025, \$35,166,086 remains to be drawn. Proceeds will be drawn over a 36-month period in line with construction of the new school building. During this period, interest only is due, capitalized into the bond. Thereafter, principal and interest are payable monthly, with principal payments ranging from \$48,315 to \$72,887 and a balloon payment of \$31,044,934 due in June 2037. The final amortization schedule will be established upon full draw-down. Interest is variable at one-month Term Secured Overnight Financing Rate (“SOFR”) plus 1.54%, multiplied by 79% (4.63% at June 30, 2025). To manage variability, the Organization entered into a forward-starting interest rate swap, fixing the effective rate at 4.50%. The bond matures in June 2058 and is subject to a mandatory tender in June 2037.

The Series 2025A and Series 2025B bonds may be retained by the registered owner beyond the mandatory tender date, in which case new terms would be established, or they may be remarketed if not retained.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Principal Payments

Scheduled principal and sinking fund payments for the next five years are as follows:

Year ending June 30,

2026	\$	1,654,871
2027		1,748,207
2028		1,830,605
2029		2,512,142
2030		2,628,396

Revolving Line of Credit

The Organization maintains a \$45,000,000 revolving line of credit expiring June 28, 2027, secured by a parity lien on gross revenues and a mortgage lien on the Media Campus. Interest was daily SOFR plus 1.75% through June 28, 2025, and daily SOFR plus 1.25% thereafter (5.70% at June 30, 2025). No borrowings were outstanding at June 30, 2025 or 2024. The line collateralizes a letter of credit supporting workers' compensation programs totaling \$5,890,000 and \$5,510,000 at June 30, 2025 and 2024, respectively. See Note 3 for information regarding borrowings subsequent to June 30, 2025.

Interest Rate Swap Agreement - 2025B Bonds

To manage variability on the 2025B Bonds, the Organization entered into a forward-starting interest rate swap effective August 2027. The swap fixes the rate at approximately 4.50% on a notional amount of \$37,500,000 that declines over time in line with the expected amortization of the 2025B Bonds through June 2037. The swap does not qualify for hedge accounting. Accordingly, changes in fair value are recognized within 'Other Items' on the consolidated statements of operations and changes in net assets, and the related fair value liability is recorded in 'Deferred revenue and other liabilities, net of current portion' on the consolidated balance sheets. As of June 30, 2025 and 2024, the fair value of the swap was (\$782,797) and \$0, respectively.

Covenants and Compliance

All debt and credit facilities are subject to financial and restrictive covenants. The Organization was in compliance with all covenants as of June 30, 2025 and 2024.

The borrowers under each of the Organization's bonds and the revolving line of credit include all Elwyn-affiliated entities listed in Note 1, except for Sleighton, PEMS, and Grace Pharmacy. For purposes of the tax-exempt bonds, FRC is also excluded from participation due to its status as a Section 501(c)(2) organization

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

7. Refundable Capital Advances

The Organization has refundable capital advances related to the development and operation of supportive housing facilities. These advances are noninterest-bearing and are generally not subject to repayment as long as the related properties continue to be used in accordance with program requirements. Repayment is required if a property is sold, transferred, disposed of, or ceases to be used for the specified program purposes during the compliance period.

The refundable capital advances are recorded within '*Deferred revenue and other liabilities, net of current portion*' within the consolidated balance sheets.

The refundable capital advances consist of the following:

- **Rhode Island Housing - Mortgage note matured in August 2014:** Noninterest-bearing. Although the note has matured, repayment is not required provided the property continues to be used in accordance with program requirements. The Organization does not anticipate repayment within the next twelve months. As of June 30, 2025 and 2024, the balance outstanding was \$309,900.
- **Rhode Island Housing - Mortgage note matured in August 2019:** Noninterest-bearing. Although the note has matured, repayment is not required provided the property continues to be used in accordance with program requirements. The Organization does not anticipate repayment within the next twelve months. As of June 30, 2025 and 2024, the balance outstanding was \$313,147.
- **Rhode Island Housing - Mortgage note matured in January 2012:** Noninterest-bearing. Although the note has matured, repayment is not required provided the property continues to be used in accordance with program requirements. The Organization does not anticipate repayment within the next twelve months. As of June 30, 2025 and 2024, the balance outstanding was \$136,106.
- **Rhode Island Housing - Mortgage note expiring in January 2049:** Noninterest-bearing. Repayment is required if the property is sold, transferred, disposed of, or ceases to be used for program purposes. The holder may also extend the agreement if the property continues to serve individuals diagnosed with behavioral health or intellectual disabilities. In October 2024, the property was returned to Rhode Island Housing, which constituted full settlement of the note. As of June 30, 2025 and 2024, the balance outstanding was \$0 and \$391,573, respectively.
- **Community Economic Development Assistance Corporation - Mortgage note expiring in October 2038:** Noninterest-bearing. Repayment is not required so long as the property continues to be used for community-based housing, and the holder may extend the agreement for an additional ten years if such needs persist. As of June 30, 2025 and 2024, the balance outstanding was \$270,000.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

8. Retirement Benefits

The Organization follows the provisions of FASB ASC 715, *Compensation—Retirement Benefits*. This guidance requires recognition of the funded status of defined benefit and other postretirement plans on the consolidated balance sheets, recognition on the consolidated statements of operations and changes in net assets of actuarial gains or losses and prior service costs or credits arising during the period but not included in net periodic benefit cost, and measurement of plan assets and obligations as of the balance sheet date. ASC 715 also provides guidance regarding the selection of assumed discount rates for measuring benefit obligations. Both the Elwyn PA and Elwyn NJ plans utilize a June 30 measurement date for pension and postretirement benefit obligations.

Elwyn PA Pension Plan

The Elwyn PA Pension Plan is a noncontributory cash balance defined benefit plan that covered substantially all employees who had completed one year of service and at least 1,000 hours of service per year. Participants became fully vested after three years of eligible service. Effective June 30, 2018, the Board of Directors elected to freeze the plan. As of that date, no additional employees are eligible to participate, and no further benefit accruals are earned. To provide an alternative retirement benefit, the Organization implemented a defined contribution 403(b) plan effective July 1, 2018 for participating employees.

Elwyn NJ Pension Plan

The Elwyn NJ Pension Plan is a qualified, noncontributory defined benefit plan that covered all eligible employees upon their date of hire. Effective December 31, 2016, the Board of Directors approved the discontinuation of the plan, and all benefit accruals were frozen as of that date. To provide an alternative retirement benefit, the Organization implemented a defined contribution 403(b) plan effective January 1, 2017 for participating employees.

Elwyn NJ Postretirement Benefits

Historically, Elwyn NJ also provided postretirement medical and life insurance benefits to certain eligible union employees. Medical benefits were available to United Auto Workers (“UAW”) employees meeting age and service requirements, with reimbursement of private medical insurance premiums for the retiree’s lifetime. All postretirement health and welfare benefits were eliminated as of December 31, 2016. Retirees who were already receiving benefits at that time continue to receive them.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Information regarding the retirement benefit plans as of and for the year ended June 30, 2025 is as follows:

	Pension Benefits		Postretirement Benefits
	Elwyn PA	Elwyn NJ	Elwyn NJ
Changes in benefit obligations:			
Projected benefit obligations, beginning of year	\$ 62,344,308	\$ 16,593,605	\$ 2,003,947
Service cost	887,000	136,000	-
Interest cost	3,259,241	843,734	103,659
Benefits and administrative expenses paid	(6,690,078)	(2,065,671)	(167,944)
Actuarial (gain) loss	(4,969,255)	(155,977)	(516,079)
Projected benefit obligations, end of year	54,831,216	15,351,691	1,423,583
Accumulated benefit obligation	\$ 54,831,216	\$ 15,351,691	\$ 1,423,583
Changes in plan assets:			
Fair value of plan assets, beginning of year	\$ 40,748,916	\$ 14,310,274	\$ -
Actual return on plan assets	3,839,832	890,982	-
Contributions by the employer	4,825,000	532,722	167,944
Benefits and administrative expenses paid	(6,690,078)	(2,065,671)	(167,944)
Fair value of plan assets, end of year	42,723,670	13,668,307	-
Funded status of the plan	(12,107,546)	(1,683,384)	(1,423,583)
Unrecognized net actuarial loss (gain)	9,333,214	304,068	(1,153,862)
Accrued benefit cost	(2,774,332)	(1,379,316)	(2,577,445)
Amounts recognized on the consolidated balance sheets consist of:			
Accounts payable and accrued expenses, salaries and benefits	-	-	(115,525)
Postretirement benefit plans	(12,107,546)	(1,683,384)	(1,308,058)
Accumulated charge to net assets without donor restrictions:			
Net loss (gain)	9,333,214	304,068	(1,153,862)
Additional information:			
Decrease in additional minimum pension liability in net assets without donor restrictions:	(8,838,309)	(380,830)	(476,316)
Components of net periodic benefit costs:			
Service cost	887,000	136,000	-
Interest cost	3,259,241	843,734	103,659
Expected return on plan assets	(2,232,572)	(666,129)	-
Amortization of net actuarial loss (gain)	1,486,997	-	(39,763)
Settlement loss	774,797	-	-
Net periodic benefit cost	\$ 4,175,463	\$ 313,605	\$ 63,896

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

For the year ended June 30, 2025, the net actuarial gain in benefit obligation in the Elwyn PA pension plan was due to the decrease in the weighted-average cash balance interest crediting rate for future years from 5.11% to 4.06%.

For the year ended June 30, 2025, the net actuarial gain in benefit obligation in the Elwyn NJ pension plan was due to favorable demographic experience, and the net actuarial gain in benefit obligation in the Elwyn NJ postretirement benefit plan was due to favorable demographic experience, partially offset by decrease in the discount rate from 5.40% to 5.27%.

	Pension Benefits		Postretirement Benefits
	Elwyn PA	Elwyn NJ	Elwyn NJ
Assumptions:			
Weighted-average assumptions for year June 30, 2025:			
Discount rate	5.50%	5.46%	5.40%
Rate of increase in future compensation levels	N/A	N/A	N/A
Cash balance interest crediting rate	5.28%/5.11%	N/A	N/A
Expected long-term rate of return on plan assets	5.75%	5.00%	N/A
Weighted-average assumptions used at June 30, 2025:			
Discount rate	5.54%	5.47%	5.27%
Rate of increase in future compensation levels	N/A	N/A	N/A
Cash balance interest crediting rate	4.33%/4.06%	N/A	N/A
Expected long-term rate of return on plan assets	5.20%	4.50%	N/A

The expected long-term rate of return for the plans' total assets is based on the asset allocation of the plans and the expected return of those asset classes.

Health care cost trend rate assumptions at June 30, 2025:

Health care cost trend rate assumed for the next year	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%
Year that the ultimate trend rate is reached	2030

The pension plans' target asset allocation and actual weighted-average asset allocation by asset category on June 30, 2025, are as follows:

Asset Category	Target Asset	Elwyn PA
Equity securities	50%	47%
Fixed income securities	49%	45%
Cash and cash equivalents	1%	8%
	100%	100%

Asset Category	Target Asset	Elwyn NJ
Equity securities	20%	21%
Fixed income securities	79%	77%
Cash and cash equivalents	1%	2%
	100%	100%

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The plans' investment policies, as established by the Finance Committee that oversees the pension assets, are to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The investment policies are reviewed on a regular basis to determine if the policy should be changed.

The fair values of the Organization's pension plan assets by asset category, as defined under FASB ASC 820, are as follows as of June 30, 2025:

Description	Total	Level 1	Level 2	Level 3
Equity securities:				
Domestic funds and ETFs	\$ 15,557,485	\$ 15,557,485	\$ -	\$ -
International funds and ETFs	7,465,821	7,465,821	-	-
Fixed Income securities:				
Corporate bonds	11,291,337	-	11,291,337	-
Funds and ETFs	6,455,916	6,455,916	-	-
U.S. treasuries	5,082,792	-	5,082,792	-
Agency and mortgage-backed	6,944,640	-	6,944,640	-
Other:				
Cash and cash equivalents	3,593,986	3,593,986	-	-
Total pension plan assets	\$ 56,391,977	\$ 33,073,208	\$ 23,318,769	\$ -

The Organization expects to utilize a combination of cash contributions and prefunding credit contributions to fulfill the required minimum contributions to the pension plans during the year ending June 30, 2026. The cash contributions have been estimated at \$2,850,000 for Elwyn PA and \$500,000 for Elwyn NJ.

The following benefit payments are projected to be paid during the years ending June 30:

Year ending June 30,	Pension Benefits		Postretirement Benefits
	Elwyn PA	Elwyn NJ	Elwyn NJ
2026	\$ 5,754,253	\$ 1,907,473	\$ 115,525
2027	3,602,444	1,564,230	119,247
2028	3,660,705	1,398,540	122,106
2029	3,269,859	1,276,019	123,999
2030	3,334,050	1,176,606	124,701
2031-2035	15,731,044	6,059,718	598,944

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Information regarding the retirement benefit plans as of and for the year ended June 30, 2024, is as follows:

	Pension Benefits		Postretirement Benefits
	Elwyn PA	Elwyn NJ	Elwyn NJ
Changes in benefit obligations:			
Projected benefit obligations, beginning of year	\$ 68,547,449	\$ 17,799,811	\$ 2,172,705
Service cost	1,222,000	175,000	-
Interest cost	3,451,386	885,605	107,988
Benefits and administrative expenses paid	(8,338,981)	(2,359,093)	(166,314)
Actuarial (gain) loss	(2,537,546)	92,282	(110,432)
Projected benefit obligations, end of year	62,344,308	16,593,605	2,003,947
Accumulated benefit obligation	\$ 62,344,308	\$ 16,593,605	\$ 2,003,947
Changes in plan assets:			
Fair value of plan assets, beginning of year	\$ 45,500,938	\$ 15,244,203	\$ -
Actual return on plan assets	3,586,959	1,103,240	-
Contributions by the employer	-	321,924	166,314
Benefits and administrative expenses paid	(8,338,981)	(2,359,093)	(166,314)
Fair value of plan assets, end of year	40,748,916	14,310,274	-
Funded status of the plan	(21,595,392)	(2,283,331)	(2,003,947)
Unrecognized net actuarial loss (gain)	18,171,523	684,898	(677,546)
Accrued benefit cost	(3,423,869)	(1,598,433)	(2,681,493)
Amounts recognized on the consolidated balance sheets consist of:			
Accounts payable and accrued expenses, salaries and benefits	-	-	(167,944)
Postretirement benefit plans	(21,595,392)	(2,283,331)	(1,836,003)
Accumulated charge to net assets without donor restrictions:			
Net loss (gain)	18,171,523	684,898	(677,546)
Additional information:			
Decrease in additional minimum pension liability in net assets without donor restrictions:	(7,039,423)	(277,884)	(78,628)
Components of net periodic benefit costs:			
Service cost	1,222,000	175,000	-
Interest cost	3,451,386	885,605	107,988
Expected return on plan assets	(2,512,954)	(759,558)	-
Amortization of net actuarial loss (gain)	1,700,432	-	(31,804)
Settlement loss	1,727,440	26,484	-
Net periodic benefit cost	\$ 5,588,304	\$ 327,531	\$ 76,184

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

For the year ended June 30, 2024, the net actuarial gain in benefit obligation in the Elwyn PA pension plan was due to the decrease in the weighted-average cash balance interest crediting rate for future years from 5.24% to 5.11%, and due to the increase in the discount rate from 5.24% to 5.50%

For the year ended June 30, 2024, the net actuarial loss in benefit obligation in the Elwyn NJ pension plan was due to unfavorable demographic experience, offset by the increase in the discount rate from 5.20% to 5.46%, and the net actuarial gain in benefit obligation in the Elwyn NJ postretirement benefit plan was due to the increase in the discount rate from 5.17% to 5.40%.

	Pension Benefits		Postretirement Benefits
	Elwyn PA	Elwyn NJ	Elwyn NJ
Assumptions:			
Weighted-average assumptions for year June 30, 2024			
Discount rate	5.24%	5.20%	5.17%
Rate of increase in future compensation levels	N/A	N/A	N/A
Cash balance interest crediting rate	4.73%/5.24%	N/A	N/A
Expected long-term rate of return on plan assets	5.50%	5.50%	N/A
Weighted-average assumptions used at June 30, 2024:			
Discount rate	5.50%	5.46%	5.40%
Rate of increase in future compensation levels	N/A	N/A	N/A
Cash balance interest crediting rate	5.28%/5.11%	N/A	N/A
Expected long-term rate of return on plan assets	5.75%	5.00%	N/A

The expected long-term rate of return for the plans' total assets is based on the asset allocation of the plans and the expected return of those asset classes.

Health care cost trend rate assumptions at June 30, 2024:

Health care cost trend rate assumed for the next year	6.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%
Year that the ultimate trend rate is reached	2029

The pension plans' target asset allocation and actual weighted-average asset allocation by asset category at June 30, 2024 are as follows:

Asset Category	Target Asset	Elwyn PA
Equity securities	50%	49%
Fixed income securities	49%	48%
Cash and cash equivalents	1%	3%
	100%	100%

Asset Category	Target Asset	Elwyn NJ
Equity securities	20%	22%
Fixed income securities	75%	71%
Cash and cash equivalents	5%	7%
	100%	100%

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

The fair values of the Organization's pension plan assets by asset category, as defined under FASB ASC 820, are as follows as of June 30, 2024:

Description	Total	Level 1	Level 2	Level 3
Equity securities:				
Domestic funds and ETFs	\$ 15,474,108	\$ 15,474,108	\$ -	\$ -
International funds and ETFs	7,495,321	7,495,321	-	-
Fixed Income securities:				
Corporate bonds	12,161,029	-	12,161,029	-
Funds and ETFs	6,724,543	6,724,543	-	-
U.S. treasuries	3,866,207	-	3,866,207	-
Agency and mortgage-backed	6,777,231	-	6,777,231	-
Other:				
Cash and cash equivalents	2,560,751	2,560,751	-	-
Total pension plan assets	\$ 55,059,190	\$ 32,254,723	\$ 22,804,467	\$ -

Other Supplemental Retirement Plans

Elwyn PA maintains supplemental nonqualified retirement arrangements for certain executive-level management employees. The present value of these obligations totaled approximately \$652,000 and \$610,000 at June 30, 2025 and 2024, respectively, and is reported within '*Postretirement benefit plans*' on the consolidated balance sheets. Related net periodic benefit cost was approximately \$96,000 and \$81,000 for the years ended June 30, 2025 and 2024, respectively.

Elwyn ABHS maintains a 457(b) deferred compensation plan that previously covered certain senior-level management employees designated by its Board of Directors. Eligible employees were able to elect to defer a portion of their compensation into this plan. Employer contributions were discretionary in amount, percentage, and allocation. Contributions were made to investment accounts held in trust, and the corresponding liability was included in postretirement benefit plans. The investment balances are reported within '*Investments, net of current portion*' on the consolidated balance sheets and are included in the fair value hierarchy tables in Note 4. Elwyn ABHS incurred expenses of approximately \$26,000 and \$25,000 related to this plan for the years ended June 30, 2025 and 2024, respectively. The 457(b) liability was approximately \$229,000 and \$203,000 as of June 30, 2025 and 2024, respectively, and was included in '*Postretirement benefit plans*' on the consolidated balance sheets.

403(b) Retirement Plans

Elwyn PA sponsors a qualified 403(b) plan covering all employees, effective July 1, 2018. Employees may elect to defer a portion of their compensation. The plan includes a non-elective employer contribution equal to 4% of eligible compensation for non-union employees and 2% for union employees. In addition, the plan provides an employer matching contribution equal to employee contributions of up to 2% of eligible compensation. Total contribution expense was \$5,657,000 and \$5,383,000 for the years ended June 30, 2025 and 2024, respectively.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Elwyn NJ sponsored a qualified 403(b) plan covering all employees, effective January 1, 2017. The plan includes a non-elective employer contribution equal to 4% of eligible compensation for non-union employees and 2% for union employees. Beginning October 2024, Elwyn NJ employees transitioned to the 403(b) plan sponsored by Elwyn PA. The total contribution expense was approximately \$765,000 and \$368,000 for the years ended June 30, 2025 and 2024, respectively.

Elwyn CA sponsors a qualified 403(b) plan covering all employees. The plan includes a non-elective employer contribution equal to 3% of eligible compensation. The total contribution expense was approximately \$1,183,000 and \$1,192,000 for the years ended June 30, 2025 and 2024, respectively.

Elwyn ABHS sponsored a qualified 403(b) plan covering eligible employees. Employees were able to elect to defer compensation, and the employer contributions are voluntary and discretionary. Beginning July 2025, Elwyn ABHS employees transitioned to the 403(b) plan sponsored by Elwyn PA. Total contribution expense was approximately \$92,000 and \$42,000 for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the Organization accrued 403(b) employer contributions totaling approximately \$11,279,000 and \$10,081,000, respectively. Of these amounts, approximately \$4,101,000 and \$7,178,000 relate to the plan years ending December 31, 2025 and 2024, respectively. Liabilities for the plan year ending December 31, 2024 are included in '*Accounts payable and accrued expenses, salaries and benefits*', while liabilities for the plan year ending December 31, 2025 are included in '*Accrued benefits payable*'. The liability related to the 2024 plan year was paid in October 2025.

9. Self-Insurance Programs

Healthcare and Prescription

The Organization is self-insured for employee healthcare and prescription drug benefits. The liability for outstanding healthcare and prescription claims was approximately \$4,400,000 and \$3,100,000 as of June 30, 2025 and 2024, respectively. This liability is based on known claims, historical experience, and estimates for incurred but not reported claims. It is recorded within '*Accounts payable and accrued expenses, salaries and benefits*' on the consolidated balance sheets.

For the plan years ending December 31, 2025 and 2024, the Organization maintains stop-loss insurance coverage with an individual claim limit of \$350,000 per employee per plan year.

A receivable for prescription drug rebates has also been recorded, totaling approximately \$487,000 and \$437,000 as of June 30, 2025 and 2024, respectively. These receivables are included in '*Prepaid expenses and other current assets*' on the consolidated balance sheets.

The liability is reviewed quarterly by a third-party actuary to evaluate the reasonableness of the recorded amounts.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Workers' Compensation

The Organization, excluding Elwyn ABHS, is self-insured for Pennsylvania workers' compensation claims up to \$500,000 per claim and maintains excess insurance coverage for amounts above this limit. To collateralize this program, the Organization utilizes an unsecured surety bond, which totaled \$5,000,000 and \$4,400,000 as of June 30, 2025 and 2024, respectively. The liability for open Pennsylvania workers' compensation claims was approximately \$3,160,000 and \$2,722,000 at June 30, 2025 and 2024, respectively. Of the June 30, 2025 balance, \$1,296,000 is classified as a current liability within '*Accounts payable and accrued expenses, salaries and benefits,*' while the remaining \$1,864,000 is recorded as a noncurrent liability within '*Accrued benefits payable*' on the consolidated balance sheets.

In addition, the Organization, excluding Elwyn ABHS, maintains a large-deductible workers' compensation program covering New Jersey, Delaware, California, and other states, with a deductible of \$200,000 per claim. This program is collateralized by a letter of credit totaling \$5,890,000 and \$5,510,000 as of June 30, 2025 and 2024, respectively, secured by the Organization's revolving line of credit. The liability for open claims under this program was approximately \$6,689,000 and \$6,584,000 as of June 30, 2025 and 2024, respectively. Of the June 30, 2025 balance, \$2,345,000 is recorded as a current liability within '*Accounts payable and accrued expenses, salaries and benefits,*' while \$4,344,000 is reported as a noncurrent liability within '*Accrued benefits payable*' on the consolidated balance sheets.

All workers' compensation liabilities are evaluated annually, as of December 31, by a third-party actuary to assess the reasonableness of the recorded amounts.

General, Professional and Other Liability Insurance

The Organization, including certain coverages for Elwyn ABHS as of July 1, 2023, maintains high-deductible insurance policies that cover general liability, professional liability, employment practices, cyber, and property claims. For fiscal year 2025, policy deductibles range from \$50,000 to \$500,000. Elwyn ABHS remains fully insured for risks related to general and professional liability.

When claims occur, the Organization records an estimate of the related loss, subject to applicable deductibles and retention limits. These estimates are reviewed regularly and adjusted as necessary as additional information becomes available or claims are settled.

As of June 30, 2025 and 2024, the estimated liability for such claims was approximately \$12,605,000 and \$5,029,000, respectively. At June 30, 2025, the current portion of the liability was \$10,927,000 and is included in '*Deferred revenue and other liabilities*' on the consolidated balance sheets. The remaining noncurrent portion of \$1,678,000 is included in '*Deferred revenue and other liabilities, net of current portion*' on the consolidated balance sheets. The Organization also recognized receivables for expected insurance recoveries related to these claims of \$6,000,000 and \$0, as of June 30, 2025 and 2024, respectively. These insurance receivables are recorded within '*Prepaid expenses and other current assets*' on the consolidated balance sheets.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

10. Endowment

The Organization's endowments consist of both board-designated quasi-endowment and donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Elwyn, Inc. has interpreted Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds, to the extent that there are no donor stipulations to the contrary. Accordingly, Elwyn, Inc. classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations made in accordance with donor directions ("perpetual restrictions"). The donor-restricted endowment includes investment return and other items that are subject to purpose or time restrictions until those amounts are paid in a manner consistent with the standard of prudence prescribed by Pennsylvania Act 141, and where applicable, the underlying donor-imposed restrictions are fulfilled.

Under Act 141, the Board further interprets that income may be defined as a stipulated percentage—ranging from 2% to 7%—of the average fair value of endowment assets, determined over a specified period, without regard to actual interest, dividends, or realized and unrealized gains.

Investment Objectives and Strategies

Elwyn, Inc. maintains investment and spending policies approved by its Board of Directors to provide a predictable stream of funding for programs supported by endowment funds, while preserving the purchasing power of those assets over the long term. Endowment assets are invested in a diversified portfolio of equity and fixed-income securities, with limited exposure to alternative investments, designed to achieve a consistent, inflation-protected rate of return sufficient to support annual distributions not exceeding 7%. The investment policy targets an asset allocation of approximately 32%-80% equities, 20%-60% fixed income, and 0%-15% alternative assets, with an expected average annual return of at least 6%.

Spending Policy

The Organization follows a total return spending policy to determine the annual amount appropriated from its endowment and board-designated quasi-endowment funds. The annual spending amount is generally calculated as a percentage of the average fair value of the funds over the three most recent calendar years, measured as of December 31, unless otherwise restricted by donors. Investment income and realized and unrealized gains are reinvested and included in the base for this calculation.

For the years ended June 30, 2025 and 2024, the Board approved spending rates of 7.0% for donor-restricted endowments and approximately 2.6% and 2.4%, respectively, for board-designated quasi-endowments, resulting in weighted-average spending rates of approximately 4.2% for both years.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Significant Transactions

In March 2022, the Board authorized a temporary distribution of \$11,550,000 from the board-designated quasi-endowment to prepay the Series 2018C-1 bonds. This amount, plus reasonable interest, is required to be repaid to the quasi-endowment upon the sale of the remaining 200 acres of the Sleighton property. As of June 30, 2025 and 2024, no repayments have been made.

In June 2024, certain Elwyn ABHS investments totaling \$973,407 were contributed to the board-designated quasi-endowment fund held by Elwyn, Inc., with approval from the respective Boards of Directors.

Endowment Activity

The following tables summarize endowment activity for the years ended June 30, 2025 and 2024:

<i>Year ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 38,115,144	\$ 30,817,293	\$ 68,932,437
Dividends and interest, net of fees	866,397	675,424	1,541,821
Realized and unrealized gains	3,976,328	3,085,073	7,061,401
Amounts appropriated for expenditure	(1,215,222)	(1,976,778)	(3,192,000)
End of year	\$ 41,742,647	\$ 32,601,012	\$ 74,343,659

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 32,810,263	\$ 28,348,000	\$ 61,158,263
Contributions	973,407	-	973,407
Distributions	-	(3,985)	(3,985)
Dividends and interest, net of fees	662,874	555,912	1,218,786
Realized and unrealized gains	4,786,217	3,922,306	8,708,523
Amounts appropriated for expenditure	(1,117,617)	(2,004,940)	(3,122,557)
End of year	\$ 38,115,144	\$ 30,817,293	\$ 68,932,437

11. Donor-Imposed Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2025	2024
Perpetual:		
Endowed investments	\$ 3,848,727	\$ 3,848,727
Beneficial interest in trust	2,599,242	2,476,903
Donor-restricted for purpose or time:		
Implied time restrictions on contribution receivable, net	2,378,298	3,465,437
Endowed investments	28,752,285	26,968,566
Non-endowed investments	1,367,247	1,268,422
Other specific items designated by donor	3,372,836	3,563,244
	\$ 42,318,635	\$ 41,591,299

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

12. Functional Expenses

The Organization allocates expenses among service line classifications based on direct costs and payroll, occupancy and square footage, as well as certain estimates prepared by management. Expenses incurred by functional classification were as follows:

<i>Year ended June 30, 2025</i>	Program	Fundraising	Admin	Total
Salaries and wages	\$ 209,300,888	\$ 693,904	\$ 20,695,746	\$ 230,690,538
Fringe benefits	59,446,418	179,274	5,479,981	65,105,673
Purchased personnel	83,033,149	12,067	3,518,634	86,563,850
Occupancy costs	18,386,829	8,786	593,146	18,988,761
Operational costs	49,967,871	432,957	14,725,127	65,125,955
Interest	1,710,514	9,235	257,159	1,976,908
Depreciation	6,043,922	29,847	2,102,207	8,175,976
	\$ 427,889,591	\$ 1,366,070	\$ 47,372,000	\$ 476,627,661

<i>Year ended June 30, 2024</i>	Program	Fundraising	Admin	Total
Salaries and wages	\$ 191,557,032	\$ 538,531	\$ 19,161,007	\$ 211,256,570
Fringe benefits	53,326,811	156,983	4,924,006	58,407,800
Purchased personnel	87,179,373	17,772	4,266,761	91,463,906
Occupancy costs	17,505,453	8,083	561,872	18,075,408
Operational costs	50,367,731	544,545	12,923,562	63,835,838
Interest	1,691,114	7,979	251,337	1,950,430
Depreciation	5,265,049	27,566	1,972,736	7,265,351
	\$ 406,892,563	\$ 1,301,459	\$ 44,061,281	\$ 452,255,303

13. Leases

The Organization leases certain real property, equipment, and vehicles under operating leases with various expiration dates through November 2038. In accordance with ASC 842, the Organization recognizes right-of-use assets, representing the right to use leased assets, and lease liabilities, representing the obligation to make future lease payments. Lease liabilities are measured at the present value of future lease payments over the remaining lease term.

Some leases include renewal options. Lease payments in periods subject to renewal options are excluded from the measurement of right-of-use assets and lease liabilities unless the Organization is reasonably certain to exercise those options. Leases are classified as either finance or operating leases based on the criteria established in ASC 842.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

In adopting ASC 842, the Organization made the following accounting policy elections:

- Utilized the package of practical expedients to reassess prior lease classifications or initial direct costs for leases that commenced before the adoption date;
- Did not apply the lease standard to existing land easements not previously accounted for as leases;
- Did not capitalize short-term leases, defined as leases with an initial term of one year or less, from lease capitalization;
- Accounted for lease and nonlease components as a single lease component; and
- Applied the Organization's incremental borrowing rate to discount lease payments when the implicit rate in the lease was not readily determinable.

	2025	2024
Lease costs for the year ended June 30:		
Operating lease cost	\$ 14,592,992	\$ 15,127,376
Short-term lease cost	1,520,040	1,365,113
Variable lease cost	928,039	834,977
Right-of-use assets and liabilities as of June 30:		
Right-of-use assets - operating leases	47,069,010	56,114,863
Lease liability - operating leases	48,634,420	57,751,486
Weighted-Averages:		
Remaining lease term (in years) - operating leases:	5.7	6.4
Discount rate - operating leases:	4.99%	4.86%

For operating leases, right-of-use assets are included in 'Operating lease assets, net', and lease liabilities are included in either the 'Operating lease liability' or 'Operating lease liability, net of current' on the consolidated balance sheets.

Year Ending June 30,	Amount
2026	\$ 13,593,420
2027	12,703,208
2028	8,587,407
2029	6,264,207
2030	5,066,054
Thereafter	9,562,112
Total lease payments	55,776,408
Less: imputed interest	7,141,988
Total lease liability	48,634,420
Less: current portion of lease liability	11,544,562
Long-term portion of lease liability	\$ 37,089,858

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

14. Commitments and Contingencies

Concentrations of Risk

The Organization invests in various investment securities, which are subject to risks including interest rate risk, market risk, and credit risk. Given the inherent risk associated with certain investment securities, it is reasonably possible that changes in their values could occur in the near term, and such changes could materially affect the amounts reported on the consolidated balance sheets.

Concentration of Credit Risk

As of June 30, 2025 and 2024, two funders, each with multiple separate contracts, represented approximately 31% and 34%, respectively, of accounts receivable, net.

Two funders, with multiple separate contracts, represent approximately 45% and 47% of net client service revenue for the years ended June 30, 2025 and 2024, respectively.

Collective Bargaining Agreements

As of June 30, 2025 and 2024, approximately 28% and 29%, respectively, of the Organization's employees were covered under six separate collective bargaining agreements. As of June 30, 2025, the Organization had reached settlements on five of the six agreements. The settled agreements provide, among other provisions, increases in base pay in exchange for certain modifications to employee benefits and time-off provisions offered by the Organization. The remaining agreement was pending ratification as of June 30, 2025. The settled agreements have expiration dates ranging from June 2027 through January 2029.

Litigation

The Organization is involved in various lawsuits arising in the normal course of business. Generally, claims will be covered by insurance policies and the ultimate resolution of any pending litigation will not have a material adverse effect on the Organization's consolidated financial statements.

In May 2025, the Organization learned that the New Jersey State Attorney General has charged certain current and former employees of Elwyn NJ, as well as the legal entity, Elwyn PA, with conspiracy and neglect in connection with two incidents involving improper staff handling of a New Jersey group home resident's behavior in April 2023. When the Organization became aware of the incidents in 2023, the matters were promptly self-reported to state regulators, investigated internally, as required by law, and the employees involved were terminated. The Organization maintains a zero-tolerance policy for abuse and neglect, reports such matters to authorities when they occur, and has been working with the New Jersey Department of Human Services to enhance protocols and safeguards to prevent abuse and neglect in its programs. The Organization is currently in discussions with the New Jersey State Attorney General regarding a potential non-criminal disposition of this matter that involves dropping all criminal charges against Elwyn PA and resolving the matter via an administrative consent order. The likelihood that an administrative resolution can be reached is uncertain.

The Elwyn Foundation and Subsidiaries

Notes to Consolidated Financial Statements

Due to Funders and Deferred Revenue

At times, the Organization receives advances of funding that exceed the allowable costs incurred or services performed during a fiscal year. These advances are classified in accordance with the funder's requirements regarding repayment. Advances that require repayment are classified as due to funders, while advances that may be recognized as revenue in future fiscal years are classified as deferred revenue. These liabilities are recorded within '*Deferred revenue and other liabilities*' for the current portion and '*Deferred revenue and other liabilities, net of current portion*' for the long-term portion within the consolidated balance sheets.

The following table summarizes the liabilities recorded for due to funders and deferred revenue as of June 30, 2025 and 2024:

<i>June 30,</i>	2025	2024
Due to funders	\$ 5,239,434	\$ 3,895,320
Deferred revenue	7,019,583	6,591,460
Subtotal	12,259,017	10,486,780
Less: current portion	(4,447,022)	(3,478,291)
Long-term portion	\$ 7,811,995	\$ 7,008,489

Supplemental Material



Tel: 215-564-1900
Fax: 215-564-3940
www.bdo.com

Ten Penn Center
1801 Market Street, Suite 1200
Philadelphia, PA 19103

Independent Auditor's Report on Supplemental Material

The Board of Directors
The Elwyn Foundation and Subsidiaries
Elwyn, Pennsylvania

Our audit of the 2025 consolidated financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The consolidating balance sheet as of June 30, 2025, and the consolidating statement of operations and changes in net assets for the year ended June 30, 2025, presented in the following section of this report, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

BDO USA, P.C.

October 24, 2025

The Elwyn Foundation and Subsidiaries

Consolidating Balance Sheet June 30, 2025

	The Elwyn Foundation	Elwyn of Pennsylvania and Delaware	Elwyn New Jersey	Sleighton School	Elwyn California	Fellowship Health Resources and Affiliates	Family Support Services	Eliminating Entries	The Elwyn Foundation and Subsidiaries Consolidated
Assets									
Current Assets									
Cash and cash equivalents									
Operating funds	\$ 8,415,565	\$ 25,125,469	\$ 904,475	\$ -	\$ 74,265	\$ 1,357,264	\$ -	\$ -	\$ 35,877,038
Restricted cash	-	445,488	172,977	-	59,887	444,188	-	-	1,122,540
Investments									
Operating reserve fund - unrestricted	17,386,391	-	-	-	-	-	-	-	17,386,391
Current portion of spending policy income and other	3,150,000	-	-	-	-	-	-	-	3,150,000
Accounts receivable, net	-	20,586,309	3,823,602	-	11,046,902	4,572,682	-	-	40,029,495
Estimated settlements due from third-party payors	-	12,556,648	-	-	-	-	-	-	12,556,648
Assets held for sale	-	447,701	-	-	-	-	-	-	447,701
Intercompany loan receivables	-	9,723,691	-	-	-	17,834,005	-	(27,557,696)	-
Prepaid expenses and other current assets	-	1,926,087	12,400	-	6,318,181	378,427	-	-	8,635,095
Contribution receivable	2,971,640	-	-	-	-	-	-	-	2,971,640
Total Current Assets	31,923,596	70,811,393	4,913,454	-	17,499,235	24,586,566	-	(27,557,696)	122,176,548
Investments, net of current portion	73,579,474	5,004,526	-	-	185,133	229,482	-	-	78,998,615
Assets Limited as to Use	-	1,668,231	-	-	-	-	-	-	1,668,231
Property and Equipment, net	-	77,915,630	10,699,238	-	7,292	3,474,132	-	-	92,096,292
Operating Lease Assets, net	-	21,421,338	3,099,621	-	15,388,622	7,159,429	-	-	47,069,010
Other Assets									
Estimated settlements due from third party payors, net of current portion	-	3,226,656	-	-	-	-	-	-	3,226,656
Assets held for sale, net of current portion	-	-	-	1,948,768	-	-	-	-	1,948,768
Intercompany loan receivables, net of current portion	11,550,000	-	-	-	-	-	-	(11,550,000)	-
Other long-term assets	-	427,206	35,629	-	348,143	89,944	-	-	900,922
Contribution receivable, net of discount and current portion	2,945,047	-	-	-	-	-	-	-	2,945,047
Total Other Assets	14,495,047	3,653,862	35,629	1,948,768	348,143	89,944	-	(11,550,000)	9,021,393
Total Assets	\$ 119,998,117	\$ 180,474,980	\$ 18,747,942	\$ 1,948,768	\$ 33,428,425	\$ 35,539,553	\$ -	\$ (39,107,696)	\$ 351,030,089

(Continued)

The Elwyn Foundation and Subsidiaries

Consolidating Balance Sheet June 30, 2025

	The Elwyn Foundation	Elwyn of Pennsylvania and Delaware	Elwyn New Jersey	Sleighton School	Elwyn California	Fellowship Health Resources and Affiliates	Family Support Services	Eliminating Entries	The Elwyn Foundation and Subsidiaries Consolidated
Liabilities and Net Assets (Deficit)									
Current Liabilities									
Current portion of long-term debt	\$ -	\$ 1,654,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,654,871
Accounts payable and accrued expenses, salaries and benefits	-	53,905,646	6,708,323	35,634	8,487,914	3,062,414	17,463	-	72,217,394
Intercompany loan payables	4,806,858	-	6,578,724	8,905,669	7,132,308	-	134,137	(27,557,696)	-
Deferred revenue and other liabilities	-	3,832,020	736,728	-	10,497,695	658,328	-	-	15,724,771
Operating lease liabilities	-	4,221,832	791,347	-	4,401,310	2,130,073	-	-	11,544,562
Deposits held in custody for others	-	359,279	172,977	-	62,500	370,601	-	-	965,357
Total Current Liabilities	4,806,858	63,973,648	14,988,099	8,941,303	30,581,727	6,221,416	151,600	(27,557,696)	102,106,955
Accrued benefits payable	-	4,774,000	2,327,000	-	3,161,000	46,635	-	-	10,308,635
Postretirement benefit plans	-	12,759,951	2,991,442	-	-	229,039	-	-	15,980,432
Intercompany loan payables, net of current portion	-	-	-	11,550,000	-	-	-	(11,550,000)	-
Long-term debt, net of current portion	-	46,685,131	-	-	197,119	-	-	-	46,882,250
Deferred revenue and other liabilities, net of current portion	-	12,958,304	1,249,709	-	1,670,053	2,498,449	-	-	18,376,515
Operating lease liabilities, net of current portion	-	18,419,437	2,388,854	-	11,171,306	5,110,261	-	-	37,089,858
Total Liabilities	4,806,858	159,570,471	23,945,104	20,491,303	46,781,205	14,105,800	151,600	(39,107,696)	230,744,645
Net Assets (Deficit)									
Without donor restrictions	74,623,159	19,329,387	(5,197,162)	(18,542,535)	(13,487,248)	21,392,808	(151,600)	-	77,966,809
With donor restrictions	40,568,100	1,575,122	-	-	134,468	40,945	-	-	42,318,635
Total Net Assets (Deficit)	115,191,259	20,904,509	(5,197,162)	(18,542,535)	(13,352,780)	21,433,753	(151,600)	-	120,285,444
Total Liabilities and Net Assets (Deficit)	\$ 119,998,117	\$ 180,474,980	\$ 18,747,942	\$ 1,948,768	\$ 33,428,425	\$ 35,539,553	\$ -	\$ (39,107,696)	\$ 351,030,089

The Elwyn Foundation and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

June 30, 2025

	The Elwyn Foundation	Elwyn of Pennsylvania and Delaware	Elwyn New Jersey	Sleighton School	Elwyn California	Fellowship Health Resources and Affiliates	Family Support Services	Eliminating Entries	The Elwyn Foundation and Subsidiaries Consolidated
Net Assets Without Donor Restrictions									
Revenues									
Net client service revenue	\$ -	\$ 297,559,440	\$ 41,610,732	\$ -	\$ 92,839,109	\$ 43,348,099	\$ -	\$ -	\$ 475,357,380
Other revenue	727,785	9,668,455	74,985	-	57,356	62,486	-	(8,848,000)	1,743,667
Contributions	2,081,892	-	-	-	-	-	-	-	2,081,892
Contributions from The Elwyn Foundation	-	3,031,736	476,188	-	469,503	-	-	(3,977,427)	-
Spending policy income	3,192,000	-	-	-	-	-	-	-	3,192,000
Net assets released from restrictions for operations	785,427	-	-	-	-	-	-	-	785,427
Total Revenues	6,787,104	310,259,631	42,161,905	-	93,365,968	43,410,585	-	(12,825,427)	483,159,766
Expenses									
Salaries and wages	-	129,562,595	24,196,089	-	56,327,285	20,604,569	-	-	230,690,538
Fringe benefits	-	39,554,607	7,491,049	-	13,746,390	4,313,627	-	-	65,105,673
Purchased personnel	1,192,000	80,228,543	91,240	-	3,193,574	3,050,493	-	(1,192,000)	86,563,850
Occupancy costs	-	8,287,406	1,417,003	-	5,935,519	3,348,833	-	-	18,988,761
Operational costs	174,070	42,116,676	8,114,201	-	14,241,614	8,135,394	-	(7,656,000)	65,125,955
Interest	-	1,700,414	160,116	-	105,209	11,169	-	-	1,976,908
Depreciation	-	6,980,481	750,060	-	49,228	396,207	-	-	8,175,976
Grant expense	3,977,427	-	-	-	-	-	-	(3,977,427)	-
Total Expenses	5,343,497	308,430,722	42,219,758	-	93,598,819	39,860,292	-	(12,825,427)	476,627,661
Operating income (loss) before other items	\$ 1,443,607	\$ 1,828,909	\$ (57,853)	\$ -	\$ (232,851)	\$ 3,550,293	\$ -	\$ -	\$ 6,532,105
Other items:									
Investment return (loss), net of spending policy income	4,496,380	360,540	-	-	(6,297)	17,725	-	(577,500)	4,290,848
Other components of net periodic benefit cost	-	(3,330,806)	(241,501)	-	-	-	-	-	(3,572,307)
Change in fair value of interest rate swap	-	(782,797)	-	-	-	-	-	-	(782,797)
Net loss on sale and disposal of property and equipment	-	(801,477)	-	-	-	(33,048)	-	-	(834,525)
Excess of (deficiency in) revenues and other items over expenses	5,939,987	(2,725,631)	(299,354)	-	(239,148)	3,534,970	-	(577,500)	5,633,324
Other changes in net assets without donor restrictions:									
Pension-related changes other than net periodic benefit cost	-	8,840,211	857,146	-	-	-	-	-	9,697,357
Net assets released from restrictions not for operations	4,207,029	-	-	-	-	-	-	-	4,207,029
Loss on discontinued and non-operating programs	-	-	-	(1,009,518)	-	-	-	577,500	(432,018)
Increase (Decrease) in Net Assets Without Donor Restrictions	10,147,016	6,114,580	557,792	(1,009,518)	(239,148)	3,534,970	-	-	19,105,692
Net assets with donor restrictions									
Contributions and bequests	3,712,661	-	-	-	-	-	-	-	3,712,661
Investment return, net of spending policy income - Donor Restrictions	1,945,779	59,893	-	-	1,459	-	-	-	2,007,131
Net assets released from restrictions	(4,992,456)	-	-	-	-	-	-	-	(4,992,456)
Increase in Net Assets With Donor Restrictions	665,984	59,893	-	-	1,459	-	-	-	727,336
Increase (Decrease) in Net Assets	10,813,000	6,174,473	557,792	(1,009,518)	(237,689)	3,534,970	-	-	19,833,028
Net Assets (Deficit), beginning of year	104,378,259	14,730,036	(5,754,954)	(17,533,017)	(13,115,091)	17,898,783	(151,600)	-	100,452,416
Net Assets (Deficit), end of year	\$ 115,191,259	\$ 20,904,509	\$ (5,197,162)	\$ (18,542,535)	\$ (13,352,780)	\$ 21,433,753	\$ (151,600)	\$ -	\$ 120,285,444