Eastern Christian School Association and Affiliates [a Non-Profit Organization]

Combined Financial Statements

Years Ended August 31, 2018 and 2017

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Years Ended August 31, 2018 and 2017

C O N T E N T S

Independent Auditor's Report

Board of Directors
Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Eastern Christian School Association and Affiliates [a Non-Profit Organization], which comprise the combined statements of financial position as of August 31, 2018 and 2017, and the related combined statements of activities and of cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Eastern Christian School Association and Affiliates [a Non-Profit Organization] as of August 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplementary Information in Relation to the Combined Financial Statements as a Whole

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Sax LLP

Clifton, New Jersey
February 18, 2019

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Combined Statements of Financial Position

	August 31, 2018	August 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,277,771	$ 678,002
Cash temporarily restricted	480,310	2,851
Tuition receivable, net	96,040	108,161
Notes receivable, net	33,629	39,253
Other receivables	34,871	72,033
Unconditional promises to give, net	1,259,170	1,111,612
Accrued income	3,786	5,834
Other current assets	204,163	205,996
Total current assets	3,389,740	2,223,742
PROPERTY AND EQUIPMENT, NET	6,571,757	7,308,296
OTHER ASSETS		
Investments and endowment	7,684,330	7,086,977
Other non-current assets	488,000	636,000
Total other assets	8,172,330	7,722,977
TOTAL ASSETS	**$ 18,133,827**	**$ 17,255,015**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Deferred income	$ 3,114,351	$ 3,215,082
Short-term borrowings	3,610,946	3,179,439
Accounts payable	100,755	196,343
Accrued expenses	294,392	287,696
Loans payable, current portion	78,036	85,844
Total current liabilities	7,198,480	6,964,404
LONG-TERM LIABILITIES	2,080,932	1,992,997
NET ASSETS		
Unrestricted	6,279,327	6,533,405
Temporarily restricted	1,540,741	1,117,126
Permanently restricted	1,034,347	647,083
Total net assets	8,854,415	8,297,614
TOTAL LIABILITIES AND NET ASSETS	**$ 18,133,827**	**$ 17,255,015**

See accompanying Notes to Financial Statements.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Combined Statement of Activities

	Year Ended August 31, 2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Tuition and fees	$ 8,973,520	$ -	$ -	$ 8,973,520
Transportation	254,653	-	-	254,653
Other income	423,470	-	-	423,470
Rental income	181,497	-	-	181,497
Eagle Solar revenue	141,839	-	-	141,839
Ditto revenue	646,779	-	-	646,779
Contributions (including in-kind of $52,109)	1,142,289	1,548,025	387,264	3,077,578
TRIP income	1,268,400	-	-	1,268,400
Eagle Camp revenue	79,649	-	-	79,649
Investment income	118,742	14,613	-	133,355
Net gain (loss) on investments	323,504	57,863	-	381,367
Total revenues	13,554,342	1,620,501	387,264	15,562,107
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	1,196,886	(1,196,886)	-	-
Total revenues, gains, and other support	14,751,228	423,615	387,264	15,562,107
EXPENSES				
Compensation and related expenses	9,162,130	-	-	9,162,130
Association expenses	1,010,751	-	-	1,010,751
Building maintenance	758,779	-	-	758,779
Transportation expenses	98,234	-	-	98,234
Educational supplies	648,041	-	-	648,041
Depreciation and amortization	908,032	-	-	908,032
Insurance	83,667	-	-	83,667
Bad debts	107,651	-	-	107,651
Interest	166,015	-	-	166,015
Other expenses (benefit)	137,130	-	-	137,130
Scholarships/trust disbursements	51,892	-	-	51,892
Eagle Solar expenses	37,225	-	-	37,225
Ditto expenses	220,343	-	-	220,343
TRIP expense	1,250,954	-	-	1,250,954
Eagle Camp expenses	16,091	-	-	16,091
Development expenses	332,817	-	-	332,817
Summer AM Expenses	769	-	-	769
Winter AM Expenes	14,785	-	-	14,785
Total expenses	15,005,306	-	-	15,005,306
Increase (decrease) in net assets	(254,078)	423,615	387,264	556,801
NET ASSETS, *beginning of year*	6,533,405	1,117,126	647,083	8,297,614
NET ASSETS, *end of year*	**$ 6,279,327**	**$ 1,540,741**	**$ 1,034,347**	**$ 8,854,415**

See accompanying Notes to Financial Statements.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Combined Statement of Activities

	Year Ended August 31, 2017			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
REVENUES				
Tuition and fees	$ 8,373,434	$ -	$ -	$ 8,373,434
Transportation	295,241	-	-	295,241
Other income	392,135	-	-	392,135
Rental income	157,117	-	-	157,117
Eagle Solar revenue	177,239	-	-	177,239
Ditto revenue	633,581	-	-	633,581
Contributions (including in-kind of $54,499)	921,406	597,369	2,800	1,521,575
TRIP income	1,536,900	-	-	1,536,900
Eagle Camp revenue	16,538	-	-	16,538
Investment income	114,818	13,080	-	127,898
Net gain (loss) on investments	458,497	75,043	-	533,540
Total revenues	13,076,906	685,492	2,800	13,765,198
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	785,119	(785,119)	-	-
Total revenues, gains, and other support	13,862,025	(99,627)	2,800	13,765,198
EXPENSES				
Compensation and related expenses	8,490,304	-	-	8,490,304
Association expenses	1,075,787	-	-	1,075,787
Building maintenance	920,586	-	-	920,586
Transportation expenses	100,671	-	-	100,671
Educational supplies	719,963	-	-	719,963
Depreciation and amortization	891,543	-	-	891,543
Insurance	78,113	-	-	78,113
Bad debts	47,566	-	-	47,566
Interest	164,499	-	-	164,499
Other expenses (benefit)	(52,794)	-	-	(52,794)
Scholarships/trust disbursements	37,690	-	-	37,690
Eagle Solar expenses	30,249	-	-	30,249
Ditto expenses	218,747	-	-	218,747
TRIP expense	1,529,950	-	-	1,529,950
Eagle Learning Center expenses	15,565	-	-	15,565
Eagle Camp expenses	5,555	-	-	5,555
Development expenses	319,366	-	-	319,366
Total expenses	14,593,360	-	-	14,593,360
Increase (decrease) in net assets	(731,335)	(99,627)	2,800	(828,162)
NET ASSETS, *beginning of year*	7,264,740	1,216,753	644,283	9,125,776
NET ASSETS, *end of year*	**$ 6,533,405**	**$ 1,117,126**	**$ 647,083**	**$ 8,297,614**

See accompanying Notes to Financial Statements.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Combined Statements of Cash Flows

	Years Ended August 31, 2018	2017
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 556,801	$ (828,162)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	908,032	891,543
Net unrealized (gain) loss on investments	286,392	(278,353)
Net unrealized (gain) loss on SREC sales contract	223,000	(12,000)
Deferred tax benefit	(75,000)	(59,000)
Bad debts	107,651	47,566
(Increase) decrease in assets		
Tuition receivable	(95,530)	(84,284)
Notes receivable	5,624	20,798
Other receivables	37,162	(16,065)
Unconditional promises to give	(147,558)	(73,008)
Accrued income	2,048	(600)
Other current assets	1,833	58,885
Increase (decrease) in liabilities		
Deferred income	(100,731)	342,893
Accounts payable	(95,588)	91,517
Accrued expenses	6,696	109,387
	1,620,832	**211,117**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Proceeds from (investment in) endowment assets, net of appropriations	(883,745)	20,202
Acquisition of property and equipment	(171,493)	(386,091)
(Increase) decrease in temporarily restricted cash	(477,459)	197,553
	(1,532,697)	**(168,336)**
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Advances on short-term borrowings	431,507	-
Repayments of short-term borrowings	-	(482,010)
Proceeds from loans payable	170,000	170,000
Repayment of loans payable	(89,873)	(83,221)
	511,634	**(395,231)**
Net increase (decrease) in cash and cash equivalents	**599,769**	**(352,450)**
CASH AND CASH EQUIVALENTS, *beginning of year*	678,002	1,030,452
CASH AND CASH EQUIVALENTS, *end of year*	**$ 1,277,771**	**$ 678,002**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 166,015	$ 164,449

See accompanying Notes to Financial Statements.

Note 1 - Summary of Significant Accounting Policies

a. Basis of Combination

The accompanying combined financial statements of Eastern Christian School Association and Affiliates [a Non-Profit Organization] ("the Organization"), includes the following entities: Eastern Christian School Association ("ECSA"), The Foundation for Eastern Christian School Association ("Foundation"), Ditto of North Jersey, LLC ("Ditto"), and Eagle Solar, LLC ("Eagle"). Hereinafter, the combined entities are referred to as "The Organization". All inter-company balances and transactions have been eliminated in this combination.

b. Nature of Activities

The Eastern Christian School Association ("ECSA") is a Non-Profit organization established under the laws of the State of New Jersey. The Organization operates as a private school and is dedicated to educating children in grades K-12 in the Light of God's Word. There are three campuses located in northern New Jersey. The Organization is supported primarily through tuition and contributions from members.

The Foundation for Eastern Christian School Association ("the Foundation") is a Non-Profit organization established under the laws of the State of New Jersey and is under common control with ECSA. The Foundation is responsible for the fundraising activities and the acceptance of contributions to the Organization.

Ditto of North Jersey, LLC ("Ditto") is a single member limited liability company established under the laws of the State of Delaware and is wholly-owned by the Foundation. Ditto operates as an upscale resale store which retails donated merchandise and is located in North Haledon, New Jersey. Ditto commenced operations in September 2010.

Eagle Solar, LLC ("Eagle") is a single member limited liability company established under the laws of the State of Delaware and is wholly-owned by ECSA. Eagle owns and operates three solar power systems, placed at each of the Organization's school locations. The solar equipment commenced generating power between June and July 2011.

c. Financial Statement Presentation

The Organization's financial statement presentation is in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205-05 Financial Statements of Not-for-Profit Organizations. Under ASC 958-205-05, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

d. Cash and Cash Equivalents

For purposes of the combined statements of cash flows, the Organization considers all highly liquid, non-endowment, investments with an initial maturity of three months or less to be cash equivalents.

Note 1 - Summary of Significant Accounting Policies - Continued

e. Tuition and Notes Receivable

The Organization uses the reserve for bad debt method of valuing tuition receivable which is based on historical experience, coupled with a review of the current status of existing receivables. The reserve for doubtful accounts against tuition receivable was $194,643 and $197,144 for the years ended August 31, 2018 and 2017, respectively.

In order to secure payment on balances owed, the Organization will require families to sign promissory notes for unpaid tuition balances. Reserve for bad debt on notes is based on historical experience, coupled with payment history in accordance with terms of the underlying note agreements. The reserve for doubtful accounts against note receivables was $68,154 and $71,546 for the years ended August 31, 2018 and 2017, respectively.

Balances of tuition and notes receivable are as follows:

	August 31	
	2018	2017
Tuition receivable	$ 290,683	$ 305,305
Notes receivable	101,783	110,799
Total	392,466	416,104
Less reserve for doubtful accounts	262,797	268,690
Net tuition and notes receivable	$ 129,669	$ 147,414

f. Tuition Revenues

Tuition revenue is recognized monthly over the term of the school year and is shown net of financial aid scholarships awarded to students. Scholarships awarded to students totaled $1,817,631 and $1,784,294 for the years ended August 31, 2018 and 2017, respectively.

g. Property and Equipment

Property and equipment are carried at cost for purchased items and at fair value for contributed items at the time they are donated. Major improvements are capitalized and amortized over their useful lives. Maintenance and repairs are treated as expenses.

Depreciation and amortization is provided in amounts sufficient to write-off the cost of depreciable assets, less salvage value, over their estimated useful lives. Depreciation is computed by using the straight-line method over the following estimated useful lives of the depreciable assets.

Buildings	40 years
Improvements	10 - 40 years
Vehicles and buses	10 years
Furniture and fixtures	5 - 10 years

Note 1 - Summary of Significant Accounting Policies - Continued

h. Property and Equipment - Continued

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of August 31, 2018 and 2017, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

i. Restricted and Unrestricted Revenue

Revenue that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

j. Donated Services and Materials

Volunteers contribute time in conjunction with the Organization's programs and services. The value of these services is not included in these combined financial statements, since they would not typically be purchased by the Organization and do not require specialized skills. Donated materials are recorded at their estimated fair market value at the date of donation and are included on the combined statements of activities under the caption contributions.

Merchandise donated to Ditto and sold during the year is included under the caption "Ditto revenue" on the combined statements of activities. Merchandise donated to Ditto and not sold during the year is included under the caption "Contributions" on the combined statements of activities. Merchandise donated to Ditto and not sold is valued at an estimated fair value based on the quantity of items on hand and the historical average sales price realized. As of August 31, 2018, and 2017, Ditto had merchandise valued at $47,593, respectively, on hand and is included under the caption "other current assets" on the combined statements of financial position.

k. Investments

Investments in marketable securities and debt securities are classified as available for sale and are carried at fair market value on a recurring basis. Unrealized gains and losses are included in the change in net assets. Investment income is reported net of investment fees of $44,014 and $38,616 for the years ended August 31, 2018 and 2017, respectively.

Note 1 - Summary of Significant Accounting Policies - Continued

l. Financial Instruments

“Eagle” entered into a forward fixed-price sales contract in February 2011 to sell energy credits generated by the solar power system, located at the middle school campus, to Rockland Electric Company. The contract was entered into to reduce the Organizations exposure to fluctuations in the energy credit market. This contract is recognized as either an asset or liability at fair value in the combined statements of financial position with the changes in the fair value reported in current-period earnings. The contract value is classified on the combined statements of financial position as well as other non-current assets (See Note 5) and the change in the fair value is recorded on the income statement in Eagle Solar Revenue. For the year ended August 31, 2018, the Organization recognized a reduction in the fair value of $16,000, on this contract. Where for the year ended August 31, 2017, the Organization recognized a gain in the fair value of $12,000, on this contract.

m. Fair Value measurement

The Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurement and Disclosure, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with ASC Topic 820-10-35, the Organization groups assets and liabilities at fair value into three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Quoted market prices for identical instruments traded in active markets.

Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Model based techniques that use significant assumptions not observable in the market.

For the fiscal years ended August 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent.

n. Tax Status

"ECSA", "Foundation", and "Ditto" are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes. "Eagle" has elected to be taxed as a corporation for federal and state income taxes.

Note 1 - Summary of Significant Accounting Policies - Continued

n. Tax Status - Continued

Deferred taxes on “Eagle” are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, operating loss, and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

“Eagle” has net operating loss carryforwards of approximately $1,900,000 for federal and state income tax purposes as of August 31, 2018, that expire at various times through 2035 and are subject to certain limitations and statutory expiration periods.

Deferred income tax assets and liabilities for “Eagle” arise from temporary differences relating to operating losses and depreciation and amortization being reported for financial accounting and tax purposes in different periods. The provision for deferred Federal and New Jersey state income taxes consisted of a net (expense) for the year ended August 31, 2018 and a net benefit for the year ended 2017 in the amounts of ($132,000) and $59,000, respectively, and is included on the combined statements of activities under the caption “Other expenses”. The actual tax expense for the years ended August 31, 2018 and 2017 differs from the “expected” tax expense (computed by applying the federal and state corporation tax rates to earnings before taxes) due to state taxes, domestic production activities, and certain nondeductible expenses. Long-term deferred tax assets are reported net of long-term deferred tax liabilities and are classified on the combined statements of financial position as “Other non-current assets” (See Note 5).

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the combined financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the combined financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Organization recognizes interest associated with unrecognized tax benefits in interest expense and penalties as operating expenses.

The Organization files income tax returns in the U.S. Federal jurisdiction, as well as in the New Jersey state jurisdiction.

o. Accounting Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statement and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies - Continued

p. Endowment Funds

Net Asset Classification - The Organization's endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments to support ECSA. As required by accounting principles generally accepted in the United States of America, net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds and additional contributions to those funds, absent explicit donor stipulations to the contrary. As permitted by donor-imposition, the remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets, if expended within the next year, or temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization is governed subject to the Governing documents for the Organization and most contributions are received subject to the terms of the Governing Document.

Under the terms of the Governing Documents, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund.
b. The purposes of the Organization and the donor-restricted endowment fund.
c. General economic conditions.
d. The possible effect of inflation and deflation.
e. The expected total return from income and the appreciation of investments.
f. Other resources of the Organization.
g. The investment policies of the Organization.

As a result of the ability to distribute corpus, the Board of Directors has determined that all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted, or unrestricted, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will at some future time become available for spending it is recorded as temporarily restricted, if the corpus never becomes available for spending it will be reported as permanently restricted.

Endowment Investment and Spending Policies - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization's spending and investment policies work together to achieve this objective. The investment policy established an achievable return objective through diversification of asset classes. The current long-term return objective is to return 9%, net of investment fees. Actual returns in any given year may vary from this amount.

Note 1 - Summary of Significant Accounting Policies - Continued

p. Endowment Funds - Continued

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Organization's endowment funds for the administration of its programs. The current spending policy is to distribute the greater of $450,000 or 5% of the average ending account balance for the prior 16 quarters, until such time as an account history of 20 rolling quarters is established, at which time the distribution shall be equal to the greater of $450,000 or 5% of the average ending account balance for the prior 20 quarters. In establishing the dollar distribution for the next fiscal year, the account balance at November 30 of each year shall be included as one of the 20 quarters included in this calculation. Management believes this is consistent with the objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through gifts and investment return.

q. Concentration of Credit Risk for Cash Held at Financial Institutions

The Organization maintains substantially all of its cash balances with one financial institution. From time to time, the Organization maintained cash balances in excess of the federally insured limits.

r. Reclassifications

Certain reclassifications have been made to the prior amounts to conform to the current year presentation.

s. Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through February 18, 2019, the date the combined financial statements were available to be issued.

Note 2 - Fair Value

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities, and short-term borrowings approximates fair value due to the short maturity of these instruments. The carrying amount of the Organization's loans payable approximates fair value because the interest rates fluctuate with market interest rates.

Endowment Investments - The fair value for substantially all of the Organization's endowment investments is determined by the use of quoted market prices obtained from an independent third-party pricing service. Based on the nature of the investments the fair value of investments is considered a Level 1 item within the Fair Value hierarchy.

Forward Fixed-Price Sales Contract - Forward fixed-price sales contract does not trade in an active, open market with readily observable prices. Accordingly, "Eagle" estimates the fair value of this contract using discounted cash flow ("DCF") models incorporating closing spot energy credit prices on an active exchange, energy credit generation capacity of the underlying solar equipment; contract fixed sales price, market discount rates, and default rates. Due to the nature of the valuation inputs, the contract is classified within Level 2 of the valuation hierarchy.

Note 2 - Fair Value - Continued

Assets measured at fair value and are summarized as follows:

	August 31, 2018				
	Level 1	Level 2	Level 3	Cost	Unrealized Income
Money market funds	$ 57,362	$ -	$ -	$ 57,362	$ -
Fixed Income					
Domestic mutual funds	2,672,948	-	-	2,690,738	(17,790)
Alternative assets					
Real estate funds	-	-	-	-	-
Equities					
Domestic mutual funds	2,483,639	-	-	2,095,520	388,119
International mutual funds	1,526,184	-	-	1,327,713	198,471
Barnabas Conservative fund	944,197	-	-	753,472	190,725
Forward fixed-price sales contract	-	114,000	-	-	114,000
Total	$ 7,684,330	$ 114,000	$ -	$ 6,924,805	$ 873,525

	August 31, 2017				
	Level 1	Level 2	Level 3	Cost	Unrealized Income
Money market funds	$ 275,818	$ -	$ -	$ 275,818	$ -
Fixed Income					
Domestic mutual funds	2,181,155	-	-	2,132,990	48,165
Alternative assets					
Real estate funds	319,349	-	-	253,248	66,101
Equities					
Domestic mutual funds	1,790,670	-	-	1,300,406	490,264
International mutual funds	1,816,223	-	-	1,497,531	318,692
Barnabas Conservative fund	703,762	-	-	581,067	122,695
Forward fixed-price sales contract	-	130,000	-	-	130,000
Total	$ 7,086,977	$ 130,000	$ -	$ 6,041,060	$ 1,175,917

The Organization holds investments which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the fair value of investments reported in the combined statement of financial position.

Note 3 - Endowments

The Organization's endowment fund is comprised of board designated endowment funds and donor-restricted endowment funds. Endowment net asset composition and changes in endowment net assets by type of fund, as of and for the years ended August 31, 2018 and 2017 are as follows:

	August 31, 2018				
	Board Designated	Donor Designated			
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, August 31, 2017	$ 6,383,313	$ (209,079)	$ 265,660	$ 647,083	$ 7,086,977
Contributions	342,412	-	-	161,024	503,436
Investment return					
Investment income	102,703	-	14,411	-	117,114
Net gain (loss) on investments	323,504	-	57,863	-	381,367
Amounts appropriated for expenditure					
Operations	(450,000)	-	-	-	(450,000)
ECSA	4,481	6,586	-	-	11,067
Eagle Solar	21,431	-	-	-	21,431
Ditto	12,938	-	-	-	12,938
Endowment net assets, August 31, 2018	$ 6,740,782	$ (202,493)	$ 337,934	$ 808,107	$ 7,684,330

	August 31, 2017				
	Board Designated	Donor Designated			
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, August 31, 2016	$ 6,184,094	$ (215,441)	$ 215,289	$ 644,283	$ 6,828,225
Contributions	40,783	-	-	2,800	43,583
Investment return					
Investment income	112,416	-	13,019	-	125,435
Net gain (loss) on investments	458,497	-	75,042	-	533,539
Amounts appropriated for expenditure					
Operations	(450,000)	-	(37,690)	-	(487,690)
ECSA	4,437	6,362	-	-	10,799
Eagle Solar	20,591	-	-	-	20,591
Ditto	12,495	-	-	-	12,495
Endowment Net Assets, August 31, 2017	$ 6,383,313	$ (209,079)	$ 265,660	$ 647,083	$ 7,086,977

The Organization appropriated additional funds from both the board designated endowment funds and donor-restricted endowment funds. It is anticipated that these amounts advanced to ECSA, Eagle Solar, and Ditto will be returned to the endowment, with interest at 4% per annum. Total appropriations outstanding and to be returned to the board designated endowment as of August 31, 2018 and 2017 are $528,211 and $567,061, respectively. Total appropriations outstanding and to be returned to the donor-restricted endowment as of August 31, 2018 and 2017 are $202,493 and 209,079, respectively.

Note 4 - Property and Equipment

Property and equipment consists of the following:

	August 31 2018	August 31 2017
Land	$ 182,000	$ 182,000
Buildings and improvements	11,411,557	11,411,557
Vehicles and buses	1,145,515	1,080,064
Furniture and fixtures	303,155	303,155
Fixed Assets - Eagle Solar, LLC	2,969,010	2,969,010
Fixed Assets - Ditto of North Jersey, LLC	543,268	543,268
Construction in progress	156,919	156,919
Total	16,711,424	16,645,973
Less accumulated depreciation	10,139,667	9,337,677
Net Property and Equipment	$ 6,571,757	$ 7,308,296

Note 5 - Other Assets

Other assets consist of the following:

	August 31 2018	August 31 2017
Other current assets		
Prepaid expenses	$ 103,772	$ 115,058
Deposits	1,325	1,325
TRIP cards on hand	26,305	42,020
Eagle Solar SREC on account	25,168	-
Ditto inventory	47,593	47,593
Total other current assets	$ 204,163	$ 205,996
Other non-current assets		
Gross deferred tax asset (Note 1-n)	$ 505,000	$ 840,000
Gross deferred tax liability (Note 1-n)	(131,000)	(334,000)
FMV of long-term sales contract (Note 1-l)	114,000	130,000
Total other non-current assets	$ 488,000	$ 636,000

Note 6 - Short-Term Borrowings

ECSA entered into a line of credit agreement with JPMorgan Chase bank in May 2012 in the amount of $2,500,000. The loan is collateralized by essentially all of ECSA's assets and bears interest at the adjusted LIBOR rate plus 1.5%, however, never to be more than 5.50%. In March 2015, ECSA negotiated a change in interest rate to adjusted LIBOR rate plus 1%. The effective rate at August 31, 2018 was 3.125%. This line expires February 28, 2019. As of August 31, 2018, and 2017, there was an outstanding balance of $1,776,368 and $1,315,990, respectively.

In May 2012, Eagle obtained a new line of credit with JPMorgan Chase. The line of credit has a limit of $2,000,000 and is collateralized by the unrestricted endowment assets of ECSA and the assets of Eagle. The line bears interest at the adjusted LIBOR rate plus 1.5%, however, never to be more than 5.50%. In March 2015, ECSA negotiated a change in interest rate to adjusted LIBOR rate plus 1%. The effective rate at August 31, 2018 was 3.125%. This line expires February 28, 2019. As of August 31, 2018, and 2017, there was an outstanding balance of $1,834,578 and $1,863,449, respectively.

ECSA renewed a line of credit with Atlantic Stewardship Bank which expires May 15, 2019. The line of credit has a limit of $500,000 and is collateralized by the property at 25 Baldwin Drive, Midland Park, New Jersey. The line bears interest at the Prime rate plus 1%, however, never to be more than 5.25%. As of August 31, 2018, and 2017, there was an outstanding balance of -0-.

Note 7 - Loans Payable

Loans payable as of August 31, 2018 and 2017 consist of the following:

	August 31	
	2018	2017
Note payable to Atlantic Stewardship Bank in monthly installments of $5,700 including interest of 4.625% through August 15, 2028, collateralized by the property at 25 Baldin Drive, Midland Park.	$ 548,911	$ 590,501
Note payable to Atlantic Stewardship Bank in monthly installments of $5,895 including interest of 4.625% through June 1, 2032, collateralized by the property at 25 Baldin Drive, Midland Park.	720,057	756,292
Private loan to various personal investors including related party members of ECSA management and the board of trustees, in interest only payments of 3.5%, matures October 2021.	300,000	300,000
Private loan to various personal investors including related party members of ECSA management and the board of trustees, in interest only payments of 3.5%, various maturities through August 2023.	590,000	420,000
Private loan to various personal investors including related party members of ECSA management and the board of trustees, in interest only payments of 4%, matures October 2021.	-	12,048
Total	2,158,968	2,078,841
Less current portion	78,036	85,844
Loans payable, net of current portion	$ 2,080,932	$ 1,992,997

Note 7 - Loans Payable - Continued

Future maturities of this debt are as follows:

Years ending August 31,	
2019	$ 78,036
2020	162,318
2021	557,211
2022	262,200
2023	272,926
Thereafter	826,277
Total notes payable	$ 2,158,968

Note 8 - Multiple Employer Pension Plan

The Organization participates in the Christian Schools Pension Plan and Trust Fund, which is sponsored by Christian Schools International. All employees that work 1,000 hours or more per year are eligible and must participate in the plan. The Organization contributes 6% of an eligible employee's gross salary.

The plan provides for a retirement benefit, a death benefit, and disability income. A refund of contributions is available to those who leave the Pension Trust Program. The Organization made contributions to the plan totaling $419,732 and $331,013 for the years ended August 31, 2018 and 2017, respectively.

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	August 31,	
	2018	2017
Housing loans for teachers	$ 35,000	$ 35,000
Equipment purchases	56,577	56,886
Scholarships and awards	284,538	338,283
Atheletic field improvements	1,164,626	686,957
Total temporarily restricted net assets	$ 1,540,741	$ 1,117,126

Note 10 - Permanently Restricted Net Assets

Permanently restricted net assets represent endowment funds which are restricted for the following objectives:

	August 31,	
	2018	2017
Equipment purchases	$ 26,580	$ 27,017
Scholarships	781,527	620,066
Pledge receivable for scholarships	226,240	-
Total permanently restricted net assets	$ 1,034,347	$ 647,083

Note 11 - Lease Obligations

Ditto entered into a lease agreement for the use of the facility in North Haledon, NJ under an operating lease, which commenced August 1, 2010 and expires on July 31, 2020. The Organization signed a lease agreement to rent a store front location in North Haledon, NJ for the Eagle Learning Center under an operating lease, which expired on June 30, 2017. The Organization also leases certain office equipment under operating leases. The total lease expense recorded for the years ended August 31, 2018 and 2017 was $158,466 and $170,653, respectively.

The future minimum lease payments under these operating leases are as follows:

Years ending August 31,	
2019	$ 158,466
2020	83,140
2021	26,000
Total	$ 267,606

Note 12 - Recent Accounting Pronouncements

In 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2016, the FASB issued ASU 2016-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the combined financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the pending adoption of the new standard on the Organization financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The standard sets out to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's ("NFP's") liquidity, financial performance, and cash flows. The standard is effective for the fiscal years beginning after December 15, 2017.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Supplementary Schedule - Combining Statement of Financial Position

Year Ended August 31, 2018

	Combining Information						
	Eastern Christian School Association	**Eagle Solar, LLC**	**Ditto of North Jersey, LLC**	**The Foundation for Eastern Christian School Association**	**Total**	**Eliminating Entries**	**Combined Total**
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$ 1,070,787	$ 114,591	$ 42,710	$ 49,683	$ 1,277,771	$ -	$ 1,277,771
Cash temporarily restricted	480,310	-	-	-	480,310	-	480,310
Tuition receivable, net	96,040	-	-	-	96,040	-	96,040
Notes receivable, net	33,629	-	-	-	33,629	-	33,629
Other receivables	34,871	-	-	-	34,871	-	34,871
Unconditional promises to give, net	1,259,170	-	-	-	1,259,170	-	1,259,170
Accrued income	3,786	-	-	-	3,786	-	3,786
Other current assets	98,012	25,168	54,678	26,305	204,163	-	204,163
Total current assets	3,076,605	139,759	97,388	75,988	3,389,740	-	3,389,740
PROPERTY AND EQUIPMENT, NET	5,561,503	841,118	169,136	-	6,571,757	-	6,571,757
OTHER ASSETS							
Investment and endowment	7,684,330	-	-	-	7,684,330	-	7,684,330
Due from affiliate	730,704	-	-	-	730,704	(730,704)	-
Investment in Eagle Solar, LLC	(579,084)	-	-	-	(579,084)	579,084	-
Other non-current assets	-	488,000	-	-	488,000	-	488,000
Total other assets	7,835,950	488,000	-	-	8,323,950	(151,620)	8,172,330
TOTAL ASSETS	**$ 16,474,058**	**$ 1,468,877**	**$ 266,524**	**$ 75,988**	**$ 18,285,447**	**$ (151,620)**	**$ 18,133,827**
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Deferred income	$ 2,953,808	$ -	$ -	$ 160,543	$ 3,114,351	$ -	$ 3,114,351
Short-term borrowings	1,776,368	1,834,578	-	-	3,610,946	-	3,610,946
Accounts payable	95,929	4,826	-	-	100,755	-	100,755
Accrued expenses	294,392	-	-	-	294,392	-	294,392
Loans payable, current portion	78,036	-	-	-	78,036	-	78,036
Total current liabilities	5,198,533	1,839,404	-	160,543	7,198,480	-	7,198,480
LONG-TERM LIABILITIES							
Due to affiliates	245,728	208,557	276,419	-	730,704	(730,704)	-
Loans payable, net of current portion	2,080,932	-	-	-	2,080,932	-	2,080,932
Total long-term liabilities	2,326,660	208,557	276,419	-	2,811,636	(730,704)	2,080,932
NET ASSETS	8,948,865	(579,084)	(9,895)	(84,555)	8,275,331	579,084	8,854,415
TOTAL LIABILITIES AND NET ASSETS	**$ 16,474,058**	**$ 1,468,877**	**$ 266,524**	**$ 75,988**	**$ 18,285,447**	**$ (151,620)**	**$ 18,133,827**

See Independent Auditor's Report.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]
Supplementary Schedule - Combining Statement of Financial Position

Year Ended August 31, 2017

	Combining Information						
	Eastern Christian School Association	**Eagle Solar, LLC**	**Ditto of North Jersey, LLC**	**The Foundation for Eastern Christian School Association**	**Total**	**Eliminating Entries**	**Combined Total**
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$ 552,466	$ 43,162	$ 41,524	$ 40,850	$ 678,002	$ -	$ 678,002
Cash temporarily restricted	2,851	-	-	-	2,851	-	2,851
Tuition receivable, net	108,161	-	-	-	108,161	-	108,161
Notes receivable, net	39,253	-	-	-	39,253	-	39,253
Other receivables	11,074	60,959	-	-	72,033	-	72,033
Unconditional promises to give, net	1,111,612	-	-	-	1,111,612	-	1,111,612
Accrued income	5,834	-	-	-	5,834	-	5,834
Other current assets	109,298	-	54,678	42,020	205,996	-	205,996
Total current assets	1,940,549	104,121	96,202	82,870	2,223,742	-	2,223,742
PROPERTY AND EQUIPMENT, NET	5,948,310	1,138,018	221,968	-	7,308,296	-	7,308,296
OTHER ASSETS							
Investment and endowment	7,086,977	-	-	-	7,086,977	-	7,086,977
Due from affiliate	776,140	-	-	-	776,140	(776,140)	-
Investment in Eagle Solar, LLC	(241,889)	-	-	-	(241,889)	241,889	-
Other non-current assets	-	636,000	-	-	636,000	-	636,000
Total other assets	7,621,228	636,000	-	-	8,257,228	(534,251)	7,722,977
TOTAL ASSETS	**$ 15,510,087**	**$ 1,878,139**	**$ 318,170**	**$ 82,870**	**$ 17,789,266**	**$ (534,251)**	**$ 17,255,015**
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Deferred income	$ 3,064,536	$ -	$ -	$ 150,546	$ 3,215,082	$ -	$ 3,215,082
Short-term borrowings	1,315,990	1,863,449	-	-	3,179,439	-	3,179,439
Accounts payable	151,533	26,591	18,219	-	196,343	-	196,343
Accrued expenses	287,696	-	-	-	287,696	-	287,696
Loans payable, current portion	85,844	-	-	-	85,844	-	85,844
Total current liabilities	4,905,599	1,890,040	18,219	150,546	6,964,404	-	6,964,404
LONG-TERM LIABILITIES							
Due to affiliates	256,795	229,988	289,357	-	776,140	(776,140)	-
Loans payable, net of current portion	1,992,997	-	-	-	1,992,997	-	1,992,997
Total non-current liabilities	2,249,792	229,988	289,357	-	2,769,137	(776,140)	1,992,997
NET ASSETS	8,354,696	(241,889)	10,594	(67,676)	8,055,725	241,889	8,297,614
TOTAL LIABILITIES AND NET ASSETS	**$ 15,510,087**	**$ 1,878,139**	**$ 318,170**	**$ 82,870**	**$ 17,789,266**	**$ (534,251)**	**$ 17,255,015**

See Independent Auditor's Report.

Eastern Christian School Association and Affiliates
[a Non-Profit Organization]

Supplementary Schedule - Combining Statement of Activities

Year Ended August 31, 2018

	Combining Information						
	Eastern Christian School Association	**Eagle Solar, LLC**	**Ditto of North Jersey, LLC**	**The Foundation for Eastern Christian School Association**	**Total**	**Eliminating Entries**	**Combined Total**
OPERATING REVENUES							
Tuition and fees	$ 8,973,520	$ -	$ -	$ -	$ 8,973,520	$ -	$ 8,973,520
Transportation	254,653	-	-	-	254,653	-	254,653
Other income	406,565	-	-	25,715	432,280	(8,810)	423,470
Rental income	181,497	-	-	-	181,497	-	181,497
Eagle Solar revenue	-	180,425	-	-	180,425	(38,586)	141,839
Eagle Camp revenue	79,649	-	-	-	79,649	-	79,649
Ditto revenue	-	-	646,779	-	646,779	-	646,779
Contributions	-	-	166	3,077,412	3,077,578	-	3,077,578
TRIP income	-	-	-	1,268,400	1,268,400	-	1,268,400
Total operating revenues	9,895,884	180,425	646,945	4,371,527	15,094,781	(47,396)	15,047,385
OPERATING EXPENSES							
Compensation and related expenses	8,674,479	-	190,338	297,313	9,162,130	-	9,162,130
Association expenses	1,010,751	-	-	-	1,010,751	-	1,010,751
Building maintenance	797,365	-	-	-	797,365	(38,586)	758,779
Transportation expenses	98,234	-	-	-	98,234	-	98,234
Educational supplies	648,041	-	-	-	648,041	-	648,041
Depreciation and amortization	558,300	296,900	52,832	-	908,032	-	908,032
Insurance	83,667	-	-	-	83,667	-	83,667
Bad debts	107,651	-	-	-	107,651	-	107,651
Interest	113,409	51,495	9,921	-	174,825	(8,810)	166,015
Other expenses (benefit)	5,130	132,000	-	-	137,130	-	137,130
Scholarships/trust disbursements	51,892	-	-	-	51,892	-	51,892
Eagle Solar expenses	-	37,225	-	-	37,225	-	37,225
Ditto expenses	-	-	220,343	-	220,343	-	220,343
TRIP expense	-	-	-	1,250,954	1,250,954	-	1,250,954
Eagle Camp expenses	16,091	-	-	-	16,091	-	16,091
Development expenses	-	-	-	332,817	332,817	-	332,817
Summer AM Expenses	769	-	-	-	769	-	769
Winter AM Expenes	14,785	-	-	-	14,785	-	14,785
Total operating expenses	12,180,564	517,620	473,434	1,881,084	15,052,702	(47,396)	15,005,306
Sub-Total	(2,284,680)	(337,195)	173,511	2,490,443	42,079	-	42,079
NET ASSETS TRANSFERRED							
Assets transferred to / (from) affiliate	2,684,443	-	(194,000)	(2,490,443)	-	-	-
Equity in earnings on investment in Eagle Solar, LLC	(337,195)	-			(337,195)	337,195	-
Total net assets transferred	2,347,248	-	(194,000)	(2,490,443)	(337,195)	337,195	-
ASSOCIATION ENDOWMENT							
Investment income	133,355	-	-	-	133,355	-	133,355
Net gain on investments	381,367	-	-	-	381,367	-	381,367
Total association endowment	514,722	-	-	-	514,722	-	514,722
INCREASE (DECREASE) IN NET ASSETS	**$ 577,290**	**$ (337,195)**	**$ (20,489)**	**$ -**	**$ 219,606**	**$ 337,195**	**$ 556,801**

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Eastern Christian School Association and Affiliates
[a Non-Profit Organization]
Supplementary Schedule - Combining Statement of Activities

Year Ended August 31, 2017

	Combining Information						
	Eastern Christian School Association	Eagle Solar, LLC	Ditto of North Jersey, LLC	The Foundation for Eastern Christian School Association	Total	Eliminating Entries	Combined Total
OPERATING REVENUES							
Tuition and fees	$ 8,373,434	$ -	$ -	$ -	$ 8,373,434	$ -	$ 8,373,434
Transportation	295,241	-	-	-	295,241	-	295,241
Other income	380,673	-	-	21,110	401,783	(9,648)	392,135
Rental income	160,717	-	-	-	160,717	(3,600)	157,117
Eagle Solar revenue	-	241,411	-	-	241,411	(64,172)	177,239
Eagle Camp revenue	16,538	-	-	-	16,538	-	16,538
Ditto revenue	-	-	633,581	-	633,581	-	633,581
Contributions	-	-	1,311	1,520,264	1,521,575	-	1,521,575
TRIP income	-	-	-	1,536,900	1,536,900	-	1,536,900
Total operating revenues	9,226,603	241,411	634,892	3,078,274	13,181,180	(77,420)	13,103,760
OPERATING EXPENSES							
Compensation and related expenses	7,997,541	10,500	191,128	291,135	8,490,304	-	8,490,304
Association expenses	1,075,787	-	-	-	1,075,787	-	1,075,787
Building maintenance	984,758	-	-	-	984,758	(64,172)	920,586
Transportation expenses	100,671	-	-	-	100,671	-	100,671
Educational supplies	719,963	-	-	-	719,963	-	719,963
Depreciation and amortization	541,811	296,900	52,832	-	891,543	-	891,543
Insurance	78,113	-	-	-	78,113	-	78,113
Bad debts	47,566	-	-	-	47,566	-	47,566
Interest	120,598	43,183	10,366	-	174,147	(9,648)	164,499
Other expenses (benefit)	6,206	(59,000)	-	-	(52,794)	-	(52,794)
Scholarships/trust disbursements	37,690	-	-	-	37,690	-	37,690
Eagle Solar expenses	-	33,849	-	-	33,849	(3,600)	30,249
Ditto expenses	-	-	218,747	-	218,747	-	218,747
TRIP expense	-	-	-	1,529,950	1,529,950	-	1,529,950
Eagle Learning Center expenses	15,565	-	-	-	15,565	-	15,565
Eagle Camp expenses	5,555	-	-	-	5,555	-	5,555
Development expenses	-	-	-	319,366	319,366	-	319,366
Total operating Expenses	11,731,824	325,432	473,073	2,140,451	14,670,780	(77,420)	14,593,360
Sub-Total	(2,505,221)	(84,021)	161,819	937,823	(1,489,600)	-	(1,489,600)
NET ASSETS TRANSFERRED							
Assets transferred to / (from) affiliate	1,129,823	-	(192,000)	(937,823)	-	-	-
Equity in earnings on investment in Eagle Solar, LLC	(84,021)	-	-	-	84,021	(84,021)	-
Total net assets transferred	1,045,802	-	(192,000)	(937,823)	84,021	(84,021)	-
ASSOCIATION ENDOWMENT							
Investment income	127,898	-	-	-	127,898	-	127,898
Net gain on investments	533,540	-	-	-	533,540	-	533,540
Total association endowment	661,438	-	-	-	661,438	-	661,438
(DECREASE) IN NET ASSETS	**$ (797,981)**	**$ (84,021)**	**$ (30,181)**	$ -	**$ (912,183)**	**$ (84,021)**	**$ (828,162)**

See Independent Auditor's Report.