

The Elwyn Foundation and Subsidiaries

Annual Financial Information

For the fiscal years ending June 30

Statistical Summary

Listed below are selected operating statistics for The Elwyn Foundation and Subsidiaries.

COVID-19 has had an overall impact to Elwyn's client revenue and resulted in temporary decreases in census and service delivery particularly during fiscal year 2021. While the pandemic continues to impact Elwyn, client revenue has returned to pre-pandemic levels.

June 30	2022⁽¹⁾	2021⁽¹⁾	2020⁽¹⁾
Number of residential clients	913	928	1,009
Number of non-residential clients ⁽²⁾	12,952	12,868	12,242
Total number of annual clients	13,865	13,796	13,251
Residential client revenue (in millions)	\$202.4	\$198.5	\$193.0
Non-residential client revenue (in millions)	\$173.4	\$165.6	\$184.6
Total Client Revenues (in millions)	\$375.8	\$364.1	\$377.6
Annual % growth in revenues	3.2%	-3.6%	3.3%
Staff FTE	3,617	3,826	3,583
Staff Turnover	30.9%	26.5%	37.2%

⁽¹⁾ - Due to the availability and comparability of data, the number of residential clients and number of non-residential clients served excludes the clients served by Fellowship Health Resources.

⁽²⁾ - Prior year non-residential client counts have been adjusted to conform with current year presentation. The change is primarily due to the discontinuation of certain educational programs during the fiscal year ending June 30, 2021.

The Elwyn Foundation and Subsidiaries

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As of June 30, 2022

Investment Summary

Without donor restrictions	
Board-designated quasi endowment	33,156,105
Other	18,723,941
With donor restrictions	
Endowment	26,367,246
Other	2,331,320
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Total investments	80,578,612
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Cash and cash equivalents	45,777,751
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Total	126,356,363
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The Elwyn Foundation and Subsidiaries

Annual Financial Information

Fiscal 2022

Employee Complement

	Employees	FTEs
<u>Personnel Totals by Service Line (PA/DE/FSS)</u>		
Early Learning Services	270	238.6
Education	191	181.3
Supports for Living (Adult IDD)	603	711.1
Behavioral Health	437	360.3
Work Day & Supportive Employment	102	104.4
Business Services (Private and Federal)	96	85.5
Health Services	49	50.1
Support Services / Administrative	230	237.5
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Subtotal	1,978	1,968.7
 <u>Personnel Totals by Service Line (NJ)</u>		
Supports for Living (Adult IDD)	383	449.0
Work Day & Supportive Employment	74	36.1
Support Services / Administrative	28	24.9
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Subtotal	485	509.9
 <u>Personnel Totals by Service Line (CA)</u>		
Supports for Living (Adult IDD)	987	708.1
Work Day & Supportive Employment	73	58.2
Support Services / Administrative	4	4.8
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Subtotal	1,064	771.0
 <u>Personnel Totals by Service Line (FHR)</u>		
Behavioral Health	356	343.0
Support Services / Administrative	30	24.0
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Subtotal	386	367.0
Grand Total	3,913	3,616.7

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Outstanding Debt

Debt Series	Amount Outstanding
<u>Amortizing Debt</u>	
Revenue Bonds 2017 Series	16,810,000
Revenue Bonds 2018 Series	
Series A-1	9,867,314
Series A-2	4,909,681
Series B	11,714,090
Mortgage Note	97,819
Mortgage Note	99,300
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Subtotal	43,498,204
<u>Non-Amortizing Debt</u>	
Mortgage Note	309,900
Mortgage Note	313,147
Mortgage Note	136,106
Mortgage Note	270,000
Mortgage Note	391,573
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Subtotal	1,420,726
Total	<u>44,918,930</u>

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Sources of Revenue by Payor Type

Elwyn's revenue is derived from a variety of governmental, commercial and private payors. The following table depicts the mix of payors and the percentage of the total revenue for services received from each payor.

Payor Type	2022	2021
Medicaid	49%	51%
State contracts	29%	28%
Managed care organizations	8%	8%
Federal contracts	5%	4%
Other	5%	5%
County contracts	4%	4%
	100%	100%

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For the fiscal years ended June 30

Sources of Revenue by Service Line

Elwyn currently derives its net client revenue for programs and services from a variety of sources under a number of contracts and appropriations. The table below shows net client revenues by service line.

Service Line	2022	2021
Supports for Living (including Work and Day)	52.0%	53.0%
Children's Services	32.0%	31.0%
Adult Behavioral Health	16.0%	16.0%
	100.0%	100.0%

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Sources of Revenue by Service Type

Elwyn currently derives its net client revenue for programs and services from a variety of sources under a number of contracts and appropriations. The table below shows net client revenues by service type.

Service Type	2022	2021
Residential care	54%	55%
Care and education of students	29%	28%
Clinical and day habilitation services	10%	10%
Training and rehabilitation services	4%	4%
Vocational rehabilitation services	3%	3%
	100%	100%

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For the years ended June 30

Ten largest Payors by Percentage of Total

Payor	2022 Revenue⁽¹⁾	2022 % of Revenue	Payor	2021 Revenue⁽¹⁾	2021 % of Revenue
PA - Department of Education, including Office of Child Development and Early Learning	94,933	25%	PA - Department of Education, including Office of Child Development and Early Learning	88,763	24%
PA - Department of Human Services	67,867	18%	PA - Department of Human Services	66,888	18%
NJ - Department of Human Services, including Medicaid and Division of Developmental Disabilities	35,689	9%	NJ - Department of Human Services, including Medicaid and Division of Developmental Disabilities	38,955	11%
CA - Regional Center of East Bay	25,151	7%	CA - Regional Center of East Bay	22,974	6%
Magellan Behavioral Health	13,348	4%	Magellan Behavioral Health	12,540	3%
CA - San Andreas Regional Center	11,912	3%	CA - San Andreas Regional Center	12,285	3%
CA - Eastern LA Regional Center	11,480	3%	CA - Eastern LA Regional Center	9,644	3%
CA - Northern LA Regional Center	9,367	2%	CA - Northern LA Regional Center	8,961	2%
CA - North Bay Regional Center	8,637	2%	CA - North Bay Regional Center	8,453	2%
Community Behavioral Health	8,166	2%	PA - Delaware County Office of MH/MR	8,257	2%
	<u>286,552</u>	<u>75%</u>		<u>277,720</u>	<u>74%</u>

⁽¹⁾ - The amounts shown reflect revenue net of contractual allowances

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For the years ended June 30

Contributions to the Elwyn Foundation

	2022		2021	
	<u>Amount</u>	<u>Donations</u>	<u>Amount</u>	<u>Donations</u>
Contributions - Without donor restrictions	2,066,953	569	1,810,597	694
Contributions - With Donor Restrictions	<u>1,908,286</u>	448	<u>589,559</u>	772
Total	<u><u>\$ 3,975,239</u></u>		<u><u>\$ 2,400,156</u></u>	

THE ELWYN FOUNDATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2022 and 2021

June 30,	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 45,777,751	\$ 38,936,004
Restricted cash	3,331,979	878,182
Investments	20,807,000	3,591,000
Assets limited as to use	-	10,651,492
Accounts receivable, net	33,957,123	35,789,590
Estimated settlements due from third-party payors	2,220,469	-
Prepaid expenses and other current assets	2,998,370	5,271,675
Contribution receivable	755,568	654,031
Total Current Assets	109,848,260	95,771,974
Investments, net of current portion	59,771,612	85,314,010
Assets Limited as to Use, net of current portion	1,691,942	1,689,959
Property and Equipment, net	64,821,187	61,369,431
Operating Lease Assets, net	64,364,714	67,564,013
Other Assets		
Estimated settlements due from third-party payors, net of current portion	5,415,203	6,273,881
Contribution receivable, net of discount and current portion	1,579,598	1,604,670
Assets held for sale	7,356,675	3,458,768
Other long-term assets	1,438,424	1,515,692
Total Other Assets	15,789,900	12,853,011
Total Assets	\$ 316,287,615	\$ 324,562,398

THE ELWYN FOUNDATION AND SUBSIDIARIES

Consolidated Balance Sheets
June 30, 2022 and 2021

June 30,	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 1,347,917	\$ 1,117,130
Paycheck protection program loan	-	3,239,500
Accounts payable and accrued expenses, salaries and benefits	62,221,991	57,714,367
Deferred revenue and other liabilities	18,948,951	22,299,587
Operating lease liabilities	11,805,712	12,165,213
Deposits held in custody for others	853,279	809,051
Total Current Liabilities	95,177,850	97,344,848
Accrued benefits payable	8,006,000	3,373,223
Postretirement benefit plans	19,581,718	17,061,464
Long-term debt, net of current portion	43,929,564	56,659,245
Operating lease liabilities, net of current portion	54,172,629	57,097,884
Deferred revenue and other liabilities, net of current portion	22,722,750	9,120,667
Total Liabilities	243,590,511	240,657,331
Net Assets		
Without donor restrictions	37,453,710	45,351,146
With donor restrictions	35,243,394	38,553,921
Total Net Assets	72,697,104	83,905,067
Total Liabilities and Net Assets	\$ 316,287,615	\$ 324,562,398

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

THE ELWYN FOUNDATION AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2022 and 2021

Year Ended June 30,	2022	2021
Net Assets Without Donor Restrictions		
Revenues		
Net client service revenue	\$ 375,824,074	\$ 364,085,640
Other revenue	1,473,122	2,361,653
Contributions	2,102,354	2,034,833
Contribution on Paycheck Protection Program loan forgiveness	3,239,500	-
Spending policy income	2,790,680	2,372,000
Net assets released from restrictions for operations	337,721	505,283
Total Revenues	385,767,451	371,359,409
Expenses		
Salaries and wages	192,494,086	184,865,568
Fringe benefits	51,742,589	55,999,186
Purchased personnel	57,869,467	50,504,313
Occupancy costs	18,680,984	17,886,378
Operational costs	52,795,367	53,610,767
Interest	2,474,060	3,038,746
Depreciation	6,205,584	6,280,661
Total Expenses	382,262,137	372,185,619
Operating income (loss) before other items	3,505,314	(826,210)
Other items:		
Investment return, net of spending policy income	(6,756,819)	9,013,481
Other components of net periodic benefit cost	(600,463)	(1,315,299)
Loss on extinguishment of debt	(185,413)	-
Impairment of property and equipment	-	(1,372,115)
Net (loss) gain on disposal of property and equipment	(254,070)	5,755,981
(Deficiency) excess of revenues and other items over expenses	(4,291,451)	11,255,838
Other changes in net assets without donor restrictions:		
Pension-related changes other than net periodic benefit cost	(2,659,724)	12,159,719
Net assets released from restrictions not for operations	-	112,800
Loss on discontinued and non-operating programs	(946,261)	(1,197,771)
(Decrease) Increase in Net Assets Without Donor Restrictions	(7,897,436)	22,330,586
Net Assets with Donor Restrictions		
Contributions and bequests	1,916,736	723,498
Investment return, net of spending policy income - Donor Restrictions	(4,889,542)	6,142,162
Net assets released from restrictions	(337,721)	(618,083)
(Decrease) Increase in Net Assets With Donor Restrictions	(3,310,527)	6,247,577
(Decrease) Increase in Net Assets	(11,207,963)	28,578,163
Net Assets, beginning of year	83,905,067	55,326,904
Net Assets, end of year	\$ 72,697,104	\$ 83,905,067

The Elwyn Foundation and Subsidiaries

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For the fiscal year ending June 30, 2022

Debt Service Coverage Ratio

Total Revenues	385,767,451
Total Operating Expenses - Without donor restrictions	382,262,137
Less: Depreciation	(6,205,584)
Less: Interest	(2,474,060)
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	373,582,493
Net Revenue Available for Debt Service	12,184,958
Maximum Annual Debt Service	3,263,143
Maximum Annual Debt Service Coverage	3.73
Required ratio	1.10

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As of June 30, 2022

Days Cash on Hand

Cash and cash equivalents	45,777,751
Lines of Credit - Total	45,000,000
Less: Line of Credit - Outstanding	-
Less: Letters of Credit issued on line of credit	(4,510,000)
Investments - Current	20,807,000
Investments - Noncurrent	59,771,612
Less: Net Assets with donor restrictions	(35,243,394)
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	131,602,969
 Total Operating Expenses - Without donor restrictions	 382,262,137
Less: Depreciation	(6,205,584)
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	376,056,553
 Ratio	 0.35
Days cash on hand (Ratio x 365)	128
Required ratio	50