Inperium, Inc.

Consolidated Financial Statements and
Supplementary Information

Years Ended June 30, 2019 and 2018
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

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INPERIUM, INC.

YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

MaherDuessel

<u>**Independent Auditor's Report**</u>

Board of Directors
Inperium, Inc.

We have audited the accompanying consolidated financial statements of Inperium, Inc. (nonprofit organization) and affiliates, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of South Jersey Behavioral Health Resources, Inc. (SJBH) and Guidance Center of Camden County Development Corp. (GCENT), wholly-owned affiliates, which statements reflect total assets constituting 14% of consolidated total assets at June 30, 2019, and total revenues constituting 9% (excluding contributions of net assets from affiliates) of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for SJBH and GCENT, is based solely on the reports of the other auditors. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Inperium, Inc. and affiliates as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, Inperium, Inc. adopted Accounting Standards Update 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* which requires not-for-profit entities to use the placed-in-service approach for contributions related to long-lived assets, changes how a nonprofit organization classifies its net assets, and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity, among other requirements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 54 through 65 is presented for purposes of additional analysis and is 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.

Maher Duessel

Harrisburg, Pennsylvania
December 17, 2019

INPERIUM, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	$ 6,911,427	$ 426,846
Accounts receivable	15,585,509	12,997,753
Inventory	18,718	19,776
Prepaid expenses	1,196,591	686,440
Total current assets	23,712,245	14,130,815
Land, buildings, leasehold improvements, and equipment:		
Land and buildings	45,505,088	35,215,348
Computer equipment	748,355	549,130
Furniture and fixtures	789,445	411,307
Leasehold improvements	2,444,016	2,409,458
Office equipment	785,277	686,790
Transportation equipment	2,392,915	2,229,036
Construction in process	278,622	116,866
	52,943,718	41,617,935
Less: accumulated depreciation	(6,622,292)	(4,994,732)
Net land, buildings, leasehold improvements, and equipment	46,321,426	36,623,203
Other assets:		
Security deposits	126,863	121,717
Deferred funding of depreciation	1,363,882	-
Loan receivable	367,117	242,789
Goodwill	2,078,744	2,208,358
Investments	1,079,751	1,018,832
Beneficial interests and charitable remainder trust	2,597,494	2,609,776
Total other assets	7,613,851	6,201,472
Total Assets	$ 77,647,522	$ 56,955,490
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Revolving line of credit	$ 4,899,351	$ 3,016,743
Accounts payable	3,133,761	4,130,165
Deferred revenue	247,814	374,268
Salaries and wages payable	6,921,484	5,245,284
Payroll taxes and amounts withheld from employees	123,337	128,403
Current portion of capital lease obligation	37,642	41,839
Due to State of New Jersey	1,646,800	154,290
Current portion of long-term debt	1,616,057	1,315,514
Total current liabilities	18,626,246	14,406,506
Long-term liabilities:		
Deferred revenue - long -term	2,469,267	-
Accrued lease escalations	-	86,176
Security deposits payable	-	6,008
Capital lease obligation	32,624	70,665
Other long term Liabilities	121,456	2,712
Due to State of New Jersey	-	83,043
Bond (net bond issuance costs)	2,256,160	-
Long-term debt (net of financing costs)	15,273,631	12,693,579
Total long-term liabilities	20,153,138	12,942,183
Total Liabilities	38,779,384	27,348,689
Net Assets:		
Without donor restrictions	35,541,995	26,484,480
With donor restrictions	3,326,143	3,122,321
Total net assets	38,868,138	29,606,801
Total Liabilities and Net Assets	$ 77,647,522	$ 56,955,490

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

INPERIUM, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
Public Support, Revenues, Gains, and Other Support	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Contract revenue	$ 101,241,552	$ -	$ 101,241,552	$ 81,766,784	$ -	$ 81,766,784
Contributions/grants	9,060,563	216,066	9,276,629	3,914,489	93,060	4,007,549
Client fees	2,864,897	-	2,864,897	2,432,413	-	2,432,413
Other program fees	1,776,870	-	1,776,870	1,268,036	-	1,268,036
Other income	1,323,689	(18,125)	1,305,564	584,643	48,592	633,235
Interest income	162,844	5,881	168,725	80,547	3,276	83,823
Inherent contributions of net assets from affiliates	7,575,092	-	7,575,092	19,879,430	2,934,625	22,814,055
Sales (net discounts)	1,482,401	-	1,482,401	805,669	-	805,669
Total public support, revenues, gains, and other support	125,487,908	203,822	125,691,730	110,732,011	3,079,553	113,811,564
Expenses:						
Program	100,626,820	-	100,626,820	80,070,335	-	80,070,335
Management and general	14,720,794	-	14,720,794	8,774,975	-	8,774,975
Fundraising	496,024	-	496,024	175,837	-	175,837
Total expenses	115,843,638	-	115,843,638	89,021,147	-	89,021,147
Change in net assets before non-operating income	9,644,270	203,822	9,848,092	21,710,864	3,079,553	24,790,417
Non-Operating Income						
Non-operating gains (loss)	(586,755)	-	(586,755)	(1,781,704)	-	(1,781,704)
Total non-operating income	(586,755)	-	(586,755)	(1,781,704)	-	(1,781,704)
Change in net assets after non-operating income	9,057,515	203,822	9,261,337	19,929,160	3,079,553	23,008,713
Net Assets:						
Beginning of year	26,484,480	3,122,321	29,606,801	6,555,320	42,768	6,598,088
End of year	$ 35,541,995	$ 3,326,143	$ 38,868,138	$ 26,484,480	$ 3,122,321	$ 29,606,801

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

INPERIUM, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019				2018			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Expenses:								
Payroll	$ 63,099,382	$ 8,386,931	$ 208,635	$ 71,694,948	$ 50,258,150	$ 5,847,502	$ 67,335	$ 56,172,987
Payroll taxes and employee benefits	13,006,023	1,510,365	21,842	14,538,230	10,412,574	655,887	3,944	11,072,405
Total payroll and related expenses	76,105,405	9,897,296	230,477	86,233,178	60,670,724	6,503,389	71,279	67,245,392
Client transportation	2,104,450	221,640	2,299	2,328,389	1,723,758	95,498	1,494	1,820,750
Communications	1,000,783	350,969	23,018	1,374,770	858,022	152,050	18,120	1,028,192
Contract personnel	7,030,323	2,261,596	22,622	9,314,541	5,414,869	986,742	7,975	6,409,586
Housekeeping expense	2,043,903	-	-	2,043,903	1,632,139	-	-	1,632,139
Insurance expense	1,134,477	37,745	-	1,172,222	602,898	93,083	-	695,981
Interest expense	630,988	438,079	-	1,069,067	534,421	80,442	-	614,863
Maintenance and repairs	1,744,908	159,881	1,802	1,906,591	1,470,760	140,200	-	1,610,960
Rent expense	2,315,941	279,352	3,114	2,598,407	1,820,080	170,013	-	1,990,093
Supplies and operating expenses	3,296,252	1,008,435	211,545	4,516,232	3,028,852	370,334	74,843	3,474,029
Utilities	1,660,653	58,380	1,035	1,720,068	1,345,159	37,435	-	1,382,594
Total expenses before depreciation	99,068,083	14,713,373	495,912	114,277,368	79,101,682	8,629,186	173,711	87,904,579
Depreciation	1,558,737	7,421	112	1,566,270	968,653	145,789	2,126	1,116,568
Total expenses	$ 100,626,820	$ 14,720,794	$ 496,024	$ 115,843,638	$ 80,070,335	$ 8,774,975	$ 175,837	$ 89,021,147

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

INPERIUM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities:		
Increase in net assets	$ 9,261,337	$ 23,008,713
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	1,566,270	1,116,568
(Gain) loss of sale of assets	(25,831)	(29,971)
Contribution from affiliation	(7,575,092)	(25,735,870)
Debt forgiveness	(206,017)	-
Change in:		
Accounts receivable	(1,868,702)	(2,448,262)
Prepaid expenses	(323,787)	(474,070)
Inventory	1,058	2,149
Other assets	10,978	236,852
Accounts payable	(1,500,866)	670,756
Other current liabilities	966,307	672,804
Net cash provided by operating activities	305,655	(2,980,331)
Cash Flows From Investing Activities:		
Proceeds from sale of assets	31,243	20,974
Cash aquired in affiliation with other companies	10,718,935	1,166,454
Purchase of:		
Land and buildings	(1,785,781)	(2,437,827)
Computer equipment	(199,224)	(39,715)
Furniture and fixtures	(189,839)	(53,529)
Leasehold improvements	(34,558)	(68,710)
Office equipment	(93,010)	(93,313)
Transportation equipment	(11,233)	(214,367)
Net cash used in investing activities	8,436,533	(1,720,033)
Cash Flows From Financing Activities:		
Net borrowings (repayment) on line of credit	1,882,607	2,216,743
Borrowings on long-term debt	1,662,073	3,516,930
Unpaid surplus/contract payments	1,418,964	-
Repayment of refundable advance	(5,760,922)	
Repayment of capital lease debt	(42,238)	(72,087)
Repayment of long-term debt	(1,418,091)	(1,352,404)
Net cash provided by (used in) financing activities	(2,257,607)	4,309,182
Net Increase (Decrease) in Cash and Cash Equivalents	6,484,581	(391,182)
Cash and Cash Equivalents:		
Beginning of year	426,846	818,028
End of year	$ 6,911,427	$ 426,846
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	$ 987,559	$ 413,368

The Company affiliated with four companies during the fiscal year between July 1, 2018 and May 14, 2019. The Company affiliated with five companies during the previous fiscal year between September 30, 2017 and November 2, 2017. In addition, the Company acquired two companies between October 31, 2017 and March 2018 (Note 17). In conjunction with the acquisition, liabilities were assumed and a contribution was received as follows:

	2019	2018
Fair value of assets acquired	$ 22,157,897	$ 35,225,609
Liabilities assumed	(14,582,805)	(9,489,739)
Contribution received in acquisition	$ 7,575,092	$ 25,735,870

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

1. Nature of the Business

These consolidated financial statements for the year ended June 30, 2019 include the accounts and operations of Inperium, Inc. (the Company), which consists of operations from Inperium Management Services Inc. (IMS), Supportive Concepts for Families, Inc. (SCFFI), all wholly owned subsidiaries of SCFFI, Community Prevention Partnership of Berks County (CPP), Edison Court, Inc. (ECI), Inperium of New Jersey (INJ), New Horizon Treatment Services (NHTS), South Jersey Behavioral Health (SJBH), Guidance Center of Camden County (GCENT), Youth Services Agency (YSA), Reading Specialists Educational Association (RSEA), Affinity Forensics Services (AFS), The Children's Home of Reading (CHOR), The Children's Home of Reading Youth & Family Services (CHORYFS), Inperium of New York (INY), Alternative Consulting Enterprises (ACE), Alvarium Healthcare (AH), Alvarium Personal Care, LLC. (APC), Wake Enterprises, Inc. (WAKE). See Note 17 regarding agreements with new affiliated organizations. The Company's purpose is to provide management oversight, governance, and support to allow its affiliates to fulfill their respective mission and direction in the field of behavioral health.

Inperium Inperium was incorporated in January 2016 and operates as a consolidator, primarily for not-for profit enterprises, in order to enable them to efficiently and effectively leverage financial, technological and human resources in furtherance of their own unique mission.

Inperium Management Services, Inc. IMS was incorporated on June 15, 2017 and provides operational, management, and administrative services to organizations in fulfilling their respective missions.

Supportive Concepts for Families, Inc. SCFFI was incorporated on February 2, 1993 and acts as the parent company for its subsidiaries as well as providing program services in the social services field in multiple counties throughout the Commonwealth of Pennsylvania (Commonwealth). SCFFI is incorporated in the Commonwealth as a nonprofit entity. Effective January 12, 2016, SCFFI became wholly owned by the Company. The programs operated by SCFFI are as follows:

Residential Habilitation Services: Community Living Arrangements

Residential Habilitation Services for intellectually and developmentally disabled individuals are provided in a twenty-four hour per day community home setting. The individuals, in conjunction with their families, advocates, and county support coordinators, meet with agency programming and nursing staff to discuss available program sites that would best accommodate the individual's needs. Areas for discussion and planning include physical home site locations and modifications, staff supervision requirements, physical and behavioral health needs, and suitable housemates. Residential Habilitation Services are provided to protect the health and welfare of individuals who reside at the residential setting by assisting them in acquiring, retaining, and improving self-help, socialization, and adaptive skills necessary to reside successfully in the community. Examples of general support service areas may include the following: self-care, communication, fine and gross motor skills, mobility, therapeutic activities, personal adjustment, relationship development, socialization, and use of community resources.

Individuals and their families are offered the opportunity to be introduced to and spend time with both prospective roommates, as well as the staff members responsible for their support, and are encouraged to offer feedback for continual program enhancement. SCFFI stresses the utilization of Person-Directed Services, the client choice approach, throughout all services offered.

SCFFI makes arrangements for any services the individuals may require on a daily basis and as authorized by the referral source. Family members and advocates may have as much involvement in these services as they choose. As the provider, SCFFI is responsible for all needs of the individual twenty-four hours a day, seven days a week.

SCFFI strives to ensure that each individual becomes an active member of the community in which they reside and supports individuals receiving care in the pursuit of their recreational, vocational, social, educational, and religious interests.

Nursing oversight and intervention is included in this comprehensive service model.

Types of CHIPP Services

Housing Support – Supported Living Services provided to recipients in varied locations depending on service need, identified goals up to and including supervision 24 hours per day. Sites include apartments, shared housing with family/friends, personal care boarding home, life sharing arrangements and SCFFI residential programs. Examples of types of support include: identifying and utilizing community resources, transportation, supports during medical appointments, securing housing resources, and medication administration.

Behavioral Health Support – Monthly psychiatric visits, weekly monitoring of medical and psychiatric needs by a psychiatric nurse, acquisition of weekly medical supplies, mobile therapy, and assistance with appointment scheduling.

Twenty-four hour on-call service to address emergency issues.

Crisis/Diversion – Provision of temporary respite to aid in the stabilization of psychiatric symptoms and defer the unnecessary utilization of psychiatric hospitalizations.

Financial Assistance – Budgeting services, representative payee sponsorship, apartment furnishings, rent subsidies (up to sixty percent), and security deposits.

Vocational Assistance – Support in developing resumes, exploring local job/volunteer markets, job placement and follow-up, club house, drop-in center, and involvement in other meaningful daily activities.

Types of Home and Community Based Waiver Services

Home and Community Based Waiver services are direct services provided by trained community specialists. They assist individuals in need of assistance with acquiring, retaining, or improving skills needed to live more independently in the community. Examples of habilitative support include: assistance with adult daily living skills, domestic tasks, socialization, and adaptive skills.

Life Sharing

Life sharing allows the individual to reside in a home with a well-trained provider and the provider's family. Individuals direct their own support services by participating in the development of their annual Individual Support Plan (ISP) and ensuring that all areas of their daily living needs are met as outlined in the ISP and assessment. Individuals reside in the least restrictive setting identified to meet their needs and are encouraged to function as independently as possible. If at any point during the service a change is desired, interdisciplinary team members are available to discuss the change and take any means necessary to adapt to the request. Behavioral health support services, including psychiatric care and the development of behavioral support plans and training for caregivers, are available as authorized in the ISP. Nursing oversight and intervention are also included in this comprehensive service.

Adult Training Program (ATP)

SCFFI provides Adult Training Services, which are licensed and regulated by the Pennsylvania Department of Human Services, Bureau of Human Services Licensing, under 55 PA. Code Chapter 2380. Supports are developed according to each individual's unique service needs and with a staffing complement determined by the interdisciplinary team members. Support services provided at the ATP include: supervision, training, and support in general areas of self-care, communication, community participation, and socialization. On-site kitchen availability provides the opportunity for dietary education and community involvement occurs on a monthly basis. State-of-the-art facilities and highly trained staff provide an optimum day service environment for individuals to grow and develop important daily living skills and foster independence. ATP service hours are Monday through Friday, 8:00 a.m. to 4:00 p.m. Specialized transportation is available for all ATP day outings and registered nurses and licensed practical nurses are available in the event of injury or illness. The ATP site is fully wheelchair accessible and is equipped with American with Disabilities Act (ADA) restroom facilities.

Types of Respite Services

Respite services are for the temporary relief of the persons normally responsible for the care and support of individuals in service.

In Home Respite – These services are provided in the private home of the individual's family or friends.

Out of Home Respite – These services are provided in a licensed physical site including Community Living Arrangement (6400 licensed) or Life Sharing (6500 licensed).

Person Directed Clinical Services, LLC dba Person Driven Clinical Solutions (PDCS) PDCS is a Pennsylvania Limited Liability Company with nonprofit status and was formed on January 13, 2015. PDCS's sole member is SCFFI. PDCS is a qualified provider of Behavioral Support Services to individuals with Mental Health / Intellectual Developmental Disabilities. PDCS also offers individualized technical assistance; on-site consultations and trainings to a variety of organizations across the United States interested in implementing the Person Directed Framework (PDF). It is primarily under contract with human service organizations participating in the public social service systems of the Commonwealth.

Harmonycrest Personal Care Services, LLC (Harmonycrest) Harmonycrest was organized on October 9, 2012 as a Pennsylvania Limited Liability Company with nonprofit status. Its sole member is SCFFI. Harmonycrest offers Personal Care Home services in a well-maintained home located in a quiet, country setting in Berks County. The home is licensed and regulated by the Pennsylvania Department of Human Services, Bureau of Human Services Licensing, under 55 PA. Code Chapter 2600 regulations. Home administration and oversight is provided by a Pennsylvania licensed Personal Care Home Administrator/Registered Nurse. Well trained personal care home specialists with experience in issues surrounding aging, as well as mental health and physical health disorders, are on site twenty-four hours per day, seven days per week to provide professional, compassionate support to residents. Support offered within the home include assistance with all adult daily living needs, the provision of nutritious meals, laundry service, and medication administration support. The Personal Care Home can support residents with physical disabilities and offers first floor, wheelchair accessible bathrooms, dining room, and lounge areas. A full-time Activities Coordinator is on site to ensure that the socialization needs of residents are met and a Medical Director is available twenty-four hours per day, seven days per week for medical consultation.

Fortis Holdings, Inc. (Fortis Holdings) Fortis Holdings was incorporated in the Commonwealth on March 26, 2015 as a for profit "S" corporation. Fortis Holdings is wholly owned by SCFFI. Fortis Holdings acts as the holding company for Fortis Housing Services, LLC. Fortis Holdings was incorporated for the primary purpose to create common shares in a for-profit entity to support the Company's newly created Employee Stock Ownership Program (ESOP). See Retirement Plan Note 12.

Fortis Housing Services, LLC (Fortis Housing) Fortis Housing was formed as a Pennsylvania Limited Liability Company on May 21, 2015 and its sole member is Fortis Holdings. On October 20, 2015, Harmonycrest HS was merged into Fortis Housing Services, LLC and certain real estate, related mortgages, and affiliated leases were merged into Fortis Housing. Fortis Housing was formed to hold real estate and support potential contributions made to the ESOP.

Inperium Shared Services, LLC (ISS) ISS was formed as a Pennsylvania Limited Liability Company on June 15, 2017 and its sole member is Fortis Holdings. ISS was formed to provide back office services to organizations not affiliated under Inperium.

Callan Housing Services, LLC (Callan) Callan was formed on March 2, 2015 as a nonprofit Pennsylvania Limited Liability Company with SCFFI as its sole member. Callan was formed for the primary purpose of owning, managing, and leasing real estate to SCFFI. On May 23, 2019, Callan merged into SCFFI.

Sustainable Energy Lighting Solutions, LLC (SELS) SELS was formed on January 22, 2015 as a "for profit" Pennsylvania Limited Liability Company with SCFFI as its sole member. SELS was formed to evaluate, recommend, and implement energy consumption reduction strategies and to provide electrical service needs.

S Automotive & Fleet Services, LLC (SAFS) SAFS was formed on December 22, 2015 as a "for profit" Pennsylvania Limited Liability Company with SCFFI as its sole member. SAFS was formed to create a resource to provide quality auto repair service to the Company's internal fleet, other companies, and the general public.

Alternative Consulting Enterprises (ACE) ACE was acquired on March 15, 2018 by SCFFI and provides tele-psychiatric outpatient counseling and behavioral health services to members of the community including individuals with mental health and intellectual disabilities.

Community Prevention Partnership of Berks County, Inc. Effective January 27, 2016, the Company became sole member of CPP. CPP is a Commonwealth nonprofit organization, which serves Berks County and surrounding communities. The mission of CPP is to make a difference by offering a variety of prevention services that help to address problems and risks associated with: alcohol, tobacco and other drug; violence; teen pregnancy; abuse; crime; school dropout; and other related social issues.

Community Drug, Alcohol, and Youth Violence Prevention Programs

The Drug Free Communities Program provides technical assistance and support to the Northeast Community Springboard Coalition located in the Northeast section of the City of Reading. The work of the coalition is focused on reducing youth use of alcohol and drugs. Funding for this program is provided by the Substance Abuse and Mental Health Services Administration office of the Department of Health & Human Services.

Council on Chemical Abuse Programs

Through funding from the Council on Chemical Abuse, CPP provides support and resources to community groups and adults focusing on youth substance abuse and violence prevention. By collaborating with the youth coalition, this county-wide effort includes a strong focus on increasing awareness of and combating the significant problem of underage drinking.

Family Support Programs

Parent Partner Program provides support to parents with a child in one of the child-serving systems, including special education, drug and alcohol, juvenile probation, and mental health/developmental disabilities, helping the parents navigate the systems. The program is funded through a contract with Service Access and Management, Inc. through the Berks County Office of Mental Health/Developmental Disabilities.

Education Leading to Employment and Career Training (ELECT) is a contracted program with the Berks County Intermediate Unit that assists pregnant and parenting teens to stay in school, earn a high school diploma or GED, and make the transition to employment.

Home Visitation Programs

Nurse-Family Partnership Program provides evidence-based home visitation by registered nurses to first- time, low-income families. The goals of the program are to improve pregnancy outcomes, improve child health and development and improve the economic self-sufficiency of the family. The program serves 254 families in Berks County and 75 families in Schuylkill County.

Parents as Teachers Program provides evidence-based home visitation services to families, pregnant or parenting children birth through Kindergarten. The goals of the program are to increase parental knowledge of child growth and development, provide early detection of developmental delays, prevent child abuse and neglect and increase school readiness. Parents as Teachers serves 225 Berks County families.

Eat, Play grow is a childhood obesity prevention program serving Latino families with children ages 2-6 years, residing within the city or Reading. The program is funded the Office of Minority Health (Federal).

Education and Training Programs

Kids Against Pressure provides skill building in an after-school program that serves Latino students in elementary schools in Reading. The program focuses on enhancing self-esteem while recognizing and accepting individual limitation and developing social skills to build positive peer relationships. The program is funded through a contract with Service Access & Management, Inc. through the Berks County Office of Mental Health/Developmental Disabilities.

Circle of Friends Drop-In-Center serves adult consumers of mental health services and provides them with socialization and support services. This program is funded through a contract with Service Access and Management, Inc. through the Berks County Office of Mental Health/Developmental Disabilities.

Edison Court, Inc. (ECI) Effective February 24, 2017, the Company became sole member of ECI. ECI is a Commonwealth nonprofit organization that serves Bucks County and surrounding communities. ECI is a community-based treatment center which provides professional training, academic education, inpatient and outpatient rehabilitative treatment, and supportive psychological services. A variety of programs are provided by ECI.

Mathom House is a Residential Treatment Facility (RTF) with a specialized education program. Mathom House is licensed by the Pennsylvania Department of Human Services (DHS) to provide residential and secure care to juveniles, and the academic program is administered through the Bucks County Intermediate Unit. There are two wings of the building which are governed by separate DHS standards. The east side is a secure unit and the west side is a residential unit where juveniles have a higher level of privileges and trust. The 15,000-square foot facility contains 31 bedrooms, numerous group and class rooms, cafeteria, a gymnasium, offices, and “day rooms” where youth and Child Care Workers recreate in comfortable surroundings adjacent to a multi-purpose courtyard. Referrals are generated from the Juvenile Probation Office and Children and Youth agencies.

Easton Manor is a seven-bed step-down facility that provides transitional living for adolescent males with problem sexual behaviors. Easton Manor is an RTF with a specialized education program that provides a bridge between residential placement and the community through real-time learning and community living skills practice. Easton Manor is licensed by DHS and the academic program is administered through the Bucks County Intermediate Unit.

PATHS is an eight-bed community-based specialized group treatment home for boys between the ages of 10 and 15 who have exhibited sexually problematic behaviors. The program provides therapeutic intervention that focuses on changing behaviors, developing safety plans to deal with sexual impulses, understanding the cycle of abuse, and developing healthier coping mechanisms to ensure either a safe return home to a family setting or an appropriate out-of-home placement setting.

Ravenhill is a comprehensive psychological and forensic treatment facility located in Doylestown and Levittown, Pennsylvania. Ravenhill's youth programs specialize in the assessment and treatment of children and adolescents who have become known to the juvenile justice or child welfare system. Ravenhill relies on the principles of ‘Risk, Need, and Responsivity’ to evaluate the risk of ongoing problematic behavior, the primary needs of the youth, including developmental and social needs, and the youth’s likely responsiveness to treatment or special learning needs that need to be taken into account to ensure evidence based practice treatment services are best matched to the youth. Ravenhill places an emphasis on community and potential victim safety by working to treat and prevent recidivism. Ravenhill’s Adult Forensic groups are designed to offer help to men and women who react aggressively out of anger, or those who emotionally, physically, and/or sexually hurt others.

Inperium of New Jersey, Inc. (INJ) INJ is a New Jersey non-profit corporation of which Inperium, Inc. is the sole member. INJ's purpose is to support Inperium's New Jersey affiliates.

New Horizon Treatment Services, Inc. (NHTS) Effective October 1, 2017, the Company became sole member of NHTS. NHTS was established in 1984 as a nonprofit organization in New Jersey. NHTS's mission is to provide rehabilitation services to persons who are dependent on, addicted to, or abusers of opiate drugs, non-opiate base drugs, and substance materials; and engaging in other related and incidental charitable activities. NHTS is primarily funded by the State of New Jersey Department of Human Services (New Jersey DHS).

South Jersey Behavioral Health Resources, Inc. (SJBH) Effective September 1, 2018, the Company became sole corporate member of SJBH. SJBH with various locations in southern New Jersey, is a private, nonprofit Agency established in 1984. The Agency provides mental health services to the residents of Camden County. The Agency's support is primarily received from a contract with the State of New Jersey, Department of Human Services, Division of Mental Health Services. The contract reimburses the net eligible costs of specific programs. In addition to the above-referenced funding source, the Agency receives fee from patients and their parties such as client insurance, Medicaid and Medicare that are reflected as patient revenues.

Guidance Center of Camden County Development Corp. (GCENT) Effective September 1, 2018, the company became an affiliate of INJ. GCENT is a New Jersey non-profit corporation that owns real property that operates two boarding homes for the mentally disadvantaged. The Agency is related to SJBH through common control and management.

Youth Services Agency, Inc. (YSA). Effective September 30, 2017, the Company became sole member of YSA. YSA provides a range of services for at-risk youth in the Juvenile Justice Systems within Pennsylvania and the surrounding mid-Atlantic region. YSA's mission is to maintain at-risk youth in their families and communities, where possible, and to help these youth become responsible and functional members of their communities. YSA offers short-term and longer-term residential programs, educational and vocational training opportunities, and adventure-based learning and responsibility programs.

Reading Specialists Education Association (RSEA) Effective October 31, 2017, the Company became sole member of RSEA. RSEA is a Commonwealth nonprofit organization whose mission is to provide dedicated professional experience in the design and implementation of programs that address the needs of children and adolescents who have been both victims and perpetrators of domestic violence and sexual abuse. The organization provides training and education to juvenile offenders and prepares them to be competitive in the workforce.

Affinity Forensic Services, LLC (AFS) Effective October 31, 2017, the Company acquired 100% membership interest of AFS. AFS is a Pennsylvania LLC that delivers outpatient treatment for victims and perpetrators of sexual abuse to adult and juvenile offenders as well as provides placement for children who are sexual offenders or victims or sexual abuse into foster care rehabilitation. AFS also provides an adolescent specialized treatment program to assess and treat juvenile male sex offenders, violent offenders, and fire setters who have been placed in a secure treatment facility.

Alvarium Healthcare, Inc. (Alvarium) Effective February 5, 2018, the Company formed Alvarium. Alvarium is a Pennsylvania nonprofit corporation that provides treatment, support, and care for persons with intellectual and developmental disabilities.

Alvarium Personal Care, LLC. (APC) Effective May 15, 2019, the Company became the sole member of APC. APC is a Pennsylvania non-profit limited liability corporation that owns and operates a charitable personal care home.

The Children's Home of Reading (CHOR) and CHOR Youth & Family Services (CHORYFS) Effective November 2, 2017, the Company became the sole member of CHOR. CHOR is the sole member of CHORYFS. CHOR and CHORYFS are private nonprofit organizations. Private contributions and bequests, and earnings on its endowment funds primarily fund CHOR. CHORYFS, an affiliate of CHOR, is primarily funded by fees for services from county children and youth service agencies across the Commonwealth, and a supplement from CHOR which makes up the difference between CHORYFS fee for services and its program expenses. CHORYFS continues to provide a treatment-oriented residential environment for children and teenagers. A variety of programs are provided by CHORYFS:

Residential Treatment Facility (RTF)
RTF is a structured program for adolescent males and females, ages 12 to 18 years old, with psychiatric disorders who have been unable to function in less restrictive settings. Specialized RTF is a structured program for adolescent males, ages 12 to 18 years old, with sexually acting out behaviors and psychiatric disorders, who have been unable to function in less restrictive settings. Both offer a therapeutic environment accomplished through a reality-based approach. Family involvement and individualized services are paramount in this program.

Specialized Foster Care (SFC)
SFC serves children from birth to 18 years old. It offers a structured, nurturing, caring environment within a family setting to children in order to alleviate the problems which originally caused placement. For continuum of care, services have been expanded to include

adoption services. Foster homes are located in a variety of locations, primarily in Reading and Berks County, Pennsylvania.

Berks Parents Services Collaborative (BPSC)
BPSC (Berks County) provides intensive case management and outreach services to chemically dependent and recovering pregnant and postpartum women living in Berks County by monitoring and referring them to local human service providers. Services are provided to the mother, her infant, and her young child(ren). The program collaborates with approximately 60 community agencies, with CHORYFS serving as the lead agency.

Education Programs (EP)
CHOR Day Academy is an approved licensed private academic school for children grades 1 through 12 who have special and alternative education needs that cannot be met in their local school districts.

The Alternative Education Program is for CHOR residents; the goal of the program is to insure that their educational requirements are completed for graduation.

Lehigh Valley Community Program (LVCP)
LVCP offers a variety of community-based treatment options with various levels of intensity. The program attempts to successfully service youth and their families in the community in an effort to avoid a more restrictive setting.

Evening Resource/Reporting Centers (ERC)
The ERC program is a detention-alternative program for pre-adjudicated and adjudicated delinquent adolescent males. Rooted in Balanced and Restorative Justice (BARJ) principles, the program keeps youth in their home community by providing meaningful community-based interventions as an alternative to secure detention. ERC is a collaborative effort designed to work closely with schools, juvenile probation, parents/families, and other community human services providers. The program capacity is 8-15 youths and is short-term, with a projected 30-day average length of stay.

Acute Partial Hospitalization Program (APHP)
APHP serves children ages 5 to 18 years. Children entering the program suffer from moderate to severe acute psychiatric disorders that impair their ability to function in day-to-day activities. It is designed to provide a therapeutic community for children who find it difficult to function in school and community environments. Treatment services include: psychiatric therapy, group therapy, individual and family therapy, and parenting education.

Outpatient Clinic Program (OCP)
The Clinic provides comprehensive psychiatric service to both adults and children living in the Lehigh Valley and Berks County. Individual treatment plans are developed according to each consumer's needs and personal goals while increasing the consumer's level of functioning and well-being.

Wake Enterprises, Inc. (WAKE) Effective July 1, 2018 the Company became the sole member of Wake. Wake is a private, IRS Section 501(C)(3) not-for-profit organization that was incorporated in North Carolina on August 15, 1979. Wake provides vocational and social development services to adults who are developmentally disabled. Wake operates primarily in Wake County, North Carolina.

2. Summary of Significant Accounting Policies

Consolidation Policy

The consolidated statements for the years ended June 30, 2019 and 2018 include the accounts of the Company, SCFFI and its related affiliates, CPP, ECI, IMS, INJ, NHTS, SJBH, GCENT, YSA, RSEA, AFS, CHOR, CHORYFS, INY, ACE, WAKE, AH, and APC. Intercompany transactions and balances have been eliminated in the consolidation.

Basis of Accounting and Use of Estimates

The Company prepares its consolidated financial statements on the accrual basis of accounting. The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

At various times during the years, the Company had cash balances in excess of the federally insured limit in a deposit accounts at several banks. Cash consists of on-hand petty cash and amounts in the Company's operating bank accounts. The Company considers all short-term investments with a maturity of three months or less to be cash equivalents.

Investments

The Company accounts for investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in nets assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventory

Inventory is recorded at the lower of cost or net realizable value. Inventory on hand were power conditioning units and other inventory held for resale through its SELS subsidiary and food supplies from CHORYFS.

Revenue and Accounts Receivable

The company is a consolidator of primarily not-for profit enterprises. The company recognizes an inherent contribution in its statement of activities equal to the total net assets of an organization at the time of affiliation.

The Company generates revenue from services rendered. The Company recognizes revenue when the following criteria are met: 1) persuasive evidence of an arrangement exists, 2) the performance requirements of contracted services are met, 3) consideration for contracted services to be received is fixed or determinable, and 4) collectability is reasonably assured.

Generally, contracted services rates (fee-for-service) are negotiated with managed care organizations, insurance companies, governmental agencies, and private payers. In addition, the Company receives annual program funding to cover its costs of providing its social service programs.

All units of service billed by the Company were provided and were billed at the proper rate.

Government and private grants are recognized based on the terms of the specific grant document. Grant revenue received in advance, if any, of the grant period is recorded as deferred revenue until the period over which the grant is earned has passed and services have been rendered.

Contributions are recognized as revenue when they are received or unconditionally pledged and are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Company has elected to show restricted contributions whose restrictions are met in the same reporting period as contributions without donor restrictions.

Accounts receivable are reported at their net realizable value. The Company uses the allowance method for uncollectible receivables. Management determines the allowance for doubtful accounts by regularly evaluating payer receivables and considering the payer's financial condition, the accounts receivable aging, timely billing requirement, current economic conditions, prior years' experience, and analysis of specific promises made. The Company charges off account balances after all means of collection have been exhausted and the potential for recovery is considered remote. At June 30, 2019 and 2018, the allowance for doubtful accounts was $1,003,375 and $1,103,782, respectively.

Land, Buildings, Leasehold Improvements, and Equipment

Land, buildings, leasehold improvements, and equipment are stated at cost, with a tiered capitalization threshold as follows:

Revenue			Threshold
$ -	to	$ 5,000,000	$ 1,000
$ 5,000,001	to	$ 15,000,000	$ 1,500
$ 15,000,001	to	$ 25,000,000	$ 2,500
$ 25,000,001		and greater	$ 5,000

Donations of land, buildings, 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 conditions 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 Company reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Company reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Buildings and equipment are being depreciated over their estimated useful lives and leasehold improvements are being depreciated based on the life of the underlying lease of the property the improvement relates to by the straight-line method as follows:

Buildings	15 - 39 years
Computer equipment	3 - 5 years
Furniture and fixtures	5 - 10 years
Leasehold improvements	5 - 39 years
Office equipment	3 - 7 years
Transportation equipment	3 - 5 years

Goodwill

The Company assesses goodwill in accordance with ASU 350 *"Goodwill and Other Intangible Assets,"* at the end of each fiscal year, or during the year if an event or other circumstance indicates the Company may not be able to recover the carrying amount of the net assets of the reporting unit. At June 30, 2019 and 2018, an impairment loss related to goodwill of $229,614 and $682,283, respectively, was recorded as a result of management's determination that the Company may not be able to recover the entire carrying amount of the net assets of an acquired entity.

Financial Statement Presentation

The Company is required to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Donated Materials, Equipment, and Services

Donated materials, equipment, and services have been recorded at their estimated fair value at date of receipt. The Board of Directors donates significant amounts of time to the Company. However, no amounts have been recorded for these services, primarily because they are not specialized services and are not required to be recorded in accordance with generally accepted accounting principles.

Retained Revenue

In accordance with the Pennsylvania Department of Human Services' Mental Health and Mental Retardation Program Fiscal Regulations PA Code Chapter 4300, the Company is eligible to retain net program excess revenues over allowable expenditures. The allowable retained revenue is dependent upon the specific contract of the counties or Pennsylvania Department of Human Services as well as the types of services funded. For the services provided under PA

Code Chapter 51, there is no limitation to retention. It is the policy of the Company to apply this retained revenue to expansion, improvement, or enhancement of its services.

Functional Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on the methodology which is most appropriate.

Expenses relating to more than one function are allocated to program and supporting services based on employee time estimates, square footage, staff to client ratios based on maximum capacity, or other appropriate usage factors. The allocation of costs associated with the retention and recruitment plan was addressed for appropriate usage factors.

Tax-Exempt Status

The Company, IMS, INJ, NC, and INY are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is a Type II supporting organization under Internal Revenue Code Section 509(a)(3). SCFFI, CPP, ECI, WAKE, NHTS, SJBH, GCENT, YSA, RSEA/AFS, CHOR, CHORYFS, APC, and AH are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are considered public charities under either Internal Revenue Code Section 509 (a)(1) or 509(a)(2), except on net income derived from unrelated business activities regarding SELS, SAFS, ISS, ACE, and Fortis Holdings. Harmonycrest, Callan, PDCS, and ACE are disregarded entities under SCFFI for federal income tax purposes. AFS is a disregarded entity under RSEA. SCFFI, CPP, ECI, IMS, INJ, WAKE, NHTS, SJBH, GCENT, YSA, RSEA, CHOR, and CHORYFS annually file a Form 990 that includes all the tax-exempt entities.

SELS, SAFS, and Fortis Holdings (which includes Fortis Housing) are for-profit entities. SELS and SAFS are Pennsylvania Limited Liability Companies and Fortis Holding is an “S” corporation. These companies incurred no income tax expense for the years ending June 30, 2019 and 2018. In accordance with accounting principles generally accepted in the United States of America, the Company accounts for uncertain tax positions, if any, as required. Using that guidance, management has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. SELS, SAFS, and Fortis Holdings tax returns are subject to examination by the Internal Revenue Service generally for three years after they are filed.

Compensated Absences:

Inperium and its affiliated companies provide Paid-Time Off (PTO) for all eligible employees. The amount of PTO varies between companies and years of service. PTO is awarded each July 1 for use in the current year. Twenty five percent (25%) of the current year PTO can be carried over into the next fiscal year. However, at no time is remaining PTO paid out upon voluntary or involuntary termination. Also, awarded PTO is not based on an earning factor from prior or current year.

SJBH employees are entitled to paid vacation, paid sick, and personal days off depending on job classification, length of service and other factors. Vacation days earned are accrued annually as an expense.

The amounts recorded for compensated absences were $533,316 and $520,818 for the years ending June 30, 2019 and 2018, respectively.

Pennsylvania Unemployment Compensation Tax

For the majority of its employees, the Company uses the reimbursable method for Pennsylvania unemployment tax purposes. The Company has engaged a third-party consultant to handle reimbursements and claims and pays a bond fee as security to the Pennsylvania Unemployment Compensation Fund for certain tax obligations for the years ended June 30, 2019 and 2018.

Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Adopted Pronouncement

The requirements of the following Financial Accounting Standards Board (FASB) Accounting Standards Updated (ASU) were adopted during the year ended June 30, 2019:

ASU 2016-14*, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* is effective for the Company's financial statements for the year ended June 30, 2019. This amendment aims to improve how a nonprofit organization classifies its net assets, and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, requires presentation of expenses both by nature and function, requires investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets and provides enhanced disclosures for: governing body restrictions; composition of net assets with donor restrictions; qualitative and quantitative information on liquidity; methods to allocate costs among program and support functions; and underwater donor-restricted endowment.

As a result of adoption, the unrestricted net assets as of July 1, 2017 were transferred to net assets without donor restrictions. In addition, the temporarily restricted net assets as of July 1, 2017 were transferred to net assets with donor restrictions. See Note 24 for the liquidity disclosure.

Pending Standards Update

ASU 2014-09, *"Revenue from Contracts with Customers,"* is effective for the Company's financial statements for the year ending June 30, 2020 (as amended by ASU 2015-14). This amendment provides guidance for revenue recognition related to contracts with the transfer of promised goods or services to customers and related disclosures. Management has not yet determined the impact of this amendment on the Company's financial statements.

ASU 2016-02, *"Leases (Topic 842),"* is effective for the Company's financial statements for the year ending June 30, 2022. This amendment will require all lessees to recognize assets and liabilities on the statements of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Management has not yet determined the impact of this amendment on the Company's financial statements.

ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*," is effective for the financial statements for the year ending June 30, 2020. This amendment requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

ASU 2018-08, *"Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,"* is effective for the Company's financial statements for the year ending June 30, 2020. This amendment provides guidance for revenue recognition related to contributions by clarifying (1) how to evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) how to determine whether a contribution is conditional. Management has not yet determined the impact of this amendment on the Company's financial statements

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the consolidated financial statements were available to be issued.

3. Charitable Remainder Trust Receivable

CHOR is named beneficiary of an irrevocable charitable remainder trust. A charitable remainder trust provides for the payment of distributions to designated beneficiaries over the trust's term. Under terms of the trust agreement, CHOR is to receive the trust principal as then constituted and any accrued or undistributed net income upon the death of the surviving beneficiary. Based on the beneficiary's life expectancy and a five percent payout rate, the present value of the future benefit expected to be received by CHOR is estimated to be $19,023 and $19,061 as of June 30, 2019 and 2018, respectively.

4. Investments

The following table represents investments held at June 30:

	2019		2018	
	Cost/Book Value	Fair Value	Cost/Book Value	Fair Value
Cash and equivalents	$ 166,389	$ 166,389	$ 194,008	$ 194,008
Common stock	428,238	644,052	349,751	567,754
Equity mutual funds	213,812	247,114	202,448	236,273
REITs and commodities	11,467	22,196	10,608	20,797
	$ 819,906	$ 1,079,751	$ 756,815	$ 1,018,832

Investment return is either with or without donor restrictions as follows at June 30:

	2019	2018
With Donor Restrictions:		
Interest income for educational purposes	$ 1,621	$ 898
Realized gain on investments	3,004	419
Unrealized gain(loss) on investments	(915)	2,480
Without Donor Restrictions:		
Interest and dividend income	15,608	10,365
Realized gain on investments	52,069	41,753
Unrealized gain(loss) on investments	(11,597)	22,904
	$ 59,790	$ 78,819

Accounting principles generally accepted in the United State of America establish a framework for measuring fair value. The primary effect of fair value measurement on the Company was to expand the required disclosures pertaining to the methods used to determine fair values.

That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the quoted prices used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

Long-Term Investments

Connors Investment Services, Inc. and Wells Fargo Bank hold the investments of the Company in accordance with the investment policy of the Company. The policy restricts the investments to cash, fixed income, and equity, and options which are publicly traded, with limited funds available for alternative investments. The investments are valued at the quoted market value for shares held at year-end.

Beneficial Interests in Perpetual Trusts

The Company is the beneficiary of several trusts that are managed by two banks. The banks hold the investments in diversified and balanced portfolios consisting of cash and certificates of deposit, corporate and government debt securities, equity securities and mutual funds, fixed income mutual funds, and limited investment partnerships. These investments are valued by the trust managers based on the quoted market prices for shares held or current bid price of funds held.

The methods described previously may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its reliance on the valuation methods of the banks are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Company's assets at fair value as of June 30:

	2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 166,389	-	-	$ 166,389
Equity Securities	644,052	-	-	644,052
Equity Mutual Funds	247,114	-	-	247,114
REITs and Commodities			22,196	22,196
Beneficial Interests in Perpetual Trusts		-	2,578,471	2,578,471
Total	$ 1,057,555	$ -	$ 2,600,667	$ 3,658,222

	2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 194,008	$ -	$ -	$ 194,008
Equity Securities	567,754	-	-	567,754
Equity Mutual Funds	236,273	-	-	236,273
REITs and Commodities			20,797	20,797
Beneficial Interests in Perpetual Trusts		-	2,590,715	2,590,715
Total	$ 998,035	$ -	$ 2,611,512	$ 3,609,547

The following table sets forth a summary of changes in the fair value of the Company's Level 3 assets for the year ended June 30:

	2019	2018
Balance, Beginning of Year	$ 2,611,512	$ 2,575,050
Realized and unrealized gains (losses)	(10,845)	32,613
Purchases (sales) of REITs and commodities	-	3,849
	$ 2,600,667	$ 2,611,512

5. Beneficial Interest in Perpetual Trusts

CHOR is a beneficiary under several trusts administered by two banks. CHOR recorded its proportionate share of the fair value of the principal of the trusts when received. Total value recorded at June 30, 2019 and 2018 was $2,578,471, and $2,590,715, respectively. Annual distributions from the trusts have been recorded as beneficial trust income in net assets without donor restriction and were $97,961 and $70,171 in 2019 and 2018 respectively.

6. Self-Insured Medical

Effective July 1, 2017, the Company has a self-insured medical plan for the benefit of its employees. The health insurance risks are mitigated by aggregate and individual stop loss insurance policies purchased by the Company. The policies limit the Company's loss to $150,000 per individual employee. Health insurance claims are administered by a third-party administrator. The Company's expense under the self-insured plan was approximately $5,594,088 and $3,515,912 for the year ended June 30, 2019 and 2018, respectively. Management estimates any liability for health insurance claims that have been incurred (including both claims reported, as well as those that have been incurred but not yet reported). As of June 30, 2019, the Company had paid claims in excess of the aggregate stop loss and had estimated a receivable due from the third-party administrator of $511,829. A liability of $581,783 was accrued at June 30, 2018.

7. Revolving Line of Credit

	2019	2018
IMS has a commitment from a bank for a revolving line of credit of $10,000,000 (capped at 80% of qualified accounts receivable) for the year ended June 30, 2019. This commitment is secured by substantially all assets of the Company. Monthly interest payments are required at the One Month LIBOR Rate plus 250 basis points (4.8125% for the year ended June 30, 2019). Principal is due on demand at the lender's sole and absolute discretion.	$ 4,899,351	$ -
SCFFI had a commitment from a bank for a revolving line of credit of $5,000,000 (capped at 80% of qualified accounts receivable) for the years ended June 30, 2019 and 2018. This commitment is secured by substantially all assets of SCFFI. Monthly interest payments are required at the One Month LIBOR Rate plus 250 basis points (4.8125% and 4.5878% for the years ended June 30, 2019 and 2018, respectively). Principal is due on demand at the lender's sole and absolute discretion. This line of credit was closed as of June 30, 2019	-	2,066,743
ECI had a commitment from a bank for a revolving line of credit of $1,000,000 (capped at 80% of qualified accounts receivable) for the year ended June 30, 2018. This commitment is secured by substantially all assets of ECI as well as guaranteed by all Inperium companies. Monthly interest payments are required at the One Month LIBOR Rate plus 250 basis points (4.8125% and 4.625% for the years ended June 30, 2019 and 2018, respectively). Principal is due on demand at the lender's sole and absolute discretion. This line of credit was closed as of June 30, 2019.	-	350,000
CHOR has an available line of credit of $600,000 based on an agreement dated September 9, 2011. Interest on the unpaid balance accrues at the bank's prime rate plus .50 percent with a floor of 4.50 percent (5.50% at June 30, 2018). The note is secured by all property, equipment, investments, and receivables of CHOR and CHORYFS; specifically, the note requires maintaining $1,000,000 minimum balance at all times in a number of investment accounts. Principal is due on demand at the lender's sole and absolute discretion. This line of credit was closed as of June 30, 2019.	-	600,000
	$ 4,899,351	$ 3,016,743

8. Long-Term Debt

The Company's obligation under notes payable consists of the following:

	2019	2018
SCFFI, through loan modification, combined its equipment, leasehold improvement, and mortgage revolving lines into one capital expenditure revolving line of credit of $1,500,000 which all affiliates of the company can access. Real estate advances at the discretion of the bank can be termed out with repayment terms not to exceed five (5) years with repayment terms based on a twenty (20) year amortization at an interest rate of a fixed five (5) year amortization at the bank's five (5) year cost of funds interest rate plus 250 basis points. Vehicle and equipment purchase advances are termed out at a five (5) year amortization at an interest rate of a fixed five (5) year amortization at the bank's five (5) year cost of funds interest rate plus 225 basis points. A variable interest rate option is also available at the time of advance equal to the thirty (30) day London Inter-Bank Offering Rate (LIBOR) plus 250 basis points. The existing combined advances mature between November 2016 and August 2028.	$ 504,808	$ 632,091
SCFFI has various vehicle notes payable to a bank that include interest ranging between 3.99% and 4.89% and have maturity dates between September 2019 and May 2021. These notes are secured by the vehicles.	49,284	112,067
SCFFI has a note payable to private lender in monthly installments of $1,093, including interest at 5.25%. This note is secured by the building and land and matures in August 2027.	100,600	108,219
Fortis Housing has a note payable to bank in monthly installments of $7,335, including interest at 4.35%. This interest rate will be fixed for seven years and will either convert to a fluctuating rate at the Wall Street Journal Prime Rate plus 50 basis points with a floor of 3.75% or will be renegotiated with another fixed rate to be determined. The note is collateralized by a first mortgage lien on the real estate and all improvements. This note matures in May 2033.	914,061	960,645

	2019	2018
Alvarium has a note payable to a bank in monthly installments of $1,133, including interest at 5.14%. This note is secured by the building and land and matures in May 2024.	270,867	-
APC has a note payable to a bank in monthly installments of $2,000, including interest at 5.10%. This note is secured by the building and land and matures in May 2024.	118,000	-
Fortis Housing has a note payable to a bank in monthly installments of $2,227, including interest at 5.25%. The note is secured by the building and land and matures in April 2023.	92,482	-
Fortis Housing has a note payable to a bank in monthly installments of $2,600, including interest at 5.65%. The note is secured by the building and land and matures in July 2023.	607,181	-
Fortis Housing has a note payable to a bank in monthly installments of $583, including interest at 5.00%. The note is secured by the building and land and matures in October 2023.	137,443	-
Fortis Housing has a note payable to a bank in monthly installments of $1,717, including interest at 5.42%. The note is secured by the building and land and matures in February 2024.	403,145	-
Fortis Housing has a note payable to a bank in monthly installments of $383, including interest at 5.14%. The note is secured by the building and land and matures in May 2024.	91,617	-

	2019	2018
Fortis Housing has a note payable to a bank in monthly installments of $10,083, including interest at 5.10%. The note is secured by the building and land and matures in May 2024.	594,917	-
SCFFI has a note payable to a bank in monthly installments of $10,842 including interest at 4.75%. The note is collateralized by a first mortgage lien on the real estate covered by this note. This note matures in May 2042.	1,997,708	2,031,874
Harmonycrest has a note payable to a bank in monthly installments of $1,214, including interest at 4.50%. This note is collateralized by a blanket lien on all business assets of Harmonycrest and SCFFI. This note matured in September 2018.	-	3,616
Fortis Housing has a note payable to a bank in 240 monthly installments of $5,820. This interest rate will be fixed at 4.50% for five years and will either convert to a floating annual rate equal to the Wall Street Journal Prime Rate plus 0.50% with a floor of 3.75% or elect a new fixed rate to be determined. This note is collateralized by a first mortgage on the Walnut commercial property, a second lien collateral mortgage on the Penn Street premises, the Suretyships of all related companies, as well as a first lien security interest on the business assets of the Maker and the Sureties. This note matures in August 2035.	803,627	835,995
ECI has a note payable to a bank in monthly installments of $1,653, including interest at 5.0%. The note is collateralized by a first mortgage lien on the real estate of ECI covered by this note. This note matures in May 2047.	298,270	303,067

	2019	2018
SCFFI has a note payable to a private lender in monthly installments of $859, including interest at 5.0%. This note is secured by the land and building and matures in August 2046.	152,994	155,580
SCFFI has a note payable to a bank in monthly installments of $11,004 through 2042, including interest at 4.50%. This rate represents the bank's LIBOR rate plus 225 basis points, but a fixed rate can be renegotiated in the future. The facility is collateralized with a first lien title insured mortgage against any purchased real estate covered by this facility and an assignment of rents and leases. The note is guarenteed by SCFFI and installments of $11,004, including interest.	1,855,078	1,901,331
Fortis has a note payable to a bank in monthly installments of $5,911. This interest rate will be fixed at 4.125% for five years and will either convert to a floating annual rate equal to the Wall Street Journal Prime Rate plus 0.50% with a floor of 3.75% or elect a new fixed rate to be determined. This note is collateralized by a first lien mortgage on the premises, the Suretyships of all related companies, as well as a first lien security interest on the business assets of the Maker and Sureties. This note matures in February 2036.	850,042	884,629
CPP has a mortgage note in conjunction with the purchase of the building from the fomer landlord in the amount of $176,000. Monthly payments including interest at 6.5 percent annum are $1,533. The note is secured by the related property. The note was paid in full as of June 30, 2019.	-	51,276
SCFFI has a note payable to a bank in monthly installments of $11,313, including interest at 4.80%. This note is secured by ACE suretyship and the ACE security agreement. This note matures in April 2023.	473,818	583,588
Fortis Housing has a note payable to a bank in monthly installments of $5,523, including interest at 4.87%. The note is secured by the building and land and matures in November 2022.	213,101	287,967
Inperium has a note payable to a bank in monthly installments of $28,594, including interest at 4.66%. The note is secured by a second lien mortgage of the premises, assignment of the leases, and the suretyships. The note matures in November 2021.	783,229	1,080,092

	2019	2018
CHOR has a mortgage payable to a bank in monthly installments of $14,510, including variable interest equal to Prime Rate plus .50% with a floor of 4.50% through maturity (6.00% as of June 30, 2019 and 5.25% as of June 30, 2018). The note is due in September 2021 and is secured by all property, equipment, investments, and receivables of CHOR and CHORYFS.	1,614,532	1,702,455
CHOR has a note payable to a bank in monthly installments of $3,751, including variable interest rate equal to Prime Rate plus .50% with a floor of 4.50% through maturity (6.00% as of June 30, 2019 and 4.50% as of June 30, 2018). The note is due September 2023 and is secured by all assets of CHOR and CHORYFS.	495,500	515,586
NHTS has a mortgage note in the amount of $1,000,000. The note was the result of a refinancing in 2009 to consolidate the outstanding mortgages of various properties of NHTS. Monthly payments including interest at 5.75 percent annum are $5,894. The note is secured by the related properties. The note is amortized over twenty-five years through 2034, at whcih time the rate will be adjusted to a variable rate of the Federal Home Loan Bank rate in effect at the reset rate plus 2.75 percent. Furthermore, the State of New Jersey Department of Human Services advanced funding to NHTS for acquisition of the property at 132 Perry Street, Trenton, NJ, and has a financial interest in the property.	577,327	785,388
YSA has various vehicle loans. Loans with Ford Credit are payable in monthly installments between 48 to60 months, including varying interest rates from 7.89 to 8.49 percent. A single loan with Ally Bank, maturing in May 2020, is payable in monthly installments over 48 months at 7.85 percent interest.	74,257	111,534

	2019	2018
Inperium has a note payable to private lenders in annual installments of $181,022 plus interest at 3%. This note is secured by a second-lien open-ended mortgage on property located at 120 Prospect Street. The loan matures October 2020.	362,044	543,066
SCFFI has a note payable to a private lender in annual installments of $100,000. There is no interest being charged and the note is unsecured. The loan matures May 2023.	500,000	500,000
Inperium has a note payable with the affiliation of YSA to an individual that bears no interest and matured in December 2018.	-	40,000
SJBH mortgages payable consist of obligations under the terms of the New Jersey Department of Human Services Division of Mental Health Capital Funding Agreements. The agreement provides for non-interest bearing demand notes secured by first mortgages on properties. Amounts are due when properties cease to be used for its intended purpose or at varying times ranging from March 2023 to July 2037.	1,680,654	-
GCENT mortgages principal payable to the Department of Housing and Urban Development, due monthly at $3,755, including interest at 9.250%, collateralized by the real property. The loan matures in 2025.	179,869	-
Inperium has a note payable to a lender in monthly installments of principal and interest of $2,544. This note is secured by the certain equipment and matures in December 2024.	114,495	-

	2019	2018
WAKE bond payable is obligated under industrial facilities revenue bonds which are payable in annual installments of varying amounts through February 2034, plus interest adjusted on a weekly basis and set at the prevailing market rate for tax exempt bonds as determined by the remarketing agent, and collaterialized by a letter of credit issued by the bank	2,465,000	-
	19,375,950	14,132,066
Less deferred financing costs	(230,102)	(122,972)
Subtotal	19,145,848	14,009,094
Less current portion	(1,335,036)	(1,315,514)
	$ 17,810,812	$ 12,693,580

Current maturities of long-term debt are as follows for the year ended June 30, 2019:

2020	$ 1,616,057
2021	1,610,886
2022	2,558,365
2023	2,908,315
2024	2,669,829
2025 - 2029	2,015,848
2030 - 2034	1,765,785
2035 - 2039	1,249,012
2040 - 2044	1,100,204
2045 - 2048	1,881,649
	$ 19,375,950

Loan origination fees consisted of the following at June 30, 2019 and 2018:

	2019	2018
Loan origination fees	$ 269,698	$ 146,056
Accumulated amortization	(39,596)	(23,084)
Loan origination fees, net	$ 230,102	$ 122,972

Loan cost amortization was $16,512 and $8,998 for the years ended June 30, 2019 and 2018, respectively.

9. Due to State of New Jersey

New Jersey DHS issued a letter to NHTS on March 27, 2017 indicating $1,203,727 was due to New Jersey based on contract payments made to the Organization (NHTS) in excess of supported or verifiable expenditures related to grant years 2013, 2014, and 2015, as well as unspent funds related to a capital expenditure grant in 2006.

As a result of the NHTS' affiliation with the Company, the State of New Jersey agreed in September 2017 that the overpayment would be fully satisfied exclusively by NHTS' payment of $308,579 in equal quarterly payments over a 24-month period beginning on or before November 1, 2017 and concluding August 1, 2019.

Payments totaling $154,290 and $115,716 were made during the year ended June 30, 2019 and 2018, respectively. The payments of $83,045 to be made during the year ending June 30, 2020 are classified as current portion due to State of New Jersey in the Statement of Financial Position.

NHTS is subject to ongoing audits of its grant awards. Management does not believe the result of audits will materially affect the financial results.

SJBH has an amount due of $1,563,755 for June 30, 2019. This represents amounts received from the State of New Jersey in advance to fund the operations of state contracts. Advanced funds in excess of the contract allowable ceiling are due back to the state of New Jersey. Any recovery of funds will be requested by the State upon evaluation of the final reports. Repayments are due within 30 days of State request.

10. Deferred Revenue

Deferred revenue as of June 30, 2019 represents revenues collected but not earned, which amounted to $2,505,817 for SJBH. A balance of $2,469,267 represents amounts received from the Division of Mental Health and Addiction Services to be used for future program support. The remaining balance of $36,550 represents amounts received from the Camden Coalition of Healthcare Providers and relates to SJBH Brim program.

11. Deferred Funding of Depreciation on Facilities acquired with State of New Jersey, Department of Human Services Capital Funding Agreements

SJBH records depreciation as a functional expense on facilities acquired with State of New Jersey Department of Human Services Capital Funding Agreements. The capital funding agreements provide for SJBH's ownership and use of the related properties through the agreement periods, at which time SJBH may satisfy its obligation under the capital funding agreements by returning the related properties without further cost. In providing such facilities, the Department of Human Services is, in substance, subsidizing the depreciation expense on the properties to the extent of the amount funded. To recognize the economic effect of this subsidy, SJBH adopted a policy to record income equal to the depreciation of the portion of property acquired with Capital Funding Agreements.

12. Retirement Plan

During the fiscal year ended June 30, 2001, SCFFI adopted a 401(k) retirement plan covering all eligible employees. As of January 1, 2018, the name of the SCFFI 401(k) Plan changed to the Inperium & Family of Services 401(k) Plan. Under the terms of the plan, contributions are made by the individual participants. The participants elect contributions in amounts of their choice and direct the investment of these amounts in their plan account. The Company, at its election, may make additional contributions to the plan. The Company made no contributions for the years ended June 30, 2019 and 2018.

On May 19, 2015, the Board of Directors approved the formation of an ESOP. SCFFI has made no contribution for the years ended June 30, 2019 and 2018.

During the fiscal year, CHOR and AFS affiliate plans were merged into the Company's 401(k) retirement plan.

13. NHTS Pension Plan

NHTS has a 403(b) defined contribution plan covering all full-time employees. Employer contributions to the NHTS Plan can be equal to 100% of employee contributions during the year, not to exceed three (3) percent of employee compensation. Each plan year, the Board of Trustees will determine the amount of the employer-based contribution (if any) that will be made for all eligible participants who are actively employed with NHTS on the last day of the plan year. NHTS did not make a match contribution for the years ended June 30, 2019 and 2018. The plan was discontinued as of April 26, 2019.

14. SJBH Pension Plan

SJBH sponsors a defined contribution pension plan, which covers all eligible employees. Contributions are discretionary and are determined annually by the trustees/employee benefits under the plan vest at 20% per year and are fully vested after five (5) years. Plan forfeitures are used to offset SJBH contributions. Contributions mandated by the plan document are 8% of gross eligible salaries for the year ended 2019. The annual contribution for the year ended June 30, 2019 was $327,573.

SJBH also has a 457(b) deferred compensation plan for key executives. The annual contribution for the year ended June 30, 2019 was $38,000.

15. Collective Bargaining Agreement

The majority of SJBH’s employees are represented through the Communications Workers of America Local 1038. For the year ended June 30, 2019, SJBH operated under a contract that expired on June 30, 2016. A memorandum of agreement was signed July 31, 2018. This new union agreement expires June 30, 2020 and is retroactive to July 1, 2016.

16. Leases

The Company leases some of its office space, client residential homes, program facilities, vehicles, and equipment under various operating lease arrangements with terms generally ranging from one to fifteen years.

YSA leases a facility in Doylestown, PA at annual rent of $1 each, per the terms of the lease agreement. The facility is used to conduct various youth-related programs. Because of the changing nature of the lease, management cannot reasonably determine the future rental payments on the lease.

Total rents charged to expense during 2019 and 2018 for Company facilities were $3,384,984 and $2,600,074, respectively.

Future minimum payments under the leases are as follows for the year ending June 30, 2019:

2020	$	2,748,872.00
2021		2,335,086.00
2022		1,889,320.00
2023		1,699,093.00
2024		1,345,506.00
2025 - thereafter		1,733,051.23
	$	11,750,928.23

Following is a summary of property held under capital leases at June 30, 2019 and 2018:

	2019		2018	
Vehicles	$	155,668	$	176,732
Equipment		122,247		122,247
Less: Accumulated depreciation		(210,000)		(190,901)
	$	67,915	$	108,078

Minimum future payments under capital leases as of June 30, 2019 are as follows:

2020	$	41,087
2021		34,240
Total minimum lease payments		75,327
Less: Amount representing interest		(5,061)
Present value of lease payments	$	70,266

17. Acquisitions and Affiliations

On July 1, 2018, Inperium affiliated with WAKE, a Raleigh, North Carolina based nonprofit provider of disability support services. Under the terms of the agreement, the Inperium Board of Directors assumed control over WAKE. As such, the WAKE financial activities are included in the consolidated financial statements. No consideration was transferred to WAKE as part of the agreement. An inherent contribution of net assets of $3,137,383 was recognized and reported in the statement of activities for the year ended June 30, 2019.

As a result, the Company acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	1,515,320
Accounts receivable		242,903
Prepaid and other assets		136,408
Land and buildings		3,979,625
Total assets	$	5,874,256
Liabilities:		
Accounts payable and accured liabilities	$	151,873
Long-term debt		2,585,000
Total liabilities	$	2,736,873

On August 31, 2018, Inperium affiliated with SJBH, a nonprofit behavioral health provider of adult and children’s outpatient services, adult partial care, residential and community support services as well as homeless services and GCENT, a nonprofit that owns real property that operates two boarding homes for the mentally disadvantaged. Under the terms of the agreement, the Inperium Board of Directors assumed control over SJBH and GCENT.

As such, the SJBH and GCENT financial activities are included in the consolidated financial statements. No consideration was transferred to SJBH and GCENT as part of the agreement. An inherent contribution of $4,122,718 was recognized and reported in the statement of activities for the year ended June 30, 2019.

As a result, Inperium acquired the following assets, at fair value:

Assets:	SJBH	GCENT	TOTAL
Cash and cash equivalents	$ 8,989,230	$ 284,095	$ 9,273,325
Accounts receivable	430,001	6,151	436,152
Intercompany receivable	6,666	(6,666)	-
Prepaid expenses	93,544	1,688	95,232
Fixed assets	3,427,355	628,752	4,056,107
Other assets	1,323,357	-	1,323,357
Total assets	$ 14,270,153	$ 914,020	$ 15,184,173
Liabilities:			
Accounts payable and accured liabilities	$ 942,352	$ 10,170	$ 952,522
Deferred income	2,469,267	-	2,469,267
Refundable advances	5,756,426	-	5,756,426
Long-term debt	1,680,654	202,586	1,883,240
Total liabilities	$ 10,848,699	$ 212,756	$ 11,061,455

On May 14, 2019, the Company acquired Hawthorne Homes (which became APC) for the purchase price of $725,000. The Company financed the entire purchase through a $605,000 mortgage held by Fortis Housing Services, LLC and a term loan of $120,000 held by APC (See Note 8). A bargain purchase gain totaling $314,991 was recognized and reported in the statement of activities for the year ended June 30, 2019.

As a result, the Company acquired the following assets, at fair value:

Assets:		
Accounts receivable		40,000
Prepaids		38,940
Fixed assets		920,528
Intangible assets		100,000
Total assets	$	1,099,468
Liabilities:		
Term loan		120,000
Due to affiliate		69,711
Long-term debt (net of financing costs)		594,766
Total liabilities	$	784,477

On September 30, 2017, Inperium affiliated with YSA, a nonprofit provider of behavioral support services. Under the terms of the agreement, the Inperium Board of Directors assumed control over YSA. As such, the YSA financial activities are included in the consolidated financial statements. No consideration was transferred to YSA as part of the agreement. An inherent contribution of net assets of $8,295,624 was recognized and reported in the statement of activities for the year ended June 30, 2018.

As part of the affiliation, Inperium assumed a related party obligation amounting to $160,000. Inperium has repaid on YSA's behalf, $120,000 through June 30, 2018.

As a result, the Company acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	199,597
Accounts receivable		365,536
Land and buildings		8,322,422
Total assets	$	8,887,555
Liabilities:		
Accounts payable and accured liabilities	$	294,857
Related party financing		160,000
Long-term debt		137,074
Total liabilities	$	591,931

On October 1, 2017, Inperium affiliated with NHTS, a nonprofit provider of opioid treatment services and addiction counseling. Under the terms of the agreement, the Inperium Board of Directors assumed control over NHTS. As such, the NHTS financial activities are included in the consolidated financial statements. No consideration was transferred to NHTS as part of the agreement. An inherent contribution of net assets of ($515,450) was recognized and reported in the statement of activities for the year ended June 30, 2018.

As a result, the Company acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	467,396
Accounts and grants receivable		334,847
Prepaid expenses		9,618
Land and buildings		728,535
Total assets	$	1,540,396
Liabilities:		
Accounts payable and accured liabilities	$	1,246,931
Long-term debt		808,915
Total liabilities	$	2,055,846

On October 31, 2017, Inperium affiliated with RSEA, a nonprofit provider of behavioral support services. Under the terms of the agreement, the Inperium Board of Directors assumed control over RSEA. As such, the RSEA financial activities are included in the consolidated financial statements. No consideration was transferred to RSEA as part of the agreement. An inherent contribution of net assets of $557,125 was recognized and reported in the statement of activities for the year ended June 30, 2018.

As a result, Inperium acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	143,092
Contracts receivable		321,255
Loan receivable		68,276
Intercompany receivable		372,856
Total assets	$	905,479
Liabilities:		
Accounts payable and accured liabilities	$	4,321
Contract payable - intangible		344,033
Total liabilities	$	348,354

As part of the affiliation, the Company assumes the rights to a loan receivable in the amount of $68,276. This is to be repaid by the seller in three equal annual installments of $22,759 plus interest at 3%. Payments are to be made annually to the Company beginning on October 31, 2018.

On October 31, 2017, the Company acquired AFS for the purchase price of $2,000,000. The Company paid $1,456,934 on the closing date and the remainder of the purchase of $543,066 was seller financed (See Note 8). Goodwill of $2,328,822 was recognized as of June 30, 2018. Membership interest of $2,346,464 was also recorded.

As a result, the Company acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	954
Accounts receivable		575,492
Prepaids		2,003
Loan receivable		174,513
Fixed assets		3,113
Security deposit		6,558
Intangible asset		344,033
Goodwill		2,328,822
Total assets	$	3,435,488
Liabilities:		
Accounts payable and accured liabilities	$	261,913
Contract payable		321,255
Intercompany payable		505,856
Total liabilities	$	1,089,024

As part of the purchase, the Company assumed the rights to a loan receivable in the amount of $174,513. This is to be repaid by the seller in three equal annual installments of $58,171 plus interest at 3%. Payments are to be made annually to the Company on October 31.

On November 2, 2017, Inperium affiliated with CHOR and CHORYFS, a nonprofit provider of various foster care, psychiatric, and school services for behavioral children. Under the terms of the agreement, the Inperium Board of Directors assumed control over CHOR and CHORYFS. As such, the CHOR and CHORYFS financial activities are included in the consolidated financial statements. No consideration was transferred to CHOR and CHORYFS as part of the agreement. An inherent contribution of $14,476,756 was recognized and reported in the statement of activities for the year ended June 30, 2018.

As a result, Inperium acquired the following assets, at fair value:

Assets:	CHOR	CHORYFS	CHOR Consolidated
Cash and cash equivalents	$ 341,413	$ (28,082)	$ 313,331
Accounts receivable	18,196	1,818,548	1,836,744
Intercompany receivable	515,208	(515,208)	-
Inventories	-	17,010	17,010
Prepaid expenses	-	78,546	78,546
Investments	937,058	-	937,058
Beneficial interests	2,581,714	-	2,581,714
Fixed assets	13,362,288	-	13,362,288
Total assets	$ 17,755,877	$ 1,370,814	$ 19,126,691
Liabilities:			
Accounts payable and accured liabilities	$ 235,100	$ 1,296,107	$ 1,531,207
Deferred income	-	74,706	74,706
Note payable - LOC	600,000	-	600,000
Note payable - mortgages/loans	2,444,022	-	2,444,022
Total liabilities	$ 3,279,122	$ 1,370,813	$ 4,649,935

On March 15, 2018, SCFFI acquired ACE for $1,255,000. As stated in the agreement, $755,000 was paid to the Seller at closing and the remaining $500,000 was seller financed (See Note 8). Goodwill of $911,897 was recorded as of the acquisition date. Based on a subsequent review of operations and expectations of future cash flows, goodwill was determined by management to be impaired as of June 30, 2018 (See Note 2) and an impairment loss of $682,283 was recorded as of June 30, 2018. Membership interest of $1,255,000 was also recorded.

As a result, SCFFI acquired the following assets, at fair value:

Assets:		
Cash and cash equivalents	$	42,085
Accounts receivable		195,204
Prepaids		12,196
Fixed assets		168,618
Goodwill		911,897
Total assets	$	1,330,000
Liabilities:		
Accounts payable and accrued expenses	$	75,000
Total liabilities	$	75,000

18. PA Department of Human Services Performance Audit

On July 31, 2018, SCFFI and the Department of Human Services (DHS) entered into a Stipulation of Settlement which resolves all issues raised in regard to the audit conducted by DHS's Bureau of Financial Operations (BFO). SCFFI agrees to remit payment to DHS in the amount of $900,000, which is included in accounts payable in the consolidated statement of financial position. One hundred thousand dollars ($100,000) was paid to DHS within ten days of the date of the entry of the Bureau of Hearings and Appeals (BHA) order. The remaining payments are to be made in four (4) quarterly installments each in the amount of $200,000 on or before November 1, 2018, February 1, 2019, May 1, 2019, and August 1, 2019. Both parties agree that the settlement shall not constitute an admission of wrongdoing or fault by any party. In the same period, SCFFI settled a rate appeal which resulted in DHS paying SCFFI $800,000, which is included in accounts receivable in the consolidated statement of financial position. Both transactions were recorded as non-operating revenues and expenses in the June 30, 2018 consolidated statement of activities. The settlement was repaid in full as of August 1, 2019.

19. Concentrations

For the year ended June 30, 2019, the Company had revenues of $58,178,853 from DHS, which represented approximately 57% of total revenues. Accounts receivable due from DHS at June 30, 2019 are $ 6,944,585.

For the year ended June 30, 2018, the Company had revenues of $57,466,655 from DHS, which represented approximately 63% of total revenues. Accounts receivable due from DHS at June 30, 2018 are $6,414,790.

20. Restrictions on Net Assets/Endowment of Net Assets

The Company's net assets with donor restrictions are available for the following purposes as of June 30, 2019 and 2018:

	2019	2018
Project Peace	$ 1,615	$ 1,615
Drug Free Communities	1,343	1,343
Nurse Family Partnership - Schuylkill County	2,321	1,797
Nurse Family Partnership - Berks County	161,746	78,144
MIHOPE	15,312	15,312
Outlet Area Neighborhood	517	517
Education purposes	71,140	63,741
Resident activities	246,003	115,282
Time restrictions	19,023	25,203
	$ 519,020	$ 302,954

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

	2019	2018
Education purposes	$ 76	$ -
Resident activities	260,063	29,882
Time restrictions	7,613	-
	$ 267,752	$ 29,882

The CHOR endowment consists of four donor-restricted endowments, of which portions are to be held indefinitely, with the income expendable for the programs of CHOR as specified in the endowment restrictions and one board-restricted endowment fund available for spending in accordance with the CHOR policy. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

	June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 781,649	$ -	$ 781,649
Donor-restricted endowment funds	-	228,652	228,652
	$ 781,649	$ 228,652	$ 1,010,301

	June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 723,656	$ -	$ 723,656
Donor-restricted endowment funds	-	228,652	228,652
	$ 723,656	$ 228,652	$ 952,308

Changes in endowment net assets for the fiscal year ended June 30, 2019:

	June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 723,656	$ 228,652	$ 952,308
Investment return:			
Investment income	15,607	-	15,607
Net appreciation (depreciation) (realized and unrealized)	40,397	-	40,397
Total investment return	56,004	-	56,004
Contribution	9,797	-	9,797
Transfer	-	-	-
Administrative fees	(7,808)	-	(7,808)
Endowment net assets, end of year	$ 781,649	$ 228,652	$ 1,010,301

	June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 644,781	$ 228,652	$ 873,433
Investment return:			
Investment income	10,365	-	10,365
Net appreciation (depreciation) (realized and unrealized)	63,383	-	63,383
Total investment return	73,748	-	73,748
Contribution	10,206	-	10,206
Transfer	-	-	-
Administrative fees	(5,079)	-	(5,079)
Endowment net assets, end of year	$ 723,656	$ 228,652	$ 952,308

21. Related Party Transactions

Beginning in March 2016, YSA and the former Chief Executive Officer agreed to a contract by which the former Chief Executive Officer will provide services to the organization for a period of five (5) years at $5,000 per month.

During the year ended June 30, 2019, ECI rented office space from Island Associates, LLC, commonly owned by Inperium's EVP/Chief of Staff and Board member. The EVP/Chief of Staff and Board member have a total combined ownership in Island Associates, LLC of 50%. Rental payments made to Island Associates, LLC totaled $54,384 for the years ended June 30, 2019 and 2018.

The Company contracted with the former owners of AFS who remain as members of the Board for consulting services for a period of two years following the acquisition of AFS. The Company made payments to the related parties totaling $545,314 and $175,000 for the years ended June 30, 2019 and 2018, respectively.

SJBH contracted with CST Management LLC (CST) which is an agency whose principal owner is an immediate family member of SJBH's Chief Executive Officer. SJBH began utilizing CST to provide janitorial and building maintenance services for some of SJBH's program locations. The cost of services provided by CST during the year ended June 30, 2019 amounted to $105,701.

22. Contingency/Subject to Audit

Funds received are subject to audit and adjustment by payors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expense which may be disallowed by the payer cannot be determined at this time, although Inperium expects such amounts, if any, to be immaterial. No amounts have been accrued at June 30, 2019. However, as a result of an internal review of compliance and billing matters of an affiliate entity, management had accrued a liability of $105,124 and $450,000 as of June 30, 2019 and 2018, respectively, for expected repayments.

23. Legal Matters

The Company is currently involved in several legal matters. At this point, it is not possible to determine the outcome of these issues, but it is the opinion of management that it will have no material effect on the Company's financial statements.

24. Liquidity

The following reflects the Company's financial assets as of June 30, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions and financial liabilities due within one year. The Company's financial assets include cash, receivables, investments, and beneficial interest in perpetual trusts. The Company has funds held for others, restricted funds, board designated funds, and funds committed for leases due within one year. To help manage liquidity needs, the Company has committed lines of credit totaling $10,000,000, which it can draw upon. The outstanding balance was $4,899,350 and $3,016,743 as of June 30, 2019 and 2018, respectively. In addition, the Company has board designated endowment totaling $781,649 and investment reserves totaling $1,079,751 that are expected to be held for long-term purposes. With board approval, these investments could be used to meet cash needs, if necessary.

	2019	2018
Cash and cash equivalents	$ 6,911,427	$ 426,846
Accounts receivable	15,585,509	12,997,753
Loan receivable	367,117	242,789
Investments	1,079,751	1,018,832
Beneficial interests and charitable remainder trust	2,597,494	2,609,776
Total Financial Assets	26,541,298	17,295,996
Less:		
Contractual, board designated, or donor-imposed restrictions:		
Cash not available for general expenditures	(3,346,435)	-
Beneficial interests and charitable remainder trust	(2,597,494)	(2,609,776)
Other time and purpose restrictions	(519,020)	(302,954)
Endowment, with donor restriction	(228,652)	(228,652)
Endowment, board designated	(781,649)	(723,656)
Financial assets available to meet cash needs for general expenditures within one year	(7,473,250)	(3,865,038)
Total financial assets and line of credit available to meet cash needs for general expenditures within one year	$ 19,068,048	$ 13,430,958

25. Subsequent Events

In July 2019, the Company formed Anchors – from Carol, a Pennsylvania nonprofit corporation. The corporation is a charitable organization formed specifically to fund and otherwise support public research, awareness, and education involving cancer, and to engage in fundraising and grant-making activities in support of various charitable activities including veterans, individuals with development and/or learning disabilities, educational initiatives, and to improve the welfare of, and prevention of cruelty to animals.

In September 2019, WAKE refinanced their bond payable with a taxable $2,600,000 note payable. The note has a twenty-year amortization and monthly payments including interest at 4.25 percent annum of $16,181 for five years, with a balloon payment following. The note is secured by the related properties.

In October 2019, the Company acquired a non-profit corporation. Under the terms of the agreement, Inperium's Board of Directors will assume control over the organization. The affiliation required no consideration and will be included in the Company's consolidated financial statements. The non-profit organization has approximately $4.2M in total assets and $8M in annualized revenues and provides a range of services for individuals with mental health and intellectual disabilities within New Jersey. It offers behavioral health counseling, residential programs, and various other programs.

In October 2019, Our Own Home, an IDD and mental health provider merged into SCFFI. SCFFI has combined all assets and assumed all liabilities of Our Own Home. The non-profit organization has approximately $514,000 in total assets and $1.7M in annualized revenues.

In November 2019, the Company purchased a personal care home in Lancaster, PA. This personal care home is expected to generate approximately $1.3M in revenue.

SUPPLEMENTARY INFORMATION

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

Assets	INPERIUM	INPERIUM MANAGEMENT SERVICES	INPERIUM NORTH CAROLINA	WAKE ENTERPRISES	INPERIUM NEW JERSEY	NEW HORIZON TREATMENT SERVICES	SOUTH JERSEY BEHAVIORAL HEALTH	GUIDANCE CENTER
Current assets:								
Cash and cash equivalents	$ -	$ 5,301	$ -	$ 1,163,776	$ -	$ 14,041	$ 5,247,953	$ 344,715
Accounts receivable	-	805	-	523,567	-	605,722	795,443	196
Inventory	-	-	-	-	-	-	-	-
Prepaid expenses	6,087	583,363	-	20,801	-	4,693	177,056	5,695
Total current assets	6,087	589,469	-	1,708,144	-	624,456	6,220,452	350,606
Land, buildings, leasehold improvements, and equipment:								
Land and buildings	-	4,650	-	4,029,578	-	792,574	3,357,790	535,800
Computer equipment	-	101,046	-	29,228	-	-	27,565	-
Furniture and fixtures	126,988	-	-	-	-	1,607	5,347	92,952
Leasehold improvements	-	-	-	-	-	-	-	-
Office equipment	-	36,231	-	45,980	-	51,953	-	-
Transportation equipment	-	138,559	-	4,148	-	-	213,645	-
Construction in process	-	1,534	-	-	-	-	-	-
Less: accumulated depreciation	-	(70,230)	-	(89,587)	-	(38,300)	(251,883)	(24,444)
Net land, buildings, leasehold improvements, and equipment	126,988	211,790	-	4,019,347	-	807,834	3,352,464	604,308
Other assets:								
Security deposits	-	-	-	-	-	-	-	-
Deferred funding of depreciation	-	-	-	-	-	-	1,363,882	-
Investment in subsidiary	2,346,464	-	-	-	-	-	-	-
Due to/from affiliates	(2,497,846)	12,038,850	(7,645)	(543,889)	(69,927)	(1,912,458)	(708,554)	(14,579)
Loan receivable	-	200,000	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	-	-
Total other assets	(151,382)	12,238,850	(7,645)	(543,889)	(69,927)	(1,912,458)	655,328	(14,579)
Total Assets	**$ (18,307)**	**$ 13,040,109**	**$ (7,645)**	**$ 5,183,602**	**$ (69,927)**	**$ (480,168)**	**$ 10,228,244**	**$ 940,335**

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Assets	INPERIUM NEW YORK	EDISON COURT	COMMUNITY PREVENTION PARTNERS	YOUTH SERVICES AGENCY	CHILDREN'S HOME OF READING	CHOR YOUTH & FAMILY SERVICES	READING SPECIALISTS	AFFINITY	ALVARIUM
Current assets:									
Cash and cash equivalents	$ -	$ 73,801	$ 2,100	$ 7,073	$ 38,950	$ 3,000	$ -	$ 250	$ -
Accounts receivable	-	1,021,211	478,275	433,953	937,663	1,985,203	-	727,046	170,381
Inventory	-	-	-	-	-	14,789	-	-	-
Prepaid expenses	-	-	17,264	-	-	28,451	-	-	25,521
Total current assets	-	1,095,012	497,639	441,026	976,613	2,031,443	-	727,296	195,902
Land, buildings, leasehold improvements, and equipment:									
Land and buildings	-	430,753	197,000	8,020,000	13,020,637	-	-	-	346,450
Computer equipment	-	21,095	-	-	46,661	-	-	12,268	-
Furniture and fixtures	-	40,589	-	5,550	180,784	-	-	-	10,482
Leasehold improvements	-	805,038	9,912	-	131,417	-	-	-	9,157
Office equipment	-	47,515	-	24,011	115,318	-	-	-	-
Transportation equipment	-	-	-	188,653	-	-	-	-	-
Construction in process	-	26,284	63,825	26,285	22,225	92,971	-	-	-
Less: accumulated depreciation	-	(246,284)	(7,517)	(255,958)	(670,599)	-	-	(2,263)	(1,796)
Net land, buildings, leasehold improvements, and equipment	-	1,124,990	263,220	8,008,541	12,846,443	92,971	-	10,005	364,293
Other assets:									
Security deposits	-	-	-	-	-	-	-	6,636	-
Deferred funding of depreciation	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-
Due to/from affiliates	(57,364)	(348,941)	(521,911)	(1,869,524)	12,621	(2,124,414)	5,922	38,497	(667,201)
Loan receivable	-	-	-	-	-	-	45,212	116,513	-
Goodwill	-	-	-	-	-	-	-	1,978,744	-
Investments	-	-	-	-	1,079,751	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	2,597,494	-	-	-	-
Total other assets	(57,364)	(348,941)	(521,911)	(1,869,524)	3,689,866	(2,124,414)	51,134	2,140,390	(667,201)
Total Assets	**$ (57,364)**	**$ 1,871,061**	**$ 238,948**	**$ 6,580,043**	**$ 17,512,922**	**$ -**	**$ 51,134**	**$ 2,877,691**	**$ (107,006)**

Assets	ALVARIUM PERSONAL CARE
Current assets:	
Cash and cash equivalents	$ -
Accounts receivable	42,981
Inventory	-
Prepaid expenses	-
Total current assets	42,981
Land, buildings, leasehold improvements, and equipment:	
Land and buildings	-
Computer equipment	-
Furniture and fixtures	90,000
Leasehold improvements	-
Office equipment	-
Transportation equipment	7,995
Construction in process	-
Less: accumulated depreciation	(1,205)
Net land, buildings, leasehold improvements, and equipment	96,790
Other assets:	
Security deposits	-
Deferred funding of depreciation	-
Investment in subsidiary	-
Due to/from affiliates	2,410
Loan receivable	-
Goodwill	100,000
Investments	-
Beneficial interests and charitable remainder trust	-
Total other assets	102,410
Total Assets	**$ 242,181**

(Continued)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Assets	SUPPORTIVE CONCEPTS	HARMONYCREST	PERSON DIRECTED CLINICAL SERVICES	CALLAN	FORTIS HOLDINGS	FORTIS HOUSING	S AUTOMOTIVE & FLEET SERVICES	SUSTAINABLE ENERGY & LIGHTING SOLUTIONS
Current assets:								
Cash and cash equivalents	$ 3,443	$ 50	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable	7,407,562	6,768	181,676	-	-	-	37,434	24,702
Inventory	-	-	-	-	-	-	-	3,929
Prepaid expenses	327,660	-	-	-	-	-	-	-
Total current assets	7,738,665	6,818	181,676	-	-	-	37,434	28,631
Land, buildings, leasehold improvements, and equipment:								
Land and buildings	7,144,312	-	-	-	-	7,625,544	-	-
Computer equipment	510,492	-	-	-	-	-	-	-
Furniture and fixtures	229,451	-	-	-	-	-	5,695	-
Leasehold improvements	1,318,505	-	-	-	-	-	-	-
Office equipment	418,485	-	-	-	-	-	45,784	-
Transportation equipment	1,839,915	-	-	-	-	-	-	-
Construction in process	-	-	-	-	-	-	-	-
Less: accumulated depreciation	(4,486,489)	-	-	-	-	(439,289)	(16,534)	-
Net land, buildings, leasehold improvements, and equipment	6,974,671	-	-	-	-	7,186,255	34,945	-
Other assets:								
Security deposits	120,227	-	-	-	-	-	-	-
Deferred funding of depreciation	-	-	-	-	-	-	-	-
Investment in subsidiary	1,695,000	-	-	-	-	-	-	-
Due to/from affiliates	1,709,806	120,216	(90,744)	-	(164,164)	(1,834,188)	(27,331)	(134,452)
Loan receivable	5,392	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	-	-
Total other assets	3,530,425	120,216	(90,744)	-	(164,164)	(1,834,188)	(27,331)	(134,452)
Total Assets	**$ 18,243,761**	**$ 127,034**	**$ 90,932**	$ -	**$ (164,164)**	**$ 5,352,067**	**$ 45,048**	**$ (105,821)**

(Continued)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Assets	INPERIUM SHARED SERVICES	ALTERNATIVE CONSULTING ENTERPRISES	ELIMINATION INPERIUM	Eliminations	Consolidated Totals
Current assets:					
Cash and cash equivalents	$ -	$ 6,974	$ -	$ -	$ 6,911,427
Accounts receivable	-	204,921	-	-	15,585,509
Inventory	-	-	-	-	18,718
Prepaid expenses	-	-	-	-	1,196,591
Total current assets	-	211,895	-	-	23,712,245
Land, buildings, leasehold improvements, and equipment:					
Land and buildings	-	-	-	-	45,505,088
Computer equipment	-	-	-	-	748,355
Furniture and fixtures	-	-	-	-	789,445
Leasehold improvements	-	169,987	-	-	2,444,016
Office equipment	-	-	-	-	785,277
Transportation equipment	-	-	-	-	2,392,915
Construction in process	-	45,498	-	-	278,622
Less: accumulated depreciation	-	(19,914)	-	-	(6,622,292)
Net land, buildings, leasehold improvements, and equipment	-	195,571	-	-	46,321,426
Other assets:					
Security deposits	-	-	-	-	126,863
Deferred funding of depreciation	-	-	-	-	1,363,882
Investment in subsidiary	-	-	(2,346,464)	(1,695,000)	-
Due to/from affiliates	(26,460)	(306,730)	-	-	-
Loan receivable	-	-	-	-	367,117
Goodwill	-	-	-	-	2,078,744
Investments	-	-	-	-	1,079,751
Beneficial interests and charitable remainder trust	-	-	-	-	2,597,494
Total other assets	(26,460)	(306,730)	(2,346,464)	(1,695,000)	7,613,851
Total Assets	**$ (26,460)**	**$ 100,736**	**$ (2,346,464)**	**$ (1,695,000)**	**$ 77,647,522**

(Continued)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

Liabilities and Net Assets	INPERIUM	INPERIUM MANAGEMENT SERVICES	INPERIUM NORTH CAROLINA	WAKE ENTERPRISES	INPERIUM NEW JERSEY	NEW HORIZON TREATMENT SERVICES	SOUTH JERSEY BEHAVIORAL HEALTH	GUIDANCE CENTER	INPERIUM NEW YORK
Liabilities:									
Current liabilities:									
Revolving line of credit	$ -	$ 4,899,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	133,000	1,899,550	-	3,674	-	10,164	427,177	1,959	-
Deferred revenue	-	-	-	-	-	-	36,550	-	-
Salaries and wages payable	-	5,919,570	-	56,145	-	-	770,302	-	-
Payroll taxes and amounts withheld from employees	-	84,803	-	-	-	2,067	36,467	-	-
Current portion of capital lease	-	-	-	-	-	-		-	
obligation	-	-	-	-	-	-	-	-	-
Due to State of New Jersey	-	-	-	-	-	83,045	1,563,755	-	-
Current portion of long-term debt	517,035	-	-	130,000	-	29,607	-	-	-
Total current liabilities	650,035	12,803,274	-	189,819	-	124,883	2,834,251	1,959	-
Long-term liabilities:									
Deferred revenue - long -term	-	-	-	-	-	-	2,469,267	-	-
Accrued lease escalations	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-
Capital lease obligation	-	-	-	-	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-	-	-	2,521	-
Due to State of New Jersey	-	-	-	-	-	-	-	-	-
Bond (net bond issuance costs)	-	-	-	2,256,160	-	-	-	-	-
Long-term debt (net of financing costs)	736,078	-	-	-	-	532,405	1,680,654	179,869	-
Total long-term liabilities	736,078	-	-	2,256,160	-	532,405	4,149,921	182,390	-
Total Liabilities	1,386,113	12,803,274	-	2,445,979	-	657,288	6,984,172	184,349	-
Net Assets:									
Membership interest	-	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	-	-	-	-	-	-	-
Net assets without donor restrictions	(1,404,420)	236,835	(7,645)	2,737,623	(69,927)	(1,137,456)	3,244,072	755,986	(57,364)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(1,404,420)	236,835	(7,645)	2,737,623	(69,927)	(1,137,456)	3,244,072	755,986	(57,364)
Total Liabilities and Net Assets	**$ (18,307)**	**$ 13,040,109**	**$ (7,645)**	**$ 5,183,602**	**$ (69,927)**	**$ (480,168)**	**$ 10,228,244**	**$ 940,335**	**$ (57,364)**

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Liabilities and Net Assets	EDISON COURT	COMMUNITY PREVENTION PARTNERS	YOUTH SERVICES AGENCY	CHILDREN'S HOME OF READING	CHOR YOUTH & FAMILY SERVICES	READING SPECIALISTS	AFFINITY	ALVARIUM	ALVARIUM PERSONAL CARE
Liabilities:									
Current liabilities:									
Revolving line of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	11,157	80,940	90,043	10,557	57,052	-	30,670	-	-
Deferred revenue	-	4,917	-	132,487	73,860	-	-	-	-
Salaries and wages payable	14,456	-	161,011	-	-	-	-	-	-
Payroll taxes and amounts withheld from employees	-	-	-	-	-	-	-	-	-
Current portion of capital lease obligation	-	-	-	37,642	-	-	-	-	-
Due to State of New Jersey	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	4,773	-	40,348	121,098	-	-	-	13,600	24,000
Total current liabilities	30,386	85,857	291,402	301,784	130,912	-	30,670	13,600	24,000
Long-term liabilities:									
Deferred revenue - long -term	-	-	-	-	-	-	-	-	-
Accrued lease escalations	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-
Capital lease obligation	-	-	-	32,624	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-	2,200	1,200	-	-
Due to State of New Jersey	-	-	-	-	-	-	-	-	-
Bond (net bond issuance costs)	-	-	-	-	-	-	-	-	-
Long-term debt (net of financing costs)	284,194	-	32,832	1,982,596	-	-	-	254,917	94,000
Total long-term liabilities	284,194	-	32,832	2,015,220	-	2,200	1,200	254,917	94,000
Total Liabilities	314,580	85,857	324,234	2,317,004	130,912	2,200	31,870	268,517	118,000
Net Assets:									
Membership interest	-	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	-	-	-	-	2,346,464	-	-
Net assets without donor restrictions	1,556,481	(29,763)	6,255,809	12,052,629	(130,912)	48,934	499,357	(375,523)	124,181
Net assets with donor restrictions	-	182,854	-	3,143,289	-	-	-	-	-
Total net assets	1,556,481	153,091	6,255,809	15,195,918	(130,912)	48,934	2,845,821	(375,523)	124,181
Total Liabilities and Net Assets	**$ 1,871,061**	**$ 238,948**	**$ 6,580,043**	**$ 17,512,922**	**$ -**	**$ 51,134**	**$ 2,877,691**	**$ (107,006)**	**$ 242,181**

(Continued)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Liabilities and Net Assets	SUPPORTIVE CONCEPTS	HARMONYCREST	PERSON DIRECTED CLINICAL SERVICES	CALLAN	FORTIS HOLDINGS	FORTIS HOUSING	S AUTOMOTIVE & FLEET SERVICES	SUSTAINABLE ENERGY & LIGHTING SOLUTIONS
Liabilities:								
Current liabilities:								
Revolving line of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	257,317	-	650	-	-	6,737	2,231	5
Deferred revenue	-	-	-	-	-	-	-	-
Salaries and wages payable	-	-	-	-	-	-	-	-
Payroll taxes and amounts withheld from employees	-	-	-	-	-	-	-	-
Current portion of capital lease obligation	-	-	-	-	-	-	-	-
Due to State of New Jersey	-	-	-	-	-	-	-	-
Current portion of long-term debt	406,164	-	-	-	-	329,432	-	-
Total current liabilities	663,481	-	650	-	-	336,169	2,231	5
Long-term liabilities:								
Deferred revenue - long -term	-	-	-	-	-	-	-	-
Accrued lease escalations	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-
Capital lease obligation	-	-	-	-	-	-	-	-
Other long-term liabilities	114,110	-	-	-	-	1,425	-	-
Due to State of New Jersey	-	-	-	-	-	-	-	-
Bond (net bond issuance costs)	-	-	-	-	-	-	-	-
Long-term debt (net of financing costs)	5,162,383	-	-	-	-	4,333,703	-	-
Total long-term liabilities	5,276,493	-	-	-	-	4,335,128	-	-
Total Liabilities	5,939,974	-	650	-	-	4,671,297	2,231	5
Net Assets:								
Membership interest	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	-	-	-	-	40,000	400,000
Net assets without donor restrictions	12,303,787	127,034	90,282	-	(164,164)	680,770	2,817	(505,826)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	12,303,787	127,034	90,282	-	(164,164)	680,770	42,817	(105,826)
Total Liabilities and Net Assets	**$ 18,243,761**	**$ 127,034**	**$ 90,932**	$ -	**$ (164,164)**	**$ 5,352,067**	**$ 45,048**	**$ (105,821)**

(Continued)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(Continued)

Liabilities and Net Assets	INPERIUM SHARED SERVICES	ALTERNATIVE CONSULTING ENTERPRISES	ELIMINATION INPERIUM	Eliminations	Consolidated Totals
Liabilities:					
Current liabilities:					
Revolving line of credit	$ -	$ -	$ -	$ -	$ 4,899,351
Accounts payable	-	110,878	-	-	3,133,761
Deferred revenue	-	-	-	-	247,814
Salaries and wages payable	-	-	-	-	6,921,484
Payroll taxes and amounts withheld from employees	-	-	-	-	123,337
Current portion of capital lease obligation	-	-	-	-	37,642
Due to State of New Jersey	-	-	-	-	1,646,800
Current portion of long-term debt	-	-	-	-	1,616,057
Total current liabilities	-	110,878	-	-	18,626,246
Long-term liabilities:					
Deferred revenue - long -term	-	-	-	-	2,469,267
Accrued lease escalations	-	-	-	-	-
Security deposits	-	-	-	-	-
Capital lease obligation	-	-	-	-	32,624
Other long-term liabilities	-	-	-	-	121,456
Due to State of New Jersey	-	-	-	-	-
Bond (net bond issuance costs)	-	-	-	-	2,256,160
Long-term debt (net of financing costs)	-	-	-	-	15,273,631
Total long-term liabilities	-	-	-	-	20,153,138
Total Liabilities	-	110,878	-	-	38,779,384
Net Assets:					
Membership interest	-	1,255,000	-	(1,255,000)	-
Additional paid-in-capital	-	-	(2,346,464)	(440,000)	-
Net assets without donor restrictions	(26,460)	(1,265,142)	-	-	35,541,995
Net assets with donor restrictions	-	-	-	-	3,326,143
Total net assets	(26,460)	(10,142)	(2,346,464)	(1,695,000)	38,868,138
Total Liabilities and Net Assets	**$ (26,460)**	**$ 100,736**	**$ (2,346,464)**	**$ (1,695,000)**	**$ 77,647,522**

(Concluded)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	INPERIUM	INPERIUM MANAGEMENT SERVICES	INPERIUM NORTH CAROLINA	WAKE ENTERPRISES	INPERIUM NEW JERSEY	NEW HORIZON TREATMENT SERVICES	SOUTH JERSEY BEHAVIORAL HEALTH	GUIDANCE CENTER	INPERIUM NEW YORK
Public Support, Revenues, Gains, and Other Support									
Contract revenue	$ -	$ -	$ -	$ 1,473	$ -	$ 2,577,303	$ 9,349,803	$ -	$ -
Contributions/grants	-	62	-	2,355,384	-	739,407	936,683	-	-
Client fees	-	18,620	-	-	-	-	202,397	-	-
Interest Income	5,841	562,278	-	4,939	-	17	24,391	47	-
Other program fees	-	-	-	-	-	330,533	11,423	-	-
Other income	-	(1,352)	-	54,131	-	99,703	374,935	201,806	-
Inherent contributions of net assets from affiliates			-	3,137,383		-	3,421,453	701,265	
Sales (net discounts)	-	-	-	160,559	-	-	-	-	-
Intercompany revenues	-	-	-	-	-	-	-	5,942	-
Total public support, revenues, gains, and other support	5,841	579,608	-	5,713,869	-	3,746,963	14,321,085	909,060	-
Expenses:									
Payroll	998,161	6,830,383	-	1,657,315	3,743	2,441,456	6,014,513	41,232	2,561
Payroll taxes and employee benefits	70,997	1,108,821	-	424,222	35	428,298	1,750,018	19	42
Total payroll and related expenses	1,069,158	7,939,204	-	2,081,537	3,778	2,869,754	7,764,531	41,251	2,603
Client transportation	89,044	105,092	-	73,119	-	14,981	201,868	-	-
Communications	107,003	223,087	750	38,423	-	30,958	93,787	8,850	-
Contract personnel	866,022	1,202,886	5,589	133,742	11,309	364,041	1,082,667	26,648	39,003
Housekeeping expense	257	724	-	41,247	-	876	145,193	6,955	-
Insurance expense	167	15,461	-	38,083	-	49,360	166,278	6,930	-
Interest expense	109,554	343,504	85	97,825	2,710	119,157	9,826	13,428	2,418
Maintenance and repairs	1,581	105,213	-	69,926	-	104,689	235,336	10,815	-
Management fees	(1,271,764)	(11,275,865)	-	108,247		391,489	337,350	-	
Rent expense	3,360	221,972	-	43	-	415	383,295	-	-
Supplies and operating expenses	104,321	902,544	1,221	112,150	-	301,333	399,327	1,355	1,221
Utilities	580	57,500		86,940	-	52,408	127,687	13,519	-
Total expenses before depreciation	1,079,283	(158,678)	7,645	2,881,282	17,797	4,299,461	10,947,145	129,751	45,245
Depreciation	47	7,375		94,964	-	23,848	129,868	23,323	-
Total expenses	1,079,330	(151,303)	7,645	2,976,246	17,797	4,323,309	11,077,013	153,074	45,245
Change in net assets before non-operating income (loss)	(1,073,489)	730,911	(7,645)	2,737,623	(17,797)	(576,346)	3,244,072	755,986	(45,245)
Non-Operating Income:									
Non operating gains (losses)	-	(516,399)	-	-	-	21,578	-	-	-
Total non-operating income	-	(516,399)	-	-	-	21,578	-	-	-
Change in net assets after non-operating income	(1,073,489)	214,512	(7,645)	2,737,623	(17,797)	(554,768)	3,244,072	755,986	(45,245)
Net Assets:									
Beginning of year	(330,931)	22,323	-	-	(52,130)	(582,688)	-	-	(12,119)
End of year	$ (1,404,420)	$ 236,835	$ (7,645)	$ 2,737,623	$ (69,927)	$ (1,137,456)	$ 3,244,072	$ 755,986	$ (57,364)

INPERIUM, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(Continued)

	EDISON COURT	WITHOUT DONOR RESTRICTIONS COMMUNITY PREVENTION PARTNERS	WITH DONOR RESTRICTIONS COMMUNITY PREVENTION PARTNERS	YOUTH SERVICES AGENCY	WITHOUT DONOR RESTRICTIONS CHILDREN'S HOME OF READING	WITH DONOR RESTRICTIONS CHILDREN'S HOME OF READING	CHOR YOUTH & FAMILY SERVICES	READING SPECIALISTS
Public Support, Revenues, Gains, and Other Support								
Contract revenue	$ 6,688,484	$ -	$ -	$ 3,152,421	$ -	$ -	$ 12,615,361	$ -
Contributions/grants	73,754	3,463,097	84,126	-	1,234,231	131,940	247,152	-
Client fees	-	-	-	-	-	-	-	-
Interest Income	9,638	162	-	-	132,148	5,881	-	7,030
Other program fees	261,458	-	-	-	-	-	-	-
Other income	4,703	7,480	-	30,000	53,233	(18,125)	86,875	-
Inherent contributions of net assets from affiliates	-			-	-	-		-
Sales (net discounts)	-	-	-	-	-	-	-	-
Intercompany revenues	-	-	-	3,491	-	-	2,075	-
Total public support, revenues, gains, and other support	7,038,037	3,470,739	84,126	3,185,912	1,419,612	119,696	12,951,463	7,030
Expenses:								
Payroll	3,566,250	1,974,211	-	2,146,405	208,635	-	6,363,329	26,192
Payroll taxes and employee benefits	808,237	398,114	-	416,969	21,842	-	1,417,250	11,905
Total payroll and related expenses	4,374,487	2,372,325	-	2,563,374	230,477	-	7,780,579	38,097
Client transportation	88,459	80,847	-	83,931	2,299	-	160,202	-
Communications	54,720	77,554	-	39,513	23,018	-	199,631	-
Contract personnel	472,525	148,094	-	180,462	22,622	-	1,310,182	39,802
Housekeeping expense	289,832	160,789	-	214,034	122	-	286,070	-
Insurance expense	34,270	15,170	-	65,272	1,165	-	150,247	-
Interest expense	46,511	10,910	-	77,658	140,974	-	106,264	3,800
Maintenance and repairs	118,303	26,353	-	70,295	1,802	-	361,966	-
Management fees	703,721	353,893		319,964	152,515		1,294,606	-
Rent expense	115,444	73,539	-	12,077	3,114	-	190,246	-
Supplies and operating expenses	178,881	102,591	-	139,364	220,212	-	738,494	(125)
Utilities	76,331	34,090	-	146,293	1,035	-	232,359	-
Total expenses before depreciation	6,553,484	3,456,155	-	3,912,237	799,355	-	12,810,846	81,574
Depreciation	119,121	(1,364)	-	172,789	112	-	413,258	-
Total expenses	6,672,605	3,454,791	-	4,085,026	799,467	-	13,224,104	81,574
Change in net assets before non-operating income (loss)	365,432	15,948	84,126	(899,114)	620,145	119,696	(272,641)	(74,544)
Non-Operating Income:								
Non operating gains (losses)	-	-	-	(230,499)	-	-	-	-
Total non-operating income	-	-	-	(230,499)	-	-	-	-
Change in net assets after non-operating income	365,432	15,948	84,126	(1,129,613)	620,145	119,696	(272,641)	(74,544)
Net Assets:								
Beginning of year	1,191,049	(45,711)	98,728	7,385,422	11,611,712	3,023,593	(37,499)	123,478
End of year	$ 1,556,481	$ (29,763)	$ 182,854	$ 6,255,809	$ 12,231,857	$ 3,143,289	$ (310,140)	$ 48,934

INPERIUM, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(Continued)

	AFFINITY	ALVARIUM	ALVARIUM PERSONAL CARE	SUPPORTIVE CONCEPTS	HARMONYCREST	PERSON DIRECTED CLINICAL SERVICES	CALLAN	FORTIS HOLDINGS	FORTIS HOUSING
Public Support, Revenues, Gains, and Other Support									
Contract revenue	$ 4,107,016	$ 452,096	$ -	$ 59,713,872	$ (25)	$ 571,824	$ -	$ -	$ -
Contributions/grants	10,793	-	-	-	-	-	-	-	-
Client fees	-	7,020	-	2,490,597	146,263	-	-	-	-
Interest Income	19,034	-	135	278,672	53,301	53,448	-	-	24,938
Other program fees	1,015,384	-	89,588	68,484	-	-	-	-	-
Other income	14,751	5,000	185	368,324	-	-	15,222	-	3,968
Inherent contributions of net assets from affiliates			148,940						166,051
Sales (net discounts)	-	-	-	-	-	681,649	-	-	-
Intercompany revenues	-	-	-	-	737,208	1,406,211	499,378	-	476,542
Total public support, revenues, gains, and other support	5,166,978	464,116	238,848	62,919,949	936,747	2,713,132	514,600	-	671,499
Expenses:									
Payroll	1,469,336	449,973	52,603	33,299,924	454,875	1,871,408	3,961	3,261	2,561
Payroll taxes and employee benefits	273,435	60,934	8,104	6,617,275	98,861	321,947	65	54	44
Total payroll and related expenses	1,742,771	510,907	60,707	39,917,199	553,736	2,193,355	4,026	3,315	2,605
Client transportation	45,290	26,353	407	1,711,668	4,918	87,614	-	-	-
Communications	18,968	5,115	512	396,632	4,293	27,953	-	-	-
Contract personnel	2,027,425	76,296	9,384	2,917,439	6,586	6,168	13,400	29,703	3,004
Housekeeping expense	16,845	5,306	12,826	820,322	41,999	48	-	-	-
Insurance expense	142,834	2,456	528	434,326	4,798	12,307	721	-	-
Interest expense	63,663	12,189	607	219,929	46,108	56,231	275,296	27,380	282,353
Maintenance and repairs	36,885	35,966	5,533	953,272	26,075	5,557	-	-	-
Management fees	516,580	47,194	12,141	7,541,108	92,649	270,852	25,730		33,467
Rent expense	114,476	42,973	-	2,225,066	40,037	20,086	-	-	-
Supplies and operating expenses	104,872	30,131	6,066	599,735	18,722	14,736	8,931	-	3,088
Utilities	30,798	10,536	4,751	807,548	10,769	4,698	-	-	-
Total expenses before depreciation	4,861,407	805,422	113,462	58,544,244	850,690	2,699,605	328,104	60,398	324,517
Depreciation	1,713	1,799	1,205	223,285	-	943	192,267	-	134,792
Total expenses	4,863,120	807,221	114,667	58,767,529	850,690	2,700,548	520,371	60,398	459,309
Change in net assets before non-operating income (loss)	303,858	(343,105)	124,181	4,152,420	86,057	12,584	(5,771)	(60,398)	212,190
Non-Operating Income:									
Non operating gains (losses)	-	-	-	23,303	-	-	-	-	-
Total non-operating income	-	-	-	23,303	-	-	-	-	-
Change in net assets after non-operating income	303,858	(343,105)	124,181	4,175,723	86,057	12,584	(5,771)	(60,398)	212,190
Net Assets:									
Beginning of year	195,499	(32,418)	-	7,906,572	40,977	77,698	227,261	(103,766)	468,580
End of year	$ 499,357	$ (375,523)	$ 124,181	$ 12,082,295	$ 127,034	$ 90,282	$ 221,490	$ (164,164)	$ 680,770

INPERIUM, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(Continued)

	S AUTOMOTIVE & FLEET SERVICES	SUSTAINABLE ENERGY & LIGHTING SOLUTIONS	INPERIUM SHARED SERVICES	ALTERNATIVE CONSULTING ENTERPRISES	Eliminations/ Reclasses	Consolidated Totals
Public Support, Revenues, Gains, and Other Support						
Contract revenue	$ -	$ -	$ -	$ 2,011,924	$ -	$ 101,241,552
Contributions/grants	-	-	-	-	-	9,276,629
Client fees	-	-	-	-	-	2,864,897
Interest Income	972	2,428	-	-	(1,016,575)	168,725
Other program fees	-	-	-	-	-	1,776,870
Other income	634	2	-	4,089	-	1,305,564
Inherent contributions of net assets from affiliates						7,575,092
Sales (net discounts)	406,018	234,175	-	-	-	1,482,401
Intercompany revenues	489,179	312,654	-	-	(3,932,680)	-
Total public support, revenues, gains, and other support	896,803	549,259	-	2,016,013	(4,949,255)	125,691,730
Expenses:						
Payroll	309,903	256,895	3,961	1,241,901	-	71,694,948
Payroll taxes and employee benefits	50,669	51,991	65	198,017	-	14,538,230
Total payroll and related expenses	360,572	308,886	4,026	1,439,918	-	86,233,178
Client transportation	14,328	29,629	-	1,126	(492,786)	2,328,389
Communications	6,105	3,115	-	14,783		1,374,770
Contract personnel	3,241	2,141	9,036	448,543	(2,143,419)	9,314,541
Housekeeping expense	-	-	-	458	-	2,043,903
Insurance expense	8,425	2,581	-	20,843	-	1,172,222
Interest expense	2,339	7,887	1,002	6,034	(1,016,575)	1,069,067
Maintenance and repairs	8,829	1,759	-	41,049	(314,613)	1,906,591
Management fees	89,667	54,909		201,547		-
Rent expense	32,596	1,130	-	100,400	(981,862)	2,598,407
Supplies and operating expenses	303,026	177,456	-	46,580	-	4,516,232
Utilities	6,180	394	-	15,652	-	1,720,068
Total expenses before depreciation	835,308	589,887	14,064	2,336,933	(4,949,255)	114,277,368
Depreciation	6,611	4,852	-	15,462	-	1,566,270
Total expenses	841,919	594,739	14,064	2,352,395	(4,949,255)	115,843,638
Change in net assets before non-operating income (loss)	54,884	(45,480)	(14,064)	(336,382)	-	9,848,092
Non-Operating Income:						
Non operating gains (losses)	-	-	-	115,262	-	(586,755)
Total non-operating income	-	-	-	115,262	-	(586,755)
Change in net assets after non-operating income	54,884	(45,480)	(14,064)	(221,120)	-	9,261,337
Net Assets:						
Beginning of year	(52,067)	(460,346)	(12,396)	(1,044,020)	-	29,606,801
End of year	$ 2,817	$ (505,826)	$ (26,460)	$ (1,265,140)	$ -	$ 38,868,138