

# **Inperium, Inc.**

Consolidated Financial Statements  
June 30, 2022

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RSM US LLP

## Independent Auditor's Report

Board of Directors  
Inperium, Inc.

### Opinion

We have audited the consolidated financial statements of Inperium, Inc. and its subsidiaries and affiliates (the Company), which comprise the consolidated statement of financial position as of June 30, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Other Matter

The financial statements of the Company, as of and for the year ended June 30, 2021, were audited by other auditors, whose report, dated December 21, 2021, expressed an unmodified opinion on those statements.

### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

*RSM US LLP*

Blue Bell, Pennsylvania  
January 10, 2023

Inperium, Inc.

**Consolidated Statements of Financial Position**  
**June 30, 2022 and 2021**

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 25,138,954	\$ 27,145,468
Accounts receivable	49,553,186	17,015,168
Inventory	173,187	125,130
Prepaid expenses	2,054,411	1,090,073
<b>Total current assets</b>	<b>76,919,738</b>	<b>45,375,839</b>
Land, buildings, leasehold improvements and equipment:		
Land and buildings	65,875,896	67,498,725
Computer equipment	1,805,714	1,321,882
Furniture and fixtures	1,326,822	1,196,432
Leasehold improvements	3,581,542	3,055,089
Office equipment	1,632,087	1,091,880
Transportation equipment	6,482,213	2,648,119
Construction in process	234,921	146,353
	<b>80,939,195</b>	<b>76,958,480</b>
Less accumulated depreciation	<b>(13,156,315)</b>	<b>(9,909,501)</b>
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>67,782,880</b>	<b>67,048,979</b>
Other assets:		
Security deposits	300,946	198,674
Long-term receivable	2,525,830	21,895
Interest rate swap agreements	2,800,466	124,922
Goodwill and intangible assets	2,377,267	1,449,995
Investments	3,171,672	1,989,451
Beneficial interests and charitable remainder trust	2,588,865	3,170,200
<b>Total other assets</b>	<b>13,765,046</b>	<b>6,955,137</b>
<b>Total assets</b>	<b>\$ 158,467,664</b>	<b>\$ 119,379,955</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 11,564,041	\$ 8,890,248
Refundable advances	3,718,170	2,808,018
Salaries and wages payable	7,690,784	7,947,831
Payroll taxes and amounts withheld from employees	1,544,690	105,871
Other current liabilities	-	7,553,349
Current portion of long-term debt	3,975,745	1,647,644
<b>Total current liabilities</b>	<b>28,493,430</b>	<b>28,952,961</b>
Long-term liabilities:		
Refundable advances—long term	1,693,212	2,280,399
Other long-term liabilities	409,201	199,100
Long-term debt (net of financing costs)	45,301,429	29,028,620
<b>Total long-term liabilities</b>	<b>47,403,842</b>	<b>31,508,119</b>
<b>Total liabilities</b>	<b>75,897,272</b>	<b>60,461,080</b>
Net assets:		
Without donor restrictions:		
Undesignated	77,596,415	53,084,497
Board designated	1,422,619	1,662,877
With donor restrictions	3,551,358	4,171,501
<b>Total net assets</b>	<b>82,570,392</b>	<b>58,918,875</b>
<b>Total liabilities and net assets</b>	<b>\$ 158,467,664</b>	<b>\$ 119,379,955</b>

See notes to consolidated financial statements.

**Inperium, Inc.**

**Consolidated Statements of Activities  
Years Ended June 30, 2022 and 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenues, gains and other support:						
Contract revenue	\$ 225,588,340	\$ -	\$ 225,588,340	\$ 126,017,592	\$ -	\$ 126,017,592
Contributions/grants	16,589,828	143,136	16,732,964	7,161,116	394,556	7,555,672
Client fees	5,705,656	-	5,705,656	4,688,182	-	4,688,182
Other program fees	3,967,944	-	3,967,944	2,006,244	-	2,006,244
Other income	2,828,148	-	2,828,148	2,645,213	-	2,645,213
Interest income	212,932	-	212,932	184,001	-	184,001
COVID revenue	13,304,859	-	13,304,859	10,007,634	-	10,007,634
Inherent contributions of net assets from affiliates	10,253,191	-	10,253,191	3,004,591	-	3,004,591
Sales (net discounts)	3,608,947	-	3,608,947	3,537,620	-	3,537,620
Net assets released from restriction	168,495	(168,495)	-	126,340	(126,340)	-
<b>Total public support, revenues, gains and other support</b>	<b>282,228,340</b>	<b>(25,359)</b>	<b>282,202,981</b>	<b>159,378,533</b>	<b>268,216</b>	<b>159,646,749</b>
Expenses:						
Program	226,998,468	-	226,998,468	131,153,647	-	131,153,647
Management and general	31,428,326	-	31,428,326	23,135,494	-	23,135,494
Fundraising	469,544	-	469,544	509,609	-	509,609
<b>Total expenses</b>	<b>258,896,338</b>	<b>-</b>	<b>258,896,338</b>	<b>154,798,750</b>	<b>-</b>	<b>154,798,750</b>
<b>Change in net assets before other income (expense)</b>	<b>23,332,002</b>	<b>(25,359)</b>	<b>23,306,643</b>	<b>4,579,783</b>	<b>268,216</b>	<b>4,847,999</b>
Other income (expense):						
Other income (expense)	939,658	(594,784)	344,874	1,288,965	661,565	1,950,530
<b>Total other income (expense)</b>	<b>939,658</b>	<b>(594,784)</b>	<b>344,874</b>	<b>1,288,965</b>	<b>661,565</b>	<b>1,950,530</b>
<b>Change in net assets after other income (expense)</b>	<b>24,271,660</b>	<b>(620,143)</b>	<b>23,651,517</b>	<b>5,868,748</b>	<b>929,781</b>	<b>6,798,529</b>
Net assets:						
Beginning of year	54,747,374	4,171,501	58,918,875	48,878,626	3,241,720	52,120,346
End of year	\$ 79,019,034	\$ 3,551,358	\$ 82,570,392	\$ 54,747,374	\$ 4,171,501	\$ 58,918,875

See notes to consolidated financial statements.

**Inperium, Inc.**

**Consolidated Statements of Functional Expenses  
Years Ended June 30, 2022 and 2021**

	2022				2021			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Payroll	\$ 137,487,350	\$ 15,433,330	\$ 184,368	\$ 153,105,048	\$ 78,323,349	\$ 12,098,160	\$ 212,784	\$ 90,634,293
Payroll taxes and employee benefits	29,838,303	3,595,689	28,158	33,462,150	18,298,246	1,858,483	28,238	20,184,967
<b>Total payroll and related expenses</b>	<b>167,325,653</b>	<b>19,029,019</b>	<b>212,526</b>	<b>186,567,198</b>	<b>96,621,595</b>	<b>13,956,643</b>	<b>241,022</b>	<b>110,819,260</b>
Client transportation	2,829,601	328,264	624	3,158,489	1,604,663	106,519	1,013	1,712,195
Communications	1,510,905	411,902	12,781	1,935,588	1,185,228	240,309	10,991	1,436,528
Contract personnel	11,838,900	6,492,139	73,220	18,404,259	12,219,045	2,762,899	19,128	15,001,072
Housekeeping expense	4,690,148	-	344	4,690,492	2,343,749	-	-	2,343,749
Insurance expense	4,925,008	131,487	396	5,056,891	1,942,742	60,035	430	2,003,207
Interest expense	130,126	600,886	52,256	783,268	134,555	515,465	63,915	713,935
Maintenance and repairs	8,227,013	157,272	496	8,384,781	2,595,361	79,550	194	2,675,105
Rent expense	6,699,347	847,034	-	7,546,381	3,292,291	284,909	359	3,577,559
Supplies and operating expenses	10,331,881	3,105,138	115,376	13,552,395	3,283,519	2,860,989	171,293	6,315,801
Utilities	4,932,408	192,483	64	5,124,955	2,105,002	54,946	356	2,160,304
<b>Total expenses before depreciation</b>	<b>223,440,990</b>	<b>31,295,624</b>	<b>468,083</b>	<b>255,204,697</b>	<b>127,327,750</b>	<b>20,922,264</b>	<b>508,701</b>	<b>148,758,715</b>
Depreciation	3,557,478	132,702	1,461	3,691,641	3,825,897	2,213,230	908	6,040,035
<b>Total expenses</b>	<b>\$ 226,998,468</b>	<b>\$ 31,428,326</b>	<b>\$ 469,544</b>	<b>\$ 258,896,338</b>	<b>\$ 131,153,647</b>	<b>\$ 23,135,494</b>	<b>\$ 509,609</b>	<b>\$ 154,798,750</b>

See notes to consolidated financial statements.

**Inperium, Inc.**

**Consolidated Statements of Cash Flows  
Years Ended June 31, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Increase in net assets	\$ 23,651,517	\$ 6,798,529
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation	3,691,641	6,040,035
Amortization of deferred financing costs	47,505	45,721
(Gain) loss of sale of assets	(10,832)	116,365
Forgiveness of PPP Loans	(7,360,299)	(4,400,120)
Unrealized loss (gain) on investments	1,003,543	(1,086,017)
Unrealized gain on interest rate swap agreements	(2,675,544)	(690,244)
Contribution from affiliation	(10,253,191)	(3,004,591)
Impairment of property and equipment	2,983,067	-
Change in:		
Accounts receivable	(18,461,673)	(3,465,112)
Prepaid expenses	(293,097)	(361)
Inventory	43,113	(104,702)
Other assets	(4,171,737)	1,253,210
Accounts payable and accrued expenses	689,525	4,291,012
Other current liabilities	(3,040,857)	(783,503)
<b>Net cash (used in) provided by operating activities</b>	<b>(14,157,319)</b>	<b>5,010,222</b>
Cash flows from investing activities:		
Proceeds from sale of assets	434,072	2,797,497
Assets acquired through affiliations	(1,215,382)	(14,132,550)
Purchase of:		
Land and buildings	(1,768,804)	(181,350)
Computer equipment	(324,017)	(172,303)
Furniture and fixtures	(207,702)	(109,029)
Leasehold improvements	(388,151)	(49,110)
Office equipment	(121,240)	(5,255)
Transportation equipment	(2,788,053)	(655,188)
<b>Net cash used in investing activities</b>	<b>(6,379,277)</b>	<b>(12,507,288)</b>
Cash flows from financing activities:		
Borrowings on long-term debt	21,563,375	-
Proceeds from PPP loans	-	8,717,500
Repayment of capital lease debt	-	(34,996)
Repayment of long-term debt	(3,033,293)	(2,268,808)
<b>Net cash provided by financing activities</b>	<b>18,530,082</b>	<b>6,413,696</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,006,514)</b>	<b>(1,083,370)</b>
Cash and cash equivalents:		
Beginning of year	27,145,468	28,228,838
End of year	\$ 25,138,954	\$ 27,145,468
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 814,524	\$ 705,274
The Company affiliated with various companies during fiscal years ending June 30, 2022 and 2021 (see Note 11 for details). In conjunction with the acquisitions, liabilities were assumed and a contribution was received as follows:		
Fair value of assets acquired	\$ 24,800,104	\$ 16,344,099
Liabilities assumed	(14,546,913)	(13,339,508)
Contribution received in acquisition	\$ 10,253,191	\$ 3,004,591

See notes to consolidated financial statements.



## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies

**Nature of business:** These consolidated financial statements for the year ended June 30, 2022 and 2021, include the accounts and operations of Inperium, Inc. (Inperium), as well as the entities below (collectively, the Company):

Inperium's purpose is to provide management oversight, governance, and support to allow its affiliates to fulfill their respective mission.

**Inperium:** Inperium operates as a consolidator, primarily for nonprofit enterprises, in order to enable them to efficiently and effectively leverage financial, technological and human resources in furtherance of their own unique mission.

**Apis Services, Inc. (APIS):** APIS is a supporting organization under Section 509(a)(3) of the Internal Revenue Code and provides operational, management and administrative services to organizations in fulfilling their respective missions.

**Supportive Concepts for Families, Inc. (SCFFI):** SCFFI acts as the parent company for its subsidiaries as well as providing program services for intellectually and developmentally disabled individuals in multiple counties throughout the Commonwealth of Pennsylvania (Commonwealth). SCFFI is incorporated in the Commonwealth as a nonprofit entity.

**Person Directed Clinical Services, LLC dba Person Driven Clinical Solutions (PDCS):** PDCS is a Pennsylvania Limited Liability Company (LLC) with nonprofit status whose sole member is SCFFI. PDCS is a qualified provider of Behavioral Support Services to individuals with Mental Health/Intellectual Developmental Disabilities.

**Harmonycrest Personal Care Services, LLC (Harmonycrest):** Harmonycrest is an LLC with nonprofit status whose 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.

**Fortis Holdings, Inc. (Fortis):** Fortis is a for profit S-corporation and is wholly owned by SCFFI. Fortis acts as the holding company for Fortis Housing Services, LLC. Fortis 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 Note 8).

**Fortis Housing Services, LLC (Fortis Housing):** Fortis Housing was formed as a Pennsylvania LLC and its sole member is Fortis Holdings. Fortis Housing was formed to hold real estate and support potential contributions made to the ESOP.

**Inperium Management Services, LLC (IMS):** IMS was formed as a Pennsylvania LLC and its sole member is Fortis Holdings. IMS provides back office services to organizations not affiliated under Inperium.

**Sustainable Electric and Lighting Solutions, LLC (SELS):** SELS is a for-profit Pennsylvania LLC 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 is a for-profit Pennsylvania LLC 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.

Inperium, Inc.

## Notes to Consolidated Financial Statements

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### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Alternative Consulting Enterprises, LLC (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. (CPP):** Effective January 27, 2016, Inperium 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 drugs; violence; teen pregnancy; abuse; crime; school dropout and other related social issues.

**Edison Court, Inc. (ECI):** Effective February 24, 2017, Inperium 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. On October 1, 2021, ECI was merged into CHOR Youth & Family Services, Inc. (CHORYFS). Total assets, liabilities and net assets in the amounts of \$8,317,894, \$699,590 and \$7,397,939, respectively, were assumed by CHORYFS.

**Inperium of New Jersey, Inc. (INJ):** INJ is a New Jersey nonprofit corporation of which Inperium is the sole member. INJ's purpose is to support Inperium's New Jersey affiliates.

**Inperium of New York (INY):** INY is a New York nonprofit corporation of which Inperium is the sole member. INY's purpose is to support Inperium's future New York affiliates.

**IRON Recovery and Wellness Center f/k/a New Horizon Treatment Services, Inc. (IRON):** Effective October 1, 2017, INJ became sole member of IRON. IRON'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. On May 1, 2021, Counseling and Referral Services of Ocean, Inc. (Seashore) merged into IRON. Seashore was a New Jersey nonprofit 501(c)(3) corporation that operated multiple outpatient substance abuse treatment facilities and provided a continuum of effective mental health, substance abuse, and other counseling and pharmacotherapy services in New Jersey. This merger expands the footprint where the companies can provide quality mental health and substance abuse services throughout New Jersey.

**South Jersey Behavioral Health Resources, Inc. (SJBH):** Effective September 1, 2018, INJ became sole corporate member of SJBH. SJBH is a private, nonprofit agency established in 1984 that provides mental health services to the residents of Camden County.

**Guidance Center of Camden County Development Corp. (GCENT):** GCENT is a New Jersey nonprofit corporation that owns real property and operates two boarding homes for the mentally disadvantaged. GCENT is related to SJBH through common control and management.

**Youth Services Agency, Inc. (YSA):** Effective September 30, 2017, Inperium 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. On January 1, 2021, YSA merged into ECI. Total assets, liabilities and net assets in the amounts of \$7,052,908, \$1,867,398 and \$5,185,510, respectively, were assumed by ECI.

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

**Reading Specialists Education Association (RSEA):** Effective October 31, 2017, Inperium 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.

**Affinity Forensic Services, LLC (AFS):** Effective October 31, 2017, Inperium acquired 100% membership interest of AFS. AFS is a Pennsylvania LLC whose sole member is RSEA. AFS 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. On October 1, 2021, AFS was merged into CHORYFS. Total assets, liabilities, additional paid in capital and net assets in the amounts of \$4,338,441, \$3,435, \$2,346,464 and \$1,866,218, respectively were assumed by CHORYFS.

**Alvarium Healthcare, Inc. (Alvarium):** Effective February 5, 2018, Inperium 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 January 7, 2019, Alvarium became the sole member of APC. APC is a Pennsylvania nonprofit LLC 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, Inperium 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 including Residential Treatment Facilities, Specialized Foster Care, A Licensed Private Academic School, and various Outpatient Services.

**Wake Enterprises, Inc. (WAKE):** Effective July 1, 2018, Inperium became the sole member of Wake. Wake is a private, IRS Section 501(c)(3) nonprofit 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.

**Honeythrive, Inc (HONEY):** On June 18, 2019, Inperium formed HONEY. HONEY is a Pennsylvania nonprofit corporation that will act in the benefit of organizations which hereafter become affiliated with the Company, and perform all operational, management, and administrative services in connection with the management and operation of the supported organizations to assist them with fulfilling their respective missions. In July 2021, HONEY was dissolved and the intercompany loan of \$18,526 was forgiven.

**Anchors-From Carol (ANCHORS):** On July 9, 2019, Inperium formed ANCHORS. ANCHORS is a Pennsylvania nonprofit corporation that provides awareness and enrichment to the lives of people and their families in need who are impacted by cancer, illiteracy and learning disabilities.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Crossroads Programs, Inc. (CROSS):** Effective August 30, 2019, INJ became the sole member of CROSS, a New Jersey nonprofit. CROSS is a social service agency whose mission is to empower homeless, abandoned, abused, or at-risk youth to lead healthy, productive lives through residential, clinical and foster care programs.

**Advancing Opportunities, Inc. (AO):** Effective February 27, 2020, INJ became the sole member of AO, a New Jersey nonprofit. AO provides advocacy, direct support and education to individuals with all types of disabilities and their families via residential, assistive technology and/or employment services throughout the State of New Jersey.

**Ocellus Tech, LLC. (OT):** OT, a Pennsylvania LLC, was formed April 30, 2020, and its sole member is APIS. OT's purpose is to perform certain information technology support, and related services to support the administration, management, and operation of the supported organizations of APIS and to assist such supported organizations with fulfilling their respective missions.

**La Colmena Inperium, Inc. (LCI):** LCI, a Texas corporation, was formed February 14, 2020, and the sole member is Inperium. LCI's purpose is to act for the benefit of the Company's affiliated organizations and to perform or cause to be performed all operational, management and administrative services in connection with the management and operation of the supported organizations to assist the supported organizations with fulfilling their respective missions. No programs are operated out of this entity.

**Conexio Care Services, Inc. (Conexio):** Effective June 15, 2021, Conexio, a Delaware corporation, was formed because of a bankruptcy purchase made by Inperium. Inperium is the sole member. Conexio was formed to provide a comprehensive array of healthcare, housing, educational and employment opportunities that help individuals and families achieve their goals and enhance their communities.

**Coras Wellness and Behavioral Health, LLC (Coras):** Coras, a Delaware LLC, was formed on June 15, 2021, as a result of a bankruptcy purchase and is the sole member is Conexio. This company was formed to provide a comprehensive array of healthcare services, including treatment for substance use and mental health disorders.

**Abraxas Alliance Inc. (ABRAXAS):** Effective December 31, 2021, Inperium became the sole member of ABRAXAS, a Florida nonprofit. ABRAXAS is the holding company for Cornell Abraxas Group, LLC, Cornell Interventions, LLC, Cornell Corrections of California, LLC, Cornell Companies of California OS, LLC, Cornell Companies of Texas, LLC, Cornell Abraxas Group OS, LLC, Cornell Interventions OS, LLC, and Fortem Solutions, LLC.

**Cornell Abraxas Group, LLC (CAG):** CAG is a Delaware LLC and its sole member is ABRAXAS. CAG operates residential and nonresidential rehabilitation, training and educational programs for delinquent and dependent juveniles throughout Pennsylvania and Ohio.

**Cornell Interventions, LLC (CII):** CII is a Delaware LLC and its sole member is ABRAXAS. CII operates residential and nonresidential rehabilitation, training, and educational programs for youth and adults with substance use disorder in the greater Chicago area.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Cornell Corrections of California, LLC (CCC):** CCC is a Delaware LLC and its sole member is ABRAXAS. CCC operates a 152 bed staff secure residential facility in Colorado which is accredited by The Joint Commission (TJC). This adolescent facility provides 24-hour care in a supportive and highly structured treatment environment. CCC treats behavioral, mental health and substance abuse problems for youth.

**Cornell Companies of Texas, LLC (ACT):** ACT is a Delaware LLC and its sole member is ABRAXAS. No programs are operated out of this entity.

**Cornell Companies of California OS, LLC (CCCO):** CCCO is a California LLC and its sole member is ABRAXAS. No programs are operated out of this entity.

**Cornell Abraxas Group OS, LLC (CAGO):** CAGO is a Florida LLC and its sole member is ABRAXAS. No programs are operated out of this entity.

**Cornell Interventions OS, LLC (CIO):** CIO is a Delaware LLC and its sole member is ABRAXAS. No programs are operated out of this entity.

**Fortem Solutions, LLC (FS):** FS is a Florida LLC and its sole member is ABRAXAS. No programs are operated out of this entity.

A summary of the Company's significant accounting policies is as follows:

#### Consolidation Policy

The consolidated statements for the years ended June 30, 2022 and 2021, include the accounts of:

Abraxas Alliance, Inc.	Edison Court, Inc.
Advancing Opportunities, Inc.	Fortis Holdings, Inc.
Affinity Forensic Services, LLC	Fortis Housing Services, LLC.
Alternative Consulting Enterprises, LLC	Guidance Center of Camden Cty Development Corp
Alvarium Healthcare, Inc.	Harmonycrest Personal Care Services, LLC
Alvarium Personal Care, LLC	Honeythrive, Inc.
Anchors-From Carol	Inperium, Inc.
Apis Service, Inc.	Inperium Management Services, LLC
Children's Home of Reading, Inc.	Inperium of New Jersey, Inc.
CHOR Youth and Family Services, Inc.	Inperium of New York, Inc.
Community Prevention Partnership, Inc.	Iron Recovery and Wellness Center, Inc.
Conexio Care Services, Inc.	La Colmena Inperium, Inc.
Coras Wellness and Behavioral Health, LLC	Ocellus Tech, LLC
Cornell Abraxas Group, LLC	Person Driven Clinical Solutions, LLC
Cornell Abraxas Group OS, LLC	Reading Specialist Educational Association, Inc.
Cornell Companies of California OS, LLC	S. Automotive & Fleet Services, LLC
Cornell Companies of Texas OS, LLC	South Jersey Behavioral Health Resources, Inc.
Cornell Corrections of California, LLC	Supportive Concepts for Families, Inc.
Cornell Interventions, LLC	Sustainable Energy & Lighting Solutions, LLC
Cornell Interventions OS, LLC	Wake Enterprises, Inc.
Fortem Solutions, LLC	Youth Services Agency, Inc.
Crossroads Programs, Inc.	

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

**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 (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact the Company's results of operations. As a result, certain of the Company's estimates and assumptions require increased judgment and carry a higher degree of variability and volatility. As events continue to develop and additional information becomes available, the Company's financial results could materially differ from those estimates in future periods.

**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 at their fair values in the statements 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 net 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.

**Derivative financial instruments:** The Company has entered into five interest rate swap agreements, which are considered derivative financial instruments, to manage its interest exposure on its long-term debt. The interest rate swap agreements are reported at fair value on the statements of financial position, and the related changes in fair value are reported in the statements of activities as an unrealized gain or loss on interest rate swaps.

**Inventory:** Inventory is recorded at the lower of cost or net realizable value. Inventory on hand was power conditioning units and other inventory held for resale through its SELS subsidiary, computer equipment through its OT and IMS affiliates, COVID tests at its IRON affiliate and food supplies from CHORYFS, CAG, CCC, and CII affiliates.

**Revenue recognition:** Inperium is a consolidator of primarily nonprofit enterprises. The Company recognizes an inherent contribution in its consolidated statements of activities equal to the total net assets of an organization at the time of affiliation.

The Company recognizes contract revenue using a five-step process that includes: (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligation, and (5) recognizing revenue when (or as) each performance obligation is satisfied.

Fee-for-service revenues are reported at the amount that reflects the consideration to which the Company expects to be entitled for providing services to consumers. Revenue is recognized as the performance obligations are satisfied when services are provided to consumers. The Company does not believe it is required to provide additional services related to revenue being recognized.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

There were no revenue processes not completed at the date of the initial application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. There have been no changes in the significant judgments related to the amount or timing of revenue from these transactions.

Contract revenues consisted of the following for the years ended June 30, 2022 and 2021:

	2022	2021
IDD/MH – Residential	\$ 102,705,392	\$ 79,831,301
Child Welfare/Juvenile Justice	24,862,947	19,824,582
Behavioral Health	25,961,693	12,332,367
Adoption/Foster Care	8,517,763	4,098,690
IDD/MH	22,178,109	4,093,356
Education	8,190,929	3,093,059
Drug and Alcohol	33,171,507	2,744,237
Total contract revenue	<u>\$ 225,588,340</u>	<u>\$ 126,017,592</u>

Generally, contracted services rates (fee-for-service) are negotiated with managed care organizations, insurance companies, governmental agencies, and private payers.

A portion of the Company's revenue is derived from cost-reimbursement federal and state governmental contracts and grants, which are conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Company has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Company received cost-reimbursement grants of \$5,411,382 and \$5,088,417 that have not been recognized at June 30, 2022 and 2021, respectively.

Governmental grants and contracts are entered into annually and could be significantly changed based upon government spending patterns.

Client fees related to room and board fees are based upon annual room and board contracts signed by the Company's residents. Payment for room and board are billed and recorded as part of revenue monthly by the Company. The performance obligation of providing access to housing is satisfied ratably over the month in which the consumer lives in the Company's home.

**Contributions with or without donor restrictions:** Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions.

Contributions, including unconditional promises to give, are recorded as revenues in the period the promise is made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of the fundraising activity.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contributions and endowment income with donor-imposed restrictions are reported as revenues with donor restrictions and are classified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. Conditional promises to give are not included as support until such times as the conditions are substantially met.

Conditional contributions received by the Company are recorded as refundable advances until the conditions are substantially met. When the conditions are substantially met, the contribution becomes unconditional.

**Accounts receivable and allowance for doubtful accounts:** Accounts receivable represent amounts considered by the Company to be collectible amounts owed by its customers. 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, 2022 and 2021, the allowance for doubtful accounts was \$1,767,416 and \$276,621, 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 of Affiliates		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 shorter of their useful life or the life of the underlying lease of the property the improvement relates to by the straight-line method as follows:

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



## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Long-term receivable:** The Company is an investor and majority shareholder of a research and development entity focused on treating various medical conditions. Inperium invested in the entity on January 11, 2022 through an agreement providing the entity up to \$5,000,000 in capital. The agreement expires in January 2028, at which time the Company's investment is payable in full, plus a return at the prime rate plus 1%. The Company's long-term receivable balance was \$2,525,830 as of June 30, 2022.

**Goodwill and intangible assets:** The Company amortizes goodwill straight line over a 10-year period but assesses goodwill in accordance with Accounting Standards Update (ASU) 350, *Goodwill and Other Intangible Assets*, and will test impairment resulting from a triggering event. As of June 30, 2022 and 2021, the Company recorded goodwill amortization of \$197,874 and \$429,831, respectively.

ABRAXAS leases four buildings for \$1 each. With the assistance of a certified third-party appraiser ABRAXAS determined that the lease arrangements had an intangible fair value of \$1,470,000. At the time of affiliation on December 31, 2021, the intangible asset balance was \$1,288,034 (see Note 11). The Company amortizes this intangible asset over the average life of the leases of 48 months. The Company recorded amortization of \$181,967, during the year ended June 30, 2022.

**Impairment of long-lived assets:** Inperium reviews the carrying value of its depreciable and amortizable assets and evaluates when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows without interest costs expected to be generated by the asset. If the carrying value of the assets exceeds the expected future cash flows, impairment exists and is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Inperium has determined that there was impairment of property and equipment totaling \$2,983,067 as of June 30, 2022. At June 30, 2021 Inperium experienced an impairment loss amounting to \$3,367,439.

**Other income (expense):** Other income (expense) as of June 30, 2022 and 2021, are as follows:

	2022	2021
Impairment of property and equipment	\$ (2,983,067)	\$ -
Gain (loss) on sale of assets	10,832	(116,365)
Unrealized (loss) gain on investments	(1,003,543)	1,086,017
Gain on interest rate swap agreements	2,675,544	690,244
Contract settlement	232,997	278,843
Other, net	1,412,111	11,791
Total	<u>\$ 344,874</u>	<u>\$ 1,950,530</u>

**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.

**Net assets without donor restrictions:** Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Company. These net assets may be used at the discretion of the Company's management and Board of Directors.

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

**Net assets with donor restrictions:** Net assets which are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**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 6100, 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 statements 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.

**Tax status:** The Company contains entities with various tax statuses, either being exempt from federal income taxes, Type II supporting entities, taxable nonprofit or for-profit.

These companies incurred no income tax expense for the years ended June 30, 2022 and 2021. In accordance with U.S. GAAP, 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. All are subject to examination by the Internal Revenue Service generally for three years after they are filed.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

The tax statuses are as follows:

Company	Internal Revenue Code	Supporting Organization Section 509	Tax Form	Disregarded Entity Under 501(c)(3)
Abraxas Alliance Inc.	501(c)(3)		990	
Cornell Abraxas Group, LLC	disregarded			ABRAXAS
Cornell Abraxas Group OS, LLC	disregarded			ABRAXAS
Cornell Companies of California OS, LLC	disregarded			ABRAXAS
Cornell Companies of Texas OS, LLC	disregarded			ABRAXAS
Cornell Corrections of California, LLC	disregarded			ABRAXAS
Cornell Interventions, LLC	disregarded			ABRAXAS
Cornell Interventions OS, LLC	disregarded			ABRAXAS
Fortem Solutions, LLC	disregarded			ABRAXAS
Alvarium Healthcare, Inc.	501(c)(3)		990	
Alvarium Personal Care, LLC	disregarded			AHC
Apis Services, Inc.	501(c)(3)	Type II	990	
Ocellus Tech, LLC	disregarded			APIS
Advancing Opportunities, Inc.	501(c)(3)		990	
Anchors-From Carol	501(c)(3)		990	
Children's Home of Reading, Inc.	501(c)(3)		990	
CHOR Youth and Family Services, Inc.	501(c)(3)		990	
Community Prevention Partnership, Inc.	501(c)(3)		990	
Crossroads Programs, Inc.	501(c)(3)		990	
Edison Court, Inc.	501(c)(3)		990	
Reading Specialist Educational Association, Inc.	501(c)(3)		990	
Affinity Forensic Services, LLC	disregarded			RSEA
Honeythrive, Inc.	501(c)(3)	Type II	990	
Inperium, Inc.	501(c)(3)		990	
Inperium of New Jersey, Inc.	501(c)(3)	Type II	990	
Iron Recovery and Wellness Center, Inc.	501(c)(3)		990	
South Jersey Behavioral Health Resources, Inc.	501(c)(3)		990	
Guidance Center of Camden Cty Development Corp	501(c)(3)		990	
Wake Enterprises, Inc.	501(c)(3)		990	
Youth Services Agency, Inc.	501(c)(3)		990	
Supportive Concepts for Families, Inc.	501(c)(3)		990	
Alternative Consulting Enterprises, LLC	disregarded			SCFFI
Harmonycrest Personal Care Services, LLC	disregarded			SCFFI
Person Directed Clinical Services, LLC	disregarded			SCFFI
La Colmena Inperium, Inc.	501(c)(3)	Type II	990	
Fortis Holdings, Inc.	Taxable		1120S	
Fortis Housing Services, LLC	disregarded			Fortis
Inperium Management Services, LLC	disregarded			Fortis
S. Automotive & Fleet Services, LLC	disregarded			SCFFI
Sustainable Energy & Lighting Solutions, LLC	disregarded			SCFFI
Inperium of New York, Inc.	Taxable nonprofit corp.		1120	
Conexio Care, Inc.	501(c)(3)		990	
Coras Wellness and Behavioral Health, LLC	disregarded			CONEXIO

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

**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, other than noted below for WAKE.

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.

WAKE employees accrue PTO up to 160 hours. Upon termination after more than six months of employment, the unused PTO accrued would be paid to the employee.

The amounts recorded for compensated absences were \$622,776 and \$768,733 for the years ended June 30, 2022 and 2021, respectively. These amounts are included in accrued salaries and wages payable on the consolidated statements of financial position.

**Unemployment compensation tax:** For the majority of its employees, the Company uses the reimbursable method for 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 Unemployment Compensation Fund for certain tax obligations for the years ended June 30, 2022 and 2021.

**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. Such reclassifications had no effect on the previously reported net assets or change in net assets.

**Recently issued accounting pronouncements:** In August 2018, ASU 2018-15, *Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, is effective for the Company's consolidated financial statements for the year ended June 30, 2022. This amendment will align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs incurred to develop or obtain internal-use software. The adoption of ASU 2018-15 did not have a significant impact on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a nonprofit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for the fiscal year ended June 30, 2022. The adoption of ASU 2020-07 did not have a significant impact on the Company's consolidated financial statements.

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which changes the accounting for leases. While both lessees and lessors are affected by the new guidance, the effects on lessors are largely unchanged. Under the new guidance, lessees will be required to recognize the following for all long-term leases: (1) a lease liability, which is the lessee's obligation to make lease payments measured on a discounted basis and (2) a right-to-use asset, which represents the lessee's right to use (or control use of) a specified asset for the lease term. The standard will be effective for the Company for the fiscal year beginning July 1, 2022. The Company is currently in the process of evaluating the impact of the new accounting guidance on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct writedown. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. ASU 2016-13 is effective for the Company as of June 30, 2024. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value of the reporting unit and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax deductible goodwill when measuring goodwill impairment loss. ASU 2017-04 will be effective for the Company beginning on July 1, 2023. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This updated provided optional expedients to the replacement of the reference rate to ease the potential burden in accounting for reference rate reform on financial reporting. This affects modifications of contracts with the scope of Topics 310, Receivables and 470, Debt; modifications of contracts within the scope of Topics 840, Leases and 842, Leases. The guidance in ASU 2020-04 is optional and may be elected over time, through December 31, 2022, as reference rate reform activities occur. The Company is currently evaluating the impact of the ASU on its consolidated financial statements.

**Subsequent events:** Subsequent events have been evaluated through January 10, 2023, which is the date the consolidated financial statements were available to be issued.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 2. Investments

The following table represents investments held at June 30:

	2022		2021	
	Cost/Book Value	Fair Value	Cost/Book Value	Fair Value
Cash and equivalents	\$ 185,071	\$ 185,071	\$ 78,387	\$ 78,387
Common stock	691,830	773,623	705,709	974,775
Equity mutual funds	755,505	765,025	718,488	926,275
REITs and commodities	9,710	7,953	7,985	10,014
Investment in common stock	1,440,000	1,440,000	-	-
	<u>\$ 3,082,116</u>	<u>\$ 3,171,672</u>	<u>\$ 1,510,569</u>	<u>\$ 1,989,451</u>

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

	2022	2021
With donor restrictions:		
Interest income for educational purposes	\$ 1,980	\$ 1,371
Realized gain on investments	7,668	2,998
Unrealized (loss) gain on investments	(25,955)	24,563
Without donor restrictions:		
Interest and dividend income	31,718	26,062
Realized gain on investments	115,409	188,009
Unrealized (loss) gain on investments	(381,188)	294,137
	<u>\$ (250,368)</u>	<u>\$ 537,140</u>

U.S. GAAP establishes 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 U.S. GAAP:

**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.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 2. Investments (Continued)

**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; and
- 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2022 and 2021.

**Long-term investments:** Investment advisors 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.

**Investment in common stock:** The Company holds a majority of common shares (88.8%) of a research and development entity focused on treating various medical conditions. With the assistance of a certified third-party appraiser, the Company prepares a valuation of its equity interest to determine its fair value at the end of each required reporting period. The valuation which considers both an income and market-based approach, is based on market observable and unobservable inputs and assumptions.

The Company's management performed an analysis of its ownership characteristics in this entity against the accounting provisions contained in ASC 810, Consolidation, and determined consolidation is not required. As such, the Company has elected to carry this investment at fair value as it most closely reflects its ownership characteristics. The Company has invested no cash equity into the entity as and for the year ended June 30, 2022.

**Inperium, Inc.**

**Notes to Consolidated Financial Statements**

**Note 2. Investments (Continued)**

**Interest rate swap agreements:** Fair value of the interest rate swap agreements are based on quoted market prices when available, or externally developed valuation models using forward-looking assumptions of interest rates and the resulting effect on the underlying cash flows of the interest rate swaps. Adjustments are not made for nonperformance risk on behalf of either party.

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

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 185,071	\$ -	\$ -	\$ 185,071
Equity securities	773,623	-	-	773,623
Equity mutual funds	765,025	-	-	765,025
REITs and commodities	-	-	7,953	7,953
Investment in common stock	-	-	1,440,000	1,440,000
Beneficial interests in perpetual trusts	-	-	2,588,865	2,588,865
Total investments, beneficial interests and charitable remainder trusts	\$ 1,723,719	\$ -	\$ 4,036,818	\$ 5,760,537
Interest rate swap agreements	\$ -	\$ -	\$ 2,800,466	\$ 2,800,466

  

	2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 78,387	\$ -	\$ -	\$ 78,387
Equity securities	974,775	-	-	974,775
Equity mutual funds	926,275	-	-	926,275
REITs and commodities	-	-	10,014	10,014
Beneficial interests in perpetual trusts	-	-	3,170,200	3,170,200
Total investments, beneficial interests and charitable remainder trusts	\$ 1,979,437	\$ -	\$ 3,180,214	\$ 5,159,651
Interest rate swap agreements	\$ -	\$ -	\$ 124,922	\$ 124,922



## Inperium, Inc.

### Notes to Consolidated Financial Statements

#### Note 2. Investments (Continued)

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2022 and 2021:

	2022			
	<u>REIT and Commodities</u>	<u>Beneficial interests in perpetual trusts</u>	<u>Investment in common stock</u>	<u>Interest rate swap agreements</u>
Balance, Beginning of Year	\$ 10,014	\$ 3,170,200	\$ -	\$ 124,922
Change in Value	<u>(2,061)</u>	<u>(581,335)</u>	<u>1,440,000</u>	<u>2,675,544</u>
Balance, End of Year	<u>\$ 7,953</u>	<u>\$ 2,588,865</u>	<u>\$ 1,440,000</u>	<u>\$ 2,800,466</u>

  

	2021			
	<u>REIT and Commodities</u>	<u>Beneficial interests in perpetual trusts</u>	<u>Interest rate swap agreements</u>	<u>Interest rate swap agreements</u>
Balance, Beginning of Year	\$ 27,433	\$ 2,536,552	\$ 690,244	\$ -
Change in Value	<u>(17,419)</u>	<u>633,648</u>	<u>(690,244)</u>	<u>124,922</u>
Balance, End of Year	<u>\$ 10,014</u>	<u>\$ 3,170,200</u>	<u>\$ -</u>	<u>\$ 124,922</u>

#### Note 3. Beneficial Interest in Perpetual Trusts and Charitable Remainder Trust

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, 2022 and 2021 was \$2,588,865 and \$3,170,200, respectively. Annual distributions from the trusts have been recorded as beneficial trust income in net assets without donor restriction and were \$138,400 in 2022 and \$131,837 in 2021. CHOR is named beneficiary of an irrevocable charitable remainder trust. 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 \$17,225 and \$21,296 as of June 30, 2022 and 2021, respectively. The amount of this charitable remainder trust is included in the total value above.

#### Note 4. 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 \$200,000 per individual employee for the years ending June 30, 2022 and 2021. Health insurance claims are administered by a third-party administrator. The Company's expense under the self-insured plan was \$13,190,141 and \$7,629,316 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, the Company had accrued \$1,758,956 and \$906,918, respectively, for unpaid claims incurred but not yet received as of year-end, which is included in accounts payable and accrued expenses on the statements of financial position.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 5. Revolving Line of Credit

APIS 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 years ended June 30, 2022 and 2021. This commitment is secured by certain assets of the Company as specified in the credit agreement. Monthly interest payments are required at the one month LIBOR rate plus 175 basis points, 2.87% and 1.89% as of June 30, 2022 and 2021, respectively. Principal is due on demand at the lender's sole and absolute discretion. APIS had no balance outstanding on the line of credit at June 30, 2022 and 2021.

#### Note 6. Long-Term Debt

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

	2022	2021
The Company entered into a master trust indenture (MTI) with a bank where all companies, except for WAKE, are co-borrowers and have notes payable with a bank. The MTI was set up in three different loan facilities and each facility entered into an interest rate swap agreement. The three facilities are as follows:		
The Company has a note payable with a bank with varying monthly installments outlined in a note amortization table. The Company entered into a seven year swap with an interest rate locked at 2.12%. Interest is charged and accrued at a fluctuating rate of interest equal to the sum obtained by adding LIBOR plus 1.35% which is adjusted on the first day of each interest period. Repayment of this loan is made in monthly payments of principal in accordance with the amortization schedule provided in the loan document plus accrued interest on the outstanding principal balance of the first term loan at the adjusted LIBOR rate. The agreement matures and a balloon payment is to be made on April 15, 2027. The note is collateralized by real estate owned by the members of the obligated group.	\$ 21,323,000	\$ 22,259,000
The Company has a note payable with a bank with varying monthly installments outlined in a note amortization table. The Company entered into a seven year swap with an interest rate locked at 2.12%. Interest is charged and accrued at a fluctuating rate of interest equal to the sum obtained by adding LIBOR plus 1.35% which is adjusted on the first day of each interest period. Repayment of this loan is made in monthly payments of principal in accordance with the amortization schedule provided in the loan document plus accrued interest on the outstanding principal balance of the first term loan at the adjusted LIBOR rate. The agreement matures and a balloon payment is to be made on April 15, 2027. The note is collateralized by real estate owned by the members of the obligated group.	1,631,000	1,703,000

(Continued)

**Inperium, Inc.****Notes to Consolidated Financial Statements**

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**Note 6. Long-Term Debt (Continued)**

	2022	2021
<p>The Company has a note payable with a bank with varying monthly installments outlined in a note amortization table. The Company entered into a 5 year swap with an interest rate locked at 1.91%. Interest is charged and accrued at a fluctuating rate of interest equal to the sum obtained by adding LIBOR plus 1.35% which is adjusted on the first day of each interest period. Repayment of this loan is made in monthly payments of principal in accordance with the amortization schedule provided in the loan document plus accrued interest on the outstanding principal balance of the first term loan at the adjusted LIBOR rate. The agreement matures and a balloon payment is to be made on April 15, 2025. The note is collateralized by real estate owned by members of the obligated group.</p>	\$ 1,404,000	\$ 1,872,000
<p>Inperium has a note payable to a lender in monthly installments of principal and interest of \$2,544. This note is secured by certain equipment and matures in December 2024.</p>	38,729	67,287
<p>SCFFI had a note payable to a private lender in annual installments of \$1,000,000. There was no interest being charged and the note was unsecured. The loan was settled during a negotiation process and was repaid in July 2021.</p>	-	500,000
<p>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.</p>	1,680,654	1,680,654
<p>GCENT mortgage payable to the Department of Housing and Urban Development requires monthly payments of \$3,755, including interest at 9.250%, and is collateralized by the real property. The loan matures in 2025.</p>	85,105	120,502
<p>IRON has a note payable to National Realty Development Corporation, requires monthly payment of \$234, including interest at 5%. The note is unsecured and matures October 2023.</p>	4,514	7,024
<p>CROSS had a note payable to a lender with monthly installments of principal and interest of \$201. This note was secured by the equipment and matured in August of 2021.</p>	-	855

(Continued)

**Inperium, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 6. Long-Term Debt (Continued)**

	2022	2021
WAKE sold a property and applied the proceeds to outstanding debt during the year ended June 30, 2021. The note payable was reamortized by the bank. The reamortized note payable is paid in monthly installments of principal and interest of \$4,810. This note is secured by the real estate and matures September 2024.	\$ 702,801	\$ 729,597
CROSS received two purchase money mortgages with New Jersey Department of Human Services for two grants/loans totaling \$100,000 to purchase two homes used for Rites of Passage transitional housing programs. Additional funding of \$16,396 was granted for improvements to each home. The outstanding balance is not to be amortized, nor is there a monthly payment against the principal balance due. The outstanding balance is due and payable only upon the sale of the properties or upon the cessation of the use of the properties as transitional housing facilities.	116,396	116,396
AO has ten mortgages through New Jersey Housing and Mortgage Finance Agency due between November 2042 and May 2053, without interest, and collateralized by the respective parcels of real estate. No monthly principal payments are required under the mortgages and the properties are subject to deed restrictions and other items described in the mortgage security agreements.	2,184,619	2,184,619
AO has various vehicle loans payable in monthly installments totaling \$5,852, including interest ranging from 0.09%-5.99% through July 2024. Loans are collateralized by the vehicles.	66,130	119,782
CONEXIO has various vehicle loans payable in monthly installments totaling \$32,770, including interest ranging from 3.89%-5.99%. The loans mature October 2026 are collateralized by the vehicles.	1,480,615	-
CONEXIO has a note payable with a bank with varying monthly installments outlined in a note amortization table. The Company entered into a seven year swap with an interest rate locked at 2.85%. Interest is charged and accrued at a fluctuating rate of interest equal to the secured overnight financing rate (SOFR) rate with a floor equal to 1.40%, which is adjusted on the first day of each interest period. Repayment of this loan is made in monthly payments of principal in accordance with the amortization schedule provided in the loan document plus accrued interest on the outstanding principal balance of the first term loan at the adjusted SOFR rate. The agreement matures and a balloon payment is to be made on December 3, 2028. The note is collateralized by real estate owned by the members of the obligated group.	11,222,963	-

(Continued)

## Inperium, Inc.

### Notes to Consolidated Financial Statements

#### Note 6. Long-Term Debt (Continued)

	2022	2021
CHOR has a note payable with a bank and makes monthly principal payments of \$1,594 plus interest fluctuating at the adjusted SOFR rate with a floor of 1.40%. The loan matures with a balloon payment on December 3, 2028. The loan is secured by certain real and personal by certain real and personal property of the obligated group.	\$ 372,938	\$ -
ABRAXAS has a note payable with a bank with varying monthly installments outlined in a note amortization table. The Company entered into a five year swap with an interest rate locked at 3.57%. Interest is charged and accrued at a fluctuating rate of interest equal to the sum obtained by adding USD-SOFR plus 1.65%, which is adjusted on the last day of each interest period. Repayment of this loan is made in monthly payments of principal in accordance with the amortization schedule provided in the loan document plus accrued interest on the outstanding principal balance of the first term loan at the adjusted USD-SOFR rate. The agreement matures on March 4, 2027. The note is collateralized by real estate owned by members of the obligated group.	7,624,840	-
Total outstanding debt	49,938,304	31,360,716
Less deferred financing costs	(661,130)	(684,452)
Subtotal	49,277,174	30,676,264
Less current portion of debt	(3,975,745)	(1,647,644)
Total long-term debt	<u>\$ 45,301,429</u>	<u>\$ 29,028,620</u>

The MTI term loans for the years ended 2022 and 2021 require the Company to maintain certain debt covenants.

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

2023	\$ 3,975,745
2024	4,045,570
2025	4,624,211
2026	3,658,149
2027	20,466,462
Thereafter	13,168,167
	<u>\$ 49,938,304</u>

Included in the above maturities, SJBH, CROSS, AO, and SCFFI have loans which do not have repayment terms. Most of these are with government agencies that only require payment if the property no longer is utilized in accordance with programs offered by the Company. The Company had debt in the amounts of \$3,981,669 and \$4,481,669 which did not have maturity dates as of June 30, 2022 and 2021, respectively.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 6. Long-Term Debt (Continued)

Loan origination fees consisted of the following at June 30, 2022 and 2021:

	2022	2021
Loan origination fees	\$ 1,028,966	\$ 1,004,783
Accumulated amortization	(367,836)	(320,331)
Loan origination fees, net	<u>\$ 661,130</u>	<u>\$ 684,452</u>

Loan cost amortization was \$47,505 and \$45,720 for the years ended June 30, 2022 and 2021, respectively.

During fiscal year ended June 30, 2022, Conexio and ABRAXAS each entered into swap agreements for two long-term loans. The Company entered into three interest rate swap agreements in connection with its 2020 long-term loans payable which are considered derivative financial instruments. The counterparty for the swap agreements is SunTrust bank (now Truist). The objective of the swap agreements was to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreements were not designated as hedging instruments. The swap agreements were contracts to exchange variable rate for fixed rate interest payments over the life of the agreements without the exchange of the underlying notional amount. The notional amount of the swap agreements was used to measure the interest to be paid or received and did not represent the amount of exposure to credit loss. Exposure to credit loss was limited to the receivable amount, if any, which may have been generated as a result of the swap agreements. Management believes that losses related to credit risk were remote. The net cash paid or received under the swap agreements was recognized as an adjustment to interest expense.

The Company does not utilize interest rate swaps or other financial instruments for trading or other speculative purposes.

At June 30, 2022, the Company has the following interest rate swaps in effect:

Effective notional amount	\$ 21,299,000	\$ 1,631,000	\$ 1,400,000	\$ 11,438,250	\$ 6,749,468
Strike rate	2.12%	2.12%	1.91%	2.85%	3.57%
Period	April 2020 to April 2027	April 2020 to April 2027	April 2020 to April 2027	December 2021 to December 2028	March 2022 to March 2027

The fair value of the swap agreements was an interest rate swap receivable of \$2,800,466 and \$124,922 as of June 30, 2022 and 2021, respectively.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 7. Refundable Advance and Deferred Revenue

Refundable advances amounted to \$5,411,382 and \$5,088,417 as of June 30, 2022 and 2021, respectively. Amounts represent revenues collected but not earned. Refundable advances consist of the following as of June 30:

Company	2022	2021
ACE	\$ 233,240	\$ 22,650
AFFINITY	-	765
ALVARIUM	25,481	-
AO	-	16,565
CAG	93,176	-
CCC	241,734	-
CHOR	-	3,504
CHORYFS	633,790	61,432
CORAS	800,000	-
CPP	17,556	-
CROSS	14,925	19,000
ECI	-	66,687
IMS, LLC	11,700	-
IRON	23,641	44,473
SJBH	3,316,139	4,853,341
Total	<u>\$ 5,411,382</u>	<u>\$ 5,088,417</u>

#### Note 8. Retirement Plans

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, 2022 and 2021.

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, 2022 and 2021.

**SJBH Pension Plan:** SJBH sponsors a defined contribution pension plan, which covers all eligible employees. Contributions provided by the agency are equal to 5% of eligible compensation as defined in the plan document. 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. The annual contribution for the years ended June 30, 2022 and 2021 was \$234,393 and \$294,587, respectively.

## **Inperium, Inc.**

### **Notes to Consolidated Financial Statements**

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#### **Note 8. Retirement Plans (Continued)**

SJBH also has a 457(b) deferred compensation plan for key executives. Contributions to the plan are discretionary and are determined by the Board of Directors. The annual contribution for the years ended June 30, 2022 and 2021 was \$0 and \$19,500, respectively.

ABRAXAS has a 403(b) Retirement Plan to help its employees save for retirement and is able to be accessed by employees who work at any Cornell company. The plan runs on a calendar year. ABRAXAS currently provides a matching contribution that represents fifty percent (50%) of a participant's contribution up to five percent (5%) of a participant's salary (not in the P.S.S.U. SEIU Local 668 Union). A participant's salary consists of all taxable wages with the exception of bonuses, continuation payments to disabled participants paid after severance of employment, or certain differential payments made to employees while performing service in the uniformed services. For employees represented by P.S.S.U. SEIU Local 668, the Company provides a matching contribution of fifty percent (50%) of the employee's eligible salary deferrals up to the first six percent (6%). Total Company contributions to these plans was \$228,732 during the year ended June 30, 2022. The Company intends to terminate the plan at June 30, 2023. All eligible employees will be able to contribute into the Inperium & Family of Services 401k Plan after termination.

#### **Note 9. Collective Bargaining Agreement**

The majority of SJBH's employees are represented through the Communications Workers of America Local 1038. A memorandum of agreement was signed on December 23, 2022 that continues the agreement through June 30, 2025.

ABRAXAS has collective bargaining agreements (CBA) at two locations: Abraxas I (PA) and Southwood (IL).

The Abraxas I CBA is between Abraxas Group, Inc. dba Cornell-Abraxas and PSSU SEIU Local 668 for the period July 10, 2018 to September 30, 2023. The CBA represents regular full-time and part-time professional and non-professional employees in the administrative, clinical, education, food services and maintenance departments.

The Southwood CBA is between Cornell Interventions LLC and AFSCME Council 31 Local 1537. The CBA represents regular full-time and part-time professional and non-professional employees in the administrative, clinical, food services and maintenance departments. The parties bargained in good faith as the existing CBA expired on March 31, 2022. Subsequently, the parties reached tentative agreement on the new CBA on October 6, 2022 and it was ratified by membership on November 1, 2022. The new CBA is in the process of being fully executed with a term from April 1, 2022 to March 31, 2024.



## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 10. 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.

Total rents charged to expense during 2022 and 2021 for Company facilities and equipment were \$7,546,381 and \$3,577,559, respectively.

Future minimum payments under the leases are as follows for the years ending June 30:

2023	\$ 7,358,900
2024	6,567,848
2025	3,351,192
2026	1,724,081
2027	1,159,828
Thereafter	2,563,021
	<u>\$ 22,724,870</u>

#### Note 11. Acquisitions and Affiliations

On December 31, 2021, CAG, CII, CCC, and ACT, under the holding company of ABRAXAS, affiliated with Inperium. ABRAXAS is a Florida 501(c)(3) corporation that consolidates the four LLC's. The companies operate residential and nonresidential rehabilitation, training and educational programs for delinquent and dependent juveniles throughout Pennsylvania, Ohio, and Illinois, as well as operate a 152 bed staff secure residential facility in Colorado which is accredited by TJC. This site provides 24-hour care in a supportive and highly structured treatment environment. This affiliation significantly grows the Company's children's division and expands its footprint where services can be provided.

On May 1, 2021, Counseling and Referral Services of Ocean, Inc. (Seashore) merged into IRON. Seashore was a New Jersey nonprofit 501(c)(3) corporation that operated multiple outpatient substance abuse treatment facilities and provided a continuum of effective mental health, substance abuse, and other counseling and pharmacotherapy services in New Jersey. This merger expands the footprint where the companies can provide quality mental health and substance abuse services throughout New Jersey.

June 15, 2021, Conexio acquired the non-medication assisted treatment (MAT) business from Connections Community Support Programs, Inc. (CCSP). The transaction was concluded pursuant to Section 363 of the Bankruptcy code. Conexio provides a comprehensive array of healthcare, housing, educational, and employment opportunities that help individuals and families achieve their goals and enhance their communities.

On June 15, 2021, Coras acquired the MAT business from CCSP. The transaction was concluded pursuant to Section 363 of the Bankruptcy code. Coras is a subsidiary of Conexio. Coras provides a comprehensive array of healthcare services, including treatment for substance use and mental health disorders.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

#### Note 11. Acquisitions and Affiliations (Continued)

As a result of the above transactions, the Company acquired the following assets and liabilities at fair value for the years ended June 30, 2022 and 2021:

Company	2022				Total
	Cornell Abraxas Group	Cornell Interventions	Cornell Corrections of California	Abraxas Corrections of Texas	
Date of affiliation/purchase	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	
<b>Assets:</b>					
Cash and equivalents	\$ 6,776,595	\$ -	\$ -	\$ -	\$ 6,776,595
Accounts receivable	8,343,336	4,369,647	1,363,362	-	14,076,345
Prepaid and other assets	802,890	11,518	8,000	-	822,408
Land, buildings and equipment	919,298	351,748	112,962	452,714	1,836,722
Intangible asset	1,288,034	-	-	-	1,288,034
Total assets	<u>\$ 18,130,153</u>	<u>\$ 4,732,913</u>	<u>\$ 1,484,324</u>	<u>\$ 452,714</u>	<u>\$ 24,800,104</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 2,661,112	\$ 2,221,511	\$ 535,919	\$ 1,128,371	\$ 6,546,913
Long-term debt	8,000,000	-	-	-	8,000,000
Total liabilities	<u>\$ 10,661,112</u>	<u>\$ 2,221,511</u>	<u>\$ 535,919</u>	<u>\$ 1,128,371</u>	<u>\$ 14,546,913</u>
Purchase price	\$ -	\$ -	\$ -	\$ -	\$ -
Inherent contribution of net assets	\$ 7,469,041	\$ 2,511,402	\$ 948,405	\$ (675,657)	\$ 10,253,191
<b>2021</b>					
Company	Seashore	Conexio	Coras	Total	
Date of affiliation/purchase	May 1, 2021	June 15, 2021	June 15, 2021		
<b>Assets:</b>					
Cash and equivalents	\$ 322,797	\$ -	\$ -	\$ 322,797	
Accounts receivable	29,513	-	-	29,513	
Prepaid and other assets	9,030	12,515,000	2,725,000	15,249,030	
Land, buildings and equipment	742,759	-	-	742,759	
Total assets	<u>\$ 1,104,099</u>	<u>\$ 12,515,000</u>	<u>\$ 2,725,000</u>	<u>\$ 16,344,099</u>	
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 268,494	\$ -	\$ -	\$ 268,494	
Long-term debt	346,014	-	-	346,014	
Total liabilities	<u>\$ 614,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,508</u>	
Purchase price	\$ -	\$ 10,000,000	\$ 2,725,000	\$ 12,725,000	
Inherent contribution of net assets	\$ 489,591	\$ 2,515,000	\$ -	\$ 3,004,591	

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 11. Acquisitions and Affiliations (Continued)

The intangible asset acquired represents a favorable lease asset. The fair value of the intangible asset was valued by management based on market rent estimates determined by a certified third-party specialist. The specialist also provided management with its estimate of the remaining useful life of the intangible asset. The fair value of property and equipment was determined by management based on quoted market prices.

#### Note 12. Concentrations

For the year ended June 30, 2022, the Company had revenues of \$71,649,385 from DHS and \$49,427,134 from Medicaid, which represented approximately 25% and 18%, respectively, of total revenues. Accounts receivable due from DHS and Medicaid at June 30, 2022 and 2021 are \$7,863,037 and \$7,488,089, respectively.

For the year ended June 30, 2021, the Company had revenues of \$66,078,301 from DHS and \$26,348,627 from Medicaid, which represented approximately 41% and 17%, respectively, of total revenues. Accounts receivable due from DHS and Medicaid at June 30, 2021 are \$4,276,772 and \$2,749,067, respectively.

#### Note 13. 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, 2022 and 2021:

	2022	2021
Project Peace	\$ 1,615	\$ 1,615
Drug Free Communities	1,343	1,343
Nurse Family Partnership – Schuylkill County	56,973	69,587
Nurse Family Partnership – Berks County	475,564	398,163
MIHOPE	15,312	15,312
Outlet area neighborhood	517	517
Educational purposes	77,177	116,922
Resident activities	105,340	169,190
Endowment funds held in perpetuity	228,652	228,652
Funds held in trust by others	2,588,865	3,170,200
Total	<u>\$ 3,551,358</u>	<u>\$ 4,171,501</u>

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

	2022	2021
Resident activities	\$ 124,758	\$ 126,340
Time restrictions	43,737	-
Total	<u>\$ 168,495</u>	<u>\$ 126,340</u>

**Inperium, Inc.**

**Notes to Consolidated Financial Statements**

**Note 13. Restrictions on Net Assets/Endowment of Net Assets (Continued)**

The CHOR endowment consists of four donor-restricted endowments, of which portions are to be held in perpetuity, with the income expendable for the programs of CHOR as specified in the endowment restrictions and one board-designated endowment fund available for spending in accordance with the CHOR policy. As required by U.S. GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,422,619	\$ -	\$ 1,422,619
Donor-restricted endowment funds	-	228,652	228,652
	<u>\$ 1,422,619</u>	<u>\$ 228,652</u>	<u>\$ 1,651,271</u>

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,662,877	\$ -	\$ 1,662,877
Donor-restricted endowment funds	-	228,652	228,652
	<u>\$ 1,662,877</u>	<u>\$ 228,652</u>	<u>\$ 1,891,529</u>

Changes in endowment net assets for the fiscal year ended June 30, 2022 and 2021:

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,662,877	\$ 228,652	\$ 1,891,529
Investment return:			
Investment income	31,718	-	31,718
Net realized/unrealized loss	(265,779)	-	(265,779)
Total investment return	(234,061)	-	(234,061)
Contributions	9,979	-	9,979
Administrative fees	(16,176)	-	(16,176)
Endowment net assets, end of year	<u>\$ 1,422,619</u>	<u>\$ 228,652</u>	<u>\$ 1,651,271</u>

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,156,304	\$ 228,652	\$ 1,384,956
Investment return:			
Investment income	26,062	-	26,062
Net realized/unrealized gain	482,146	-	482,146
Total investment return	508,208	-	508,208
Contributions	10,485	-	10,485
Administrative fees	(12,120)	-	(12,120)
Endowment net assets, end of year	<u>\$ 1,662,877</u>	<u>\$ 228,652</u>	<u>\$ 1,891,529</u>

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 13. Restrictions on Net Assets/Endowment of Net Assets (Continued)

Changes in net assets with donor restrictions for CROSS for the fiscal year ended June 30, 2022 and 2021, were as follows:

	Beneficial Bank	Camden Children	Wells Fargo	Scholler Foundation	Total
Balance as of July 1, 2021	\$ -	\$ 14,000	\$ -	\$ 5,000	\$ 19,000
Grants and awards	-	14,295	-	-	14,295
Release from restriction	-	(14,000)	-	(5,000)	(19,000)
Balance as of June 30, 2022	<u>\$ -</u>	<u>\$ 14,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,295</u>

  

	Beneficial Bank	Camden Children	Wells Fargo	Scholler Foundation	Total
Balance as of July 1, 2020	\$ 2,500	\$ 12,500	\$ 2,500	\$ -	\$ 17,500
Grants and awards	-	14,000	-	5,000	19,000
Release from restriction	(2,500)	(12,500)	(2,500)	-	(17,500)
Balance as of June 30, 2021	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 19,000</u>

#### Note 14. Related Party Transactions

During the year ended June 30, 2022 and 2021, ECI rented office space from Island Associates, LLC, commonly owned by Inperium's EVP and Chief Administration/Program Officer and Board member. The EVP and Chief Administration/Program Officer 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 each of the years ended June 30, 2022 and 2021.

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 amounted to \$74,295 and \$146,054 for the years ended June 30, 2022 and 2021, respectively.

#### Note 15. 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 the Company expects such amounts, if any, to be immaterial. No such amounts have been accrued at June 30, 2022 and 2021.

#### Note 16. 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 consolidated financial statements.

## Inperium, Inc.

### Notes to Consolidated Financial Statements

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#### Note 17. Liquidity

The following reflects the Company's financial assets as of June 30, 2022 and 2021, 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 a committed line of credit totaling \$10,000,000, which it can draw upon. There was no outstanding balance on the line of credit as of June 30, 2022 and 2021. In addition, the Company has board designated endowment totaling \$1,422,619 and \$1,662,877 and investment reserves totaling \$3,171,672 and \$1,989,451 that are expected to be held for long-term purposes as of June 30, 2022 and 2021, respectively. With board approval, these investments could be used to meet cash needs, if necessary.

The Company used \$12,725,000 in cash to acquire CCSP on June 15, 2021. The Company will receive cash through financing this purchase with a \$11,748,500 term loan.

	2022	2021
Cash and cash equivalents	\$ 25,138,954	\$ 27,145,468
Accounts receivable	49,553,186	17,015,168
Loan receivable	-	146,817
Investments	3,171,672	1,989,451
Beneficial interests and charitable remainder trust	2,588,865	3,170,200
Total financial assets	<u>80,452,677</u>	<u>49,467,104</u>
Less:		
Contractual, board designated or donor-imposed restrictions:		
Cash not available for general expenditures	(4,981,797)	(3,669,306)
Beneficial interests and charitable remainder trust	(2,588,865)	(3,170,200)
Other time and purpose restrictions	(751,361)	(772,649)
Endowment, with donor restrictions	(228,652)	(228,652)
Endowment, board designated	(1,422,619)	(1,662,877)
Financial assets not available to meet cash needs for general expenditures within one year	<u>(9,973,294)</u>	<u>(9,503,684)</u>
Total financial assets available to meet cash needs for general expenditures within on year	<u>\$ 70,479,383</u>	<u>\$ 39,963,420</u>

**Notes to Consolidated Financial Statements**

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**Note 18. COVID-19 Pandemic**

In December 2019, a novel strain of coronavirus, known as COVID-19, was reported and has since extensively impacted the global health and economic environment. In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and the President of the United States declared the COVID-19 outbreak in the United States as a national emergency. The COVID-19 pandemic remains a rapidly evolving situation. It has impacted and could further impact the Company's operation and the operations of suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent of the impact on the Company and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity and impact of the COVID-19 pandemic. The Company has taken measures to reduce costs and maintain adequate liquidity. However, due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Company is currently unable to fully determine the extent of COVID-19's impacts on the Company in future periods. Future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Company continues to monitor evolving economic and general business conditions and the actual and potential impacts on the financial position, results of operations, and cash flows of the Company. In the opinion of management, there has been no material adverse effect of COVID-19 on the overall financial performance of the Company to date.

**Note 19. COVID-19 Related Revenue**

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act, commonly referred to as the CARES Act, was signed into law. One component of the CARES Act was the Paycheck Protection Program (PPP) which provided small businesses with the resources needed to maintain their payroll and cover applicable overhead. The PPP provided funds to pay up to 24 weeks of payroll including benefits. Funds can also be used to pay interest on mortgages, rent and utilities. Certain companies included in the consolidated financial statements applied for loans and were approved to participate in the PPP program. Loans totaling approximately \$8.7 million were received during fiscal year ended June 30, 2021. There were no funds received during fiscal year ended June 30, 2022. Approximately \$7.4 million and \$4.2 million was recognized as revenue for years ended June 30, 2022 and 2021, respectively. All PPP loans were 100% forgiven by the SBA with the exception of \$193,050 of the CPP PPP loan which was repaid during the fiscal year ended June 30, 2022.

Conditions necessary for forgiveness of the loans could be audited by the SBA up to six years subsequent to granting forgiveness. The Company does not anticipate any future findings that would cause any portion of the loans to be ineligible for forgiveness.

**Inperium, Inc.**

**Notes to Consolidated Financial Statements**

**Note 19. COVID-19 Related Revenue (Continued)**

Detail of the revenue recognition by fiscal year is as follows:

Company	Description	Total Loan Received	June 30, 2020 Revenue	June 30, 2021 Revenue	June 30, 2022 Revenue	June 30, 2022 Loan Repaid	Other Current Liability
ACE	PPP 3 Loan	\$ 170,042	\$ -	\$ 170,042	\$ -	\$ -	\$ -
AO	PPP 1 Loan	1,418,100	752,578	665,522	-	-	-
Affinity	PPP 1 Loan	318,900	301,329	17,571	-	-	-
Alvarium	PPP 1 Loan	419,700	419,700	-	-	-	-
APC	PPP 2 Loan	331,757	-	331,757	-	-	-
CHOR	PPP 1 Loan	1,522,000	1,187,630	334,370	-	-	-
CPP	PPP 1 Loan	471,000	-	277,950	-	193,050	-
Crossroads	PPP 1 Loan	947,000	842,342	104,658	-	-	-
Edison	PPP 1 Loan	808,300	753,174	55,126	-	-	-
Harmonycrest	PPP 3 Loan	94,477	-	94,477	-	-	-
IRON	PPP 1 Loan	443,500	90,094	207,664	145,742	-	-
PDCS	PPP 3 Loan	346,492	-	285,591	60,901	-	-
SAFS	PPP 3 Loan	75,107	-	75,107	-	-	-
SCFF	PPP 3 Loan	7,111,120	-	-	7,111,120	-	-
SELS	PPP 3 Loan	80,920	-	80,920	-	-	-
SJBH	PPP 1 Loan	1,717,600	678,542	1,039,058	-	-	-
WAKE	PPP 1 Loan	338,500	143,241	195,259	-	-	-
WAKE	PPP 2 Loan	338,500	-	295,964	42,536	-	-
Total		<u>\$ 16,953,015</u>	<u>\$ 5,168,630</u>	<u>\$ 4,231,036</u>	<u>\$ 7,360,299</u>	<u>\$ 193,050</u>	<u>\$ -</u>

For the years ended June 30, 2022 and 2021, the Company recognized an additional \$5,944,560 and \$5,776,598, respectively, in CARES act funding, which was distributed directly from the federal government as well as various state agencies to help offset additional expenditures related to the pandemic. This funding included Provider Relief Funds, state and local grant funding, and other payments made by third party payors to the Company.

**Note 20. Subsequent Events**

On September 30, 2022, the Company affiliated with Shelby Rehabilitation Vocational Services, Inc. (SRVS), a Tennessee nonprofit that provides an array of services to people with disabilities using a person centered approach. The Company assumed approximately \$20,000,000 in assets and \$3,000,000 in liabilities and SRVS is estimated to generate \$32,000,000 in annual revenues.

On November 9, 2022, the Board of CPP approved the merger into CHORYFS to occur on December 31, 2022. The merger will create operational synergies to the benefit of both entities. CHORYFS will absorb the assets, liabilities, and net assets of CPP totaling approximately \$1,318,000, \$18,000 and \$1,300,000, respectively.

Effective July 1, 2022, a membership interest transfer agreement was signed between SCFFI and CHOR, both Pennsylvania nonprofit corporations and entities under common control of Inperium, to transfer the sole member designation of ACE from SCFFI to CHOR. This was done to achieve operational and administrative efficiencies.



**Inperium, Inc.**

**Notes to Consolidated Financial Statements**

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**Note 20. Subsequent Events (Continued)**

On November 18, 2022 CORAS entered into a note payable with a bank for \$2,550,000. The company entered into a seven year swap agreement with an interest rate locked at 5.57%. The agreement matures and a balloon payment is to be made on November 18, 2029. The note is collateralized by real estate owned by member of the obligated group.

On December 31, 2022, ALVARIUM merged into SCFFI. The merger will combine like services into one entity creating efficiencies. SCFFI will absorb the assets, liabilities, and the net assets of Alvarium totaling approximately \$1,700,000, \$0 and \$1,700,000, respectively.

**SUPPLEMENTARY INFORMATION**

**Inperium, Inc.**

**Consolidating Statement of Financial Position  
June 30, 2022**

	Inperium	APIS Services	Ocellus Tech	Wake Enterprises	Inperium New Jersey	Iron Recovery and Wellness Center	Crossroads Programs	Advancing Opportunities
<b>Current assets:</b>								
Cash and cash equivalents	\$ 26,684	\$ 7,171,536	\$ -	\$ 880,246	\$ -	\$ 100,183	\$ 241,290	\$ 351,736
Accounts receivable	-	943,814	83,208	237,068	-	435,730	987,019	681,519
Inventory	-	-	49,753	-	-	5,429	-	-
Prepaid expenses	5,087	1,036,525	34,753	6,924	-	44,861	4,212	80,591
<b>Total current assets</b>	<b>31,771</b>	<b>9,151,875</b>	<b>167,714</b>	<b>1,124,238</b>	<b>-</b>	<b>586,203</b>	<b>1,232,521</b>	<b>1,113,846</b>
<b>Land, buildings, leasehold improvements and equipment:</b>								
Land and buildings	-	-	-	2,681,923	-	1,546,311	3,530,465	3,895,400
Computer equipment	-	194,306	-	31,728	-	57,114	4,563	42,361
Furniture and fixtures	223,643	-	-	-	-	22,795	70,829	4,155
Leasehold improvements	-	-	-	-	-	40,393	176,068	337,629
Office equipment	-	58,596	-	40,540	-	150,245	-	-
Transportation equipment	-	58,507	-	-	-	12,551	211,293	174,190
Construction in process	-	-	-	-	-	-	-	-
Less accumulated depreciation	(76,755)	(184,363)	-	(257,577)	-	(321,769)	(390,968)	(537,540)
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>146,888</b>	<b>127,046</b>	<b>-</b>	<b>2,496,614</b>	<b>-</b>	<b>1,507,640</b>	<b>3,602,250</b>	<b>3,916,195</b>
<b>Other assets:</b>								
Security deposits	-	-	-	-	-	1,665	-	13,558
Deferred funding of depreciation	-	-	-	-	-	-	-	-
Investment in subsidiary	2,346,464	2,345,659	-	-	-	-	-	-
Due to/from affiliates	(9,390,775)	27,528,289	(275,422)	549,570	(108,928)	(2,726,591)	3,252,785	(168,954)
Long-term receivable	2,525,727	-	-	-	-	-	103	-
Interest rate swap agreements	-	1,982,145	-	-	-	-	-	-
Goodwill and intangible assets	-	-	-	-	-	-	-	-
Investments	1,440,000	-	-	-	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	-	-
<b>Total other assets</b>	<b>(3,078,584)</b>	<b>31,856,093</b>	<b>(275,422)</b>	<b>549,570</b>	<b>(108,928)</b>	<b>(2,724,926)</b>	<b>3,252,888</b>	<b>(155,396)</b>
<b>Total assets</b>	<b>\$ (2,899,925)</b>	<b>\$ 41,135,014</b>	<b>\$ (107,708)</b>	<b>\$ 4,170,422</b>	<b>\$ (108,928)</b>	<b>\$ (631,083)</b>	<b>\$ 8,087,659</b>	<b>\$ 4,874,645</b>

Inperium, Inc.

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	South Jersey Behavioral Health	Guidance Center	Inperium New York	Edison Court	Community Prevention Partners	Youth Services Agency	Children's Home of Reading	CHOR Youth & Family Services	Reading Specialists	Affinity
Current assets:										
Cash and cash equivalents	\$ 5,095,952	\$ 550,272	\$ -	\$ -	\$ 1,720	\$ -	\$ -	\$ 6,586	\$ -	\$ -
Accounts receivable	793,468	44,672	-	-	548,247	-	29,315	4,646,233	-	-
Inventory	-	-	-	-	-	-	-	21,371	-	-
Prepaid expenses	28,849	5,777	-	-	34,360	-	7,168	35,472	-	-
<b>Total current assets</b>	<b>5,918,269</b>	<b>600,721</b>	<b>-</b>	<b>-</b>	<b>584,327</b>	<b>-</b>	<b>36,483</b>	<b>4,709,662</b>	<b>-</b>	<b>-</b>
Land, buildings, leasehold improvements and equipment:										
Land and buildings	3,623,634	561,033	-	-	921,165	-	13,650,788	3,946,917	-	-
Computer equipment	27,565	-	-	-	-	-	351,610	33,362	-	-
Furniture and fixtures	5,347	-	-	-	1,900	-	284,775	61,633	-	-
Leasehold improvements	-	-	-	-	9,912	-	-	878,997	-	-
Office equipment	-	103,352	-	-	8,496	-	124,438	71,526	-	-
Transportation equipment	107,368	-	-	-	-	-	14,427	223,817	-	-
Construction in process	-	-	-	-	-	-	44,088	44,582	-	-
Less accumulated depreciation	(403,119)	(118,421)	-	-	(75,855)	-	(1,899,956)	(1,067,930)	-	-
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>3,360,795</b>	<b>545,964</b>	<b>-</b>	<b>-</b>	<b>865,618</b>	<b>-</b>	<b>12,570,170</b>	<b>4,192,904</b>	<b>-</b>	<b>-</b>
Other assets:										
Security deposits	19,295	-	-	-	-	-	-	5,958	-	-
Deferred funding of depreciation	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Due to/from affiliates	3,051,031	(65,866)	(109,061)	-	(285,363)	-	(191,586)	1,859,769	51,888	-
Long-term receivable	-	-	-	-	-	-	-	-	-	-
Interest rate swap agreements	-	-	-	-	-	-	-	-	-	-
Goodwill and intangible assets	-	-	-	-	-	-	-	1,252,121	-	-
Investments	-	-	-	-	-	-	1,731,672	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	2,588,865	-	-	-
<b>Total other assets</b>	<b>3,070,326</b>	<b>(65,866)</b>	<b>(109,061)</b>	<b>-</b>	<b>(285,363)</b>	<b>-</b>	<b>4,128,951</b>	<b>3,117,848</b>	<b>51,888</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 12,349,390</b>	<b>\$ 1,080,819</b>	<b>\$ (109,061)</b>	<b>\$ -</b>	<b>\$ 1,164,582</b>	<b>\$ -</b>	<b>\$ 16,735,604</b>	<b>\$ 12,020,414</b>	<b>\$ 51,888</b>	<b>\$ -</b>

Inperium, Inc.

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Alvarium	Alvarium Personal Care	Supportive Concepts	Harmonycrest	Person Directed Clinical Services	Fortis Holdings	Fortis Housing	S Automotive & Fleet Services	Sustainable Energy & Lighting Solutions
Current assets:									
Cash and cash equivalents	\$ -	\$ 400	\$ 5,687	\$ 50	\$ -	\$ -	\$ -	\$ -	
Accounts receivable	662,838	43,404	7,810,123	928	182,831	-	-	50,111	23,139
Inventory	-	-	-	-	-	-	-	-	5,557
Prepaid expenses	-	-	31,140	-	-	-	-	-	-
<b>Total current assets</b>	<b>662,838</b>	<b>43,804</b>	<b>7,846,950</b>	<b>978</b>	<b>182,831</b>	<b>-</b>	<b>-</b>	<b>50,111</b>	<b>28,696</b>
Land, buildings, leasehold improvements and equipment:									
Land and buildings	417,103	-	7,182,055	-	-	-	9,292,180	-	-
Computer equipment	-	-	512,160	-	-	-	-	-	-
Furniture and fixtures	40,540	265,100	297,884	4,865	-	-	-	5,695	5,827
Leasehold improvements	80,444	-	1,589,995	-	-	-	-	4,158	-
Office equipment	-	-	418,484	-	-	-	-	83,319	-
Transportation equipment	-	27,792	1,976,862	-	-	-	-	6,044	-
Construction in process	-	-	12,951	-	-	-	-	-	-
Less accumulated depreciation	(67,933)	(118,645)	(5,243,096)	(2,838)	-	-	(1,089,372)	(45,398)	(1,651)
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>470,154</b>	<b>174,247</b>	<b>6,747,295</b>	<b>2,027</b>	<b>-</b>	<b>-</b>	<b>8,202,808</b>	<b>53,818</b>	<b>4,176</b>
Other assets:									
Security deposits	-	-	140,411	-	-	-	-	-	-
Deferred funding of depreciation	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	1,695,000	-	-	750,000	-	-	-
Due to/from affiliates	(150,079)	(2,120,736)	19,061,190	362,416	674,374	(1,001,365)	(7,523,755)	116,082	(9,785)
Long-term receivable	-	-	-	-	-	-	-	-	-
Interest rate swap agreements	-	-	-	-	-	-	-	-	-
Goodwill and intangible assets	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	-	-	-
<b>Total other assets</b>	<b>(150,079)</b>	<b>(2,120,736)</b>	<b>20,896,601</b>	<b>362,416</b>	<b>674,374</b>	<b>(251,365)</b>	<b>(7,523,755)</b>	<b>116,082</b>	<b>(9,785)</b>
<b>Total assets</b>	<b>\$ 982,913</b>	<b>\$ (1,902,685)</b>	<b>\$ 35,490,846</b>	<b>\$ 365,421</b>	<b>\$ 857,205</b>	<b>\$ (251,365)</b>	<b>\$ 679,053</b>	<b>\$ 220,011</b>	<b>\$ 23,087</b>

Inperium, Inc.

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Inperium Management Services	Alternative Consulting Enterprises	Honeythrive	Anchors from Carol	Conexio Care	Coras Wellness & Recovery Center	Cornell Abraxas Group	Cornell Interventions	Cornell Corrections of California
Current assets:									
Cash and cash equivalents	\$ -	\$ 1,613	\$ -	\$ 10,331	\$ -	\$ -	\$ 10,694,668	\$ -	\$ -
Accounts receivable	74,365	122,626	-	-	9,249,059	7,472,215	9,950,894	3,327,834	1,152,526
Inventory	5,186	-	-	-	-	-	62,782	15,536	7,573
Prepaid expenses	2,909	-	-	-	358,304	600	326,265	10,614	-
<b>Total current assets</b>	<b>82,460</b>	<b>124,239</b>	<b>-</b>	<b>10,331</b>	<b>9,607,363</b>	<b>7,472,815</b>	<b>21,034,609</b>	<b>3,353,984</b>	<b>1,160,099</b>
Land, buildings, leasehold improvements and equipment:									
Land and buildings	-	-	-	-	12,975,333	1,651,589	-	-	-
Computer equipment	110,170	50,631	-	-	210,089	20,239	122,869	31,434	5,513
Furniture and fixtures	-	-	-	-	-	-	13,120	18,714	-
Leasehold improvements	-	137,969	-	-	11,380	-	267,773	34,649	12,175
Office equipment	-	-	-	-	255,000	-	187,389	74,145	56,557
Transportation equipment	-	-	-	-	1,855,188	656,100	836,659	208,453	112,962
Construction in process	-	-	-	-	106,946	-	7,200	-	19,154
Less accumulated depreciation	(67,424)	(74,772)	-	-	(674,456)	(157,773)	(190,537)	(58,353)	(29,814)
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>42,746</b>	<b>113,828</b>	<b>-</b>	<b>-</b>	<b>14,739,480</b>	<b>2,170,155</b>	<b>1,244,473</b>	<b>309,042</b>	<b>176,547</b>
Other assets:									
Security deposits	-	-	-	-	60,059	-	60,000	-	-
Deferred funding of depreciation	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-
Due to/from affiliates	(229,406)	(1,846,740)	-	(12,177)	(13,668,526)	(11,565,817)	(6,573,388)	944,862	1,247,721
Long-term receivable	-	-	-	-	-	-	-	-	-
Interest rate swap agreements	-	-	-	-	688,058	-	130,263	-	-
Goodwill and intangible assets	-	-	-	-	-	-	1,125,146	-	-
Investments	-	-	-	-	-	-	-	-	-
Beneficial interests and charitable remainder trust	-	-	-	-	-	-	-	-	-
<b>Total other assets</b>	<b>(229,406)</b>	<b>(1,846,740)</b>	<b>-</b>	<b>(12,177)</b>	<b>(12,920,409)</b>	<b>(11,565,817)</b>	<b>(5,257,979)</b>	<b>944,862</b>	<b>1,247,721</b>
<b>Total assets</b>	<b>\$ (104,200)</b>	<b>\$ (1,608,673)</b>	<b>\$ -</b>	<b>\$ (1,846)</b>	<b>\$ 11,426,434</b>	<b>\$ (1,922,847)</b>	<b>\$ 17,021,103</b>	<b>\$ 4,607,888</b>	<b>\$ 2,584,367</b>

**Inperium, Inc.**

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Cornell Companies of Texas	Elimination Inperium	Eliminations	Consolidated Totals
<b>Current assets:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 25,138,954
Accounts receivable	-	-	-	49,553,186
Inventory	-	-	-	173,187
Prepaid expenses	-	-	-	2,054,411
<b>Total current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,919,738</b>
<b>Land, buildings, leasehold improvements and equipment:</b>				
Land and buildings	-	-	-	65,875,896
Computer equipment	-	-	-	1,805,714
Furniture and fixtures	-	-	-	1,326,822
Leasehold improvements	-	-	-	3,581,542
Office equipment	-	-	-	1,632,087
Transportation equipment	-	-	-	6,482,213
Construction in process	-	-	-	234,921
Less accumulated depreciation	-	-	-	(13,156,315)
<b>Net land, buildings, leasehold improvements and equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,782,880</b>
<b>Other assets:</b>				
Security deposits	-	-	-	300,946
Deferred funding of depreciation	-	-	-	-
Investment in subsidiary	-	(4,692,123)	(2,445,000)	-
Due to/from affiliates	(675,657)	-	-	-
Long-term receivable	-	-	-	2,525,830
Interest rate swap agreements	-	-	-	2,800,466
Goodwill and intangible assets	-	-	-	2,377,267
Investments	-	-	-	3,171,672
Beneficial interests and charitable remainder trust	-	-	-	2,588,865
<b>Total other assets</b>	<b>(675,657)</b>	<b>(4,692,123)</b>	<b>(2,445,000)</b>	<b>13,765,046</b>
<b>Total assets</b>	<b>\$ (675,657)</b>	<b>\$ (4,692,123)</b>	<b>\$ (2,445,000)</b>	<b>\$ 158,467,664</b>

**Inperium, Inc.**

**Consolidating Statement of Financial Position  
June 30, 2022**

	Inperium	APIS Services	Ocellus Tech	Wake Enterprises	Inperium New Jersey	Iron Recovery and Wellness Center	Crossroads Programs
<b>Liabilities:</b>							
Current liabilities:							
Accounts payable and accrued expenses	\$ -	\$ 6,963,243	\$ 15,280	\$ 16,124	\$ -	\$ -	\$ 57,102
Refundable advance	-	-	-	-	-	23,641	14,925
Salaries and wages payable	-	6,683,176	-	2,997	-	-	12,096
Payroll taxes and amounts withheld from employees	-	251,525	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Current portion of long-term debt	28,423	1,538,000	-	28,030	-	2,580	-
<b>Total current liabilities</b>	<b>28,423</b>	<b>15,435,944</b>	<b>15,280</b>	<b>47,151</b>	<b>-</b>	<b>26,221</b>	<b>84,123</b>
Long-term liabilities:							
Refundable advance – long-term	-	-	-	-	-	-	-
Other long-term liabilities	-	-	-	10,500	-	-	11,999
Long-term debt (net of financing costs)	10,306	22,212,676	-	643,364	-	1,934	116,396
<b>Total long-term liabilities</b>	<b>10,306</b>	<b>22,212,676</b>	<b>-</b>	<b>653,864</b>	<b>-</b>	<b>1,934</b>	<b>128,395</b>
<b>Total liabilities</b>	<b>38,729</b>	<b>37,648,620</b>	<b>15,280</b>	<b>701,015</b>	<b>-</b>	<b>28,155</b>	<b>212,518</b>
Net assets (deficit):							
Membership interest	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	2,345,659	-	-	-	-
Net assets (deficit) without donor restrictions:							
Undesignated	(2,938,654)	3,486,394	(2,468,647)	3,469,407	(108,928)	(659,238)	7,860,846
Board Designated	-	-	-	-	-	-	-
Net assets (deficit) with donor restrictions	-	-	-	-	-	-	14,295
<b>Total net assets (deficit)</b>	<b>(2,938,654)</b>	<b>3,486,394</b>	<b>(122,988)</b>	<b>3,469,407</b>	<b>(108,928)</b>	<b>(659,238)</b>	<b>7,875,141</b>
<b>Total liabilities and net assets</b>	<b>\$ (2,899,925)</b>	<b>\$ 41,135,014</b>	<b>\$ (107,708)</b>	<b>\$ 4,170,422</b>	<b>\$ (108,928)</b>	<b>\$ (631,083)</b>	<b>\$ 8,087,659</b>



Inperium, Inc.

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Advancing Opportunities	South Jersey Behavioral Health	Guidance Center	Inperium New York	Edison Court	Community Prevention Partners	Youth Services Agency	Children's Home of Reading
<b>Liabilities:</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 433,616	\$ 332,785	\$ 18,034	\$ -	\$ -	\$ 4,466	\$ -	\$ 601
Refundable advance	-	1,622,930	-	-	-	17,556	-	-
Salaries and wages payable	13,945	629,275	-	-	-	-	-	-
Payroll taxes and amounts withheld from employees	-	(6,411)	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	46,179	-	38,814	-	-	-	-	19,125
<b>Total current liabilities</b>	<b>493,740</b>	<b>2,578,579</b>	<b>56,848</b>	<b>-</b>	<b>-</b>	<b>22,022</b>	<b>-</b>	<b>19,726</b>
Long-term liabilities:								
Refundable advance – long-term	-	1,693,212	-	-	-	-	-	-
Other long-term liabilities	-	2,500	2,741	-	-	-	-	-
Long-term debt (net of financing costs)	2,204,569	1,680,654	46,291	-	-	-	-	351,997
<b>Total long-term liabilities</b>	<b>2,204,569</b>	<b>3,376,366</b>	<b>49,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351,997</b>
<b>Total liabilities</b>	<b>2,698,309</b>	<b>5,954,945</b>	<b>105,880</b>	<b>-</b>	<b>-</b>	<b>22,022</b>	<b>-</b>	<b>371,723</b>
Net assets (deficit):								
Membership interest	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	-	-	-	-	-	-
Net assets (deficit) without donor restrictions:								
Undesignated	2,176,336	6,394,445	974,939	(109,061)	-	591,235	-	11,955,524
Board Designated	-	-	-	-	-	-	-	1,422,619
Net assets (deficit) with donor restrictions	-	-	-	-	-	551,325	-	2,985,738
<b>Total net assets (deficit)</b>	<b>2,176,336</b>	<b>6,394,445</b>	<b>974,939</b>	<b>(109,061)</b>	<b>-</b>	<b>1,142,560</b>	<b>-</b>	<b>16,363,881</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,874,645</b>	<b>\$ 12,349,390</b>	<b>\$ 1,080,819</b>	<b>\$ (109,061)</b>	<b>\$ -</b>	<b>\$ 1,164,582</b>	<b>\$ -</b>	<b>\$ 16,735,604</b>

**Inperium, Inc.**

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Chor Youth & Family Services	Reading Specialists	Affinity	Alvarium	Alvarium Personal Care	Supportive Concepts	Harmonycrest	Person Directed Clinical Services
<b>Liabilities:</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 48,907	\$ -	\$ -	\$ (353)	\$ 5,557	\$ 29,772	\$ -	\$ -
Refundable advance	633,790	-	-	25,479	-	-	-	-
Salaries and wages payable	-	-	-	-	-	-	-	-
Payroll taxes and amounts withheld from employees	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>682,697</b>	<b>-</b>	<b>-</b>	<b>25,126</b>	<b>5,557</b>	<b>29,772</b>	<b>-</b>	<b>-</b>
Long-term liabilities:								
Refundable advance – long-term	-	-	-	-	-	-	-	-
Other long-term liabilities	1,100	-	-	-	-	4,437	-	-
Long-term debt (net of financing costs)	-	-	-	-	-	-	-	-
<b>Total long-term liabilities</b>	<b>1,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,437</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>683,797</b>	<b>-</b>	<b>-</b>	<b>25,126</b>	<b>5,557</b>	<b>34,209</b>	<b>-</b>	<b>-</b>
Net assets (deficit):								
Membership interest	-	-	-	-	-	-	-	-
Additional paid-in-capital	2,346,464	-	-	-	-	-	-	-
Net assets (deficit) without donor restrictions:								
Undesignated	8,990,153	51,888	-	957,787	(1,908,242)	35,456,637	365,421	857,205
Board Designated	-	-	-	-	-	-	-	-
Net assets (deficit) with donor restrictions								
<b>Total net assets (deficit)</b>	<b>11,336,617</b>	<b>51,888</b>	<b>-</b>	<b>957,787</b>	<b>(1,908,242)</b>	<b>35,456,637</b>	<b>365,421</b>	<b>857,205</b>
<b>Total liabilities and net assets</b>	<b>\$ 12,020,414</b>	<b>\$ 51,888</b>	<b>\$ -</b>	<b>\$ 982,913</b>	<b>\$ (1,902,685)</b>	<b>\$ 35,490,846</b>	<b>\$ 365,421</b>	<b>\$ 857,205</b>

**Inperium, Inc.**

**Consolidating Statement of Financial Position (Continued)  
June 30, 2022**

	Fortis Holdings	Fortis Housing	S Automotive & Fleet Services	Sustainable Energy & Lighting Solutions	Inperium Management Services	Alternative Consulting Enterprises	Honeythrive	Anchors from Carol	Conexio Care
<b>Liabilities:</b>									
Current liabilities:									
Accounts payable and accrued expenses	\$ -	\$ -	\$ 2,122	\$ -	\$ 7,626	\$ -	\$ -	\$ -	\$ 527,004
Refundable advance	-	-	-	-	11,700	233,239	-	-	-
Salaries and wages payable	-	-	-	-	-	-	-	-	79,319
Payroll taxes and amounts withheld from employees	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	761,927
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>2,122</b>	<b>-</b>	<b>19,326</b>	<b>233,239</b>	<b>-</b>	<b>-</b>	<b>1,368,250</b>
Long-term liabilities:									
Refundable advance – long-term	-	-	-	-	-	-	-	-	-
Other long-term liabilities	-	1,425	-	-	-	-	-	-	-
Long-term debt (net of financing costs)	-	-	-	-	-	-	-	-	11,921,069
<b>Total long-term liabilities</b>	<b>-</b>	<b>1,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,921,069</b>
<b>Total liabilities</b>	<b>-</b>	<b>1,425</b>	<b>2,122</b>	<b>-</b>	<b>19,326</b>	<b>233,239</b>	<b>-</b>	<b>-</b>	<b>13,289,319</b>
Net assets (deficit):									
Membership interest	-	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	40,000	600,000	550,000	1,255,000	-	-	-
Net assets (deficit) without donor restrictions:									
Undesignated	(251,365)	677,628	177,889	(576,913)	(673,526)	(3,096,912)	-	(1,846)	(1,862,885)
Board Designated	-	-	-	-	-	-	-	-	-
Net assets (deficit) with donor restrictions									
<b>Total net assets (deficit)</b>	<b>(251,365)</b>	<b>677,628</b>	<b>217,889</b>	<b>23,087</b>	<b>(123,526)</b>	<b>(1,841,912)</b>	<b>-</b>	<b>(1,846)</b>	<b>(1,862,885)</b>
<b>Total liabilities and net assets</b>	<b>\$ (251,365)</b>	<b>\$ 679,053</b>	<b>\$ 220,011</b>	<b>\$ 23,087</b>	<b>\$ (104,200)</b>	<b>\$ (1,608,673)</b>	<b>\$ -</b>	<b>\$ (1,846)</b>	<b>\$ 11,426,434</b>

**Inperium, Inc.**

**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2022**

	Coras Wellness & Recovery Center	Cornell Abraxas Group	Cornell Interventions	Cornell Corrections of California	Cornell Companies of Texas	Elimination Inperium	Eliminations	Consolidated Totals
<b>Liabilities:</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 26,885	\$ 1,466,357	\$ 1,233,096	\$ 375,817	\$ -	\$ -	\$ -	\$ 11,564,041
Refundable advance	800,000	93,176	-	241,734	-	-	-	3,718,170
Salaries and wages payable	19,124	236,840	4,209	9,803	-	-	-	7,690,784
Payroll taxes and amounts withheld from employees	-	1,299,576	-	-	-	-	-	1,544,690
Other current liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	1,512,667	-	-	-	-	-	3,975,745
<b>Total current liabilities</b>	<b>846,009</b>	<b>4,608,616</b>	<b>1,237,305</b>	<b>627,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,493,430</b>
Long-term liabilities:								
Refundable advance – long-term	-	-	-	-	-	-	-	1,693,212
Other long-term liabilities	-	187,500	130,000	56,999	-	-	-	409,201
Long-term debt (net of financing costs)	-	6,112,173	-	-	-	-	-	45,301,429
<b>Total long-term liabilities</b>	<b>-</b>	<b>6,299,673</b>	<b>130,000</b>	<b>56,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,403,842</b>
<b>Total liabilities</b>	<b>846,009</b>	<b>10,908,289</b>	<b>1,367,305</b>	<b>684,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,897,272</b>
Net assets (deficit):								
Membership interest	-	-	-	-	-	-	-	-
Additional paid-in-capital	-	-	-	-	-	(4,692,123)	(2,445,000)	-
Net assets (deficit) without donor restrictions:								
Undesignated	(2,768,856)	6,112,814	3,240,583	1,900,014	(675,657)	-	-	77,596,415
Board Designated	-	-	-	-	-	-	-	1,422,619
Net assets (deficit) with donor restrictions	-	-	-	-	-	-	-	3,551,358
<b>Total net assets (deficit)</b>	<b>(2,768,856)</b>	<b>6,112,814</b>	<b>3,240,583</b>	<b>1,900,014</b>	<b>(675,657)</b>	<b>(4,692,123)</b>	<b>(2,445,000)</b>	<b>82,570,392</b>
<b>Total liabilities and net assets</b>	<b>\$ (1,922,847)</b>	<b>\$ 17,021,103</b>	<b>\$ 4,607,888</b>	<b>\$ 2,584,367</b>	<b>\$ (675,657)</b>	<b>\$ (4,692,123)</b>	<b>\$ (2,445,000)</b>	<b>\$ 158,467,664</b>

Inperium, Inc.

Consolidating Statement of Activities  
June 30, 2022

	Inperium	APIS Services	Ocellus Tech	Wake Enterprises	Inperium New Jersey	Iron Recovery and Wellness Center	Without Donor Restrictions Crossroads Programs	With Donor Restrictions Crossroads Programs	Advancing Opportunities	South Jersey Behavioral Health
Public support, revenues, gains and other support:										
Contract revenue	\$ -	\$ -	\$ -	\$ 1,795,765	\$ -	\$ 2,734,888	\$ 11,044,261		\$ 8,037,944	\$ 10,891,988
Contributions/grants	-	183	-	41,339	-	2,152,492	650,744	(4,705)	471,090	3,413,430
Client fees	-	16,136	-	-	-	-	-	-	385,579	265,720
Other program fees	-	-	-	960	-	555,995	-	-	1,960	17,745
Other income	4,092	68,367	5,110	12,126	-	4,099	(3,809)	-	245,677	27,002
Interest income	35,598	978	-	2,581	-	17	3	-	27	692
COVID revenue	-	-	-	95,363	-	195,367	3,177	-	25,790	22,255
Inherent contributions of net assets from affiliates	-	-	-	-	-	-	-	-	-	-
Sales (net discounts)	-	-	2,277,107	199,344	-	-	-	-	2,518	-
Intercompany revenues	-	1,255,044	2,748	14,827	-	-	57,056	-	733	43,346
<b>Total public support, revenues, gains and other support</b>	<b>39,690</b>	<b>1,340,708</b>	<b>2,284,965</b>	<b>2,162,305</b>	<b>-</b>	<b>5,642,858</b>	<b>11,751,432</b>	<b>(4,705)</b>	<b>9,171,318</b>	<b>14,682,178</b>
Expenses:										
Payroll	3,292,572	9,397,072	801,194	1,009,404	-	3,132,947	4,963,319	-	5,230,910	6,156,128
Payroll taxes and employee benefits	262,030	2,023,262	145,057	246,758	-	664,958	813,686	-	1,008,545	1,767,570
<b>Total payroll and related expenses</b>	<b>3,554,602</b>	<b>11,420,334</b>	<b>946,251</b>	<b>1,256,162</b>	<b>-</b>	<b>3,797,905</b>	<b>5,777,005</b>	<b>-</b>	<b>6,239,455</b>	<b>7,923,698</b>
Client transportation	118,816	44,924	13,476	64,642	-	11,911	64,731	-	118,587	222,552
Communications	125,779	202,338	10,258	19,110	-	37,468	38,006	-	100,576	74,401
Contract personnel	2,126,421	3,408,932	164,792	198,499	2,274	403,633	1,505,696	-	221,337	1,309,881
Housekeeping expense	58	2,659	-	15,719	-	4,202	128,581	-	161,259	179,801
Insurance expense	5,482	24,656	3,810	36,194	-	108,691	231,213	-	186,058	250,380
Interest expense	169,032	1,218,252	1,254	29,900	2,501	63,810	331	-	6,359	936
Maintenance and repairs	689	47,626	2,631	39,581	-	110,861	98,674	-	138,507	337,072
Management fees	(5,356,770)	(16,214,832)	93,000	256,336	-	562,631	1,174,703	-	915,421	1,493,920
Rent expense	734	159,078	6,725	-	-	57,893	-	-	171,489	410,620
Supplies and operating expenses	310,630	2,462,989	1,002,940	59,008	91	316,474	198,769	-	266,042	350,720
Utilities	135	22,194	1,264	33,481	-	57,390	126,931	-	163,418	150,700
<b>Total expenses before depreciation</b>	<b>1,055,608</b>	<b>2,799,150</b>	<b>2,246,401</b>	<b>2,008,632</b>	<b>4,866</b>	<b>5,532,869</b>	<b>9,344,640</b>	<b>-</b>	<b>8,688,508</b>	<b>12,704,681</b>
Depreciation	30,913	42,432	104	69,529	-	61,479	160,779	-	224,139	89,124
<b>Total expenses</b>	<b>1,086,521</b>	<b>2,841,582</b>	<b>2,246,505</b>	<b>2,078,161</b>	<b>4,866</b>	<b>5,594,348</b>	<b>9,505,419</b>	<b>-</b>	<b>8,912,647</b>	<b>12,793,805</b>
<b>Change in net assets (deficit) before other income (expense)</b>	<b>(1,046,831)</b>	<b>(1,500,874)</b>	<b>38,460</b>	<b>84,144</b>	<b>(4,866)</b>	<b>48,510</b>	<b>2,246,013</b>	<b>(4,705)</b>	<b>258,671</b>	<b>1,888,373</b>
Other income (expense):										
Other income (expense)	1,440,000	1,838,697	-	(13,765)	-	(51,981)	(2,865)	-	(7,799)	(10,752)
Transfer of assets	-	-	-	-	-	-	-	-	-	-
<b>Total other income (expense)</b>	<b>1,440,000</b>	<b>1,838,697</b>	<b>-</b>	<b>(13,765)</b>	<b>-</b>	<b>(51,981)</b>	<b>(2,865)</b>	<b>-</b>	<b>(7,799)</b>	<b>(10,752)</b>
<b>Change in net assets (deficit) after other income (expense)</b>	<b>393,169</b>	<b>337,823</b>	<b>38,460</b>	<b>70,379</b>	<b>(4,866)</b>	<b>(3,471)</b>	<b>2,243,148</b>	<b>(4,705)</b>	<b>250,872</b>	<b>1,877,621</b>
Net assets (deficit):										
Beginning of year	(3,331,823)	3,148,571	(2,507,107)	3,399,028	(104,062)	(655,767)	5,617,698	19,000	1,925,464	4,516,824
End of year	<b>\$ (2,938,654)</b>	<b>\$ 3,486,394</b>	<b>\$ (2,468,647)</b>	<b>\$ 3,469,407</b>	<b>\$ (108,928)</b>	<b>\$ (659,238)</b>	<b>\$ 7,860,846</b>	<b>\$ 14,295</b>	<b>\$ 2,176,336</b>	<b>\$ 6,394,445</b>

Inperium, Inc.

**Consolidating Statement of Activities (Continued)**  
**June 30, 2022**

	Guidance Center	Inperium New York	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	Affinity
Public support, revenues, gains and other support:											
Contract revenue	\$ -	\$ -	\$ 1,708,418	\$ 1,147,237	\$ -	\$ -	\$ -	\$ -	\$ 20,762,348	\$ -	\$ 1,302,143
Contributions/grants	-	-	36,046	2,062,140	64,787	-	\$ 470,324	(85,441)	355,061	-	-
Client fees	-	-	-	-	-	-	-	-	-	-	-
Other program fees	-	-	38,200	-	-	-	-	-	324,488	-	59,443
Other income	288,105	-	-	2,089	-	-	123,077	-	18,500	-	3,747
Interest income	16	-	-	-	-	-	172,098	-	-	-	-
COVID revenue	-	-	41,156	-	-	-	3,504	-	895,746	-	-
Inherent contributions of net assets from affiliates	-	-	-	-	-	-	-	-	-	-	-
Sales (net discounts)	-	-	-	-	-	-	-	-	-	-	-
Intercompany revenues	-	-	-	1,429	-	-	70,480	-	53,795	1,217	10,911
<b>Total public support, revenues, gains and other support</b>	<b>288,121</b>	<b>-</b>	<b>1,823,820</b>	<b>3,212,895</b>	<b>64,787</b>	<b>-</b>	<b>839,483</b>	<b>(85,441)</b>	<b>22,409,938</b>	<b>1,217</b>	<b>1,376,244</b>
Expenses:											
Payroll	51,371	-	793,689	1,832,215	-	-	168,146	-	9,349,672	-	383,139
Payroll taxes and employee benefits	-	-	181,097	402,625	-	-	25,134	-	1,927,817	-	95,332
<b>Total payroll and related expenses</b>	<b>51,371</b>	<b>-</b>	<b>974,786</b>	<b>2,234,840</b>	<b>-</b>	<b>-</b>	<b>193,280</b>	<b>-</b>	<b>11,277,489</b>	<b>-</b>	<b>478,471</b>
Client transportation	-	-	18,935	12,231	-	-	487	-	194,354	-	5,750
Communications	6,652	-	10,972	40,325	-	-	12,552	-	174,708	-	5,613
Contract personnel	27,000	7,929	106,377	179,885	-	-	73,077	-	2,697,744	600	458,568
Housekeeping expense	1,673	-	63,597	155,000	-	-	117	-	489,589	-	6,458
Insurance expense	8,517	5	19,232	13,348	-	-	-	-	370,536	-	45,407
Interest expense	10,767	7,193	2,917	2,319	-	-	55,267	-	44,519	-	-
Maintenance and repairs	16,332	-	31,925	21,184	-	-	491	-	399,051	-	6,050
Management fees	-	-	182,382	327,769	-	-	74,400	-	2,240,856	-	137,625
Rent expense	-	-	27,405	35,974	-	-	-	-	173,647	-	28,614
Supplies and operating expenses	6,587	39	97,901	62,844	-	-	140,090	-	845,223	55	23,836
Utilities	19,023	-	20,291	21,264	-	-	-	-	345,377	-	7,600
<b>Total expenses before depreciation</b>	<b>147,922</b>	<b>15,166</b>	<b>1,556,720</b>	<b>3,106,983</b>	<b>-</b>	<b>-</b>	<b>549,761</b>	<b>-</b>	<b>19,253,093</b>	<b>655</b>	<b>1,203,992</b>
Depreciation	32,279	-	46,736	32,708	-	-	202	-	738,762	-	49,926
<b>Total expenses</b>	<b>180,201</b>	<b>15,166</b>	<b>1,603,456</b>	<b>3,139,691</b>	<b>-</b>	<b>-</b>	<b>549,963</b>	<b>-</b>	<b>19,991,855</b>	<b>655</b>	<b>1,253,918</b>
<b>Change in net assets (deficit) before other income (expense)</b>	<b>107,920</b>	<b>(15,166)</b>	<b>220,364</b>	<b>73,204</b>	<b>64,787</b>	<b>-</b>	<b>289,520</b>	<b>(85,441)</b>	<b>2,418,083</b>	<b>562</b>	<b>122,326</b>
Other income (expense):											
Other income (expense)	-	-	-	(6,622)	-	-	(393,964)	(594,514)	(3,034,777)	-	-
Transfer of assets	-	-	(7,618,303)	-	-	-	-	-	9,606,847	-	(1,988,544)
<b>Total other income (expense)</b>	<b>-</b>	<b>-</b>	<b>(7,618,303)</b>	<b>(6,622)</b>	<b>-</b>	<b>-</b>	<b>(393,964)</b>	<b>(594,514)</b>	<b>6,572,070</b>	<b>-</b>	<b>(1,988,544)</b>
<b>Change in net assets (deficit) after other income (expense)</b>	<b>107,920</b>	<b>(15,166)</b>	<b>(7,397,939)</b>	<b>66,582</b>	<b>64,787</b>	<b>-</b>	<b>(104,444)</b>	<b>(679,955)</b>	<b>8,990,153</b>	<b>562</b>	<b>(1,866,218)</b>
Net assets (deficit):											
Beginning of year	867,019	(93,895)	7,397,939	524,653	486,538	-	13,482,317	3,665,963	-	51,326	1,866,218
End of year	\$ 974,939	\$ (109,061)	\$ -	\$ 591,235	\$ 551,325	\$ -	\$ 13,377,873	\$ 2,986,008	\$ 8,990,153	\$ 51,888	\$ -

Inperium, Inc.

**Consolidating Statement of Activities (Continued)**  
**June 30, 2022**

	Alvarium	Alvarium Personal Care	Supportive Concepts	Harmonycrest	Person Directed Clinical Services	Fortis Holdings	Fortis Housing	S Automotive & Fleet Services	Sustainable Energy & Lighting Solutions
Public support, revenues, gains and other support:									
Contract revenue	\$ 4,562,857	\$ -	\$ 68,934,243	\$ -	\$ 497,943	\$ -	\$ -	\$ -	\$ -
Contributions/grants	-	-	17,729	-	-	-	-	-	-
Client fees	152,312	1,102,887	3,057,114	156,133	-	-	-	-	-
Other program fees	-	50	66,268	-	-	-	-	-	-
Other income	-	1,964	45,210	786	45	-	4,825	3,849	316
Interest income	-	-	223	-	-	-	-	699	-
COVID revenue	288,139	50,829	10,609,032	15,007	92,432	-	-	-	-
Inherent contributions of net assets from affiliates	-	-	-	-	-	-	-	-	-
Sales (net discounts)	-	8,856	-	-	751,455	-	-	663,941	233,642
Intercompany revenues	4,167	-	498,724	820,893	1,301,497	-	463,430	545,750	197,923
<b>Total public support, revenues, gains and other support</b>	<b>5,007,475</b>	<b>1,164,586</b>	<b>83,228,543</b>	<b>992,819</b>	<b>2,643,372</b>	<b>-</b>	<b>468,255</b>	<b>1,214,239</b>	<b>431,881</b>
Expenses:									
Payroll	2,354,716	1,058,375	39,753,818	448,550	1,680,390	10,920	61,728	449,991	204,151
Payroll taxes and employee benefits	496,982	189,975	8,490,525	106,494	357,022	665	14,084	80,073	56,772
<b>Total payroll and related expenses</b>	<b>2,851,698</b>	<b>1,248,350</b>	<b>48,244,343</b>	<b>555,044</b>	<b>2,037,412</b>	<b>11,585</b>	<b>75,812</b>	<b>530,064</b>	<b>260,923</b>
Client transportation	73,532	14,973	1,246,589	8,831	18,596	11	-	6,694	16,761
Communications	23,090	48,779	385,297	4,654	21,709	10	798	4,842	3,146
Contract personnel	128,664	35,242	3,179,713	5,060	8,447	9,917	600	3,138	637
Housekeeping expense	62,725	143,947	1,212,717	51,014	99	-	-	251	-
Insurance expense	25,025	21,329	620,605	5,995	12,248	-	1,129	11,556	3,627
Interest expense	3,260	47,098	38,211	36,797	(73)	13,780	180,103	1,627	5,411
Maintenance and repairs	71,456	103,441	1,141,459	71,390	2,186	-	3,380	18,617	1,134
Management fees	500,759	116,459	9,987,858	99,281	264,337	-	23,413	121,423	37,200
Rent expense	172,710	141	2,112,156	47,938	6,191	-	-	60,336	1,152
Supplies and operating expenses	68,959	58,100	752,171	25,106	19,785	33	19,056	411,272	142,514
Utilities	65,555	94,799	1,130,121	13,609	3,144	-	7,227	11,221	1,680
<b>Total expenses before depreciation</b>	<b>4,047,433</b>	<b>1,932,658</b>	<b>70,051,240</b>	<b>924,719</b>	<b>2,394,081</b>	<b>35,336</b>	<b>311,518</b>	<b>1,181,041</b>	<b>474,185</b>
Depreciation	28,590	46,719	481,904	973	7,039	-	235,289	21,062	5,668
<b>Total expenses</b>	<b>4,076,023</b>	<b>1,979,377</b>	<b>70,533,144</b>	<b>925,692</b>	<b>2,401,120</b>	<b>35,336</b>	<b>546,807</b>	<b>1,202,103</b>	<b>479,853</b>
<b>Change in net assets (deficit) before other income (expense)</b>	<b>931,452</b>	<b>(814,791)</b>	<b>12,695,399</b>	<b>67,127</b>	<b>242,252</b>	<b>(35,336)</b>	<b>(78,552)</b>	<b>12,136</b>	<b>(47,972)</b>
Other income (expense):									
Other income (expense)	(58,112)	2,384	209,927	3,750	-	-	9,718	-	-
Transfer of assets	-	-	-	-	-	-	-	-	-
<b>Total other income (expense)</b>	<b>(58,112)</b>	<b>2,384</b>	<b>209,927</b>	<b>3,750</b>	<b>-</b>	<b>-</b>	<b>9,718</b>	<b>-</b>	<b>-</b>
<b>Change in net assets (deficit) after other income (expense)</b>	<b>873,340</b>	<b>(812,407)</b>	<b>12,905,326</b>	<b>70,877</b>	<b>242,252</b>	<b>(35,336)</b>	<b>(68,834)</b>	<b>12,136</b>	<b>(47,972)</b>
Net assets (deficit):									
Beginning of year	84,447	(1,095,835)	22,551,311	294,544	614,953	(216,029)	746,462	165,753	(528,941)
End of year	\$ 957,787	\$ (1,908,242)	\$ 35,456,637	\$ 365,421	\$ 857,205	\$ (251,365)	\$ 677,628	\$ 177,889	\$ (576,913)

Inperium, Inc.

Consolidating Statement of Activities (Continued)  
June 30, 2022

	Inperium Management Services, LLC	Alternative Consulting Enterprises	Honeythrive	Anchors from Carol	Conexio Care	Coras Wellness & Recovery Center	Cornell Abraxas Group	Cornell Interventions	Cornell Corrections of California
Public support, revenues, gains and other support:									
Contract revenue	\$ -	\$ 1,500,149	\$ -	\$ -	\$ 33,265,310	\$ 21,009,786	\$ 24,664,408	\$ 7,418,288	\$ 4,310,364
Contributions/grants	-	-	-	2,304	5,373,305	2,937	663,059	788,006	258,134
Client fees	-	-	-	-	541,085	28,690	-	-	-
Other program fees	-	-	-	-	1,791,840	1,098,330	-	12,665	-
Other income	61	-	-	-	576,860	190,789	553,370	3,070	648,821
Interest income	-	-	-	-	-	-	-	-	-
COVID revenue	-	341,426	-	-	-	-	348,347	277,289	-
Inherent contributions of net assets from affiliates	-	-	-	-	-	-	7,469,041	2,511,403	948,404
Sales (net discounts)	751,494	-	-	-	998,729	-	-	-	-
Intercompany revenues	6,107	3,900	-	-	-	-	-	-	-
<b>Total public support, revenues, gains and other support</b>	<b>757,662</b>	<b>1,845,475</b>	<b>-</b>	<b>2,304</b>	<b>42,547,129</b>	<b>22,330,532</b>	<b>33,698,225</b>	<b>11,010,721</b>	<b>6,165,723</b>
Expenses:									
Payroll	488,426	696,827	-	-	24,264,047	12,589,338	16,090,527	4,128,214	2,263,252
Payroll taxes and employee benefits	63,050	117,521	-	-	5,723,989	2,604,674	4,151,856	941,407	503,190
<b>Total payroll and related expenses</b>	<b>551,476</b>	<b>814,348</b>	<b>-</b>	<b>-</b>	<b>29,988,036</b>	<b>15,194,012</b>	<b>20,242,383</b>	<b>5,069,621</b>	<b>2,766,442</b>
Client transportation	4,438	1,239	-	-	816,871	191,697	354,785	30,261	15,449
Communications	9,639	18,571	-	-	215,360	103,394	175,590	48,555	13,396
Contract personnel	23,392	306,752	50	483	1,056,466	700,788	1,342,730	474,149	311,575
Housekeeping expense	-	251	-	-	713,461	228,991	668,234	266,863	133,226
Insurance expense	2,152	28,241	-	-	1,618,185	584,550	562,246	173,061	83,413
Interest expense	20,872	50,383	65	269	489,369	228,035	84,809	12,454	7,002
Maintenance and repairs	-	13,549	-	-	4,905,129	459,560	326,883	133,967	82,617
Management fees	55,800	184,547	-	-	1,489,524	781,219	450,739	-	-
Rent expense	930	88,503	-	-	1,739,826	1,600,493	638,085	345,076	151,595
Supplies and operating expenses	387,606	66,954	-	679	1,604,860	2,935,022	1,703,019	930,826	561,336
Utilities	-	6,024	-	-	1,060,968	550,463	850,141	242,547	118,388
<b>Total expenses before depreciation</b>	<b>1,056,305</b>	<b>1,579,362</b>	<b>115</b>	<b>1,431</b>	<b>45,698,055</b>	<b>23,558,224</b>	<b>27,399,644</b>	<b>7,727,380</b>	<b>4,244,439</b>
Depreciation	17,509	25,821	-	-	656,335	187,705	333,887	42,758	21,270
<b>Total expenses</b>	<b>1,073,814</b>	<b>1,605,183</b>	<b>115</b>	<b>1,431</b>	<b>46,354,390</b>	<b>23,745,929</b>	<b>27,733,531</b>	<b>7,770,138</b>	<b>4,265,709</b>
<b>Change in net assets (deficit) before other income (expense)</b>	<b>(316,152)</b>	<b>240,292</b>	<b>(115)</b>	<b>873</b>	<b>(3,807,261)</b>	<b>(1,415,397)</b>	<b>5,964,694</b>	<b>3,240,583</b>	<b>1,900,014</b>
Other income (expense):									
Other income (expense)	-	157,525	18,526	-	691,378	-	148,120	-	-
Transfer of assets	-	-	-	-	-	-	-	-	-
<b>Total other income (expense)</b>	<b>-</b>	<b>157,525</b>	<b>18,526</b>	<b>-</b>	<b>691,378</b>	<b>-</b>	<b>148,120</b>	<b>-</b>	<b>-</b>
<b>Change in net assets (deficit) after other income (expense)</b>	<b>(316,152)</b>	<b>397,817</b>	<b>18,411</b>	<b>873</b>	<b>(3,115,883)</b>	<b>(1,415,397)</b>	<b>6,112,814</b>	<b>3,240,583</b>	<b>1,900,014</b>
Net assets (deficit):									
Beginning of year	(357,374)	(3,494,729)	(18,411)	(2,719)	1,252,998	(1,353,459)	-	-	-
End of year	\$ (673,526)	\$ (3,096,912)	\$ -	\$ (1,846)	\$ (1,862,885)	\$ (2,768,856)	\$ 6,112,814	\$ 3,240,583	\$ 1,900,014



Inperium, Inc.

**Consolidating Statement of Activities (Continued)**  
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	Cornell Companies of Texas	Eliminations/ Reclasses	Consolidated Totals
Public support, revenues, gains and other support:			
Contract revenue	\$ -	\$ -	\$ 225,588,340
Contributions/grants	-	-	16,732,964
Client fees	-	-	5,705,656
Other program fees	-	-	3,967,944
Other income	-	-	2,828,148
Interest income	-	-	212,932
COVID revenue	-	-	13,304,859
Inherent contributions of net assets from affiliates	(675,657)	-	10,253,191
Sales (net discounts)	-	(2,278,139)	3,608,947
Intercompany revenues	-	(5,353,977)	-
<b>Total public support, revenues, gains and other support</b>	<b>(675,657)</b>	<b>(7,632,116)</b>	<b>282,202,981</b>
Expenses:			
Payroll	-	-	153,105,048
Payroll taxes and employee benefits	-	-	33,462,150
<b>Total payroll and related expenses</b>	<b>-</b>	<b>-</b>	<b>186,567,198</b>
Client transportation	-	(533,634)	3,158,489
Communications	-	-	1,935,588
Contract personnel	-	(2,076,189)	18,404,259
Housekeeping expense	-	-	4,690,492
Insurance expense	-	-	5,056,891
Interest expense	-	(2,051,561)	783,268
Maintenance and repairs	-	(200,661)	8,384,781
Management fees	-	-	-
Rent expense	-	(490,930)	7,546,381
Supplies and operating expenses	-	(2,279,141)	13,552,395
Utilities	-	-	5,124,955
<b>Total expenses before depreciation</b>	<b>-</b>	<b>(7,632,116)</b>	<b>255,204,697</b>
Depreciation	-	-	3,691,641
<b>Total expenses</b>	<b>-</b>	<b>(7,632,116)</b>	<b>258,896,338</b>
<b>Change in net assets (deficit) before other income (expense)</b>	<b>(675,657)</b>	<b>-</b>	<b>23,306,643</b>
Other income (expense):			
Other income (expense)	-	-	344,874
Transfer of assets	-	-	-
<b>Total other income (expense)</b>	<b>-</b>	<b>-</b>	<b>344,874</b>
<b>Change in net assets (deficit) after other income (expense)</b>	<b>(675,657)</b>	<b>-</b>	<b>23,651,517</b>
Net assets (deficit):			
Beginning of year	-	-	58,918,875
End of year	\$ (675,657)	\$ -	\$ 82,570,392