

Inperium, Inc.
Consolidated Financial Statements
June 30, 2025

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Independent Auditor's Report

RSM US LLP

Board of Directors
Inperium, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Inperium, Inc. and its subsidiaries and affiliates (the Company), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

RSM US LLP

Blue Bell, Pennsylvania
December 1, 2025

Inperium, Inc.
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 82,293,448	\$ 56,390,342
Limited use cash and cash equivalents	11,414,136	-
Investments	139,994,995	561,895
Accounts receivable, net	106,525,885	65,873,250
Inventories	255,524	116,016
Prepaid expenses and other current assets	7,091,452	3,389,390
Total current assets	347,575,440	126,330,893
Limited use cash and cash equivalents, net of current portion	1,242,662	-
Limited use investments	18,312,886	-
Property and equipment, net	113,789,739	68,646,118
Operating lease right-of-use assets	71,516,425	18,768,866
Finance lease right-of-use assets	12,019,910	9,083,682
Other assets:		
Goodwill and intangible assets	4,807,562	1,414,519
Other assets	4,150,343	3,386,194
Total other assets	8,957,905	4,800,713
Total assets	\$ 573,414,967	\$ 227,630,272

See notes to consolidated financial statements.

Inperium, Inc.
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 39,011,246	\$ 17,736,707
Accrued payroll and related liabilities	30,891,608	12,899,280
Revolving line of credit	4,500,000	3,000,000
Current portion of refundable advances	11,657,641	1,310,413
Current portion of operating lease liabilities	14,896,039	4,520,346
Current portion of finance lease liabilities	683,012	588,914
Current portion of bond payable	2,280,000	-
Current portion of long-term obligations	1,116,838	1,013,783
Total current liabilities	105,036,384	41,069,443
Long-term liabilities:		
Refundable advances, net of current portion	5,018,857	724,804
Long-term operating lease liabilities, net of current portion	57,690,841	14,699,273
Long-term operating finance liabilities, net of current portion	12,029,275	8,514,604
Bond payable, net of current portion	166,118,727	-
Long-term obligations, net of current portion	31,891,516	46,307,020
Other long-term liabilities	48,641	47,145
Total long-term liabilities	272,797,857	70,292,846
Total liabilities	377,834,241	111,362,289
Net assets:		
Without donor restrictions	184,062,996	112,414,268
With donor restrictions	11,517,730	3,853,715
Total net assets	195,580,726	116,267,983
Total liabilities and net assets	\$ 573,414,967	\$ 227,630,272

Inperium, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenues, gains and other support:						
Contract revenue	\$ 632,055,855	\$ -	\$ 632,055,855	\$ 366,999,814	\$ -	\$ 366,999,814
Contributions and grants	31,620,293	328,696	31,948,989	21,884,933	249,429	22,134,362
Client fees	11,266,629	-	11,266,629	5,313,557	-	5,313,557
Other program fees	14,917,744	-	14,917,744	3,583,444	-	3,583,444
Other operating revenue	13,875,652	-	13,875,652	8,753,991	-	8,753,991
Inherent contributions of net assets from affiliates (ICNA)	53,957,967	7,777,807	61,735,774	-	-	-
Net assets released from restriction	455,234	(455,234)	-	87,583	(87,583)	-
Total public support, revenues, gains and other support	758,149,374	7,651,269	765,800,643	406,623,322	161,846	406,785,168
Operating expenses:						
Program	580,971,414	-	580,971,414	334,995,156	-	334,995,156
Management and general	101,613,589	-	101,613,589	49,736,084	-	49,736,084
Fundraising	500,042	-	500,042	377,218	-	377,218
Total expenses	683,085,045	-	683,085,045	385,108,458	-	385,108,458
Change in net assets before other income (loss)	75,064,329	7,651,269	82,715,598	21,514,864	161,846	21,676,710
Other income (loss)						
Realized gain	4,298,882	-	4,298,882	3,911,321	-	3,911,321
Unrealized gain (loss)	529,557	10,501	540,058	(4,369,918)	10,192	(4,359,726)
Other losses	(8,241,795)	-	(8,241,795)	(2,760,248)	-	(2,760,248)
Total other income (loss)	(3,413,356)	10,501	(3,402,855)	(3,218,845)	10,192	(3,208,653)
Change in net assets	71,650,973	7,661,770	79,312,743	18,296,019	172,038	18,468,057
Net assets:						
Beginning of year	112,414,268	3,853,715	116,267,983	94,118,249	3,681,677	97,799,926
End of year	\$ 184,065,241	\$ 11,515,485	\$ 195,580,726	\$ 112,414,268	\$ 3,853,715	\$ 116,267,983

See notes to consolidated financial statements.

Inperium, Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	2025				2024			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 345,157,895	\$ 51,725,317	\$ 170,100	\$ 397,053,312	\$ 207,153,190	\$ 26,330,269	\$ 56,805	\$ 233,540,264
Employee benefits and payroll taxes	74,325,519	9,464,784	30,795	83,821,098	45,879,989	5,790,952	7,262	51,678,203
Depreciation and amortization	6,163,171	1,638,472	2,220	7,803,863	5,042,821	339,697	400	5,382,918
Facility and equipment rental	28,875,199	2,872,048	-	31,747,247	13,088,682	1,079,493	404	14,168,579
Housekeeping expense	8,884,831	108,170	428	8,993,429	5,679,248	22,605	128	5,701,981
Insurance expense	12,843,477	510,231	15,300	13,369,008	6,915,016	518,390	123	7,433,529
Interest expense	1,483,805	7,186,800	124,384	8,794,989	805,317	1,760,542	153	2,566,012
Professional fees	25,554,477	15,278,673	46,971	40,880,121	10,109,111	7,483,410	9,524	17,602,045
Purchased services	14,476,773	7,766,573	5,013	22,248,359	8,624,273	1,962,456	6,694	10,593,423
Supplies	15,354,557	758,879	1,935	16,115,371	5,445,840	1,469,414	220	6,915,474
Utilities	14,050,565	1,048,029	3,389	15,101,983	7,687,708	429,281	945	8,117,934
Other operating expenses	33,801,145	3,255,613	99,507	37,156,265	18,563,961	2,549,575	294,560	21,408,096
Total expenses	\$ 580,971,414	\$ 101,613,589	\$ 500,042	\$ 683,085,045	\$ 334,995,156	\$ 49,736,084	\$ 377,218	\$ 385,108,458

See notes to consolidated financial statements.

Inperium, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flow from operating activities		
Change in net assets	\$ 79,312,743	\$ 18,468,057
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	7,803,863	5,382,918
Amortization of bond premium	(6,769)	-
Amortization of deferred financing costs	628,953	654,350
Loss on extinguishment of debt	1,458,462	-
Loss on sale of land, buildings, leasehold improvements and equipment	4,778,058	1,262,053
Realized and unrealized gain on investments	(4,838,940)	(571,454)
Realized and unrealized loss on interest rate swap agreements	-	582,813
Contribution from affiliations, net of cash	(49,086,828)	-
Change in:		
Accounts receivable	6,655,838	(11,383,373)
Prepaid expenses	(1,563,678)	(711,102)
Inventory	241,099	190,912
Other assets	(525,234)	(77,623)
Accounts payable and accrued expenses	4,841,751	6,127,159
Operating leases	694,884	213,281
Other liabilities	1,496	(8,328)
Net cash provided by operating activities	50,395,698	20,129,663
Cash flows from investing activities:		
Proceeds from sale of land, buildings, leasehold improvements and equipment	5,453,643	6,969,235
Proceeds from sale of investments	49,610,902	1,862,943
Advances made under notes receivable	-	(15,000)
Purchases of investments	(179,991,625)	(40,269)
Purchases of limited use investments	(11,400,143)	-
Purchases of land, buildings, leasehold improvements and equipment	(3,620,701)	(2,984,823)
Cash and cash equivalents received upon acquisition of affiliate	-	569,145
Net cash (used in) provided by investing activities	(139,947,924)	6,361,231
Cash flows from financing activities:		
Proceeds from issuance of bonds	175,765,000	-
Bond premium	406,081	-
Payments of bond issuance fees	(7,857,430)	-
Proceeds from swap termination	-	3,200,438
Borrowings on long-term debt	28,897,946	43,216,309
Borrowing on line of credit	20,000,000	3,000,000
Repayments of line of credit	(33,665,778)	(375,000)
Payments of financing fees for long-term debt	(314,940)	(2,043,450)
Repayment of refundable advances	(3,003,694)	(2,947,660)
Repayment of finance lease liabilities	(483,026)	(653,647)
Repayment of long-term debt	(51,632,029)	(42,300,670)
Net cash provided by financing activities	128,112,130	1,096,320
Net increase in cash, cash equivalents and limited use cash and cash equivalents	38,559,904	27,587,214
Cash, cash equivalents and limited use cash and cash equivalents:		
Beginning	56,390,342	28,803,128
Ending	\$ 94,950,246	\$ 56,390,342

(Continued)

Inperium, Inc.
Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of cash, cash equivalents and limited use cash and cash equivalents, beginning of year:		
Cash and cash equivalents	\$ 56,390,342	\$ 28,803,128
Cash, cash equivalents and limited use cash and cash equivalents, beginning of year	\$ 56,390,342	\$ 28,803,128
Reconciliation of cash, cash equivalents and limited use cash and cash equivalents, end of year:		
Cash and cash equivalents	\$ 82,293,448	\$ 56,390,342
Consumer funds	1,254,024	-
Escrow funds	7,284,887	-
Future capital expenditures	4,117,887	-
Cash, cash equivalents and limited use cash and cash equivalents, end of year	\$ 94,950,246	\$ 56,390,342
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 8,343,139	\$ 1,926,460
Supplemental schedule of noncash investing and financing activities:		
Right-of-use assets acquired via new finance leases	\$ 4,091,795	\$ 8,369,863
Right-of-use assets acquired via new operating leases	\$ 12,152,928	\$ 3,950,486
The Company affiliated with various companies during fiscal years ended June 30, 2025 and 2024 (see Note 12 for details). In conjunction with the acquisitions, liabilities were assumed and a contribution was received as follows:		
Fair value of assets acquired	\$ 205,913,456	\$ 3,731,913
Liabilities assumed	(133,999,355)	(3,731,913)
Consideration transferred	(10,178,327)	-
Contribution received in acquisition	\$ 61,735,774	\$ -

See notes to consolidated financial statements.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: These consolidated financial statements for the years ended June 30, 2025 and 2024, include the accounts and operations of Inperium, Inc. (Inperium), as well as the entities below (collectively, the Company):

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 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).

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 creation of an Employee Stock Ownership Program (ESOP). An ESOP has not yet been created by the Company.

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 planned 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.

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.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Inperium of New Jersey, Inc. (INJ): Inperium is the sole member and INJ's purpose is to support Inperium's New Jersey affiliates.

Inperium of New York (INY): Inperium is the sole member and 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 provides mental health services to the residents of Camden County.

Wake Enterprises, Inc. (WAKE): Effective July 1, 2018, Inperium became the sole member of Wake. Wake provides vocational and social development services to adults who are developmentally disabled. Wake operates primarily in Wake County, North Carolina.

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

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. 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.

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

Crossroads Programs, Inc. (CROSS): Effective August 30, 2019, INJ became the sole member of CROSS. 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. 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.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Ocellus Tech, LLC (OT): OT 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. On June 30, 2024, Ocellus Tech, LLC was merged into Apis Services, Inc. Total assets, liabilities, and net assets (deficit) of \$183,012, \$2,487,997, and (\$2,304,985), respectively were assumed by Apis Services, Inc.

La Colmena Inperium, Inc. (LCI): LCI 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 and it is inactive.

Conexio Care Services, Inc. (Conexio): Effective June 15, 2021, Conexio was formed because of a bankruptcy purchase made by Inperium. Inperium is the sole member. Conexio is a Delaware company and 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 was formed on June 15, 2021, as a result of a bankruptcy purchase. Conexio is the sole member. Coras is a Delaware company and was formed to provide a comprehensive array of healthcare services, including treatment for substance use and mental health disorders. Conexio entered into a sole membership interest purchase agreement on January 6, 2025, which was amended on March 11, 2025. The transaction closed on June 30, 2025, which resulted in a loss on sale of \$4,778,058 included in other losses on the consolidated statement of activities for the year ended June 30, 2025.

Abraxas Alliance Inc. (ABRAXAS): Effective December 31, 2021, Inperium became the sole member of ABRAXAS. ABRAXAS is the holding company for and the sole member of the following entities:

Cornell Abraxas Group, LLC (CAG): CAG operates residential and nonresidential rehabilitation, training and educational programs for delinquent and dependent juveniles throughout Pennsylvania and Ohio.

Cornell Interventions, LLC (CII): CII operates residential and nonresidential rehabilitation, training, and educational programs for youth and adults with substance use disorder in the greater Chicago area.

Cornell Corrections of California, LLC (CCC): 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): No programs are operated out of this entity.

Cornell Companies of California OS, LLC (CCCO): No programs are operated out of this entity.

Cornell Abraxas Group OS, LLC (CAGO): No programs are operated out of this entity.

Cornell Interventions OS, LLC (CIO): No programs are operated out of this entity.

Fortem Solutions, LLC (FS): No programs are operated out of this entity.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Shelby Residential Vocational Services, Inc. (SRVS): Effective September 30, 2022, Inperium became the sole member of SRVS. SRVS enhances the lives of people with disabilities and enables full participation in society through advocacy, direct services, and education. SRVS is the sole member of each of the following affiliates: SRVS Group Home I, Inc., SRVS Group Home II, Inc., SRVS Home III, Inc. and MARC Housing, Inc. These affiliates provide group home living arrangements to SRVS's participants.

Helping Restore Ability (HRA): Effective September 1, 2023, Inperium became the sole member of HRA. HRA provides services to people with disabilities, enabling them to participate fully in society and lead independent and active lives.

Holly Hill Children's Home, Inc. (HH): Effective November 1, 2024, Inperium became the sole member of HH. HH provides behavioral health services to children, adolescents, and their families.

Let's Work for Good, Inc. d/b/a Popcorn for the People (LWFG): Effective July 1, 2024, Inperium became the sole member of LWFG. LWFG, a New Jersey nonprofit, aspires to be the leading manufacturer and distributor of gourmet popcorn across the nation while filling a gap in the employment market by providing meaningful employment, equitable pay and benefits, and job training to adults with autism.

Trinity Youth Services (TYS): Effective July 1, 2024, Inperium became the sole member of TYS. TYS is a California-nonprofit provider of quality short-term residential programs, foster care and adoption services, and mental health programs to traumatized children.

Children and Family Services, Corp. (CFS): Effective May 23, 2025, Inperium became the sole member of CFS. CFS is committed to improving the quality of life for disenfranchised communities through prevention-driven education, advocacy and assistance.

Resources for Human Development, Inc (RHD): Effective October 1, 2024, Inperium became the sole member of RHD. RHD is a comprehensive social services organization whose mission is to empower the most vulnerable and marginalized members of our society as they build the highest level of independence possible. Program areas encompass the following community needs: arts, culture and humanities, community improvement and capacity building, crime prevention, education, employment readiness and job training, environmental quality, health care, homelessness prevention, behavioral health, substance abuse, intellectual disabilities, volunteer development, and youth development, wellness and education. RHD is the holding company for and sole member of the following entities:

Murex Corporation (Murex): Special purpose for-profit subsidiary of RHD. Murex has two for-profit subsidiaries:

Taunton Run Senior Living, LLP (TRS): TRS is a senior living facility located in New Jersey.

Murex TRS, Inc. (Murex TRS): Special purpose for-profit entity.

Floracer: Special purpose nonprofit subsidiary of RHD supporting low income residential housing with HUD support.

Pennsylvania Institute for Community Living, Inc. (PICL): PICL is a non-profit subsidiary who provides residential and outpatient treatment, rehabilitation, and support services for individuals with mental disabilities through a contract with Montgomery County, Pennsylvania.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

The Non-Profit Housing Corporation of Pennsylvania (NPHO): NPHO is dormant since June 30, 2020.

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

Consolidation policy: The consolidated statements for the years ended June 30, 2025 and 2024, include the accounts of:

Abraxas Alliance, Inc.*	Inperium of New Jersey, Inc.*
Cornell Abraxas Group, LLC*	Inperium of New York, Inc.
Cornell Abraxas Group OS, LLC*	Iron Recovery and Wellness Center, Inc.*
Cornell Corrections of California, LLC*	La Colmena Inperium, Inc.
Cornell Companies of California OS, LLC*	Let's Work for Good, Inc. (dba Popcorn for the People)*
Cornell Companies of Texas, LLC*	Person Driven Clinical Solutions, LLC*
Cornell Interventions, LLC*	Resources for Human Development, Inc. *
Cornell Interventions OS, LLC*	Floracer
Fortem Solutions, LLC*	Murex Corporation
Advancing Opportunities, Inc.*	Murex TRS, Inc.
Alternative Consulting Enterprises, LLC*	Non-Profit Housing Development Corporation of PA
Anchors From Carol*	Non-Profit Housing Development Corporation of NJ
Apis Services, Inc.*	Pennsylvania Institute for Community Living, Inc.
Children and Family Services, Corp.	Taunton Run Senior Living, LLP
Children's Home of Reading, Inc.*	S. Automotive & Fleet Services, LLC
CHOR Youth and Family Services, Inc.*	Shelby Residential and Vocational Services, Inc.*
Conexio Care Services, Inc.*	MARC Housing, Inc.
Coras Wellness and Behavioral Health, LLC	SRVS Group Home I, Inc.
Crossroads Programs, Inc.*	SRVS Group Home II, Inc.
Fortis Holdings, Inc.	SRVS Home III, Inc.
Fortis Housing Services, LLC	South Jersey Behavioral Health Resources, Inc.*
Harmonycrest Personal Care Services, LLC*	Guidance Center of Camden County Development Corp.
Helping Restore Ability*	Supportive Concepts for Families, Inc.*
Holly Hill Children's Home, Inc.*	Sustainable Energy & Lighting Solutions, LLC
Inperium, Inc.*	Trinity Youth Services, Inc.*
Inperium Management Services, LLC	Wake Enterprises, Inc.

* Obligated Group Member

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 consolidated financial statements and the reported amount of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Notes to Consolidated Financial Statements

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

Cash and cash equivalents: At various times during the years, the Company had cash balances in excess of the federally insured limit in 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.

Limited use cash and cash equivalents: Limited use cash and cash equivalents represent funds that are restricted in their use due to external requirements or internal designation. These assets are not available for general operating use and consist of funds for future capital expansion, consumer funds, and escrow funds.

Future capital expansion funds are reserved for the acquisition, development, or improvement of property and equipment. These funds are internally restricted by management or the Board of Directors to support long-term strategic capital initiatives. Consumer funds consist of cash held on behalf of individuals served by the Company. These funds are maintained in separate accounts and are restricted for use solely for the benefit of the respective individuals, in accordance with applicable laws and Company policies. Escrow funds are held in accordance with contractual or regulatory requirements and are restricted for specific purposes, such as taxes, insurance, repairs and maintenance of associated properties, or other obligations. These funds are not available for general use and are released only upon satisfaction of the related conditions.

All limited use cash and cash equivalents are held in secure financial institutions and are monitored to ensure compliance with applicable restrictions and fiduciary responsibilities. These assets are reported separately from unrestricted cash and cash equivalents on the consolidated statements of financial position.

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 consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains and losses restricted by a donor are reported as changes 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.

Limited use investments: Limited use investments represent funds that are restricted in their use due to donor-imposed stipulations, contractual agreements or internal designations by management or the Board of Directors. These funds are not available for general operating purposes and consist of the donor-restricted funds and debt service reserve funds.

Donor-restricted funds are investments subject to donor-imposed restrictions that limit their use to specific programs, purposes, or timeframes. The Company maintains separate accounting records for these funds to ensure compliance with donor intent. Use of these funds is governed by the terms outlined in the respective donor agreements. Debt service reserve funds are investments held for debt service and are restricted for the payment of principal and interest on outstanding debt obligations. These funds are maintained in accordance with bond covenants and other financing agreements and are invested to ensure liquidity and preservation of capital.

All limited use investments are reported at fair value and are monitored regularly to ensure alignment with the Company's financial policies and compliance requirements.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Inventory: Inventory is recorded on a first-in first-out basis at the lower of cost or net realizable value.

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, other program fees and other income 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.

There were no incomplete revenue processes at the date of the initial application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification 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:

	2025	2024
Intellectual/developmental disability	\$ 326,228,093	\$ 186,137,694
Children's services	111,665,562	85,333,719
Behavioral health	148,402,381	58,485,266
Substance use disorder	33,794,970	35,242,017
Other	11,964,849	1,801,118
Total contract revenue	<u>\$ 632,055,855</u>	<u>\$ 366,999,814</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 \$16,676,498 and \$2,035,217 that have not been recognized as revenue at June 30, 2025 and 2024, respectively. Additionally, the Company has approximately \$4,227,818 and \$3,863,422 of grants that have been awarded but not yet received or recognized as of June 30, 2025 and 2024, respectively.

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

Notes to Consolidated Financial Statements

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

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. The Company's management determined no allowance was warranted as of June 30, 2025 and 2024.

Contributions and endowment investment 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 credit losses: Accounts receivable consist of amounts primarily due from federal, state and local governments as well as third party managed care payors. Accounts receivable represent amounts considered by the Company to be collectible amounts owed by its customers. Management determines the allowance for credit losses by regularly evaluating payer receivables and considering the payer's financial condition, the accounts receivable aging, timely billing requirement, current and future economic conditions, prior years' experience and analysis of specific payment commitments made. The Company charges off account balances after all means of collection have been exhausted and the potential for recovery is considered remote. The Company uses an aging by affiliate in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Company measures those receivables individually.

The Company utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: (a) past due receivables, (b) the customer creditworthiness, (c) changes in the terms of receivables, (d) effect of other external forces, such as competition, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. For receivables that are not expected to be collected within the normal business cycle, the Company considers current and forecasted direction of the economic and business environment.

The allowance for credit losses was \$11,450,731 and \$5,325,648 as of June 30, 2025 and 2024, respectively.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Land, buildings, leasehold improvements and equipment: Land, buildings, leasehold improvements and equipment are stated at cost, if purchased, with a tiered capitalization threshold of \$1,000 per item or \$5,000 for like kind purchases of items.

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:

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

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land and buildings	\$ 107,838,898	\$ 70,791,846
Computer equipment	3,648,866	2,271,310
Furniture and fixtures	2,328,561	1,247,961
Leasehold improvements	12,387,085	4,379,597
Office equipment	1,764,340	1,793,921
Transportation equipment	8,412,744	7,301,684
	<u>136,380,494</u>	<u>87,786,319</u>
Less accumulated depreciation and amortization	(24,638,490)	(19,894,377)
	<u>111,742,004</u>	<u>67,891,942</u>
Construction in progress	2,047,735	754,176
	<u>\$ 113,789,739</u>	<u>\$ 68,646,118</u>

Depreciation and amortization related to property and equipment was \$5,878,339 and \$4,342,854 for the years ended June 30, 2025 and 2024, respectively.

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.

Inperium, Inc.

Notes to Consolidated Financial Statements

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

Intangible assets with definitive lives and related accumulated amortization consist of the following as of June 30, 2025 and 2024:

	2025	2024
Trade name	\$ 4,163,000	\$ -
Lease arrangement	1,288,034	1,288,034
Goodwill	2,139,610	2,139,610
Less accumulated amortization	(2,783,082)	(2,013,125)
	<u>\$ 4,807,562</u>	<u>\$ 1,414,519</u>

Trade name is being amortized on a straight-line basis through 2039 in accordance with the discounted cash flow model used to determine the fair value when acquired.

Amortization of intangible assets was \$769,957 and \$561,807 for the years ended June 30, 2025 and 2024, respectively.

Estimated future amortization of intangible assets is as follows at June 30:

2026	\$ 504,049
2027	475,407
2028	475,407
2029	342,409
2030	277,533
Thereafter	2,732,757
	<u>\$ 4,807,562</u>

Impairment of long-lived assets: The Company 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. The Company has determined that there was no impairment of property and equipment as of June 30, 2025 and 2024.

Other income (loss): Other income (loss) as of June 30, 2025 and 2024, is as follows:

	2025	2024
Loss on sale of land, buildings, leasehold improvements and equipment	\$ (4,778,058)	\$ (1,262,053)
Unrealized gain on investments	540,058	(576,475)
Realized gain on investments	4,298,882	710,883
Unrealized loss on interest rate swap agreements	-	(3,783,251)
Realized gain on interest rate swap agreements	-	3,200,438
Other, net	(3,463,737)	(1,498,195)
Total	<u>\$ (3,402,855)</u>	<u>\$ (3,208,653)</u>

Notes to Consolidated Financial Statements

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

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 which are 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.

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 consolidated 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 consolidated 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.

Notes to Consolidated Financial Statements

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

Deferred financing costs: The Company incurred certain financing costs related to the issuance of debt, which are presented on the consolidated statements of financial position as a direct deduction from long-term debt and are being amortized over the term of the respective agreements.

Bond issuance costs, and bond premiums: Bond issuance costs are amortized over the life of the bonds using the effective interest method and are netted against the long-term bond liability balance. For the year ended June 30, 2025, amortization of bond issuance costs was \$91,845, which is included as a component of interest expense. Bond premiums are netted against the long-term bond liability balance and are amortized over the life of the bonds using the interest method. The amortization of bond premium revenue was \$6,769 for the year ended June 30, 2025, which is included as a component of interest expense.

Advertising costs: The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expenses for the years ended June 30, 2025 and 2024, were minimal.

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, 2025 and 2024. In accordance with U.S. GAAP, the Company accounts for uncertain tax positions, if any, as required. Management has determined 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
Apis Services, Inc.	501(c)(3)	Type II	990	
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	
Crossroads Programs, Inc.	501(c)(3)		990	
Inperium, Inc.	501(c)(3)	Type II	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 City Development Corp	501(c)(3)		990	
Wake Enterprises, Inc.	501(c)(3)		990	
Supportive Concepts for Families, Inc.	501(c)(3)		990	
Alternative Consulting Enterprises, LLC	disregarded			CHOR
Harmonycrest Personal Care Services, LLC	disregarded			SCFFI
Person Directed Clinical Services, LLC	disregarded			SCFFI
La Colmena Inperium, Inc.	501(c)(3)	Type II	Inactive	
Fortis Holdings, Inc.	Taxable		1120S	
Fortis Housing Services, LLC	disregarded			Fortis
Inperium Management Services, LLC	disregarded			Fortis
S. Automotive & Fleet Services, LLC	disregarded			Fortis
Sustainable Energy & Lighting Solutions, LLC	disregarded			Fortis
Inperium of New York, Inc.	Taxable nonprofit corp.		1120	
Conexio Care, Inc.	501(c)(3)		990	
Coras Wellness and Behavioral Health, LLC	disregarded			CONEXIO
Shelby Residential and Vocational Services, Inc.	501(c)(3)		990	
SRVS Group Home I, Inc.	501(c)(3)		990	
SRVS Group Home II, Inc.	501(c)(3)		990	
SRVS Home III, Inc.	501(c)(3)		990	
MARC Housing, Inc.	501(c)(3)		990	
Helping Restore Ability	501(c)(3)		990	
Trinity Youth Services, Inc.	501(c)(3)		990	
Let's Work for Good, Inc. (dba Popcorn for the People)	501(c)(3)		990	
Resources for Human Development, Inc.	501(c)(3)		990	
Floracer	501(c)(3)		990	
Murex Corporation	Taxable		1120	
Murex TRS, Inc.	disregarded			Murex Corporation
Non-Profit Housing Corporation of New Jersey	disregarded			RHD
Non-Profit Housing Corporation of Pennsylvania	disregarded			RHD
Pennsylvania Institute for Community Living, Inc.	501(c)(3)		990	
TRS, LLP (Taunton Run)	Taxable		1065	
Children and Family Services, Corp.	501(c)(3)		990	
Holly Hill Children's Home, Inc.	501(c)(3)		990	

Notes to Consolidated Financial Statements

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. Fifty percent (50%) 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 accrued for compensated absences as of June 30, 2025 and 2024, were \$789,442 and \$442,835, respectively. These amounts are included in accrued payroll and related liabilities 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, 2025 and 2024.

Reclassification: Certain reclassifications have been made to the prior year consolidated 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 July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326)*. This update was issued to address challenges encountered when applying the guidance in Topic 326, *Financial Instruments—Credit Losses*, to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, *Revenue from Contracts with Customers*. The amendments in this update provide 1) all entities with a practical expedient and 2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, as follows:

1. Practical expedient. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the statement of financial position date do not change for the remaining life of the asset.
2. Accounting policy election. An entity other than a public business entity that elects the practical expedient is permitted to make an accounting policy election to consider collection activity after the statement of financial position date when estimating expected credit losses.

An entity that elects the practical expedient and accounting policy election, if applicable, should apply these amendments prospectively. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance.

Notes to Consolidated Financial Statements

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

An entity other than a public business entity that elects the practical expedient and, if applicable, the accounting policy election after the effective date would not need to perform a preferability assessment in accordance with paragraph 250-10-45-2.

In September 2025, the FASB issued ASU 2025-06, *Intangible—Goodwill and Other-Internal-Use Software (Subtopic 350-40)*. This update was issued to modernize the accounting for software costs that are accounted for under Subtopic 350-40, *Intangibles-Goodwill and Other-Internal-Use Software*. These amendments remove all references to prescriptive and sequential software development stages (referred to as “project stages”) throughout Subtopic 350-40. Therefore, an entity is required to start capitalizing software costs when both of the following occur:

1. Management has authorized and committed to funding the software project.
2. It is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”).

In evaluating the probable-to-complete recognition threshold, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software (referred to as “significant development uncertainty”).

These amendments specify that the disclosures in Subtopic 360-10, Property, Plant, and Equipment—Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. Additionally, the amendments clarify that the intangibles disclosures in paragraphs 350-30-50-1 through 50-3 are not required for capitalized internal-use software costs.

Furthermore, the amendments in this update supersede the website development costs guidance and incorporate the recognition requirements for website-specific development costs from Subtopic 350-50 into Subtopic 350-40.

These amendments are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period.

These amendments permit an entity to apply the new guidance using any of the following transition approaches:

1. A prospective transition approach
2. A modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption
3. A retrospective transition approach

The Company is currently evaluating the impact of these ASUs on its consolidated financial statements.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments

The following table represents investments held at June 30:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 226,756	\$ 226,756	\$ 412,015	\$ 412,015
Corporate bonds	75,390,709	75,468,728	-	-
United States Treasuries	62,396,847	62,575,474	-	-
United States government agencies	458,392	459,198	-	-
Common stock	753	8,207	-	-
Equity mutual funds	1,153,891	1,256,632	125,427	149,880
Investment in Series A preferred stock	8,638,752	-	8,638,752	-
	<u>\$ 148,266,100</u>	<u>\$ 139,994,995</u>	<u>\$ 9,176,194</u>	<u>\$ 561,895</u>

The following table represents limited use investments held at June 30:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Corporate bonds	\$ 15,614,458	\$ 15,614,458	\$ -	\$ -
United States Treasuries	2,698,428	2,698,428	-	-
	<u>\$ 18,312,886</u>	<u>\$ 18,312,886</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2025	2024
With donor restrictions:		
Interest income for educational purposes	\$ -	\$ 1,182
Realized gain on investments	2,245	2,010
Unrealized gain on investments	10,501	10,192
Without donor restrictions:		
Interest and dividend income	4,222,134	35,745
Realized gain on investments	74,503	564,800
Unrealized gain (loss) on investments	529,557	(276,850)
	<u>\$ 4,838,940</u>	<u>\$ 337,079</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).

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments (Continued)

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.

Level 2: Inputs to the valuation methodology include:

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

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

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

Following is a description of the methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2025 and 2024.

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 securities, and options which are publicly traded. 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 stock: For portfolio diversification, the Company passively held an investment in a research and development company (medically focused) via stock and a note receivable in accordance with an agreement executed by both parties. During 2023, the Company's investment was converted to Series A preferred stock of the issuing company.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments (Continued)

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

	2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 226,756	\$ -	\$ -	\$ 226,756
Corporate bonds	-	91,083,186	-	91,083,186
United States Treasuries	-	65,273,902	-	65,273,902
United States government agencies	-	459,198	-	459,198
Equity securities	8,207	-	-	8,207
Equity mutual funds	1,256,632	-	-	1,256,632
Beneficial interests in perpetual trusts	-	-	3,054,949	3,054,949
Total investments and beneficial interests in perpetual trusts	\$ 1,491,595	\$ 156,816,286	\$ 3,054,949	\$ 161,362,830

	2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 412,015	\$ -	\$ -	\$ 412,015
Equity mutual funds	149,880	-	-	149,880
Beneficial interests in perpetual trusts	-	-	2,888,122	2,888,122
Total investments and beneficial interests in perpetual trusts	\$ 561,895	\$ -	\$ 2,888,122	\$ 3,450,017

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, 2025 and 2024:

	2025		
	REITs and Commodities	Beneficial Interests in Perpetual Trusts	Interest Rate Swap Agreements
Balance, beginning of year	\$ -	\$ 2,888,122	\$ -
Change in value	-	166,827	-
Balance, end of year	\$ -	\$ 3,054,949	\$ -

	2024		
	REITs and Commodities	Beneficial Interests in Perpetual Trusts	Interest Rate Swap Agreements
Balance, beginning of year	\$ 36,039	\$ 2,671,078	\$ 3,783,251
Change in value	(36,039)	217,044	(3,783,251)
Balance, end of year	\$ -	\$ 2,888,122	\$ -

Notes to Consolidated Financial Statements

Note 3. Beneficial Interest in Perpetual Trusts

CHOR is a beneficiary under several trusts administered by two banks. CHOR recorded its proportionate share of the fair value of the principal of the trusts when received. Total value recorded at June 30, 2025 and 2024, was \$3,054,949 and \$2,888,122, respectively. Annual distributions from the trusts have been recorded as other income in net assets without donor restrictions and were \$105,945 and \$126,523 in 2025 and 2024, respectively. CHOR is named beneficiary of an irrevocable charitable remainder trust. Based on the beneficiary's life expectancy and a 5% payout rate, the present value of the future benefit expected to be received by CHOR is estimated to be \$19,231 and \$18,476 as of June 30, 2025 and 2024, respectively. The amount of this charitable remainder trust is included in the total value above.

Note 4. Self-Insurance

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 \$300,000 per individual employee for the years ended June 30, 2025 and 2024. Health insurance claims are administered by a third-party administrator. The Company's expense under the self-insured plan was \$20,730,423 and \$18,788,096 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, the Company had accrued \$2,327,877 and \$2,205,338, respectively, for unpaid claims incurred but not yet received as of year-end, which is included in accounts payable and accrued expenses on the consolidated statements of financial position.

RHD has self-insured workers compensation and unemployment plans for certain of its employees. RHD maintains excess insurance policies to mitigate the risk of these plans. As of June 30, 2025, the Company has accrued \$8,070,682 for unpaid claim incurred by not yet received as of year-end, which is included in accrued payroll and related liabilities on the consolidated statements of financial position.

Note 5. Revolving Line of Credit

The Company has a commitment from KeyBank National Association for a revolving line of credit of \$25,000,000 as of June 30, 2025. This commitment is secured by facilities mortgages and gross revenue pledges of the obligated group (see Note 6). Quarterly interest payments are required at an interest rate equal to the daily simple Secured Overnight Financing Rate (SOFR) rate in effect for such interest period plus 1.00%, which was 5.29% as of June 30, 2025. The balance on the line of credit was \$4,500,000 at June 30, 2025.

The Company had a commitment from JPMorgan Chase Bank, N.A. for a revolving line of credit of \$25,000,000 as of June 30, 2024. This commitment was secured by gross receipts of the Company. Monthly interest payments were required at an interest rate equal to the SOFR term rate in effect for such interest period plus 0.10% per annum, which was 6.42% as of June 30, 2024. The revolving credit facility was set to mature on December 28, 2025. The balance on the line of credit was \$3,000,000 at June 30, 2024. The Company closed this line of credit prior to June 30, 2025.

Note 6. Bond Payable

On December 12, 2024, the Company issued \$175,765,000 of Tax-Exempt Revenue Bonds, Series 2024, at a premium of \$406,081. The bonds were issued pursuant to a Master Trust Indenture (MTI) and bear interest at a rate ranging from 5.00% to 5.75%, payable semi-annually, with a maturity date of December 1, 2054.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 6. Bond Payable (Continued)

In connection with the issuance, the Company incurred deferred financing costs totaling \$7,857,430. Both the bond premium and deferred financing costs are being amortized over the life of the bonds using the effective interest method.

As of June 30, 2025, the carrying amounts are as follows:

Principal amount of bond payable	\$ 175,765,000
Plus unamortized bond premium	399,312
Less unamortized deferred financing costs	<u>(7,765,585)</u>
Subtotal	168,398,727
Less current portion of bond payable	<u>(2,280,000)</u>
Total bond payable, net of current maturities	<u><u>\$ 166,118,727</u></u>

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

2026	\$ 2,280,000
2027	2,395,000
2028	2,520,000
2029	2,650,000
2030	2,785,000
Thereafter	<u>163,135,000</u>
	<u><u>\$ 175,765,000</u></u>

The Obligated Group (see Note 1) is jointly and severally liable for the repayment of the bonds issued under the MTI. Each member of the Obligated Group has entered into a joint and several agreement to support the obligations under the bond issuance, including compliance with financial covenants and reporting requirements.

The bonds are secured by pledged revenues and all other property pledged, as required under the MTI. The Company is subject to certain financial and non-financial covenants.

For the year ended June 30, 2025, the Company recognized interest expense of \$5,219,533. Accrued interest payable on the bonds was \$798,155 at June 30, 2025, which is included in accounts payable and accrued expenses on the consolidated statements of financial position.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt

	2025	2024
The Company entered into a credit agreement with KeyBank National Association (KeyBank) on April 11, 2024, for a term loan with an initial term loan commitment of \$40,000,000. The maturity date of the term loan was April 11, 2026. Monthly interest payments were to be made in accordance with the credit agreement. The credit agreement also included a Delayed Draw Term Loan with a commitment of \$10,000,000. Interest was charged and accrued by a fluctuating rate of interest equal to the SOFR Rate plus 1.25% (6.58% as of June 30, 2024). The loan was repaid in December 2024.	\$ -	\$ 43,000,000
The Company entered into a credit agreement with KeyBank in March 2025, providing a senior secured credit facility in an aggregate principal amount of up to \$50,000,000. The facility consists of a revolving line of credit (LOC) of \$25,000,000, and a delayed draw term loan (DDTL) commitment of \$25,000,000. The LOC matures on March 31, 2026, with options to extend for up to two additional one-year periods, subject to lender approval. The DDTL matures on March 31, 2028. Quarterly interest payments are to be made in accordance with the credit agreement. Borrowings under the facility bear interest at daily simple SOFR plus an applicable margin of 1.00% per annum (5.45% as of June 30, 2025).	21,255,000	-
SJBH mortgages payable consist of obligations under the terms of the New Jersey Department of Human Services Division of Mental Health Capital Funding Agreements. The agreement provides for non-interest bearing demand notes secured by first mortgages on properties. Amounts are due when properties cease to be used for its intended purpose or at varying times through July 2037.	1,680,654	1,680,654
GCENT mortgage payable to the U.S. Department of Housing and Urban Development (HUD) requires monthly payments of \$3,755, including interest at 9.250%, and is collateralized by the real property. The loan matured in 2025.	-	3,103
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 had eleven mortgages through New Jersey Housing and Mortgage Finance Agency (NJHMJA) 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.	3,209,063	2,736,972
AO had various vehicle loans payable in monthly installments totaling \$5,852, including interest ranging from 0.09%-5.99% through July 2024. The loans were repaid in full during 2025.	-	361
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.	433,221	792,850

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt (Continued)

	2025	2024
SJBH has various vehicle loans payable in monthly installments totaling \$735, including interest ranging from 7.98%-8.99% through November 2027. Loans are collateralized by the vehicles.	\$ 11,336	\$ -
SCFFI has vehicle loans payable in monthly installments totaling \$9,668, including interest ranging from 7.98%-8.99% through November 2027. Loans are collateralized by the vehicles.	281,096	382,986
SRVS has two notes payable to HUD require varying monthly principal payment installments outlined in a note amortization table including interest at 9.00%, and are collateralized by the real property. The loan matures in 2032.	207,125	248,352
HRA entered into a promissory note agreement with a third-party on July 3, 2023. The note bears interest at a rate of 6%.	-	325,000
PFP entered into a promissory note agreement with Small Business Administration (SBA), with monthly payments of \$1,620, including interest of 2.75% and maturing in 2050.	343,306	-
TYS entered into a promissory note agreement with SBA, payments are deferred for the first two years, monthly principal and interest payments thereafter of \$2,244, 2.75% interest, maturing October 2053.	500,000	-
RHD has mortgage notes to financial institutions and state authorities, payable in monthly installments ranging from \$1,427 to \$21,001, including interest ranging from 3.4% to 6.63%, collateralized by various properties, various maturities from August 2030 through December 2040.	2,821,301	-
TR has mortgage notes, payable in monthly installments ranging from \$0 to \$23,602, including interest ranging from 1% to 7.1%, collateralized by rental property and equipment, maturing at various times from 2027 through 2028.	810,119	-
TR has a mortgage payable to New Jersey Department of Community Affairs under the Neighborhood Preservation Balanced Housing Program. Interest accrues at 1.0%. The mortgage matures in June 2027.	1,143,127	-
TR has a mortgage payable to the Board of Elected Feeholders of Camden County, New Jersey under the HOME Investment Partnerships Program of the HUD. The mortgage is non-interest bearing and matures in June 2027.	300,000	-
Floracer has a non-interest bearing note payable with no monthly payment requirement maturing in June 2036.	84,851	-
CFS entered into a promissory note agreement with monthly interest rate equal to the Wall Street Journal Prime Rate (7.50% at June 30, 2025). The loan matures in August 2025.	97,000	-
Other long-term debt	3,454	3,454
Total outstanding debt	33,297,049	49,290,128
Less deferred financing costs	(288,695)	(1,969,325)
Subtotal	33,008,354	47,320,803
Less current portion of debt	(1,116,838)	(1,013,783)
Total long-term debt	\$ 31,891,516	\$ 46,307,020

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt (Continued)

The KeyBank term loans for the years ended June 30, 2025 and 2024, required the Company to maintain certain debt covenants.

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

2026	\$	1,116,838
2027		1,920,826
2028		623,609
2029		575,841
2030		410,652
Thereafter		28,649,283
	\$	<u>33,297,049</u>

Included in the above maturities line item for thereafter, SJBH, CROSS, and AO have loans with a total outstanding balance of \$5,017,407 and \$4,534,022 for the years ended June 30, 2025 and 2024, respectively, 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.

Loan origination fees consisted of the following at June 30, 2025 and 2024:

	2025	2024
Loan origination fees	\$ 314,940	\$ 2,043,450
Accumulated amortization	(26,245)	(74,125)
Loan origination fees, net	<u>\$ 288,695</u>	<u>\$ 1,969,325</u>

Loan cost amortization was \$537,108 and \$654,350 for the years ended June 30, 2025 and 2024, respectively. Loan costs of \$1,458,462 were recognized as a loss on extinguishment of debt due to the early repayment of an associated credit facility as reflected on the consolidated statement of cash flow for the year ended June 30, 2025.

The Company does not utilize interest rate swaps or other financial instruments for trading or other speculative purposes. During the year ended June 30, 2024, the Company terminated its interest rate swap agreements. The fair value of the swap agreements was an interest rate swap asset of \$3,783,251 as of June 30, 2023.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 8. Refundable Advances

Refundable advances amounted to \$16,676,498 and \$2,035,217 as of June 30, 2025 and 2024, respectively. Amounts represent revenues collected but not earned. Refundable advances consist of the following as of June 30:

Company	2025	2024
ACE	\$ 3,420	\$ 58,851
AO	19,702	30,233
CHORYFS	27,317	35,667
CORAS	-	169,750
CROSS	158,615	18,482
HRA	2,500	-
IRON	577,693	241,618
PFP	43,244	-
RHD	14,138,245	-
SJBH	1,292,184	1,424,597
SRVS	-	56,019
TRSL	115,904	-
TYS	297,674	-
Total	<u>\$ 16,676,498</u>	<u>\$ 2,035,217</u>

Note 9. Retirement Plans

During the 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, 2025 and 2024.

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 years. Plan forfeitures are used to offset SJBH contributions. The annual contribution for the years ended June 30, 2025 and 2024, was \$261,202 and \$249,804, respectively.

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. There were no contributions to the plan during the years ended June 30, 2025 and 2024.

ABRAXAS had 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 ran on a calendar year. ABRAXAS currently provided a matching contribution that represents 50% of a participant's contribution up to 5% of a participant's salary (not in the P.S.S.U. SEIU Local 668 Union). For employees represented by P.S.S.U. SEIU Local 668, the Company provided a matching contribution of 50% of the employee's eligible salary deferrals up to the first 6%. The Company terminated the plan on April 30, 2024. There were no Company contributions to these plans during the year ended June 30, 2024. All eligible employees were able to contribute into the Inperium & Family of Services 401k Plan after termination.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 9. Retirement Plans (Continued)

RHD offered a compensation plan for certain long-term employees who met specific eligibility requirements. RHD terminated this program prior to affiliation with Inperium on October 1, 2024; however, employees who meet the eligibility requirements on or before June 30, 2025, could be paid out benefits as described in the terminated plan in the event of retirement. As of June 30, 2025, this plan will no longer pay any eligible employees who have not yet retired.

Note 10. Collective Bargaining Agreement

The majority of SJBH's workforce (74 employees) are represented through the Communications Workers of America Local 1038. A new contract was signed extending the effective date through June 30, 2028.

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. A new contract was signed extending the effective date through September 30, 2026. The CBA represents 114 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 for the period April 1, 2022 to March 31, 2024. A new contract was signed extending the effective date through March 31, 2027. The CBA represents 71 regular full-time and part-time professional and non-professional employees in the administrative, clinical, food services and maintenance departments.

The Company's employees subject to these collective bargaining agreements equaled 2.29% and 5.08% of total employees at June 30, 2025 and 2024, respectively.

Note 11. Leases

The Company follows ASU 2016-02, *Leases (Topic 842)*. Under the guidance, lessees are 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-of-use (ROU) asset, which represents the lessee's right to use (or control use of) a specified asset for the lease term. The standard was effective for the Company for the fiscal year beginning July 1, 2022.

The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 11. Leases (Continued)

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

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 15 years. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The weighted average remaining lease term and discount rate for the operating leases were 6.22 years and 3.72% for the year ended June 30, 2025, respectively, and 5.6 years and 3.27% for the year ended June 30, 2024, respectively.

The Company also leases equipment under finance lease agreements with terms up to forty years. The weighted average remaining lease term and discount rate for finance leases were 25.80 years and 4.36% for the year ended June 30, 2025, respectively, and 26.7 years and 4.25% for the year ended June 30, 2024, respectively. The Company's finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows:

	2025	2024
Operating lease cost	\$ 16,696,818	\$ 5,594,320
Finance lease cost—amortization of right-of-use assets	1,155,567	478,257
Finance lease cost—interest on lease liabilities	496,433	111,719
Short-term lease cost	7,233,439	3,412,005
Total lease cost	<u>\$ 25,582,257</u>	<u>\$ 9,596,301</u>

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 11. Leases (Continued)

Supplemental cash flow information related to leases is as follows:

	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	\$ 16,517,403	\$ 5,583,490
Finance cash outflows—payments on finance leases	483,026	653,647
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	\$ 12,152,928	\$ 3,950,486
Finance leases	4,091,795	8,369,863

Supplemental consolidated statement of financial position information related to leases is as follows:

	2025	2024
Lease right-of-use assets:		
Operating leases	\$ 71,516,425	\$ 18,768,866
Finance leases	12,019,910	9,083,682
	<u>\$ 83,536,335</u>	<u>\$ 27,852,548</u>
Current portion of lease liabilities:		
Operating leases	\$ 14,896,039	\$ 4,520,346
Finance leases	683,012	588,914
	<u>\$ 15,579,051</u>	<u>\$ 5,109,260</u>
Long-term lease liabilities:		
Operating leases	\$ 57,690,841	\$ 14,699,273
Finance leases	12,029,275	8,514,604
	<u>\$ 69,720,116</u>	<u>\$ 23,213,877</u>

The following represents our future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the consolidated statement of financial position as of June 30, 2025:

	Operating Leases	Finance Leases
Years ending June 30:		
2026	\$ 17,582,901	\$ 1,219,926
2027	14,885,913	1,150,976
2028	12,477,412	1,099,528
2029	9,338,766	892,428
2030	7,132,591	729,421
Thereafter	20,852,754	16,303,158
Total lease payments	<u>82,270,337</u>	<u>21,395,437</u>
Less imputed interest	(9,683,457)	(8,683,150)
Total present value of lease liabilities	<u>\$ 72,586,880</u>	<u>\$ 12,712,287</u>

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 12. Acquisitions and Affiliations

On July 1, 2024, Inperium affiliated with Trinity Youth Services (TYS). TYS is a California based nonprofit organization that provides quality short-term residential programs, foster care and adoption services, and mental health programs to traumatized children.

On July 1, 2024, Inperium affiliated with Let's Work for Good d/b/a Popcorn for the People (LWFG). LWFG is a New Jersey nonprofit organization that aspires to be the leading manufacturer and distributor of gourmet popcorn across the nation while filling a gap in the employment market by providing meaningful employment, equitable pay and benefits, and job training to adults with autism.

On November 1, 2024, Inperium affiliated with Holly Hill Children's Home, Inc. (HH). HH is a Kentucky based nonprofit organization that provides behavioral health services to children, adolescents, and their families.

On October 1, 2024, Inperium affiliated with Resources for Human Development (RHD). RHD is a leading multi-state nonprofit organization provides behavioral health and social support services. The purchase price for RHD represents the settlement of a pre-existing relationship with the Company in connection with a transitional services agreement (TSA) executed between the two parties (see Note 18).

On May 23, 2025, Inperium affiliated with Children and Family Services, Corp. (CFS). CFS is committed to improving the quality of life for disenfranchised communities through prevention-driven education, advocacy and assistance.

On September 1, 2023, Inperium affiliated with Helping Restore Ability (HRA). HRA is a Texas nonprofit corporation that provides services to people with disabilities, enabling them to participate fully in society and lead independent and active lives.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 12. 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, 2025 and 2024:

	<u>2025</u>		
Trinity Youth Services, Inc.			
Assets:		Liabilities:	
Cash	\$ 1,946,174	Accounts payable and accrued liabilities	\$ 501,607
Limited use cash	18,426	Accrued payroll and related liabilities	787,486
Investments	1,742	Lease liabilities	3,012,532
Accounts receivable	3,401,746	Refundable advances	311,413
Inventories	23,317	Long-term obligations	<u>729,961</u>
Prepaid and other assets	657,789		
Land, buildings and equipment	5,021,235		
Lease right-of-use assets	2,994,527		
Other assets	<u>106,098</u>		
Total assets	<u>\$ 14,171,054</u>	Total liabilities	<u>\$ 5,342,999</u>
Purchase price	\$ -		
Inherent contribution of net assets	\$ 8,828,055		
	<u>2025</u>		
Let's Work for Good, Inc.			
Assets:		Liabilities:	
Cash and cash equivalents	\$ 472,338	Accounts payable and accrued liabilities	\$ 89,464
Accounts receivable	65,882	Accrued payroll and related liabilities	25,805
Prepaid and other assets	13,393	Lease liabilities	381,838
Land, buildings and equipment	603,722	Long-term obligations	<u>359,476</u>
Lease right-of-use assets	381,838		
Other assets	<u>3,364</u>		
Total assets	<u>\$ 1,540,537</u>	Total liabilities	<u>\$ 856,583</u>
Purchase price	\$ -		
Inherent contribution of net assets	\$ 683,954		

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 12. Acquisitions and Affiliations (Continued)

		2025	
Holly Hill Children's Home, Inc.			
Assets:		Liabilities:	
Cash and cash equivalents	\$ 257,188	Accounts payable and accrued liabilities	\$ 61,798
Investments	724,848	Accrued payroll and related liabilities	<u>339,112</u>
Limited use investments	6,500,000		
Accounts receivable	177,143		
Inventories	37,238		
Prepaid and other assets	72,840		
Land, buildings and equipment	<u>2,956,833</u>		
Total assets	<u>\$ 10,726,090</u>	Total liabilities	<u>\$ 400,910</u>
 Purchase price	 \$ -		
 Inherent contribution of net assets:			
Without donor restrictions	\$ 3,825,180		
With donor restrictions	<u>6,500,000</u>		
Total	<u>\$ 10,325,180</u>		

		2025	
Resources for Human Development, Inc. and Subsidiaries			
Assets:		Liabilities:	
Cash and cash equivalents	\$ 19,100,891	Accounts payable and accrued liabilities	\$ 19,420,084
Limited use cash	898,370	Accrued payroll and related liabilities	12,686,203
Investments	3,899,590	Line of credit	15,165,778
Accounts receivable	43,423,980	Lease liabilities	56,532,422
Inventory	320,052	Refundable advances	17,333,562
Prepaid and other assets	1,383,495	Long-term obligations	<u>5,554,567</u>
Land, buildings and equipment	43,421,041		
Lease right-of-use assets	56,625,609		
Intangible assets	4,163,000		
Other assets	<u>129,453</u>		
Total assets	<u>\$ 173,365,481</u>	Total liabilities	<u>\$ 126,692,616</u>
 Purchase price	 \$ 5,736,588		
 Inherent contribution of net assets:			
Without donor restrictions	\$ 39,658,470		
With donor restrictions	<u>1,277,807</u>		
Total	<u>\$ 40,936,277</u>		

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 12. Acquisitions and Affiliations (Continued)

		2025	
Children and Family Services, Corp.			
Assets:		Liabilities:	
Cash	\$ 133,886	Accounts payable and accrued liabilities	\$ 329,345
Accounts receivable	239,722	Accrued payroll and related liabilities	184,212
Prepaid and other assets	10,867	Lease liabilities	95,690
Land, buildings and equipment	5,630,129	Long-term obligations	97,000
Lease right-of-use assets	95,690		
Total assets	\$ 6,110,294	Total liabilities	\$ 706,247
Purchase price	\$ 4,441,739		
Inherent contribution of net assets	\$ 962,308		
		2024	
Helping Restore Ability			
Assets:		Liabilities:	
Cash and cash equivalents	\$ 569,145	Accounts payable and accrued liabilities	\$ 1,834,575
Accounts receivable	2,783,619	Deferred revenue	1,197,338
Prepaid and other assets	203,607	Line of credit	375,000
Land, buildings and equipment	14,676	Long-term obligations	325,000
Goodwill and other assets	160,866		
Total assets	\$ 3,731,913	Total liabilities	\$ 3,731,913
Purchase price	\$ -		
Inherent contribution of net assets	\$ -		

The intangible fair value of the trade name for RHD was estimated to be \$4,163,000 with a useful life of 15 years, which will be amortized over the 15-year period. This determination was informed by the Company's historical practice of maintaining the legacy names of affiliating entities. Given the precedent and absence of short-term plans to discontinue use of the trade name, a longer useful life was deemed appropriate. Valuation modeling indicated that extending the useful life beyond 15 years would not materially impact the asset's value. Management will elect to test for impairment if events or changes in circumstances indicate that it is more likely than not that the intangible asset is impaired.

The fair value of property and equipment is recognized and measured at the time of affiliation. The Company estimated the fair value of the real estate and property acquired through market value reports derived from multiple sources to ensure collective comparison for all properties. Tax assessments and the allocation between land and building were taken into consideration to ensure depreciable assets were valued accordingly.

Accounts receivable acquired represents the amounts the Company expects to collect. The gross amount of accounts receivable acquired was \$54,398,563 for 2025 and \$2,944,572 for 2024.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 13. Concentrations

For the year ended June 30, 2025, the Company had revenues of \$101,884,695 from the Pennsylvania Department of Human Services (DHS) and \$198,321,954 from Medicaid, which represented approximately 13% and 26%, respectively, of total revenues. Accounts receivable due from DHS and Medicaid at June 30, 2025, are \$8,852,571 and \$25,627,113, respectively.

For the year ended June 30, 2024, the Company had revenues of \$89,383,084 from the Pennsylvania Department of Human Services (DHS) and \$88,669,947 from Medicaid, which represented approximately 22% and 22%, respectively, of total revenues. Accounts receivable due from DHS and Medicaid at June 30, 2024, are \$8,180,350 and \$11,440,377, respectively.

Note 14. 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, 2025 and 2024:

	2025	2024
Project Peace	\$ 1,615	\$ 1,615
Drug Free Communities	1,343	1,343
Nurse Family Partnership—Schuylkill County	46,700	44,853
Nurse Family Partnership—Berks County	462,257	461,907
Mother and Infant Visiting Program Evaluation	15,312	15,312
Outlet Area Neighborhood	517	517
Lives Changed by Christ Church	9,000	5,500
Susquehanna IU	-	1,811
Benevolent Association of Pottsville	1,500	1,500
Drop In Center	3,450	-
Infrastructure modernization program	6,319,524	-
Intellectual developmental disability	100,348	-
Other	379,425	-
Behavioral health	241,201	-
Healthcare	310,296	-
Educational purposes	114,787	101,026
Resident activities	226,854	101,557
Endowment funds held in perpetuity	228,652	228,652
Funds held in trust by others	3,054,949	2,888,122
Total	<u>\$ 11,517,730</u>	<u>\$ 3,853,715</u>

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 14. Restrictions on Net Assets/Endowment of Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and passage of time.

	2025	2024
Nurse Family Partnership	\$ 8,153	\$ 14,267
Susquehanna IU	1,811	1,764
Lives Changed by Christ Church	2,000	4,074
Resident activities	16,257	67,478
Infrastructure modernization program	180,476	-
Intellectual developmental disability	17,924	-
Other	14,593	-
Behavioral health	112,834	-
Healthcare	79,244	-
Time restrictions	8,885	-
Funds held in trust by others	13,057	-
Total	<u>\$ 455,234</u>	<u>\$ 87,583</u>

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, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,240,442	\$ -	\$ 2,240,442
Donor-restricted endowment funds	-	228,652	228,652
	<u>\$ 2,240,442</u>	<u>\$ 228,652</u>	<u>\$ 2,469,094</u>

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,095,159	\$ -	\$ 2,095,159
Donor-restricted endowment funds	-	228,652	228,652
	<u>\$ 2,095,159</u>	<u>\$ 228,652</u>	<u>\$ 2,323,811</u>

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

Note 14. Restrictions on Net Assets/Endowment of Net Assets (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2025 and 2024:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,095,159	\$ 228,652	\$ 2,323,811
Investment return:			
Investment income	70,912	-	70,912
Net realized/unrealized gain	70,269	-	70,269
Total investment return	141,181	-	141,181
Contributions	10,210	-	10,210
Administrative fees	(6,108)	-	(6,108)
Endowment net assets, end of year	\$ 2,240,442	\$ 228,652	\$ 2,469,094

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,712,711	\$ 228,652	\$ 1,941,363
Investment return:			
Investment income	35,745	-	35,745
Net realized/unrealized gain	287,950	-	287,950
Total investment return	323,695	-	323,695
Contributions	75,899	-	75,899
Administrative fees	(17,146)	-	(17,146)
Endowment net assets, end of year	\$ 2,095,159	\$ 228,652	\$ 2,323,811

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, 2025 and 2024.

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 they will have no material effect on the Company's consolidated financial statements.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 17. Liquidity

The following reflects the Company's financial assets as of June 30, 2025 and 2024, 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 committed to a line of credit totaling \$25,000,000 for the year ended June 30, 2024, which it was able to draw upon. The line of credit was replaced with a new commitment totaling \$25,000,000 for the year ended June 30, 2025, which it can draw upon. The line of credit accrued interest at an interest rate equal to the SOFR term rate in effect for such interest period plus 0.10% per annum and matures December 28, 2025. The line of credit was terminated in 2025. In addition, the Company has board-designated endowment assets totaling \$2,240,442 and \$2,095,159 that are expected to be held for long-term purposes and investment reserves totaling \$139,994,995 and \$561,895 as of June 30, 2025 and 2024, respectively. With board approval, these investments could be used to meet cash needs, if necessary.

	2025	2024
Cash and cash equivalents	\$ 82,293,448	\$ 56,390,342
Accounts receivable	106,525,885	65,873,250
Investments	139,994,995	561,895
Beneficial interests in perpetual trusts	3,054,949	2,888,122
Total financial assets	<u>331,869,277</u>	<u>125,713,609</u>
Less:		
Contractual, board designated or donor-imposed restrictions:		
Cash not available for general expenditures	-	(913,247)
Refundable advances	(4,594,831)	-
Beneficial interests in perpetual trust	(3,054,949)	(2,888,122)
Other time and purpose restrictions	(8,234,129)	(735,441)
Endowment, with donor restrictions	(228,652)	(228,652)
Endowment, board designated	<u>(2,240,442)</u>	<u>(2,095,159)</u>
Financial assets not available to meet cash needs for general expenditures within one year	<u>(18,353,003)</u>	<u>(6,860,621)</u>
Total financial assets available to meet cash needs for general expenditures within on year	<u>\$ 313,516,274</u>	<u>\$ 118,852,988</u>

Note 18. Commitments and Contingencies

Effective May 10, 2024, and in connection with the Letter of Intent (LOI) with RHD, the Company entered into a TSA with RHD. Under the TSA, the Company provided fiscal, HR, legal, risk management, IT, and integration services (collectively, TSA services) to RHD in exchange for a fee. Income earned from RHD related to the TSA totaled \$18,328,767 and \$2,583,117 for the years ended June 30, 2025 and 2024, respectively, and was recorded within other operating revenue in the consolidated statements of activities. The TSA was terminated upon consummation of the RHD affiliation and execution of the Apis Services Agreement on December 11, 2024. Income earned post affiliation has been eliminated in consolidation. RHD settled the full TSA balance in January 2025, and no outstanding amounts remained as of June 30, 2025.

Inperium, Inc.

Notes to Consolidated Financial Statements

Note 18. Commitments and Contingencies (Continued)

In connection with the LOI, the Company entered into a line of credit agreement (the LOC agreement) with RHD. Pursuant to the LOC agreement, the Company made available to RHD a credit facility of up to \$25,000,000, contingent upon RHD having fully exhausted all available cash and funding sources, including any existing credit facilities, prior to requesting a disbursement. Each disbursement also required the Company's approval.

The LOC agreement accrued interest at a rate equal to the then current 30-day average SOFR, as published in the Wall Street Journal, plus an additional 2.25 basis points. It was secured by a promissory note in the full amount of the credit facility. The maturity date of the line of credit was June 30, 2026.

On October 1, 2024, the Company advanced \$15,300,000 to RHD pursuant to the terms of the LOC agreement. In accordance with U.S. GAAP, this advance triggered the requirement to consolidate RHD's financial reporting effective as of that date. RHD repaid the full amount of the advance in January 2025, and no outstanding amounts remained as of June 30, 2025. Under the affiliation agreement, payoff in January 2025 effected termination of the LOC agreement.

Note 19. Subsequent Events

Effective July 1, 2025, the Company affiliated with Crystal Lake Supportive Environments, dba Attain. Attain is a Florida nonprofit provider of community-based programs for people with developmental disabilities. The estimated fair value of the assets acquired and liabilities assumed is approximately \$20,800,000 and \$3,600,000, respectively.

Subsequent events have been evaluated through December 1, 2025, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Inperium	Apis Services	Abraxas Youth & Family Services	Alternative Consulting Enterprises	Advancing Opportunities	Children's Home of Reading
Assets						
Current assets:						
Cash and cash equivalents	\$ 5,341,114	\$ 72,359,258	\$ (6,299)	\$ 249	\$ 27,855	\$ -
Limited use cash and cash equivalents	2,875,226	-	-	-	-	-
Investments	30,462,802	-	-	-	-	2,583,881
Accounts receivable, net	(2,500)	1,072,791	21,391,020	192,181	1,711,188	415
Inventories	-	90,993	83,878	-	-	-
Prepaid expenses and other current assets	1,177,491	4,501,075	158,429	-	104,331	-
Total current assets	39,854,133	78,024,117	21,627,028	192,430	1,843,374	2,584,296
Limited use cash and cash equivalents, net of current portion	1,242,662	-	-	-	-	-
Limited use investments	11,993,362	-	-	-	-	-
Property and equipment, net	76,590	45,468	1,733,887	57,419	4,773,635	11,529,529
Operating lease right-of-use assets	-	-	613,022	-	151,572	-
Finance lease right-of-use assets	69,646	61,650	-	-	120,458	-
Other assets:						
Due (to) from affiliates	(242,088,370)	146,786,497	1,312,563	(2,432,397)	1,267,277	653,506
Goodwill and intangible assets	-	-	33,348	-	-	-
Other assets	142,806,946	-	60,000	-	19,299	3,054,949
Total other assets	(99,281,424)	146,786,497	1,405,911	(2,432,397)	1,286,576	3,708,455
Total assets	\$ (46,045,031)	\$ 224,917,732	\$ 25,379,848	\$ (2,182,548)	\$ 8,175,615	\$ 17,822,280

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	CHOR Youth and Family Services	Conexio Care Services	Crossroads Programs	Harmonycrest Personal Care Services	Holly Hill Children's Home	Helping Restore Ability
Assets						
Current assets:						
Cash and cash equivalents	\$ 301,915	\$ 28,540	\$ 485,107	\$ -	\$ 15,216	\$ 670,951
Limited use cash and cash equivalents	-	-	-	-	-	-
Investments	-	-	-	-	906,706	-
Accounts receivable, net	7,886,605	8,748,447	1,290,266	24,784	367,092	2,339,872
Inventories	14,087	-	-	-	37,238	-
Prepaid expenses and other current assets	95,034	(468,289)	47,177	-	2,021	36,832
Total current assets	8,297,641	8,308,698	1,822,550	24,784	1,328,273	3,047,655
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-	-
Limited use investments	-	-	-	-	6,319,524	-
Property and equipment, net	1,730,884	11,086,589	3,182,230	1,817	3,219,306	1,630
Operating lease right-of-use assets	1,165,949	7,760,424	-	-	-	382,996
Finance lease right-of-use assets	-	848,449	-	-	-	-
Other assets:						
Due (to) from affiliates	9,398,326	(13,614,593)	4,573,931	1,154,006	(1,340,457)	(1,528,144)
Goodwill and intangible assets	658,498	-	-	-	-	160,866
Other assets	60,599	263,507	2,050	-	-	8,187
Total other assets	10,117,423	(13,351,086)	4,575,981	1,154,006	(1,340,457)	(1,359,091)
Total assets	\$ 21,311,897	\$ 14,653,074	\$ 9,580,761	\$ 1,180,607	\$ 9,526,646	\$ 2,073,190

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Iron Recovery and Wellness Center	Let's Work for Good	Person Driven Clinical Solutions	Resources for Human Development	Supportive Concepts for Families	South Jersey Behaviorial Health Resources
Assets						
Current assets:						
Cash and cash equivalents	\$ 31,624	\$ 71,545	\$ 15,316	\$ 124,604	\$ 461,759	\$ 857,967
Limited use cash and cash equivalents	-	-	-	7,072,786	-	156,621
Investments	-	1,336,326	-	100,217,203	-	-
Accounts receivable, net	521,312	162,971	169,132	43,325,692	9,341,411	890,958
Inventories	-	-	-	-	-	-
Prepaid expenses and other current assets	17,458	13,393	-	844,238	60,407	35,209
Total current assets	570,394	1,584,235	184,448	151,584,523	9,863,577	1,940,755
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-	-
Limited use investments	-	-	-	-	-	-
Property and equipment, net	1,575,564	544,806	-	33,272,040	7,228,151	3,922,626
Operating lease right-of-use assets	-	241,759	-	47,947,975	9,456,021	458,010
Finance lease right-of-use assets	-	-	-	-	6,354,407	-
Other assets:						
Due (to) from affiliates	486,190	273,064	1,299,247	24,566,207	59,765,227	10,235,758
Goodwill and intangible assets	-	-	-	3,954,850	-	-
Other assets	-	8,364	-	372,998	1,846,952	20,084
Total other assets	486,190	281,428	1,299,247	28,894,055	61,612,179	10,255,842
Total assets	\$ 2,632,148	\$ 2,652,228	\$ 1,483,695	\$ 261,698,593	\$ 94,514,335	\$ 16,577,233

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Shelby Residential and Vocational Services	Trinity Youth Services	Anchor's - From Carol	Inperium of New Jersey	Eliminations	Total Obligated Group
Assets						
Current assets:						
Cash and cash equivalents	\$ 12,752	\$ 785,531	\$ -	\$ -	\$ -	\$ 81,585,004
Limited use cash and cash equivalents	-	19,847	-	-	-	10,124,480
Investments	2,471,001	2,017,076	-	-	-	139,994,995
Accounts receivable, net	2,898,086	3,290,671	-	-	-	105,622,394
Inventories	-	29,328	-	-	-	255,524
Prepaid expenses and other current assets	90,947	342,782	-	-	(3,557)	7,054,978
Total current assets	5,472,786	6,485,235	-	-	(3,557)	344,637,375
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-	1,242,662
Limited use investments	-	-	-	-	-	18,312,886
Property and equipment, net	6,868,304	4,729,593	-	-	-	95,580,068
Operating lease right-of-use assets	-	2,425,921	-	-	-	70,603,649
Finance lease right-of-use assets	4,565,300	-	-	-	-	12,019,910
Other assets:						
Due (to) from affiliates	1,092,200	727,038	(17,181)	(148,447)	-	2,421,448
Goodwill and intangible assets	-	-	-	-	-	4,807,562
Other assets	3,002,000	80,827	-	-	(142,601,464)	9,005,298
Total other assets	4,094,200	807,865	(17,181)	(148,447)	(142,601,464)	16,234,308
Total assets	\$ 21,000,590	\$ 14,448,614	\$ (17,181)	\$ (148,447)	\$ (142,605,021)	\$ 558,630,858

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Children & Family Services	CORAS Wellness & Behavioral Health	Fortis Holdings	Fortis Housing Services	Guidance Center of Camden County	Inperium Management Services/DBA Ocellus Tech
Assets						
Current assets:						
Cash and cash equivalents	\$ 77,678	\$ -	\$ -	\$ -	\$ 304,079	\$ (543,981)
Limited use cash and cash equivalents	-	-	-	-	701,772	-
Investments	-	-	-	-	-	-
Accounts receivable, net	194,054	-	-	-	57,400	465,671
Inventories	-	-	-	-	-	-
Prepaid expenses and other current assets	9,683	-	-	-	1,291	-
Total current assets	281,415	-	-	-	1,064,542	(78,310)
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-	-
Limited use investments	-	-	-	-	-	-
Property and equipment, net	5,617,191	-	-	3,262,491	497,719	3,286
Operating lease right-of-use assets	91,851	-	-	-	-	-
Finance lease right-of-use assets	-	-	-	-	-	-
Other assets:						
Due (to) from affiliates	(68,262)	-	(1,229,714)	(3,858,108)	(225,775)	(132,742)
Goodwill and intangible assets	-	-	-	-	-	-
Other assets	-	-	750,000	-	-	-
Total other assets	(68,262)	-	(479,714)	(3,858,108)	(225,775)	(132,742)
Total assets	\$ 5,922,195	\$ -	\$ (479,714)	\$ (595,617)	\$ 1,336,486	\$ (207,766)

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Inperium of New York	S. Automotive & Fleet Services	SRVS Group Home 1	SRVS Group Home 2	SRVS Group Home 3	Marc Housing
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 3,580	\$ 2,731	\$ 674	\$ 12,675	\$ 13,367
Limited use cash and cash equivalents	-	-	22,003	24,655	63,909	47,289
Investments	-	-	-	-	-	-
Accounts receivable, net	-	68,449	3,197	6,182	6,794	10,029
Inventories	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	1,088	-	-	-
Total current assets	-	72,029	29,019	31,511	83,378	70,685
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-	-
Limited use investments	-	-	-	-	-	-
Property and equipment, net	-	44,143	223,343	243,499	460,000	467,308
Operating lease right-of-use assets	-	549,459	-	-	-	-
Finance lease right-of-use assets	-	-	-	-	-	-
Other assets:						
Due (to) from affiliates	(136,754)	659,435	(226,117)	(95,818)	1,098	35,996
Goodwill and intangible assets	-	-	-	-	-	-
Other assets	-	-	2,234	2,589	5,201	7,311
Total other assets	(136,754)	659,435	(223,883)	(93,229)	6,299	43,307
Total assets	\$ (136,754)	\$ 1,325,066	\$ 28,479	\$ 181,781	\$ 549,677	\$ 581,300

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Sustainable Energy & Light Solutions	Wake Enterprises	Murex Corporation	Taunton Run Senior Living	PA Institute for Community Living
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ 575,037	\$ 1,842	\$ 179,613	\$ 18,968
Limited use cash and cash equivalents	-	-	-	430,028	-
Investments	-	-	-	-	-
Accounts receivable, net	-	419,628	(35,304)	1,011	(300,566)
Inventories	-	-	-	-	-
Prepaid expenses and other current assets	-	6,233	1,466	16,713	-
Total current assets	-	1,000,898	(31,996)	627,365	(281,598)
Limited use cash and cash equivalents, net of current portion	-	-	-	-	-
Limited use investments	-	-	-	-	-
Property and equipment, net	-	25,627	349,152	6,501,834	54,333
Operating lease right-of-use assets	-	271,466	-	-	-
Finance lease right-of-use assets	-	-	-	-	-
Other assets:					
Due (to) from affiliates	(10,360)	3,480,109	1,543	-	(145,904)
Goodwill and intangible assets	-	-	-	-	-
Other assets	-	-	(702,307)	122,634	588,611
Total other assets	(10,360)	3,480,109	(700,764)	122,634	442,707
Total assets	\$ (10,360)	\$ 4,778,100	\$ (383,608)	\$ 7,251,833	\$ 215,442

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Floracer	Total Non- Obligated Group	Eliminations	Inperium Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 62,181	\$ 708,444	\$ -	\$ 82,293,448
Limited use cash and cash equivalents	-	1,289,656	-	11,414,136
Investments	-	-	-	139,994,995
Accounts receivable, net	6,946	903,491	-	106,525,885
Inventories	-	-	-	255,524
Prepaid expenses and other current assets	-	36,474	-	7,091,452
Total current assets	<u>69,127</u>	<u>2,938,065</u>	<u>-</u>	<u>347,575,440</u>
Limited use cash and cash equivalents, net of current portion	-	-	-	1,242,662
Limited use investments	-	-	-	18,312,886
Property and equipment, net	459,745	18,209,671	-	113,789,739
Operating lease right-of-use assets	-	912,776	-	71,516,425
Finance lease right-of-use assets	-	-	-	12,019,910
Other assets:				
Due (to) from affiliates	(470,075)	(2,421,448)	-	-
Goodwill and intangible assets	-	-	-	4,807,562
Other assets	511	776,784	(5,631,739)	4,150,343
Total other assets	<u>(469,564)</u>	<u>(1,644,664)</u>	<u>(5,631,739)</u>	<u>8,957,905</u>
Total assets	<u>\$ 59,308</u>	<u>\$ 20,415,848</u>	<u>\$ (5,631,739)</u>	<u>\$ 573,414,967</u>

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Inperium	Apis Services	Abraxas Youth & Family Services	Alternative Consulting Enterprises	Advancing Opportunities	Children's Home of Reading
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 163,321	\$ 14,075,076	\$ 3,190,775	\$ -	\$ 379,478	\$ 1,001
Accrued payroll and related liabilities	3,007,029	14,693,577	1,092,102	-	39,200	-
Revolving line of credit	-	4,500,000	-	-	-	-
Refundable advances	-	-	-	3,420	19,702	-
Current portion of operating lease liabilities	-	-	227,146	-	49,152	-
Current portion of finance lease liabilities	37,244	23,253	-	-	34,378	-
Current portion of bond payable	-	1,963,080	-	-	2,052	-
Current portion of long-term obligations	-	-	-	-	-	-
Total current liabilities	3,207,594	35,254,986	4,510,023	3,420	523,962	1,001
Long-term liabilities:						
Refundable advances, net of current portion	-	-	-	-	-	-
Long-term operating lease liabilities, net of current portion	-	-	404,221	-	103,920	-
Long-term operating finance liabilities, net of current portion	41,095	32,882	-	-	85,778	-
Bond payable, net of current portion	-	142,004,308	-	-	156,137	-
Long-term obligations, net of current portion	3,000,000	20,966,305	-	-	3,209,063	-
Other long-term liabilities	-	(1,028)	28,545	-	-	-
Total long-term liabilities	3,041,095	163,002,467	432,766	-	3,554,898	-
Total liabilities	6,248,689	198,257,453	4,942,789	3,420	4,078,860	1,001
Net assets (deficit):						
Additional paid-in-capital	-	-	-	1,255,000	-	-
Without donor restrictions	(52,293,720)	26,660,279	20,437,059	(3,440,968)	4,096,755	14,196,037
With donor restrictions	-	-	-	-	-	3,625,242
Total net assets (deficit)	(52,293,720)	26,660,279	20,437,059	(2,185,968)	4,096,755	17,821,279
Total liabilities and net assets (deficit)	\$ (46,045,031)	\$ 224,917,732	\$ 25,379,848	\$ (2,182,548)	\$ 8,175,615	\$ 17,822,280

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	CHOR Youth and Family Services	Conexio Care Services	Crossroads Programs	Harmonycrest Personal Care Services	Holly Hill Children's Home	Helping Restore Ability
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 304,780	\$ 277,772	\$ 88,114	\$ 17,450	\$ (153,750)	\$ 1,162,235
Accrued payroll and related liabilities	-	-	6,720	-	277,967	1,473,143
Revolving line of credit	-	-	-	-	-	-
Refundable advances	27,317	-	158,615	-	-	2,500
Current portion of operating lease liabilities	413,366	1,996,146	-	-	-	(818)
Current portion of finance lease liabilities	-	74,220	-	-	-	-
Current portion of bond payable	9,120	129,732	16,188	-	-	-
Current portion of long-term obligations	-	341,584	-	-	-	-
Total current liabilities	754,583	2,819,454	269,637	17,450	124,217	2,637,060
Long-term liabilities:						
Refundable advances, net of current portion	-	-	-	-	-	-
Long-term operating lease liabilities, net of current portion	854,008	6,164,858	-	-	-	426,382
Long-term operating finance liabilities, net of current portion	-	984,980	-	-	-	-
Bond payable, net of current portion	693,940	9,871,297	1,231,744	-	-	-
Long-term obligations, net of current portion	-	91,637	116,396	-	-	-
Other long-term liabilities	1,100	-	-	-	-	-
Total long-term liabilities	1,549,048	17,112,772	1,348,140	-	-	426,382
Total liabilities	2,303,631	19,932,226	1,617,777	17,450	124,217	3,063,442
Net assets (deficit):						
Additional paid-in-capital	2,346,464	-	-	-	-	-
Without donor restrictions	16,120,108	(5,279,152)	7,962,984	1,163,157	3,082,905	(990,252)
With donor restrictions	541,694	-	-	-	6,319,524	-
Total net assets (deficit)	19,008,266	(5,279,152)	7,962,984	1,163,157	9,402,429	(990,252)
Total liabilities and net assets (deficit)	\$ 21,311,897	\$ 14,653,074	\$ 9,580,761	\$ 1,180,607	\$ 9,526,646	\$ 2,073,190

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Iron Recovery and Wellness Center	Let's Work for Good	Person Driven Clinical Solutions	Resources for Human Development	Supportive Concepts for Families	South Jersey Behavioral Health Resources
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 35,825	\$ 108,532	\$ 89,600	\$ 13,871,645	\$ 2,642,937	\$ 285,699
Accrued payroll and related liabilities	-	37,703	-	9,329,116	33,539	840,497
Revolving line of credit	-	-	-	-	-	-
Refundable advances	-	43,244	-	11,381,120	-	19,598
Current portion of operating lease liabilities	-	61,905	-	9,359,590	1,748,514	201,292
Current portion of finance lease liabilities	-	-	-	-	420,381	-
Current portion of bond payable	4,560	14,820	-	68,628	69,084	2,052
Current portion of long-term obligations	-	19,440	-	326,348	114,934	-
Total current liabilities	40,385	285,644	89,600	44,336,447	5,029,389	1,349,138
Long-term liabilities:						
Refundable advances, net of current portion	577,693	-	-	2,757,126	-	1,272,585
Long-term operating lease liabilities, net of current portion	-	184,771	-	39,041,666	7,726,484	261,000
Long-term operating finance liabilities, net of current portion	-	-	-	-	6,323,101	-
Bond payable, net of current portion	346,970	1,127,653	-	5,221,899	5,256,596	156,137
Long-term obligations, net of current portion	-	323,866	-	2,494,953	166,162	1,691,990
Other long-term liabilities	-	-	-	(1,498)	3,053	-
Total long-term liabilities	924,663	1,636,290	-	49,514,146	19,475,396	3,381,712
Total liabilities	965,048	1,921,934	89,600	93,850,593	24,504,785	4,730,850
Net assets (deficit):						
Additional paid-in-capital	-	1,000,000	-	127,000,000	-	-
Without donor restrictions	1,667,100	(269,706)	1,394,095	39,816,730	70,009,550	11,846,383
With donor restrictions	-	-	-	1,031,270	-	-
Total net assets (deficit)	1,667,100	730,294	1,394,095	167,848,000	70,009,550	11,846,383
Total liabilities and net assets (deficit)	\$ 2,632,148	\$ 2,652,228	\$ 1,483,695	\$ 261,698,593	\$ 94,514,335	\$ 16,577,233

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Shelby Residential and Vocational Services	Trinity Youth Services	Anchor's - From Carol	Inperium of New Jersey	Eliminations	Total Obligated Group
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 78,856	\$ 405,474	\$ -	\$ -	\$ -	\$ 37,024,820
Accrued payroll and related liabilities	(9,991)	(133,353)	-	-	-	30,687,249
Revolving line of credit	-	-	-	-	-	4,500,000
Refundable advances	-	-	-	-	-	11,655,516
Current portion of operating lease liabilities	-	573,598	-	-	-	14,629,891
Current portion of finance lease liabilities	93,536	-	-	-	-	683,012
Current portion of bond payable	684	-	-	-	-	2,280,000
Current portion of long-term obligations	-	-	-	-	-	802,306
Total current liabilities	163,085	845,719	-	-	-	102,262,794
Long-term liabilities:						
Refundable advances, net of current portion	-	297,674	-	-	-	4,905,078
Long-term operating lease liabilities, net of current portion	-	1,858,779	-	-	-	57,026,089
Long-term operating finance liabilities, net of current portion	4,561,439	-	-	-	-	12,029,275
Bond payable, net of current portion	52,046	-	-	-	-	166,118,727
Long-term obligations, net of current portion	3,454	500,000	-	-	(3,000,000)	29,563,826
Other long-term liabilities	-	(31)	-	-	-	30,141
Total long-term liabilities	4,616,939	2,656,422	-	-	(3,000,000)	269,673,136
Total liabilities	4,780,024	3,502,141	-	-	(3,000,000)	371,935,930
Net assets (deficit):						
Additional paid-in-capital	6,000,000	2,000,000	-	-	(139,601,464)	-
Without donor restrictions	10,220,566	8,946,473	(17,181)	(148,447)	(3,557)	175,177,198
With donor restrictions	-	-	-	-	-	11,517,730
Total net assets (deficit)	16,220,566	10,946,473	(17,181)	(148,447)	(139,605,021)	186,694,928
Total liabilities and net assets (deficit)	\$ 21,000,590	\$ 14,448,614	\$ (17,181)	\$ (148,447)	\$ (142,605,021)	\$ 558,630,858

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Children & Family Services	CORAS Wellness & Behavioral Health	Fortis Holdings	Fortis Housing Services	Guidance Center of Camden County	Inperium Management Services/DBA Ocellus Tech
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 219,112	\$ -	\$ -	\$ -	\$ 15,000	\$ (2,195)
Accrued payroll and related liabilities	161,034	-	-	-	-	-
Revolving line of credit	-	-	-	-	-	-
Refundable advances	-	-	-	-	-	-
Current portion of operating lease liabilities	47,701	-	-	-	-	-
Current portion of finance lease liabilities	-	-	-	-	-	-
Current portion of bond payable	-	-	-	-	-	-
Current portion of long-term obligations	97,000	-	-	-	-	-
Total current liabilities	524,847	-	-	-	15,000	(2,195)
Long-term liabilities:						
Refundable advances, net of current portion	-	-	-	-	-	-
Long-term operating lease liabilities, net of current portion	45,431	-	-	-	-	-
Long-term operating finance liabilities, net of current portion	-	-	-	-	-	-
Bond payable, net of current portion	-	-	-	-	-	-
Long-term obligations, net of current portion	-	-	-	-	-	-
Other long-term liabilities	-	-	-	1,425	3,530	-
Total long-term liabilities	45,431	-	-	1,425	3,530	-
Total liabilities	570,278	-	-	1,425	18,530	(2,195)
Net assets (deficit):						
Additional paid-in-capital	4,441,739	-	-	-	-	550,000
Without donor restrictions	910,178	-	(479,714)	(597,042)	1,317,956	(755,571)
With donor restrictions	-	-	-	-	-	-
Total net assets (deficit)	5,351,917	-	(479,714)	(597,042)	1,317,956	(205,571)
Total liabilities and net assets (deficit)	\$ 5,922,195	\$ -	\$ (479,714)	\$ (595,617)	\$ 1,336,486	\$ (207,766)

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Inperium of New York	S. Automotive & Fleet Services	SRVS Group Home 1	SRVS Group Home 2	SRVS Group Home 3	Marc Housing
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ -	\$ 1,253	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-
Revolving line of credit	-	-	-	-	-	-
Refundable advances	-	-	-	-	-	-
Current portion of operating lease liabilities	-	65,573	-	-	-	-
Current portion of finance lease liabilities	-	-	-	-	-	-
Current portion of bond payable	-	-	-	-	-	-
Current portion of long-term obligations	-	-	10,669	11,263	-	-
Total current liabilities	-	66,826	10,669	11,263	-	-
Long-term liabilities:						
Refundable advances, net of current portion	-	-	-	-	-	-
Long-term operating lease liabilities, net of current portion	-	500,728	-	-	-	-
Long-term operating finance liabilities, net of current portion	-	-	-	-	-	-
Bond payable, net of current portion	-	-	-	-	-	-
Long-term obligations, net of current portion	-	-	90,567	94,626	-	-
Other long-term liabilities	-	-	2,864	2,250	2,194	4,173
Total long-term liabilities	-	500,728	93,431	96,876	2,194	4,173
Total liabilities	-	567,554	104,100	108,139	2,194	4,173
Net assets (deficit):						
Additional paid-in-capital	-	40,000	-	-	-	-
Without donor restrictions	(136,754)	717,512	(75,621)	73,642	547,483	577,127
With donor restrictions	-	-	-	-	-	-
Total net assets (deficit)	(136,754)	757,512	(75,621)	73,642	547,483	577,127
Total liabilities and net assets (deficit)	\$ (136,754)	\$ 1,325,066	\$ 28,479	\$ 181,781	\$ 549,677	\$ 581,300

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Sustainable Energy & Light Solutions	Wake Enterprises	Murex Corporation	Taunton Run Senior Living	PA Institute for Community Living
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 1,709	\$ 1,021,138	\$ 635,392	\$ 28,951
Accrued payroll and related liabilities	-	39,528	-	2,735	1,062
Revolving line of credit	-	-	-	-	-
Refundable advances	-	-	-	2,125	-
Current portion of operating lease liabilities	-	152,874	-	-	-
Current portion of finance lease liabilities	-	-	-	-	-
Current portion of bond payable	-	-	-	-	-
Current portion of long-term obligations	-	-	-	195,600	-
Total current liabilities	-	194,111	1,021,138	835,852	30,013
Long-term liabilities:					
Refundable advances, net of current portion	-	-	-	113,779	-
Long-term operating lease liabilities, net of current portion	-	118,593	-	-	-
Long-term operating finance liabilities, net of current portion	-	-	-	-	-
Bond payable, net of current portion	-	-	-	-	-
Long-term obligations, net of current portion	-	-	-	2,057,646	-
Other long-term liabilities	-	-	(404)	2,468	-
Total long-term liabilities	-	118,593	(404)	2,173,893	-
Total liabilities	-	312,704	1,020,734	3,009,745	30,013
Net assets (deficit):					
Additional paid-in-capital	600,000	-	-	-	-
Without donor restrictions	(610,360)	4,465,396	(1,404,342)	4,242,088	185,429
With donor restrictions	-	-	-	-	-
Total net assets (deficit)	(10,360)	4,465,396	(1,404,342)	4,242,088	185,429
Total liabilities and net assets (deficit)	\$ (10,360)	\$ 4,778,100	\$ (383,608)	\$ 7,251,833	\$ 215,442

Inperium, Inc.
Consolidating Statement of Financial Position
June 30, 2025

	Floracer	Total Non- Obligated Group	Eliminations	Inperium Consolidated
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	\$ 66,066	\$ 1,986,426	\$ -	\$ 39,011,246
Accrued payroll and related liabilities	-	204,359	-	30,891,608
Revolving line of credit	-	-	-	4,500,000
Refundable advances	-	2,125	-	11,657,641
Current portion of operating lease liabilities	-	266,148	-	14,896,039
Current portion of finance lease liabilities	-	-	-	683,012
Current portion of bond payable	-	-	-	2,280,000
Current portion of long-term obligations	-	314,532	-	1,116,838
Total current liabilities	<u>66,066</u>	<u>2,773,590</u>	<u>-</u>	<u>105,036,384</u>
Long-term liabilities:				
Refundable advances, net of current portion	-	113,779	-	5,018,857
Long-term operating lease liabilities, net of current portion	-	664,752	-	57,690,841
Long-term operating finance liabilities, net of current portion	-	-	-	12,029,275
Bond payable, net of current portion	-	-	-	166,118,727
Long-term obligations, net of current portion	84,851	2,327,690	-	31,891,516
Other long-term liabilities	-	18,500	-	48,641
Total long-term liabilities	<u>84,851</u>	<u>3,124,721</u>	<u>-</u>	<u>272,797,857</u>
Total liabilities	<u>150,917</u>	<u>5,898,311</u>	<u>-</u>	<u>377,834,241</u>
Net assets (deficit):				
Additional paid-in-capital	-	5,631,739	(5,631,739)	-
Without donor restrictions	(91,609)	8,885,798	-	184,062,996
With donor restrictions	-	-	-	11,517,730
Total net assets (deficit)	<u>(91,609)</u>	<u>14,517,537</u>	<u>(5,631,739)</u>	<u>195,580,726</u>
Total liabilities and net assets (deficit)	<u>\$ 59,308</u>	<u>\$ 20,415,848</u>	<u>\$ (5,631,739)</u>	<u>\$ 573,414,967</u>

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Inperium	Apis Services	Abraxas Youth & Family Services	Alternative Consulting Enterprises	Advancing Opportunities	Children's Home of Reading
Public support, revenues, gains and other support:						
Contract revenue	\$ 3,299	\$ 36,421	\$ 106,532,696	\$ 1,288,153	\$ 13,154,242	\$ -
Contributions and grants	-	(1,500)	2,703,363	55,431	623,946	287,229
Client fees	-	-	-	-	576,874	-
Other program fees	-	-	-	95,005	-	-
Other operating revenue	677,101	33,275,483	3,711,694	68,053	415,184	299,462
Inherent contributions of net assets from affiliates (ICNA)	-	-	-	-	-	-
Total public support, revenues, gains and other support	680,400	33,310,404	112,947,753	1,506,642	14,770,246	586,691
Operating expenses:						
Salaries and wages	9,725,550	29,840,201	56,536,264	832,293	8,336,638	154,445
Employee benefits and payroll taxes	492,421	6,024,978	12,220,926	138,836	1,492,744	16,515
Depreciation and amortization	82,514	127,569	866,893	26,289	180,692	8,718
Facility and equipment rental	38,957	257,058	2,779,676	33,000	225,953	-
Housekeeping expense	5,275	5,352	2,824,279	2	259,660	-
Insurance expense	27,139	111,577	2,026,760	54,560	253,624	7,550
Interest expense	9,693,149	12,645,464	2,596,755	133,892	(9,643)	124,384
Professional fees	5,296,195	5,243,798	4,111,444	76,906	662,567	9,349
Purchased services	54,690	3,145,922	2,131,065	49,273	299,527	4,882
Supplies	12,861	214,057	2,114,852	13,909	157,625	706
Utilities	5,075	295,124	2,512,793	18,252	323,136	313
Other operating expenses	2,383,606	17,133,384	3,429,848	58,351	438,618	29,551
Management fee	-	(75,144,501)	11,224,338	180,797	1,469,848	70,403
Total operating expenses	27,817,432	(100,017)	105,375,893	1,616,360	14,090,989	426,816
Change in net assets (deficit) before other income (loss)	(27,137,032)	33,410,421	7,571,860	(109,718)	679,257	159,875
Other income (loss):						
Realized gain	1,293,825	15,789	-	-	-	69,062
Unrealized gain (loss)	191,047	-	-	-	-	253,059
Other income (loss)	(341,491)	(26,342,449)	(351,242)	(78)	(18,401)	-
Total other income (loss)	1,143,381	(26,326,660)	(351,242)	(78)	(18,401)	322,121
Increase (decrease) in net assets without donor restrictions	(25,993,651)	7,083,761	7,220,618	(109,796)	660,856	481,996
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	-
Increase (decrease) in total net assets	\$ (25,993,651)	\$ 7,083,761	\$ 7,220,618	\$ (109,796)	\$ 660,856	\$ 481,996

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	CHOR Youth and Family Services	Conexio Care Services	Crossroads Programs	Harmonycrest Personal Care Services	Holly Hill Children's Home	Helping Restore Ability
Public support, revenues, gains and other support:						
Contract revenue	\$ 33,358,051	\$ 38,301,818	\$ 11,909,865	\$ -	\$ 1,188,265	\$ 23,340,973
Contributions and grants	4,270,379	5,660,087	33,694	-	591,212	524,252
Client fees	-	727,463	-	221,441	-	-
Other program fees	314,028	1,374,963	-	-	-	53,804
Other operating revenue	748,212	609,188	259,748	861,664	562	136,523
Inherent contributions of net assets from affiliates (ICNA)	-	-	-	-	3,825,180	-
Total public support, revenues, gains and other support	38,690,670	46,673,519	12,203,307	1,083,105	5,605,219	24,055,552
Operating expenses:						
Salaries and wages	18,105,703	24,342,515	7,092,389	375,729	1,487,107	20,552,613
Employee benefits and payroll taxes	4,559,760	5,352,056	1,346,908	50,330	401,716	2,003,364
Depreciation and amortization	812,329	913,579	202,625	785	64,155	6,845
Facility and equipment rental	445,675	7,189,733	4,196	48,036	-	155,917
Housekeeping expense	680,250	406,940	176,823	41,367	3,833	932
Insurance expense	751,332	815,840	232,269	30,905	-	51,496
Interest expense	265,543	1,901,551	37,479	407	18,232	109,280
Professional fees	1,556,067	633,262	827,488	1,517	353,122	746,048
Purchased services	1,015,347	744,709	205,903	50,057	68,352	319,356
Supplies	970,447	132,023	132,149	5,491	46,213	63,146
Utilities	621,102	1,410,152	191,017	17,909	91,519	42,143
Other operating expenses	3,386,780	1,941,259	1,331,338	18,231	181,192	345,673
Management fee	4,643,737	3,323,155	1,220,268	129,973	35,603	420,000
Total operating expenses	37,814,072	49,106,774	13,000,852	770,737	2,751,044	24,816,813
Change in net assets (deficit) before other income (loss)	876,598	(2,433,255)	(797,545)	312,368	2,854,175	(761,261)
Other income (loss):						
Realized gain	72	-	-	-	169,001	15
Unrealized gain (loss)	-	-	-	-	(120,747)	-
Other income (loss)	9,489	1,593,417	(100)	(116)	-	-
Total other income (loss)	9,561	1,593,417	(100)	(116)	48,254	15
Increase (decrease) in net assets without donor restrictions	886,159	(839,838)	(797,645)	312,252	2,902,429	(761,246)
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	-	6,500,000	-
Increase (decrease) in net assets with donor restrictions	-	-	-	-	6,500,000	-
Increase (decrease) in total net assets	\$ 886,159	\$ (839,838)	\$ (797,645)	\$ 312,252	\$ 9,402,429	\$ (761,246)

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Iron Recovery and Wellness Center	Popcorn for the People	Person Driven Clinical Solutions	Resources for Human Development	Supportive Concepts for Families	South Jersey Behaviorial Health Resources
Public support, revenues, gains and other support:						
Contract revenue	\$ 3,205,246	\$ 235	\$ 734,485	\$ 217,292,862	\$ 104,416,420	\$ 11,579,258
Contributions and grants	1,916,822	73,896	-	7,190,351	991,740	3,803,266
Client fees	-	-	-	5,684,763	3,688,655	251,615
Other program fees	89,402	-	-	11,896,463	51,470	45,577
Other operating revenue	405	1,968,764	2,313,731	1,983,794	3,256,365	429,691
Inherent contributions of net assets from affiliates (ICNA)	-	683,954	-	36,823,965	-	-
Total public support, revenues, gains and other support	5,211,875	2,726,849	3,048,216	280,872,198	112,404,650	16,109,407
Operating expenses:						
Salaries and wages	2,009,666	1,327,701	1,917,214	116,108,667	50,459,997	7,060,820
Employee benefits and payroll taxes	459,906	299,332	380,276	24,419,705	12,989,023	2,551,554
Depreciation and amortization	55,915	87,451	-	1,637,931	1,343,607	199,312
Facility and equipment rental	6,305	116,897	-	14,423,886	3,488,430	458,842
Housekeeping expense	4,346	7,691	98	2,506,725	1,084,143	190,996
Insurance expense	84,934	52,330	38,046	4,611,489	2,040,911	275,775
Interest expense	48,181	61,121	3,095	1,100,584	389,375	6,262
Professional fees	334,804	60,538	11,800	14,944,995	3,841,263	964,033
Purchased services	210,678	176,309	23,946	9,878,613	2,581,813	552,963
Supplies	128,489	33,385	10,180	9,369,595	1,071,519	352,575
Utilities	91,626	42,881	16,159	5,309,689	2,296,490	309,043
Other operating expenses	49,901	714,497	64,170	9,117,640	1,949,970	312,317
Management fee	540,756	31,252	365,786	28,825,253	16,298,685	1,523,522
Total operating expenses	4,025,507	3,011,385	2,830,770	242,254,772	99,835,226	14,758,014
Change in net assets (deficit) before other income (loss)	1,186,368	(284,536)	217,446	38,617,426	12,569,424	1,351,393
Other income (loss):						
Realized gain	2	12,480	-	2,320,715	-	15,958
Unrealized gain (loss)	-	2,350	-	200,180	-	-
Other income (loss)	(172,176)	-	-	(1,555,071)	138,067	(870,571)
Total other income (loss)	(172,174)	14,830	-	965,824	138,067	(854,613)
Increase (decrease) in net assets without donor restrictions	1,014,194	(269,706)	217,446	39,583,250	12,707,491	496,780
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	1,264,750	-	-
Increase (decrease) in net assets with donor restrictions	-	-	-	1,264,750	-	-
Increase (decrease) in total net assets	\$ 1,014,194	\$ (269,706)	\$ 217,446	\$ 40,848,000	\$ 12,707,491	\$ 496,780

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Shelby Residential and Vocational Services	Trinity Youth Services	Anchor's - From Carol	Inperium of New Jersey	Eliminations	Total Obligated Group
Public support, revenues, gains and other support:						
Contract revenue	\$ 30,646,703	\$ 18,858,847	\$ -	\$ -	\$ -	\$ 615,847,839
Contributions and grants	2,331,725	260,531	-	-	-	31,316,424
Client fees	-	78,158	-	-	-	11,228,969
Other program fees	213,522	-	-	-	-	14,134,234
Other operating revenue	1,376,877	27,240	-	-	(41,342,620)	11,077,121
Inherent contributions of net assets from affiliates (ICNA)	-	8,828,055	-	-	-	50,161,154
Total public support, revenues, gains and other support	34,568,827	28,052,831	-	-	(41,342,620)	733,765,741
Operating expenses:						
Salaries and wages	20,611,181	9,281,599	-	-	-	386,158,292
Employee benefits and payroll taxes	4,006,959	2,370,631	-	-	-	81,577,940
Depreciation and amortization	380,628	159,350	-	-	-	7,157,187
Facility and equipment rental	132,939	1,049,142	-	-	(33,000)	30,821,642
Housekeeping expense	139,886	334,023	-	-	(2,122)	8,670,499
Insurance expense	706,584	655,532	-	-	-	12,828,653
Interest expense	28,734	51,053	1,150	8,005	(21,396,781)	7,817,272
Professional fees	625,534	1,517,640	3,007	4,600	(2,308,931)	39,517,046
Purchased services	472,577	456,931	-	-	(867,159)	21,575,754
Supplies	273,006	419,813	-	-	-	15,522,041
Utilities	394,959	485,683	-	-	-	14,475,065
Other operating expenses	3,299,562	2,140,892	3,089	-	(16,734,627)	31,595,242
Management fee	2,759,715	572,786	-	-	-	(1,508,624)
Total operating expenses	33,832,264	19,495,075	7,246	12,605	(41,342,620)	656,208,009
Change in net assets (deficit) before other income (loss)	736,563	8,557,756	(7,246)	(12,605)	-	77,557,732
Other income (loss):						
Realized gain	12,150	382,835	-	-	-	4,291,904
Unrealized gain (loss)	4,648	5,882	-	-	-	536,419
Other income (loss)	59,539	-	-	-	-	(27,851,183)
Total other income (loss)	76,337	388,717	-	-	-	(23,022,860)
Increase (decrease) in net assets without donor restrictions	812,900	8,946,473	(7,246)	(12,605)	-	54,534,872
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	-	-	7,764,750
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	7,764,750
Increase (decrease) in total net assets	\$ 812,900	\$ 8,946,473	\$ (7,246)	\$ (12,605)	\$ -	\$ 62,299,622

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Children & Family Services	CORAS Wellness & Behavioral Health	Fortis Holdings	Fortis Housing Services	Guidance Center of Camden County	Inperium Management Services/DBA Ocellus Tech
Public support, revenues, gains and other support:						
Contract revenue	\$ 54,620	\$ 13,257,521	\$ -	\$ -	\$ -	\$ 2,134
Contributions and grants	152,726	-	-	-	-	-
Client fees	-	2,380	-	-	-	-
Other program fees	-	778,642	-	-	-	-
Other operating revenue	15,732	3,285	23	341,318	316,061	209,570
Inherent contributions of net assets from affiliates (ICNA)	962,308	-	-	-	-	-
Total public support, revenues, gains and other support	1,185,386	14,041,828	23	341,318	316,061	211,704
Operating expenses:						
Salaries and wages	133,193	8,353,736	-	-	39,280	43,272
Employee benefits and payroll taxes	8,820	1,737,796	-	-	9,840	(31,333)
Depreciation and amortization	16,688	239,605	-	120,198	30,971	3,474
Facility and equipment rental	9,200	1,010,789	-	-	-	158
Housekeeping expense	100	281,716	-	-	-	-
Insurance expense	20,404	312,340	-	3,085	18,127	2,694
Interest expense	2,502	695,782	67,954	238,720	8,660	18,537
Professional fees	14,391	1,226,987	5,925	-	44,075	2,950
Purchased services	9,544	248,657	-	-	23,072	55,501
Supplies	11,610	419,647	-	-	1,772	41,858
Utilities	12,375	384,017	-	433	28,974	5,730
Other operating expenses	36,632	4,790,554	17	-	1,533	3,692
Management fee	-	1,003,991	-	17,066	-	-
Total operating expenses	275,459	20,705,617	73,896	379,502	206,304	146,533
Change in net assets (deficit) before other income (loss)	909,927	(6,663,789)	(73,873)	(38,184)	109,757	65,171
Other income (loss):						
Realized gain	251	-	-	-	102	-
Unrealized gain (loss)	-	-	-	-	-	-
Other income (loss)	-	18,699,337	-	24,821	10,430	-
Total other income (loss)	251	18,699,337	-	24,821	10,532	-
Increase (decrease) in net assets without donor restrictions	910,178	12,035,548	(73,873)	(13,363)	120,289	65,171
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	-
Increase (decrease) in total net assets	\$ 910,178	\$ 12,035,548	\$ (73,873)	\$ (13,363)	\$ 120,289	\$ 65,171

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Inperium of New York	S. Automotive & Fleet Services	SRVS Group Home 1	SRVS Group Home 2	SRVS Group Home 3	Marc Housing
Public support, revenues, gains and other support:						
Contract revenue	\$ -	\$ -	\$ 687	\$ 627	\$ 1,833	\$ 786
Contributions and grants	-	-	-	-	-	-
Client fees	-	-	-	-	-	-
Other program fees	-	-	-	-	-	-
Other operating revenue	3	1,562,770	35,906	24,302	82,123	82,594
Inherent contributions of net assets from affiliates (ICNA)	-	-	-	-	-	-
Total public support, revenues, gains and other support	3	1,562,770	36,593	24,929	83,956	83,380
Operating expenses:						
Salaries and wages	-	464,514	5,018	-	-	-
Employee benefits and payroll taxes	-	86,672	1,747	-	-	-
Depreciation and amortization	-	11,421	7,238	7,842	14,545	14,940
Facility and equipment rental	-	64,106	-	-	-	-
Housekeeping expense	-	-	-	-	-	-
Insurance expense	-	35,744	2,177	2,363	4,217	4,475
Interest expense	7,830	9,752	22,849	15,057	17	8
Professional fees	450	1,000	1,433	1,433	1,430	1,429
Purchased services	848	12,834	2,954	2,121	9,119	12,862
Supplies	-	62,100	448	-	480	449
Utilities	-	24,420	5,350	4,709	13,769	17,318
Other operating expenses	-	506,320	(1,388)	(1,194)	(26,132)	(9,138)
Management fee	-	156,277	2,927	1,994	6,716	6,670
Total operating expenses	9,128	1,435,160	50,753	34,325	24,161	49,013
Change in net assets (deficit) before other income (loss)	(9,125)	127,610	(14,160)	(9,396)	59,795	34,367
Other income (loss):						
Realized gain	-	117	6	8	17	52
Unrealized gain (loss)	-	-	-	-	-	-
Other income (loss)	-	4,470	-	-	-	-
Total other income (loss)	-	4,587	6	8	17	52
Increase (decrease) in net assets without donor restrictions	(9,125)	132,197	(14,154)	(9,388)	59,812	34,419
Net assets with donor restrictions:						
ICNA with donor restrictions	-	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	-
Increase (decrease) in total net assets	\$ (9,125)	\$ 132,197	\$ (14,154)	\$ (9,388)	\$ 59,812	\$ 34,419

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Sustainable Energy & Light Solutions	Wake Enterprises	Murex Corporation	Taunton Run Senior Living	PA Institute for Community Living
Public support, revenues, gains and other support:					
Contract revenue	\$ -	\$ 2,025,527	\$ -	\$ 462	\$ 863,819
Contributions and grants	-	479,839	-	-	-
Client fees	-	-	-	-	35,280
Other program fees	-	4,868	-	-	-
Other operating revenue	-	112,295	2,428	496,290	-
Inherent contributions of net assets from affiliates (ICNA)	-	-	(1,401,482)	4,150,091	163,977
Total public support, revenues, gains and other support	-	2,622,529	(1,399,054)	4,646,843	1,063,076
Operating expenses:					
Salaries and wages	-	1,436,400	-	66,131	353,476
Employee benefits and payroll taxes	-	343,373	-	19,633	66,610
Depreciation and amortization	-	62,026	-	102,755	4,718
Facility and equipment rental	-	47,911	-	27,151	105,220
Housekeeping expense	-	6,363	-	-	34,751
Insurance expense	-	75,598	1,782	45,728	11,655
Interest expense	-	-	-	36,560	-
Professional fees	-	12,705	-	32,996	14,891
Purchased services	-	74,385	-	71,729	147,903
Supplies	-	12,834	-	7,922	34,210
Utilities	-	44,333	-	56,393	28,574
Other operating expenses	-	140,179	3,506	26,025	90,417
Management fee	-	314,704	-	-	(1,721)
Total operating expenses	-	2,570,811	5,288	493,023	890,704
Change in net assets (deficit) before other income (loss)	-	51,718	(1,404,342)	4,153,820	172,372
Other income (loss):					
Realized gain	-	5,185	-	1,240	-
Unrealized gain (loss)	-	3,639	-	-	-
Other income (loss)	-	783,302	-	87,028	-
Total other income (loss)	-	792,126	-	88,268	-
Increase (decrease) in net assets without donor restrictions	-	843,844	(1,404,342)	4,242,088	172,372
Net assets with donor restrictions:					
ICNA with donor restrictions	-	-	-	-	13,057
Increase (decrease) in net assets with donor restrictions	-	-	-	-	13,057
Increase (decrease) in total net assets	\$ -	\$ 843,844	\$ (1,404,342)	\$ 4,242,088	\$ 185,429

Inperium, Inc.
Consolidating Statement of Activities
June 30, 2025

	Floracer	Total Non- Obligated Group	Eliminations	Total Consolidatd
Public support, revenues, gains and other support:				
Contract revenue	\$ -	\$ 16,208,016	\$ -	\$ 632,055,855
Contributions and grants	-	632,565	-	31,948,989
Client fees	-	37,660	-	11,266,629
Other program fees	-	783,510	-	14,917,744
Other operating revenue	(728)	3,283,972	(485,441)	13,875,652
Inherent contributions of net assets from affiliates (ICNA)	(78,081)	3,796,813	-	53,957,967
Total public support, revenues, gains and other support	(78,809)	24,742,536	(485,441)	758,022,836
Operating expenses:				
Salaries and wages	-	10,895,020	-	397,053,312
Employee benefits and payroll taxes	-	2,243,158	-	83,821,098
Depreciation and amortization	10,255	646,676	-	7,803,863
Facility and equipment rental	-	1,264,535	(338,930)	31,747,247
Housekeeping expense	-	322,930	-	8,993,429
Insurance expense	(34)	540,355	-	13,369,008
Interest expense	-	1,124,228	(146,511)	8,794,989
Professional fees	980	1,363,075	-	40,880,121
Purchased services	1,076	672,605	-	22,248,359
Supplies	-	593,330	-	16,115,371
Utilities	523	626,918	-	15,101,983
Other operating expenses	-	5,561,023	-	37,156,265
Management fee	-	1,508,624	-	-
Total operating expenses	12,800	27,362,477	(485,441)	683,085,045
Change in net assets (deficit) before other income (loss)	(91,609)	(2,619,941)	-	74,937,791
Other income (loss):				
Realized gain	-	6,978	-	4,298,882
Unrealized gain (loss)	-	3,639	-	540,058
Other income (loss)	-	19,609,388	-	(8,241,795)
Total other income (loss)	-	19,620,005	-	(3,402,855)
Increase (decrease) in net assets without donor restrictions	(91,609)	17,000,064	-	71,534,936
Net assets with donor restrictions:				
ICNA with donor restrictions	-	13,057	-	7,777,807
Increase (decrease) in net assets with donor restrictions	-	13,057	-	7,777,807
Increase (decrease) in total net assets	\$ (91,609)	\$ 17,013,121	\$ -	\$ 79,312,743

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Directors
Inperium, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Inperium, Inc. and its subsidiaries and affiliates (the Company), which comprise the Company's consolidated statement of financial position as of June 30, 2025, 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), and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Company's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Company's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Company's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Blue Bell, Pennsylvania
December 1, 2025

Inperium, Inc.

Reporting Requirements for Title 2 U.S. Code of
Federal Regulations (CFR) Part 200 and
Supplementary Information
June 30, 2025

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RSM US LLP

Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal, State and City Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Directors
Inperium, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Inperium, Inc. and its subsidiaries and affiliates' (the Company) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Company's major federal programs for the year ended June 30, 2025. The Company's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Company's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Company's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Company's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Company's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal, State and City Awards Required by the Uniform Guidance

We have audited the financial statements of the Company as of and for the year ended June 30, 2025, and have issued our report thereon dated December 1, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state and city awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal, state and city awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Blue Bell, Pennsylvania
March 31, 2026

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2025**

Federal Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Period	Total Expenditures	Passed Through to Subrecipients
Federal Financial Assistance						
U.S. Department of Health and Human Services:						
Health Center Cluster:						
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	D	93.224	22H80CS00718	04/01/24-03/31/25	\$ 2,155,003	\$ -
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	D	93.224	22H80CS00718	04/01/25-06/30/25	2,170,637	-
Grants for New and Expanded Services Under the Health Center Program	D	93.527	23Q8MCS49140	06/01/23-05/31/25	254,938	-
Total Health Center Cluster					4,580,578	-
Grants for Capital Development in Health Centers	D	93.526	6C8ECS44608-01-04	09/15/21-06/30/25	79,703	-
Passed through the City of New Orleans:						
Congressional Directives	I	93.493	RFP 1628	01/01/22-12/31/26	48,830	-
Passed through the Lehigh County Department of Human Services:						
Block Grants for Community Mental Health Services	I	93.958	24-MHID-261	07/01/24-06/30/25	242,852	-
Passed through the Montgomery County Department of Human Services:						
Block Grants for Community Mental Health Services	I	93.958	B-24-03-206	01/26/24-09/30/25	138,536	-
Passed through the Delaware Department of Human Services:						
Block Grants for Community Mental Health Services	I	93.958	35-06-25-059	07/01/24-06/30/25	12,185	-
Passed through the Delaware Division of Substance Abuse and Mental Health:						
Block Grants for Community Mental Health Services	I	93.958	35-06-25-027	07/01/24-06/30/25	30,001	-
Passed through the Pennsylvania Department of Human Services:						
Block Grants for Community Mental Health Services	I	93.958	B09SM010044-19	07/01/24-06/30/25	337,610	-
Passed through the New Jersey Department of Health and Addiction Services:						
Block Grants for Community Mental Health Services	I	93.958	B09SM087376	07/01/24-06/30/25	1,092,841	-
Total Block Grants for Community Mental Health Services					1,854,025	-
Passed through the Delaware Division of Substance Abuse and Mental Health:						
Opioid STR	I	93.788	H79T1083305	03/01/23-09/30/25	114,293	-
Passed through the Council on Chemical Abuse:						
Opioid STR	I	93.788	SAP4100053160	07/01/24-06/30/25	100,908	-
Passed through the New Jersey Department of Health and Addiction Services:						
Opioid STR	I	93.788	H79T1087773	10/1/23-09/30/24	271,368	-
Opioid STR	I	93.788	H79T1087774	10/1/24-09/30/25	376,594	-
Passed through the Montgomery County Department of Human Services:						
Opioid STR	I	93.788	831	07/01/24-06/30/25	110,507	-
Total Opioid STR					973,670	-
Passed through the Montgomery County Department of Human Services:						
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	831	07/01/24-06/30/25	92,799	-
Passed through the Council on Chemical Abuse:						
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	N/A	07/01/24-06/30/25	97,352	-
Passed through State of Illinois Department of Human Services:						
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	43CCC00078	07/01/24-06/30/25	230,000	-
Passed through Dauphin County Department of Drug and Alcohol:						
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	139086-010	07/01/24-06/30/25	13,029	-
Total Block Grants for Prevention and Treatment of Substance Abuse					433,180	-
Passed through Access Matters:						
Social Services Block Grant	I	93.667	S233901	07/01/24-06/30/25	14,869	-
Passed through the Montgomery County Department of Human Services:						
Social Services Block Grant	I	93.667	B-24-03-206	01/26/24-09/30/25	62,404	-
Passed through the Northampton County Department of Human Services:						
Social Services Block Grant	I	93.667	24-1020	07/01/24-06/30/25	58,135	-
Total Social Service Block Grant					135,408	-
Substance Abuse and Mental Health Services Administration:						
Passed through the Philadelphia Office of Behavioral Health and Intellectual Disability:						
Projects for Assistance in Transition from Homelessness (PATH)	I	93.150	X06SM0888-24	07/01/24-06/30/25	235,322	-
Passed through the New Jersey Department of Human Resources:						
Projects for Assistance in Transition from Homelessness (PATH)	I	93.150	2120005-05	07/01/24-06/30/25	218,027	-
Total Projects for Assistance in Transition from Homelessness					453,349	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Federal Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance	Pass-Through	Program Period	Total Expenditures	Passed Through to Subrecipients
		Listing Number	Entity Identifying Number			
U.S. Department of Health and Human Services (continued):						
Passed through Center for Disease Control and Prevention:						
City of Philadelphia Department of Public Health:						
AIDS Activities Coordinating Office:						
HIV Emergency Relief Project Grants	I	93.914	RW4411	03/01/24-02/28/25	\$ 18,376	\$ -
HIV Emergency Relief Project Grants	I	93.914	RW5411	03/01/25-02/28/26	16,128	-
HIV Emergency Relief Project Grants	I	93.914	RW4418	03/01/24-02/28/25	31,828	-
HIV Emergency Relief Project Grants	I	93.914	RW5418	03/01/25-02/28/26	9,239	-
Total HIV Emergency Relief Project Grants					75,571	-
Passed through Hamilton County Tennessee:						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	I	93.243	RFP#0621-195	04/29/22-04/30/26	384,513	-
Passed through Access Matters:						
Family Planning Services	I	93.217	213901	04/01/24-03/31/25	126,130	-
Passed through Access Matters:						
Maternal and Child Health Services Block Grant to the States	I	93.994	233010	07/01/24-06/30/25	32,088	-
Maternal and Child Health Services Block Grant to the States	I	93.994	S233901-2	07/01/24-06/30/25	3,395	-
Total Maternal and Child Health Services Block Grant to the States					35,483	-
Passed through Monroe County:						
Community Services Block Grant	I	93.569	CSBG 2024	01/01/24-12/31/24	6,817	-
Community Services Block Grant	I	93.569	CSBG 2025	01/01/25-12/31/25	13,623	-
Total Community Services Block Grant					20,440	-
Passed through the County Children and Youth Service and Juvenile Probation:						
Education Leading to Employment and Career Training:						
Temporary Assistance for Needy Families (TANF)						
Cumberland County	I	93.558	CY23-0270	07/01/24-06/30/25	49,558	-
Cumberland County JPO	I	93.558	N/A	07/01/24-06/30/25	6,679	-
Northampton County	I	93.558	N/A	07/01/24-06/30/25	188,866	-
Passed through the New Jersey Department of Children and Families:						
Temporary Assistance for Needy Families (TANF)	I	93.558	SF0113	07/01/24-06/30/25	212,833	-
Total Temporary Assistance for Needy Families (TANF)					457,936	-
Foster Care Title IV E:						
Passed through County Children and Youth Services:						
Berks County	I	93.658	PSAP-617574-22	07/01/24-06/30/25	22,967	-
Cumberland County	I	93.658	N/A	07/01/24-06/30/25	11,183	-
Cuyahoga County	I	93.658	N/A	07/01/24-06/30/25	244,577	-
Northampton County	I	93.658	23-411/23-420	07/01/24-06/30/25	28,082	-
Schuylkill County	I	93.658	N/A	07/01/24-06/30/25	341,352	-
Passed through the California Department of Human Services:						
Greater Los Angeles Counties	I	93.658	N/A	07/01/24-06/30/25	1,047,585	-
San Bernardino County	I	93.658	V2QBKNNM3WP8	07/01/24-06/30/25	1,241,022	-
Total Foster Care Title IV E					2,936,768	-
Office of the Administration for Children and Families:						
Office of Refugee Resettlement:						
Unaccompanied Children Program	D	93.676	90Z0421	07/01/24-06/30/25	5,588,355	-
Total U.S. Department of Health and Human Services					18,183,939	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Federal Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance		Pass-Through Entity Identifying Number	Program Period	Total Expenditures	Passed Through to Subrecipients
		Listing Number					
U.S. Department of Housing and Urban Development:							
Continuum of Care Program	D	14.267		PA0205L3T092316	10/01/24-09/30/25	\$ 143,073	\$ -
Continuum of Care Program	D	14.267		PA0206L3T092316	01/01/25-12/31/25	163,990	-
Continuum of Care Program	D	14.267		PA0206L3T092215	01/01/24-12/31/24	81,106	-
Continuum of Care Program	D	14.267		PA0449L3T092312	03/01/24-02/28/25	93,095	-
Continuum of Care Program	D	14.267		DE0001L3T002313	08/01/21-07/31/24	16,328	-
Continuum of Care Program	D	14.267		DE0001L3T002212	08/01/24-07/31/25	203,665	-
Continuum of Care Program	D	14.267		DE005L3L3T002215	06/01/24-05/31/25	965,920	-
Continuum of Care Program	D	14.267		DE005L3L3T002316	06/01/25-05/31/25	87,354	-
Continuum of Care Program	D	14.267		DE0013L3T002015	07/01/24-06/30/25	319,200	-
Continuum of Care Program	D	14.267		DE0014L3T002215	02/01/24-01/31/25	288,413	-
Continuum of Care Program	D	14.267		DE0014L3T0022316	02/01/25-01/31/25	227,897	-
Continuum of Care Program	D	14.267		DE0023L3T002010	11/01/21-10/31/24	454,116	-
Continuum of Care Program	D	14.267		DE0023L3T002212	11/01/24-10/31/25	1,020,528	-
Continuum of Care Program	D	14.267		DE0024L3T002009	11/01/21-10/31/24	124,702	-
Continuum of Care Program	D	14.267		DE0024L3T00211	11/01/24-10/31/25	280,808	-
Continuum of Care Program	D	14.267		DE0047L3T002005	11/01/21-10/31/24	325,291	-
Continuum of Care Program	D	14.267		DE0024L3T002211	11/01/24-10/31/25	728,328	-
Continuum of Care Program	D	14.267		DE0050L3T002004	11/01/22-10/31/24	102,771	-
Continuum of Care Program	D	14.267		DE0050L3T002206	11/01/24-10/31/25	228,968	-
Passed through the 1260 Housing Development Corporation:							
Continuum of Care Program	I	14.267		PA0084L3T002316	03/01/24-02/28/25	70,642	-
Passed through the City of New Orleans:							
Continuum of Care Program	I	14.267		LA0086L6H032316	07/01/24-06/30/25	45,097	-
Total Continuum of Care Program						5,971,292	-
Housing Opportunities for Persons with AIDS	D	14.241		DEH190012	06/23/23-06/22/26	278,298	-
Passed through the Philadelphia Division of Housing and Community Development:							
Home Investment Partnerships Program	I	14.239		2520120	07/01/24-06/30/25	215,606	-
Section 8 Project-Based Cluster:							
Project-Based Rental Assistance (PBRA)	D	14.195		N/A	07/01/24-06/30/25	263,552	-
Project-Based Rental Assistance (PBRA)	D	14.195		Group home 1	07/01/24-06/30/25	21,255	-
Project-Based Rental Assistance (PBRA)	D	14.195		Group home 2	07/01/24-06/30/25	13,554	-
Project-Based Rental Assistance (PBRA)	D	14.195		Marc Housing	07/01/24-06/30/25	31,490	-
Total Section 8 Project-Based Cluster						329,851	-
Supportive Housing for Persons with Disabilities	D	14.181		TN40Q921002	07/01/24-06/30/25	32,658	-
Passed through the Philadelphia Office of Homeless Services:							
Emergency Solutions Grant Program	I	14.231		2420605	01/01/24-12/31/24	2,676	-
Passed through Monroe County:							
Emergency Solutions Grant Program	I	14.231		ESG-2023	01/26/24-07/26/24	40,235	-
Total Emergency Solutions Grant Program						42,911	-
Total U.S. Department of Housing and Urban Development						6,870,616	-
U.S. Department of Homeland Security:							
Passed through Monroe County:							
COVID-19: Emergency Food and Shelter National Board Program	I	97.024		EFSP Phase 41	10/01/22-12/31/24	6,000	-
Total U.S. Department of Homeland Security						6,000	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Federal Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Period	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:						
Child Nutrition Cluster:						
Passed through the New Jersey Department of Agriculture:						
School Breakfast Program	I	10.553	10609321	10/01/23-09/30/24	\$ 7,784	\$ -
School Breakfast Program	I	10.553	10609321	10/01/24-09/30/25	23,501	-
National School Lunch Program	I	10.555	10609321	10/01/23-09/30/24	13,225	-
National School Lunch Program	I	10.555	10609321	10/01/24-09/30/25	34,440	-
Passed through the Pennsylvania Department of Education:						
School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	377,651	-
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	606,146	-
Passed through the Pennsylvania Department of Agriculture:						
National School Lunch Program	I	10.555	300-06-154-0	07/01/24-06/30/25	5,489	-
National School Lunch Program	I	10.555	2-07-06-154	07/01/24-06/30/25	4,576	-
Passed through the State of California:						
School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	21,677	-
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	32,712	-
Total Child Nutrition Cluster					1,127,201	-
Passed through the New Jersey Department of Agriculture:						
Child and Adult Care Food Program	I	10.558	AD-010128-CMD-08-0042	10/01/23-09/30/24	12,020	-
Child and Adult Care Food Program	I	10.558	AD-010128-CMD-08-0042	10/01/24-09/30/25	35,207	-
Total Child and Adult Care Food Program					47,227	-
Total U.S. Department of Agriculture					1,174,428	-
U.S. Department of Education:						
Passed through County Intermediate Units:						
Title 1 Grants to Local Educational Agencies	I	84.010	107 22 0612/107 23 0612/S010A230006	07/01/24-06/30/25	347,706	-
Title 1 Grants to Local Educational Agencies	I	84.010	24-25 Title 1D	07/01/24-06/30/25	195,995	-
Title 1 Grants to Local Educational Agencies	I	84.010	107-240622/107-250622	07/01/24-06/30/25	109,526	-
Title 1 Grants to Local Educational Agencies	I	84.010	N/A	07/01/24-06/30/25	345,174	-
Total Title 1 Grants to Local Educational Agencies					998,401	-
Passed through the State of Tennessee:						
Special Education-Grants for Infants and Families	I	84.181A	34401-99415- Center	07/01/24-06/30/25	126,750	-
Special Education-Grants for Infants and Families	I	84.181A	34401-99415-HCB	07/01/24-06/30/25	426,326	-
Total Special Education-Grants for Infants and Families					553,076	-
Passed through County Intermediate Units:						
COVID-19: Education Stabilization Fund	I	84.425U	112-00-000	07/01/24-06/30/25	538,600	-
COVID-19: Education Stabilization Fund	I	84.425U	224-210622	07/01/24-06/30/25	10,919	-
Passed through the Pennsylvania Department of Education:						
COVID-19: Education Stabilization Fund	I	84.425U	258 22 0612	07/01/24-06/30/25	112,758	-
Total Education Stabilization Fund					662,277	-
Passed through North Carolina Division of Vocational Rehabilitation Services:						
Disability Innovation Fund (DIF)	I	84.421D	H421D220010	10/01/22-09/30/27	462,074	-
Total U.S. Department of Education					2,675,828	-
U.S. Department of Justice:						
Passed through the City of New Orleans:						
Criminal and Juvenile Justice and Mental Health Collaboration Program	I	16.745	NOHD	01/22/22-12/31/26	82,055	-
Passed through the Philadelphia Office of Homeless Services:						
COVID-19: Coronavirus Emergency Supplemental Funding Program	I	16.034	2120246-04	07/01/24-06/30/25	385,200	-
COVID-19: Coronavirus Emergency Supplemental Funding Program	I	16.034	2520324	07/01/24-06/30/25	362,160	-
Total Coronavirus Emergency Supplemental Funding Program					747,360	-
Total U.S. Department of Justice					829,415	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Period	Total Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury:						
Passed through Dallas County:						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	I	21.027	2022-037-6952	01/01/22-06/30/25	\$ 142,754	\$ -
Passed through Tarrant County:						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	I	21.027	CARPA-2022	01/01/22-06/30/25	29,346	-
Passed through the Montgomery County Recovery Office:						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	I	21.027	MPRF-22-267	03/01/21-12/31/26	1,037,400	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	I	21.027	SLRFP3241	03/01/21-12/31/26	394,553	-
Total Coronavirus State and Local Fiscal Recovery Funds					1,604,053	-
Total U.S. Department of the Treasury					1,604,053	-
Total Federal Financial Assistance					31,344,279	-
State Financial Assistance						
Connecticut:						
Department of Developmental Services:						
CT—Day and Residential programs	N/A	N/A	21DDS0102RD	07/01/24-06/30/27	7,140,920	-
Total Connecticut					7,140,920	-
Delaware:						
Department of Health and Social Services:						
Assertive Community Treatment—New Castle County	N/A	N/A	35-06-23-043	07/01/24-06/30/25	1,206,352	-
Choices, Mainstay	N/A	N/A	DDDS24-0038-00	07/01/24-06/30/25	140,643	-
Group Home Services (Grubb, Montrose, Brandywine Hills, and Jefferson)	N/A	N/A	35-06-22-117	01/01/22-07/20/25	1,386,359	-
Total Delaware					2,733,354	-
Iowa:						
Mental Health/Disability Services of the East Central Region	N/A	N/A	10990	07/01/24-06/30/27	26,444	-
Total Iowa					26,444	-
Massachusetts:						
Department of Developmental Services:						
Individual Support	N/A	N/A	176610667084DDS3780C	07/01/24-06/30/25	875,877	-
Outside the Lines	N/A	N/A	INTF24611327DDS3163H	07/01/24-06/30/25	478,022	-
Residential Services—Occupancy	N/A	N/A	INTF2462L252DDS3753M	07/01/24-06/30/25	704,532	-
Residential Services—Operations	N/A	N/A	INTF2461R226DDS3153D	07/01/24-06/30/25	8,277,612	-
Urban Youth	N/A	N/A	INTF21612112DDS3228C	07/01/24-06/30/25	6,679	-
Total Massachusetts					10,342,722	-
Illinois:						
Department of Human Services:						
Substance Use Disorder and Gambling Disorder	N/A	N/A	444-26-0724	07/01/24-06/30/25	2,270,000	-
Substance Use Disorder Block Grant Treatment and Recovery	N/A	N/A	444-26-0726	07/01/24-06/30/25	262,422	-
Total Illinois					2,532,422	-
New Jersey:						
Department of Human Services:						
Division of Mental Health Services—SALT and RIST	N/A	N/A	30415	07/01/24-06/30/25	2,319,007	-
Division of Addiction Services—Supportive Housing	N/A	N/A	24-623-ADA-0	07/01/24-06/30/25	301,025	-
Division of Mental Health Services—Iotss, PATH and CSS	N/A	N/A	40301	07/01/24-06/30/25	1,504,665	-
Department of Children and Families:						
Independent Living - ROP Program	N/A	N/A	25SF0113	07/01/24-06/30/25	289,633	-
Parents Night Out	N/A	N/A	25AZZR	07/01/24-06/30/25	49,426	-
Parents Night Out	N/A	N/A	25BCLR	07/01/24-06/30/25	70,089	-
Assistive Technology	N/A	N/A	25BFLR	07/01/24-06/30/25	144,944	-
Educational Advocacy	N/A	N/A	25MWLR	07/01/24-06/30/25	107,010	-
Child Outpatient Camden	N/A	N/A	25DVDR	07/01/24-06/30/25	265,168	-
Department of Developmental Disabilities:						
Assistive Technology	N/A	N/A	22LX23C	10/01/23-09/30/24	37,905	-
Assistive Technology	N/A	N/A	22LX24C	10/01/24-09/30/25	75,922	-
Mercer County:						
Respite	N/A	N/A	Resolution 2023-532	01/01/25-12/31/25	32,995	-
Total New Jersey					5,197,789	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Grantor/Pass through Grantor/Program Title	Source Code (*)	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Period	Total Expenditures	Passed Through to Subrecipients
Pennsylvania:						
Pennsylvania Office of Vocational Rehabilitation:						
Allies	N/A	N/A	N/A	07/01/24-06/30/25	\$ 94,207	\$ -
Total Pennsylvania Office of Vocational Rehabilitation					94,207	-
Pennsylvania Department of Human Services:						
Passed through the Philadelphia Department of Behavioral Health and Intellectual Disability Services:						
Mental Health Base Unitary	N/A	N/A	21-20005-05	07/01/24-06/30/25	17,570,850	-
New Perspectives	N/A	N/A	4100093640	07/01/24-06/30/25	365,973	-
					17,936,823	-
Passed through the Philadelphia Office of Homeless Services:						
Fernwood	N/A	N/A	2320749-01	07/01/24-06/30/25	30,453	-
					30,453	-
Passed through Access Matters:						
Family Practice Counseling Network	N/A	N/A	S233901-2	07/01/24-06/30/25	9,119	-
					9,119	-
Passed through Lehigh County Human Services:						
Lehigh County Mental Health	N/A	N/A	24-MHID-261	07/01/24-06/30/25	612,626	-
					612,626	-
Passed through various counties:						
Allegheny County	N/A	N/A	53999	07/01/24-06/30/25	3,404,887	-
Bucks County	N/A	N/A	N/A	07/01/24-06/30/25	51,830	-
Monroe County	N/A	N/A	SFPP 24-25	07/01/24-06/30/25	8,225	-
Carbon Monroe Pike—Department of MH	N/A	N/A	New Perspectives/Crossroads	07/01/24-06/30/25	649,129	-
Carbon Monroe Pike Health Choices	N/A	N/A	SDoH Housing	07/01/24-06/30/25	386,167	-
Carbon Monroe—Department of MH	N/A	N/A	MOU 988	07/01/24-06/30/25	387,156	-
Lehigh County—MH/DD	N/A	N/A	N/A	07/01/24-06/30/25	463,793	-
Montgomery County—MH/MR (RSS/CCW)	N/A	N/A	583	07/01/24-06/30/25	111,427	-
Montgomery County Department of BH/DD	N/A	N/A	497	07/01/24-06/30/25	4,451,751	-
Montgomery County Department of BH/DD	N/A	N/A	831	07/01/24-06/30/25	193,704	-
Montgomery County—CPMT	N/A	N/A	B-24-03-206	07/01/24-06/30/25	18,433	-
Montgomery County—DHS	N/A	N/A	544	07/01/24-06/30/25	89,557	-
Northampton County—DHS	N/A	N/A	24-619	07/01/24-06/30/25	34,055	-
					10,250,114	-
Total Pennsylvania Department of Human Services					28,839,135	-
Pennsylvania counties:						
Montgomery County Adult Probation & Parole Department	N/A	N/A	645	07/01/24-06/30/25	431,595	-
Total Pennsylvania counties					431,595	-
Total Pennsylvania					29,364,937	-
Tennessee:						
Division of Intellectual Disabilities Services						
Family Support Services	N/A	N/A	34401-99449	07/01/24-06/30/25	1,145,386	-
Total Tennessee					1,145,386	-
Total State Financial Assistance					58,483,974	-

(Continued)

Inperium, Inc.

**Schedule of Expenditures of Federal, State and City Awards (Continued)
Year Ended June 30, 2025**

Grantor/Pass through Grantor/Program Title	Assistance		Pass-Through Entity Identifying Number	Program Period	Total	
	Source Code (*)	Listing Number			Expenditures	Passed Through to Subrecipients
City Financial Assistance						
Philadelphia Department of Behavioral Health and Intellectual Disability Services: Mental Health Base Unitary	N/A	N/A	21-20005-05	07/01/24-06/30/25	\$ 82,207	\$ -
Philadelphia Office of Homeless Services: Fernwood	N/A	N/A	2520272	07/01/24-06/30/25	3,045,655	-
Rapid Rehousing	N/A	N/A	2120071-04	07/01/24-06/30/25	144,710	-
Philadelphia Department of Public Health: Passed through the Health Federation: Access Matters	N/A	N/A	242030374-01	01/01/24-06/30/25	197,250	-
Total City Financial Assistance					<u>3,469,822</u>	<u>-</u>
Total Federal, State and City financial assistance					<u>\$ 93,298,075</u>	<u>\$ -</u>

(*) D - Direct funding

I - Indirect funding

See notes to schedule of expenditures of federal, state and city awards.

Inperium, Inc.

**Notes to Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2025**

Note 1. General Information

The accompanying schedule of expenditures of federal, state and city awards (the Schedule) includes the federal, state and city grant activity of Inperium, Inc. and its subsidiaries and affiliates (the Company).

All financial assistance received directly from federal agencies, as well as financial assistance passed through other governmental agencies or not-for-profit organizations, is included on the Schedule. There were no funds provided to subrecipients for the year ended June 30, 2025.

Note 2. Indirect Cost Rate

The Company has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Basis of Accounting and Relationship to the Basic Financial Statements

The accompanying Schedule is presented using the accrual basis of accounting, which is described in Note 2 to the consolidated financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4. Contributed Nonfinancial Assets

The value of the Federal awards expended in the form of noncash assistance for the year ended June 30, 2025, was \$122,651.

Inperium, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR § 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.241	Housing Opportunities for Persons with AIDS
14.267	Continuum of Care Program
93.224/93.527	Health Center Cluster – Health Center Program/Grants for New and Expanded Services Under the Health Center Program
93.558	Temporary Assistance for Needy Families (TANF)
93.676	Unaccompanied Children Program
93.788	Opioid STR

Dollar threshold used to distinguish between Type A and Type B programs: \$940,328

Auditee qualified as low-risk auditee? Yes X No

(Continued)

Inperium, Inc.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Section II. Financial Statement Findings

Finding 2025-001—Accounting for Business Combinations

Criteria: An effective system of controls over financial reporting should be designed to allow for the timely and accurate recordation of accounting events and transactions.

Condition: The Company recorded a business combination in accordance with Accounting Standards Codification 805, *Business Combinations*, that required adjustments to be in full conformity with the accounting standard.

Cause: The Company's system of internal control was not designed effectively to allow for the accurate recording of this transaction in accordance with the accounting standard.

Effect: Adjustments to the trial balance provided upon commencement of the audit were required to correctly reflect the Company's business acquisition.

Recommendation: We recommend the Company continue to obtain an understanding of the controls in place and monitor controls related to its accounting for business combinations to ensure such transactions are properly recorded.

Views of responsible officials: Management agrees with the finding. See page 15 for Corrective Action Plan.

Section III. Federal Awards Findings and Questioned Costs

No matters were reported.

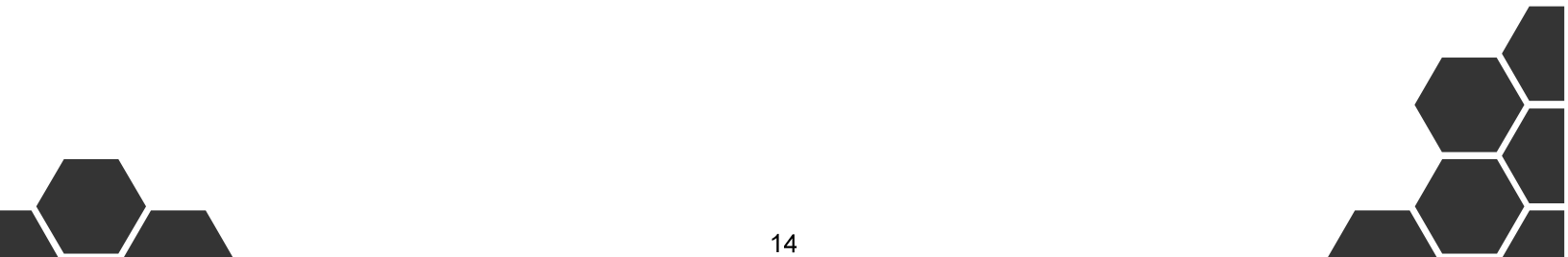


**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

Identifying Number: 2024-001 – Review and approval of Federal expenditures

Finding: The Temporary Assistance for Needy Families (TANF) program as operated by CHORYFS is a fee-for-service program. Billings to grant funders for services rendered by CHORYFS are not independently reviewed and approved prior to submission.

Corrective Actions Taken: Effective July 1, 2024, CHORYFS implemented a new electronic health record system which allows for an independent review and approval of completed services and the Senior Director of the program does the approval of all billings.





Corrective Action Plan
Fiscal Year Ended June 30, 2025

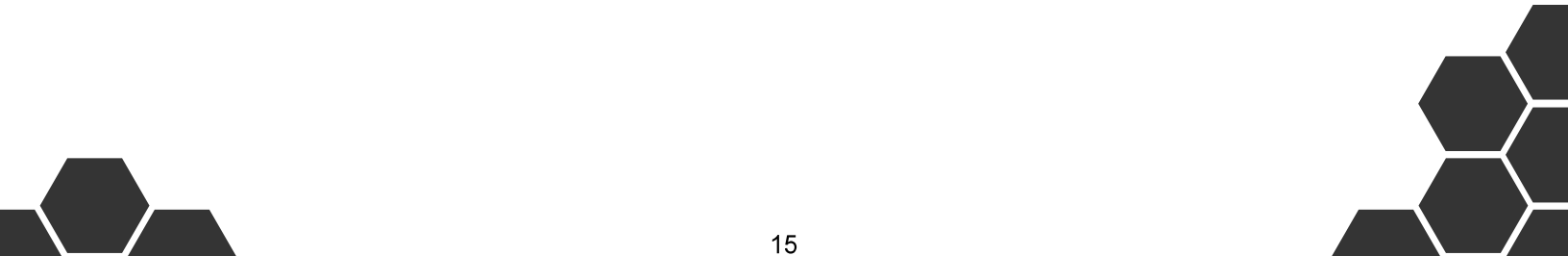
Identifying Number: 2025-001—Accounting for Business Combinations

Finding: The Company recorded a business combination in accordance with Accounting Standards Codification 805, Business Combinations, that required adjustments to be in full conformity with the accounting standard.

Corrective Action Taken: The Company has developed and implemented formal procedures to ensure compliance with ASC 805. A documented checklist was created to guide the accounting for business combinations, including fair value measurement of acquired assets and liabilities, recognition of intangible assets, and accurate calculation of goodwill. Additionally, the Company will continue to engage qualified valuation specialists for future transactions and has enhanced the internal review and approval process for all business combination entries. Detailed documentation of assumptions, valuation reports, and journal entries are maintained to provide a clear audit trail and support compliance.

Person Responsible for Corrective Action: Theo Rallis, Chief Financial Officer

Completion Date: By December 1, 2025





RSM US LLP

Independent Auditor's Report on Supplementary Information

Board of Directors
Inperium, Inc.

We have audited the consolidated financial statements of Inperium, Inc. and its subsidiaries and affiliates, which comprise the consolidated statements of financial position as of June 30, 2025, 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, and have issued our report thereon dated December 1, 2025, which contains an unmodified opinion on those consolidated financial statements (collectively, the financial statements). Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to December 1, 2025.

The accompanying supplemental financial schedule presented on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Blue Bell, Pennsylvania
March 31, 2026

Inperium, Inc.

**Schedule of Compensation, Benefits and Other
Payments to Chief Executive Officer
Year Ended June 30, 2025**

Chief Executive Officer Name: Brian Rhodes

Purpose

Salary	\$	375,625	
Benefits—insurance		8,074	
Benefits-other: FICA		17,033	
Benefits-other: unemployment		150	
Benefits-other: workers compensation		2,913	
Reimbursements		5,259	
Travel		8,341	
Total			<u>\$ 417,395</u>