



Consolidated Financial Statements
June 30, 2022 and 2021

Nexus – Woodbourne Family Healing and Subsidiary

Nexus – Woodbourne Family Healing and Subsidiary

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June 30, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors
Nexus – Woodbourne Family Healing and Subsidiary
Baltimore, Maryland

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nexus – Woodbourne Family Healing and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 these 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Eide Sully LLP

Minneapolis, Minnesota
February 14, 2023

Nexus – Woodbourne Family Healing and Subsidiary
Consolidated Statements of Financial Position
June 30, 2022 and 2021

| | 2022 | 2021 |
|--|---------------|---------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 132,445 | \$ 7,494 |
| Operating investments | 726,638 | 774,168 |
| Accounts receivable, net | | |
| Operating accounts receivable, net | 3,668,565 | 3,216,488 |
| Other accounts receivable | 10,049 | 405,874 |
| Promises to give | 50,000 | - |
| Prepaid expenses | 208,056 | 27,098 |
| Total current assets | 4,795,753 | 4,431,122 |
| Non-Current Assets | | |
| Beneficial interest in assets held by community foundation | 294,325 | 375,514 |
| Beneficial interest in charitable trusts held by others | 4,349,620 | 5,188,283 |
| Total non current assets | 4,643,945 | 5,563,797 |
| Property and Equipment, Net | 3,480,060 | 3,741,616 |
| Total assets | \$ 12,919,758 | \$ 13,736,535 |

Nexus – Woodbourne Family Healing and Subsidiary

Consolidated Statements of Financial Position

June 30, 2022 and 2021

| | 2022 | 2021 |
|--|---------------|---------------|
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Current portion of long-term note payable | \$ 63,542 | \$ 61,180 |
| Accounts payable, other accrued expenses and liabilities | 531,015 | 1,592,288 |
| Accrued salaries and benefits | 595,678 | 558,312 |
| Due to affiliates | 1,967,846 | 2,294,031 |
| Total current liabilities | 3,158,081 | 4,505,811 |
| Non-Current Liabilities | | |
| Other long-term liabilities, net of current portion | - | 230,404 |
| Long-term note payable, net of current portion | 41,867 | 103,135 |
| Total non current liabilities | 41,867 | 333,539 |
| Total liabilities | 3,199,948 | 4,839,350 |
| Net Assets | | |
| Without donor restriction | 5,261,247 | 3,632,973 |
| With donor restriction | 4,458,563 | 5,264,212 |
| Total net assets | 9,719,810 | 8,897,185 |
| Total liabilities and net assets | \$ 12,919,758 | \$ 13,736,535 |

Nexus – Woodbourne Family Healing and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2022

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | <u>Total</u> |
|--|--------------------------------------|-----------------------------------|---------------------|
| Revenue, Support and Gains | | | |
| Contract revenue | \$ 13,414,892 | \$ - | \$ 13,414,892 |
| School revenue | 2,646,724 | - | 2,646,724 |
| School food revenue | 90,332 | - | 90,332 |
| Other | 76,603 | - | 76,603 |
| Grants and contributions | 2,347,868 | 439,150 | 2,787,018 |
| Net investment loss | (11,791) | - | (11,791) |
| Change in value of beneficial interest in charitable trust held by others | (81,931) | (837,921) | (919,852) |
| Net assets released from restrictions | 406,878 | (406,878) | - |
| Total revenue, support and gains | <u>18,889,575</u> | <u>(805,649)</u> | <u>18,083,926</u> |
| Expenses | | | |
| Program services expense | 12,305,304 | - | 12,305,304 |
| Supporting services expense | | | |
| Management and general | 4,773,226 | - | 4,773,226 |
| Fundraising | 182,771 | - | 182,771 |
| Total expenses | <u>17,261,301</u> | <u>-</u> | <u>17,261,301</u> |
| Change in Net Assets | 1,628,274 | (805,649) | 822,625 |
| Net Assets, Beginning of Year | <u>3,632,973</u> | <u>5,264,212</u> | <u>8,897,185</u> |
| Net Assets, End of Year | <u>\$ 5,261,247</u> | <u>\$ 4,458,563</u> | <u>\$ 9,719,810</u> |

Nexus – Woodbourne Family Healing and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2021

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | <u>Total</u> |
|--|--------------------------------------|-----------------------------------|---------------------|
| Revenue, Support and Gains | | | |
| Contract revenue | \$ 11,702,168 | \$ - | \$ 11,702,168 |
| School revenue | 2,506,837 | - | 2,506,837 |
| School food revenue | 90,044 | - | 90,044 |
| Other | 145,753 | - | 145,753 |
| Grants and contributions | 93,751 | 551,867 | 645,618 |
| Net investment return | 98,432 | - | 98,432 |
| Change in value of beneficial interest in charitable trust held by others | 81,540 | 533,601 | 615,141 |
| Net assets released from restrictions | <u>557,177</u> | <u>(557,177)</u> | <u>-</u> |
| Total revenue, support and gains | <u>15,275,702</u> | <u>528,291</u> | <u>15,803,993</u> |
| Expenses | | | |
| Program services expense | 11,824,426 | - | 11,824,426 |
| Supporting services expense | | | |
| Management and general | 4,120,419 | - | 4,120,419 |
| Fundraising | 28,203 | - | 28,203 |
| Total expenses | <u>15,973,048</u> | <u>-</u> | <u>15,973,048</u> |
| Change in Net Assets | (697,346) | 528,291 | (169,055) |
| Net Assets, Beginning of Year | <u>4,330,319</u> | <u>4,735,921</u> | <u>9,066,240</u> |
| Net Assets, End of Year | <u>\$ 3,632,973</u> | <u>\$ 5,264,212</u> | <u>\$ 8,897,185</u> |

Nexus – Woodbourne Family Healing and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

| | Program Services | Management and General | Fundraising | Total |
|-----------------------------|----------------------|---------------------------|-------------------|----------------------|
| Salaries and Wages | \$ 7,172,698 | \$ 1,290,128 | \$ - | \$ 8,462,826 |
| Employee Benefits and Taxes | 2,028,500 | 405,026 | - | 2,433,526 |
| Total personnel cost | 9,201,198 | 1,695,154 | - | 10,896,352 |
| Administrative Fees | - | 1,404,396 | - | 1,404,396 |
| Audit/Accounting | - | 106,781 | - | 106,781 |
| Auto and Travel | 27,094 | 52,423 | - | 79,517 |
| Books and Subscriptions | 5,368 | 560 | - | 5,928 |
| Foundation Allocation | - | 1,304 | 182,771 | 184,075 |
| Consulting | 2,800 | 348,330 | - | 351,130 |
| Contract Labor | 709,414 | 143,298 | - | 852,712 |
| Depreciation | 386,361 | 43,168 | - | 429,529 |
| Development | 208 | 300 | - | 508 |
| Food | 514,034 | 85,526 | - | 599,560 |
| Foster Care Payments | 706,035 | - | - | 706,035 |
| Insurance | 64,350 | 148,122 | - | 212,472 |
| Interest | - | 10,091 | - | 10,091 |
| License/Dues/Fees | 11,066 | 112,325 | - | 123,391 |
| Maintenance | 312,965 | 123,634 | - | 436,599 |
| Miscellaneous | 174 | 9,836 | - | 10,010 |
| Hiring Expenses | 30,259 | 59,644 | - | 89,903 |
| Office Expense | 28,704 | 47,111 | - | 75,815 |
| Recreational Expense | 101,132 | 2,964 | - | 104,096 |
| Rent Expense | - | 7,498 | - | 7,498 |
| Resident Supplies | 162,098 | 9,230 | - | 171,328 |
| School Expenses | 610 | - | - | 610 |
| Staff Development | 23,870 | 27,077 | - | 50,947 |
| Utilities | 17,564 | 334,454 | - | 352,018 |
| | <u>\$ 12,305,304</u> | <u>\$ 4,773,226</u> | <u>\$ 182,771</u> | <u>\$ 17,261,301</u> |

Nexus – Woodbourne Family Healing and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

| | Program Services | Management and General | Fundraising | Total |
|-----------------------------|----------------------|---------------------------|------------------|----------------------|
| Salaries and Wages | \$ 7,002,933 | \$ 1,176,296 | \$ - | \$ 8,179,229 |
| Employee Benefits and Taxes | 2,140,723 | 376,920 | - | 2,517,643 |
| Total personnel cost | 9,143,656 | 1,553,216 | - | 10,696,872 |
| Administrative Fees | - | 1,098,530 | - | 1,098,530 |
| Audit/Accounting | 2,260 | 97,783 | - | 100,043 |
| Auto and Travel | 28,437 | 47,215 | - | 75,652 |
| Foundation Allocation | | 96,503 | 27,420 | 123,923 |
| Books and Subscriptions | 1,809 | 469 | - | 2,278 |
| Community Services | 5,360 | 599 | - | 5,959 |
| Consulting | 108,725 | 181,887 | - | 290,612 |
| Contract Labor | 366,988 | 375,928 | - | 742,916 |
| Depreciation | 404,178 | 45,208 | - | 449,386 |
| Food | 345,512 | 95,871 | - | 441,383 |
| Foster Care Services | 576,236 | - | - | 576,236 |
| Insurance | 68,703 | 121,093 | - | 189,796 |
| Interest | - | 14,416 | - | 14,416 |
| License/Fees/Dues | 1,374 | 120,831 | - | 122,205 |
| Maintenance | 160,232 | 103,827 | - | 264,059 |
| Hiring Expenses | 35,583 | 59,410 | - | 94,993 |
| Office Expense | 30,389 | 37,372 | - | 67,761 |
| Recreational Expense | 130,209 | 6,437 | - | 136,646 |
| Rent Expense | - | 4,332 | - | 4,332 |
| Resident Supplies | 130,927 | 6,859 | - | 137,786 |
| School Expenses | 1,419 | - | - | 1,419 |
| Staff Development | 38,049 | 25,298 | - | 63,347 |
| Foundation Allocation | - | - | - | - |
| Utilities | 244,380 | 27,335 | 783 | 272,498 |
| | <u>\$ 11,824,426</u> | <u>\$ 4,120,419</u> | <u>\$ 28,203</u> | <u>\$ 15,973,048</u> |

Nexus – Woodbourne Family Healing and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

| | 2022 | 2021 |
|--|-------------|--------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 822,625 | \$ (169,055) |
| Adjustments to reconcile change in net assets to net cash generated by operating activities | | |
| Depreciation | 429,529 | 449,386 |
| Loss (gain) on investments | 47,530 | (102,136) |
| Change in value of beneficial interests in assets held by others and by community foundation | 919,852 | (615,141) |
| Increase (decrease) in cash from change in | | |
| Accounts receivable | (56,252) | (908,215) |
| Promises to give | (50,000) | - |
| Prepaid expenses | (180,958) | 12,178 |
| Accounts payable, other accrued expenses and liabilities | (1,291,677) | 1,581,004 |
| Accrued salaries and benefits | 37,366 | (18,486) |
| | 678,015 | 229,535 |
| Net Cash from Operating Activities | | |
| Cash Flows used for Investing Activities | | |
| Purchase of fixed assets | (167,973) | (86,635) |
| | (167,973) | (86,635) |
| Net Cash used for Investing Activities | | |
| Cash Flows used for Financing Activities | | |
| Net change in due to affiliates | (326,185) | (385,936) |
| Payments on long-term note payable | (58,906) | (56,982) |
| | (385,091) | (442,918) |
| Net Cash used for Financing Activities | | |
| Net Change in Cash and Cash Equivalents | 124,951 | (300,018) |
| Cash and Cash Equivalents, Beginning of Year | 7,494 | 307,512 |
| Cash and Cash Equivalents, End of Year | \$ 132,445 | \$ 7,494 |
| Supplemental Disclosure of Cash Flow Information | | |
| Interest paid | \$ 9,423 | \$ 13,375 |

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Nexus – Woodbourne Family Healing (Woodbourne) and the Woodbourne Organization Charitable Trust (the Trust) are nonprofit Maryland corporations. Woodbourne and the Trust are collectively referred to as “the Organization.” The Organization is exempt from federal income taxes under code section 501(c)(3) and is licensed by the State of Maryland.

Mission

The mission of the Organization is changing lives through their cornerstone values – honesty, responsibility, courage, care, and concern. Their residential treatment programs, located in Baltimore, Maryland, provide a continuum of specialized services to children and adolescents. Additionally, the Organization provides foster care, family-based therapy for children not in foster care, and adoption placement services and counseling for foster care and adoptive families in Maryland.

The Trust provides public relations, communications, volunteer program development, and related support to Woodbourne. The Trust also raises funds for Woodbourne.

Basis of Accounting

The consolidated financial statements contained herein have been prepared on the accrual basis of accounting.

Principles of Consolidation and Affiliates

The Trust is organized for the exclusive benefit of Woodbourne. All significant intracompany balances and financial transactions have been eliminated in consolidating Woodbourne and the Trust. The Organization is part of an affiliate nonprofit group that shares common management through affiliation agreements and agreements for administrative services. Members of this affiliated nonprofit group are: Nexus Family Healing, Nexus Foundation for Family Healing, Nexus Diversified Community Services, Nexus – PATH Family Healing, and Nexus – Kindred Family Healing. Transactions entered into with these affiliates have been identified within these consolidated financial statements as related party transactions (Note 11). Based on the nature of the relationship with the above-noted entities, there are no requirements to consolidate these entities into the Organization’s consolidated financial statements.

Cash and Cash Equivalents

The Organization considers all liquid cash accounts with original maturities of three months or less, and which are neither held for, nor restricted by, donors for long-term purposes, to be cash and cash equivalents.

Operating Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts Receivable and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for advisory services, educational, and training programs. Allowance for uncollectable accounts receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2022 and 2021, the allowance was \$140,620, respectively.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying consolidated statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position.

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. An allowance was not deemed necessary as of June 30, 2022.

Beneficial Interest in Assets Held by Community Foundation

The Organization established a fund with a local community foundation and named the Organization as beneficiary. The Organization granted variance power to the community foundation, which allows the community foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the community foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the community foundation for the Organization's benefit and is reported at fair value in the consolidated statements of financial position, with distributions and changes in fair value recognized in the consolidated statements of activities.

Beneficial Interest in Charitable Trust Held by Others

The Organization has been named as an irrevocable beneficiary of a charitable trust held and administered by an independent trustee. This trust was created independently by a donor and is administered by an outside agent designated by the donor. Therefore, the Organization has neither possession nor control over the assets of the trust. When the notice of a beneficial interest is received, a contribution with donor restriction is recorded in the consolidated statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statements of financial position at fair value as reported by the agent with consideration given as to any guaranteed distributions expected. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statements of financial position, with changes in fair value recognized in the consolidated statements of activities.

Property and Equipment

Property and equipment are stated at cost when purchased and fair market value when donated. The Organization follows the practice of capitalizing all expenditures for property, improvements, and equipment in excess of \$500; the fair value of donated fixed assets is similarly capitalized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 and 2021.

Net Assets

Net Assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. A donation is released from restriction when it is spent for its specific purpose, or when a donor restriction expires, that is, when a stipulated time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization did not have any net assets with donor-imposed restrictions that are perpetual in nature.

Revenue and Revenue Recognition

Contract revenue, school and food revenue, and other program service fee revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing client care (which includes residential treatment services, educational services, treatment foster care services, adoption services, and various mental health therapeutic services). These amounts are due from clients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to clients receiving skilled services. The Organization measures the performance obligation from intake of the client to the point when it is no longer required to provide services to that client. There are no significant revenues with related performance obligations satisfied at a point in time.

The Organization determines the transaction price based on pre-determined charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured clients in accordance with the Organization's policy, and/or implicit price concessions provided to uninsured clients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of clients.

The nature, amount, timing, and uncertainty of revenue and cash flows are affected by several factors that the Organization considers in its recognition of revenue. Following are some of the factors considered:

Payors (for example, counties, managed care or other insurance, patient, or client) have different reimbursement/payment methodologies.

- Length of a client's service/episode of care.
- Nature or line of service provided by the Organization.

Service fees and payments under cost-reimbursable contracts and under service grants and contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. The Organization's operating receivables as of July 1, 2020, was \$2,159,798.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2022 and 2021.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Depreciation is allocated on a square footage basis. All other expenses that are allocated across more than one program or supporting function on the consolidated statements of activities are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as a Maryland nonprofit corporation, and the Trust is organized as a Maryland trust. The Organization and Trust have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and have been determined not to be private foundations under Sections 509(a)(2) and (3), respectively. The Organization and Trust are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization and Trust are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Organization and Trust have determined they are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization and Trust believe that they have appropriate support for any tax positions taken affecting its annual filing requirements, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. The Organization and Trust would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Organization invests in various investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such a change could materially affect the amounts reported in the consolidated statements of financial position.

The Organization has the majority of their accounts receivable with various units of state and local government. The amount of loss they would incur, should this group default, is not determinable. The Organization requires contracts be executed with their primary government funders to minimize the risk of this credit concentration. The Organization does not require collateral for the extension of credit.

Subsequent Events

The Organization has evaluated subsequent events through February 14, 2023, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise of the following:

| | 2022 | 2021 |
|-----------------------|--------------|--------------|
| Cash and equivalents | \$ 132,445 | \$ 7,494 |
| Operating investments | 726,638 | 774,168 |
| Receivables, net | 3,728,614 | 3,622,362 |
| | \$ 4,587,697 | \$ 4,404,024 |

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has financial assets available to meet general expenditures over the next 12 months. Please see the Organization’s consolidated statements of cash flows which identifies the sources and uses of the Organization’s cash and shows positive cash generated by operations for the years ended June 30, 2022 and 2021.

Note 3 - Fair Value Measurements

The Organization reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Nexus – Woodbourne Family Healing and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The money market funds are measured at cost. The fair value of the beneficial interest in charitable trust held by others is valued at the Organization’s proportionate share of the underlying assets as reported by the third-party trustee. These investments are valued at the closing price reported in an active market in which the individual securities are traded; therefore, they are classified within Level 2. The investments held by the community foundation is valued based on unobservable inputs and is therefore classified within Level 3.

The following tables present assets measured at fair value on a recurring basis at June 30, 2022 and 2021:

| <u>2022</u> | <u>Total</u> | <u>Unadjusted Market Inputs (Level 1)</u> | <u>Significant Observable Inputs (Level 2)</u> | <u>Unobservable Inputs (Level 3)</u> |
|---|---------------------|---|--|--|
| Operating investments | | | | |
| Money market funds (at cost) | \$ 239,507 | \$ - | \$ - | \$ - |
| Mutual funds | <u>487,131</u> | <u>487,131</u> | <u>-</u> | <u>-</u> |
| Total operating investments | <u>\$ 726,638</u> | <u>\$ 487,131</u> | <u>\$ -</u> | <u>\$ -</u> |
| Beneficial interest in assets held by community foundation | <u>\$ 294,325</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 294,325</u> |
| Beneficial interest in charitable trust held by others | <u>\$ 4,349,620</u> | <u>\$ -</u> | <u>\$ 4,349,620</u> | <u>\$ -</u> |

Nexus – Woodbourne Family Healing and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

| 2021 | Total | Unadjusted Market Inputs (Level 1) | Significant Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
|---|--------------|--|---|----------------------------------|
| Operating investments | | | | |
| Money market funds (at cost) | \$ 240,388 | \$ - | \$ - | \$ - |
| Mutual funds | 533,780 | 533,780 | - | - |
| Total operating investments | \$ 774,168 | \$ 533,780 | \$ - | \$ - |
| Beneficial interest in assets held by community foundation | \$ 375,514 | \$ - | \$ - | \$ 375,514 |
| Beneficial interest in charitable trust held by others | \$ 5,188,283 | \$ - | \$ 5,188,283 | \$ - |

There were no transfers into or out of Level 3 of the fair value hierarchy during the years ended June 30, 2022 and 2021. There were no purchases or issuances of Level 3 investments during the years ended June 30, 2022 and 2021.

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2022 and 2021:

| | 2022 | 2021 |
|-------------------------------|--------------|--------------|
| Land | \$ 37,057 | \$ 37,057 |
| Building and improvements | 10,884,481 | 10,871,716 |
| Construction in progress | 28,436 | 26,293 |
| Equipment | 1,424,751 | 1,271,915 |
| | 12,374,725 | 12,206,981 |
| Less accumulated depreciation | 8,894,665 | 8,465,365 |
| | \$ 3,480,060 | \$ 3,741,616 |

Depreciation expense totaled \$429,529 and \$449,386 for the years ended June 30, 2022 and 2021, respectively.

Note 5 - Notes Payable and Other Long-Term Liabilities

In February 1994, the Organization entered into a mortgage note payable, requiring monthly installments of \$5,997 including principal and interest at 7.6% per annum until February 2024, at which point all remaining principal and accrued interest is due. This loan is secured by property at the Organization's Maryland facility.

Nexus – Woodbourne Family Healing and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Future minimum payments are as follows:

| Years Ending June 30, | Amount |
|-----------------------|------------|
| 2023 | \$ 63,542 |
| 2024 | 41,867 |
| | \$ 105,409 |

In March 2021, the Organization entered into an agreement with Maryland Department of Human Services (MDHS) to return amounts to MDHS related to overpayments generated for three clients. The agreement required payments in monthly installments of \$76,801 beginning in April 2021 through September 2022. The balance of this payable at June 30, 2022, was \$230,404. This amount is included in current accounts payable, other accrued expenses and liabilities on the consolidated statement of financial position.

Note 6 - Leases

Equipment and storage space is leased under various operating leases expiring at various dates through 2024.

Future minimum lease payments are as follows:

| Years Ending June 30, | Operating Leases |
|------------------------------|---------------------|
| 2023 | \$ 24,540 |
| 2024 | 10,225 |
| Total minimum lease payments | \$ 34,765 |

Lease expense incurred for the years ended June 30, 2022 and 2021, was \$36,135 and \$29,169, respectively.

Nexus – Woodbourne Family Healing and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2022 and 2021:

| | 2022 | 2021 |
|----------------------------|--------------|--------------|
| COVID-19 Relief | \$ 50,000 | \$ - |
| Crane Foundation | 12,405 | - |
| Summer Activities | - | 8,650 |
| Family Liason | - | 15,431 |
| Yoga Workshops | 39,963 | 39,963 |
| Morris Mechanic Foundation | - | 5,000 |
| Milton Roberts | 4,349,620 | 5,188,283 |
| Other | 6,575 | 6,885 |
| | \$ 4,458,563 | \$ 5,264,212 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time, or other events specified by the donors as follows during the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|----------------------------|------------|------------|
| Summer activities | \$ 9,392 | \$ 741 |
| COVID-19 Relief | 50,000 | 314,786 |
| Education | 53,588 | - |
| Crane Foundation | 12,595 | - |
| Restricted Golfer's Award | 5,000 | - |
| Morris Mechanic Foundation | 5,000 | - |
| Family Liason | 15,431 | 4,569 |
| Milton Roberts | 244,819 | 237,081 |
| Other | 11,053 | - |
| | \$ 406,878 | \$ 557,177 |

Note 8 - Major Customer

A major portion of the Organization's business is dependent upon one customer; the loss of this customer would have a material adverse effect on the Organization. During the years ended June 30, 2022 and 2021, this customer accounted for approximately 58% and 59% of contract revenue. Additionally, this customer accounted for 61% and 45%, of accounts receivable before the allowance for doubtful accounts as of June 30, 2022 and 2021, respectively.

Note 9 - Retirement Plans

Employees that meet minimum required service hours are eligible to enter into the Nexus Retirement Plan. The Organization provides a matching contribution of 100% of the employees' elective deferral for the first 1% of wages. For the employees' elective contribution of the next 2% through 6% of wages, the Organization provides matching contribution of 50%. For employees' elective contributions above 6%, there is no match provided. All participants become 100% vested after two years of service. The Organization contributed \$182,874 and \$167,547 to the plan for the years ended June 30, 2022 and 2021, respectively, which is included in employee benefits in the consolidated statements of functional expenses.

Note 10 - Labor Concentration

Approximately 41% and 39% of the Organization's employees are subject to a collective bargaining agreement with the United Food and Commercial Workers Union, Local 27 for the years ended June 30, 2022 and 2021. The collective bargaining agreement in place expired on December 31, 2021. A memorandum of agreement was signed in January 2022 to update and extend the terms of the collective bargaining agreement through 2025.

Note 11 - Related Party Transactions

The Organization and the Trust had the following transactions with its related entities during the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|--|----------------|----------------|
| Beginning balance due (to) from affiliates | \$ (2,294,031) | \$ (2,679,967) |
| Charges for various operational expenses | (3,726,580) | (2,734,282) |
| Charges for management services provided by Nexus Diversified Community Service | (1,103,037) | (931,625) |
| Payments (receipts) | 5,150,000 | 4,050,000 |
| Donation to affiliate | 5,802 | 1,843 |
| Due (to) from affiliates | \$ (1,967,846) | \$ (2,294,031) |



Supplementary Information
June 30, 2022 and 2021

Nexus – Woodbourne Family Healing and Subsidiary



Independent Auditor's Report on Supplementary Information

To the Board of Directors
Nexus – Woodbourne Family Healing and Subsidiary
Baltimore, Maryland

We have audited the consolidated financial statements of Nexus – Woodbourne Family Healing and Subsidiary as of and for the years ended June 30, 2022 and 2021, and our report thereon dated February 14, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on pages 23 through 31 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Eide Bailly LLP

Minneapolis, Minnesota
February 14, 2023

Nexus – Woodbourne Family Healing and Subsidiary

Consolidating Statement of Financial Position

June 30, 2022

| | Woodbourne Center | Woodbourne Trust | Consolidated |
|---|----------------------|---------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 132,445 | \$ - | \$ 132,445 |
| Operating investments | - | 726,638 | 726,638 |
| Accounts receivable, net | | | |
| Operating accounts receivable, net | 3,668,565 | - | 3,668,565 |
| Other accounts receivable | 10,049 | - | 10,049 |
| Promises to give | 50,000 | - | 50,000 |
| Prepaid expenses | 208,056 | - | 208,056 |
| | 4,069,115 | 726,638 | 4,795,753 |
| Non-Current Assets | | | |
| Due from affiliates | (659,319) | 659,319 | - |
| Beneficial interest in assets held by community foundation | 294,325 | - | 294,325 |
| Beneficial interest in charitable trusts held by others | - | 4,349,620 | 4,349,620 |
| | (364,994) | 5,008,939 | 4,643,945 |
| Property and Equipment, Net | 3,480,060 | - | 3,480,060 |
| | \$ 7,184,181 | \$ 5,735,577 | \$ 12,919,758 |
| Current Liabilities | | | |
| Current portion of long-term note payable | \$ 63,542 | \$ - | \$ 63,542 |
| Accounts payable, other accrued expenses and liabilities | 528,515 | 2,500 | 531,015 |
| Accrued salaries and benefits | 595,678 | - | 595,678 |
| Due to affiliates | 1,967,846 | - | 1,967,846 |
| | 3,155,581 | 2,500 | 3,158,081 |
| Non-Current Liabilities | | | |
| Long-term note payable, net of current portion | 41,867 | - | 41,867 |
| | 3,197,448 | 2,500 | 3,199,948 |
| Net Assets | | | |
| Without donor restriction | 3,878,532 | 1,382,715 | 5,261,247 |
| With donor restriction | 108,201 | 4,350,362 | 4,458,563 |
| | 3,986,733 | 5,733,077 | 9,719,810 |
| | \$ 7,184,181 | \$ 5,735,577 | \$ 12,919,758 |

Nexus – Woodbourne Family Healing and Subsidiary

Consolidating Statement of Financial Position

June 30, 2021

| | Woodbourne Center | Woodbourne Trust | Consolidated |
|---|----------------------|---------------------|---------------|
| Assets | | | |
| Cash and cash equivalents | \$ 7,494 | \$ - | \$ 7,494 |
| Operating investments | - | 774,168 | 774,168 |
| Accounts receivable, net | | | |
| Operating accounts receivable, net | 3,216,488 | - | 3,216,488 |
| Other accounts receivable | 405,874 | - | 405,874 |
| Prepaid expenses and other assets | 27,098 | - | 27,098 |
| Total current assets | 3,656,954 | 774,168 | 4,431,122 |
| Non-Current Assets | | | |
| Due from affiliates | (628,276) | 628,276 | - |
| Beneficial interest in assets held by community foundation | 375,514 | - | 375,514 |
| Beneficial interest in charitable trusts held by others | - | 5,188,283 | 5,188,283 |
| Total non current assets | (252,762) | 5,816,559 | 5,563,797 |
| Property and Equipment, Net | 3,741,616 | - | 3,741,616 |
| Total assets | \$ 7,145,808 | \$ 6,590,727 | \$ 13,736,535 |
| Current Liabilities | | | |
| Current portion of long-term note payable | \$ 61,180 | \$ - | \$ 61,180 |
| Accounts payable and other accrued expenses | 1,589,813 | 2,475 | 1,592,288 |
| Accrued salaries and benefits | 558,312 | - | 558,312 |
| Due to affiliates | 2,294,031 | - | 2,294,031 |
| Total current liabilities | 4,503,336 | 2,475 | 4,505,811 |
| Non-Current Liabilities | | | |
| Long-term note payable, net of current portion | 103,135 | - | 103,135 |
| Other long-term liabilities, net of current position | 230,404 | - | 230,404 |
| Total non-current liabilities | 333,539 | - | 333,539 |
| Total liabilities | 4,836,875 | 2,475 | 4,839,350 |
| Net Assets | | | |
| Without donor restriction | 2,233,004 | 1,399,969 | 3,632,973 |
| With donor restriction | 75,929 | 5,188,283 | 5,264,212 |
| Total net assets | 2,308,933 | 6,588,252 | 8,897,185 |
| Total liabilities and net assets | \$ 7,145,808 | \$ 6,590,727 | \$ 13,736,535 |

Nexus – Woodbourne Family Healing and Subsidiary
Consolidating Statement of Activities
Year Ended June 30, 2022

| | Woodbourne Center | | | Woodbourne Trust | | | Elimination | Consolidated |
|--|------------------------------|---------------------------|---------------------|------------------------------|---------------------------|---------------------|------------------|---------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total | | |
| Revenue and Support | | | | | | | | |
| Contract revenue | \$ 13,414,892 | \$ - | \$ 13,414,892 | \$ - | \$ - | \$ - | \$ - | \$ 13,414,892 |
| School revenue | 2,646,724 | - | 2,646,724 | - | - | - | - | 2,646,724 |
| School food revenue | 90,332 | - | 90,332 | - | - | - | - | 90,332 |
| Other | 76,603 | - | 76,603 | - | - | - | - | 76,603 |
| Grants and contributions | 2,592,687 | 194,331 | 2,787,018 | - | 244,819 | 244,819 | (244,819) | 2,787,018 |
| Net investment return | 2,459 | - | 2,459 | (14,250) | - | (14,250) | - | (11,791) |
| Change in value and distributions from beneficial interests in assets held by others | (81,931) | - | (81,931) | - | (837,921) | (837,921) | - | (919,852) |
| Net assets released from restrictions | 162,059 | (162,059) | - | 244,819 | (244,819) | - | - | - |
| Total revenue, support, and gains | 18,903,825 | 32,272 | 18,936,097 | 230,569 | (837,921) | (607,352) | (244,819) | 18,083,926 |
| Expenses | | | | | | | | |
| Program services expense | 12,305,304 | - | 12,305,304 | 244,819 | - | 244,819 | (244,819) | 12,305,304 |
| Supporting services expense | | | | | | | | |
| Management and general | 4,770,222 | - | 4,770,222 | 3,004 | - | 3,004 | - | 4,773,226 |
| Fundraising | 182,771 | - | 182,771 | - | - | - | - | 182,771 |
| Total expenses | 17,258,297 | - | 17,258,297 | 247,823 | - | 247,823 | (244,819) | 17,261,301 |
| Change in Net Assets | 1,645,528 | 32,272 | 1,677,800 | (17,254) | (837,921) | (855,175) | - | 822,625 |
| Net Assets, Beginning of Year | 2,233,004 | 75,929 | 2,308,933 | 1,399,969 | 5,188,283 | 6,588,252 | - | 8,897,185 |
| Net Assets, End of Year | <u>\$ 3,878,532</u> | <u>\$ 108,201</u> | <u>\$ 3,986,733</u> | <u>\$ 1,382,715</u> | <u>\$ 4,350,362</u> | <u>\$ 5,733,077</u> | <u>\$ -</u> | <u>\$ 9,719,810</u> |

Nexus – Woodbourne Family Healing and Subsidiary
Consolidating Statement of Activities
Year Ended June 30, 2021

| | Woodbourne Center | | | Woodbourne Trust | | | Elimination | Consolidated |
|--|------------------------------|---------------------------|---------------------|------------------------------|---------------------------|---------------------|------------------|---------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total | | |
| Revenue and Support | | | | | | | | |
| Contract revenue | \$ 11,702,168 | \$ - | \$ 11,702,168 | \$ - | \$ - | \$ - | \$ - | \$ 11,702,168 |
| School revenue | 2,506,837 | - | 2,506,837 | - | - | - | - | 2,506,837 |
| School food revenue | 90,044 | - | 90,044 | - | - | - | - | 90,044 |
| Other | 145,753 | - | 145,753 | - | - | - | - | 145,753 |
| Grants and contributions | 330,832 | 314,786 | 645,618 | - | 237,081 | 237,081 | (237,081) | 645,618 |
| Net investment return | (4,704) | - | (4,704) | 103,136 | - | 103,136 | - | 98,432 |
| Change in value and distributions from beneficial interests in assets held by others | 81,540 | - | 81,540 | - | 533,601 | 533,601 | - | 615,141 |
| Net assets released from restrictions | 320,096 | (320,096) | - | 237,081 | (237,081) | - | - | - |
| Total revenue, support, and gains | 15,172,566 | (5,310) | 15,167,256 | 340,217 | 533,601 | 873,818 | (237,081) | 15,803,993 |
| Expenses | | | | | | | | |
| Program services expense | 11,824,426 | - | 11,824,426 | 237,081 | - | 237,081 | (237,081) | 11,824,426 |
| Supporting services expense | | | | | | | | |
| Management and general | 4,115,369 | - | 4,115,369 | 5,050 | - | 5,050 | - | 4,120,419 |
| Fundraising | 28,203 | - | 28,203 | - | - | - | - | 28,203 |
| Total expenses | 15,967,998 | - | 15,967,998 | 242,131 | - | 242,131 | (237,081) | 15,973,048 |
| Change in Net Assets | (795,432) | (5,310) | (800,742) | 98,086 | 533,601 | 631,687 | - | (169,055) |
| Net Assets, Beginning of Year | 3,028,436 | 81,239 | 3,109,675 | 1,301,883 | 4,654,682 | 5,956,565 | - | 9,066,240 |
| Net Assets, End of Year | <u>\$ 2,233,004</u> | <u>\$ 75,929</u> | <u>\$ 2,308,933</u> | <u>\$ 1,399,969</u> | <u>\$ 5,188,283</u> | <u>\$ 6,588,252</u> | <u>\$ -</u> | <u>\$ 8,897,185</u> |

Nexus – Woodbourne Family Healing and Subsidiary
Schedule of Department Revenues and Expenses
Year Ended June 30, 2022

| | Treatment Foster Care | Adolescent Diagnostic Treatment Center | DETP | Residential Treatment Center Education | Other | Total |
|--|--------------------------|---|-------------------|---|---------------------|---------------------|
| Revenue and Other Support | | | | | | |
| Private grants and contributions | \$ - | \$ 362,969 | \$ - | \$ - | \$ 2,512,646 | \$ 2,875,615 |
| Governmental agencies | 1,886,247 | 8,131,256 | 3,423,041 | 2,625,969 | - | 16,066,513 |
| Interest and investment income | - | - | - | - | (79,423) | (79,423) |
| Other income | - | 13,021 | 1,626 | 1,734 | 57,011 | 73,392 |
| Total revenues and other support | 1,886,247 | 8,507,246 | 3,424,667 | 2,627,703 | 2,490,234 | 18,936,097 |
| Expenses | | | | | | |
| Salaries and wages | 507,219 | 3,891,938 | 1,415,752 | 1,388,682 | - | 7,203,591 |
| Employee benefits and payroll taxes | 113,316 | 1,126,151 | 413,872 | 377,997 | - | 2,031,336 |
| Professional fees and contract labor | - | 352,829 | 262,846 | 49,139 | 55,082 | 719,896 |
| Direct child care and educational expenses | 713,454 | 711,534 | 75,363 | 3,422 | - | 1,503,773 |
| Office support and publications | 680 | 12,541 | 957 | 17,863 | - | 32,041 |
| Communications and postage | 50 | - | - | 206 | - | 256 |
| Occupancy | 10,083 | 146,993 | 37,857 | 75,444 | - | 270,377 |
| Equipment rental and maintenance | - | 9,272 | 968 | 8,958 | - | 19,198 |
| Travel, conferences, and vehicle expense | 7,604 | 19,679 | 174 | 103 | - | 27,560 |
| Miscellaneous | 21,081 | 20,242 | 25,548 | 29,634 | 17,079 | 113,584 |
| Depreciation | 8,891 | 297,213 | 74,303 | 3,914 | - | 384,321 |
| Interest expense | - | 10,091 | - | - | - | 10,091 |
| Total program services | 1,382,378 | 6,598,483 | 2,307,640 | 1,955,362 | 72,161 | 12,316,024 |
| General and administrative | 196,708 | 2,734,159 | 908,213 | 891,022 | 29,400 | 4,759,502 |
| Fundraising | - | - | - | - | 182,771 | 182,771 |
| Total expenses | 1,579,086 | 9,332,642 | 3,215,853 | 2,846,384 | 284,332 | 17,258,297 |
| Operating change in net assets | \$ 307,161 | \$ (825,396) | \$ 208,814 | \$ (218,681) | \$ 2,205,902 | \$ 1,677,800 |

Nexus – Woodbourne Family Healing and Subsidiary

Schedule of Department Revenues by Source

Year Ended June 30, 2022

| | Treatment Foster Care | Adolescent Diagnostic Treatment Center | Residential Treatment Center Education | Management and General | Total |
|--|--------------------------|---|---|---------------------------|----------------------|
| Department of Human Resources (DHR) | \$ 1,886,247 | \$ - | \$ 1,432,528 | \$ - | \$ 3,318,775 |
| Department of Juvenile Services (DJS) | - | - | 400,003 | - | 400,003 |
| Medical Assistance (MA) | - | 11,318,611 | - | - | 11,318,611 |
| Out-of-State Revenue | - | 235,686 | 103,197 | - | 338,883 |
| Various Boards of Education | - | - | 554,818 | - | 554,818 |
| One on One Advocacy | - | - | 131,665 | - | 131,665 |
| Speech Pathology | - | - | 5,492 | - | 5,492 |
| Donations and Contributions | - | 266,914 | - | 19,270 | 286,184 |
| Grant Revenue | - | 90,331 | - | 2,493,376 | 2,583,707 |
| Interest and Investment Income | - | - | - | (79,423) | (79,423) |
| Other Income | - | 20,371 | - | 57,011 | 77,382 |
| | <u>\$ 1,886,247</u> | <u>\$ 11,931,913</u> | <u>\$ 2,627,703</u> | <u>\$ 2,490,234</u> | <u>\$ 18,936,097</u> |
| Total revenue and other support | | | | | |
| Billable Days by All Sources (Unaudited) | 11,904 | 14,901 | 8,065 | | |

Nexus – Woodbourne Family Healing and Subsidiary
Schedule of Actual Expenses to Approved Interagency Rate Committee (IRC) Budgeted Expenses
Year Ended June 30, 2022

| | Treatment Foster Care (TFC) | TFC IRC Budget (unaudited) |
|--|-----------------------------------|----------------------------------|
| Salaries | \$ 571,689 | \$ 1,342,289 |
| Contract Labor | - | 4,500 |
| Payroll Taxes | 51,333 | 97,068 |
| Fringe Benefits | 118,838 | 367,746 |
| Staff Development | 1,110 | 17,187 |
| Contracted Services | 14,313 | 160 |
| Foster Parents | 703,665 | 1,345,592 |
| Publicity | - | 37,080 |
| Food | 2,574 | 16,315 |
| Clothing | 2,257 | - |
| Recreation | 1,491 | - |
| Personal Needs | 188 | - |
| Rent | - | - |
| Utilities | 5,561 | 14,462 |
| Repair and Maintenance | 2,691 | 6,101 |
| Insurance and Taxes | 791 | 5,612 |
| Supplies | 7,025 | 5,438 |
| Depreciation | 8,321 | 22,392 |
| Equipment Rental | 2,224 | 160 |
| Print and Copy | 128 | 3,167 |
| Telephone | 9,003 | 12,669 |
| Postage | 123 | 373 |
| Dues and Fees | 42,863 | 6,398 |
| Conferences | - | 10,769 |
| Travel | 9,580 | 18,725 |
| Other | 23,318 | 147,452 |
| | <u>\$ 1,579,086</u> | <u>\$ 3,481,655</u> |
| Total IRC allowable expenses | | |
| IRC Disallowed Program Expenses | - | - |
| IRC Disallowed General and Administrative Expenses | - | - |
| Total expenses | 1,267,503 | 3,481,655 |
| Average Budgeted Census | - | 31 |
| Average Actual Census - DHR (Unaudited) | 33 | - |
| Average Actual Census - BMHS (Unaudited) | - | - |
| Average Actual Census - DJS (Unaudited) | - | - |

Nexus – Woodbourne Family Healing
Comparison of Funds Received and Expenditures – Treatment Foster Care Program
Year Ended June 30, 2022

| | |
|--|--------------|
| Revenue on Accrual Basis of Accounting | \$ 1,886,247 |
| Adjustments to Reconcile Accrual Basis Revenue to Funds Received | |
| Receivables, beginning balance | 277,264 |
| Receivables, ending balance | 218,428 |
| Changes in Accounts Receivable | 58,836 |
| Revenue | 1,945,083 |
| Expenditures | |
| Salaries and other employee related expenses | 507,219 |
| Employee benefits and payroll taxes | 113,316 |
| Direct child care and educational expenses | 713,454 |
| Professional fees and contract labor | - |
| Office support and publications | 730 |
| Occupancy | 10,083 |
| Equipment rental and maintenance | - |
| Travel, conferences, and vehicle expense | 7,604 |
| Miscellaneous | 21,081 |
| Depreciation | 8,891 |
| General and administrative expenses | 196,708 |
| Communications and Postage | - |
| Total Expenditures | 1,579,086 |
| Excess of Revenue over Expenditures | \$ 365,997 |

Nexus – Woodbourne Family Healing
Comparison of Revenue and Expense – Budget and Actual – Treatment Foster Care Program
Year Ended June 30, 2022

| | Direct Service | General and Admin | Actual | Budget (Unaudited) | Variance |
|--|-------------------|----------------------|-------------------|-----------------------|--------------------|
| Revenue (Accrual Basis) | \$ 1,886,247 | \$ - | \$ 1,886,247 | \$ 3,481,656 | \$ (1,595,409) |
| Salaries and Other Employee Related Expenses | 507,219 | 78,833 | 586,052 | 1,456,544 | (870,492) |
| Employee Benefits and Payroll Taxes | 113,316 | 26,626 | 139,942 | 367,746 | (227,804) |
| Direct Child Care and Educational Expenses | 713,454 | 3,415 | 716,869 | 1,361,907 | (645,038) |
| Professional Fees and Contract Labor | - | 52,052 | 52,052 | 11,058 | 40,994 |
| Office Support and Publications | 680 | 2,627 | 3,307 | 8,605 | (5,298) |
| Occupancy | 10,083 | 11,470 | 21,553 | 14,462 | 7,091 |
| Equipment Rental and Maintenance | - | 2,224 | 2,224 | 6,261 | (4,037) |
| Travel Conferences, and Vehicle Expense | 7,604 | 1,975 | 9,579 | 29,494 | (19,915) |
| Miscellaneous | 21,081 | 17,400 | 38,481 | 190,145 | (151,664) |
| Depreciation | 8,891 | 86 | 8,977 | 22,392 | (13,415) |
| Communications and Postage | 50 | - | 50 | 13,042 | (12,992) |
| Total expenditures | <u>1,382,378</u> | <u>196,708</u> | <u>1,579,086</u> | <u>3,481,656</u> | <u>(1,902,570)</u> |
| Excess of Revenue Over Expenditures | <u>\$ 503,869</u> | <u>\$ (196,708)</u> | <u>\$ 307,161</u> | <u>\$ -</u> | <u>\$ 307,161</u> |