



Consolidated Financial Statements  
June 30, 2020 and 2019

# Nexus – Woodbourne Family Healing

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## Independent Auditor's Report

To the Board of Directors  
Nexus – Woodbourne Family Healing  
Plymouth, Minnesota

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nexus – Woodbourne Family Healing (the Center), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Adjustment to Prior Period Consolidated Financial Statements**

As discussed in Note 13 to the consolidated financial statements, a certain error resulting in understatement of amounts which should have been previously reported as investments and net assets without donor restrictions as of June 30, 2019, were discovered by management of the Center during the current year. Accordingly, amounts reported for investments and net assets without donor restrictions have been restated in the 2019 financial statements and an adjustment has been made to net assets to correct the error. Our opinion is not modified with respect to that matter.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Minneapolis, Minnesota  
February 11, 2021

Nexus – Woodbourne Family Healing  
Consolidated Statements of Financial Position  
June 30, 2020 and 2019

	2020	2019 (Restated)
Assets		
Current Assets		
Cash and cash equivalents	\$ 307,512	\$ 735,453
Operating investments	672,032	670,403
Accounts receivable, net		
Operating accounts receivable, net	2,159,798	1,128,190
Other accounts receivable	554,349	755,167
Promises to give, net	-	420,000
Prepaid expenses and other assets	39,276	24,362
Total current assets	3,732,967	3,733,575
Non-Current Assets		
Promises to give, net	-	378,310
Beneficial interest in assets held by community foundation	293,974	308,582
Beneficial interest in charitable trusts held by others	4,654,682	4,830,246
Total non current assets	4,948,656	5,517,138
Property and Equipment, Net	4,104,367	4,543,543
Total assets	\$ 12,785,990	\$ 13,794,256
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term note payable	\$ 50,444	\$ 50,444
Accounts payable and other accrued expenses	241,688	179,808
Accrued salaries and benefits	576,798	430,718
Due to affiliates	2,679,967	3,984,681
Total current liabilities	3,548,897	4,645,651
Non-Current Liabilities		
Long-term note payable, net of current portion	170,853	224,750
Total liabilities	3,719,750	4,870,401
Net Assets		
Without donor restriction	4,330,319	4,012,725
With donor restriction	4,735,921	4,911,130
Total net assets	9,066,240	8,923,855
Total liabilities and net assets	\$ 12,785,990	\$ 13,794,256

Nexus – Woodbourne Family Healing  
Consolidated Statements of Activities  
Year Ended June 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenue, Support and Gains			
Contract revenue	\$ 11,627,043	\$ -	\$ 11,627,043
School revenue	2,907,275	-	2,907,275
School food revenue	52,347	-	52,347
Other	43,621	-	43,621
Grants and contributions	5,349	40,355	45,704
Net investment return	19,118	-	19,118
Loss on sale of assets	(2,356)	-	(2,356)
Change in value of beneficial interest in charitable trust held by others and by community foundation	(14,608)	53,487	38,879
Net assets released from restrictions	269,051	(269,051)	-
<b>Total revenue, support and gains</b>	<b>14,906,840</b>	<b>(175,209)</b>	<b>14,731,631</b>
Expenses			
Program services expense	11,095,583	-	11,095,583
Supporting services expense			
Management and general	3,486,817	-	3,486,817
Fundraising	6,847	-	6,847
<b>Total expenses</b>	<b>14,589,246</b>	<b>-</b>	<b>14,589,246</b>
Change in Net Assets	317,594	(175,209)	142,385
Net Assets, Beginning of Year (Restated)	4,012,725	4,911,130	8,923,855
Net Assets, End of Year	<u>\$ 4,330,319</u>	<u>\$ 4,735,921</u>	<u>\$ 9,066,240</u>

Nexus – Woodbourne Family Healing  
Consolidated Statements of Activities  
Year Ended June 30, 2019 (Restated)

	Without Donor Restriction	With Donor Restriction	Total
Revenue, Support and Gains			
Contract revenue	\$ 8,739,761	\$ -	\$ 8,739,761
School revenue	2,573,203	-	2,573,203
School food revenue	60,210	-	60,210
Other	28,058	-	28,058
Grants and contributions	10,467	426,951	437,418
Net investment return	28,894	-	28,894
Change in value of beneficial interest in charitable trust held by others	-	230,197	230,197
Net assets released from restrictions	1,299,395	(1,299,395)	-
Total revenue, support and gains	<u>12,739,988</u>	<u>(642,247)</u>	<u>12,097,741</u>
Expenses			
Program services expense	9,681,103	-	9,681,103
Supporting services expense			
Management and general	2,631,340	-	2,631,340
Fundraising	97,977	-	97,977
Total expenses	<u>12,410,420</u>	<u>-</u>	<u>12,410,420</u>
Change in Net Assets	329,568	(642,247)	(312,679)
Net Assets, Beginning of Year (Restated)	<u>3,683,157</u>	<u>5,553,377</u>	<u>9,236,534</u>
Net Assets, End of Year (Restated)	<u>\$ 4,012,725</u>	<u>\$ 4,911,130</u>	<u>\$ 8,923,855</u>

Nexus – Woodbourne Family Healing  
Consolidated Statements of Functional Expenses  
Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 6,640,246	\$ 891,061	\$ -	\$ 7,531,307
Employee Benefits and Taxes	1,969,126	243,607	-	2,212,733
<b>Total personnel cost</b>	<b>8,609,372</b>	<b>1,134,667</b>	<b>-</b>	<b>9,744,039</b>
Administrative Fees	-	878,112	-	878,112
Audit/Accounting	3,008	61,623	5,738	70,369
Auto and Travel	18,892	66,346	-	85,239
Books and Subscriptions	4,583	735	-	5,318
Community Services	658	99,445	-	100,103
Consulting	630	69,145	-	69,775
Contract Labor	385,396	551,832	-	937,229
Depreciation	449,071	40,617	-	489,689
Development	-	600	-	600
Food	249,728	73,993	-	323,720
Foster Care Services	552,661	-	-	552,661
Insurance	72,456	102,463	-	174,919
Interest	11,698	9,187	-	20,885
License/Fees/Dues	15,027	98,482	-	113,509
Maintenance	73,281	139,738	-	213,019
Hiring Expenses	163,323	25,758	-	189,081
Office Expense	23,845	58,583	19	82,447
Recreational Expense	102,301	4,786	-	107,087
Rent Expense	-	2,716	-	2,716
Resident Supplies	83,094	-	-	83,094
School Expenses	5,098	59	-	5,158
Staff Development	31,265	4,931	218	36,414
Foundation Allocation	-	36,125	-	36,125
Utilities	240,193	26,873	872	267,939
	<u>\$ 11,095,583</u>	<u>\$ 3,486,817</u>	<u>\$ 6,847</u>	<u>\$ 14,589,246</u>



Nexus – Woodbourne Family Healing  
Consolidated Statements of Functional Expenses  
Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 5,128,523	\$ 907,863	\$ 39,305	\$ 6,075,691
Employee Benefits and Taxes	1,913,445	339,064	24,348	2,276,857
<b>Total personnel cost</b>	<b>7,041,968</b>	<b>1,246,927</b>	<b>63,653</b>	<b>8,352,548</b>
Administrative Fees	-	786,679	-	786,679
Audit/Accounting	15,823	90,520	8,264	114,607
Auto and Travel	20,996	48,812	1,019	70,827
Bad Debt Recovery	-	(27,998)	-	(27,998)
Books and Subscriptions	7,578	731	-	8,309
Client Recreation Expenses	(30)	3,134	-	3,104
Consulting	-	33,191	-	33,191
Contract Labor	554,741	112,915	20,875	688,531
Depreciation	398,126	39,093	-	437,219
Food	281,013	-	-	281,013
Foster Care Services	580,483	-	-	580,483
Insurance	67,462	81,743	1,078	150,283
Interest	25,964	-	-	25,964
License/Fees/Dues	17,549	63,498	-	81,047
Maintenance	84,611	69,106	-	153,717
Hiring Expenses	39,904	5,826	-	45,730
Office Expense	58,211	39,962	2,149	100,322
Recreational Expense	74,277	-	-	74,277
Rent Expense	-	2,368	-	2,368
Resident Supplies	100,393	-	-	100,393
School Expenses	7,461	-	-	7,461
Staff Development	24,128	3,523	-	27,651
Testing and Evaluation	600	-	-	600
Utilities	279,845	31,310	939	312,094
	<u>\$ 9,681,103</u>	<u>\$ 2,631,340</u>	<u>\$ 97,977</u>	<u>\$ 12,410,420</u>

Nexus – Woodbourne Family Healing  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 142,385	\$ (312,679)
Adjustments to reconcile change in net assets to net cash generated by operating activities		
Bad debts	-	(100,357)
Depreciation	489,689	437,219
Gain on investments	(12,686)	(28,894)
Loss on disposition of assets	2,356	-
Change in value of beneficial interests in assets held by others and by community foundation	190,172	(7,041)
Increase (decrease) in cash from change in		
Accounts receivable	(830,790)	179,566
Promises to give, net	798,310	(41,139)
Prepaid expenses and other assets	(14,914)	96,971
Accounts payable and other accrued expenses	61,880	(61,527)
Accrued salaries and benefits	146,080	14,689
	972,481	176,808
Net Cash From Operating Activities		
Cash Flows from Investing Activities		
Purchase of fixed assets	(52,867)	(1,710,245)
Purchases of investments	-	(19,791)
Proceeds from sale of investments	11,056	19,798
	(41,811)	(1,710,238)
Net Cash Used for Investing Activities		
Cash Flows from Financing Activities		
Net change in due to affiliates	(1,304,714)	2,111,075
Payments on long-term note payable	(53,897)	(43,405)
	(1,358,611)	2,067,670
Net Cash From (Used for) Financing Activities		
Net Change in Cash, Restricted Cash and Cash Equivalents	(427,941)	534,240
Cash, Restricted Cash and Cash Equivalents - Beginning of Period	735,453	201,213
Cash and Cash Equivalents - End of Period	\$ 307,512	\$ 735,453
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 20,886	\$ 25,964

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

Nexus - Woodbourne Family Healing (the Center) and the Woodbourne Center Charitable Trust (the Trust) are nonprofit Maryland corporations. The Center and Trust are collectively referred to as “the Center or the Organization.” The Center 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 Center 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 Center 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 the Center. The Trust also raises funds for the Center.

### **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 the Center. All significant intracompany balances and financial transactions have been eliminated in consolidating the Center and the Trust are 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 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 12). Based on the nature of the relationship with the above-noted entities, there are no requirements to consolidate these entities into the Center’s financial statements.

### **Cash and Cash Equivalents**

The Center 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. Noncurrent cash and cash equivalents related to restricted donations are excluded from this definition.

### **Operating Investments**

The Center records investment purchases at cost. Operating investments in marketable securities with readily determined fair values are reported at their fair values in the consolidated statements of financial position.

Investment income includes the Center's gains and losses on investments bought and sold as well as held during the year. Investment income and gains on investments are reported as increases in net assets without donor restrictions. Purchases and sales of securities are reflected on a trade date basis. Interest income is recognized when earned.

#### **Accounts Receivable and Credit Policies**

Accounts receivable (includes operating accounts receivable and other accounts receivable) consists of amounts due for program services and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to allowance for doubtful accounts based on its assessment of the current status of individual accounts. The Center uses the accrual basis of accounting for accounts receivable and does not charge interest on the accounts receivable balances.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Center analyzes accounts for adverse changes in a client's or third-party payor's ability to pay that may have occurred subsequent to recognition. Management regularly reviews specific data about receivable balances and its past history with similar cases to estimate the appropriate allowance for doubtful accounts and provision for bad debts. At June 30, 2020 and 2019, the allowance was \$140,620 and \$140,620, respectively.

#### **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 uncollectible 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. At June 30, 2019, there was no allowance for uncollectable promises to give.

#### **Beneficial Interest in Assets Held by Community Foundation**

The Center established an endowment 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 Center'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 Center 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 Center 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 Center 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 Center 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, 2020 and 2019.

### **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 Center 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 Center 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 Center 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 Center 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 Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center 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 Center 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 Center 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 Center's policy, and/or implicit price concessions provided to uninsured clients. The Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Center 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 Center 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 Center.

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 Center 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 Center's program services, administration, and fundraising and development activities; however, the 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 Center 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, 2020 and 2019.

#### **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 Center is organized as a Maryland nonprofit corporation, and the Trust is organized as a Maryland Trust. The Center 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 Center and Trust are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center and Trust are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Center 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 Center 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 financial statements. The Center 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 Center 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 Center 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 Center requires contracts be executed with their primary government funders to minimize the risk of this credit concentration. The Center does not require collateral for the extension of credit.

### **Change in Accounting Policy**

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (Topic 606), as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Centers have implemented Topic 606 and has adjusted the presentation in these consolidated financial statements accordingly. The amendments have been applied retrospectively to all period presented, with no effect on net assets.

FASB has issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists the Centers in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Centers have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying consolidated financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.



### Subsequent Events

The Center has evaluated subsequent events through February 11, 2021, the date the 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:

	2020	2019
Cash and equivalents	\$ 307,512	\$ 735,453
Operating investments	672,032	670,403
Receivables, net	2,714,147	1,883,357
	\$ 3,693,691	\$ 3,289,213

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Center has financial assets available to meet general expenditures over the next 12 months. Please see the Center’s consolidated statements of cash flows which identifies the sources and uses of the Center’s cash and shows positive cash generated by operations for the 12 months ended June 30, 2020 and 2019.

### Note 3 - Fair Value Measurements

The Center 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.

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 Center’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 following table presents assets measured at fair value on a recurring basis at June 30, 2020 and 2019:

<u>2020</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)	\$ 205,092	\$ -	\$ -	\$ -
Mutual funds	<u>466,940</u>	<u>466,940</u>	<u>-</u>	<u>-</u>
Total operating investments	<u>\$ 672,032</u>	<u>\$ 466,940</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in assets held by community foundation	<u>\$ 293,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,974</u>
Beneficial interest in charitable trust held by others	<u>\$ 4,654,682</u>	<u>\$ -</u>	<u>\$ 4,654,682</u>	<u>\$ -</u>

Nexus – Woodbourne Family Healing  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

<u>2019 (Restated)</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)	\$ 216,084	\$ -	\$ -	\$ -
Mutual funds	454,319	454,319	-	-
Total operating investments	<u>\$ 670,403</u>	<u>\$ 454,319</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in assets held by community foundation	<u>\$ 308,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,582</u>
Beneficial interest in charitable trust held by others	<u>\$ 4,830,246</u>	<u>\$ -</u>	<u>\$ 4,830,246</u>	<u>\$ -</u>

The Center recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels during the years ended June 30, 2020 and 2019, respectively.

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 year ended June 30, 2020:

Beginning of year	\$ 308,582
Change in value	14,415
Distributions	<u>(29,023)</u>
End of year	<u>\$ 293,974</u>

**Note 4 - Promises to Give**

Included in the consolidated statements of financial position are the following unconditional promises to give at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current	<u>\$ -</u>	<u>\$ 420,000</u>
Noncurrent	\$ -	\$ 395,000
Less discount to net present value at 4.25%	-	<u>(16,690)</u>
	<u>\$ -</u>	<u>\$ 378,310</u>

At June 30, 2019, one donor accounted for 93% of total promises to give, respectively.

**Note 5 - Property and Equipment**

Property and equipment consist of the following at June 30, 2020 and 2019:

	2020	2019
Land	\$ 37,057	\$ 37,057
Building and improvements	10,835,780	10,739,355
Equipment	1,247,371	1,526,334
	12,120,208	12,302,746
Less accumulated depreciation	8,015,841	7,759,203
	\$ 4,104,367	\$ 4,543,543

Depreciation expense totaled \$489,689 and \$437,219 for the years ended June 30, 2020 and 2019, respectively.

**Note 6 - Notes Payable**

In February 1994, the Center 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. The balance on this loan at June 30, 2020 and 2019 was \$221,297 and \$275,194, respectively, and this loan is secured by property at the Center’s Maryland facility. of this liability are as follows:

Future minimum payments are as follows:

Years Ending June 30,	Amount
2021	\$ 50,444
2022	58,695
2023	63,316
2024	48,842
	\$ 221,297

**Note 7 - 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
2021	\$ 27,987
2022	25,114
2023	24,540
2024	10,225
Total minimum lease payments	\$ 87,866

Lease expense incurred for the year ended June 30, 2020 and 2019 was \$38,674 and \$21,627, respectively.

**Note 8 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2020 and 2019:

	2020	2019
Summer activities	\$ 9,762	\$ 9,762
Family liaison	20,000	20,000
Yoga workshops	39,963	19,962
RTC holiday gifts	354	-
Morris mechanic foundation	5,000	-
Summer camp	236	236
Recreation room	4,100	4,100
School supplies	194	194
Woodbourne Cares	530	530
Milton Roberts	4,654,682	4,830,246
Trust, other	1,100	1,100
DETP	-	25,000
	\$ 4,735,921	\$ 4,911,130

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, 2020 and 2019:

	2020	2019
Yoga workshops	\$ -	\$ 5,918
Voc project	-	967,545
Woodbourne TFC - time restricted	-	96,918
Milton Roberts	229,051	223,156
Trust, other	-	5,858
DETP	40,000	-
	\$ 269,051	\$ 1,299,395

**Note 9 - Major Customer**

A major portion of the Center’s business is dependent upon one customer; the loss of this customer would have a material adverse effect on the Center. During the year ended June 30, 2020 and 2019, this customer accounted for approximately 59% and 83% of contract revenue. Additionally, this customer accounted for \$725,329, or 32%, and \$576,238, or 46%, of accounts receivable before the allowance for doubtful accounts as of June 30, 2020 and 2019, respectively.

**Note 10 - Retirement Plans**

Employees that meet minimum required service hours are eligible to enter into the Nexus Retirement Plan. The Center 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 Center 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 Center contributed \$144,688 and \$131,588 to the plan for the years ended June 30, 2020 and 2019, respectively, which is included in employee benefits in the consolidated statements of functional expenses.

**Note 11 - Labor Concentration**

Approximately 40% and 37%, of the Center’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, 2020 and 2019. The collective bargaining agreement in place expires on December 31, 2021.

**Note 12 - Related Party Transactions**

The Center and the Trust had the following transactions with its related entities during the years ended June 30, 2020 and 2019:

	2020	2019
Beginning balance due (to) from affiliates	\$ (3,984,681)	\$ (1,873,606)
Charges for various operational expenses	(1,856,995)	(759,564)
Charges for management services provided by Nexus Diversified Community Service	(878,112)	(786,679)
Payments (receipts)	4,040,388	(566,828)
Donation to affiliate	(567)	1,996
	\$ (2,679,967)	\$ (3,984,681)

**Note 13 - Restatement to Prior Period Consolidated Financial Statements**

During the year ended June 30, 2020, management of the Center discovered that in 1993, the Center had established a fund within a local community foundation and had transferred assets to the community foundation at that time (see Note 1). When transferred, these assets should have remained within the net assets of the Center but a reduction in net assets had been accounted for at that time. Accordingly, amounts reported for investments (beneficial interest in community foundation) and net assets have been restated in the 2019 consolidated financial statements now presented to correct the error.

The following consolidated financial statement line items for the year ended June 30, 2019, were adjusted as a result of the adoption:

Consolidated Statement of Financial Position	As Previously Reported	Restatement	As Restated
Beneficial interest in assets held by community foundation	\$ -	\$ 308,582	\$ 308,582
Total noncurrent assets	5,208,556	308,582	5,517,138
Total assets	13,485,674	308,582	13,794,256
Net assets without donor restrictions	3,705,143	308,582	4,012,725
Total net assets	8,615,273	308,582	8,923,855
Total liabilities and net assets	13,485,674	308,582	13,794,256
<b>Consolidated Statement of Activities</b>			
Net assets, beginning of year			
Without donor restriction	\$ 3,374,575	\$ 308,582	\$ 3,683,157
Total	8,927,952	308,582	9,236,534
Net assets, end of year			
Without donor restriction	3,704,143	308,582	4,012,725
Total	8,615,273	308,582	8,923,855



Supplementary Information  
June 30, 2020 and 2019

## Nexus – Woodbourne Family Healing





## Independent Auditor's Report on Supplementary Information

To the Board of Directors  
Nexus – Woodbourne Family Healing  
Plymouth, Minnesota

We have audited the consolidated financial statements of Nexus – Woodbourne Family Healing as of and for the year ended June 30, 2020 and 2019, and our report thereon dated February 11, 2021, 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. Except as indicated in the following supplemental schedules, 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 11, 2021

Nexus – Woodbourne Family Healing  
Consolidating Statements of Financial Position  
June 30, 2020

	Woodbourne Center	Woodbourne Trust	Consolidated
<b>Assets</b>			
Cash and cash equivalents	\$ 307,512	\$ -	\$ 307,512
Operating investments	-	672,032	672,032
Accounts receivable, net			
Operating accounts receivable, net	2,159,798	-	2,159,798
Other accounts receivable	554,349	-	554,349
Prepaid expenses and other assets	39,276	-	39,276
<b>Total current assets</b>	<b>3,060,935</b>	<b>672,032</b>	<b>3,732,967</b>
<b>Non-Current Assets</b>			
Due from affiliates	(632,226)	632,226	-
Promises to give, net	-	-	-
Beneficial interest in assets held by community foundation	293,974	-	293,974
Beneficial interest in charitable trusts held by others	-	4,654,682	4,654,682
<b>Total non current assets</b>	<b>(338,252)</b>	<b>5,286,908</b>	<b>4,948,656</b>
<b>Property and Equipment, Net</b>	<b>4,104,367</b>	<b>-</b>	<b>4,104,367</b>
<b>Total assets</b>	<b>\$ 6,827,050</b>	<b>\$ 5,958,940</b>	<b>\$ 12,785,990</b>
<b>Current Liabilities</b>			
Current portion of long-term note payable	\$ 50,444	\$ -	\$ 50,444
Accounts payable and other accrued expenses	239,313	2,375	241,688
Accrued salaries and benefits	576,798	-	576,798
Due to affiliates	2,679,967	-	2,679,967
<b>Total current liabilities</b>	<b>3,546,522</b>	<b>2,375</b>	<b>3,548,897</b>
<b>Non-Current Liabilities</b>			
Long-term note payable, net of current portion	170,853	-	170,853
<b>Total liabilities</b>	<b>3,717,375</b>	<b>2,375</b>	<b>3,719,750</b>
<b>Net Assets</b>			
Without donor restriction	3,028,436	1,301,883	4,330,319
With donor restriction	81,239	4,654,682	4,735,921
<b>Total net assets</b>	<b>3,109,675</b>	<b>5,956,565</b>	<b>9,066,240</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,827,050</b>	<b>\$ 5,958,940</b>	<b>\$ 12,785,990</b>

Nexus – Woodbourne Family Healing  
Consolidating Statements of Financial Position  
June 30, 2019 (Restated)

	Woodbourne Center	Woodbourne Trust	Consolidated
<b>Assets</b>			
Cash and cash equivalents	\$ 735,453	\$ -	\$ 735,453
Operating investments	11,056	659,347	670,403
Accounts receivable, net			
Operating accounts receivable, net	1,128,190	-	1,128,190
Other accounts receivable	755,167	-	755,167
Promises to give	420,000	-	420,000
Prepaid expenses and other assets	24,362	-	24,362
<b>Total current assets</b>	<b>3,074,228</b>	<b>659,347</b>	<b>3,733,575</b>
<b>Non-Current Assets</b>			
Cash restricted to building project	-	-	-
Due from affiliates	(636,126)	636,126	-
Promises to give, net	378,310	-	378,310
Beneficial interest in assets held by community foundation	308,582	-	308,582
Beneficial interest in charitable trusts held by others	-	4,830,246	4,830,246
<b>Total non current assets</b>	<b>50,766</b>	<b>5,466,372</b>	<b>5,517,138</b>
<b>Property and Equipment, Net</b>	<b>4,543,543</b>	<b>-</b>	<b>4,543,543</b>
<b>Total assets</b>	<b>\$ 7,668,537</b>	<b>\$ 6,125,719</b>	<b>\$ 13,794,256</b>
<b>Current Liabilities</b>			
Current portion of long-term note payable	\$ 50,444	\$ -	\$ 50,444
Accounts payable and other accrued expenses	175,908	3,900	179,808
Accrued salaries and benefits	430,718	-	430,718
Due to affiliates	3,984,681	-	3,984,681
<b>Total current liabilities</b>	<b>4,641,751</b>	<b>3,900</b>	<b>4,645,651</b>
<b>Non-Current Liabilities</b>			
Long-term note payable, net of current portion	224,750	-	224,750
<b>Total non-current liabilities</b>	<b>224,750</b>	<b>-</b>	<b>224,750</b>
<b>Total liabilities</b>	<b>4,866,501</b>	<b>3,900</b>	<b>4,870,401</b>
<b>Net Assets</b>			
Without donor restriction	2,721,152	1,291,573	4,012,725
With donor restriction	80,884	4,830,246	4,911,130
<b>Total net assets</b>	<b>2,802,036</b>	<b>6,121,819</b>	<b>8,923,855</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,668,537</b>	<b>\$ 6,125,719</b>	<b>\$ 13,794,256</b>

Nexus – Woodbourne Family Healing  
Consolidating Statements of Activities  
Year Ended June 30, 2020

	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	\$ 11,627,043	\$ -	\$ 11,627,043	\$ -	\$ -	\$ -	\$ -	\$ 11,627,043
School revenue	2,907,275	-	2,907,275	-	-	-	-	2,907,275
School food revenue	52,347	-	52,347	-	-	-	-	52,347
Other	43,621	-	43,621	-	-	-	-	43,621
Grants and contributions, net	234,400	40,355	274,755	-	-	-	(229,051)	45,704
Net investment return	3,069	-	3,069	16,049	-	16,049	-	19,118
Loss on sale of assets	(2,356)	-	(2,356)	-	-	-	-	(2,356)
Change in value and distributions from beneficial interests in assets held by others and by community foundation	(14,608)	-	(14,608)	-	53,487	53,487	-	38,879
Net assets released from restrictions	40,000	(40,000)	-	229,051	(229,051)	-	-	-
<b>Total revenue and support</b>	<b>14,890,791</b>	<b>355</b>	<b>14,891,146</b>	<b>245,100</b>	<b>(175,564)</b>	<b>69,536</b>	<b>(229,051)</b>	<b>14,731,631</b>
Expenses								
Program services expense	11,095,583	-	11,095,583	229,051	-	229,051	(229,051)	11,095,583
Supporting services expense								
Management and general	3,481,078	-	3,481,078	5,739	-	5,739	-	3,486,817
Fundraising	6,847	-	6,847	-	-	-	-	6,847
<b>Total expense</b>	<b>14,583,507</b>	<b>-</b>	<b>14,583,507</b>	<b>234,790</b>	<b>-</b>	<b>234,790</b>	<b>(229,051)</b>	<b>14,589,246</b>
Change in Net Assets	307,284	355	307,639	10,310	(175,564)	(165,254)	-	142,385
Net Assets, Beginning of Year (Restated)	2,721,152	80,884	2,802,036	1,291,573	4,830,246	6,121,819	-	8,923,855
Net Assets, End of Year	<u>\$ 3,028,436</u>	<u>\$ 81,239</u>	<u>\$ 3,109,675</u>	<u>\$ 1,301,883</u>	<u>\$ 4,654,682</u>	<u>\$ 5,956,565</u>	<u>\$ -</u>	<u>\$ 9,066,240</u>

Nexus – Woodbourne Family Healing  
Consolidating Statements of Activities  
Year Ended June 30, 2019 (Restated)

	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	\$ 8,739,761	\$ -	\$ 8,739,761	\$ -	\$ -	\$ -	\$ -	\$ 8,739,761
School revenue	2,573,203	-	2,573,203	-	-	-	-	2,573,203
School food revenue	60,210	-	60,210	-	-	-	-	60,210
Other	28,058	-	28,058	-	-	-	-	28,058
Grants and contributions	233,623	426,951	660,574	-	-	-	(223,156)	437,418
Net investment return	101	-	101	28,793	-	28,793	-	28,894
Change in value and distributions from beneficial interests in assets held by others	-	-	-	-	230,197	230,197	-	230,197
Net assets released from restrictions	1,070,382	(1,070,382)	-	229,013	(229,013)	-	-	-
<b>Total revenue and support</b>	<b>12,705,338</b>	<b>(643,431)</b>	<b>12,061,907</b>	<b>257,806</b>	<b>1,184</b>	<b>258,990</b>	<b>(223,156)</b>	<b>12,097,741</b>
Expenses								
Program services expense	9,681,103	-	9,681,103	223,156	-	223,156	(223,156)	9,681,103
Supporting services expense								
Management and general	2,623,334	-	2,623,334	8,006	-	8,006	-	2,631,340
Fundraising	97,977	-	97,977	-	-	-	-	97,977
<b>Total expense</b>	<b>12,402,414</b>	<b>-</b>	<b>12,402,414</b>	<b>231,162</b>	<b>-</b>	<b>231,162</b>	<b>(223,156)</b>	<b>12,410,420</b>
Change in Net Assets	302,924	(643,431)	(340,507)	26,644	1,184	27,828	-	(312,679)
Net Assets, Beginning of Year (Restated)	2,418,228	724,315	3,142,543	1,264,929	4,829,062	6,093,991	-	9,236,534
Net Assets, End of Year (Restated)	\$ 2,721,152	\$ 80,884	\$ 2,802,036	\$ 1,291,573	\$ 4,830,246	\$ 6,121,819	\$ -	\$ 8,923,855

Nexus – Woodbourne Family Healing  
Schedule of Department Revenues and Expenses  
Year Ended June 30, 2020

	Treatment Foster Care	Adolescent Diagnostic Treatment Center	Residential Treatment Center Education	Other	Total
Revenue and Other Support					
Private grants and contributions	\$ -	\$ 52,347	\$ -	\$ 232,422	\$ 284,769
Governmental agencies	1,364,269	10,262,774	2,907,274	-	14,534,316
Interest and investment Income	-	-	-	17,485	17,485
Other income	2,054	-	-	52,522	54,576
	<u>1,366,323</u>	<u>10,315,120</u>	<u>2,907,274</u>	<u>302,429</u>	<u>14,891,146</u>
Total revenues and other support and gains					
Expenses					
Salaries and wages	236,691	5,068,106	1,335,449	-	6,640,246
Employee benefits and payroll taxes	81,669	1,429,629	457,828	-	1,969,126
Professional fees and contract labor	13,055	263,478	125,736	-	402,269
Direct child care and educational expenses	556,291	409,300	24,032	-	989,623
Office support and publications	11,895	12,988	12,640	-	37,523
Communications and postage	-	430	-	-	430
Occupancy	6,894	225,695	76,322	-	308,910
Equipment rental and maintenance	1,360	-	-	-	1,360
Travel, conferences and vehicle expense	2,360	16,539	643	-	19,542
Miscellaneous	10,050	181,778	64,769	-	256,597
Depreciation	10,353	358,500	80,218	-	449,071
Interest expense	-	20,885	-	-	20,885
	<u>930,618</u>	<u>7,987,327</u>	<u>2,177,637</u>	<u>-</u>	<u>11,095,582</u>
Total program services					
General and administrative	89,031	2,663,229	686,553	42,265	3,481,078
Fundraising	-	-	-	6,847	6,847
	<u>1,019,649</u>	<u>10,650,556</u>	<u>2,864,190</u>	<u>49,112</u>	<u>14,583,507</u>
Total expenses					
Operating change in net assets	<u>\$ 346,674</u>	<u>\$ (335,436)</u>	<u>\$ 43,084</u>	<u>\$ 253,317</u>	<u>\$ 307,638</u>

Nexus – Woodbourne Family Healing

Schedule of Department Revenues by Source

Year Ended June 30, 2020

	Treatment Foster Care	Adolescent Diagnostic Treatment Center	Residential Treatment Center Education	Management and Other	Total
Department of Human Resources (DHR)	\$ 1,335,306	\$ -	\$ 1,039,530	\$ -	\$ 2,374,836
Department of Juvenile Services (DJS)	28,963	-	874,268	-	903,231
Medical Assistance (MA)	-	10,004,849	-	-	10,004,849
Revenue Adjustments Current Year	-	(70,335)	-	-	(70,335)
Out-of-State Revenue	-	328,260	98,263	-	426,523
Various Boards of Education	-	-	718,667	-	718,667
One on One Advocacy	-	-	97,775	-	97,775
Speech Pathology	-	-	7,306	-	7,306
Related Services	-	-	71,465	-	71,465
Donations and Contributions	-	-	-	232,422	232,422
Grant Revenue	-	52,347	-	-	52,347
Interest & Investment Income	-	-	-	17,485	17,485
Gain on Sale of Vehicle	-	-	-	(2,356)	(2,356)
Other Income	2,054	-	-	54,878	56,932
	<u>\$ 1,366,323</u>	<u>\$ 10,315,120</u>	<u>\$ 2,907,274</u>	<u>\$ 302,429</u>	<u>\$ 14,891,146</u>
Total revenue and other support and gains					
Billable Days by All Sources (Unaudited)	9,183	17,202	9,155		

Nexus – Woodbourne Family Healing

Schedule of Actual Expenses to Approved Interagency Rate Committee (IRC) Budgeted Expenses  
Year Ended June 30, 2020

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	Treatment Foster Care (TFC)	TFC IRC Budget (Unaudited)
Salaries	\$ 259,312	\$ 1,104,535
Contract Labor	14,723	66,000
Payroll Taxes	18,645	92,442
Fringe Benefits	71,482	357,035
Staff Development	649	8,143
Contracted Services	12,880	156
Foster Parents	552,661	1,288,412
Publicity	2,753	36,000
Food	1,892	15,839
Clothing	-	-
Recreation	1,859	-
Rent	69	-
Utilities	7,576	14,040
Repair and Maintenance	4,908	5,923
Insurance and Taxes	2,601	5,449
Supplies	10,653	5,280
Depreciation	10,776	21,740
Equipment Rental	-	156
Print and Copy	1,013	3,075
Telephone	3,976	12,300
Postage	55	362
Dues & Fees	23,509	6,212
Conferences	431	10,455
Travel	2,964	18,180
Other	14,132	143,158
	<u>1,019,649</u>	<u>3,214,892</u>
Total IRC allowable expenses	1,019,649	3,214,892
IRC Disallowed Program Expenses	-	-
IRC Disallowed General and Administrative Expenses	-	-
	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 1,019,649</u>	<u>\$ 3,214,892</u>
Average Budgeted Census	-	61.2
Average Actual Census - DHR (Unaudited)	24.6	-
Average Actual Census - BMHS (Unaudited)	-	-
Average Actual Census - DJS (Unaudited)	0.5	-



Nexus – Woodbourne Family Healing  
 Comparison of Funds Received and Expenditures – Treatment Foster Care Program  
 Year Ended June 30, 2020

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Revenue on Accrual Basis of Accounting	\$ 1,366,323
Adjustments to Reconcile Accrual Basis Revenue to Funds Received	
Receivables, beginning balance	100,933
Receivables, ending balance	165,699
Changes in Receivable	(64,766)
Revenue	1,301,557
Expenditures	
Salaries and other employee related expenses	318,360
Direct child care and educational expenses	556,291
Professional fees and contract labor	13,055
Office support and publications	11,895
Occupancy	6,894
Equipment rental and maintenance	1,360
Travel, conferences, and vehicle expense	2,360
Miscellaneous	10,050
Depreciation	10,353
General and administrative expenses	89,031
Total Expenditures	1,019,649
Excess of Revenue over Expenditures	\$ 281,908

Nexus – Woodbourne Family Healing  
Comparison of Revenue and Expense – Budget and Actual – Treatment Foster Care Program  
Year Ended June 30, 2020

	Direct Service	General and Admin	Actual	Budget (Unaudited)	Variance
Revenue (Accrual Basis)	\$ 1,366,323	\$ -	\$ 1,366,323	\$ 3,214,892	\$ (1,848,569)
Salaries and Other Employee-Related Expenses	318,360	34,553	352,913	1,554,012	(1,201,099)
Direct Child Care and Educational Expenses	556,291	124	556,415	1,312,394	(755,979)
Professional Fees and Contract Labor	13,055	43,805	56,860	72,368	(15,508)
Office Support and Publications	11,895	1,177	13,072	8,717	4,355
Communications and Postage	-	-	-	48,300	(48,300)
Occupancy	6,894	751	7,645	14,040	(6,395)
Equipment Rental and Maintenance	1,360	3,548	4,908	6,079	(1,171)
Travel, Conferences, and Vehicle Expense	2,360	15	2,375	28,635	(26,260)
Miscellaneous	10,050	4,636	14,686	148,607	(133,921)
Depreciation	10,353	422	10,775	21,740	(10,965)
Total Expenditures	<u>930,618</u>	<u>89,031</u>	<u>1,019,649</u>	<u>3,214,892</u>	<u>(2,195,243)</u>
Excess of Revenue Over Expenditures	<u>\$ 435,705</u>	<u>\$ (89,031)</u>	<u>\$ 346,674</u>	<u>\$ -</u>	<u>\$ 346,674</u>