



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56035

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

November 13, 2020

Board of Directors
Blue River Services, Inc.
PO Box 547
1365 Old Hwy 135 NW
Corydon, IN 47112

We have reviewed the audit report of Blue River Services, Inc., which was opined upon by Deming, Malone, Livesay & Ostroff, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditors' Report*, the financial statements included in the report present fairly the financial condition of Blue River Services, Inc. as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Deming, Malone, Livesay & Ostroff prepared the audit report in accordance with guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

BLUE RIVER SERVICES, INC.

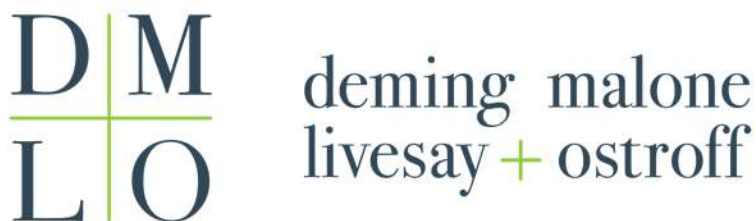
Consolidated Financial Statements and Supplementary Information

June 30, 2020 and 2019

BLUE RIVER SERVICES, INC.
Consolidated Financial Statements and Supplementary Information
June 30, 2020 and 2019

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	21
Notes to Consolidated Financial Statements	22
Supplementary Information:	
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	42
Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	44
Schedule of Findings and Questioned Costs	46
Consolidating Statement of Financial Position	47
Consolidating Statement of Activities	48



Independent Auditors' Report

To the Officers and Directors
Blue River Services, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Blue River Services, Inc. and its wholly-owned subsidiaries (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 auditors consider 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 consolidated financial position of Blue River Services, Inc. and its wholly-owned subsidiaries as of June 30, 2020, 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.

Prior Period Financial Statements

The consolidated financial statements of Blue River Services, Inc. and its wholly-owned subsidiaries as of June 30, 2019 were audited by other auditors whose report dated September 27, 2019 expressed an unmodified opinion on those consolidated statements.

301 E. Elm Street
New Albany, Indiana 47150
T: 812.945.5236
F: 812.949.4095

9300 Shelbyville Road
Suite 1100
Louisville, Kentucky 40222
T: 502.426.9660
F: 502.425.0883

131 E. Chestnut Street
Corydon, Indiana 47112
T: 812.738.3516
F: 812.738.3519

Report on Summarized Comparative Information

The summarized comparative information as audited by other auditors, presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 2, the Organizations have restated their June 30, 2019 consolidated financial statements during the current year to accurately reflect property balances, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the June 30, 2019 consolidated financial statements before the restatement. As part of our audit of the June 30, 2020 consolidated financial statements, we also audited the adjustment described in Note 2 that was applied to restate the June 30, 2019 consolidated financial statements. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the June 30, 2019 consolidated financial statements of the Organizations other than with respect to the adjustment, and accordingly, we do not express an opinion or any other form of assurance on the June 30, 2019 consolidated financial statements as a whole.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020, on our consideration of Blue River Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blue River Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blue River Services, Inc.'s internal control over financial reporting and compliance.



Deming, Malone, Livesay & Ostroff
New Albany, Indiana
October 7, 2020

BLUE RIVER SERVICES, INC.
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,995,922	\$ 499,848
Restricted cash	520,281	490,981
Certificates of deposit	31,542	288,837
Grants receivable	682,827	729,881
Government contracts receivable	483,699	519,398
Accounts receivable	317,882	301,688
Prepaid expenses	45,941	94,328
Inventory	20,695	30,822
Interest receivable	724,436	669,909
Notes receivable	1,731,902	1,738,761
Construction in progress	154,787	344,533
Property and equipment, net of accumulated depreciation (restated for June 30, 2019)	14,930,274	14,771,995
Goodwill, net of accumulated amortization	<u>6,750</u>	<u>6,750</u>
Total assets (restated for June 30, 2019)	<u>\$ 21,646,938</u>	<u>\$ 20,487,731</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 325,983	\$ 548,192
Accrued liabilities	592,304	684,341
Line of credit	-	420,000
Deposits and deferred revenue	51,969	59,731
Capital lease obligations	3,341	8,611
Loans	<u>4,087,697</u>	<u>2,546,852</u>
Total liabilities	<u>5,061,294</u>	<u>4,267,727</u>
Net Assets		
Without donor restrictions (restated for June 30, 2019)	6,522,708	6,781,441
With donor restrictions	<u>10,062,936</u>	<u>9,438,563</u>
Total net assets (restated for June 30, 2019)	<u>16,585,644</u>	<u>16,220,004</u>
Total liabilities and net assets (restated for June 30, 2019)	<u>\$ 21,646,938</u>	<u>\$ 20,487,731</u>

BLUE RIVER SERVICES, INC.
Consolidated Statements of Activities
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue, Gains, and Support		
Government Financial Assistance and Service Fees	\$ 13,295,609	\$ 13,672,368
Sales/Contract Revenue	848,683	1,079,280
Rental Revenue	804,155	638,899
Contributions	270,378	153,072
Other Revenue	75,388	56,051
Investment Income	66,220	62,254
Donated Vehicles and Equipment	10,731	36,700
Gain (Loss) on Sale of Assets	8,783	(11,429)
	<u>15,379,947</u>	<u>15,687,195</u>
Revenues, gains, and support without donor restrictions		
	<u>547,514</u>	<u>547,507</u>
Net assets released from restrictions		
	<u>15,927,461</u>	<u>16,234,702</u>
Total revenues, gains, and other support without donor restrictions		
Expenses		
Program Services		
Child Care	597,365	943,491
21st Century	791,918	756,878
Latchkey	1,759	1,347
Jumpstart PreSchool	129,114	111,001
Prevent Child Abuse	1,922	1,481
Healthy Family	247,032	218,055
First Steps LPCC	117,847	108,918
First Steps SPOE	2,259,712	1,760,579
First Steps ED Team	803,092	716,758
Pre-Vocational Services	284,564	285,074
Industrial Services	506,034	441,209
Community Janitorial	2,687	9,274
Lawn Care/Landscape	29,901	17,139
Department of Indiana Highways Janitorial	424,426	559,320
Screen Print	200,674	198,348
Therapy Services	19,221	-
Employment Services	295,664	286,857
Establishment Program	31,451	70,053
Transition	108,156	52,372
Drivers Education	33,983	36,973
Safe Place	12,805	11,016
Hab Training	427,167	395,612
Structured Family Caregiving	367,345	341,159
Oak Street Home	444,981	364,508
Nichols Home	392,820	337,758
Summit View SGL	441,425	407,383
Milltown Home	411,643	365,028
Klermer Ln Home	487,545	421,794
Marvy Ln Home	411,330	380,361
McGrain Home	412,618	363,076
Residential Core	414,226	405,927
IDDD Home	370,548	308,497
Wyandotte House	417,313	300,443
Home/Community Services	813,176	763,555
Housing	77,327	90,314
Oakview Apartments	99,952	116,665
Autumn Ridge L.P. Mgmt	35,972	28,786

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statements of Activities (Continued)
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Program Services (Continued)		
Country Trace L.P. Mgmt	25,813	22,239
BR Autumn Ridge II Mgmt	55,769	51,802
BR Country Trace II Mgmt	10,259	8,604
Stepping Stone Apts/Transitional Housing	112,720	108,779
BR Country Trace 3 Mgmt	11,246	9,325
Grandview Manor So Mgmt	59,806	54,576
Jill's Hope	145,405	129,464
Jackson Court Apartments Mgmt	11,734	9,549
Enterprise	31,252	38,193
Enterprise Pre-Dev	12,325	21,385
Harrison Center Apartments	161,399	43,679
Housing Service Coor	-	8,684
Apple Orchard Apartments	68,275	266
Grandview Manor North	5,526	-
Apple Orchard Phase 2	-	-
WIC	486,318	435,445
Day Service Transportation	164,372	169,896
Non Fixed Route Transportation	19,120	40,683
Children's Transportation	37,685	27,197
Charter Transportation	8,407	5,295
Medical Transportation	-	657
Public Transportation	643,599	607,902
City Transit	67,306	66,067
Maintenance Facility	77,668	72,324
	<u>15,140,719</u>	<u>13,909,020</u>
Total program services		
Supporting Services		
Fund Development	3,489	-
Outside Services	266	-
Administration	299,530	1,440,036
IT Support	1,808	108,745
Non BRS Rental	99,917	89,086
Disallowable	40,538	29,775
	<u>445,548</u>	<u>1,667,642</u>
Total supporting services		
Blue River Services Inc.	15,586,267	15,576,662
Blue River Autumn Ridge II LLC	202,683	204,152
Blue River Country Trace II LLC	83,011	90,780
BR Country Trace 3 LLC	59,881	60,702
Grandview Manor South LLC	149,626	154,861
Jackson Court Apartments LLC	104,672	102,274
Apple Orchard LLC	54	-
	<u>16,186,194</u>	<u>16,189,431</u>
Total expenses		
Change in net assets without donor restrictions	<u>(258,733)</u>	<u>45,271</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Government Financial Assistance and Service Fees	1,140,696	258,334
Contributions	31,191	19,033
Net assets released from restrictions	<u>(547,514)</u>	<u>(547,507)</u>
Change in net assets with donor restrictions	<u>624,373</u>	<u>(270,140)</u>
Change in net assets	365,640	(224,869)
Net assets at the beginning of the year (restated for July 1, 2018)	<u>16,220,004</u>	<u>16,444,873</u>
Net assets at the end of the year (restated for June 30, 2019)	<u>\$ 16,585,644</u>	<u>\$ 16,220,004</u>

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services					
	Child Care	21st Century	Latchkey	Jumpstart PreSchool	Prevent Child Abuse	Healthy Family
Salaries - staff	\$ 323,275	\$ 518,773	\$ 1,330	\$ 94,714	\$ -	\$ 163,458
Salaries - client						
Employee benefits	32,002	47,681	25	10,266		14,913
Payroll taxes	28,897	38,222	99	6,836	-	12,816
Total salaries and related expenses	384,174	604,676	1,454	111,816	-	191,187
Professional fees	57,176	131,279	172	12,366	201	22,972
Occupancy	30,177	7,433		391		3,357
Travel	2,444	5,451		78		10,337
Supplies	76,590	9,457	133	2,911	1,135	1,047
Provider taxes						
Telephone	5,405	1,715		314		6,478
Interest	1,589					1,199
Equipment	1,707	543		280	178	1,526
Miscellaneous	5,393	2,713		251		243
Conferences and meetings	21	21,600		21		857
Liability insurance	424	1,526		160		
Dues and memberships	29			60	150	4,301
Postage and shipping	29	396		92		
Property tax						
Bad debt	10,315				9	
Special events						
Advertising		400			249	
Printing and publications						
Fund raising	936					
Cash over/short						
Contributions	-	-	-	-	-	-
Total expenses before depreciation	576,409	787,189	1,759	128,740	1,922	243,504
Depreciation	20,956	4,729	-	374	-	3,528
Total expenses	\$ 597,365	\$ 791,918	\$ 1,759	\$ 129,114	\$ 1,922	\$ 247,032

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services					
	First Steps LPCC	First Steps SPOE	First Steps ED Team	Pre-Vocational Services	Industrial Services	Community Janitorial
Salaries - staff	\$ 81,731	\$ 1,473,875	\$ 522,920	\$ 151,630	\$ 203,088	\$ 1,219
Salaries - client				31,227	85,836	
Employee benefits	5,586	203,805	14,771	11,186	28,499	14
Payroll taxes	6,171	106,125	40,165	13,265	24,000	90
Total salaries and related expenses	93,488	1,783,805	577,856	207,308	341,423	1,323
Professional fees	11,558	217,977	213,865	32,823	62,770	295
Occupancy	6,066	83,177	535	26,083	30,831	
Travel	1,584	72,657	7,792	1,831	21,061	45
Supplies	881	22,258	38	583	20,097	106
Provider taxes						
Telephone	2,029	31,534	2,116	2,481	4,166	808
Interest	25	848	8	380	380	
Equipment	35	30,380	9	469	3,844	
Miscellaneous	400	3,825	216	95	7,642	
Conferences and meetings	370	831	233			
Liability insurance						
Dues and memberships					160	
Postage and shipping	399	6,616			66	
Property tax						
Bad debt						
Special events					93	
Advertising						
Printing and publications					18	
Fund raising						
Cash over/short						
Contributions	-	-	-	-	-	-
Total expenses before depreciation	116,835	2,253,908	802,668	272,053	492,551	2,577
Depreciation	1,012	5,804	424	12,511	13,483	110
Total expenses	\$ 117,847	\$ 2,259,712	\$ 803,092	\$ 284,564	\$ 506,034	\$ 2,687

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services					
	Lawn Care/ Landscape	Dept of Indiana Highways Janitorial	Screen Print	Therapy Services	Employment Services	Establishment Program
Salaries - staff	\$ 14,318	\$ 244,518	\$ 72,413	\$ 10,720	\$ 151,795	\$ 15,255
Salaries - client						
Employee benefits	623	48,977	16,789	506	38,581	4,700
Payroll taxes	1,236	18,027	5,028	748	10,591	1,096
Total salaries and related expenses	16,177	311,522	94,230	11,974	200,967	21,051
Professional fees	4,349	70,428	32,029	6,664	57,146	9,382
Occupancy		180	19,029	124	9,961	
Travel	2,971	2,969		156	7,992	1,018
Supplies	468	30,324	48,576	22	1,813	
Provider taxes						
Telephone	30	2,167	2,984	143	8,890	
Interest					2,037	
Equipment	3,197	3,314	9		591	
Miscellaneous	2,132	557	230		1,001	
Conferences and meetings					786	
Liability insurance						
Dues and memberships						
Postage and shipping			464		5	
Property tax						
Bad debt				1,956	11	
Special events						
Advertising			100			
Printing and publications					(59)	
Fund raising						
Cash over/short						
Contributions	-	-	-	-	-	-
Total expenses before depreciation	29,324	421,461	199,607	19,083	291,141	31,451
Depreciation	577	2,965	1,067	138	4,523	-
Total expenses	\$ 29,901	\$ 424,426	\$ 200,674	\$ 19,221	\$ 295,664	\$ 31,451

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
		Drivers			Structured Family
	Transition	Education	Safe Place	Hab Training	Caregiving
Salaries - staff	\$ 57,997	\$ 14,229	\$ 7,080	\$ 234,684	\$ 70,050
Salaries - client					
Employee benefits	19,884	225	289	48,125	5,777
Payroll taxes	3,896	1,059	549	18,190	5,176
Total salaries and related expenses	81,777	15,513	7,918	300,999	81,003
Professional fees	20,889	5,795	1,299	50,678	272,398
Occupancy	335	458	288	17,302	1,829
Travel	3,960	3,734	636	13,008	3,759
Supplies	227	6,033	893	12,633	682
Provider taxes					
Telephone	349	315	1,085	5,031	2,783
Interest	41	54	33	5,285	1,192
Equipment		13	4	2,091	500
Miscellaneous	23	8	118	954	330
Conferences and meetings			10		
Liability insurance					
Dues and memberships					
Postage and shipping		39	44	87	233
Property tax					
Bad debt					
Special events				83	
Advertising					
Printing and publications				8	
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	107,601	31,962	12,328	408,159	364,709
Depreciation	555	2,021	477	19,008	2,636
Total expenses	\$ 108,156	\$ 33,983	\$ 12,805	\$ 427,167	\$ 367,345

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Oak Street Home	Nichols Home	Summit View SGL	Milltown Home	Klerner Ln Home
Salaries - staff	\$ 165,823	\$ 151,237	\$ 173,342	\$ 143,044	\$ 224,274
Salaries - client					
Employee benefits	31,472	15,902	15,331	21,301	29,282
Payroll taxes	11,292	11,106	12,739	11,666	16,609
Total salaries and related expenses	208,587	178,245	201,412	176,011	270,165
Professional fees	137,348	125,772	122,036	127,031	115,459
Occupancy	12,614	8,904	16,410	12,995	13,315
Travel	13,838	11,268	18,728	31,995	12,855
Supplies	32,318	25,838	25,581	25,876	31,352
Provider taxes	30,085	31,918	31,745	28,755	34,213
Telephone	2,351	2,202	2,876	3,114	4,041
Interest	346	387		503	507
Equipment	2,037	1,687	3,357	1,084	1,455
Miscellaneous	1,844	1,675	2,015	1,702	1,872
Conferences and meetings	329	295		179	
Liability insurance					
Dues and memberships					
Postage and shipping	71	26	46	13	27
Property tax					
Bad debt					
Special events					
Advertising					
Printing and publications	33	34			
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	441,801	388,251	424,206	409,258	485,261
Depreciation	3,180	4,569	17,219	2,385	2,284
Total expenses	\$ 444,981	\$ 392,820	\$ 441,425	\$ 411,643	\$ 487,545

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Marvy Ln Home	McGrain Home	Residential Core	IDDD Home	Wyandotte House
Salaries - staff	\$ 166,065	\$ 157,131	\$ 278,986	\$ 248,624	\$ 253,895
Salaries - client					
Employee benefits	15,664	13,903	61,051	13,750	22,480
Payroll taxes	12,243	11,430	20,163	18,552	18,797
Total salaries and related expenses	193,972	182,464	360,200	280,926	295,172
Professional fees	119,676	132,646	33,546	41,888	39,496
Occupancy	8,448	12,795	3,641	9,573	12,373
Travel	21,392	14,807	746	3,637	14,983
Supplies	24,955	25,780	2,453	13,569	16,204
Provider taxes	30,426	30,316			
Telephone	2,835	2,098	4,836	4,721	6,013
Interest			508	537	34
Equipment	1,908	3,275	345	4,128	5,106
Miscellaneous	1,428	3,181	622	4,130	5,519
Conferences and meetings			314	20	20
Liability insurance			141		
Dues and memberships		615	135	955	954
Postage and shipping	14	71	4	8	37
Property tax					
Bad debt					180
Special events					
Advertising			199		
Printing and publications			39		
Fund raising					
Cash over/short				20	
Contributions	-	-	-	-	-
Total expenses before depreciation	405,054	408,048	407,729	364,112	396,091
Depreciation	6,276	4,570	6,497	6,436	21,222
Total expenses	\$ 411,330	\$ 412,618	\$ 414,226	\$ 370,548	\$ 417,313

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Home/Community Services	Housing	Oakview Apartments	Autumn Ridge L.P. Mgmt	Country Trace L.P. Mgmt
Salaries - staff	\$ 529,543	\$ 37,937	\$ 11,590	\$ 23,813	\$ 18,828
Salaries - client					
Employee benefits	82,051	9,589	2,395	4,994	2,857
Payroll taxes	38,456	2,340	838	1,730	1,292
Total salaries and related expenses	650,050	49,866	14,823	30,537	22,977
Professional fees	95,579	11,368	6,796	3,498	2,499
Occupancy	3,883	2,587	25,205	281	
Travel	39,452	3,199	157	700	337
Supplies	7,415	2,291	820		
Provider taxes					
Telephone	6,945	4,446			
Interest	901		3,083	941	
Equipment	1,382	198	1,984		
Miscellaneous	961	1,268		15	
Conferences and meetings		1,037			
Liability insurance					
Dues and memberships	250				
Postage and shipping	88	270	7		
Property tax					
Bad debt			1,575		
Special events	57				
Advertising		412			
Printing and publications	11	359			
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	806,974	77,301	54,450	35,972	25,813
Depreciation	6,202	26	45,502	-	-
Total expenses	\$ 813,176	\$ 77,327	\$ 99,952	\$ 35,972	\$ 25,813

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	BR Autumn Ridge II Mgmt	BR Country Trace II Mgmt	Stepping Stone Apts/ Transitional Housing	BR Country Trace 3 Mgmt	Grandview Manor So Mgmt
Salaries - staff	\$ 30,584	\$ 7,526	\$ 34,705	\$ 8,066	\$ 45,186
Salaries - client					
Employee benefits	6,646	1,225	3,622	1,292	5,169
Payroll taxes	2,232	506	2,580	555	3,202
Total salaries and related expenses	39,462	9,257	40,907	9,913	53,557
Professional fees	15,538	943	11,388	1,104	5,709
Occupancy			16,633		
Travel	762	59	682	229	540
Supplies			9,420		
Provider taxes					
Telephone			3,641		
Interest					
Equipment			929		
Miscellaneous	7		80		
Conferences and meetings			43		
Liability insurance					
Dues and memberships					
Postage and shipping					
Property tax					
Bad debt			150		
Special events					
Advertising					
Printing and publications					
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	55,769	10,259	83,873	11,246	59,806
Depreciation	-	-	28,847	-	-
Total expenses	\$ 55,769	\$ 10,259	\$ 112,720	\$ 11,246	\$ 59,806

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Jill's Hope	Jackson Court Apartments Mgmt	Enterprise	Enterprise Pre-Dev	Harrison Center Apartments
Salaries - staff	\$ 14,848	\$ 8,820	\$ 21,100	\$ 6,990	\$ 2,310
Salaries - client					
Employee benefits	2,882	811	3,239	1,081	253
Payroll taxes	1,034	651	1,585	585	146
Total salaries and related expenses	18,764	10,282	25,924	8,656	2,709
Professional fees	55,769	1,354	2,952	3,669	138,505
Occupancy	29,700				7,356
Travel	101	98	97		94
Supplies	3,998				736
Provider taxes					
Telephone	3,779				
Interest					538
Equipment	1,920				
Miscellaneous					
Conferences and meetings	1,642		2,279		
Liability insurance					
Dues and memberships					
Postage and shipping					
Property tax					
Bad debt					
Special events					
Advertising					16
Printing and publications					
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	115,673	11,734	31,252	12,325	149,954
Depreciation	29,732	-	-	-	11,445
Total expenses	\$ 145,405	\$ 11,734	\$ 31,252	\$ 12,325	\$ 161,399

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Housing Service Coor	Apple Orchard Apartments	Grandview Manor North	Apple Orchard Phase 2	WIC
Salaries - staff	\$ -	\$ 35,128	\$ -	\$ -	\$ 295,159
Salaries - client					
Employee benefits		6,092			68,401
Payroll taxes	-	2,443	-	-	20,965
Total salaries and related expenses	<u>-</u>	<u>43,663</u>	<u>-</u>	<u>-</u>	<u>384,525</u>
Professional fees		21,900	5,500		48,789
Occupancy					13,313
Travel		81			3,524
Supplies					10,226
Provider taxes					
Telephone					8,543
Interest					2,811
Equipment		1,812			760
Miscellaneous					77
Conferences and meetings		595			2,787
Liability insurance					466
Dues and memberships					50
Postage and shipping		17	26		2,218
Property tax		207			
Bad debt					
Special events					1,823
Advertising					
Printing and publications					1,706
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	<u>-</u>	<u>68,275</u>	<u>5,526</u>	<u>-</u>	<u>481,618</u>
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,700</u>
Total expenses	<u>\$ -</u>	<u>\$ 68,275</u>	<u>\$ 5,526</u>	<u>\$ -</u>	<u>\$ 486,318</u>

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services				
	Day Service Transportation	Non Fixed Route Transportation	Children's Transportation	Charter Transportation	Public Transportation
Salaries - staff	\$ 71,859	\$ 1,861	\$ 14,860	\$ 141	\$ 269,854
Salaries - client					
Employee benefits	1,377	4	715	2	22,356
Payroll taxes	5,231	140	984	12	20,343
Total salaries and related expenses	78,467	2,005	16,559	155	312,553
Professional fees	13,104	1,525	3,450	844	64,837
Occupancy	779		74		6,882
Travel	37,097	11,400	15,643	7,234	117,192
Supplies	781		28	174	5,528
Provider taxes					
Telephone	3,131		789		5,105
Interest					
Equipment	166		2		16,434
Miscellaneous	149	7			2,687
Conferences and meetings					59
Liability insurance					
Dues and memberships					150
Postage and shipping					
Property tax					
Bad debt					
Special events					
Advertising					1,561
Printing and publications	1				1,265
Fund raising					
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	133,675	14,937	36,545	8,407	534,253
Depreciation	30,697	4,183	1,140	-	109,346
Total expenses	\$ 164,372	\$ 19,120	\$ 37,685	\$ 8,407	\$ 643,599

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Program Services			Supporting Services	
	City Transit	Maintenance Facility	Subtotal	Fund Development	RBR Alliance
Salaries - staff	\$ 29,501	\$ 39,997	\$ 7,951,699	\$ -	\$ -
Salaries - client			117,063		
Employee benefits	830	862	1,022,105		
Payroll taxes	1,968	2,895	599,592	-	-
Total salaries and related expenses	32,299	43,754	9,690,459	-	-
Professional fees	4,906	6,544	2,817,479		
Occupancy	2,915	2,419	460,651		
Travel	10,140	709	557,259		
Supplies	1,303	11,226	514,779		
Provider taxes			217,458		
Telephone	1,218	1,110	154,617		
Interest			24,167		
Equipment	485	827	99,971		
Miscellaneous		96	55,466	32	
Conferences and meetings			34,328		
Liability insurance			2,717		
Dues and memberships			7,809		
Postage and shipping			11,413		
Property tax			207		
Bad debt			14,196		
Special events			2,056		
Advertising			2,937		
Printing and publications	378		3,793		
Fund raising			936	3,457	
Cash over/short			20		
Contributions	-	-	-	-	-
Total expenses before depreciation	53,644	66,685	14,672,718	3,489	-
Depreciation	13,662	10,983	468,001	-	-
Total expenses	\$ 67,306	\$ 77,668	\$ 15,140,719	\$ 3,489	\$ -

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Supporting Services				
	Outside Services	Administration	IT Support	Non BRS Rental	Disallowable Costs
Salaries - staff	\$ 238	\$ 637	\$ 1,099	\$ -	\$ -
Salaries - client					
Employee benefits	10	968	52		
Payroll taxes	18	2,857	220	-	-
Total salaries and related expenses	266	4,462	1,371	-	-
Professional fees		52,924		6,887	4,366
Occupancy		65,081		39,689	1,151
Travel		11,399	64		
Supplies		18,347		3,958	
Provider taxes					
Telephone		22,367	70	2,212	
Interest		5,837		2,416	31,078
Equipment		6,507	282	485	
Miscellaneous		11,080	21		3,943
Conferences and meetings		2,406			
Liability insurance		22,841			
Dues and memberships		9,086			
Postage and shipping		5,996			
Property tax				16,554	
Bad debt					
Special events		6,826			
Advertising		4,319			
Printing and publications		3,170			
Fund raising		75			
Cash over/short					
Contributions	-	-	-	-	-
Total expenses before depreciation	266	252,723	1,808	72,201	40,538
Depreciation	-	46,807	-	27,716	-
Total expenses	\$ 266	\$ 299,530	\$ 1,808	\$ 99,917	\$ 40,538

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Blue River Services	Blue River Autumn Ridge II LLC	Blue River Country Trace II LLC	BR Country Trace 3 LLC	Grandview Manor South LLC
Salaries - staff	\$ 7,953,673	\$ -	\$ -	\$ -	\$ -
Salaries - client	117,063				
Employee benefits	1,023,135				
Payroll taxes	<u>602,687</u>	-	-	-	-
Total salaries and related expenses	<u>9,696,558</u>	-	-	-	-
Professional fees	2,881,656	6,625	3,079	3,191	5,937
Occupancy	566,572	36,431	14,519	15,089	36,814
Travel	568,722				
Supplies	537,084	2,019	320	543	1,236
Provider taxes	217,458				
Telephone	179,266				4,158
Interest	63,498	26,215	6,249		23,849
Equipment	107,245	6,775	826	1,979	1,040
Miscellaneous	70,542		10	32	73
Conferences and meetings	36,734	1,080			139
Liability insurance	25,558				
Dues and memberships	16,895	1,040			
Postage and shipping	17,409	110	61	55	165
Property tax	16,761				
Bad debt	14,196	1,964		21	158
Special events	8,882				
Advertising	7,256	25			119
Printing and publications	6,963				
Fund raising	4,468				
Cash over/short	20				
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before depreciation	<u>15,043,743</u>	<u>82,284</u>	<u>25,064</u>	<u>20,910</u>	<u>73,688</u>
Depreciation	<u>542,524</u>	<u>120,399</u>	<u>57,947</u>	<u>38,971</u>	<u>75,938</u>
Total expenses	<u>\$ 15,586,267</u>	<u>\$ 202,683</u>	<u>\$ 83,011</u>	<u>\$ 59,881</u>	<u>\$ 149,626</u>

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
With Comparative Totals for 2019

	Jackson Court Apartments LLC	Apple Orchard LLC	Total Expenses	June 30, 2019 Total All Funds (Memorandum Only)
Salaries - staff	\$ -	\$ -	\$ 7,953,673	\$ 9,102,659
Salaries - client			117,063	113,240
Employee benefits			1,023,135	1,045,607
Payroll taxes	-	-	602,687	690,217
Total salaries and related expenses	-	-	9,696,558	10,951,723
Professional fees	3,435		2,903,923	1,427,889
Occupancy	16,414		685,839	754,679
Travel			568,722	653,192
Supplies	486		541,688	639,324
Provider taxes			217,458	205,059
Telephone	1,230		184,654	139,871
Interest	5,463		125,274	129,666
Equipment	622		118,487	148,975
Miscellaneous	(3)		70,654	43,991
Conferences and meetings			37,953	47,365
Liability insurance			25,558	23,752
Dues and memberships			17,935	26,367
Postage and shipping	121		17,921	18,146
Property tax			16,761	15,872
Bad debt	76		16,415	7,802
Special events			8,882	11,140
Advertising	119		7,519	8,699
Printing and publications		54	7,017	8,066
Fund raising			4,468	2,782
Cash over/short			20	131
Contributions	-	-	-	100
Total expenses before depreciation	27,963	54	15,273,706	15,264,591
Depreciation	76,709	-	912,488	924,840
Total expenses	<u>\$ 104,672</u>	<u>\$ 54</u>	<u>\$ 16,186,194</u>	<u>\$ 16,189,431</u>

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 365,640	\$ (224,869)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	912,488	924,840
Contribution of property	-	(23,104)
Interest expense - bond and loan costs	19,158	19,158
(Gain) Loss on Sale of Assets	(8,783)	11,429
Forgiveness of loan	(152,498)	(152,498)
Decrease (increase) in assets:		
Grants receivable	47,054	86,021
Government contracts receivable	35,699	107,568
Accounts receivable	(16,194)	(38,573)
Prepaid expense	48,387	(10,283)
Inventory	10,127	(2,218)
Increase (decrease) in liabilities:		
Accounts payable	(222,209)	131,106
Accrued liabilities	(92,037)	(6,895)
Deposits and deferred revenue	(7,762)	2,710
Net cash flows from operating activities	<u>939,070</u>	<u>824,392</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(885,373)	(729,035)
Cash proceeds from disposals of property and equipment	13,135	30,070
Redemption (purchase) of certificates of deposit	257,295	(2,334)
Payments received on note receivable	6,859	6,791
Accrual of interest on note receivable	(55,468)	(55,534)
Payment of interest on note receivable	941	1,009
Net cash flows from investing activities	<u>(662,611)</u>	<u>(749,033)</u>
Cash Flows From Financing Activities		
Principal payments on loans	(270,392)	(212,136)
Proceeds of loans	1,944,577	35,992
Principal payments on capital leases	(5,270)	(5,189)
Proceeds of capital leases	-	7,800
Principal payments on line of credit/construction loans	(2,400,000)	(2,675,500)
Proceeds from line of credit/construction loans	1,980,000	2,759,850
Net cash flows from financing activities	<u>1,248,915</u>	<u>(89,183)</u>
Net change in cash and cash equivalents	1,525,374	(13,824)
Cash and cash equivalents at the beginning of the year	<u>990,829</u>	<u>1,004,653</u>
Cash and cash equivalents at the end of the year	<u>\$ 2,516,203</u>	<u>\$ 990,829</u>
Cash reconciliation as reported on the Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 1,995,922	\$ 499,848
Restricted cash	<u>520,281</u>	<u>490,981</u>
	<u>\$ 2,516,203</u>	<u>\$ 990,829</u>

See notes to consolidated financial statements.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Activities - The summary of significant accounting policies of Blue River Services, Inc. and its wholly-owned subsidiaries, Blue River Autumn Ridge II, LLC, Blue River Country Trace II, LLC, BR Country Trace 3, LLC, Grandview Manor South, LLC, Jackson Court Apartments, LLC, and Apple Orchard, LLC, hereafter referred to as the “Organizations,” is presented to assist in understanding the Organizations’ consolidated financial statements.

Blue River Services, Inc. and its wholly-owned subsidiaries acts as the provider in the administration of government programs. The Organizations’ mission is to assist people with disabilities in realizing maximum personal growth and development in home, work and the community by providing a continuum of individualized services and support in settings least restrictive for the needs of the individual. As an adjunct to these services, whenever possible, the Organizations will serve the similar needs of the general community by providing services in non-segregated, community based settings which emphasize the integrated inclusion of people with disabilities into all areas of life which are enjoyed by members of the community. The Organizations provide the following services:

- **Family and children’s services** such as childcare, PreSchool, Healthy Families home visitation, First Steps, WIC nutrition programs, and 21st Century.
- **Employment services** in the areas of vocational evaluation, work services, driver’s training, placement, and supported employment.
- **Residential services** such as supervised group living, structured family care giving, and in-home services.
- **Transportation services** in the areas of deviated routes to access services and public transit for the general public.
- **Other services** include housing development, youth residential shelters, pre-vocational, and therapy services.

Blue River Services, Inc. is primarily supported through fees to individuals, often paid through programs such as Medicaid and other government programs.

Blue River Autumn Ridge II, LLC is a single member Limited Liability Company established in 2009 and owned by Blue River Services, Inc. Blue River Autumn Ridge II, LLC owns, develops and rents real estate.

Blue River Country Trace II, LLC is a single member Limited Liability Company established in 2012 and owned by Blue River Services, Inc. Blue River Country Trace II, LLC owns, develops and rents real estate.

BR Country Trace 3, LLC is a single member Limited Liability Company established in 2014 and owned by Blue River Services, Inc. BR Country Trace 3, LLC owns, develops and rents real estate.

Grandview Manor South, LLC is a single member Limited Liability Company established in 2016 and owned by Blue River Services, Inc. Grandview Manor South, LLC owns, develops and rents real estate.

Jackson Court Apartments, LLC is a single member Limited Liability Company established in 2016 and owned by Blue River Services, Inc. Jackson Court Apartments, LLC owns, develops and rents real estate.

Apple Orchard, LLC is a single member Limited Liability Company established in 2019 and owned by Blue River Services, Inc. Apple Orchard, LLC owns, develops and rents real estate.

The Organizations follow the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations as described in the American Institute of Certified Public Accountants’ “Audit and Accounting Guide for Not-for-Profit Entities”. Accordingly, the consolidated financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation - The Organizations are required to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. The Organizations' 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. 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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements.

Functional Allocation of Expenses - The Consolidated Statement of Functional Expenses presents expenses by both natural and functional classification. Costs are allocated under their respective functional department based on a variety of factors, such as time analysis, usage logs, and square footage of space utilized.

The June 30, 2020 Statement of Functional Expenses presents summarized comparative information from the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Unconditional Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions which are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated Vehicles and Equipment - During the years ended June 30, 2020 and 2019, the value of contributed services meeting the requirement for recognition in the consolidated financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organizations in their various programs; however these services do not meet the criteria for recognition in the consolidated financial statements as contributed services. Certain contributed equipment is recorded as support and expensed at fair market value when determinable, otherwise at values indicated by the donor. For the years ended June 30, 2020 and 2019, the Organizations received donated equipment and vehicles valued at \$ 10,731 and \$ 36,700, respectively. The \$ 10,731 included on the Statement of Activities for the year ended June 30, 2020 consists of ARRA equipment. The \$ 36,700 included on the Statement of Activities for the year ended June 30, 2019 consists of \$ 25,969 for ARRA vehicles and \$ 10,731 for ARRA equipment.

Cash and Cash Equivalents - Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Restricted Cash - Restricted cash consists of cash required to be used or held for specific purposes, such as escrow balances and required reserves.

Certificates of Deposit - Certificates of deposit consist of certificates held at financial institutions which have a maturity date greater than ninety (90) days.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenue Recognition - The Financial Accounting Standards Board (“FASB”) issued new guidance that created Accounting Standards Update (“ASU”) No. 2014-09, “*Revenue from Contracts with Customers*”, as amended (“ASU 2014-09”). ASU 2014-09 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Revenue that does not involve a transfer of goods and services, such as contribution revenue, is exempt from the new revenue recognition requirements. Collectively, the new ASU 2014-09 and Subtopic 340-40 are referred to as “the new guidance”.

Several of the Organizations’ revenue streams involve the transfer of goods and services, including client fees, rental income, and industrial services. The Organizations recognize revenue from contracts with customers under the provisions of Topic 606 using a five-step model. The five steps used in this process are: 1) identify the contract, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the price to the performance obligations, and 5) recognize the revenue. Under this standard, recognition of revenue occurs when a customer obtains control of promised services or goods in an amount that reflects the consideration which the Organizations expect to receive in exchange for those goods or services.

The Organization recognizes revenue when the invoice is sent to the client. The time between invoicing and when the performance obligations are satisfied is not significant, and there is not a significant financing component or significant payment terms.

Grants, Government Contracts and Accounts Receivable - Grants, government contracts and accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management’s assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Inventory - Generally, supplies inventory purchased for use in program and supporting services are carried at the lower of cost or net realizable value, using the first in first out method.

Property and Equipment - Property and equipment is stated at cost less accumulated depreciation. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation is provided over the estimated useful lives of the assets on the straight-line basis. The range of estimated useful lives for assets is 5-39 years. The Organizations’ general policy for the year ending June 30, 2020 was to expense assets costing \$ 2,500 or less. For the year ending June 30, 2019, the general policy was to expense assets costing \$ 1,000 or less. Donations of property and equipment valued at greater than \$ 5,000 are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Advertising - Advertising costs are expensed as incurred. Advertising expense was \$ 7,519 and \$ 8,699 for the years ending June 30, 2020 and 2019, respectively.

Intangible Assets - Bond issue costs and loan fees are amortized over the life of the loan or bond issue and recorded as interest expense. In accordance with generally accepted accounting principles, goodwill is no longer amortized.

Income Taxes - Blue River Services, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization evaluates its uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions, and believes that it has none that are uncertain. Blue River Autumn Ridge II, LLC, Blue River Country Trace II, LLC, BR Country Trace 3, LLC, Grandview Manor South, LLC, Jackson Court Apartments, LLC, and Apple Orchard, LLC are Indiana limited liability companies.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Income Taxes - (Continued) A consolidated tax return is filed for Blue River Services, Inc., Blue River Autumn Ridge II, LLC, Blue River Country Trace II, LLC, BR Country Trace 3, LLC, Grandview Manor South, LLC, Jackson Court Apartments, LLC, and Apple Orchard, LLC.

Consolidated Financial Statements - The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiaries, Blue River Autumn Ridge II, LLC, Blue River Country Trace II, LLC, BR Country Trace 3, LLC, Grandview Manor South, LLC, Jackson Court Apartments, LLC, and Apple Orchard, LLC. All inter-organizational accounts and transactions have been eliminated in the consolidated financial statements.

New Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, as amended (“ASU 2014-09”), effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The core principle of this ASU is that an entity will recognize exchange revenue when it transfers goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. In doing so, entities will need to use judgement and make estimates when evaluating transaction pricing, performance obligations, and other contract provisions. The Organizations have implemented ASU 2014-09, as discussed in Note 15. The Organizations do not believe the application of the provisions has a material effect on the amounts presented or disclosed.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made* (“ASU 2018-08”), effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The core principle of this ASU is to assist entities in evaluating whether transactions are contributions (nonreciprocal transactions) or exchange (reciprocal) transactions. It also provides more guidance on whether contributions should be considered conditional. The Organizations have adopted ASU 2018-08. The Organizations do not believe the application of the provision has a material effect on the amounts presented or disclosed in the prior year.

Upcoming Accounting Pronouncements - The FASB issued the following accounting standards, which will be effective in subsequent years: 1) ASU No. 2016-13, *Financial Instruments-Credit Losses*, effective for fiscal years beginning after December 31, 2020, and 2) ASU No. 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021. The Organizations are evaluating the impact of these standards on future consolidated financial statements and have yet to determine the effect, if any, on its financial position and operations.

Date of Management’s Review - Management has evaluated events and transactions occurring subsequent to the Statement of Financial Position date of June 30, 2020 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through the date of the report, which is the date these consolidated financial statements were available to be issued.

NOTE 2 - PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2020, the Organizations’ management noted that Blue River Services, Inc. carried a piece of land on the books that should have been disposed from the books in a prior year. The land was removed from the books as a prior period restatement. Property and equipment and net assets without donor restrictions were restated. The impact of the restatement is as follows:

<u>Restatement for the year ending June 30, 2019</u>				
<u>Account</u>	<u>\$</u>	<u>As previously reported on audited financial statements</u>	<u>Restated</u>	<u>Difference</u>
Property and equipment, net of accumulated depreciation	\$	14,854,556	\$ 14,771,995	\$ 82,561
Net assets without donor restrictions		6,864,002	6,781,441	82,561

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 3 - LIQUIDITY AND AVAILABILITY

Funds available for general expenditures as of June 30, 2020 and 2019 include the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,995,922	\$ 499,848
Certificates of deposit	31,542	288,837
Receivables	<u>1,470,910</u>	<u>1,550,964</u>
	<u>\$ 3,498,374</u>	<u>\$ 2,339,649</u>
 Available line of credit	 <u>\$ 1,000,000</u>	 <u>\$ 580,000</u>

Blue River Services, Inc. and its wholly-owned subsidiaries are supported by contributions through various government programs. The revenues for these contracts are either cost reimbursement or rate based programs. As disclosed above, the consolidated companies of Blue River Services, Inc. have cash and cash equivalents, certificates of deposit, and receivables available to be used within one year of the Statement of Financial Position date to meet cash needs for general expenditures. As of June 30, 2020 and 2019, the line of credit had an available balance of \$ 1,000,000 and \$ 580,000, respectively to meet any short term financial needs. Blue River Services, Inc. and its wholly-owned subsidiaries have a goal to maintain financial reserves or a line of credit equal to three months' operating expense.

NOTE 4 - CASH ON DEPOSIT IN EXCESS OF FEDERAL DEPOSIT INSURANCE LIMITS

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organizations have never experienced any losses related to these balances.

NOTE 5 - GRANTS, GOVERNMENT CONTRACTS AND ACCOUNTS RECEIVABLE

Grants, government contracts and accounts receivable consist of the following:

Grants Receivable	<u>2020</u>	<u>2019</u>
First Steps	\$ 365,621	\$ 265,794
INDOT - Public Transportation	116,902	134,147
Women, Infant, Children Program	82,809	73,553
IN Department of Education - 21st Century	58,629	43,443
Healthy Families IN	19,265	16,099
IN Housing Finance Authority	19,145	178,502
Dept. of Justice	11,505	7,671
U.S. Department of Housing & Urban Dev	4,577	3,306
Department of Agriculture Child & Adult Care Food Program	<u>4,374</u>	<u>7,366</u>
 Total grants receivable	 <u>\$ 682,827</u>	 <u>\$ 729,881</u>

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 5 - GRANTS, GOVERNMENT CONTRACTS AND ACCOUNTS RECEIVABLE - (Continued)

Government Contracts Receivable	<u>2020</u>	<u>2019</u>
EDS - Medicaid	\$ 262,995	\$ 295,058
DFC	139,903	110,142
School Contract	23,419	38,108
E. Washington 21st Century	21,100	40,236
State Line Item	15,300	3,505
VR Fees	10,678	17,448
FSSA- SACC	10,304	5,184
Subsidized Child Care	-	9,640
Choice	-	77
	<u> </u>	<u> </u>
Total government contracts receivable	<u>\$ 483,699</u>	<u>\$ 519,398</u>
Accounts Receivable	<u>2020</u>	<u>2019</u>
Treasurer of Harrison Co. - Local Match Public Trans.	\$ 140,780	\$ 25,000
Workshop Contract Sales	55,545	105,271
Housing Mgmt Fees	37,268	28,098
Miscellaneous	32,806	43,600
Metro United Way	20,541	19,033
Screen Print Sales	9,109	8,946
City of Salem	7,500	-
Maintenance Facility vehicle repair (sales)	3,422	5,356
Crawford County Community Foundation	3,000	-
Autumn Ridge II Accounts Receivable (rent)	2,795	3,367
Client Fees	2,227	21
Loans	1,900	1,240
Country Trace II Accounts Receivable (rent)	368	679
Share IT technician	280	18,477
Grandview Accounts Receivable (rent)	190	-
Resident fees	151	-
Housing developer fees	-	17,000
Apple Orchard	-	11,450
Rescare	-	11,025
Public School	-	2,775
Country Trace 3 Accounts Receivable (rent)	-	350
	<u> </u>	<u> </u>
Total accounts receivable	<u>\$ 317,882</u>	<u>\$ 301,688</u>

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 6 - NOTES RECEIVABLE

Notes Receivable consists of the following:

	<u>2020</u>	<u>2019</u>
Note receivable from Autumn Ridge Apartments, LP due December 31, 2035, to be received in one lump sum including interest at 4.79%	\$ 254,663	\$ 254,663
Note receivable from Autumn Ridge Apartments, LP due December 31, 2035, to be received in one lump sum including interest at 4.79%	500,000	500,000
Note receivable from Autumn Ridge Apartments, LP due December 31, 2035, to be received in one lump sum including interest at 4.79%	40,000	40,000
Note receivable from Autumn Ridge Apartments, LP due November 15, 2022, including interest at 1.00%	87,239	94,098
Note receivable from Country Trace, LP due December 10, 2037, to be received in one lump sum, including interest at 1.00%	500,000	500,000
Note receivable from Country Trace, LP due August 1, 2037, to be received in one lump sum, including interest at 1.00%	50,000	50,000
Note receivable from Country Trace, LP due October 1, 2037, to be received in one lump sum, including interest at 5.00%	200,000	200,000
Note receivable from Country Trace, LP due March 1, 2039, to be received in one lump sum, including interest at 1.00%	<u>100,000</u>	<u>100,000</u>
Total notes receivable	<u>\$ 1,731,902</u>	<u>\$ 1,738,761</u>
Accrued interest receivable on the above notes	<u>\$ 724,436</u>	<u>\$ 669,909</u>

All notes receivable are deemed to be fully collectible at June 30, 2020 and 2019.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 7 - FIXED ASSETS AND INTANGIBLES

Fixed assets and intangibles consist of the following:

	<u>2020</u>	<u>2019</u>
Property and equipment		
Land (restated for 2019)	\$ 1,381,884	\$ 1,253,149
Buildings and improvements	20,655,815	19,967,823
Vehicles	2,259,562	2,037,961
Furniture and equipment	<u>1,630,688</u>	<u>1,781,300</u>
	25,927,949	25,040,233
Accumulated Depreciation	<u>(10,997,675)</u>	<u>(10,268,238)</u>
Property and equipment, net (restated for 2019)	<u>\$ 14,930,274</u>	<u>\$ 14,771,995</u>
Construction in progress	<u>\$ 154,787</u>	<u>\$ 344,533</u>
Goodwill	\$ 10,000	\$ 10,000
Accumulated Amortization	<u>(3,250)</u>	<u>(3,250)</u>
Goodwill, net	<u>\$ 6,750</u>	<u>\$ 6,750</u>

NOTE 8 - LINE OF CREDIT

Blue River Services, Inc. has a line of credit with First Harrison Bank. The line of credit is for \$ 1,000,000 and is secured by various real estate assets of Blue River Services, Inc. The interest rate charged on this line of credit was 5.75% until February 21, 2019, after which time the interest rate is based on the current index plus .25%, with a floor of 3.5%. The line of credit matures in February 2022. At June 30, 2020 and 2019 the interest rate charged on the line of credit was 3.5% and 5.75%, respectively. At June 30, 2020 and 2019, the balance on the line of credit was \$ 0 and \$ 420,000, respectively. The line of credit was renewed and changed subsequent to year end, as discussed in Note 21.

NOTE 9 - LOANS

Installment loans consist of the following:

<u>Lender</u>	<u>Interest Rate</u>		<u>Maturity Date</u>	<u>Security</u>	<u>2020</u>	<u>2019</u>
	<u>Type</u>	<u>Current</u>			\$	\$
Lincoln Financial Services	Fixed	0.00%	4/26/2021	Vehicle	<u>\$ 14,996</u>	<u>\$ 32,992</u>
					<u>\$ 14,996</u>	<u>\$ 32,992</u>

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 9 - LOANS - (Continued)

Mortgage loans consist of the following:

Lender	Interest Rate		Maturity Date	Security	2020	2019
	Type	Current				
First Harrison Bank	Fixed	1.00%	4/16/2022	Blue River	\$ 1,944,577	\$ -
IHCDA	*	*	*	Autumn Ridge II	914,986	1,067,483
Old National Bank	Fixed	5.90%	7/12/2031	Grandview Manor	366,949	397,468
USDA Rural Dev	Fixed	4.125%	8/15/2051	Reid Avenue	322,091	326,942
First Harrison Bank	Fixed	6.80%	11/20/2026	Autumn Ridge II	153,268	166,015
Regions Bank	Fixed	5.82%	5/1/2021	**	129,298	276,421
First Harrison Bank	Fixed	5.50%	1/20/2029	Country Trace II	100,314	109,228
IHCDA	Fixed	3.00%	8/31/2034	Jackson Court	89,652	90,000
IHCDA	Fixed	1.00%	11/30/2027	Autumn Ridge Apartments	87,239	94,098
First Harrison Bank	Fixed	4.50%	8/1/2020	Oakview Apartments	62,935	73,521
IHCDA	N/A	***	1/1/2020	Oakview Apartments	-	16,500
IHCDA	N/A	***	8/28/2020	Apple Orchard	-	9,350
IHCDA	N/A	***	8/28/2020	Apple Orchard	-	4,600
					<u>\$ 4,171,309</u>	<u>\$ 2,631,626</u>
					(1,922)	(4,486)
					<u>(96,686)</u>	<u>(113,280)</u>
					<u>\$ 4,087,697</u>	<u>\$ 2,546,852</u>

* On November 18, 2009, Blue River Autumn Ridge II, LLC obtained a loan, in the form of a forgivable grant, through the Indiana Housing and Community Development Authority, as the administrator of the American Recovery and Reinvestment of 2009 Section 1602 Tax Credit Exchange Program. Pursuant to the loan agreement, the loan is guaranteed by the borrower and is secured by a mortgage. The loan is subject to a fifteen-year compliance period to assure that the building will remain available for qualified low-income housing. There are no scheduled payments of principal and interest. Since the loan is in essence a forgivable grant as long as compliance is met annually over the fifteen-year period, as such, no interest has been imputed. Commencing on the first anniversary of the conversion date, and continuing each year on the anniversary date thereof, IHCDA shall cause the outstanding principal balance of the loan to be reduced by an amount equal to one-fifteenth (1/15th) of the original principal balance of the loan. For the year ending June 30, 2020, one-fifteenth of the outstanding principal balance of the loan was reduced.

** This loan is secured by various real estate assets of Blue River Services, Inc.

*** These loans are at 0.00% interest rate. The interest either has been forgiven or will be forgiven in the future at maturity date.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 9 - LOANS - (Continued)

A five-year summary of the maturity of long-term debt is presented below.

Years ending June 30,	
2021	\$ 1,255,721
2022	1,284,260
2023	197,138
2024	199,162
2025	201,634
Thereafter	1,048,390
	4,186,305
Less unamortized bond issuance costs	(1,922)
Less unamortized loan and compliance fees	(96,686)
Total	\$ 4,087,697

NOTE 10 - LOAN COVENANT REQUIREMENTS

The loan payable to Regions Bank includes, as a part of the loan agreement, covenants that require Blue River Services, Inc. to maintain financial ratios as follows:

Minimum Debt Service Coverage of not less than 1.25:1
Minimum Debt to Net Worth not to exceed 1.25:1

At June 30, 2020 and 2019, Blue River Services, Inc. is not aware of any covenant violations with the required ratios.

NOTE 11 - CAPITAL LEASE LIABILITY

The Organizations lease office equipment under various capital leases, with remaining balances as follows:

<u>Asset</u>	<u>Lessor</u>	<u>Maturity Date</u>	<u>2020</u>	<u>2019</u>
Taskalfa 5002i DP-7100	GreatAmerica Financial Services	7/1/2021	\$ 1,934	\$ 3,719
Taskalfa 5500i Copier	M&M Office Products	7/1/2021	883	1,698
Savin ZP056 Copier	Duplicator Sales & Service, Inc.	11/1/2020	524	1,782
Taskalfa 5500i Copier	M&M Office Products	6/1/2020	-	732
Taskalfa 6500i Copier	M&M Office Products	4/1/2020	-	680
			\$ 3,341	\$ 8,611

The following is a schedule by years of future minimum rental payments required under the capital leases:

Years ending June 30,	
2021	\$ 3,124
2022	217
	\$ 3,341

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 11 - CAPITAL LEASE LIABILITY - (Continued)

Following is a summary of property held under capital lease at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Copiers	\$ 12,831	\$ 17,476
Less accumulated depreciation	<u>(6,465)</u>	<u>(5,802)</u>
Net book value	<u>\$ 6,366</u>	<u>\$ 11,674</u>

NOTE 12 - SIGNIFICANT THIRD-PARTY REIMBURSEMENTS

The Organizations receive significant fees from the Medicaid program for the services provided to group home residents and waiver clients. In the years ended June 30, 2020 and 2019, the Organizations received 28 and 29 percent, respectively, of total revenue and support from Medicaid under these programs.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Subject to the passage of time:		
Jackson Court Apartments LLC	\$ 1,741,173	\$ 1,811,389
Grandview Manor South LLC	1,423,240	1,464,927
Blue River Country Trace II LLC	1,050,982	1,099,694
BR Country Trace 3 LLC	878,578	917,172
Blue River Autumn Ridge II LLC	854,166	822,259
Oakview Apartments	693,159	707,252
Harrison Center	669,163	-
Stepping Stones	631,118	659,955
Wyandotte House	461,825	482,569
Jill's House	354,921	373,239
Summit View SGL	342,414	359,159
Reid Avenue	339,769	354,785
Local County Funds	188,000	186,000
Apple Orchard LLC	132,654	-
Hope Manor	119,759	131,130
Blue River - Apple Orchard	100,824	-
United Way Funds	20,541	19,033
Miscellaneous Designated Contributions	<u>10,650</u>	<u>-</u>
	10,012,936	9,388,563
Subject to the satisfaction of purpose restrictions:		
Local County Funds	<u>50,000</u>	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 10,062,936</u>	<u>\$ 9,438,563</u>

Blue River Country Trace II LLC, BR Country Trace 3 LLC, Oakview Apartments, Stepping Stones, Blue River Autumn Ridge II LLC, Wyandotte House, Jill's House, Summit View SGL, Grandview Manor South, LLC, Hope Manor, Reid Avenue, Jackson Court Apartments LLC, and Apple Orchard LLC were restricted due to funding requirements. The funding requirements are for the Organizations to provide specific services in these buildings for a specific period of time. Once the restrictions are met, the buildings will be released to the Organizations.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS - (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions		
Blue River Autumn Ridge II LLC	\$ 31,907	\$ 30,779
Apple Orchard LLC	(54)	-
Hope Manor	(11,371)	(11,438)
Oakview Apartments	(14,093)	-
Reid Avenue	(15,016)	(17,348)
Summit View SGL	(16,745)	(20,555)
Jill's House	(18,319)	(18,598)
United Way Funds	(19,033)	(22,259)
Wyandotte House	(20,744)	(19,579)
Stepping Stones	(28,837)	(34,327)
BR Country Trace 3 LLC	(38,594)	(38,595)
Grandview Manor South LLC	(41,687)	(58,291)
Blue River Country Trace II LLC	(48,712)	(49,313)
Jackson Court Apartments LLC	(70,216)	(70,563)
Local County Funds	<u>(186,000)</u>	<u>(167,420)</u>
Expiration of time restrictions	<u>(497,514)</u>	<u>(497,507)</u>
Satisfaction of purpose restrictions		
Local County Funds	<u>(50,000)</u>	<u>(50,000)</u>
Satisfaction of purpose restrictions	<u>(50,000)</u>	<u>(50,000)</u>
Net assets released from donor restrictions	<u>\$ (547,514)</u>	<u>\$ (547,507)</u>

NOTE 14 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW STATEMENT

Cash payments for interest expense were as follows:

	<u>2020</u>	<u>2019</u>
Interest paid	<u>\$ 106,116</u>	<u>\$ 110,508</u>

Noncash investing and financing transactions were as follows:

	<u>2020</u>	<u>2019</u>
Contribution of property	<u>\$ -</u>	<u>\$ 23,104</u>
Issuance of interest receivable	<u>\$ 55,468</u>	<u>\$ 55,534</u>

Blue River Autumn Ridge II, LLC obtained a loan in the form of a forgivable grant through IHCD. As long as the compliance requirements are met, 1/15th of the original loan balance is forgiven annually.

	<u>2020</u>	<u>2019</u>
	<u>\$ 152,498</u>	<u>\$ 152,498</u>

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS

As discussed in Note 1, the Organizations adopted ASU 2014-09, *Revenue from Contracts with Customers*, as amended, as management believes the standard improves the usefulness and understandability of financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organizations recognize revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Revenue from contracts with customers as of June 30, 2020 and 2019 include the following:

	<u>2020</u>	<u>2019</u>
SGL Group Home Fees	\$ 3,200,983	\$ 3,125,469
Medicaid Waiver	1,466,035	1,517,689
First Steps Ed Team	770,287	729,591
DFC Fees	692,624	658,897
Childcare Fees	558,310	880,955
SGL Client Service Fees	511,062	475,455
Dept of Hwy Contracts	448,994	625,907
21st Century Fees	353,796	383,652
Industrial Contract Revenue	250,027	273,593
Healthy Families	222,128	212,163
Vocational Rehab	130,797	181,527
Other Program Service Fees	107,197	82,816
Screen Print Sales	98,733	121,182
Housing Management Fees	79,286	73,317
Other Client Service Fees	65,079	70,304
Driver's Ed	61,897	49,460
Rescare	51,923	70,170
Maintenance Sales	50,929	58,598
Food Program Revenue	45,247	70,770
Public Transportation Fees	36,637	37,257
Therapy Services	<u>20,211</u>	<u>-</u>
	<u>\$ 9,222,182</u>	<u>\$ 9,698,772</u>

A description of the Organizations' revenue streams accounted for under ASC 2014-09 follows:

SGL Group Home Fees - This revenue consists of fees for individuals to live in and receive care in group homes. The performance obligations are satisfied at a point in time on a daily basis for each individual. Transaction prices are determined each month and payment is made monthly.

Medicaid Waiver - The Organizations earn revenue by providing home and community based services to individuals. This consists of several different performance obligations, depending on the type of service. Performance obligations are satisfied at a point in time when the services are provided.

First Steps Ed Team - The Organizations earn revenue by providing services to customers through the First Steps program. Performance obligations are satisfied at the point in time when the services are provided.

DFC Fees - Revenue is earned by providing services to children and families, specifically for mental health resources. Performance obligations are satisfied at a point in time when the services are provided.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS - (Continued)

Childcare Fees - The Organizations provide childcare services on a daily basis. Fees are collected weekly and are recognized over time as the services are provided. Transaction prices are set by the Organizations' standard childcare rates.

SGL Client Service Fees - The Organizations earn revenue based on participation of individuals in various other programs. Performance obligations are satisfied at a point in time when the service is provided. Transaction prices are set by each program.

Dept. of Hwy Contracts - The Organizations' operate highway rest areas through contracts with the Department of Highways. Performance obligations are satisfied over time as services are provided under the contracts. Payment terms and prices are set in the contracts.

21st Century Fees - Services are provided for local school systems as the Organizations provide after-school care for children. Performance obligations are satisfied over time as services are provided. Payment terms and prices are set by the contracts with the local school systems.

Industrial Contract Revenue - The Organizations sell goods under contracts with customers. Performance obligations are satisfied at a point in time when the goods are sold.

Healthy Families - Revenue is recognized for services provided to children and families, including child development, health care, and parent education. Performance obligations are satisfied at a point in time when the services are provided.

Vocational Rehab - Performance obligations are satisfied at a point in time when vocational rehabilitation services are provided.

Other Program Service Fees - The Organizations earn revenue through various other program services. Performance obligations are satisfied at a point in time as the services are provided.

Screen Print Sales - The Organizations sell screen print inventory under contracts with customers. Performance obligations are satisfied at a point in time when the inventory is sold.

Housing Management Fees - Revenues from housing management fees are recognized over time as management services are provided.

Other Client Service Fees - The Organizations earn revenue through various other client services. Performance obligations are satisfied at a point in time as the services are provided.

Driver's Ed - Revenue from Driver's Ed is earned by providing Driver's Ed training to clients. Performance obligations are satisfied over time.

Rescare - The Organizations recognize revenue through Rescare at a point in time as the services are provided.

Maintenance Sales - The Organizations recognize revenue from maintenance sales through performing repair and maintenance services. Performance obligations are satisfied at a point in time when the services are provided.

Food Program Revenue - Food services are provided in conjunction with various other services, such as childcare services. Performance obligations are satisfied at a point in time when the services are provided.

Public Transportation Fees - Clients use transportation provided by the Organizations. Performance obligations are satisfied at a point in time when services are used. The Organizations follow set transaction prices for each ride provided to a client.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS - (Continued)

Therapy Services - Performance obligations are satisfied at a point in time when therapy services are provided.

The following table disaggregates the Organizations' contract revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Performance obligations satisfied at a point in time	84%	79%
Performance obligations satisfied over time	16%	21%

The Organizations also adopted ASU. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as management believes the standard improves the usefulness and understandability of financial reporting.

NOTE 16 - OPERATING LEASES

The Organizations lease various vehicles and buildings in the program services and administrative functions. The schedule below summarizes lease payments for the fiscal year ended June 30, 2020.

Vehicle Lease - Milltown	\$ 23,738
Vehicle Lease - Marvy Lane	15,806
Vehicle Lease - Summit View SGL	14,314
Vehicle Lease - McGrain	10,165
Vehicle Lease - Oak St.	8,686
Vehicle Lease - Klerner Lane	8,333
Vehicle Lease - Nichols	7,962
Vehicle Lease - Wyandotte	<u>7,866</u>
Total vehicle lease payments	<u>96,870</u>
Building Lease - SPOE	35,922
Building Lease - SPOE-Vigo	24,786
Building Lease - Screen Print	12,600
Building Lease - WIC	9,000
Building Lease - Employment Services	5,203
Building Lease - Sys D.	2,814
Building Lease - Sys D.-Vigo	2,310
Building Lease - Housing Management	1,863
Building Lease - Administration - Corydon	1,200
Building Lease - Non BRS Rental	<u>1,200</u>
Total building lease payments	<u>96,898</u>
Total operating lease payments	<u>\$ 193,768</u>

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 16 - OPERATING LEASES - (Continued)

The following schedule represents future minimum lease payments over the next five fiscal years:

Years ending June 30,	
2021	\$ 107,574
2022	43,727
2023	21,173
2024	5,710
2025	<u>2,400</u>
	<u>\$ 180,584</u>

NOTE 17 - RETIREMENT PLAN

Blue River Services, Inc. maintains a 401(k) plan that was established July 1, 2014. The Plan allows all employees to make elective deferrals upon commencement of employment. The Organizations' contributions to the Plan totaled \$ 136,728 and \$ 165,905 for the years ending June 30, 2020 and 2019, respectively.

NOTE 18 - RELATED PARTY TRANSACTIONS

On July 1, 2019 the Organizations entered into a management services agreement and a lease agreement with RBR Alliance, Inc. The Organizations contract with RBR Alliance, Inc. for management services, and the Organizations rent office space to RBR Alliance, Inc. Blue River Services, Inc. revised its by-laws to allow RBR to become the corporate member of Blue River Services, Inc. For the year ended June 30, 2020, the Organizations reported the following transactions with RBR Alliance, Inc.: lease revenue of \$ 144,000, dues revenue of \$ 10,000, miscellaneous revenue of \$ 2,707, contract management expense of \$ 1,609,608, and a receivable from RBR Alliance, Inc. for \$ 1,099.

Through its relationship with RBR Alliance, Inc., the Organizations also engage in transactions with Rauch, Inc. For the year ended June 30, 2020, the Organizations reported the following transactions with Rauch, Inc.: contract and miscellaneous revenue of \$ 7,878, day service expense of \$ 45,760, and a receivable from Rauch, Inc. for \$ 3,044.

The Organizations have business relationships with First Harrison Bank including maintaining checking accounts and loans. Bill Harrod is the President of the Bank's holding company, First Capital, Inc., Chief Executive Officer of First Harrison Bank, and a board member of Blue River Services, Inc.

The Organizations have business relationships with Mid-Southern Savings Bank including maintaining certificates of deposit. Tom Paris, Vice-President of Mid-Southern Savings Bank, was a board member of Blue River Services, Inc. for the year ended June 30, 2019 and was a board member of RBR Alliance, Inc. for the year ended June 30, 2020.

The Organizations have business relationships with First Savings Bank including maintaining accounts for checking and certificates of deposit. Michelle Sloan, Risk Officer and Vice-President of First Savings Bank, was a board member of Blue River Services, Inc. for the year ended June 30, 2019 and was a board member of RBR Alliance, Inc. for the year ended June 30, 2020.

NOTE 19 - EMPLOYMENT CONTRACT

On July 1, 2018, Blue River Services, Inc. entered into a long-term employment contract with Daniel J. Lowe, CEO. The contract covered the period July 1, 2018 through June 30, 2021. The contract was terminated on June 30, 2019. A new contract was initiated with the CEO through RBR Alliance, Inc. on July 1, 2019.

BLUE RIVER SERVICES, INC.
Notes to Consolidated Financial Statements - (Continued)

NOTE 20 - COVID-19 DISCLOSURE

On March 11, 2020 the World Health Organization designated COVID-19 a world health pandemic. The pandemic has impacted the global economy, resulting in substantial volatility which has negatively impacted the financial markets and local economies. The Organizations' existing contingency and disaster preparedness plans gave management the tools necessary to guide the Organizations through this pandemic. The Organizations have evaluated the short-term and long-term impacts of this pandemic on the Organizations, the outcome of which is not predictable with assurance, and it is possible that the Organizations could be affected negatively by these circumstances. Although the ultimate financial impact of this pandemic cannot be ascertained, through a thorough evaluation of grant agreements in place and budgeted projections, management believes that any resulting financial impact should not materially affect the consolidated financial position of the Organizations as of June 30, 2020.

NOTE 21 - SUBSEQUENT EVENTS

In September 2020, Blue River Services, Inc. created a new entity, Grandview Manor North LLC. This entity may be included in future consolidated financial statements. Blue River Services, Inc. is in the process of submitting grants for this entity.

In September 2020, Blue River Services, Inc. renewed its line of credit and increased it to \$ 1,500,000 with a maturity date of October 10, 2023. The interest rate is based on prime with a floor of 3.25%.

SUPPLEMENTARY INFORMATION

BLUE RIVER SERVICES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Direct and Pass-Through Awards	
		Entity Identifying Number	Federal Expenditures
Department of Agriculture			
School Lunch Program	10.555	K090	\$ 7,542
School Breakfast Program	10.553	K090	6,756
Child and Adult Care Food Program	10.558	K090	30,949
Women, Infant & Children	10.557	#00028690	116,982
Women, Infant & Children	10.557	#00038092	332,661
WIC Peer Counselor Support	10.557	#00028690	7,244
WIC Peer Counselor Support	10.557	#00038092	21,940
Department of Justice	None	2017-WH-AX-0006	117,433
Department of Transportation			
Financial Assistance Project Under Section 5311	20.509	18037300	180,297
Financial Assistance Project Under Section 5311	20.509	18038300	161,156
Financial Assistance Project Under Section 5311/533	20.513	1803730C	77,538
Financial Assistance Project Under Section 5311/535	20.526	3400430C	115,780
Department of Education			
21st Century Afterschool	84.287	#00025661	264,774
21st Century Afterschool	84.287	#00025661	17,249
21st Century Afterschool	84.287	#00020821	106,902
21st Century Afterschool	84.287	#00020821	6,910
Special Education - Grants for Infants and Families	84.181	#00021507	2,258,290
Special Education - Grants for Infants and Families	84.181	#00021507	117,822
Department of Housing and Urban Development			
Section 202 Project Rental Assistance	14.157	IN360048040	92,682
Community Development and Affordable Housing	14.252	18SG1152	11,261
Community Development and Affordable Housing	14.252	19SG1297	12,699
Community Development and Affordable Housing	14.252	19SG1438	16,057
Indiana Housing Community Development Authority	None	1602 Loan #IN-0906-800	1,067,483
Home Investment Partnerships Program	14.239	CH-018-001	172,866
Home Investment Partnerships Program	14.239	CH-018-003	47,354
Home Investment Partnerships Program	14.239	CO-018-001	46,225
Home Investment Partnerships Program	14.239	PD-018-001	9,350
Home Investment Partnerships Program	14.239	PD-016-002	4,600
Supportive Housing for Persons with Disabilities	14.181	IN0029L5H021811	41,438
Continuum of Care Program	14.267	IN0029L5H021912	10,642
Total			<u>\$ 5,480,882</u>

BLUE RIVER SERVICES, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Blue River Services, Inc. and Subsidiaries under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Blue River Services, Inc. and Subsidiaries, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Organizations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A0122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Blue River Services, Inc. and Subsidiaries have adopted the procurement requirements specified in the Uniform Guidance.

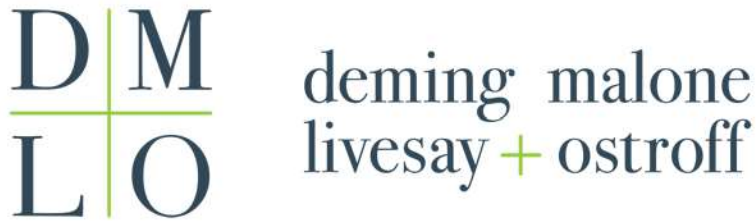
NOTE C - INDIRECT COST RATE

Blue River Services, Inc. and Subsidiaries have elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - LOAN BALANCES

The federal loan programs listed subsequently are administered directly by the Organizations, and balances and transactions relating to the programs are included in the Organizations' consolidated financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding as of June 30, 2020 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u> <u>at June 30, 2020</u>
None	ARRA Section 1602 Tax Credit Exchange Program	\$ 914,986
14.239	PD-018-001 Apple Orchard	-
14.239	PD-016-002 Apple Orchard	-
		<hr style="border: 1px solid black;"/>
		<u>\$ 914,986</u>



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Consolidated Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officers and Directors
Blue River Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Blue River Services, Inc. and its wholly-owned subsidiaries (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Blue River Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blue River Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

301 E. Elm Street
New Albany, Indiana 47150
T: 812.945.5236
F: 812.949.4095

9300 Shelbyville Road
Suite 1100
Louisville, Kentucky 40222
T: 502.426.9660
F: 502.425.0883

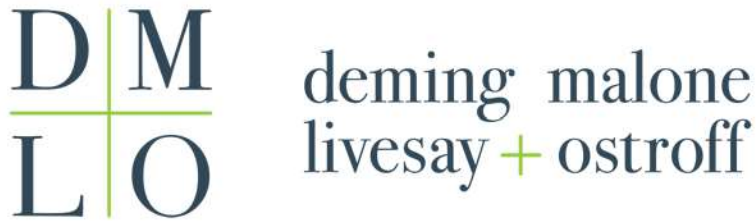
131 E. Chestnut Street
Corydon, Indiana 47112
T: 812.738.3516
F: 812.738.3519

Purpose of this Report

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

A handwritten signature in cursive script that reads "Deming, Malone, Livesay & Ostroff".

Deming, Malone, Livesay & Ostroff
New Albany, Indiana
October 7, 2020



Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Officers and Directors
Blue River Services, Inc.

Report on Compliance for Each Major Federal Program

We have audited Blue River Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Blue River Services, Inc.'s major federal programs for the year ended June 30, 2020. Blue River Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Blue River Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Blue River Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Blue River Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Blue River Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Blue River Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Blue River Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Blue River Services, Inc.'s internal control over compliance.

301 E. Elm Street
New Albany, Indiana 47150
T: 812.945.5236
F: 812.949.4095

9300 Shelbyville Road
Suite 1100
Louisville, Kentucky 40222
T: 502.426.9660
F: 502.425.0883

131 E. Chestnut Street
Corydon, Indiana 47112
T: 812.738.3516
F: 812.738.3519

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

A handwritten signature in cursive script that reads "Deming, Malone, Livesay & Ostroff".

Deming, Malone, Livesay & Ostroff
New Albany, Indiana
October 7, 2020

BLUE RIVER SERVICES, INC.
Consolidating Statement of Financial Position
June 30, 2020

	Blue River <u>Services, Inc.</u>	Blue River Autumn <u>Ridge II, LLC</u>	Blue River Country <u>Trace II, LLC</u>	BR Country <u>Trace 3, LLC</u>	Grandview Manor <u>South, LLC</u>	Jackson Court <u>Apartments, LLC</u>	Apple <u>Orchard, LLC</u>	Eliminating <u>Entries</u>	Consolidated <u>Total</u>
ASSETS									
Cash and cash equivalents	\$ 1,816,169	\$ 102,717	\$ 16,678	\$ 23,185	\$ 12,237	\$ 24,936	\$ -	\$ -	\$ 1,995,922
Restricted cash	139,005	201,746	36,559	21,658	77,742	35,125	8,446	-	520,281
Certificates of deposit	31,542	-	-	-	-	-	-	-	31,542
Grants receivable	682,827	-	-	-	-	-	-	-	682,827
Government contracts receivable	483,699	-	-	-	-	-	-	-	483,699
Accounts receivable	350,014	2,795	368	-	190	-	-	(35,485)	317,882
Prepaid expenses	28,617	4,594	3,156	1,797	4,920	2,857	-	-	45,941
Inventory	20,695	-	-	-	-	-	-	-	20,695
Interest receivable	724,436	-	-	-	-	-	-	-	724,436
Notes receivable	1,731,902	-	-	-	-	-	-	-	1,731,902
Construction in progress	-	-	-	-	-	-	154,787	-	154,787
Property and equipment, net of accumulated depreciation	7,354,051	1,850,852	1,154,838	880,866	1,809,814	1,879,853	-	-	14,930,274
Goodwill, net of accumulated amortization	6,750	-	-	-	-	-	-	-	6,750
Total assets	\$ 13,369,707	\$ 2,162,704	\$ 1,211,599	\$ 927,506	\$ 1,904,903	\$ 1,942,771	\$ 163,233	\$ (35,485)	\$ 21,646,938
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 272,429	\$ 27,604	\$ 4,238	\$ 4,469	\$ 18,196	\$ 3,953	\$ 30,579	\$ (35,485)	\$ 325,983
Accrued liabilities	563,396	9,300	5,100	2,400	6,370	5,738	-	-	592,304
Deposits and deferred revenue	51,171	216	90	-	490	2	-	-	51,969
Capital lease obligations	3,341	-	-	-	-	-	-	-	3,341
Loans	2,559,214	985,176	97,200	-	358,997	87,110	-	-	4,087,697
Total liabilities	3,449,551	1,022,296	106,628	6,869	384,053	96,803	30,579	(35,485)	5,061,294
Net Assets									
Without donor restrictions	5,938,013	286,242	53,989	42,059	97,610	104,795	-	-	6,522,708
With donor restrictions	3,982,143	854,166	1,050,982	878,578	1,423,240	1,741,173	132,654	-	10,062,936
Total net assets	9,920,156	1,140,408	1,104,971	920,637	1,520,850	1,845,968	132,654	-	16,585,644
Total liabilities and net assets	\$ 13,369,707	\$ 2,162,704	\$ 1,211,599	\$ 927,506	\$ 1,904,903	\$ 1,942,771	\$ 163,233	\$ (35,485)	\$ 21,646,938

See independent auditors' report on supplementary information.

BLUE RIVER SERVICES, INC.
Consolidating Statement of Activities
Year Ended June 30, 2020

	Blue River <u>Services, Inc.</u>	Blue River Autumn <u>Ridge II, LLC</u>	Blue River Country <u>Trace II, LLC</u>	BR Country <u>Trace 3, LLC</u>	Grandview <u>Manor South, LLC</u>	Jackson Court <u>Apartments, LLC</u>	Apple <u>Orchard, LLC</u>	Eliminating <u>Entries</u>	Consolidated <u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS									
Revenue, Gains, and Support									
Government Financial Assistance and Service Fees	\$ 13,432,055	\$ 152,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (288,944)	\$ 13,295,609
Sales/Contract Revenue	848,683	-	-	-	-	-	-	-	848,683
Rental Revenue	318,859	158,915	63,313	35,435	174,953	52,680	-	-	804,155
Contributions	270,128	-	-	250	-	-	-	-	270,378
Other Revenue	72,874	932	74	145	1,038	325	-	-	75,388
Investment Income	65,819	354	18	17	10	2	-	-	66,220
Donated Vehicles and Equipment	10,731	-	-	-	-	-	-	-	10,731
Gain on Sale of Assets	8,783	-	-	-	-	-	-	-	8,783
Revenues, gains, and support without donor restrictions	15,027,932	312,699	63,405	35,847	176,001	53,007	-	(288,944)	15,379,947
Net assets released from (transferred to) restrictions	380,158	(31,907)	48,712	38,594	41,687	70,216	54	-	547,514
Total revenues, gains, and other support without donor restrictions	15,408,090	280,792	112,117	74,441	217,688	123,223	54	(288,944)	15,927,461
Expenses									
Salaries - staff	7,953,673	-	-	-	-	-	-	-	7,953,673
Professional fees	2,881,656	57,066	16,702	15,604	71,731	17,400	-	(156,236)	2,903,923
Employee benefits	1,023,135	-	-	-	-	-	-	-	1,023,135
Depreciation	542,524	120,399	57,947	38,971	75,938	76,709	-	-	912,488
Occupancy	566,572	36,431	14,519	15,089	36,814	16,414	-	-	685,839
Payroll taxes	602,687	-	-	-	-	-	-	-	602,687
Travel	568,722	-	-	-	-	-	-	-	568,722
Supplies	537,084	2,019	320	543	1,236	486	-	-	541,688
Provider taxes	217,458	-	-	-	-	-	-	-	217,458
Telephone	179,266	-	-	-	4,158	1,230	-	-	184,654
Interest	63,498	26,215	6,249	-	23,849	5,463	-	-	125,274
Equipment	107,245	6,775	826	1,979	1,040	622	-	-	118,487
Salaries - client	117,063	-	-	-	-	-	-	-	117,063
Miscellaneous	70,542	-	10	32	73	(3)	-	-	70,654
Conferences and meetings	36,734	1,080	-	-	139	-	-	-	37,953
Liability insurance	25,558	-	-	-	-	-	-	-	25,558
Dues and memberships	16,895	1,040	-	-	-	-	-	-	17,935
Postage and shipping	17,409	110	61	55	165	121	-	-	17,921
Property tax	16,761	-	-	-	-	-	-	-	16,761
Bad debt	14,196	1,964	-	21	158	76	-	-	16,415
Special events	8,882	-	-	-	-	-	-	-	8,882
Advertising	7,256	25	-	-	119	119	-	-	7,519
Printing and publications	6,963	-	-	-	-	-	54	-	7,017
Fund raising	4,468	-	-	-	-	-	-	-	4,468
Cash over/short	20	-	-	-	-	-	-	-	20
Contributions	132,708	-	-	-	-	-	-	(132,708)	-
Total expenses	15,718,975	253,124	96,634	72,294	215,420	118,637	54	(288,944)	16,186,194
Change in net assets without donor restrictions	(310,885)	27,668	15,483	2,147	2,268	4,586	-	-	(258,733)

See independent auditors' report on supplementary information.

BLUE RIVER SERVICES, INC.
 Consolidating Statement of Activities
 Year Ended June 30, 2020

	<u>Blue River Services, Inc.</u>	<u>Blue River Autumn Ridge II, LLC</u>	<u>Blue River Country Trace II, LLC</u>	<u>BR Country Trace 3, LLC</u>	<u>Grandview Manor South, LLC</u>	<u>Jackson Court Apartments, LLC</u>	<u>Apple Orchard, LLC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
NET ASSETS WITH DONOR RESTRICTIONS									
Government Financial Assistance and Service Fees	1,007,988	-	-	-	-	-	132,708	-	1,140,696
Contributions	31,191	-	-	-	-	-	-	-	31,191
Net assets transferred to (released from) restrictions	<u>(380,158)</u>	<u>31,907</u>	<u>(48,712)</u>	<u>(38,594)</u>	<u>(41,687)</u>	<u>(70,216)</u>	<u>(54)</u>	<u>-</u>	<u>(547,514)</u>
Change in net assets with donor restrictions	<u>659,021</u>	<u>31,907</u>	<u>(48,712)</u>	<u>(38,594)</u>	<u>(41,687)</u>	<u>(70,216)</u>	<u>132,654</u>	<u>-</u>	<u>624,373</u>
Change in net assets	348,136	59,575	(33,229)	(36,447)	(39,419)	(65,630)	132,654	-	365,640
Net assets at the beginning of the year (restated)	<u>9,572,020</u>	<u>1,080,833</u>	<u>1,138,200</u>	<u>957,084</u>	<u>1,560,269</u>	<u>1,911,598</u>	<u>-</u>	<u>-</u>	<u>16,220,004</u>
Net assets at the end of the year	<u>\$ 9,920,156</u>	<u>\$ 1,140,408</u>	<u>\$ 1,104,971</u>	<u>\$ 920,637</u>	<u>\$ 1,520,850</u>	<u>\$ 1,845,968</u>	<u>\$ 132,654</u>	<u>\$ -</u>	<u>\$ 16,585,644</u>