



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B60622

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

January 24, 2023

Board of Directors
LaPorte County Comprehensive Mental Health Council
D/B/A Swanson Center
7224 W 400 N
Michigan City, IN 46360

We have reviewed the audit report of LaPorte County Comprehensive Mental Health Council D/B/A Swanson Center, which was opined upon by Blue & Co., LLC Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Report of Independent Auditors on the Financial Statements and Supplementary Information* the financial statements included in the report present fairly the financial condition of LaPorte County Comprehensive Mental Health Council D/B/A Swanson Center 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, Blue & Co., LLC prepared the audit report in accordance with the 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**LAPORTE COUNTY COMPREHENSIVE
MENTAL HEALTH COUNCIL, INC.
D/B/A**



CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

JUNE 30, 2020 AND 2019

CPAs / ADVISORS



SWANSON CENTER

TABLE OF CONTENTS
JUNE 30, 2020 AND 2019

	Page
Report of Independent Auditors	1
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	6
Consolidated Statements of Functional Expenses.....	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information	
Consolidating Statements of Financial Position - June 30, 2020 and 2019.....	31
Consolidating Statements of Activities and Changes in Net Assets - Years Ended June 30, 2020 and 2019.....	33
Schedule of Expenditures of State and Local Awards - Year Ended June 30, 2020	34
Report of Independent Auditors on Internal Control Over	
Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35



Blue & Co., LLC / 500 N. Meridian Street, Suite 200 / Indianapolis, IN 46204
main 317.633.4705 fax 317.633.4889 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

Board of Directors
LaPorte County Comprehensive
Mental Health Council, Inc.
d/b/a Swanson Center
Michigan City, Indiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LaPorte County Comprehensive Mental Health Council, Inc. d/b/a Swanson Center and its subsidiary (the Center), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

LaPorte County Comprehensive
Mental Health Council, Inc.
d/b/a Swanson Center
Michigan City, Indiana

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center'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 Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Change in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, effective July 1, 2019, the Center adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, FASB ASU No. 2016-18, *Statement of Cash Flows – Restricted Cash (Topic 230)*, and FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the accompanying table of contents 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

LaPorte County Comprehensive
Mental Health Council, Inc.
d/b/a Swanson Center
Michigan City, Indiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020 on our consideration of the Center'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Blue & Co., LLC

Indianapolis, Indiana
October 22, 2020

SWANSON CENTER

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

	ASSETS	
	2020	2019
Current assets		
Cash and cash equivalents	\$ 1,660,598	\$ 821,358
Patient receivables	351,138	353,797
Grant receivables	103,427	32,751
Indiana funds recovery receivable	502,136	412,765
Other receivables	141,070	50,037
Prepaid expenses and other current assets	94,000	122,135
Total current assets	<u>2,852,369</u>	<u>1,792,843</u>
Assets limited as to use		
Board designated	4,261	6,785
Externally imposed - restricted deposits	661,270	540,627
Total assets limited as to use	<u>665,531</u>	<u>547,412</u>
Property, building, and equipment		
Land	323,400	323,400
Building and improvements	3,895,012	3,817,707
Equipment and furniture	1,055,253	978,532
	<u>5,273,665</u>	<u>5,119,639</u>
Less accumulated depreciation	2,334,308	2,191,191
Property, building, and equipment, net	<u>2,939,357</u>	<u>2,928,448</u>
Beneficial interest in assets held by the Unity Foundation	26,379	27,740
Investments	<u>31,189</u>	<u>28,929</u>
Total assets	<u>\$ 6,514,825</u>	<u>\$ 5,325,372</u>

See accompanying notes to the consolidated financial statements.

SWANSON CENTER

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities		
Accounts payable and accrued expenses	\$ 270,529	\$ 287,509
Accrued payroll and related accruals	411,587	242,542
Current portion of long-term liabilities	687,445	159,912
Estimated third-party payor settlements	51,000	51,000
Other current liabilities	125,186	117,873
Total current liabilities	<u>1,545,747</u>	<u>858,836</u>
Long-term liabilities, net of current portion	<u>2,042,306</u>	<u>1,593,455</u>
Total liabilities	3,588,053	2,452,291
Net assets		
Without donor restrictions	2,886,552	2,821,121
With donor restrictions	40,220	51,960
Total net assets	<u>2,926,772</u>	<u>2,873,081</u>
Total liabilities and net assets	<u>\$ 6,514,825</u>	<u>\$ 5,325,372</u>

See accompanying notes to the consolidated financial statements.

SWANSON CENTER

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Revenues		
Patient service revenue, net of contractual allowances and discounts		\$ 2,996,330
Less provision for bad debts		24,675
Patient service revenue	\$ 2,884,665	2,971,655
Federal and state funds	2,928,058	2,911,391
County tax levies and local funds	705,679	710,674
Indiana funds recovery program	859,000	766,970
Other service revenue	642,024	443,192
Other income	79,141	106,027
Net assets released from restriction - satisfaction of time restrictions	10,380	10,380
Total revenues	8,108,947	7,920,289
Expenses		
Salaries and wages	4,947,469	4,895,949
Employee benefits	1,284,789	1,189,605
Supplies	84,340	92,796
Purchased services	195,207	168,359
Legal and financial	47,096	45,115
Insurance	137,090	203,814
Rent and lease	139,174	138,891
Utilities	64,927	66,212
Communications	237,646	199,035
Depreciation and amortization	141,807	152,970
Repairs and maintenance	119,133	124,806
Interest	77,291	78,049
Travel	81,415	113,403
Training and recruiting	76,561	93,045
Advertising	12,358	31,009
Other operating expenses	247,960	170,647
Total operating expenses	7,894,263	7,763,705
Operating income before severance pay	214,684	156,584
Severance pay	(149,253)	-0-
Operating income after severance pay / change in net assets without donor restrictions	65,431	156,584
Net assets with donor restrictions		
Net assets released from restriction	(10,380)	(10,380)
Change in value of beneficial interest	(1,360)	361
Change in net assets with donor restrictions	(11,740)	(10,019)
Change in net assets	53,691	146,565
Net assets		
Beginning of year	2,873,081	2,726,516
End of year	\$ 2,926,772	\$ 2,873,081

See accompanying notes to the consolidated financial statements.

SWANSON CENTER

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED JUNE 30, 2020 AND 2019

	June 30, 2020				June 30, 2019			
	Program Services			Total Expenses	Program Services			Total Expenses
	Mental Health Care Services	Property Management Services	General and Administrative		Mental Health Care Services	Property Management Services	General and Administrative	
Salaries and wages	\$ 3,273,069	\$ -0-	1,674,400	\$ 4,947,469	\$ 3,656,526	\$ -0-	1,239,423	\$ 4,895,949
Employee benefits	803,686	-0-	481,103	1,284,789	860,223	-0-	329,382	1,189,605
Supplies	54,915	8	29,417	84,340	58,713	1,203	32,880	92,796
Purchased services	46,705	-0-	148,502	195,207	21,532	-0-	146,827	168,359
Legal and financial	-0-	-0-	47,096	47,096	-0-	-0-	45,115	45,115
Insurance	82,019	5,425	49,646	137,090	106,150	4,673	92,991	203,814
Rent and lease	121,722	-0-	17,452	139,174	119,531	-0-	19,360	138,891
Utilities	19,318	16,390	29,219	64,927	22,521	17,866	25,825	66,212
Communications	70,355	-0-	167,291	237,646	61,730	-0-	137,305	199,035
Depreciation and amortization	62,273	12,146	67,388	141,807	65,556	12,204	75,210	152,970
Repairs and maintenance	48,802	18,434	51,897	119,133	52,776	12,770	59,260	124,806
Interest	36,507	5,031	35,753	77,291	44,910	9,254	23,885	78,049
Travel	71,175	-0-	10,240	81,415	95,535	-0-	17,868	113,403
Training and recruiting	34,709	-0-	41,852	76,561	45,431	-0-	47,614	93,045
Advertising	906	-0-	11,452	12,358	5,165	-0-	25,844	31,009
Other operating expenses	19,062	240	228,658	247,960	29,953	2,128	138,566	170,647
Total operating expenses before severance pay	4,745,223	57,674	3,091,366	7,894,263	5,246,252	60,098	2,457,355	7,763,705
Severance pay	-0-	-0-	149,253	149,253	-0-	-0-	-0-	-0-
Total operating expenses after severance pay	\$ 4,745,223	\$ 57,674	\$ 3,240,619	\$ 8,043,516	\$ 5,246,252	\$ 60,098	\$ 2,457,355	\$ 7,763,705

See accompanying notes to the consolidated financial statements.

SWANSON CENTER

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Operating activities		
Change in net assets	\$ 53,691	\$ 146,565
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	141,807	152,970
Provision for bad debts	-0-	24,675
Change in beneficial interest	1,361	(361)
Unrealized and realized gains on investments	(6,493)	(4,233)
Change in assets and liabilities		
Patient accounts receivable	2,659	(28,622)
Grants receivables	(70,676)	66,237
Indiana funds recovery receivable	(89,371)	(119,838)
Other receivables	(91,033)	(1,640)
Prepaid expenses and other current assets	28,135	49,306
Accounts payable and accrued expenses	(16,980)	(20,628)
Accrued payroll and related accruals	169,045	32,932
Other current liabilities	7,313	(132,916)
Net cash flows from operating activities	<u>129,458</u>	<u>164,447</u>
Investing activities		
Purchase of property and equipment	(80,441)	(50,170)
Proceeds from the sale of investments	4,969	2,626
Purchases of investments	(736)	(643)
Change in assets limited as to use		
Board designated	2,524	13,989
Net cash flows from investing activities	<u>(73,684)</u>	<u>(34,198)</u>
Financing activities		
Principal payments on long-term liabilities	(130,501)	(161,079)
Borrowings on long-term debt	1,068,485	-0-
Payments on capital lease obligations	(33,875)	-0-
Net cash flows from financing activities	<u>904,109</u>	<u>(161,079)</u>
Net change in cash and cash equivalents	959,883	(30,830)
Cash and cash equivalents and restricted deposits		
Beginning of year	1,361,985	1,392,815
End of year	<u>\$ 2,321,868</u>	<u>\$ 1,361,985</u>
Reconciliation of cash and cash equivalents and restricted deposits		
Cash in current assets	\$ 1,660,598	\$ 821,358
Cash in assets limited to use		
Externally imposed - restricted deposits	661,270	540,627
Total cash and cash equivalents and restricted deposits	<u>\$ 2,321,868</u>	<u>\$ 1,361,985</u>
Supplemental disclosures of cash flows information		
Cash paid for interest	\$ 77,306	\$ 77,576
Noncash investing and financing activities		
Acquisition of capital equipment with capital leases	\$ 72,275	\$ -0-

See accompanying notes to the consolidated financial statements.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

LaPorte County Comprehensive Mental Health Council, Inc. d/b/a Swanson Center (Swanson) was incorporated in accordance with the Indiana Not-For-Profit Corporation Act of 1971. Swanson is dedicated to providing quality, effective, cost efficient, and valued mental health, substance abuse, and health support services to individuals living in and around LaPorte County and Northwest Indiana. Swanson's services are targeted to all ages including children, adolescents, adults, and elderly persons, with special emphasis on persons most disabled. These services are individualized with persons and/or families and range in scope from targeted focused interventions to more intensive treatment with aftercare available when required.

Swanson also provides behavioral health employee assistance programs, assessments, evaluations, prevention, education, and structured learning services tailored to individual, agency, or business needs.

The LaPorte County Comprehensive Mental Health Council Property Holding Corporation (Property Holding Corporation) was organized to acquire and hold assets and property on behalf of Swanson and collect income therefrom to assist Swanson in carrying out its mission.

Shorewood Place (Shorewood) is a division of Swanson. Shorewood was established to provide a short-term group home environment to chronically emotionally disabled individuals of LaPorte County, Indiana. The 12-unit group home located in Michigan City, Indiana, was opened on April 26, 1982.

Swanson, for the benefit of Shorewood, has entered into a Housing Assistance Payments Contract with the Department of Housing and Urban Development (HUD) for all the beds at the group home whereby HUD subsidizes the rent paid by Shorewood clients.

Principles of Consolidation

The consolidated financial statements include the accounts of Swanson and the Property Holding Corporation. Any intercompany balances and activity have been eliminated in consolidation as of and for the years ended June 30, 2020 and 2019. These consolidated entities are collectively referred to as the Center.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Financial Statement Presentation

Net assets are classified based on the absence or existence of donor-imposed restrictions. Net assets without donor restrictions are currently available for operating purposes under the discretion of the board or designated by the board for specific use. Net assets with donor restrictions are subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets to be held in perpetuity or for a specified term with investment return available for operations or specific use. The Center's net assets with donor restrictions are comprised of capital assets subject to time restrictions and the nonexpendable portion of beneficial interest in assets held by the Unity Foundation.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. The Center has net assets with donor restrictions of approximately \$40,000 and \$52,000 as of June 30, 2020 and 2019, respectively.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in accounts that are either interest-bearing or federally insured up to \$250,000 or non-interest bearing and fully guaranteed by the federal government. Additionally, for purposes of the consolidated statements of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, amounts on deposit are in excess of federally insured limits, which represents a concentration of credit risk. However, management monitors this risk and believes the likelihood of loss to be remote.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Patient Accounts Receivable

Patient accounts receivable are recorded at the net realizable value based on certain assumptions determined by each payor. For third-party payors including Medicare, Medicaid, commercial and managed care, the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. For self-pay accounts receivable, which includes clients who are uninsured and the clients responsibility portion for clients with insurance, the net realizable value is determined using estimates of historical collection experience without regard to aging category. These estimates are adjusted for estimated conversions of client responsibility portions, expected recoveries and any anticipated changes in trends.

Patient accounts receivable can be impacted by the effectiveness of the Center's collection efforts. Additionally, significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental healthcare coverage could affect the net realizable value of accounts receivable. The Center also continually reviews the net realizable value of accounts receivable by monitoring historical cash collections as a percentage of trailing net operating revenues, as well as by analyzing current period net revenue and admissions by payor classification, aged accounts receivable by payor, days revenue outstanding, the composition of self-pay receivables between pure self-pay clients and the clients responsibility portion of third-party insured receivables.

Revenue under third-party agreements is subject to audit and retroactive adjustment. The ultimate legal and financial liability of the Center with respect to future audits by third-party payors cannot be estimated with any certainty.

Given the current regulatory and reimbursement environment, there can be no assurances that adequate reimbursement levels will continue to be available for the services provided by the Center. Significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on the Center's liquidity, financial position, results of operations and cash flows. Patients accounts receivable as of July 1, 2018 approximated \$350,000.

Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing client care. These amounts are due from clients, third-party payors (including health insurers and government payors), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Center bills the clients and third-party payors several days after the services are performed. Because the client simultaneously receives and consumes the benefits of the behavioral healthcare services in accordance with FASB ASC 606-10-25-27a as each visit occurs, the Center has concluded that the revenue would be recognized over time as the performance obligations are satisfied.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The Center has determined that each subsequent visit is an option for which there is not a material right as the price of each visit is a standard price consistent with the price for the initial visit (that is, there is no discount for each subsequent visit). As a result, the Center recognizes revenue for each subsequent visit as it occurs.

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to clients receiving services in outpatient centers or other locations. The Center measures the performance obligation from the commencement of an outpatient service, to the point when it is no longer required to provide services to that client, which is generally at the time completion of the outpatient services. The method of reimbursement for the Center is fee for service. Patient service revenue is recognized over a period of time.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Center has elected to apply the optional exemption provided in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

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

Agreements with third-party payors provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- Medicare - Certain services are paid based on cost reimbursement methodologies subject to certain limits. Outpatient services are paid using prospectively determined rates.
- Medicaid and Medicaid Rehabilitation Option (MRO) - Reimbursements for Medicaid services are generally paid at prospectively determined rates per occasion of service or per covered member.
- Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discounts from established charges and prospectively determined daily rates.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result of investigations by governmental agencies, various health care entities have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in providers entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Center. In addition, the contracts the Center has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing client care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Center's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Consistent with the Center's mission, care is provided to clients regardless of their ability to pay. Therefore, the Center has determined it has provided implied price concessions to uninsured clients and other uninsured balances (for example, copays and deductibles). The implied price concessions included in estimating the transaction price represents the difference between amounts billed to clients and the amounts the Center expects to collect based on its collection history with those clients. Clients who meet the Center's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Generally, clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Center also provides services to uninsured clients and offers those uninsured clients a discount, either by policy or law, from standard charges. The Center estimates the transaction price for clients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implied price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as bad debt expense.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The Center has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, client) have different reimbursement and payment methodologies
- Length of client's service or episode of care
- Geography of the service location
- Method of reimbursement (fee for service or capitation)
- The Center's line of business that provided the service (for example, residential, crisis intervention, outpatient counseling, substance use programs, consultative services, and so on)

For 2020 and 2019, the Center recognized revenue of approximately \$2,885,000 and \$2,972,000 respectively, from goods and services that transfer to the client over time and none from goods and services that transfer to the client at a point in time.

A summary of patient service revenue for 2020 and 2019 follows:

	2020	2019
Patient service revenue		
Medical services	\$ 825,307	\$ 886,051
Minimal case management	51,778	32,200
Access center	248,000	255,465
Emergency services / Department of Child Services (DCS)	136,112	83,536
Addictions	403,305	435,037
Laporte outpatient	309,613	252,790
Michigan City outpatient	326,246	340,694
Case management	1,268,763	1,415,586
Semi-independent living program (SILP)	201,820	168,020
Shorewood	530,198	626,686
Mich City children's program	333,988	332,165
Ventures - children's intensive outpatient program (IOP)	489,573	445,596
Patient service revenue, gross	5,124,703	5,273,826
Less: contractual adjustments	2,174,482	2,269,257
Less: charity care charges foregone	4,399	8,239
Less: provision for bad debt	-0-	24,675
Less: implied price concessions	61,157	-0-
Patient service revenue, net	\$ 2,884,665	\$ 2,971,655

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

A summary of patient service revenue by payor type and service line for 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
Payor type		
Medicaid	\$ 2,084,116	\$ 2,011,785
Self pay	72,124	133,661
Medicare	268,308	281,355
Third party contracts and other	460,117	544,854
	<u>\$ 2,884,665</u>	<u>\$ 2,971,655</u>

	<u>2020</u>	<u>2019</u>
Service line		
Medical services	\$ 525,348	\$ 546,583
Minimal case management	24,062	16,543
Access center	113,023	140,764
Emergency services / DCS	74,299	43,215
Addictions	223,681	248,692
Laporte outpatient	212,387	161,859
Michigan City outpatient	195,952	198,764
Case management	634,243	707,375
SILP	132,369	102,171
Shorewood	305,012	388,669
Mich City children's program	181,788	202,850
Ventures - children's IOP	262,501	214,170
	<u>\$ 2,884,665</u>	<u>\$ 2,971,655</u>

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Public Support

The Center receives revenue from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Receipt of these funds is subject to the fulfillment of certain obligations by the Center as prescribed by these programs and funds may be subject to repayment upon a determination of noncompliance made by a funding agency. Furthermore, the Center has a contract with the State of Indiana Division of Mental Health and Addiction (the "DMHA") to provide community mental health services. The State of Indiana has a performance-based reimbursement system. Under this program, the Center is paid a fixed quarterly amount for outcome measures and a performance based quarterly amount for process measures with a possible bonus at year-end. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to satisfying performance requirements or incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Center did not have refundable advances as of June 30, 2020 or 2019. The Center did recognize receivables from these programs of approximately \$103,000 and \$33,000 as of June 30, 2020 and 2019, respectively, which is included in grant receivables on the consolidated statements of financial position.

Indiana state law stipulates that the counties served by comprehensive mental health centers provide the centers a minimum designated amount per the county assessed value growth quotient determined by Department of Local Government Finance. Tax receipts are designated to be remitted to the centers typically twice each year. The Center recognizes the county tax receipts as income in the period the funds are due from the counties. Accordingly, amounts are recorded as other receivables or deferred revenue based upon the timing of the actual receipts. The Center received approximately \$706,000 and \$711,000 for the years ended June 30, 2020 and 2019, respectively, as designated amounts per the assessed value of taxable property from LaPorte County.

The Center participates in the Medicaid Funds Recovery Program. Funding for the Medicaid Funds Recovery Program is available through the Medicaid Program for certain administrative activities. Funding under the Medicaid Funds Recovery Program is available only to those providers who are certified as Managed Care Providers or Community Mental Health Centers by the Division of Mental Health and Addiction as it relates to mental health services in the State of Indiana. Recognition of revenue under the Medicaid Funds Recovery Program is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue recorded from this program amounted to approximately \$859,000 and \$767,000 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the estimated receivable related to this program totaled approximately \$502,000 and \$413,000, respectively.

The Center derives a significant portion of its revenue from third-party payors and Federal and state funding programs. The receipt of future revenues by The Center is subject to among other factors, Federal and state policies affecting the health care industry, economic conditions that may include an inability to control expenses in periods of inflation, increased competition, market pressures on premium rates and other conditions, which are impossible to predict.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Contributions

Contributions received and unconditional promises to give are recorded as revenue with donor restrictions or without donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Donor restricted gifts that are received for which their restricted purpose is met during the same year are initially recorded as net assets with donor restrictions and then reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. The Center also evaluates whether a contribution is unconditional or conditional based on the absence or presence of barriers and any right of return provisions.

Assets Limited as to Use

Assets limited as to use represents board designated funds and funds with constraints externally imposed. Board designated assets are set aside by the board of directors for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes. Funds with externally imposed constraints are set aside for a specific purpose and may not be released until permission is granted from the external entity. All funds are invested in cash and demand deposit accounts and are reported at cost which approximates fair value at June 30, 2020 and 2019. In applying FASB ASU No. 2016-18, *Statement of Cash Flows – Restricted Cash (Topic 230)*, restricted deposits related to the externally imposed assets below are included in cash and cash equivalents and restricted deposits on the consolidated statements of cash flows. The externally imposed – restricted deposits in the approximate amount of \$420,000 for the year ended June 30, 2018 were included in the beginning balance as of July 1, 2018.

The composition of the assets limited as to use at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Board designated		
Capital improvements	4,261	6,785
Externally imposed - restricted deposits		
United States Department of Agriculture imposed for debt guarantee	661,270	540,627
	<u>\$ 665,531</u>	<u>\$ 547,412</u>

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Property, Equipment, and Depreciation

Property and equipment are stated at cost, or if donated, at fair market value at the date of donation, and include expenditures for new additions and repairs which substantially increase the useful lives of existing property and equipment. Maintenance repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss for the period is recognized. Depreciation is provided over the estimated useful life of each class of depreciable asset, ranging from 3 to 40 years, and is computed using the straight-line method.

Equipment under the capital lease obligations is amortized on the straight-line method over the lease term or the estimated useful life of the equipment, whichever period is shorter. Such amortization is included with depreciation and amortization in the consolidated statements of activities and changes in net assets.

The Center identifies and records impairment losses on long-lived assets whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value.

The Center has a capitalization policy that states all purchased property, buildings, and equipment in excess of \$1,500 are to be capitalized and depreciated. Additionally, all like-kind asset additions over \$3,500 are to be capitalized and depreciated. The Center capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing.

Beneficial Interest in Assets Held by the Unity Foundation

The beneficial interest is reported at fair value for the years ended June 30, 2020 and 2019. Fair value of the beneficial interest is estimated as the net asset value of the underlying shares in the Unity Foundation's investment pool. Fair value is determined in this manner because there are no observable market transactions for assets.

The Center records periodic contributions and changes in the fair value of its beneficial interest in assets held by the Unity Foundation. For the year ended June 30, 2020 and 2019, the gains in such interest were approximately \$1,800 and \$600, respectively. These amounts are reported as a change in value of beneficial interest in the consolidated statements of activities and changes in net assets. The balance as of June 30, 2020 and 2019 is considered nonexpendable and is included in net assets with donor restrictions in the consolidated statements of financial position.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Investments – Mutual Funds

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at their fair values in the consolidated statements of financial position. Unrealized gains and losses are reported in the consolidated statements of activities and changes in net assets as other income. The fair value of the mutual funds was approximately \$31,000 and \$29,000 for the years ended June 30, 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and the consolidated statements of functional expenses. Accordingly, salaries and wages, employee benefits, travel, and training and recruiting costs have been allocated among mental health care services and general and administrative functional categories based on actual direct expenditures incurred by departments, locations, and cost centers, and cost allocations based on time spent by the Center's personnel. Supplies, purchased services, legal and financial, insurance, rent and lease, utilities, communications, depreciation and amortization, repairs and maintenance, interest, advertising, and other operating expenses were allocated based on the ratio of direct costs charged to the category to total direct costs. Although the methods used were appropriate, alternative methods may provide different results.

Operating Indicator

The Center's operating indicator (operating income after severance pay) includes all net income, gains and support, and expenses without donor restrictions from Center operations directly related to recurring and ongoing behavioral and mental health care operations during the reporting period. As a result, the operating indicator excludes other nonoperating items such as activity that is non-routine in nature, if any. As there are no nonoperating items during 2020 and 2019, the operating indicator serves as the performance indicator for the Center.

Charity Care

The Center provides sliding fee discounts and charity care write offs to consumers who meet certain criteria under its charity care policy at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as patient service revenue.

Of the Center's total expenses reported (approximately \$8,044,000 and \$7,764,000 during the years ended June 30, 2020 and 2019, respectively), an estimated \$13,000 and \$12,000 arose from providing services to charity clients during the years ended June 30, 2020 and 2019, respectively.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity clients. The ratio of cost to charges is calculated based on the Center's total expenses above divided by gross patient service revenue.

Advertising Costs

Swanson's policy is to expense advertising costs when the advertising first takes place. Advertising expenses were approximately \$12,000 and \$31,000 in 2020 and 2019, respectively.

Income Taxes

Swanson is organized as not-for-profit corporations under Section 501(c)(3) and the Property Holding Corporation is organized as not-for-profit corporation under Section 501(c)(2), of the United States Internal Revenue Code. The exemption is on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. As such, the Center is generally exempt from income taxes. However, the Center is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Center and recognize a tax liability if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Center, and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Center filed their federal and state informational returns for periods through June 30, 2019. These informational returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Center's ability to continue as a going concern for a period of one year from the date the consolidated financial statements were available to be issued.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Reclassifications

Certain amounts from the 2019 consolidated financial statements were reclassified to the current year presentation. There were no changes to net assets, as previously reported.

Subsequent Events

The Center has evaluated events or transactions occurring subsequent to the statement of financial position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements were available to be issued which is October 22, 2020.

Recently Issued Accounting Standards

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This new standard, which the Center is not required to adopt until its fiscal year ending June 30, 2023, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Center is presently evaluating the effects that this ASU will have on its future consolidated financial statements, including related disclosures.

2. CHANGE IN ACCOUNTING PRINCIPLES

ASU 2014-09

On July 1, 2019, the Center adopted the revenue recognition accounting standard issued by FASB and codified in the FASB ASC as topic 606 (ASC 606). The revenue recognition standard in ASC 606 outlines a single comprehensive model for recognizing revenue as performance obligations, defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, are satisfied. The standard also requires expanded disclosures (Note 1) regarding the Center's revenue recognition policies and significant judgments employed in the determination of revenue.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The Center applied the modified retrospective approach to all contracts when adopting ASC 606. As a result, upon the Center's adoption of ASC 606 the majority of what was previously classified as the provision for bad debts in the consolidated statements of activities and changes in net assets is now reflected as implied price concessions (as defined by ASC 606) and, therefore, included as a reduction to patient service revenue in 2020. For changes in credit issues not assessed at the date of service, the Center prospectively recognizes those amounts in operating expenses on the consolidated statements of activities and changes in net assets, if any. For periods prior to the adoption of ASC 606, the provision for bad debts was presented consistent with the previous revenue recognition standards that required such provision to be presented separately as a component of patient service revenue.

Additionally, upon adoption of ASC 606, the allowance for doubtful accounts of approximately \$227,000 as of July 1, 2019 was reclassified as a component of patient accounts receivable. Other than these changes, the adoption of ASC 606 did not have a material impact on the 2020 consolidated financial statements, and the Center does not expect it to have a material impact on its results of operations on a prospective basis. As part of the adoption of ASC 606, the Center elected two of the available practical expedients provided for in the standard. First, the Center does not adjust the transaction price for any financing components as those were deemed insignificant. Additionally, the Center expenses all incremental customer contract acquisition costs as incurred, because such costs are not material and would be amortized over a period less than one year.

Patient Service Revenue under ASC 606:

Upon adoption of ASC 606, patient service revenue is recorded at the transaction price estimated by the Center to reflect the total consideration due from clients and third-party payors in exchange for providing goods and services in client care. These services are considered to be a single performance obligation and have a duration of less than one year. Revenues are recorded as these goods and services are provided. The transaction price, which involves significant estimates, is determined based on the Center's standard charges for the goods and services provided, with a reduction recorded for price concessions related to third-party contractual arrangements as well as client discounts and other client price concessions. During 2020, the impact of changes to the inputs used to determine the transaction prices was considered immaterial to the current period.

ASU 2016-18

On July 1, 2019, the Center adopted the FASB ASU 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*, which requires that restricted cash and cash equivalents be included in beginning and ending cash in the consolidated statements of cash flows. The adoption of this ASU resulted in the inclusion of assets limited as to use with externally imposed restrictions of approximately \$541,000 and \$420,000 in cash for the consolidated statement of cash flows as of June 30, 2019 and July 1, 2018, respectively. There was no impact to the consolidated statements of activities and changes in net assets as a result of adopting this ASU.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

ASU 2018-08

Effective July 1, 2019, the Center adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as topic 958 (ASU 2018-08). ASU 2018-08 clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred.

Additionally, the amendments in this ASU require that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return on assets transferred or a right of release of a promisor's obligation to transfer assets. Finally, ASU 2018-08 amends the "simultaneous release accounting policy" to allow a not-for-profit entity to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. The adoption of ASU 2018-08 did not have a material impact on the 2020 consolidated financial statements.

3. LINE OF CREDIT

The Center has a \$300,000 line of credit with Centier Bank. This line of credit was amended during fiscal year 2019, with a new maturity date of February 28, 2021. Draws outstanding at June 30, 2020 and 2019, respectively, were \$-0-. Interest is payable monthly at a variable interest rate of 1.25 percentage points over the Wall Street Journal's prime interest rate (3.25% on June 30, 2020). The line of credit is collateralized by substantially all of the Center's assets.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

4. LONG TERM DEBT

A summary of long-term debt at June 30, 2020 and 2019 is as follows:

	2020	2019
<p>Note payable to Centier Bank, due December 2029, with monthly installments of \$14,852, including an interest rate of 4% fixed for five years adjusting every five years based on the weekly average yield on the 5-year International Swaps and Derivatives Association (ISDA) index plus 2.50%, collateralized by property with a net book value of approximately \$2,386,000, and supported by a 90% guarantee under the United States Department of Agriculture Community Facilities Guaranteed Loan Program.</p>	\$ 1,401,505	\$ 1,516,267
<p>Note payable to Centier Bank, due February 2031, with monthly installments of \$1,888, including a interest rate of 4.25% fixed for five years, adjusting thereafter based on the weekly average yield on the 5 year ISDA index plus 2.75%, collateralized by property with a net book value of approximately \$288,000.</p>	191,686	207,424
<p>Paycheck Protection Program loan</p>	1,068,500	-0-
<p>Capital leases</p>	68,060	29,676
	2,729,751	1,753,367
<p>Less current portion</p>	687,445	159,912
<p>Long-term portion</p>	\$ 2,042,306	\$ 1,593,455

Maturities of long-term debt are as follows:

Year Ending June 30,	
2021	\$ 687,445
2022	694,263
2023	166,001
2024	172,117
2025	170,703
Thereafter	839,222
	\$ 2,729,751

The notes with Centier contain certain restrictive financial statement covenants. As of June 30, 2020, management believes it is in compliance with the restrictive covenants.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The Center has leases for equipment with various expiration dates. Cost and accumulated depreciation of the equipment under capital leases was approximately \$132,000 and \$158,000 and \$48,000 and \$158,000 at June 30, 2020 and 2019, respectively.

During April 2020, the Center received a low interest loan in the amount of \$1,068,500 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP loan is unsecured, bears interest at 1% and funds advanced under the program are subject to forgiveness, if certain criteria is met with the remaining balance repayable within two years of disbursement. The PPP loan may be forgivable to the extent that the Center incurs and spends the funds on qualified expenditures, which include payroll, employee health insurance, rent, utilities and interest costs during the covered period as defined by the PPP guidance. In addition, the Center must maintain specific employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness. If the loan is not forgiven, monthly principal payments of approximately \$45,000 plus interest will begin in November 2020, with a maturity date of April 2022. The Center elected to account for the PPP loan as debt and will recognize any forgiveness when it has been legally forgiven by the SBA.

The following is a schedule by year of future minimum lease payments under capital leases as of June 30, 2020, that have initial or remaining lease terms in excess of one year.

<u>Year Ending June 30,</u>	
2021	\$ 18,428
2022	16,055
2023	16,055
2024	16,055
2025	8,027
	<u>74,620</u>
Less interest	6,560
	<u>\$ 68,060</u>

5. ESTIMATED CONTRACTUAL SETTLEMENTS

Estimated contractual settlements for the Medicaid Rehab Option (MRO) reflect the difference between interim reimbursement and reimbursement as determined by contractual agreements and third-party audits. In addition, estimated contractual settlements reflect any difference owed to or by the Center after such reports have been audited. The MRO program requires that participating providers pay back to the State of Indiana an amount approximating 33% of MRO revenues for the years ended June 30, 2020 and 2019. The Center has an accrual for MRO payable in the amount of approximately \$51,000 at June 30, 2020 and 2019, which has been included in estimated third-party payer settlements.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

6. FAIR VALUE MEASUREMENTS

Effective July 1, 2019, the Center early adopted the FASB's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments to this ASU removed and modified certain disclosure requirements in Topic (820). As such, the fair value measurement disclosures for 2019 have been restated for these changes.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

- *Beneficial interest in Unity Foundation*: Value at fair value as reported by the trustee, which represents the Center's pro rata interest in the net assets of the trust, substantially all of which are valued on a mark-to-market basis
- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Center are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Center are deemed to be actively traded.

If the inputs used fall within different levels of the hierarchy, the categorization is based upon the lowest level input that is significant to the fair value measurement.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and 2019 are as follows:

	June 30, 2020			
	Total	Level 1	Level 2	Level 3
Beneficial interest in assets held by the Unity Foundation	\$ 26,379	\$ -0-	\$ -0-	\$ 26,379
Investments - Mutual funds				
Large blend	\$ 31,189	\$ 31,189	\$ -0-	\$ -0-
	June 30, 2019			
	Total	Level 1	Level 2	Level 3
Beneficial interest in assets held by the Unity Foundation	\$ 27,740	\$ -0-	\$ -0-	\$ 27,740
Investments - Mutual funds				
Large blend	\$ 28,929	\$ 28,929	\$ -0-	\$ -0-

The following table sets forth a summary of changes in the fair value of the Center's level 3 assets for the years ended June 30, 2020 and 2019.

	Beneficial interest in assets held by the Unity Foundation	
	2020	2019
Balance, beginning of year	\$ 27,740	27,379
Investment gain	1,758	554
Investment expenses	(3,119)	(193)
Balance, end of year	\$ 26,379	\$ 27,740

7. MEDICAL MALPRACTICE CLAIMS

The Center purchases professional and general liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to clients.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

The Indiana Medical Malpractice Act, IC 34-18 (the Act) provides a maximum recovery of \$1,800,000 for an occurrence of malpractice and provided a maximum recovery of \$1,650,000 prior to July 1, 2019. The Act requires the Center to maintain medical malpractice liability insurance in the amount of at least \$500,000 per occurrence (\$10,000,000 in the annual aggregate). Prior to July 1, 2019, the Act required the Center to maintain medical malpractice liability insurance in the amount of at least \$400,000 per occurrence (\$8,000,000 in the annual aggregate). The Act also requires the Center to pay a surcharge to the State Patient's Compensation Fund (the Fund). The Fund is used to pay medical malpractice claims in excess of per occurrence and the annual aggregate amounts as noted above, under certain terms and conditions. No accrual for possible losses attributable to incidents that may have occurred but that have not been identified has been made because the amount, if any, is not reasonably estimable. The Fund is on a claims-made basis and as long as this coverage is continuous or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be insured.

Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Center's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

8. CONCENTRATIONS OF CREDIT RISK

The Center's main office is located in Michigan City, Indiana. The Center grants credit without collateral to its consumers, most of who are local residents certain of which are insured under third-party payor agreements.

Patient receivables and patient revenues from consumers and third party payors is as follows as of June 30, 2020 and 2019:

	Receivables		Revenues	
	2020	2019	2020	2019
Medicaid	67%	54%	70%	67%
Self pay	5%	6%	5%	5%
Medicare	8%	6%	9%	10%
Third party contracts and other	20%	34%	16%	18%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

9. EMPLOYEE CONTRIBUTION PLAN

Substantially all full-time employees of the Center are covered under a defined contribution plan which permits employee contributions. For non-union employees with at least one year of service, the Center contributes 5% of the employee's bi-weekly income. The Center's plan for union employees with at least one year of service provides for a contribution with a range of 4% to 6% of the employee's salary based on the percentage of employee contributions. Total expense under these plans for the years ended June 30, 2020 and 2019 was approximately \$181,000 and \$168,000, respectively.

10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Center leases equipment and an outpatient facility under non-cancelable operating leases that expire through March 2023. Total rental expense for all operating leases aggregated approximately \$139,000 for the years ended June 30, 2020 and 2019, respectively.

Future aggregate minimum lease payments as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 144,100
2022	144,100
2023	66,900
	<u>\$ 355,100</u>

Collective Bargaining Agreement

As of June 30, 2020 and 2019, approximately 65% and 67%, respectively, of the Center's workforce is covered under a collective bargaining agreement with Chauffeurs, Teamsters, Warehouse and Helpers Local 135, Affiliated with International Brotherhood of Teamsters that expires on December 31, 2021.

Litigation

From time to time, the Center may be involved in litigation arising in the normal course of its business. Although the eventual outcome of these matters is not presently determinable, in the opinion of the Center's management, the resolution of such proceedings and litigation will not have a material adverse effect on the Center's consolidated statements of financial position, results of operations and cash flows.

SWANSON CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of June 30, 2020, the Center has approximately \$2,758,000 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of approximately \$1,661,000, patient accounts receivable of approximately \$351,000, and other receivables of approximately \$747,000. Accounts receivable and other receivables are subject to implied time restrictions, but are expected to be collected within one year. As part of the Center's liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of June 30, 2019, the Center has approximately \$1,671,000 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of approximately \$821,000, patient accounts receivable of approximately \$354,000, and other receivables of approximately \$496,000.

The Center also has a \$300,000 line of credit available to meet cash flow needs. The Center had no borrowings in use on the line of credit as of June 30, 2020 and 2019.

12. COVID 19

In March 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may continue to adversely impact the local, regional, national, and global economies. The extent to which COVID-19 continues to impact the Center's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of healthcare personnel, potential shortages of clinical supplies, and loss of, or reduction to, revenue. Management believes the Center is taking appropriate actions to respond to the pandemic. However, the full impact is unknown and cannot be reasonably estimated at the date the consolidated financial statements were available to be issued.

During 2020, Provider Relief Fund (PRF) grants authorized under the Coronavirus Aids, Relief, and Economic Security (CARES) Act were distributed to healthcare providers impacted by the outbreak of the COVID-19 pandemic under Catalog of Federal Domestic Assistance (CFDA) #93.498. Revenues from PRF grants are recognized to the extent of client revenues lost as a result of the pandemic and expenses incurred specific to responding to the pandemic. The PRF funds are included in the consolidated statements of activities and changes in net assets as grant revenue under federal and state funds. Client revenues lost represent the deficiency of patient service revenues recognized over the period impacted by the pandemic when compared to patient service revenues recognized over the same period in the previous year or in comparison to budget for the same period impacted by the pandemic.

The Center received and recognized PRF grants of approximately \$16,000 during 2020. PRF funds are subject to recoupment by the grantor in the event that the conditions for recognition are not satisfied.

SUPPLEMENTARY INFORMATION

SWANSON CENTER

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

	Swanson Center		Property Holding Corporation		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS								
Current assets								
Cash and cash equivalents	\$ 1,620,608	\$ 781,102	\$ 39,990	\$ 40,256	\$ -0-	\$ -0-	\$ 1,660,598	\$ 821,358
Patient receivables	350,008	353,092	1,130	705	-0-	-0-	351,138	353,797
Grant receivables	118,076	32,751	-0-	-0-	(14,649)	-0-	103,427	32,751
Indiana funds recovery receivable	502,136	412,765	-0-	-0-	-0-	-0-	502,136	412,765
Other receivables	141,070	50,037	-0-	-0-	-0-	-0-	141,070	50,037
Prepaid expenses and other current assets	93,145	121,280	855	855	-0-	-0-	94,000	122,135
Total current assets	<u>2,825,043</u>	<u>1,751,027</u>	<u>41,975</u>	<u>41,816</u>	<u>(14,649)</u>	<u>-0-</u>	<u>2,852,369</u>	<u>1,792,843</u>
Assets limited as to use								
Board designated	4,261	6,785	-0-	-0-	-0-	-0-	4,261	6,785
Externally imposed	661,270	540,627	-0-	-0-	-0-	-0-	661,270	540,627
Total assets limited as to use	<u>665,531</u>	<u>547,412</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>665,531</u>	<u>547,412</u>
Property, building, and equipment								
Land	281,400	281,400	42,000	42,000	-0-	-0-	323,400	323,400
Building and improvements	3,438,906	3,361,601	456,106	456,106	-0-	-0-	3,895,012	3,817,707
Equipment and furniture	1,055,253	978,532	-0-	-0-	-0-	-0-	1,055,253	978,532
	<u>4,775,559</u>	<u>4,621,533</u>	<u>498,106</u>	<u>498,106</u>	<u>-0-</u>	<u>-0-</u>	<u>5,273,665</u>	<u>5,119,639</u>
Less accumulated depreciation	2,150,216	2,019,243	184,092	171,948	-0-	-0-	2,334,308	2,191,191
Property, building, and equipment, net	<u>2,625,343</u>	<u>2,602,290</u>	<u>314,014</u>	<u>326,158</u>	<u>-0-</u>	<u>-0-</u>	<u>2,939,357</u>	<u>2,928,448</u>
Beneficial interest in assets held by the Unity Foundation								
	26,379	27,740	-0-	-0-	-0-	-0-	26,379	27,740
Investments								
	31,189	28,929	-0-	-0-	-0-	-0-	31,189	28,929
Total assets	<u>\$ 6,173,485</u>	<u>\$ 4,957,398</u>	<u>\$ 355,989</u>	<u>\$ 367,974</u>	<u>\$ (14,649)</u>	<u>\$ -0-</u>	<u>\$ 6,514,825</u>	<u>\$ 5,325,372</u>

See Report of Independent Auditors on pages 1-3.

SWANSON CENTER

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

	Swanson Center		Property Holding Corporation		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019
LIABILITIES AND NET ASSETS								
Current liabilities								
Accounts payable and accrued expenses	\$ 272,701	\$ 288,017	\$ 4,924	\$ (508)	\$ (7,096)	\$ -0-	\$ 270,529	\$ 287,509
Accrued payroll and related accruals	411,587	242,542	-0-	-0-	-0-	-0-	411,587	242,542
Current portion of long term debt	672,648	145,943	14,797	13,969	-0-	-0-	687,445	159,912
Estimated third-party payor settlements	51,000	51,000	-0-	-0-	-0-	-0-	51,000	51,000
Other current liabilities	125,186	117,873	-0-	-0-	-0-	-0-	125,186	117,873
Total current liabilities	1,533,122	845,375	19,721	13,461	(7,096)	-0-	1,545,747	858,836
Long term liabilities, net of current portion	1,865,417	1,400,000	184,442	193,455	(7,553)	-0-	2,042,306	1,593,455
Total liabilities	3,398,539	2,245,375	204,163	206,916	(14,649)	-0-	3,588,053	2,452,291
Net assets								
Without donor restrictions	2,734,726	2,660,063	151,826	161,058	-0-	-0-	2,886,552	2,821,121
With donor restrictions	40,220	51,960	-0-	-0-	-0-	-0-	40,220	51,960
Total net assets	2,774,946	2,712,023	151,826	161,058	-0-	-0-	2,926,772	2,873,081
Total liabilities and net assets	\$ 6,173,485	\$ 4,957,398	\$ 355,989	\$ 367,974	\$ (14,649)	\$ -0-	\$ 6,514,825	\$ 5,325,372

See Report of Independent Auditors on pages 1-3.

SWANSON CENTER

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2020 AND 2019

	Swanson Center		Property Holding Corporation		Consolidated	
	2020	2019	2020	2019	2020	2019
Revenues						
Patient service revenue, net of contractual allowances and discounts		\$ 2,996,330		\$ -0-		\$ 2,996,330
Less provision for bad debts		24,675		-0-		24,675
Patient service revenue	\$ 2,884,665	2,971,655	\$ -0-	-0-	\$ 2,884,665	2,971,655
Federal and state funds	2,928,058	2,911,391	-0-	-0-	2,928,058	2,911,391
County tax levies and local funds	705,679	710,674	-0-	-0-	705,679	710,674
Indiana funds recovery program	859,000	766,970	-0-	-0-	859,000	766,970
Other service revenue	642,024	443,192	-0-	-0-	642,024	443,192
Other income	10,699	19,391	68,442	86,636	79,141	106,027
Net assets released from restriction	10,380	10,380	-0-	-0-	10,380	10,380
Total revenues	8,040,505	7,833,653	68,442	86,636	8,108,947	7,920,289
Expenses						
Salaries and wages	4,947,469	4,895,949	-0-	-0-	4,947,469	4,895,949
Employee benefits	1,284,789	1,189,605	-0-	-0-	1,284,789	1,189,605
Supplies	84,332	92,439	8	357	84,340	92,796
Purchased services	195,207	168,359	-0-	-0-	195,207	168,359
Legal and financial	47,096	45,115	-0-	-0-	47,096	45,115
Insurance	131,665	199,141	5,425	4,673	137,090	203,814
Rent and lease	139,174	138,891	-0-	-0-	139,174	138,891
Utilities	48,537	48,346	16,390	17,866	64,927	66,212
Communications	237,646	199,035	-0-	-0-	237,646	199,035
Depreciation and amortization	129,661	140,766	12,146	12,204	141,807	152,970
Repairs and maintenance	100,699	112,036	18,434	12,770	119,133	124,806
Interest	72,260	68,795	5,031	9,254	77,291	78,049
Travel	81,415	113,403	-0-	-0-	81,415	113,403
Training and recruiting	76,561	93,045	-0-	-0-	76,561	93,045
Advertising	12,358	31,009	-0-	-0-	12,358	31,009
Other operating expenses	247,720	167,673	240	2,974	247,960	170,647
Total operating expenses	7,836,589	7,703,607	57,674	60,098	7,894,263	7,763,705
Operating income before severance pay	203,916	130,046	10,768	26,538	214,684	156,584
Severance pay	(149,253)	-0-	-0-	-0-	(149,253)	-0-
Operating income after severance pay / change in net assets without donor restrictions	54,663	130,046	10,768	26,538	65,431	156,584
Net assets with donor restrictions						
Net assets released from restriction	(10,380)	(10,380)	-0-	-0-	(10,380)	(10,380)
Change in value of beneficial interest	(1,360)	361	-0-	-0-	(1,360)	361
Change in net assets with donor restrictions	(11,740)	(10,019)	-0-	-0-	(11,740)	(10,019)
Change in net assets	42,923	120,027	10,768	26,538	53,691	146,565
Net assets						
Beginning of year	2,712,023	2,571,996	161,058	154,520	2,873,081	2,726,516
Equity transfers in/(out)	20,000	20,000	(20,000)	(20,000)	-0-	-0-
End of year	\$ 2,774,946	\$ 2,712,023	\$ 151,826	\$ 161,058	\$ 2,926,772	\$ 2,873,081

See Report of Independent Auditors on pages 1-3.

SWANSON CENTER

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS YEARS ENDED JUNE 30, 2020

Grantor	Expenditures
State and local grants	
Indiana Family and Social Services Administration	
Managed Care Provider Agreement (SMI)	
Seriously Mentally Ill	\$ 1,564,750
Managed Care Provider Agreement (SA)	
Substance Abuse	110,268
Managed Care Provider Agreement (SED)	
Serious Emotional Disturbance	580,183
Gatekeeper Grant	50,000
Total state funds	<u>2,305,201</u>
Local	
LaPorte County tax levy	668,601
Other local funding	<u>37,078</u>
Total local funds	<u>705,679</u>
Total state and local awards	<u>\$ 2,342,279</u>

Note - The accompanying schedule of state and county awards for the year ended June 30, 2020 includes the state and county awards activity of LaPorte County Comprehensive Mental Health Council, Inc. d/b/a Swanson Center (Swanson) and LaPorte County Comprehensive Mental Health Council Property Holding Corporation (Property Holding Corporation) which are collectively referred to as the Center. The accompanying schedule is presented on the accrual basis of accounting. The consolidated financial statements classifications may include other financial activity for reporting purposes. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

See Report of Independent Auditors on pages 1-3.



Blue & Co., LLC / 500 N. Meridian Street, Suite 200 / Indianapolis, IN 46204
main 317.633.4705 fax 317.633.4889 email blue@blueandco.com

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
LaPorte County Comprehensive
Mental Health Council, Inc.
d/b/a Swanson Center
Michigan City, Indiana

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 LaPorte County Comprehensive Mental Health Council, Inc. d/b/a Swanson Center (the Center), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center's consolidated 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.

LaPorte County Comprehensive
Mental Health Council, Inc.
d/b/a Swanson Center
Michigan City, Indiana

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 the Center's 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 consolidated 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*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Blue & Co., LLC

Indianapolis, Indiana
October 22, 2020