



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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September 11, 2023

Board of Directors
Life Treatment Centers, Inc.
1402 S. Michigan St.
South Bend, IN 46613

We have reviewed the audit report of Life Treatment Centers, Inc., which was opined upon by Kruggel, Lawton & Company LLC, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Life Treatment Centers, Inc. as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kruggel, Lawton & Company 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



ANNUAL REPORT
June 30, 2022

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

ANNUAL REPORT

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Life Treatment Centers, Inc.
South Bend, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Life Treatment Centers, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Treatment Centers, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in the 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Life Treatment Centers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Life Treatment Centers, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Life Treatment Centers, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Life Treatment Centers, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 on our consideration of Life Treatment Centers, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Life Treatment Centers, 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 Life Treatment Centers, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kuegel, Fawcett & Company LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

Elkhart, Indiana
February 28, 2023

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	1,605,794	1,288,993
Certificates of deposit	533,006	374,608
Grants receivable	250,281	373,530
Employee advance	0	100
Prepaid expense	19,246	24,914
Investments	1,377,671	1,463,438
Total Current Assets	3,785,998	3,525,583
PROPERTY AND EQUIPMENT		
Land	174,035	174,035
Buildings and building improvements	1,488,009	1,485,248
Furniture and equipment	227,462	216,934
Vehicles	45,680	47,486
Total	1,935,186	1,923,703
Accumulated depreciation	1,406,021	1,392,790
Net Property and Equipment	529,165	530,913
OTHER ASSETS		
Certificate of deposit	0	157,892
TOTAL ASSETS	4,315,163	4,214,388
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of capital lease	9,476	6,359
Accounts payable	22,499	33,387
Accrued salaries, wages and benefits	77,357	86,773
Total Current Liabilities	109,332	126,519
LONG-TERM LIABILITIES		
Capital lease obligation, net of current portion	10,347	10,338
Note payable - bank	0	280,403
Total Long-term Liabilities	10,347	290,741
TOTAL LIABILITIES	119,679	417,260
NET ASSETS		
Without donor restrictions	4,189,059	3,797,128
With donor restrictions	6,425	0
Total Net Assets	4,195,484	3,797,128
TOTAL LIABILITIES AND NET ASSETS	4,315,163	4,214,388

The Notes to Financial Statements are an integral part of this statement.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2022 and 2021

	2022			2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE						
Federal grant revenue	1,981,675	0	1,981,675	2,026,269	0	2,026,269
Federal non-cash assistance	97,668	0	97,668	74,020	0	74,020
Federal contract revenue	0	0	0	45,320	0	45,320
State grant revenue	79,113	0	79,113	111,011	0	111,011
State contract revenue	252,619	0	252,619	278,504	0	278,504
Other grants and contributions	65,717	6,425	72,142	25,665	0	25,665
Gifts in-kind	18,749	0	18,749	304	0	304
Program service fees	77,040	0	77,040	145,061	0	145,061
Net unrealized gain (loss)	(294,120)	0	(294,120)	251,996	0	251,996
Interest income	34,506	0	34,506	24,715	0	24,715
Rent revenue	30,000	0	30,000	26,500	0	26,500
Miscellaneous revenue	299,731	0	299,731	314,355	0	314,355
Fundraising event revenue	10,208	0	10,208	19,655	0	19,655
Less: costs of direct benefits to donors	(679)	0	(679)	(1,459)	0	(1,459)
Net revenues from special events	9,529	0	9,529	18,196	0	18,196
Total	2,652,227	6,425	2,658,652	3,341,916	0	3,341,916
EXPENSES						
Program:						
Residential and treatment services	1,590,979	0	1,590,979	1,672,844	0	1,672,844
Management and general	639,633	0	639,633	597,807	0	597,807
Fundraising	29,684	0	29,684	34,105	0	34,105
Total	2,260,296	0	2,260,296	2,304,756	0	2,304,756
CHANGE IN NET ASSETS	391,931	6,425	398,356	1,037,160	0	1,037,160
NET ASSETS AT BEGINNING OF YEAR	3,797,128	0	3,797,128	2,759,968	0	2,759,968
NET ASSETS AT END OF YEAR	4,189,059	6,425	4,195,484	3,797,128	0	3,797,128

The Notes to Financial Statements are an integral part of this statement.

LIFE TREATMENT CENTERS, INC.South Bend, Indiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Residential and treatment services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	890,599	319,294	4,135	1,214,028
Payroll taxes	66,743	23,928	310	90,981
Benefits	158,031	56,657	734	215,422
Insurance	46,995	16,771	0	63,766
Repairs and maintenance	66,980	9,568	0	76,548
Utilities	62,722	8,960	0	71,682
Telephone	8,058	1,151	0	9,209
Auto	22,626	0	0	22,626
Office supplies	0	16,101	0	16,101
Dues and subscriptions	0	610	0	610
Professional fees	3,906	76,683	0	80,589
Printing and postage	(666)	7,675	0	7,009
Contract fees	0	16,442	0	16,442
Information technology	0	57,679	0	57,679
Food	160,367	0	0	160,367
Supplies	18,082	0	0	18,082
Medical supplies	3,539	0	0	3,539
Charitable contributions	0	328	0	328
Depreciation	41,331	5,789	0	47,120
Drug screening	9,397	0	0	9,397
Staff training	2,491	0	0	2,491
Interest	0	1,435	0	1,435
Security	29,778	0	0	29,778
Bank fees	0	1,835	0	1,835
Advertising expense	0	0	24,200	24,200
Other costs	0	18,727	0	18,727
Fundraising expense	0	0	984	984
Total Expenses	1,590,979	639,633	30,363	2,260,975
Less direct donor benefits netted in revenue	0	0	(679)	(679)
TOTAL FUNCTIONAL EXPENSES	1,590,979	639,633	29,684	2,260,296

The Notes to Financial Statements are an integral part of this statement.

LIFE TREATMENT CENTERS, INC.South Bend, Indiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Residential and treatment services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	999,297	325,154	9,024	1,333,475
Payroll taxes	77,001	25,055	695	102,751
Benefits	140,512	45,720	1,269	187,501
Insurance	45,350	14,624	0	59,974
Repairs and maintenance	101,807	14,543	0	116,350
Utilities	61,972	8,853	0	70,825
Telephone	6,002	858	0	6,860
Auto	15,690	0	0	15,690
Office supplies	0	5,077	0	5,077
Dues and subscriptions	0	418	0	418
Professional fees	3,906	54,794	0	58,700
Printing and postage	0	8,692	0	8,692
Contract fees	0	18,848	0	18,848
Information technology	0	55,902	0	55,902
Food	121,333	0	0	121,333
Supplies	11,560	0	0	11,560
Depreciation	41,161	5,880	0	47,041
Drug screening	892	0	0	892
Staff training	5,648	0	0	5,648
Interest	0	763	0	763
Security	40,713	0	0	40,713
Bank fees	0	1,124	0	1,124
Advertising expense	0	0	24,276	24,276
Other costs	0	11,502	0	11,502
Fundraising expense	0	0	300	300
Total Expenses	1,672,844	597,807	35,564	2,306,215
Less direct donor benefits netted in revenues	0	0	(1,459)	(1,459)
TOTAL FUNCTIONAL EXPENSES	1,672,844	597,807	34,105	2,304,756

The Notes to Financial Statements are an integral part of this statement.

LIFE TREATMENT CENTERS, INC.South Bend, Indiana

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	398,356	1,037,160
Adjustments to reconcile changes in net assets to net cash from (used in) operating activities		
Depreciation	47,120	47,041
Net unrealized (gain) loss	294,120	(251,996)
(Gain) loss on sale of property and equipment	(10,000)	664
Gain on extinguishment of debt	(280,403)	(304,000)
Adjustments for changes in operating assets and liabilities:		
Certificates of deposit	(506)	(4,129)
Grants receivable	123,249	(59,606)
Employee advance	100	1,700
Prepaid expense	5,668	(4,467)
Accounts payable	(10,888)	21,433
Accrued salaries, wages and benefits	(9,416)	(56,804)
Net Cash Flows from Operating Activities	557,400	426,996
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of asset	10,000	300
Proceeds from sale of investments	0	290,153
Purchase of property and equipment	(34,844)	(40,833)
Purchase of investments	(208,353)	(610,006)
Net Cash Flows used in Investing Activities	(233,197)	(360,386)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	0	280,403
Capital lease principal payments	(7,402)	(7,082)
Net Cash Flows from (used in) Financing Activities	(7,402)	273,321
CHANGE IN CASH AND CASH EQUIVALENTS	316,801	339,931
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,288,993	949,062
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,605,794	1,288,993
SUPPLEMENTARY DISCLOSURE OF CASH FLOWS		
Interest paid	1,435	763
SUPPLEMENTARY DISCLOSURE OF NONCASH FINANCING ACTIVITY		
Purchase of equipment financed by a capital lease obligation	10,528	0

The Notes to Financial Statements are an integral part of this statement.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NATURE OF BUSINESS

Life Treatment Centers, Inc. (the "Organization") is a not-for-profit organization providing treatment and rehabilitation to persons affected by substance abuse who otherwise could not afford treatment. It accomplishes this objective by creating a total program for the substance abuser to enhance spiritual growth and provide intervention, education, treatment, and re-socialization. Programs include detoxification, residential treatment, transitional residential services, intensive outpatient treatment, gambling addiction, and drug and alcohol education. These programs provide services primarily in St. Joseph and Elkhart Counties in Indiana. Funding is provided primarily by government grants, fees for service, and contributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the Organization have been prepared on the accrual basis.

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of not-for-profit organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

ASC 958-205 also provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission (ULC; formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. ASC 958-205 also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents. Cash is held at local banks and is insured up to the respective limits by the FDIC. It is common for the Organization's cash balance to exceed the insured limit throughout the course of operations. Funds received from the Department of Housing and Urban Development are held in a segregated bank account.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Restricted cash consists of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Residential bathroom rehabilitation	6,425	0
Total	6,425	0

Total Cash, Restricted Cash and Cash Equivalents in the Statements of Cash Flows consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash	1,599,369	1,288,993
Residential bathroom rehabilitation	6,425	
Total	1,605,794	1,288,993

GRANTS

Support received under governmental grants is recorded based on expenses incurred or based on a fix rate. Grants receivable represents amounts due for expenses incurred or units serviced prior to year end, and are considered fully collectible by management. The organization uses the allowance method to determine uncollectible grants receivable. Management has determined no allowance is necessary for grants receivable at June 30, 2022 or 2021.

FAIR VALUE MEASUREMENTS

Management accounts for all assets and liabilities that are measured and reported on a fair value basis under the Fair Value Measurements and Disclosures Topic of FASB ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The framework for measuring fair value establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

INVESTMENTS

In accordance with the requirements of Accounting for Certain Investments Held by Not-for-Profit Organizations Topic of FASB ASC 958-320, the Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at fair value in the Statements of Financial Position. Gains and losses are reflected as increases or decreases in the class of net assets without donor restriction unless the donor or relevant laws place restrictions on the gains and losses.

Donated securities are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$47,120 and \$47,041 for the years ended June 30, 2022 and 2021, respectively.

A summary of the range of lives by asset category follows:

Buildings and building improvements	5 - 40 years
Furniture and equipment	3 - 15 years
Vehicles	5 years

REVENUE RECOGNITION

Government Grants

The Organization has several large government grants that are either fee-for-service or cost reimbursement. These grants are considered contributions since they benefit the general public. Revenues for the fee-for service grants are recognized when the related services outlined in the grant contracts are performed. Revenues for the cost-reimbursement grants are recognized when the allowable expenses are incurred and all other conditions of the grant are satisfied.

State Grants and Contracts

The Organization has state grants and contracts that are either fee-for-service or cost reimbursement. These are recognized the same as the government grants noted above.

Federal Contract Revenue

The Organization had a contract with the Veteran's Administration that was a fee-for-service grant. This grant was based on a monthly census of eligible veterans who received treatment in the facility. This revenue was recognized when the related services outlined in the grant contracts were performed. The contract ended during the year ended June 30, 2021.

DONATED MATERIALS

The Organization receives food commodities from another local nonprofit agency through a program operated by the United States Department of Agriculture. Food commodities are recorded at fair market value as determined by the pass-through agency and are consumed in the normal course of operations. The value of donated food included in the Statements of Activities was \$97,668 and \$74,020 for the years ended June 30, 2022 and 2021, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages; payroll taxes; benefits; insurance	Time and effort
Utilities; telephone; repairs and maintenance; depreciation	Square footage

Other expenses are assigned to the respective functional category by method of direct assignment.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a).

The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The entity recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying ASC 740 will be recorded to interest expense and other expense, respectively.

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2018 through 2020 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

ADVERTISING COSTS

Various costs relating to advertising are considered period costs and are expensed as incurred. Advertising costs, included in other costs on the Statement of Activities for the years ended June 30, 2022 and 2021 were \$24,200 and \$24,276, respectively.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

On May 28, 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* and later, various subsequent amendments (collectively "ASC 606"). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition, including industry-specific guidance. ASC 606 requires that revenue is recognized when a customer obtains control of a good or service, which is when a customer has the ability to direct the use of and obtain benefits of the good or service. The Organization adopted ASC 606 as of the fiscal year ended June 30, 2021 using the modified retrospective method applied to all contracts not completed as of July 1, 2020. The adoption of ASC 606 did not result in a material change in the accounting for any revenue streams.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

FUTURE ACCOUNTING PRONOUNCEMENTS

The Organization has not yet implemented ASU 2016-02, *Leases (Topic 842)* which was issued by FASB in February 2016. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. Lessor accounting will not fundamentally change. Operating lease income will be recognized on a straight-line basis over the lease term. The amendments in this ASU are now effective for fiscal years beginning after December 15, 2021. The Organization is in the process of assessing the effect of this ASU on these financial statements.

RECLASSIFICATIONS

Certain items in the 2018 financial statements have been reclassified to conform with the 2019 presentation. The reclassifications have no effect on total assets, liabilities, net assets, changes in net assets, or net cash flows as previously reported.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$3,676,666 and \$3,399,064 and average days cash on hand of 279 and 215 as of June 30, 2022 and 2021, respectively.

The table below represents financial assets available for general expenditures within one year at June 30:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	1,605,794	1,288,993
Certificates of deposit	533,006	532,500
Grants receivable	250,281	373,530
Employee advance	0	100
Investments	1,377,671	1,463,438
Total financial assets	3,766,752	3,658,561
Less amounts not available for general expenditure within one year:		
Certificates of deposit	0	(157,892)
Restricted cash	(6,425)	0
Financial assets available to meet general expenditures within 1 year	3,760,327	3,500,669

NOTE 3 - FAIR VALUE MEASUREMENTS

Three levels of the fair value hierarchy under ASC 820 are described below.

Basis of Fair Value Measurement

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;
- Level 2 - Quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There were no changes in valuation methods during the year.

The following table presents the Organization's fair value hierarchy for the Organization's investment assets at fair value as of June 30, 2022:

Investments	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	0	533,006	0	533,006
Exchange traded funds	1,377,671	0	0	1,377,671
Total	1,377,671	533,006	0	1,910,677

The following table presents the Organization's fair value hierarchy for the Organization's investment assets at fair value as of June 30, 2021:

Investments	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	0	532,500	0	532,500
Exchange traded funds	1,463,438	0	0	1,463,438
Total	1,463,438	532,500	0	1,995,938

NOTE 4 - BENEFICIAL INTEREST

A donor has established a fund at a local Community Foundation to receive gifts for the purpose of providing support to the Organization. The value of contributions made directly to the fund and the related appreciation (depreciation) is not considered to be an asset of the Organization, however, the Organization receives the income earned on the assets. Distributions from the fund are recorded as contribution revenue when the distribution is taken. There were no contributions or distributions received from the fund for the years ended June 30, 2022 and 2021. The value of the fund held on behalf of the Organization was \$125,913 and \$140,118 at June 30, 2022 and 2021, respectively.

NOTE 5 - CAPITAL LEASES

The Organization is party to a capital lease obligation for equipment. Obligations under the capital lease are recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 5.00%. The lease obligation requires monthly payments of \$598. The capitalized cost, accumulated depreciation, and depreciation expense are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Capital cost	41,835	31,307
Accumulated depreciation	19,594	12,522
Net book value	22,241	18,785
Depreciation expense	7,071	6,261

LIFE TREATMENT CENTERS, INC.South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

The future minimum lease payments under the capital lease and the net present value of future minimum lease payments are as follows at June 30:

2023	11,426
2024	7,394
2025	4,249
Total future minimum lease payments	23,069
Amount representing interest	3,246
Net present value of future minimum lease payments	19,823
Less current portion	9,476
Amount due beyond current one year	10,347

NOTE 6 - NOTE PAYABLE

Note payable consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
In January 2021, the Organization applied for and received an unsecured Paycheck Protection Program ("PPP") loan made available through the CARES Act in the amount of \$280,403. Payments were due monthly in the amount of \$5,098 including interest at 1%. The Organization applied for and received forgiveness of the PPP loan during the fiscal year ended June 30, 2022.	0	280,403

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
Wells Fargo Grant - Clark	6,425	0
Total	6,425	0

NOTE 8 - OPERATING LEASES

The Organization maintained a lease agreement with a tenant that expired in January 2021 at which time it became month-to-month. Monthly rent payments were \$2,000 under the expired lease. Under the month-to-month arrangement, rent is due on the first of each month in equal installments of \$2,500. Rent income was \$30,000 and \$26,500 for the years ended June 30, 2022 and 2021, respectively.

The Organization entered into a lease for office equipment, effective May 1, 2019, requiring monthly payments of \$352 through August 2022. The leased equipment was replaced early in April 2022 under a capital lease. Total lease expense for the office equipment for each of the years ended June 30, 2022 and 2021 was \$3,168 and \$4,225.

The Organization entered into a lease for office equipment, effective October 1, 2018, requiring monthly payments of \$68 through September 2023. Total lease expense for the office equipment for each of the years ended June 30, 2022 and 2021 was \$816.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

The Organization entered into a lease for a washer and dryer effective February 24, 2020, requiring monthly payments of \$120 through February 2025. Total lease expense for the washer and dryer for each of the years ended June 30, 2022 and 2021 was \$1,440.

The Organization incurred various other related maintenance costs and taxes related to office equipment of approximately \$1,820 and \$5,981 during the years ended June 30, 2022 and 2021, respectively.

Future minimum payments under these agreements for the years ending June 30 are as follows:

2023	2,256
2024	1,644
2025	960
Total future minimum lease payments	4,860

NOTE 9 - RETIREMENT PLAN

The Organization contributes to a simplified employee pension plan for substantially all employees. The amount of the contribution to the plan is at the discretion of the Board of Directors of the Organization and is a percentage of employee salaries. The Organization contributed \$24,218 and \$25,843 for the years ended June 30, 2022 and 2021, respectively. The Organization also established an Employee Tax Deferred Savings Plan under Internal Revenue Code Section 403(b). Employees may choose to contribute to the plan at their discretion through pre-tax payroll deductions.

NOTE 10 - CONCENTRATIONS

The Organization receives a substantial amount of its support from federal, state, and local agencies. A significant reduction in the level of support, if this were to occur, may have a significant effect on the financial statements.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization contracts with a media company for advertising services. The company is owned by a member of the Board of Directors. The Organization pays \$2,000 per month for the services, plus additional fees for special projects. During the years ended June 30, 2022 and 2021, the Organization purchased services totaling \$24,150 and \$24,175, respectively.

In addition, the Organization contracts with an information technology company for support services. The company is owned by a member of the Board of Directors. The Organization pays approximately \$738 per month for the services, plus additional fees for virus and malware protection. During the years ended June 30, 2022 and 2021, the Organization purchased services totaling \$37,725 and \$16,189, respectively.

The Organization contracts with a sibling of the Executive Director for security services. The contract calls for a rate of \$27 per hour. During the years ended June 30, 2022 and 2021, the Organization purchased services and related insurance pursuant to the contract totaling \$29,782 and \$31,169, respectively. In addition, during the year ended June 30, 2022, the Organization purchased a vehicle from the same individual for \$8,700.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 12 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 28, 2023, the date the financial statements were available to be issued. No events or transactions occurred during this period which require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Homeland Security				
Passed-through United Way of St. Joseph County, Inc.				
Emergency Food and Shelter National Board Program	97.024	277600-028 Phase 39	20,000	0
<i>Total Department of Homeland Security</i>			<u>20,000</u>	<u>0</u>
Department of Health and Human Services				
Passed-through Affiliated Service Providers of Indiana, Inc. (ASPIN)				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	41952	1,003,174	0
Passed-through Intecare, Inc.				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	806	144,000	0
Passed-through Indiana Department of Health				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	58676	5,000	0
Block Grants for Prevention and Treatment of Substance Abuse	93.959	50099	27,500	0
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>1,179,674</u>	<u>0</u>
<i>Total Department of Health and Human Services</i>			<u>1,179,674</u>	<u>0</u>
Department of Housing and Urban Development				
Passed-through City of South Bend				
Emergency Solutions Grant Program	14.231	21-JE-03	30,000	0
Passed-through Indiana Housing and Community Development Authority				
COVID-19 Emergency Solutions Grant Program	14.231	ESES-CV-020-0023	546,847	0
Total Emergency Solutions Grant Program			<u>576,847</u>	<u>0</u>
Passed-through City of South Bend				
Continuum of Care Program				
Continuum of Care Program	14.267	IN0145L5H021907	14,271	0
Continuum of Care Program	14.267	IN0145L5H022008	139,866	0
Total Continuum of Care Program			<u>154,137</u>	<u>0</u>
<i>Total Department of Housing and Urban Development</i>			<u>730,984</u>	<u>0</u>
Department of Agriculture				
Passed-through Food Bank of Northern Indiana				
Food Distribution Cluster				
Emergency Food Assistance Program (Food Commodities)	10.569	SU23	97,668	0
Total Food Distribution Cluster			<u>97,668</u>	<u>0</u>
<i>Total Department of Agriculture</i>			<u>97,668</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>2,028,326</u>	<u>0</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of Life Treatment Centers, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2022. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allocable or are limited as to reimbursement.
2. The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - EXPENDITURES OF FEDERAL AWARDS

Federal awards on Statements of Activities	1,981,675
Deduct fiscal year 2022 Provider Relief Fund receipts to be reported as federal expenditures in fiscal year 2023	(51,017)
Non-cash federal assistance on Statements of Activities	<u>97,668</u>
Total expenditures of federal awards	<u><u>2,028,326</u></u>

ADDITIONAL REQUIRED REPORTS AND INFORMATION



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

To the Board of Directors
Life Treatment Centers, Inc.
South Bend, Indiana

We have audited, 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, the financial statements of Life Treatment Centers, Inc. (a non-profit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Certified Public Accountants

Elkhart, Indiana
February 28, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Life Treatment Centers, Inc.
South Bend, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Life Treatment Centers, Inc.'s (the "Organization"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Kuegel, Jantzen & Company LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

Elkhart, Indiana
February 28, 2023

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance of major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major programs:	
<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section II - Financial Statement Findings

There were no findings required to be reported in accordance with *Government Auditing Standards*.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

There were no findings required to be reported in accordance with the Uniform Guidance.

LIFE TREATMENT CENTERS, INC.

South Bend, Indiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

There were no prior year audit findings.