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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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January 17, 2025

Board of Directors
Lifespan Resources, Inc.
Floyd County, Indiana

We have reviewed the audit report of Lifespan Resources, Inc., which was opined upon by Deming, Malone, Livesay & Ostroff, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Lifespan Resources, Inc. as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

Tammy R. White, CPA
Deputy State Examiner

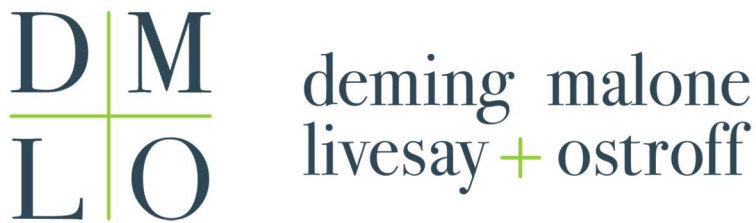
LIFESPAN RESOURCES, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended June 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
LifeSpan Resources, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LifeSpan Resources, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 LifeSpan Resources, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LifeSpan Resources, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities 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 the LifeSpan Resources, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities 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 auditors' 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 the LifeSpan Resources, 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 the LifeSpan Resources, 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.

Emphasis of Matter - Leases

As discussed in Note 1 to the financial statements, in July 2022, the entity adopted Accounting Standards Codification 842, *Leases*. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information

We previously audited LifeSpan Resources, Inc.'s financial statements as of June 30, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 December 6, 2023 on our consideration of LifeSpan Resources, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LifeSpan Resources, 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 LifeSpan Resources Inc.'s internal control over financial reporting and compliance.



Deming, Malone, Livesay & Ostroff
New Albany, Indiana
December 6, 2023

LIFESPAN RESOURCES, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

Assets	<u>2023</u>	<u>2022</u>
Cash	\$ 3,715,101	\$ 4,178,977
Investments	3,946,074	2,734,663
Contract and grants receivable	1,117,964	808,862
Medicaid receivable, net of allowance	28,392	26,367
Prepaid postage	2,696	2,958
Right-of-use assets - operating	1,924,441	
Property and equipment, net of accumulated depreciation	<u>511,956</u>	<u>663,980</u>
Total assets	<u>\$ 11,246,624</u>	<u>\$ 8,415,807</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 51,526	\$ 137,016
Payroll withholdings	1,026	856
Accrued expenses	288,797	249,673
Lease liabilities - operating	<u>1,924,441</u>	<u> </u>
Total liabilities	<u>2,265,790</u>	<u>387,545</u>
 Net Assets		
With donor restrictions	50,050	188,278
Without donor restrictions	<u>8,930,784</u>	<u>7,839,984</u>
Total net assets	<u>8,980,834</u>	<u>8,028,262</u>
Total liabilities and net assets	<u>\$ 11,246,624</u>	<u>\$ 8,415,807</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contract/program	\$ 7,573,662		\$ 7,573,662
Grant	224,058		224,058
In-kind			
Services	159,074		159,074
Space	65,050		65,050
Product discounts	23,479		23,479
Special events, net of direct benefit to donors	155,066	\$ 9,848	164,914
Donations	52,228		52,228
Miscellaneous	49,875		49,875
Gain on sale of property and equipment	50,530		50,530
Net investment income	250,628		250,628
	8,603,650	9,848	8,613,498
Net assets released from restrictions	148,076	(148,076)	
Total revenue, gains, and other support	8,751,726	(138,228)	8,613,498
Expenses			
Program Services:			
Health Screening	24,695		24,695
Ombudsman	11,577		11,577
Legal Assistance	45,737		45,737
Services - Title IIIB	69,423		69,423
Options Counseling - IIIB	63,457		63,457
Ombudsman - A.L.	12,387		12,387
Ombudsman - Title VII	20,469		20,469
Transportation - IIIB	407,350		407,350
Family Caregiver	220,004		220,004
Case Management - SSBG	74,811		74,811
Information - SSBG	53,483		53,483
Transportation Service - Nongovernment	322,424		322,424
Scott County - UW Outreach	30		30
Case Management - IIIB	52,612		52,612
Case Management - PAS	4,457		4,457
Options Counseling - SSBG	122,769		122,769
Options Counseling - Choice	184,249		184,249
Case Management - Choice	182,709		182,709
Services - Choice	516,437		516,437
Congregate Meals	517,539		517,539
Home Delivered Meals	470,501		470,501
HCBS Stabilization	137,952		137,952
Produce for Better Health	25,082		25,082
MLTSS Readiness	8,000		8,000
Anthem	6,290		6,290
ARP - Title IIIA	43,888		43,888
ARP - Title IIIB	376,665		376,665
ARP - Title IIIC	59,136		59,136
ARP - Title IIID	8,831		8,831
ARP - Title IIIE	48,310		48,310
SHIP - Medicare Improvement	6,288		6,288
Services - Medicaid	2,500,666		2,500,666
Waiver Intake	453,542		453,542
Vaccine Outreach	17,492		17,492
	7,069,262		7,069,262
Total program services expenses	7,069,262		7,069,262

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF ACTIVITIES, Continued

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Expenses (Continued)			
Supporting Services:			
Fundraising	\$ 96,525	\$	\$ 96,525
Administration - Title III	169,099		169,099
Administration - Choice	105,951		105,951
Nonfederal	220,089		220,089
Total supporting services expenses	591,664		591,664
Total expenses	7,660,926		7,660,926
Net change in net assets	1,090,800	(138,228)	952,572
Net assets at the beginning of the year	7,839,984	188,278	8,028,262
Net assets at the end of the year	\$ 8,930,784	\$ 50,050	\$ 8,980,834

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contract/program	\$ 7,074,936	\$ 137,669	\$ 7,212,605
Grant	281,911	36,897	318,808
In-kind			
Services	43,355		43,355
Space	69,460		69,460
Product discounts	3,998		3,998
Special events, net of direct benefit to donors	119,015	3,992	123,007
Donations	42,375		42,375
Miscellaneous	16,961		16,961
Gain on sale of property and equipment	16,100		16,100
Net investment (loss) income	(452,952)	2,000	(450,952)
	7,215,159	180,558	7,395,717
Net assets released from restrictions	69,065	(69,065)	
Total revenue, gains, and other support	7,284,224	111,493	7,395,717
Expenses			
Program Services:			
Health Screening	29,897		29,897
Ombudsman	9,191		9,191
Legal Assistance	42,860		42,860
Services - Title IIIB	15,500		15,500
Program Funding - SBA	133,334		133,334
Options Counseling - IIIB	111,950		111,950
Ombudsman - A.L.	11,588		11,588
Ombudsman - Title VII	28,699		28,699
Transportation - IIIB	542,165		542,165
Family Caregiver	296,998		296,998
Case Management - SSBG	121,419		121,419
Information - SSBG	22,002		22,002
Transportation Service - SSBG	2,823		2,823
Scott County - UW Outreach	60		60
Case Management - IIIB	68,874		68,874
Case Management - PAS	1,609		1,609
Options Counseling - SSBG	105,034		105,034
Options Counseling - Choice	109,007		109,007
Case Management - Choice	180,783		180,783
Services - Choice	555,245		555,245
Congregate Meals	501,835		501,835
Home Delivered Meals	492,865		492,865
MFP-HUB	25,948		25,948
Anthem	5,348		5,348
SHIP - Medicare Improvement	1,273		1,273
Services - Medicaid	2,663,756		2,663,756
Waiver Intake	346,154		346,154
Vaccine Outreach	15,176		15,176
	6,441,393		6,441,393
Total program services expenses	6,441,393		6,441,393

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF ACTIVITIES, Continued

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Expenses (Continued)			
Supporting Services:			
Fundraising	\$ 95,418	\$	\$ 95,418
Administration - Title III	130,280		130,280
Administration - Choice	99,796		99,796
Nonfederal	<u>219,298</u>		<u>219,298</u>
Total supporting services expenses	<u>544,792</u>		<u>544,792</u>
Total expenses	<u>6,986,185</u>		<u>6,986,185</u>
Net change in net assets	298,039	111,493	409,532
Net assets at the beginning of the year	<u>7,541,945</u>	<u>76,785</u>	<u>7,618,730</u>
Net assets at the end of the year	<u>\$ 7,839,984</u>	<u>\$ 188,278</u>	<u>\$ 8,028,262</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services						
	Health Screening	Ombudsman	Legal Assistance	Services - Title IIIB	Program Funding - SBA	Options Counseling - IIIB	Ombudsman - A.L.
Salaries and wages	\$ 13,871	\$ 6,812				\$ 6,609	\$ 11,382
Employee benefits	2,946	717				51,576	8
Payroll taxes	993	141				490	359
Total salaries and related expenses	17,810	7,670				58,675	11,749
Catered food							
Service providers	260			\$ 69,423			
In-kind			\$ 33,642				
Repairs and maintenance	144	427				473	
Contractual allowance							
Computer	636	537				32	
Travel and transportation	29	205				51	206
Occupancy	739	560					
Depreciation							
Telephone	402	420				3,108	200
Insurance	292	343					
Other	31	22				9	
Office	110	195				357	36
Contract services	3,464	334					112
Dues and subscriptions	269	201				140	11
Professional fees	26	91	12,095			47	
Postage	160	83				25	25
Utilities	35	71					
Audit							
Rent	154	190				9	48
Legal fees	134	67					
Advertising		161				531	
Total expenses	<u>\$ 24,695</u>	<u>\$ 11,577</u>	<u>\$ 45,737</u>	<u>\$ 69,423</u>	<u>\$</u>	<u>\$ 63,457</u>	<u>\$ 12,387</u>
Expenses for the year ended June 30, 2022	<u>\$ 29,897</u>	<u>\$ 9,191</u>	<u>\$ 42,860</u>	<u>\$ 15,500</u>	<u>\$ 133,334</u>	<u>\$ 111,950</u>	<u>\$ 11,588</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services						
	Ombudsman - Title VII	Transportation - IIIB	Family Caregiver	Case Management - SSBG	Information - SSBG	Transportation Service - SSBG	Transportation Service - Nongovernment
Salaries and wages	\$ 19,099	\$ 218,733	\$ 53,940	\$ 17,617	\$ 11,695		\$ 156,037
Employee benefits	29	46,495	76,305	40,378	5,258		40,509
Payroll taxes	672	16,302	4,117	1,028	1,371		13,823
Total salaries and related expenses	19,800	281,530	134,362	59,023	18,324		210,369
Catered food							
Service providers			17,289				
In-kind		6,636	49,516				
Repairs and maintenance		22,155	651	924	956		32,261
Contractual allowance							
Computer		12,134	2,354	2,216	7,584		8,225
Travel and transportation	113	44,091	340	538	191		41,946
Occupancy		5,036	2,248	2,065	7,595		2,278
Depreciation							
Telephone	307	3,182	5,771	4,324	4,157		1,457
Insurance		20,976	953	1,131	3,459		17,759
Other		1,034	127	160	416		874
Office	39	1,177	965	867	1,903		720
Contract services	123	2,651	1,544	314	941		1,184
Dues and subscriptions	12	1,429	991	754	2,433		905
Professional fees		854	839	161	937		379
Postage	19	983	288	323	1,046		667
Utilities		1,394		303			508
Audit					400		1,800
Rent	56	1,486	398	669	1,087		684
Legal fees		602	379	544	1,631		408
Advertising			989	495	423		
Total expenses	<u>\$ 20,469</u>	<u>\$ 407,350</u>	<u>\$ 220,004</u>	<u>\$ 74,811</u>	<u>\$ 53,483</u>	<u>\$</u>	<u>\$ 322,424</u>
Expenses for the year ended June 30, 2022	<u>\$ 28,699</u>	<u>\$ 542,165</u>	<u>\$ 296,998</u>	<u>\$ 121,419</u>	<u>\$ 22,002</u>	<u>\$ 2,823</u>	<u>\$</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services					
	Scott County - UW Outreach	Case Management - IIIB	Case Management - PAS	Options Counseling - SSBG	Options Counseling - Choice	Case Management - Choice
Salaries and wages		\$ 9,569	\$ 3,395	\$ 64,872	\$ 81,949	\$ 98,813
Employee benefits		38,691	524	39,258	45,463	39,208
Payroll taxes		<u>701</u>	<u>251</u>	<u>5,043</u>	<u>5,833</u>	<u>12,013</u>
Total salaries and related expenses		48,961	4,170	109,173	133,245	150,034
Catered food						
Service providers						
In-kind						
Repairs and maintenance		190		278	1,392	612
Contractual allowance						
Computer		42		1,878	10,371	5,428
Travel and transportation		86	26	707	593	949
Occupancy				1,732	9,873	5,126
Depreciation						
Telephone		2,281	51	4,324	7,798	5,550
Insurance				1,325	5,183	2,544
Other		7		60	507	315
Office		299	4	716	2,371	1,804
Contract services					1,020	706
Dues and subscriptions	\$ 30	153	5	612	3,199	1,476
Professional fees		56	1	965	1,866	387
Postage		24			1,144	698
Utilities		124		42	164	280
Audit			200		1,600	4,200
Rent				270	1,453	918
Legal fees					1,767	1,223
Advertising		<u>389</u>		<u>687</u>	<u>703</u>	<u>459</u>
Total expenses	<u>\$ 30</u>	<u>\$ 52,612</u>	<u>\$ 4,457</u>	<u>\$ 122,769</u>	<u>\$ 184,249</u>	<u>\$ 182,709</u>
Expenses for the year ended June 30, 2022	<u>\$ 60</u>	<u>\$ 68,874</u>	<u>\$ 1,609</u>	<u>\$ 105,034</u>	<u>\$ 109,007</u>	<u>\$ 180,783</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services						
	Services - Choice	Congregate Meals	Home Delivered Meals	HCBS Stabilization	Produce for Better Health	MLTSS Readiness	MFP - HUB
Salaries and wages		\$ 189,995	\$ 83,776	\$ 127,505			
Employee benefits		31,128	16,812				
Payroll taxes		15,334	6,702	9,757			
Total salaries and related expenses		236,457	107,290	137,262			
Catered food		161,069	289,200		\$ 24,446		
Service providers	\$ 516,437				636		
In-kind		56,171	26,287				
Repairs and maintenance		5,891	4,089				
Contractual allowance							
Computer		11,083	8,284	257			
Travel and transportation		562	547				
Occupancy		6,835	6,835				
Depreciation							
Telephone		7,665	5,925	206			
Insurance		3,588	3,588				
Other		391	366				
Office		3,815	2,022	178			
Contract services		7,980	5,450			\$ 8,000	
Dues and subscriptions		2,494	2,388				
Professional fees		1,905	1,030	30			
Postage		1,558	941	19			
Utilities		3,638	1,993				
Audit		2,400	1,000				
Rent		2,579	1,886				
Legal fees		1,223	1,223				
Advertising		235	157				
Total expenses	<u>\$ 516,437</u>	<u>\$ 517,539</u>	<u>\$ 470,501</u>	<u>\$ 137,952</u>	<u>\$ 25,082</u>	<u>\$ 8,000</u>	<u>\$</u>
Expenses for the year ended June 30, 2022	<u>\$ 555,245</u>	<u>\$ 501,835</u>	<u>\$ 492,865</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 25,948</u>

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services						
	Anthem	ARP - Title IIIA	ARP - Title IIIB	ARP - Title IIIC	ARP - Title IIID	ARP - Title IIIE	SHIP - Medicare Improvement
Salaries and wages	\$ 5,559	\$ 28,536	\$ 245,884	\$ 9,947	\$ 2,865	\$ 15,153	\$ 4,451
Employee benefits		7,714	24,830	18,435	650	6,680	708
Payroll taxes	411	2,377	15,737	754	214	1,044	910
Total salaries and related expenses	5,970	38,627	286,451	29,136	3,729	22,877	6,069
Catered food	238						
Service providers			1,165				
In-kind		3,500	2,900	30,000		8,000	
Repairs and maintenance		82	6,893		66	18	
Contractual allowance							
Computer		140	2,231		490	455	
Travel and transportation	75	26	18,989		28	18	5
Occupancy			200		400	30	
Depreciation							
Telephone	1	268	1,398		253	1,041	55
Insurance			6,282		112		
Other			57		39	10,505	16
Office	5	19	11,041		977	930	137
Contract services		221	26,448		140	2,353	
Dues and subscriptions		24	911		182	14	5
Professional fees	1		1,059		1,978	394	1
Postage		131	5,503		204	1,066	
Utilities			844		7		
Audit		800	400			400	
Rent		50	698		88	2	
Legal fees			69		138	29	
Advertising			3,126			178	
Total expenses	\$ 6,290	\$ 43,888	\$ 376,665	\$ 59,136	\$ 8,831	\$ 48,310	\$ 6,288
Expenses for the year ended June 30, 2022	\$ 5,348	\$	\$	\$	\$	\$	\$ 1,273

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Program Services			
	Services - Medicaid	Waiver Intake	Vaccine Outreach	Subtotal
Salaries and wages	\$ 1,677,682	\$ 369,968		\$ 3,535,714
Employee benefits	181,864	42,871		759,057
Payroll taxes	116,711	27,011		260,099
Total salaries and related expenses	1,976,257	439,850		4,554,870
Catered food				474,953
Service providers	243,156			848,366
In-kind				216,652
Repairs and maintenance	12,527	88		90,117
Contractual allowance	101,447			101,447
Computer	21,026	1,021		96,424
Travel and transportation	25,303	5,435		141,059
Occupancy	18,957	759		71,268
Depreciation				
Telephone	22,752	3,803		86,699
Insurance	10,428	399		78,362
Other	1,028	39		16,003
Office	11,364	627		42,678
Contract services	9,695	79		72,759
Dues and subscriptions	6,737	269		25,644
Professional fees	6,468	232		31,802
Postage	13,066	101	\$ 6,572	34,646
Utilities	3,829			13,232
Audit	5,200	600		19,000
Rent	5,352	104		18,181
Legal fees	3,070	136		12,643
Advertising	3,004		10,920	22,457
Total expenses	\$ 2,500,666	\$ 453,542	\$ 17,492	\$ 7,069,262
Expenses for the year ended June 30, 2022	\$ 2,663,756	\$ 346,154	\$ 15,176	\$ 6,441,393

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for 2022)

	Supporting Services				Subtotal	Total Program and Supporting Services	2022 All Funds (Memorandum Only)
	Fundraising	Administration - Title III	Administration - Choice	Nonfederal			
Salaries and wages		\$ 112,074	\$ 73,163	\$ 26,312	\$ 211,549	\$ 3,747,263	\$ 3,458,383
Employee benefits	\$ 330	21,254	16,014	8,235	45,833	804,890	623,761
Payroll taxes		8,145	4,467	2,035	14,647	274,746	259,058
Total salaries and related expenses	330	141,473	93,644	36,582	272,029	4,826,899	4,341,202
Catered food						474,953	515,611
Service providers						848,366	831,701
In-kind	15,049	15,903			30,952	247,604	116,813
Repairs and maintenance	5,010	512	262	1,658	7,442	97,559	173,617
Contractual allowance						101,447	96,045
Computer	6,333	2,144	2,422	2,414	13,313	109,737	116,233
Travel and transportation	9,268	169	176	4,276	13,889	154,948	43,719
Occupancy		2,238	2,278	1,159	5,675	76,943	72,151
Depreciation				152,025	152,025	152,025	139,800
Telephone		2,158	1,580	884	4,622	91,321	87,061
Insurance	804	1,047	1,196	672	3,719	82,081	95,217
Other	42,394	78	113	10,126	52,711	68,714	40,449
Office	8,719	255	525	679	10,178	52,856	50,384
Contract services	1,250	725	868	4,951	7,794	80,553	70,386
Dues and subscriptions		712	755	2,501	3,968	29,612	36,084
Professional fees		382	276	113	771	32,573	29,665
Postage	3,764	705	335	558	5,362	40,008	46,138
Utilities				736	736	13,968	14,541
Audit			800	200	1,000	20,000	18,000
Rent		331	313	281	925	19,106	19,607
Legal fees		267	408	274	949	13,592	10,430
Advertising	3,604				3,604	26,061	21,331
Total expenses	<u>\$ 96,525</u>	<u>\$ 169,099</u>	<u>\$ 105,951</u>	<u>\$ 220,089</u>	<u>\$ 591,664</u>	<u>\$ 7,660,926</u>	<u>\$ 6,986,185</u>
Expenses for the year ended June 30, 2022	<u>\$ 95,418</u>	<u>\$ 130,280</u>	<u>\$ 99,796</u>	<u>\$ 219,298</u>	<u>\$ 544,792</u>	<u>\$ 6,986,185</u>	

See Notes to Financial Statements.

LIFESPAN REOSURCES, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net change in net assets	\$ 952,572	\$ 409,532
Adjustments to reconcile net change in net assets to net cash flows provided by operating activities:		
Depreciation	152,025	139,800
Gain on sale of property and equipment	(50,530)	(16,100)
Investment income, net of investment fees	(144,996)	(161,799)
Realized and unrealized (gain) loss on investments	(105,632)	612,751
Decrease (increase) in assets:		
Contract and grants receivable	(309,102)	970
Medicaid receivable	(2,025)	(6,492)
Prepaid postage	262	(161)
Increase (decrease) in liabilities:		
Accounts payable	(85,490)	6,934
Payroll withholdings	170	(119)
Accrued expenses	39,124	35,181
	446,378	1,020,497
Cash Flows From Investing Activities		
Purchase of investments	(1,940,446)	(1,184,279)
Proceeds from sale of investments	979,662	671,154
Proceeds from sale of property and equipment	50,530	16,100
Purchases of property and equipment	_____	(234,552)
	(910,254)	(731,577)
Net change in cash	(463,876)	288,920
Cash at the beginning of the year	4,178,977	3,890,057
Cash at the end of the year	\$ 3,715,101	\$ 4,178,977

See Notes to Financial Statements.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities:

LifeSpan Resources, Inc. (the Organization) is a designated Area Agency on Aging for Scott, Clark, Floyd, and Harrison counties in the State of Indiana. The Organization's mission statement is as follows: "Promoting independent living for people of all ages." The Organization provides a comprehensive network of services to persons age sixty and older, as well as providing services for persons of all ages with disabilities.

Summary of significant accounting policies:

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of accounting:

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

Net assets:

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

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions include assets designated by the board for particular purposes.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. The Organization's donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

The Organization considers cash and cash equivalents to be short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. There were no cash equivalents as of June 30, 2023 and 2022.

Contract and grants receivable:

Contract and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. As a result, management does not believe an allowance is necessary.

Medicaid receivable:

Medicaid receivable is stated at the amount management expects to collect from outstanding balances at year-end. The Organization provides for probable contractual allowance through an adjustment to revenue based on its assessment of the current status of individual accounts. The contractual allowance as of June 30, 2023 and 2022 was \$101,447 and \$96,045, respectively.

Investments:

Investments are recorded at fair value. Donated investments are recorded at their fair value as of the date received. Net investment return is reported on the statements of activities and consists of interest and dividends, realized and unrealized capital gains and losses, less investment expenses. See Note 3 for discussion of fair value measurements.

Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation is provided over the estimated useful lives of the assets on the straight-line basis. The range of estimated useful lives for assets is 5-15 years. The Organization's policy is to expense assets costing \$5,000 or less.

NOTES TO FINANCIAL STATEMENTS

Revenue recognition - contributions:

Contributions other than cash are recorded at their fair value as of the date of donation. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the contributed or acquired long-live assets are placed in service.

Donated services that create or enhance non-financial assets or that require specific expertise and would normally have been purchased are recorded at fair value in the period received.

Special events revenue is presented net of the costs of direct benefit to donors on the statements of activities. The exchange portion of special events revenue is one performance obligation and is recognized at a point in time when direct benefits are provided to the donor.

The Organization treats donor restricted contributions whose restrictions are met in the same reporting period as support without donor restriction.

Revenue recognition – FASB ASC 606:

Contract revenue, as defined under ASC 606, is derived primarily from services provided to persons age sixty and older and persons with disabilities. Revenue is recognized at a point in time as the performance obligations are satisfied.

All revenue is recognized at a point in time as the services are provided to the program participants and the Organization submits for reimbursement per the applicable government contract. The government contracts set the rate for reimbursement for the services provided.

For the years ended June 30, 2023 and 2022, approximately 90% and 91%, respectively, of the Organization’s revenues are derived from government contracts and are included in contracts/program revenue on the statements of activities.

The Organization has determined that the nature, amount, timing and uncertainty of contract revenues and cash flows are affected by the economy, and general public support.

Since the Organization has performed its obligations under the contracts it has unconditional right to consideration recorded as contract assets and therefore, classified those billed assets as contract receivables. A portion of the Organization’s accounts receivable are due under contracts, as defined by ASC 606. The opening balances of all contract and grants receivable for the years ended June 30, 2023 and 2022 were \$808,862 and \$809,832, respectively.

NOTES TO FINANCIAL STATEMENTS

Leases:

The Organization evaluates contracts at inception and when terms of an existing contract are changed to determine if an arrangement is or contains a lease. Operating leases with a duration over 12 months are recorded as operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. Short-term leases (i.e. leases with an initial term of 12 months or less that do not contain a purchase option that is likely to be exercised) are not recorded on the statements of financial position as the Organization elected to apply the short-term lease exception to these leases.

Operating ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of the future lease payments over the lease term.

The leases do not provide an implicit rate, so the Organization uses the risk free rate based on the information available at commencement date in determining the present value of lease payments. The risk free rate is reevaluated upon lease modification. Lease ROU assets include initial direct costs and prepaid lease payments made, if any, less lease incentives, if any. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

In-kind contributions:

The Organization received the following in-kind contributions for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Services	\$159,074	\$ 43,355
Space	65,050	69,460
Product discounts	<u>23,479</u>	<u>3,998</u>
	<u>\$247,603</u>	<u>\$116,813</u>

In-kind contributions are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. Estimated fair value is determined based on information provided by the donor regarding the value of goods and services received. The Organization did not monetize any in-kinds contributions for the years ended June 30, 2023 and 2022. In-kind contributions were used to support general programming and special events during the years ended June 30, 2023 and 2022. There were no donor restrictions on in-kind contributions for the years ended June 30, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

Income taxes:

The Organization is exempt from federal, state, and local income taxes as a not-for-profit corporation as described under Internal Revenue Code Section 501(c)(3). The Organization files an informational tax return in the U.S. federal jurisdiction and with the Indiana Department of Revenue. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. Management does not believe that the Organization has unrelated business income for the years ended June 30, 2023 and 2022.

As of June 30, 2023 and 2022, the Organization did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

Functional allocation of expenses:

The Statement of Functional Expenses presents expenses by both natural and functional classification. Costs are allocated under their respective functional department based on a variety of factors, such as time analysis.

The June 30, 2023 Statement of Functional Expenses presents summarized comparative information from the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Advertising:

The Organization uses advertising for employee recruitment purposes and to promote various programs. The costs of advertising are expensed as incurred. For the years ending June 30, 2023 and 2022, advertising costs totaled \$26,061 and \$21,331, respectively.

Accounting standard adopted:

Effective July 1, 2022, the Organization adopted accounting standard FASB ASC 842, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU lease asset and liability on the statement of financial position for all leases longer than 12 months and provide enhanced disclosures. Leases are classified as either financing or operating, with classification affecting the pattern of expense recognition on the statement of activities. Leases with a term of less than 12 months will not record a ROU lease asset and liability and the payments will be recognized into change in net assets or loss on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

The Organization elected to adopt the standard using the optional transition method that allows the Organization to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Organization is reporting the comparative period presented in the financial statements in accordance with FASB ASC 840. There was no cumulative effect adjustment for the Organization upon adoption.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing and expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. For lease agreements with lease and non-lease components, the Organization elected the practical expedient to account from them as a single lease component. For lease agreements 12 months or less, the Organization elected not to record a ROU lease asset or liability.

Upon adoption, the Organization recognized operating lease ROU assets and liabilities of \$1,943,279. Adoption did not have a material effect on change in net assets or on the statement of cash flows.

Newly issued standard not yet effective:

The Financial Accounting Standards Board (FASB) has issued accounting standard update (ASU) No. 2016-13, *Financial Instruments-Credit Losses*, which is effective for fiscal years beginning after December 15, 2022.

The Organization is evaluating the impact of this standard on future financial statements.

Date of management's review:

Management has evaluated events and transactions occurring subsequent to the Statement of Financial Position date of June 30, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which is the date these financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity and Availability

Financial assets available for general expenditures without donor or other restrictions limiting their use as of June 30, 2023 and 2022 include the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,715,101	\$ 4,178,977
Investments	3,946,074	2,734,663
Contract and grants receivables	1,117,964	808,862
Medicaid receivable, net of allowance	28,392	26,367
Less amounts with donor restrictions	<u>(50,050)</u>	<u>(188,278)</u>
	<u>\$ 8,757,481</u>	<u>\$ 7,560,591</u>

The Organization is supported by contributions through various government programs. The revenue for these contracts are either cost reimbursement or rate based programs. The Organization has \$8,757,481 and \$7,560,591 in cash, investments, and receivables available to be used within one year of the Statements of Financial Position date to meet cash needs for general expenditures as of June 30, 2023 and 2022, respectively.

The Organization manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

Note 3. Fair Value Measurements and Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities the Organization has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect the Organization's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Organization develops these inputs based on the best information available, including its own data.

NOTES TO FINANCIAL STATEMENTS

Investments are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used to value investments at June 30, 2023 and 2022.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of June 30, 2023 and 2022:

	<u>2023</u> <u>Level 1</u>	<u>2022</u> <u>Level 1</u>
Mutual fund/debt investments	\$ 1,927,163	\$ 1,702,942
Equities	1,677,280	1,031,721
Fixed income	<u>341,631</u>	<u> </u>
	<u>\$ 3,946,074</u>	<u>\$ 2,734,663</u>

The following table summarizes the Organization's investments and accumulated unrealized appreciation (depreciation) by investment class as of June 30, 2023 and 2022:

	<u>2023</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual fund/debt investments	\$ 2,185,125	\$ 1,927,163	\$ (257,962)
Equities	1,412,486	1,677,280	264,794
Fixed income	<u>338,707</u>	<u>341,631</u>	<u>2,924</u>
	<u>\$ 3,936,318</u>	<u>\$ 3,946,074</u>	<u>\$ 9,756</u>
	<u>2022</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual fund/debt investments	\$ 1,999,341	\$ 1,702,942	\$ (296,399)
Equities	<u>859,679</u>	<u>1,031,721</u>	<u>172,042</u>
	<u>\$ 2,859,020</u>	<u>\$ 2,734,663</u>	<u>\$ (124,357)</u>

Investment income reported in the accompanying statements of activities is net of investment fees. Such investment expenses totaled \$33,275 and \$22,912 for the years ended June 30, 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 4. Contract and Grants Receivable

Contract and grants receivable as of June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Family and Social Services Administration	\$ 897,944	\$ 535,050
Other	220,020	238,565
United Way	_____	35,247
	<u>\$ 1,117,964</u>	<u>\$ 808,862</u>

The Company's opening and closing balances of contract and grants receivables for 2023 and 2022 are as follows:

	<u>End of 2023</u>	<u>End of 2022</u>	<u>End of 2021</u>
Contract and grants receivables	\$1,117,964	\$808,862	\$809,832

Note 5. Property and Equipment

Property and equipment as of June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 77,477	\$ 77,477
Vehicles	837,053	884,586
Computer equipment	50,998	50,998
Leasehold improvements	136,220	136,220
Total	1,101,748	1,149,281
Less accumulated depreciation	(589,792)	(485,301)
Total	<u>\$ 511,956</u>	<u>\$ 663,980</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
CFSI Computer Grant	\$ 21,000	
HCBS Stabilization	12,000	\$ 137,669
CFSI Endowment Fund	9,303	9,303
Culbertson Ladies	6,000	
Meals	1,490	
Angel Tree	257	417
Voice & Vino		3,992
United Way		35,247
Floyd Memorial Foundation	_____	1,650
	<u>\$ 50,050</u>	<u>\$ 188,278</u>

Note 7. Revenue From Contracts With Customers

Revenue from contracts with customers includes the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Aging Cluster	\$ 986,221	\$ 1,109,579
Medicaid Waiver & Social Security Block Grant	4,624,895	4,346,352
Fundraising	52,489	39,152
National Family Caregiver Support	147,295	185,627
	<u>\$ 5,810,900</u>	<u>\$ 5,680,710</u>

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

Aging Cluster Revenue - This revenue consists of fees for services provided to individuals to coordinate care within the state long-term care system. It also consists of fees for in-home care and transportation services. The performance obligations are satisfied at a point in time for each service. Transaction prices are determined each month and payment is made monthly.

Medicare Waiver and Social Security Block Grant Revenue - This revenue consists of fees for case management services provided for the state's elderly population. The performance obligations are satisfied at a point in time for each service. Transaction prices are determined each month and payment is made monthly.

NOTES TO FINANCIAL STATEMENTS

Fundraising - A portion of fundraising revenue consisting of meals provided during fundraising events. Performance obligations are satisfied at a point in time when the services are provided. Transaction prices are determined by event and recognized when the event occurs.

National Family Caregiver Support Revenue - This revenue consists of fees for support services provided to family and older relative caregivers. The performance obligations are satisfied at a point in time for each service. Transaction prices are determined each month and payment is made monthly.

The Organization's contract revenue is based on the timing of satisfaction of performance obligations, which is entirely recognized at a point in time for the years ended June 30, 2023 and 2022.

The time between invoicing and when the performance obligations are satisfied is not significant, and there is not a significant financing component or significant payments terms.

Note 8. Related Party Transactions

Board members contribute funds to the Organization.

Note 9. Operating Leases (prior to the adoption of FASB 842)

The Organization was party to operating leases under FASB ASC 840. These leases are now included in Note 10 under FASB 842.

On November 1, 2008, the Organization entered into a lease agreement to lease office space located in the YMCA of Southern Indiana building located at 33 State Street, New Albany, Indiana. The lease is for ninety-nine (99) years ending November 1, 2107. Beginning July 1, 2009, the monthly rent, occupancy, and operating costs totaled \$4,858 per month. The occupancy costs will be reviewed on an annual basis and the monthly rent expense will be adjusted accordingly. For the year ending June 30, 2022, the monthly fixed amount totaled \$5,200. In addition, the Organization is responsible for a portion of the cleaning labor expense for the building. For the year ending June 30, 2022, the Organization paid \$59,724 in rent expense which is included in occupancy and operating costs.

The Organization entered into an operating agreement with the City of Scottsburg for the use of donated space in the Bacala Building located at 69 East Wardell Street, Scottsburg, Indiana. The operating agreement is for ten (10) years ending August 31, 2031. Under the operating agreement, the Organization is not required to pay rent, but must provide a meal site and Aging and Disabilities Resource Center site for senior citizens. The Organization recognizes the donated value for the use of the space as in-kind revenue and in-kind expense.

NOTES TO FINANCIAL STATEMENTS

During the year ended June 30, 2015, the Organization entered into lease agreements with Better Quality Business, Inc. for equipment leases. These leases were renewed in fiscal year 2020. Under the renewed agreements, the Organization was to pay 60 payments of \$1,472, \$463, and \$204 for the leases for three printers. The leases were set to expire in 2023, 2024, and 2025, respectively. In May 2022, those leases were cancelled and replaced by leases with Xerox for \$1,367 per month through May 2027. For the year ended June 30, 2022, the Organization paid \$25,673 in rent expense in relation to these operating leases.

The schedule below summarizes operating lease payments under FASB ASC 840 as of June 30, 2022.

<u>Years ending June 30</u>	
2023	\$ 79,739
2024	78,803
2025	78,803
2026	78,803
2027	<u>77,436</u>
	<u>\$ 393,584</u>

Note 10. Leases (after adoption of FASB 842)

The Organization leases certain office space and equipment under operating leases with 5 to 99-year initial terms. One agreement provides for payments adjusted for inflation. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The following summarizes lease costs for the year ended June 30, 2023:

Lease costs:

Operating lease costs	\$78,803
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Other information:

Weighted-average remaining lease term-operating leases	81.85 years
Weighted-average discount rate-operating leases	3.11%

Supplemental cash flows information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$78,803
Right-of-use assets obtained in exchange for new operating lease liabilities	
	\$1,943,279

NOTES TO FINANCIAL STATEMENTS

The maturities of operating lease liabilities as of June 30, 2023 were as follows:

Years ending June 30,	
2024	\$ 78,803
2025	78,803
2026	78,803
2027	76,069
2028	62,400
Thereafter	<u>4,950,399</u>
	5,325,277
Less present value discount	<u>(3,400,836)</u>
	<u>\$ 1,924,441</u>

Note 11. Retirement Plan

The Organization maintains a 401(k) retirement plan that is available to all employees. The Organization contributes 3% of gross salaries and up to 4% match on employee contributions. Plan expense was \$208,743 and \$169,315 for the years ending June 30, 2023 and 2022, respectively.

Note 12. Significant Third-Party Reimbursements

The Organization receives significant fees from Medicaid and CHOICE programs for the services it provides to its clients. In the years ended June 30, 2023 and 2022, it received 46 percent and 50 percent from Medicaid and 13 percent and 13 percent from CHOICE of its revenue and support, respectively.

Note 13. Concentrations and Contingencies

Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash. Cash deposits are held in financial institutions and may at times exceed federally insured amounts.

LIFESPAN RESOURCES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Passed through State of Indiana Family and Social Services Administration			
Aging Cluster			
Title IIIA - Administration	93.044	22-16-OV-1651-02	\$ 140,879
Title IIIB - Support Services	93.044	22-16-OV-1651-04	293,786
Title IIIA - ARP	93.044		359,595
Title IIIC1 - Congregate Meals	93.045	22-16-OV-1651-06	361,633
Title IIIC2 - Home Delivered Meals	93.045	22-16-OV-1651-08	142,117
Nutrition Services Incentive Program	93.053	22-16-02-1651-02	<u>47,806</u>
Subtotal - Aging Cluster			1,345,816
Title VII - Ombudsman	93.042	22-16-2V-1651-04	18,716
Title IIID - Health Services	93.043	22-16-OV-1651-10	20,780
COVID-19 - Title IV and Title II - Discretionary	93.048	90NWC50050-01-00	17,492
Title IIIE - Family Caregiver	93.052	22-16-OV-1651-12	126,515
Social Services Block Grant	93.667	22-16-OG-1651-02	341,434
Medical Assistance Program	93.778	22-17-KM-1651-02	<u>1,493</u>
Subtotal - U.S. Department of Health and Human Services:			<u>1,872,246</u>
Total expenditures of federal awards			<u><u>\$ 1,872,246</u></u>

The accompanying notes are an integral part of this schedule.

LIFESPAN RESOURCES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Note A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lifespan Resources, Inc. under programs of the federal government for the year ended June 30, 2023. 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 LifeSpan Resources, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Lifespan Resources, Inc. has adopted the procurement requirements specified in the Uniform Guidance.

Note C. Indirect Cost Rate

Lifespan Resources, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D. Subrecipients

Lifespan Resources, Inc. provided no federal funding to subrecipients for the year ended June 30, 2023.



Independent Auditors' 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
LifeSpan Resources, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LifeSpan Resources, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, 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 December 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

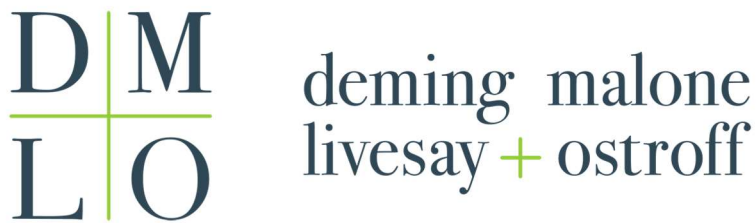
As part of obtaining reasonable assurance about whether LifeSpan Resources, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

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.



Deming, Malone, Livesay & Ostroff
New Albany, Indiana
December 6, 2023



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

To the Board of Directors
LifeSpan Resources, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited LifeSpan Resources, Inc.'s 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 LifeSpan Resources, Inc.'s major federal programs for the year ended June 30, 2023. LifeSpan Resources, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, LifeSpan Resources, Inc. complied, in all material respects, with the 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, 2023.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LifeSpan Resources, Inc. 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 LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'s federal programs.

Auditors' Responsibilities 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 LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.



Deming, Malone, Livesay & Ostroff
New Albany, Indiana
December 6, 2023

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of LifeSpan Resources, Inc. were prepared in accordance with GAAP.
2. Internal control over financial reporting:
 - Material weakness identified? Yes X No
 - Significant deficiencies identified? Yes X None reported
3. No instances of noncompliance material to the financial statements of LifeSpan Resources, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Internal control over major programs:
 - Material weakness identified? Yes X No
 - Significant deficiencies identified? Yes X None reported
5. The auditors' report on compliance for the major federal award programs for LifeSpan Resources, Inc. expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program included the following:

<u>Assistance Listing Number:</u>	<u>Name of Major Federal program</u>
	Aging Cluster: U.S. Department of Health and Human Services
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program

8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. LifeSpan Resources, Inc. qualified as a low-risk auditee.

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section II - Financial Statement Findings

There are no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs (Under Section 2 CFR 200.516(a))

There are no findings or questioned costs required to be reported.