



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 5, 2024

Board of Directors
LifeStream Services, Inc.
Delaware County, Indiana

We have reviewed the audit report of LifeStream Services, Inc., which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of LifeStream Services, 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, Barnes, Dennig & Co., Ltd. prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

LifeStream Services, Inc. and Subsidiary

**Consolidated Financial Statements
June 30, 2023 and 2022, and
Independent Auditors' Report**

LIFESTREAM SERVICES, INC. AND SUBSIDIARY
June 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
LifeStream Services, Inc. and Subsidiary
Yorktown, Indiana

Opinion

We have audited the accompanying consolidated financial statements of LifeStream Services, Inc. and Subsidiary (a nonprofit organization) (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2023, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

**Independent Auditors' Report
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Independent Auditors' Report
(Continued)**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 on our consideration of the Organization'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 Organization'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 the Organization's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of LifeStream Services, Inc. and Subsidiary as of June 30, 2022 were audited by other auditors whose report dated December 6, 2023 expressed an unmodified opinion on those statements.



January 17, 2024
Indianapolis, Indiana

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidated Statements of Financial Position
June 30, 2023 and 2022**

	2023	2022
Assets		
Cash and cash equivalents	\$ 2,160,638	\$ 2,207,103
Accounts receivable	88,591	155,391
Grants and contributions receivable	2,342,155	1,669,487
Medicaid waiver receivable	264,132	589,341
Prepaid expenses	330,040	62,492
Other assets	19,005	87,664
ROU asset - operating leases	276,548	-
457(b) plan investment	154,277	115,870
Property and equipment, net	883,626	897,516
Total assets	\$ 6,519,012	\$ 5,784,864
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 973,977	\$ 907,195
Accrued payroll and related expenses	254,418	215,310
Accrued vacation	279,342	241,053
Other liabilities	53,332	32,589
Lease liabilities - operating leases	276,548	-
457(b) plan payable	154,277	115,870
Note payable	384,853	408,021
Total liabilities	2,376,747	1,920,038
Net Assets		
Without donor restrictions	4,125,469	3,823,266
With donor restrictions	16,796	41,560
Total net assets	4,142,265	3,864,826
Total liabilities and net assets	\$ 6,519,012	\$ 5,784,864

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidated Statement of Activities
Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenue, and gains			
Medicaid waiver	\$ 6,674,325	\$ -	\$ 6,674,325
Federal grants	5,057,429	-	5,057,429
State and local grants	3,375,004	-	3,375,004
Contributions and special events	215,904	-	215,904
Other grants	189,423	-	189,423
Program services	159,413	-	159,413
Other revenue	4,687	-	4,687
Net assets released from restriction	24,764	(24,764)	-
	<u>15,700,949</u>	<u>(24,764)</u>	<u>15,676,185</u>
Total public support, revenue, and gains			
Expenses			
Program activities	13,449,198	-	13,449,198
Administrative and general	1,695,822	-	1,695,822
Property management	110,492	-	110,492
Fundraising	143,234	-	143,234
	<u>15,398,746</u>	<u>-</u>	<u>15,398,746</u>
Total expenses			
Change in net assets	302,203	(24,764)	277,439
Net assets, beginning of year	<u>3,823,266</u>	<u>41,560</u>	<u>3,864,826</u>
Net assets, end of year	<u>\$ 4,125,469</u>	<u>\$ 16,796</u>	<u>\$ 4,142,265</u>

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidated Statement of Activities
Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenue, and gains			
Medicaid waiver	\$ 6,099,608	\$ -	\$ 6,099,608
Federal grants	5,031,916	-	5,031,916
State and local grants	3,150,134	-	3,150,134
Contributions and special events	391,406	41,560	432,966
Other grants	258,140	-	258,140
Program services	128,671	-	128,671
Other revenue	3,549	-	3,549
Net assets released from restriction	-	-	-
Total public support, revenue, and gains	<u>15,063,424</u>	<u>41,560</u>	<u>15,104,984</u>
Expenses			
Program activities	12,813,597	-	12,813,597
Administrative and general	1,542,802	-	1,542,802
Property management	152,529	-	152,529
Fundraising	54,197	-	54,197
Total expenses	<u>14,563,125</u>	<u>-</u>	<u>14,563,125</u>
Change in net assets	500,299	41,560	541,859
Net assets, beginning of year	<u>3,322,967</u>	<u>-</u>	<u>3,322,967</u>
Net assets, end of year	<u>\$ 3,823,266</u>	<u>\$ 41,560</u>	<u>\$ 3,864,826</u>

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2023**

	In-Home Services	Nutrition	Care Management	Transportation	Aging and Disability Resource Center	Net Excess Programs	Other Programs	Total Program Services	Administrative and General	Property Management	Fundraising	Total
Wages and benefits	\$ -	\$ 188,598	\$ 655,822	\$ 824,967	\$ 906,128	\$ 4,522,976	\$ 333,870	\$ 7,432,361	\$ 1,182,060	\$ -	\$ 20,372	\$ 8,634,793
Contract services	1,805,824	1,899,578	34,426	26,436	44,654	512,222	41,279	4,364,419	83,352	2,016	1,032	4,450,819
Occupancy	-	18,425	17,178	11,361	15,653	66,922	4,001	133,540	48,442	-	203	182,185
Telephone	-	9,461	16,084	19,522	14,653	83,640	4,768	148,128	15,702	-	457	164,287
Postage	103	2,728	4,167	142	12,887	19,312	1,991	41,330	7,209	-	3	48,542
Supplies	-	18,458	24,792	105,980	63,501	138,576	16,639	367,946	32,451	-	375	400,772
Printing and copying	-	13,190	1,561	3,419	18,881	12,314	9,377	58,742	17,510	-	10	76,262
Insurance	-	8,856	3,739	36,028	3,567	14,544	812	67,546	36,748	3,976	82	108,352
Equipment	-	42	78	25,080	276	277	43	25,796	6,924	-	1	32,721
Fuel expense	-	-	-	165,832	-	3,354	-	169,186	-	-	-	169,186
Travel	-	5,920	10,115	1,342	16,925	70,766	17,794	122,862	19,793	-	999	143,654
Repairs and maintenance	-	658	3,378	91,358	1,067	16,573	2,833	115,867	17,369	19,815	10	153,061
Conferences and training	-	2,992	3,425	2,911	5,791	14,798	3,686	33,603	14,077	-	379	48,059
Dues and memberships	-	-	31	46	928	4,730	2,832	8,567	46,723	23	-	55,313
Marketing and advertising	-	326	4,515	6,619	294,104	27,419	2,241	335,224	4,323	-	23,785	363,332
Interest expense	-	-	-	-	-	-	-	-	-	15,315	-	15,315
Depreciation	-	-	-	-	-	-	-	-	54,666	67,135	-	121,801
Special events	-	-	-	-	-	-	13,795	13,795	-	-	70,023	83,818
Miscellaneous	-	301	1,003	2,253	1,078	5,368	283	10,286	108,473	2,212	29,503	146,474
Total expenses	\$ 1,805,927	\$ 2,169,533	\$ 780,314	\$ 1,323,296	\$ 1,400,093	\$ 5,513,791	\$ 456,244	\$ 13,449,198	\$ 1,695,822	\$ 110,492	\$ 143,234	\$ 15,398,746

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2022**

	In-Home Services	Nutrition	Care Management	Transportation	Aging and Disability Resource Center	Net Excess Programs	Other Programs	Total Program Services	Administrative and General	Property Management	Fundraising	Total
Wages and benefits	\$ -	\$ 207,291	\$ 878,775	\$ 906,089	\$ 653,279	\$ 4,229,239	\$ 248,163	\$ 7,122,836	\$ 1,016,322	\$ -	\$ 4,519	\$ 8,143,677
Contract services	1,588,143	1,849,908	30,548	24,476	74,537	380,567	114,459	4,062,638	108,426	1,730	295	4,173,089
Occupancy	-	24,823	25,061	6,690	15,768	92,110	1,163	165,615	19,025	-	73	184,713
Telephone	-	6,811	17,594	18,714	16,817	68,468	3,430	131,634	24,790	-	70	156,494
Postage	1	4,335	5,600	156	3,059	23,927	380	37,458	9,264	-	126	46,848
Supplies	-	8,722	14,168	39,636	46,077	60,388	4,323	173,314	100,655	-	85	274,054
Printing and copying	-	6,477	1,530	586	2,873	7,405	3,284	22,155	16,101	-	5	38,261
Insurance	-	19,866	2,714	44,502	3,240	7,118	894	78,334	22,360	4,905	25	105,624
Equipment	-	7,118	11,004	9,235	29,632	48,253	7,389	112,631	23,411	-	78	136,120
Fuel expense	-	-	-	182,364	-	-	-	182,364	-	-	-	182,364
Travel	-	5,808	7,187	1,281	2,512	34,459	6,269	57,516	10,535	-	172	68,223
Repairs and maintenance	-	4,772	198,924	89,172	938	4,365	2,810	300,981	32,933	20,081	6	364,001
Conferences and training	-	4,822	3,519	4,363	5,062	13,333	7,033	37,932	17,935	-	113	55,980
Dues and memberships	-	551	313	717	1,037	2,723	668	6,009	39,540	75	15	45,639
Marketing and advertising	-	17,005	2,805	12,844	187,902	15,417	777	236,750	26,729	-	7	263,486
Interest expense	-	-	-	-	-	-	-	-	-	16,189	-	16,189
Depreciation	-	-	-	-	-	-	-	-	49,742	65,373	-	115,115
Special events	-	-	-	-	-	-	79,301	79,301	-	-	14,821	94,122
Miscellaneous	-	160	310	2,570	1,405	1,674	10	6,129	25,034	44,176	33,787	109,126
Total expenses	\$ 1,588,144	\$ 2,168,069	\$ 1,200,052	\$ 1,343,395	\$ 1,044,138	\$ 4,989,446	\$ 480,353	\$ 12,813,597	\$ 1,542,802	\$ 152,529	\$ 54,197	\$ 14,563,125

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 277,439	\$ 541,859
Adjustments to reconcile net assets to net cash provided by operations		
Depreciation	121,801	115,115
(Gain) loss on disposal of assets	-	44,455
Changes in:		
Accounts receivable	66,800	(222,122)
Grants receivable and contribution receivable	(672,668)	(21,611)
Medicaid waiver receivable	325,209	(308,282)
Prepaid expenses	(267,548)	(2,407)
Other assets	68,659	(86,164)
Accounts payable	66,782	120,742
Accrued payroll and related expenses	39,108	38,945
Accrued vacation	38,289	12,311
Other liabilities	20,743	32,589
Net cash provided by operating activities	84,614	265,430
Cash flows from investing activities		
Purchase of property and equipment	(107,911)	(90,815)
Cash flows from financing activities		
Payments on notes payable	(23,168)	(22,294)
Net change in cash	(46,465)	152,321
Cash and cash equivalents, beginning of year	2,207,103	2,054,782
Cash and cash equivalents, end of year	\$ 2,160,638	\$ 2,207,103
Supplemental cash flows information		
Interest paid during the year	\$ 15,315	\$ 16,189

See accompanying notes to consolidated financial statements

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements

NOTE 1 NATURE OF THE AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Agency

LifeStream Services, Inc. and Subsidiary (collectively, the Agency) is an Indiana nonprofit corporation whose mission is to improve the quality of life and maintain independence for older adults and those with disabilities. As an Area Agency on Aging designated by the State of Indiana, the Agency is responsible for Planning and Service Area 6 which includes Blackford, Delaware, Grant, Henry, Jay, Madison, and Randolph counties as well as Planning and Service Area 9 which includes Fayette, Franklin, Rush, Union and Wayne counties.

The Agency's services include in-home services, nutrition, care management, transportation, and aging/disability resources.

The Agency receives significant funding through the Indiana Family and Social Services Administration (IFSSA), the Indiana Department of Transportation (INDOT) and Social Services Block Grant Program (SSBG). The Agency depends significantly on these funding sources to carry out its program activities.

The Agency also receives income from local government and local agencies whose citizens and beneficiaries often receive support from the Agency.

Yorktown Properties, Inc. (Subsidiary) was formed in April 1997 to own and hold title to the office building located at 1701 Pilgrim Boulevard in Yorktown, Indiana. LifeStream Services, Inc. leases the office building from its Subsidiary.

Financial Statement Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

The consolidated financial statements include LifeStream Services, Inc. and the activity of Yorktown Properties, Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Fair Value Measurements

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

The Agency maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Agency performs an ongoing evaluation of the commercial bank to limit its concentration of credit risk exposure. The Agency has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk. All liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

Accounts and Grants Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Agency provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Management does not believe that a significant reserve for doubtful accounts is necessary. All receivables are expected to be collected within one year.

Property and Equipment

Property and equipment is valued at cost, if purchased, or at an estimated fair value at the date received, if donated. Depreciation is computed on a straight-line basis over useful lives of the assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred. Items over \$5,000 are capitalized.

In accordance with GAAP, the Agency assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Agency believes no impairments existed at June 30, 2023 and 2022.

Contributions

The Agency records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue with donor restrictions and released from restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue.

Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met, generally as qualifying expenses are incurred. The Agency has numerous grants for which the grantor agencies' promises to give are conditioned upon the Agency incurring certain qualifying expenses under the grant programs. At June 30, 2023 and 2022, the Agency had remaining available award balances on conditional grants of \$5,079,616 and \$2,142,404 respectively. These award balances are not recognized as assets and will be recognized as revenue without donor restrictions as the conditions are met.

Revenue Recognition – Medicaid Waiver

The Agency identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Agency evaluates each contract to determine the number of distinct performance obligations in the contract. To determine the proper revenue recognition method, the Agency evaluates whether two or more contracts should be consolidated and accounted for as one single contract and whether the consolidated or single contract should be accounted for as single or more than one performance obligation, which requires judgment.

The Agency has been designated by Medicaid as an approved provider of care management services for aged and disabled clients and individuals with traumatic brain injury. Individual recipients of Medicaid Waiver funding can select the Agency to provide services as noted in their care plans. Fees are charged each month for the individual services provided to the client during that month. Revenue is recognized over time as the service is performed.

Medicaid waiver revenue is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing the services. Generally, the Agency bills third party payors monthly after the service is performed. The transaction price is stated in the contract and is known at the time of contract inception. There is no material variable consideration associated with the Agency's contract.

Accounts receivable related to the Medicaid Waiver was \$281,059 at June 30, 2021.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Agency leases building space and equipment. The Agency determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities on the statement of financial position.

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 right-of-use ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most leases do not imply an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Agency considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Functional Expense

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salary and related expenses, which are allocated to programs based on estimates of time and effort.

Income Taxes

The Agency is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Indiana law. However, the Agency is subject to federal income tax on any unrelated business taxable income. The Agency is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Reclassifications

Certain reclassifications were made to the 2022 consolidated financial statements to conform to the 2023 presentation. These reclassifications had no effect on ending net assets.

Subsequent Events

Subsequent events have been evaluated through January 17, 2024 which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Agency' total financial assets are as follows as of June 30:

	2023	2022
Cash and cash equivalents	\$ 2,160,638	\$ 2,207,103
Accounts receivable	88,591	155,391
Grants and contributions receivable	2,342,155	1,669,487
Medicaid waiver receivable	264,132	589,341
457(b) plan investments	154,277	115,870
Total financial assets	\$ 5,009,793	\$ 4,737,192

The following reflects the Agency's total financial assets reduced by amounts not available for general use due to restrictions provided by donor-imposed restrictions within one year of the statement of financial position date.

	2023	2022
Financial assets available, per above	\$ 5,009,793	\$ 4,737,192
Less 457(b) plan investments	(154,277)	(115,870)
Less donor restricted funds	(16,796)	(41,560)
Less board designated net assets	(25,000)	(25,000)
Net financial assets available for use within one year	\$ 4,813,720	\$ 4,554,762

The Agency maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Notes to Financial Statements
(Continued)**

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment at June 30 consisted of:

	2023	2022
Land	\$ 150,000	\$ 150,000
Building	635,000	635,000
Building improvements	855,603	753,734
Furniture and equipment	867,276	861,234
	2,507,879	2,399,968
Less accumulated depreciation	(1,624,253)	(1,502,452)
	\$ 883,626	\$ 897,516

Vehicles for transportation services are acquired by Jay County in accordance with the Federal Sec 5311 Rural Public Transit Program. The Agency matches 20% of the federal funds as part of the grant requirements. Jay County retains the title to the vehicles for the useful life of 5 years. After five years, the Agency takes title to the vehicles. Since the vehicles are considered fully depreciated, the net book value of these assets are not reflected in these financial statements.

NOTE 4 NOTE PAYABLE

The Agency has a note payable to Northwest Bank, Muncie Indiana of \$439,411. The note requires monthly payments of \$3,207 and bears interest at 3.8%. The note matures January 18, 2031 and is secured by property in Yorktown, Indiana. The balance on the note was \$384,853 and \$408,021 at June 30, 2023 and 2022, respectively.

Aggregate annual maturities over the next five years and thereafter is as follows:

Year ending June 30,

2024	\$ 24,037
2025	25,019
2026	26,000
2027	27,020
2028	28,051
Thereafter	254,726
	\$ 384,853

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to Financial Statements (Continued)

NOTE 5 NET ASSETS

Net assets subject to board designations consist of a \$25,000 maintenance reserve for building-specific repair needs for Yorktown Properties. Donor restricted net assets consist of unspent grant funds of \$16,796 and \$41,560 as of June 30, 2023 and 2022, respectively.

NOTE 6 RETIREMENT PLAN

The Agency maintains a defined contribution plan for the benefit of substantially all its employees. Contributions are made by the Organization to the plan. LifeStream Services, Inc.'s contributions to the plan were \$251,313 and \$241,168 for the years ended June 30, 2023 and 2022, respectively.

The Agency also maintains a 457(b) plan for key members of management. Plan contributions are considered owned by the Agency until the assets are paid to the beneficiary of the plan. The Agency made contributions to the plan in the amounts of \$21,724 and \$20,335 for the years ended June 30, 2023 and 2022, respectively. No distributions were made for the years ended June 30, 2023 and 2022. 457(b) plan assets are comprised of various mutual funds and are valued using Level 1 inputs.

NOTE 7 LEASES

The Agency has operating leases for office space, storage, and various equipment. The leases expire at various times through April 2028.

The components of lease expense for 2023 were as follows:

Operating lease expense	\$	102,330
Short term lease expense		28,439
		<hr/>
	\$	130,769
		<hr/> <hr/>

Other information related to the leases was as follows:

Operating cash flows:		
Operating leases	\$	102,330
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$	174,939
Weighted average remaining lease term:		
Operating leases		3.07 years
Weighted average discount rate:		
Operating leases		3.36%

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Notes to Financial Statements
(Continued)**

NOTE 7 LEASES (CONTINUED)

Future lease payments under these leases as of June 30, 2023 was as follows:

	2024	\$	105,566
	2025		106,910
	2026		45,286
	2027		19,948
	2028		<u>13,467</u>
Total lease payments			291,177
Less: interest			<u>(14,629)</u>
Present value of lease liability		\$	<u><u>276,548</u></u>

Lease disclosures for the year ended June 30, 2022

The Agency leases office space in other communities in order to further its charitable purposes. In addition, the Agency leases copiers and a postage meter. Rental expense for the year ended June 30, 2022 was \$116,347. Future lease commitments are as follows:

	2023	\$	87,581
	2024		50,964
	2025		<u>52,014</u>
Total lease payments		\$	<u><u>190,559</u></u>

NOTE 8 CONCENTRATION

As of June 30, 2023 and 2022, Indiana Family and Social Services Administration accounted for approximately 89% and 82%, respectively, of the Agency's grants and contributions receivable. The Indiana Family and Social Services Administration accounted for approximately 48% and 49%, respectively, of the Agency's revenue and support during the years ended June 30, 2023 and 2022. Medicaid waiver revenue accounted for approximately 43% and 40%, respectively, of the Agency's revenue and support during the years ended June 30, 2023 and 2022.

SUPPLEMENTARY INFORMATION

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position June 30, 2023

	LifeStream Services, Inc.	Yorktown Properties, Inc.	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 2,094,230	\$ 66,408	\$ -	\$ 2,160,638
Accounts receivable	88,591	-	-	88,591
Grants and contributions receivable	2,342,155	-	-	2,342,155
Medicaid waiver receivable	264,132	-	-	264,132
Prepaid expenses	328,812	1,228	-	330,040
Other assets	19,005	-	-	19,005
ROU asset - operating leases	276,548	-	-	276,548
457(b) plan investment	154,277	-	-	154,277
Property and equipment, net	86,898	796,728	-	883,626
Total assets	<u>\$ 5,654,648</u>	<u>\$ 864,364</u>	<u>\$ -</u>	<u>\$ 6,519,012</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 972,809	\$ 1,168	\$ -	\$ 973,977
Accrued payroll and related expenses	254,418	-	-	254,418
Accrued vacation	279,342	-	-	279,342
Other liabilities	53,332	-	-	53,332
Lease liabilities - operating leases	276,548	-	-	276,548
457(b) plan payable	154,277	-	-	154,277
Notes payable	-	384,853	-	384,853
Total liabilities	<u>1,990,726</u>	<u>386,021</u>	<u>-</u>	<u>2,376,747</u>
Net Assets				
Without donor restrictions	3,647,126	478,343	-	4,125,469
With donor restrictions	16,796	-	-	16,796
Total net assets	<u>3,663,922</u>	<u>478,343</u>	<u>-</u>	<u>4,142,265</u>
Total liabilities and net assets	<u>\$ 5,654,648</u>	<u>\$ 864,364</u>	<u>\$ -</u>	<u>\$ 6,519,012</u>

See independent auditor's report

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Consolidating Statement of Activities
Year Ended June 30, 2023**

	LifeStream Services, Inc.	Yorktown Properties, Inc.	Eliminations	Total
Public support, revenue, and gains				
Medicaid waiver	\$ 6,674,325	-	-	\$ 6,674,325
Federal grants	5,057,429	-	-	5,057,429
State and local grants	3,375,004	-	-	3,375,004
Contributions and special events	215,904	-	-	215,904
Other grants	189,423	-	-	189,423
Program services	159,413	-	-	159,413
Rent income	-	102,624	(102,624)	-
Other revenue	4,687	-	-	4,687
	<u>15,676,185</u>	<u>102,624</u>	<u>(102,624)</u>	<u>15,676,185</u>
Total public support, revenue, and gains				
	<u>15,676,185</u>			<u>15,676,185</u>
Expenses				
Program activities	13,524,420	-	(75,222)	13,449,198
Administrative and general	1,723,110	-	(27,288)	1,695,822
Property management	-	110,492	-	110,492
Fundraising	143,348	-	(114)	143,234
	<u>15,390,878</u>	<u>110,492</u>	<u>(102,624)</u>	<u>15,398,746</u>
Total expenses				
	<u>15,390,878</u>			<u>15,398,746</u>
Change in net assets	285,307	(7,868)	-	277,439
Net assets, beginning of year	<u>3,378,615</u>	<u>486,211</u>	<u>-</u>	<u>3,864,826</u>
Net assets, end of year	<u>\$ 3,663,922</u>	<u>\$ 478,343</u>	<u>\$ -</u>	<u>\$ 4,142,265</u>

See independent auditor's report

LIFESTREAM SERVICES, INC. AND SUBSIDIARY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor Number	Federal Expenditures	Amount paid to Subrecipients
U.S. Department of Health and Human Services				
Indiana Department of Family and Social Services				
Aging Cluster				
Title III-A Administration	93.044	59433	\$ 1,687	\$ -
Title III-A Administration	93.044	59520	29,166	-
Title III-A Administration	93.044	59538	10,663	-
Title III-A Administration	93.044	59568	4,278	-
Title III-A Administration	93.044	62993	21,089	-
Title III-A Administration	93.044	63121	79,498	-
Title III-A Administration	93.044	69739	59,581	-
Title III-A Administration	93.044	69892	131,110	-
Total Title III-A Administration			<u>337,072</u>	<u>-</u>
Title III-B Grants for Spportive Services and Senior Centers	93.044	59433	15,521	-
Title III-B Grants for Spportive Services and Senior Centers	93.044	59520	159,697	28,474
Title III-B Grants for Spportive Services and Senior Centers	93.044	59538	57,873	4,889
Title III-B Grants for Spportive Services and Senior Centers	93.044	59568	47,256	-
Title III-B Grants for Spportive Services and Senior Centers	93.044	62993	78,991	7,729
Title III-B Grants for Spportive Services and Senior Centers	93.044	63121	235,498	-
Title III-B Grants for Spportive Services and Senior Centers	93.044	69739	166,251	33,364
Title III-B Grants for Spportive Services and Senior Centers	93.044	69892	436,286	51,502
Total Title III-B Grants for Spportive Services and Senior Centers			<u>1,197,373</u>	<u>125,958</u>
Title III-C-1 Congregate Nutrition Services	93.045	59520	251,791	-
Title III-C-1 Congregate Nutrition Services	93.045	59538	62,212	19,584
Title III-C-1 Congregate Nutrition Services	93.045	62993	5,605	931
Title III-C-1 Congregate Nutrition Services	93.045	63121	2,770	-
Title III-C-1 Congregate Nutrition Services	93.045	69739	145,561	72,536
Title III-C-1 Congregate Nutrition Services	93.045	69892	215,715	-
Total Title III-C-1 Congregate Nutrition Services			<u>683,654</u>	<u>93,051</u>
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	59520	256,354	-
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	59538	71,363	22,118
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	62993	3,948	100
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	63121	11,154	-
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	69739	107,440	5,799
Title III-C-2 Home Delivered Meal Nutrition Services	93.045	69892	289,429	-
Total Title III-C-2 Home Delivered Meal Nutrition Services			<u>739,688</u>	<u>28,017</u>
Nutrition Services Incentive Program	93.053	59520	17,576	-
Nutrition Services Incentive Program	93.053	59538	17,895	1,328
Nutrition Services Incentive Program	93.053	69739	32,540	3,138
Nutrition Services Incentive Program	93.053	69892	58,370	-
Total Nutrition Services Incentive Program			<u>126,381</u>	<u>4,466</u>
Total Aging Cluster			<u>3,084,168</u>	<u>251,492</u>

See accompanying notes

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor Number	Federal Expenditures	Amount paid to Subrecipients
U.S. Department of Health and Human Services				
Indiana Department of Family and Social Services				
Title III-D Disease Prevention and Health Promotion Services	93.043	59520	\$ 742	\$ -
Title III-D Disease Prevention and Health Promotion Services	93.043	59538	1,103	-
Title III-D Disease Prevention and Health Promotion Services	93.043	62993	14,581	60
Title III-D Disease Prevention and Health Promotion Services	93.043	63121	2,572	-
Title III-D Disease Prevention and Health Promotion Services	93.043	69739	14,240	-
Title III-D Disease Prevention and Health Promotion Services	93.043	69892	26,317	5,450
Total Title III-D Disease Prevention and Health Promotion Services			<u>59,555</u>	<u>5,510</u>
Title III-E National Family Caregiver Support	93.052	59520	254,616	-
Title III-E National Family Caregiver Support	93.052	59538	59,752	-
Title III-E National Family Caregiver Support	93.052	62993	611	-
Title III-E National Family Caregiver Support	93.052	63121	4,538	-
Title III-E National Family Caregiver Support	93.052	69739	21,984	-
Title III-E National Family Caregiver Support	93.052	69892	34,231	-
Total Title III-E National Family Caregiver Support			<u>375,732</u>	<u>-</u>
Title VII - Long Term Care Ombudsman	93.042	69739	7,780	7,780
Title VII - Long Term Care Ombudsman	93.042	69892	19,831	19,831
Total Title VII - Long Term Care Ombudsman			<u>27,611</u>	<u>27,611</u>
Social Services Block Grant	93.667	59520	255,792	-
Social Services Block Grant	94.667	59538	96,300	3,107
Social Services Block Grant	95.667	69739	150,572	-
Social Services Block Grant	96.667	69892	400,278	-
Total Social Services Block Grant			<u>902,942</u>	<u>3,107</u>
Total Indiana Department of Family and Social Services			<u>4,450,008</u>	<u>287,720</u>
Indiana Department of Health				
ADRC/NWD COVID-19 Vaccines	93.048	59568	6,368	-
National Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved	93.391	60451	14,044	-
Total Indiana Department of Health			<u>20,412</u>	<u>-</u>
Trustees of Indiana University				
Alzheimer's Disease Program Initiative	93.470	90ADP10057-01-00	25,845	-
Total U.S Department of Health and Human Services			<u>4,496,265</u>	<u>287,720</u>
U.S. Department of Transportation				
Jay County Commissioners				
Formula Grants for Rural Areas - Section 5311	20.509	59107	246,149	-
Formula Grants for Rural Areas - Section 5311	20.509	68720	198,033	-
Formula Grants for Rural Areas - Section 5311 - CARES	20.509	68720	116,982	-
Total Jay County Commissioners			<u>561,164</u>	<u>-</u>
Total U.S. Department of Transportation			<u>561,164</u>	<u>-</u>
Total Expenditure of Federal Awards			<u>\$ 5,057,429</u>	<u>\$ 287,720</u>

See accompanying notes

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

The following describes the significant accounting policies used in the preparation of the schedule of expenditures of federal awards:

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lifestream Services, Inc. and Subsidiary (the Agency) under programs of the federal government for the year ended June 30, 2023. The information in the schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

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 *Uniform Guidance*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The Agency has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**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
LifeStream Services, Inc. and Subsidiary
Yorktown, 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 LifeStream Services, Inc. and Subsidiary (the Agency), which comprise the consolidated statement of financial position as June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 17, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Agency'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 a material weakness. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's consolidated financial statements are free of 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*.

**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*
(CONTINUED)**

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

Barnes, Dennig & Co., Ltd.

January 17, 2024
Indianapolis, Indiana

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

To the Board of Directors
LifeStream Services, Inc. and Subsidiary
Yorktown, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lifstream Services, Inc. and Subsidiary (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2023. The Agency'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, the Agency 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, 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency 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 Agency'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 Agency's federal programs.

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

Auditor's 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 the Agency'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 Agency'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 Agency'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 Agency'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 Agency'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.

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

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

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

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.



January 17, 2024
Indianapolis, Indiana

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.044/93.045/93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

LIFESTREAM SERVICES, INC. AND SUBSIDIARY

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023**

Reference Number	Summary of Finding	Status
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No matters are reportable.