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June 28, 2021

Board of Directors
Lifestream Services, Inc.
1701 S. Pilgrim Blvd.
Yorktown, IN 47396

We have reviewed the audit report of Lifestream Services, Inc., which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, PC, 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 blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

**Lifestream Services Inc.
And Subsidiary
(Yorktown, Indiana)**

=====
**Consolidated Financial Statements
For The Years Ended
June 30, 2020 and 2019
(With Single Audit Section)**

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Certified Public Accountants

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
(Yorktown, Indiana)
CONSOLIDATED FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Lifestream Services Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on the Compilation of Financial Statements

Management is responsible for the accompanying financial statements of Lifestream Services Inc. and Subsidiary, which comprise the statement of financial position as of June 30, 2019, 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 accordance with the accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements of Lifestream Services Inc. and Subsidiary as of and for the year ended June 30, 2019.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of Lifestream Services Inc. and Subsidiary as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for informational purposes only. 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 information 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 November 18, 2020 on our consideration of Lifestream Services Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 18, 2020

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS		
	Audited	Compiled
CURRENT ASSETS:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 705,870	\$ 312,411
Grants and contributions receivable	1,355,361	1,699,605
Accounts receivable	629,484	154,552
Medicaid waiver receivable	364,409	485,394
Prepaid expenses	52,493	63,410
Total current assets	3,107,617	2,715,372
FIXED ASSETS:		
Land	150,000	150,000
Building and improvements	1,043,567	1,043,567
Furniture and fixtures	147,661	164,085
Equipment	785,272	826,681
Transportation equipment	12,363	-
	2,138,863	2,184,333
Less accumulated depreciation	(1,491,715)	(1,464,721)
Total fixed assets, net	647,148	719,612
OTHER ASSETS		
Investment in Indiana Aging Alliance	1,500	1,500
457(b) plan investment	127,279	102,353
Deposits	1,228	1,228
Total other assets	130,007	105,081
Total assets	\$ 3,884,772	\$ 3,540,065

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020 AND 2019**

LIABILITIES AND NET ASSETS

	Audited	Compiled
CURRENT LIABILITIES:	<u>2020</u>	<u>2019</u>
Accounts Payable	\$ 936,313	\$ 864,801
Accrued payroll, taxes, and related expenses	135,019	96,778
Accrued vacation pay	215,527	175,988
Deferred revenue	3,932	36,231
Current portion - long term debt	38,928	37,580
Total current liabilities	<u>1,329,719</u>	<u>1,211,378</u>
 LONG TERM LIABILITIES		
Notes payable	44,242	82,706
457(b) plan payable	127,279	102,353
Total long-term liabilities	<u>171,521</u>	<u>185,059</u>
Total liabilities	<u>1,501,240</u>	<u>1,396,437</u>
 NET ASSETS:		
Without donor restrictions	2,358,532	2,118,628
Without donor restrictions - board designated	25,000	25,000
Total net assets	<u>2,383,532</u>	<u>2,143,628</u>
Total liabilities and net assets	<u><u>\$ 3,884,772</u></u>	<u><u>\$ 3,540,065</u></u>

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Audited 2020 Totals
REVENUE AND OTHER SUPPORT			
Federal grants	\$ 5,620,076	\$ -	\$ 5,620,076
State and local grants and fees	3,098,167	-	3,098,167
Other grants	208,984	-	208,984
Program service revenue	177,605	-	177,605
Medicaid waiver	3,974,042	-	3,974,042
Contributions and special events	153,448	-	153,448
Interest income	1,747	-	1,747
Other income	89,196	-	89,196
	<u>13,323,265</u>	<u>-</u>	<u>13,323,265</u>
Net assets released from restrictions	-	-	-
Total revenue and other support	<u>13,323,265</u>	<u>-</u>	<u>13,323,265</u>
OPERATING EXPENSES			
Program Services			
In-home services	2,429,302	-	2,429,302
Nutrition	2,019,913	-	2,019,913
Care management	1,021,894	-	1,021,894
Transportation	1,153,287	-	1,153,287
Aging and Disability Resource Center	944,621	-	944,621
Net excess programs	3,660,053	-	3,660,053
Other programs	384,014	-	384,014
Total Program Services	<u>11,613,084</u>	<u>-</u>	<u>11,613,084</u>
Administration	1,381,186	-	1,381,186
Property management	69,976	-	69,976
Fundraising	19,115	-	19,115
Total operating expenses	<u>13,083,361</u>	<u>-</u>	<u>13,083,361</u>
INCREASE (DECREASE) IN NET ASSETS	239,904	-	239,904
NET ASSETS - BEGINNING OF YEAR	<u>2,143,628</u>	<u>-</u>	<u>2,143,628</u>
NET ASSETS - END OF YEAR	<u>\$ 2,383,532</u>	<u>\$ -</u>	<u>\$ 2,383,532</u>

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Compiled 2019 Totals
REVENUE AND OTHER SUPPORT			
Federal grants	\$ 4,423,644	\$ -	\$ 4,423,644
State and local grants and fees	3,484,104	-	3,484,104
Other grants	164,684	-	164,684
Program service revenue	173,264	-	173,264
Medicaid waiver	4,213,788	-	4,213,788
Contributions and special events	186,360	-	186,360
Interest income	449	-	449
Other income	67,216	-	67,216
	<u>12,713,509</u>	<u>-</u>	<u>12,713,509</u>
Net assets released from restrictions	<u>50,421</u>	<u>(50,421)</u>	<u>-</u>
Total revenue and other support	<u>12,763,930</u>	<u>(50,421)</u>	<u>12,713,509</u>
OPERATING EXPENSES			
Program Services			
In-home services	2,253,285	-	2,253,285
Nutrition	1,692,873	-	1,692,873
Care management	893,590	-	893,590
Transportation	1,250,632	-	1,250,632
Aging and Disability Resource Center	935,817	-	935,817
Net excess programs	3,464,318	-	3,464,318
Other programs	305,056	-	305,056
Total Program Services	<u>10,795,571</u>	<u>-</u>	<u>10,795,571</u>
Administration	1,149,122	-	1,149,122
Property management	68,030	-	68,030
Fundraising	35,582	-	35,582
Total operating expenses	<u>12,048,305</u>	<u>-</u>	<u>12,048,305</u>
INCREASE (DECREASE) IN NET ASSETS	715,625	(50,421)	665,204
NET ASSETS - BEGINNING OF YEAR	<u>1,428,003</u>	<u>50,421</u>	<u>1,478,424</u>
NET ASSETS - END OF YEAR	<u>\$ 2,143,628</u>	<u>\$ -</u>	<u>\$ 2,143,628</u>

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	In-Home Services	Nutrition	Care Management	Transportation	Aging and Disability Resource Center	Net Excess Programs	Other Programs	Total Program Services	Administration	Property Management	Fundraising	Audited 2020 Total
OPERATING EXPENSES												
Salaries	\$ -	\$ 134,250	\$ 628,051	\$ 597,816	\$ 540,855	\$ 2,317,260	\$ 156,043	\$ 4,374,275	\$ 742,707	\$ -	\$ 4,311	\$ 5,121,293
Payroll taxes and employee benefits	-	45,569	211,855	133,220	186,647	734,848	51,272	1,363,411	212,557	-	1,189	1,577,157
Contract services	2,429,293	1,704,625	14,650	107,381	27,648	293,931	80,093	4,657,621	120,006	3,319	206	4,781,152
Occupancy	-	18,470	24,189	5,428	13,510	95,938	3,167	160,702	19,768	-	249	180,719
Telephone	-	5,483	17,459	14,166	13,347	70,491	3,346	124,292	20,686	-	226	145,204
Postage	9	2,493	4,730	189	2,110	11,411	1,350	22,292	6,745	-	314	29,351
Supplies	-	30,278	9,359	13,716	15,185	39,308	3,943	111,789	23,708	120	81	135,698
Printing and copying	-	2,299	2,467	669	4,176	10,560	1,172	21,343	13,506	-	68	34,917
Insurance	-	5,166	414	28,494	192	2,660	63	36,989	18,013	3,872	4	58,878
Equipment	-	229	1,771	41,863	1,325	6,317	3,048	54,553	6,416	-	9	60,978
Fuel Expense	-	-	7	128,227	-	-	-	128,234	-	-	-	128,234
Travel	-	5,897	12,731	2,232	6,617	50,645	11,819	89,941	8,346	-	169	98,456
Repairs and maintenance	-	8,354	90,531	62,713	2,051	6,325	3,793	173,767	62,457	15,640	70	251,934
Conferences and training	-	1,831	2,204	2,125	3,401	8,976	3,088	21,625	12,661	-	19	34,305
Dues and memberships	-	249	48	2,713	6,956	309	668	10,943	38,106	-	1	49,050
Marketing and advertising	-	54,718	1,118	5,475	120,083	5,112	6,485	192,991	16,710	-	1,574	211,275
Interest expense	-	-	-	-	-	-	-	-	-	4,833	-	4,833
Depreciation	-	-	-	-	-	-	-	-	43,808	41,489	-	85,297
Special events	-	-	-	-	-	-	54,652	54,652	-	-	4,089	58,741
Miscellaneous	-	2	310	6,860	518	5,962	12	13,664	14,986	703	6,536	35,889
Total operating expenses	<u>\$2,429,302</u>	<u>\$2,019,913</u>	<u>\$ 1,021,894</u>	<u>\$ 1,153,287</u>	<u>\$ 944,621</u>	<u>\$3,660,053</u>	<u>\$384,014</u>	<u>\$ 11,613,084</u>	<u>\$ 1,381,186</u>	<u>\$ 69,976</u>	<u>\$ 19,115</u>	<u>\$ 13,083,361</u>

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	In-Home Services	Nutrition	Care Management	Transportation	Aging and Disability Resource Center	Net Excess Programs	Other Programs	Total Program Services	Administration	Property Management	Fundraising	Compiled 2019 Total
OPERATING EXPENSES												
Salaries	\$ -	\$ 117,936	\$ 602,485	\$ 567,312	\$ 525,828	\$ 2,215,194	\$ 117,655	\$ 4,146,410	\$ 491,086	\$ -	\$ 16,510	\$ 4,654,006
Payroll taxes and employee benefits	-	37,183	197,858	138,134	171,925	698,402	42,501	1,286,003	139,965	-	4,579	1,430,547
Contract services	2,253,046	1,423,677	8,361	110,790	20,989	213,954	31,123	4,061,940	169,124	7,131	131	4,238,326
Occupancy	-	18,786	23,094	13,060	11,319	99,073	1,165	166,497	78,425	9,024	124	254,070
Telephone	-	2,352	15,799	31,305	12,526	61,306	1,735	125,023	18,723	-	283	144,029
Postage	33	1,160	2,115	412	1,631	6,824	213	12,388	6,982	-	214	19,584
Supplies	206	49,460	16,268	12,431	9,521	65,228	10,723	163,837	19,350	17	71	183,275
Printing and copying	-	5,936	4,091	1,080	4,285	15,277	2,083	32,752	22,073	-	103	54,928
Insurance	-	10,002	2,480	31,785	2,027	7,162	407	53,863	11,500	4,553	39	69,955
Equipment	-	29	1,628	67,854	3,836	6,775	41	80,163	7,644	-	5	87,812
Fuel Expense	-	-	32	152,023	2	114	-	152,171	639	-	-	152,810
Travel	-	5,495	16,505	3,009	11,028	67,094	7,007	110,138	9,374	-	737	120,249
Repairs and maintenance	-	231	211	117,738	192	937	661	119,970	8,652	-	1	128,623
Conferences and training	-	394	1,264	1,508	3,563	2,051	566	9,346	13,776	-	3	23,125
Dues and memberships	-	527	65	50	765	230	1,022	2,659	35,385	22	-	38,066
Marketing and advertising	-	19,693	861	1,231	154,724	2,904	9,473	188,886	21,625	-	2	210,513
Interest expense	-	-	-	-	-	-	-	-	1,105	5,184	-	6,289
Depreciation	-	-	-	-	-	-	-	-	88,606	41,763	-	130,369
Special events	-	-	-	-	-	-	78,534	78,534	498	-	12,780	91,812
Miscellaneous	-	12	473	910	1,656	1,793	147	4,991	4,590	336	-	9,917
Total operating expenses	<u>\$2,253,285</u>	<u>\$1,692,873</u>	<u>\$ 893,590</u>	<u>\$ 1,250,632</u>	<u>\$ 935,817</u>	<u>\$3,464,318</u>	<u>\$305,056</u>	<u>\$ 10,795,571</u>	<u>\$ 1,149,122</u>	<u>\$ 68,030</u>	<u>\$ 35,582</u>	<u>\$ 12,048,305</u>

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	Audited 2020	Compiled 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 239,904	\$ 665,204
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	85,297	130,369
Donated transportation equipment	5,148	-
Increase (decrease) in cash from changes in:		
Grants and contributions receivable	344,244	255,363
Accounts receivable	(474,932)	62,466
Medicaid waiver receivable	120,985	(470,394)
Prepaid expense	10,917	8,891
Checks written in excess of available balance	-	(13,859)
Accounts Payable	71,512	(294,609)
Accrued salaries and wages	38,241	12,602
Accrued vacation pay	39,539	30,319
Deferred revenue	(32,299)	(15,329)
Net cash provided by (used in) operating activities	448,556	371,023
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of building improvements	(12,363)	(4,910)
Purchase of furniture and equipment	(7,118)	(26,643)
Proceeds on sale of fixed assets	1,500	-
Net cash provided by (used in) investing activities	(17,981)	(31,553)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments against notes payable	(37,116)	(36,151)
Net cash provided by (used in) financing activities	(37,116)	(36,151)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	393,459	303,319
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	312,411	9,092
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 705,870	\$ 312,411
SUPPLEMENTAL INFORMATION:		
Interest paid on notes payable	\$ 4,833	\$ 5,184

See accompanying notes to consolidated financial statements.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Lifestream Services Inc.. (the “Organization”) is an Indiana nonprofit corporation whose mission is to improve the quality of life for people at risk of losing their independence. As an Area Agency on Aging designated by the State of Indiana, the Organization is responsible for Planning and Service Area 6 which includes Blackford, Delaware, Grant, Henry, Jay, Madison, and Randolph counties. The Organization also provides Area Agency on Aging services to the Indiana counties of Fayette, Franklin, Rush, Union, and Wayne on behalf of the Indiana Division of Aging, the official designee for Planning and Service Area 9.

The Agency’s primary purpose is to plan, develop, coordinate, and provide services, which enable persons age 60 or over and disabled of any age to remain independent. Other services are provided to low or moderate-income persons as appropriate.

The Organization’s primary program services are in-home services, nutrition, care management, transportation, and aging/disability resources.

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.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Lifestream Services Inc.. and its affiliated subsidiary, Yorktown Properties, Inc.

All material transactions and balances between the entities have been eliminated in these consolidated financial statements.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

INCOME TAX STATUS

Lifestream Services Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Yorktown Properties, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(2) and a similar section of the Indiana Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies both entities as other than private foundations under internal Revenue Code Section 509(a)(1).

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

INCOME TAX STATUS – (continued)

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Lifestream Services Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Lifestream Services Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Lifestream Services Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Lifestream Services Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. Significant estimates used in the accompanying consolidated financial statements include:

- Revenue earned from cost-reimbursement awards: The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The allocations of costs among programs and the supporting services, which are based on time and facility usage studies and other cost allocation methods.

CASH AND CASH EQUIVALENTS

The Organization considers time deposits, certificates of deposit, and other highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Grants and contributions receivable consist of reimbursements due under government cost-reimbursement awards and unconditional promises to give to the Organization. All amounts are due within one year, and no allowance for collectible's is considered necessary.

Accounts receivable consist primarily of amounts due for services rendered. An allowance for doubtful accounts is considered by management based upon historical losses, specific circumstances, and general economic conditions. Periodically, management reviews receivables and records an allowance based on current circumstances, and charges off the receivable against the allowance when attempts to collect the receivables have failed in accordance with the Organization's collection policy. At June 30, 2020 and 2019, management estimated that no allowance was needed for outstanding receivables.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period are reported as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Fees for services are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. A substantial number of volunteers have donated significant amounts of their time in relation to the Organizations' program services. Management tracks this volunteer time, as it may be allowable for matching purposes for grants. However, during the fiscal years ended June 30, 2020 and 2019, the value of contributed services meeting the requirement for recognition in the financial statements was not material and has not been recorded.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

PROPERTY AND EQUIPMENT

Property, buildings, improvements, furniture, and equipment are recorded at cost for items purchased and at fair-market value at the date of gift, or items donated. It is the Organization's policy to capitalize fixed assets with a cost of \$5,000 or greater. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building	15 - 30 years
Equipment.....	5 - 7 years

Vehicles for transportation services are acquired by Jay County in accordance with the Federal Sec 5311 Rural Public Transit Program. LifeStream matches 20% of the federal funds as part of the grant requirements. Jay County retains the title to these vehicles for the useful life of 5 years. After five years, Organization 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.

Substantially all of the Organization's equipment has been purchased with governmental grant funds. Disposition of these assets, as well as, the ownership of any sale proceeds, is subject to funding source and other regulatory directives. When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

The depreciation expense incurred by the Organization on corporate owned property and equipment totaled \$43,808 and \$88,606 for the years ended June 30, 2020 and 2019, respectively. The depreciation expense incurred by the Subsidiary totaled \$41,489 and \$41,763 for the years ended June 30, 2020 and 2019, respectively.

COST ALLOCATION

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements may report certain categories of expense that are attributed to more than one program or supporting function.

Expenses are allocated to each program based on direct expenditures incurred. Program expenditures relating to more than one function are allocated based on estimates made by management according to periodic time, utilized space, and other expense studies. Management and general expenses relate to administrative expenses associated with those programs and are allocated based on estimates of time and effort considered by management to be reasonable. Fundraising expense relates to the direct cost of special events and development activities carried on by the Organization. Fundraising includes the allocation of employees' salaries, when applicable, and other costs involved in fundraising and special events.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

ADVERTISING COSTS

Advertising costs are expensed as incurred and are included in operating expenses within the statement of functional expenses.

RECLASSIFICATION

Certain prior year financial information has been reclassified to conform to the current year presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2020, and interim periods for years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this guidance will have on the financial statements.

Revenue Recognition from Contract with Customers

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Organization will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. ASU 2014-09, as deferred by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2020, using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Organization has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 18, 2020, which is the date the financial statements were available to be issued.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 – CONCENTRATION OF RISK

The Organization maintains its cash balances in a financial institution located in Muncie, Indiana. As of June 30, 2020 and 2019, the balances were insured by the Federal Deposit Insurance Corporation up to \$250,00. At June 30, 2020 and 2019, the Organizations had cash balances on deposit with these financial institutions in excess of the FDIC insurance threshold in the amount of \$519,227 and \$249,206, respectively.

As of June 30, 2020 and 2019, Indiana Family and Social Services Administration accounted for approximately 85% of the Organizations’ grant reimbursements receivable. The Indiana Department of Family and Social Services Administration accounted for approximately 55% Organizations’ revenue and support for both years ended June 30, 2020 and 2019.

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, as well as, grants and contributions receivable.

Grants and contributions receivable are due primarily from Indiana Family and Social Services Administration under contracts and cost-reimbursement grants, which represent a concentration of credit risk.

NOTE 3 – GRANT REIMBURSEMENTS RECEIVABLE

The Organizations’ grant reimbursements receivable consisted of the following at June 30, 2020 and 2019:

	Audited 2020	Compiled 2019
Title III	\$ 535,586	\$ 594,246
CHOICE	448,144	602,131
Social Services Block Grant	150,647	198,613
INDOT	152,803	212,066
Older Hoosier	-	37,668
USDA	35,396	28,788
Adult Guardianship	18,561	12,911
JRDS	7,257	7,257
State Ombudsman	2,818	2,365
Title VII	2,397	2,365
Medicaid PAS	1,752	1,195
	<u>\$ 1,355,361</u>	<u>\$ 1,699,605</u>

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 – LONG-TERM DEBT

The Organization's and Subsidiary's long-term debt is summarized below:

	<u>Audited</u> <u>2020</u>	<u>Compiled</u> <u>2019</u>
Note payable to Northwest, Muncie, Indiana. The note requires monthly payments of \$3,550 with a variable interest rate of 4.70 % and 3.64% at both June 30, 2020 and 2019, respectively. The loan has a maturity date of July 15, 2022, and is secured by property in Yorktown, Indiana.	<u>\$ 83,170</u>	<u>\$ 120,286</u>
	83,170	120,286
Less current portion	<u>(38,928)</u>	<u>(37,580)</u>
Long-term debt (net of current portion)	<u>\$ 44,242</u>	<u>\$ 82,706</u>

Maturities of debt at June 30, 2020 for each of the next five years and in the aggregate are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 38,928
2022	40,797
2023	3,445
2024	-
2025	-
Thereafter	<u>-</u>
	<u>\$ 83,170</u>

Subsequent to year end, Yorktown Properties, Inc. entered into a variable rate construction loan on September 18, 2020 for \$440,000 for the renovation of the office building and maturing January 2031. Once construction is complete the loan will convert to a permanent mortgage and refinance the current mortgage.

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.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 – LINE OF CREDIT

Lifestream Services Inc.. maintains a revolving line of credit with Northwest Bank, Muncie, Indiana. The credit line is secured by accounts receivable and equipment. The line has a limit of \$600,000 with a variable interest rate of 5.50%. The line has a maturity date of October 2, 2020. At June 30, 2020 and 2019, there were no balances due on the line of credit.

The Organization participates in a sweep agreement with Northwest Bank to automatically transfer funds in excess of \$5,000 from their operating checking account to the line of credit. Funds are also transferred from the line of credit to operating checking to cover cleared disbursements.

NOTE 7 – RETIREMENT AND 457(b) PLANS

Lifestream Services Inc.. 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 \$188,980 and \$173,416 for the years ended June 30, 2020 and 2019, respectively.

The Organization also maintains a *457(b)* plan for key members of management. Plan contributions are considered owned by the Organization until the assets are paid to the beneficiary of the plan. The Organization made contributions to the plan in the amounts of \$18,100 and \$12,896 for the years ended June 30, 2020 and 2019, respectively. Distributions of \$0 and \$192,792 were made for the years ended June 30, 2020 and 2019, respectively.

Lifestream Services Inc.. has also established a Section 125 Cafeteria Plan for health insurance in which employees who are full-time participate. The employees’ share of the health insurance premium, which is 30% of the total premium, is included in the plan

NOTE 8 – OTHER PROGRAM EXPENSES

Other Program service expenses relate to the following activities:

	Audited 2020	Compiled 2019
Wellness and nutrition	\$ 155,062	\$ 126,201
Home and community based services	137,547	79,258
Special events	91,405	99,597
	<u>\$ 384,014</u>	<u>\$ 305,056</u>

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 9 – OPERATING LEASES

Lifestream Services Inc.. leases office space in other communities in order to further its charitable purposes. In addition, Lifestream Services Inc. leases copiers and a postage meter.

Rent expense for the years ended June 30, 2020 and 2019, was \$102,226 and \$97,543, respectively.

<u>Year</u>	<u>Amounts</u>
2021	\$ 91,615
2022	90,260
2023	38,284
2024	1,764
2025	1,617
Thereafter	<u>-</u>
Total	<u>\$ 223,540</u>

NOTE 10 – INFORMATION ABOUT LIQUIDITY

Lifestream Services Inc.'s general expenditures include administration, property management, fundraising, and program services that are expected to be paid in a subsequent year. The Organization and Subsidiary's annual operating cash needs are determined during their budgeting process. Cash is monitored and evaluated as determined necessary by management. The Organization and Subsidiary have cash and cash equivalents, receivables, and an operating line of credit with a \$600,000 limit available as sources of liquidity. Upon approval by the Board of Directors, board designated net assets could be made available for general expenditures. The Organization has no donor restricted assets that were not available for expenditure within one year.

The table below represents financial assets available for general expenditures within one year as of June 30, 2020 and 2019:

	<u>Audited 2020</u>	<u>Compiled 2019</u>
Cash and cash equivalents	\$ 705,870	\$ 312,411
Grants and contributions receivable	1,355,361	1,699,605
Accounts receivable	629,484	154,552
Medicaid waiver receivable	<u>364,409</u>	<u>485,394</u>
Subtotal	3,055,124	2,651,962
Less board designated net assets	<u>(25,000)</u>	<u>(25,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,030,124</u>	<u>\$ 2,626,962</u>

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Lifestream Services Inc. and Subsidiary
Yorktown, Indiana

Our report on our audit and compilation of the consolidated financial statements of Lifestream Services Inc. and Subsidiary of June 30, 2020 and 2019, respectively, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 22 through 27) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statements of financial position and results of activities of the individual organizations. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole for the year ended June 30, 2020. The supplementary information for the year ended June 30, 2019 was compiled and we do not express an opinion or provide any assurance on it.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
November 18, 2020

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - AUDITED
JUNE 30, 2020**

	ASSETS			2020
	LifeStream Services, Inc.	Yorktown Properties, Inc.	Eliminations	Consolidated Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 695,561	\$ 10,309	\$ -	\$ 705,870
Grants and contributions receivable	1,355,361	-	-	1,355,361
Accounts receivable	629,484	-	-	629,484
Medicaid waiver receivable	364,409	-	-	364,409
Prepaid expenses	52,493	-	-	52,493
Total current assets	<u>3,097,308</u>	<u>10,309</u>	<u>-</u>	<u>3,107,617</u>
FIXED ASSETS:				
Land	-	150,000	-	150,000
Building and improvements	-	1,043,567	-	1,043,567
Furniture and fixtures	147,661	-	-	147,661
Equipment	706,080	79,192	-	785,272
Transportation equipment	-	12,363	-	12,363
	853,741	1,285,122	-	2,138,863
Less accumulated depreciation	<u>(752,000)</u>	<u>(739,715)</u>	<u>-</u>	<u>(1,491,715)</u>
Total fixed assets, net	<u>101,741</u>	<u>545,407</u>	<u>-</u>	<u>647,148</u>
OTHER ASSETS				
Investment in Indiana Aging Alliance	1,500	-	-	1,500
457(b) plan investment	127,279	-	-	127,279
Deposits	-	1,228	-	1,228
Total other assets	<u>128,779</u>	<u>1,228</u>	<u>-</u>	<u>130,007</u>
Total assets	<u>\$ 3,327,828</u>	<u>\$ 556,944</u>	<u>\$ -</u>	<u>\$ 3,884,772</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	\$ 935,533	\$ 780	\$ -	\$ 936,313
Accrued payroll, taxes, and related expenses	135,019	-	-	135,019
Accrued vacation pay	215,527	-	-	215,527
Deferred revenue	3,932	-	-	3,932
Current portion - long term debt	-	38,928	-	38,928
Total current liabilities	<u>1,290,011</u>	<u>39,708</u>	<u>-</u>	<u>1,329,719</u>
LONG TERM LIABILITIES				
Notes payable	-	44,242	-	44,242
457(b) plan payable	127,279	-	-	127,279
Total long term liabilities	<u>127,279</u>	<u>44,242</u>	<u>-</u>	<u>171,521</u>
Total liabilities	<u>1,417,290</u>	<u>83,950</u>	<u>-</u>	<u>1,501,240</u>
NET ASSETS:				
Without donor restrictions	1,910,538	447,994	-	2,358,532
Without donor restrictions - board designated	-	25,000	-	25,000
Total net assets	<u>1,910,538</u>	<u>472,994</u>	<u>-</u>	<u>2,383,532</u>
Total liabilities and net assets	<u>\$ 3,327,828</u>	<u>\$ 556,944</u>	<u>\$ -</u>	<u>\$ 3,884,772</u>

See Independent Auditor's Report on Supplementary Information on page 21.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - COMPILED
JUNE 30, 2019**

	ASSETS			2019
	LifeStream Services, Inc.	Yorktown Properties, Inc.	Eliminations	Consolidated Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 301,688	\$ 10,723	\$ -	\$ 312,411
Grants and contributions receivable	1,699,605	-	-	1,699,605
Accounts receivable	154,552	-	-	154,552
Medicaid waiver receivable	485,394	-	-	485,394
Prepaid expenses	63,410	-	-	63,410
Total current assets	<u>2,704,649</u>	<u>10,723</u>	<u>-</u>	<u>2,715,372</u>
FIXED ASSETS:				
Land	-	150,000	-	150,000
Building and improvements	-	1,043,567	-	1,043,567
Furniture and fixtures	164,085	-	-	164,085
Equipment	747,489	79,192	-	826,681
Transportation equipment	-	-	-	-
	911,574	1,272,759	-	2,184,333
Less accumulated depreciation	<u>(766,495)</u>	<u>(698,226)</u>	<u>-</u>	<u>(1,464,721)</u>
Total fixed assets, net	<u>145,079</u>	<u>574,533</u>	<u>-</u>	<u>719,612</u>
OTHER ASSETS				
Investment in Indiana Aging Alliance	1,500	-	-	1,500
457(b) plan investment	102,353	-	-	102,353
Deposits	-	1,228	-	1,228
Total other assets	<u>103,853</u>	<u>1,228</u>	<u>-</u>	<u>105,081</u>
Total assets	<u>\$ 2,953,581</u>	<u>\$ 586,484</u>	<u>\$ -</u>	<u>\$ 3,540,065</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	\$ 864,773	\$ 28	\$ -	\$ 864,801
Accrued payroll, taxes, and related expenses	96,778	-	-	96,778
Accrued vacation pay	175,988	-	-	175,988
Deferred revenue	36,231	-	-	36,231
Current portion - long term debt	-	37,580	-	37,580
Total current liabilities	<u>1,173,770</u>	<u>37,608</u>	<u>-</u>	<u>1,211,378</u>
LONG TERM LIABILITIES				
Notes payable	-	82,706	-	82,706
457(b) plan payable	102,353	-	-	102,353
Total long term liabilities	<u>102,353</u>	<u>82,706</u>	<u>-</u>	<u>185,059</u>
Total liabilities	<u>1,276,123</u>	<u>120,314</u>	<u>-</u>	<u>1,396,437</u>
NET ASSETS:				
Without donor restrictions	1,677,458	441,170	-	2,118,628
Without donor restrictions - board designated	-	25,000	-	25,000
Total net assets	<u>1,677,458</u>	<u>466,170</u>	<u>-</u>	<u>2,143,628</u>
Total liabilities and net assets	<u>\$ 2,953,581</u>	<u>\$ 586,484</u>	<u>\$ -</u>	<u>\$ 3,540,065</u>

See Independent Auditor's Report on Supplementary Information on page 21.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - AUDITED
FOR THE YEAR ENDED JUNE 30, 2020**

	Lifestream Services Inc			Yorktown Properties, Inc.	Eliminations	2020
	Without Donor Restrictions	With Donor Restrictions	Total			Consolidated Total
REVENUE AND OTHER SUPPORT						
Federal grants	\$ 5,620,076	\$ -	\$ 5,620,076	\$ -	\$ -	\$ 5,620,076
State and local grants and fees	3,098,167	-	3,098,167	-	-	3,098,167
Other grants	208,984	-	208,984	-	-	208,984
Program service revenue	177,605	-	177,605	-	-	177,605
Medicaid waiver	3,974,042	-	3,974,042	-	-	3,974,042
Contributions and special events	153,448	-	153,448	-	-	153,448
Interest income	1,747	-	1,747	-	-	1,747
Rent Income	-	-	-	76,800	(76,800)	-
Other income	89,196	-	89,196	-	-	89,196
	13,323,265	-	13,323,265	76,800	(76,800)	13,323,265
Net assets released from restrictions	-	-	-	-	-	-
Total revenue and other support	13,323,265	-	13,323,265	76,800	(76,800)	13,323,265
OPERATING EXPENSES						
Program Services						
In-home services	2,429,302	-	2,429,302	-	-	2,429,302
Nutrition	2,026,666	-	2,026,666	-	(6,753)	2,019,913
Care management	1,026,972	-	1,026,972	-	(5,078)	1,021,894
Transportation	1,159,821	-	1,159,821	-	(6,534)	1,153,287
Aging and Disability Resource Center	954,756	-	954,756	-	(10,135)	944,621
Net excess programs	3,672,429	-	3,672,429	-	(12,376)	3,660,053
Other programs	386,180	-	386,180	-	(2,166)	384,014
Total Program Services	11,656,126	-	11,656,126	-	(43,042)	11,613,084
Administration	1,414,556	-	1,414,556	-	(33,370)	1,381,186
Property management	-	-	-	69,976	-	69,976
Fundraising	19,503	-	19,503	-	(388)	19,115
Total operating expenses	13,090,185	-	13,090,185	69,976	(76,800)	13,083,361
INCREASE (DECREASE) IN NET ASSETS	233,080	-	233,080	6,824	-	239,904
NET ASSETS - BEGINNING OF YEAR	1,677,458	-	1,677,458	466,170	-	2,143,628
NET ASSETS - END OF YEAR	\$ 1,910,538	\$ -	\$ 1,910,538	\$ 472,994	\$ -	\$ 2,383,532

See Independent Auditor's Report on Supplementary Information on page 21.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - COMPILED
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Lifestream Services Inc</u>			<u>Yorktown Properties, Inc.</u>	<u>Eliminations</u>	2019
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>			Consolidated Total
REVENUE AND OTHER SUPPORT						
Federal grants	\$ 4,423,644	\$ -	\$ 4,423,644	\$ -	\$ -	\$ 4,423,644
State and local grants and fees	3,484,104	-	3,484,104	-	-	3,484,104
Other grants	164,684	-	164,684	-	-	164,684
Program service revenue	173,264	-	173,264	-	-	173,264
Medicaid waiver	4,213,788	-	4,213,788	-	-	4,213,788
Contributions and special events	186,360	-	186,360	-	-	186,360
Interest income	449	-	449	-	-	449
Rent Income	-	-	-	80,040	(80,040)	-
Other income	67,216	-	67,216	-	-	67,216
	<u>12,713,509</u>	<u>-</u>	<u>12,713,509</u>	<u>80,040</u>	<u>(80,040)</u>	<u>12,713,509</u>
Net assets released from restrictions	50,421	(50,421)	-	-	-	-
Total revenue and other support	<u>12,763,930</u>	<u>(50,421)</u>	<u>12,713,509</u>	<u>80,040</u>	<u>(80,040)</u>	<u>12,713,509</u>
OPERATING EXPENSES						
Program Services						
In-home services	2,253,285	-	2,253,285	-	-	2,253,285
Nutrition	1,697,570	-	1,697,570	-	(4,697)	1,692,873
Care management	902,140	-	902,140	-	(8,550)	893,590
Transportation	1,258,755	-	1,258,755	-	(8,123)	1,250,632
Aging and Disability Resource Center	947,534	-	947,534	-	(11,717)	935,817
Net excess programs	3,483,153	-	3,483,153	-	(18,835)	3,464,318
Other programs	307,895	-	307,895	-	(2,839)	305,056
Total Program Services	<u>10,850,332</u>	<u>-</u>	<u>10,850,332</u>	<u>-</u>	<u>(54,761)</u>	<u>10,795,571</u>
Administration	1,173,816	-	1,173,816	-	(24,694)	1,149,122
Property management	-	-	-	68,030	-	68,030
Fundraising	36,167	-	36,167	-	(585)	35,582
Total operating expenses	<u>12,060,315</u>	<u>-</u>	<u>12,060,315</u>	<u>68,030</u>	<u>(80,040)</u>	<u>12,048,305</u>
INCREASE (DECREASE) IN NET ASSETS	703,615	(50,421)	653,194	12,010	-	665,204
NET ASSETS - BEGINNING OF YEAR	<u>973,843</u>	<u>50,421</u>	<u>1,024,264</u>	<u>454,160</u>	<u>-</u>	<u>1,478,424</u>
NET ASSETS - END OF YEAR	<u>\$ 1,677,458</u>	<u>\$ -</u>	<u>\$ 1,677,458</u>	<u>\$ 466,170</u>	<u>\$ -</u>	<u>\$ 2,143,628</u>

See Independent Auditor's Report on Supplementary Information on page 21.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS - AUDITED
FOR THE YEAR ENDED JUNE 30, 2020**

	Lifestream	Yorktown		2020
	Services, Inc.	Properties, Inc.	Eliminations	Consolidated
				Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase in net assets	\$ 233,080	\$ 6,824	\$ -	\$ 239,904
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	43,808	41,489	-	85,297
(Gain) loss on sale of fixed assets	5,148	-	-	5,148
Increase (decrease) in cash from changes in:				
Grants and contributions receivable	344,244	-	-	344,244
Accounts receivable	(474,932)	-	-	(474,932)
Medicaid waiver receivable	120,985	-	-	120,985
Prepaid expense	10,917	-	-	10,917
Checks written in excess of available balance	-	-	-	-
Accounts Payable	70,760	752	-	71,512
Accrued salaries and wages	38,241	-	-	38,241
Accrued vacation pay	39,539	-	-	39,539
Deferred revenue	(32,299)	-	-	(32,299)
Net cash provided by (used in) operating activities	<u>399,491</u>	<u>49,065</u>	<u>-</u>	<u>448,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of building improvements	-	(12,363)	-	(12,363)
Purchase of furniture and equipment	(7,118)	-	-	(7,118)
Proceeds on sale of fixed assets	1,500	-	-	1,500
Net cash provided by (used in) investing activities	<u>(5,618)</u>	<u>(12,363)</u>	<u>-</u>	<u>(17,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments against notes payable	-	(37,116)	-	(37,116)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(37,116)</u>	<u>-</u>	<u>(37,116)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>393,873</u>	<u>(414)</u>	<u>-</u>	<u>393,459</u>
CASH AND CASH EQUIV., BEGINNING OF YEAR	<u>301,688</u>	<u>10,723</u>	<u>-</u>	<u>312,411</u>
CASH AND CASH EQUIV., END OF YEAR	<u>\$ 695,561</u>	<u>\$ 10,309</u>	<u>\$ -</u>	<u>\$ 705,870</u>
SUPPLEMENTAL INFORMATION:				
Interest paid on notes payable	<u>\$ -</u>	<u>\$ 4,833</u>	<u>\$ -</u>	<u>\$ 4,833</u>

See Independent Auditor's Report on Supplementary Information on page 21.

**LIFESTREAM SERVICES INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS - COMPILED
FOR THE YEAR ENDED JUNE 30, 2019**

	Lifestream Services, Inc.	Yorktown Properties, Inc.	Eliminations	2019 Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase in net assets	\$ 653,194	\$ 12,010	\$ -	\$ 665,204
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	88,606	41,763	-	130,369
Increase (decrease) in cash from changes in:				
Grants and contributions receivable	255,363	-	-	255,363
Accounts receivable	73,575	-	(11,109)	62,466
Medicaid waiver receivable	(470,394)	-	-	(470,394)
Prepaid expense	8,891	-	-	8,891
Checks written in excess of available balance	(13,859)	-	-	(13,859)
Accounts Payable	(294,637)	(11,081)	11,109	(294,609)
Accrued salaries and wages	12,602	-	-	12,602
Accrued vacation pay	30,319	-	-	30,319
Deferred revenue	(15,329)	-	-	(15,329)
Net cash provided by (used in) operating activities	<u>328,331</u>	<u>42,692</u>	<u>-</u>	<u>371,023</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of building improvements	-	(4,910)	-	(4,910)
Purchase of furniture and equipment	(26,643)	-	-	(26,643)
Net cash provided by (used in) investing activities	<u>(26,643)</u>	<u>(4,910)</u>	<u>-</u>	<u>(31,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments against notes payable	-	(36,151)	-	(36,151)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(36,151)</u>	<u>-</u>	<u>(36,151)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>301,688</u>	<u>1,631</u>	<u>-</u>	<u>303,319</u>
CASH AND CASH EQUIV., BEGINNING OF YEAR	<u>-</u>	<u>9,092</u>	<u>-</u>	<u>9,092</u>
CASH AND CASH EQUIV., END OF YEAR	<u>\$ 301,688</u>	<u>\$ 10,723</u>	<u>\$ -</u>	<u>\$ 312,411</u>
SUPPLEMENTAL INFORMATION:				
Interest paid on notes payable	<u>\$ -</u>	<u>\$ 5,184</u>	<u>\$ -</u>	<u>\$ 5,184</u>

See Independent Auditor's Report on Supplementary Information on page 21.

SINGLE AUDIT SECTION

LIFESTREAM SERVICES INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR AGENCY Pass-through Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Grant Award (dollars \$)	Federal Expenditures	Amounts paid to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the Indiana Department of Family and Social Services:					
Aging Cluster:					
Title IIIA Administration	93.044	21674	44,201	\$ 44,201	\$ -
Title IIIB Grants for Supportive Services and Senior Centers	93.044	21674	214,523	214,523	51,584
Title IIIC-1 Congregate Nutrition Services	93.045	21674	170,703	170,703	5,348
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	21674	151,774	148,395	-
Nutrition Services Incentive Program	93.053	21674	42,130	34,803	-
Title IIIA Administration	93.044	38374	181,384	90,692	-
Title IIIB Grants for Supportive Services and Senior Centers	93.044	38374	659,264	327,432	36,176
Title IIIC-1 Congregate Nutrition Services	93.045	38374	369,387	180,188	9,522
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	38374	344,580	172,290	-
Nutrition Services Incentive Program	93.053	38374	86,677	65,008	2,666
Title IIIA Administration - FFCRA	93.044	42917	33,204	33,204	-
Title IIIA Administration - CARES	93.044	42917	107,632	37,464	-
Title IIIB Grants for Supportive Services and Senior Centers - CARES	93.044	42917	249,033	14,749	4,546
Title IIIC-1 Congregate Nutrition Services - FFCRA	93.045	42917	99,613	99,613	5,564
Title IIIC-2 Home Delivered Meal Nutrition Services - FFCRA	93.045	42917	199,040	199,040	-
Title IIIC-2 Home Delivered Meal Nutrition Services - CARES	93.045	42917	597,679	216,503	12,172
Title IIIA Administration	93.044	21784	21,255	21,255	-
Title IIIB Grants for Supportive Services and Senior Centers	93.044	21784	103,156	103,156	27,997
Title IIIC-1 Congregate Nutrition Services	93.045	21784	82,085	82,085	62,520
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	21784	72,983	72,983	14,074
Nutrition Services Incentive Program	93.053	21784	26,687	26,687	7,519
Title IIIA Administration	93.044	38345	75,794	41,761	-
Title IIIB Grants for Supportive Services and Senior Centers	93.044	38345	194,109	194,109	57,553
Title IIIC-1 Congregate Nutrition Services	93.045	38345	217,032	129,388	57,843
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	38345	169,059	83,466	36,261
Nutrition Services Incentive Program	93.053	38345	54,906	41,179	11,876
Title IIIA Administration - FFCRA	93.044	43021	13,875	13,875	-
Title IIIA Administration - CARES	93.044	43021	44,975	25,256	-
Title IIIB Grants for Supportive Services and Senior Centers - CARES	93.044	43021	104,061	48,590	12,900
Title IIIC-1 Congregate Nutrition Services - FFCRA	93.045	43021	41,624	41,624	7,300
Title IIIC-2 Home Delivered Meal Nutrition Services - FFCRA	93.045	43021	83,171	83,171	16,520
Title IIIC-2 Home Delivered Meal Nutrition Services - CARES	93.045	43021	249,747	196,791	46,622
Total Aging Cluster				3,254,184	486,563

See accompanying notes to Schedule of Expenditures of Federal Awards.

LIFESTREAM SERVICES INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR AGENCY Pass-through Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Grant Award (dollars \$)	Federal Expenditures	Amounts paid to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the Indiana Department of Family and Social Services:					
Title IIID Disease Prevention and Health Promotion Services	93.043	21674	13,449	10,626	-
Title IIID Disease Prevention and Health Promotion Services	93.043	38374	33,931	15,863	-
Title IIID Disease Prevention and Health Promotion Services	93.043	21784	6,467	5,100	-
Title IIID Disease Prevention and Health Promotion Services	93.043	38345	14,179	10,076	-
Subtotal				41,665	-
Title III E National Family Caregiver Support	93.052	21674	102,838	102,838	-
Title III E National Family Caregiver Support	93.052	38374	217,383	108,692	-
Title III E National Family Caregiver Support - CARES	93.052	42917	121,980	1,829	-
Title III E National Family Caregiver Support	93.052	21784	49,451	49,451	-
Title III E National Family Caregiver Support	93.052	38345	90,836	45,418	-
Title III E National Family Caregiver Support - CARES	93.052	43021	50,971	-	-
Subtotal				308,228	-
Title VII - Long Term Care Ombudsman Title VII	93.042	21674	4,112	4,112	4,112
Title VII - Long Term Care Ombudsman Title VII	93.042	38374	16,016	16,006	16,006
Title VII - Long Term Care Ombudsman Title VII	93.042	21784	1,641	1,641	1,641
Title VII - Long Term Care Ombudsman Title VII	93.042	38345	6,249	6,249	6,249
Subtotal				28,008	28,008
Social Services Block Grant	93.667	21674	248,649	220,423	-
Social Services Block Grant	93.667	38374	650,484	487,862	-
Social Services Block Grant	93.667	21784	88,856	88,856	8,423
Social Services Block Grant	93.667	38345	244,548	183,411	4,612
Subtotal				980,552	13,035
Total U.S. Department of Health and Human Services				4,612,637	527,606
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through the Jay County Commissioners:					
Formula Grants for Rural Areas - Section 5311 & PMTF	20.509	A249-19-G180483	567,246	287,437	-
Formula Grants for Rural Areas - Section 5311 & PMTF	20.509	A249-20-G190099	588,524	222,960	-
Subtotal				510,397	-
Formula Grants for Rural Areas - Bus and Bus Facilities Formula	20.526	A249-20-G190033	162,240	162,176	-
Total U.S. Department of Transportation				672,573	-
Total Schedule of Expenditures of Federal Awards				\$ 5,285,210	\$ 527,606

See accompanying notes to Schedule of Expenditures of Federal Awards.

**LIFESTREAM SERVICES INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	Grant Award (dollars \$)	State and Local Expenditures
Indiana Department of Family and Social Services:			
CHOICE	36115	1,866,508	\$ 1,624,187
CHOICE	36119	840,823	840,823
Older Hoosier Act	36115	119,070	88,844
Older Hoosier Act	36119	44,403	32,916
Adult Guardianship	35606	138,448	138,448
AL Ombudsman	21674	4,112	4,112
AL Ombudsman	38374	17,141	17,141
AL Ombudsman	21784	1,641	1,641
AL Ombudsman	38345	6,688	<u>6,688</u>
Total Expenditures of State and Local Awards			<u><u>\$ 2,754,800</u></u>

LIFESTREAM SERVICES INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lifestream Services Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Cost Rate

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

LIFESTREAM SERVICES INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

**Finding Number 2019-001 – Unrecorded Equipment Costs and In-Kind Grant Revenue
CFDA 20.513 Enhanced Mobility of Seniors and Individuals with Disabilities**

Condition: The Organization recorded their expenditure for 20 percent of the cost of capital equipment purchased but did not record the benefit of in-kind grant revenue and equipment received for payment toward the remaining 80 percent cost of the equipment.

Recommendation: Control procedures should be established to identify, document, and record in-kind matching purchases paid by the grantor in the period in which the expenditure is made.

Current Status: Management did record the entire costs of the equipment purchased, including the 80% paid by grant funds. However, the buses purchased in past and current years are not titled by the Organization, but the Jay County Commissioners. Though, the Organization pays 20% towards the purchases of these vehicles and uses them in their transportation services, they are not assets owned by the Organization. Jay County Commissioners donates the buses to the Organization after five years of services as they are considered fully depreciated. Therefore, it is determined that the Organization should not capitalize buses at the time of purchase.

Section III – Federal Award Findings and Questioned Costs

**Finding Number 2019-001 – Unrecorded Equipment Costs and In-Kind Grant Revenue
CFDA 20.513 Enhanced Mobility of Seniors and Individuals with Disabilities**

Condition: The Organization recorded their expenditure for 20 percent of the cost of capital equipment purchased but did not record the benefit of in-kind grant revenue and equipment received for payment toward the remaining 80 percent cost of the equipment.

Recommendation: Control procedures should be established to identify, document, and record in-kind matching purchases paid by the grantor in the period in which the expenditure is made.

Current Status: Management did record the entire costs of the equipment purchased, including the 80% paid by grant funds. However, the buses purchased in past and current years are not titled by the Organization, but the Jay County Commissioners. Though, the Organization pays 20% towards the purchases of these vehicles and uses them in as part of their transportation services, they are not assets owned by the Organization. Jay County Commissioners donates the buses to the Organization after five years of services as they are considered fully depreciated. Therefore, it is determined that the Organization should not capitalize buses at the time of purchase.

**LIFESTREAM SERVICES INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

Section III – Federal Award Findings and Questioned Costs

Finding Number 2019-002 – Procurement, Suspension, and Debarment Policy

CFDA 20.509 – Section 5311 & PMTF

CFDA 20.513 – Enhanced Mobility of Seniors and Individuals with Disabilities

Condition: The Organization had not established a formal written policy in accordance with the federal standards for procurement, suspension, and debarment.

Recommendation: The Organization should align their written procurement, suspension, and debarment policy with section 200.320 of the *CFR* and implement a system of internal controls to address the federal compliance requirements.

Current Status: The Organization updated their procurement, suspension, and debarment policy with section 2100.320 of the *CFR* and implemented a system of internal controls to address the federal compliance requirements.



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**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.
Yorktown, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lifestream Services Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lifestream Services 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.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 18, 2020



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
Lifestream Services Inc.
Yorktown, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 18, 2020

**LIFESTREAM SERVICES INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes No

Programs tested as major programs:

CFDA Number	Name of Federal Program or Cluster
93.044	* Aging Cluster - Title III A
93.044	* Aging Cluster - Title III B
93.045	* Aging Cluster - Title III C1
93.045	* Aging Cluster - Title III C2
93.053	* Aging Cluster - NSIP
93.052	Title III E 3

* Represents cluster

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

Auditee qualified as low-risk auditee? Yes No

**LIFESTREAM SERVICES INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2020.

Section III – Federal Award Findings and Questioned Costs

There were no compliance findings for the year ended June 30, 2020.