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October 25, 2021

Board of Directors  
Lifespan Resources, Inc.  
33 State St., P.O. Box 995  
New Albany, IN 47151

We have reviewed the audit report of Lifespan Resources, Inc., which was opined upon by Deming, Malone, Livesay & Ostroff, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Lifespan Resources, Inc. as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

  
Paul D. Joyce, CPA  
State Examiner

LIFESPAN RESOURCES, INC.

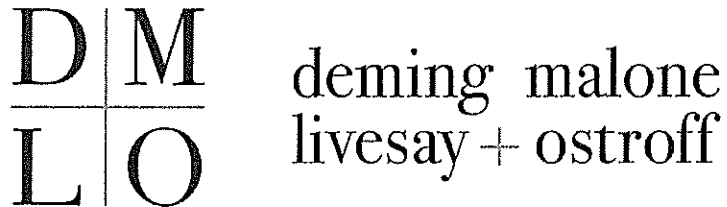
Financial Statements and Supplementary Information

June 30, 2020 and 2019

LIFESPAN RESOURCES, INC.  
Financial Statements and Supplementary Information  
June 30, 2020 and 2019

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Independent Auditors' Report

To the Board of Directors  
LifeSpan Resources, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related 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.

Auditors' 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 financial statements referred to above present fairly, in all material respects, the financial position of LifeSpan Resources, Inc. 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.

Prior Period Financial Statements

The financial statements of LifeSpan Resources, Inc. as of June 30, 2019 were audited by other auditors whose report dated November 26, 2019 expressed an unmodified opinion on those statements.

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### **Report on Summarized Comparative Information**

The summarized comparative information as audited by other auditors, presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

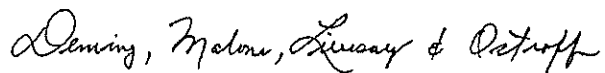
### **Other Matters**

#### *Other 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 9, 2020 on our consideration of LifeSpan Resources, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 LifeSpan Resources Inc.'s internal control over financial reporting and compliance.



Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 9, 2020

LIFESPAN RESOURCES, INC.  
 Statements of Financial Position  
 June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 3,234,421	\$ 1,166,267
Petty cash	400	400
Investments	2,144,590	2,282,134
Endowment fund	7,088	7,088
Contract and grants receivable	746,948	1,100,401
Medicaid receivable, net of allowance	39,352	155,101
Prepaid postage	2,951	2,634
Property and equipment, net of accumulated depreciation	<u>354,443</u>	<u>301,078</u>
Total assets	<u>\$ 6,530,193</u>	<u>\$ 5,015,103</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 139,243	\$ 118,481
Loan payable	656,117	-
Payroll withholdings	6,036	-
Accrued expenses	<u>338,465</u>	<u>285,064</u>
Total liabilities	<u>1,139,861</u>	<u>403,545</u>
Net Assets		
With donor restrictions	149,548	72,143
Without donor restrictions	<u>5,240,784</u>	<u>4,539,415</u>
Total net assets	<u>5,390,332</u>	<u>4,611,558</u>
Total liabilities and net assets	<u>\$ 6,530,193</u>	<u>\$ 5,015,103</u>

LIFESPAN RESOURCES, INC.  
Statement of Activities  
Year Ended June 30, 2020

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	<u>Total</u>
Revenue, Gains, and Other Support:			
Contract/program	\$ 7,234,154	\$ -	\$ 7,234,154
In-kind	180,298	-	180,298
Miscellaneous	120,351	-	120,351
Grant	107,735	55,176	162,911
Donations	93,204	71,249	164,453
Net investment income	<u>(86,675)</u>	<u>-</u>	<u>(86,675)</u>
	7,649,067	126,425	7,775,492
Net assets released from restrictions	<u>49,020</u>	<u>(49,020)</u>	<u>-</u>
Total revenues, gains, and other support	<u>7,698,087</u>	<u>77,405</u>	<u>7,775,492</u>
Expenses			
Program Services:			
Health Screening	20,374	-	20,374
Ombudsman	24,517	-	24,517
Legal Assistance	10,037	-	10,037
Services - Title IIIB	16,775	-	16,775
Program Funding - SBA	612,043	-	612,043
Options Counseling - IIIB	37,903	-	37,903
Ombudsman - A.L.	16,349	-	16,349
Ombudsman - Title VII	15,173	-	15,173
Transportation - IIIB	482,334	-	482,334
Family Caregiver	191,564	-	191,564
Case Management - SSBG	181,609	-	181,609
Information - SSBG	16,245	-	16,245
Transportation Service - SSBG	90,371	-	90,371
Scott County - UW Outreach	30	-	30
Case Management - IIIB	38,596	-	38,596
Case Management - PAS	2,349	-	2,349
Options Counseling - SSBG	83,835	-	83,835
Options Counseling - Choice	52,861	-	52,861
Case Management - Choice	170,795	-	170,795
Services - Choice	686,518	-	686,518
Congregate Meals	375,682	-	375,682
Home Delivered Meals	1,148,654	-	1,148,654
MFP-HUB	46	-	46
Anthem	1,533	-	1,533
SHIP - Medicare Improvement	3,006	-	3,006
Services - Medicaid	1,991,915	-	1,991,915
Waiver Intake	354,889	-	354,889
Information and Referral	<u>-</u>	<u>-</u>	<u>-</u>
Total program service expenses	<u>6,626,003</u>	<u>-</u>	<u>6,626,003</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Activities (Continued)  
Year Ended June 30, 2020

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Expenses (Continued)			
Supporting Services:			
Fundraising	\$ 50,255	\$ -	\$ 50,255
Administration - Title III	114,002	-	114,002
Administration - Choice	87,198	-	87,198
Nonfederal	119,260	-	119,260
Administration - SSBG	-	-	-
Total supporting service expenses	<u>370,715</u>	<u>-</u>	<u>370,715</u>
Total expenses	<u>6,996,718</u>	<u>-</u>	<u>6,996,718</u>
Net change in net assets	701,369	77,405	778,774
Net assets at the beginning of the year	<u>4,539,415</u>	<u>72,143</u>	<u>4,611,558</u>
Net assets at the end of the year	<u>\$ 5,240,784</u>	<u>\$ 149,548</u>	<u>\$ 5,390,332</u>



LIFESPAN RESOURCES, INC.  
Statement of Activities  
Year Ended June 30, 2019

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contract/program	\$ 6,184,113	\$ -	\$ 6,184,113
Grant	228,497	92,740	321,237
In-kind	263,004	-	263,004
Donations	158,516	524	159,040
Miscellaneous	110,562	-	110,562
Net investment income	16,291	-	16,291
	6,960,983	93,264	7,054,247
Net assets released from restrictions	96,977	(96,977)	-
Total revenues, gains, and other support	7,057,960	(3,713)	7,054,247
Expenses			
Program Services:			
Health Screening	19,909	-	19,909
Ombudsman	29,074	-	29,074
Legal Assistance	27,000	-	27,000
Services - Title IIIB	45,514	-	45,514
Program Funds - FFCRA & CARES	-	-	-
Options Counseling - IIIB	34,015	-	34,015
Ombudsman - A.L.	10,315	-	10,315
Ombudsman - Title VII	10,315	-	10,315
Transportation - IIIB	398,209	-	398,209
Family Caregiver	172,381	-	172,381
Case Management - SSBG	177,797	-	177,797
Information - SSBG	19,268	-	19,268
Transportation Service - SSBG	-	-	-
Scott County - UW Outreach	30	-	30
Case Management - IIIB	17,158	-	17,158
Case Management - PAS	2,450	-	2,450
Options Counseling - SSBG	101,229	-	101,229
Options Counseling - Choice	167,721	-	167,721
Case Management - Choice	252,164	-	252,164
Services - Choice	459,520	-	459,520
Congregate Meals	459,312	-	459,312
Home Delivered Meals	482,368	-	482,368
MFP-HUB	1,909	-	1,909
Anthem	2,329	-	2,329
SHIP - Medicare Improvement	2,855	-	2,855
Services - Medicaid	2,121,882	-	2,121,882
Waiver Intake	242,412	-	242,412
Information and Referral	2,502	-	2,502
Total program service expenses	5,259,638	-	5,259,638

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Activities (Continued)  
Year Ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Expenses (Continued)			
Supporting Services			
Fundraising	\$ 66,397	\$ -	\$ 66,397
Administration - Title III	127,221	-	127,221
Administration - Choice	79,135	-	79,135
Nonfederal	108,091	-	108,091
Administration - SSBG	<u>16,258</u>	<u>-</u>	<u>16,258</u>
Total supporting service expenses	<u>397,102</u>	<u>-</u>	<u>397,102</u>
Total expenses	<u>5,656,740</u>	<u>-</u>	<u>5,656,740</u>
Net change in net assets	1,401,220	(3,713)	1,397,507
Net assets at the beginning of the year	<u>3,138,195</u>	<u>75,856</u>	<u>3,214,051</u>
Net assets at the end of the year	<u>\$ 4,539,415</u>	<u>\$ 72,143</u>	<u>\$ 4,611,558</u>

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services						
	Health Screening	Ombudsman	Legal Assistance	Services - Title IIIB	Program Funding - SBA	Options Counseling - IIIB	Ombudsman - A.L.
Salaries and wages	\$ 7,924	\$ 8,305	\$ -	\$ 6,572	\$ 475,103	\$ 24,228	\$ 14,849
Employee benefits	2,050	5,052	-	2,671	81,944	4,345	-
Payroll taxes	602	634	-	594	35,068	1,854	1,119
Total salaries and related expenses	10,576	13,991	-	9,837	592,115	30,427	15,968
Service providers	-	-	-	-	-	-	-
Catered food	-	44	-	-	-	117	-
In-kind	-	-	7,501	-	-	-	-
Repairs and maintenance	1,181	1,096	-	776	3,383	4,940	-
Contractual allowance	-	-	-	-	-	-	-
Computer	2,092	2,387	-	585	393	8	-
Travel and transportation	217	123	-	8	-	105	228
Occupancy	1,006	1,416	-	24	10,400	-	-
Depreciation	-	-	-	-	-	-	-
Telephone	796	983	-	208	4,702	270	153
Insurance	1,169	2,178	-	-	-	889	-
Other	66	52	-	46	-	9	-
Office	689	558	-	816	-	264	-
Contract services	866	276	-	702	-	-	-
Dues and subscriptions	345	448	-	55	-	29	-
Professional fees	527	303	2,536	3,216	-	12	-
Postage	312	89	-	9	-	-	-
Utilities	104	64	-	56	1,050	-	-
Audit	-	-	-	-	-	-	-
Rent	226	162	-	18	-	547	-
Legal fees	183	205	-	368	-	-	-
Advertising	19	142	-	51	-	286	-
Expensed equipment	-	-	-	-	-	-	-
Total expenses	<u>\$ 20,374</u>	<u>\$ 24,517</u>	<u>\$ 10,037</u>	<u>\$ 16,775</u>	<u>\$ 612,043</u>	<u>\$ 37,903</u>	<u>\$ 16,349</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services						
	Ombudsman - Title VII	Transportation - IIB	Family Caregiver	Case Management - SSBG	Information - SSBG	Transportation Service - SSBG	Scott County - UW Outreach
Salaries and wages	\$ 13,785	\$ 260,210	\$ 41,091	\$ 118,108	\$ 12,188	\$ -	\$ -
Employee benefits	-	38,405	63,482	36,161	1,080	-	-
Payroll taxes	1,041	18,425	3,525	7,527	1,050	-	-
Total salaries and related expenses	14,826	317,040	108,098	161,796	14,318	-	-
Service providers	-	1,250	25,559	-	-	90,371	-
Catered food	-	-	190	15	103	-	-
In-kind	-	8,765	29,873	-	-	-	-
Repairs and maintenance	-	76,675	11,585	7,098	24	-	-
Contractual allowance	-	-	-	-	-	-	-
Computer	-	19,418	2,487	2,512	32	-	-
Travel and transportation	228	495	523	1,081	248	-	-
Occupancy	-	2,804	1,316	1,530	-	-	-
Depreciation	-	-	-	-	-	-	-
Telephone	119	2,965	1,595	1,816	91	-	-
Insurance	-	32,919	2,656	259	346	-	-
Other	-	1,917	1,873	1,579	8	-	-
Office	-	3,244	1,492	1,192	189	-	-
Contract services	-	1,838	1,704	357	-	-	-
Dues and subscriptions	-	1,158	569	622	123	-	30
Professional fees	-	1,258	299	301	85	-	-
Postage	-	515	148	219	-	-	-
Utilities	-	1,304	-	263	-	-	-
Audit	-	7,399	339	-	-	-	-
Rent	-	544	336	397	521	-	-
Legal fees	-	536	280	444	-	-	-
Advertising	-	290	642	128	157	-	-
Expensed equipment	-	-	-	-	-	-	-
Total expenses	<u>\$ 15,173</u>	<u>\$ 482,334</u>	<u>\$ 191,564</u>	<u>\$ 181,609</u>	<u>\$ 16,245</u>	<u>\$ 90,371</u>	<u>\$ 30</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services				
	Case Management - IIIB	Case Management - PAS	Options Counseling - SSBG	Options Counseling - Choice	Case Management - Choice
Salaries and wages	\$ 6,971	\$ 2,081	\$ 76,363	\$ 37,328	\$ 105,452
Employee benefits	20,804	4	1,012	3,769	28,862
Payroll taxes	531	158	6,184	2,869	8,123
<b>Total salaries and related expenses</b>	<b>28,306</b>	<b>2,243</b>	<b>83,559</b>	<b>43,966</b>	<b>142,437</b>
Service providers	-	-	-	-	-
Catered food	117	-	-	-	176
In-kind	-	-	-	-	-
Repairs and maintenance	6,672	-	-	1,875	11,613
Contractual allowance	-	-	-	-	-
Computer	284	-	50	1,507	2,922
Travel and transportation	396	92	31	729	3,362
Occupancy	-	-	-	2,759	1,874
Depreciation	-	-	-	-	-
Telephone	194	13	72	353	1,841
Insurance	1,413	-	-	-	43
Other	243	-	-	-	1,367
Office	334	1	31	15	1,721
Contract services	-	-	-	-	30
Dues and subscriptions	27	-	8	1,432	740
Professional fees	13	-	57	15	158
Postage	9	-	-	-	196
Utilities	304	-	-	-	997
Audit	-	-	-	-	-
Rent	-	-	-	164	586
Legal fees	-	-	-	-	293
Advertising	284	-	27	46	439
Expensed equipment	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 38,596</b>	<b>\$ 2,349</b>	<b>\$ 83,835</b>	<b>\$ 52,861</b>	<b>\$ 170,795</b>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services					
	Services - Choice	Congregate Meals	Home Delivered Meals	MFP-HUB	Anthem	SHIP - Medicare Improvement
Salaries and wages	\$ -	\$ 76,746	\$ 79,842	\$ 43	\$ 767	\$ 2,478
Employee benefits	-	12,853	22,243	-	-	139
Payroll taxes	-	5,616	9,318	3	56	185
Total salaries and related expenses	-	95,215	111,403	46	823	2,802
Service providers	686,518	-	289,618	-	-	-
Catered food	-	184,872	618,126	-	189	-
In-kind	-	50,123	71,302	-	-	-
Repairs and maintenance	-	4,578	6,028	-	-	-
Contractual allowance	-	-	-	-	-	-
Computer	-	10,276	15,312	-	2	-
Travel and transportation	-	609	743	-	37	64
Occupancy	-	3,667	5,892	-	-	-
Depreciation	-	-	-	-	-	-
Telephone	-	4,755	5,688	-	-	28
Insurance	-	4,597	6,616	-	287	-
Other	-	396	288	-	-	89
Office	-	5,355	3,354	-	-	2
Contract services	-	2,265	4,099	-	-	-
Dues and subscriptions	-	1,783	2,673	-	-	21
Professional fees	-	1,694	2,354	-	-	-
Postage	-	1,337	8	-	-	-
Utilities	-	2,371	1,161	-	-	-
Audit	-	-	-	-	195	-
Rent	-	898	984	-	-	-
Legal fees	-	697	1,955	-	-	-
Advertising	-	194	1,050	-	-	-
Expensed equipment	-	-	-	-	-	-
Total expenses	<u>\$ 686,518</u>	<u>\$ 375,682</u>	<u>\$ 1,148,654</u>	<u>\$ 46</u>	<u>\$ 1,533</u>	<u>\$ 3,006</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services			Supporting Services	
	Services - Medicaid	Waiver Intake	Subtotal	Fundraising	Admin. - Title III
Salaries and wages	\$ 1,161,852	\$ 237,161	\$ 2,769,447	\$ 14,668	\$ 66,826
Employee benefits	178,900	15,990	519,766	5,155	9,717
Payroll taxes	88,087	17,919	210,488	1,020	5,195
Total salaries and related expenses	1,428,839	271,070	3,499,701	20,843	81,738
Service providers	225,044	-	1,318,360	-	-
Catered food	703	-	804,652	-	-
In-kind	-	-	167,564	1,725	11,009
Repairs and maintenance	342	22,537	160,403	4,377	1,500
Contractual allowance	125,011	-	125,011	-	-
Computer	38,110	15,329	113,706	1,995	2,574
Travel and transportation	42,318	6,802	58,439	9,667	821
Occupancy	26,713	11,839	71,240	-	1,447
Depreciation	-	-	-	-	-
Telephone	20,777	7,689	55,108	-	1,846
Insurance	2,689	1,260	57,321	548	730
Other	10,464	846	19,243	7,178	121
Office	19,245	6,398	44,900	803	1,033
Contract services	13,562	913	26,612	-	1,655
Dues and subscriptions	7,857	3,442	21,362	-	721
Professional fees	3,411	1,614	17,853	-	330
Postage	9,145	1,526	13,513	2,059	1,030
Utilities	4,975	-	12,649	-	278
Audit	-	-	7,933	-	6,567
Rent	5,595	1,155	12,133	-	187
Legal fees	4,668	2,243	11,872	-	398
Advertising	2,447	226	6,428	1,060	17
Expensed equipment	-	-	-	-	-
Total expenses	\$ 1,991,915	\$ 354,889	\$ 6,626,003	\$ 50,255	\$ 114,002

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Supporting Services			Total Program and Supporting Services 2020	2019 All Funds (Memorandum Only)
	Admin. - Choice	Nonfederal	Subtotal		
Salaries and wages	\$ 67,877	\$ -	\$ 149,371	\$ 2,918,818	\$ 2,612,166
Employee benefits	7,291	-	22,163	541,929	458,381
Payroll taxes	4,941	-	11,156	221,644	194,284
Total salaries and related expenses	80,109	-	182,690	3,682,391	3,264,831
Service providers	-	-	-	1,318,360	533,643
Catered food	-	771	771	805,423	570,808
In-kind	-	-	12,734	180,298	263,004
Repairs and maintenance	721	2,311	8,909	169,312	134,249
Contractual allowance	-	-	-	125,011	66,833
Computer	1,237	717	6,523	120,229	80,968
Travel and transportation	315	12,316	23,119	81,558	76,847
Occupancy	944	199	2,590	73,830	72,105
Depreciation	-	73,761	73,761	73,761	50,856
Telephone	944	467	3,257	58,365	63,779
Insurance	43	(813)	508	57,829	54,849
Other	72	23,355	30,726	49,969	205,561
Office	421	1,422	3,679	48,579	42,308
Contract services	1,412	3,010	6,077	32,689	48,122
Dues and subscriptions	420	1,289	2,430	23,792	29,931
Professional fees	205	104	639	18,492	22,609
Postage	189	119	3,397	16,910	16,650
Utilities	-	17	295	12,944	13,790
Audit	-	-	6,567	14,500	14,200
Rent	44	169	400	12,533	13,675
Legal fees	116	43	557	12,429	4,162
Advertising	6	3	1,086	7,514	1,978
Expensed equipment	-	-	-	-	10,982
Total expenses	<u>\$ 87,198</u>	<u>\$ 119,260</u>	<u>\$ 370,715</u>	<u>\$ 6,996,718</u>	<u>\$ 5,656,740</u>

See notes to financial statements.



LIFESPAN RESOURCES, INC.  
 Statements of Cash Flows  
 Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 778,774	\$ 1,397,507
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	73,761	50,856
Loss on sale of property and equipment	-	1,672
Investment income, net of investment fees	(86,401)	(76,899)
Realized and unrealized loss (gain) on investments	86,675	(16,291)
Decrease (increase) in assets:		
Contract and grants receivable	353,453	(600,520)
Medicaid receivable	115,749	(115,414)
Prepaid postage	(317)	186
Increase (decrease) in liabilities:		
Accounts payable	20,762	35,151
Payroll withholdings	6,036	(308)
Accrued expenses	53,401	42,343
Net cash flows from operating activities	<u>1,401,893</u>	<u>718,283</u>
Cash Flows From Investing Activities		
Purchase of investments	(175,020)	(928,772)
Proceeds from sale of investments	312,289	327,773
Proceeds from sale of property and equipment	-	450
Purchases of property and equipment	<u>(127,125)</u>	<u>(190,922)</u>
Net cash flows used by investing activities	<u>10,144</u>	<u>(791,471)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	<u>656,117</u>	<u>-</u>
Net cash from financing activities	<u>656,117</u>	<u>-</u>
Net change in cash and cash equivalents	2,068,154	(73,188)
Cash at the beginning of the year	<u>1,166,667</u>	<u>1,239,855</u>
Cash at the end of the year	<u>\$ 3,234,821</u>	<u>\$ 1,166,667</u>

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements  
June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Basis of Accounting** - The financial statements of the Organization has been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation** - The Organization reports 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.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. There were no cash equivalents as of June 30, 2020 and 2019.

**Contract and Grants Receivable** - Contract and grants receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and deems all contract income and grants receivable to be fully collectible at year-end.

**Medicaid Receivable** - Medicaid receivable is stated at the amount management expects to collect from outstanding balances at year-end. The Organization provides for probable contractual allowance through an adjustment to revenue based on its assessment of the current status of individual accounts. The contractual allowance as of June 30, 2020 and 2019 was \$125,011 and \$66,833, respectively.

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions.

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

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

**Promises to Give** - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Contributed Services, Materials, Vehicles, and Facilities** - Certain contributed materials are recorded as support and expensed at fair market value when determinable, otherwise at values indicated by the donor. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, or would typically need to be purchased if not provided by donation. Contributed facilities are recorded as support and expensed at fair market value. Contributed vehicles are capitalized at fair market value and depreciated over their estimated useful lives. For the years ended June 30, 2020 and 2019, the Organization received donated services, materials and facilities valued at \$180,298 and \$263,004 respectively.

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**Revenue Recognition** - The Financial Accounting Standards Board (“FASB”) issued new guidance that created Accounting Standards Update (“ASU”) No. 2014-09, “*Revenue from Contracts with Customers*”, including all related amendments (Topic 606). ASU 2014-09 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Revenue that does not involve a transfer of goods and services, such as contribution revenue, is exempt from the new revenue recognition requirements. Collectively, the new ASU 2014-09 and Subtopic 340-40 are referred to as “the new guidance”.

Several of the Organization’s revenue streams involve the transfer of goods and services, including client fees and transportation services. The Organization recognizes revenue from contracts with customers under the provisions of Topic 606 using a five-step model. The five steps used in this process are: 1) identify the contract, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the price to the performance obligations, and 5) recognize the revenue. Under this standard, recognition of revenue occurs when a customer obtains control of promised services or goods in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods or services.

The Organization recognizes revenue when the service is invoiced. The time between invoicing and when the performance obligations are satisfied is not significant, and there is not a significant financing component or significant payment terms.

**Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is included in the accompanying financial statements. The Organization evaluates its uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions, and believes that it has none that are uncertain.

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

The June 30, 2020 Statement of Functional Expenses presents summarized comparative information from the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Advertising** - The Organization uses advertising for employee recruitment purposes and to promote various programs. The costs of advertising are expensed as incurred. For the years ending June 30, 2020 and 2019, advertising costs totaled \$7,514 and \$1,978, respectively.

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

**Cash on Deposit in Excess of Federal Deposit Insurance Limits** - Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash and cash equivalents, certificates of deposit, and contract, Medicaid, and grants receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**New Accounting Pronouncements** - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* including all related amendments (Topic 606). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: 1) identify the contract(s), 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when or as the entity satisfies a performance obligation. The Organization has adopted this standard using a modified retrospective method of application to the current year presented, with no effect on net assets. There was no material change to the Organization’s revenue recognition due to the adoption of ASU No. 2014-09.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*. The standard provides guidance to determine whether transactions are contributions or exchange transactions and whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 under a modified prospective basis. Accordingly, there is no effect on previously reported net assets.

**Upcoming Accounting Pronouncements** - The FASB issued the following accounting standards, which will be effective in subsequent years: 1) ASU No. 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021, and 2) ASU No. 2016-13, *Financial Instruments-Credit Losses*, effective for fiscal years beginning after December 31, 2022. The Organization is evaluating the impact of these standards on future financial statements and have yet to determine the effect, if any, on its financial position and operations.

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

NOTE 2 - LIQUIDITY AND AVAILABILITY

Funds available for general expenditures as of June 30, 2020 and 2019 include the following:

	June 30,	
	2020	2019
Cash	\$ 3,234,821	\$ 1,166,667
Investments	2,144,590	2,282,134
Contracts and grants receivable	746,948	1,100,401
Medicaid receivable, net of allowance	39,352	155,101
	\$ 6,165,711	\$ 4,704,303

The Organization is supported by contributions through various government programs. The revenue for these contracts are either cost reimbursement or rate based programs. The Organization has \$6,165,711 in cash, investments, and receivables available to be used within one year of the Statement of Financial Position date to meet cash needs for general expenditures as of June 30, 2020.

NOTE 3 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

The carrying amounts of the Organization’s investments approximate fair value because of the short-term maturity of these instruments. These financial assets are measured at fair value on the financial statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 3 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

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

Investments are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used to value investments at June 30, 2020.

In accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the following tables represent the Organization's fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2020 and 2019. The tables also set forth the respective levels to which the fair value measurements are classified within the fair value hierarchy.

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$1,367,365	\$ -	\$ -	\$1,367,365
Equities	<u>784,313</u>	<u>-</u>	<u>-</u>	<u>784,313</u>
Total investments at fair value	<u>\$2,151,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,151,678</u>
	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$1,569,526	\$ -	\$ -	\$1,569,526
Equities	<u>719,696</u>	<u>-</u>	<u>-</u>	<u>719,696</u>
Total investments at fair value	<u>\$2,289,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,289,222</u>

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 3 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following table summarizes the Organization's investments and accumulated unrealized appreciation (depreciation) by investment class:

	June 30, 2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual fund/debt investments	\$ 1,440,053	\$ 1,367,365	\$ (72,688)
Equities	<u>669,291</u>	<u>784,313</u>	<u>115,022</u>
Total investments	<u>\$ 2,109,344</u>	<u>\$ 2,151,678</u>	<u>\$ 42,334</u>
	June 30, 2019		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual fund/debt investments	\$ 1,574,023	\$ 1,569,526	\$ (4,497)
Equities	<u>607,135</u>	<u>719,696</u>	<u>112,561</u>
Total investments	<u>\$ 2,181,158</u>	<u>\$ 2,289,222</u>	<u>\$ 108,064</u>

NOTE 4 - CONTRACT AND GRANTS RECEIVABLE

Contract and grants receivable consists of the following:

	June 30,	
	2020	2019
Family and Social Services Administration	\$ 683,021	\$ 822,475
Other	20,451	232,626
United Way	<u>43,476</u>	<u>45,300</u>
Total contract and grants receivable	<u>\$ 746,948</u>	<u>\$ 1,100,401</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30,	
	2019	2019
Furniture and fixtures	\$ 77,477	\$ 86,268
Vehicles	439,893	439,893
Computer equipment	50,998	45,711
Leasehold improvements	<u>136,220</u>	<u>9,095</u>
Total	704,588	580,967
Less accumulated depreciation	<u>(350,145)</u>	<u>(279,889)</u>
Property and equipment, net	<u>\$ 354,443</u>	<u>\$ 301,078</u>

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes:

	June 30,	
	2020	2019
United Way	\$ 43,476	\$ 45,300
Senior Games	23,335	-
Vehicle Match	12,500	
IAAAA SMP	12,400	6,700
Transportation Donations	10,000	-
Disaster Relief Trans	10,000	-
Culbertson Ladies Discretionary	9,200	5,200
Rauch Trans	7,151	-
CFSI Endowment Fund	7,088	7,088
Vino FY21	5,973	3,720
Bacala Comm Funds	5,066	3,066
III-C Donation	2,290	-
Angel Tree	524	524
Scott County UW Outreach Funds	345	345
Pet Food Grant	200	200
Total net assets with donor restrictions	\$ 149,548	\$ 72,143

NOTE 7 - LOAN PAYABLE

In April 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$656,117 (the "PPP Loan"). The PPP loan bears interest at a fixed rate of 1.0% per annum. Interest is deferred during the deferral period, which ends on the date that the loan forgiveness amount is remitted by the U.S. Small Business Administration to the lender, or ten months after the end of the covered period, for those borrowers who do not apply for forgiveness. The loan is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request, to the extent that the PPP loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses.

To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in October 2020, principal and interest payments will be required through the maturity date in March 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations

A two-year summary of debt payments is presented below:

Years ending June 30,	
2021	\$ 325,454
2022	330,663
	\$ 656,117

LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 8 - REVENUE FROM CONTRACTS WITH CUSTOMERS

As discussed in Note 1, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers*, as amended, as management believes the standard improves the usefulness and understandability of financial reporting.

Revenue from contracts with customers as of June 30, 2020 and 2019 include the following:

	<u>2020</u>	<u>2019</u>
Aging Cluster	\$ 1,214,431	\$ 877,805
Medicaid Waiver & Social Security Block Grant	4,225,772	3,825,472
National Family Caregiver Support	<u>154,613</u>	<u>121,295</u>
	<u>\$ 5,594,816</u>	<u>\$ 4,824,572</u>

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

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

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

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

The Organization's contract revenue is based on the timing of satisfaction of performance obligations, which is entirely recognized at a point in time for the years ended June 30, 2020 and 2019.

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

NOTE 9 - RELATED PARTY TRANSACTIONS

Board members contribute to the Organization through contributions.

NOTE 10 - OPERATING LEASES

On November 1, 2008, the Organization entered into a lease agreement to lease office space located in the YMCA of Southern Indiana building located at 33 State Street, New Albany, Indiana. The lease is for ninety-nine (99) years ending November 1, 2107. Beginning July 1, 2009, the monthly rent, occupancy, and operating costs totaled \$4,858 per month. The occupancy costs will be reviewed on an annual basis and the monthly rent expense will be adjusted accordingly. For the year ending June 30, 2020, the monthly fixed amount totaled \$5,200. In addition, the Organization is responsible for a portion of the cleaning labor expense for the building. For the years ending June 30, 2020 and 2019, the Organization paid \$62,399 and \$64,551 in rent expense which is included in occupancy and operating costs.



LIFESPAN RESOURCES, INC.  
Notes to Financial Statements (Continued)

NOTE 10 - OPERATING LEASES (Continued)

On September 1, 2011, the Organization entered into an operating agreement with the City of Scottsburg for the use of donated space in the Bacala Building located at 69 East Wardell Street, Scottsburg, Indiana. The operating agreement is for ten (10) years ending August 31, 2021. Under the operating agreement, the Organization is not required to pay rent, but must provide a meal site and Aging and Disabilities Resource Center site for senior citizens. The Organization recognizes the donated value for the use of the space as in-kind revenue and in-kind expense.

During the year ended June 30, 2015, the Organization entered into lease agreements with Better Quality Business, Inc. for equipment leases. These leases were renewed in fiscal year 2020. Under the renewed agreements, the Organization was to pay 60 payments of \$1,472, \$463, and \$204 for the leases for three printers. The leases expire in 2023, 2024, and 2025, respectively. During the years ended June 30, 2020 and 2019, the Organization paid \$12,533 and \$13,675, respectively, in rent expense in relation to these operating leases.

The following schedule represents estimated future minimum lease payments over the next five fiscal years based on the information provided at the date of this report:

Years ending June 30,		
2021	\$	89,009
2022		88,697
2023		88,073
2024		74,823
2025		66,700
	\$	407,302

NOTE 11 - RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan that is available to all employees. For full-time employees, the Organization contributes either 3% of gross salaries or \$350 per month (for employees not participating in the health insurance program). For part-time employees, the Organization contributes \$35 per month for the 401(k) plan. Plan expense was \$122,637 and \$110,389 for the years ending June 30, 2020 and 2019, respectively.

NOTE 12 - SIGNIFICANT THIRD-PARTY REIMBURSEMENTS

The Organization receives significant fees from Medicaid and CHOICE programs for the services it provides to its clients. In the years ended June 30, 2020 and 2019, it received 44 percent and 44 percent from Medicaid and 18 percent and 16 percent from CHOICE of its revenue and support, respectively.

NOTE 13 - CONTINGENCIES

The COVID-19 outbreak in the United States has caused disruptions to businesses and organizations through mandated and voluntary closures. While these disruptions are expected to be temporary, there is considerable uncertainty about the duration of the outbreak, the federal and state government responses, and the impact on the economy and the Organization's vendors and individuals served. The extent of the impact on the Organization's future operations and cash flows is uncertain.

LIFESPAN RESOURCES, INC.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA	Pass-Through Grantor's Number	Federal Award
Department of Health and Human Services			
Passed through State of Indiana Family and Social Services Administration			
Title VII - Ombudsman	93.042	22-16-2V-1651-04	\$ 11,234
Title IIID - Health Services	93.043	22-16-OV-1651-10	22,851
Title IIIA - Administration	93.044	22-16-OV-1651-02	105,032
Title IIIB - Support Services	93.044	22-16-OV-1651-04	322,061
COVID-19 - Title IIIB - Support Services	93.044		203,720
Title IIIC1 - Congregate Meals	93.045	22-16-OV-1651-06	595,201
COVID-19 - Title IIIC1 - Congregate Meals	93.045		530,932
Title IIIE - Family Caregiver	93.052	22-16-OV-1651-12	156,708
Nutrition Services Incentive Program	93.053	22-16-02-1651-02	76,762
SSBG	93.667	22-16-OG-1651-02	357,536
PASRR	93.778	22-17-KM-1651-02	22,204
Total			<u>\$ 2,404,241</u>

LIFESPAN RESOURCES, INC.  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

NOTE A - BASIS OF PRESENTATION

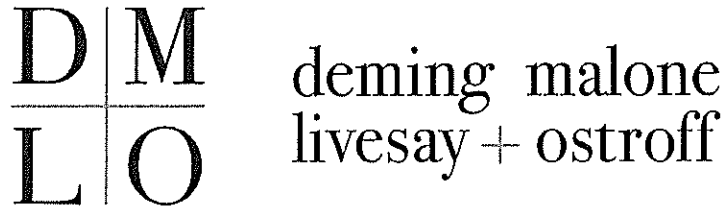
The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Lifespan Resources, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of LifeSpan Resources, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

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



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
LifeSpan Resources, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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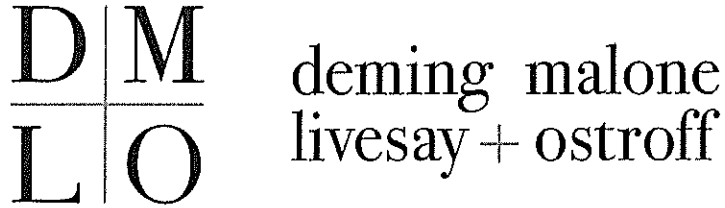
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**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Deming, Malone, Livesay & Ostroff*

Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 9, 2020



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

To the Board of Directors  
LifeSpan Resources, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited LifeSpan Resources, 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 LifeSpan Resources, Inc.'s major federal programs for the year ended June 30, 2020. LifeSpan Resources, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Lifespan Resources, 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the 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 the Organization'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 LifeSpan Resources, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, LifeSpan Resources, 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.

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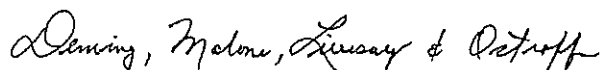
## Report on Internal Control Over Compliance

Management of LifeSpan Resources, 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 LifeSpan Resources, 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 LifeSpan Resources, 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.



Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 9, 2020

LIFESPAN RESOURCES, INC.  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_yes  no
- Significant deficiencies identified that are not considered to be material weaknesses? \_yes  none reported

Noncompliance material to financial statements noted? \_yes  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_yes  no
- Significant deficiencies identified that are not considered to be material weaknesses? \_yes  none reported

Type of auditors' report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516 (a)? \_yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044	Title IIIA - Administration
93.044	Title IIIB - Support Services
93.045	Title IIIC1 - Congregate Meals
93.045	Title IIIC2 - Home Delivered Meals
93.053	Nutritional Services Incentive Program

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

None

Section III - Federal Award Findings and Questioned Costs

None