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February 8, 2023

Board of Directors  
Lifespan Resources, Inc.  
33 State Street  
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, 2021 to June 30, 2022. 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, 2022 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.

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

Tammy R. White, CPA  
Deputy State Examiner

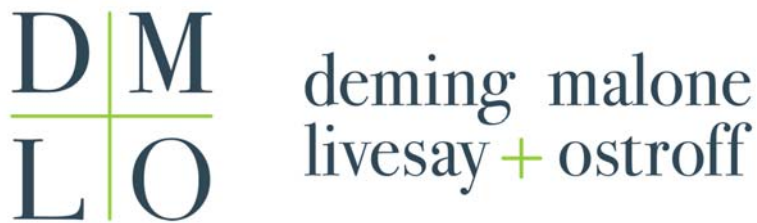
**LIFESPAN RESOURCES, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended June 30, 2022 and 2021**

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## **Independent Auditors' Report**

To the Board of Directors  
LifeSpan Resources, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of LifeSpan Resources, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LifeSpan Resources, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

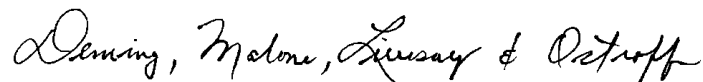
We previously audited LifeSpan Resources, Inc.'s financial statements as of June 30, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022 on our consideration of LifeSpan Resources, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LifeSpan Resources, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LifeSpan Resources Inc.'s internal control over financial reporting and compliance.



Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 8, 2022

**LIFESPAN RESOURCES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2022 and 2021

<b>Assets</b>	<u>2022</u>	<u>2021</u>
Cash	\$ 4,178,977	\$ 3,890,057
Investments	2,734,663	2,672,489
Contract and grants receivable	808,862	809,832
Medicaid receivable, net of allowance	26,367	19,875
Prepaid postage	2,958	2,797
Property and equipment, net of accumulated depreciation	<u>663,980</u>	<u>569,229</u>
<b>Total assets</b>	<u><u>\$ 8,415,807</u></u>	<u><u>\$ 7,964,279</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 137,016	\$ 130,082
Payroll withholdings	856	975
Accrued expenses	<u>249,673</u>	<u>214,492</u>
<b>Total liabilities</b>	<u>387,545</u>	<u>345,549</u>
 <b>Net Assets</b>		
With donor restrictions	188,278	76,785
Without donor restrictions	<u>7,839,984</u>	<u>7,541,945</u>
<b>Total net assets</b>	<u>8,028,262</u>	<u>7,618,730</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 8,415,807</u></u>	<u><u>\$ 7,964,279</u></u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>			
Contract/program	\$ 7,074,936	\$ 137,669	\$ 7,212,605
Grant	281,911	36,897	318,808
In-kind			
Services	112,815		112,815
Product discounts	3,998		3,998
Special events, net of direct benefit to donors	119,015	3,992	123,007
Donations	42,375		42,375
Miscellaneous	16,961		16,961
Gain on sale of property and equipment	16,100		16,100
Net investment (loss) income	(452,952)	2,000	(450,952)
	7,215,159	180,558	7,395,717
<b>Net assets released from restrictions</b>	<b>69,065</b>	<b>(69,065)</b>	
<b>Total revenues, gains, and other support</b>	<b>7,284,224</b>	<b>111,493</b>	<b>7,395,717</b>
<b>Expenses</b>			
Program Services:			
Health Screening	29,897		29,897
Ombudsman	9,191		9,191
Legal Assistance	42,860		42,860
Services - Title IIIB	15,500		15,500
Program Funding - SBA	133,334		133,334
Options Counseling - IIIB	111,950		111,950
Ombudsman - A.L.	11,588		11,588
Ombudsman - Title VII	28,699		28,699
Transportation - IIIB	542,165		542,165
Family Caregiver	296,998		296,998
Case Management - SSBG	121,419		121,419
Information - SSBG	22,002		22,002
Transportation Service - SSBG	2,823		2,823
Scott County - UW Outreach	60		60
Case Management - IIIB	68,874		68,874
Case Management - PAS	1,609		1,609
Options Counseling - SSBG	105,034		105,034
Options Counseling - Choice	109,007		109,007
Case Management - Choice	180,783		180,783
Services - Choice	555,245		555,245
Congregate Meals	501,835		501,835
Home Delivered Meals	492,865		492,865
MFP-HUB	25,948		25,948
Anthem	5,348		5,348
SHIP - Medicare Improvement	1,273		1,273
Services - Medicaid	2,663,756		2,663,756
Waiver Intake	346,154		346,154
Vaccine Outreach	15,176		15,176
	6,441,393		6,441,393

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF ACTIVITIES, Continued**

Year Ended June 30, 2022

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

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>			
Contract/program	\$ 7,823,405	\$ 14,745	\$ 7,838,150
Grant	444,513	37,476	481,989
In-kind			
Services	131,895		131,895
Product discounts	3,658		3,658
Special events, net of direct benefit to donors	159,920		159,920
Donations	64,964		64,964
Miscellaneous	12,412		12,412
Gain on sale of property and equipment	5,799		5,799
Net investment income	541,042	215	541,257
	9,187,608	52,436	9,240,044
<b>Net assets released from restrictions</b>	125,199	(125,199)	
<b>Total revenues, gains, and other support</b>	9,312,807	(72,763)	9,240,044
<b>Expenses</b>			
Program Services:			
Health Screening	14,773		14,773
Ombudsman	12,887		12,887
Legal Assistance	31,900		31,900
Services - Title III B	110,518		110,518
Program Funding - SBA	86,293		86,293
Options Counseling - III B	93,628		93,628
Ombudsman - A.L.	11,588		11,588
Ombudsman - Title VII	18,882		18,882
Transportation - III B	406,267		406,267
Family Caregiver	269,613		269,613
Case Management - SSBG	159,186		159,186
Information - SSBG	18,111		18,111
Transportation Service - SSBG			
Scott County - UW Outreach			
Case Management - III B	65,921		65,921
Case Management - PAS	1,858		1,858
Options Counseling - SSBG	72,074		72,074
Options Counseling - Choice	55,748		55,748
Case Management - Choice	217,010		217,010
Services - Choice	728,780		728,780
Congregate Meals	256,662		256,662
Home Delivered Meals	1,334,930		1,334,930
MFP-HUB			
Anthem	5,413		5,413
SHIP - Medicare Improvement	2,391		2,391
Services - Medicaid	2,209,840		2,209,840
Waiver Intake	255,789		255,789
Vaccine Outreach	49,834		49,834
	6,489,896		6,489,896
<b>Total program service expenses</b>	6,489,896		6,489,896

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF ACTIVITIES, Continued**

Year Ended June 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Expenses (Continued)</b>			
Supporting Services:			
Fundraising	\$ 86,019	\$	\$ 86,019
Administration - Title III	202,132		202,132
Administration - Choice	88,916		88,916
FFCRA Payroll Quarantine	11,550		11,550
Nonfederal	133,133		133,133
<b>Total supporting service expenses</b>	<b>521,750</b>		<b>521,750</b>
<b>Total expenses</b>	<b>7,011,646</b>		<b>7,011,646</b>
<b>Net change in net assets</b>	2,301,161	(72,763)	2,228,398
Net assets at the beginning of the year	5,240,784	149,548	5,390,332
Net assets at the end of the year	<b>\$ 7,541,945</b>	<b>\$ 76,785</b>	<b>\$ 7,618,730</b>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Program Services						
	Health Screening	Ombudsman	Legal Assistance	Services - Title IIIB	Program Funding - SBA	Options Counseling - IIIB	Ombudsman - A.L.
Salaries and wages	\$ 21,476	\$ 3,158			\$ 123,740	\$ 40,387	\$ 10,716
Employee benefits	2,657	808				57,817	4
Payroll taxes	1,049	122			9,594	3,029	441
Total salaries and related expenses	25,182	4,088			133,334	101,233	11,161
Catered food							
Service providers				\$ 15,500			
In-kind			\$ 27,677				
Repairs and maintenance	225	564				856	
Contractual allowance							
Computer	677	711				16	
Travel and transportation	79	29				59	72
Occupancy	732	498					
Depreciation							
Telephone	560	472				4,724	174
Insurance	741	368					
Other	64	244				2,150	
Office	169	347				1,031	24
Contract services	298	361					95
Dues and subscriptions	299	259				251	
Professional fees	47	116	15,183			453	
Postage	411	134				245	21
Utilities	53	105					
Audit	149	298					
Rent	200	248					41
Legal fees	9	101					
Advertising	2	248				932	
Total expenses	<u>\$ 29,897</u>	<u>\$ 9,191</u>	<u>\$ 42,860</u>	<u>\$ 15,500</u>	<u>\$ 133,334</u>	<u>\$ 111,950</u>	<u>\$ 11,588</u>
Expenses for the year							
ended June 30, 2021	<u>\$ 14,773</u>	<u>\$ 12,887</u>	<u>\$ 31,900</u>	<u>\$ 110,518</u>	<u>\$ 86,293</u>	<u>\$ 93,628</u>	<u>\$ 11,588</u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Program Services						
	Ombudsman - Title VII	Transportation - IIB	Family Caregiver	Case Management - SSBG	Information - SSBG	Transportation Service - SSBG	Scott County - UW Outreach
Salaries and wages	\$ 25,837	\$ 317,150	\$ 132,913	\$ 45,059	\$ 8,568	\$ 2,608	
Employee benefits	179	48,800	72,251	45,225	2,143		
Payroll taxes	642	23,975	10,409	3,453	732	194	
Total salaries and related expenses	26,658	389,925	215,573	93,737	11,443	2,802	
Catered food							
Service providers			18,468				
In-kind		11,480	38,901				
Repairs and maintenance	112	81,828	700	1,891	49		
Contractual allowance							
Computer	220	15,450	2,331	2,150	2,972		
Travel and transportation	206	120	831	328	122	21	
Occupancy	224	4,665	1,799	2,816	2,177		
Depreciation							
Telephone	493	4,244	6,710	5,880	1,349		
Insurance	7	16,054	1,892	5,224	748		
Other		1,243	2,282	1,933	593		
Office	74	2,374	1,301	1,631	393		
Contract services	273	3,598	1,597				
Dues and subscriptions	105	1,909	1,913	1,984	935		\$ 60
Professional fees	60	1,302	842	286	195		
Postage	89	751	450	637	235		
Utilities	1	2,307		869			
Audit		1,192					
Rent	173	2,749	226	1,143	330		
Legal fees		914	305	36	167		
Advertising	4	60	877	874	294		
Total expenses	<u>\$ 28,699</u>	<u>\$ 542,165</u>	<u>\$ 296,998</u>	<u>\$ 121,419</u>	<u>\$ 22,002</u>	<u>\$ 2,823</u>	<u>\$ 60</u>
Expenses for the year ended June 30, 2021	<u>\$ 18,882</u>	<u>\$ 406,267</u>	<u>\$ 269,613</u>	<u>\$ 159,186</u>	<u>\$ 18,111</u>	<u>\$</u>	<u>\$</u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Program Services					
	Case Management - IIB	Case Management - PAS	Options Counseling - SSBG	Options Counseling - Choice	Case Management - Choice	Services - Choice
Salaries and wages	\$ 16,249	\$ 1,376	\$ 81,910	\$ 45,389	\$ 107,605	
Employee benefits	43,369	89	5,696	26,178	29,407	
Payroll taxes	<u>1,209</u>	<u>100</u>	<u>5,438</u>	<u>3,346</u>	<u>7,974</u>	
Total salaries and related expenses	60,827	1,565	93,044	74,913	144,986	
Catered food						
Service providers						\$ 555,245
In-kind						
Repairs and maintenance	335		628	768	1,537	
Contractual allowance						
Computer	30		3,322	6,524	5,662	
Travel and transportation	83	23	278	198	612	
Occupancy			1,583	7,704	5,220	
Depreciation						
Telephone	3,470	15	1,511	5,382	5,174	
Insurance				5,314	7,099	
Other	1,601		243	1,182	1,039	
Office	672	6	1,135	1,440	1,733	
Contract services			420	455		
Dues and subscriptions	184		564	2,468	2,051	
Professional fees	579		687	540	754	
Postage	185		257	722	768	
Utilities	225			126	279	
Audit					1,490	
Rent			195	984	940	
Legal fees			1,019	203	1,146	
Advertising	<u>683</u>		<u>148</u>	<u>84</u>	<u>293</u>	
Total expenses	<u>\$ 68,874</u>	<u>\$ 1,609</u>	<u>\$ 105,034</u>	<u>\$ 109,007</u>	<u>\$ 180,783</u>	<u>\$ 555,245</u>
Expenses for the year ended June 30, 2021	<u>\$ 65,921</u>	<u>\$ 1,858</u>	<u>\$ 72,074</u>	<u>\$ 55,748</u>	<u>\$ 217,010</u>	<u>\$ 728,780</u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Program Services					
	Congregate Meals	Home Delivered Meals	MFP-HUB	Anthem	SHIP - Medicare Improvement	Services - Medicaid
Salaries and wages	\$ 168,641	\$ 115,686	\$ 5,620	\$ 4,674	\$ 910	\$ 1,730,827
Employee benefits	20,404	13,011			156	187,409
Payroll taxes	11,030	6,391	413	351	64	136,488
Total salaries and related expenses	200,075	135,088	6,033	5,025	1,130	2,054,724
Catered food	198,915	311,521		137		
Service providers						242,488
In-kind	12,343	6,647				
Repairs and maintenance	6,853	4,468				66,335
Contractual allowance						96,045
Computer	17,180	6,026				31,707
Travel and transportation	238	152	38	163		20,273
Occupancy	12,955	4,055				20,620
Depreciation						
Telephone	11,085	4,411			19	23,034
Insurance	5,710	3,172				34,907
Other	945	639				6,469
Office	6,210	2,942	3	20	124	12,640
Contract services	7,179	4,792				9,880
Dues and subscriptions	5,751	1,797				8,335
Professional fees	2,767	1,136		3		3,821
Postage	2,802	634	19,874			11,392
Utilities	4,115	1,982				3,909
Audit	1,788	745				6,109
Rent	3,835	1,746				5,725
Legal fees	914	905				3,497
Advertising	175	7				1,846
Total expenses	<u>\$ 501,835</u>	<u>\$ 492,865</u>	<u>\$ 25,948</u>	<u>\$ 5,348</u>	<u>\$ 1,273</u>	<u>\$ 2,663,756</u>
Expenses for the year ended June 30, 2021	<u>\$ 256,662</u>	<u>\$ 1,334,930</u>	<u>\$</u>	<u>\$ 5,413</u>	<u>\$ 2,391</u>	<u>\$ 2,209,840</u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Program Services			Supporting Services		
	Waiver Intake	Vaccine Outreach	Subtotal	Fundraising	Admin. - Title III	Admin. - Choice
Salaries and wages	\$ 279,607	\$ 1,042	\$ 3,291,148	\$ 18,950	\$ 66,778	\$ 67,321
Employee benefits	33,536		589,139	4,197	15,863	12,562
Payroll taxes	<u>21,360</u>	<u>77</u>	<u>247,881</u>	<u>1,342</u>	<u>4,124</u>	<u>4,929</u>
Total salaries and related expenses	334,503	1,119	4,128,168	24,489	86,765	84,812
Catered food			510,573	5,038		
Service providers			831,701			
In-kind			97,048	3,500	16,265	
Repairs and maintenance	85		167,234	2,641	626	411
Contractual allowance			96,045			
Computer	838	650	96,466	11,578	2,770	3,040
Travel and transportation	3,021	6	26,952	13,138	72	75
Occupancy	722		65,770		2,154	2,896
Depreciation						
Telephone	3,247		81,954		1,854	1,931
Insurance	372		81,608	804	9,700	2,463
Other	883		21,510	12,453	232	186
Office	1,190	2	35,461	12,970	527	556
Contract services	35		28,983	600	737	702
Dues and subscriptions	342	1,280	30,487	1,317	896	809
Professional fees	190		28,961		312	243
Postage	84		39,691	4,219	1,643	398
Utilities			13,971			
Audit	447		12,218		5,037	596
Rent	91		18,626		279	369
Legal fees	102		9,318		406	304
Advertising	<u>2</u>	<u>12,119</u>	<u>18,648</u>	<u>2,671</u>	<u>5</u>	<u>5</u>
Total expenses	<u>\$ 346,154</u>	<u>\$ 15,176</u>	<u>\$ 6,441,393</u>	<u>\$ 95,418</u>	<u>\$ 130,280</u>	<u>\$ 99,796</u>
Expenses for the year ended June 30, 2021	<u>\$ 255,789</u>	<u>\$ 49,834</u>	<u>\$ 6,489,896</u>	<u>\$ 86,019</u>	<u>\$ 202,132</u>	<u>\$ 88,916</u>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

	Supporting Services		Total Program and Supporting Services 2022	2021 All Funds (Memorandum Only)
	FFCRA Payroll Quarantine	Nonfederal		
Salaries and wages	\$ 14,186	\$ 167,235	\$ 3,458,383	\$ 3,074,554
Employee benefits	2,000	34,622	623,761	545,633
Payroll taxes	782	11,177	259,058	235,695
Total salaries and related expenses	16,968	213,034	4,341,202	3,855,882
Catered food		5,038	515,611	1,060,082
Service providers			831,701	989,401
In-kind		19,765	116,813	135,553
Repairs and maintenance	2,705	6,383	173,617	116,440
Contractual allowance			96,045	97,785
Computer	2,379	19,767	116,233	160,719
Travel and transportation	3,482	16,767	43,719	7,321
Occupancy	1,331	6,381	72,151	74,274
Depreciation	139,800	139,800	139,800	83,661
Telephone	1,322	5,107	87,061	84,445
Insurance	642	13,609	95,217	71,163
Other	6,068	18,939	40,449	39,125
Office	870	14,923	50,384	27,734
Contract services	39,364	41,403	70,386	57,669
Dues and subscriptions	2,575	5,597	36,084	29,096
Professional fees	149	704	29,665	24,650
Postage	187	6,447	46,138	29,315
Utilities	570	570	14,541	11,341
Audit	149	5,782	18,000	14,900
Rent	333	981	19,607	12,038
Legal fees	402	1,112	10,430	4,004
Advertising	2	2,683	21,331	25,048
Total expenses	<u>\$ 219,298</u>	<u>\$ 544,792</u>	<u>\$ 6,986,185</u>	<u>\$ 7,011,646</u>
Expenses for the year ended June 30, 2021	<u>\$ 11,550</u>	<u>\$ 133,133</u>	<u>\$ 521,750</u>	<u>\$ 7,011,646</u>

See Notes to Financial Statements.

**LIFESPAN REOSURCES, INC.**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2022 and 2021

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 409,532	\$ 2,228,398
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation	139,800	83,661
Gain on sale of property and equipment	(16,100)	(5,799)
Small Business Administration PPP loan forgiveness		(656,117)
Investment income, net of investment fees	(161,799)	(101,083)
Realized and unrealized (gain) loss on investments	612,751	(440,174)
Decrease (increase) in assets:		
Contract and grants receivable	970	(62,884)
Medicaid receivable	(6,492)	19,477
Prepaid postage	(161)	154
Increase (decrease) in liabilities:		
Accounts payable	6,934	(9,161)
Payroll withholdings	(119)	(5,061)
Accrued expenses	35,181	(123,973)
<b>Net cash flows provided by operating activities</b>	<b>1,020,497</b>	<b>927,438</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(1,184,279)	(76,583)
Proceeds from sale of investments	671,154	97,828
Proceeds from sale of property and equipment	16,100	4,999
Purchases of property and equipment	(234,552)	(298,446)
<b>Net cash flows used in investing activities</b>	<b>(731,577)</b>	<b>(272,202)</b>
<b>Net change in cash and cash equivalents</b>	<b>288,920</b>	<b>655,236</b>
Cash at the beginning of the year	3,890,057	3,234,821
Cash at the end of the year	<b>\$ 4,178,977</b>	<b>\$ 3,890,057</b>

See Notes to Financial Statements.

**LIFESPAN RESOURCES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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

**Nature of activities:**

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

**Summary of significant accounting policies:**

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

**Basis of accounting:**

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

**Basis of presentation:**

The Organization 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.

Net assets without donor restrictions:

Net assets available for use in general operation and not subject to donor restrictions.

Net assets with donor restrictions:

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or events specified by the donor. Other donor restrictions are perpetual in nature. 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. If assets are received and their restriction expires or is fulfilled in the same period, then the asset is classified as being without donor restriction for the period.

## NOTES TO FINANCIAL STATEMENTS

### **Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Accordingly, actual results could differ from those estimates.

### **Cash and cash equivalents:**

The Organization considers cash and cash equivalents to be short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. There were no cash equivalents as of June 30, 2022 and 2021.

### **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, 2022 and 2021 was \$96,045 and \$97,785, respectively.

### **Investments:**

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

### **Property and equipment:**

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

## NOTES TO FINANCIAL STATEMENTS

### **Revenue recognition - contributions:**

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

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

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

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

### **Revenue recognition – FASB ASC 606:**

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

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

For the years ended June 30, 2022 and 2021, approximately 91% and 84%, respectively, of the Organization's revenues are derived from government contracts and are included in contracts/program revenue on the statements of activities.

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

Since the Organization has performed its obligations under the contracts it has unconditional right to consideration recorded as contract assets and therefore, classified those billed assets as contract receivables. A portion of the Organization's accounts receivable are due under contracts, as defined by ASC 606. The opening balances of all contract and grants receivable for the years ended June 30, 2022 and 2021 were \$809,832 and \$746,948, respectively.

## NOTES TO FINANCIAL STATEMENTS

### In-kind contributions:

The Organization received the following in-kind contributions for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Services	\$112,815	\$131,895
Product discounts	<u>3,998</u>	<u>3,658</u>
	<u>\$116,813</u>	<u>\$135,553</u>

In-kind contributions are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. Estimated fair value is determined based on information provided by the donor regarding the value of goods and services received. The Organization did not monetize any in-kinds contributions for the years ended June 30, 2022 and 2021. In-kind contributions were used to support general programming and special events during the years ended June 30, 2022 and 2021. There were no donor restrictions on in-kind contributions for the years ended June 30, 2022 and 2021.

### Income taxes:

The Organization is exempt from federal, state, and local income taxes as a not-for-profit organization described under Internal Revenue Code Section 501(c)(3). The Organization files an informational tax return in the U.S. federal jurisdiction and with the Indiana Department of Revenue.

As of June 30, 2022 and 2021, the Organization did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

### Functional allocation of expenses:

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

The June 30, 2022 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, 2021, from which the summarized information was derived.

## NOTES TO FINANCIAL STATEMENTS

### **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, 2022 and 2021, advertising costs totaled \$21,331 and \$25,048, respectively.

### **Accounting change:**

The FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard modifies the presentation and disclosure requirements for in-kind contributions. The Organization has implemented the provisions of ASU No. 2020-07 retrospectively to all periods presented.

### **Newly issued standards not yet effective:**

The Financial Accounting Standards Board 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 15, 2022.

The Organization is evaluating the impact of these standards on future financial statements.

### **Reclassifications:**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

### **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.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Liquidity and Availability

Funds available for general expenditures without donor or other restrictions limiting their use as of June 30, 2022 and 2021 include the following:

	June 30	
	2022	2021
Cash	\$ 4,178,977	\$ 3,890,057
Investments	2,734,663	2,672,489
Less investment in pooled agency fund	(7,088)	(7,088)
Contract and grants receivables	808,862	809,832
Medicaid receivable, net of allowance	26,367	19,875
	\$ 7,741,781	\$ 7,385,165

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 \$7,741,781 and \$7,385,165 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, 2022 and 2021, respectively.

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

### Note 3. Fair Value Measurements and Investments

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

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

## NOTES TO FINANCIAL STATEMENTS

Investments are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used to value investments at June 30, 2022 and 2021.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
	<u>Level 1</u>	<u>Level 1</u>
Mutual fund/debt investments	\$ 1,702,942	\$ 1,711,413
Equities	<u>1,031,721</u>	<u>961,076</u>
	<u>\$ 2,734,663</u>	<u>\$ 2,672,489</u>

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

	June 30, 2022		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual fund/debt investments	\$ 1,999,341	\$ 1,702,942	\$ (296,399)
Equities	<u>859,679</u>	<u>1,031,721</u>	<u>172,042</u>
	<u>\$ 2,859,020</u>	<u>\$ 2,734,663</u>	<u>\$ (124,357)</u>
	June 30, 2021		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual fund/debt investments	\$ 1,555,448	\$ 1,711,413	\$ 155,965
Equities	<u>648,012</u>	<u>961,076</u>	<u>313,064</u>
	<u>\$ 2,203,460</u>	<u>\$ 2,672,489</u>	<u>\$ 469,029</u>

Investment income reported in the accompanying statements of activities is net of investment fees. Such investment expenses totaled \$22,912 and \$19,039 for the years ended June 30, 2022 and 2021, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Contract and Grants Receivable

Contract and grants receivable consists of the following:

	June 30	
	2022	2021
Family and Social Services Administration	\$ 535,050	\$ 470,558
Other	238,565	301,798
United Way	35,247	37,476
	\$ 808,862	\$ 809,832

The Company's opening and closing balances of contract and grants receivables for 2022 and 2021 are as follows:

	End of 2022	End of 2021	End of 2020
Contract and grants receivables	\$808,862	\$809,832	\$746,948

### Note 5. Property and Equipment

Property and equipment consists of the following:

	June 30	
	2022	2021
Furniture and fixtures	\$ 77,477	\$ 77,477
Vehicles	884,586	712,339
Computer equipment	50,998	50,998
Leasehold improvements	136,220	136,220
Total	1,149,281	977,034
Less accumulated depreciation	(485,301)	(407,805)
Total	\$ 663,980	\$ 569,229

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Net Assets With Donor Restrictions

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

	June 30	
	2022	2021
HCBS Stabilization	\$ 137,669	
United Way	35,247	\$ 37,476
CFSI Endowment Fund	9,303	7,303
Voice & Vino	3,992	14,745
Floyd Memorial Foundation	1,650	
Angel Tree	417	524
IAAA SMP		11,126
Bacala Comm Funds		5,066
Scott County UW Outreach Funds		345
Pet Food Grant		200
	\$ 188,278	\$ 76,785

### Note 7. Small Business Administration Funding

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 bore interest at a fixed rate of 1.0% per annum. Interest was deferred during the deferral period, which ended on the date that the loan forgiveness amount was 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 did not apply for forgiveness. The loan was unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan was subject to forgiveness under the Paycheck Protection Program upon the Organization’s request, to the extent that the PPP loan proceeds were 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 loan was forgiven on January 19, 2021. The Organization recognized \$656,117 of debt forgiveness as revenue in the statement of activities for the year ended June 30, 2021. \$576,973 was recognized as program revenue and \$79,144 was recognized as grant revenue based upon its usage.

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Revenue From Contracts With Customers

Revenue from contracts with customers includes the following:

	<u>2022</u>	<u>2021</u>
Aging Cluster	\$ 1,109,579	\$ 1,634,345
Medicaid Waiver & Social Security Block Grant	4,346,352	4,119,943
Fundraising	39,152	23,995
National Family Caregiver Support	<u>185,627</u>	<u>161,568</u>
	<u>\$ 5,680,710</u>	<u>\$ 5,939,851</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.

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

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

The Organization's contract revenue is based on the timing of satisfaction of performance obligations, which is entirely recognized at a point in time for the years ended June 30, 2022 and 2021.

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 funds to the Organization.

## NOTES TO FINANCIAL STATEMENTS

### 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 years ending June 30, 2022 and 2021, 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, 2022 and 2021, the Organization paid \$59,724 and \$62,274 in rent expense which is included in occupancy and operating costs.

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

During the year ended June 30, 2015, the Organization entered into lease agreements with Better Quality Business, Inc. for equipment leases. These leases were renewed in fiscal year 2020. Under the renewed agreements, the Organization was to pay 60 payments of \$1,472, \$463, and \$204 for the leases for three printers. The leases were set to expire in 2023, 2024, and 2025, respectively. In May 2022, those leases were cancelled and replaced by leases with Xerox for \$1,367 per month through May 2027. For both years ended June 30, 2022 and 2021, the Organization paid \$25,673 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:

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

### Note 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 \$169,315 and \$166,321 for the years ending June 30, 2022 and 2021, respectively.

## NOTES TO FINANCIAL STATEMENTS

### **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, 2022 and 2021, it received 50 percent and 38 percent from Medicaid and 13 percent and 10 percent from CHOICE of its revenue and support, respectively.

### **Note 13. Concentrations and Contingencies**

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

**LIFESPAN RESOURCES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services:</b>			
<b>Aging Cluster</b>			
Passed through State of Indiana Family and Social Services Administration			
Title IIIA - Administration	93.044	22-16-OV-1651-02	\$ 114,015
Title IIIB - Support Services	93.044	22-16-OV-1651-04	246,827
COVID-19 - Title IIIB - Support Services	93.044	22-16-OV-1651-02	3,804
COVID-19 - Title IIIB - Support Services	93.044	22-16-OV-1651-04	22,141
Title IIIC1 - Congregate Meals	93.045	22-16-OV-1651-06	450,814
Title IIIC2 - Home Delivered Meals	93.045	22-16-OV-1651-08	242,696
Nutrition Services Incentive Program	93.053	22-16-02-1651-02	<u>55,227</u>
<b>Subtotal - Aging Cluster</b>			<u>1,135,524</u>
Title VII - Ombudsman	93.042	22-16-2V-1651-04	23,550
Title IIID - Health Services	93.043	22-16-OV-1651-10	29,897
COVID-19 - Title IV and Title II - Discretionary	93.048		15,136
Title IIIE - Family Caregiver	93.052	22-16-OV-1651-12	155,730
Social Services Block Grant	93.667	22-16-OG-1651-02	338,826
Preadmission Screening and Resident Review	93.778	22-17-KM-1651-02	<u>3,136</u>
<b>Subtotal - U.S. Department of Health and Human Services:</b>			<u>1,701,799</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 1,701,799</u></u>

The accompanying notes are an integral part of this schedule.

**LIFESPAN RESOURCES, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

**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, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of LifeSpan Resources, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Note B. Summary of Significant Accounting Policies**

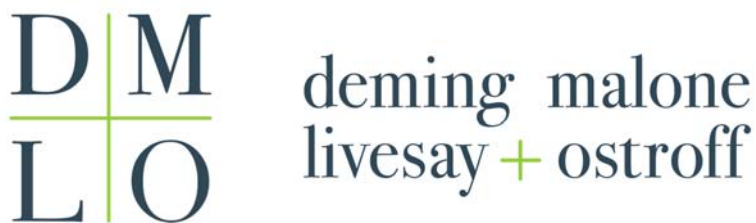
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not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

**Note C. Indirect Cost Rate**

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

**Note D. Subrecipients**

Lifespan Resources, Inc. provided no federal funding to subrecipients for the year ended June 30, 2022.



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

To the Board of Directors  
LifeSpan Resources, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LifeSpan Resources, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

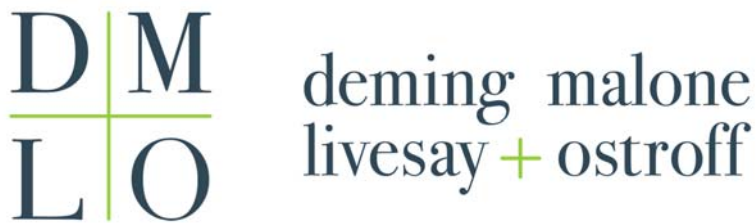
As part of obtaining reasonable assurance about whether LifeSpan Resources, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Deming, Malone, Livesay & Ostroff". The signature is written in a cursive, flowing style.

Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 8, 2022



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

To the Board of Directors  
LifeSpan Resources, Inc.

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

***Opinion on Each Major Federal Program***

We have audited LifeSpan Resources, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of LifeSpan Resources, Inc.'s major federal programs for the year ended June 30, 2022. LifeSpan Resources, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, LifeSpan Resources, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

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



Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
December 8, 2022



**LIFESPAN RESOURCES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2022

**Section II - Financial Statement Findings**

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

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

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