



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 7, 2011

Board of Directors
LifeSpan Resources, Inc.
33 State Street, Ste. 308
New Albany, IN 47150

We have reviewed the audit report prepared by Rodefer Moss & Co., PLLC, Independent Public Accountants, for the period July 1, 2008 to June 30, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the LifeSpan Resources, Inc., as of June 30, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

Audited Financial Statements

LifeSpan Resources, Inc.

June 30, 2009 and 2008

LIFESPAN RESOURCES, INC.

AUDITED FINANCIAL STATEMENTS

June 30, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

November 3, 2009

To the Board of Directors
LIFESPAN RESOURCES, INC.
33 State Street
New Albany, IN 47150

We have audited the accompanying statements of financial position of **LIFESPAN RESOURCES, INC.** (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information included on the Statement of Functional Expenses has been derived from the Organization's 2008 financial statements and, in our report dated October 20, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2009, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements of **LIFESPAN RESOURCES, INC.**, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

RODEFER MOSS & CO, PLLC

Roderfer Moss & Co, PLLC

LIFESPAN RESOURCES, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u> (as restated)
<u>ASSETS</u>		
Cash	\$ 435,914	\$ 1,075,560
Petty Cash	400	400
Money Market	204,750	102,142
Certificates of Deposit	550,025	-
Contract and Grants Receivable	551,840	529,614
Medicaid Receivable, Net of allowance	78,382	47,524
Prepaid Postage	2,865	3,932
Prepaid Insurance	16,393	16,867
Property and Equipment, Net of accumulated depreciation	134,860	18,600
Other Assets	<u>438</u>	<u>438</u>
TOTAL ASSETS	<u>\$ 1,975,867</u>	<u>\$ 1,795,077</u>
<u>LIABILITIES</u>		
Accounts Payable	80,449	132,622
Payroll Withholdings	2,126	22,753
Accrued Expenses	<u>108,385</u>	<u>72,315</u>
TOTAL LIABILITIES	190,960	227,690
<u>NET ASSETS</u>		
Temporarily Restricted	94,249	167,308
Unrestricted	<u>1,690,658</u>	<u>1,400,079</u>
TOTAL NET ASSETS	<u>1,784,907</u>	<u>1,567,387</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,975,867</u>	<u>\$ 1,795,077</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
<u>UNRESTRICTED NET ASSETS</u>			
Revenue, Gains, and Other Support:			
Contract/Program Income	\$ 3,574,195	\$ -	\$ 3,574,195
In-Kind Income	295,123	-	295,123
Donations	107,043	-	107,043
Grant Income	103,960	-	103,960
Miscellaneous Income	63,897	-	63,897
Fundraising Income	27,693	-	27,693
	<u>4,171,911</u>	<u>-</u>	<u>4,171,911</u>
Net Assets Released from Restrictions	<u>73,059</u>	<u>(73,059)</u>	<u>-</u>
			<u>-</u>
Total Unrestricted Revenues, Gains, and Other Support	4,244,970	(73,059)	4,171,911
Expenses:			
Program Services:			
BVIS	-	-	-
ARRA	55,572	-	55,572
Health Screening	17,776	-	17,776
Ombudsman	59,555	-	59,555
Legal Assistance	20,096	-	20,096
Services - Title III	27,917	-	27,917
Information & Referral	6,824	-	6,824
Transportation	411,769	-	411,769
Family Caregiver	147,353	-	147,353
Case Management- PAS	253,695	-	253,695
Outreach	8,604	-	8,604
Case Management - SSBG	172,509	-	172,509
Services - SSBG	55,123	-	55,123
Case Management - Choice	202,894	-	202,894
Case Management-MW	66,708	-	66,708
Services - Choice	678,233	-	678,233
Congregate Meals	451,262	-	451,262
Home Delivered Meals	407,617	-	407,617
ADRC	39,769	-	39,769
Services - Medicaid	328,294	-	328,294
Meals To Go	198,093	-	198,093
Choice Waiting List	12,125	-	12,125
	<u>3,621,788</u>	<u>-</u>	<u>3,621,788</u>
Total Program Service Expenses	3,621,788	-	3,621,788

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2009 and 2008

	2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>UNRESTRICTED NET ASSETS (Continued)</u>			
Support Services:			
Fundraising Expense	28,446	-	28,446
Administration - Title III	140,893	-	140,893
Administration - SSBG	28,902	-	28,902
Administration - Choice	63,579	-	63,579
Nonfederal	<u>70,783</u>	<u>-</u>	<u>70,783</u>
Total Support Service Expenses	<u>332,603</u>	<u>-</u>	<u>332,603</u>
Total Expenses	<u>3,954,391</u>	<u>-</u>	<u>3,954,391</u>
Increase (Decrease) in Net Assets	290,579	(73,059)	217,520
Net Assets at Beginning of Year	1,400,079	167,308	1,567,387
Net Assets at End of Year	<u>\$ 1,690,658</u>	<u>\$ 94,249</u>	<u>\$ 1,784,907</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2009 and 2008

	2008 (as restated)		
	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS			
Revenue, Gains, and Other Support:			
Contract/Program Income	\$ 3,083,321	\$ -	\$ 3,083,321
In-Kind Income	284,953	-	284,953
Grant Income	215,772	-	215,772
Donations	126,104	-	126,104
Miscellaneous Income	63,123	-	63,123
Fundraising Income	11,852	-	11,852
	3,785,125	-	3,785,125
Net Assets Released from Restrictions	121,341	(121,341)	-
Total Unrestricted Revenues, Gains, and Other Support	3,906,466	(121,341)	3,785,125
Expenses:			
Program Services:			
BVIS	4,471	-	4,471
ARRA	-	-	-
Health Screening	32,561	-	32,561
Ombudsman	48,349	-	48,349
Legal Assistance	19,500	-	19,500
Services - Title III	110,096	-	110,096
Information & Referral	13,837	-	13,837
Transportation	398,666	-	398,666
Family Caregiver	66,583	-	66,583
Case Management- PAS	235,553	-	235,553
Outreach	9,395	-	9,395
Case Management - SSBG	154,800	-	154,800
Services - SSBG	69,268	-	69,268
Case Management - Choice	195,207	-	195,207
Case Management-MW	61,187	-	61,187
Services - Choice	689,409	-	689,409
Congregate Meals	462,864	-	462,864
Home Delivered Meals	335,934	-	335,934
ADRC	48,447	-	48,447
Services - Medicaid	270,031	-	270,031
Meals To Go	136,219	-	136,219
Choice Waiting List	-	-	-
	3,362,377	-	3,362,377
Total Program Service Expenses	3,362,377	-	3,362,377

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2009 and 2008

	2008 (as restated)		
	Unrestricted	Temporarily Restricted	Total
Support Services:			
Fundraising Expense	31,772	-	31,772
Administration - Title III	99,264	-	99,264
Administration - SSBG	25,753	-	25,753
Administration - Choice	62,939	-	62,939
Nonfederal	243,273	-	243,273
 Total Support Service Expenses	 463,001	 -	 463,001
 Total Expenses	 3,825,378	 -	 3,825,378
 Increase (Decrease) in Net Assets	 81,088	 (121,341)	 (40,253)
 Net Assets at Beginning of Year, as originally stated	 1,300,391	 288,649	 1,589,040
 Prior Period Adjustment	 18,600	 -	 18,600
 Net Assets at End of Year	 <u>\$ 1,400,079</u>	 <u>\$ 167,308</u>	 <u>\$ 1,567,387</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
(With Comparative Totals for 2008)

	Program Services				
	<u>ARRA</u>	<u>Health Screening</u>	<u>Ombudsman</u>	<u>Legal Assistance</u>	<u>Services - Title III</u>
Salaries and Wages	\$ -	\$ 6,217	\$ 33,260	\$ -	\$ -
Employee Benefits	-	254	8,033	-	-
Payroll Taxes	-	550	2,544	-	-
Total Salaries and Related Expenses	-	7,021	43,837	-	-
Audit Expense	-	95	290	-	-
Professional Fees	-	6	205	7,018	-
Contractual Allowance	-	-	-	-	-
Office Expenses	-	3,025	2,979	-	-
Telephone	-	1,268	836	-	-
Postage	-	78	108	-	-
Rent	-	41	166	-	-
Utilities	-	563	563	-	-
Travel & Transportation	-	180	1,560	-	-
Dues & Subscriptions	-	57	174	-	-
Contract Services	-	-	-	-	-
Repairs & Maintenance	-	844	1,030	-	-
Service Providers	-	-	-	-	27,917
Catered Food	55,572	-	-	-	-
Insurance	-	239	350	-	-
Advertising	-	372	81	-	-
Computer Expenses	-	2,348	2,875	-	-
Expensed Equipment	-	32	2,437	-	-
In-Kind Expenses	-	1,332	1,332	13,078	-
Capital Campaign	-	-	-	-	-
Donation	-	-	-	-	-
Nutrition Education	-	-	-	-	-
Occupancy Expense	-	232	703	-	-
Legal Fees	-	5	12	-	-
Depreciation	-	-	-	-	-
Other Expenses	-	38	17	-	-
Total Expenses	<u>\$ 55,572</u>	<u>\$ 17,776</u>	<u>\$ 59,555</u>	<u>\$ 20,096</u>	<u>\$ 27,917</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009

(With Comparative Totals for 2008)

	Program Services				
	Information and Referral	Transportation	Family Caregiver	Case Management PAS	Outreach
Salaries and Wages	\$ 3,573	\$ 213,114	\$ 42,540	\$ 172,936	\$ 5,414
Employee Benefits	494	56,673	5,200	28,332	463
Payroll Taxes	272	16,740	3,365	13,279	431
Total Salaries and Related Expenses	4,339	286,527	51,105	214,547	6,308
Audit Expense	107	1,707	322	1,425	47
Professional Fees	73	1,016	53	875	7
Contractual Allowance	-	-	-	-	-
Office Expenses	362	3,584	905	5,453	85
Telephone	203	3,345	628	3,612	663
Postage	424	744	496	1,726	18
Rent	183	741	729	3,176	78
Utilities	-	2,352	-	170	180
Travel & Transportation	142	320	219	3,902	125
Dues & Subscriptions	68	1,748	1,182	899	34
Contract Services	-	-	-	-	-
Repairs & Maintenance	121	75,752	379	1,869	246
Service Providers	-	-	77,766	-	-
Catered Food	-	-	-	-	-
Insurance	72	13,992	275	3,715	144
Advertising	58	690	145	751	18
Computer Expenses	309	5,539	1,743	4,073	406
Expensed Equipment	93	6,588	983	3,861	99
In-Kind Expenses	-	2,016	8,313	-	-
Capital Campaign	-	-	-	-	-
Donation	-	-	-	-	-
Nutrition Education	-	-	-	-	-
Occupancy Expense	260	4,141	781	3,457	114
Legal Fees	5	76	14	61	3
Depreciation	-	-	-	-	-
Other Expenses	5	891	1,315	123	29
Total Expenses	\$ 6,824	\$ 411,769	\$ 147,353	\$ 253,695	\$ 8,604

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009

(With Comparative Totals for 2008)

	Program Services				
	Case Management - <u>SSBG</u>	Services - <u>SSBG</u>	Case Management - <u>Choice</u>	Case Management - <u>MW</u>	Services - <u>Choice</u>
Salaries and Wages	\$ 123,524	\$ -	\$ 154,756	\$ 47,485	\$ -
Employee Benefits	14,233	-	25,939	5,967	-
Payroll Taxes	9,564	-	12,128	3,618	-
Total Salaries and Related Expenses	147,321	-	192,823	57,070	-
Audit Expense	1,132	-	-	345	-
Professional Fees	620	-	641	236	-
Contractual Allowance	-	-	-	-	-
Office Expenses	2,043	-	478	710	-
Telephone	2,879	-	121	1,245	-
Postage	1,198	-	7	521	-
Rent	2,417	-	-	842	-
Utilities	212	-	-	202	-
Travel & Transportation	3,892	-	6,117	1,620	-
Dues & Subscriptions	672	-	32	234	-
Contract Services	-	-	-	-	-
Repairs & Maintenance	1,577	-	-	645	-
Service Providers	-	55,123	-	-	678,233
Catered Food	-	-	-	-	-
Insurance	932	-	-	378	-
Advertising	739	-	410	264	-
Computer Expenses	2,884	-	696	880	-
Expensed Equipment	1,110	-	1,531	634	-
In-Kind Expenses	-	-	-	-	-
Capital Campaign	-	-	-	-	-
Donation	-	-	-	-	-
Nutrition Education	-	-	-	-	-
Occupancy Expense	2,746	-	-	837	-
Legal Fees	48	-	-	15	-
Depreciation	-	-	-	-	-
Other Expenses	87	-	38	30	-
Total Expenses	\$ 172,509	\$ 55,123	\$ 202,894	\$ 66,708	\$ 678,233

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2009
(With Comparative Totals for 2008)

	Program Services				
	Congregate Meals	Home Delivered Meals	ADRC	Services - Medicaid	Meals To Go
Salaries and Wages	\$ 127,916	\$ 99,574	\$ 18,703	\$ 212,998	\$ 34,158
Employee Benefits	12,658	13,671	1,931	26,259	4,468
Payroll Taxes	10,867	8,191	1,463	16,631	2,811
Total Salaries and Related Expenses	151,441	121,436	22,097	255,888	41,437
Audit Expense	1,082	780	-	1,476	245
Professional Fees	234	269	528	955	115
Contractual Allowance	-	-	-	13,428	1,534
Office Expenses	3,267	26,438	2,235	2,783	8,275
Telephone	2,918	3,558	-	3,000	1,394
Postage	1,203	1,374	111	764	543
Rent	1,807	2,076	-	2,503	676
Utilities	3,280	4,009	-	502	1,991
Travel & Transportation	534	23,915	1,161	10,680	7,069
Dues & Subscriptions	775	762	4,715	1,053	96
Contract Services	94	115	-	-	52
Repairs & Maintenance	1,926	2,069	-	15,636	495
Service Providers	-	-	-	-	-
Catered Food	112,928	170,112	-	-	131,653
Insurance	1,490	1,586	-	3,511	527
Advertising	453	483	1,896	929	137
Computer Expenses	2,121	2,024	3,150	3,734	260
Expensed Equipment	2,481	12,282	3,876	811	1,546
In-Kind Expenses	160,507	31,788	-	-	-
Capital Campaign	-	-	-	-	-
Donation	-	-	-	-	-
Nutrition Education	11	4	-	-	-
Occupancy Expense	2,626	2,450	-	3,583	36
Legal Fees	46	44	-	64	2
Depreciation	-	-	-	-	-
Other Expenses	38	43	-	6,994	10
Total Expenses	\$ 451,262	\$ 407,617	\$ 39,769	\$ 328,294	\$ 198,093

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009
(With Comparative Totals for 2008)

	Program Services		Supporting Services		
	Choice Waiting List	Subtotal	Fundraising	Admin. - Title III	Admin. - SSBG
Salaries and Wages	\$ -	\$ 1,296,168	\$ 10,226	\$ 55,398	\$ 22,864
Employee Benefits	-	204,575	65	5,490	3,308
Payroll Taxes	-	102,454	-	4,380	1,853
Total Salaries and Related Expenses	-	1,603,197	10,291	65,268	28,025
Audit Expense	-	9,053	-	367	-
Professional Fees	-	12,851	-	825	219
Contractual Allowance	-	14,962	-	-	-
Office Expenses	-	62,622	909	368	154
Telephone	-	25,670	-	242	19
Postage	-	9,315	212	838	1
Rent	-	15,435	1,445	572	-
Utilities	-	14,024	-	-	-
Travel & Transportation	-	61,436	145	669	224
Dues & Subscriptions	-	12,501	-	392	50
Contract Services	2,408	2,669	-	-	-
Repairs & Maintenance	-	102,589	-	373	-
Service Providers	3,254	842,293	-	-	-
Catered Food	-	470,265	-	-	-
Insurance	-	27,211	-	222	-
Advertising	-	7,426	-	100	57
Computer Expenses	3,614	36,656	-	649	124
Expensed Equipment	2,849	41,213	-	145	29
In-Kind Expenses	-	218,366	7,805	68,952	-
Capital Campaign	-	-	-	-	-
Donation	-	-	-	-	-
Nutrition Education	-	15	-	-	-
Occupancy Expense	-	21,966	-	890	-
Legal Fees	-	395	-	14	-
Depreciation	-	-	-	-	-
Other Expenses	-	9,658	7,639	7	-
Total Expenses	\$ 12,125	\$ 3,621,788	\$ 28,446	\$ 140,893	\$ 28,902

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2009

(With Comparative Totals for 2008)

	Supporting Services			Total Program and Supporting Services <u>2009</u>	2008 All Funds (Memorandum Only)
	Admin. - Choice	Nonfederal	Subtotal		
Salaries and Wages	\$ 33,132	\$ 9,983	\$ 131,603	\$ 1,427,771	\$ 1,330,213
Employee Benefits	5,220	2,308	16,391	220,966	204,075
Payroll Taxes	2,675	718	9,626	112,080	106,896
Total Salaries and Related Expenses	41,027	13,009	157,620	1,760,817	1,641,184
Audit Expense	1,403	677	2,447	11,500	11,500
Professional Fees	361	59	1,464	14,315	12,530
Contractual Allowance	-	-	-	14,962	5,980
Office Expenses	2,161	2,216	5,808	68,430	47,678
Telephone	2,654	992	3,907	29,577	34,386
Postage	1,526	1,070	3,647	12,962	14,084
Rent	2,909	294	5,220	20,655	58,756
Utilities	-	148	148	14,172	14,281
Travel & Transportation	435	440	1,913	63,349	50,687
Dues & Subscriptions	893	1,387	2,722	15,223	11,605
Contract Services	-	850	850	3,519	15,815
Repairs & Maintenance	1,631	822	2,826	105,415	121,975
Service Providers	-	3,435	3,435	845,728	867,305
Catered Food	-	-	-	470,265	357,733
Insurance	966	374	1,562	28,773	29,194
Advertising	565	825	1,547	8,973	8,702
Computer Expenses	2,910	2,327	6,010	42,666	42,903
Expensed Equipment	611	871	1,656	42,869	27,666
In-Kind Expenses	-	-	76,757	295,123	284,953
Capital Campaign	-	-	-	-	128,000
Donation	-	-	-	-	100
Nutrition Education	-	-	-	15	32
Occupancy Expense	3,404	1,644	5,938	27,904	-
Legal Fees	59	26	99	494	-
Depreciation	-	10,946	10,946	10,946	-
Other Expenses	64	28,371	36,081	45,739	38,329
Total Expenses	<u>\$ 63,579</u>	<u>\$ 70,783</u>	<u>\$ 332,603</u>	<u>\$ 3,954,391</u>	<u>\$ 3,825,378</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

STATEMENTS OF CASH FLOWS

	<u>Year Ended June 30</u>	
	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ 217,520	\$ (40,253)
Adjustments to Reconcile Change in Net Assets		
To Net Cash Used by Operating Activities:		
Depreciation	10,946	-
(Increase) Decrease in:		
Contract and Grants Receivable	(22,226)	(164,937)
Medicaid Receivable	(30,858)	(790)
Prepaid Expenses	1,541	1,375
Increase (Decrease) in:		
Accounts Payable	(52,173)	71,687
Payroll Withholdings	(20,627)	5,865
Accrued Expenses	<u>36,070</u>	<u>(15,556)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>140,193</u>	<u>(142,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Certificates of Deposit	(550,025)	-
Purchase of Property and Equipment	<u>(127,206)</u>	-
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(677,231)</u>	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(537,038)	(142,609)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,178,102</u>	<u>1,320,711</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 641,064</u>	<u>\$ 1,178,102</u>

The accompanying notes are an integral part of these financial statements.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE A - 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.

Basis of Accounting

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributed Services, Materials, 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. For the years ended June 30, 2009 and 2008, the Organization received donated services, materials, and facilities valued at \$ 295,123 and \$ 284,953, respectively.

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.

Conditional 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 unrestricted net assets if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contract Income and Metro United Way Receivable

Contract income and Metro United Way 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 Metro United Way receivable to be fully collectible at year-end.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

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

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 through revenue based on its assessment of the current status of individual accounts. The contractual allowance as of June 30, 2009 and 2008 is \$ 14,854 and \$ 5,312, respectively.

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 5-10 years. The Organization's policy is to expense assets costing \$2,500 or less.

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.

Functional Allocation of Expenses

The June 30, 2008 Statement of Functional Expenses presents summarized comparative information in total but not by net asset class. 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, 2008, from which the summarized information was derived.

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.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE B - 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, 2009 and 2008, advertising costs totaled \$ 8,973 and \$ 8,702, respectively.

NOTE C - OPERATING LEASES (LESSEE)

On March 20, 2002, the Organization entered into a lease agreement to lease office space located at 426-430 Bank Street, New Albany, Indiana. Under the lease agreement, beginning March 1, 2002 and ending March 1, 2005, the Organization agreed to pay \$4,802 per month. This lease was renewed for an additional two years ending on March 1, 2007. After March 1, 2007, the lease is on a month-to-month basis. The Organization moved from these facilities in October 2008. The Organization incurred rent expense of \$ 19,208 and \$ 57,624 for the years ending June 30, 2009 and 2008.

On December 12, 2006, the Organization entered into a lease agreement to lease space for a meal site located at 21 East Wilbur Street, Austin, Indiana. Under the lease agreement, beginning July 24, 2004 and ending July 24, 2009, the Organization agreed to pay \$1 per month. On July 14, 2009, the Organization entered into a lease agreement to lease space for a Senior Citizen Center located at 21 East Wilbur Street, Austin, Indiana. Under the lease agreement, beginning July 24, 2009 and ending July 24, 2014, the Organization agreed to pay \$1 per year. Both of these lease agreements are less than fair market value and the difference is recorded as an in kind donation.

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. For the year ending June 30, 2009, the Organization paid \$30,723 in rent expense which included occupancy and operating costs. Effective July 1, 2009, the monthly rent, occupancy, and operating costs will be \$4,858 per month. The occupancy costs will be reviewed on an annual basis and the monthly rent expense will be adjusted accordingly.

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, 2010	\$ 58,298
	June 30, 2011	58,297
	June 30, 2012	58,297
	June 30, 2013	58,297
	June 30, 2014	<u>58,297</u>
		<u>\$ 291,486</u>

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE D - PROMISES TO GIVE

The Organization received a conditional promise to give from the Ogle Foundation in the amount of \$ 500,000 for the construction of the Scribner Place. The conditional promise to give from the Ogle Foundation was fully received by June 30, 2008.

NOTE E - RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan that is available to all employees. For full-time employees, the Organization contributes 3% of gross salaries (\$200 per month if not participating in the health insurance program) and no employee match is required. For part-time employees, the Organization contributes \$35 per month for the 401(k) plan. Plan expense was \$ 53,839 and \$ 58,063 for the years ending June 30, 2009 and 2008.

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Nutrition Program	\$ 52,460	\$ 46,169
Transportation Donations	15,852	0
Angel Tree	6,749	7,289
Culbertson Ladies Discretionary	416	416
Scott County United Way	4,772	6,179
Choice Waiting List	0	63,514
Pre Admission Screening	0	29,741
Scribner Place	<u>14,000</u>	<u>14,000</u>
Total Temporarily Restricted Net Assets	<u>\$ 94,249</u>	<u>\$ 167,308</u>

NOTE G - CONTRACT AND GRANTS RECEIVABLE

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
<u>Contract and Grants Receivable:</u>		
Family and Social Services Administration	\$ 458,197	\$ 441,707
Metro United Way	72,430	72,295
Other	<u>21,213</u>	<u>15,612</u>
Total Contract and Grants Receivable	<u>\$ 551,840</u>	<u>\$ 529,614</u>

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

NOTE H - CASH ON DEPOSIT IN EXCESS OF FEDERAL DEPOSIT INSURANCE LIMITS

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$ 250,000 and \$ 100,000 at June 30, 2009 and 2008, respectively. At June 30, 2009 and 2008, the Organization's uninsured cash balances total \$ 274,813 and \$ 1,188,508, respectively.

NOTE I - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Furniture and Fixtures	\$ 72,502	\$ 0
Vehicles	44,600	18,600
Computer Equipment	<u>28,704</u>	<u>0</u>
Total	145,806	18,600
Less: Accumulated Depreciation	<u>(10,946)</u>	<u>0</u>
Net Property and Equipment	<u>\$ 134,860</u>	<u>\$ 18,600</u>

NOTE J - PRIOR PERIOD ADJUSTMENT

Prior to occupancy in their new building in October 2008, the Organization did not capitalize property and equipment as depreciable assets. However, the Organization prepared a new capitalization policy stating fixed assets in excess of \$2,500 will be capitalized. As a result the Organization restated previously expensed equipment for the year ended June 30, 2008 as depreciable assets at their current fair market values.

The effect of the restatement on the change in unrestricted net assets and financial position as of and for the year ended June 30, 2008 is as follows:

	<u>June 30, 2008</u>	
	<u>As previously Reported</u>	<u>Restated</u>
Property and Equipment, net of accumulated depreciation	\$ 0	\$ 18,600
Unrestricted net assets	1,403,000	1,421,600

LIFESPAN RESOURCES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass- Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Award Expended</u>
Department of Health and Human Services			
Passed through State of Indiana Family and Social Services Administration			
Title IIIA-Administration	93.044	22-08-OV-1651-02	\$ 72,772
Title IIIB-Social Services	93.044	22-08-OV-1651-04	220,439
Title IIIC1-Congregate Meals	93.045	22-08-OV-1651-06	199,286
Title IIIC2-Home Delivered Meals	93.045	22-08-OV-1651-08	202,216
Sr. Nutrition Program- Home Delivered-Stimulus	93.705.000	A345-9-22-09-OV-1651	19,746
Sr. Nutrition Program- Congregate Nutrition Services-Stimulus	93.707.000	A345-9-22-09-OV-1651	27,490
SSBG	93.667	22-08-DG-1651-02	302,333
Title IIID-Health Services	93.043	22-08-OV-1651-10	16,444
Title IIIE-Family Caregiver	93.052	22-08-OV-1651-12	115,248
PASRR	93.778	22-08-70-1651-02	246,239
Title VII-Ombudsman		22-08-2V-1651-04	<u>12,077</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,434,290
Department of Agriculture			
Passed through State of Indiana Family and Social Nutrition Program for the Elderly			
NSIP	93.053	22-08-02-1651-02	<u>50,133</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>50,133</u>
TOTAL			<u>\$ 1,484,423</u>

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **LIFESPAN RESOURCES, INC.** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basis financial statements.

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

November 3, 2009

LIFESPAN RESOURCES, INC.
33 State Street
New Albany, Indiana 47150

We have audited the financial statements of **LIFESPAN RESOURCES, INC.** (a nonprofit organization), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 3, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **LIFESPAN RESOURCES, INC.**'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **LIFESPAN RESOURCES, INC.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

This report is intended solely for the information and use of management, the audit committee, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

RODEFER MOSS & CO, PLLC

Roderfer Moss & Co, PLLC

REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

November 3, 2009

LIFESPAN RESOURCES, INC.

33 State Street
New Albany, Indiana 47150

Compliance

We have audited the compliance of **LIFESPAN RESOURCES, INC.** (a nonprofit organization) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. **LIFESPAN RESOURCES, INC.**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **LIFESPAN RESOURCES, INC.**'s management. Our responsibility is to express an opinion on **LIFESPAN RESOURCES, INC.**'s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 **LIFESPAN RESOURCES, INC.**'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **LIFESPAN RESOURCES, INC.**'s compliance with those requirements.

In our opinion, **LIFESPAN RESOURCES, INC.**, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of **LIFESPAN RESOURCES, INC.**, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **LIFESPAN RESOURCES, INC.**'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

RODEFER MOSS & CO, PLLC

Roderfer Moss & Co, PLLC

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Schedule of Findings and Questioned Costs

Section I- Summary Of Auditor's Results

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ___ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.045 93.667	Title III C- Nutrition Services SSBG
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	___ yes <u>X</u> no

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None