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June 4, 2014

Board of Directors  
LifeTime Resources, Inc.  
13091 Benedict Drive  
Dillsboro, IN 47018

We have reviewed the audit report prepared by Gauthier & Kimmerling, LLC, for the period July 1, 2011 to June 30, 2012. 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 LifeTime Resources, Inc., as of June 30, 2012, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**LIFETIME RESOURCES, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**JUNE 30, 2012**

LIFETIME RESOURCES, INC.

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Independent Auditors' Report

Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

We have audited the accompanying statement of financial position of LifeTime Resources, Inc. (the Agency) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Agency's management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 the Agency as of June 30, 2012, and the changes in its net assets and its cash flows for the year 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 January 3, 2013, on our consideration of the Agency'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.

*Gauthier & Kimmerling, LLC*

January 3, 2013

LIFETIME RESOURCES, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012

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ASSETS

Cash and cash equivalents	\$ 902,160
Grants receivable (Note 5)	659,849
Accounts receivable	71,986
Accounts receivable - related party (Note 4)	4,290
Prepaid expenses	17,266
Property and equipment, net of accumulated depreciation of \$2,302,509 (Note 6)	<u>1,011,675</u>
Total Assets	<u>\$ 2,667,226</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 118,266
Accounts payable - related parties	267
Accrued payroll and related liabilities	29,333
Custodial funds held for others	227,815
Other liabilities	<u>10,549</u>
Total Liabilities	<u>386,230</u>

Net Assets:

Unrestricted Funds (Note 7) Board designated	<u>2,280,996</u>
Total Liabilities and Net Assets	<u>\$ 2,667,226</u>

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

LIFETIME RESOURCES, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>REVENUES AND OTHER SUPPORT</u></b>			
Donations	\$ 374,852	\$ -	\$ 374,852
Grants	-	3,505,943	3,505,943
Medicaid revenue (net of contractual allowances of \$30,049)	362,635	-	362,635
Program revenue	<u>373,336</u>	<u>97,749</u>	<u>471,085</u>
Revenues and other support	1,110,823	3,603,692	4,714,515
Revenues released from restriction	<u>3,603,692</u>	<u>(3,603,692)</u>	<u>-</u>
Total Revenues and Other Support	<u>4,714,515</u>	<u>-</u>	<u>4,714,515</u>
<b><u>EXPENSES</u></b>			
Program services	4,936,605	-	4,936,605
Support services	<u>133,699</u>	<u>-</u>	<u>133,699</u>
Total Expenses	<u>5,070,304</u>	<u>-</u>	<u>5,070,304</u>
Increase (decrease) in net assets	(355,789)	-	(355,789)
Net assets - beginning of year	<u>2,636,785</u>	<u>-</u>	<u>2,636,785</u>
Net assets - end of year	<u>\$ 2,280,996</u>	<u>\$ -</u>	<u>\$ 2,280,996</u>

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

**LIFETIME RESOURCES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Service Contracts	Case Management	Information and Assistance	Congregate Meals	Meals on Wheels	Catch A Ride	Other Program Services	Total Program Services	Administration	Total Program & Support Services
Salaries and wages	\$ 2,568	\$ 436,973	\$ 74,621	\$ 86,024	\$ 93,631	\$ 1,199,654	\$ 151,973	\$ 2,045,444	\$ 64,547	\$ 2,109,991
Payroll taxes and benefits	-	113,486	22,867	17,674	19,334	171,630	34,658	379,649	12,507	392,156
Occupancy	-	4,630	925	737	778	6,392	4,482	17,944	488	18,432
Telephone	-	10,458	997	3,011	2,825	13,148	3,438	33,877	2,006	35,883
Postage	-	1,818	508	577	657	1,805	675	6,040	7,696	13,736
Supplies	-	5,088	431	982	1,386	8,198	810	16,875	10,615	27,490
Furniture and equipment	-	7,836	1,635	6	52	7,994	2,182	19,705	959	20,664
Insurance	-	7,951	1,636	1,328	1,403	180,104	4,449	196,871	852	197,723
Equipment maintenance	-	17,711	2,842	2,501	2,698	21,353	15,282	62,387	4,851	67,238
Building maintenance	-	6,811	1,276	974	1,028	5,086	12,159	27,334	704	28,038
Dues and subscriptions	-	-	72	77	88	-	2,337	2,574	7,647	10,221
Contracted services	-	4,582	525	152,406	83,350	508,917	5,567	755,347	12,581	767,928
Service providers	800,265	-	-	34,540	13,395	-	5,634	853,834	-	853,834
Travel and transportation	-	16,723	211	1,235	35,656	3,522	20,870	78,217	3,748	81,965
Other costs	-	2	112	757	16	6,310	16,319	23,516	4,319	27,835
Training	-	482	15	-	25	387	2,234	3,143	179	3,322
Depreciation	-	30,465	3,047	8,214	9,050	363,072	-	413,848	-	413,848
	<u>\$ 802,833</u>	<u>\$ 665,016</u>	<u>\$ 111,720</u>	<u>\$ 311,023</u>	<u>\$ 265,372</u>	<u>\$ 2,497,572</u>	<u>\$ 283,069</u>	<u>\$ 4,936,605</u>	<u>\$ 133,699</u>	<u>\$ 5,070,304</u>

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

LIFETIME RESOURCES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (355,789)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	413,848
(Increases) decreases in operating assets:	
Grants receivable	93,220
Accounts receivable	12,612
Accounts receivable - related party	1,315
Prepaid expenses	160,840
Increases (decreases) in operating liabilities:	
Accounts payable	(6,459)
Accounts payable - related parties	(912)
Accrued payroll and related liabilities	14,466
Custodial funds held for others	181,234
Other liabilities	<u>278</u>
Net Cash Provided by (Used in) Operating Activities	<u>514,653</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of vehicles	<u>(352,249)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(352,249)</u>
Net increase (decrease) in cash	<u>162,404</u>
Cash - beginning of year	<u>739,756</u>
Cash - end of year	<u>\$ 902,160</u>
Interest paid during the year	<u>\$ -</u>

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

LIFETIME RESOURCES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30,2012

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1. NATURE OF THE ORGANIZATION

LifeTime Resources, Inc. (the Agency) was created to plan, coordinate, and provide services primarily for the elderly. The Agency also provides services to disabled and low-to moderate-income individuals of any age in southeastern Indiana.

The Agency's services include information and referral, transportation, legal assistance, care management, homemaker, respite and attendant care, congregate meals, meal delivery, home modifications, and employment services.

The Agency receives significant funding through the Indiana Family and Social Services Administration (IFSSA) and the Indiana Department of Transportation (INDOT). The Agency submits claims to these parties for approval and payment. The Agency depends significantly on these funding sources to carry out its program activities.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The Agency maintains its accounts on the accrual basis and in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources are classified for internal accounting purposes into funds that are associated with specific activities or objectives.

In accordance with accounting standards, unrestricted net assets include all assets over which the Agency has full discretion as to use. Temporarily restricted net assets include net assets whose use by the Agency is limited by donor-imposed restrictions that either expire by the passage of time or are fulfilled by the Agency. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as temporarily restricted. Permanently restricted net assets include net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Agency.

Land, building, vehicles, and improvements are stated at cost or, for donations, at fair market value at the date of donation, and include expenditures for additions and betterments, which substantially increase the useful lives of existing fixed assets. Maintenance, repairs, and minor renewals are expensed as incurred. Items over \$10,000 are capitalized.

The agency reviews its fixed assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. No impairment loss was recognized in 2012.

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES – Continued

Depreciation is computed using the straight-line method over estimated useful lives of 3 to 40 years.

Compensated absences are not vested and are charged to expense when paid to the employee.

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Costs are charged directly to the programs they benefit whenever possible. Certain overhead costs that cannot be directly charged to an individual program are allocated to the various programs they benefit using relevant statistical allocation bases.

Receivables are charged to bad debt expense when they are determined to be uncollectable based upon periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

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

All liquid investments purchased with a maturity of three months or less is considered to be cash equivalents.

The Agency is exempt from income taxation under the Internal Revenue Code Section 501(c)(3). Management believes that the Agency has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management believes that the Agency is no longer subject to income tax examination for years prior to 2009.

3. FINANCIAL INSTRUMENTS

The Agency maintains its cash in deposit accounts, the cumulative balance of which may exceed federally insured limits. As of June 30, 2012, no excess existed.

The Agency has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. RELATED PARTIES

Certain members of the Agency's Board of Directors also serve on the Board of Directors of LifeTime Housing Group. As of June 30, 2012, the Agency is reporting \$4,290 in accounts receivable from LifeTime Housing Group, as shown in the statement of financial position. This amount represents personnel costs and expenses paid by the Agency for LifeTime Housing staff and are reimbursable to the Agency.

During the year, LifeTime Housing Group paid \$46,846 to the Agency for various overhead expenses.

5. GRANT REVENUE AND RECEIVABLE

The Agency's grant revenue and related receivables at June 30, 2012, consists of the following:

	CFDA No.	Revenue 6/30/12	Collections 6/30/12	Receivable 6/30/12
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 57,968	\$ 36,674	\$ 21,294
Title III - B	93.044	178,155	128,513	49,642
Title III - C-1	93.045	213,236	174,863	38,373
Title III - C-2	93.045	107,254	90,121	17,133
Title III - D	93.043	10,600	3,765	6,835
Title III - E	93.052	70,436	63,267	7,169
Nutrition Service Incentive Program				
	93.053	42,841	42,841	-
Title VII Ombudsman	93.042	3,960	1,811	2,149
PASRR	93.778	130,343	121,076	9,267
CLP	93.045	17,459	10,546	6,913
ADRC	93.048	1,059	762	297
CDSMP	93.725	15,850	12,546	3,304
Social Services Block Grant	93.667	130,651	130,651	-
U.S. Department of Transportation				
Section 5311 Mass Transit	20.509	758,878	574,909	183,969
Section 5311 ARRA	20.509	352,249	352,249	-
New Freedom Grant	20.521	192,838	146,599	46,239
State Grants		1,200,347	933,402	266,945
Other		21,819	21,499	320
Total		<u>\$ 3,505,943</u>	<u>\$ 2,846,094</u>	<u>\$ 659,849</u>

6. PROPERTY AND EQUIPMENT

The Agency's property and equipment consists of the following at June 30, 2012:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 50,000	\$ -	\$ 50,000
Buildings	950,432	479,959	470,473
Building improvements	100,138	27,762	72,376
Vehicles	2,213,614	1,794,788	418,826
Total	<u>\$ 3,314,184</u>	<u>\$ 2,302,509</u>	<u>\$ 1,011,675</u>

Depreciation expense for the year totaled \$413,848.

7. UNRESTRICTED FUND BALANCES

During previous years, the Agency's Board of Directors designated a portion of its fund balance for future programs and costs. The designated fund balances as of June 30, 2012, are as follows:

General fund	\$ 174,760
Catch A Ride	(26)
Vehicle replacement	209,000
Building fund	592,850
Building reserves	67,442
Sentry services	22,395
Equipment/technical reserve	80,000
Training reserve	30,000
Cash flow reserve	675,000
Vehicle asset fund	418,825
Revenue sharing fund	<u>10,750</u>
Total	<u>\$ 2,280,996</u>

8. FAIR VALUE MEASUREMENT

In accordance with Accounting Standards Codification (ASC) 820, the Agency measures its recurring assets and liabilities at fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that entities maximize the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs used are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices for similar assets or liabilities in active markets
- Level 3 - Unobservable inputs for the asset or liability based on the best available information

At June 30, 2012, there were no assets or liabilities valued on a recurring basis.

A summary of the methods and significant assumptions used to estimate the fair values of financial instruments is as follows:

Short-term financial instruments – The fair value of short-term financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities approximate the carrying value in the accompanying financial statements due to the short maturity of such instruments.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**LIFETIME RESOURCES, INC.**

**REPORTS PRESCRIBED BY  
OMB CIRCULAR A-133**

**JUNE 30, 2012**



Gauthier & Kimmerling, LLC  
accountants & advisors

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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*

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Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

We have audited the financial statements of LifeTime Resources, Inc. (the Agency) as of and for the year ended June 30, 2012, and have issued our report thereon dated January 3, 2013. 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

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency'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 the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 the Agency'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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Agency's Board of Directors, management, others within the entity, and the 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.

*Gauthier + Kinnear, LLC*

January 3, 2013



**Gauthier & Kimmerling, LLC**  
accountants & advisors

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Report on Compliance with Requirements That Could Have a  
Direct and Material Effect on Each Major Program and on  
Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

COMPLIANCE

We have audited the compliance of LifeTime Resources, Inc. (the Agency) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2012. The Agency's major federal programs are identified in the summary of auditors' 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 the Agency's management. Our responsibility is to express an opinion on the Agency'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 the Agency'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 the Agency's compliance with those requirements.

In our opinion, the Agency 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, 2012.

### INTERNAL CONTROL OVER COMPLIANCE

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of LifeTime Resources, Inc. as of and for the year ended June 30, 2012, and have issued our report thereon dated January 3, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 other 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 to the financial statements as a whole.

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This report is intended solely for the information of the Agency's Board of Directors, management, others within the entity, and the 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.

*Gauthier Kimmel, c.c.*

January 3, 2013

LifeTime Resources, Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Dept. of Health & Human Services:			
Indiana Family and Social Services Administration			
Aging Cluster			
Title III-B Admin	93.044	15-12-OV-2337-01	\$ 57,968
Title III-B Social Services	93.044	15-12-OV-2337-02	<u>178,155</u>
Total Title III-B			<u>236,123</u>
Title III- Congregate Meals	93.045	15-12-OV-2337-03	213,236
Title III-C Home Delivered Meals	93.045	15-12-OV-2337-04	<u>107,254</u>
Total Title III-C			<u>320,490</u>
Nutrition Services Incentive Program	93.053	15-12-02-2337-01	<u>42,841</u>
Total Aging Cluster			599,454
Title III - D	93.043	15-12-OV-2337-05	10,600
Care Transitions ADRC	93.048	15-12-CA-2337-01	1,059
Title III - E	93.052	15-12-OV-2337-06	70,436
Title VII - Ombudsman	93.042	15-12-2V-2337-02	3,960
PASSR	93.778	15-12-70-2337-01	130,343
Social Services Block Grant	93.667	15-12-0G-2337-01	130,651
CDSMP - ARRA	93.725	15-10-SM-2337-3	15,850
Community Living Program	93.045	15-10-4C-2337-03	<u>17,459</u>
Total U.S. Department of Health & Human Services			<u>979,812</u>
U.S. Department of Transportation:			
Indiana Department of Transportation			
Section 5311 Rural and small urban transit '11	20.509	18000280	361,226
Section 5311 Rural and small urban transit '12	20.509	18000290	397,652
Section 5311. - ARRA	20.509	86001235	<u>352,249</u>
Total Section 5311			<u>1,111,127</u>
Section 5317 New Freedom - Operating Grant '11	20.521	11NWFR230	93,322
Section 5317 New Freedom - Operating Grant '12	20.521	12NWFR230	<u>99,516</u>
Total Section 5317			<u>192,838</u>
Total U.S. Department of Transportation			<u>1,303,965</u>
Total Expenditure of Federal Awards			<u>\$ 2,283,777</u>

The accompanying notes are an integral part of this schedule.

LifeTime Resources, Inc.  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

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

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of LifeTime Resources, Inc. (the Agency) under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

LifeTime Resources, Inc.  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2012

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ITEM NUMBER

AUDIT FINDING

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None reported.

LifeTime Resources, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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**Section I - Summary of Auditors' Results**

Financial Statements:

Type of auditor report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified: *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

Type of auditors' 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 Circular A-133? *No*

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.509	U.S. Department of Transportation Formula Grants for other than Urbanized Areas
93.043, 93.045, 93.053	U.S. Department of Health and Human Services Aging Cluster
93.725	Chronic Disease Self-Management Program - ARRA

LifeTime Resources, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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**Section I - Summary of Auditors' Results - continued**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

*No matters were reported.*

**Section III - Federal Award Findings and Questioned Costs**

*No matters were reported.*