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April 27, 2016

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

We have reviewed the audit report prepared by Rodefer Moss & Co, PLLC, for the period July 1, 2014 to June 30, 2015. 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 LifeSpan Resources, Inc., as of June 30, 2015, 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

LIFESPAN RESOURCES, INC.

Financial Statements and Supplementary Information

June 30, 2015 and 2014

LIFESPAN RESOURCES, INC.  
Financial Statements and Supplementary Information  
June 30, 2015 and 2014

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	8
Statements of Cash Flows	13
Notes to Financial Statements	14
Supplementary Information:	
Schedule of Expenditures of Federal Awards	19
Note to Schedule of Expenditures of Federal Awards	20
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 <i>Government</i> <i>Auditing Standards</i>	21
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by OMB Circular A-133	23
Schedule of Findings and Questioned Costs	25

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## Independent Auditors' Report

To the Board of Directors  
LifeSpan Resources, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 from material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LifeSpan Resources, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

We have previously audited LifeSpan Resources, Inc.'s financial statements as of June 30, 2014, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2015, 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 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.

*Rodefer Moss & Co, PLLC*

Rodefer Moss & Co, PLLC  
New Albany, Indiana  
December 2, 2015

LIFESPAN RESOURCES, INC.  
Statements of Financial Position  
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash	\$ 714,204	\$ 931,938
Petty cash	300	300
Certificates of deposit	-	99,911
Investments	1,187,881	883,288
Contract and grants receivable	673,335	376,070
Medicaid receivable, net of allowance	130,578	93,796
Prepaid postage	3,188	2,912
Prepaid insurance	-	14,022
Property and equipment, net of accumulated depreciation	<u>76,947</u>	<u>101,813</u>
<b>Total assets</b>	<u><u>\$ 2,786,433</u></u>	<u><u>\$ 2,504,050</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 163,920	\$ 86,195
Payroll withholdings	3,710	4,057
Accrued expenses	<u>205,647</u>	<u>175,961</u>
<b>Total liabilities</b>	<u>373,277</u>	<u>266,213</u>
Net Assets		
Temporarily restricted	87,660	105,870
Unrestricted	<u>2,325,496</u>	<u>2,131,967</u>
<b>Total net assets</b>	<u>2,413,156</u>	<u>2,237,837</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 2,786,433</u></u>	<u><u>\$ 2,504,050</u></u>

LIFESPAN RESOURCES, INC.

Statement of Activities

Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support:			
Contract/program	\$ 5,337,428	\$ -	\$ 5,337,428
In-kind	203,458	-	203,458
Grant	36,634	70,974	107,608
Miscellaneous	62,063	-	62,063
Donations	58,142	-	58,142
Unrealized gain (loss) on investments	(15,976)	-	(15,976)
	5,681,749	70,974	5,752,723
Net assets released from restrictions	89,184	(89,184)	-
			-
Total revenues, gains, and other support	5,770,933	(18,210)	5,752,723
Expenses			
Program Services:			
Health Screening	18,352	-	18,352
Ombudsman	39,040	-	39,040
Legal Assistance	16,278	-	16,278
Services - Title IIIB	39,485	-	39,485
Information and Referral	19,349	-	19,349
Transportation	336,967	-	336,967
Family Caregiver	133,972	-	133,972
Case Management - SSBG	209,466	-	209,466
Outreach	5,535	-	5,535
Case Management - PAS	261,470	-	261,470
Services - SSBG	12,317	-	12,317
Case Management - Choice	261,182	-	261,182
Case Management - CHMW	251,126	-	251,126
Services - Choice	573,705	-	573,705
Congregate Meals	415,892	-	415,892
Home Delivered Meals	378,890	-	378,890
CCTP	82,503	-	82,503
ADRC Sustainability	6,821	-	6,821
Enhanced ADRC	39,848	-	39,848
Medicare Improvement	5,373	-	5,373
Services - Medicaid	1,308,619	-	1,308,619
Meals To Go/Med Waiver Meals	835,437	-	835,437
Total program service expenses	5,251,627	-	5,251,627

LIFESPAN RESOURCES, INC.  
Statement of Activities (Continued)  
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Expenses (Continued)			
Supporting Services:			
Fundraising	\$ 29,105	\$ -	\$ 29,105
Administration - Title III	121,555	-	121,555
Administration - SSBG	35,742	-	35,742
Administration - Choice	46,907	-	46,907
Nonfederal	<u>92,468</u>	<u>-</u>	<u>92,468</u>
Total supporting service expenses	<u>325,777</u>	<u>-</u>	<u>325,777</u>
Total expenses	<u>5,577,404</u>	<u>-</u>	<u>5,577,404</u>
Net change in net assets	193,529	(18,210)	175,319
Net assets at the beginning of the year	<u>2,131,967</u>	<u>105,870</u>	<u>2,237,837</u>
Net assets at the end of the year	<u>\$ 2,325,496</u>	<u>\$ 87,660</u>	<u>\$ 2,413,156</u>



LIFESPAN RESOURCES, INC.

Statement of Activities  
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support			
Contract/program	\$ 4,844,436	\$ -	\$ 4,844,436
In-kind	324,240	-	324,240
Grant	42,047	61,665	103,712
Donations	62,108	26,046	88,154
Miscellaneous	20,423	-	20,423
Unrealized gain on investments	7,603	-	7,603
	5,300,857	87,711	5,388,568
Net assets released from restrictions	151,306	(151,306)	-
Total revenues, gains, and other support	5,452,163	(63,595)	5,388,568
Expenses			
Program Services:			
Health Screening	17,459	-	17,459
Ombudsman	40,879	-	40,879
Legal Assistance	21,461	-	21,461
Services - Title IIIB	36,773	-	36,773
Information and Referral	15,876	-	15,876
Transportation	386,288	-	386,288
Family Caregiver	148,706	-	148,706
Case Management - PAS	260,191	-	260,191
Outreach	10,083	-	10,083
Case Management - SSBG	273,942	-	273,942
Services - SSBG	27,417	-	27,417
Case Management - Choice	146,365	-	146,365
Case Management - CHMW	162,335	-	162,335
Services - Choice	673,949	-	673,949
Congregate Meals	514,931	-	514,931
Home Delivered Meals	365,809	-	365,809
CCTP	40,237	-	40,237
ADRC Sustainability	11,320	-	11,320
Enhanced ADRC Screenings	43,511	-	43,511
Medicare Improvement	12,474	-	12,474
Service - Medicaid	1,281,189	-	1,281,189
Meals To Go/Med Waiver Meals	516,948	-	516,948
Total program service expenses	5,008,143	-	5,008,143

LIFESPAN RESOURCES, INC.  
Statement of Activities (Continued)  
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Expenses (Continued)			
Supporting Services			
Fundraising	\$ 40,957	\$ -	\$ 40,957
Administration - Title III	120,792	-	120,792
Administration - SSBG	36,215	-	36,215
Administration - Choice	22,480	-	22,480
Nonfederal	<u>56,410</u>	<u>-</u>	<u>56,410</u>
Total supporting service expenses	<u>276,854</u>	<u>-</u>	<u>276,854</u>
Total expenses	<u>5,284,997</u>	<u>-</u>	<u>5,284,997</u>
Net change in net assets	167,166	(63,595)	103,571
Net assets at the beginning of the year	<u>1,964,801</u>	<u>169,465</u>	<u>2,134,266</u>
Net assets at the end of the year	<u>\$ 2,131,967</u>	<u>\$ 105,870</u>	<u>\$ 2,237,837</u>

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2015  
(With Comparative Totals for 2014)

	Program Services						
	Health Screening	Ombudsman	Legal Assistance	Services - Title IIIB	Information and Referral	Transportation	Family Caregiver
Salaries and wages	\$ 14,161	\$ 24,284	\$ -	\$ -	\$ 13,019	\$ 180,904	\$ 48,769
Employee benefits	195	3,598	-	-	1,123	35,377	11,487
Payroll taxes	1,207	2,028	-	-	1,025	14,692	3,760
Total salaries and related expenses	15,563	29,910	-	-	15,167	230,973	64,016
Audit	14	346	-	-	305	1,547	388
Professional fees	326	24	7,620	-	25	1,084	48
Contractual allowance	-	-	-	-	-	-	-
Office	230	479	-	-	599	2,714	3,472
Telephone	54	628	-	-	138	3,828	1,678
Postage	9	60	-	-	673	342	1,318
Rent	13	97	-	-	26	1,075	62
Utilities	-	324	-	-	-	1,749	-
Travel and transportation	379	1,350	-	-	330	508	771
Dues and subscriptions	393	402	-	-	953	2,006	1,268
Contract services	-	-	-	-	-	-	-
Repairs and maintenance	24	603	-	-	59	50,533	1,389
Service providers	-	-	-	39,485	-	-	23,755
Catered food	-	-	-	-	-	-	-
Insurance	144	286	-	-	150	13,051	586
Advertising	23	102	-	-	95	1,085	256
Computer	152	485	-	-	330	5,276	1,587
Expensed equipment	787	135	-	-	54	2,558	730
In-kind	-	3,168	8,658	-	-	12,733	31,589
Occupancy	226	616	-	-	423	5,015	1,011
Legal fees	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other	15	25	-	-	22	890	48
Total expenses	\$ 18,352	\$ 39,040	\$ 16,278	\$ 39,485	\$ 19,349	\$ 336,967	\$ 133,972

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2015  
(With Comparative Totals for 2014)

	Program Services					
	Case Management - SSBG	Outreach	Case Management - PAS	Services - SSBG	Case Management - Choice	Case Management - CHMW
Salaries and wages	\$ 123,439	\$ 4,227	\$ 170,890	\$ -	\$ 181,289	\$ 176,169
Employee benefits	35,743	100	33,621	-	22,981	26,341
Payroll taxes	9,716	314	13,764	-	14,874	14,915
Total salaries and related expenses	168,898	4,641	218,275	-	219,144	217,425
Audit	1,080	39	277	-	-	1,260
Professional fees	256	11	199	-	151	90
Contractual allowance	-	-	-	-	-	-
Office	3,408	53	4,728	-	3,175	2,345
Telephone	4,515	43	3,258	-	5,719	4,388
Postage	495	8	1,008	-	199	225
Rent	820	12	624	-	812	810
Utilities	1,232	-	997	-	770	1,950
Travel and transportation	4,025	76	5,662	-	7,042	6,456
Dues and subscriptions	1,550	120	1,686	-	1,055	1,002
Contract services	-	-	-	-	-	-
Repairs and maintenance	8,383	25	8,845	-	3,029	3,850
Service providers	-	-	-	12,317	-	-
Catered food	-	-	-	-	-	-
Insurance	1,279	147	3,591	-	843	852
Advertising	654	19	819	-	434	287
Computer	6,187	134	5,651	-	11,508	6,949
Expensed equipment	3,090	12	2,134	-	4,187	1,233
In-kind	-	-	-	-	-	-
Occupancy	3,467	185	3,647	-	3,005	1,906
Legal fees	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Other	127	10	69	-	109	98
Total expenses	\$ 209,466	\$ 5,535	\$ 261,470	\$ 12,317	\$ 261,182	\$ 251,126

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2015  
(With Comparative Totals for 2014)

	Program Services						
	Services - Choice	Congregate Meals	Home Delivered Meals	CCTP	ADRC Sustainability	Enhanced ADRC	Medicare Improvement
Salaries and wages	\$ -	\$ 91,298	\$ 72,428	\$ 52,741	\$ 5,708	\$ -	\$ 2,284
Employee benefits	-	13,403	9,472	6,531	613	-	386
Payroll taxes	-	7,844	5,733	4,086	418	-	175
Total salaries and related expenses	-	112,545	87,633	63,358	6,739	-	2,845
Audit	-	1,385	1,108	-	-	-	-
Professional fees	-	245	131	9,000	-	-	5
Contractual allowance	-	-	-	-	-	-	-
Office	-	8,283	1,312	997	-	-	33
Telephone	-	3,386	2,563	240	2	-	6
Postage	-	556	323	33	-	-	-
Rent	-	387	324	-	-	-	-
Utilities	-	2,128	1,876	-	-	-	-
Travel and transportation	-	1,144	758	8,167	67	-	967
Dues and subscriptions	-	1,894	1,177	19	-	-	1,353
Contract services	1,500	-	-	-	-	-	-
Repairs and maintenance	-	2,675	1,933	-	-	-	-
Service providers	572,205	-	-	-	-	39,848	-
Catered food	-	208,722	232,201	-	-	-	-
Insurance	-	1,851	1,378	-	-	-	-
Advertising	-	717	538	-	-	-	-
Computer	-	4,094	2,477	644	13	-	-
Expensed equipment	-	499	367	-	-	-	157
In-kind	-	61,689	40,365	-	-	-	-
Occupancy	-	3,233	2,247	-	-	-	-
Legal fees	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other	-	459	179	45	-	-	7
Total expenses	\$ 573,705	\$ 415,892	\$ 378,890	\$ 82,503	\$ 6,821	\$ 39,848	\$ 5,373

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2015  
(With Comparative Totals for 2014)

	Program Services			Supporting Services			
	Services - Medicaid	Meals to Go / Med Waiver Meals	Subtotal	Fundraising	Admin. - Title III	Admin. - SSBG	Admin. - Choice
Salaries and wages	\$ 802,184	\$ 55,105	\$ 2,018,899	\$ 15,795	\$ 62,912	\$ 29,856	\$ 38,399
Employee benefits	112,840	10,070	323,881	2,387	5,023	3,120	3,185
Payroll taxes	64,560	4,440	163,551	1,182	4,867	2,345	2,997
Total salaries and related expenses	979,584	69,615	2,506,331	19,364	72,802	35,321	44,581
Audit	2,562	554	10,865	-	1,170	-	997
Professional fees	1,699	150	21,064	-	60	-	-
Contractual allowance	111,579	12,166	123,745	-	-	-	-
Office	9,145	1,181	42,154	41	4,287	-	-
Telephone	9,900	2,387	42,733	-	633	257	306
Postage	6,039	303	11,591	62	1,121	5	662
Rent	2,702	830	8,594	-	175	-	-
Utilities	1,131	1,052	13,209	-	-	-	-
Travel and transportation	34,184	984	72,870	175	267	112	131
Dues and subscriptions	8,959	1,119	24,956	-	1,044	-	-
Contract services	-	-	1,500	-	-	-	-
Repairs and maintenance	42,125	1,421	124,894	14	341	-	-
Service providers	505	-	688,115	-	-	-	-
Catered food	-	737,823	1,178,746	-	-	-	-
Insurance	16,554	831	41,543	-	1,099	-	171
Advertising	3,494	281	8,804	-	639	-	-
Computer	17,741	2,382	65,610	-	2,195	47	59
Expensed equipment	6,985	225	23,153	-	226	-	-
In-kind	-	-	158,202	-	32,495	-	-
Occupancy	19,525	1,505	46,011	-	2,922	-	-
Legal fees	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other	34,206	628	36,937	9,449	79	-	-
Total expenses	\$ 1,308,619	\$ 835,437	\$ 5,251,627	\$ 29,105	\$ 121,555	\$ 35,742	\$ 46,907

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statement of Functional Expenses  
For the Year Ended June 30, 2015  
(With Comparative Totals for 2014)

	<u>Supporting Services</u>		Total Program and Supporting Services 2015	2014 All Funds (Memorandum Only)
	<u>Nonfederal</u>	<u>Subtotal</u>		
Salaries and wages	\$ -	\$ 146,962	\$ 2,165,861	\$ 2,097,684
Employee benefits	-	13,715	337,596	408,182
Payroll taxes	-	11,391	174,942	170,522
<b>Total salaries and related expenses</b>	-	172,068	2,678,399	2,676,388
Audit	817	2,984	13,849	13,068
Professional fees	117	177	21,241	20,639
Contractual allowance	-	-	123,745	128,222
Office	3,404	7,732	49,886	63,749
Telephone	1,781	2,977	45,710	43,923
Postage	120	1,970	13,561	15,173
Rent	2,587	2,762	11,356	15,030
Utilities	371	371	13,580	13,797
Travel and transportation	3,035	3,720	76,590	103,627
Dues and subscriptions	2,134	3,178	28,134	26,294
Contract services	-	-	1,500	-
Repairs and maintenance	3,131	3,486	128,380	124,317
Service providers	2,035	2,035	690,150	749,202
Catered food	1,040	1,040	1,179,786	742,238
Insurance	358	1,628	43,171	39,268
Advertising	236	875	9,679	7,762
Computer	1,538	3,839	69,449	69,994
Expensed equipment	307	533	23,686	1,526
In-kind	3,374	35,869	194,071	291,215
Occupancy	1,380	4,302	50,313	49,751
Legal fees	-	-	-	195
Depreciation	34,253	34,253	34,253	31,831
Other	30,450	39,978	76,915	57,788
<b>Total expenses</b>	<u>\$ 92,468</u>	<u>\$ 325,777</u>	<u>\$ 5,577,404</u>	<u>\$ 5,284,997</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.  
Statements of Cash Flows  
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 175,319	\$ 103,571
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	34,253	31,831
Unrealized loss (gain) on investments	15,976	(7,603)
Decrease (increase) in assets:		
Contract and grants receivable	(297,265)	367,676
Medicaid receivable	(36,782)	27,867
Prepaid expenses	13,746	(14,143)
Increase (decrease) in liabilities:		
Accounts payable	77,725	(62,471)
Payroll withholdings	(347)	(6,235)
Accrued expenses	<u>29,686</u>	<u>18,250</u>
Net cash flows from operating activities	12,311	458,743
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	-	(100,002)
Redemptions of certificates of deposit	100,000	700,030
Purchase of investments	(320,658)	(875,594)
Purchases of property and equipment	<u>(9,387)</u>	<u>(33,025)</u>
Net cash flows from investing activities	<u>(230,045)</u>	<u>(308,591)</u>
Net change in cash and cash equivalents	(217,734)	150,152
Cash and cash equivalents at the beginning of the year	<u>932,238</u>	<u>782,086</u>
Cash and cash equivalents at the end of the year	<u>\$ 714,504</u>	<u>\$ 932,238</u>
<b>Supplemental Disclosures</b>		
Noncash Investing Transaction		
Donated vehicles	\$ 9,387	\$ 33,025



LIFESPAN RESOURCES, INC.  
Notes to Financial Statements  
June 30, 2015 and 2014

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

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

**Basis of Accounting** - The financial statements of the Organization 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.

**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.

**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, 2015 and 2014 was \$121,882 and \$127,796, 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.

**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.

**Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is included in the accompanying financial statements. The Organization evaluates its uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions, and believes that it has none that are uncertain. At the Statement of Financial Position date, the Organization's Form 990s for the years ending June 30, 2015, 2014, and 2013 remained subject to examination by the Internal Revenue Service.

**Contributed Services, Materials, Vehicles, and Facilities** - Certain contributed materials are recorded as support and expensed at fair market value when determinable, otherwise at values indicated by the donor. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, or would typically need to be purchased if not provided by donation. Contributed facilities are recorded as support and expensed at fair market value. Contributed vehicles are capitalized at fair market value and depreciated over their estimated useful lives. For the years ended June 30, 2015 and 2014, the Organization received donated services, materials, vehicles, and facilities valued at \$203,458 and \$324,240 respectively. Contributed vehicles included in these amounts were \$9,387 and \$33,025 for the years ended June 30, 2015 and 2014, respectively.

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

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

**Functional Allocation of Expenses** - The June 30, 2014 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, 2014, from which the summarized information was derived.

**Advertising** - The Organization uses advertising for employee recruitment purposes and to promote various programs. The costs of advertising are expensed as incurred. For the years ending June 30, 2015 and 2014, advertising costs totaled \$9,679 and \$7,762, respectively.

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

**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.

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

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

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

- 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.

Cash and cash equivalents in the amount of \$13,306 and \$6,083 at June 30, 2015 and 2014, respectively are included in the investment balance; however cash and cash equivalents are not subject to fair value disclosure requirements. Other 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, 2015.

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

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

In accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the following tables represent the Organization's fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2015 and 2014. The tables also set forth the respective levels to which the fair value measurements are classified within the fair value hierarchy.

June 30, 2015				
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$ 375,719	\$ -	\$ -	\$ 375,719
Equities	798,856	-	-	798,856
Total assets at fair value	<u>\$1,174,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,174,575</u>

June 30, 2014				
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$ 274,028	\$ -	\$ -	\$ 274,028
Equities	603,177	-	-	603,177
Total assets at fair value	<u>\$ 877,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 877,205</u>

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

June 30, 2015			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 13,306	\$ 13,306	\$ -
Equities	792,051	798,856	6,805
Mutual fund/debt investments	390,961	375,719	(15,242)
Total investments	<u>\$ 1,196,318</u>	<u>\$ 1,187,881</u>	<u>\$ (8,437)</u>

June 30, 2014			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 6,083	\$ 6,083	\$ -
Equities	594,665	603,177	8,512
Mutual fund/debt investments	274,937	274,028	(909)
Total investments	<u>\$ 875,685</u>	<u>\$ 883,288</u>	<u>\$ 7,603</u>

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

NOTE 3 - CONTRACT AND GRANTS RECEIVABLE

Contract and grants receivable consist of the following:

	June 30,	
	<u>2015</u>	<u>2014</u>
Family and Social Services Administration	\$ 592,652	\$ 286,314
United Way	56,675	59,359
Other	<u>24,008</u>	<u>30,397</u>
Total contract and grants receivable	<u>\$ 673,335</u>	<u>\$ 376,070</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 76,006	\$ 76,006
Vehicles	132,562	123,175
Computer equipment	<u>28,704</u>	<u>28,704</u>
Total	237,272	227,885
Less accumulated depreciation	<u>(160,325)</u>	<u>(126,072)</u>
Property and equipment, net	<u>\$ 76,947</u>	<u>\$ 101,813</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	June 30,	
	<u>2015</u>	<u>2014</u>
United Way	\$ 56,675	\$ 59,359
Horseshoe Foundation	14,299	-
Scribner Place	14,000	14,000
Nutrition program	1,730	25,440
Bacala Community Funds	956	956
Scott County United Way	-	4,158
Scott County Community Foundation	-	1,350
Angel Tree	<u>-</u>	<u>607</u>
Total temporarily restricted net assets	<u>\$ 87,660</u>	<u>\$ 105,870</u>

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

NOTE 6 - OPERATING LEASES (LESSEE)

On November 1, 2008, the Organization entered into a lease agreement to lease office space located in the YMCA of Southern Indiana building located at 33 State Street, New Albany, Indiana. The lease is for ninety-nine (99) years ending November 1, 2107. Beginning July 1, 2009, the monthly rent, occupancy, and operating costs totaled \$ 4,858 per month. The occupancy costs will be reviewed on an annual basis and the monthly rent expense will be adjusted accordingly. For the year ending June 30, 2015, the monthly fixed amount totaled \$3,943. In addition, the Organization is responsible for a portion of the cleaning labor expense for the building. For the years ending June 30, 2015 and 2014, the Organization paid \$49,290 and \$49,751 in rent expense which is included in occupancy and operating costs.

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

On July 1, 2012, the Organization entered into a lease agreement with Better Quality Business, Inc. to lease printers. Under the agreement, the Organization was required to pay 48 monthly payments of \$703. This lease was terminated during the year ending June 30, 2015 and replaced with two new equipment leases. Under the agreements, the Organization was to pay 60 payments of \$897 and \$476. During the years ended June 30, 2015 and 2014, the Organization paid \$11,356 and \$8,436, respectively, in rent expense in relation to these operating leases.

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

Years ending June 30,	
2016	\$ 63,805
2017	63,805
2018	63,805
2019	61,423
2020	53,601
	<u>\$ 306,439</u>

NOTE 7 - 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 \$200 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 \$85,015 and \$85,344 for the years ending June 30, 2015 and 2014, respectively.

NOTE 8 - 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, 2015 and 2014, it received 41 percent and 35 percent from Medicaid and 19 percent and 19 percent from CHOICE of its revenue and support, respectively.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Organization does business with Your Community Bank including maintaining the sweep and checking accounts. Diane Murphy, Vice-President for Your Community Bank, is a board member of the Organization.

LIFESPAN RESOURCES, INC.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA	Pass-Through Grantor's Number	Federal Award
Department of Health and Human Services			
Passed through State of Indiana Family and Social Services Administration			
Title VII - Ombudsman	93.042	22-14-2V-1651-04	\$ 10,099
Title IIID - Health Services	93.043	22-14-OV-1651-11	15,506
Title IIIA - Administration	93.044	22-14-OV-1651-07	81,836
Title IIIB - Support Services	93.044	22-14-OV-1651-08	221,057
Title IIIC1 - Congregate Meals	93.045	22-14-OV-1651-09	289,950
Title IIIC2 - Home Delivered Meals	93.045	22-14-OV-1651-10	115,258
Enhanced ADRC	93.048	22-14-SP-1651-02	4,597
Title IIIE - Family Caregiver	93.052	22-14-OV-1651-12	94,752
Nutrition Services Incentive Program	93.053	22-14-02-1651-02	56,428
SSBG	93.667	22-14-OG-1651-02	346,731
PASRR	93.778	22-14-70-1651-02	195,153
Total Department of Health and Human Services			<u>\$ 1,431,367</u>

LIFESPAN RESOURCES, INC.  
Note to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

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 basic financial statements.

- Certified Public Accountants
- Business Advisors

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

To the Board of Directors  
LifeSpan Resources, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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 2, 2015.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



### 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.

Rodefer Moss & Co, PLLC

Rodefer Moss & Co, PLLC  
New Albany, Indiana  
December 2, 2015

- Certified Public Accountants
- Business Advisors

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Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control Over Compliance required by OMB Circular A-133

To the Board of Directors  
LifeSpan Resources, Inc.

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

We have audited LifeSpan Resources, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. LifeSpan Resources, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of LifeSpan Resources, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of LifeSpan Resources, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, LifeSpan Resources, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

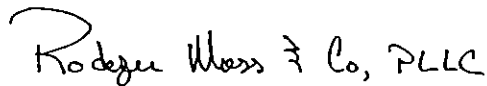
**Report on Internal Control Over Compliance**

Management of LifeSpan Resources, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LifeSpan Resources, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 LifeSpan Resources, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rodefer Moss & Co, PLLC". The signature is written in a cursive, flowing style.

Rodefer Moss & Co, PLLC  
New Albany, Indiana  
December 2, 2015

LIFESPAN RESOURCES, INC.  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *unmodified*

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

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>
93.044	Title IIIA - Administration
93.044	Title IIIB - Support Services
93.045	Title IIIC1 - Congregate Meals
93.045	Title IIIC2 - Home Delivered Meals
93.053	Nutritional Services Incentive Program

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

Auditee qualified as low-risk auditee? X yes \_\_ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None