



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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June 3, 2009

Board of Directors
Lifespan Resources, Inc.
426 Bank St., Ste. 100
P.O. Box 995
New Albany, IN 47151

We have reviewed the audit report prepared by Rodefer Moss & Co., PLLC, Independent Public Accountants, for the period July 1, 2007 to June 30, 2008. 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, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report except for the effects of expensing equipment in the year of purchase.

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

STATE BOARD OF ACCOUNTS

Lifespan Resources, Inc.
Audited Financial Statements
June 30, 2008 and 2007

LIFESPAN RESOURCES, INC.

**AUDITED FINANCIAL STATEMENTS
June 30, 2008 and 2007**

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INDEPENDENT AUDITOR'S REPORT

October 20, 2008

To the Board of Directors
LIFESPAN RESOURCES, INC.
P.O. Box 995
New Albany, IN 47151-0995

We have audited the accompanying statements of financial position of **LIFESPAN RESOURCES, INC.** (a nonprofit organization) as of June 30, 2008 and 2007, 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 has been derived from the Organization's 2007 financial statements and, in our report dated December 20, 2007, 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.

As disclosed in Note A to the financial statements, the Organization expenses equipment in the year that the equipment is purchased. In our opinion, expensing equipment in the year of purchase is not in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of **LIFESPAN RESOURCES, INC.** as of June 30, 2008 and 2007, 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.

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In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2008, 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.

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

Rodefer Moss & Co

LIFESPAN RESOURCES, INC.

STATEMENTS OF FINANCIAL POSITION June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 1,075,560	\$ 710,547
Money Market	102,142	609,864
Petty Cash	400	300
Contract and Grants Receivable	529,614	364,677
Medicaid Receivable, Net	47,524	46,734
Prepaid Postage	3,932	1,202
Prepaid Insurance	16,867	20,972
Other Assets	438	438
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,776,477</u>	<u>\$ 1,754,734</u>
<u>LIABILITIES</u>		
Accounts Payable	132,622	60,935
Payroll Withholdings	22,753	16,888
Accrued Expenses	72,315	87,871
	<hr/>	<hr/>
TOTAL LIABILITIES	227,690	165,694
<u>NET ASSETS</u>		
Temporarily Restricted	145,787	288,649
Unrestricted	1,403,000	1,300,391
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>1,548,787</u>	<u>1,589,040</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,776,477</u>	<u>\$ 1,754,734</u>

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

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2008 and 2007

	2008			2007		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
UNRESTRICTED NET ASSETS						
Revenue, Gains, and Other Support:						
Contract/Program Income	\$ 3,083,321	\$ -	\$ 3,083,321	\$ 2,850,346	\$ -	\$ 2,850,346
Grant Income	215,772	-	215,772	220,438	-	220,438
Donations	126,104	-	126,104	80,015	-	80,015
In-Kind Income	284,953	-	284,953	232,996	-	232,996
Fundraising Income	11,852	-	11,852	7,022	-	7,022
Miscellaneous Income	63,123	-	63,123	59,675	-	59,675
	<u>3,785,125</u>	<u>-</u>	<u>3,785,125</u>	<u>3,450,492</u>	<u>-</u>	<u>3,450,492</u>
Net Assets Released from Restrictions	<u>142,862</u>	<u>(142,862)</u>	<u>-</u>	<u>(122,247)</u>	<u>122,247</u>	<u>-</u>
Total Unrestricted Revenues, Gains, and Other Support	3,927,987	(142,862)	3,785,125	3,328,245	122,247	3,450,492
Expenses:						
Program Services:						
Ken Ellis Center	-	-	-	9,760	-	9,760
BVIS	4,471	-	4,471	-	-	-
Health Screening	32,561	-	32,561	16,271	-	16,271
Ombudsman	48,349	-	48,349	52,183	-	52,183
Legal Assistance	19,500	-	19,500	18,703	-	18,703
Services - Title III	110,096	-	110,096	76,026	-	76,026
Information & Referral	13,837	-	13,837	22,072	-	22,072
Transportation	398,666	-	398,666	400,371	-	400,371
Outreach	9,395	-	9,395	9,041	-	9,041
Family Caregiver	66,583	-	66,583	61,864	-	61,864
Case Management- PAS	235,553	-	235,553	222,731	-	222,731
Case Management - SSBG	154,800	-	154,800	166,296	-	166,296
Services - SSBG	69,268	-	69,268	64,811	-	64,811
Case Management - Choice	195,207	-	195,207	119,174	-	119,174
Case Management-MW	61,187	-	61,187	55,052	-	55,052
Services - Choice	689,409	-	689,409	568,526	-	568,526
Congregate Meals	462,864	-	462,864	383,386	-	383,386
Home Delivered Meals	335,934	-	335,934	305,938	-	305,938
ARDC	48,447	-	48,447	-	-	-
Senior Employment	-	-	-	22,053	-	22,053
Services - Medicaid	270,031	-	270,031	254,699	-	254,699
Hoosier RX	-	-	-	13,391	-	13,391
Meals To Go	136,219	-	136,219	99,973	-	99,973
	<u>3,362,377</u>	<u>-</u>	<u>3,362,377</u>	<u>2,942,321</u>	<u>-</u>	<u>2,942,321</u>
Total Program Service Expenses	3,362,377	-	3,362,377	2,942,321	-	2,942,321

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

LIFESPAN RESOURCES, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2008 and 2007

UNRESTRICTED NET ASSETS (Continued)	2008			2007		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Support Services:						
Administration - Title III	99,264	-	99,264	86,229	-	86,229
Administration - SSBG	25,753	-	25,753	19,601	-	19,601
Administration - Choice	62,939	-	62,939	64,710	-	64,710
Fundraising Expense	31,772	-	31,772	25,236	-	25,236
Nonfederal	243,273	-	243,273	177,112	-	177,112
Total Support Service Expenses	463,001	-	463,001	372,888	-	372,888
Total Expenses	3,825,378	-	3,825,378	3,315,209	-	3,315,209
Increase (Decrease) in Net Assets	102,609	(142,862)	(40,253)	13,036	122,247	135,283
Net Assets at Beginning of Year	1,300,391	288,649	1,589,040	1,287,355	166,402	1,453,757
Net Assets at End of Year	\$ 1,403,000	\$ 145,787	\$ 1,548,787	\$ 1,300,391	\$ 288,649	\$ 1,589,040

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008
(With Comparative Totals for 2007)

	Program Services				
	<u>BVIS</u>	<u>Health Screening</u>	<u>Ombudsman</u>	<u>Legal Assistance</u>	<u>Services - Title III</u>
Salaries and Wages		13,854	32,744		
Employee Benefits		726	7,052		
Payroll Taxes		1,224	2,573		
Total Salaries and Related Expenses	-	15,804	42,369	-	-
Audit Expense		95	290		
Professional Fees		208	78	6,825	
Contractual Allowance					
Office Expenses		519	213		
Telephone		944	142		
Postage		889	74		
Rent		171	387		
Utilities		541	541		
Travel & Transportation		355	957		
Dues & Subscriptions		102	140		
Contract Services			3		
Repairs & Maintenance		839	893		
Service Providers					106,985
Catered Food					
Insurance		372	361		
Advertising		171	52		
Computer Expenses		2,816	486		
Expensed Equipment		1,053	3		
In-Kind Expenses		2,609	1,332	12,675	3,111
Capital Campaign Donation					
Nutrition Education					
Other Expenses	4,471	5,073	28		
Total Expenses	\$ 4,471	\$ 32,561	\$ 48,349	\$ 19,500	\$ 110,096

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Program Services			
	<u>Information and Referral</u>	<u>Transportation</u>	<u>Family Caregiver</u>	<u>Case Management PAS</u>
Salaries and Wages	9,069	203,069	39,364	160,522
Employee Benefits	1,787	50,020	4,108	27,571
Payroll Taxes	697	16,350	3,193	12,465
Total Salaries and Related Expenses	11,553	269,439	46,665	200,558
Audit Expense	107	1,707	322	1,425
Professional Fees	47	915	102	667
Contractual Allowance				
Office Expenses	115	3,589	1,440	2,078
Telephone	122	2,345	857	2,357
Postage	299	702	1,290	2,193
Rent	504	2,543	2,267	9,591
Utilities		2,288		198
Travel & Transportation	493	348	664	3,730
Dues & Subscriptions	123	2,120	1,048	1,093
Contract Services		65	408	47
Repairs & Maintenance	102	87,049	618	2,252
Service Providers				
Catered Food				
Insurance	49	14,497	308	4,037
Advertising	25	1,727	87	461
Computer Expenses	287	6,291	2,749	4,640
Expensed Equipment			23	145
In-Kind Expenses		2,016	7,723	
Capital Campaign Donation				
Nutrition Education				
Other Expenses	11	1,025	12	81
Total Expenses	\$ 13,837	\$ 398,666	\$ 66,583	\$ 235,553

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Program Services			
	<u>Outreach</u>	Case Management - <u>SSBG</u>	Services - <u>SSBG</u>	Case Management - <u>Choice</u>
Salaries and Wages	5,266	105,318		152,291
Employee Benefits	670	14,148		21,141
Payroll Taxes	423	8,123		12,364
Total Salaries and Related Expenses	6,359	127,589	-	185,796
Audit Expense	47	1,132		
Professional Fees	13	538		777
Contractual Allowance				
Office Expenses	89	1,376		670
Telephone	621	2,079		35
Postage	70	896		120
Rent	262	7,119		
Utilities	210	247		
Travel & Transportation	300	3,697		6,406
Dues & Subscriptions	59	692		48
Contract Services	2	1,034		
Repairs & Maintenance	333	1,618		10
Service Providers			69,268	
Catered Food				
Insurance	193	957		120
Advertising	13	488		309
Computer Expenses	785	5,140		885
Expensed Equipment	3	103		
In-Kind Expenses				
Capital Campaign Donation				
Nutrition Education				
Other Expenses	36	95		31
Total Expenses	\$ 9,395	\$ 154,800	\$ 69,268	\$ 195,207

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Program Services			
	Case Management - <u>MW</u>	Services - <u>Choice</u>	Congregate <u>Meals</u>	Home Delivered <u>Meals</u>
Salaries and Wages	42,157		120,899	88,979
Employee Benefits	6,206		11,346	11,683
Payroll Taxes	3,292		10,679	7,443
Total Salaries and Related Expenses	51,655	-	142,924	108,105
Audit Expense	345		1,082	780
Professional Fees	287		128	120
Contractual Allowance				
Office Expenses	400		2,337	17,890
Telephone	956		2,463	2,733
Postage	321		1,142	1,349
Rent	2,488		5,561	5,842
Utilities	235		3,495	3,924
Travel & Transportation	1,709		518	17,734
Dues & Subscriptions	212		810	843
Contract Services	9		1,341	1,489
Repairs & Maintenance	724		2,032	2,127
Service Providers		689,409		
Catered Food			126,106	152,232
Insurance	396		977	1,162
Advertising	199		327	297
Computer Expenses	1,189		2,698	2,878
Expensed Equipment	36		321	353
In-Kind Expenses			168,527	16,028
Capital Campaign Donation				
Nutrition Education			32	
Other Expenses	26		43	48
Total Expenses	\$ 61,187	\$ 689,409	\$ 462,864	\$ 335,934

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Program Services			
	<u>ARDC</u>	<u>Services - Medicaid</u>	<u>Meals To Go</u>	<u>Subtotal</u>
Salaries and Wages		167,366	29,669	1,170,567
Employee Benefits		25,521	3,917	185,896
Payroll Taxes		13,438	2,477	94,741
Total Salaries and Related Expenses	-	206,325	36,063	1,451,204
Audit Expense		1,476	245	9,053
Professional Fees	40	955	51	11,751
Contractual Allowance		5,754	226	5,980
Office Expenses		1,864	4,861	37,441
Telephone	12,824	2,158	1,274	31,910
Postage		484	526	10,355
Rent		7,488	2,566	46,789
Utilities		500	1,899	14,078
Travel & Transportation	95	6,243	5,006	48,255
Dues & Subscriptions	450	1,159	343	9,242
Contract Services	9,778	45	796	15,017
Repairs & Maintenance		20,066	941	119,604
Service Providers				865,662
Catered Food			79,395	357,733
Insurance		3,958	496	27,883
Advertising		911	118	5,185
Computer Expenses		4,697	1,219	36,760
Expensed Equipment	25,260	88	175	27,563
In-Kind Expenses				214,021
Capital Campaign Donation				-
Nutrition Education				32
Other Expenses		5,860	19	16,859
Total Expenses	\$ 48,447	\$ 270,031	\$ 136,219	\$ 3,362,377

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Supporting Services			
	<u>Fundraising</u>	<u>Admin. - Title III</u>	<u>Admin. - SSBG</u>	<u>Admin. - Choice</u>
Salaries and Wages	12,470	50,981	20,236	29,689
Employee Benefits	46	6,748	3,197	4,029
Payroll Taxes		4,372	1,717	2,522
Total Salaries and Related Expenses	12,516	62,101	25,150	36,240
Audit Expense		367		1,403
Professional Fees		337	98	331
Contractual Allowance				
Office Expenses	6,190	899	81	2,377
Telephone		349	43	1,869
Postage	411	1,732		1,467
Rent	1,095	1,916		8,660
Utilities		203		
Travel & Transportation	224	1,194	257	506
Dues & Subscriptions		407	10	929
Contract Services		19		779
Repairs & Maintenance	148	439		1,582
Service Providers				
Catered Food				
Insurance		389		922
Advertising	1,648	84		1,713
Computer Expenses		1,668	114	4,001
Expensed Equipment				103
In-Kind Expenses	7,945	27,103		
Capital Campaign Donation				
Nutrition Education				
Other Expenses	1,595	57		57
Total Expenses	\$ 31,772	\$ 99,264	\$ 25,753	\$ 62,939

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

LIFESPAN RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	Supporting Services		Total Program and Supporting Services 2008	All Funds (Memorandum Only)
	Nonfederal	Subtotal		
Salaries and Wages	46,270	159,646	1,330,213	1,206,235
Employee Benefits	4,159	18,179	204,075	171,733
Payroll Taxes	3,544	12,155	106,896	95,412
Total Salaries and Related Expenses	53,973	189,980	1,641,184	1,473,380
Audit Expense	677	2,447	11,500	10,186
Professional Fees	13	779	12,530	4,800
Contractual Allowance		-	5,980	130
Office Expenses	690	10,237	47,678	50,260
Telephone	215	2,476	34,386	25,105
Postage	119	3,729	14,084	12,416
Rent	296	11,967	58,756	59,707
Utilities		203	14,281	15,191
Travel & Transportation	251	2,432	50,687	48,307
Dues & Subscriptions	1,017	2,363	11,605	9,197
Contract Services		798	15,815	11,084
Repairs & Maintenance	202	2,371	121,975	108,707
Service Providers	1,643	1,643	867,305	708,173
Catered Food		-	357,733	280,771
Insurance		1,311	29,194	57,869
Advertising	72	3,517	8,702	6,792
Computer Expenses	360	6,143	42,903	64,299
Expensed Equipment		103	27,666	124
In-Kind Expenses	35,884	70,932	284,953	232,997
Capital Campaign	128,000	128,000	128,000	125,000
Donation	100	100	100	-
Nutrition Education		-	32	59
Other Expenses	19,761	21,470	38,329	10,655
Total Expenses	\$ 243,273	\$ 463,001	\$ 3,825,378	\$ 3,315,209

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>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ (40,253)	\$ 135,283
Adjustments to Reconcile Change in Net Assets		
To Net Cash Used by Operating Activities:		
(Increase) Decrease in:		
Grants Receivable	(161,923)	305,864
Metro United Way Receivable	(1,173)	3,951
Medicaid Receivable	(790)	(2,042)
Accounts Receivable	(1,841)	(4,324)
Prepaid Expenses	1,375	1,018
Increase (Decrease) in:		
Accounts Payable	71,687	(52,182)
Payroll Withholdings	5,865	(1,965)
Accrued Expenses	(15,556)	(18,413)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(102,356)	<u>231,907</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(142,609)	367,190
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,320,711</u>	<u>953,521</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,178,102</u>	<u>\$ 1,320,711</u>

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

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

NOTE A - NATURE OF ACTIVITIES AND 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

Except as described below under "Property and Equipment", 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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report 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, Supplies and Property

Certain contributed supplies 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, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2008 and 2007, the Organization received supplies and volunteer services valued at \$ 284,953 and \$ 232,996, respectively.

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.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 and 2007

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Estimates

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

Property and Equipment

The Organization expenses the cost of property and equipment in the year of the purchase.

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.

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 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.

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, 2008 and 2007 is \$ 5,312 and \$ 22,243, respectively.

Other Accounts Receivable

Other accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

LIFESPAN RESOURCES, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007**

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

Comparative Financial Information

The financial statements include certain prior-year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

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, 2008 and 2007, advertising costs totaled \$ 8,702 and \$ 6,792, 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 incurred rent expense of \$ 57,624 and \$ 57,624 for the years ending June 30, 2008 and 2007.

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 22, 2002, the Organization entered into a lease agreement to lease space for a Senior Citizen Center located at 92 East Broadway Street, Austin, Indiana. Under the lease agreement, beginning July 1, 2002 and ending July 1, 2022, 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.

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

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.

Conditional promises to give at June 30, 2008 and 2007 was \$ 0 and \$ 125,000, respectively. 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 \$ 58,063 and \$ 38,698 for the years ending June 30, 2008 and 2007.

NOTE F -- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	<u>June 30</u>	
	<u>2008</u>	<u>2007</u>
Nutrition Program	\$ 46,169	\$ 45,487
Culbertson Ladies Nutrition	0	3,200
United Way Floyd County Health	0	650
Senior Games	0	126,843
Angel Tree	7,289	6,882
Culbertson Ladies Discretionary	416	416
IIIIE Family Caregiver	0	424
Scott County United Way	6,179	85
Choice Waiting List	63,514	90,410
Pre Admission Screening	8,220	6,201
Scribner Place	14,000	0
Senior Centers Reimbursement	0	8,051
 Total Temporarily Restricted Net Assets	 <u>\$ 145,787</u>	 <u>\$ 288,649</u>

LIFESPAN RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

NOTE G - ACCOUNTS AND GRANTS RECEIVABLE

	<u>June 30</u>	
	<u>2008</u>	<u>2007</u>
Accounts and Grants Receivable		
Family and Social Services Administration	\$ 441,707	\$ 279,784
Metro United Way	72,295	71,122
Other	<u>15,612</u>	<u>13,771</u>
 Total Accounts and Grants Receivable	 <u>\$ 529,614</u>	 <u>\$ 364,677</u>

NOTE H - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED 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. At June 30, 2008, the Organization's uninsured cash balances total \$ 1,038,508.

LIFESPAN RESOURCES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

<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-1651-01	\$ 53,426
Title IIIB-Social Services	93.044	22-08-OV-1651-03	183,758
Title IIIC1-Congregate Meals	93.045	22-08-OV-1651-05	165,109
Title IIIC2-Congregate Meals	93.045	22-08-OV-1651-07	169,861
SSBG	93.667	22-08-DG-1651-01	254,371
Title IIID-Health Services	93.043	22-08-OV-1651-09	16,150
Title IIIE-Family Caregiver	93.052	22-08-OV-1651-11	86,436
PASRR	93.778	22-08-70-1651-01	178,179
Title VII-Ombudsman		22-08-2V-1651-03	<u>12,077</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,119,367
Department of Agriculture			
Passed through State of Indiana Family and Social Nutrition Program for the Elderly			
NSIP	93.053	22-08-02-1651-01	<u>50,133</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>50,133</u>
TOTAL			<u>\$ 1,169,500</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

October 20, 2008

LIFESPAN RESOURCES, INC.
P.O. Box 995
New Albany, Indiana 47151-0995

We have audited the financial statements of **LIFESPAN RESOURCES, INC.**, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 20, 2008. 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 the 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management 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

Rodefer Moss & Co



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

October 20, 2008

LIFESPAN RESOURCES, INC.
P.O. Box 995
New Albany, Indiana 47151-0995

Compliance

We have audited the compliance of **LIFESPAN RESOURCES, INC.** 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, 2008. **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, 2008.

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 the audit committee, management, 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

Rodefer Moss & Co

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

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 no
- Significant deficiencies identified that are
not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

Type of 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 no

LIFESPAN RESOURCES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Identification of major programs:

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

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None