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October 18, 2013

Board of Directors
Lifespan Resources, Inc.
33 State St., Ste. 308
New Albany, IN 47150

We have reviewed the audit report prepared by Rodefer Moss & Co., PLLC, Independent Public Accountants, for the period July 1, 2009 to June 30, 2010. 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, 2010, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

LIFESPAN RESOURCES, INC.

Financial Statements and Supplementary Information

Years Ended June 30, 2010 and 2009

LIFESPAN RESOURCES, INC.
Financial Statements and Supplementary Information
Years Ended June 30, 2010 and 2009

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Independent Auditors' Report

To the Board of Directors
LifeSpan Resources, Inc.

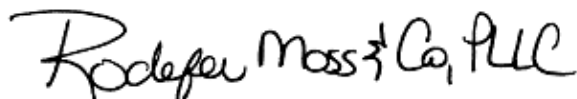
We have audited the accompanying statements of financial position of LifeSpan Resources, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information included on the Statement of Functional Expenses has been derived from the Organization's 2009 financial statements and, in our report dated November 3, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LifeSpan Resources, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2010, 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
New Albany, Indiana
November 2, 2010

LIFESPAN RESOURCES, INC.
 Statements of Financial Position
 June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 688,866	\$ 435,914
Petty cash	400	400
Money market	265,328	204,750
Certificates of deposit	350,342	550,025
Contract and grants receivable	687,734	551,840
Medicaid receivable, net of allowance	79,127	78,382
Prepaid postage	3,042	2,865
Prepaid insurance	8,398	16,393
Property and equipment, net of accumulated depreciation	133,489	134,860
Other assets	-	438
Total assets	<u>\$ 2,216,726</u>	<u>\$ 1,975,867</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 95,718	\$ 80,449
Payroll withholdings	3,289	2,126
Accrued expenses	122,225	108,385
Total liabilities	<u>221,232</u>	<u>190,960</u>
Net Assets		
Temporarily restricted	118,967	94,249
Unrestricted	1,876,527	1,690,658
Total net assets	<u>1,995,494</u>	<u>1,784,907</u>
Total liabilities and net assets	<u>\$ 2,216,726</u>	<u>\$ 1,975,867</u>

LIFESPAN RESOURCES, INC.
Statement of Activities
Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS			
Revenue, Gains, and Other Support:			
Contract/program income	\$ 3,609,146	\$ 25,099	\$ 3,634,245
In-kind income	346,057	-	346,057
Donations	87,659	-	87,659
Miscellaneous income	85,505	-	85,505
Grant income	72,350	-	72,350
Fundraising income	27,693	-	27,693
Gain (loss) on disposal of property and equipment	(2,745)	-	(2,745)
	<u>4,225,665</u>	<u>25,099</u>	<u>4,250,764</u>
Net assets released from restrictions	<u>381</u>	<u>(381)</u>	<u>-</u>
	<u>4,226,046</u>	<u>24,718</u>	<u>4,250,764</u>
Expenses			
Program Services:			
ARRA	14,846	-	14,846
Health Screening	24,642	-	24,642
Ombudsman	53,635	-	53,635
Legal Assistance	20,200	-	20,200
Services - Title IIIB	34,859	-	34,859
Information and Referral	6,339	-	6,339
Transportation	397,087	-	397,087
Family Caregiver	115,321	-	115,321
Case Management - PAS	252,760	-	252,760
Outreach	7,928	-	7,928
Case Management - SSBG	137,061	-	137,061
Services - SSBG	34,273	-	34,273
Case Management - Choice	234,647	-	234,647
Case Management - CHMW	123,446	-	123,446
Services - Choice	560,269	-	560,269
Congregate Meals	495,147	-	495,147
Home Delivered Meals	382,141	-	382,141
ADRC	48,501	-	48,501
Services - Medicaid	496,917	-	496,917
Meals To Go	291,584	-	291,584
Options Counseling	15,171	-	15,171
	<u>3,746,774</u>	<u>-</u>	<u>3,746,774</u>

LIFESPAN RESOURCES, INC.
Statement of Activities (Continued)
Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS (Continued)			
Expenses (Continued)			
Supporting Services:			
Fundraising expense	\$ 37,156	\$ -	\$ 37,156
Administration - Title III	135,107	-	135,107
Administration - SSBG	21,012	-	21,012
Administration - Choice	56,504	-	56,504
Nonfederal	43,624	-	43,624
Total supporting service expenses	293,403	-	293,403
Total expenses	4,040,177	-	4,040,177
Net change in net assets	185,869	24,718	210,587
Net assets at the beginning of the year	1,690,658	94,249	1,784,907
Net assets at the end of the year	\$ 1,876,527	\$ 118,967	\$ 1,995,494

LIFESPAN RESOURCES, INC.
Statement of Activities
Year Ended June 30, 2009

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

LIFESPAN RESOURCES, INC.
Statement of Activities (Continued)
Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS (Continued)			
Expenses (Continued)			
Support Services			
Fundraising Expense	\$ 28,446	\$ -	\$ 28,446
Administration - Title III	140,893	-	140,893
Administration - SSBG	28,902	-	28,902
Administration - Choice	63,579	-	63,579
Nonfederal	70,783	-	70,783
Total support service expenses	332,603	-	332,603
Total expenses	3,954,391	-	3,954,391
Net change in net assets	290,579	(73,059)	217,520
Net assets at the beginning of the year	1,400,079	167,308	1,567,387
Net assets at the end of the year	\$ 1,690,658	\$ 94,249	\$ 1,784,907

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Program Services						
	ARRA	Health	Ombudsman	Legal Assistance	Services - Title IIIIB	Information and Referral	Transportation
Salaries and wages	\$ -	\$ 13,274	\$ 33,484	\$ -	\$ -	\$ 3,346	\$ 211,759
Employee benefits	-	706	8,415	-	-	321	50,981
Payroll taxes	-	1,140	2,531	-	-	255	16,565
Total salaries and related expenses	-	15,120	44,430	-	-	3,922	279,305
Audit expense	-	103	317	-	-	120	1,815
Professional fees	-	64	191	7,070	-	69	583
Contractual allowance	-	-	-	-	-	-	-
Office expenses	-	1,197	683	-	-	196	3,571
Telephone	-	1,489	825	-	-	192	4,211
Postage	-	88	108	-	-	547	845
Rent	-	-	-	-	-	-	-
Utilities	-	504	504	-	-	-	2,169
Travel and transportation	-	694	1,301	-	-	203	565
Dues and subscriptions	-	60	220	-	-	542	1,049
Contract services	-	-	-	-	-	-	28
Repairs and maintenance	-	931	1,047	-	-	55	62,738
Service providers	-	-	-	-	34,859	-	-
Catered food	14,846	-	-	-	-	-	-
Insurance	-	255	392	-	-	-	16,513
Advertising	-	4	11	-	-	91	105
Computer expenses	-	550	750	-	-	162	8,680
Expensed equipment	-	1,673	30	-	-	5	2,533
In-Kind expenses	-	1,332	1,332	13,130	-	-	2,016
Nutrition education	-	-	-	-	-	-	-
Occupancy expense	-	517	1,366	-	-	203	8,307
Legal fees	-	12	12	-	-	12	101
Depreciation	-	-	-	-	-	-	-
Other expenses	-	49	116	-	-	16	1,953
Total expenses	\$ 14,846	\$ 24,642	\$ 53,635	\$ 20,200	\$ 34,859	\$ 6,339	\$ 397,087

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Program Services					
	Family Caregiver	Case Management - PAS	Outreach	Case Management - SSBG	Services - SSBG	Case Management - Choice
Salaries and wages	\$ 28,332	\$ 174,297	\$ 4,889	\$ 85,985	\$ -	\$ 145,474
Employee benefits	4,322	32,220	584	14,306	-	28,569
Payroll taxes	2,182	13,053	372	6,325	-	11,057
Total salaries and related expenses	34,836	219,570	5,845	106,616	-	185,100
Audit expense	352	1,567	50	1,232	-	127
Professional fees	72	390	9	349	-	240
Contractual allowance	-	-	-	-	-	-
Office expenses	488	3,638	131	2,229	-	1,717
Telephone	692	4,403	720	3,276	-	518
Postage	752	1,552	92	846	-	221
Rent	-	-	-	-	-	-
Utilities	-	233	132	406	-	-
Travel and transportation	205	2,810	209	3,095	-	3,727
Dues and subscriptions	750	826	50	633	-	397
Contract services	-	-	-	-	-	-
Repairs and maintenance	221	1,104	74	934	-	427
Service providers	60,322	-	-	-	34,273	-
Catered food	-	-	-	-	-	-
Insurance	326	4,184	156	1,097	-	-
Advertising	12	55	2	43	-	13
Computer expenses	2,750	4,352	214	10,340	-	17,505
Expensed equipment	1,910	904	5	634	-	18,265
In-Kind expenses	4,155	-	-	-	-	-
Nutrition education	-	-	-	-	-	-
Occupancy expense	1,400	6,577	187	4,881	-	5,900
Legal fees	12	56	12	40	-	-
Depreciation	-	-	-	-	-	-
Other expenses	6,066	539	40	410	-	490
Total expenses	\$ 115,321	\$ 252,760	\$ 7,928	\$ 137,061	\$ 34,273	\$ 234,647

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Program Services						Services - Medicaid
	Case Management - CHMW	Services - Choice	Congregate Meals	Home Delivered Meals	ADRC		
Salaries and wages	\$ 91,982	\$ -	\$ 127,913	\$ 87,742	\$ 34,033	\$ 323,545	
Employee benefits	10,606	-	11,800	11,880	3,729	41,395	
Payroll taxes	7,095	-	10,555	7,126	2,619	24,989	
Total salaries and related expenses	109,683	-	150,268	106,748	40,381	389,929	
Audit expense	401	-	766	712	-	1,779	
Professional fees	170	-	252	188	68	585	
Contractual allowance	-	-	-	-	-	26,230	
Office expenses	1,446	-	2,361	20,699	587	4,144	
Telephone	1,466	-	3,762	3,963	-	3,813	
Postage	1,236	-	1,182	1,179	77	1,123	
Rent	-	-	685	753	-	-	
Utilities	277	-	2,024	2,142	-	492	
Travel and transportation	2,161	-	868	16,628	512	15,423	
Dues and subscriptions	267	-	765	670	1,654	1,108	
Contract services	-	-	-	12	-	7	
Repairs and maintenance	420	-	1,356	1,303	-	15,246	
Service providers	-	560,269	-	-	-	-	
Catered food	-	-	133,992	151,423	-	-	
Insurance	432	-	1,626	1,739	-	4,122	
Advertising	891	-	596	581	-	72	
Computer expenses	1,411	-	4,518	8,186	5,110	6,694	
Expensed equipment	369	-	403	3,757	-	1,314	
In-Kind expenses	-	-	183,903	56,922	-	-	
Nutrition education	-	-	35	24	-	-	
Occupancy expense	2,585	-	5,295	4,105	-	10,441	
Legal fees	18	-	43	53	-	66	
Depreciation	-	-	-	-	-	-	
Other expenses	213	-	447	354	112	14,329	
Total expenses	\$ 123,446	\$ 560,269	\$ 495,147	\$ 382,141	\$ 48,501	\$ 496,917	

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Program Services			Supporting Services			
	Meals To Go	Counseling	Subtotal	Fundraising	Admin. - Title III	Admin. - SSBG	Admin. - Choice
Salaries and wages	\$ 53,198	\$ 11,123	\$ 1,430,376	\$ 11,603	\$ 43,726	\$ 16,461	\$ 35,302
Employee benefits	6,841	88	226,763	3,277	7,512	3,298	5,571
Payroll taxes	4,313	974	111,151	729	3,212	1,230	2,613
Total salaries and related expenses	64,352	12,185	1,768,290	15,609	54,450	20,989	43,486
Audit expense	826	-	10,167	-	430	-	1,434
Professional fees	16	-	10,316	-	68	-	248
Contractual allowance	1,782	-	28,012	-	-	-	-
Office expenses	11,004	-	54,091	990	492	2	1,298
Telephone	3,192	347	32,869	-	278	-	2,598
Postage	1,033	-	10,881	551	800	-	1,507
Rent	662	-	2,100	-	-	-	-
Utilities	1,873	-	10,756	-	-	-	-
Travel and transportation	8,647	40	57,088	83	204	12	144
Dues and subscriptions	217	-	9,208	-	202	-	475
Contract services	6	-	53	-	-	-	-
Repairs and maintenance	760	-	86,616	-	209	-	633
Service providers	-	-	689,723	-	-	-	-
Catered food	192,933	-	493,194	-	-	-	-
Insurance	517	-	31,450	-	269	-	1,170
Advertising	598	-	2,987	-	14	-	43
Computer expenses	1,135	1,600	73,957	-	4,784	9	1,763
Expensed equipment	310	999	33,111	-	17,508	-	89
In-Kind expenses	-	-	262,790	8,206	53,740	-	-
Nutrition education	-	-	59	-	-	-	-
Occupancy expense	1,549	-	53,313	-	1,539	-	1,444
Legal fees	15	-	452	-	-	-	51
Depreciation	-	-	-	-	-	-	-
Other expenses	157	-	25,291	11,717	120	-	121
Total expenses	\$ 291,584	\$ 15,171	\$ 3,746,774	\$ 37,156	\$ 135,107	\$ 21,012	\$ 56,504

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

	Supporting Services		Total Program	2009 All Funds	
	Nonfederal	Subtotal	and Supporting	(Memorandum	
			Services 2010	Only)	
	\$	\$	\$	\$	\$
Salaries and wages	-	107,092	1,537,468	1,427,771	
Employee benefits	-	19,658	246,421	220,966	
Payroll taxes	-	7,784	118,935	112,080	
		<u>134,534</u>	<u>1,902,824</u>	<u>1,760,817</u>	
Total salaries and related expenses					
Audit expense	721	2,585	12,752	11,500	
Professional fees	118	434	10,750	14,315	
Contractual allowance	-	-	28,012	14,962	
Office expenses	2,398	5,180	59,271	68,430	
Telephone	256	3,132	36,001	29,577	
Postage	500	3,358	14,239	12,962	
Rent	-	-	2,100	20,655	
Utilities	-	-	10,756	14,172	
Travel and transportation	1,016	1,459	58,547	63,349	
Dues and subscriptions	1,290	1,967	11,175	15,223	
Contract services	-	-	53	3,519	
Repairs and maintenance	501	1,343	87,959	105,415	
Service providers	2,234	2,234	691,957	845,728	
Catered food	1	1	493,195	470,265	
Insurance	462	1,901	33,351	28,773	
Advertising	44	101	3,088	8,973	
Computer expenses	1,283	7,839	81,796	42,666	
Expensed equipment	549	18,146	51,257	42,869	
In-Kind expenses	391	62,337	325,127	295,123	
Nutrition education	-	-	59	15	
Occupancy expense	1,998	4,981	58,294	27,904	
Legal fees	-	51	503	494	
Depreciation	19,556	19,556	19,556	10,946	
Other expenses	10,306	22,264	47,555	45,739	
	<u>\$ 43,624</u>	<u>\$ 293,403</u>	<u>\$ 4,040,177</u>	<u>\$ 3,954,391</u>	
Total expenses					

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 210,587	\$ 217,520
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	19,556	10,946
Decrease (increase) in assets:		
Contract and grants receivable	(135,894)	(22,226)
Medicaid receivable	(745)	(30,858)
Prepaid expenses	7,818	1,541
Other assets	438	-
Increase (decrease) in liabilities:		
Accounts payable	15,269	(52,173)
Payroll withholdings	1,163	(20,627)
Accrued expenses	13,840	36,070
Loss (gain) on the disposal of assets	<u>2,745</u>	<u>-</u>
Net cash flows from operating activities	134,777	140,193
Cash Flows From Investing Activities		
Purchase of certificates of deposit	(359,317)	(550,025)
Redemptions of certificates of deposit	559,000	-
Purchases of property and equipment	<u>(20,930)</u>	<u>(127,206)</u>
Net cash flows from investing activities	<u>178,753</u>	<u>(677,231)</u>
Net change in cash and cash equivalents	313,530	(537,038)
Cash and cash equivalents at the beginning of the year	<u>641,064</u>	<u>1,178,102</u>
Cash and cash equivalents at the end of the year	<u>\$ 954,594</u>	<u>\$ 641,064</u>
Supplemental Disclosures		
Noncash Investing Transaction		
Donated vehicles	\$ 20,930	\$ 15,550

LIFESPAN RESOURCES, INC.
Notes to Financial Statements
June 30, 2010 and 2009

NOTE 1 - 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.

Contributed Services, Materials, and Facilities - Certain contributed materials are recorded as support and expensed at fair market value when determinable, otherwise at values indicated by the donor. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, or would typically need to be purchased if not provided by donation. Contributed facilities are recorded as support and expensed at fair market value. For the years ended June 30, 2010 and 2009, the Organization received donated services, materials, and facilities valued at \$ 346,057 and \$ 295,123, respectively.

Cash and Cash Equivalents - Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Conditional Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contract Income and Grants Receivable - Contract income 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, 2010 and 2009 is \$ 27,812 and \$ 14,854, respectively.

Property and Equipment - Property and equipment are stated at cost less accumulated depreciation. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation is provided over the estimated useful lives of the assets on the straight-line basis. The range of estimated useful lives for assets is 5-10 years. The Organization's policy is to expense assets costing \$2,500 or less.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Functional Allocation of Expenses - The June 30, 2009 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, 2009, from which the summarized information was derived.

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

NOTE 2 - 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, 2010 and 2009, advertising costs totaled \$ 3,088 and \$ 8,973, respectively.

NOTE 3 - OPERATING LEASES (LESSEE)

On March 20, 2002, the Organization entered into a lease agreement to lease office space located at 426-430 Bank Street, New Albany, Indiana. Under the lease agreement, beginning March 1, 2002 and ending March 1, 2005, the Organization agreed to pay \$4,802 per month. This lease was renewed for an additional two years ending on March 1, 2007. After March 1, 2007, the lease is on a month-to-month basis. The Organization moved from these facilities in October 2008. The Organization incurred rent expense of \$ 0 and \$ 19,208 for the years ending June 30, 2010 and 2009.

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

On November 1, 2008, the Organization entered into a lease agreement to lease office space located in the YMCA of Southern Indiana building located at 33 State Street, New Albany, Indiana. The lease is for ninety-nine (99) years ending November 1, 2107. Effective 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, 2010 and 2009, the Organization paid \$58,294 and \$30,723 in rent expense which included occupancy and operating costs.

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

NOTE 3 - OPERATING LEASES (LESSEE) - (Continued)

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,	
2011	\$ 58,300
2012	58,300
2013	58,300
2014	58,300
2015	58,300
	\$ 291,500

NOTE 4 - 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 \$ 66,255 and \$ 53,839 for the years ending June 30, 2010 and 2009.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	June 30,	
	2010	2009
Nutrition program	\$ 63,906	\$ 52,460
Transportation donations	24,163	15,852
Scribner Place	14,000	14,000
Angel Tree	6,774	6,749
Pre-Admissions Screening	5,317	-
Scott County United Way	4,772	4,772
Culbertson Ladies Discretionary	35	416
Total temporarily restricted net assets	\$ 118,967	\$ 94,249

NOTE 6 - CONTRACT AND GRANTS RECEIVABLE

	June 30,	
	2010	2009
Family and Social Services Administration	\$ 601,702	\$ 458,197
Metro United Way	63,517	72,430
Other	22,515	21,213
Total contract and grants receivable	\$ 687,734	\$ 551,840

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

NOTE 7 - 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. The Organization's cash deposits are held in financial institutions and may at times exceed federally insured amounts.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Furniture and fixtures	\$ 72,502	\$ 72,502
Vehicles	62,480	44,600
Computer equipment	<u>28,704</u>	<u>28,704</u>
Total	163,686	145,806
Less accumulated depreciation	<u>(30,197)</u>	<u>(10,946)</u>
Property and equipment, net	<u>\$ 133,489</u>	<u>\$ 134,860</u>

NOTE 9 - 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, 2010 and 2009, it received 21 percent and 15 percent from Medicaid and 27 percent and 29 percent from CHOICE of its revenue and support, respectively.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to the balance sheet of June 30, 2010 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 2, 2010, the date these financial statements were available to be issued.

LIFESPAN RESOURCES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

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 IIIA - Administration	93.044	22-10-OV-1651-01	\$ 80,365
Title IIIB - Support Services	93.044	22-10-OV-1651-03	221,474
Title IIIC1 - Congregate Meals	93.045	22-10-OV-1651-05	221,830
Title IIIC2 - Home Delivered Meals	93.045	22-10-OV-1651-07	182,340
Sr. Nutrition Program			
Congregate Nutrition Services Stimulus	93.707.000	A345-9-22-09-OV-1651	12,619
SSBG	93.667	22-10-OG-1651-01	209,567
Title IIID - Health Services	93.043	22-10-OV-1651-09	13,698
Title IIIE - Family Caregiver	93.052	22-10-OV-1651-11	89,209
PASRR	93.778	22-10-70-1651-01	193,559
Title VII - Ombudsman	93.042	22-10-2V-1651-03	<u>7,771</u>
Total Department of Health and Human Services			1,232,432
Department of Agriculture			
Passed through State of Indiana Family and Social Nutrition Program for the Elderly			
NSIP	93.053	22-10-02-1651-01	<u>57,307</u>
Total Department of Agriculture			<u>57,307</u>
Total			<u>\$ 1,289,739</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

To the Board of Directors
LifeSpan Resources, Inc.

We have audited the financial statements of LifeSpan Resources, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated November 2, 2010. 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 *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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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



Rodefer Moss & Co, PLLC
New Albany, Indiana
November 2, 2010

Independent Auditor's 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

To the Board of Directors
LifeSpan Resources, Inc.

Compliance

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, 2010. 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 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, 2010.

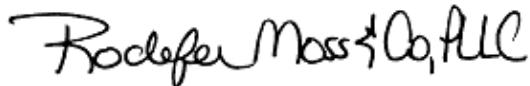
Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program in order to determine the 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 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.

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.

This report is intended solely for the information and use of management, the audit committee, others within the entity, the Board of Directors, 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.

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
November 2, 2010

LIFESPAN RESOURCES, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Section I - Summary of Auditors' 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

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 IIIC- Nutrition Services

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None