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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, 2010 to June 30, 2011. 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, 2011, 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, 2011 and 2010

LIFESPAN RESOURCES, INC.
Financial Statements and Supplementary Information
Years Ended June 30, 2011 and 2010

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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, 2011 and 2010, 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 2010 financial statements and, in our report dated November 2, 2010, 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, 2011 and 2010, 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 October 31, 2011, 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 conducted for the purpose of forming an opinion on the basic financial statements. The 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 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 basic 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 basic financial statements as a whole.

Rodefer Moss & Co, PLLC

Rodefer Moss & Co, PLLC
New Albany, Indiana
October 31, 2011

LIFESPAN RESOURCES, INC.
 Statements of Financial Position
 June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 947,059	\$ 688,866
Petty cash	400	400
Money market	244,612	265,328
Certificates of deposit	275,160	350,342
Contract and grants receivable	603,404	687,734
Medicaid receivable, net of allowance	95,043	79,127
Prepaid postage	4,517	3,042
Prepaid insurance	6,980	8,398
Property and equipment, net of accumulated depreciation	<u>122,145</u>	<u>133,489</u>
Total assets	<u>\$ 2,299,320</u>	<u>\$ 2,216,726</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 92,478	\$ 95,718
Payroll withholdings	4,726	3,289
Accrued expenses	<u>125,299</u>	<u>122,225</u>
Total liabilities	<u>222,503</u>	<u>221,232</u>
Net Assets		
Temporarily restricted	210,604	182,484
Unrestricted	<u>1,866,213</u>	<u>1,813,010</u>
Total net assets	<u>2,076,817</u>	<u>1,995,494</u>
Total liabilities and net assets	<u>\$ 2,299,320</u>	<u>\$ 2,216,726</u>

LIFESPAN RESOURCES, INC.
Statement of Activities
Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support:			
Contract/program income	\$ 3,429,838	\$ 28,155	\$ 3,457,993
In-kind income	311,534	-	311,534
Donations	117,412	-	117,412
Miscellaneous income	54,224	-	54,224
Grant income	92,776	-	92,776
Gain on disposal of property and equipment	2,012	-	2,012
	<u>4,007,796</u>	<u>28,155</u>	<u>4,035,951</u>
Net assets released from restrictions	<u>35</u>	<u>(35)</u>	<u>-</u>
Total unrestricted revenues, gains, and other support	<u>4,007,831</u>	<u>28,120</u>	<u>4,035,951</u>
Expenses			
Program Services:			
CDSMP/ARRA	16,920	-	16,920
Health Screening	16,806	-	16,806
Ombudsman	53,727	-	53,727
Legal Assistance	22,808	-	22,808
Services - Title IIIB	77,915	-	77,915
Information and Referral	7,551	-	7,551
Transportation	383,891	-	383,891
Family Caregiver	133,610	-	133,610
Case Management - PAS	254,321	-	254,321
Outreach	9,047	-	9,047
Case Management - SSBG	96,587	-	96,587
Services - SSBG	9,976	-	9,976
Case Management - Choice	179,038	-	179,038
Case Management - CHMW	120,609	-	120,609
Services - Choice	532,635	-	532,635
Congregate Meals	513,954	-	513,954
Home Delivered Meals	354,099	-	354,099
ADRC	41,495	-	41,495
Services - Medicaid	545,139	-	545,139
Meals To Go	282,008	-	282,008
Options Counseling	33,628	-	33,628
Total program service expenses	<u>3,685,764</u>	<u>-</u>	<u>3,685,764</u>

LIFESPAN RESOURCES, INC.
Statement of Activities (Continued)
Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Expenses (Continued)			
Supporting Services:			
Fundraising expense	\$ 36,584	\$ -	\$ 36,584
Administration - Title III	116,974	-	116,974
Administration - SSBG	14,094	-	14,094
Administration - Choice Nonfederal	43,955	-	43,955
	57,257	-	57,257
Total supporting service expenses	268,864	-	268,864
Total expenses	3,954,628	-	3,954,628
Net change in net assets	53,203	28,120	81,323
Net assets at the beginning of the year	1,813,010	182,484	1,995,494
Net assets at the end of the year	\$ 1,866,213	\$ 210,604	\$ 2,076,817

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

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support			
Contract/program income	\$ 3,624,317	\$ 25,099	\$ 3,649,416
In-kind income	346,057	-	346,057
Donations	87,659	-	87,659
Miscellaneous income	70,334	-	70,334
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>9,292</u>	 <u>(9,292)</u>	 <u>-</u>
 Total unrestricted revenues, gains, and other support	 4,234,957	 15,807	 4,250,764
 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 III B	34,859	-	34,859
Information & 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
Expenses (Continued)			
Support 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 support service expenses	293,403	-	293,403
Total expenses	4,040,177	-	4,040,177
Net change in net assets	194,780	15,807	210,587
Net assets at the beginning of the year	1,618,230	166,677	1,784,907
Net assets at the end of the year	\$ 1,813,010	\$ 182,484	\$ 1,995,494

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2011
(With Comparative Totals for 2010)

	Program Services						
	CDSMP/ ARRA	Health Screening	Ombudsman	Legal Assistance	Services - Title IIIB	Information and Referral	Transportation
Salaries and wages	\$ 13,530	\$ 5,617	\$ 33,667	\$ -	\$ -	\$ 2,166	\$ 205,808
Employee benefits	-	2,200	8,651	-	-	295	48,308
Payroll taxes	1,085	429	2,510	-	-	162	15,772
Total salaries and related expenses	14,615	8,246	44,828	-	-	2,623	269,888
Audit expense	-	99	310	-	-	124	1,767
Professional fees	-	83	102	7,962	-	6	310
Contractual allowance	-	-	-	-	-	-	-
Office expenses	618	1,508	462	-	-	2,165	2,668
Telephone	-	1,241	841	-	-	183	3,925
Postage	-	109	107	-	-	776	877
Rent	-	5	20	-	-	2	124
Utilities	-	559	559	-	-	-	2,379
Travel and transportation	311	649	1,713	-	-	165	460
Dues and subscriptions	-	78	185	-	-	22	1,329
Contract services	-	-	-	-	-	-	-
Repairs and maintenance	-	853	922	-	-	21	71,663
Service providers	-	-	-	-	77,915	-	-
Catered food	-	-	-	-	-	-	-
Insurance	-	268	375	-	-	28	10,873
Advertising	-	19	42	-	-	6	272
Computer expenses	1,376	708	555	-	-	783	5,587
Expensed equipment	-	122	21	-	-	31	127
In-kind expenses	-	1,332	1,332	14,846	-	-	2,016
Nutrition education	-	-	-	-	-	-	-
Occupancy expense	-	521	1,193	-	-	147	7,588
Legal fees	-	3	7	-	-	1	46
Depreciation	-	-	-	-	-	-	-
Other expenses	-	403	153	-	-	468	1,992
Total expenses	\$ 16,920	\$ 16,806	\$ 53,727	\$ 22,808	\$ 77,915	\$ 7,551	\$ 383,891

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2011
(With Comparative Totals for 2010)

	Program Services					
	Family Caregiver	Case Management - PAS	Outreach	Case Management - SSBG	Services - SSBG	Case Management - Choice
Salaries and wages	\$ 57,997	\$ 165,324	\$ 6,116	\$ 57,266	\$ -	\$ 119,590
Employee benefits	3,108	36,666	595	9,315	-	29,774
Payroll taxes	4,426	12,238	459	4,163	-	8,970
Total salaries and related expenses	65,531	214,228	7,170	70,744	-	158,334
Audit expense	347	1,538	50	1,215	-	-
Professional fees	30	816	4	198	-	327
Contractual allowance	-	-	-	-	-	-
Office expenses	313	4,772	148	2,275	-	1,761
Telephone	614	4,013	592	3,127	-	781
Postage	1,139	1,863	214	758	-	467
Rent	27	96	3	40	-	101
Utilities	-	226	120	402	-	-
Travel and transportation	149	2,485	27	1,985	-	3,140
Dues and subscriptions	831	940	25	491	-	1,087
Contract services	-	-	-	-	-	-
Repairs and maintenance	110	4,515	39	399	-	647
Service providers	41,105	-	-	-	9,976	-
Catered food	-	-	-	-	-	-
Insurance	278	3,462	151	917	-	931
Advertising	34	586	6	253	-	630
Computer expenses	2,858	6,397	238	10,395	-	2,994
Expensed equipment	476	1,773	52	61	-	148
In-kind expenses	17,811	-	-	-	-	-
Nutrition education	-	-	-	-	-	-
Occupancy expense	919	5,812	161	2,920	-	6,761
Legal fees	5	35	1	15	-	41
Depreciation	-	-	-	-	-	-
Other expenses	1,033	764	46	392	-	888
Total expenses	\$ 133,610	\$ 254,321	\$ 9,047	\$ 96,587	\$ 9,976	\$ 179,038

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2011
(With Comparative Totals for 2010)

	Program Services					
	Case Management - CHMW	Services - Choice	Congregate Meals	Home Delivered Meals	ADRC	Services - Medicaid
Salaries and wages	\$ 87,964	\$ -	\$ 120,188	\$ 89,962	\$ 25,161	\$ 361,183
Employee benefits	12,933	-	11,626	11,028	4,646	56,653
Payroll taxes	6,489	-	9,600	7,025	1,898	27,038
Total salaries and related expenses	107,386	-	141,414	108,015	31,705	444,874
Audit expense	372	-	992	744	-	1,674
Professional fees	272	-	39	33	108	856
Contractual allowance	-	-	-	-	-	8,401
Office expenses	876	-	2,435	12,387	974	3,982
Telephone	1,526	-	2,519	2,456	380	4,089
Postage	1,349	-	1,265	1,098	24	1,731
Rent	49	-	240	218	-	215
Utilities	268	-	2,573	2,488	-	570
Travel and transportation	2,453	-	762	15,691	2,093	14,139
Dues and subscriptions	429	-	873	652	2,119	1,978
Contract services	-	-	-	-	-	1,922
Repairs and maintenance	330	-	1,033	867	-	19,900
Service providers	-	532,635	-	-	-	205
Catered food	-	-	146,915	159,416	-	-
Insurance	556	-	1,589	1,555	-	5,024
Advertising	291	-	502	429	931	1,178
Computer expenses	1,422	-	12,144	1,374	1,656	8,043
Expensed equipment	19	-	24,969	2,157	1,221	322
In-kind expenses	-	-	168,535	40,866	-	-
Nutrition education	-	-	28	11	-	-
Occupancy expense	2,648	-	4,507	3,189	-	12,228
Legal fees	16	-	27	21	-	78
Depreciation	-	-	-	-	-	-
Other expenses	347	-	593	432	284	-
Total expenses	\$ 120,609	\$ 532,635	\$ 513,954	\$ 354,099	\$ 41,495	\$ 545,139

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2011
(With Comparative Totals for 2010)

	Program Services			Supporting Services			
	Meals To Go	Counseling	Subtotal	Fundraising	Admin. - Title III	Admin. - SSBG	Admin. - Choice
Salaries and wages	\$ 61,965	\$ 29,495	\$ 1,442,999	\$ 12,203	\$ 46,141	\$ 11,110	\$ 30,450
Employee benefits	9,747	36	245,581	3,106	6,333	2,180	5,312
Payroll taxes	4,865	2,259	109,388	344	3,313	804	2,175
Total salaries and related expenses	76,577	31,790	1,797,968	15,653	55,787	14,094	37,937
Audit expense	496	-	9,728	-	428	-	1,513
Professional fees	21	280	11,447	-	14	-	59
Contractual allowance	559	-	8,960	-	-	-	-
Office expenses	7,447	90	44,881	577	8,104	-	541
Telephone	2,368	-	28,655	-	433	-	2,197
Postage	1,278	-	13,055	133	1,202	-	955
Rent	225	-	1,365	-	27	-	-
Utilities	2,731	-	12,875	-	-	-	-
Travel and transportation	8,943	295	55,460	540	116	-	54
Dues and subscriptions	510	-	11,549	-	429	-	-
Contract services	-	-	1,922	-	-	-	-
Repairs and maintenance	783	-	102,082	-	5,885	-	75
Service providers	-	-	661,836	-	-	-	-
Catered food	175,510	-	481,841	-	-	-	-
Insurance	811	-	26,818	-	203	-	203
Advertising	483	-	5,662	350	545	-	-
Computer expenses	1,023	1,173	58,726	-	1,770	-	-
Expensed equipment	20	-	31,519	-	5,565	-	530
In-kind expenses	-	-	246,738	8,383	34,773	-	(109)
Nutrition education	-	-	39	-	-	-	-
Occupancy expense	1,956	-	50,550	-	1,494	-	-
Legal fees	10	-	306	-	9	-	-
Depreciation	-	-	-	-	-	-	-
Other expenses	257	-	21,782	10,948	190	-	-
Total expenses	\$ 282,008	\$ 33,628	\$ 3,685,764	\$ 36,584	\$ 116,974	\$ 14,094	\$ 43,955

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2011
(With Comparative Totals for 2010)

	Supporting Services		Total Program	2010 All Funds
	Nonfederal	Subtotal	and Supporting Services 2011	(Memorandum Only)
Salaries and wages	\$ 3,405	\$ 103,309	\$ 1,546,308	\$ 1,537,468
Employee benefits	7,987	24,918	270,499	246,421
Payroll taxes	621	7,257	116,645	118,935
Total salaries and related expenses	12,013	135,484	1,933,452	1,902,824
Audit expense	732	2,673	12,401	12,752
Professional fees	13	86	11,533	10,750
Contractual allowance	-	-	8,960	28,012
Office expenses	500	9,722	54,603	59,271
Telephone	178	2,808	31,463	36,001
Postage	124	2,414	15,469	14,239
Rent	25	52	1,417	2,100
Utilities	-	-	12,875	10,756
Travel and transportation	673	1,383	56,843	58,547
Dues and subscriptions	1,165	1,594	13,143	11,175
Contract services	-	-	1,922	53
Repairs and maintenance	188	6,148	108,230	87,959
Service providers	3,174	3,174	665,010	691,957
Catered food	274	274	482,115	493,195
Insurance	205	611	27,429	33,351
Advertising	54	949	6,611	3,088
Computer expenses	802	3,102	61,828	81,796
Expensed equipment	17	5,473	36,992	51,257
In-kind expenses	-	43,156	289,894	325,127
Nutrition education	-	-	39	59
Occupancy expense	1,499	2,993	53,543	58,294
Legal fees	9	18	324	503
Depreciation	23,796	23,796	23,796	19,556
Other expenses	11,816	22,954	44,736	47,555
Total expenses	\$ 57,257	\$ 268,864	\$ 3,954,628	\$ 4,040,177

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 81,323	\$ 210,587
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	23,796	19,556
Decrease (increase) in assets:		
Contract and grants receivable	84,330	(135,894)
Medicaid receivable	(15,916)	(745)
Prepaid expenses	(57)	7,818
Other assets	-	438
Increase (decrease) in liabilities:		
Accounts payable	(3,240)	15,269
Payroll withholdings	1,437	1,163
Accrued expenses	3,074	13,840
Loss (gain) on the disposal of assets	<u>(2,012)</u>	<u>2,745</u>
Net cash flows from operating activities	172,735	134,777
Cash Flows From Investing Activities		
Purchase of certificates of deposit	(594,818)	(359,317)
Redemptions of certificates of deposit	670,000	559,000
Purchases of property and equipment	(21,640)	(20,930)
Proceeds from disposal of property and equipment	<u>11,200</u>	<u>-</u>
Net cash flows from investing activities	64,742	178,753
Net change in cash and cash equivalents	237,477	313,530
Cash and cash equivalents at the beginning of the year	<u>954,594</u>	<u>641,064</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,192,071</u>	<u>\$ 954,594</u>
Supplemental Disclosures		
Noncash Investing Transaction		
Donated vehicles	\$ 21,640	\$ 20,930

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Notes to Financial Statements
June 30, 2011 and 2010

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, 2011 and 2010, the Organization received donated services, materials, and facilities valued at \$ 311,534 and \$ 346,057, 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, 2011 and 2010 is \$ 8,960 and \$ 27,812, 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. 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, 2011, 2010, and 2009 remained subject to examination by the Internal Revenue Service.

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

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

Functional Allocation of Expenses - The June 30, 2010 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, 2010, 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.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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, 2011 and 2010, advertising costs totaled \$ 6,611 and \$ 3,088, respectively.

NOTE 3 - OPERATING LEASES (LESSEE)

On December 12, 2006, the Organization entered into a lease agreement to lease space for a meal site and Senior Citizens Center 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 agreement was extended until July 24, 2014. Under the extended lease agreement, the Organization agreed to continue to pay \$1 per month. The lease agreement is 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, 2011, the monthly fixed amount totaled \$3,843. In addition, the Organization is responsible for a portion of the cleaning labor and supplies expense for the building. For the year ending June 30, 2011 and 2010, the Organization paid \$ 53,543 and \$ 58,294 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,	
2012	\$ 46,116
2013	46,116
2014	46,116
2015	46,116
2016	46,116
	\$ 230,580

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 \$ 69,170 and \$ 66,255 for the years ending June 30, 2011 and 2010.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	June 30,	
	2011	2010
Nutrition program	\$ 79,103	\$ 63,906
United Way	71,009	63,517
Transportation donations	24,163	24,163
Scribner Place	14,000	14,000
Pre-Admissions Screening	10,767	5,317
Angel Tree	6,790	6,774
Scott County United Way	4,772	4,772
Culbertson Ladies Discretionary	-	35
Total temporarily restricted net assets	\$ 210,604	\$ 182,484

NOTE 6 - CONTRACT AND GRANTS RECEIVABLE

	June 30,	
	2011	2010
Family and Social Services Administration	\$ 519,772	\$ 601,702
United Way	71,009	63,517
Other	12,623	22,515
Total contract and grants receivable	\$ 603,404	\$ 687,734

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. 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. All of the non-interest bearing cash balances were fully insured at June 30, 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Furniture and fixtures	\$ 72,502	\$ 72,502
Vehicles	68,570	62,480
Computer equipment	28,704	28,704
Total	169,776	163,686
Less accumulated depreciation	(47,631)	(30,197)
Property and equipment, net	\$ 122,145	\$ 133,489

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, 2011 and 2010, it received 21 percent and 21 percent from Medicaid and 24 percent and 27 percent from CHOICE of its revenue and support, respectively.

NOTE 10 - 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 the President of the Board of the Organization.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2011 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 31, 2011, the date these financial statements were available to be issued.

LIFESPAN RESOURCES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

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-1651-02	\$ 80,365
Title IIIB - Support Services	93.044	22-10-OV-1651-04	248,412
Title IIIC1 - Congregate Meals	93.045	22-10-OV-1651-06	268,031
Title IIIC2 - Home Delivered Meals	93.045	22-10-OV-1651-08	136,139
CDSMP-ARRA	93.725	22-10-SM-1651-02	16,500
SSBG	93.667	22-10-OG-1651-02	209,567
Title IIID - Health Services	93.043	22-10-OV-1651-10	13,698
Title IIIE - Family Caregiver	93.052	22-10-OV-1651-12	89,209
PASRR	93.778	22-10-70-1651-02	194,828
Title VII - Ombudsman	93.042	22-10-2V-1651-04	7,771
Nutrition Services Incentive Program	93.053	22-10-02-1651-02	<u>79,141</u>
Total Department of Health and Human Services			<u>\$ 1,343,661</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 basic 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, 2011, and have issued our report thereon dated October 31, 2011. 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.

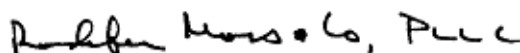
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination 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
October 31, 2011

Independent Auditors' 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, 2011. 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. 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, 2011.

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.

Rodefer Moss & Co, PLLC

Rodefer Moss & Co, PLLC
New Albany, Indiana
October 31, 2011

LIFESPAN RESOURCES, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of 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 \$300,000 type A and type B programs:

Auditee qualified as low-risk auditee? X yes no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None