



**STATE OF INDIANA**  
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June 4, 2014

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

We have reviewed the audit report prepared by Gauthier & Kimmerling, LLC, for the period July 1, 2012 to June 30, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of LifeTime Resources, Inc., as of June 30, 2013, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

**LIFETIME RESOURCES, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**JUNE 30, 2013**

LIFETIME RESOURCES, INC.

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Independent Auditors' Report

Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of Lifetime Resources, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lifetime Resources, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2014 on our consideration of Lifetime Resources, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lifetime Resources, Inc.'s internal control over financial reporting and compliance.

*Gauthier & Kinnear, LLC*

January 10, 2014

LIFETIME RESOURCES, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

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**ASSETS**

Cash and cash equivalents	\$ 985,771
Grants receivable (Note 5)	780,705
Accounts receivable	82,386
Accounts receivable - related party (Note 4)	6,063
Prepaid expenses	8,794
Property and equipment, net of accumulated depreciation of \$2,445,800 (Note 6)	<u>871,196</u>
Total Assets	<u>\$ 2,734,915</u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Accounts payable	\$ 112,331
Accounts payable - related parties	63
Accrued payroll and related liabilities	110,798
Custodial funds held for others	263,895
Other liabilities	<u>11,511</u>
Total Liabilities	<u>498,598</u>

Net Assets:

Unrestricted Funds (Note 7) Board designated	<u>2,236,317</u>
Total Liabilities and Net Assets	<u>\$ 2,734,915</u>

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

**LIFETIME RESOURCES, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

<u>REVENUES AND OTHER SUPPORT</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donations	\$ 304,532	\$ -	\$ 304,532
Grants	-	3,185,546	3,185,546
Third party revenue (net of contractual allowances of \$57,458)	488,278	-	488,278
Program revenue	418,161	134,049	552,210
Other revenue	<u>40,006</u>	<u>-</u>	<u>40,006</u>
Revenues and other support	1,250,977	3,319,595	4,570,572
Revenues released from restriction	<u>3,319,595</u>	<u>(3,319,595)</u>	<u>-</u>
Total Revenues and Other Support	<u>4,570,572</u>	<u>-</u>	<u>4,570,572</u>
 <u>EXPENSES</u>			
Program services	4,395,159	-	4,395,159
Support services	<u>220,092</u>	<u>-</u>	<u>220,092</u>
Total Expenses	<u>4,615,251</u>	<u>-</u>	<u>4,615,251</u>
Increase (decrease) in net assets	(44,679)	-	(44,679)
Net assets - beginning of year	<u>2,280,996</u>	<u>-</u>	<u>2,280,996</u>
Net assets - end of year	<u>\$ 2,236,317</u>	<u>\$ -</u>	<u>\$ 2,236,317</u>

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

**LIFETIME RESOURCES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Service Contracts	Care Management	Information and Assistance	Congregate Meals	Meals on Wheels	Catch A Ride	Other Program Services	Total Program Services	Administration	Total Program & Support Services
Salaries and wages	\$ 5,168	\$ 333,238	\$ 197,512	\$ 83,930	\$ 87,805	\$ 1,051,834	\$ 162,818	\$ 1,922,305	\$ 103,874	\$ 2,026,179
Payroll taxes and benefits	-	148,375	72,050	26,624	27,505	254,784	53,737	583,075	36,304	619,379
Occupancy	-	3,246	1,883	472	472	5,883	4,609	16,565	1,215	17,780
Telephone	-	3,632	3,652	2,563	1,926	9,653	5,369	26,795	7,247	34,042
Postage	-	1,367	792	600	543	4,599	1,470	9,371	1,672	11,043
Supplies	-	2,542	4,008	1,084	860	11,920	2,104	22,518	3,528	26,046
Furniture and equipment	-	3,575	2,133	277	277	15,563	1,655	23,480	8,623	32,103
Insurance	-	1,057	368	142	145	112,649	2,022	116,383	2,561	118,944
Equipment maintenance	-	669	509	359	364	12,398	9,613	23,912	21,958	45,870
Building maintenance	-	4,363	2,531	634	634	8,124	6,266	22,552	1,632	24,184
Dues and subscriptions	-	-	-	83	82	791,000	920	1,876	4,090	5,966
Contracted services	-	(9,927)	8,950	108,420	15,778	347,324	9,686	480,231	17,898	498,129
Service providers	760,250	-	-	16,358	27,372	-	7,240	811,220	-	811,220
Travel and transportation	-	10,394	5,416	1,049	28,562	6,078	18,780	70,279	6,284	76,563
Other costs	-	3	5,747	932	41	8,313	10,295	25,331	3,200	28,531
Training	-	769	7,089	50	75	1,339	269	9,591	6	9,597
Depreciation	-	17,016	14,098	10,983	8,678	178,900	-	229,675	-	229,675
	<u>\$ 765,418</u>	<u>\$ 520,319</u>	<u>\$ 326,738</u>	<u>\$ 254,560</u>	<u>\$ 201,119</u>	<u>\$ 2,030,152</u>	<u>\$ 296,853</u>	<u>\$ 4,395,159</u>	<u>\$ 220,092</u>	<u>\$ 4,615,251</u>

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

**LIFETIME RESOURCES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (44,679)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	229,675
(Increases) decreases in operating assets:	
Grants receivable	(120,856)
Accounts receivable	(10,400)
Accounts receivable - related party	(1,773)
Prepaid expenses	8,472
Increases (decreases) in operating liabilities:	
Accounts payable	(5,935)
Accounts payable - related parties	(204)
Accrued payroll and related liabilities	81,465
Custodial funds held for others	36,080
Other liabilities	<u>962</u>
Net Cash Provided by (Used in) Operating Activities	<u>172,807</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of vehicles	<u>(89,196)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(89,196)</u>
Net increase (decrease) in cash	<u>83,611</u>
Cash - beginning of year	<u>902,160</u>
Cash - end of year	<u>\$ 985,771</u>
Interest paid during the year	<u>\$ -</u>

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

LIFETIME RESOURCES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30,2013

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1. NATURE OF THE ORGANIZATION

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

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

The Agency receives significant funding through the Indiana Family and Social Services Administration (IFSSA) and the Southeastern Indiana Regional Planning Commission (SIRPC). The Agency submits claims to these parties for approval and payment. The Agency depends significantly on these funding sources to carry out its program activities.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The agency reviews its fixed assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. No impairment loss was recognized in 2013.

(Continued)

## 2. SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

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

The Agency is exempt from income taxation under the Internal Revenue Code Section 501(c)(3). Management believes that the Agency has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management believes that the Agency is no longer subject to income tax examination for years prior to 2010.

## 3. FINANCIAL INSTRUMENTS

The Agency maintains its cash in deposit accounts, the cumulative balance of which may exceed federally insured limits. As of June 30, 2013, the cumulative balance was approximately \$89,000 over the federally insured limit. The Agency has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

## 4. RELATED PARTIES

Certain members of the Agency's Board of Directors also serve on the Board of Directors of LifeTime Housing Group. As of June 30, 2013, the Agency is reporting \$6,063 in accounts receivable from LifeTime Housing Group, as shown in the statement of financial position. This amount represents personnel costs and expenses paid by the Agency for LifeTime Housing staff and are reimbursable to the Agency.

During the year, LifeTime Housing Group paid \$63,585 to the Agency for various overhead expenses.

5. GRANT REVENUE AND RECEIVABLE

The Agency's grant revenue and related receivables at June 30, 2013, consists of the following:

	CFDA No.	Revenue 6/30/13	Collections 6/30/13	Receivable 6/30/13
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 52,534	\$ 37,862	\$ 14,672
Title III - B	93.044	183,282	123,922	59,360
Title III - C-1	93.045	175,218	142,644	32,574
Title III - C-2	93.045	88,667	59,321	29,346
Title III - D	93.043	9,592	9,592	-
Title III - E	93.052	68,587	61,904	6,683
Nutrition Service Incentive Program				
	93.053	37,713	37,713	-
Title VII Ombudsman	93.042	3,960	3,580	380
PASRR	93.778	125,932	125,932	-
CLP	93.045	5,736	5,736	-
ADRC	93.048	11,140	850	10,290
Social Services Block Grant	93.667	184,871	177,155	7,716
U.S. Department of Transportation				
Section 5311 Mass Transit	20.509	672,433	516,244	156,189
Section 5311 ARRA	20.509	32,845	32,845	-
New Freedom Grant	20.521	299,011	94,639	204,372
State Grants		1,198,660	939,537	259,123
Other		<u>35,365</u>	<u>35,365</u>	<u>-</u>
Total		<u>\$ 3,185,546</u>	<u>\$ 2,404,841</u>	<u>\$ 780,705</u>

6. PROPERTY AND EQUIPMENT

The Agency's property and equipment consists of the following at June 30, 2013:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 50,000	\$ -	\$ 50,000
Buildings	950,432	527,481	422,951
Building improvements	100,138	31,016	69,122
Vehicles	<u>2,216,426</u>	<u>1,887,303</u>	<u>329,123</u>
Total	<u>\$ 3,316,996</u>	<u>\$ 2,445,800</u>	<u>\$ 871,196</u>

Depreciation expense for the year totaled \$229,675.

7. UNRESTRICTED FUND BALANCES

During previous years, the Agency's Board of Directors designated a portion of its fund balance for future programs and costs. The designated fund balances as of June 30, 2013, are as follows:

Catch A Ride	\$ (2,396)
Building reserves	542,074
Sentry services	20,589
Cash flow reserve	1,346,934
Vehicle asset fund	<u>329,116</u>
Total	<u>\$ 2,236,317</u>

8. FAIR VALUE MEASUREMENT

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

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

At June 30, 2013, there were no assets or liabilities valued on a recurring basis.

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

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

9. SUBSEQUENT EVENTS

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

**LIFETIME RESOURCES, INC.**

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

**JUNE 30, 2013**



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

7340 Shadeland Station • Suite 100 • Indianapolis, IN 46256 • (317) 572-1130

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*

Independent Auditors' Report

Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

We have audited, 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, the financial statements of Lifetime Resources, Inc. (the Agency), which comprise the statement of financial position as June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Agency's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable of any other purpose.

*Gauthier & Kimmely, LLC*

January 10, 2014



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

7340 Shadeland Station • Suite 100 • Indianapolis, IN 46256 • (317) 572-1130

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance;  
And Report on the Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133

Independent Auditors' Report

Board of Directors  
LifeTime Resources, Inc.  
Dillsboro, Indiana

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

We have audited Lifetime Resources, Inc.'s (the Agency) 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 the Agency's major federal programs for the year ended June 30, 2013. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Agency as of and for the year ended June 30, 2013, and have issued our report thereon dated January 10, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain 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

Page 3

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Gauthier & Kennedy, LLC*

January 10, 2014

LifeTime Resources, Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Dept. of Health & Human Services:			
Indiana Family and Social Services Administration			
Aging Cluster			
Title III-B Admin.	93.044	15-12-OV-2337-09	\$ 52,534
Title III-B Social Services	93.044	15-12-OV-2337-10	<u>183,282</u>
Total Title III-B			<u>235,816</u>
Title III- Congregate Meals	93.045	15-12-OV-2337-07	175,218
Title III-C Home Delivered Meals	93.045	15-12-OV-2337-08	<u>88,667</u>
Total Title III-C			<u>263,885</u>
Nutrition Services Incentive Program	93.053	15-12-02-2337-02	<u>37,713</u>
Total Aging Cluster			<u>537,414</u>
Title III - D	93.043	15-12-OV-2337-11	9,592
Care Transitions ADRC	93.048	90DR0007	11,140
Title III - E	93.052	15-12-OV-2337-12	68,587
Title VII - Ombudsman	93.042	15-12-2V-2337-03	3,960
PASSR	93.778	15-12-70-2337-02	125,932
Community Living Program	93.045	15-10-4C-2337-03	5,736
Social Services Block Grant	93.667	15-12-OG-2337-03	65,310
		15-12-OG-2337-02	<u>119,561</u>
Total Social Services Block Grant			<u>184,871</u>
Total U.S. Department of Health & Human Services			<u>947,232</u>
U.S. Department of Transportation:			
Southeastern Indiana Regional Planning Commission			
Section 5311 Rural and small urban transit '12	20.509	18000290	369,307
Section 5311 Rural and small urban transit '13	20.509	18000300	303,126
Section 5311 - ARRA	20.509	8600123S	<u>32,845</u>
Total Section 5311			<u>705,278</u>
Section 5317 New Freedom - Operating Grant '12	20.521	12NWFR230	94,639
Section 5317 New Freedom - Operating Grant '13	20.521	13NWFR230	167,682
Section 5317 New Freedom - Capital Grant '12	20.521	12NWFR230	<u>36,690</u>
Total Section 5317			<u>299,011</u>
Total U.S. Department of Transportation			<u>1,004,289</u>
Total Expenditure of Federal Awards			<u>\$ 1,951,521</u>

The accompanying notes are an integral part of this schedule.

LifeTime Resources, Inc.  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

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

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of LifeTime Resources, Inc. (the Agency) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

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

LifeTime Resources, Inc.  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2013

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<u>ITEM NUMBER</u>	<u>AUDIT FINDING</u>
	None reported.

LifeTime Resources, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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

Financial Statements:

Type of auditor report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? *No*

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.509	U.S. Department of Transportation Formula Grants for other than Urbanized Areas

LifeTime Resources, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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

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

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

*No matters were reported.*

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

*No matters were reported.*