



STATE OF INDIANA
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February 6, 2018

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

We have reviewed the report prepared by LifeTime Resources, Inc. and opined upon by Gauthier & Kimmerling, LLC, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of LifeTime Resources, Inc. as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Gauthier & Kimmerling, LLC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

LIFETIME RESOURCES, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

JUNE 30, 2015

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, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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.

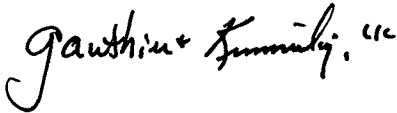
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015, 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 December 31, 2015 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.

A handwritten signature in cursive script that reads "Gauthier & Summaly, LLC".

December 31, 2015

LIFETIME RESOURCES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Cash and cash equivalents	\$ 1,754,663
Cash held for others (Note 7)	269,043
Grants receivable (Note 5)	596,308
Accounts receivable	62,156
Accounts receivable - related party (Note 4)	23,268
Prepaid expenses	6,312
Other assets	1,500
Property and equipment, net of accumulated depreciation of \$2,607,845 (Note 6)	<u>648,453</u>
 Total Assets	 <u>\$ 3,361,703</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 142,630
Accounts payable - related parties	171
Accrued payroll and related liabilities	102,112
Custodial funds held for others (Note 7)	268,566
Other liabilities	<u>1,679</u>
 Total Liabilities	 <u>515,158</u>

Net Assets:

Unrestricted Funds (Note 8)	
Board designated	<u>2,846,545</u>
 Total Liabilities and Net Assets	 <u>\$ 3,361,703</u>

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

**LIFETIME RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Total
<u>REVENUES AND OTHER SUPPORT</u>			
Donations	\$ 187,868	\$ -	\$ 187,868
Grants	-	2,891,497	2,891,497
Third party revenue (net of contractual allowances of \$11,643)	686,174	-	686,174
Program revenue	316,901	93,867	410,768
Other revenue	14,050	-	14,050
	1,204,993	2,985,364	4,190,357
Revenues and other support			
Revenues released from restriction	2,985,364	(2,985,364)	-
	4,190,357	-	4,190,357
<u>EXPENSES</u>			
Program services	3,708,651	-	3,708,651
Support services	218,101	-	218,101
	3,926,752	-	3,926,752
Total Expenses			
Total increase (decrease) in net assets	263,605	-	263,605
Net assets - beginning of year	2,582,940	-	2,582,940
Net assets - end of year	\$ 2,846,545	\$ -	\$ 2,846,545

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

LIFETIME RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Service Contracts	Care Management	Information and Assistance	Congregate Meals	Catch A Ride	Other Program Services	Total Program Services	Administration	Total Program & Support Services
Salaries and wages	\$ 5,771	\$ 681,372	\$ 66,730	\$ 99,979	\$ 852,044	\$ 48,516	\$ 1,754,412	\$ 118,893	\$ 1,873,305
Payroll taxes and benefits	939	246,214	29,399	24,448	195,268	19,929	516,197	37,986	554,183
Occupancy	9	4,420	516,000	431	5,061	2,864	13,301	2,218	15,519
Telephone	18	13,466	897	4,312	6,975	2,324	27,992	1,307	29,299
Postage	1	3,178	489	564	3,837	439	8,508	1,608	10,116
Supplies	1,279	15,393	800	8,211	13,499	2,033	41,215	3,909	45,124
Furniture and equipment	-	15,001	457	330	14,824	570	31,182	2,935	34,117
Insurance	-	3,363	285	429	111,601	2,792	118,470	5,953	124,423
Equipment maintenance	72	22,379	2,251	1,696	15,856	9,103	51,357	5,485	56,842
Building maintenance	7	6,001	684	587	5,749	3,699	16,727	2,896	19,623
Dues and subscriptions	8	342	28	215	906	737	2,236	5,374	7,610
Contracted services	84	7,731	762	70,498	212,605	3,006	294,686	4,744	299,430
Service providers	616,394	-	-	1,579	-	5,300	623,273	-	623,273
Travel and transportation	-	20,575	377	6,849	9,894	375	38,070	9,870	47,940
Other costs	946	352	405	1,290	12,152	2,353	17,498	3,358	20,856
Training	4,000	3,774	-	-	1,265	817	9,856	4,279	14,135
Depreciation	-	14,462	1,688	1,410	116,740	9,371	143,671	7,286	150,957
	<u>\$ 629,528</u>	<u>\$ 1,058,023</u>	<u>\$ 105,768</u>	<u>\$ 222,828</u>	<u>\$ 1,578,276</u>	<u>\$ 114,228</u>	<u>\$ 3,708,651</u>	<u>\$ 218,101</u>	<u>\$ 3,926,752</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, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 263,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	150,957
(Increases) decreases in operating assets:	
Grants receivable	(27,065)
Accounts receivable	4,864
Accounts receivable - related party	(8,021)
Prepaid expenses	4,327
Other assets	(1,500)
Cash held for others	(4,902)
Increases (decreases) in operating liabilities:	
Accounts payable	44,641
Accounts payable - related parties	(5)
Accrued payroll and related liabilities	12,370
Custodial funds held for others	13,691
Other liabilities	<u>(1,143)</u>
Net Cash Provided by (Used in) Operating Activities	<u>451,819</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(107,751)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(107,751)</u>
Net increase (decrease) in cash	<u>344,068</u>
Cash - beginning of year	<u>1,410,595</u>
Cash - end of year	<u>\$ 1,754,663</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, 2015

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 assistance, preadmission screening, guardianship, transportation, legal assistance, care management, options counseling, congregate meals, health and wellness, in-home services, and ombudsman services.

The Agency receives significant funding through the Indiana Family and Social Services Administration (IFSSA). The Agency submits claims to IFSSA 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 2015.

(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 2012.

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, 2015, the cumulative balance was approximately \$8,000 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 (LTHG). As of June 30, 2015, the Agency is reporting \$23,268 in accounts receivable and \$171 in accounts payable from LTHG as shown in the statement of financial position. This amount represents personnel costs and expenses paid by the Agency for LTHG staff and are reimbursable to the Agency.

During the year, LTHG paid \$63,689 to the Agency for various overhead expenses.

5. GRANT REVENUE AND RECEIVABLE

The Agency's grant revenue and related receivables at June 30, 2015, consists of the following:

	CFDA No.	Revenue 6/30/15	Collections 6/30/15	Receivable 6/30/15
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 48,892	\$ 38,197	\$ 10,695
Title III - B	93.044	201,592	170,349	31,243
Title III - C-1	93.045	131,440	101,539	29,901
Title III - C-2	93.045	41,123	32,901	8,222
Title III - D	93.043	8,250	6,467	1,783
Title III - E	93.052	45,389	33,953	11,436
NSIP	93.053	38,312	38,312	-
Title VII Ombudsman	93.042	5,482	5,329	153
ADRC	93.048	949	949	-
Social Services Block Grant	93.667	170,660	161,816	8,844
U.S. Department of Transportation				
Section 5311 Mass Transit	20.509	739,876	562,534	177,342
Section 5310 Capital	20.513	86,201	86,201	-
State Grants		1,368,560	1,051,871	316,689
Other		<u>4,771</u>	<u>4,771</u>	<u>-</u>
Total		<u>\$ 2,891,497</u>	<u>\$ 2,295,189</u>	<u>\$ 596,308</u>

6. PROPERTY AND EQUIPMENT

The Agency's property and equipment consists of the following at June 30, 2015:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 50,000	\$ -	\$ 50,000
Buildings	950,432	622,525	327,907
Building improvements	100,138	37,522	62,616
Vehicles	<u>2,155,728</u>	<u>1,947,798</u>	<u>207,930</u>
Total	<u>\$ 3,256,298</u>	<u>\$ 2,607,845</u>	<u>\$ 648,453</u>

Depreciation expense for the year totaled \$150,957.

7. CASH HELD FOR OTHERS

As part of the Agency's sentry services program, they serve as the agent for certain individuals' bank accounts. All transactions from these accounts require proper approval before the funds are distributed. The corresponding liability is included in custodial funds held from others and accounts payable.

8. 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, 2015, are as follows:

General Fund Balance	\$ 23,007
Catch A Ride	35,164
Vehicle Replacement	205,000
Building Fund	440,523
Building Repair Reserve	105,000
Sentry Services	18,982
Equipment Reserve	60,000
Cash Flow Reserve	1,404,049
Vehicle Asset Fund	248,428
Health Ins & Unemployment	120,280
PAS	16,765
Business Development	<u>169,347</u>
Total	<u>\$ 2,846,545</u>

9. 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, 2015, 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, other assets, accounts payable and accrued liabilities approximate the carrying value in the accompanying financial statements due to the short maturity of such instruments.

10. 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.