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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa


April 4, 2018

Board of Directors
Lifespan Resources, Inc.
33 State Street, P.O. Box 995
New Albany, IN 47151

We have reviewed the report prepared by Lifespan Resources, Inc. and opined upon by Rodefer Moss & Co, PLLC, Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Lifespan Resources, Inc. as of June 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rodefer Moss & Co, PLLC 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.


Paul D. Joyce, CPA
State Examiner

LIFESPAN RESOURCES, INC.

Financial Statements and Supplementary Information

June 30, 2016 and 2015

LIFESPAN RESOURCES, INC.
Financial Statements and Supplementary Information
June 30, 2016 and 2015

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- Certified Public Accountants
- Business Advisors

p: 812.945.5236
f: 812.949.4095
w: rodefermoss.com
301 East Elm Street
New Albany, IN 47150



Independent Auditors' Report

To the Board of Directors
LifeSpan Resources, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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.

Auditors' 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 auditors' 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 LifeSpan Resources, Inc. as of June 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited LifeSpan Resources, Inc.'s financial statements as of June 30, 2015, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

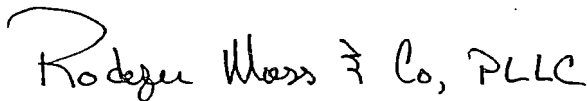
Other Matters

Other Information

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, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016, 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 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 LifeSpan Resources Inc.'s internal control over financial reporting and compliance.



Rodefer Moss & Co, PLLC
New Albany, Indiana
November 29, 2016

LIFESPAN RESOURCES, INC.
 Statements of Financial Position
 June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 772,695	\$ 714,204
Petty cash	300	300
Investments	1,387,912	1,187,881
Contract and grants receivable	287,290	673,335
Medicaid receivable, net of allowance	50,670	130,578
Prepaid postage	1,301	3,188
Property and equipment, net of accumulated depreciation	<u>50,209</u>	<u>76,947</u>
Total assets	<u>\$ 2,550,377</u>	<u>\$ 2,786,433</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 96,412	\$ 163,920
Payroll withholdings	-	3,710
Accrued expenses	<u>205,624</u>	<u>205,647</u>
Total liabilities	<u>302,036</u>	<u>373,277</u>
Net Assets		
Temporarily restricted	65,053	87,660
Unrestricted	<u>2,183,288</u>	<u>2,325,496</u>
Total net assets	<u>2,248,341</u>	<u>2,413,156</u>
Total liabilities and net assets	<u>\$ 2,550,377</u>	<u>\$ 2,786,433</u>

LIFESPAN RESOURCES, INC.
Statement of Activities
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support:			
Contract/program	\$ 5,329,794	\$ -	\$ 5,329,794
In-kind	183,538	-	183,538
Grant	81,684	63,573	145,257
Donations	97,125	524	97,649
Miscellaneous	53,728	-	53,728
Unrealized gain (loss) on investments	(33,946)	-	(33,946)
	5,711,923	64,097	5,776,020
Net assets released from restrictions	86,704	(86,704)	-
	5,798,627	(22,607)	5,776,020
Expenses			
Program Services:			
Health Screening	29,247	-	29,247
Ombudsman	32,966	-	32,966
Legal Assistance	20,859	-	20,859
Services - Title IIIB	46,538	-	46,538
Information and Referral	19,861	-	19,861
Transportation	346,706	-	346,706
Family Caregiver	139,665	-	139,665
Case Management - SSBG	183,789	-	183,789
Outreach	4,260	-	4,260
Case Management - PAS	286,176	-	286,176
Services - SSBG	31,844	-	31,844
Case Management - Choice	196,177	-	196,177
Case Management - CHMW	130,387	-	130,387
Services - Choice	974,821	-	974,821
Congregate Meals	418,822	-	418,822
Home Delivered Meals	534,106	-	534,106
ADRC Network Development	40,464	-	40,464
PP Case Management	411	-	411
Anthem	33,076	-	33,076
Medicare Improvement	14,420	-	14,420
Services - Medicaid	1,575,977	-	1,575,977
Meals To Go/Med Waiver Meals	627,634	-	627,634
	5,688,206	-	5,688,206

LIFESPAN RESOURCES, INC.
Statement of Activities (Continued)
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Expenses (Continued)			
Supporting Services:			
Fundraising	\$ 36,955	\$ -	\$ 36,955
Administration - Title III	102,807	-	102,807
Administration - SSBG	29,021	-	29,021
Administration - Choice	33,457	-	33,457
Nonfederal	50,389	-	50,389
Total supporting service expenses	252,629	-	252,629
Total expenses	5,940,835	-	5,940,835
Net change in net assets	(142,208)	(22,607)	(164,815)
Net assets at the beginning of the year	2,325,496	87,660	2,413,156
Net assets at the end of the year	\$ 2,183,288	\$ 65,053	\$ 2,248,341

LIFESPAN RESOURCES, INC.
Statement of Activities
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains, and Other Support			
Contract/program	\$ 5,337,428	\$ -	\$ 5,337,428
In-kind	203,458	-	203,458
Grant	36,634	70,974	107,608
Donations	75,350	-	75,350
Miscellaneous	44,855	-	44,855
Unrealized gain on investments	(15,976)	-	(15,976)
	5,681,749	70,974	5,752,723
Net assets released from restrictions	89,184	(89,184)	-
Total revenues, gains, and other support	5,770,933	(18,210)	5,752,723
Expenses			
Program Services:			
Health Screening	18,352	-	18,352
Ombudsman	39,040	-	39,040
Legal Assistance	16,278	-	16,278
Services - Title IIIB	39,485	-	39,485
Information and Referral	19,349	-	19,349
Transportation	336,967	-	336,967
Family Caregiver	133,972	-	133,972
Case Management - SSBG	209,466	-	209,466
Outreach	5,535	-	5,535
Case Management - PAS	261,470	-	261,470
Services - SSBG	12,317	-	12,317
Case Management - Choice	261,182	-	261,182
Case Management - CHMW	251,126	-	251,126
Services - Choice	573,705	-	573,705
Congregate Meals	415,892	-	415,892
Home Delivered Meals	378,890	-	378,890
CCTP	82,503	-	82,503
ADRC Sustainability	6,821	-	6,821
Enhanced ADRC	39,848	-	39,848
Medicare Improvement	5,373	-	5,373
Service - Medicaid	1,308,619	-	1,308,619
Meals To Go/Med Waiver Meals	835,437	-	835,437
Total program service expenses	5,251,627	-	5,251,627

LIFESPAN RESOURCES, INC.
Statement of Activities (Continued)
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Expenses (Continued)			
Supporting Services			
Fundraising	\$ 29,105	\$ -	\$ 29,105
Administration - Title III	121,555	-	121,555
Administration - SSBG	35,742	-	35,742
Administration - Choice	46,907	-	46,907
Nonfederal	92,468	-	92,468
Total supporting service expenses	325,777	-	325,777
Total expenses	5,577,404	-	5,577,404
Net change in net assets	193,529	(18,210)	175,319
Net assets at the beginning of the year	2,131,967	105,870	2,237,837
Net assets at the end of the year	\$ 2,325,496	\$ 87,660	\$ 2,413,156

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services						
	Health Screening	Ombudsman	Legal Assistance	Services - Title IIB	Information and Referral	Transportation	Family Caregiver
Salaries and wages	\$ 17,109	\$ 21,138	\$ -	\$ -	\$ 15,393	\$ 189,107	\$ 41,493
Employee benefits	95	3,185	-	-	1,521	39,699	6,078
Payroll taxes	1,456	1,771	-	-	1,207	15,125	3,335
Total salaries and related expenses	18,660	26,094	-	-	18,121	243,931	50,906
Audit	-	-	-	-	-	-	-
Professional fees	1,027	12	8,400	-	21	82	42
Contractual allowance	-	-	-	-	-	-	-
Office	3,638	198	-	-	40	908	235
Telephone	769	715	-	-	133	3,038	704
Postage	116	24	-	-	699	355	1,108
Rent	51	190	-	-	38	2,176	132
Utilities	369	232	-	-	-	995	-
Travel and transportation	1,732	650	-	-	75	583	387
Dues and subscriptions	979	299	-	-	159	2,154	630
Contract services	-	-	-	-	-	-	-
Repairs and maintenance	776	1,947	-	-	26	52,806	165
Service providers	-	-	-	46,538	-	-	60,180
Catered food	-	-	-	-	-	-	-
Insurance	529	332	-	-	81	19,232	435
Advertising	4	8	-	-	3	455	22
Computer	261	586	-	-	207	5,470	581
Expensed equipment	1	2	-	-	1	6	3
In-kind	-	1,056	12,459	-	-	10,152	23,473
Occupancy	321	594	-	-	248	3,531	653
Depreciation	-	-	-	-	-	-	-
Other	14	27	-	-	9	832	9
Total expenses	<u>\$ 29,247</u>	<u>\$ 32,966</u>	<u>\$ 20,859</u>	<u>\$ 46,538</u>	<u>\$ 19,861</u>	<u>\$ 346,706</u>	<u>\$ 139,665</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services					
	Case Management - SSBG	Outreach	Case Management - PAS	Services - SSBG	Case Management - Choice	Case Management - CHMW
Salaries and wages	\$ 115,553	\$ 2,357	\$ 164,475	\$ -	\$ 149,408	\$ 88,952
Employee benefits	30,527	80	62,981	-	10,204	15,179
Payroll taxes	8,975	175	12,735	-	11,703	6,793
Total salaries and related expenses	155,055	2,612	240,191	-	171,315	110,924
Audit	3	-	15	-	-	-
Professional fees	165	-	175	-	81	64
Contractual allowance	-	-	-	-	-	-
Office	1,572	3	2,801	-	811	845
Telephone	5,094	27	5,533	-	3,355	3,282
Postage	335	1	1,643	-	111	115
Rent	1,625	2	1,637	-	1,628	1,600
Utilities	1,461	-	1,359	-	471	1,050
Travel and transportation	3,060	34	3,377	-	6,670	2,925
Dues and subscriptions	2,193	8	3,770	-	1,049	850
Contract services	-	-	-	-	-	-
Repairs and maintenance	4,843	6	2,780	-	3,397	2,949
Service providers	-	-	-	31,844	-	-
Catered food	-	-	-	-	-	-
Insurance	1,791	169	8,372	-	2,092	1,925
Advertising	69	-	63	-	82	78
Computer	3,024	1,374	5,974	-	2,579	1,948
Expensed equipment	9	-	11	-	-	-
In-kind	-	-	-	-	-	-
Occupancy	3,354	24	7,922	-	2,493	1,793
Depreciation	-	-	-	-	-	-
Other	136	-	553	-	43	39
Total expenses	\$ 183,789	\$ 4,260	\$ 286,176	\$ 31,844	\$ 196,177	\$ 130,387

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services						
	Services - Choice	Congregate Meals	Home Delivered Meals	ADRC Network Development	PP Case Management	Anthem	Medicare Improvement
Salaries and wages	\$ -	\$ 128,497	\$ 30,888	\$ 35,975	\$ 367	\$ 25,743	\$ 11,996
Employee benefits	-	20,801	6,857	886	-	-	1,220
Payroll taxes	-	10,584	2,400	2,972	33	2,083	936
Total salaries and related expenses	-	159,882	40,145	39,833	400	27,826	14,152
Audit	-	5	-	-	-	-	-
Professional fees	-	158	6	87	-	30	11
Contractual allowance	-	-	-	-	-	-	-
Office	-	6,755	573	184	-	136	-
Telephone	-	3,580	1,482	141	-	1,123	57
Postage	-	535	118	-	-	-	-
Rent	-	1,065	460	-	-	-	-
Utilities	-	2,279	942	-	-	-	-
Travel and transportation	-	1,225	256	165	11	3,249	133
Dues and subscriptions	-	1,863	737	54	-	-	67
Contract services	-	-	-	-	-	-	-
Repairs and maintenance	-	1,715	840	-	-	-	-
Service providers	974,821	-	-	-	-	-	-
Catered food	-	186,041	411,671	-	-	-	-
Insurance	-	1,390	1,121	-	-	712	-
Advertising	-	18	23	-	-	-	-
Computer	-	3,288	972	-	-	-	-
Expensed equipment	-	12	1	-	-	-	-
In-kind	-	45,725	73,958	-	-	-	-
Occupancy	-	3,102	785	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other	-	184	16	-	-	-	-
Total expenses	\$ 974,821	\$ 418,822	\$ 534,106	\$ 40,464	\$ 411	\$ 33,076	\$ 14,420

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services			Supporting Services			
	Services - Medicaid	Meals to Go / Med Waiver Meals	Subtotal	Fundraising	Admin. - Title III	Admin. - SSBG	Admin. - Choice
Salaries and wages	\$ 1,031,496	\$ 34,677	\$ 2,104,624	\$ 16,577	\$ 59,608	\$ 23,930	\$ 27,070
Employee benefits	141,499	8,697	349,509	3,763	5,175	2,935	2,762
Payroll taxes	82,225	2,793	167,301	1,087	4,466	1,845	2,074
Total salaries and related expenses	1,255,220	46,167	2,621,434	21,427	69,249	28,710	31,906
Audit	14	-	37	-	13,501	-	-
Professional fees	737	22	11,120	-	15	-	-
Contractual allowance	110,536	-	110,536	-	-	-	-
Office	6,577	706	25,982	262	138	4	12
Telephone	12,380	1,666	43,079	-	474	249	330
Postage	6,490	88	11,738	-	894	-	918
Rent	5,516	1,228	17,348	-	142	-	-
Utilities	2,110	669	11,937	-	-	-	-
Travel and transportation	31,957	270	56,759	235	131	58	78
Dues and subscriptions	13,922	779	29,513	-	422	-	-
Contract services	-	-	-	-	-	-	-
Repairs and maintenance	33,291	669	106,210	-	165	-	-
Service providers	383	-	1,113,766	-	-	-	-
Catered food	-	571,988	1,169,700	-	-	-	-
Insurance	12,656	981	51,818	-	406	-	213
Advertising	411	21	1,257	-	8	-	-
Computer	18,964	1,420	46,648	-	730	-	-
Expensed equipment	77	3	126	-	2	-	-
In-kind	-	-	166,823	-	15,647	-	-
Occupancy	21,503	947	47,270	-	855	-	-
Depreciation	-	-	-	-	-	-	-
Other	43,233	10	45,105	15,031	28	-	-
Total expenses	\$ 1,575,977	\$ 627,634	\$ 5,688,206	\$ 36,955	\$ 102,807	\$ 29,021	\$ 33,457

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Supporting Services		Total Program and Supporting Services 2016	2015 All Funds (Memorandum Only)
	Nonfederal	Subtotal		
Salaries and wages	\$ 416	\$ 127,601	\$ 2,232,225	\$ 2,165,861
Employee benefits	-	14,635	364,144	337,596
Payroll taxes	26	9,498	176,799	174,942
Total salaries and related expenses	442	151,734	2,773,168	2,678,399
Audit	1	13,502	13,539	13,849
Professional fees	27	42	11,162	21,241
Contractual allowance	-	-	110,536	123,745
Office	410	826	26,808	49,886
Telephone	456	1,509	44,588	45,710
Postage	67	1,879	13,617	13,561
Rent	403	545	17,893	11,356
Utilities	-	-	11,937	13,580
Travel and transportation	1,402	1,904	58,663	76,590
Dues and subscriptions	2,343	2,765	32,278	28,134
Contract services	-	-	-	1,500
Repairs and maintenance	270	435	106,645	128,380
Service providers	1,220	1,220	1,114,986	690,150
Catered food	1,132	1,132	1,170,832	1,179,786
Insurance	463	1,082	52,900	43,171
Advertising	16	24	1,281	9,679
Computer	1,269	1,999	48,647	69,449
Expensed equipment	4	6	132	23,686
In-kind	1,068	16,715	183,538	194,071
Occupancy	1,809	2,664	49,934	50,313
Depreciation	26,914	26,914	26,914	34,253
Other	10,673	25,732	70,837	76,915
Total expenses	<u>\$ 50,389</u>	<u>\$ 252,629</u>	<u>\$ 5,940,835</u>	<u>\$ 5,577,404</u>

See notes to financial statements.

LIFESPAN RESOURCES, INC.
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (164,815)	\$ 175,319
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	26,914	34,253
(Gain) loss on sale of property and equipment	(4,599)	-
Unrealized loss (gain) on investments	33,946	15,976
Decrease (increase) in assets:		
Contract and grants receivable	386,045	(297,265)
Medicaid receivable	79,908	(36,782)
Prepaid expenses	1,887	13,746
Increase (decrease) in liabilities:		
Accounts payable	(67,508)	77,725
Payroll withholdings	(3,710)	(347)
Accrued expenses	(23)	29,686
Net cash flows from operating activities	<u>288,045</u>	<u>12,311</u>
Cash Flows From Investing Activities		
Redemptions of certificates of deposit	-	100,000
Purchase of investments	(233,977)	(320,658)
Proceeds from sale of property and equipment	7,200	-
Purchases of property and equipment	<u>(2,777)</u>	<u>(9,387)</u>
Net cash flows from investing activities	<u>(229,554)</u>	<u>(230,045)</u>
Net change in cash and cash equivalents	58,491	(217,734)
Cash and cash equivalents at the beginning of the year	<u>714,504</u>	<u>932,238</u>
Cash and cash equivalents at the end of the year	<u>\$ 772,995</u>	<u>\$ 714,504</u>
Supplemental Disclosures		
Noncash Investing Transaction		
Donated vehicles	<u>\$ -</u>	<u>\$ 9,387</u>

LIFESPAN RESOURCES, INC.
Notes to Financial Statements
June 30, 2016 and 2015

NOTE 1 - NATURE OF ACTIVITIES AND 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.

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

Contract and Grants Receivable - Contract 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, 2016 and 2015 was \$109,436 and \$121,882, 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.

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.

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, 2016, 2015, and 2014 remained subject to examination by the Internal Revenue Service.

Contributed Services, Materials, Vehicles, 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. Contributed vehicles are capitalized at fair market value and depreciated over their estimated useful lives. For the years ended June 30, 2016 and 2015, the Organization received donated services, materials, vehicles, and facilities valued at \$183,538 and \$203,458 respectively. Contributed vehicles included in these amounts were \$0 and \$9,387 for the years ended June 30, 2016 and 2015, respectively.

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

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Functional Allocation of Expenses - The June 30, 2015 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, 2015, from which the summarized information was derived.

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, 2016 and 2015, advertising costs totaled \$1,281 and \$9,679, respectively.

Reclassifications - Certain items have been reclassified from 2015 to conform to the classification of 2016. Such reclassifications had no effect on the total statement of activities or statement of financial position as previously reported.

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.

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.

Date of Management's Review - Management has evaluated events and transactions occurring subsequent to the Statement of Financial Position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which is the date these financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

The carrying amounts of the Organization's investments approximate fair value because of the short-term maturity of these instruments. These financial assets are measured at fair value on the financial statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities the Organization has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect the Organization's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Organization develops these inputs based on the best information available, including its own data.

Cash and cash equivalents in the amount of \$56,663 and \$13,306 at June 30, 2016 and 2015, respectively are included in the investment balance; however cash and cash equivalents are not subject to fair value disclosure requirements. Other investments are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used to value investments at June 30, 2016.

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

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

In accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the following tables represent the Organization's fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2016 and 2015. The tables also set forth the respective levels to which the fair value measurements are classified within the fair value hierarchy.

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$ 444,093	\$ -	\$ -	\$ 444,093
Equities	<u>887,156</u>	<u>-</u>	<u>-</u>	<u>887,156</u>
Total assets at fair value	<u>\$1,331,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,331,249</u>

	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Mutual fund/debt investments	\$ 375,719	\$ -	\$ -	\$ 375,719
Equities	<u>798,856</u>	<u>-</u>	<u>-</u>	<u>798,856</u>
Total assets at fair value	<u>\$1,174,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,174,575</u>

The following table summarizes the Organization's investments and accumulated unrealized appreciation (depreciation) by investment class:

	June 30, 2016		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
	Cash and cash equivalents	\$ 56,663	\$ 56,663
Equities	895,477	887,156	(8,321)
Mutual fund/debt investments	<u>477,672</u>	<u>444,093</u>	<u>(33,579)</u>
Total investments	<u>\$ 1,429,812</u>	<u>\$ 1,387,912</u>	<u>\$ (41,900)</u>

	June 30, 2015		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
	Cash and cash equivalents	\$ 13,306	\$ 13,306
Equities	792,051	798,856	6,805
Mutual fund/debt investments	<u>390,961</u>	<u>375,719</u>	<u>(15,242)</u>
Total investments	<u>\$ 1,196,318</u>	<u>\$ 1,187,881</u>	<u>\$ (8,437)</u>

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

NOTE 3 - CONTRACT AND GRANTS RECEIVABLE

Contract and grants receivable consist of the following:

	June 30,	
	2016	2015
Family and Social Services Administration	\$ 191,353	\$ 592,652
United Way	56,873	56,675
Other	39,064	24,008
Total contract and grants receivable	\$ 287,290	\$ 673,335

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2016	2015
Furniture and fixtures	\$ 76,006	\$ 76,006
Vehicles	119,772	132,562
Computer equipment	28,704	28,704
Total	224,482	237,272
Less accumulated depreciation	(174,273)	(160,325)
Property and equipment, net	\$ 50,209	\$ 76,947

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	June 30,	
	2016	2015
United Way	\$ 56,873	\$ 56,675
Vehicle match	5,000	-
Bacala Community Funds	1,656	956
Walk with Ease	1,000	-
Angel Tree	524	-
Horseshoe Foundation	-	14,299
Scribner Place	-	14,000
Nutrition program	-	1,730
Total temporarily restricted net assets	\$ 65,053	\$ 87,660

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

NOTE 6 - OPERATING LEASES (LESSEE)

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. Beginning 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, 2016, the monthly fixed amount totaled \$3,943. In addition, the Organization is responsible for a portion of the cleaning labor expense for the building. For the years ending June 30, 2016 and 2015, the Organization paid \$49,511 and \$49,290 in rent expense which is included in occupancy and operating costs.

On September 1, 2011, the Organization entered into an operating agreement with the City of Scottsburg for the use of donated space in the Bacala Building located at 69 East Wardell Street, Scottsburg, Indiana. The operating agreement is for ten (10) years ending August 31, 2021. Under the operating agreement, the Organization is not required to pay rent, but must provide a meal site and Aging and Disabilities Resource Center site for senior citizens. The Organization recognizes the donated value for the use of the space as in-kind revenue and in-kind expense.

On July 1, 2012, the Organization entered into a lease agreement with Better Quality Business, Inc. to lease printers. Under the agreement, the Organization was required to pay 48 monthly payments of \$703. This lease was terminated during the year ending June 30, 2015 and replaced with two new equipment leases. Under the agreements, the Organization was to pay 60 payments of \$897 and \$476. During the years ended June 30, 2016 and 2015, the Organization paid \$17,893 and \$11,356, respectively, in rent expense in relation to these operating leases.

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:

<u>Years ending June 30,</u>	
2017	\$ 63,805
2018	63,805
2019	61,423
2020	53,601
2021	<u>47,320</u>
	<u>\$ 289,954</u>

NOTE 7 - 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 \$78,551 and \$85,015 for the years ending June 30, 2016 and 2015, respectively.

NOTE 8 - 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, 2016 and 2015, it received 39 percent and 41 percent from Medicaid and 21 percent and 19 percent from CHOICE of its revenue and support, respectively.

LIFESPAN RESOURCES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

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 VII - Ombudsman	93.042	22-16-2V-1651-03	\$ 10,686
Title IIID - Health Services	93.043	22-16-OV-1651-09	16,182
Title IIIA - Administration	93.044	22-16-OV-1651-01	86,875
Title IIIB - Support Services	93.044	22-16-OV-1651-03	229,912
Title IIIC1 - Congregate Meals	93.045	22-16-OV-1651-05	311,502
Title IIIC2 - Home Delivered Meals	93.045	22-16-OV-1651-07	127,049
Title IIIE - Family Caregiver	93.052	22-16-OV-1651-11	97,232
Nutrition Services Incentive Program	93.053	22-16-02-1651-01	64,781
SSBG	93.667	22-16-OG-1651-01	344,009
PASRR	93.778	22-16-70-1651-01	<u>203,091</u>
Total Department of Health and Human Services			<u>\$ 1,491,319</u>

LIFESPAN RESOURCES, INC.
Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lifespan Resources, Inc. under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations Lifespan Resources, Inc., it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Agency.

NOTE B - 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 the Uniform Guidance and OMB Circular A0122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Lifespan Resources, Inc. has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

- Certified Public Accountants
- Business Advisors

p: 812.945.5236
f: 812.949.4095
w: rodefermoss.com
301 East Elm Street
New Albany, IN 47150



Independent Auditors' 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, in accordance with the 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 LifeSpan Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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 November 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LifeSpan Resources, Inc.'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 LifeSpan Resources, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 LifeSpan Resources, Inc.'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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rodefer Moss & Co, PLLC

Rodefer Moss & Co, PLLC
New Albany, Indiana
November 29, 2016

- Certified Public Accountants
- Business Advisors

p: 812.945.5236
f: 812.949.4095
w: rodefermoss.com
301 East Elm Street
New Albany, IN 47150



Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control Over Compliance required by the Uniform Guidance

To the Board of Directors
LifeSpan Resources, Inc.

Report on Compliance for Each Major Federal Program

We have audited LifeSpan Resources, Inc.'s compliance with the types of compliance requirements described in the *OMB 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, 2016. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Lifespan Resources, Inc.'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 LifeSpan Resources, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, LifeSpan Resources, Inc. 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, 2016.

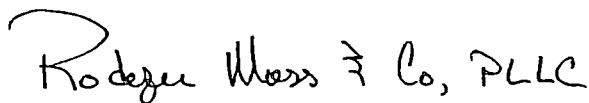
Report on Internal Control Over Compliance

Management of LifeSpan Resources, Inc. 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 LifeSpan Resources, Inc.'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 the Uniform Guidance, 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. *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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rodefer Moss & Co, PLLC". The signature is written in a cursive, slightly slanted style.

Rodefer Moss & Co, PLLC
New Albany, Indiana
November 29, 2016

LIFESPAN RESOURCES, INC.
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2016

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _yes no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516 (a)? _yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044	Title IIIA - Administration
93.044	Title IIIB - Support Services
93.045	Title IIIC1 - Congregate Meals
93.045	Title IIIC2 - Home Delivered Meals
93.053	Nutritional Services Incentive Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _X yes_ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None