



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B57310

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

September 27, 2021

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

We have reviewed the audit report of LifeTime Resources, Inc. which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barnes, Dennig & Co., Ltd. prepared the audit report in accordance with 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.

**Financial Statements with Supplementary Information
June 30, 2020 and 2019 and
Independent Auditors' Report**

LIFETIME RESOURCES, INC.
June 30, 2020 and 2019

Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 – 14
Supplementary Information	
Schedule of Expenditures of Federal Awards	15 - 16
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 <i>Government Auditing Standards</i>	17 - 18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	19 - 20
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22

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 statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report
(Continued)**

Effect of Adopting New Accounting Standards

As discussed in Note 1, Lifetime Resources, Inc has adopted Financial Accounting Standards Board Accounting Standards Update 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to that matter.

Correction of Error

As discussed in Note 7 to the financial statements, an omission of accrued vacation as of June 30, 2019 was discovered by management of Lifetime Resources, Inc during the current year. Accordingly, amounts reported for accrued payroll and related liabilities have been restated in the 2019 financial statements now presented, and an adjustment has been made to net assets as of July 1, 2018 to correct the error. Our opinion is not modified with respect to that matter.

Other Matters

Our audits were 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* 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 applies 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 states, 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 January 29, 2021 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 the effectiveness of Lifetime Resources, Inc's 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.



January 29, 2021
Indianapolis, Indiana

LIFETIME RESOURCES, INC.

Statements of Financial Position June 30, 2020 and 2019

	2020	2019 (As Restated - Note 7)
Assets		
Cash and cash equivalents	\$ 412,658	\$ 1,281,104
Cash held for others	99,124	135,910
Certificates of deposits	1,030,511	612,586
Grants receivable	955,625	1,032,182
Accounts receivable	113,404	127,674
Other assets	4,627	8,398
Property and equipment, net	659,103	727,858
Note receivable related party	512,000	-
	<u>512,000</u>	<u>-</u>
Total assets	<u>\$ 3,787,052</u>	<u>\$ 3,925,712</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 61,941	\$ 139,626
Accrued payroll and related liabilities	192,138	108,316
Custodial funds held for others	99,124	135,773
	<u>99,124</u>	<u>135,773</u>
Total liabilities	353,203	383,715
Net assets without donor restrictions	<u>3,433,849</u>	<u>3,541,997</u>
Total liabilities and net assets	<u>\$ 3,787,052</u>	<u>\$ 3,925,712</u>

See accompanying notes to financial statements

LIFETIME RESOURCES, INC.

**Statements of Activities
Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenues and other support		
Grants	\$ 3,528,145	\$ 3,104,759
Third party revenue, net	970,948	996,252
Local revenue	286,700	357,151
Program revenue	164,726	263,892
Other revenue	<u>39,609</u>	<u>167,389</u>
Total revenues and other support	<u>4,990,128</u>	<u>4,889,443</u>
Expenses		
Program services	4,877,897	4,457,569
Administration	<u>220,379</u>	<u>326,949</u>
Total expenses	<u>5,098,276</u>	<u>4,784,518</u>
Change in net assets without donor restrictions	(108,148)	104,925
Net assets without donor restrictions, beginning of year, as previously stated	3,541,997	3,487,308
Prior period adjustment (Note 7)	<u>-</u>	<u>(50,236)</u>
Net assets without donor restrictions, end of year	<u>\$ 3,433,849</u>	<u>\$ 3,541,997</u>

See accompanying notes to financial statements

LIFETIME RESOURCES, INC.

Statement of Functional Expenses

Year Ended June 30, 2020

	Service Contracts	Care Management	Information and Assistance	Congregate Meals	Catch A Ride	Other Program Services	Total Program Services	Administration	Total
Salaries and wages	\$ -	\$ 863,078	\$ 101,429	\$ 121,952	\$ 1,049,361	\$ 148,616	\$ 2,284,436	\$ 121,409	\$ 2,405,845
Payroll taxes and benefits	-	286,590	39,653	35,177	196,168	46,660	604,248	41,672	645,920
Service providers	729,571	-	-	-	-	-	729,571	-	729,571
Contracted services	-	2,550	-	76,482	283,436	-	362,468	-	362,468
Depreciation	-	23,888	2,539	2,625	326,989	7,567	363,608	2,599	366,207
Insurance	-	16,315	1,230	1,226	88,093	5,576	112,440	4,328	116,768
Other costs	200	15,312	2,752	1,252	53,748	5,730	78,994	3,598	82,592
Travel and transportation	-	16,614	468	5,546	14,783	500	37,911	10,629	48,540
Furniture and equipment	-	26,461	5,589	2,982	43,064	8,459	86,555	10,994	97,549
Telephone	-	22,644	1,486	4,357	16,540	4,533	49,560	5,498	55,058
Equipment maintenance	3	18,598	1,457	308	10,975	8,730	40,071	8,297	48,368
Supplies	1	11,072	1,058	27,554	17,765	1,830	59,280	1,778	61,058
Building maintenance	-	4,853	422	569	3,087	20,865	29,796	750	30,546
Occupancy	-	6,882	731	756	4,008	2,180	14,557	749	15,306
Postage	-	2,831	313	715	3,679	481	8,019	558	8,577
Dues and subscriptions	-	676	20	50	866	230	1,842	6,095	7,937
Training	-	4,254	185	391	5,834	3,877	14,541	1,425	15,966
	<u>\$ 729,775</u>	<u>\$ 1,322,618</u>	<u>\$ 159,332</u>	<u>\$ 281,942</u>	<u>\$ 2,118,396</u>	<u>\$ 265,834</u>	<u>\$ 4,877,897</u>	<u>\$ 220,379</u>	<u>\$ 5,098,276</u>

See accompanying notes to financial statements

LIFETIME RESOURCES, INC.

Statement of Functional Expenses

Year Ended June 30, 2019

	Service Contracts	Care Management	Information and Assistance	Congregate Meals	Catch A Ride	Other Program Services	Total Program Services	Administration	Total
Salaries and wages	\$ -	\$ 853,032	\$ 68,985	\$ 119,582	\$ 1,113,612	\$ 34,791	\$ 2,190,002	\$ 152,650	\$ 2,342,652
Payroll taxes and benefits	-	269,442	20,548	32,140	224,446	16,694	563,270	56,063	619,333
Service providers	519,413	-	-	-	-	-	519,413	-	519,413
Contracted services	-	1,350	-	90,377	291,265	-	382,992	-	382,992
Depreciation	-	22,314	2,277	2,485	338,929	4,029	370,034	3,793	373,827
Insurance	-	9,404	600	654	76,513	3,261	90,432	13,251	103,683
Other costs	-	32,832	1,274	2,139	58,986	3,108	98,339	16,031	114,370
Travel and transportation	-	20,638	414	8,088	14,260	161	43,561	14,437	57,998
Furniture and equipment	-	5,503	4,299	-	25,200	1,000	36,002	9,638	45,640
Telephone	-	20,060	228	3,504	15,869	877	40,538	7,829	48,367
Equipment maintenance	-	8,012	168	513	16,937	5,625	31,255	37,334	68,589
Supplies	-	8,246	751	6,805	10,251	3,176	29,229	3,122	32,351
Building maintenance	-	13,949	1,469	1,604	9,096	2,604	28,722	2,469	31,191
Occupancy	-	6,613	675	736	4,706	1,194	13,924	1,124	15,048
Postage	-	2,979	304	441	4,034	376	8,134	1,962	10,096
Dues and subscriptions	-	2,204	-	-	910	129	3,243	6,556	9,799
Training	-	1,575	967	-	4,169	1,768	8,479	690	9,169
	<u>\$ 519,413</u>	<u>\$ 1,278,153</u>	<u>\$ 102,959</u>	<u>\$ 269,068</u>	<u>\$ 2,209,183</u>	<u>\$ 78,793</u>	<u>\$ 4,457,569</u>	<u>\$ 326,949</u>	<u>\$ 4,784,518</u>

See accompanying notes to financial statements

LIFETIME RESOURCES, INC.

**Statements of Cash Flows
Years Ended June 30, 2020 and 2019**

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (108,148)	\$ 104,925
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	366,207	373,827
Changes in:		
Grants receivable	76,557	120,876
Accounts receivable	14,270	(41,071)
Other assets	3,771	(1,317)
Accounts payable	(77,685)	(11,099)
Accrued payroll and related liabilities	83,822	(99,300)
Custodial funds held for others	(36,649)	(151,631)
Net cash provided by operating activities	322,145	295,210
Cash flows from investing activities		
Purchases of certificates of deposits	(417,925)	(612,586)
Issuance of note to related party	(512,000)	-
Purchase of property and equipment	(297,452)	(148,740)
Net cash provided by operating activities	(1,227,377)	(761,326)
Net change in cash and cash equivalents	(905,232)	(466,116)
Cash and cash equivalents and restricted cash, beginning of year	1,417,014	1,883,130
Cash and cash equivalents and restricted cash, end of year	\$ 511,782	\$ 1,417,014
Cash and cash equivalents and restricted cash, end of year consists of:		
Cash and cash equivalents	\$ 412,658	\$ 1,281,104
Cash held for others	99,124	135,910
	\$ 511,782	\$ 1,417,014

See accompanying notes to financial statements

LIFETIME RESOURCES, INC.

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of 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) and the Indiana Department of Transportation (INDOT). 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.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

The Agency maintains its cash in deposit accounts, the cumulative balance of which may exceed federally insured limits. 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. All liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

Certificates of Deposit

Certificates of deposit are recorded at original investment plus accrued interest.

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 for others and accounts payable.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Agency provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Property and Equipment

Property and equipment are recorded at cost or fair value at the time of the gift in the case of donated items. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred. Items over \$10,000 are capitalized.

In accordance with applicable GAAP, the Agency assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Agency believes no impairments existed at June 30, 2020 and 2019.

Public Funding

Public funding by governmental and other agencies is recognized as the Agency performs the contracted services or incurs outlays eligible for reimbursement under the support agreements. Activities and outlays may be subject to audit and acceptance by the supporting agency and, as a result of such audit, adjustments could be required.

Gifts and Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenues with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue without donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions. In the absence of explicit donor stipulations about how long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts and Contributions (Continued)

Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met, generally as qualifying expenses are incurred. The Agency has numerous grants for which the grantor agencies' promises to give are conditioned upon the Agency incurring certain qualifying expense under the grant programs. At December 31, 2020 and 2019, the Agency had remaining available award balances on federal government conditional grants of \$431,656 and \$978,042, respectively. These award balances are not recognized as assets and will be recognized as revenue without donor restrictions as the conditions are met.

Functional Classification of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salary and related expenses, which are allocated to programs based on activity revenues.

Income Taxes

The Agency is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Indiana law. However, the Agency is subject to federal income tax on any unrelated business taxable income. The Agency is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Effect of Adopting New Accounting Standards

In 2020, the Agency adopted Financial Accounting Services Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved previous guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarified how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The ASU has been applied using the modified prospective basis for all grants and contracts that were not completed as of July 1, 2019.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of Adopting New Accounting Standards (Continued)

In 2020, the Agency adopted FASB ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The update requires that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. In addition, disclosure of amounts included in cash, cash equivalents, and restricted cash are required. The Agency adopted ASU 2016-18 as of July 1, 2019 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

New Accounting Standard

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers. This standard will be effective for the Agency's year ending June 30, 2021.

Reclassifications

Certain reclassifications were made to the prior year financial statements to be consistent to current year presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

The Agency has evaluated subsequent events through January 29, 2021, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Agency's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 412,658	\$ 1,281,104
Certificates of deposit	1,030,511	612,586
Receivables	<u>1,069,029</u>	<u>1,159,856</u>
	<u>\$ 2,512,198</u>	<u>\$ 3,053,546</u>

The Agency maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 50,000	\$ 50,000
Buildings	950,432	950,432
Building improvements	240,846	100,138
Vehicles	1,994,267	1,884,828
Less accumulated depreciation	<u>(2,576,442)</u>	<u>(2,257,540)</u>
	<u>\$ 659,103</u>	<u>\$ 727,858</u>

NOTE 4 NET ASSETS WITHOUT DONOR RESTRICTIONS - DESIGNATIONS

During previous years, the Agency's Board of Directors designated a portion of its net assets for future programs and costs. The designated net assets as of June 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Cash flow reserve	\$ 1,109,684	\$ 1,382,844
Vehicle asset fund	374,603	530,937
Building reserve		
Revenue fluctuations	542,000	325,000
Building fund	324,998	237,419
Building and Equipment reserve	223,322	735,322
Sentry services	180,887	180,887
Catch A Ride	32,997	65,184
Vehicle replacement	84,404	65,000
Local government funding fund balance	-	19,404
LTHG Operations Reserve	40,000	-
NDV Maintenance and Repairs Reserve	200,000	-
LTHG Undesignated Investments	<u>320,954</u>	<u>-</u>
	<u>\$ 3,433,849</u>	<u>\$ 3,541,997</u>

NOTE 5 EMPLOYEE BENEFIT PLAN

The Agency offers a 401(k) retirement plan. An employee must be 19 years of age and have completed three months of employment to be eligible. The Agency provides a matching contribution equal to 100% of salary deferrals not to exceed \$50 per month. Matching contributions made by the Agency totaled \$14,583 and \$29,774 for the years ended June 30, 2020 and 2019, respectively.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 6 RELATED PARTIES

Certain members of the Agency's Board of Directors also serve on the Board of Directors of LifeTime Housing Group (LTHG), but controlling interest is not present. Included in accounts receivable are personnel costs and expenses paid by the Agency for LTHG staff and are reimbursable to the Agency. As of June 30, 2020 and 2019, the Agency has a net amount of \$12,578 and \$16,768 in accounts receivable from LTHG, respectively. For 2020 and 2019, LTHG paid \$61,463 and \$99,100, respectively, to the Agency for various overhead expenses.

Logan Elderly Housing, L.P. (Logan I) is 100% owned by LTHG. During 2020, the Agency advanced LTHG \$512,000 for the payoff of the note payable held by Logan I. The note is to bear interest at 3%. There are no other formal payment terms. As of June 30, 2020, the balance on the note was \$512,000. Interest earned was \$7,424 in 2020. At June 30, 2020 and 2019, respectively, \$7,424 and \$0 is recorded in accounts payable. Subsequent to year-end, ownership of Logan I was transferred to the Agency and the note payable recorded by Logan I was absorbed by the Agency.

LTHG shares board members with Alpha Properties, Inc. (Alpha). During the year ended June 30, 2019, the Agency entered into a contract with Alpha for operating of a Senior Nutrition Center at Alpha. Expense incurred on the contract was \$8,800 in the years ended June 30, 2020 and 2019.

NOTE 7 PRIOR PERIOD ADJUSTMENT

During 2020, it was noted that an accrual for unused vacation time was not recorded. The effect on the 2019 financial statements of the restatement resulted in a decrease of \$50,236 in 2019 beginning net assets and an increase of \$50,236 in accrued payroll and related liabilities.

NOTE 8 COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. Through the date of issuance of these financial statements, there has been no material adverse impact to the Agency's assets or activities.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Agency's business and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Agency operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

LIFETIME RESOURCES, INC.

Notes to Financial Statements (Continued)

NOTE 9 SUBSEQUENT EVENTS

On July 6, 2020, ownership of Logan Elderly Housing, L.P. (Logan I) and Logan Elderly Housing II, L.P. (Logan II) were transferred to the Agency from LTHG. All activity of these entities will be consolidated in the financial statements of the Agency in the year ended June 30, 2021. The below table is an estimate of the assets and liabilities to be recognized as acquired by the Agency.

	<u>Logan I</u>	<u>Logan II</u>	<u>Total</u>
Investment in real estate held for lease:	\$ 1,409,232	\$ 1,291,748	\$ 2,700,980
Cash and reserves	197,699	99,292	296,991
Other assets	23,285	40	23,325
Related party note payable	(512,000)	-	(512,000)
Notes payable and accrued interest	-	(927,600)	(927,600)
Other liabilities	(32,065)	(27,297)	(59,362)

Supplementary Information

LIFETIME RESOURCES, INC.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

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	2001INOASS	\$ 64,641
Title III-B Social Services	93.044	2001INOASS	246,684
COVID-19 Funding			
Title III - B Admin CARES	93.044	2001INSSC3	36,729
Title III - B CARES	93.044	2001INSSC3	<u>75,066</u>
Total Title III-B			423,120
Title III- Congregate Meals	93.045	2001INOACM	156,146
Title III-C Home Delivered Meals	93.045	2001INOAHD	36,671
COVID-19 Funding			
Title III-C 2 CARES	93.045	2001INHDC3	149,131
Title III-C Admin FFCRA	93.045	2001INCMC2	11,331
Title III-C 1 FFCRA	93.045	2001INCMC2	33,992
Title III-C2 FFCRA	93.045	2001INHDC2	<u>67,921</u>
Total Title III-C			455,192
Nutrition Services Incentive Program	93.053	2001INOANS	<u>27,912</u>
Total Aging Cluster			906,224
Title VII - Ombudsman	93.042	2001INOAOM	5,879
Title III - D	93.043	2001INOAPH	9,687
Title III - E			
Title III - E	93.052	2001INO AFC	88,163
Title III - COVID-19 Funding	93.052	2001INFCC3	21,558
Social Services Block Grant	93.667	1002INSOSR	<u>201,486</u>
Total U.S. Department of Health & Human Services			<u>1,232,997</u>
U.S. Department of Transportation:			
Historic Hoosier Hills RC&D			
Formula Grants for Rural Areas	20.509	1803574O	776,509
Bus and Bus Facilities Formula	20.526	1803674C	<u>125,395</u>
Total U.S. Department of Transportation			<u>901,904</u>
Total Expenditures of Federal Awards			<u>\$ 2,134,901</u>

See accompanying notes

LIFETIME RESOURCES, INC.

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

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 the Lifetime Resources, Inc and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

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 the Uniform Guidance, whereby 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.

Indirect Cost Rate

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Subrecipients - The Agency provided no federal awards to subrecipients.

**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**

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, 2020, 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 29, 2021.

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) as a basis for designing 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 financial statements. 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*.

**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*
(Continued)**

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.

Barnes, Dennig & Co., Ltd.

January 29, 2021
Indianapolis, Indiana

**Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by Uniform Guidance**

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 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, 2020. 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 federal statutes, regulations and the terms and conditions of its federal awards 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 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 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, 2020.

**Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by Uniform Guidance
(Continued)**

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 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 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 the Uniform Guidance. Accordingly, this report is not suitable of any other purpose.

Barnes, Dennig & Co., Ltd.

January 29, 2021
Indianapolis, Indiana

LIFETIME RESOURCES, INC.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs

<u>CFDA #</u>	<u>Name of Federal Programs or Clusters</u>
20.509	Formula Grants for Rural Areas

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

LIFETIME RESOURCES, INC

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020**

Reference Number	Summary of Finding	Status
	No matters are reportable.	