

SAN ANTONIO LIFETIME RECOVERY, INC.
DBA LIFETIME RECOVERY

AUDITED FINANCIAL STATEMENTS,
SUPPLEMENTAL SCHEDULES,
AND FEDERAL AWARDS REPORTS

AUGUST 31, 2013 AND 2012

SAN ANTONIO LIFETIME RECOVERY, INC.
dba Lifetime Recovery

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AUDITED FINANCIAL STATEMENTS

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Independent Auditor's Report

Board of Directors
San Antonio Lifetime Recovery, Inc.
dba Lifetime Recovery
San Antonio, Texas

I have audited the accompanying financial statements of the San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (the Organization), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my 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 I plan and perform the audits 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery, as of August 31, 2013 and 2012, 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.

Other Matters

Other Information

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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 my 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*, I have also issued my report dated December 23, 2013, on my consideration of the San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery internal control over financial reporting and on my 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 my 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 the audit performed in accordance with *Government Auditing Standards* in considering the San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery internal control over financial reporting and compliance.

San Antonio, Texas
December 23, 2013



SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 STATEMENTS OF FINANCIAL POSITION
 AUGUST 31, 2013 AND 2012

ASSETS

<u>ASSETS</u>	2013	2012
Current Assets:		
Cash and Cash Equivalents	\$ 501,242	\$ 427,444
Accounts Receivable:		
Government Contracts	105,498	127,833
Grants and Contributions	1,500	14,500
Third Party Payers	16,702	-
Other	1,629	1,766
Prepaid Expenses	4,611	5,216
Total Current Assets	631,182	576,759
Fixed Assets:		
Building Improvements	448,127	424,985
Vehicles	47,765	57,765
Computer Equipment & Software	117,807	88,265
Furniture and Fixtures	120,441	52,346
Total Fixed Assets	734,140	623,361
Less: Accumulated Depreciation	372,301	334,315
Net - Property, Plant, and Equipment	361,839	289,046
 TOTAL ASSETS	 \$ 993,021	 \$ 865,805

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:		
Accounts Payable	\$ 47,017	\$ 15,347
Accrued Expenses	130,022	105,479
Deferred Revenues	6,720	9,408
Total Current Liabilities	183,759	130,234

NET ASSETS

Unrestricted Net Assets:		
Board Designated - Prudent Reserve	200,000	-
Undesignated	564,179	687,967
Total Unrestricted Net Assets	764,179	687,967
Temporarily Restricted Net Assets	45,083	47,604
Total Net Assets	809,262	735,571
 TOTAL LIABILITIES AND NET ASSETS	 \$ 993,021	 \$ 865,805

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

SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 STATEMENT OF ACTIVITIES
 YEAR ENDED AUGUST 31, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL 2013
<u>REVENUE AND SUPPORT</u>			
United Way of San Antonio	\$ 260,245	\$ -	\$ 260,245
Texas Department of State Health Services	1,417,611	-	1,417,611
Drug Court	207,747	-	207,747
US Federal Probation and Pretrial	344,966	-	344,966
Medicaid	58,786	-	58,786
Private Pay Fees	67,896	-	67,896
Program - Co-payments	8,123	-	8,123
Grant Income	199,220	33,988	233,208
Contributions	15,223	-	15,223
Special Events, net of expenses \$4,424	117	-	117
Miscellaneous	5,417	-	5,417
In-kind Contributions	100,706	-	100,706
Gain (Loss) on Disposal/Sale of Fixed Assets	(2,246)	-	(2,246)
Net Assets Released From Restrictions	36,509	(36,509)	-
	<u>2,720,320</u>	<u>(2,521)</u>	<u>2,717,799</u>
 <u>EXPENSES</u>			
Program Services	2,379,146	-	2,379,146
General and Administrative Services	193,910	-	193,910
Fundraising	71,052	-	71,052
	<u>2,644,108</u>	<u>-</u>	<u>2,644,108</u>
 TOTAL EXPENSES			
CHANGE IN NET ASSETS	76,212	(2,521)	73,691
 NET ASSETS AT BEGINNING OF THE YEAR	<u>687,967</u>	<u>47,604</u>	<u>735,571</u>
 NET ASSETS AT END OF YEAR	<u>\$ 764,179</u>	<u>\$ 45,083</u>	<u>\$ 809,262</u>

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

SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 STATEMENT OF ACTIVITIES
 YEAR ENDED AUGUST 31, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL 2012
<u>REVENUE AND SUPPORT</u>			
United Way of San Antonio	\$ 273,085	\$ -	\$ 273,085
Texas Department of State Health Services	1,174,176	-	1,174,176
Drug Court	94,870	-	94,870
US Federal Probation and Pretrial	507,649	-	507,649
Medicaid	2,672	-	2,672
Private Pay Fees	26,287	-	26,287
Grant Income	4,814	18,956	23,770
Contributions	70,542	-	70,542
Special Events, net of expenses \$5,423	11,250	-	11,250
Miscellaneous	836	-	836
In-kind Contributions	79,577	-	79,577
Net Assets Released From Restrictions	30,483	(30,483)	-
	<u>2,276,241</u>	<u>(11,527)</u>	<u>2,264,714</u>
<u>EXPENSES</u>			
Program Services	2,020,337	-	2,020,337
General and Administrative Services	192,309	-	192,309
Fundraising	50,028	-	50,028
	<u>2,262,674</u>	<u>-</u>	<u>2,262,674</u>
TOTAL EXPENSES	<u>2,262,674</u>	<u>-</u>	<u>2,262,674</u>
CHANGE IN NET ASSETS	13,567	(11,527)	2,040
NET ASSETS AT BEGINNING OF THE YEAR	<u>674,400</u>	<u>59,131</u>	<u>733,531</u>
NET ASSETS AT END OF YEAR	<u>\$ 687,967</u>	<u>\$ 47,604</u>	<u>\$ 735,571</u>

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

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2013 AND 2012

	2013	2012
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 73,691	\$ 2,040
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	61,816	44,891
Loss on Disposal of Fixed Assets	3,746	-
In-kind Contribution - Fixed Assets	(21,129)	-
Changes in:		
Accounts Receivable:		
Government Contracts	22,335	106,584
Third Party Payors	(16,702)	-
Grants and Contributions	13,000	(5,500)
Other	137	5,912
Prepaid Expenses	605	4,038
Accounts Payable	31,670	(29,833)
Accrued Expenses	24,543	17,676
Deferred Revenues	(2,688)	9,408
Net Cash Provided By Operating Activities	191,024	155,216
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(117,226)	(42,125)
Net Cash Used By Investing Activities	(117,226)	(42,125)
Net Increase in Cash	73,798	113,091
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	427,444	314,353
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 501,242	\$ 427,444

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

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 1 - NATURE OF ORGANIZATION

San Antonio Lifetime Recovery, Inc. dba Lifetime Recovery (the Organization) is a nonprofit organization located in San Antonio, Texas that was established in 1963. The Organization provides rehabilitation services to chemically dependent individuals in San Antonio, and the Bexar County, Texas area. The organization is licensed for 94 beds in its residential treatment facility and also provides counseling services at its outpatient treatment location.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements in accordance with the industry audit guide, *Not-for-Profit Organizations*. Accordingly, the financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three (3) classes of net assets - unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of presentation of the statements of financial position and the statements of maturities of less than three months to be cash equivalents.

Accounts Receivable

Accounts Receivable-Government Contracts, represents balances due from grantors for funds billed under the terms of the contract. The Organization does not record an allowance for uncollectible accounts against the accounts receivable – government contracts because the receivables are considered to be 100% collectible.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

Accounts Receivable – Grants and Contributions, represents balances due from contributors who have promised donations to the Organization. Grants and contributions to be collected in future years are stated at fair value since the discounted carrying value is not materially different. Management has determined that an allowance for uncollectible grant and contributions receivable is not material for financial statement presentation, and consequently the organization has not established an account for that purpose.

Revenue Recognition

Grants and contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the accompanying statements of activities.

Contributions of services are recognized as revenue when received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization has a rent-free lease on real property it uses for its residential treatment facility on Southton Road. Management has determined that the fair market value of this in-kind contribution to be \$79,577 during 2013 and 2012. In 2013, the Organization also received in-kind professional services and donated office furniture that have a fair market value of \$21,129. The above in-kind contributions have been reported as unrestricted revenue in the accompanying statements of activities, with an off-setting entry to either program expenses or capitalized additions to fixed assets.

Government Contract Revenue Recognition

Contracts that are entered into by the Organization are recognized as revenue when revenue is earned in accordance with the terms of the contracts.

SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Fixed assets are stated at cost, if purchased, or fair value at time of donation, if donated. Depreciation and amortization are calculated on the straight-line method based on the following estimated useful lives - building improvements – 5 to 20 years; vehicles – 3 years; computer equipment – 3 to 5 years; equipment under capital lease – 3 to 5 years; and furniture and fixtures – 5 to 10 years. The Organization follows a capitalization policy for fixed assets whose cost or fair value at acquisition is \$1,000 or more.

At August 31, 2013 and 2012 fixed assets consist of the following:

	2013	2012
Building Improvements	\$ 448,127	\$ 424,985
Vehicles	47,765	57,765
Computer Software/Equipment	117,807	88,265
Furniture and Fixtures	120,441	52,346
	\$ 734,140	\$ 623,361
Less: Accumulated Depreciation	(372,301)	(334,315)
	\$ 361,839	\$ 289,046

Federal Income Taxes

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, and is not a private foundation as defined by Section 509 (a)(1) of the Code. The Organization adapted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Tax* (now codified as ASC 740-10), the implementation of which has no effect on the Organization's financial statements. The organization does not believe it is exposed to any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits in the accompanying financial statements. The Organization has filed all of its required Forms 990, however the tax years 2010 through 2012 remain open by the taxing jurisdictions to which the Organization is subject, and these periods have not been extended beyond the applicable statute of limitations.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the programs and supporting services benefited.

Local Match Funds

The Texas Department of State Health Services program requires the Organization to contribute an amount equal to at least 5% of its funded contract expenses in matching funds or in-kind contributions from sources eligible to be used for matching purposes. Matching funds are generated from in-kind rental contributions and other local sources of revenue which are recorded as support in the accompanying statement of activities.

Compensated Absences

Vacation leave may be accrued up to the maximum amount of 240 hours for employees with more than 5 years of service and 180 hours for employees with less than 5 years of service. Accrued vacation leave at August 31, 2013 and 2012 amounted to \$54,834 and \$39,240, respectively.

Accrued Wages Payable

The Organization's policy is for personnel to work one-half month, then one-half month later they will be compensated for that time. Based on this policy, wages payable were accrued at August 31, 2013 and 2012 in the amounts of \$59,542 and \$57,316 respectively.

SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. The accompanying statements of financial position do not report any liabilities for loss contingencies.

NOTE 3- NET ASSETS

Unrestricted - Unrestricted net assets are resources that are expendable at the discretion of the Organization for the performance of its service and are not otherwise limited by donor restrictions.

Beginning in fiscal year 2012, the Board of Directors set aside funds for the purpose of providing assistance in the case of an emergency situation or other purposes which may be deemed necessary by the Board. Funds cannot be withdrawn for any purpose without prior approval from the Board of Directors. The balance of the board designated prudent reserve fund was \$200,000 as of August 31, 2013.

Temporarily Restricted - Temporarily restricted net assets have been restricted by grantors for the accomplishment of a particular program or for a specific use. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization has no permanently restricted net assets.

At August 31, 2013 and 2012, temporarily restricted net assets are available for the following purposes:

	2013	2012
Visual Media Upgrade	\$ -	\$ 8,956
Time Restricted	-	5,000
Upgrade Project	33,988	-
Meditation Garden	46	173
Scholarships	11,049	33,475
	\$ 45,083	\$ 47,604

SAN ANTONIO LIFETIME RECOVERY, INC.
 dba LIFETIME RECOVERY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2013 AND 2012

NOTE 4- NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purpose of the original donation:

	2013	2012
Outpatient Services	\$ -	\$ 16,883
Visual Media Upgrade	8,956	-
Time Restricted	5,000	-
Scholarships	22,426	13,600
Meditation Garden	127	-
	\$ 36,509	\$ 30,483

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at a financial institution located in San Antonio, Texas. The accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At August 31, 2013 the Organization exceeded the FDIC insured limit by \$91,465. As of August 31, 2012, the Organization’s cash balances were fully insured at the financial institution.

NOTE 6 - SUMMARY OF REVENUE FUNDING

The Organization is funded by various Federal, State and County governmental social service agencies, enabling the organization to provide rehabilitation services to chemically dependent individuals. Contracts with these agencies are generally for one year and are based on stipulated rates for each day or counseling session for which a service is provided. Approximately 73% (80% in 2012) of the Organization’s revenues were derived from Federal, State, and County fee for service programs. These programs are based, in part, on cost principles issued by the Federal government and the State of Texas. In addition, the contracts covering these programs contain various provisions, including non-supplanting provisions, which are subject to varying interpretations. The Organization’s compliance with the cost principles and the various other provisions of the contracts are subject to audit and retroactive adjustment by the respective grantor agencies. In the opinion of the Organization’s management, retroactive adjustments, if any, would not be material to the financial position or operating results of the Organization.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 7 – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For all such risks, the Organization has purchased insurance in varying amounts to mitigate the risk of loss.

NOTE 8 – LEASE COMMITMENTS

The Organization has a rent-free lease on real property it uses for its residential treatment facilities on Southton Road. The term of the property lease ends on May 31, 2016.

The Organization entered into a property lease in April 2013 for the new outpatient treatment and administrative offices facilities. The term of the property lease ends in March 2016.

The Organization has entered into two non-cancelable operating leases for office equipment. Minimum annual lease payments for all lease commitments for the next five years are as follows:

Year Ending August 31,

2014	\$ 74,924
2015	79,164
2016	58,600
2017	12,824
2018	<u>2,058</u>
	<u>\$ 227,570</u>

Total lease expenses for the above lease commitments for 2013 and 2012 amounted to \$56,861 and \$43,640 respectively.

NOTE 9 – PENSION PLAN

The Organization established a defined contribution pension plan, which is available to all full time employees who satisfy the required number of years of service. A formula has been established whereby employee contributions are matched by the Organization up to a maximum of 3% of the employee's plan contributions. Employer contributions, which are reported as an expense of The Organization in the financial statements for fiscal years 2013 and 2012, amounted to \$16,345 and \$14,693 respectively.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

As required by the Fair Value of Financial Instruments topic of the FASB Accounting Standards Codification, the Organization adapted the provisions of Fair Value Measurements.

Under the Fair Value Measurements topic, fair value is defined as the price that would be received to sell an asset or an amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority, Level 2 valuations are based on quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, and Level 3 valuations are based on inputs that are unobservable and consequently have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets or liabilities. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 input valuations were used by the Organization.

The following methods and assumptions were used by The Organization in estimating its fair value disclosures for financial statements:

Cash and cash equivalents, government contracts receivable, grant and contributions receivable, third party payer receivables, and other receivables (Level 1) - The carrying amounts reported in the statement of financial position approximate their fair values because of the short maturities of those instruments.

NOTE 11 – RECLASSIFICATIONS

Certain amounts in the financial statements for the fiscal year ended August 31, 2012 have been reclassified to conform to the presentation for the fiscal year ended August 31, 2013. These reclassifications had no effect on the change in net assets.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 AND 2012

NOTE 12 – COMMITMENTS AND CONTINGENCIES

An attorney has been consulted in connection with labor and healthcare matters. Evaluating the likelihood of an unfavorable outcome or estimating the range of potential loss, if any, cannot be predicted with certainty therefore an accrual for possible contingencies related to legal controversies has not been recorded in the accompanying financial statements.

NOTE 13 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events that occurred after August 31, 2013 through the date of this report on December 23, 2013. Any material subsequent events that occurred during this time have been properly recognized or disclosed in the financial statements.

SUPPLEMENTAL DATA

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
STATEMENT OF FUNCTIONAL EXPENSES
(Supplemental Schedule)
YEAR ENDED AUGUST 31, 2013

	SUPPORTING SERVICES			TOTAL 2013
	GENERAL AND ADMINISTRATIVE			
	PROGRAM SERVICES	SERVICES	FUNDRAISING	
Salaries and Wages	\$ 1,310,029	\$ 97,655	\$ 39,082	\$1,446,766
Payroll Taxes	164,362	12,252	4,903	181,517
Total Salary and Related Expenses	1,474,391	109,907	43,985	1,628,283
Advertising	-	254	-	254
Auto and Truck	17,373	479	6	17,858
Bank Charges and Other Fees	-	2,455	-	2,455
Client Expense	210,681	2,577	142	213,400
Computer Expense	33,738	5,574	1,358	40,670
Contract Labor	137	-	919	1,056
Development	-	-	1,450	1,450
Dues and Subscriptions	2,309	6,926	249	9,484
Education Expenses	4,200	255	20	4,475
Employee Benefits	95,751	5,760	14,086	115,597
Employee Miscellaneous Expenses	10,994	2,578	130	13,702
Equipment Rentals	15,856	858	177	16,891
Food	165,168	986	19	166,173
Insurance	17,355	4,680	-	22,035
Legal and Professional Fees	-	19,578	-	19,578
Licenses and Permits	4,890	1,199	-	6,089
Meetings	1,241	7,183	1,679	10,103
Miscellaneous	-	14	-	14
Office Supplies and Expense	22,170	5,095	389	27,654
Payroll Management Fee	45,825	3,416	1,367	50,608
Postage	772	1,557	415	2,744
Printing	2,077	2,357	2,724	7,158
Rent	38,850	936	184	39,970
Residential In-kind Rent	78,617	840	120	79,577
Telephone	23,412	1,495	343	25,250
Travel	3,688	196	-	3,884
Utilities	54,017	1,191	672	55,880
Total Expenses before Depreciation and Amortization	2,323,512	188,346	70,434	2,582,292
Depreciation and Amortization	55,634	5,564	618	61,816
TOTAL FUNCTIONAL EXPENSES	\$ 2,379,146	\$ 193,910	\$ 71,052	\$2,644,108

See Accompanying Independent Auditor's Report.

SAN ANTONIO LIFETIME RECOVERY, INC.
dba LIFETIME RECOVERY
STATEMENT OF FUNCTIONAL EXPENSES
(Supplemental Schedule)
YEAR ENDED AUGUST 31, 2012

	SUPPORTING SERVICES			TOTAL 2012
	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE SERVICES		
		FUNDRAISING	FUNDRAISING	
Salaries and Wages	\$ 1,151,597	\$ 104,834	\$ -	\$1,256,431
Payroll Taxes	127,317	11,114	-	138,431
Total Salary and Related Expenses	1,278,914	115,948	-	1,394,862
Advertising	-	1,528	-	1,528
Auto and Truck	21,370	400	-	21,770
Bad Debt Expenses	-	124	-	124
Bank Charges and Other Fees	5,518	3,615	-	9,133
Client Expense	129,890	-	-	129,890
Computer Expense	19,010	2,019	505	21,534
Contract Labor	8,521	2,130	-	10,651
Development	-	-	41,216	41,216
Dues and Subscriptions	140	-	5,323	5,463
Education Expenses	4,635	632	-	5,267
Employee Benefits	43,918	23,908	-	67,826
Employee Miscellaneous Expenses	1,492	-	-	1,492
Equipment Rentals	15,909	270	-	16,179
Food	151,269	6	-	151,275
Insurance	14,195	3,544	-	17,739
Legal and Professional Fees	-	22,449	-	22,449
Licenses and Permits	997	72	-	1,069
Meetings	-	3,018	-	3,018
Miscellaneous	-	50	-	50
Office Supplies and Expense	20,765	1,372	343	22,480
Payroll Management Fee	24,905	2,706	-	27,611
Postage	1,416	248	62	1,726
Printing	1,510	34	-	1,544
Program Administration	48,779	37	-	48,816
Rent	27,460	-	-	27,460
Repairs and Maintenance	2,259	128	32	2,419
Residential In-kind Rent	74,777	3,600	1,200	79,577
Telephone	23,653	108	27	23,788
Travel	4,524	695	403	5,622
Utilities	54,205	-	-	54,205
Total Expenses before Depreciation and Amortization	1,980,031	188,641	49,111	2,217,783
Depreciation and Amortization	40,306	3,668	917	44,891
TOTAL FUNCTIONAL EXPENSES	\$ 2,020,337	\$ 192,309	\$ 50,028	\$2,262,674

See Accompanying Independent Auditor's Report.