

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Audited Financial Statements

Year Ended December 31, 2018

(With Summarized Totals for the
Year Ended December 31, 2017)

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Independent Auditors' Report

To the Board of Directors
Life Navigators, Inc.
Wauwatosa, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Life Navigators, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 Life Navigators, Inc. as of December 31, 2018, 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 Life Navigators, Inc.'s financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program revenues and expenses, schedule of expenditures of federal and state awards, settlement of Department of Health Services ("DHS") cost reimbursement awards, and reserve supplemental schedules are presented for purposes of additional analysis as required by the *Wisconsin DHS Audit Guide*, 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 March 16, 2019 on our consideration of Life Navigators, 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 Life Navigators, 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 Life Navigators, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Reilly, Penner & Benton LLP". The signature is written in a cursive, flowing style.

March 16, 2019
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statements of Financial Position
December 31, 2018 and 2017

ASSETS	2018	2017
Current Assets:		
Cash	\$ 93,113	\$ 210,227
Investments	1,020,496	1,034,364
Accounts receivable	107,824	309,584
Pledges receivable - current	25,500	22,500
Prepaid expenses	9,284	6,993
Total current assets	1,256,217	1,583,668
Property and Equipment:		
Land	44,400	44,400
Building and improvements	1,558,704	1,558,704
Furniture and equipment	143,348	85,190
Less: Accumulated depreciation	(302,266)	(258,289)
Net property and equipment	1,444,186	1,430,005
Other Assets:		
Greater Milwaukee Foundation investments	178,114	182,163
Pledges receivable - noncurrent, net	57,204	-
Total other assets	235,318	182,163
Total assets	\$ 2,935,721	\$ 3,195,836
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 20,059	\$ 44,426
Accrued payroll and payroll taxes	52,642	61,718
Accrued vacation	39,998	21,480
Funds held for others	10,431	16,353
Construction loan - current portion	64,239	57,564
Line of credit	43,000	118,000
Total current liabilities	230,369	319,541
Long-Term Liabilities:		
Construction loan - net of current portion	189,569	356,906
Total liabilities	419,938	676,447
Net Assets:		
Without donor restriction:		
Operating	2,242,465	2,314,726
Board designated for endowment	120,199	123,081
Total without donor restriction	2,362,664	2,437,807
With donor restriction:		
Purpose restrictions	70,415	79,082
Time-restricted for future periods	82,704	2,500
Total without donor restriction	153,119	81,582
Total net assets	2,515,783	2,519,389
Total liabilities and net assets	\$ 2,935,721	\$ 3,195,836

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statement of Activities
For the Year Ended December 31, 2018
With Summarized Totals For the Year Ended December 31, 2017

	<u>Without Donor</u> <u>Restriction</u>	<u>With Donor</u> <u>Restriction</u>	<u>Total</u> <u>2018</u>	<u>2017</u>
Support and Revenue:				
Contributions and donations	\$ 320,394	\$ 89,704	\$ 410,098	\$ 185,220
Building expansion contributions	150	-	150	103,505
In-kind contributions	44,810	-	44,810	78,497
In-kind contributions - expansion	-	-	-	7,500
Legacies and bequests	58,210	-	58,210	8,868
Federated fund-raising	42,831	-	42,831	38,874
Milwaukee County Department of Health & Human Services - grants	227,322	-	227,322	318,307
Milwaukee County Department of Aging - grant	30,150	-	30,150	15,075
Milwaukee County Department of Health & Human Services - guardianship	51,019	-	51,019	64,260
Milwaukee County Department of Aging - guardianship	6,585	-	6,585	4,438
My Choice Family Care - care management	644,840	-	644,840	1,226,017
Milwaukee County Disability Services Division - court comp. evaluations	27,750	-	27,750	30,500
City of Wauwatosa CDBG - grant	61,660	-	61,660	-
Special Events (gross)	238,439	5,500	243,939	255,566
Less: Direct Expenses	(67,008)	-	(67,008)	(70,762)
Program service fees	76,525	-	76,525	61,108
Pooled trust distributions	19,157	-	19,157	16,926
Miscellaneous revenue	6,888	-	6,888	299
Investment income	37,379	306	37,685	42,354
Less: Investment fees	(10,992)	(296)	(11,288)	(11,289)
Realized and unrealized gains	(89,739)	(1,177)	(90,916)	129,185
Satisfaction of restrictions	22,500	(22,500)	-	-
Total support and revenue	<u>1,748,870</u>	<u>71,537</u>	<u>1,820,407</u>	<u>2,504,448</u>
Expenses:				
Program Services:				
Disability Resource Center	88,620	-	88,620	181,431
Advocacy	241,244	-	241,244	258,883
Self-Advocacy Independence Trust Pool	88,768	-	88,768	97,077
Trust Program	85,359	-	85,359	93,097
Guardianship	75,878	-	75,878	75,571
Intergenerational Family Support	46,252	-	46,252	44,928
Care Management Unit	946,368	-	946,368	1,198,434
Court Comprehensive Evaluations	30,807	-	30,807	28,410
Children's Long-Term Support	-	-	-	1,916
Total program services	<u>1,603,296</u>	<u>-</u>	<u>1,603,296</u>	<u>1,979,747</u>
Management and general	101,683	-	101,683	117,993
Fund-raising	119,034	-	119,034	157,799
Total expenses	<u>1,824,013</u>	<u>-</u>	<u>1,824,013</u>	<u>2,255,539</u>
Net increase (decrease) in net assets	(75,143)	71,537	(3,606)	248,909
Net assets at beginning of year	<u>2,437,807</u>	<u>81,582</u>	<u>2,519,389</u>	<u>2,270,480</u>
Net assets at end of year	<u>\$ 2,362,664</u>	<u>\$ 153,119</u>	<u>\$ 2,515,783</u>	<u>\$ 2,519,389</u>

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statement of Functional Expenses
For the Year Ended December 31, 2018
With Summarized Information for the Year Ended December 31, 2017

	<u>Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total 2018</u>	<u>2017</u>
Expenses:					
Salaries	\$ 1,006,588	\$ 63,489	\$ 62,539	\$ 1,132,616	\$ 1,353,954
Employee benefits	127,641	4,108	4,651	136,400	181,623
Payroll tax expense	70,471	4,165	4,140	78,776	96,316
Professional fees	147,837	1,907	14,007	163,751	264,457
Office supplies	4,566	144	195	4,905	10,145
Postage and shipping	6,344	211	307	6,862	11,940
Occupancy	48,236	1,538	1,762	51,536	53,945
Depreciation	41,338	1,319	1,319	43,976	33,145
Equipment rental and maintenance	25,876	805	790	27,471	33,513
Printing and publications	7,899	115	5,657	13,671	21,461
Travel	23,912	261	427	24,600	48,724
Conferences, conventions and meetings	8,073	81	1,847	10,001	11,887
Insurance	23,336	732	732	24,800	13,483
Client support	12,121	190	8	12,319	17,123
Bad debt expense	-	-	2,796	2,796	-
Bank and investment fees	-	5,386	-	5,386	6,211
In-kind expense	29,281	-	15,529	44,810	37,022
Interest expense	-	15,636	-	15,636	14,428
Miscellaneous	19,777	1,596	2,328	23,701	46,162
Total functional expenses	<u>1,603,296</u>	<u>101,683</u>	<u>119,034</u>	<u>1,824,013</u>	<u>2,255,539</u>
Administrative allocation	98,321	(101,683)	3,362	-	-
Total expenses after allocation	<u>\$ 1,701,617</u>	<u>\$ -</u>	<u>\$ 122,396</u>	<u>\$ 1,824,013</u>	<u>\$ 2,255,539</u>

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (3,606)	\$ 248,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,976	33,145
Realized and unrealized (gains)/losses	90,916	(129,185)
Donation of stock	(98,977)	-
In-kind contribution of property and equipment	-	(7,500)
Change in assets and liabilities:		
Accounts receivable	201,760	(160,370)
Pledges receivable	(60,204)	67,500
Prepaid expenses	(2,291)	(2,989)
Accounts payable	(24,367)	(16,670)
Accrued payroll and payroll taxes	(9,076)	6,753
Accrued vacation	18,518	(16,190)
Funds held for others	(5,922)	1,128
Net cash provided by operating activities	<u>150,727</u>	<u>24,531</u>
Cash Flows from Investing Activities:		
Proceeds from investment sales	491,732	65,108
Purchases of investments	(465,753)	(50,520)
Purchase of property and equipment	(58,158)	(240,758)
Net cash used by investing activities	<u>(32,179)</u>	<u>(226,170)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	125,000	488,000
Payments on line of credit	(200,000)	(370,000)
Funds withdrawn from escrow account	-	329,621
Payment on construction loan	(160,662)	(185,536)
Net cash provided (used) by financing activities	<u>(235,662)</u>	<u>262,085</u>
Increase (decrease) in cash and equivalents	(117,114)	60,446
Cash and equivalents at beginning of year	<u>210,227</u>	<u>149,781</u>
Cash and equivalents at end of year	<u>\$ 93,113</u>	<u>\$ 210,227</u>
Supplementary Information:		
Interest paid	<u>\$ 16,263</u>	<u>\$ 19,402</u>
Interest capitalized	<u>\$ -</u>	<u>\$ 6,418</u>
Donated stock	<u>\$ 98,977</u>	<u>\$ -</u>

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

1. Nature of Organization

The mission of Life Navigators, Inc., (“Organization”) a nonprofit organization, is to improve the quality of life for individuals with developmental and related disabilities, their families and the community through information, education, advocacy and life planning programs. Life Navigators, Inc. is supported primarily through donor contributions, program fees and contracts. Approximately 19% and 17% of the Organization’s support for the years ended December 31, 2018 and 2017 came from Milwaukee County contracts, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Life Navigators, Inc. have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under these principles, the Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment fund.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash

The Organization considers all checking and savings accounts and all other highly liquid debt instruments purchased with an original maturity of three months or less to be cash, excluding amounts whose use is limited or restricted, and amounts held in the investment accounts.

Accounts and Pledges Receivable

Accounts and pledges receivable are recorded at contract value. Management has determined all to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary. It is the policy of the Organization to write off doubtful amounts directly to expense when deemed uncollectible.

Pledges receivable are recorded at their estimated fair value, less an appropriate allowance.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Investments

Under U.S. GAAP, investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change of net assets on the statement of activities.

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. It emphasizes that fair value is a market-based measurement and not an entity-specific measurement. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

Level 1 – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

Level 2 – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

Level 3 – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Stocks, other and exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at net asset value of shares held by the Organization at year-end

Bonds: Valued at net asset value of bond holdings held by the Organization at year-end

Held in Trust: Valued at the net asset value provided by the trust for investments held by the trust at year-end.

Property and Equipment

Property and equipment are capitalized at cost or at fair value if donated and depreciated over their estimated useful lives using the straight-line method. The cost and related accumulated depreciation of property and equipment are removed from asset accounts upon disposal. Expenditures for maintenance and repairs are charged to operations as incurred. Interest and fees paid on construction loans during the period of construction are capitalized. This amounted to \$0 and \$6,418 for the years ended December 31, 2018 and 2017, respectively. Depreciation expense for 2018 and 2017 was \$43,976 and \$33,145, respectively. The Organization's policy is to capitalize all property and equipment costing over \$5,000.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Revenue Recognition

Under U.S. GAAP, contributions are recognized as revenues when they are received or unconditionally pledged. Donated stock is recorded as a contribution at the fair value of the date of the donation.

In-Kind Contributions

Contributions of in-kind assets and services are recorded at their fair market value in the period received. These contributions are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. During 2018, the Organization received \$29,281 of other in-kind donations to support the Organization's programs and \$15,529 of other in-kind donations to support its fundraising function; none of the donations in 2018 were professional services. During 2017, the Organization received \$7,500 of donated property and equipment, \$70,155 of other in-kind donations to support the Organization's programs and \$8,342 of other in-kind donations to support its fundraising function; \$41,475 of the donations were professional services and are expensed to professional fees.

Contract Services

Contract services revenue represents grants and contracts with various funding sources. Cost reimbursement contracts recognize revenue in the accounting period when the expenses are incurred. Performance contracts recognize revenue in the accounting period based on the accomplishment of contract objectives without regard for expenditures. Grants and contracts received by the agency remain subject to audit for all years not closed by grantors. In the opinion of management, adequate provision has been made for any adjustments that may result from such audits.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on the functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate of appropriate level of employee full-time equivalents worked within that program.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (March 16, 2019). There were no subsequent events that required recognition or disclosure.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements. Life Navigators, Inc. is not considered to be a private foundation by the IRS.

The Organization has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Change in Accounting Principle

On August 18, 2016 the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which had no impact on net asset classification.

Comparative Financial Information

The accompanying financial statements include certain prior-year 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2017, from which the summarized information was derived.

3. Liquidity and Availability

Financial assets available for general expenditure and other current contractual obligations, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at December 31:

	2018		2017
Cash	\$ 93,113	\$	210,227
Investments	1,020,496		1,034,364
Greater Milwaukee Foundation investments	178,114		182,163
Pledges receivable, net	82,704		22,500
Accounts receivables, net	107,824		309,584
Total financial assets	<u>1,482,251</u>		<u>1,758,838</u>
Less amounts not available to be used within one year for general expenditures:			
Restricted by donor with time or purpose restrictions	(153,119)		(81,582)
Funds held for others	(10,431)		(16,353)
Board designation – endowment fund for long-term investing	<u>(120,199)</u>		<u>(123,081)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,198,502</u>	\$	<u>1,537,822</u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

3. Liquidity and Availability (Continued)

The Organization's endowment fund consists of funds designated by the board. The Organization does not intend to take distributions from the fund.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash for the years ended December 31, 2018 and 2017.

4. Investments

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
	<u>Total</u>			
	<u>12/31/18</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Cash held in investment account	\$ 157,093	\$ 157,093	\$ -	\$ -
Stocks	329,564	329,564	-	-
Mutual funds:				
Commodity	27,419	27,419	-	-
Options-based	15,323	15,322	-	-
Foreign large growth	61,218	61,218	-	-
Large growth	98,820	98,820	-	-
Mid-cap blend	33,589	33,589	-	-
Small-cap	23,795	23,795	-	-
Small growth	30,117	30,117	-	-
Bonds	<u>243,558</u>	-	<u>243,558</u>	-
Total	<u>\$ 1,020,496</u>	<u>\$ 776,938</u>	<u>\$ 243,558</u>	<u>\$ -</u>
Investments held by the Greater Milwaukee Foundation	<u>\$ 178,114</u>	<u>\$ -</u>	<u>\$ 178,114</u>	<u>\$ -</u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

4. Investments (continued)

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
	<u>Total</u> <u>12/31/17</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Cash held in investment account	\$ 70,112	\$ 70,112	\$ -	\$ -
Stocks	442,980	442,980	-	-
Other	28,738	28,738	-	-
Mutual funds:				
Convertibles	28,513	28,513	-	-
Options-based	15,605	15,605	-	-
Foreign large growth	42,940	42,940	-	-
Foreign small growth	14,965	14,965	-	-
Large growth	65,251	65,251	-	-
Large value	50,064	50,064	-	-
Mid-cap blend	37,128	37,128	-	-
Small growth	45,432	45,432	-	-
Bonds	<u>192,636</u>	<u>-</u>	<u>192,636</u>	<u>-</u>
Total	<u>\$ 1,034,364</u>	<u>\$ 841,728</u>	<u>\$ 192,636</u>	<u>\$ -</u>
Investments held by the Greater Milwaukee Foundation	<u>\$ 182,163</u>	<u>\$ -</u>	<u>\$ 182,163</u>	<u>\$ -</u>

The fair value of Level 2 bonds is measured using quoted market prices for similar assets in active markets.

The statement of activities includes \$90,915 in realized and unrealized losses and \$129,185 in realized and unrealized gains for 2018 and 2017, respectively.

The investment objective of the Organization is to meet or exceed an absolute total annualized rate of return of 8 – 10%. On an annual basis, approximately 5% of the market value of the investment trust, as determined on June 30 of the previous year, is budgeted toward operating support. This is an internally imposed restriction; the full investment balance is available for use.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

5. Pledges Receivable

Pledges receivable are discounted to present value using a discount rate of 2.33%. Unconditional promises are expected to be realized in the following periods:

	<u>2018</u>	<u>2017</u>
In one year or less	\$ 25,500	\$ 22,500
Between one year and five years	60,000	-
Less: Present value discount	(2,796)	-
Total pledges receivable	<u>\$ 82,704</u>	<u>\$ 22,500</u>

6. State Unemployment Reserve

The Organization has an irrevocable standby letter of credit as a reserve for state unemployment. The letter of credit expires on December 31, 2021 and has an available balance of \$18,400. As of December 31, 2018 and 2017, there was no outstanding balance on the letter of credit.

7. Employee Retirement Plan

The Organization sponsors a 403(b) savings plan in which Life Navigators, Inc. will match one-half of the employee's voluntary contribution up to six percent of annual compensation for all eligible employees. The Organization's contribution in 2018 and 2017 was \$18,189 and \$19,766, respectively.

8. Construction Loan

During 2016, the Organization agreed to a five-year construction loan to finance the construction of the property adjacent to its location. The construction loan is secured by the Organization's investments and 1st real estate mortgage on the building and had a balance of \$253,808 and \$414,470 as of December 31, 2018 and 2017, respectively. The loan has a fixed interest rate of 4.10%. The interest expense was \$14,207 and \$12,237 for the years ended December 31, 2018 and 2017, respectively. Capitalized interest was \$0 and \$6,418 for the years ended December 31, 2018 and 2017, respectively.

The following is the minimum principal payment due on the construction loan:

<u>For the Years Ending</u> <u>December 31,</u>	<u>Amount</u>
2019	\$ 64,239
2020	66,923
2021	69,719
2022	<u>52,927</u>
Total	<u>\$ 253,808</u>

9. Line of Credit

The Organization has a variable interest rate line of credit in the amount of \$150,000 from Associated Bank to enable it to meet expenses while awaiting grant disbursements. The Organization agreed to secure this line of credit with collateral defined as the Organization's investments and general business assets. The line matures on June 12, 2020 and accrues interest at 1.0 percentage point above index with a minimum of 5%. At December 31, 2018 the interest rate was 6.5%. The line had an outstanding balance of \$43,000 and \$118,000 at December 31, 2018 and 2017 and interest expense of \$1,429 and \$2,191, respectively.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

10. Net Assets with Donor Restriction

Net assets with donor restriction are restricted for the following purposes or periods:

	<u>2018</u>	<u>2017</u>
Restricted to expenditure for specified purpose:		
Greater Milwaukee Foundation investments	\$ 57,915	\$ 59,082
Pledges restricted for the building expansion	-	20,000
Contributions restricted for technology upgrades	<u>12,500</u>	<u>-</u>
Total subject to expenditure for specified purpose	70,415	79,082
Restricted for passage of time:		
Pledges receivable, net	<u>82,704</u>	<u>2,500</u>
Total net assets with donor restriction	<u>\$ 153,119</u>	<u>\$ 81,582</u>

The Organization's governing board has designated from net assets without donor restrictions, net assets for the following purposes:

	<u>2018</u>	<u>2017</u>
Greater Milwaukee Foundation investments	\$ <u>120,199</u>	\$ <u>123,081</u>

11. Endowment Fund

In December 2015, the Organization's board of directors approved of the Life Navigators Endowment Fund with an initial fund amount of \$100,000. The fund is a general endowment to support the mission of the Organization for years to come. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as board designated without donor restriction.

The Life Navigators Endowment Fund is being held at the Greater Milwaukee Foundation. The Organization utilizes the investment policies described in Note 4 when managing the endowment fund. The Organization has no current plans to take a distribution from the endowment fund.

A reconciliation of the Organization's endowment activities are as follows:

		<u>Without Donor Restriction</u>
Balance, December 31, 2016	\$	106,731
Investment income		896
Realized and unrealized gain		16,896
Administration fees		<u>(1,442)</u>
Balance, December 31, 2017	\$	123,081
Investment income		1,021
Realized and unrealized loss		(2,275)
Administration fees		<u>(1,628)</u>
Balance, December 31, 2018	\$	<u>120,199</u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2018 and 2017
(Continued)

12. Greater Milwaukee Foundation Investments

The Organization has adopted U.S. GAAP, which requires that if a community foundation accepts a contribution from an Agency and agrees to transfer those assets, the return on investment of those assets or both back to the Agency, then these contributions are presented as a liability (instead of as a net asset) on the financial statements of the community foundation and as an asset on the financial statements of the donor. As a result, assets transferred by the Organization to the Greater Milwaukee Foundation, a community foundation, for which the Organization, as donor, is the beneficiary of the transferred assets, have been reflected on the Organization's statement of financial position as an asset entitled "Greater Milwaukee Foundation Investments." The Board of Trustees of the Greater Milwaukee Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

13. Amounts Held for Others

The Organization is a fiscal agent for the school districts participating in the Independence Place North Project. Participating school districts submit payment to Life Navigators. In turn, Life Navigators submits payments to cover costs for rent, utility and petty cash as needed. Life Navigators performs this fiscal agent service for an annual Administration Fee of 8%.

14. Concentrations

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization's bank accounts were insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2018 and 2017. The Organization has never experienced any losses related to these balances.

The Organization holds both its line of credit and construction loan at the same institution.

15. Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks of loss such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the statement of financial position.

16. Related Party

The husband of the business manager at the Organization is the Chief Executive Officer of the Organization's bookkeeping firm. The Organization paid the related party \$33,560 during the year ended December 31, 2018. There were no related parties in 2017.

17. Commitments and Contingencies

The Organization has received government grants for specific purposes that are subject to review and audit by the funding agencies. Such audits could lead to requests for reimbursement to the funding agency for expenditures disallowed under terms of the grants. Management believes any such disallowances, if any, would be immaterial.

LIFE NAVIGATORS, INC.

Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2018

With Summarized Information for the Year Ended December 31, 2017

	Disability Resource Center	Advocacy	Self-Advocacy Independence Trust Pool	Trust Program	Guardianship	Intergenerational Family Support	Care Management Unit	Subtotal
Support and revenue:								
Contributions and donations	\$ -	\$ 10,500	\$ 135,588	\$ 10,000	\$ -	\$ -	\$ -	\$ 156,088
In-kind contributions	-	-	29,281	-	-	-	-	29,281
Legacies and bequests	-	-	7,556	-	-	-	-	7,556
Milw. County Department of Health & Human Services - grants	91,279	136,043	-	-	-	-	-	227,322
Milw. County Department of Aging - grant	-	-	-	-	-	30,150	-	30,150
Milw. County Department of Health & Human Services - guardianship	-	-	-	-	51,019	-	-	51,019
Milw. County Department of Aging - guardianship	-	-	-	-	6,585	-	-	6,585
My Choice Family Care - care management	-	-	-	-	-	-	644,840	644,840
Program service fees	-	-	-	59,463	17,042	-	-	76,505
Pooled trust distributions	-	-	19,157	-	-	-	-	19,157
Total support and revenue	91,279	146,543	191,582	69,463	74,646	30,150	644,840	1,248,503
Expenses:								
Salaries	-	172,012	32,516	61,430	47,143	32,134	640,612	985,847
Employee benefits	-	20,647	3,881	1,614	8,394	2,891	87,621	125,048
Payroll tax expense	-	11,893	2,218	3,886	3,385	2,187	45,501	69,070
Professional fees	88,620	8,917	2,388	3,163	3,077	1,804	38,379	146,348
Office supplies	-	692	131	238	232	134	3,042	4,469
Postage and shipping	-	979	204	328	339	192	4,167	6,209
Occupancy	-	7,347	1,396	2,530	2,470	1,462	32,005	47,210
Depreciation	-	6,298	1,196	2,164	2,128	1,249	27,423	40,458
Equipment rental and maintenance	-	3,815	722	1,730	1,264	750	17,061	25,342
Printing and publications	-	563	2,752	192	185	139	3,991	7,822
Travel	-	1,855	774	892	4,368	547	14,689	23,125
Conferences, conventions and meetings	-	908	276	3,682	263	1,000	1,886	8,015
Insurance	-	3,434	702	2,293	1,155	701	14,577	22,862
Client support	-	78	10,174	91	512	189	1,054	12,098
In-kind expense	-	-	29,281	-	-	-	-	29,281
Miscellaneous	-	1,806	157	1,126	963	873	14,360	19,285
Total functional expenses	88,620	241,244	88,768	85,359	75,878	46,252	946,368	1,572,489
Administrative allocation	2,659	14,629	2,785	4,997	4,978	2,924	63,365	96,337
Total expenses after allocation	91,279	255,873	91,553	90,356	80,856	49,176	1,009,733	1,668,826
Change in net assets	\$ -	\$ (109,330)	\$ 100,029	\$ (20,893)	\$ (6,210)	\$ (19,026)	\$ (364,893)	\$ (420,323)

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses (Continued)
For the Year Ended December 31, 2018
With Summarized Information for the Year Ended December 31, 2017

	Subtotal From <u>Previous Page</u>	Court Comprehensive <u>Evaluations</u>	Total Program	Management and General	Fund-raising	2018 Total	2017
Support and revenue:							
Contributions and donations	\$ 156,088	\$ -	\$ 156,088	\$ -	\$ 254,010	\$ 410,098	\$ 185,220
Building expansion contributions	-	-	-	150	-	150	103,505
In-kind contributions	29,281	-	29,281	-	15,529	44,810	78,497
In-kind contributions - expansion	-	-	-	-	-	-	7,500
Legacies and bequests	7,556	-	7,556	-	50,654	58,210	8,868
Federated fund-raising	-	-	-	-	42,831	42,831	38,874
Milw. County Department of Health & Human Services - grants	227,322	-	227,322	-	-	227,322	318,307
Milw. County Department of Aging - grant	30,150	-	30,150	-	-	30,150	15,075
Milw. County Department of Health & Human Services - guardianship	51,019	-	51,019	-	-	51,019	64,260
Milw. County Department of Aging - guardianship	6,585	-	6,585	-	-	6,585	4,438
My Choice Family Care - care management	644,840	-	644,840	-	-	644,840	1,226,017
Milw. County Disability Services Division - court comp. evaluations	-	27,750	27,750	-	-	27,750	30,500
City of Wauwatosa CDGB - grant	-	-	-	-	61,660	61,660	-
Special Events (gross)	-	-	-	-	243,939	243,939	255,566
Less: Direct expenses	-	-	-	-	(67,008)	(67,008)	(70,762)
Program service fees	76,505	-	76,505	-	20	76,525	61,108
Pooled trust distributions	19,157	-	19,157	-	-	19,157	16,926
Miscellaneous revenue	-	-	-	-	6,888	6,888	299
Investment Income	-	-	-	-	37,685	37,685	42,354
Less: Investment fees	-	-	-	-	(11,288)	(11,288)	(11,289)
Realized and unrealized gains (losses)	-	-	-	-	(90,916)	(90,916)	129,185
Total support and revenue	<u>1,248,503</u>	<u>27,750</u>	<u>1,276,253</u>	<u>150</u>	<u>544,004</u>	<u>1,820,407</u>	<u>2,504,448</u>
Expenses:							
Salaries	985,847	20,741	1,006,588	63,489	62,539	1,132,616	1,353,954
Employee benefits	125,048	2,593	127,641	4,108	4,651	136,400	181,623
Payroll tax expense	69,070	1,401	70,471	4,165	4,140	78,776	96,316
Professional fees	146,348	1,489	147,837	1,907	14,007	163,751	264,457
Office supplies	4,469	97	4,566	144	195	4,905	10,145
Postage and shipping	6,209	135	6,344	211	307	6,862	11,940
Occupancy	47,210	1,026	48,236	1,538	1,762	51,536	53,945
Depreciation	40,458	880	41,338	1,319	1,319	43,976	33,145
Equipment rental and maintenance	25,342	534	25,876	805	790	27,471	33,513
Printing and publications	7,822	77	7,899	115	5,657	13,671	21,461
Travel	23,125	787	23,912	261	427	24,600	48,724
Conferences, conventions and meetings	8,015	58	8,073	81	1,847	10,001	11,887
Insurance	22,862	474	23,336	732	732	24,800	13,483
Client support	12,098	23	12,121	190	8	12,319	17,123
Bad debt expense	-	-	-	-	2,796	2,796	-
Bank and investment fees	-	-	-	5,386	-	5,386	6,211
In-kind expense	29,281	-	29,281	-	15,529	44,810	37,022
Interest expense	-	-	-	15,636	-	15,636	14,428
Miscellaneous	19,285	492	19,777	1,596	2,328	23,701	46,162
Total functional expenses	<u>1,572,489</u>	<u>30,807</u>	<u>1,603,296</u>	<u>101,683</u>	<u>119,034</u>	<u>1,824,013</u>	<u>2,255,539</u>
Administrative allocation	96,337	1,984	98,321	(101,683)	3,362	-	-
Total expenses after allocation	<u>1,668,826</u>	<u>32,791</u>	<u>1,701,617</u>	<u>-</u>	<u>122,396</u>	<u>1,824,013</u>	<u>2,255,539</u>
Change in net assets	<u>\$ (420,323)</u>	<u>\$ (5,041)</u>	<u>\$ (425,364)</u>	<u>\$ 150</u>	<u>\$ 421,608</u>	<u>\$ (3,606)</u>	<u>\$ 248,909</u>

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Advocacy
Settlement of DHS Cost Reimbursement Award
For the Year Ended December 31, 2018

DHS identification number	CARS profile 435.561
Award amount	\$ 136,043
Award period	January 1, 2018 - December 31, 2018
Period of award within audit period	January 1, 2018 - December 31, 2018

A. Expenditures reported to DHS for payment \$ 136,043

B. Total cost of award

Employee Salaries and Wages	172,012
Employee Fringe Benefits	20,647
Payroll Taxes	11,893
Rent or Occupancy	7,347
Professional Services	8,917
Employee Travel	1,855
Conferences, Meetings or Education	908
Supplies	692
Equipment	3,815
Depreciation	6,298
Postage and Shipping	979
Insurance	3,434
Printing and Publications	563
Other	1,884
Allocated Administrative Costs	<u>14,629</u>
Total Operating Costs of Award	<u>255,873</u>

C. Less disallowed costs

-

D. Less program revenue and other offsets to costs

(10,500)

E. Total allowable costs

\$ 245,373

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

**Community Living Support DRC Implementation
Settlement of DHS Cost Reimbursement Award**
For the Year Ended December 31, 2018

DHS identification number	CARS profile 435.561
Award amount	\$ 100,000
Award period	January 1, 2018 - December 31, 2018
Period of award within audit period	January 1, 2018 - December 31, 2018

A. Expenditures reported to DHS for payment \$ 91,279

B. Total costs of award

Professional Services	88,620
Allocated Administrative Costs	<u>2,659</u>
Total Operating Costs of Award	<u>91,279</u>

C. Less disallowed costs -

D. Less program revenue and other offsets to costs -

E. Total allowable costs \$ 91,279

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.

Wauwatosa, Wisconsin

GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE

For the Year Ended December 31, 2018

1. Total Units of Service	<u>4,042</u>
2. Allowable Expenses for Rate-based Service	<u>80,856</u>
3. Total Revenue for Rate-based Service	<u>74,646</u>
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	<u>(6,210)</u>

Purchaser (5a)	Revenue from Purchaser (5b)	Purchaser's Share of Total Revenue (5c)	Purchaser's Share of Excess Revenue (Deficiency) (5d)	5% Cap on Excess Reserves (5e)	Amount due to Purchaser (5f)
Milw County DHHS - Guardianship	\$ 51,019	68.35%	\$ (4,244)	\$ 2,551	\$ -
Milw County Dept of Aging - Guardianship	6,585	8.82%	(548)	329	-
Private Pay	17,042	22.83%	(1,418)	852	-
Totals	\$ 74,646	100%	\$ (6,210)	\$ 3,732	\$ -

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

COURT COMPREHENSIVE RESERVE SUPPLEMENTAL SCHEDULE

For the Year Ended December 31, 2018

1. Total Units of Service	111
2. Allowable Expenses for Rate-based Service	32,791
3. Total Revenue for Rate-based Service	27,750
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(5,041)

Purchaser (5a)	Revenue from Purchaser (5b)	Purchaser's Share of Total Revenue (5c)	Purchaser's Share of Excess Revenue (Deficiency) (5d)	5% Cap on Excess Reserves (5e)	Amount due to Purchaser (5f)
Milw County DSD - Court Comprehensive Evaluations	\$ 27,750	100.00%	\$ (5,041)	\$ 1,388	\$ -
Totals	\$ 27,750	100%	\$ (5,041)	\$ 1,388	\$ -

See Independent Auditors' Report.

**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 AND THE WISCONSIN
DEPARTMENT OF HEALTH SERVICES AUDIT GUIDE**

To the Board of Directors of
Life Navigators, 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, and the Wisconsin DHS Audit Guide, the financial statements of Life Navigators, Inc. ("Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, 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 March 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization's financial statements are free of 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* and the Wisconsin DHS Audit Guide.

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* and the Wisconsin DHS Audit Guide in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Reilly, Penner & Benton LLP

March 16, 2019
Milwaukee, Wisconsin

Life Navigators, Inc.
Wauwatosa, Wisconsin

Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CARS Number	Contract Number	Expenditures				Payments to Subrecipients
				Federal	State	Other	Total	
U.S. Department of Health & Human Services:								
Passed through Wisconsin Department of Health Services:								
Passed through Milwaukee County Department of Health and Human Services:								
Disability Resource Center Implementation / Advocacy	N/A	435.561	40-18466-100	\$ -	\$ -	\$ 227,322	\$ 227,322	\$ -
Guardianship - 4,042 units	N/A	N/A	---	-	-	51,019	51,019	-
Court Comprehensive Evaluations - 111 units	N/A	N/A	---	-	-	27,750	27,750	-
Total passed through Milwaukee County DHHS				<u>-</u>	<u>-</u>	<u>306,091</u>	<u>306,091</u>	<u>-</u>
Passed through Milwaukee County Department on Aging:								
Family Support for Aging and Persons with Developmental Disabilities	93.044	N/A	204-418-97	30,150	-	-	30,150	-
Guardianship - 625 units	N/A	N/A	---	-	-	6,585	6,585	-
Total passed through Milwaukee County Department of Aging				<u>30,150</u>	<u>-</u>	<u>6,585</u>	<u>36,735</u>	<u>-</u>
U.S. Department of Housing and Urban Development:								
Passed through City of Wauwatosa:								
Community Development Block Grant	14.218	N/A	CDBG-2018-461	61,660	-	-	61,660	-
Total				<u>\$ 91,810</u>	<u>\$ -</u>	<u>\$ 312,676</u>	<u>\$ 404,486</u>	<u>\$ -</u>

See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal and State Awards

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2018

1. Basis of Presentation

The accompanying "Schedule of Expenditures of Federal and State Awards" (the Schedule) includes the federal and state award activity of the Organization under programs of the federal and state government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of the Wisconsin DHS Audit Guide. Fee-for-service revenue is shown on the Schedule in the "Other" column.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2018

There were no prior year findings.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2018

Section I. Summary of Auditors' Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| A. Significant deficiency(ies) identified? | None noted |
| B. Material weaknesses identified? | No |
| 3. Noncompliance material to financial statements? | None noted |

DHS Awards

- | | |
|---|------------|
| 4. Internal control over major program: | |
| A. Significant deficiency(ies) identified? | None noted |
| B. Material weaknesses identified? | No |
| 5. Any audit findings disclosed that are required to be reported? | No |
| 6. Identification of major DHS program(s): | |

Name of DHS Program

Advocacy

Section II. Financial Statement Findings

No matters were reported

Section III. DHS Award Findings

No matters were reported

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2018
(Continued)

Section IV. Other Issues

1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *Wisconsin DHS Audit Guide*:

Department of Health Services

No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner



Carrie A. Gindt

5. Date of Report

March 16, 2019