

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Audited Financial Statements**

Year Ended December 31, 2019

(With Summarized Totals for the  
Year Ended December 31, 2018)

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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, 2019, 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, 2019, 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.

Reilly, Penner & Benton LLP

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## 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 March 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, 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 April 28, 2020 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.

*Reilly, Penner & Benton LLP*

April 28, 2020  
Milwaukee, Wisconsin

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Statements of Financial Position**  
December 31, 2019 and 2018

<b>ASSETS</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Current Assets:</b>		
Cash	\$ 37,158	\$ 93,113
Investments	1,079,277	1,020,496
Accounts receivable - net	138,392	107,824
Promises to give - current	132,000	25,500
Prepaid expenses	34,722	9,284
<b>Total current assets</b>	<b>1,421,549</b>	<b>1,256,217</b>
<b>Property and Equipment:</b>		
Land	44,400	44,400
Building and improvements	1,558,704	1,558,704
Furniture and equipment	143,348	143,348
Less: Accumulated depreciation	(346,707)	(302,266)
<b>Net property and equipment</b>	<b>1,399,745</b>	<b>1,444,186</b>
<b>Other Assets:</b>		
Greater Milwaukee Foundation investments	200,717	178,114
Promises to give - noncurrent, net	38,986	57,204
<b>Total other assets</b>	<b>239,703</b>	<b>235,318</b>
<b>Total assets</b>	<b>\$ 3,060,997</b>	<b>\$ 2,935,721</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 20,872	\$ 20,059
Accrued payroll and payroll taxes	72,379	52,642
Accrued vacation	56,553	39,998
Funds held for others	6,126	10,431
Construction loan - current portion	-	64,239
Line of credit	20,000	43,000
<b>Total current liabilities</b>	<b>175,930</b>	<b>230,369</b>
<b>Long-Term Liabilities:</b>		
Construction loan - net of current portion	-	189,569
<b>Total liabilities</b>	<b>175,930</b>	<b>419,938</b>
<b>Net Assets:</b>		
<b>Without donor restriction:</b>		
Operating	2,513,114	2,242,465
Board designated for endowment	135,171	120,199
<b>Total without donor restriction</b>	<b>2,648,285</b>	<b>2,362,664</b>
<b>With donor restriction:</b>		
Purpose restrictions	65,546	70,415
Time-restricted for future periods	171,236	82,704
<b>Total with donor restriction</b>	<b>236,782</b>	<b>153,119</b>
<b>Total net assets</b>	<b>2,885,067</b>	<b>2,515,783</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,060,997</b>	<b>\$ 2,935,721</b>

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, 2019  
With Summarized Totals For the Year Ended December 31, 2018

	<u>Without Donor</u> <u>Restriction</u>	<u>With Donor</u> <u>Restriction</u>	<u>Total</u> <u>2019</u>	<u>2018</u>
<b>Support and Revenue:</b>				
Contributions and donations	\$ 154,320	\$ 112,250	\$ 266,570	\$ 410,098
Building expansion contributions	-	-	-	150
Building debt campaign	139,759	-	139,759	-
In-kind contributions	35,654	-	35,654	44,810
Legacies and bequests	7,743	-	7,743	58,210
Federated fund-raising	38,550	-	38,550	42,831
Milwaukee County Department of Health & Human Services - grants	180,831	-	180,831	227,322
Milwaukee County Department of Aging - grant	30,150	-	30,150	30,150
Milwaukee County Department of Health & Human Services - guardianship	66,524	-	66,524	51,019
Milwaukee County Department of Aging - guardianship	7,728	-	7,728	6,585
My Choice Family Care - care management	1,012,558	-	1,012,558	644,840
Milwaukee County Disability Services Division - court comp. evaluations	25,750	-	25,750	27,750
City of Wauwatosa CDBG - grant	-	-	-	61,660
Special Event revenue	363,170	-	363,170	243,939
Less: Direct benefit to donor	(65,281)	-	(65,281)	(45,460)
Program service fees	78,646	-	78,646	76,525
Pooled trust distributions	66,577	-	66,577	19,157
Miscellaneous revenue	6,209	-	6,209	6,888
Investment income	36,692	319	37,011	37,685
Less: Investment fees	(9,418)	(289)	(9,707)	(11,288)
Realized and unrealized gains	190,214	7,600	197,814	(90,916)
Satisfaction of restrictions	36,217	(36,217)	-	-
<b>Net support and revenue</b>	<b>2,402,593</b>	<b>83,663</b>	<b>2,486,256</b>	<b>1,841,955</b>
<b>Expenses:</b>				
<b>Program Services:</b>				
Disability Resource Center	43,484	-	43,484	88,620
Advocacy	302,494	-	302,494	241,244
Self-Advocacy Independence Trust Pool	110,299	-	110,299	88,768
Trust Program	99,430	-	99,430	85,359
Guardianship	95,047	-	95,047	75,878
Intergenerational Family Support	51,266	-	51,266	46,252
Care Management Unit	1,109,387	-	1,109,387	946,368
Court Comprehensive Evaluations	27,746	-	27,746	30,807
<b>Total program services</b>	<b>1,839,153</b>	<b>-</b>	<b>1,839,153</b>	<b>1,603,296</b>
Management and general	109,041	-	109,041	101,683
Fund-raising	168,778	-	168,778	140,582
<b>Total expenses</b>	<b>2,116,972</b>	<b>-</b>	<b>2,116,972</b>	<b>1,845,561</b>
<b>Net increase (decrease) in net assets</b>	<b>285,621</b>	<b>83,663</b>	<b>369,284</b>	<b>(3,606)</b>
<b>Net assets at beginning of year</b>	<b>2,362,664</b>	<b>153,119</b>	<b>2,515,783</b>	<b>2,519,389</b>
<b>Net assets at end of year</b>	<b>\$ 2,648,285</b>	<b>\$ 236,782</b>	<b>\$ 2,885,067</b>	<b>\$ 2,515,783</b>

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, 2019  
With Summarized Information for the Year Ended December 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total 2019</u>	<u>2018</u>
<b>Expenses:</b>					
Salaries	\$ 1,223,156	\$ 72,285	\$ 72,073	\$ 1,367,514	\$ 1,132,616
Employee benefits	145,011	6,069	6,609	157,689	136,400
Payroll tax expense	85,800	4,675	4,679	95,154	78,776
Professional fees	114,969	1,656	21,014	137,639	163,751
Office supplies	6,698	243	536	7,477	4,905
Postage and shipping	6,943	213	236	7,392	6,862
Occupancy	51,507	1,724	1,801	55,032	51,536
Depreciation	41,590	1,407	1,444	44,441	43,976
Equipment rental and maintenance	38,257	1,230	1,320	40,807	27,471
Printing and publications	11,356	170	5,705	17,231	13,671
Travel	29,244	889	929	31,062	24,600
Conferences, conventions and meetings	10,715	339	1,401	12,455	10,001
Insurance	17,769	594	604	18,967	24,800
Client support	13,074	648	151	13,873	12,319
Bad debt expense	-	-	-	-	2,796
Bank and investment fees	-	7,686	-	7,686	5,386
In-kind expense	23,272	-	12,382	35,654	44,810
Interest expense	-	7,321	-	7,321	15,636
Special event expenses	-	-	35,574	35,574	21,548
Miscellaneous	19,792	1,892	2,320	24,004	23,701
<b>Total functional expenses</b>	<u>1,839,153</u>	<u>109,041</u>	<u>168,778</u>	<u>2,116,972</u>	<u>1,845,561</u>
Administrative allocation	105,263	(109,041)	3,778	-	-
<b>Total expenses after allocation</b>	<u>\$ 1,944,416</u>	<u>\$ -</u>	<u>\$ 172,556</u>	<u>\$ 2,116,972</u>	<u>\$ 1,845,561</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 369,284	\$ (3,606)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	44,441	43,976
Realized and unrealized (gains)/losses	(197,814)	90,916
Donation of stock	-	(98,977)
<b>Change in assets and liabilities:</b>		
Accounts receivable	(30,568)	201,760
Promises to give	(88,282)	(60,204)
Prepaid expenses	(25,438)	(2,291)
Accounts payable	812	(24,367)
Accrued payroll and payroll taxes	19,737	(9,076)
Accrued vacation	16,555	18,518
Funds held for others	(4,305)	(5,922)
<b>Net cash provided by operating activities</b>	<u>104,422</u>	<u>150,727</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from investment sales	1,207,538	491,732
Purchases of investments	(1,091,107)	(465,753)
Purchase of property and equipment	-	(58,158)
<b>Net cash provided (used) by investing activities</b>	<u>116,431</u>	<u>(32,179)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from line of credit	176,000	125,000
Payments on line of credit	(199,000)	(200,000)
Payment on construction loan	(253,808)	(160,662)
<b>Net cash used by financing activities</b>	<u>(276,808)</u>	<u>(235,662)</u>
<b>Decrease in cash</b>	(55,955)	(117,114)
<b>Cash at beginning of year</b>	<u>93,113</u>	<u>210,227</u>
<b>Cash at end of year</b>	<u>\$ 37,158</u>	<u>\$ 93,113</u>
<b>Supplementary Information:</b>		
Interest paid	<u>\$ 7,321</u>	<u>\$ 16,263</u>
Donated stock	<u>\$ -</u>	<u>\$ 98,977</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, 2019 and 2018  
(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.

**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 has no net assets that are subject to perpetuity.

**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 Receivable and Promises to Give**

Accounts receivable and promises to give 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.

Promises to give 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, 2019 and 2018  
(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 statements 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 by the Greater Milwaukee Foundation:* Valued at the net asset value provided by the trust for investments held by the trust at year-end.

**Property and Equipment**

The Organization's policy is to capitalize all property and equipment costing over \$5,000. 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. Depreciation expense for 2019 and 2018 was \$44,441 and \$43,976, respectively.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(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**

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Revenue from performance obligations satisfied at a point in time consists of the following:

- **Fee for service contracts** – recognized as performance obligations are met

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** - received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets 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. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized at prime interest rate and is reported as contribution revenue.
- **Federal and state contracts** – Federal and state contracts are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred.

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – The direct benefit to donors is recognized as revenue as an exchange transaction, while the remaining is recognized as a non-exchange contribution.

**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 2019, the Organization received \$23,272 of in-kind donations to support the Organization's programs and \$12,382 of other in-kind donations to support its fundraising function. During 2018, the Organization received \$29,281 of in-kind donations to support the Organization's programs and \$15,529 of other in-kind donations to support its fundraising function.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on the functional basis in the statement of activities. The statement 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 (April 28, 2020). There were no subsequent events that required recognition or disclosure other than the subsequent event in Note 20.

**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**

Financial Accounting Standards Board ("FASB") Accounting Standards Updated (ASU) 2016-14 Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. The amendment has been applied retrospectively. Accordingly, there is no effect on net assets in connection with our implementation of 2016-14.

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08 – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under the full prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

**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, 2018, from which the summarized information was derived.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**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:

	<u>2019</u>	<u>2018</u>
Cash	\$ 37,158	\$ 93,113
Investments	1,079,277	1,020,496
Greater Milwaukee Foundation investments	200,717	178,114
Pledges receivable - current	132,000	25,500
Accounts receivables, net	<u>138,392</u>	<u>107,824</u>
<b>Total financial assets</b>	<b>1,587,544</b>	<b>1,425,047</b>
<b>Less amounts not available to be used within one year for general expenditures:</b>		
Restricted by donor with time or purpose restrictions	(132,250)	(153,119)
Assets pledged as collateral on line of credit	(20,000)	(43,000)
Funds held for others	(6,126)	(10,431)
Board designation – endowment fund for long-term investing	<u>(135,171)</u>	<u>(120,199)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ <u>1,293,997</u></b>	<b>\$ <u>1,098,298</u></b>

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 statements of cash flows which identifies the sources and uses of the Organization's cash for the years ended December 31, 2019 and 2018.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**4. Investments**

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

**Fair Value Measurement at Reporting Date Using**

<u>Description</u>	<u>Total</u> <u>12/31/19</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Cash held in investment account	\$ 18,079	\$ 18,079	\$ -	\$ -
Stocks	232,363	232,363	-	-
Exchange traded funds	20,963	20,963	-	-
Mutual funds:				
Large growth	114,172	114,172	-	-
Large value	112,040	112,040	-	-
Mid-cap blend	72,367	72,367	-	-
Mid-cap growth	72,671	72,671	-	-
Mid-cap value	65,781	65,781	-	-
Intermediate core bond	48,587	48,587	-	-
Ultrashort bond	175,825	175,825	-	-
Bonds	<u>146,429</u>	<u>-</u>	<u>146,429</u>	<u>-</u>
Total	\$ <u>1,079,277</u>	\$ <u>932,848</u>	\$ <u>146,429</u>	\$ <u>-</u>
Investments held by the Greater Milwaukee Foundation	\$ <u>200,717</u>	\$ <u>-</u>	\$ <u>200,717</u>	\$ <u>-</u>

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**4. Investments (continued)**

<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>-</u>	<u>243,558</u>	<u>-</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>

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

The statement of activities includes \$197,814 in realized and unrealized gains and \$90,916 in realized and unrealized losses for 2019 and 2018, 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.

The Organization's investments are exposed to various risks of loss, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**5. Promises to Give**

Promises to give was discounted to present value using a discount rate of 1.69% and 2.33% for years ended December 31, 2019 and 2018, respectively. Unconditional promises are expected to be realized in the following periods:

	<u>2019</u>	<u>2018</u>
In one year or less	\$ 32,000	\$ 25,500
Between one year and five years	40,000	60,000
Less: Present value discount	(1,014)	(2,796)
<b>Net promises to give</b>	<b>\$ <u>70,986</u></b>	<b>\$ <u>82,704</u></b>

**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, 2022 and has an available balance of \$18,400. As of December 31, 2019 and 2018, 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 2019 and 2018 was \$19,520 and \$18,189, 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 was secured by the Organization's investments and 1<sup>st</sup> real estate mortgage on the building. The Organization paid the loan balance in full during the year ended December 31, 2019. The loan had a balance of \$253,808 as of December 31, 2018. The loan had a fixed interest rate of 4.10%. The interest expense was \$6,525 and \$14,207 for the years ended December 31, 2019 and 2018, respectively.

**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%. The interest rate was 5.75% and 6.5% at December 31, 2019 and 2018, respectively. The line had an outstanding balance of \$20,000 and \$43,000 at December 31, 2019 and 2018 and interest expense of \$796 and \$1,429 for the years ended December 31, 2019 and 2018, respectively.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**10. Net Assets with Donor Restriction**

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

	<u>2019</u>	<u>2018</u>
<b>Restricted to expenditure for specified purpose:</b>		
Greater Milwaukee Foundation investments	\$ 65,546	\$ 57,915
Contributions restricted for technology upgrades	<u>-</u>	<u>12,500</u>
<b>Total subject to expenditure for specified purpose</b>	65,546	70,415
<b>Restricted for passage of time:</b>		
Promises to give, net	170,986	82,704
Restricted for future use	<u>250</u>	<u>-</u>
<b>Total subject to expenditure for passage of time</b>	<u>171,236</u>	<u>82,704</u>
<b>Total net assets with donor restriction</b>	<u>\$ 236,782</u>	<u>\$ 153,119</u>

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

	<u>2019</u>	<u>2018</u>
Greater Milwaukee Foundation investments	\$ <u>135,171</u>	\$ <u>120,199</u>

**11. Quasi-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>
<b>Balance, December 31, 2017</b>	\$ 123,081
Investment income	1,021
Realized and unrealized loss	(2,275)
Administration fees	<u>(1,628)</u>
<b>Balance, December 31, 2018</b>	\$ 120,199
Investment income	1,010
Realized and unrealized gain	15,525
Administration fees	<u>(1,563)</u>
<b>Balance, December 31, 2019</b>	<u>\$ 135,171</u>



**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(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 the Organization. In turn, the Organization submits payments to cover costs for rent, utility and petty cash as needed. The Organization performs this fiscal agent service for an annual administration fee of 8%.

**14. Disaggregated Revenue**

The Organization's revenue, disaggregated by type, consists of the following for the years ending December 31:

	<u>2019</u>	<u>2018</u>
<b>Exchange:</b>		
Fee for service:		
My Choice Family Care – care management	\$ 1,012,558	\$ 644,840
Guardianship program	74,252	57,604
Court comprehensive evaluations	25,750	27,750
Program service fees	78,646	76,524
<b>Total exchange revenue</b>	<u>1,191,206</u>	<u>806,718</u>
<b>Non-exchange:</b>		
Federal and state grants	210,981	319,133
Contributions	406,329	410,248
Legacies and bequests	7,743	58,210
Federated fund-raising	38,550	42,831
Investment income (loss), net	225,118	(64,519)
Pooled trust distributions	66,577	19,157
Miscellaneous income	6,209	6,888
<b>Total non-exchange</b>	<u>961,507</u>	<u>791,949</u>
<b>In-kind revenue</b>	35,654	44,810
<b>Special events</b>	297,889	198,479
<b>Total revenue</b>	<u>\$ 2,486,256</u>	<u>\$ 1,841,955</u>

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**15. Special Events**

Special event activities are reported by their natural classification in the statements of activities. Gross special event revenues and expenses are as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
<b>Revenue:</b>		
Non-exchange contributions	\$ 297,889	\$ 198,479
Exchange direct benefit to donor	65,281	45,460
<b>Total revenue</b>	<u>363,170</u>	<u>243,939</u>
<b>Expenses:</b>		
Direct benefit to donors	(65,281)	(45,460)
Incidental benefits	(35,574)	(21,548)
<b>Total expense</b>	<u>(100,855)</u>	<u>(67,008)</u>
<b>Special events, net</b>	<u>\$ 262,315</u>	<u>\$ 176,931</u>

**16. 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, 2019 and 2018. The Organization has never experienced any losses related to these balances.

Approximately 13% and 19% of the Organization's support for the years ended December 31, 2019 and 2018 came from Milwaukee County contracts, respectively.

**17. 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.

**18. Related Party**

The husband of the business manager of the Organization is the president and CEO of the Organization's bookkeeping firm. The Organization paid the related party \$30,580 and \$33,560 during the years ended December 31, 2019 and 2018, respectively.

**19. 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

**Notes to the Financial Statements**  
Years Ended December 31, 2019 and 2018  
(Continued)

**20. Other Subsequent Events**

The COVID-19 outbreak in the United States has caused business disruption through the Wisconsin government-mandated “Safer at Home” order. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the order. Therefore, the Organization expects this matter to negatively impact its operating results due to the delay in state and other fee-for-service payments. However, the related financial impact and duration cannot be reasonably estimated at this time.

LIFE NAVIGATORS, INC.

Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2019

With Summarized Information for the Year Ended December 31, 2018

	Disability Resource Center	Advocacy	Self-Advocacy Independence Trust Pool	Trust Program	Guardianship	Intergenerational Family Support	Care Management Unit	Subtotal
<b>Support and revenue:</b>								
Contributions and donations	\$ -	\$ 47,500	\$ 8,702	\$ 28,500	\$ -	\$ -	\$ -	\$ 84,702
In-kind contributions	-	-	23,272	-	-	-	-	23,272
Milw. County Department of Health & Human Services - grants	44,788	136,043	-	-	-	-	-	180,831
Milw. County Department of Aging - grant	-	-	-	-	-	30,150	-	30,150
Milw. County Department of Health & Human Services - guardianship	-	-	-	-	66,524	-	-	66,524
Milw. County Department of Aging - guardianship	-	-	-	-	7,728	-	-	7,728
My Choice Family Care - care management	-	-	-	-	-	-	1,012,558	1,012,558
Special Events (gross)	-	140	-	-	-	-	-	140
Program service fees	-	-	-	69,253	9,393	-	-	78,646
Pooled trust distributions	-	-	61,787	4,790	-	-	-	66,577
Miscellaneous revenue	-	213	-	-	-	-	-	213
<b>Total support and revenue</b>	<b>44,788</b>	<b>183,896</b>	<b>93,761</b>	<b>102,543</b>	<b>83,645</b>	<b>30,150</b>	<b>1,012,558</b>	<b>1,551,341</b>
<b>Expenses:</b>								
Salaries	-	214,870	54,484	68,391	60,795	36,012	769,924	1,204,476
Employee benefits	-	26,856	7,484	3,735	11,256	3,766	89,181	142,278
Payroll tax expense	-	14,850	3,662	4,434	4,470	2,528	54,494	84,438
Professional fees	43,484	8,268	3,885	4,215	2,812	1,428	49,859	113,951
Office supplies	-	1,033	266	276	686	183	4,142	6,586
Postage and shipping	-	1,741	268	280	364	180	4,002	6,835
Occupancy	-	8,628	2,240	2,314	2,975	1,510	32,917	50,584
Depreciation	-	6,962	1,815	1,889	2,407	1,222	26,554	40,849
Equipment rental and maintenance	-	6,280	1,599	1,634	3,108	1,094	23,895	37,610
Printing and publications	-	769	1,304	5,491	276	135	3,297	11,272
Travel	-	4,428	1,221	1,192	1,614	763	19,572	28,790
Conferences, conventions and meetings	-	706	536	3,384	444	1,313	4,292	10,675
Insurance	-	2,912	756	795	1,005	509	11,485	17,462
Client support	-	2,361	6,617	301	939	89	2,713	13,020
In-kind expense	-	-	23,272	-	-	-	-	23,272
Miscellaneous	-	1,830	890	1,099	1,896	534	13,060	19,309
<b>Total functional expenses</b>	<b>43,484</b>	<b>302,494</b>	<b>110,299</b>	<b>99,430</b>	<b>95,047</b>	<b>51,266</b>	<b>1,109,387</b>	<b>1,811,407</b>
Administrative allocation	1,304	16,950	4,555	4,746	6,087	3,244	66,473	103,359
<b>Total expenses after allocation</b>	<b>44,788</b>	<b>319,444</b>	<b>114,854</b>	<b>104,176</b>	<b>101,134</b>	<b>54,510</b>	<b>1,175,860</b>	<b>1,914,766</b>
<b>Change in net assets</b>	<b>\$ -</b>	<b>\$ (135,548)</b>	<b>\$ (21,093)</b>	<b>\$ (1,633)</b>	<b>\$ (17,489)</b>	<b>\$ (24,360)</b>	<b>\$ (163,302)</b>	<b>\$ (363,425)</b>

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.  
Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses (Continued)  
For the Year Ended December 31, 2019  
With Summarized Information for the Year Ended December 31, 2018

	Subtotal From Previous Page	Court Comprehensive Evaluations	Total Program	Management and General	Fund-raising	Cost of Direct Benefit to Donor	2019 Total	2018
<b>Support and revenue:</b>								
Contributions and donations	\$ 84,702	\$ -	\$ 84,702	\$ -	\$ 181,868	\$ -	\$ 266,570	\$ 410,098
Building expansion contributions	-	-	-	-	-	-	-	150
Building debt campaign	-	-	-	-	139,759	-	139,759	-
In-kind contributions	23,272	-	23,272	-	12,382	-	35,654	44,810
Legacies and bequests	-	-	-	-	7,743	-	7,743	58,210
Federated fund-raising	-	-	-	-	38,550	-	38,550	42,831
Milw. County Department of Health & Human Services - grants	180,831	-	180,831	-	-	-	180,831	227,322
Milw. County Department of Aging - grant	30,150	-	30,150	-	-	-	30,150	30,150
Milw. County Department of Health & Human Services - guardianship	66,524	-	66,524	-	-	-	66,524	51,019
Milw. County Department of Aging - guardianship	7,728	-	7,728	-	-	-	7,728	6,585
My Choice Family Care - care management	1,012,558	-	1,012,558	-	-	-	1,012,558	644,840
Milw. County Disability Services Division - court comp. evaluations	-	25,750	25,750	-	-	-	25,750	27,750
City of Wauwatosa CDGB - grant	-	-	-	-	-	-	-	61,660
Special Event revenue	140	-	140	-	363,030	-	363,170	243,939
Less: Direct benefit to donor	-	-	-	-	(65,281)	-	(65,281)	(45,460)
Program service fees	78,646	-	78,646	-	-	-	78,646	76,525
Pooled trust distributions	66,577	-	66,577	-	-	-	66,577	19,157
Miscellaneous revenue	213	-	213	-	5,996	-	6,209	6,888
Investment Income	-	-	-	-	37,011	-	37,011	37,685
Less: Investment fees	-	-	-	-	(9,707)	-	(9,707)	(11,288)
Realized and unrealized gains (losses)	-	-	-	-	197,814	-	197,814	(90,916)
<b>Total support and revenue</b>	<b>1,551,341</b>	<b>25,750</b>	<b>1,577,091</b>	<b>-</b>	<b>909,165</b>	<b>-</b>	<b>2,486,256</b>	<b>1,841,955</b>
<b>Expenses:</b>								
Salaries	1,204,476	18,680	1,223,156	72,285	72,073	-	1,367,514	1,132,616
Employee benefits	142,278	2,733	145,011	6,069	6,609	-	157,689	136,400
Payroll tax expense	84,438	1,362	85,800	4,675	4,679	-	95,154	78,776
Professional fees	113,951	1,018	114,969	1,656	21,014	-	137,639	163,751
Office supplies	6,586	112	6,698	243	536	-	7,477	4,905
Postage and shipping	6,835	108	6,943	213	236	-	7,392	6,862
Occupancy	50,584	923	51,507	1,724	1,801	-	55,032	51,536
Depreciation	40,849	741	41,590	1,407	1,444	-	44,441	43,976
Equipment rental and maintenance	37,610	647	38,257	1,230	1,320	-	40,807	27,471
Printing and publications	11,272	84	11,356	170	5,705	-	17,231	13,671
Travel	28,790	454	29,244	889	929	-	31,062	24,600
Conferences, conventions and meetings	10,675	40	10,715	339	1,401	-	12,455	10,001
Insurance	17,462	307	17,769	594	604	-	18,967	24,800
Client support	13,020	54	13,074	648	151	-	13,873	12,319
Bad debt expense	-	-	-	-	-	-	-	2,796
Bank and investment fees	-	-	-	7,686	-	-	7,686	5,386
In-kind expense	23,272	-	23,272	-	12,382	-	35,654	44,810
Interest expense	-	-	-	7,321	-	-	7,321	15,636
Special event expenses	-	-	-	-	35,574	65,281	100,855	67,008
Miscellaneous	19,309	483	19,792	1,892	2,320	-	24,004	23,701
<b>Total functional expenses</b>	<b>1,811,407</b>	<b>27,746</b>	<b>1,839,153</b>	<b>109,041</b>	<b>168,778</b>	<b>65,281</b>	<b>2,182,253</b>	<b>1,891,021</b>
Administrative allocation	103,359	1,904	105,263	(109,041)	3,778	-	-	-
<b>Total expenses after allocation</b>	<b>1,914,766</b>	<b>29,650</b>	<b>1,944,416</b>	<b>-</b>	<b>172,556</b>	<b>65,281</b>	<b>2,182,253</b>	<b>1,891,021</b>
<b>Less expenses included with revenues on the statement of activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,281)</b>	<b>(65,281)</b>	<b>(45,460)</b>
<b>Total expenses included in the expense section of the statement of activities</b>	<b>(363,425)</b>	<b>(3,900)</b>	<b>(367,325)</b>	<b>-</b>	<b>736,609</b>	<b>-</b>	<b>2,116,972</b>	<b>1,845,561</b>
<b>Change in net assets</b>	<b>\$(363,425)</b>	<b>\$(3,900)</b>	<b>\$(367,325)</b>	<b>\$ -</b>	<b>\$ 736,609</b>	<b>\$ -</b>	<b>\$ 369,284</b>	<b>\$(3,606)</b>

See Independent Auditors' Report.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Advocacy**  
**Settlement of DHS Cost Reimbursement Award**  
For the Year Ended December 31, 2019

<b>DHS identification number</b>	CARS profile 435.561
<b>Award amount</b>	\$ 136,043
<b>Award period</b>	January 1, 2019 - December 31, 2019
<b>Period of award within audit period</b>	January 1, 2019 - December 31, 2019

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

**B. Total cost of award**

Employee Salaries and Wages	214,870
Employee Fringe Benefits	26,856
Payroll Taxes	14,850
Rent or Occupancy	8,628
Professional Services	8,268
Employee Travel	4,428
Conferences, Meetings or Education	706
Supplies	1,033
Equipment	6,280
Depreciation	6,962
Postage and Shipping	1,741
Insurance	2,912
Printing and Publications	769
Other	4,191
Allocated Administrative Costs	<u>16,950</u>
<b>Total Operating Costs of Award</b>	<u>319,444</u>

**C. Less disallowed costs**

-

**D. Less program revenue and other offsets to costs**

(47,500)

**E. Total allowable costs**

\$ 271,944

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, 2019

<b>DHS identification number</b>	CARS profile 435.561
<b>Award amount</b>	\$ 100,000
<b>Award period</b>	January 1, 2019 - December 31, 2019
<b>Period of award within audit period</b>	January 1, 2019 - December 31, 2019

**A. Expenditures reported to DHS for payment** \$ 44,788

**B. Total costs of award**

Professional Services	43,484
Allocated Administrative Costs	<u>1,304</u>
<b>Total Operating Costs of Award</b>	<u>44,788</u>

**C. Less disallowed costs**

-

**D. Less program revenue and other offsets to costs**

-

**E. Total allowable costs**

\$ 44,788

See Independent Auditors' Report.

**LIFE NAVIGATORS, INC.**

Wauwatosa, Wisconsin

**GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE**

For the Year Ended December 31, 2019

1. Total Units of Service	<u>5,037</u>
2. Allowable Expenses for Rate-based Service	<u>95,047</u>
3. Total Revenue for Rate-based Service	<u>83,645</u>
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	<u>(11,402)</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	\$ 66,524	80%	\$ (9,069)	\$ 3,326	\$ -
Milw County Dept of Aging - Guardianship	7,728	9%	(1,053)	386	-
Private Pay	9,393	11%	(1,280)	470	-
Totals	\$ 83,645	100%	\$ (11,402)	\$ 4,182	\$ -

See Independent Auditors' Report.



**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**COURT COMPREHENSIVE RESERVE SUPPLEMENTAL SCHEDULE**  
For the Year Ended December 31, 2019

1. Total Units of Service	101
2. Allowable Expenses for Rate-based Service	27,746
3. Total Revenue for Rate-based Service	25,750
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(1,996)

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	\$ 25,750	100%	\$ (1,996)	\$ 1,288	\$ -
Totals	\$ 25,750	100%	\$ (1,996)	\$ 1,288	\$ -

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, 2019, 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 April 28, 2020.

**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*

April 28, 2020  
Milwaukee, Wisconsin

Life Navigators, Inc.  
Wauwatosa, Wisconsin

**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CARS Number	Contract Number	Expenditures				Payments to Subrecipients
				Federal	State	Other	Total	
<b>U.S. Department of Health &amp; Human Services:</b>								
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	40-19466-100	\$ -	\$ -	\$ 180,831	\$ 180,831	\$ -
Guardianship - 5,037 units	N/A	N/A	---	-	-	66,524	66,524	-
Court Comprehensive Evaluations - 101 units	N/A	N/A	---	-	-	25,750	25,750	-
<b>Total passed through Milwaukee County Department Health and Human Services</b>				<u>-</u>	<u>-</u>	<u>273,105</u>	<u>273,105</u>	<u>-</u>
Passed through Milwaukee County Department on Aging:								
Family Support for Aging and Persons with Developmental Disabilities	93.044	N/A	204-419-97	30,150	-	-	30,150	-
Guardianship - 510 units	N/A	N/A	---	-	-	7,728	7,728	-
<b>Total passed through Milwaukee County Department of Aging</b>				<u>30,150</u>	<u>-</u>	<u>7,728</u>	<u>37,878</u>	<u>-</u>
<b>Total expenditures</b>				<u>\$ 30,150</u>	<u>\$ -</u>	<u>\$ 280,833</u>	<u>\$ 310,983</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, 2019

**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, 2019. 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, 2019

There were no prior year findings.

**LIFE NAVIGATORS, INC.**  
Wauwatosa, Wisconsin

**Schedule of Findings and Responses**  
Year Ended December 31, 2019

**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, 2019  
(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

April 28, 2020