

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Audited Financial Statements

Year Ended December 31, 2021

(With Summarized Totals for the
Year Ended December 31, 2020)

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Life Navigators, Inc., Inc. (a non profit organization) ("Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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 other awards, settlement of Department of Health Services ("DHS") cost reimbursement awards, and reserve supplemental schedules, as required by the *Wisconsin DHS Audit Guide*, are presented for purposes of additional analysis, and are 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 18, 2022 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.

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 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



March 18, 2022
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statements of Financial Position
December 31, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 128,957	\$ 273,656
Investments	1,873,408	1,434,413
Accounts receivable - net	311,448	205,140
Promises to give - current	30,000	40,000
Prepaid expenses	20,868	27,669
Total current assets	2,364,681	1,980,878
Property and Equipment:		
Land	44,400	44,400
Building and improvements	1,576,366	1,576,366
Furniture and equipment	149,150	149,150
Less: Accumulated depreciation	(436,382)	(391,434)
Net property and equipment	1,333,534	1,378,482
Other Assets:		
Greater Milwaukee Foundation investments	262,463	225,181
Promises to give - noncurrent, net	-	19,904
Total other assets	262,463	245,085
Total assets	\$ 3,960,678	\$ 3,604,445
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 12,777	\$ 18,299
Accrued payroll and payroll taxes	82,991	78,090
Accrued vacation	54,904	65,838
Funds held for others	-	5,197
Total current liabilities	150,672	167,424
Net Assets:		
Without donor restriction:		
Operating	3,381,388	3,121,936
Board designated for endowment	175,872	151,193
Total without donor restriction	3,557,260	3,273,129
With donor restriction:		
Purpose restrictions	86,591	103,988
Time-restricted for future periods	166,155	59,904
Total with donor restriction	252,746	163,892
Total net assets	3,810,006	3,437,021
Total liabilities and net assets	\$ 3,960,678	\$ 3,604,445

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, 2021
With Summarized Totals For the Year Ended December 31, 2020

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2021</u>	<u>Total 2020</u>
Support and Revenue:				
Contributions and donations	\$ 195,867	\$ 146,155	\$ 342,022	\$ 311,288
In-kind contributions	40,046	-	40,046	48,193
Legacies and bequests	27,690	-	27,690	12,313
Federated fundraising	36,059	-	36,059	30,851
Contribution - PPP	-	-	-	299,766
Milwaukee County Department of Health & Human Services - grants	30,000	-	30,000	136,043
Milwaukee County Department of Aging - grant	30,150	-	30,150	30,600
Milwaukee County Department of Health & Human Services - guardianship	81,452	-	81,452	67,559
Milwaukee County Department of Aging - guardianship	53,550	-	53,550	30,953
My Choice Family Care - care management	1,312,850	-	1,312,850	1,347,850
Milwaukee County Disability Services Division - court comp. evaluations	44,625	-	44,625	24,250
City of Wauwatosa CDBG - grant	25,900	-	25,900	49,402
Special Event revenue	382,160	-	382,160	254,206
Less: Direct benefit to donor	(53,635)	-	(53,635)	(29,361)
Program service fees	147,333	-	147,333	115,531
Pooled trust distributions	93,179	-	93,179	12,315
Miscellaneous revenue	2,954	-	2,954	847
Investment income	48,702	229	48,931	33,028
Less: Investment fees	(17,086)	(369)	(17,455)	(13,915)
Realized and unrealized gains	173,327	12,743	186,070	148,375
Satisfaction of restrictions	69,904	(69,904)	-	-
Net support and revenue	<u>2,725,027</u>	<u>88,854</u>	<u>2,813,881</u>	<u>2,910,094</u>
Expenses:				
Program Services:				
Advocacy	92,431	-	92,431	298,790
Self-Advocacy Independence Trust Pool	100,804	-	100,804	84,490
Trust Program	183,055	-	183,055	114,219
Guardianship	204,862	-	204,862	114,761
Intergenerational Family Support	88,944	-	88,944	87,512
Care Management Unit	1,456,282	-	1,456,282	1,357,826
Court Comprehensive Evaluations	50,347	-	50,347	25,265
Total program services	<u>2,176,725</u>	<u>-</u>	<u>2,176,725</u>	<u>2,082,863</u>
Management and general	77,849	-	77,849	90,489
Fundraising	186,322	-	186,322	184,788
Total expenses	<u>2,440,896</u>	<u>-</u>	<u>2,440,896</u>	<u>2,358,140</u>
Net change in net assets	284,131	88,854	372,985	551,954
Net assets at beginning of year	<u>3,273,129</u>	<u>163,892</u>	<u>3,437,021</u>	<u>2,885,067</u>
Net assets at end of year	<u>\$ 3,557,260</u>	<u>\$ 252,746</u>	<u>\$ 3,810,006</u>	<u>\$ 3,437,021</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, 2021
With Summarized Information for the Year Ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donor</u>	<u>Total 2021</u>	<u>Total 2020</u>
Expenses:						
Salaries	\$ 1,518,126	\$ 59,316	\$ 78,723	\$ -	\$ 1,656,165	\$ 1,630,816
Employee benefits	209,588	2,839	7,616	-	220,043	180,840
Payroll tax expense	109,574	3,610	5,081	-	118,265	113,977
Professional fees	47,245	945	32,288	-	80,478	81,136
Office supplies	9,805	181	925	-	10,911	9,025
Postage and shipping	3,340	49	789	-	4,178	5,766
Occupancy	48,794	835	1,535	-	51,164	51,505
Depreciation	42,865	734	1,348	-	44,947	44,728
Equipment rental and maintenance	61,436	846	1,888	-	64,170	39,126
Printing and publications	7,106	39	7,665	-	14,810	20,316
Travel	22,706	282	1,326	-	24,314	13,919
Conferences, conventions and meetings	6,535	37	1,546	-	8,118	10,565
Insurance	22,608	353	657	-	23,618	40,844
Client support	11,513	52	56	-	11,621	6,600
Bad debt expense	-	-	-	-	-	2,000
Bank and investment fees	-	6,582	-	-	6,582	5,215
In-kind expense	20,978	-	19,068	-	40,046	30,531
Interest expense	-	212	-	-	212	500
Special projects/expansion	-	-	-	-	-	14,125
Special event expenses	-	-	21,411	53,635	75,046	52,104
Miscellaneous	34,506	937	4,400	-	39,843	33,863
Total functional expenses	<u>2,176,725</u>	<u>77,849</u>	<u>186,322</u>	<u>53,635</u>	<u>2,494,531</u>	<u>2,387,501</u>
Less expenses included with revenues on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,635)</u>	<u>(53,635)</u>	<u>(29,361)</u>
Total expenses included in the expense section of the statement of activities	2,176,725	77,849	186,322	-	2,440,896	2,358,140
Administrative allocation	75,513	(77,849)	2,336	-	-	-
Total expenses after allocation	<u>\$ 2,252,238</u>	<u>\$ -</u>	<u>\$ 188,658</u>	<u>\$ -</u>	<u>\$ 2,440,896</u>	<u>\$ 2,358,140</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 372,985	\$ 551,954
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	44,947	44,728
Realized and unrealized gains	(186,070)	(148,375)
Donation of stock	(30,061)	-
In-kind contribution of property and equipment	-	(17,662)
Change in assets and liabilities:		
Accounts receivable	(106,308)	33,252
Promises to give	29,904	11,082
Prepaid expenses	6,801	7,053
Accounts payable	(5,522)	(2,573)
Accrued payroll and payroll taxes	4,901	5,711
Accrued vacation	(10,934)	9,285
Funds held for others	(5,197)	(929)
Net cash provided by operating activities	<u>115,446</u>	<u>493,526</u>
Cash Flows from Investing Activities:		
Proceeds from investment sales	853,483	536,272
Purchases of investments	(1,113,628)	(767,497)
Purchase of property and equipment	-	(5,803)
Net cash provided used investing activities	<u>(260,145)</u>	<u>(237,028)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	-	65,000
Payments on line of credit	-	(85,000)
Net cash used by financing activities	<u>-</u>	<u>(20,000)</u>
Change in cash	(144,699)	236,498
Cash at beginning of year	<u>273,656</u>	<u>37,158</u>
Cash at end of year	<u>\$ 128,957</u>	<u>\$ 273,656</u>
Supplementary Information:		
Interest paid	\$ <u>212</u>	\$ <u>500</u>
Donated building improvements	\$ <u>-</u>	\$ <u>17,662</u>
Donated stock	\$ <u>30,061</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, 2021 and 2020

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. The Organization’s main activities consist of the following:

- **Information and Education** – Providing a variety of services that impact individuals with disabilities and their families. The online resource guide has over 300 community resources.
- **Self-Advocacy and Independence** – Organizing opportunities for kids and adults to participate in community outings, education, trainings and volunteer opportunities.
- **Trust Program** – Offer planning assistance for the financial and service needs of individuals with disabilities to create bright futures.
- **Guardianship** – Securing the health, safety and happiness of individuals with disabilities who may not have a family member to provide this essential monitoring and support.
- **Family Support** – Connect families of kids and adults with disabilities to community resources and programs
- **Care Management Unit** – Coordinate long-term care services for individuals with disabilities through a partnership with My Choice Wisconsin’s Family Care Program.

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.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(Continued)

2. Summary of Significant Accounting Policies (Continued)

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 present value discount.

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 2021 and 2020 was \$44,947 and \$44,728, respectively.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(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 and program service fees** – recognized as performance obligations are met

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash, pooled trust distributions 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 2021, the Organization received \$20,978 of in-kind donations to support the Organization's programs and \$19,068 of other in-kind donations to support its fundraising function. During 2020, the Organization received \$12,202 of in-kind donations to support the Organization's programs, \$18,329 of other in-kind donations to support its fundraising function and \$17,662 of in-kind building improvements.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(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 (March 18, 2022). There were no subsequent events that required recognition or disclosure, other than the subsequent event in Note 11.

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.

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, 2020, from which the summarized information was derived.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(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>2021</u>	<u>2020</u>
Cash	\$ 128,957	\$ 273,656
Investments	1,873,408	1,434,413
Greater Milwaukee Foundation investments	262,463	225,181
Pledges receivable - current	30,000	40,000
Accounts receivables, net	311,448	205,140
Total financial assets	<u>2,606,276</u>	<u>2,178,390</u>
Less amounts not available to be used within one year for general expenditures:		
Restricted by donor with time or purpose restrictions	(86,591)	(123,892)
Funds held for others	-	(5,197)
Board designation – endowment fund for long-term investing	(175,872)	(151,193)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,343,813</u>	<u>\$ 1,898,108</u>

The Organization's endowment fund consists of funds designated by the board. The Organization does not intend to take distributions from the fund. Time restrictions included above are those that will not be collected within the next 12 months.

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, 2021 and 2020.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(Continued)

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>12/31/21</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Cash held in investment account	\$ 13,617	\$ 13,617	\$ -	\$ -
Exchange traded funds:				
Large blend	166,889	162,889	-	-
Large value	215,911	215,911	-	-
Mid-cap blend	109,998	109,998	-	-
Mutual funds:				
Foreign large growth	99,483	99,483	-	-
Foreign large blend	35,706	35,706	-	-
Large blend	217,356	217,356	-	-
Large growth	160,061	160,061	-	-
Mid-cap growth	132,423	132,423	-	-
Mid-cap value	73,854	73,854	-	-
Ultrashort bond	648,110	648,110	-	-
Total	<u>\$ 1,873,408</u>	<u>\$ 1,873,408</u>	<u>\$ -</u>	<u>\$ -</u>
Investments held by the Greater Milwaukee Foundation	<u>\$ 262,463</u>	<u>\$ -</u>	<u>\$ 262,463</u>	<u>\$ -</u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(Continued)

4. Investments (continued)

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
<u>12/31/20</u>				
Cash held in investment account	\$ 54,930	\$ 54,930	\$ -	\$ -
Stocks	263,977	263,977	-	-
Mutual funds:				
Foreign large growth	30,576	30,576	-	-
Large growth	118,315	118,315	-	-
Large value	202,950	202,950	-	-
Mid-cap blend	95,867	95,867	-	-
Mid-cap growth	78,122	78,122	-	-
Mid-cap value	98,748	98,748	-	-
Pacific/Asia ex-Japan	24,476	24,476	-	-
Short-term bond	263,441	263,441	-	-
Ultrashort bond	203,011	203,011	-	-
Total	\$ 1,434,413	\$ 1,434,413	\$ -	\$ -
Investments held by the Greater Milwaukee Foundation	\$ 225,181	\$ -	\$ 225,181	\$ -

The statement of activities includes \$186,070 and \$148,375 in realized and unrealized gains for 2021 and 2020, respectively.

The investment objective of the Organization is to meet or exceed and 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, 2021 and 2020
(Continued)

5. Promises to Give

Promises to give that were to be received beyond one year was discounted to present value using a discount rate of 0.48% for the year ended December 31, 2020. There was no present value discount calculated for the year ended December 31, 2021. Unconditional promises are expected to be realized in the following periods:

	<u>2021</u>	<u>2020</u>
In one year or less	\$ 30,000	\$ 40,000
Between one year and five years	-	20,000
Less: Present value discount	-	(96)
Net promises to give	<u>\$ 30,000</u>	<u>\$ 59,904</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, 2025 and has an available balance of \$18,400. As of December 31, 2021 and 2020, 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 2021 and 2020 was \$33,132 and \$24,699, respectively.

8. 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, 2023 and accrues interest at 1.0 percentage point above index with a minimum of 4.25%. The interest rate was 4.25% at December 31, 2021 and 2020. The line had an outstanding balance of \$0 at December 31, 2021 and 2020 and interest expense of \$0 and \$500 for the years ended December 31, 2021 and 2020, respectively.

9. Paycheck Protection Program

During 2020, the Organization received loan proceeds in the amount of \$299,766 under the Paycheck Protection Program ("PPP") from the Small Business Administration ("SBA"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") provided for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loan and accrued interest were forgivable after 24 weeks, as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

In November 2020, the SBA determined the conditions of the PPP loan had been met and therefore the loan was forgiven. The \$299,766 was recorded as Support and Revenue on the Statement of Activities for the year ended December 31, 2020. The proceeds from the PPP loan accounted for approximately 10% of the Organization's support for the year ended December 31, 2020.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(Continued)

10. Net Assets with Donor Restriction

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

	<u>2021</u>	<u>2020</u>
Restricted to expenditure for specified purpose:		
Greater Milwaukee Foundation investments	\$ 86,591	\$ 73,988
Restricted for Guardianship	<u>-</u>	<u>30,000</u>
Total subject to expenditure for passage of time	86,591	103,988
Restricted for passage of time:		
Promises to give, net	30,000	59,904
Restricted for future use	<u>136,155</u>	<u>-</u>
Total subject to expenditure for passage of time	<u>166,155</u>	<u>59,904</u>
Total net assets with donor restriction	<u>\$ 252,746</u>	<u>\$ 163,892</u>

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

	<u>2021</u>	<u>2020</u>
Greater Milwaukee Foundation investments	\$ <u>175,872</u>	\$ <u>151,193</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>
Balance, December 31, 2019	\$ 135,171
Investment income	809
Realized and unrealized loss	16,927
Administration fees	<u>(1,714)</u>
Balance, December 31, 2020	\$ 151,193
Investment income	897
Realized and unrealized gain	25,732
Administration fees	<u>(1,950)</u>
Balance, December 31, 2021	<u>\$ 175,872</u>

In February 2022, the Schaus Family gifted \$500,000 to the Organization. The Organization's board established a fund agreement to create the Schaus Family Fund to be held at the Greater Milwaukee Foundation.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(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 was 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 performed this fiscal agent service for an annual administration fee of 8%. This relationship ended during 2021.

14. Disaggregated Revenue

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

	<u>2021</u>	<u>2020</u>
Exchange:		
Fee for service:		
My Choice Family Care – care management	\$ 1,312,850	\$ 1,347,850
Guardianship program	135,002	98,512
Court comprehensive evaluations	44,625	24,250
Program service fees	147,333	115,531
Total exchange revenue	<u>1,639,810</u>	<u>1,586,143</u>
Non-exchange:		
Federal and state grants	86,051	216,045
Contributions	342,021	311,288
Legacies and bequests	27,690	12,313
Federated fundraising	36,059	30,851
Contribution - PPP	-	299,766
Pooled trust distributions	93,179	12,315
Miscellaneous income	2,954	847
Total non-exchange	<u>587,954</u>	<u>883,425</u>
In-kind revenue	40,046	48,193
Special events	328,525	224,845
Investment income (loss), net	217,546	167,488
Total revenue	<u>\$ 2,813,881</u>	<u>\$ 2,910,094</u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2021 and 2020
(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>2021</u>	<u>2020</u>
Revenue:		
Non-exchange contributions	\$ 328,525	\$ 224,845
Exchange direct benefit to donor	53,635	29,361
Total revenue	<u>382,160</u>	<u>254,206</u>
Expenses:		
Direct benefit to donors	(53,635)	(29,361)
Incidental benefits	(21,411)	(22,743)
Total expense	<u>(75,046)</u>	<u>(52,104)</u>
Special events, net	<u>\$ 307,114</u>	<u>\$ 202,102</u>

16. Concentrations

Cash is 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, 2021 and 2020. The Organization has never experienced any losses related to these balances.

Approximately 9% and 10% of the Organization's support for the years ended December 31, 2021 and 2020 came from Milwaukee County contracts, respectively. Approximately 47% and 46% of the Organization's support for the years ended December 31, 2021 and 2020 came from the My Choice Family Care – Care Management program, respectively.

17. 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 \$19,945 and \$28,160 during the years ended December 31, 2021 and 2020, respectively.

18. 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, 2021
With Summarized Information for the Year Ended December 31, 2020

	Advocacy	Self-Advocacy Independence Trust Pool	Trust Program	Guardianship	Intergenerational Family Support	Care Management Unit	Court Comprehensive Evaluations	Total Program	Management and General	Fundraising	Cost of Direct Benefit to Donor	2021 Total	2020 Total
Support and revenue:													
Contributions and donations	\$ 10,146	\$ 28,423	\$ 30,950	\$ 550	\$ 5,000	\$ -	\$ -	\$ 75,069	\$ 139,867	\$ 127,086	\$ -	\$ 342,022	\$ 311,288
In-kind contributions	2,000	18,978	-	-	-	-	-	20,978	-	19,068	-	40,046	48,193
Legacies and bequests	-	-	-	-	-	-	-	-	-	27,690	-	27,690	12,313
Federated fund-raising	-	-	-	-	-	-	-	-	-	36,059	-	36,059	30,851
Milw. Cnty Department of Human Services grants	30,000	-	-	-	-	-	-	30,000	-	-	-	30,000	136,043
Milw. Cnty Department of Aging grant	-	-	-	-	30,150	-	-	30,150	-	-	-	30,150	30,600
Milw. Cnty Department of Human Services guardianship	-	-	-	81,452	-	-	-	81,452	-	-	-	81,452	67,559
Milw. Cnty Department of Aging guardianship	-	-	-	53,550	-	-	-	53,550	-	-	-	53,550	30,953
My Choice Family Care - care management	-	-	-	-	-	1,312,850	-	1,312,850	-	-	-	1,312,850	1,347,850
Milw. Cnty Disability Services Division court comp. evaluations	-	-	-	-	-	-	44,625	44,625	-	-	-	44,625	24,250
City of Wauwatosa CDGB grant	25,900	-	-	-	-	-	-	25,900	-	-	-	25,900	49,402
Special event revenue	-	-	-	-	-	-	-	-	-	382,160	-	382,160	254,206
Less: Direct benefit to donor	-	-	-	-	-	-	-	-	-	(53,635)	-	(53,635)	(29,361)
Program service fees	-	-	138,693	8,640	-	-	-	147,333	-	-	-	147,333	115,531
Pooled trust distributions	-	-	-	-	-	-	-	-	-	93,179	-	93,179	12,315
Payroll Protection Program	-	-	-	-	-	-	-	-	-	-	-	-	299,766
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	2,954	-	2,954	847
Investment Income	-	-	-	-	-	-	-	-	-	48,931	-	48,931	33,028
Less: Investment fees	-	-	-	-	-	-	-	-	-	(17,455)	-	(17,455)	(13,915)
Realized and unrealized gains (losses)	-	-	-	-	-	-	-	-	-	186,070	-	186,070	148,375
Total support and revenue	68,046	47,401	169,643	144,192	35,150	1,312,850	44,625	1,821,907	139,867	852,107	-	2,813,881	2,910,094
Expenses:													
Salaries	62,066	53,659	128,025	147,576	64,996	1,022,923	38,881	1,518,126	59,316	78,723	-	1,656,165	1,630,816
Employee benefits	9,233	6,691	15,431	16,233	7,169	152,174	2,657	209,588	2,839	7,616	-	220,043	180,840
Payroll tax expense	4,772	3,705	8,810	9,448	4,520	75,898	2,421	109,574	3,610	5,081	-	118,265	113,977
Professional fees	1,959	1,320	8,610	3,889	1,584	28,890	993	47,245	945	32,288	-	80,478	81,136
Office supplies	400	299	766	951	377	6,764	248	9,805	181	925	-	10,911	9,025
Postage and shipping	149	100	406	307	125	2,199	54	3,340	49	789	-	4,178	5,766
Occupancy	2,369	1,535	3,613	4,696	1,885	33,866	830	48,794	835	1,535	-	51,164	51,505
Depreciation	2,082	1,348	3,182	4,092	1,656	29,784	721	42,865	734	1,348	-	44,947	44,728
Equipment rental and maintenance	2,734	1,888	4,782	6,493	2,783	41,734	1,022	61,436	846	1,888	-	64,170	39,126
Printing and publications	94	506	1,294	150	63	4,973	26	7,106	39	7,665	-	14,810	20,316
Travel	933	651	1,536	2,169	836	16,195	386	22,706	282	1,326	-	24,314	13,919
Conferences, conventions and meetings	334	98	1,731	1,237	847	2,225	63	6,535	37	1,546	-	8,118	10,565
Insurance	1,045	657	1,559	3,647	800	14,598	302	22,608	353	657	-	23,618	40,844
Client support	1,127	8,480	561	685	28	620	12	11,513	52	56	-	11,621	6,600
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Bank fees	-	-	-	-	-	-	-	-	6,582	-	-	6,582	5,215
In-kind expense	2,000	18,978	-	-	-	-	-	20,978	-	19,068	-	40,046	30,531
Interest expense	-	-	-	-	-	-	-	-	212	-	-	212	500
Special projects/expansion	-	-	-	-	-	-	-	-	-	-	-	-	14,125
Special event expenses	-	-	-	-	-	-	-	-	-	21,411	53,635	75,046	52,104
Miscellaneous	1,134	889	2,749	3,289	1,275	23,439	1,731	34,506	937	4,400	-	39,843	33,863
Total functional expenses	92,431	100,804	183,055	204,862	88,944	1,456,282	50,347	2,176,725	77,849	186,322	53,635	2,494,531	2,387,501
Administrative allocation	3,495	2,336	5,476	7,276	2,782	52,389	1,759	75,513	(77,849)	2,336	-	-	-
Total expenses after allocation	95,926	103,140	188,531	212,138	91,726	1,508,671	52,106	2,252,238	-	188,658	53,635	2,494,531	2,387,501
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	-	-	-	(53,635)	(53,635)	(29,361)
Total expenses included in the expense section of the statement of activities	95,926	103,140	188,531	212,138	91,726	1,508,671	52,106	2,252,238	-	188,658	-	2,440,896	2,358,140
Change in net assets	\$ (27,880)	\$ (55,739)	\$ (18,888)	\$ (67,946)	\$ (56,576)	\$ (195,821)	\$ (7,481)	\$ (430,331)	\$ 139,867	\$ 663,449	\$ -	\$ 372,985	\$ 551,954

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Advocacy
Settlement of DHS Cost Reimbursement Award
For the Year Ended December 31, 2021

Award amount	\$ 30,000
Award period	January 1, 2021 - December 31, 2021
Period of award within audit period	January 1, 2021 - December 31, 2021
A. Expenditures reported to DHS for payment	\$ 30,000
B. Total cost of award	
Employee Salaries and Wages	62,066
Employee Fringe Benefits	9,233
Payroll Taxes	4,772
Rent or Occupancy	2,369
Professional Services	1,959
Employee Travel	933
Conferences, Meetings or Education	334
Supplies	400
Equipment	2,734
Depreciation	2,082
Postage and Shipping	149
Insurance	1,045
Printing and Publications	94
Other	2,261
Allocated Administrative Costs	3,495
Total Operating Costs of Award	<u>93,926</u>
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	<u>(36,046)</u>
E. Total allowable costs	<u><u>\$ 57,880</u></u>

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE
For the Year Ended December 31, 2021

1. Total Units of Service	7,345
2. Allowable Expenses for Rate-based Service	212,138
3. Total Revenue for Rate-based Service	143,642
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(68,496)

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	\$ 81,452	56.70%	\$ (38,841)	\$ 4,073	\$ -
Milw County Dept of Aging - Guardianship	45,000	31.33%	(21,458)	2,250	-
Private Pay	8,640	6.01%	(4,120)	432	-
Milw County Dept of Aging - Guardianship	8,550	5.95%	(4,077)	428	-
Totals	\$ 143,642	100.00%	\$ (68,496)	\$ 7,182	\$ -

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

COURT COMPREHENSIVE RESERVE SUPPLEMENTAL SCHEDULE
For the Year Ended December 31, 2021

1. Total Units of Service	98
2. Allowable Expenses for Rate-based Service	52,106
3. Total Revenue for Rate-based Service	44,625
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(7,481)

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	\$ 44,625	100.00%	\$ (7,481)	\$ 2,231	\$ -
Totals	\$ 44,625	100.00%	\$ (7,481)	\$ 2,231	\$ -

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, 2021, 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 18, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* 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.

Handwritten signature in cursive script that reads "Reilly, Penner & Benton LLP".

March 18, 2022
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Expenditures of Federal and Other Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	State CARS Number	Contract Number	Expenditures			Payments to Subrecipients
				Federal	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	N/A	40-21466-100	\$ -	\$ 30,000	\$ 30,000	\$ -
Guardianship - 6,488 units	N/A	N/A	DSD-FFS20-466	-	81,452	81,452	-
Total passed through Milwaukee County Department Health and Human Services				-	111,452	111,452	-
Passed through Milwaukee County Department on Disability Services:							
Court Comprehensive Evaluations - 98 units	N/A	N/A	---	-	44,625	44,625	-
Passed through Milwaukee County Department on Aging:							
Family Support for Aging and Persons with Developmental Disabilities	N/A	N/A	204-421-97	-	30,150	30,150	-
Guardianship - 224 units	N/A	N/A	---	-	45,050	45,050	-
Guardianship - 57 units	N/A	N/A	---	-	8,500	8,500	-
Total passed through Milwaukee County Department of Aging				-	83,700	83,700	-
Total U.S. Department of Health & Human Services				-	239,777	239,777	-
U.S. Department of Housing and Urban Development:							
Passed through City of Wauwatosa:							
CDBG Entitlement Grants Cluster:							
Community Development Block Grant	14.218	N/A	---	25,900	-	25,900	-
Total CDBG Entitlement Grants Cluster				25,900	-	25,900	-
Total expenditures				\$ 25,900	\$ 239,777	\$ 265,677	\$ -

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to Schedule of Expenditures of Federal and Other Awards
December 31, 2021

1. Basis of Presentation

The accompanying "Schedule of Expenditures of Federal and Other Awards" ("the Schedule") includes the federal award and fee for service activity of the Organization under programs of the federal and state government for the year ended December 31, 2021. 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, 2021

There were no prior year findings.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2021

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

Guardianship

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, 2021
(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 18, 2022