

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Audited Financial Statements

Year Ended December 31, 2022

(With Summarized Totals for the
Year Ended December 31, 2021)

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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. (a non profit organization) ("Organization"), which comprise the statement of financial position as of December 31, 2022, 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, 2022, 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.

Reilly, Penner & Benton LLP

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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

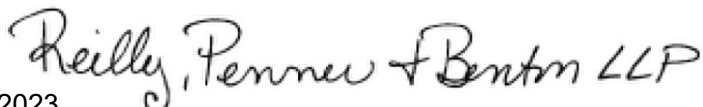
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program revenues and expenses, schedule of expenditures of federal and other awards, and reserve supplemental schedules, as required by the *Wisconsin DHS Audit Guide*, are 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 April 17, 2023 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 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 17, 2023
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statements of Financial Position
December 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash	\$ 66,534	\$ 128,957
Investments	1,790,695	1,873,408
Accounts receivable - net	192,324	311,448
Promises to give	5,000	30,000
Prepaid expenses	13,681	20,868
Total current assets	2,068,234	2,364,681
Property and Equipment:		
Land	44,400	44,400
Building and improvements	1,576,366	1,576,366
Furniture and equipment	197,935	149,150
Less: Accumulated depreciation	(482,548)	(436,382)
Net property and equipment	1,336,153	1,333,534
Other Assets:		
Finance lease right of use	4,471	-
Greater Milwaukee Foundation investments	646,987	262,463
Waukesha County Community Foundation investments	24,589	-
Total other assets	676,047	262,463
Total assets	\$ 4,080,434	\$ 3,960,678
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 16,206	\$ 12,777
Accrued payroll and payroll taxes	89,056	82,991
Accrued vacation	56,980	54,904
Finance lease liability	1,162	-
Line of credit	75,000	-
Total current liabilities	238,404	150,672
Long-Term Liabilities:		
Finance lease liability, net of current portion	3,280	-
Total liabilities	241,684	150,672
Net Assets:		
Without donor restriction:		
Operating	3,152,164	3,381,388
Board designated	598,051	175,872
Total without donor restriction	3,750,215	3,557,260
With donor restriction:		
Purpose restrictions	73,524	86,591
Time-restricted for future periods	15,011	166,155
Total with donor restriction	88,535	252,746
Total net assets	3,838,750	3,810,006
Total liabilities and net assets	\$ 4,080,434	\$ 3,960,678

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, 2022
With Summarized Totals For the Year Ended December 31, 2021

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2022</u>	<u>Total 2021</u>
Support and Revenue:				
Exchange transactions:				
Fee for service:				
My Choice Family Care - care management	\$ 1,361,410	\$ -	\$ 1,361,410	\$ 1,312,850
Milwaukee County Department of Health & Human Services - guardianship	98,028	-	98,028	81,452
Milwaukee County Department of Aging - guardianship	65,850	-	65,850	53,550
Milwaukee County Disability Services Division - court comp. evaluations	58,750	-	58,750	44,625
Program service fees	158,749	-	158,749	147,333
Total exchange transactions	<u>1,742,787</u>	<u>-</u>	<u>1,742,787</u>	<u>1,639,810</u>
Non-exchange transactions:				
Contributions	777,022	15,011	792,033	342,022
Legacies and bequests	181,579	-	181,579	27,690
Federated fundraising	24,930	-	24,930	36,059
Milwaukee County Department of Health & Human Services - grants	-	-	-	30,000
Milwaukee County Department of Aging - grant	29,026	-	29,026	30,150
City of Wauwatosa CDBG - grant	24,900	-	24,900	25,900
Pooled trust distributions	37,915	-	37,915	93,179
Miscellaneous revenue	731	-	731	2,954
Total non-exchange transactions	<u>1,076,103</u>	<u>15,011</u>	<u>1,091,114</u>	<u>587,954</u>
Contributed nonfinancial assets	38,599	-	38,599	40,046
Special Event revenue	324,128	-	324,128	382,160
Less: Direct benefit to donor	(63,518)	-	(63,518)	(53,635)
Investment income	37,277	438	37,715	48,931
Less: Investment fees	(22,948)	(433)	(23,381)	(17,455)
Realized and unrealized gains (losses)	(374,987)	(13,072)	(388,059)	186,070
Satisfaction of restrictions	166,155	(166,155)	-	-
Net support and revenue	<u>2,923,596</u>	<u>(164,211)</u>	<u>2,759,385</u>	<u>2,813,881</u>
Expenses:				
Program Services:				
Advocacy	74,044	-	74,044	92,431
Self-Advocacy Independence Trust Pool	137,332	-	137,332	100,804
Trust Program	258,893	-	258,893	183,055
Guardianship	305,419	-	305,419	204,862
Intergenerational Family Support	200,244	-	200,244	88,944
Care Management Unit	1,392,234	-	1,392,234	1,456,282
Court Comprehensive Evaluations	68,467	-	68,467	50,347
Total program services	<u>2,436,633</u>	<u>-</u>	<u>2,436,633</u>	<u>2,176,725</u>
Management and general	111,261	-	111,261	77,849
Fundraising	182,747	-	182,747	186,322
Total expenses	<u>2,730,641</u>	<u>-</u>	<u>2,730,641</u>	<u>2,440,896</u>
Net change in net assets	<u>192,955</u>	<u>(164,211)</u>	<u>28,744</u>	<u>372,985</u>
Net assets at beginning of year	<u>3,557,260</u>	<u>252,746</u>	<u>3,810,006</u>	<u>3,437,021</u>
Net assets at end of year	<u>\$ 3,750,215</u>	<u>\$ 88,535</u>	<u>\$ 3,838,750</u>	<u>\$ 3,810,006</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, 2022
With Summarized Information for the Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donor</u>	<u>Total 2022</u>	<u>Total 2021</u>
Expenses:						
Salaries	\$ 1,690,027	\$ 69,771	\$ 84,155	\$ -	\$ 1,843,953	\$ 1,656,165
Employee benefits	189,566	11,835	6,819	-	208,220	220,043
Payroll tax expense	122,896	4,108	5,421	-	132,425	118,265
Amortization of right of use asset	1,028	56	34	-	1,118	-
Bad debt expense	-	2,125	-	-	2,125	-
Bank and investment fees	-	5,687	-	-	5,687	6,582
Client support	9,516	206	24	-	9,746	11,621
Conferences, conventions and meetings	21,689	500	3,160	-	25,349	8,118
Contributed nonfinancial assets	27,919	-	10,680	-	38,599	40,046
Depreciation	42,622	2,159	1,385	-	46,166	44,947
Equipment rental and maintenance	51,326	2,636	1,723	-	55,685	64,170
Insurance	24,036	1,201	781	-	26,018	23,618
Interest expense	-	549	-	-	549	212
Interest on finance leases	64	3	2	-	69	-
Miscellaneous	35,424	2,201	3,114	-	40,739	26,993
Occupancy	51,131	2,584	1,661	-	55,376	51,164
Office supplies	13,194	636	819	-	14,649	10,911
Pooled trust distributions	38,500	-	-	-	38,500	-
Postage and shipping	4,122	203	2,342	-	6,667	4,178
Printing and publications	9,605	217	7,240	-	17,062	14,810
Professional fees	66,911	2,754	28,750	-	98,415	93,328
Special event expenses	-	-	23,542	63,518	87,060	75,046
Travel	37,057	1,830	1,095	-	39,982	24,314
Total functional expenses	<u>2,436,633</u>	<u>111,261</u>	<u>182,747</u>	<u>63,518</u>	<u>2,794,159</u>	<u>2,494,531</u>
Less expenses included with revenues on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,518)</u>	<u>(63,518)</u>	<u>(53,635)</u>
Total expenses included in the expense section of the statement of activities	2,436,633	111,261	182,747	-	2,730,641	2,440,896
Administrative allocation	105,862	(109,136)	3,274	-	-	-
Total expenses after allocation	<u>\$ 2,542,495</u>	<u>\$ 2,125</u>	<u>\$ 186,021</u>	<u>\$ -</u>	<u>\$ 2,730,641</u>	<u>\$ 2,440,896</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 28,744	\$ 372,985
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,166	44,947
Amortization of right-of-use asset	1,118	
Realized and unrealized (gains) losses	388,059	(186,070)
Donation of stock	(16,110)	(30,061)
Change in assets and liabilities:		
Accounts receivable	119,124	(106,308)
Promises to give	25,000	29,904
Prepaid expenses	7,187	6,801
Accounts payable	3,429	(5,522)
Accrued payroll and payroll taxes	6,065	4,901
Accrued vacation	2,076	(10,934)
Funds held for others	-	(5,197)
Net cash provided by operating activities	<u>610,858</u>	<u>115,446</u>
Cash Flows from Investing Activities:		
Proceeds from investment sales	481,512	853,483
Purchases of investments	(1,179,861)	(1,113,628)
Purchase of property and equipment	(48,785)	-
Net cash used by investing activities	<u>(747,134)</u>	<u>(260,145)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	317,000	-
Payments on line of credit	(242,000)	-
Principal payments of finance lease	(1,147)	-
Net cash provided by financing activities	<u>73,853</u>	<u>-</u>
Change in cash	(62,423)	(144,699)
Cash at beginning of year	<u>128,957</u>	<u>273,656</u>
Cash at end of year	<u>\$ 66,534</u>	<u>\$ 128,957</u>
Supplementary Information:		
Interest paid	<u>\$ 618</u>	<u>\$ 212</u>
Donated stock	<u>\$ 16,110</u>	<u>\$ 30,061</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	<u>\$ 69</u>	<u>\$ -</u>
Financing cash flows from finance leases	<u>\$ 1,147</u>	<u>\$ -</u>
Right-of-use assets obtained in exchange for lease liabilities:		
Finance leases	<u>\$ 5,589</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, 2022 and 2021

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.
- **Court Comprehensive Evaluations** – Providing an independent evaluation and court report to determine if an individual meets the standard for Chapter 55 protective placement. Contracted through Milwaukee County Aging and Disabilities Services.

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, 2022 and 2021
(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 and Waukesha County Community 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 2022 and 2021 was \$46,166 and \$44,947, respectively.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Leases

The Organization determines if an arrangement is a lease at inception. Finance leases are included in finance lease right of use assets, finance lease liabilities, and finance lease liability, net of current portion on the Organization's Statement of Financial Position.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a short-term basis.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to its leases.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The finance lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash, legacies and bequests, 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.
- **Contributed non-financial assets** – recognized either when the Organization provides donated goods to members or when a gift of in-kind service is performed on behalf of the Organization

Donated Goods and Services

Donated goods and services meeting recognition criteria under U.S. GAAP are recorded as support and as expense, based on estimated fair values. The Organization does not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

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 17, 2023). There were no subsequent events that required recognition or disclosure other than the subsequent events in Note 6 and Note 16.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

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

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

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, 2021, from which the summarized information was derived.

Adoption of New Accounting Principles

Financial Accounting Standards Board ("FASB") Accounting Standards Updated ("ASU") 2020-07 Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The standard requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The standard also requires that the not-for-profit disclose certain attributes of the contributed nonfinancial assets including, qualitative information, monetizing versus utilizing, any donor-imposed restrictions, valuation techniques and the principal market used to arrive at fair value. We have implemented Topic 958 and have adjusted the presentation in these consolidated financial statements accordingly. The amendment has been applied retrospectively. Accordingly, there is no effect on net assets in connection with our implementation of 2020-07.

Effective January 1, 2022, the Organization adopted *FASB ASC 842, Leases* and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment with certain practical expedients available. The new standard establishes a right of use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Company also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(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, comprised of the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 66,534	\$ 128,957
Investments	1,790,695	1,873,408
Greater Milwaukee Foundation investments	646,987	262,463
Waukesha County Community Foundation investments	24,589	-
Pledges receivable - current	5,000	30,000
Accounts receivables, net	<u>194,454</u>	<u>311,448</u>
Total financial assets	2,728,259	2,606,276
Less amounts not available to be used within one year for general expenditures:		
Restricted by donor with time or purpose restrictions	(73,524)	(86,591)
Board designation – endowment fund for long-term investing	<u>(598,051)</u>	<u>(175,872)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>2,056,684</u>	\$ <u>2,343,813</u>

The Organization's endowment funds consist of funds designated by the board. The Organization does not intend to take distributions from the funds. 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, 2022 and 2021.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(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>12/31/22</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Cash held in investment account	\$ 23,287	\$ 23,287	\$ -	\$ -
Exchange traded funds:				
Large blend	162,641	162,641	-	-
Large value	147,408	147,408	-	-
Small blend	18,549	18,549	-	-
Foreign large blend	66,201	66,201	-	-
Mid-cap blend	82,968	82,968	-	-
Mutual funds:				
Large blend	212,304	212,304	-	-
Large growth	92,911	92,911	-	-
Large value	116,839	116,839	-	-
Mid-cap growth	97,601	97,601	-	-
Mid-cap value	105,069	105,069	-	-
Ultrashort bond	363,988	363,988	-	-
Short-term bond	300,929	300,929	-	-
Total	\$ 1,790,695	\$ 1,790,695	\$ -	\$ -
Investments held by the Greater Milwaukee Foundation	\$ 646,987	\$ -	\$ 646,987	\$ -
Investments held by the Waukesha Community Foundation	\$ 24,589	\$ -	\$ 24,589	\$ -

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

4. Investments (continued)

<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>

The statement of activities includes realized and unrealized gains (losses) of (\$388,059) and \$186,070 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021
(Continued)

5. Promises to Give

The Organization's promises to give are all receivable within one year and therefore no present value discount calculated for the years ended December 31, 2022 and 2021. Unconditional promises are expected to be realized in the following periods:

	<u>2022</u>	<u>2021</u>
In one year or less	\$ 5,000	\$ 30,000
Between one year and five years	-	-
Less: Present value discount	-	-
Net promises to give	<u>\$ 5,000</u>	<u>\$ 30,000</u>

6. Leases

The Organization has a finance lease for a mailing machine. The Organization's lease has a remaining lease terms of 4 years. As of December 31, 2022, assets recorded under finance leases were \$5,589 and accumulated amortization of \$1,118.

The components of finance lease expense were as follows:

Finance lease cost:	
Amortization of right of use assets	\$ 1,118
Interest on lease liabilities	69
Total	<u>\$ 1,187</u>

The following summarizes the weighted average remaining lease term and discount rate for the finance lease as of December 31, 2022:

Weighted Average Remaining Lease Term	4 years
Weighted Average Discount Rate	1.37%

The maturities of finance lease liabilities as of December 31, 2022 were as follows:

Years ending December 31,	
2023	\$ 1,216
2024	1,216
2025	1,216
2026	912
Total future minimum lease payments	<u>4,560</u>
Less: present value discount	<u>(118)</u>
Total lease liabilities	<u>\$ 4,442</u>

Subsequent to year-end, the Organization began a lease for a copy machine. The lease has a lease term of 39 months with monthly payments of \$219.

7. 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, 2022 and 2021, there was no outstanding balance on the letter of credit.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

8. 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 2022 and 2021 was \$31,944 and \$33,132, 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, 2023 and accrues interest at 1.0 percentage point above index with a minimum of 4.25%. The interest rate was 8.50% and 4.25% at December 31, 2022 and 2021, respectively. The line had an outstanding balance of \$75,000 and \$0 at December 31, 2022 and 2021, respectively and interest expense of \$549 and \$0 for the years ended December 31, 2022 and 2021, respectively.

10. Net Assets with Donor Restriction

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

	<u>2022</u>	<u>2021</u>
Restricted to expenditure for specified purpose:		
Greater Milwaukee Foundation investments	\$ 73,524	\$ 86,591
Restricted for passage of time:		
Promises to give, net	5,000	30,000
Restricted for future use	10,011	136,155
Total subject to expenditure for passage of time	15,011	166,155
Total net assets with donor restriction	\$ 88,535	\$ 252,746

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

	<u>2022</u>		<u>2021</u>
Life Navigators Endowment Fund	\$ 148,695	\$	175,872
Schaus Family Fund	424,767		-
Life Navigators Fund	24,589		-
Total board designated net assets	\$ 598,051	\$	175,872

11. Quasi-Endowment Funds

The Organization's endowment funds consist of three individual funds established to support the mission of the Organization for years to come. The three funds resulted from an internal designation and are not donor-restricted, therefore, they are classified and reported as board designated without donor restriction.

The Life Navigators Endowment Fund and Schaus Family Fund are being held at the Greater Milwaukee Foundation. The Life Navigators Fund is held at the Waukesha County Community Foundation. The Organization utilizes the investment policies described in Note 4 when managing these endowment funds. The Organization has no current plans to take a distribution from the endowment funds.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

11. Quasi-Endowment Funds (continued)

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

		Without Donor Restriction
Balance, December 31, 2020	\$	151,193
Investment activity, net		26,629
Administration fees		(1,950)
Balance, December 31, 2021	\$	<u>175,872</u>
Investment activity, net		(101,015)
Contributions		525,000
Administration fees		(1,806)
Balance, December 31, 2022	\$	<u><u>598,051</u></u>

12. Greater Milwaukee Foundation Investments

U.S. GAAP 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. Life Navigators Fund at Waukesha County Community Foundation

The Organization entered into an agreement with the Waukesha County Community Foundation, Inc. (the "Foundation") to form an endowment fund to be known as the Life Navigators Fund. This endowment fund started with an initial investment of \$25,000. The terms of the agreement state that the fund must maintain a \$10,000 balance at all times. The assets of the Fund are assets of the Foundation and not a separate trust. Funds are available for distribution to the Organization in accordance with the Foundation's distribution policies in order that the principal is maintained and preserved. The use of distributions is at the discretion of the Organization and is therefore unrestricted.

14. 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>2022</u>		<u>2021</u>
Revenue:				
Non-exchange contributions	\$	260,610	\$	328,525
Exchange direct benefit to donor		63,518		53,635
Total revenue		<u>324,128</u>		<u>382,160</u>
Expenses:				
Direct benefit to donors		(63,518)		(53,635)
Incidental benefits		(23,542)		(21,411)
Total expense		<u>(87,060)</u>		<u>(75,046)</u>
Special events, net	\$	<u><u>237,068</u></u>	\$	<u><u>307,114</u></u>

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2022 and 2021
(Continued)

15. Contributed Nonfinancial Assets

Contributed nonfinancial assets of goods and services are recorded as revenue and expenses at their fair value. Contributed services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed nonfinancial assets are offset by like amounts included as contributed nonfinancial asset expense. The statement of activities includes the following contributed nonfinancial services recognized by category for the year ended December 31, 2022:

<u>Type</u>	<u>2022</u>	<u>2021</u>	<u>Utilization in Activities</u>	<u>Donor Restrictions</u>
Donated goods	\$ 27,919	\$ 18,978	Self-advocacy independence trust pool	None
Donated goods	2,947	18,543	Fundraising	None
Advertising	3,639	525	Fundraising	None
Website development	2,330	-	Fundraising	None
Dance workshops	-	2,000	Advocacy	None
Printing services	1,764	-	Fundraising	None
Total	<u>\$ 38,599</u>	<u>\$ 40,046</u>		

The Organization used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

Advertising, website development, dance workshops and printing services – Valued at the estimated fair value based on retail rates for similar services.

Donated goods – Valued at the estimated fair value based on retail rates for similar items.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in the furtherance of its exempt purpose. The values of these services are not recorded in the financial statements.

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, 2022 and 2021. The Organization has never experienced any losses related to these balances.

Approximately 49% and 47% of the Organization's support for the years ended December 31, 2022 and 2021 came from the My Choice Family Care – Care Management program, respectively. Approximately 19% of the Organization's support for the year ended December 31, 2022 came from donations from a board member of the Organization.

Subsequent to year end, due to changes in the State of Wisconsin Family Care Program, the Organization's My Choice Family Care – Care Management contract will be terminated effective May 31, 2023.

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 \$38,895 and \$32,795 during the years ended December 31, 2022 and 2021, 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, 2022
With Summarized Information for the Year Ended December 31, 2021

	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	2022 Total	2021 Total
Support and revenue:													
Contributions	\$ 5,000	\$ 11,372	\$ 13,000	\$ 11,700	\$ 64,000	\$ -	\$ -	\$ 105,072	\$ -	\$ 686,961	\$ -	\$ 792,033	\$ 342,022
Contributed nonfinancial assets	-	27,919	-	-	-	-	-	27,919	-	10,680	-	38,599	40,046
Legacies and bequests	-	-	11,815	-	-	-	-	11,815	-	169,764	-	181,579	27,690
Federated fund-raising	-	-	-	-	-	-	-	-	-	24,930	-	24,930	36,059
Milw. Cnty Department of Human Services grants	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Milw. Cnty Department of Aging grant	-	-	-	-	29,026	-	-	29,026	-	-	-	29,026	30,150
Milw. Cnty Department of Human Services guardianship	-	-	-	98,028	-	-	-	98,028	-	-	-	98,028	81,452
Milw. Cnty Department of Aging guardianship	-	-	-	65,850	-	-	-	65,850	-	-	-	65,850	53,550
My Choice Family Care - care management	-	-	-	-	-	1,361,410	-	1,361,410	-	-	-	1,361,410	1,312,850
Milw. Cnty Disability Services Division court comp. evaluations	-	-	-	-	-	-	58,750	58,750	-	-	-	58,750	44,625
City of Wauwatosa CDGB grant	-	24,900	-	-	-	-	-	24,900	-	-	-	24,900	25,900
Special event revenue	-	-	-	-	-	-	-	-	-	324,128	-	324,128	382,160
Less: Direct benefit to donor	-	-	-	-	-	-	-	-	-	(63,518)	-	(63,518)	(53,635)
Program service fees	-	-	148,389	9,960	-	-	-	158,349	-	400	-	158,749	147,333
Pooled trust distributions	-	-	37,915	-	-	-	-	37,915	-	-	-	37,915	93,179
Miscellaneous revenue	-	-	-	694	-	-	-	694	-	37	-	731	2,954
Investment income	-	-	-	-	-	-	-	-	-	37,715	-	37,715	48,931
Less: Investment fees	-	-	-	-	-	-	-	-	-	(23,381)	-	(23,381)	(17,455)
Realized and unrealized gains (losses)	-	-	-	-	-	-	-	-	-	(388,059)	-	(388,059)	186,070
Total support and revenue	5,000	64,191	211,119	186,232	93,026	1,361,410	58,750	1,979,728	-	779,657	-	2,759,385	2,813,881
Expenses:													
Salaries	53,265	72,754	148,996	213,048	146,176	1,008,420	47,368	1,690,027	69,771	84,155	-	1,843,953	1,656,165
Employee benefits	6,092	8,215	15,107	23,521	15,453	115,066	6,112	189,566	11,835	6,819	-	208,220	220,043
Payroll tax expense	3,677	5,082	10,529	14,783	10,129	75,225	3,471	122,896	4,108	5,421	-	132,425	118,265
Amortization of right of use asset	34	56	78	122	89	615	34	1,028	56	34	-	1,118	-
Bad debt expense	-	-	-	-	-	-	-	-	-	2,125	-	2,125	-
Bank fees	-	-	-	-	-	-	-	-	-	5,687	-	5,687	6,582
Client support	100	4,993	329	2,548	142	1,364	40	9,516	206	24	-	9,746	11,621
Conferences, conventions and meetings	1,044	1,572	8,579	2,331	2,152	5,222	789	21,689	500	3,160	-	25,349	8,118
Contributed nonfinancial assets	-	27,919	-	-	-	-	-	27,919	-	10,680	-	38,599	40,046
Depreciation	1,422	1,847	3,419	6,038	3,618	24,794	1,484	42,622	2,159	1,385	-	46,166	44,947
Equipment rental and maintenance	1,705	2,201	4,254	7,090	4,303	30,079	1,694	51,326	2,636	1,723	-	55,685	64,170
Insurance	801	1,019	1,941	3,353	2,024	14,113	785	24,036	1,201	781	-	26,018	23,618
Interest expense	-	-	-	-	-	-	-	-	-	549	-	549	212
Interest on finance leases	-	3	5	8	6	40	2	64	3	2	-	69	-
Miscellaneous	630	1,241	2,266	8,253	2,379	19,488	1,167	35,424	2,201	3,114	-	40,739	26,993
Occupancy	1,703	2,211	4,101	7,186	4,317	29,866	1,747	51,131	2,584	1,661	-	55,376	51,164
Office supplies	482	551	1,030	1,709	1,063	7,969	390	13,194	636	819	-	14,649	10,911
Pooled trust distributions	-	-	38,500	-	-	-	-	38,500	-	-	-	38,500	-
Postage and shipping	133	181	478	534	337	2,323	136	4,122	203	2,342	-	6,667	4,178
Printing and publications	133	206	5,874	533	350	2,360	149	9,605	217	7,240	-	17,062	14,810
Professional fees	1,867	5,473	10,466	9,177	4,670	33,599	1,659	66,911	2,754	28,750	-	98,415	93,328
Special event expenses	-	-	-	-	-	-	-	-	-	23,542	63,518	87,060	75,046
Travel	956	1,808	2,941	5,185	3,036	21,691	1,440	37,057	1,830	1,095	-	39,982	24,314
Total functional expenses	74,044	137,332	258,893	305,419	200,244	1,392,234	68,467	2,436,633	111,261	182,747	63,518	2,794,159	2,494,531
Administrative allocation	3,274	4,478	8,731	13,704	8,621	64,238	2,816	105,862	(109,136)	3,274	-	-	-
Total expenses after allocation	77,318	141,810	267,624	319,123	208,865	1,456,472	71,283	2,542,495	2,125	186,021	63,518	2,794,159	2,494,531
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	-	-	-	(63,518)	(63,518)	(53,635)
Total expenses included in the expense section of the statement of activities	77,318	141,810	267,624	319,123	208,865	1,456,472	71,283	2,542,495	2,125	186,021	-	2,730,641	2,440,896
Change in net assets	\$ (72,318)	\$ (77,619)	\$ (56,505)	\$ (132,891)	\$ (115,839)	\$ (95,062)	\$ (12,533)	\$ (562,767)	\$ (2,125)	\$ 593,636	\$ -	\$ 28,744	\$ 372,985

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.

Wauwatosa, Wisconsin

GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE

For the Year Ended December 31, 2022

1. Total Units of Service	<u>8,836</u>
2. Allowable Expenses for Rate-based Service	<u>\$ 319,123</u>
3. Total Revenue for Rate-based Service	<u>\$ 186,232</u>
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	<u>\$ (132,891)</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	\$ 98,028	56.39%	\$ (74,938)	\$ 4,901	\$ -
Milw County Dept of Aging - Guardianship	65,850	37.88%	(50,339)	3,293	-
Private Pay	9,960	5.73%	(7,614)	498	-
Totals	\$ 173,838	100.00%	\$ (132,891)	\$ 8,692	\$ -

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

COURT COMPREHENSIVE RESERVE SUPPLEMENTAL SCHEDULE
For the Year Ended December 31, 2022

1. Total Units of Service	80
2. Allowable Expenses for Rate-based Service	\$ 71,283
3. Total Revenue for Rate-based Service	\$ 58,750
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	\$ (12,533)

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	\$ 58,750	100.00%	\$ (12,533)	\$ 2,938	\$ -
Totals	\$ 58,750	100.00%	\$ (12,533)	\$ 2,938	\$ -

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, 2022, 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 17, 2023.

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".

April 17, 2023
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Expenditures of Federal and Other Awards
For the Year Ended December 31, 2022

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: Guardianship	N/A	N/A	ADS-FFS22-466	\$ -	\$ 98,028	\$ 98,028	\$ -
Passed through Milwaukee County Department on Disability Services:							
Court Comprehensive Evaluations	N/A	N/A	---	-	58,750	58,750	-
Passed through Milwaukee County Department on Aging:							
Family Support for Aging and Persons with Developmental Disabilities	N/A	N/A	204-422-97	-	29,026	29,026	-
Guardianship	N/A	N/A	---	-	65,850	65,850	-
Total passed through Milwaukee County Department of Aging				<u>-</u>	<u>94,876</u>	<u>94,876</u>	<u>-</u>
Total U.S. Department of Health & Human Services				<u>-</u>	<u>251,654</u>	<u>251,654</u>	<u>-</u>
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	---	24,900	-	24,900	-
Total CDBG Entitlement Grants Cluster				<u>24,900</u>	<u>-</u>	<u>24,900</u>	<u>-</u>
Total expenditures				<u>\$ 24,900</u>	<u>\$ 251,654</u>	<u>\$ 276,554</u>	<u>\$ -</u>

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, 2022

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, 2022. 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, 2022

There were no prior year findings.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2022

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, 2022
(Continued)

Section IV. Other Issues

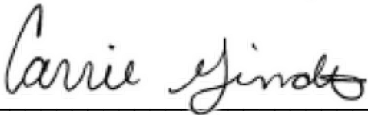
1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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 17, 2023