

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Audited Financial Statements

Year Ended December 31, 2015

(With Summarized Totals for the
Year Ended December 31, 2014)

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Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

Independent Auditors' Report

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

We have audited the accompanying financial statements of Life Navigators, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Navigators, Inc. as of December 31, 2015, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Life Navigators, Inc.'s financial statements, and our report dated April 21, 2015 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was performed for the purpose of forming an opinion on the financial statements of Life Navigators, Inc. taken as a whole. The accompanying schedule of program revenues and expenses, schedule of expenditures of federal and state awards, settlement of DHS cost reimbursement awards, and reserve supplemental schedules are presented for purposes of additional analysis as required by the *State Single Audit Guidelines*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 05, 2016 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 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.

April 05, 2016
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Statements of Financial Position
December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and equivalents	\$ 194,197	\$ 240,871
Investments	1,131,378	1,214,841
Accounts receivable	107,531	119,996
Pledges receivable	3,745	-
Prepaid expenses	3,533	2,524
Total current assets	<u>1,440,384</u>	<u>1,578,232</u>
Property and Equipment:		
Land	44,400	44,400
Building and improvements	428,680	428,680
Furniture and equipment	91,714	82,221
Less: Accumulated depreciation	(231,735)	(215,621)
Net property and equipment	<u>333,059</u>	<u>339,680</u>
Other Assets:		
Earnest money deposit	5,000	-
Milwaukee Foundation investments	47,703	49,258
Total other assets	<u>52,703</u>	<u>49,258</u>
Total assets	<u>\$ 1,826,146</u>	<u>\$ 1,967,170</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 25,940	\$ 31,238
Accrued payroll and payroll taxes	48,246	42,107
Accrued vacation	43,686	33,494
Funds held for others	14,319	13,675
Total current liabilities	<u>132,191</u>	<u>120,514</u>
Net Assets:		
Unrestricted	1,622,669	1,695,390
Temporarily restricted	71,286	151,266
Total net assets	<u>1,693,955</u>	<u>1,846,656</u>
Total liabilities and net assets	<u>\$ 1,826,146</u>	<u>\$ 1,967,170</u>

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Statement of Activities
For the Year Ended December 31, 2015
With Summarized Totals For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>2014</u>
Support and Revenue:				
Contributions and donations	\$ 144,088	\$ 32,670	\$ 176,758	\$ 116,366
In-kind contributions	54,957	-	54,957	22,979
Legacies and bequests	13,325	-	13,325	8,519
Federated fund-raising	19,167	-	19,167	14,642
Milwaukee County Department of Health & Human Services - grants	228,993	-	228,993	247,418
Milwaukee County Department of Aging - grant	15,075	-	15,075	15,075
Milwaukee County Department of Health & Human Services - guardianship	34,711	-	34,711	29,107
Milwaukee County Department of Aging - guardianship	5,203	-	5,203	4,330
Milwaukee County Department on Family Care - care management	717,595	-	717,595	670,338
Milwaukee County Disability Services Division - court comp. evaluations	21,000	-	21,000	22,500
Milwaukee County Disability Services Division - children's long-term support	60,344	-	60,344	60,595
City of Wauwatosa CDBG - grant	-	-	-	13,142
Special Events (gross)	201,999	-	201,999	256,002
Less: Direct Expenses	(64,679)	-	(64,679)	(58,909)
Program service fees	49,985	-	49,985	49,118
Pooled trust distributions	-	-	-	16,940
Miscellaneous revenue	46	-	46	780
Investment income	37,471	409	37,880	35,307
Realized and unrealized gains (losses)	(49,740)	(1,226)	(50,966)	34,141
Satisfaction of restrictions	111,833	(111,833)	-	-
Total support and revenue	1,601,373	(79,980)	1,521,393	1,558,390
Expenses:				
Program Services:				
Disability Resource Center	91,841	-	91,841	107,868
Advocacy	226,702	-	226,702	229,791
Self-Advocacy Independence Trust Pool	117,911	-	117,911	25,223
Trust Program	85,045	-	85,045	70,101
Guardianship	64,758	-	64,758	66,000
Intergenerational Family Support	25,308	-	25,308	24,740
Care Management Unit	728,688	-	728,688	649,515
Court Comprehensive Evaluations	25,450	-	25,450	22,269
Children's Long-Term Support	75,245	-	75,245	75,191
Total program services	1,440,948	-	1,440,948	1,270,698
Management and general	94,898	-	94,898	94,107
Fund-raising	138,248	-	138,248	155,008
Total expenses	1,674,094	-	1,674,094	1,519,813
Net increase (decrease) in net assets	(72,721)	(79,980)	(152,701)	38,577
Net assets at beginning of year	1,695,390	151,266	1,846,656	1,808,079
Net assets at end of year	\$ 1,622,669	\$ 71,286	\$ 1,693,955	\$ 1,846,656

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Statement of Functional Expenses
For the Year Ended December 31, 2015
With Summarized Information for the Year Ended December 31, 2014

	<u>Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total 2015</u>	<u>2014</u>
Expenses:					
Salaries	\$ 876,510	\$ 64,040	\$ 80,256	\$ 1,020,806	\$ 937,550
Employee benefits	121,456	6,616	8,023	136,095	104,666
Payroll tax expense	60,696	6,911	5,997	73,604	70,485
Professional fees	152,204	1,844	8,589	162,637	160,338
Office supplies	5,575	162	307	6,044	8,447
Telephone	14,403	633	791	15,827	12,043
Postage and shipping	10,304	326	671	11,301	7,381
Occupancy	21,615	950	1,188	23,753	27,144
Depreciation	14,663	645	806	16,114	17,545
Equipment rental and maintenance	13,046	570	713	14,329	28,172
Printing and publications	6,767	161	4,108	11,036	7,191
Travel	35,874	156	1,074	37,104	29,497
Conferences, conventions and meetings	7,171	504	1,439	9,114	8,520
Insurance	8,737	384	480	9,601	8,842
Client support	7,628	-	11	7,639	6,269
Bank and investment fees	-	4,587	12,283	16,870	16,903
In-kind expense	38,414	-	7,941	46,355	22,979
Interest expense	-	60	-	60	79
Pooled trust distributions	-	-	-	-	9,590
Miscellaneous	45,885	6,349	3,571	55,805	36,172
Total functional expenses	<u>1,440,948</u>	<u>94,898</u>	<u>138,248</u>	<u>1,674,094</u>	<u>1,519,813</u>
Administrative allocation	90,543	(95,005)	4,462	-	-
Total expenses after allocation	<u>\$ 1,531,491</u>	<u>\$ (107)</u>	<u>\$ 142,710</u>	<u>\$ 1,674,094</u>	<u>\$ 1,519,813</u>

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (152,701)	\$ 38,577
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	16,114	17,545
Realized and unrealized (gains)/losses	50,966	(34,141)
Change in assets and liabilities		
Accounts receivable	12,465	42,952
Pledges receivable	(3,745)	-
Prepaid expenses	(1,009)	(130)
Accounts payable	(5,298)	8,796
Accrued payroll and payroll taxes	6,139	374
Accrued vacation	10,192	4,862
Funds held for others	644	499
Net cash provided / (used) by operating activities	<u>(66,233)</u>	<u>79,334</u>
Cash Flows from Investing Activities:		
Proceeds from sales of investments	72,144	14,163
Payment of earnest money	(5,000)	-
Purchases of investments	(38,092)	(35,116)
Purchase of capital assets	(9,493)	-
Net cash provided / (used) by investing activities	<u>19,559</u>	<u>(20,953)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	30,000	135,000
Payments on line of credit	(30,000)	(135,000)
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(46,674)	58,381
Cash and equivalents at beginning of year	<u>240,871</u>	<u>182,490</u>
Cash and equivalents at end of year	<u>\$ 194,197</u>	<u>\$ 240,871</u>
Supplementary Information:		
Interest paid	<u>\$ 60</u>	<u>\$ 79</u>

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014

1. Nature of Organization

The mission of Life Navigators, Inc., (Organization) a nonprofit organization, is to improve the quality of life for individuals with developmental and related disabilities, their families and the community through information, education, advocacy and life planning programs. Life Navigators, Inc. is supported primarily through donor contributions, program fees and contracts. Approximately 71% and 67% of the Organization's support for the years ended December 31, 2015 and 2014 came from Milwaukee County contracts, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

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

Unrestricted net assets - Unrestricted net assets include unrestricted resources available for the Organization's operations.

Temporarily restricted net assets - Temporarily restricted net assets include resources which are restricted by the donor. Restrictions are satisfied either by the passage of time or by actions of the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets at December 31, 2015 and 2014.

Cash and Equivalents

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 equivalents, excluding amounts whose use is limited or restricted.

Investments

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expand 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. Adoption of this standard has not had a material impact on the Organization's financial statements. Accounting principles generally accepted in the United States of America establish 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: Valued at the closing price reported on the active market on which the individual securities are traded.

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

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

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

Accounts, Grants and Pledges Receivable

Accounts, grants and pledges receivable are considered 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. All receivables are due within one year of the financial statement date.

Property and Equipment

Property and equipment are capitalized at cost or at fair value if donated, and depreciated over their estimated useful lives using the straight-line method. The cost and related accumulated depreciation of property and equipment are removed from asset accounts upon disposal. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation expense for 2015 and 2014 was \$16,114 and \$17,545, respectively. The Organization's policy is to capitalize all property and equipment costing over \$5,000.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Under U.S. GAAP, contributions are recognized as revenues when they are received or unconditionally pledged.

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 2015, the Organization received \$5,513 of donated IT services, \$3,090 of donated accounting services, \$38,413 of other in-kind donations to support the Organization's programs and \$7,941 of other in-kind donations to support its fundraising function. During 2014, the Organization received \$3,828 of donated advertising and \$19,151 of other in-kind donations to support its fundraising function.

Contract Services

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

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.

Allocation of Functional Expenses

Functional expenses are allocated to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to the programs based on the (1) appropriate level of employee full-time equivalents worked within that program or (2) square footage available to the applicable program.

Children's Long Term Support

In November 2015, Milwaukee County made the decision to move the Children's Long Term Support program back internally. The last date of service for Life Navigators was November 30, 2015. The total revenue associated with this program was \$52,063 for the year ended December 31, 2015.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (April 05, 2016). There were no subsequent events that required recognition or disclosure other than the item in Note 5.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Life Navigators, Inc. 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.

Generally, for United States Federal income taxes, the Organization is only subject to examination for the current year's tax return and the preceding three years' returns. Generally, for Wisconsin income taxes, the Organization is only subject to examinations for current year's tax return and the preceding four years' returns.

3. Comparative Financial Information

The financial information shown for 2014 in the accompanying financial statements is included to provide a basis of comparison with 2015 and presents summarized totals only. 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, 2014, from which the summarized information was derived.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

4. Investments

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

		Fair Value Measurement at Reporting Date Using			
<u>Description</u>	<u>12/31/15</u>	<u>Quoted Prices in Active markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
Cash held in investment account	\$ 5,670	\$ 5,670	\$ ---	\$ ---	
Stocks	476,903	476,903	---	---	
Exchange traded funds	12,506	12,506	---	---	
Mutual funds:					
Bank loan	40,808	40,808	---	---	
Convertibles	29,731	29,731	---	---	
Fixed income	48,649	48,649	---	---	
Foreign large growth	48,050	48,050	---	---	
Large growth	87,126	87,126	---	---	
Large value	44,726	44,726	---	---	
Mid-cap blend	51,636	51,636	---	---	
Small growth	27,833	27,833	---	---	
Bonds	<u>257,740</u>	<u>---</u>	<u>257,740</u>	<u>---</u>	
Total	<u>\$ 1,131,378</u>	<u>\$ 873,638</u>	<u>\$ 257,740</u>	<u>\$ ---</u>	
Investments held by the Greater Milwaukee Foundation	<u>\$ 47,703</u>	<u>\$ ---</u>	<u>\$ 47,703</u>	<u>\$ ---</u>	

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

4. Investments (continued)

<u>Description</u>	<u>12/31/14</u>	<u>Quoted Prices in Active markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash held in investment account	\$ 62,991	\$ 62,991	\$ ---	\$ ---
Stocks	516,108	516,108	---	---
Mutual funds:				
Bank loan	41,416	41,416	---	---
Convertibles	30,200	30,200	---	---
Large growth	47,573	47,573	---	---
Large value	39,274	39,274	---	---
Managed futures	84,366	84,366	---	---
Mid-cap growth	45,526	45,526	---	---
Small growth	51,553	51,553	---	---
World Bond	29,373	29,373	---	---
Bonds	<u>266,461</u>	<u>---</u>	<u>266,461</u>	<u>---</u>
Total	<u>\$ 1,214,841</u>	<u>\$ 948,380</u>	<u>\$ 266,461</u>	<u>\$ ---</u>
Investments held by the Greater Milwaukee Foundation	<u>\$ 49,258</u>	<u>\$ ---</u>	<u>\$ 49,258</u>	<u>\$ ---</u>

The fair value for Level 2 bonds is measured using quoted market prices for similar assets in active markets. The statement of activities includes \$50,966 in realized and unrealized losses and \$34,141 in realized and unrealized gains for 2015 and 2014, respectively.

In December 2015, the Organization's board of directors approved of the Life Navigators Endowment Fund with initial fund amount of \$100,000. The fund did not begin operations until 2016. These funds will be housed at the Greater Milwaukee Foundation.

5. Earnest Money Deposit

The Organization has an accepted offer to purchase a property adjacent to their current office at a purchase price of \$180,000. The Organization has put a \$5,000 earnest deposit on the property. The purchase of the property has not been completed as of April 05, 2016.

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, 2019 and has an available balance of \$15,000. As of December 31, 2015 and 2014, there was no outstanding balance on the letter of credit.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2015 and 2014
(Continued)

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 2015 and 2014 was \$19,490 and \$13,761, respectively.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

	<u>2015</u>	<u>2014</u>
Greater Milwaukee Foundation investments	\$ 47,703	\$ 49,258
Contribution restricted for adaptive wheelchair	---	5,000
Contribution restricted for purchase of copier	---	10,000
Pooled trust distributions	<u>23,583</u>	<u>87,008</u>
Total temporarily restricted net assets	<u>\$ 71,286</u>	<u>\$ 151,266</u>

9. Line of Credit

The Organization has a variable interest rate line of credit in the amount of \$150,000 from Associated Bank to enable it to meet expenses while awaiting grant disbursements. The Organization agreed to secure this line of credit with collateral defined as all business assets of the Organization. The line matures on June 13, 2016 and accrues interest at 1.0 percentage point above index. The line had no balance at December 31, 2015 and 2014 and interest expense of \$60 and \$79, respectively.

10. Milwaukee Foundation Fund

The Organization has adopted accounting principles generally accepted in the United States of America, which require 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 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 "Milwaukee Foundation Fund." 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.

11. Concentrations

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization's bank accounts were insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2015. The Organization has never experienced any losses related to these balances.

12. Risks and Uncertainties

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

LIFE NAVIGATORS, INC.

Milwaukee, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2015

With Summarized Information for the Year Ended December 31, 2014

	Disability Resource Center	Advocacy	Self-Advocacy Independence Trust Pool	Trust Program	Guardianship	Intergenerational Family Support	Care Management Unit	Subtotal
Support and revenue:								
Contributions and donations	\$ -	\$ 5,300	\$ 32,670	\$ -	\$ -	\$ -	\$ -	\$ 37,970
In-kind contributions	1,603	2,437	27,392	763	787	260	12,372	45,614
Milw. County Department of Human Services - grants	92,950	136,043	-	-	-	-	-	228,993
Milw. County Department of Aging - grant	-	-	-	-	-	15,075	-	15,075
Milw. County Department of Human Services - guardianship	-	-	-	-	34,711	-	-	34,711
Milw. County Department of Aging - guardianship	-	-	-	-	5,203	-	-	5,203
Milw. County Department of Family Care - care management	-	-	-	-	-	-	717,595	717,595
Program service fees	-	-	-	44,255	5,730	-	-	49,985
Total support and revenue	94,553	143,780	60,062	45,018	46,431	15,335	729,967	1,135,146
Expenses:								
Salaries	-	165,971	45,898	51,561	42,331	17,032	485,170	807,963
Employee benefits	-	20,782	5,853	5,390	6,171	2,828	70,652	111,676
Payroll tax expense	-	12,224	3,340	3,321	2,676	1,250	33,128	55,939
Professional fees	90,921	8,384	7,422	5,499	2,474	1,081	31,856	147,637
Office supplies	-	819	244	218	244	109	3,559	5,193
Telephone	-	2,374	685	633	685	317	8,601	13,295
Postage and shipping	-	1,223	3,057	519	367	163	4,404	9,733
Occupancy	-	3,563	1,059	950	1,059	475	12,846	19,952
Depreciation	-	2,417	717	645	717	322	8,717	13,535
Equipment rental and maintenance	-	2,138	556	570	599	285	7,780	11,928
Printing and publications	-	605	1,523	1,723	176	80	2,379	6,486
Travel	-	1,105	1,748	763	4,261	320	25,049	33,246
Conferences, conventions and meetings	-	843	945	1,641	480	68	2,735	6,712
Insurance	-	1,440	424	384	424	192	5,201	8,065
Client support	-	268	7,053	-	131	-	176	7,628
In-kind expense	920	1,398	27,152	438	452	149	7,100	37,609
Miscellaneous	-	1,148	10,235	10,790	1,511	637	19,335	43,656
Total functional expenses	91,841	226,702	117,911	85,045	64,758	25,308	728,688	1,340,253
Administrative allocation	2,712	14,425	3,613	3,942	4,250	1,762	52,536	83,240
Total expenses after allocation	94,553	241,127	121,524	88,987	69,008	27,070	781,224	1,423,493
Change in net assets	\$ -	\$ (97,347)	\$ (61,462)	\$ (43,969)	\$ (22,577)	\$ (11,735)	\$ (51,257)	\$ (288,347)

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2015

With Summarized Information for the Year Ended December 31, 2014

	Subtotal From Previous Page	Court Comprehensive Evaluations	Children's Long-Term Support	Total Program	Management and General	Fund-raising	Total	2014
Support and revenue:								
Contributions and donations	\$ 37,970	\$ -	\$ -	\$ 37,970	\$ -	\$ 138,788	\$ 176,758	\$ 116,366
In-kind contributions	45,614	362	1,040	47,016	-	7,941	54,957	22,979
Legacies and bequests	-	-	-	-	-	13,325	13,325	8,519
Federated fund-raising	-	-	-	-	-	19,167	19,167	14,642
Milw. County Department of Human Services - grants	228,993	-	-	228,993	-	-	228,993	247,418
Milw. County Department of Aging - grant	15,075	-	-	15,075	-	-	15,075	15,075
Milw. County Department of Human Services - guardianship	34,711	-	-	34,711	-	-	34,711	29,107
Milw. County Department of Aging - guardianship	5,203	-	-	5,203	-	-	5,203	4,330
Milw. County Department of Family Care - care management	717,595	-	-	717,595	-	-	717,595	670,338
Milw. County Disability Services Division - court comp. evaluations	-	21,000	-	21,000	-	-	21,000	22,500
Milw. County Disability Services Division - children's long-term support	-	-	60,344	60,344	-	-	60,344	60,595
City of Wauwatosa CDGB - grant	-	-	-	-	-	-	-	13,142
Special Events (gross)	-	-	-	-	-	201,999	201,999	256,002
Less: Direct expenses	-	-	-	-	-	(64,679)	(64,679)	(58,909)
Program service fees	49,985	-	-	49,985	-	-	49,985	49,118
Pooled trust distributions	-	-	-	-	-	-	-	16,940
Miscellaneous revenue	-	-	-	-	46	-	46	780
Investment Income	-	-	-	-	-	37,880	37,880	35,307
Realized and unrealized gains (losses)	-	-	-	-	-	(50,966)	(50,966)	34,141
Total support and revenue	1,135,146	21,362	61,384	1,217,892	46	303,455	1,521,393	1,558,390
Expenses:								
Salaries	807,963	16,229	52,318	876,510	64,040	80,256	1,020,806	937,550
Employee benefits	111,676	2,677	7,103	121,456	6,616	8,023	136,095	104,666
Payroll tax expense	55,939	1,006	3,751	60,696	6,911	5,997	73,604	70,485
Professional fees	147,637	1,586	2,981	152,204	1,844	8,589	162,637	160,338
Office supplies	5,193	109	273	5,575	162	307	6,044	8,447
Telephone	13,295	317	791	14,403	633	791	15,827	12,043
Postage and shipping	9,733	163	408	10,304	326	671	11,301	7,381
Occupancy	19,952	475	1,188	21,615	950	1,188	23,753	27,144
Depreciation	13,535	322	806	14,663	645	806	16,114	17,545
Equipment rental and maintenance	11,928	285	833	13,046	570	713	14,329	28,172
Printing and publications	6,486	80	201	6,767	161	4,108	11,036	7,191
Travel	33,246	1,069	1,559	35,874	156	1,074	37,104	29,497
Conferences, conventions and meetings	6,712	95	364	7,171	504	1,439	9,114	8,520
Insurance	8,065	192	480	8,737	384	480	9,601	8,842
Client support	7,628	-	-	7,628	-	11	7,639	6,269
Bank and investment fees	-	-	-	-	4,587	12,283	16,870	16,903
In-kind expense	37,609	208	597	38,414	-	7,941	46,355	22,979
Interest expense	-	-	-	-	60	-	60	79
Pooled trust distributions	-	-	-	-	-	-	-	9,590
Miscellaneous	43,656	637	1,592	45,885	6,349	3,571	55,805	36,172
Total functional expenses	1,340,253	25,450	75,245	1,440,948	94,898	138,248	1,674,094	1,519,813
Administrative allocation	83,240	1,848	5,455	90,543	(95,005)	4,462	-	-
Total expenses after allocation	1,423,493	27,298	80,700	1,531,491	(107)	142,710	1,674,094	1,519,813
Change in net assets	\$(288,347)	\$(5,936)	\$(19,316)	\$(313,599)	\$153	\$160,745	\$(152,701)	\$38,577

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Advocacy
Settlement of DHS Cost Reimbursement Award
For the Year Ended December 31, 2015

DHS identification number	CARS profile 435.561
Award amount	\$ 136,043
Award period	January 1, 2015 - December 31, 2015
Period of award within audit period	January 1, 2015 - December 31, 2015

A. Expenditures reported to DHS for payment	\$	136,043
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B. Actual allowable cost of award

Program expenses

1. Compensation of current officers, directors, trustees, and key employees	\$	29,607
2. Other salaries and wages		136,364
3. Employee Benefits		20,782
4. Payroll Taxes		12,224
5. Professional Fees		8,384
6. Supplies		819
7. Telephone		2,374
8. Postage and Shipping		1,223
9. Occupancy		3,563
10. Equipment Costs		2,138
11. Printing and Publications		605
12. Employee Travel		1,105
13. Conferences, Conventions, Meeting		843
14. Insurance		1,440
15. Miscellaneous		1,416
16. Depreciation/Amortization		2,417
Total program expenses		225,304

Management and general expenses allocated to program

17. Allocated administrative costs		14,425
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C. Less program revenue and other offsets to costs

18. Contributions and donations		(5,300)
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D. Total allowable costs before profit (for-profits only)		234,429
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E. Allowable profit (for-profits only)		-
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F. Total allowable costs	\$	234,429
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See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

**Community Living Support DRC Implementation
Settlement of DHS Cost Reimbursement Award**
For the Year Ended December 31, 2015

DHS identification number	CARS profile 435.561
Award amount	\$ 200,000
Award period	January 1, 2015 - December 31, 2015
Period of award within audit period	January 1, 2015 - December 31, 2015

A. Expenditures reported to DHS for payment	\$ 92,950
B. Actual allowable cost of award	
Program expenses	
1. Professional Fees	90,921
Management and general expenses allocated to program	
17. Allocated administrative costs	2,712
C. Less program revenue and other offsets to costs	<u>-</u>
D. Total allowable costs before profit (for-profits only)	93,633
E. Allowable profit (for-profits only)	<u>-</u>
F. Total allowable costs	<u><u>\$ 93,633</u></u>

See Independent Auditors' Report.

GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE

Organization Life Navigators, Inc.

Period Covered by the Audit January 1, 2015 to December 31, 2015

1. Total Units of Service	2,782
2. Allowable Expenses for Rate-based Service	68,221
3. Total Revenue for Rate-based Service	46,430
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(21,791)
5. Total Reserve from All Prior Periods (not including this period)	(260,512)
6. Calculation of Reserve and Amounts Due to Purchasers:	-

Purchaser (6a)	Revenue from Purchaser (6b)	Purchaser's Share of Total Revenue (6c)	First Test				Second Test					Total Amount Due to Purchaser (6m)
			Purchaser's Share of Excess Revenue (Deficiency) (6d)	Cap on Reserve for First Test (6e)	Amount to Add to Reserve for this Period (6f)	Amount due to Purchaser from First Test (6g)	Purchaser's Share of Reserve from Prior Periods (6h)	Purchaser's Share of Reserve from all Periods (6i)	Cap on Reserve for Second Test (6j)	Amount of Reserve (6k)	Amount due to Purchaser from Second Test (6l)	
Milw County DHHS - Guardianship	\$ 34,711	74.76%	\$ (16,290)	\$ 1,736	\$ (16,290)	\$ -	\$ (260,512)	\$ (276,802)	\$ 3,471	\$ (276,802)	\$ -	\$ -
Milw County Dept of Aging - Guardianship	5,203	11.20%	(2,442)	260	(2,442)	-	-	(2,442)	520	(2,442)	-	-
Private Pay	5,730	12.34%	(2,689)	287	(2,689)	-	-	(2,689)	573	(2,689)	-	-
In-kind contributions	787	1.69%	(369)	39	(369)	-	-	(369)	79	(369)	-	-
Totals	\$ 46,430	100%	\$ (21,791)	\$ 2,322	\$ (21,791)	\$ -	\$ (260,512)	\$ (282,303)	\$ 4,643	\$ (282,303)	\$ -	\$ -

See Independent Auditors' Report.

COURT COMPREHENSIVE EVALUATIONS RESERVE SUPPLEMENTAL SCHEDULE

Organization Life Navigators, Inc.

Period Covered by the Audit January 1, 2015 to December 31, 2015

1. Total Units of Service	83
2. Allowable Expenses for Rate-based Service	26,936
3. Total Revenue for Rate-based Service	21,362
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(5,574)
5. Total Reserve from All Prior Periods (not including this period)	(1,575)
6. Calculation of Reserve and Amounts Due to Purchasers:	-

Purchaser	Revenue from Purchaser	Purchaser's Share of Total Revenue	First Test				Second Test					Total Amount Due to Purchaser
			Purchaser's Share of Excess Revenue (Deficiency)	Cap on Reserve for First Test	Amount to Add to Reserve for this Period	Amount due to Purchaser from First Test	Purchaser's Share of Reserve from Prior Periods	Purchaser's Share of Reserve from all Periods	Cap on Reserve for Second Test	Amount of Reserve	Amount due to Purchaser from Second Test	
(6a)	(6b)	(6c)	(6d)	(6e)	(6f)	(6g)	(6h)	(6i)	(6j)	(6k)	(6l)	(6m)
Milw County DSD - Court Comprehensive Evaluations	\$ 21,000	98.31%	\$ (5,480)	\$ 1,050	\$ (5,480)	\$ -	\$ (1,575)	\$ (7,055)	\$ 2,100	\$ (7,055)	\$ -	\$ -
In-kind contributions	\$ 362	1.69%	\$ (94)	\$ 18	\$ (94)	\$ -	\$ -	\$ (94)	\$ 36	\$ (94)	\$ -	\$ -
Totals	\$ 21,362	100%	\$ (5,574)	\$ 1,068	\$ (5,574)	\$ -	\$ (1,575)	\$ (7,149)	\$ 2,136	\$ (7,149)	\$ -	\$ -

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**

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, the financial statements of Life Navigators, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2015, 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 05, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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

April 05, 2016
Milwaukee, Wisconsin

Life Navigators, Inc.
Milwaukee, Wisconsin

Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CARS Number	Contract Number	Expenditures		
				Federal	State	Total
U.S. Department of Health & Human Services:						
Passed through Milwaukee County Department of Human Services:						
Disability Resource Center Implementation / Advocacy	93.558	435.561	40-14566-100	\$ 35,860	\$ 129,335	\$ 165,195
Disability Resource Center Implementation / Advocacy	93.667	435.561	40-14566-100	63,798	-	63,798
Guardianship - 2,782 units	---	---	---	-	34,711	34,711
Court Comprehensive Evaluations - 83 units	---	---	---	-	21,000	21,000
Children's Long-Term Support Waivers - 5,971 units	---	---	---	-	60,344	60,344
Passed through Milwaukee County Department of Family Care:						
Family Care / Care Management - 2,907 units	93.778	---	390978146	418,143	299,452	717,595
Passed through Milwaukee County Department on Aging:						
Family Support for Aging and Persons with Developmental Disabilities	93.044	---	204-414-97	15,075	-	15,075
Guardianship - 502 units	---	---	---	-	5,203	5,203
Total				<u>\$ 532,876</u>	<u>\$ 550,045</u>	<u>\$ 1,082,921</u>

The accompanying notes are an integral part of this schedule.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2015

1. Basis of Presentation

The accompanying "Schedule of Expenditures of Federal and State Awards" (the Schedule) includes the federal and state award activity of the Organization under programs of the federal and state government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of the *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

2. Summary of Significant Accounting Policies

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

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2015

There were no prior year findings.

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2015

Section I. Summary of Auditors' Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| A. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None noted |
| B. Material weaknesses identified? | None noted |
| 3. Noncompliance material to financial statements? | None noted |

State Awards

- | | |
|--|------------|
| 4. Internal control over financial reporting: | |
| A. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None noted |
| B. Material weaknesses identified? | None noted |
| 5. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported | None noted |
| 7. Identification of major state programs: | |

Name of State Program or Cluster

Care Management

Section II. Financial Statement Findings

No matters were reported

Section III. State Award Findings and Questioned Costs

No matters were reported

LIFE NAVIGATORS, INC.
Milwaukee, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2015
(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 05, 2016