

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Audited Financial Statements

Year Ended December 31, 2017

(With Summarized Totals for the
Year Ended December 31, 2016)

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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, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2017, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Life Navigators, Inc.'s financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2018 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.

April 13, 2018
Milwaukee, Wisconsin

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Statements of Financial Position
December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and equivalents	\$ 210,227	\$ 149,781
Investments	1,034,364	944,304
Accounts receivable	309,584	149,214
Pledges receivable	22,500	90,000
Amount held in escrow	-	329,621
Prepaid expenses	6,993	4,004
Total current assets	<u>1,583,668</u>	<u>1,666,924</u>
Property and Equipment:		
Land	44,400	44,400
Building and improvements	1,558,704	428,680
Construction in progress	-	896,766
Furniture and equipment	85,190	75,836
Less: Accumulated depreciation	(258,289)	(230,796)
Net property and equipment	<u>1,430,005</u>	<u>1,214,886</u>
Other Assets:		
Greater Milwaukee Foundation investments	182,163	157,626
Total assets	<u>\$ 3,195,836</u>	<u>\$ 3,039,436</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 44,426	\$ 61,096
Accrued payroll and payroll taxes	61,718	54,965
Accrued vacation	21,480	37,670
Funds held for others	16,353	15,225
Construction loan - current portion	57,564	177,271
Line of credit	118,000	-
Total current liabilities	<u>319,541</u>	<u>346,227</u>
Long-Term Liabilities:		
Construction loan - net of current portion	356,906	422,729
Total liabilities	<u>676,447</u>	<u>768,956</u>
Net Assets:		
Unrestricted	2,314,726	2,022,853
Unrestricted - designated	123,081	106,731
Total unrestricted	<u>2,437,807</u>	<u>2,129,584</u>
Temporarily restricted	81,582	140,896
Total net assets	<u>2,519,389</u>	<u>2,270,480</u>
Total liabilities and net assets	<u>\$ 3,195,836</u>	<u>\$ 3,039,436</u>

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, 2017
With Summarized Totals For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2017</u>	<u>2016</u>
Support and Revenue:				
Contributions and donations	\$ 135,073	\$ 50,147	\$ 185,220	\$ 165,015
Building expansion contributions	-	103,505	103,505	451,361
In-kind contributions	78,497	-	78,497	27,358
In-kind contributions - expansion	7,500	-	7,500	13,300
Legacies and bequests	-	8,868	8,868	8,092
Federated fund-raising	37,874	1,000	38,874	38,666
Milwaukee County Department of Health & Human Services - grants	318,307	-	318,307	260,597
Milwaukee County Department of Aging - grant	15,075	-	15,075	15,075
Milwaukee County Department of Health & Human Services - guardianship	64,260	-	64,260	41,288
Milwaukee County Department of Aging - guardianship	4,438	-	4,438	3,803
My Choice Family Care - care management	1,226,017	-	1,226,017	894,438
Milwaukee County Disability Services Division - court comp. evaluations	30,500	-	30,500	26,500
Milwaukee County Disability Services Division - children's long-term support	-	-	-	8,778
City of Wauwatosa CDBG - grant	-	-	-	132,700
Special Events (gross)	255,566	-	255,566	234,435
Less: Direct Expenses	(70,762)	-	(70,762)	(74,075)
Program service fees	61,108	-	61,108	49,727
Pooled trust distributions	-	16,926	16,926	-
Miscellaneous revenue	299	-	299	-
Investment income	42,100	254	42,354	35,268
Realized and unrealized gains	120,999	8,186	129,185	22,680
Satisfaction of restrictions	248,200	(248,200)	-	-
Total support and revenue	2,575,051	(59,314)	2,515,737	2,355,006
Expenses:				
Program Services:				
Disability Resource Center	181,431	-	181,431	120,999
Advocacy	258,883	-	258,883	247,803
Self-Advocacy Independence Trust Pool	97,077	-	97,077	98,332
Trust Program	93,097	-	93,097	82,820
Guardianship	75,571	-	75,571	64,033
Intergenerational Family Support	44,928	-	44,928	31,526
Care Management Unit	1,198,434	-	1,198,434	852,611
Court Comprehensive Evaluations	28,410	-	28,410	26,480
Children's Long-Term Support	1,916	-	1,916	19,682
Total program services	1,979,747	-	1,979,747	1,544,286
Management and general	117,993	-	117,993	96,963
Fund-raising	169,088	-	169,088	137,232
Total expenses	2,266,828	-	2,266,828	1,778,481
Net increase (decrease) in net assets	308,223	(59,314)	248,909	576,525
Net assets at beginning of year	2,129,584	140,896	2,270,480	1,693,955
Net assets at end of year	\$ 2,437,807	\$ 81,582	\$ 2,519,389	\$ 2,270,480

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, 2017
With Summarized Information for the Year Ended December 31, 2016

	<u>Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total 2017</u>	<u>2016</u>
Expenses:					
Salaries	\$ 1,223,237	\$ 58,297	\$ 72,420	\$ 1,353,954	\$ 1,059,695
Employee benefits	166,729	5,767	9,127	181,623	148,210
Payroll tax expense	87,341	3,940	5,035	96,316	74,684
Professional fees	225,940	1,184	37,333	264,457	195,921
Office supplies	6,461	3,099	585	10,145	6,605
Postage and shipping	10,252	173	1,515	11,940	10,934
Occupancy	47,163	5,055	1,727	53,945	47,557
Depreciation	31,302	731	1,112	33,145	14,939
Equipment rental and maintenance	31,549	725	1,239	33,513	34,370
Printing and publications	6,143	2,306	13,012	21,461	14,230
Travel	47,613	273	838	48,724	36,328
Conferences, conventions and meetings	8,583	246	3,058	11,887	8,752
Insurance	12,736	294	453	13,483	12,267
Client support	16,311	809	3	17,123	13,771
Bad debt expense	-	-	-	-	2,637
Bank and investment fees	-	6,211	11,289	17,500	13,908
In-kind expense	28,185	-	8,837	37,022	27,358
Interest expense	-	14,428	-	14,428	2,097
Special projects/expansion	-	-	-	-	14,455
Miscellaneous	30,202	14,455	1,505	46,162	39,763
Total functional expenses	<u>1,979,747</u>	<u>117,993</u>	<u>169,088</u>	<u>2,266,828</u>	<u>1,778,481</u>
Administrative allocation	114,354	(117,993)	3,639	-	-
Total expenses after allocation	<u>\$ 2,094,101</u>	<u>\$ -</u>	<u>\$ 172,727</u>	<u>\$ 2,266,828</u>	<u>\$ 1,778,481</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 248,909	\$ 576,525
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,145	14,939
Realized and unrealized gains	(129,185)	(22,680)
In-kind contribution of fixed assets	(7,500)	(13,300)
Change in assets and liabilities:		
Accounts receivable	(160,370)	(41,683)
Pledges receivable	67,500	(86,255)
Prepaid expenses	(2,989)	(471)
Accounts payable	16,340	2,146
Accrued payroll and payroll taxes	6,753	6,719
Accrued vacation	(16,190)	(6,016)
Funds held for others	1,128	906
Net cash provided by operating activities	<u>57,541</u>	<u>430,830</u>
Cash Flows from Investing Activities:		
Proceeds from investment sales	65,108	351,266
Purchases of investments	(50,520)	(251,435)
Earnest money applied to purchase of capital assets	-	5,000
Purchase of capital assets	(273,768)	(850,456)
Net cash used by investing activities	<u>(259,180)</u>	<u>(745,625)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	488,000	228,500
Payments on line of credit	(370,000)	(228,500)
Funds deposited into escrow account	-	(329,621)
Funds withdrawn from escrow account	329,621	-
Proceeds from construction loan	-	600,000
Payment on construction loan	(185,536)	-
Net cash provided by financing activities	<u>262,085</u>	<u>270,379</u>
Increase (decrease) in cash and equivalents	60,446	(44,416)
Cash and equivalents at beginning of year	<u>149,781</u>	<u>194,197</u>
Cash and equivalents at end of year	<u>\$ 210,227</u>	<u>\$ 149,781</u>
Supplementary Information:		
Interest paid	\$ 19,402	\$ 8,137
Interest capitalized	6,418	8,276
Capital asset purchases included in accounts payable	-	33,010

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, 2017 and 2016

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 17% and 53% of the Organization’s support for the years ended December 31, 2017 and 2016 came from Milwaukee County contracts, respectively. The significant decrease is attributable to the care management funds moving from Milwaukee County in mid-September 2016.

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, 2017 and 2016.

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.

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.

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.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

2. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

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. Adoption of this standard has not had a material impact on the Organization's financial statements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

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

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

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

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

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

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

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

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

Property and Equipment

Property and equipment are capitalized at cost or at fair value if donated and depreciated over their estimated useful lives using the straight-line method. The cost and related accumulated depreciation of property and equipment are removed from asset accounts upon disposal. Expenditures for maintenance and repairs are charged to operations as incurred. Interest and fees paid on construction loans during the period of construction are capitalized. This amounted to \$6,418 and \$8,276 for the years ended December 31, 2017 and 2016, respectively. Depreciation expense for 2017 and 2016 was \$33,145 and \$14,939, respectively. The Organization's policy is to capitalize all property and equipment costing over \$5,000.

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.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(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 2017, the Organization received \$7,500 of donated fixed assets, \$70,155 of other in-kind donations to support the Organization's programs and \$8,342 of other in-kind donations to support its fundraising function; \$41,475 of the donations were professional services and are expensed to professional fees. During 2016, the Organization received \$13,300 of donated fixed assets related to the building expansion and \$20,866 of other in-kind donations to support the Organization's programs and \$6,492 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.

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.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (April 13, 2018). There were no subsequent events that required recognition or disclosure.

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.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

3. Comparative Financial Information

The financial information shown for 2016 in the accompanying financial statements is included to provide a basis of comparison with 2017 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, 2016, from which the summarized information was derived.

4. Investments

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

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

4. Investments (continued)

<u>Description</u>	<u>12/31/16</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	\$ 77,388	\$ 77,388	\$ ---	\$ ---
Stocks	366,987	366,987	---	---
Exchange traded funds	13,024	13,024	---	---
Other	11,735	11,735	---	---
Mutual funds:				
Convertibles	30,570	30,570	---	---
Foreign large growth	33,460	33,460	---	---
Large growth	65,439	65,439	---	---
Large value	49,502	49,502	---	---
Mid-cap blend	37,654	37,654	---	---
Small growth	33,729	33,729	---	---
Bonds	<u>224,816</u>	<u>---</u>	<u>224,816</u>	<u>---</u>
Total	\$ <u>944,304</u>	\$ <u>719,488</u>	\$ <u>224,816</u>	\$ <u>---</u>
Investments held by the Greater Milwaukee Foundation	\$ <u>157,626</u>	\$ <u>---</u>	\$ <u>157,626</u>	\$ <u>---</u>

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

The statement of activities includes \$129,185 and \$22,680 in realized and unrealized gains for 2017 and 2016, 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.

5. Amounts Held in Escrow

In 2016, the Organization entered into a Loan Escrow Disbursement Agreement with Merit Title for the purpose of disbursing expenses related to the construction project. For the year ended December 31, 2016, the Organization deposited \$956,811 (\$600,000 of which originated from loan proceeds) into the escrow account of which \$627,190 of funds had been disbursed to various vendors and \$329,621 was held in escrow at December 31, 2016. In 2017, the construction project was completed and all funds held in escrow have been disbursed to various vendors and \$0 was held in escrow at December 31, 2017.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

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, 2020 and has an available balance of \$15,000. As of December 31, 2017 and 2016, there was no outstanding balance on the letter of credit.

7. Employee Retirement Plan

The Organization sponsors a 403(b) savings plan in which Life Navigators, Inc. will match one-half of the employee's voluntary contribution up to six percent of annual compensation for all eligible employees. The Organization's contribution in 2017 and 2016 was \$19,766 and \$19,660, respectively.

8. Construction Loan

During 2016, the Organization agreed to a five-year construction loan to finance the construction of the property adjacent to its location. The construction loan is secured by the Organization's investments and 1st real estate mortgage on the building and had a balance of \$414,470 and \$600,000 as of December 31, 2017 and 2016, respectively. The loan has a floating interest rate of one-month LIBOR + 2.5% through August 2016 then a fixed rate of 4.10% for the four years thereafter. The interest expense was \$12,237 and \$0 for the years ended December 31, 2017 and 2016, respectively. Capitalized interest was \$6,418 and \$8,276 for the years ended December 31, 2017 and 2016, respectively.

Payments on the loan were interest-only until September 2017. In September 2017, the Organization began making principal and interest payments.

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

For the Year Ending December 31,	Amount
2018	\$ 57,564
2019	59,921
2020	62,424
2021	65,032
2022	<u>169,529</u>
Total	\$ <u>414,470</u>

9. Line of Credit

The Organization has a variable interest rate line of credit in the amount of \$150,000 from Associated Bank to enable it to meet expenses while awaiting grant disbursements. The Organization agreed to secure this line of credit with collateral defined as the Organization's investments and general business assets. The line matures on June 12, 2020 and accrues interest at 1.0 percentage point above index with a minimum of 5%. The line had an outstanding balance of \$118,000 and \$0 at December 31, 2017 and 2016 and interest expense of \$2,191 and \$2,097, respectively.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

10. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Greater Milwaukee Foundation investments	\$ 59,082	\$ 50,896
Pledges restricted for the building expansion	20,000	90,000
Time restricted pledges	<u>2,500</u>	<u>---</u>
Total temporarily restricted net assets	<u>\$ 81,582</u>	<u>\$ 140,896</u>

11. Endowment Fund

In December 2015, the Organization's board of directors approved of the Life Navigators Endowment Fund with an initial fund amount of \$100,000. The fund is a general endowment to support the mission of the Organization for years to come. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as board designated unrestricted net assets.

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

A reconciliation of Life Navigator's endowment activities are as follows:

		<u>Designated</u>
Balance, December 31, 2015	\$	---
Investment income		570
Realized and unrealized gain		7,164
Contributions		100,000
Administration fees		<u>(1,003)</u>
Balance, December 31, 2016	\$	106,731
Investment income		896
Realized and unrealized gain		16,896
Administration fees		<u>(1,442)</u>
Balance, December 31, 2017	\$	<u>123,081</u>

12. Greater Milwaukee Foundation Investments

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Continued)

13. Amounts Held for Others

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

14. Concentrations

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization's bank accounts were insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2017 and 2016. The Organization has never experienced any losses related to these balances.

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

15. Risks and Uncertainties

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

16. Reclassifications

Certain reclassifications have been made to the 2016 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2017

With Summarized Information for the Year Ended December 31, 2016

	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	\$ -	\$ 45,256	\$ 47,647	\$ 5,000	\$ -	\$ 28,500	\$ -	\$ 126,403
In-kind contributions	4,475	4,452	25,501	1,416	1,893	1,070	30,104	68,911
Legacies and bequests	-	-	8,868	-	-	-	-	8,868
Federated fund-raising	-	-	1,000	-	-	-	-	1,000
Milw. County Department of Health & Human Services - grants	182,265	136,042	-	-	-	-	-	318,307
Milw. County Department of Aging - grant	-	-	-	-	-	15,075	-	15,075
Milw. County Department of Health & Human Services - guardianship	-	-	-	-	64,260	-	-	64,260
Milw. County Department of Aging - guardianship	-	-	-	-	4,438	-	-	4,438
My Choice Family Care - care management	-	-	-	-	-	-	1,226,017	1,226,017
Program service fees	-	-	-	52,682	8,426	-	-	61,108
Pooled trust distributions	-	-	16,926	-	-	-	-	16,926
Total support and revenue	186,740	185,750	99,942	59,098	79,017	44,645	1,256,121	1,911,313
Expenses:								
Salaries	38,790	173,618	39,578	59,047	45,345	29,695	816,862	1,202,935
Employee benefits	-	30,639	6,546	3,839	7,471	5,371	109,965	163,831
Payroll tax expense	-	15,021	2,800	4,002	3,215	2,217	58,625	85,880
Professional fees	142,223	11,468	2,825	4,719	4,620	2,014	56,658	224,527
Office supplies	-	1,065	205	274	274	172	4,357	6,347
Postage and shipping	-	1,299	2,407	606	318	201	5,296	10,127
Occupancy	-	7,800	1,493	1,990	1,988	1,210	31,849	46,330
Depreciation	-	5,146	994	1,326	1,326	838	21,188	30,818
Equipment rental and maintenance	-	5,325	1,005	1,341	1,350	759	21,154	30,934
Printing and publications	-	70	14	1,319	25	14	4,696	6,138
Travel	-	2,220	1,118	964	6,166	712	35,107	46,287
Conferences, conventions and meetings	-	897	120	3,716	490	335	2,987	8,545
Insurance	-	2,096	405	539	542	341	8,592	12,515
Client support	-	-	12,405	107	538	411	2,822	16,283
In-kind expense	418	416	24,063	132	177	100	2,810	28,116
Miscellaneous	-	1,803	1,099	9,176	1,726	538	15,466	29,808
Total functional expenses	181,431	258,883	97,077	93,097	75,571	44,928	1,198,434	1,949,421
Administrative allocation	5,309	17,915	3,381	4,584	4,619	2,994	73,490	112,292
Total expenses after allocation	186,740	276,798	100,458	97,681	80,190	47,922	1,271,924	2,061,713
Change in net assets	\$ -	\$ (91,048)	\$ (516)	\$ (38,583)	\$ (1,173)	\$ (3,277)	\$ (15,803)	\$ (150,400)

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Program Revenues and Expenses

For the Year Ended December 31, 2017

With Summarized Information for the Year Ended December 31, 2016

	<u>Subtotal From Previous Page</u>	<u>Court Comprehensive Evaluations</u>	<u>Children's Long-Term Support</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>	<u>2016</u>
Support and revenue:								
Contributions and donations	\$ 126,403	\$ -	\$ -	\$ 126,403	\$ 8,186	\$ 50,631	\$ 185,220	\$ 165,015
Building expansion contributions	-	-	-	-	103,505	-	103,505	451,361
In-kind contributions	68,911	749	-	69,660	-	8,837	78,497	27,358
In-kind contributions - expansion	-	-	-	-	7,500	-	7,500	13,300
Legacies and bequests	8,868	-	-	8,868	-	-	8,868	8,092
Federated fund-raising	1,000	-	-	1,000	-	37,874	38,874	38,666
Milw. County Department of Health & Human Services - grants	318,307	-	-	318,307	-	-	318,307	260,597
Milw. County Department of Aging - grant	15,075	-	-	15,075	-	-	15,075	15,075
Milw. County Department of Health & Human Services - guardianship	64,260	-	-	64,260	-	-	64,260	41,288
Milw. County Department of Aging - guardianship	4,438	-	-	4,438	-	-	4,438	3,803
My Choice Family Care - care management	1,226,017	-	-	1,226,017	-	-	1,226,017	894,438
Milw. County Disability Services Division - court comp. evaluations	-	30,500	-	30,500	-	-	30,500	26,500
Milw. County Disability Services Division - children's long-term support	-	-	-	-	-	-	-	8,778
City of Wauwatosa CDGB - grant	-	-	-	-	-	-	-	132,700
Special Events (gross)	-	-	-	-	-	255,566	255,566	234,435
Less: Direct expenses	-	-	-	-	-	(70,762)	(70,762)	(74,075)
Program service fees	61,108	-	-	61,108	-	-	61,108	49,727
Pooled trust distributions	16,926	-	-	16,926	-	-	16,926	-
Miscellaneous revenue	-	-	-	-	-	299	299	-
Investment Income	-	-	-	-	-	42,354	42,354	35,268
Realized and unrealized gains (losses)	-	-	-	-	-	129,185	129,185	22,680
Total support and revenue	<u>1,911,313</u>	<u>31,249</u>	<u>-</u>	<u>1,942,562</u>	<u>119,191</u>	<u>453,984</u>	<u>2,515,737</u>	<u>2,355,006</u>
Expenses:								
Salaries	1,202,935	19,240	1,062	1,223,237	58,297	72,420	1,353,954	1,059,695
Employee benefits	163,831	2,534	364	166,729	5,767	9,127	181,623	148,210
Payroll tax expense	85,880	1,346	115	87,341	3,940	5,035	96,316	74,684
Professional fees	224,527	1,341	72	225,940	1,184	37,333	264,457	195,921
Office supplies	6,347	102	12	6,461	3,099	585	10,145	6,605
Postage and shipping	10,127	113	12	10,252	173	1,515	11,940	10,934
Occupancy	46,330	751	82	47,163	5,055	1,727	53,945	47,557
Depreciation	30,818	459	25	31,302	731	1,112	33,145	14,939
Equipment rental and maintenance	30,934	510	105	31,549	725	1,239	33,513	34,370
Printing and publications	6,138	5	-	6,143	2,306	13,012	21,461	14,230
Travel	46,287	1,324	2	47,613	273	838	48,724	36,328
Conferences, conventions and meetings	8,545	36	2	8,583	246	3,058	11,887	8,752
Insurance	12,515	205	16	12,736	294	453	13,483	12,267
Client support	16,283	28	-	16,311	809	3	17,123	13,771
Bad debt expense	-	-	-	-	-	-	-	2,637
Bank and investment fees	-	-	-	-	6,211	11,289	17,500	13,908
In-kind expense	28,116	69	-	28,185	-	8,837	37,022	27,358
Interest expense	-	-	-	-	14,428	-	14,428	2,097
Special projects/expansion	-	-	-	-	-	-	-	14,455
Miscellaneous	29,808	347	47	30,202	14,455	1,505	46,162	39,763
Total functional expenses	<u>1,949,421</u>	<u>28,410</u>	<u>1,916</u>	<u>1,979,747</u>	<u>117,993</u>	<u>169,088</u>	<u>2,266,828</u>	<u>1,778,481</u>
Administrative allocation	112,292	1,923	139	114,354	(117,993)	3,639	-	-
Total expenses after allocation	<u>2,061,713</u>	<u>30,333</u>	<u>2,055</u>	<u>2,094,101</u>	<u>-</u>	<u>172,727</u>	<u>2,266,828</u>	<u>1,778,481</u>
Change in net assets	<u>\$ (150,400)</u>	<u>\$ 916</u>	<u>\$ (2,055)</u>	<u>\$ (151,539)</u>	<u>\$ 119,191</u>	<u>\$ 281,257</u>	<u>\$ 248,909</u>	<u>\$ 576,525</u>

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Advocacy
Settlement of DHS Cost Reimbursement Award
For the Year Ended December 31, 2017

DHS identification number	CARS profile 435.561
Award amount	\$ 136,043
Award period	January 1, 2017 - December 31, 2017
Period of award within audit period	January 1, 2017 - December 31, 2017

A. Expenditures reported to DHS for payment \$ 136,042

B. Total cost of award

Employee Salaries and Wages	173,618
Employee Fringe Benefits	30,639
Payroll Taxes	15,021
Rent or Occupancy	7,800
Professional Services	11,468
less in-kind professional services	(4,036)
Employee Travel	2,220
Conferences, Meetings or Education	897
Supplies	1,065
Equipment	5,325
Depreciation	5,146
Postage and Shipping	1,299
Insurance	2,096
Printing and Publications	70
Other	1,803
Allocated Administrative Costs	17,915
Total Operating Costs of Award	<u>272,346</u>

C. Less disallowed costs

-

D. Less program revenue and other offsets to costs

(45,256)

E. Total allowable costs

\$ 227,090

See Independent Auditors' Report.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

**Community Living Support DRC Implementation
Settlement of DHS Cost Reimbursement Award**
For the Year Ended December 31, 2017

DHS identification number	CARS profile 435.561
Award amount	\$ 200,000
Award period	January 1, 2017 - December 31, 2017
Period of award within audit period	January 1, 2017 - December 31, 2017
A. Expenditures reported to DHS for payment	\$ 182,265
B. Total costs of award	
Salaries	38,790
Professional Services	142,223
less in-kind professional services	(4,058)
Allocated Administrative Costs	<u>5,309</u>
Total Operating Costs of Award	182,264
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	<u>-</u>
E. Total allowable costs	<u><u>\$ 182,264</u></u>

See Independent Auditors' Report.

GUARDIANSHIP RESERVE SUPPLEMENTAL SCHEDULE

Organization Life Navigators, Inc.

Period Covered by the Audit January 1, 2017 to December 31, 2017

1. Total Units of Service	5,123
2. Allowable Expenses for Rate-based Service	79,307
3. Total Revenue for Rate-based Service	79,017
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	(290)
5. Total Reserve from All Prior Periods (not including this period)	(300,781)
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 DHHS - Guardianship	\$ 64,260	81.32%	\$ (236)	\$ 3,213	\$ (236)	\$ -	\$ (292,103)	\$ (292,339)	\$ 6,426	\$ (292,339)	\$ -	\$ -
Milw County Dept of Aging - Guardianship	4,438	5.62%	(16)	222	(16)	-	(3,851)	(3,867)	444	(3,867)	-	-
Private Pay	8,426	10.66%	(31)	421	(31)	-	(4,447)	(4,478)	843	(4,478)	-	-
In-kind contributions	1,893	2.40%	(7)	95	(7)	-	(380)	(387)	189	(387)	-	-
Totals	\$ 79,017	100%	\$ (290)	\$ 3,951	\$ (290)	\$ -	\$ (300,781)	\$ (301,071)	\$ 7,902	\$ (301,071)	\$ -	\$ -

See Independent Auditors' Report.

COURT COMPREHENSIVE EVALUATIONS RESERVE SUPPLEMENTAL SCHEDULE

Organization Life Navigators, Inc.

Period Covered by the Audit January 1, 2017 to December 31, 2017

1. Total Units of Service	128
2. Allowable Expenses for Rate-based Service	29,892
3. Total Revenue for Rate-based Service	31,249
4. Excess Revenue (Deficiency) over Expenses to be applied to Reserve (Line 3 less line 2)	1,357
5. Total Reserve from All Prior Periods (not including this period)	(8,876)
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 DSD - Court Comprehensive Evaluations	\$ 30,500	97.60%	\$ 1,324	\$ 1,525	\$ 1,324	\$ -	\$ (8,781)	\$ (7,457)	\$ 3,050	\$ (7,457)	\$ -	\$ -
In-kind contributions	749	2.40%	33	37	33	-	(95)	(62)	75	(62)	-	-
Totals	\$ 31,249	100%	\$ 1,357	\$ 1,562	\$ 1,357	\$ -	\$ (8,876)	\$ (7,519)	\$ 3,125	\$ (7,519)	\$ -	\$ -

See Independent Auditors' Report.

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt



Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

**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
DHS 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, 2017, 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 13, 2018.

Internal Control Over Financial Reporting

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

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

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

Reilly, Penner & Benton LLP

1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Wisconsin DHS Audit Guide in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 13, 2018
Milwaukee, Wisconsin

Life Navigators, Inc.
Wauwatosa, Wisconsin

Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CARS Number	Contract Number	Expenditures				Payments to Subrecipients
				Federal	State	Other	Total	
U.S. Department of Health & Human Services:								
Passed through Wisconsin Department of Health Services:								
Passed through Milwaukee County Department of Health and Human Services:								
Disability Resource Center Implementation / Advocacy	N/A	435.561	40-16466-100	\$ -	\$ -	\$ 318,307	\$ 318,307	\$ -
Guardianship - 5,123 units	N/A	N/A	---	-	-	64,260	64,260	-
Court Comprehensive Evaluations - 128 units	N/A	N/A	---	-	-	30,500	30,500	-
Total passed through Milwaukee County DHHS				<u>-</u>	<u>-</u>	<u>413,067</u>	<u>413,067</u>	<u>-</u>
Passed through Milwaukee County Department on Aging:								
Family Support for Aging and Persons with Developmental Disabilities	93.044	N/A	204-416-97	15,075	-	-	15,075	-
Guardianship - 430 units	N/A	N/A	---	-	-	4,438	4,438	-
Total passed through Milwaukee County Department of Aging				<u>15,075</u>	<u>-</u>	<u>4,438</u>	<u>19,513</u>	<u>-</u>
Total				<u>\$ 15,075</u>	<u>\$ -</u>	<u>\$ 417,505</u>	<u>\$ 432,580</u>	<u>\$ -</u>

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

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2017

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, 2017. 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, 2017

There were no prior year findings.

LIFE NAVIGATORS, INC.
Wauwatosa, Wisconsin

Schedule of Findings and Responses
Year Ended December 31, 2017

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? | None noted |
| 3. Noncompliance material to financial statements? | None noted |

DHS Awards

- | | |
|---|------------|
| 4. Internal control over financial reporting: | |
| A. Significant deficiency(ies) identified? | None noted |
| B. Material weaknesses identified? | None noted |
| 5. Any audit findings disclosed that are required to be reported? | None noted |
| 6. Identification of major DHS program(s): | |

Name of DHS Program

Disability Resource Center

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, 2017
(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 13, 2018