

ERAS SENIOR NETWORK, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

ERAS SENIOR NETWORK, INC.

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Independent Auditor's Report

Board of Directors
Eras Senior Network, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Eras Senior Network, Inc. which comprise the statement of financial position as of December 31, 2020, 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.

Auditor's 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 of 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 Organization'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 Organization'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 Eras Senior Network, Inc. as of December 31, 2020, 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.

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Board of Directors
Eras Senior Network, Inc.

Report on Summarized Comparative Information

We have previously audited Eras Senior Network, Inc.'s December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses and Milwaukee County program revenue and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and in accordance with the *State Single Audit Guidelines* and is also not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 May 27, 2021, on our consideration of Eras Senior Network, 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 solely 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 the Eras Senior Network, 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 Eras Senior Network, Inc.'s internal control over financial reporting and compliance.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 27, 2021

ERAS SENIOR NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(With Summarized Totals for December 31, 2019)

ASSETS	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 216,879	\$ 245,219
Accounts and Grants Receivable	634,766	360,522
Prepaid Expenses	66,689	18,588
Other Current Assets	4,309	7,322
Total Current Assets	\$ 922,643	\$ 631,651
FIXED ASSETS		
Equipment	\$ 351,037	\$ 300,933
Less: Accumulated Depreciation	(198,331)	(131,993)
Net Fixed Assets	\$ 152,706	\$ 168,940
OTHER ASSETS		
Intangible Assets, Net of Amortization	\$ 85,605	\$ 91,720
Security Deposit	6,206	6,206
Beneficial Interest - Greater Milwaukee Foundation	126,096	112,734
Beneficial Interest - Waukesha County Community Foundation	65,337	62,268
Total Other Assets	\$ 283,244	\$ 272,928
TOTAL ASSETS	\$ 1,358,593	\$ 1,073,519
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 116,801	\$ 25,358
Deferred Revenue	4,309	11,572
Accrued Payroll	59,158	44,178
Paycheck Protection Program Loan	202,300	---
SBA Disaster Loan Assistance Loan	10,000	---
Total Liabilities	\$ 392,568	\$ 81,108
NET ASSETS		
Without Donor Restrictions	\$ 557,496	\$ 659,417
With Donor Restrictions	408,529	332,994
Total Net Assets	\$ 966,025	\$ 992,411
TOTAL LIABILITIES AND NET ASSETS	\$ 1,358,593	\$ 1,073,519

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUE				
State of Wisconsin, Department of Health Services	\$ 12,660	\$ ---	\$ 12,660	\$ 12,660
Waukesha County Department of Health and Human Services:				
State of Wisconsin Section 85.21	37,887	---	37,887	22,887
Older American Act Title IIIB - Waukesha	54,293	---	54,293	28,809
Milwaukee County Department of Aging				
Older American Act Title IIIB - Milwaukee	151,403	---	151,403	121,405
Neighborhood Outreach BCA	118,700	---	118,700	118,699
Neighborhood Outreach SCSP	31,128	---	31,128	31,128
Community Development Block Grant				
Waukesha County	7,268	---	7,268	7,268
City of Milwaukee	27,857	---	27,857	---
City of Wauwatosa	24,127	---	24,127	27,089
City of West Allis	29,500	---	29,500	29,500
Corporation for National and Community Service, Retired and Senior Volunteer Program	114,188	---	114,188	86,081
FTA Section 5310	486,482	---	486,482	218,521
State of Wisconsin, Department of Transportation Rural Transportation Assistance Program	---	---	---	4,787
Advancing a Healthier Wisconsin Endowment at the Medical College of Wisconsin	9,726	---	9,726	18,769
Individual Contributions	151,708	---	151,708	140,965
Bequests	1,410	---	1,410	5,905
Corporate Contributions	38,660	---	38,660	59,604
Foundations	77,279	44,551	121,830	108,491
Program Revenue	403	---	403	14,730
Special Events Income	79,059	---	79,059	104,887
Special Events Expense	(20,832)	---	(20,832)	(34,464)
In-Kind	139,234	---	139,234	74,910
United Way of Greater Milwaukee and Waukesha County	136,773	121,955	258,728	385,540
Investment Income	12,807	6,533	19,340	24,361
State Faith in Action Membership Fees	---	---	---	325
Interest Income	150	---	150	705
Insurance Claim Proceeds	2,437	---	2,437	---
Net Assets Released from Restrictions	97,504	(97,504)	---	---
Total Revenue	\$ 1,821,811	\$ 75,535	\$ 1,897,346	\$ 1,613,562
EXPENSES				
Program Services	\$ 1,647,896	\$ ---	\$ 1,647,896	\$ 1,271,495
Administrative	166,663	---	166,663	114,795
Fundraising	109,173	---	109,173	126,821
Total Expenses	\$ 1,923,732	\$ ---	\$ 1,923,732	\$ 1,513,111
CHANGE IN NET ASSETS	\$ (101,921)	\$ 75,535	\$ (26,386)	\$ 100,451
Net Assets, Beginning of Year	659,417	332,994	992,411	891,960
NET ASSETS, END OF YEAR	\$ 557,496	\$ 408,529	\$ 966,025	\$ 992,411

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

EXPENSES	Program Services	Administrative	Fundraising	2020 Total	2019 Total
Salaries	\$ 811,921	\$ 117,126	\$ 73,934	\$ 1,002,981	\$ 841,350
Payroll Taxes	56,433	9,051	5,521	71,005	68,589
Employee Benefits	60,130	8,215	389	68,734	50,850
Staff Development	825	---	750	1,575	349
Professional Fees	249,846	16,800	788	267,434	59,035
Occupancy	94,649	3,914	8,718	107,281	102,994
Telephone	15,224	2,158	860	18,242	15,488
Supplies	8,536	701	1,067	10,304	13,492
Purchase/Lease of Equipment	11,494	870	52	12,416	6,456
Printing and Publication	37,558	33	2,877	40,468	38,680
Technology	81,312	3,471	7,522	92,305	101,045
Postage and Shipping	14,137	728	1,238	16,103	14,245
Conferences and Meetings	3,542	1,193	354	5,089	8,601
Insurance	10,698	(179)	709	11,228	9,939
Travel	6,033	907	243	7,183	26,366
Subscriptions	5	199	---	204	939
Membership Fees	1,841	---	275	2,116	3,890
Program Expense	107,374	55	65	107,494	81,190
Volunteer Expense	6,664	100	---	6,764	5,520
Volunteer and Staff Appreciation	492	307	140	939	1,215
Depreciation and Amortization	67,350	2,694	2,409	72,453	61,073
Miscellaneous Expenses	1,832	(1,680)	1,262	1,414	1,805
Subtotal	<u>\$ 1,647,896</u>	<u>\$ 166,663</u>	<u>\$ 109,173</u>	<u>\$ 1,923,732</u>	<u>\$ 1,513,111</u>
Special Events					
Food	\$ ---	\$ ---	\$ ---	\$ ---	\$ 17,145
Supplies	---	---	4,500	4,500	10,785
Printing	---	---	5,962	5,962	3,585
Professional Fees	---	---	9,155	9,155	1,300
Postage	---	---	1,216	1,216	547
Other Expenses	---	---	---	---	1,102
Total Special Events	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 20,832</u>	<u>\$ 20,832</u>	<u>\$ 34,464</u>
TOTAL EXPENSES	<u><u>\$ 1,647,896</u></u>	<u><u>\$ 166,663</u></u>	<u><u>\$ 130,005</u></u>	<u><u>\$ 1,944,564</u></u>	<u><u>\$ 1,547,575</u></u>

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (26,386)	\$ 100,451
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	72,453	61,073
Change in Value of Beneficial Interest in Assets Held by Others	(16,431)	12,815
(Increase) Decrease in Prepaid Expenses	(48,101)	(15,157)
(Increase) Decrease in Accounts Receivable	(274,244)	(58,051)
(Increase) Decrease in Other Current Assets	3,013	(4,256)
(Increase) Decrease in Security Deposit	---	(6,206)
Increase (Decrease) in Accounts Payable	91,443	(134,192)
Increase (Decrease) in Deferred Revenue	(7,263)	8,506
Increase (Decrease) in Accrued Payroll	14,980	14,829
	<u>14,980</u>	<u>14,829</u>
Net Cash Used by Operating Activities	<u>\$ (190,536)</u>	<u>\$ (20,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed and Intangible Assets	<u>\$ (50,104)</u>	<u>\$ (118,728)</u>
Net Cash Used by Investing Activities	<u>\$ (50,104)</u>	<u>\$ (118,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan Proceeds	\$ 202,300	\$ ---
SBA Disaster Loan Assistance Loan Proceeds	10,000	---
	<u>10,000</u>	<u>---</u>
Net Cash Provided (Used) by Financing Activities	<u>\$ 212,300</u>	<u>\$ (118,728)</u>
Net Decrease in Cash and Cash Equivalents	\$ (28,340)	\$ (138,916)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>245,219</u>	<u>384,135</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 216,879</u>	<u>\$ 245,219</u>

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

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - Summary of Significant Accounting Policies

Organization

Eras Senior Network Inc. (the "Organization") engages and supports seniors, adults with disabilities, and family caregivers in leading meaningful lives. The Organization provides services in Milwaukee County and Waukesha County, Wisconsin, for individuals who do not qualify for government entitlement programs, lack sufficient income to purchase services, and do not have local family support to manage their basic needs. The Organization provides meaningful volunteer service activities for older adults age 55+ to engage in meeting community needs in Milwaukee County and Waukesha County, Wisconsin.

Accounting Method

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

Accounts and Grants Receivable

Receivable amounts are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the direct write-off method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors and donors to meet their obligations. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. As of December 31, 2020, accounts and grants receivable are considered fully collectible; therefore, no allowance for doubtful accounts has been recorded. It is the policy of the Organization to write off doubtful amounts directly to expense when deemed uncollectible.

Fixed Assets

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at fair value and are reported as increases in net assets. Contributions are considered available for the Organization's general operations and included in net assets without donor restrictions unless specifically restricted by a donor. A restricted contribution is reported in revenue and net assets without donor restrictions when the restriction is met within the same reporting period as the contribution is received. Contributions received restricted for a purpose not yet met or to support a future period are included in net assets with donor restrictions. When a donor restriction from a prior year expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are not recognized as revenue until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated if the barrier is not overcome.

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

Government Grants and Contract Revenue

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual, are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Organization is included in grants receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made. Management believes that disallowances, if any, would not have a significant effect on the financial statements.

Functional Expenses

The Organization allocates costs directly to program, management, or fundraising when appropriate. Certain expenses are attributable to one or more programs or supporting functions of the Organization.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - Summary of Significant Accounting Policies (continued)

Functional Expenses (continued)

Those expenses include the following:

- Depreciation is allocated based on the program for which it was purchased. If equipment benefits all programs and administrative functions, it is allocated based on full-time equivalent employees (FTE).
- Salaries and wages are allocated based on actual time and effort, which results in an FTE ratio for other allocations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - Future Accounting Pronouncements

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

Accounting Standards Update 2020-08, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE B - Future Accounting Pronouncements (continued)

To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

NOTE C - Comparative Financial Information

The financial information shown for 2019 in the accompanying financial statements is included to provide a basis of comparison with 2020 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE D - Liquidity

The Organization's operations are funded primarily through grants earned and billed on a regular basis throughout the year. The Organization has \$851,645 of financial assets available to meet cash needs for general expenditure within one year of the statement of financial position date consisting of cash of \$216,879, and accounts and grants receivable of \$634,766. This represents approximately eight months of expenses. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure.

NOTE E - Accounts and Grants Receivable

Accounts and grants receivable consists of the following as of December 31, 2020:

<u>Source</u>	<u>Amount</u>
United Way of Greater Milwaukee & Waukesha County	\$121,955
CNCS/AmeriCorps Seniors	22,590
Capri Communities Waukesha County	7,500
County of Waukesha ADRC	22,421
State of Wisconsin	20,925
Milwaukee County DOT	2,110
ITN America	372,491
MC DHHS Division on Aging	5,060
Wauwatosa CDBG	34,287
Other	24,127
	<u>1,300</u>
Total	<u>\$634,766</u>

**ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE F - Beneficial Interest - Greater Milwaukee Foundation and Waukesha County Community Foundation

The Organization is the beneficiary of component funds located at Greater Milwaukee Foundation, Inc. (GMF) and the Waukesha County Community Foundation, Inc. (WCCF) for investment purposes. The balance of these accounts at December 31, 2020, was \$191,433.

Generally accepted accounting principles requires that a specified beneficiary recognize its rights to the assets held by a recipient organization unless the donor has explicitly granted the recipient organization variance power. The Organization has recorded its equity in GMF and WCCF as a beneficial interest on the statement of financial position for the year ended December 31, 2020.

The Organization has designated itself as the sole beneficiary of the income from the investments of these funds. The Boards of Trustees of the foundations have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Boards, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

NOTE G - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
GMF Investments	\$126,096	\$ ---	\$ ---	\$126,096
WCCF Investments	<u>65,337</u>	---	---	<u>65,337</u>
Total	<u>\$191,433</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$191,433</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - Fair Value Measurements (continued)

GMF investments include equities securities, fixed income securities, absolute return hedge funds, and long/short equity hedge funds. The funds are held by GMF, which reports on a calendar year. WCCF investments include equities securities, bonds and short-term cash investments. Assets measured at fair value on a recurring basis using significant unobservable inputs (level 3):

	<u>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</u>		
	<u>GMF Investments</u>	<u>WCCF Investments</u>	<u>Total</u>
Beginning Balance, January 1, 2020	\$112,734	\$ 62,268	\$175,002
Total Gains or Losses (Realized/Unrealized), Net of Fees	<u>13,362</u>	<u>3,069</u>	<u>16,431</u>
Ending Balance, December 31, 2020	<u>\$126,096</u>	<u>\$ 65,337</u>	<u>\$191,433</u>

NOTE H - Intangible Assets

Intangible assets of \$85,605 presented on the statement of financial position as of December 31, 2020, consist of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Dispatch Software	<u>\$91,720</u>	<u>\$6,115</u>	<u>\$85,605</u>	5 years

The software was placed into operation in 2020. Estimated amortization expense for each of the next five years is as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2021	\$18,344
2022	18,344
2023	18,344
2024	18,344
2025	<u>12,229</u>
Total	<u>\$85,605</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - Operating Leases

The Organization has entered into two operating leases to rent copiers that expire March 2024 and September 2024. Future minimum lease payments due for each of the next four years are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 3,096
2022	3,096
2023	3,096
2024	<u>1,494</u>
Total	<u>\$10,782</u>

The Organization leases office space in Waukesha, Wisconsin. The lease term is April 1, 2019 to March 31, 2026. For the period from April 1, 2019 through March 31, 2022, the lease is a full-service gross lease and the Organization will pay monthly rent of \$6,205. From April 1, 2022 through the end of the lease, the Organization will pay a base rent plus additional rent of 6.9% of the landlord's actual operating expenses as defined in the lease, including taxes, insurance, utilities, cleaning and maintenance, and other necessary or desirable expenses, plus an administrative fee of 10% of all operating expenses.

The Organization also leases space for its programs on an annual basis. During November 2020, the Organization entered into a one-year lease with option to renew for three additional years. The monthly rental payment is \$2,800. Rent of \$510 was paid monthly for another location under a one-year lease. Rent was donated for three other locations at an estimated value of \$21,020.

The future minimum lease payments of base rent are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2021	\$109,186
2022	77,498
2023	79,586
2024	81,062
2025	81,433
Thereafter	<u>20,744</u>
Total	<u>\$414,789</u>

Rent expense for the year ended December 31, 2020, amounted to \$107,281 of which \$21,020 was donated.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE J - Line of Credit

The Organization has a \$50,000 revolving line of credit, with an interest rate of 3.75% as of December 31, 2020. The current agreement expires in August 2021. The line of credit did not have a balance at December 31, 2020.

NOTE K - Revenue From Contracts with Customers

Special Events

The Organization holds various fundraising events throughout the year. Registration fees for these events are billed to participants at the time of registration. The event revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the registrants access to the events and event activities. Revenue from these events are recognized at the point in time the event is held and the Organization's performance obligation to hold the event is completed. The Organization also provides the opportunity to sponsor events. Registration and sponsorships for the Organization's events opens months before the events are scheduled to be held. Cash receipts and sponsorships collected in advance of the special events are deferred as contract liabilities until earned when the event is held at which point the revenue is recognized. At December 31, 2020, there were no obligations related to revenue from contracts with customers included in deferred revenue. For the year ended December 31, 2020, special event revenue was \$79,059.

In-Kind Gift Cards

During the year, the Organization receives donated gift cards from various businesses and individuals. Gift card revenues are recorded as a liability when received and when the cards are gifted out revenue is recognized. The card revenue is reported at face value.

Beginning Deferred Revenue	\$7,321
Revenue Recognized From Prior Year Deferred	(5,224)
New Cards Received	<u>2,212</u>
Ending Deferred Revenue	<u>\$4,309</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE L - Paycheck Protection Program

On April, 17, 2020, the Organization received loan proceeds in the amount of \$202,300 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the businesses’ average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Organization used PPP loan proceeds for purposes consistent with the PPP and will apply for forgiveness within 10 months of the end of the covered period.

To the extent that the Organization is not granted forgiveness, the Organization will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of April 15, 2022. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

NOTE M - Donor Restricted Net Assets

At December 31, 2020, the Organization had \$408,529 of donor restricted net assets. Net assets with donor restrictions are available for the following:

Milwaukee County Communication, R.A. Stevens Foundation	\$ 35,000
S.T.O.P. Frauds & Scams, Wisconsin Consumer Antifraud Fund	27,195
Dialysis Transportation	1,972
Technology for Assessors	911
United Way Allocation for 2021	121,955
Milwaukee County Neighborhood Outreach	21,563
COVID-19 - Related Support Services	3,500
Weekly Wellness Calls	5,000
Beneficial Interest:	
Greater Milwaukee Foundation	126,095
Waukesha County Community Foundation	<u>65,338</u>
Total	<u>\$408,529</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE N - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2020, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE O - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2020 through May 27, 2021, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that the following subsequent events need to be disclosed.

The Organization obtained a paycheck protection program loan on April 17, 2020 for \$202,300. In addition, the Organization received an Economic Injury Disaster Loan advance of \$10,000. The full amount of both loans, \$212,300, has been forgiven and will be recognized as revenue in 2021.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

ERAS SENIOR NETWORK, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	Program Services						Management and General	Fundraising	2020 Total	2019 Total	
	Outreach	Mobility Management	Caregiver Connection	RSVP	WIFIA	Neighborhood Outreach					Total
EXPENSES											
Salaries	\$ 143,464	\$ 132,805	\$ 6,025	\$ 82,043	\$ 28	\$ 447,556	\$ 811,921	\$ 117,126	\$ 73,934	\$ 1,002,981	\$ 841,350
Payroll Taxes	8,722	9,824	512	5,252	2	32,121	56,433	9,051	5,521	71,005	68,589
Employee Benefits	7,824	9,464	116	5,564	---	37,162	60,130	8,215	389	68,734	50,850
Staff Development	825	---	---	---	---	---	825	---	750	1,575	349
Professional Fees	1,643	218,819	3,343	990	---	25,051	249,846	16,800	788	267,434	59,035
Occupancy	30,874	12,798	960	21,697	---	28,320	94,649	3,914	8,718	107,281	102,994
Telephone	3,437	860	649	1,560	---	8,718	15,224	2,158	860	18,242	15,488
Supplies	2,155	1,215	55	1,586	1,326	2,199	8,536	701	1,067	10,304	13,492
Purchase/Lease of Equipment	352	273	---	156	3,043	7,670	11,494	870	52	12,416	6,456
Printing and Publication	5,191	16,536	---	876	2,758	12,197	37,558	33	2,877	40,468	38,680
Technology	11,824	26,120	375	9,722	---	33,271	81,312	3,471	7,522	92,305	101,045
Postage and Shipping	4,579	990	14	1,628	1,008	5,918	14,137	728	1,238	16,103	14,245
Conferences and Meetings	352	1,579	163	166	40	1,242	3,542	1,193	354	5,089	8,601
Insurance	1,690	2,855	64	1,152	---	4,937	10,698	(179)	709	11,228	9,939
Travel	658	732	61	445	---	4,137	6,033	907	243	7,183	26,366
Subscriptions	5	---	---	---	---	---	5	199	---	204	939
Membership Fees	1,163	35	---	548	---	95	1,841	---	275	2,116	3,890
Program Expense	20,159	16,543	---	4,031	26,692	39,949	107,374	55	65	107,494	81,190
Volunteer Expense	2,044	---	---	1,310	---	3,310	6,664	100	---	6,764	5,520
Volunteer and Staff Appreciation	132	26	1	48	---	285	492	307	140	939	1,215
Depreciation and Amortization	6,335	48,302	---	3,038	2,930	6,745	67,350	2,694	2,409	72,453	61,073
Miscellaneous Expenses	15	---	---	800	---	1,017	1,832	(1,680)	1,262	1,414	1,805
TOTAL EXPENSES	\$ 253,443	\$ 499,776	\$ 12,338	\$ 142,612	\$ 37,827	\$ 701,900	\$ 1,647,896	\$ 166,663	\$ 109,173	\$ 1,923,732	\$ 1,513,111

ERAS SENIOR NETWORK, INC.
SCHEDULE OF MILWAUKEE COUNTY PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Neighborhood Outreach Program				
	Milwaukee County Programs			Other Funding	Total
REVENUE					
Milwaukee County Contracts	\$ 151,403	\$ 118,700	\$ 31,128	\$ ---	\$ 301,231
Other Government Contracts	---	---	---	109,310	109,310
United Way of Greater Milwaukee and Waukesha County	---	---	---	180,625	180,625
Contributions	---	---	---	138,423	138,423
In-Kind Donations	---	---	---	39,233	39,233
Total Revenue	<u>\$ 151,403</u>	<u>\$ 118,700</u>	<u>\$ 31,128</u>	<u>\$ 467,591</u>	<u>\$ 768,822</u>
EXPENSES					
Salaries	\$ 111,265	\$ 85,844	\$ 23,372	\$ 227,075	\$ 447,556
Payroll Taxes	7,379	6,449	1,813	16,480	32,121
Employee Benefits	7,133	8,083	236	21,710	37,162
Professional Fees	9,712	---	---	15,339	25,051
Occupancy	6,794	---	---	21,526	28,320
Telephone	2,943	---	---	5,775	8,718
Supplies	---	---	---	2,199	2,199
Purchase/Lease of Equipment	---	---	---	7,670	7,670
Printing and Publication	---	---	---	12,197	12,197
Technology	2,264	18,535	5,875	6,597	33,271
Postage and Shipping	---	---	---	5,918	5,918
Conferences and Meetings	---	---	---	1,242	1,242
Insurance	---	---	---	4,937	4,937
Travel	838	---	---	3,299	4,137
Membership Fees	---	---	---	95	95
Program Expense	---	---	---	39,949	39,949
Volunteer Expense	1,544	---	---	1,766	3,310
Volunteer and Staff Appreciation	---	---	---	285	285
Depreciation	1,150	---	---	5,595	6,745
Miscellaneous Expenses	---	---	---	1,017	1,017
Total Expenses	<u>\$ 151,022</u>	<u>\$ 118,911</u>	<u>\$ 31,296</u>	<u>\$ 400,671</u>	<u>\$ 701,900</u>
CHANGE IN NET ASSETS	<u>\$ 381</u>	<u>\$ (211)</u>	<u>\$ (168)</u>	<u>\$ 66,920</u>	<u>\$ 66,922</u>
Fixed Assets Financed by Milwaukee County and Capitalized in the Financial Statements					
	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

ERAS SENIOR NETWORK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA or State ID Number	Expenditures
FEDERAL EXPENDITURES		
U.S. Department of Housing and Urban Development		
Community Development Block Grants/Entitlement Grants Cluster		
City of Wauwatosa	14.218	\$ 24,127
City of West Allis	14.218	29,500
Waukesha County	14.218	7,268
City of Milwaukee	14.218	27,857
Total CFDA #14.218 CDBG Entitlement Grants Cluster		<u>\$ 88,752</u>
Federal Transit Administration		
Milwaukee County		
Enhanced Mobility of Seniors and Individuals with Disabilities		
Transit Services Program Cluster	20.513	<u>\$ 486,482</u>
U.S. Department of Health and Human Services		
Milwaukee County Department on Aging		
Supportive Services Program - Title III B	93.044	\$ 151,403
Waukesha County Department of Health and Human Services		
Title 3B Supportive Services	93.044	54,293
Total Aging Cluster		<u>\$ 205,696</u>
Milwaukee County Department on Aging		
Neighborhood Outreach		
Basic County Allocation - Social Services Block Grant	93.667	16,333
Basic County Allocation - Temporary Assistance to Needy		
Families - 477 Cluster	93.558	8,736
Total U.S. Department of Health and Human Services		<u>\$ 230,765</u>
Corporation for National and Community Service		
Retired and Senior Volunteer Program	94.002	<u>\$ 114,188</u>
		<u>\$ 920,187</u>
STATE EXPENDITURES		
Wisconsin Department of Health Services		
Retired Senior Volunteer Program	435.560390	<u>\$ 12,660</u>
Milwaukee County Department on Aging		
Neighborhood Outreach - Basic County Allocation	435.561	\$ 93,631
Senior Community Service Program	435.560330	31,128
Total Milwaukee County Department on Aging		<u>\$ 124,759</u>
Total Wisconsin Department of Health Services		<u>\$ 137,419</u>
Wisconsin Department of Transportation		
Waukesha County Department of Health and Human Services		
County Elderly and Disabled Transportation Assistance	435.560330	<u>\$ 37,887</u>
		<u>\$ 175,306</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - Significant Accounting Policies Used in Preparing the Schedule of Expenditures of Federal and State Awards

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Eras Senior Network, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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.

NOTE 2 - 10% De Minimis Cost Rate

The Organization did not use the 10% de minimis cost rate. Indirect costs are allocated based on the type of cost and charged to grants per allowable grant budgets.

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*

Independent Auditor's Report

To the Board of Directors
Eras Senior Network, 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 Eras Senior Network, Inc., which comprise the statement of financial position as of December 31, 2020, 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 May 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eras Senior Network, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eras Senior Network, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Eras Senior Network, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eras Senior Network, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 27, 2021

Report on Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by the *Uniform Guidance*

Independent Auditor's Report

To the Board of Directors of
Eras Senior Network, Inc.

Report on Compliance for Each Major Federal Program

We have audited Eras Senior Network, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Eras Senior Network, Inc.'s major federal programs for the year ended December 31, 2020. Eras Senior Network, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eras Senior Network, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eras Senior Network, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Eras Senior Network, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Eras Senior Network, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

To the Board of Directors of
Eras Senior Network, Inc.
Page Two

Report on Internal Control Over Compliance

Management of Eras Senior Network, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eras Senior Network, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eras Senior Network, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 27, 2021

Report on Compliance for Each Major State Program and Report on
Internal Control Over Compliance Required by the *State Single Audit Guidelines*

Independent Auditor's Report

To the Board of Directors of
Eras Senior Network, Inc.

Report on Compliance for Each Major State Program

We have audited Eras Senior Network, Inc.'s compliance with the types of compliance requirements described in the *State Single Audit Guidelines* that could have a direct and material effect on each of Eras Senior Network, Inc.'s major state programs for the year ended December 31, 2020. Eras Senior Network, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eras Senior Network, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Eras Senior Network, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Eras Senior Network, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Eras Senior Network, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2020.

To the Board of Directors of
Eras Senior Network, Inc.
Page Two

Report on Internal Control Over Compliance

Management of Eras Senior Network, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eras Senior Network, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eras Senior Network, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 27, 2021

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? No

Identification of major programs:

Federal Transit Administration Transit Services Program Cluster	20.513
Enhanced Mobility of Seniors and Individuals with Disabilities	93.667
Social Services Block Grant	93.558
Temporary Assistance to Needy Families – 477 Cluster	

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? No

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Identification of major state programs, not included under federal programs

Wisconsin Department of Health Services - Milwaukee County	
Department of Aging - Neighborhood Outreach	435.561

Dollar threshold used to distinguish between Type A and Type B programs under the State Single Audit Guidelines:

Type A - \$250,000
Type B - \$62,500

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

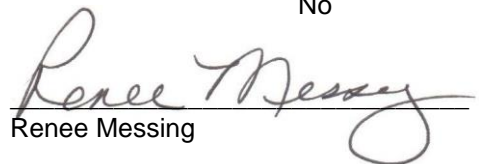
SECTION V - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
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2. Does the audit report show audit issues (i.e., material noncompliance, non-material 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 applicable <i>State Single Audit Guidelines</i> ?	
Department of Health Services	No
Department of Transportation	No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?	No
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4. Name and signature of partner


Renee Messing

5. Date of report

May 27, 2021